

AlphaCentric Robotics & Automation Fund

Quarterly Commentary 3Q2021



**GNXIX
GNXAX
GNXCX**

September 30, 2021 — The ongoing economic recovery appears to be intact, but continued supply chain disruptions are beginning to hamper growth. Inflation, once viewed by the Fed as “transitory,” is no longer characterized as such in official statements. Indeed, following their September meeting, the FOMC raised its official inflation forecast from 3.4% to 4.2%, while simultaneously cutting its 2021 annual GDP growth forecast from 7.0% to 5.9%.

While reported Q2 sales, margins, and EPS continued to impress analysts during the latest earnings season, it would appear that full-year 2021 estimates now substantially account for the majority of the upside impact of policy support on the economic recovery. As such, we believe that global GDP growth may have peaked in Q2. However, inflation pressures appear to be less a function of supply-demand imbalances, and more a function of logistical challenges and access to qualified labor – problems that should prove transitory.

The Alpha Centric Robotics and Automation Fund (the “Fund”) was down -4.38%, for the three-month period ended September 30, 2021. YTD through the end of September, the Fund posted a total return of 1.41%. The result fell short of the S&P 500 Total Return Index (the “Benchmark”), which increased 15.92% over the same period.

Fund Performance as of 9/30/21 *(Annualized if greater than 1 year)*

Inception Date: 5/31/17	QTD	6 MOS	YTD	1 YR	3 YR	Inception
GNXIX	-4.38	0.06	1.41	23.5	11.43	14.73
GNXAX	-4.48	-0.06	1.19	23.12	11.15	14.42
GNXCX	-4.68	-0.48	0.61	22.24	10.30	13.57
S&P 500 TR	0.58	9.18	15.92	30.00	15.99	16.45
MSCI ACWI TR (Gross)	-0.95	6.50	11.49	27.98	13.14	12.89
Class A w/ Sales Charge	-9.98	-5.80	-4.64	16.08	8.98	12.87

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-ACFUND (844-223-8637). You can also obtain a prospectus at www.AlphaCentricFunds.com. Total Operating expenses for the Fund are 2.10%, 2.85%, and 1.85% for Class A, C, and I shares, respectively.

Market Overview

Another abrupt shift away from growth and back into value and cyclical stocks appears to be reasserting itself. The so-called reflation trade has again captured the attention of investors who have been confounded by higher-than-expected inflation, and by extension, rising 10-year Treasury yields and commodity prices. The back-up in Treasury yields has put pressure on long duration assets including emerging growth and technology stocks, whose future earnings become less valuable as discount rates rise.



Meanwhile, financials, energy, and utilities led the Benchmark last quarter. Whereas REITs, materials and industrials finished at the bottom of the heap. Technology, communications, staples, discretionary, and health care also lagged the Benchmark in that order. Small-cap outperformed large-cap, and international outperformed the US. Finally, momentum as a factor, continued its dominance during the quarter, but its current complexion is now dominated by Tesla, and a handful of large-cap financial stocks.

Fund Overview

The Fund’s overall performance was attributable to the performance of a few core positions. Among the key contributors during the third quarter were Omron Corp (6445 JP), Keyence Corp (6861 JP), Kardex Holdings (KARN SW), and GEA Group (G1A GR).

Omron Corp was the Fund’s largest contributor, posting a 25.32% gain during the quarter. The company is a leading producer of factory automation equipment. Kardex Holdings, which added 22.48% to its market cap during the period, is a global industry partner for intralogistics solutions and a leading supplier of automated storage and material handling systems.

Keyence Corp, a top five holding, is a leader in 3-D optical technologies. The stock was up 19.02% during the period. Finally, GEA Group, another top five holding, logged a 13.28% gain for Q3. The company is a leader in automating the food processing industry with a variety of innovative technologies that are mission critical in moving products from farm to table.

Key detractors to the Fund’s performance during the quarter included Stereotaxis (STXS), Aerovironment (AVAV), Icad (ICAD), and Nano Dimension (NNDM), declining between 13.81% and 44.19%. STXS, the Fund’s largest position, which produced a 43% gain in Q2, gave it all back this quarter. While we remain convinced that their cutting-edge robotic systems will change the nature of interventional cardiology, the path to victory may be volatile from quarter to quarter.

Top Ten Holdings as of 9/30/21

Holding	% of Portfolio
Cash	5.04%
Stereotaxis Inc	4.31%
Keyence Corp	3.99%
Intuitive Surgical Inc	3.98%
Infineon Technologies AG	3.77%
GEA Group AG	3.68%
ATS Automation Tooling Systems	3.63%
Brooks Automation Inc	3.51%
Synopsys Inc	3.43%
Omron Corp	3.42%

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

“...we believe that the growth in robotics for workplace automation has reached a tipping point toward wide-scale adoption.”

Outlook

As we have written before, we believe that the growth in robotics for workplace automation has reached a tipping point toward wide-scale adoption. Notably, the pandemic highlighted the urgent need for robotics and automation support across supply chains, distribution channels, and manufacturing capacity, worldwide. An acceleration in capital investment toward automation remains a robust tailwind for the companies that comprise our proprietary global universe.



The Fund's long-term focus is on innovative, pioneering technologies with the potential to change the world

2021 continues to shape up as a year of recovery and normalization. Our long-term focus remains oriented toward identifying and positioning the Portfolio around innovative companies with pioneering technologies that have the potential to change the world. In so doing, we hope to achieve our goal of adding great value to the Fund’s shareholders in the years ahead. **α**

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.

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.

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.

CONTEGO CAPITAL
Collaboration Stewardship Trust

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Portfolio Manager
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