AlphaCentric Strategic Income Fund
Quarterly Commentary 2Q2021

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June 30, 2021 — The Fund returned 2.88% for 2Q2021 while the Bloomberg Barclays U.S. Mortgage Backed Securities Index returned 0.33% for the same period. For the quarter, the Fund remained focused on investing in publicly traded real estate securities – which we define broadly as structured credit securities (backed by real estate or mortgages), REITs, and other real estate related equities. We believe the flexibility to invest across subsectors and parts of the capital structure is a key element to generating attractive risk-adjusted returns in today's market. Continued positive fundamental data for U.S. single family housing in 2Q2021 validated the Portfolio's overweight equity allocation in residential mortgage related entities.

Fund Performance as of 6/30/21 (Annualized if greater than 1 year)

Inception Date: 8/1/11	QTD	6 Mos	YTD	1 YR	3 YR	5 YR	Inception
Class I	2.88	12.12	12.12	50.77	21.36	18.49	14.16
Class A	-	-	-	-	-	-	0.60
Class C	-	-	-	-	-	-	0.49
Bloomberg Barclays U.S. Mortgage Backed Securities Index USD	*0.33*	*-0.77*	*-0.77*	*-0.42*	*3.78*	*2.27*	*2.55*
Class A After Sales Charges	-	-	-	-	-	-	*-4.18*

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 4.75%. 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. Total Operating expenses for the Fund are 2.12%, 2.87%, and 1.87% for Class A, C, and I shares, respectively.

Market Overview

The rise in interest rates in 1Q2021 proved to be a short-lived trend as yields were relatively contained for longer term Treasury bonds in 2Q2021. This dynamic provided a clear path for risk asset appreciation during the quarter as most REIT indices performed well along with broader stock market indices.

In the structured credit market, non-agency RMBS, CMBS, ABS, and loans nudged higher in price along with the Bloomberg Barclays U.S. Mortgage Backed Securities Index in 2Q2021. Mortgage default rates remained low and increased forbearance rates generated from the pandemic continued to fade. This led to increasing book values for many mortgage REITs. In general, mortgage REITs continued to operate at reduced debt levels versus the pre-pandemic time period. In addition, short-term, mark-to-market financing on non-government backed securities has been virtually eliminated as a significant percentage of REIT debt has shifted to longer term non-recourse financing. As the new issue securitization market is currently in full force, many REITs utilized securitization in 2Q201 to lock in long-term funding at very low interest rates.

Housing data continued to demonstrate that it is on solid footing

Although REIT pricing improved in the quarter, many REITs still ended the quarter trading at a discount to book value. We believe book values for certain REITs are also poised to appreciate and dividend yields should be relatively attractive for the foreseeable future. Non-bank mortgage originators remain in a solid position since traditional banks are commanding less of a market share in mortgage origination. Particularly, mortgage originators that have sizeable portfolios of mortgage servicing rights (MSRs) are well positioned since MSR valuations are currently conservative and act as an effective interest rate hedge.

Housing data continued to demonstrate that it is on solid footing. The median price for existing home sales for May was recently reported at $350,000, which represents a 23% rise year-over-year. Despite the acceleration in home price growth, homes remain affordable by historical standards – largely due to a 30-year mortgage rate of roughly 3%. Mortgage underwriting standards continued to be conservative and national housing inventory remained at its lowest level in three decades. The national home price-to-income ratio, a measure we believe is a good indicator of appropriate valuations, remained in line with historical averages in 2Q2021. Household balance sheets were also healthy in 2Q201 as debt-to-income ratios were tempered by low interest rates.

Fund Overview

In the Portfolio, we continued to hold most of our mortgage related equities during the quarter due to the previously mentioned benign conditions in this market. While we did purchase some preferred equity of an agency mortgage REIT in the quarter, most of the Portfolio continued to be concentrated in common shares of non-agency mortgage REITs. Relative to agency mortgage REITs, non-agency mortgage REITs tend to have less interest rate risk and currently trade at deeper discounts to book value.

We are also limiting our current investment in equity REITs (REITs which invest in income producing properties), as pricing has pushed through net asset value for many subsectors. In general, we are also less inclined to take material risk in securities related to commercial real estate due to a potential paradigm shift in the need for property types ranging from offices to retail spaces. Our recent CMBS purchases in the Fund have been limited to "interest-only" securities backed by the government and collateralized predominantly by multi-family properties. These securities also receive extra payments if loans prepay which act as a yield enhancer and results in a balanced risk/return profile.

"While many funds focus almost exclusively on debt or equity, **our flexibility** to invest across the capital structure of real estate securities is a **key ingredient** to generating attractive returns."

Our bond buying was limited during the quarter to smaller sized legacy RMBS bonds and government backed CMBS. In RMBS, we continue to look for bonds that can either pay back previous losses or have upside to the deal being called prior to its anticipated maturity. RMBS deals are generally callable once the loan pool has amortized to less than 10% of the original balance in aggregate. If the mortgage servicer elects to exercise the call, the existing bonds (some of which trade substantially below par) are paid at par. Overall, we currently prefer to hold most of the Fund's debt exposure in the form of legacy non-agency RMBS, which we believe is an inherently dislocated market relative to new issue RMBS. Many parts of the legacy non-agency RMBS market also have floating rate coupons which mitigates interest rate risk. However, we currently believe the Portfolio's bond exposure should remain low due to relatively low yields across the bond market versus our base case return expectations in mortgage related equities.

The "re-opening trend" is likely to result in equity market appreciation

Outlook

As the year progresses, we are likely to see different parts of the equity market appreciate in price due to the "re-opening trend." Interest rates will likely be pushed around based on overanalyzed comments coming out of the Federal Reserve and headlines about pandemic trends. But our macro view remains that interest rates are likely to remain relatively low for an extended period and investors should adjust their portfolios accordingly. While many funds focus almost exclusively on debt or equity, our flexibility to invest across the capital structure of real estate securities is a key ingredient to generating attractive returns.

Disclosure

Performance shown before May 28, 2021 is for the Fund's Predecessor Fund (Strategos Deep Value Fund LP). The prior performance is net of management fees and other expenses including the effect of the performance fee. The Predecessor Fund had an investment objective and strategies that were, in all material respects, the same as those of the Fund, and was managed in a manner that, in all material respects, complied with the investment guidelines and restrictions of the Fund. From its inception to May 28, 2021, the Predecessor Fund was not subject to certain investment restrictions, diversification requirements and other restrictions of the 1940 Act or the Code, which if they had been applicable, might have adversely affected its performance. In addition, the Predecessor Fund was not subject to sales loads that would have adversely affected performance. Performance of the Predecessor Fund is not an indicator of future results.

The **Bloomberg Barclays US Mortgage Backed Securities (MBS) Index** tracks fixed-rate agency mortgage backed pass-through securities guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The index is constructed by grouping individual TBA-deliverable MBS pools into aggregates or generics based on program, coupon and vintage. Starting July 2019, Freddie pools are separated into 45-day and 55-day delay generics. Introduced in 1985, the GNMA, FHLMC and FNMA fixed-rate indices for 30- and 15-year securities were backdated to January 1976, May 1977, and November 1982, respectively. There is no assurance that the Fund will achieve its investment objective.

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.

Important Risk Information

Investing in the Fund carries certain risks. The value of the Fund may decrease in response to the activities and financial prospects of an individual security in the Fund's portfolio. The Fund is non-diversified and may invest a greater percentage of its assets in a particular issue and may own fewer securities than other mutual funds; the Fund is subject to concentration risk. Credit risk is the risk that the issuer of a security will not be able to make principal and interest payments when due. The use of derivatives and futures involves risks different from, or possibly greater than, the risk associated with investing directly in securities.

Fixed income securities will fluctuate with changes in interest rates. Lower-quality bonds, known as "high yield" or "junk" bonds, present greater risk than bonds of higher quality. The performance of the Fund may be subject to substantial short-term changes. There are risks associated with the sale and purchase of call and put options.

The Fund is subject to foreign securities risk and industry concentration risk. The Fund's investments may be concentrated in an industry or group of industries that are more vulnerable to adverse market, economic, regulatory, political or other developments affecting the industry or group of industries than a fund that invests its assets more broadly. These factors may affect the value of your investment.

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