AlphaCentric Symmetry Strategy Fund
Quarterly Commentary 3Q2021

SYMIX
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September 30, 2021 — The SYMIX strategy eked out a small gain (+0.08) over the course of Q3, beating both the 3-Month Treasury Bill Index (+0.02) and the MSCI World/Bloomberg Agg (-0.17). The gains of the past year driven by the reflationary environment took a breather for a little while. Commodity prices took the lead, currencies about flat, value equity dropped back a little and the yield moves detracted a bit.

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

Inception Date: 9/1/14	QTD	YTD	1 YR	3 YR	5 YR	Inception
Class I	0.08	14.16	25.45	0.42	1.42	3.22
3-Month Treasury Bill Index	*0.02*	*0.04*	*0.07*	*1.18*	*1.16*	*0.86*
MSCI World/Bloomberg Agg	*-0.17*	*6.32*	*15.30*	*9.30*	*8.44*	*6.26*

Inception Date: 8/9/19	QTD	YTD	1 YR	3 YR	5 YR	Inception
Class A	0.08	14.14	25.29	-	-	4.76
Class C	-0.25	13.30	24.14	-	-	3.92
3-Month Treasury Bill Index	*0.02*	*0.04*	*0.07*	-	-	*0.69*
MSCI World/Bloomberg Agg	*-0.17*	*6.32*	*15.30*	-	-	*11.66*
Class A After Sales Charges	-5.65	7.60	18.13	-	-	1.90

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.

Past performance does not guarantee 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%. Total Operating expenses for the Fund are 2.70%, 3.44%, and 2.45% for Class A, C, and I shares, respectively.

Market Overview

The inflation trade took a breather from May to early September. But, the markets delivered some stark reminders that bottlenecks and shortages are still with us. Natural Gas prices in the US and particularly in Europe exploded higher. Gas was a significant driver in our positive performance in September, despite a tough equity market environment. The gas move reminds us of four things – why we have commodities in our book (a relatively small exposure can have independent, outsized return implications), why we do quant (I sure didn't see this coming), why we rebalance (we sold 25% of our position near the highs on our monthly rebalance) and why we do not adjust position sizes dynamically to volatility (we would missed half the move).

Fund Overview

These are some of the most interesting macro and market times in our lifetime. 18 months into the biggest exogenous shock in decades, that elicited the biggest fiscal response in decades coupled with some of the fastest and largest monetary responses in history. Rapid vaccine development and a speedy roll out, and we are in a very different place. Assuming the delta variants are the last major wave of the virus in the developed world (and that's no small assumption) as vaccines work their magic for ever greater numbers of people, what does the return to normal look like? How different is the world ahead from the world a few years ago? From a macroeconomic perspective, the employment and inflation dynamics are as interesting as they have ever been. Throw into the mix the possibility of further enormous fiscal packages impacting most every facet of the economy and we further up the ante.

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As we see it, the delta variant has delayed the rebound, but not derailed it. To be sure, there are cross currents in the form of some fiscal drag as the pandemic money drops won't be repeated, but corporations are flush with cash, household balance sheets are in great shape, wages are going up and labor demand is strong. These are all good predictors of growth levels over the next few years. The child tax credit payments by themselves would be landmark pieces of legislation, and are just one piece of the puzzle. Even as long rates have increased a bit this past year from the panic lows, mortgage spreads have compressed such that refinance activity continues. Mortgage debt service as a percentage of disposable income – a simple clean metric that encompasses both monetary policy actions and the labor demand angle, is very low. SYMIX currently has adapted to be positively exposed to these inflationary boom dynamics.

The shipping crisis is partly driven by the confluence of global trade and vaccines – consumers in the developed world get vaccinated ahead of suppliers in emerging markets

As everyone who has switched on the TV news has seen though, the inflation debate is back front and center. We have seen a (transitory?) inflation spike associated with reopening roll through some sectors where rampant demand has met curtailed or virus-impacted supply. This is partly driven by the confluence of global trade and vaccines – consumers in the developed world get vaccinated ahead of suppliers in emerging markets. The past few months have seen that cool some at the headline level as the kinks get worked out and delta takes the edge off hotels and airfares.

The bigger question is what happens over the next year or so in the bigger, stickier categories. Housing sticks out here. Rents fell in the pandemic, as some fled cities and lost jobs, and government policies to aid renters kicked in. But this rapidly reversed and is visible to all who browse the real estate listings, but hasn't really shown up in the inflation data yet. Quirks of how they are sampled and measured.

The wage gains themselves are also likely to drive both more spending from those that receive them, and higher pricing from businesses paying them. There looks to be a rebalancing in favor of the lower half of the income distribution, likely long overdue and good for the country as a whole in the medium-term. It looks to be a very different labor market to navigate than we have seen recently. This makes the Fed's task difficult at some point. The markets are pricing a world where things return to a steady state normal much like the old. The Fed can taper slowly and easily and the markets take it in their stride. This may be a fair bet, maybe they thread that needle perfectly – but it is priced as a certainty, and volatility is low in fixed income and credit. We may see a real boom here – navigating the right tail is usually a different challenge.

> "Our working assumption is the next 10 years will look **nothing like the last 10**."

Outlook

Is inflation transitory? Is Natural Gas a harbinger of things to come in other markets? Who knows? What we do know is that, logically, portfolios are geared to what has worked over the last decade. Asset weighted indexes have moved an unprecedented amount of weight towards utility-like tech stocks, and brought along all the passive allocations that track those indexes. Inflation has been low for a very long time, and the Fed expects it to return to those same low levels once the dust settles. But the Fed's inflation forecasts have been less than glorious. In December 2019, they expected 2021 inflation to run 2.0%. Post-covid, the revised forecast for 2021 was 1.6% -- down. Whoops. We are staring down a 5 or 6 print.

We are excited. This is a great environment for our approach - our working assumption is the next 10 years will look nothing like the last 10. More macro volatility, more diverse market moves, and more fun. Exposures to things that look different from everything else and are well suited to the future, packaged in robust ways. Value stocks, long and short commodity positioning, exposures to rising rates and shifting currencies all seem like smart ways to proceed here. α

Important Risk Information

Investing in the Fund carries certain risks. The Fund will invest a percentage of its assets in derivatives, such as futures and options contracts. The use of such derivatives and the resulting high portfolio turn-over 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 options strategies. Investing in commodities markets may subject the Fund to greater volatility than investments in traditional securities. Currency trading risks include market risk, credit risk and country risk. Foreign investing involves risks not typically associated with U.S. investments. Changes in interest rates and the liquidity of certain investments could affect the Fund's overall performance. The Fund is non-diversified and as a result, changes in the value of a single security may have significant effect on the Fund's value. Other risks include U.S. Government securities risks and investments in fixed income securities. Typically, a rise in interest rates causes a decline in the value of fixed income securities or derivatives owned by the Fund. Furthermore, the use of leveraging can magnify the potential for gain or loss and amplify the effects of market volatility on the Fund's share price. The Fund is subject to regulatory change and tax risks; changes to current rules could increase costs associated with an investment in the Fund. These factors may affect the value of your investment.

BofA Merrill Lynch 3-Month U.S. Treasury Bill Index tracks the performance of the U.S. dollar denominated U.S. Treasury Bills publicly issued in the U.S. domestic market with a remaining term to final maturity of less than 3 months. You cannot invest directly in an index.

MSCI World/Bloomberg Agg "blended index" reflects an unmanaged portfolio of 60% of the MSCI World Index and 40% of the Bloomberg U.S. Aggregate Bond Index. Unmanaged index returns do not reflect 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.

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