

AlphaCentric SWBC Municipal Opportunities Fund

Quarterly Commentary 4Q2021



MUNAX
MUNCX
MUNIX

December 31, 2021 — The fourth quarter of 2021 experienced a rebound from the difficult third quarter as investor cash continued to flow into the market. Investors saw the third quarter sell-off as an opportunity to utilize the large cash balances that have built up because of unrelenting demand for municipal bonds. Municipal bond valuations cheapened enough during the third quarter to induce a buying spree by investors as cash continued to flow into the market.



We saw significant volatility in the fixed income market as the US contended with the double whammy of COVID and inflation

Market Overview

The municipal market's total return for the quarter of +0.72% compared well to the Bloomberg US Treasury Total Return Index of +0.18%. Once again, there was significant volatility in the fixed income market as a new COVID strain was introduced and the debate over inflation still raged. Even with the volatility, cash flow continued at its historic pace and helped drive returns for the quarter.

Fund Overview

The AlphaCentric SWBC Municipal Opportunities Fund (MUNIX) saw a significant rebound in the fourth quarter as both closed-end funds and the quantitative overlay were additive to return. Closed-end funds bounced from the dismal third quarter they experienced while adding strong federally-tax-exempt income to the Fund. The overlay was additive as well, as the strategy was short US Treasuries and rates rose as more investors started to believe that inflation was not transitory and could well be a longer-term problem. Taking all these factors into account, MUNIX had a very strong quarter with a return of +1.34% versus its benchmark, the Bloomberg Municipal Bond Index of +0.72%. On a one-year basis for

2021, MUNIX had a total return of +2.23% vs +1.52% for its index.

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

Inception Date: 12/31/19	QTD	6 Mos	YTD	1 Yr	2 Yr	Inception
Class I	1.34	-1.23	2.23	2.23	4.88	4.88
Class A	1.28	-1.26	1.99	1.99	4.64	4.64
Class C	1.10	-1.70	1.43	1.43	4.36	4.36
<i>Bloomberg Municipal Bond Index TR Value Unhedged USD</i>	<i>0.72</i>	<i>0.45</i>	<i>1.52</i>	<i>1.52</i>	<i>3.35</i>	<i>3.35</i>
Class A After Sales Charges	-3.56	-5.98	-2.88	-2.88	2.12	2.12

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.

Outlook

Looking into 2022, US interest rates could face some challenges as inflationary challenges continue to mount. The Federal Reserve has also stated that they will begin to raise short-term interest rates, and this could cause some uncertainty in economic growth forecasts. Finally, COVID is still with us and is always a wild card as to how the market reacts to it. Fortunately, municipal bonds have historically outperformed US treasuries in environments where the Federal Reserve has begun a tightening cycle

"...municipal bonds have historically outperformed US treasuries in environments where the Federal Reserve has begun a tightening cycle by increasing short-term interest rates..."

by increasing short-term interest rates. In addition, if cash flow continues at its torrid pace, demand will easily outpace supply, helping to prop up municipal bonds valuations in any type of interest rate scenario. Finally, states, cities and localities that issue municipal bonds are in good financial shape and are only getting stronger with the all the federal aid being thrown at them. This could help credit spreads narrow, thus helping the overall performance of municipal bonds in 2022. **α**

Share Class Information

Share Class	Net Expense*	Gross Expense
Class A MUNAX	2.11%	19.11%
Class C MUNCX	2.86%	19.86%
Class I MUNIX	1.86%	18.86%

Inception date: 12/31/19

*The advisor has contractually agreed to waive fees and/or reimburse expenses of the Fund to the extent necessary to limit operating expenses (excluding brokerage costs; underlying fund expenses; borrowing costs such as (a) interest and (b) dividends on securities sold short; taxes and, extraordinary expenses) at 1.25%, 1.50% and 2.25% for Class A shares, Class C shares and Class I shares, respectively, through July 31, 2022.

Important Risk Information

The Fund may be non-diversified and the value and/or volatility of a single issuer could have a greater impact on Fund performance. The Fund may be susceptible to an increased risk of loss due to adverse occurrences affecting the Fund more than the market as a whole, because the Fund's investments are concentrated. Some securities held by the Fund may be difficult to sell, or illiquid, particularly during times of market turmoil. There is a risk that issuers will not make payments on fixed income securities held by the Fund, resulting in losses. Issuers credit quality could be lowered if issuers financial condition changes and there is a risk that the issuer may default on its obligations. Legislative changes can adversely affect the value of the Fund's portfolio. Legislative risks including legal, tax, and other regulatory changes could occur over time and may adversely affect the Fund. The Fund may encounter derivative risk. The use of derivatives instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Changes in interest rates can also create risks for the Fund. Typically, a rise in interest rates causes a decline in value in fixed income securities. The Fund is subject to regulatory change and tax risks; changes to current rules could increase costs associated with investment in the Fund. These factors may affect the value of your investment. All investments involve risks, including possible loss of principal, there is no assurance that the Fund will achieve its investment objective.

The Bloomberg Municipal Bond Index TR Value Unhedged Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds. There is no assurance that the Fund will achieve its investment objective. You cannot invest directly in an 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. 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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SWBC Investment Company

Portfolio Manager
Roberto Roffo

- Portfolio Manager since Fund inception



Mount Lucas Management

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