AlphaCentric Strategic Income Fund

Quarterly Commentary 1Q2024

March 31, 2024 — The AlphaCentric Strategic Income Fund (the "Fund") I Shares returned 2.61% for 1Q2024. The Fund, sub-advised by Goshen Rock Capital, LLC, finished the quarter in the top decile of the Morningstar Real Estate category. In addition, the Fund continued to outperform the Bloomberg Barclays U.S. Mortgage-Backed Securities Index, which fell -1.04% in Q1, as well as the S&P U.S. REIT Index, which also fell, losing -0.36%.

Fund Performance as of 3/31/24 *(Annualized if greater than 1 year)*

	QTD	YTD	1 YR	3YR	5YR	10 YR	Inception
SIIIX *(Inception 8/1/11)**	**2.61**	**2.61**	**18.00**	**2.76**	**13.41**	**10.46**	**11.39**
S&P US REIT Index	-0.36	-0.36	10.36	4.10	4.04	6.45	7.29
Bloomberg US Mortgage Backed Securities Index	-1.04	-1.04	1.39	-2.84	-0.39	1.12	1.27
SIIAX *(Incep. 5/28/21)*	**2.56**	**2.56**	**17.77**	-	-	-	**1.84**
SIICX *(Incep. 5/28/21)*	**2.38**	**2.38**	**16.88**	-	-	-	**1.08**
S&P US REIT Index	-0.36	-0.36	10.36	-	-	-	1.21
Bloomberg US Mortgage Backed Securities Index	-1.04	-1.04	1.39	-	-	-	-3.12
SIIAX After Sales Charges	**-2.32**	**-2.32**	**12.18**	-	-	-	**0.12**

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 visit www.AlphaCentricFunds.com.

The maximum sales charge for Class "A" Shares is 4.75%. The Fund's total operating expenses are 2.38%, 3.13%, and 2.13% for the Class A, C, and I Shares respectively.

In 1Q2024, we continued to be focused on finding deep value investment opportunities in the market for real estate related securities. We define this segment of the investing universe as equity and debt investments in REITs and other real estate-related companies, as well as structured credit securities (backed by real estate or mortgages). We believe our flexibility to invest "across the capital structure" in both residential and commercial securities differentiates us from most funds in the space. This is especially important in times such as these when many commercial real estate investments face uncertainty.

Treasury yield movement over the first quarter was reflective of the market's expectations for delayed cuts in the Fed Funds rate.

Market Overview

The rally across risk assets at the end of 2023 spilled over into 1Q2024 as many equities continued to march higher. Once a pipe dream, the "soft landing" scenario became the base case for many market participants. Bond markets, although generally complacent in our opinion, remained slightly on edge as Treasury bonds sold off, sending the 10-Year Treasury yield from 3.88% to 4.20% in the quarter. Ultra-long Treasuries fared worse, posting losses of over 5% as economic data remained strong. Mortgage rates, which tend to track the Treasury bond market, were roughly flat at 6.75%, although jumbo rates narrowed given credit spread tightening in non-Agency RMBS, which we will write about later. While the rise in Treasury yields was reflective of market expectations of delayed cuts in the Fed Funds rate, higher interest rates didn't impede significant price appreciation in several parts of the equity market. Communication services, energy, industrials, and of course technology were all sectors of the equity market that posted double digit returns for 1Q2024. Artificial intelligence (AI) continued to be a source of optimism for the market due to potential enhancements in productivity across industries. However, "animal spirits" were less present in real estate-related equities as REIT indices underperformed the broader market. Stubbornly, high interest rates will likely continue

to be a headwind for commercial property valuations. Most regional bank stocks, unsurprisingly to us, also posted losses for 1Q2024 as commercial real estate woes, depleted asset prices, and deposit flight risk remained unresolved issues.

Mortgage REITs - represented by FTSE NAREIT Mortgage Plus Capped Index - (the subsector in which the Fund is currently most overweight) were relatively flat for 1Q2024. This subsector slightly outperformed the broader equity REIT index although performance was still underwhelming compared to the broader market. Much like 4Q2023, performance in the mortgage REIT market was nuanced as many of the larger mortgage REITs posted positive returns while smaller cap names generally declined in price. Also, much like 4Q2023, mortgage operating companies (originators, servicers, and insurance companies) outperformed mortgage REITs with some mortgage servicers and mortgage insurance companies posting double digit returns.

Despite relatively stagnant or lower equity prices, we believe mortgage REITs will generally report higher book values for the quarter, reflecting the tightening of mortgage credit spreads. Many non-agency residential mortgage REITs ended the quarter trading at sizeable discounts to tangible book value and attractive dividend yields. In addition to normalizing price to book ratios, we believe book values have material upside as interest rates stabilize and credit spreads tighten to reflect the lack of fundamental risk in parts of the mortgage market.

"In our opinion, the **two major factors** weighing on Agency MBS spreads are **the Fed's absence from the market** and **uncertainty over the fate of several banks**."

In the RMBS market, credit spreads generally tightened across different types of mortgages and positions in the capital structure. Within non-Agency RMBS, mezzanine securities experienced more pronounced credit spread tightening compared to more senior securities. Non-QM AAAs tightened ~20 bps while SFR (Single Family Rental) and RPL (Re-Performing Loans) AAAs both tightened ~50bps. Prices for mezzanine CRT and Non-QM bonds were bid up in varying degrees depending on coupon type and amount of credit support. Generally, insurance companies and money managers exhibited strong demand for non-Agency RMBS given the perceived strong fundamental backdrop and enticing yields versus other parts of the market. On the Agency (government guaranteed) MBS side, the basis (or spread over Treasury bonds) was a bit less volatile versus the previous quarter. The nominal spread ended 1Q2024 at ~142bps (roughly unchanged from Q42023) although in mid-February the spread touched ~160bps. In our opinion, the two major factors weighing on Agency MBS spreads are the Fed's absence from the market and uncertainty over the fate of several banks.

Wide Agency MBS spreads are also a major driver of a relatively flat "credit curve" in the non-Agency RMBS market. Spreads for senior RMBS bonds remain stuck at relatively wide levels as traders are reluctant to bid bonds at tighter credit spreads versus agency MBS trades.

Unsecured corporate bonds issued by mortgage REITs/servicers generally appreciated in price for 1Q2024. We continue to think this part of the market should attract cross-over buyers from structured credit as some names continue to trade at attractive credit spreads. One good sign for this market came when Rithm Capital (RITM) tendered one of its corporate bonds, which had been trading at a discount, at par in March. In our opinion, despite higher prices in this part of the market, there remains opportunity given the inherent dislocation and strong balance sheets of mortgage REITs and servicers.

Fund Overview

We continued to stay the course and be overweight residential risk versus commercial risk in 1Q2024. We also continued to maintain bond exposure given opportunities in the MBS and corporate bond market. We remained overweight residential mortgage related equities (preferred and common shares) given continued fundamental strength and attractive total return opportunities. On the equity portion of the portfolio, we continued to focus on mortgage REITs and companies with exposure to residential mortgages and related investments. We believe several residential mortgage REITs should be able to pay double digit dividends and are using safer forms of leverage versus the pre-pandemic period. Book values for certain mortgage REITs are, in our opinion, poised to rise as interest rates stabilize, and there is room for spread tightening (both the agency basis and credit spreads).

We continued to avoid material risk in commercial real estate – namely deep mezzanine CMBS and equity REITs. Equity REITs tend to have concentrated commercial real estate exposure which we believe will be under pressure. We believe the current level of interest rates will provide challenges for most sub-sectors in the equity REIT market as dividend yields are relatively low.

Despite our concerns about commercial real estate in general,

we continued to increase our exposure to well-defended CMBS bonds and CRE CLOs. While we have a cautious eye towards credit risk in commercial real estate loans, we believe there will be a growing opportunity to source bonds with asymmetric upside. Despite some positive performance in a handful of equity REITs during 1Q2024, we continue to prefer CMBS over equity REITs given more credit protection in the event that credit conditions become distressed.

Top Ten Holdings

Holding		% of Portfolio
Cash & Cash Equivalents	Cash & Cash Equivalents	9.27%
Rithm Capital Corporation	Mortgage REITs - Common	8.33%
TWO 6 1/4 01/15/26	Convertible Corporate Bond	5.40%
Ellington Financial, Inc.	Mortgage REITs - Common	4.64%
MGIC Investment Corporation	Mortgage Insurance	4.53%
Dynex Capital, Inc.	Mortgage REITs - Common	4.01%
PMT 5 1/2 11/01/24	Convertible Corporate Bond	3.44%
MFA Financial, Inc.	Mortgage REITs - Common	3.39%
Redwood Trust, Inc.	Mortgage REITs - Common	3.26%
OCN 7 7/8 03/15/26	Corporate Bond	2.68%

Portfolio holdings and composition are subject to change and should not be considered investment advice.

Outlook

Our philosophy is to work diligently to uncover securities with deep value. We believe this approach reduces our dependence on being precise with macro forecasting given the endless amount of variables that move the broader markets. Finding investments that trade at a discount to the sum of their parts tends to provide a lower risk in challenging macro times and alpha in prolonged stronger markets.

Here's our outlook for the coming quarters with respect to select parts of the market:

Interest Rates

The market's assumption of a rate cut at the beginning part of the year proved to be wrong. We believe one major reason is that that the U.S. mortgage market is largely fixed rate and a majority of borrowers have locked in low rates. This has cushioned the economic impacts of monetary policy tightening more so than in other countries where a larger percentage of borrowers have variable rates. Overall, we believe the Fed will not lower the Fed Funds rate until there is better justification in the economic data. The Fed's telegraphed willingness to lower rates is a dovish force in and of itself and has led to some complacency in the bond market. We believe shorter to medium duration portfolios will perform better than longer duration in the next quarter. Also, parts of the high yield market (both in corporate and structured credit) seem capable of generating strong returns given the current level of credit spreads. Shifting to longer duration later in the year seems more prudent to us given the headwinds to lower rates in the earlier part of the year.

The "dirty little secret" in the commercial real estate market is the need for interest rates to come down.

Commercial Real Estate

Demand for offices and lower quality retail spaces will continue to decline. This fact is widely publicized at this point. The "dirty little secret" in the commercial real estate market is the need for interest rates to come down. Commercial real estate is essentially priced at the property's net operating income divided by the cap rate (or yield). If interest rates stay high, cap rates will likely be forced even higher which will translate into lower commercial real estate prices (absent rent increases). Moreover, there is close to $3 trillion of commercial real estate coming due in the next five years which will need to be paid off/refinanced and banks will probably not be picking up their phones. We believe investing in securities with commercial real estate risk requires caution (and staying high up in the capital structure) in the short-term but could be a significant buying opportunity if the market becomes more distressed.

Residential Housing

Single-family housing will likely remain the bright spot in the real estate market. Single-family residential mortgages do not face the refinancing risk that commercial real estate is dealing with since residential mortgages tend to be fixed for 30 years vs. much shorter maturities typically for commercial real estate. An underproduction of residential housing over the last decade combined with mortgage borrowers' unwillingness to give up their low mortgage rates will likely result in continued low housing supply. Distressed selling is required to drive prices down

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meaningfully and a historic amount of borrower equity is likely to preclude that event. While home prices will likely decline in some urban areas and parts of the country that saw parabolic appreciation over the last few years, on a national level home prices are likely to be stable.

The Mortgage Market

Mortgage rates are likely to remain elevated in the short term but decline later in the year with longer term rates. Also, part of the decline will likely be from the tightening of the "basis" between Agency MBS and Treasury yields which remains wide relative to the historical average. Residential mortgage defaults will likely remain low given the aforementioned dynamic of borrower equity as well as a resilient economy. While we wouldn't bet on significant home price appreciation in the short term, we believe the way to play stability in the housing market is by investing in certain RMBS, corporate credit, and mortgage related equities. Also, given the "trapped equity" that many people have in their homes, we are likely to see increasing origination in second lien mortgages, reverse mortgages, and home equity investments. Certain originators of these products who are publicly traded will likely benefit from this, as well as structured credit investors who are able to source bonds at attractive yields. 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

Alpha is used in finance as a measure of performance, and indicates the excess return of an investment relative to the return of a benchmark index.

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).

Credit Risk Transfer (CRT) transactions are structures that involve the transfer of credit risk of all or a tranche of a portfolio of financial assets.

FTSE NAREIT Mortgage Plus Capped Index measures the performance of the residential and commercial real estate, mortgage finance, and savings associations sectors of the U.S. equity market.

Legacy or Senior Legacy RMBS are Residential Mortgage-Backed Securities were issued prior to the U.S. housing market collapse in 2007.

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

Non-QM Loan, or a non-qualified mortgage, is a type of mortgage loan that allows you to qualify based on alternative methods, instead of the traditional income verification required for most loans.

Residential Mortgage-Backed Securities (RMBS) are debt-based assets backed by the interest paid on residential loans.

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

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) or by visiting www.AlphaCentricFunds.com.

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Important Risk Information

Investing in the Fund carries certain risks. Credit risk is the risk that the issuer of a security will not be able to make principal and interest payments when due.

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 Fund may, at the discretion of management, target a specific level of monthly distributions (including any return of capital) from time to time.

Shareholders should not assume that the source of a distribution from the Fund is net profit. The Fund is subject to the risks of the real estate market as a whole, such as taxation, regulations and economic and political factors that negatively impact the real estate market and the direct ownership of real estate.

Liquidity risk exists when particular investments are difficult to sell. Although most of the Fund's securities must be liquid at the time of investment, the Fund may purchase illiquid investments and securities may become illiquid after purchase by the Fund, particularly during periods of market turmoil. Please see the prospectus for all of the principal risks of investing in the Fund.

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