

AlphaCentric Robotics & Automation Fund

Quarterly Commentary 1Q2021



GNXAX
GNXCX
GNXIX

March 31, 2021 — Election politics devolved into a riot and an attack on the U.S. Capitol in January, resulting in the second impeachment trial of outgoing President Donald Trump, which utterly dominated the news cycle for the majority of the quarter. But a successful vaccination program and a third round of fiscal stimulus helped bolster equity markets, which rallied straight through it all. The AlphaCentric Robotics and Automation Fund (“the Fund”) increased 1.35% for the three-month period ended March 31, 2021. The result fell short of the S&P 500 Total Return Index (“the benchmark”), which increased 6.17% over the same period. The expectation going forward is for the nation to resume a more normal course of economic activity by late in the second quarter, as a national reopening should stimulate GDP growth and accelerate job creation.

Fund Performance as of 3/31/21 *(Annualized if greater than 1 year)*

Inception Date: 5/31/17	QTD	6 MOS	YTD	1 YR	3 YR	Inception
Class I	1.35	23.42	1.35	77.45	12.38	16.79
Class A	1.25	23.19	1.25	77.05	12.11	16.48
Class C	1.10	22.83	1.10	75.72	11.27	15.62
S&P 500 TR	6.17	19.07	6.17	56.35	16.78	16.10
MSCI ACWI TR (Gross)	4.68	20.16	4.68	55.31	12.66	12.82
Class A w/ Sales Charge	-4.59	16.14	-4.59	66.83	9.93	14.69

Past performance is no guarantee of future results. There is no assurance that the Fund will achieve its investment objective.

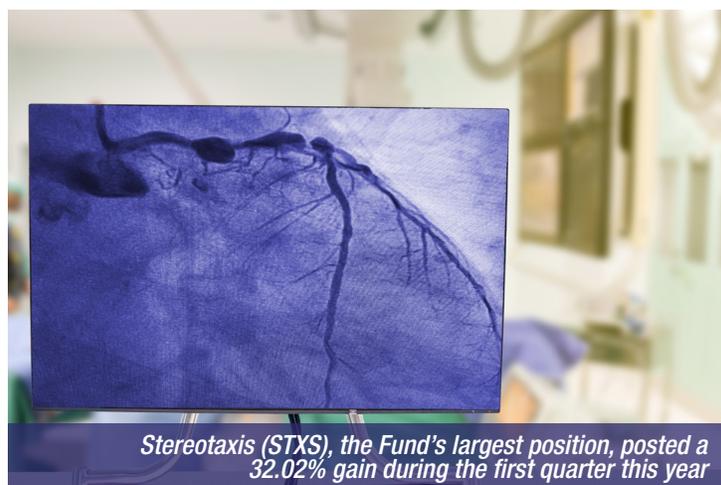
The maximum sales charge for Class “A” Shares is 5.75%. Performance is historic and does not guarantee future results. Investment return and principal value will fluctuate with changing market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month end performance information or the funds prospectus please call the Fund, toll free at 1-844-ACFUNDS (844-223-8637). You can also obtain a prospectus at www.AlphaCentricFunds.com.

Net Expenses: GNXAX, 1.66%; GNXCX, 2.41%; GNXIX, 1.41%. Gross Expenses: GNXAX, 2.19%; GNXCX, 2.94%, GNXIX, 1.94%. The Fund’s Advisor has contractually agreed to waive fees and/or reimburse expenses of the Fund to the extent necessary to limit operating expenses (excluding front-end or contingent deferred loads, taxes, leverage interest, brokerage commissions, expenses incurred in connection with any merger or reorganization, dividend expense on securities sold short, underlying fund fees and expenses or extraordinary expenses, such as litigation) at 1.66%,

2.41% and 1.41% for Class A shares, Class C shares and Class I shares, respectively, through July 31, 2021.

Market Overview

A major shift away from growth and into value and cyclical stocks took the wind out of the sails of most technology-related stocks, which encumbered many in the Robotics and Automation space. International equities also underperformed, producing less than half the gains of their domestic counterparts. Meanwhile, small-cap stocks dominated large-cap issues in the US. From a sector perspective, Energy and Financials led the benchmark, followed by Industrials, Materials, Real Estate, and Communications. Whereas Discretionary, Health Care, Technology, Utilities and Staples all lagged the benchmark in that order. Perhaps most germane to the Fund’s performance was the collapse in momentum as a factor during the quarter, as the Robotics and Automation space in general was an overall beneficiary of that factor’s prior leadership throughout 2020.



Fund Overview

As per usual, the Fund’s performance is dependent upon the performance of our core positions. Among the key contributors during the quarter were Stereotaxis (STXS), AeroVironment (AVAV), Brooks Automation, (BRKS), and Microbot Medical (MBOT).

STXS, the fund’s largest position, posted a 32.02% gain during the period. The company develops and manufactures robotic systems, instruments, and information solutions for the interventional laboratory. Their “Genesis” Robotic Magnetic Navigation technology has been heralded as the future of Electrophysiology.

AVAV, a maker of unmanned aircraft used in military and border patrol operations, as well as in certain commercial applications, is another top five position. The stock saw a 33.56% gain during the quarter.

BRKS, also a top five holding, added another 20.50% over the quarter. They appear poised to benefit greatly from the onshoring of new semiconductor manufacturing capacity in the US over the next two years. Their state-of-the-art wafer handling robotics and contamination control systems are the posterchild for factory automation in the semiconductor industry.

MBOT, which gained by 23.51% during the quarter, has a patented, revolutionary micro-robotic medical technology with the potential to change the future of medicine. “Liberty” is a fully-disposable, non-capital intensive, portable and remote-controlled robotic system for endoluminal surgical procedures.

Key detractors to the Fund’s performance during the quarter included Intuitive Surgical (ISRG), Daifuku (6383 JP), Harmonic Drive Systems (6324 JP), and Keyence (6861 JP), which declined between 9.68% and 24.10%. There are two common threads that link the underperformance of these companies during the quarter: first and foremost is the fact that three of the four were stellar performers in 2020, and substantial contributors to our Q420 results. As such, their stock prices were a bit extended, and in need of a normal correction. The second common thread is that three of the four are Japanese companies. As such, they were negatively impacted by pronounced strength in the USDJPY exchange rate during the quarter. We believe that the dollar’s recent surge is temporary.

“...the pandemic highlighted the urgent need for robotics and automation support across the world’s supply chains, manufacturing capacity, and distribution channels at large.”

Outlook

Whereas 2020 was a year marked by turmoil and tragedy, 2021 is shaping up to be a year of recovery and normalization. However, the pandemic highlighted the urgent need for robotics and automation support across the world’s supply chains, manufacturing capacity, and distribution channels at large.

Despite a few bumps in the road during the past quarter, we continue to remain focused on identifying and positioning the portfolio around unique, cutting-edge technologies that have the potential to change the world, and

in the process add tremendous shareholder value to our investors. 

Top Ten Holdings as of 3/31/21

Holding	% of Portfolio
Stereotaxis Inc	5.31% 
Brooks Automation Inc	3.97% 
Raven Industries Inc	3.73% 
Nidec Corp	3.69% 
Intuitive Surgical Inc	3.59% 
AeroVironment Inc	3.53% 
Sandvik AB	3.33% 
GEA Group AG	3.24% 
Omnicell Inc	3.16% 
Allied Motion Technologies Inc	3.12% 

Holdings are subject to change and should not be considered investment advice. Current and future portfolio holdings are subject to risk.

The **MSCI ACWI TR Index** is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 26 emerging markets.

The **S&P 500** is a stock market index that measures the stock performance of 500 large companies listed on stock exchanges in the U.S. There is no assurance that the Fund will achieve its investment objective.

You cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

Important Risk Information

Investing in the Fund carries certain risks. The Fund may invest a percentage of its assets in derivatives, such as futures and options contracts. The use of such derivatives and the resulting high portfolio turnover may expose the Fund to additional risks that it would not be subject to if it invested directly in the securities and commodities underlying those derivatives. The Fund may experience losses that exceed those experienced by funds that do not use futures contracts and option strategies. Securities of robotics and automation companies, especially smaller, start-up companies tend to be more volatile securities than securities of companies that do not rely heavily on technology. Smaller sized companies may experience higher failure rates than larger companies and normally have a lower trading volume than larger companies. Rapid change to technologies that affect a company’s products could have a material adverse effect on operating results. Robotics and automation companies may rely on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect proprietary rights in their products and technologies. The Fund is non-diversified and as a result, changes in the value of a single

security may have a significant effect on the Fund's value. The Fund is subject to regulatory change and tax risks; changes to current rules could increase costs associated with an investment in the Fund. Investments in international markets present special risks including currency fluctuation, the potential for diplomatic and political instability, regulatory and liquidity risks, foreign taxations and differences in auditing and other financial standards. Emerging market securities tend to be more volatile and less liquid than securities traded in developed countries.

Investors should carefully consider the investment objectives, risks, charges and expenses of the AlphaCentric Funds. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 844-ACFUNDS (844-223-8637) or at www.AlphaCentricFunds.com. The prospectus should be read carefully before investing. The AlphaCentric Funds are distributed by Northern Lights Distributors, LLC, member FINRA/SIPC. AlphaCentric Advisors, LLC is not affiliated with Northern Lights Distributors, LLC.

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