

# Dividend Opportunities Fund Commentary

June 30, 2024

## AT A GLANCE

**Managers:** Dolores Bamford, CFA;  
Andrew Singer, CFA

**Fund Objectives:** Seeks to provide dividend income and long-term capital appreciation. The Fund's secondary objective is dividend growth.

**About the Fund:** A diversified equity fund representing our approach to dividend paying stocks.

**Benchmarks:** Bloomberg US Mid Cap Index, Russell Midcap Total Return Index

**Morningstar Category:** US Fund Mid-Cap Blend

**Lipper Category:** Equity Income

**Net Assets:** \$862 million

**Inception Date:** September 29, 2017

### Eventide Asset Management, LLC

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**Class I: ETIDX | Class A: ETADX | Class C: ETCDX | Class N: ETNDX**

## Review

The Eventide Dividend Opportunities Fund (Class I)<sup>1</sup> reported a total return of -1.03% for Q2 2024, ahead of -3.42% returned by its primary benchmark, the Bloomberg US Midcap Index. For the trailing 12-month period ending 6/30/2024, the Fund (Class I) rose 21.70%, leading the Bloomberg US Micap (+12.40%). The Fund's 3- and 5-year results also remain strong.

## Contributors

### Top Five Contributors<sup>2</sup> (%)

Q2 2024

Company	Ticker	Industry	Average Weight	Contribution to Return	Total Return <sup>3</sup>
KLA Corporation	KLAC	Information Technology	4.11	0.67	18.26
Trane Technologies PLC	TT	Industrials	5.62	0.54	9.86
Vistra Corp	VST	Utilities	2.46	0.48	23.75
Targa Resources Corp	TRGP	Energy	3.14	0.47	15.73
Verisk Analytics Inc	VRSK	Industrials	1.90	0.31	14.52

In the second quarter of 2024, the largest positive contributors to performance were: KLA Corporation, Trane Technologies PLC, Vistra Corp, Targa Resources Corp, and Verisk Analytics Inc. KLA Corporation, which provides semiconductors and semiconductor assembly solutions, benefited from a cyclical recovery in semiconductors and new technology transitions. Trane Technologies, which provides HVAC systems for energy efficiency and reduced carbon emissions, continued to post strong results in its commercial HVAC business, driven by data centers, education, and healthcare. Vistra Corp, which offers electricity and power generation, distribution, and transmission solutions, is benefiting from rising power prices and increasing value attributed to their power plant assets. Targa Resources Corp, a midstream natural gas and NGL provider in the Permian Basin, benefited from increasing growth and FCF generation from their position in the Permian Basin. Verisk Analytics Inc, provider of risk assessment services and decision analytics, saw their organic growth reaccelerated with the insurance market remaining firm.

## Detractors

### Top Five Detractors<sup>2</sup> (%)

Q2 2024

Company	Ticker	Sector	Average Weight	Contribution to Return	Total Return <sup>3</sup>
Lithia Motors Inc	LAD US	Consumer Discretionary	2.15	-0.47	-15.92
Pool Corp	POOL US	Consumer Discretionary	1.93	-0.49	-23.60
Old Dominion Freight Line Inc	ODFL US	Industrials	2.31	-0.54	-19.36
CDW Corp	CDW US	Information Technology	4.38	-0.61	-12.25
Bruker Corp	BRKR US	Health Care	1.55	-0.65	-32.02

In the second quarter of 2024, the largest negative detractors to performance were: Lithia Motors Inc, Pool Corp, Old Dominion Freight Line Inc, CDW Corp, and Bruker Corp. Lithia Motors Inc, a large U.S. automotive retailer, underperformed peers on a same-store basis as it works to integrate recent acquisitions. Pool Corp, a provider of swimming pool supplies, equipment, and related products, reduced its earnings guidance due to weakness in remodeling and new construction. Old Dominion Freight Line, an inter-regional and multi-regional motor carrier, reported strong pricing gains but volumes disappointed as the freight market remained soft. CDW Corp, a value-added reseller of technology solutions, reduced its earnings guidance

*Performance is historical and does not guarantee future results.*

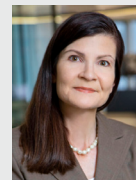
## Portfolio Team Outlook

Broad equity market performance was mixed in the second quarter, as the market weighted S&P 500 advanced 4.28%, propelled by its high concentration of mega-cap tech stocks, but its equal weighted version was down 2.62% in the quarter. Midcap and small cap indices also declined for the quarter. Evidence of a gradual economic slowdown, weakening corporate earnings, and reduced expectations for Fed rate cuts this year pressured markets in the quarter, offset by continued positive news in AI related trends and signs of progress in inflation moving back down towards the Fed's target rate of 2%. The breadth of market performance remained narrow with continued outperformance of mega cap tech and other companies benefiting from AI related growth trends, including the power and infrastructure needed for this growth. Midcap sectors showing particular strength in the quarter were utilities, energy infrastructure, semicap equipment, and insurance offset by weakness in consumer discretionary, banks, and healthcare. Additionally, companies with strong financial attributes and positive free cash flow continued to outperform companies with weakening financials and negative free cash flow. Positives for the markets going forward are the potential start of Fed rate cuts, continued disinflation, and continued positive news on AI capital spending and related new products and applications needed. These positives can be offset by volatility surrounding the US presidential election, geo-political uncertainty, and continued weakening of corporate earnings with more cautious consumer and corporate spending behavior.

The Fund's equity positions outperformed their benchmark for the quarter across many sectors, particularly in Utilities, Energy, Industrials, and Information Technology which enjoyed strong relative results as compared to their benchmark, slightly offset by underperformance in Consumer Discretionary and Healthcare.

We believe that we positioned the Fund well in relationship to key secular growth themes in technology, AI, electrification, increased power and cooling requirements, energy efficiency, and energy infrastructure, by having substantial overweights to the Industrials, Technology, Electric Power, and Energy sectors. We continue to add selectively to high-quality and well-positioned solutions providers and enablers of important technological, AI, and power related trends, where we see attractive valuation, dividend growth, and strong fundamental prospects. Concurrently, we have been prudently reducing our exposure in areas of technology and others that have shown, in our view, exceptional performance. We believe given the Fund's high quality, dividend growth, and lower volatility bias versus its benchmark, it is well-positioned to excel in market environments that favor high quality companies with strong financials and execution, as experienced in 2Q2024, but potentially lag during rallies led by lower quality or more cyclical companies and sectors.

Since we begin our investment process by looking at the fundamentals of individual companies, we remain focused on pursuing



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Co-Chief Investment Officer,  
Senior Portfolio Manager

companies we see as resilient, well-managed, and well-positioned in long-term secular growth themes of human flourishing and are strong solutions providers to their respective industries. Despite potential continued uncertainty and volatility in the markets, we have been finding what we believe are attractive opportunities to invest in these types of companies with above average dividend growth at attractive valuations, particularly in the mid-cap equity space. Also as the Fed starts lowering their policy rates and money market fund rates subsequently decline, dividend growth oriented strategies may become back in favor, providing participation in attractive high quality, dividend growth equities with income and potentially lower volatility than the overall markets.

We continue to prioritize high conviction ideas for our funds. Our experience underpins our confidence that these high-quality, dividend growth companies in the Fund will continue to serve their customers, stakeholders, and shareholders well. We remain focused on resilient growth, strong financials, idiosyncratic risk, stakeholder value creation, and as ever, themes of human flourishing.

slightly as the IT spending market remains weak. Bruker Corp, which develops, manufactures, and distributes scientific instruments as well as analytical and diagnostic solutions, announced a number of portfolio expanding acquisitions that raised concerns about integration and earnings dilution.

*Performance is historical and does not guarantee future results.*

Trailing Returns<sup>4</sup> (%) 30 Jun 2024

Eventide Dividend Opportunities Fund	YTD	3-mos	1-year	3-year <sup>5</sup>	5-year <sup>5</sup>	10-year	Since Inception <sup>5</sup>	Inception Date
Class I	10.28	-1.03	21.70	5.62	13.16	—	10.78	09/29/2017
Class A without load	10.09	-1.09	21.35	5.39	12.92	—	10.52	09/29/2017
Class A with 5.75% load <sup>6</sup>	3.79	-6.76	14.40	3.32	11.60	—	9.55	09/29/2017
Class C <sup>7</sup>	9.71	-1.24	20.50	4.56	12.03	—	9.69	09/29/2017
Class N	10.12	-1.08	21.40	5.39	12.93	—	10.55	09/29/2017
<b>Benchmarks</b>								
Bloomberg US Mid Cap Index <sup>8</sup>	4.82	-3.42	12.40	3.07	10.12	—	9.96	09/29/2017
Russell Midcap Total Return Index <sup>8</sup>	4.96	-3.35	12.88	2.37	9.46	—	9.44	09/29/2017

**Performance is historical 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 data quoted. Investors cannot directly invest in an index, and unmanaged index returns do not reflect any fees, expenses, or sales charges. The volatility of an index may be materially different than that of the Fund, and investors should not expect the Fund to achieve the same results as a listed index. Performance data current to the most recent month-end may be obtained by calling 1-877-771-EVEN (3836).**

Eventide Dividend Opportunities Fund expenses: Class I, Gross Expenses 1.03%, Net Expenses 0.95%; Class A, Gross Expenses 1.28%, Net Expenses 1.20%; Class C, Gross Expenses 2.03%, Net Expenses 1.95%; Class N, Gross Expenses 1.23%, Net Expenses 1.15%. The adviser has contractually agreed to waive fees and/or reimburse expenses of the Fund through 10/31/2024. The agreement may be terminated by the Fund's Board of Trustees only on 60 days' written notice.

1. Prior to Q4 2020, Class N shares were displayed.
2. Source: Bloomberg PORT Attribution Report. Allocation percentages are subject to change at any time, and should not be considered investment advice.
3. The total return percentage listed is impacted by the Fund's transactions and transacted price levels of the holding during the quarter.
4. The returns shown do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption of fund shares. Because of ongoing market volatility, fund performance may be subject to substantial short-term changes.
5. Performance figures for periods greater than 1 year are annualized. Annualized since inception figures use an inception date of 09/29/2017.
6. 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 eighteen months of purchase. The CDSC for these Class A shares is based on the NAV at the time of purchase. The holding period for the CDSC begins on the day you buy your shares. Some intermediaries may waive or discount the CDSC under certain circumstances.
7. A 1.00% contingent deferred sales charge ("CDSC") may be assessed on C-shares redeemed within twelve months of purchase.
8. On 06/30/2024, the Fund's primary benchmark to compare its performance was changed from the Russell Midcap Total Return Index to the Bloomberg US Mid Cap Index because the Fund's Adviser believes it provides more value per cost while maintaining high standards of accuracy, relevance, and reliability. The Bloomberg US Mid Cap Index is a float market-cap-weighted benchmark of the lower 800 in capitalization of the Bloomberg US 1000 Index, which is a float market-cap-weighted benchmark of the 1000 most highly capitalized US companies. Source: Bloomberg Index Services Limited. Bloomberg® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith. The Russell Midcap Total Return Index measures the performance of the mid-cap segment of the U.S. equity universe.

The opinions expressed herein are those of the Fund's portfolio management team as of 06/30/2024 and are subject to change. There is no guarantee that such views are correct or that the outlook opinions will come to pass. Specific companies mentioned are for performance attribution informational purposes only and should not be construed as buy or sell advice. Reliance upon the views expressed herein is at the sole discretion of the reader. The Adviser's judgment about the quality and intrinsic value of companies may prove to be incorrect. There is no guarantee that any investment will achieve its objectives, generate positive gains, or avoid losses.

**Mutual funds involve risk including the possible loss of principal. Past performance does not guarantee future results.** The Fund's ethical values screening criteria could cause it to under-perform similar funds that do not have such screening criteria. The Fund can have risk related to option investing. Companies in the Utilities sector are subject to interest rate risk and cash flow risk. Companies in the technology industries have different risks including but not limited to products becoming obsolete, and entrance of competing products. Companies in the Industrial Sector carry various risks including, but not limited to, risk related to debt loads, intense competition, and sensitivity to economic cycles. The Fund can invest in smaller-sized companies which may experience higher failure rates than larger companies and normally have a lower trading volume than larger companies. There are unique risks associated with convertible securities, foreign securities, hedging, MLPs, preferred stocks, REITs, securities, and yieldcos that are covered in the Fund's prospectus and SAI.

**This information is for use with concurrent or prior delivery of a fund prospectus, which can be obtained at <https://www.eventidefunds.com/prospectus> or by calling 1-877-771-EVEN (3836). Investors should consider a fund's investment objectives, risks, charges and expenses carefully before investing or sending money. Eventide Mutual Funds are distributed by Northern Lights Distributors, LLC, Member FINRA/SIPC, which is not affiliated with Eventide Asset Management, LLC.**