

AlphaCentric Premium Opportunity Fund

Quarterly Commentary 4Q2021



HMXIX
HMXAX
HMXCX

December 31, 2021 — The AlphaCentric Premium Opportunity Fund (HMXIX) finished off the year strong, posting a +1.45% December return (compared to the S&P 500 at +4.48%) to finish the fourth quarter up +3.15% (S&P 500 +11.03), and finish with gains of +7.84% (S&P 500 +28.71) for the year.

Fund Performance as of 12/31/21 (Annualized if greater than 1 year)

Inception Date: 9/1/11	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Inception
Class I	3.15	7.84	7.84	17.15	9.83	10.54	10.95
S&P 500 TR Index	11.03	28.71	28.71	26.07	18.47	16.55	16.41

Inception Date: 9/30/16	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Inception
Class A	3.06	7.58	7.58	16.86	9.44	-	9.24
Class C	2.88	6.76	6.76	16.19	8.76	-	8.56
S&P 500 TR Index	11.03	28.71	28.71	26.07	18.47	-	18.36
Class A After Sales Charges	-2.87	1.41	1.41	14.58	8.15	-	8.01

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%. The Fund's Total Operating Expenses are 2.39%, 3.14%, and 2.14% for Class A, C, and I shares, respectively. 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.

Market Overview

The fourth quarter looked a lot like the rest of 2021, with new all-time highs and declining volatility readings – until a sharp sell-off to end November brought this market's risk back into focus. The S&P 500 was able to reclaim record highs in December, albeit with another mid-month drop of -3%.

For the year, the S&P 500 was mainly a one-way trade to the upside, putting in 70 all-time highs as it closed more than 1,000 points higher for the year (the first time it has accomplished that feat).

On the other side of the ledger, the VIX worked its way from the mid 20s

down to the 15 handle – spending the majority of the year in the 'teens' despite the notable spike up to 30 to end November.

Fund Overview

The Fund was able to track the S&P 500's upside in October (+2.08%) and December (+1.45%), while pivoting to a defensive mode and sidestepping the bulk of the downside in November (losing just -0.40%).

Positioning during most of that time was in the model's 'Up Market/Falling Volatility' quadrant, which includes Calls above the market and long VIX futures and Puts below it. It's worth noting the increased volatility at the end of November into mid-December caused the prices of that defense to increase, eating into upside participation slightly.

Market Environments



Outlook

The outlook for the year ahead will depend heavily on if the Omicron

variant's lower hospitalization and death rates finally erase *lockdowns* from the economic vocabulary.

Counter-intuitively, this may bring less ideal conditions for continued upside in stocks, with a more normal economic environment removing the stimulus that has been provided to juice returns in US equities.

Whichever way the year breaks, it appears the 'easy money' in US stocks has been had, and it will be a tougher trek to the upside in the year ahead. 

Disclosure

The Performance shown before December 31, 2016 is for the Fund's Predecessor Fund (Theta Funds, L.P.) The Fund's management practices, investment goals, policies, objectives, guidelines and restrictions are, in all material respects, equivalent to the predecessor limited partnership. From its inception date, the predecessor limited partnership was not subject to certain investment restrictions, diversification requirements and other restrictions of the 1940 Act of the Code, if they had been applicable, it might have adversely affected its performance. In addition, the predecessor limited partnership was not subject to sales loads that would have adversely affected performance. Performance of the predecessor fund is not an indicator of future results.

S&P 500 Index is considered to be generally representative of the U.S. large capitalization stock market as a whole.

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. These factors may affect the value of your investment.

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.



Portfolio Manager

Russell Kellites

- Portfolio Manager of the Fund since inception
- Managing Director of Theta Capital Partners since 2009
- Columbia University: Computer Science, AI concentration — BS (cum laude), MS (matriculated); MBA (Finance)

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