

IOXAX | IOXCX | IOXIX

## FUND OBJECTIVE

To maximize total return while seeking high current income in a hedged, alpha-driven MBS portfolio.

## INVESTMENT STRATEGY

The Fund seeks to deliver monthly dividend income while generating positive returns through varied interest rate environments. The Fund invests in U.S. agency (FNMA, FHLMC, and GNMA) pass-through and structured mortgage-backed securities. The Fund may also invest in non-agency residential MBS, commercial mortgage-backed securities (CMBS), asset-backed securities (ABS), and other related securities. The Fund employs a relative value approach to security selection while actively managing interest rate, volatility, and convexity risks to maintain the portfolio within its duration guidelines, and in accordance with the macroeconomic viewpoint of the management team.

## KEY STATISTICS

### 30-Day SEC Yields

Class A	2.74%
Class C	2.13%
Class I	3.11%

SEC Yield calculated according to SEC form N-1A. The Advisor and the Fund have entered into an expense limitation agreement. The Fund's SEC Yield without expense limitation is 1.67% (A), 1.01% (C) and 2.00% (I) as of December 31, 2017.

### MPT Statistics (Class I)

Alpha:	0.40
Beta:	0.26
R-squared:	0.04

Since Inception vs. Bloomberg Barclays US MBS Index

The **Catalyst/Stone Beach Income Opportunity Fund** seeks high current income and capital appreciation from a portfolio of mortgage-backed securities ("MBS") while actively hedging to minimize declines during adverse market conditions.

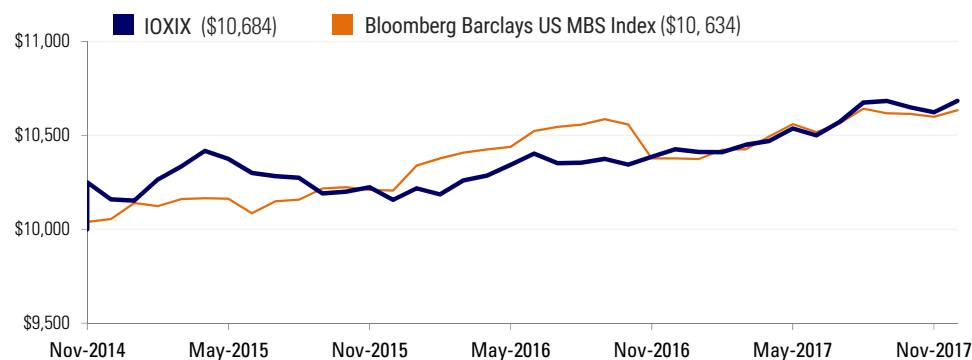
## Primary Goals & Reasons to Invest

**High Current Income:** The Fund seeks to deliver monthly dividend income derived from its investments in MBS, including agency and non-agency residential MBS, commercial MBS ("CMBS") and other related fixed-income instruments.

**Active Management:** The Fund is actively managed to seek the best opportunities in Residential and Commercial Mortgage-Backed Securities and Asset-Backed Securities. A relative value approach is used in an attempt to generate alpha with a mandate of generating positive returns that are not dependent on the direction of interest rates.

**Hedged Strategy:** The Fund employs a hedging strategy utilizing derivative instruments, including options, futures, swaps and other synthetic mortgage-related swaps.

## Growth of \$10,000



## Performance (%): Ending December 31, 2017

Annualized if greater than a year

Share Class/Benchmark	3 Months	6 Months	YTD	1 Year	3 Year	Since Inception*
Class A	-0.01	1.78	2.37	2.37	1.48	1.94
Class C	-0.25	1.27	1.57	1.57	0.70	1.13
Class I	0.00	1.75	2.47	2.47	1.69	2.15
Bloomberg Barclays US MBS Index	0.15	1.11	2.47	2.47	1.88	1.99
Class A w/ Sales Charge	-4.72	-3.08	-2.46	-2.46	-0.17	0.36

\*Inception: 11/20/2014

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

*The Fund's maximum sales charge for Class "A" shares is 4.75%. Investments in mutual funds involve risks. 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 1-866-447-4228. You can also obtain a prospectus at [www.CatalystMF.com](http://www.CatalystMF.com).*

*The Stone Beach Special Opportunity Fund, LLC, a hedge fund, was converted into the Catalyst Stone Beach Income Opportunity Fund in a tax-free reorganization on November 21, 2014."*

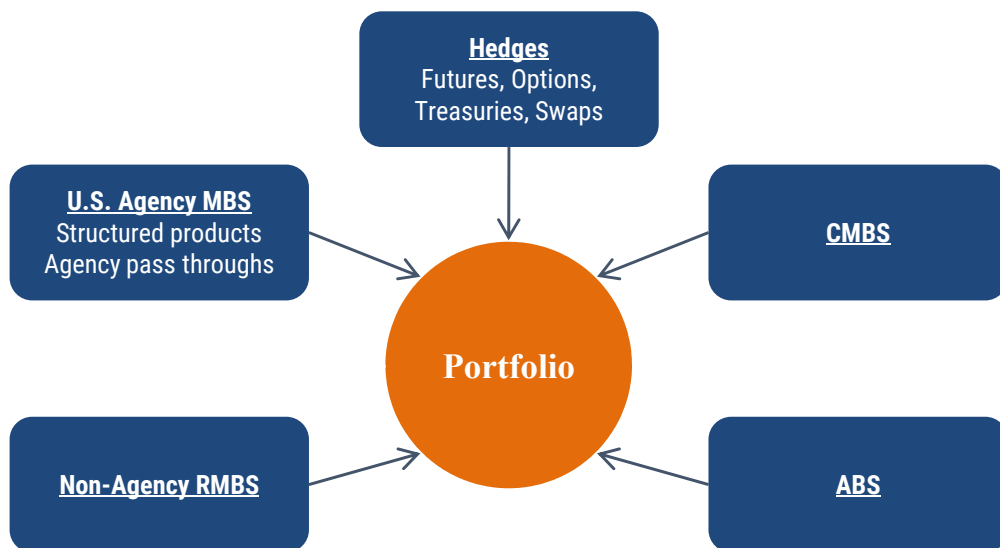
# Catalyst/Stone Beach Income Opportunity Fund

December 31, 2017

Class A: IOXAX | Class C: IOXCX | Class I: IOXIX



## Portfolio Construction



## GLOSSARY & RISK CONSIDERATIONS:

**Alpha:** A measure of the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. **Beta:** A measure of a fund's sensitivity to market movements. **Duration:** A measure of the expected life of a fixed income instrument that is used to determine the sensitivity of a security's price to changes in interest rates. **Effective Duration:** A measure of the Fund's portfolio duration adjusted for the anticipated effect of interest rate changes on bond and mortgage pre-payment rates. The **Bloomberg Barclays US Mortgage Backed Securities (MBS) Index** tracks agency mortgage backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The index is constructed by grouping individual TBA-deliverable MBS pools into aggregates or generics based on program, coupon and vintage. **R-squared:** A measure of the relationship between a portfolio and its benchmark.

### Past performance is not a guarantee of future results.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Catalyst Funds. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 1-866-447-4228 or at [www.CatalystMF.com](http://www.CatalystMF.com). The prospectus should be read carefully before investing. The Catalyst Funds are distributed by Northern Lights Distributors, LLC, member FINRA/SIPC. Catalyst Capital Advisors, LLC is not affiliated with Northern Lights Distributors, LLC.

*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 may invest in lower-quality, non-investment grade bonds. Non-investment grade corporate bonds are those rated Ba or lower by Moody's or BB or lower by S&P (also known as "junk" bonds). Lower-quality debt securities involve greater risk of default or price changes due to changes in the credit quality of the issuer. When the Fund invests in asset-backed securities and mortgage-backed securities, the Fund is subject to the risk that, if the underlying borrowers fail to pay interest or repay principal, the assets backing these securities may not be sufficient to support payments on the securities. Interest rate risk is the risk that bond prices overall, including the prices of securities held by the Fund, will decline over short or even long periods of time due to rising interest rates. If a security sold short or other instrument increases in price, the Fund may have to cover its short position at a higher price than the short sale price, resulting in a loss. The use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These factors may affect the value of your investment.*

NOT FDIC INSURED • MAY LOSE VALUE • NOT BANK GUARANTEED

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## FUND MANAGEMENT

### Investment Advisor

Catalyst Capital Advisors LLC

### Investment Advisor

Stone Beach Investment Management

David Lysenko

**Portfolio Manager**

- Co-Founder, Managing Principal and Portfolio Manager, Stone Beach
- Former Principal, Renaissance Technologies LLC
- Former Managing Director, Bear Stearns and Co. Inc.

Edward Smith

**Portfolio Manager**

- Co-Founder, Managing Principal and Portfolio Manager, Stone Beach
- Former Portfolio Manager, Providence Investment Management LLC
- Former Portfolio Manager and Head of Liability Management, American Capital Agency Corp.

## INVESTMENT INFORMATION

Min. Initial Investment	\$2,500
Subsequent Investment	\$50
Inception	11/20/2014
Benchmark	Bloomberg Barclays US Mortgage Backed Securities (MBS) Index

Class	Ticker	CUSIP	Net Expense*
A	IOXAX	62827M391	1.55%
C	IOXCX	62827M383	2.30%
I	IOXIX	62827M375	1.30%

\*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; rule 12b-1 fees and, extraordinary expenses) at 1.55%, 2.30%, and 1.30% for Class A, C, and I shares through October 31, 2018. Gross expense ratios for the most recent fiscal year were 3.17%, 3.92% and 2.92% for Class A, C and I shares respectively.

4080-NLD-1/11/2018

866-447-4228 | [www.CatalystMF.com](http://www.CatalystMF.com)