AlphaCentric Strategic Income Fund
Quarterly Commentary 2Q2022

SIIIX
SIIAX
SIICX

June 30, 2022 — The Fund I Shares returned -10.93% for 2Q2022 and -13.96% year to date. Despite negative performance in the quarter, the Fund ended the first half of the year as one of the market's better-performing real estate mutual funds. Given substantial price declines across many bonds and equities, we ended June ready to take advantage of significant opportunities across a range of what we view as fundamentally cheap assets – many of which also have attractive yields.

The S&P 500 had its worst first half performance (-20%) since 1970 and the small-cap Russell 2000 had its worst first half performance (-23%) since its inception in 1979. The MSCI REIT Index and NAREIT Mortgage REIT Index were under similar selling pressure over that period, losing approximately 19%. Bonds also continued to suffer from indiscriminate selling as the Bloomberg Aggregate Bond Index was down over 10% by the end of June – although longer duration securities exhibited much steeper price declines.

Plummeting commodity prices in June re-enforced the notion of an economic recession "over-shadowing" inflation concerns

Market volatility this year is something we have been predicting as hawkish central banks and the tragic Russia/Ukraine conflict are unmistakable headwinds for total returns. Given that many market participants were simultaneously concerned about inflation and an economic recession for much of 2Q2022, asset prices sold off more severely than we anticipated across the board. This dynamic started to shift in June as Treasury breakeven yields (a good measure of inflation expectations) started to decline and the prospect of an economic recession depressed Treasury bond yields. Plummeting commodity prices in June re-enforced the notion of an economic recession "over-shadowing" inflation concerns as the Bloomberg Commodity Index was down roughly 13% in the last month of the quarter. Despite bonds "catching a bid" towards the end of 2Q2022, bonds still posted material negative returns for the quarter.

We believe that our flexibility to diversify across the real estate capital structure (including RMBS, CMBS, corporate bonds, REITs, and other real estate-related equities) and a slightly defensive posture has prevented more substantial negative returns this year. This flexibility, combined with a strong focus on value and fundamentals, also puts us in a good position to take advantage of some of the best total return opportunities that we have seen in a while.

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

	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Inception
SIIIX (Inception 8/1/11)*	-10.93	-13.96	-11.25	15.28	12.20	11.86	11.56
Bloomberg US Mortgage Backed Securities Index	*-4.01*	*-8.78*	*-9.03*	-1.44	0.36	1.18	*1.43*
S&P US REIT Index	*-16.88*	*-20.20*	*-6.20*	4.00	5.25	7.22	*7.80*
SIIAX (Inception 5/28/21)	-10.99	-14.06	-11.51	-	-	-	-10.12
SIICX (Inception 5/28/21)	-11.15	-14.41	-12.13	-	-	-	-10.78
Bloomberg US Mortgage Backed Securities Index	*-4.01*	*-8.78*	*-9.03*	-	-	-	*-8.35*
S&P US REIT Index	*-16.88*	*-20.20*	*-6.20*	-	-	-	*-3.41*
Class A After Sales Charges	*-15.22*	-18.13	-15.72	-	-	-	*-14.03*
Class I 30-Day SEC Yield - Subsidized			**5.25%**				
Class I 30-Day SEC Yield - Un-Subsidized			**4.74%**				

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 2.12%, 2.87%, and 1.87% for Class A, C, and I shares, respectively.

Market Overview

In the fixed income market, many of the themes that characterized the start of the year were present in the second quarter. Floating-rate bonds outperformed longer duration assets as short-term interest rates climbed. From a corporate credit risk standpoint, there was not much differentiation in the performance between high yield and investment grade bonds as both profiles ended 1H2022 down roughly 14%.

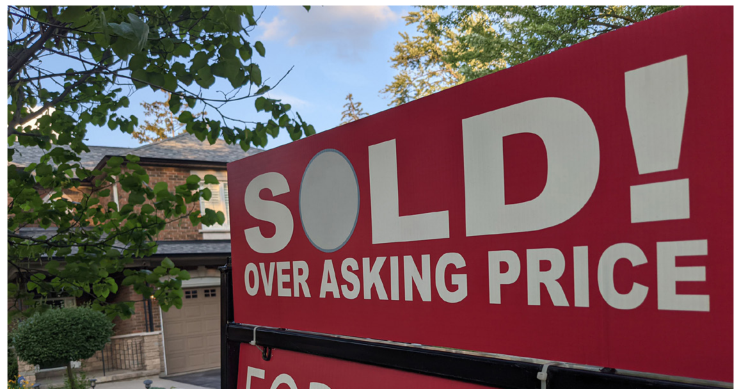
In real estate-backed structured credit, the best performing part of the market was floating-rate, senior Agency CRT bonds, which have ample credit enhancement and only declined marginally in price. In legacy RMBS, prices were down in varying degrees depending on duration. Prices were unchanged for some limited duration, floating-rate legacy RMBS bonds while other more interest rate-sensitive mezzanine bonds were down as much as 25 points. Agency RMBS, CMBS, and Non-Agency CMBS were all down 8-10% as rising interest rates and widening credit spreads continued to weigh on prices. Liquidity continued to feel challenged as fund outflows persisted (albeit in an orderly fashion) in 2Q2022, and buyers with strong conviction were nowhere to be found. In commercial real estate, property transaction volume continued to plummet, new issue CMBS appetite became scarce, and secondary CMBS bid/ask spreads remained wide.

"Mortgage originators/servicers closed June with yields ranging anywhere from 8-20%. **We believe this represents a significant buying opportunity for certain names...**"

Prices for corporate bonds of mortgage originators and servicers continued to be under pressure as fears of mortgage origination profitability continued to weigh on that market. Mortgage originators/servicers closed June with yields ranging anywhere from 8-20%. We believe this represents a significant buying opportunity for certain names that have a strong mortgage servicing component and can weather rising interest rates.

Total returns for equity REITs (REITs that own properties as opposed to debt) were also negative for the quarter and most major subsectors were down over 20% for 1H2022. Healthcare REITs performed better than average as evidenced by Welltower (WELL) which posted only a marginally negative return for 1H2022. Welltower, one of only two equity REIT holdings in the Fund, has an attractive senior housing portfolio that should continue to benefit from demographic trends and pandemic normalization.

Residential mortgage-related equities, where SIIIX continues to be overweight, were not immune from the indiscriminate selling in the market. Mortgage REITs and servicers that have strong positions in mortgage servicing rights (MSRs) fared better versus mortgage REITs, which have less exposure to interest rate hedges. MSR holders get paid a servicing fee and benefit when interest rates rise, since refinancing activity slows down and the servicing fee stream extends. Given the fact that mortgage rates have almost doubled this year, a very large percentage of mortgages are now "out of the money" and have no economic incentive to refinance. Q12022 earnings reports for mortgage REITs and servicers with large MSR positions showed that book values increased from the previous quarter. We believe this fact is being overlooked by the market and we should see similar results for 2Q2022. Some residential mortgage REITs ended June trading at 35%+ discounts to tangible book value. We believe this represents a significant buying opportunity as some common shares of mortgage REITs are now yielding upwards of 15%.



Mortgage REITs remain strong as the housing market is relatively stable and leverage utilization by residential mortgage REITs is currently more long-term (less mark to market) in nature

The recent sharp sell-off in mortgage REITs and servicers is markedly different from the previous significant drawdowns that we witnessed in this sector in 2008 and 2020. In 2008 there were obvious credit issues in residential mortgages and in 2020 there was excessive use of short-term leverage by many market participants. We see neither of these issues in 2022 as residential mortgage underwriting has been relatively strict, the housing market is relatively stable on a national level, and leverage utilization by residential mortgage REITs is currently more long term (and less mark to market) in nature.

Fund Overview

In the Portfolio, we made very few sales in 2Q2022 as we were cautious buyers of distressed securities across mortgage-related bonds and equities. We continued to favor equities over bonds, corporate bonds over RMBS/CMBS, residential risk over commercial risk, and securities that have limited interest rate sensitivity. We continued to limit our bond concentration to roughly 25% of the Portfolio given our view of continued interest rate increases.

The securities listed in the following graph are among some of our 2Q2022 purchases (at current market prices) that we believe have limited downside going forward and ample total return potential:

Security	Approx. Yield	Approx. Discount to Book Value	Primary Sources of Upside
ABR Preferred Shares	12%	20%	Low LTV Floating-Rate Portfolio, Preferreds are Fixed to Float
AGNC Common Shares	13%	15%	Investment Opportunity in Wide Agency MBS Spreads
COOP Common Shares	n/a	30%	MSRs, Share Buy-Backs, Likely Will Monetize Auction Business
EFC Common Shares	12%	15%	Attractive Structured Credit Portfolio with Credit Hedges
MFA Common Shares	15%	35%	Growing Floating-Rate Portfolio, Share Buy-Backs
NRZ Common Shares	11%	25%	MSRs, Potential Originator Spin-Off, Legacy RMBS Call Rights
NRZ Corporate Bonds	11%	25%	MSRs, Potential Originator Spin-Off, Legacy RMBS Call Rights
OCN Common Shares	n/a	50%	MSRs, Share Buy-Backs, Growing Reverse Mortgage Business
OCN Corporate Bonds	12%	50%	MSRs, Share Buy-Backs, Growing Reverse Mortgage Business

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Top Ten Holdings as of 6/30/22

Holding	% of Portfolio
Cash & Cash Equivalents	12.23%
New Residential Investment Corporation	9.36%
Mr Cooper Group, Inc.	4.45%
Ellington Financial, Inc.	4.34%
New Residential Invstmnt Corp 6.25%, Due 10/15/25	3.97%
Enact Holdings, Inc.	3.97%
PennyMac Financial Services, Inc.	3.38%
OCN 7 7/8 03/15/26	3.38%
MFA Financial, Inc.	3.29%
Starwood Property Trust, Inc.	3.12%

Holdings are subject to change and should not be considered investment advice.

Outlook

The bottom line is that the economy and financial markets remain highly uncertain. For this reason, we think it is especially important to focus on solid fundamentals, deep value opportunities, and securities with attractive yields. As the Federal Reserve tightens monetary policy and supply chain disruptions eventually ease, inflation pressures will likely subside, and an economic recession will be difficult to avoid. However, we believe this economic contraction will be shallow versus a recession such as 2008 which was driven by excessive leverage. We believe that the current backdrop of the economy is more stable versus many previous economic downturns primarily due to relatively healthy consumer balance sheets. In turn, this potential "inflation-driven" recession will likely have less severe and sustained impacts on the labor market than some market participants fear. A cooling economy is also likely to assuage interest rate volatility, signs of which we have already seen in July, while not causing widespread mortgage and corporate defaults. We believe this environment would represent a relatively benign set of conditions for many real estate and mortgage investments which are currently trading at distressed prices.

We have already seen some signs of a housing "cool down" as mortgage rates have skyrocketed so far this year. We believe this is a healthy dynamic as it is a necessary disinflationary force and is likely to continue as the year progresses. While some parts of the country which experienced exorbitant home price appreciation will likely see some price declines, it is unlikely that widespread price declines will plague the market. The primary reason the housing market is well supported for the short to medium-term is the historically low inventory in the market. While we saw a slight uptick in inventory at the end of 2Q2022, several metrics show that we have a long way to go for inventory level normalization. This is an unfortunate dynamic for first-time home buyers but will likely be supportive for homeowners and investors in residential mortgages/real estate. It is also worth noting that our current portfolio positioning is contingent upon relative home price stability – not massive amounts of home price appreciation.

We believe that residential mortgage and real estate-related securities that have limited interest rate sensitivity could perform well for the remainder of the year. Given the drop in pricing for many income-producing securities, yields are historically high in many cases and should help to mitigate potential price declines from indiscriminate selling. Mortgage originators that have relatively small servicing businesses are likely to underperform mortgage originators and mortgage REITs that own a significant amount of MSRs. Mortgage companies that have some combination of attractive investment portfolios, origination capability, and off-balance sheet value should be able to achieve attractive returns for the remainder of the year. Equities trading at significant discounts to book value should also provide an additional defense as share buybacks are likely to accelerate. As we have said, the current investment environment in mortgage-related securities lacks the credit issues present in 2008 as well as financing deficiencies that characterized early 2020.

Although bond yields will likely stabilize in the coming quarters, we think it makes sense to limit obvious long duration securities – these include long term, fixed-rate bonds as well as unprofitable "growth" stocks. Long duration securities will also likely continue to suffer from poor liquidity. We think the Senior Credit Officer Opinion Survey on Dealer Financing is worth the attention of bond investors for the remainder of the year. The June report showed that three-fifths of dealers reported a deterioration in liquidity for Agency MBS with similar results for "off the run" Treasury bonds. Dealers also reported increased volume in collateral disputes for situations where they are financing certain securities. This trend is likely to continue as markets remain volatile and financing conditions become increasingly challenged.

One of our core beliefs is that fund managers should align the liquidity of the underlying investments with the liquidity of the investment vehicle. This is one advantage that we have as we invest across the capital structure in real estate-related securities – many of which have strong liquidity. Our flexibility and ability to diversify across security types is also critical as we look to take advantage of quickly evolving investment opportunities. α

Disclosure

Performance shown before May 28, 2021 is for the Fund's Predecessor Fund (Strategos Deep Value Fund LP). The prior performance is net of management fees and other expenses including the effect of the performance fee. The Predecessor Fund had an investment objective and strategies that were, in all material respects, the same as those of the Fund, and was managed in a manner that, in all material respects, complied with the investment guidelines and restrictions of the Fund. From its inception to May 28, 2021, the Predecessor Fund was not subject to certain investment restrictions, diversification requirements and other restrictions of the 1940 Act or the Code, which if they had been applicable, might have adversely affected its performance. In addition, the Predecessor Fund was not subject to sales loads that would have adversely affected performance. Performance of the Predecessor Fund is not an indicator of future results.

Key Definitions

Bloomberg Commodity Index is calculated on an excess return basis and reflects commodity futures price movements.

Bloomberg US Aggregate Bond Index is a market capitalization-weighted index that is designed to measure the performance of the U.S. investment grade bond market with maturities of more than one year.

Bloomberg US Mortgage Backed Securities (MBS) Index tracks fixed-rate agency mortgage backed pass-through securities guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

FTSE Nareit Mortgage REITs Index is a free-float adjusted, market capitalization-weighted index of U.S. Mortgage REITs.

MSCI US REIT Index is a free float-adjusted market capitalization weighted index that is comprised of equity Real Estate.

Russell 2000 Index consists of the smallest 2,000 companies in a group of 3,000 U.S. companies in the Russell 3000 Index, as ranked by market capitalization.

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

S&P United States REIT Index defines and measures the investable universe of publicly traded real estate investment trusts domiciled in the United States.

The 30-Day SEC Yield represents net investment income earned by the Fund over the 30-day period ending 06/30/2022, expressed as an annual percentage rate based on the Fund's share price at the end of the 30-day period. Subsidized SEC 30-Day Yield reflects fee waivers and/or expense reimbursements during the period.

There is no assurance that the Fund will achieve its investment objective.

This information is for use with concurrent or prior delivery of a fund prospectus. Investors should consider the investment objective, risks, and charges and expenses of the Fund(s) before investing. The prospectus and, the summary prospectus, contains this and other information about the Fund and should be read carefully before investing. The prospectus may be obtained by calling 844-ACFUNDS (844-223-8637).

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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.

The Fund is subject to foreign securities risk and industry concentration risk. The Fund's investments may be concentrated in an industry or group of industries that are more vulnerable to adverse market, economic, regulatory, political or other developments affecting the industry or group of industries than a fund that invests its assets more broadly. These factors may affect the value of your investment.

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