

# Gilead Fund Commentary

March 31, 2024

## AT A GLANCE

**Managers:** Finny Kuruvilla, MD, PhD  
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**Fund Objective:** Seeks to provide long-term capital appreciation.

**About the Fund:** A diversified mutual fund representing our “best ideas” for long-term capital appreciation. Historical emphases in small- and mid-cap growth, Health Care and Information Technology.

**Benchmark:** Russell Midcap Growth Index

**Secondary Benchmark:** S&P 500 Total Return Index

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

**Lipper Category:** Mid-Cap Growth

**Net Assets:** \$3.87 billion

**Inception Date:** July 8, 2008

**Eventide Asset Management, LLC**  
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**Class I: ETILX | Class A: ETAGX | Class C: ETCGX | Class N: ETGLX**

## Review

In the first quarter of 2024, the Gilead Fund (Class I)<sup>1</sup> achieved a 2.95% return, contrasting with the Russell Midcap Growth Index's 9.50% and the S&P 500's 10.56%. The fund's lag to the Russell Midcap Growth index primarily stemmed from underperformance in the Information Technology and Consumer Discretionary sectors, while we noted slight outperformance in the Industrials and Communication Services sectors.

## Contributors

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

Q1 2024

Company	Ticker	Sector	Average Weight	Contribution to Return	Total Return <sup>3</sup>
Shockwave Medical Inc	SWAV	Health Care	1.88	1.06	70.88
Trane Technologies PLC	TT	Industrials	4.32	0.93	23.45
CrowdStrike Holdings Inc	CRWD	Information Technology	2.81	0.69	25.56
The Trade Desk Inc	TTD	Communication Services	2.47	0.58	21.48
Toast Inc	TOST	Financials	1.74	0.54	36.47

In the first quarter of 2024, the largest positive contributors to performance were: Shockwave Medical Inc, Trane Technologies PLC, CrowdStrike Holdings Inc, The Trade Desk Inc, and Toast Inc. Shockwave Medical, a company that treats calcified cardiovascular disease, delivered strong operating results, buoyed by encouraging end market trends, pipeline developments, and M&A rumors. Trane Technologies, a provider of HVAC systems for efficiency and reduced carbon emissions, continued to post strong results in its commercial HVAC business, driven by data centers, education, and healthcare. CrowdStrike, an enterprise cybersecurity platform, continued to deliver strong results as their cybersecurity platform across endpoints and cloud, continues to gain traction. The Trade Desk, a digital advertising platform for display, social, and video campaigns, delivered strong top and bottom line results as key channels including connected TV and mobile continued to deliver. Toast, which develops cloud software to equip restaurants, benefited from stronger consumer trends & cost efficiencies which drove upside to earnings trajectory.

## Detractors

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

Q1 2024

Company	Ticker	Sector	Average Weight	Contribution to Return	Total Return <sup>3</sup>
dLocal Ltd	DLO	Financials	2.07	-0.28	-16.90
Five9 Inc	FIVN	Information Technology	1.21	-0.29	-21.07
Guardant Health Inc	GH	Health Care	1.54	-0.47	-23.73
Coursera Inc	COUR	Consumer Discretionary	1.78	-0.57	-27.62
Xometry Inc	XMTR	Information Technology	3.63	-2.41	-52.97

In the first quarter of 2024, the largest negative detractors to performance were: dLocal Ltd, Five9 Inc, Guardant Health Inc, Coursera Inc, and Xometry Inc. dLocal, a payment solutions platform, saw negative impacts from their Argentina and Egyptian businesses due to currency devaluation yet maintained healthy top and bottom lines. Five9, a cloud-based call-center platform, did not deliver a strong beat and raise quarter due to their consumer vertical underperforming. Guardant Health, which focuses on high-tech medical diagnostics, continues to deliver strong core business results, however suffered from an FDA Advisory Committee

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

## Portfolio Team Outlook

The challenging environment for younger, long-duration stocks has had a significant impact on the recent performance of our strategy. As interest rates have risen, the market has favored stability in the form of larger capitalization, near-term profitability, and lower volatility stocks which can be seen by the outperformance of large-cap indices vs small-cap indices. The Gilead Fund's focus has always been on finding great long-term investment opportunities, which include certain out of favor smaller market capitalization companies that have not fared well in the recent quarters.

We believe this fund should do well in a strong economy coupled with a stable/declining interest rate environment while it might underperform if rates rise and/or the economy enters recession.

Our investment strategy remains anchored in the belief that companies with sustainable competitive advantages in attractive industries run by great management teams that focus on value creation for their stakeholders generate better long-term risk-adjusted returns. If we have done our fundamental work right, we



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believe that the same stocks and areas of underperformance in the short term should make up for this in coming quarters.

delay and high expectations of competitor data for their pipeline Shield assay. Coursera, an online education services provider, reported a decent Q4 and forward guidance, but negative investor sentiment emerged after a sell-side report labeled it as an AI underperformer. Xometry, an AI-enabled marketplace for on-demand manufacturing, accelerated Q4 revenues as expected but their 2024 guidance came in materially lower than expectations due to a weak January.

### Trailing Returns<sup>4</sup> (%)

31 Mar 2024

Eventide Gilead Fund	YTD	3-mos	1-year	3-year <sup>5</sup>	5-year <sup>5</sup>	10-year <sup>5</sup>	Since Inception <sup>5</sup>	Inception Date
Class I	2.95	2.95	16.26	-2.23	8.72	10.73	13.87	02/02/2010
Class A without load	2.89	2.89	15.97	-2.46	8.46	10.47	14.72	10/28/2009
Class A with 5.75% load <sup>6</sup>	-3.02	-3.02	9.29	-4.36	7.19	9.81	14.25	10/28/2009
Class C <sup>7</sup>	2.68	2.68	15.12	-3.20	7.63	9.63	13.85	10/28/2009
Class N	2.89	2.89	16.05	-2.42	8.51	10.52	13.27	07/08/2008
<b>Benchmarks</b>								
Russell Midcap Growth Index <sup>8</sup>	9.50	9.50	26.28	4.62	11.82	11.35	11.15	07/08/2008
S&P 500 Total Return Index <sup>8</sup>	10.56	10.56	29.88	11.49	15.05	12.96	11.63	07/08/2008

**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 Gilead Fund expenses: Class I, Gross Expenses 1.18%, Net Expenses 1.18%; Class A, Gross Expenses 1.43%, Net Expenses 1.43%; Class C, Gross Expenses 2.18%, Net Expenses 2.18%; Class N, Gross Expenses 1.38%, Net Expenses 1.38%.

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. The indices use an inception date of 07/08/2008.
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. The Russell Midcap Growth Index measures the performance of the U.S. equity mid-cap growth segment. The S&P 500 is an index created by Standard & Poor's of American stocks with the largest market capitalization. On 04/01/2023 the Fund's primary benchmark to compare its performance changed from the S&P 500 Total Return Index to the Russell Midcap Growth Index because the Fund's Adviser believes it is more reflective of the Fund's portfolio.

*The opinions expressed herein are those of the Fund's portfolio management team as of 03/31/2024 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 invest in smaller-sized companies which may experience higher failure rates than larger companies and normally have a lower trading volume than larger companies. The Fund can have risk associated with the biotechnology and pharmaceutical industry in which these companies may be heavily dependent on clinical trials with uncertain outcomes and decisions made by the U.S. Food and Drug Administration. 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 have risk related to option investing. There are special risks associated with investments in foreign companies including exposure to currency fluctuations, less efficient trading markets, political instability and differing auditing and legal standards. The Fund can invest in private companies. Private investments include various risks including but not limited to lack of liquidity, capital commitment risk, and valuation risk. Private companies may not be financially profitable and have uncertain futures, subjecting them to additional risks.*

***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.***