

AlphaCentric Robotics & Automation Fund

Quarterly Commentary 4Q2021



GNXIX
GNXAX
GNXCX

December 31, 2021 — Again, and suddenly, the world changed last quarter. It began with the November 10th release of the October CPI report. The highest headline inflation rate in nearly 40-years registered poorly with investors. Then the Omicron variant began to overwhelm the health care system, and threaten the global economic recovery.

This puts the Fed in a tight spot. They must find a way to kill inflation quickly, without disrupting the markets, or impairing economic growth. Can the Fed engineer a soft-landing? We will know in the fullness of time.

The Alpha Centric Robotics and Automation Fund (the “Fund”) was up 4.47%, for the three-month period ended December 31, 2021. For the full-year 2021, the Fund posted a total return of 5.95%. Results fell short of the S&P 500 Total Return Index (the “Benchmark”), which increased 11.03% and 28.71%, respectively.

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	4.49	-0.08	5.97	5.97	23.86	14.96
GNXAX	4.43	-0.25	5.67	5.67	23.57	14.66
GNXCX	4.27	-0.61	4.91	4.91	22.65	13.81
S&P 500 TR	11.03	11.67	28.71	28.71	26.07	18.14
MSCI ACWI TR (Gross)	6.77	5.75	19.04	19.04	20.97	13.75
Class A w/ Sales Charge	-1.58	-6.00	-0.42	-0.42	21.14	13.19

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. Total Operating expenses for the Fund are 2.10%, 2.85%, and 1.85% for Class A, C, and I shares, respectively.

Market Overview

Following the choppy sideways price action in Q3, the market staged a sharp 10% advance to begin its final quarter of the year before the realization set in that the Fed’s efforts to stem the rise in prices might pose

an existential threat to long-duration equity valuations.

Long-duration is the latest buzz word in the financial media.

In short, it refers to those early-stage disruptive technology companies that are changing the world for the better, but are growing so fast that they reinvest everything they earn back into the business in order to sustain growth, thus they produce no net income.

The problem is that the valuations of these companies derive from their projected future cash flows. During periods of high inflation, those future cash flows are worth less because investors must discount them at a higher rate. That is, as inflation rages, interest rates are likely to rise in order to adequately compensate bondholders. When rates rise, the value of long-duration assets, including real estate, stocks, and LT bonds, decline. The higher the discount rate, the lower the net present value of future cash flows.

What followed into year-end was nothing short of a rollercoaster ride. Yet, the market finished on a high-note with the S&P 500 logging a new record, and its high for the year on December 30th. Unfortunately, robotics and automation stocks took it on the chin, holding back the Fund’s performance, as the market rotated from growth into value and low-volatility stocks.

Fund Overview

The Fund’s performance attribution is closely linked to returns of our core positions. Among the key contributors during Q4 were MP Materials Corp (MP), ATS Automation (ATA CN), Omnicell (OMCL), Stereotaxis (STXS), and GEA Group (G1A GR).



MP Materials, the Fund’s top Q4 contributor, gained over 33%

MP Materials, a developer and processor of rare earth elements, was the Fund's top contributor during the quarter, posting a 33.35% gain. (The reason MP Materials is included in the robotics and automation strategy is that both industrial robotics and in particular, surgical robotics systems now are requiring a significant amount of magnets for electromagnetic operation.) ATS Automation builds automated manufacturing and assembly systems. The stock was up 25.39% during the period.

Omniceil, a medication management automation leader, is a top five Fund holding. It added 21.57% to its market cap during the period. GEA Group, a developer of automation technologies that are mission critical in moving products from farm to table, logged a 19.21% gain for Q4. Finally, Stereotaxis, the Fund's largest holding, gained 15.24% during the period. Its cutting-edge robotic systems are changing the very nature of interventional cardiology.

Key detractors to the Fund's performance during the quarter included Vuzix Corp (VUZI), Aerovironment (AVAV), Clearpoint Neuro (CLPT), Procept Biorobotics (PRCT), and Bioxcel Therapeutics (BTAL), all declining between 17% and 33%. Each of these high growth companies provides innovative solutions that have the potential to revolutionize their respective industries, but fell victim to the market's unforgiving year-end rotation to short-duration, low volatility, value stocks.

Top Ten Holdings as of 12/31/21

Holding	% of Portfolio
Stereotaxis Inc	4.76%
FANUC Corp	4.34%
ABB Ltd	3.92%
Infineon Technologies AG	3.80%
Omnicell Inc	3.70%
Intuitive Surgical Inc	3.68%
Nidec Corp	3.61%
Yaskawa Electric Corp	3.51%
Kardex Holding AG	3.37%
GEA Group AG	3.36%

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

Outlook

We believe that the cyclical recovery in industrial robotics and automation remains in full swing, and has likely reached a tipping point toward wide-scale global adoption. It's notable that the pandemic highlighted the urgent need for robotics and automation support across supply chains,

distribution channels, and manufacturing capacity, worldwide. We've seen an acceleration in capital investment toward automation equipment over the past 12 months and it remains a robust tailwind for the companies that comprise our proprietary global universe.



Looking forward to 2022, our focus remains oriented toward identifying and positioning around innovative companies with pioneering technologies that have the potential to change the world. We see this as the cornerstone to creating value for our shareholders.

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.

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