AlphaCentric Premium Opportunity Fund
Quarterly Commentary 2Q2022

HMXIX
HMXAX
HMXCX

June 30, 2022 — The AlphaCentric Premium Opportunity Fund (HMXIX) fell -4.11% in June to bring its second quarter performance to -8.26% and YTD results to -11.03%, outpacing the S&P's -8.25% in June, -16.10% for Q2, and and -19.96% loss to start the year.

Fund Performance as of 6/30/22 (Annualized if greater than 1 year)

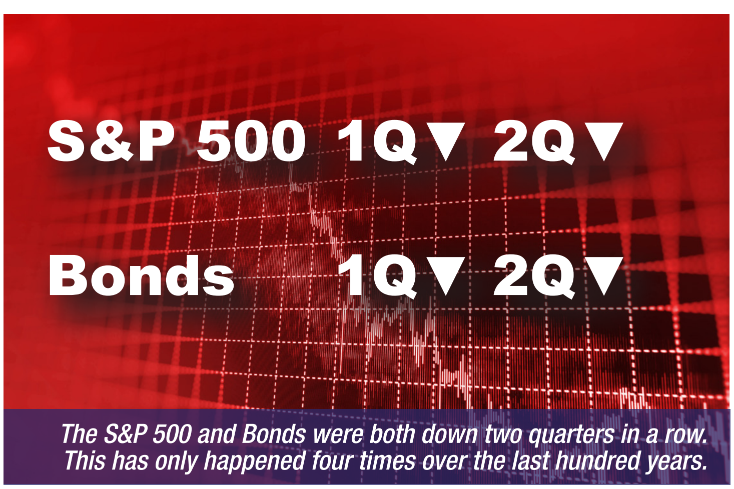
	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Inception
HMXIX (Inception 8/1/11)	-8.26	-11.03	-8.13	9.01	6.68	7.99	9.24
HMXAX (Inception 9/30/16)	-8.31	-11.14	-8.39	8.73	6.29	-	6.20
HMXCX (Inception 9/30/16)	-8.46	-11.46	-9.05	8.12	5.62	-	5.54
S&P 500 TR Index	*-16.10*	*-19.96*	*-10.62*	*10.60*	*11.31*	-	*12.22*
Class A After Sales Charges	-13.57	-16.24	-13.66	6.61	5.04	-	5.12

The performance data quoted represents past performance, past performance does not guarantee future results, the investment return and principal value of an investment will fluctuate so that when redeemed, it may be worth more or less than their original cost, and current performance may be lower or higher than the performance data quoted. To obtain performance data current to the most recent month-end, please call 844-ACFUNDS(844-223-8637) or at our website www.AlphaCentricFunds.com.

The maximum sales charge for Class "A" Shares is 4.75%. Total Operating expenses for the Fund are 2.39%, 3.14%, and 2.14% for Class A, C, and I shares, respectively.

Market Overview

The story of the second quarter was an acceleration of stock market losses, as the S&P officially entered bear market territory, falling as much as -23% from its all-time highs at its June 17th closing price.



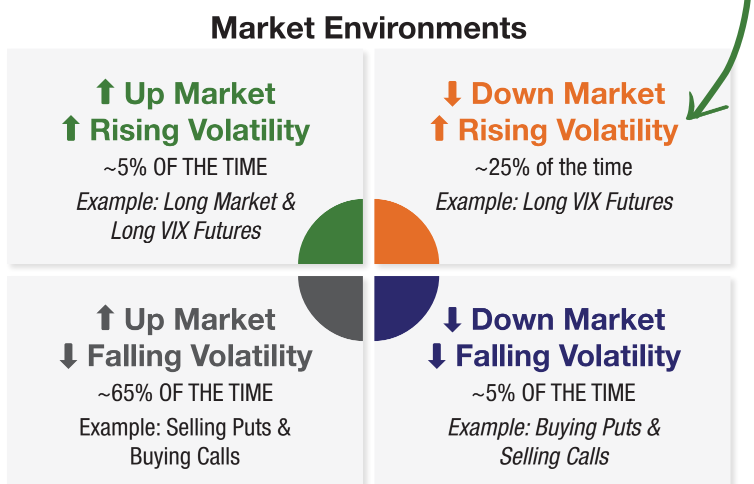
The S&P 500 and Bonds were both down two quarters in a row. This has only happened four times over the last hundred years.

But this was unlike any other bear market investors have seen in decades, with two unique circumstances hampering investors' ability to defend their portfolios. First, bonds failed to provide a buffer, selling off -12.5% (per AGG) alongside equities as rates rose significantly; and second, hardly any bid for puts below the market, as evidenced by the VIX remaining -10% below its 2022 high, despite the new lows in the S&P.

The end result was stocks delivering their worst start since 1970 and bonds on pace for their worst performance since the Civil War, pushing stocks and bonds to both be down two quarters in a row. This has only happened three other times in the last 100 years.

Fund Overview

This sort of environment is what the Fund was designed to handle, with its models moving into the *Down Market/Rising Volatility* quadrant and enlisting downside defensive puts and long VIX positions to cut market losses in half.



But while gains were seen on those defensive positions, the environment we were presented with kept a bit of a cap on those gains compared with other market sell-offs like in 2008 or March of 2020, where the VIX more than tripled.

The market has pinned volatility at a higher price because of the sell-off, creating a perverse situation where defense is not just expensive, but also failing to provide much convexity as the market creates new lows. While this can limit immediate protection, it does allow HMXIX to create income opportunities from this overpricing, which it can then use to fund more defense as well as upside participation.

Speaking of which, the Fund will continue to use options to setup its portfolio to participate in market gains.

Outlook

It's as bleak of an outlook as we've seen in quite some time, with a recession looming (if not already under way), credit spreads widening, and the nasty prospect of higher rates eating up the bulk of corporate cash flows in debt service.

These types of headwinds have historically resulted in the Fed easing rates, but this time around we have a Fed hellbent on rising rates to stop inflation in its tracks despite the prospect of a massive slow down.

How the Fed manages rising rates without dealing a death blow to the US Economy will mean everything for stock prices the rest of the year. Can they navigate a soft landing or not?

The market appears to be pricing in a yes to that question so far, thus the cap on volatility, with traders not bidding over one another to get even more protection.

"It's a **two-way market** now as much as ever, and **we'll continue to be on both sides** of it."

What happens if the Fed can't whip inflation into shape without dealing a severe blow? What happens if they overshoot and crush GDP growth and corporate earnings?

It likely won't be good, and for that reason we'll have downside protection remaining in place.

What happens if they've already succeeded, we don't even have a recession, and the market does what it's done in nearly all its other 1st half swoons, recovering handily…

We'll have upside participation in place. It's a two-way market now as much as ever, and we'll continue to be on both sides of it. α

Disclosure

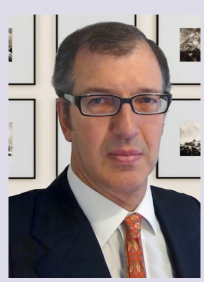
The Performance shown before December 31, 2016 is for the Fund's Predecessor Fund (Theta Funds, L.P.) The Fund's management practices, investment goals, policies, objectives, guidelines and restrictions are, in all material respects, equivalent to the predecessor limited partnership. From its inception 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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