

Catalyst Funds Advisor Guide



For Professional Use Only

Why Alternatives Matter

McKinsey & Company, a leading consulting firm, defines alternative investments as a class of investments that seeks to offer return streams with a fundamentally different set of correlations and/or risk-return profiles than traditional asset classes such as stocks, bonds and cash. According to McKinsey, investors are increasingly moving away from the confines of traditional style-box investing and are instead complementing low-cost beta achieved through index strategies with outcome-oriented alternative strategies.

Since 2005, retail alternative assets have grown by 16 percent annually, and nearly half of registered investment advisors are using alternatives to help clients achieve their objectives. The tremendous growth in alternative assets is a result of structural forces, driven by investment outcome needs and as a solution for investors concerns, including interest rate risk, inflation risk, the need for income and protection from tail risk.

Source: McKinsey & Company, "The Trillion-Dollar Convergence: Capturing the Next Wave of Growth in Alternative Investments", August 2014.

15%

Estimated percent of global industry assets allocated to alternatives by 2020

10x

Factor by which assets in hedge fund-like strategies offered in '40 Act funds have increased since 2005

5%

Typical allocation to alternatives by advisors in the largest intermediary channels

20%

Average allocation to alternatives that some home offices are implementing in their models

Why Partner with Catalyst Funds

Who We Are: Catalyst Funds is the premier alternative manager. Since our founding in 2006, we understood that the market did not need another traditional family of mutual funds. We strive to provide innovative strategies to support investors in meeting the challenges of an ever-changing global market environment.

What We Do: Catalyst offers a broad range of distinct, "intelligent alternative" funds. Our specialized strategies seek to address the needs of investors, including generating alpha, reducing volatility, limiting tail risk, mitigating interest rate risk and generating income.

Why Catalyst: We believe that traditional buy-and-hold equity and income strategies do not adequately address investor concerns in the current market environment. Our solutions are designed around characteristics that we believe investors need to pursue in their portfolios, such as seeking alpha-focused income-oriented and equity-oriented returns with lower correlation to the common indexes.

We offer these exclusive, specialized strategies through a team of in-house portfolio managers and boutique investment management partners. Our seasoned investment professionals offer modern thinking, looking beyond conventional wisdom to bring fresh ideas and innovative strategies to our clients. We strive to be "ahead of the curve" in exploiting emerging areas of opportunity to assist our clients in achieving their long-term investment goals.

Glossary of Terms: Alpha is 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 is a measure of a Fund's sensitivity to market movements. Correlation is a measure of how investments move in relation to one another. Important Disclosures: There is no assurance that any investment strategy will achieve its objectives, generate profits or avoid losses.

Intelligent Alternative Product Lineup

Equity-Oriented Strategies

Our equity-oriented strategies seek to add alpha and reduce correlation to the equity indexes. These strategies tend to serve as a complement to, or replacement for, low-cost index-tracking strategies.

Catalyst Dynamic Alpha Fund

Class A: CPEAX, Class C: CPECX, Institutional: CPEIX

Catalyst Insider Buying Fund

Class A: INSAX, Class C: INSCX, Institutional: INSIX

Catalyst IPOx Allocation Fund

Class A: OIPAX, Class C: OIPCX, Institutional: OIPIX

Catalyst Small-Cap Insider Buying Fund

Class A: CTVAX, Class C: CTVCX, Institutional: CTVIX

Catalyst/EquityCompass Buyback Strategy Fund

Class A: BUYAX, Class C: BUYCX, Institutional: BUYIX

Catalyst/Groesbeck Aggressive Growth Fund

Class A: GROAX, Class C: GROCX, Institutional: GROIX

Catalyst/Groesbeck Growth of Income Fund

Class A: CGGAX, Class C: CGGCX, Institutional: CGGIX

Catalyst/Lyons Tactical Allocation Fund

Class A: CLTAX, Class C: CLTCX, Institutional: CLTIX

Catalyst/MAP Global Capital Appreciation Fund

Class A: CAXAX, Class C: CAXCX, Institutional: CAXIX

Income-Oriented Strategies

Our income-oriented strategies seek to generate income while reducing interest rate risk. These strategies tend to serve as a complement to, or replacement for, low-cost index-tracking strategies.

Catalyst Insider Income Fund

Class A: IIXAX, Class C: IIXCX, Institutional: IIXIX

Catalyst MLP & Infrastructure Fund

Class A: MLXAX, Class C: MLXCX, Institutional: MLXIX

Catalyst/MAP Global Total Return Income Fund

Class A: TRXAX, Class C: TRXCX, Institutional: TRXIX

Catalyst/Princeton Floating Rate Income Fund

Class A: CFRAX, Class C: CFRCX, Institutional: CFRIX

Catalyst/Princeton Hedged Income Fund

Class A: HIFAX, Class C: HIFCX, Institutional: HIFIX

Catalyst/SMH High Income Fund

Class A: HIIFX, Class C: HIICX, Institutional: HIIX

Catalyst/SMH Total Return Income Fund

Class A: TRIFX, Class C: TRICX, Institutional: TRIIX

Catalyst/Stone Beach Income Opportunity Fund

Class A: IOXAX, Class C: IOXCX, Institutional: IOXIX

Hedged Strategies

Our hedged strategies seek to add alpha, reduce correlation to the equity indexes and reduce downside risk. These strategies tend to fit in as an alternative allocation.

Catalyst Hedged Commodity Strategy Fund

Class A: CFHAX, Class C: CFHCX, Institutional: CFHIX

Catalyst Hedged Futures Strategy Fund

Class A: HFXAX, Class C: HFXCX, Institutional: HFXIX

Catalyst Hedged Insider Buying Fund

Class A: STVAX, Class C: STVCX, Institutional: STVIX

Catalyst Insider Long/Short Fund

Class A: CIAAX, Class C: CIACX, Institutional: CIAIX

Catalyst Intelligent Alternative Fund

Class A: ATRAX, Class C: ATRCX, Institutional: ATRFX

Catalyst Macro Strategy Fund

Class A: MCXAX, Class C: MCXCX, Institutional: MCXIX

Catalyst Time Value Trading Fund

Class A: TVTAX, Class C: TVTCX, Institutional: TVTIX

Catalyst/Auctos Multi-Strategy Fund

Class A: ACXAX, Class C: ACXCX, Institutional: ACXIX

Catalyst/Lyons Hedged Premium Return Fund

Class A: CLPAX, Class C: CLPCX, Institutional: CLPFX

Catalyst/Millburn Hedge Strategy Fund

Class A: MBXAX, Class C: MBXCX, Institutional: MBXIX

Equity-Oriented Strategies

Catalyst Dynamic Alpha Fund

Ticker/CUSIP: Class A: CPEAX / 62827L344, Class C: CPECX / 62827L336, Institutional: CPEIX / 62827M516

Summary: All-cap equity portfolio using a focused quantitative methodology to select alpha generating stocks from outperforming industries.

Additional Information: Morningstar Category: Large Growth, Minimum Investment: \$2,500, Dividend Frequency: Annual

Catalyst Insider Buying Fund

Ticker/CUSIP: Class A: INSAX / 62827L492, Class C: INSCX / 62827L484, Institutional: INSIX / 62827M573

Summary: Large-cap equity focused on companies with significant insider buying.

Additional Information: Morningstar Category: Large Blend, Minimum Investment: \$2,500, Dividend Frequency: Annual

Catalyst IPOx Allocation Fund

Ticker/CUSIP: Class A: OIPAX / 62827P501, Class C: OIPCX / 62827P600, Institutional: OIPIX / 62827P709

Summary: Seeks to offer investors the opportunity to exploit the potential excess returns from investing in IPOs.

Additional Information: Morningstar Category: Large Growth, Minimum Investment: \$2,500, Dividend Frequency: Annual

Catalyst Small-Cap Insider Buying Fund

Ticker/CUSIP: Class A: CTVAX / 62827L104, Class C: CTVCX / 62827L203, Institutional: CTVIX / 62827L302

Summary: Small/micro-cap equity focused on companies with significant insider buying.

Additional Information: Morningstar Category: Small Value, Minimum Investment: \$2,500, Dividend Frequency: Annual

Catalyst/EquityCompass Buyback Strategy Fund

Ticker/CUSIP: Class A: BUYAX / 62827M730, Class C: BUYCX / 62827M722, Institutional: BUYIX / 62827M714

Summary: All-cap equity that seeks to exploit the potential excess returns from share buyback announcements.

Additional Information: Morningstar Category: Mid-Cap Blend, Minimum Investment: \$2,500, Dividend Frequency: Annual

Catalyst/Groesbeck Aggressive Growth Fund

Ticker/CUSIP: Class A: GROAX / 62827M367, Class C: GROCX / 62827M359, Institutional: GROIX / 62827M342

Summary: Seeks to invest in companies with higher growth rates than the S&P 500 Index.

Additional Information: Morningstar Category: Large Growth, Minimum Investment: \$2,500, Dividend Frequency: Annual

Catalyst/Groesbeck Growth of Income Fund

Ticker/CUSIP: Class A: CGGAX / 62827L872, Class C: CGGCX / 62827L864, Institutional: CGGIX / 62827L856

Summary: Equity income fund investing in high quality large cap stocks with a history of dividend increases.

Additional Information: Morningstar Category: Large Blend, Minimum Investment: \$2,500, Dividend Frequency: Quarterly

Catalyst/Lyons Tactical Allocation Fund

Ticker/CUSIP: Class A: CLTAX / 62827L211, Class C: CLTCX / 62827L195, Institutional: CLTIX / 62827M524

Summary: Seeks capital appreciation with downside protection through a portfolio of dividend paying stocks with a tactical risk-management overlay.

Additional Information: Morningstar Category: Large Blend, Minimum Investment: \$2,500, Dividend Frequency: Annual

Catalyst/MAP Global Capital Appreciation Fund

Ticker/CUSIP: Class A: CAXAX / 62827L435, Class C: CAXCX / 62827L427, Institutional: CAXIX / 62827M540

Summary: Focused portfolio of value oriented global equities selected using thematic filters with opportunistic covered call writing.

Additional Information: Morningstar Category: World Stock, Minimum Investment: \$2,500, Dividend Frequency: Annual

Dividend Payment Schedule: Annual pay net income and capital gains in December. Quarterly pay second to last business day of each calendar quarter and pay capital gains in December. Monthly pay second to last business day each month and pay capital gains in December. There is no assurance that dividends will be paid or that the Fund will achieve its investment objective.

Income-Oriented Strategies

Catalyst Insider Income Fund

Ticker/CUSIP: Class A: IIXAX / 62827M466, Class C: IIXCX / 62827M458, Institutional: IIXIX / 62827M441

Summary: Seeks to offer investors an opportunity to invest in short-term U.S. corporate bonds issued by corporations whose executives are purchasing shares of the company's common stock.

Additional Information: Morningstar Category: Short-Term Bond, Minimum Investment: \$2,500, Dividend Frequency: Monthly

Catalyst MLP & Infrastructure Fund

Ticker/CUSIP: Class A: MLXAX / 62827M268, Class C: MLXCX / 62827M250, Institutional: MLXIX / 62827M243

Summary: Invests in equity securities of general partners ("GPs") of master limited partnerships ("MLPs") and other energy-related companies, seeking to realize faster growth and higher distributions than traditional MLPs.

Additional Information: Morningstar Category: Energy Limited Partnership, Minimum Investment: \$2,500, Dividend Frequency: Monthly

Catalyst/MAP Global Total Return Income Fund

Ticker/CUSIP: Class A: TRXAX / 62827L450, Class C: TRXCX / 62827L443, Institutional: TRXIX / 62827M557

Summary: Focused go anywhere total return strategy using corporate bonds and global equities selected using thematic filters with opportunistic covered call writing.

Additional Information: Morningstar Category: World Allocation, Minimum Investment: \$2,500, Dividend Frequency: Quarterly

Catalyst/Princeton Floating Rate Income Fund

Ticker/CUSIP: Class A: CFRAX / 62827M300, Class C: CFRCX / 62827M805, Institutional: CFRIX / 62827M888

Summary: Seeks current income with low duration and interest rate volatility through a portfolio of senior floating rate loans.

Additional Information: Morningstar Category: Bank Loan, Minimum Investment: \$2,500, Dividend Frequency: Monthly

Catalyst/Princeton Hedged Income Fund

Ticker/CUSIP: Class A: HIFAX / 62827M193, Class C: HIFCX / 62827M185, Institutional: HIFIX / 62827M177

Summary: Seeks stable income with a focus on total return by strategically investing in fixed income securities while hedging short-term market volatility, credit and interest rate risks.

Additional Information: Morningstar Category: Nontraditional Bond, Minimum Investment: \$2,500, Dividend Frequency: Monthly

Catalyst/SMH High Income Fund

Ticker/CUSIP: Class A: HIIFX / 62827L609, Class C: HIIICX / 62827L708, Institutional: HIIIX / 62827M847

Summary: Focused high yield bond fund using a deep value, balance sheet oriented, intensive research strategy.

Additional Information: Morningstar Category: High Yield Bond, Minimum Investment: \$2,500, Dividend Frequency: Monthly

Catalyst/SMH Total Return Income Fund

Ticker/CUSIP: Class A: TRIFX / 62827L807, Class C: TRICX / 62827L880, Institutional: TRIIX / 62827M839

Summary: Diverse mix of income producing securities including high yield bonds, convertible bonds, REITs, high dividend paying stocks, Business Development Companies, MLPs and covered call writing.

Additional Information: Morningstar Category: Moderate Allocation, Minimum Investment: \$2,500, Dividend Frequency: Monthly

Catalyst/Stone Beach Income Opportunity Fund

Ticker/CUSIP: Class A: IOXAX / 62827M391, Class C: IOXCX / 62827M383, Institutional: IOXIX / 62827M375

Summary: 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.

Additional Information: Morningstar Category: Nontraditional Bond, Minimum Investment: \$2,500, Dividend Frequency: Monthly

Dividend Payment Schedule: Annual pay net income and capital gains in December. Quarterly pay second to last business day of each calendar quarter and pay capital gains in December. Monthly pay second to last business day each month and pay capital gains in December. There is no assurance that dividends will be paid or that the Fund will achieve its investment objective.

Hedged Strategies

Catalyst Hedged Commodity Strategy Fund

Ticker/CUSIP: Class A: CFHAX / 62827P808, Class C: CFHCX / 62827P881, Institutional: CFHIX / 62827P873

Summary: Seeks to provide positive returns in all market conditions with low correlation to the global equity and commodity markets by investing in dynamic option strategies on physical commodity futures contracts.

Additional Information: Morningstar Category: Commodities Broad Basket, Minimum Investment: \$2,500, Dividend Frequency: Annual

Catalyst Hedged Futures Strategy Fund

Ticker/CUSIP: Class A: HFXAX / 62827M821, Class C: HFXCX / 62827M813, Institutional: HFXIX / 62827M797

Summary: Seeks to provide positive returns in all market conditions with low volatility and low correlation to the equity markets by investing in options and option spreads on equity index futures contracts.

Additional Information: Morningstar Category: Managed Futures, Minimum Investment: \$2,500, Dividend Frequency: Annual

Catalyst Hedged Insider Buying Fund

Ticker/CUSIP: Class A: STVAX / 62827L401, Class C: STVCX / 62827L500, Institutional: STVIX / 62827M581

Summary: All-cap equity portfolio driven by corporate insider buying research and hedged with put options and call options on equity indexes.

Additional Information: Morningstar Category: Long/Short Equity, Minimum Investment: \$2,500, Dividend Frequency: Annual

Catalyst Insider Long/Short Fund

Ticker/CUSIP: Class A: CIAAX / 62827L237, Class C: CIACX / 62827L229, Institutional: CIAIX / 62827M565

Summary: Market neutral long/short equity with long positions in companies with significant corporate insider buying activity and short positions in companies with significant corporate insider selling.

Additional Information: Morningstar Category: Long/Short Equity, Minimum Investment: \$2,500, Dividend Frequency: Annual

Catalyst Intelligent Alternative Fund

Ticker/CUSIP: Class A: ATRAX / 62827M433, Class C: ATRCX / 62827M425, Institutional: ATRFX / 62827M417

Summary: Seeks to offer a simplified approach to alternatives by leveraging our alternative investment manager expertise to tactically select investments in alternative funds.

Additional Information: Morningstar Category: Long/Short Equity, Minimum Investment: \$2,500, Dividend Frequency: Annual

Catalyst Macro Strategy Fund

Ticker/CUSIP: Class A: MCXAX / 62827M698, Class C: MCXCX / 62827M680, Institutional: MCXIX / 62827M672

Summary: Offers an actively managed, absolute return strategy that seeks to generate positive returns in any market environment by participating in macroeconomic trends in volatility, equities, currencies, fixed income and commodities.

Additional Information: Morningstar Category: Multialternative, Minimum Investment: \$2,500, Dividend Frequency: Annual

Catalyst Time Value Trading Fund

Ticker/CUSIP: Class A: TVTAX / 62827M292, Class C: TVTCX / 62827M284, Institutional: TVTIX / 62827M276

Summary: Writes short-term call and put options on S&P 500 Index futures, with the goal of generating income from options that expire worthless, and invests in opportunistic long positions for hedging and incremental return.

Additional Information: Morningstar Category: Managed Futures, Minimum Investment: \$2,500, Dividend Frequency: Annual

Catalyst/Auctos Multi-Strategy Fund

Ticker/CUSIP: Class A: ACXAX / 62827P865, Class C: ACXCX / 62827P857, Institutional: ACXIX / 62827P840

Summary: Seeks absolute returns uncorrelated to global equity markets by entering into long and short futures contracts, using several strategies including relative value, trend following, pattern recognition and calendar spreads.

Additional Information: Morningstar Category: Managed Futures, Minimum Investment: \$2,500, Dividend Frequency: Annual

Catalyst/Lyons Hedged Premium Return Fund

Ticker/CUSIP: Class A: CLPAX / 62827L187, Class C: CLPCX / 62827L179, Institutional: CLPFX / 62827M532

Summary: Seeks exposure to equities with low volatility and low correlation to the equity market by overlaying an option strategy with the objective of generating premium income and hedging a portion of the downside risk.

Additional Information: Morningstar Category: Large Blend, Minimum Investment: \$2,500, Dividend Frequency: Annual

Catalyst/Millburn Hedge Strategy Fund

Ticker/CUSIP: Class A: MBXAX / 62827P832, Class C: MBXCX / 62827P824, Institutional: MBXIX / 62827P816

Summary: Utilizes complementary active and passive investment strategies, with the goal of outperforming typical long-only equity investments, including reducing drawdowns during protracted periods of stress.

Additional Information: Morningstar Category: Multialternative, Minimum Investment: \$2,500, Dividend Frequency: Annual

Dividend Payment Schedule: Annual pay net income and capital gains in December. Quarterly pay second to last business day of each calendar quarter and pay capital gains in December. Monthly pay second to last business day each month and pay capital gains in December. There is no assurance that dividends will be paid or that the Fund will achieve its investment objective.

Commissions & Disclosures

Class A Commission Tables

Includes all funds **except** Catalyst Insider Income Fund, Catalyst/Princeton Floating Rate Income Fund, Catalyst/Princeton Hedged Income Fund and Catalyst/SMH High Income Fund:

Amount of Purchase	Sales Charge as % of Public Offering Price	Authorized Dealer Commission as % of Public Offering Price
Less than \$50,000	5.75%	5.00%
\$50,000 but less than \$100,000	4.75%	4.00%
\$100,000 but less than \$250,000	4.00%	3.25%
\$250,000 but less than \$500,000	3.00%	2.50%
\$500,000 but less than \$1,000,000	2.50%	2.00%
\$1,000,000 but less than \$5,000,000 (1)	0.00%	1.00%
\$5,000,000 but less than \$10,000,000 (1)	0.00%	0.50%
\$10,000,000 and above (1)	0.00%	0.25%

Includes Catalyst Insider Income Fund, Catalyst/Princeton Floating Rate Income Fund, Catalyst/Princeton Hedged Income Fund and Catalyst/SMH High Income Fund:

Amount of Purchase	Sales Charge as % of Public Offering Price	Authorized Dealer Commission as % of Public Offering Price
Less than \$50,000	4.75%	4.00%
\$50,000 but less than \$100,000	4.25%	3.50%
\$100,000 but less than \$250,000	3.75%	3.00%
\$250,000 but less than \$500,000	2.50%	2.00%
\$500,000 but less than \$1,000,000	2.00%	1.50%
\$1,000,000 but less than \$5,000,000 (1)	0.00%	1.00%
\$5,000,000 but less than \$10,000,000 (1)	0.00%	0.50%
\$10,000,000 and above (1)	0.00%	0.25%

(1) In the case of investments at or above the \$1 million breakpoint (where you do not pay an initial sales charge), a 1.00% contingent deferred sales charge ("CDSC") may be assessed on shares redeemed within 24 months of purchase.

Class C Commissions

Class C Shares pay an annualized 1.00% 12b-1 trail fee starting in the first month after purchase. There is no up-front or contingent deferred sales charge and no early redemption charges on Class C Shares.

Important Disclosures:

An investor should consider the Fund's investment objectives, risks, charges and expenses carefully before investing or sending money. This and other important information about the Catalyst Funds can be found in the Fund's prospectus, which can be obtained by calling 1-866-447-4228. Please read the prospectus carefully before investing. The Catalyst Funds are distributed by Northern Lights Distributors, LLC, member FINRA/SIPC. Neither Catalyst Capital Advisors LLC nor any of its Investment Management Partners are affiliated with Northern Lights Distributors, LLC.

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