

Healthcare & Life Sciences Fund Commentary

December 31, 2023

AT A GLANCE

Manager: Finny Kuruvilla, MD, PhD

Kyle Rasbach, PhD, PharmD, ceased his role as a portfolio manager for Eventide Healthcare & Life Sciences Fund effective January 25, 2024.

Fund Objective: Seeks to provide long-term capital appreciation.

About the Fund: A diversified mutual fund seeking long-term capital appreciation in the healthcare and life sciences sectors (≥80%). Concentrates investments in the drug-related industries (≥25%). May invest in illiquid securities (≤15%).

Benchmarks: S&P Biotechnology Select Industry Index, S&P 500 Total Return Index

Morningstar Category: US Fund Health

Lipper Category: Health/Biotech

Net Assets: \$1.66 billion

Inception Date: December 27, 2012

Healthcare and life sciences companies include those companies that derive or are expected to derive 50% or more of their revenue from healthcare and life science products and services including, but not limited to, biotechnology, pharmaceuticals, diagnostics, life science tools, medical devices, healthcare information technology, healthcare services, synthetic biology, agricultural and environmental management, and pharmaceutical manufacturing products and services. These companies include smaller development-stage companies.

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Class I: ETIHX | Class A: ETAHX | Class C: ETCHX | Class N: ETNHX

Review

The Eventide Healthcare and Life Sciences Fund (Class I)¹ posted a total return of 11.11% for the fourth quarter of 2023, compared with the S&P Biotechnology Select Industry Index of 22.18% and the S&P 500 Total Return Index of 11.69%. The Fund (Class I) posted a total return of 11.01% for the 12 months ending 12/31/2023 compared to the S&P Biotechnology Select Industry Index of 7.76% and the S&P 500 Total Return Index of 26.29%.

Contributors

Top Five Contributors² (%)

Q4 2023

Company	Ticker	Industry	Average Weight	Contribution to Return	Total Return ³
Karuna Therapeutics Inc	KRTX	Biotechnology	3.87	2.30	87.18
Cytokinetics	CYTK	Biotechnology	1.33	1.94	183.40
Celldex Therapeutics Inc	CLDX	Biotechnology	3.53	1.59	44.11
Immunogen Inc	IMGN	Biotechnology	1.62	1.36	86.83
Blueprint Medicines Corp	BPMC	Biotechnology	1.68	1.16	83.67

In the fourth quarter of 2023, the largest positive contributors to performance were: Karuna Therapeutics Inc, Cytokinetics, Celldex Therapeutics Inc, Immunogen Inc, and Blueprint Medicines Corp. Karuna, a developer of novel therapies for disabling neuropsychiatric disorders, announced they are to be acquired by Bristol Myers Squibb for \$14B to jumpstart their neuroscience franchise. Cytokinetics, a developer of next-generation therapies for heart diseases, reported potentially best-in-class phase 3 data for their hypertrophic cardiomyopathy candidate. Celldex, a designer of applications of immunology to prevent and treat diseases, announced positive Phase 2 data in Urticaria and Phase 1 data in Prurigo nodularis. Immunogen, a developer of targeted anticancer therapeutics, was acquired by Abbvie. Blueprint, a developer of next-generation kinase therapies for genomically defined diseases, had a strong beat in Q3 earnings and initial competitor's data failed to meet investor's expectation.

Detractors

Top Five Detractors² (%)

Q4 2023

Company	Ticker	Industry	Average Weight	Contribution to Return	Total Return ³
Argenx SE	ARGX	Biotechnology	3.13	-0.54	-22.62
Reneo Pharmaceuticals	RPHM	Biotechnology	0.92	-0.92	-78.99
Cogent Biosciences Inc	COGT	Biotechnology	1.52	-1.02	-39.69
Akero Therapeutics Inc	AKRO	Biotechnology	0.20	-1.35	-70.26
Zentalis Pharmaceuticals	ZNTL	Biotechnology	6.06	-1.99	-24.48

In the fourth quarter of 2023, the largest negative detractors to performance were: Argenx SE, Reneo Pharmaceuticals, Cogent Biosciences Inc, Akero Therapeutics Inc, and Zentalis Pharmaceuticals. Argenx, a biotech company that develops therapies for autoimmune diseases, announced that both their Phase 3 studies failed in immune thrombocytopenia purpura and pemphigus vulgaris, respectively. Reneo, a biotech company that develops new therapies for patients with rare muscles diseases, had Phase 2 trial in primary mitochondrial myopathy patients that failed to show a benefit of their drug vs. the placebo. Cogent, a biotech company that develops targeted anticancer therapeutics, had initial data in Indolent Systemic

Performance is historical and does not guarantee future results.

Portfolio Team Outlook

2023 represented a year of extraordinary innovation for the sector. Ranging from disease-modifying Alzheimer's medications gaining FDA approval to tremendous excitement from anti-obesity medications to curative therapies in sickle cell anemia coming to market, the biotech industry continues to improve human health and quality of life in dramatic ways. The drivers of innovation are only growing more powerful as new treatment modalities gain acceptance and computational advances such as AI spread. While the industry struggled in the face of high interest rates, those headwinds are likely to become tailwinds in 2024. In addition, M&A has

been robust in the field, largely because patent expiries are pressuring revenue for larger cap pharmaceutical companies. While selectivity is warranted, smidcap biotech and healthcare remain historically inexpensive.

The fourth quarter of 2023 was a turnaround quarter for biotech and smid cap healthcare after a difficult third quarter. Sentiment and stock prices were driven to 2023 lows in October 2023. But then the macro environment quickly changed as inflation numbers came in low, Fed presentations were more dovish, and 10-year rates went lower. These events



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Co-Chief Investment Officer,
Senior Portfolio Manager

triggered a rally in smid cap biotech and healthcare. Although the Healthcare & Life Science fund relatively underperformed our benchmark in the quarter, both the fund and benchmark were solidly positive. We believe that the uptrends of this past quarter can continue into 2024.

Mastocytosis was negative, with hard to interpret efficacy and surprising safety signals not seen in other settings. Akero, a biotech company that develops medicines and therapies for metabolic diseases, failed their Phase 2 nonalcoholic steatohepatitis in F4 patients study. Zentalis, a Biotech company focused on novel small molecule therapies, switched clinical development paths in early stage ovarian cancer, causing confusion in a tough tape.

Trailing Returns⁴ (%)

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Eventide Healthcare & Life Sciences Fund	YTD	3-mos	1-year	3-year ⁵	5-year ⁵	10-year ⁵	Since Inception ⁵	Inception Date ⁵
Class I	11.01	11.11	11.01	-9.38	10.11	11.41	15.31	12/27/2012
Class A without load	10.76	11.07	10.76	-9.59	9.85	11.13	15.01	12/27/2012
Class A with 5.75% load ⁶	4.39	4.69	4.39	-11.36	8.55	10.48	14.39	12/27/2012
Class C ⁷	9.90	10.86	9.90	-10.28	9.02	10.31	14.16	12/27/2012
Class N	10.77	11.08	10.77	-9.56	9.90	11.20	15.08	12/27/2012
Benchmarks								
S&P Biotechnology Select Industry Index ⁸	7.76	22.18	7.76	-13.91	4.58	7.65	10.89	12/27/2012
S&P 500 Total Return Index ⁸	26.29	11.69	26.29	10.00	15.69	12.03	13.79	12/27/2012

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 Healthcare & Life Sciences Fund expenses: Class I, Gross Expenses 1.31%, Net Expenses 1.31%; Class A, Gross Expenses 1.56%, Net Expenses 1.56%; Class C, Gross Expenses 2.31%, Net Expenses 2.31%; Class N, Gross Expenses 1.51%, Net Expenses 1.51%.

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 12/27/2012.

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 04/01/2023, the Fund's primary benchmark to compare its performance was changed from the S&P 500 Total Return Index to the S&P Biotechnology Select Industry Index because the Fund's Adviser believes it is more reflective of the Fund's portfolio. The S&P Biotechnology Select Industry Index represents the biotechnology sub-industry portion of the S&P Total Markets Index. The S&P 500 is an index created by Standard & Poor's of American stocks with the largest market capitalization.

The opinions expressed herein are those of the Fund's portfolio management team as of 12/31/2023 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. 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.