

# Balanced Fund Commentary

September 30, 2024

## AT A GLANCE

**Managers:** Dolores Bamford, CFA;  
David Dirk, CFA

**Fund Objective:** Seeks to provide current income while maintaining the potential for capital appreciation.

**About the Fund:** A diversified mutual fund representing our approach to current income, income growth, and long-term capital appreciation.

**Benchmark:** Bloomberg Mid Cap/Intermediate US Aggregate 50/50 TR Index<sup>1</sup>

**Morningstar Category:** US Fund Moderate Allocation

**Lipper Category:** Flexible Portfolio

**Net Assets:** \$394 million

**Inception Date:** July 15, 2015

Effective 11/01/2023, the Fund's name changed from the "Eventide Multi-Asset Income Fund." Also effective 11/01/2023, the Fund has adopted a policy to invest at least 25% of its assets in equity securities and at least 25% of its assets in fixed income securities. These clarifications are designed to help investors evaluate the Fund for purposes of investment planning, and there is no change to the Fund's management of investment strategies or objectives.

## GLOSSARY

**Balanced equity strategies:** Combine stocks for growth with bonds/cash for stability, aiming for a moderate risk-return profile.

## Eventide Asset Management, LLC

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Class I: ETIMX | Class A: ETAMX | Class C: ETCMX | Class N: ETNMX

## Review

The Balanced Fund (Class I) reported a total return of 6.95% for Q3 2024, ahead of the 6.87% return for its 50/50 custom Balanced Blend benchmark. For the trailing 12-month period ending 9/30/2024, the Fund (Class I) outperformed its primary benchmark, returning 22.11% while the benchmark saw a return of 19.47%. The Fund's 3- and 5-year results also remain strong relative to its benchmark.

## Contributors

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

Q3 2024

Company	Ticker	Industry	Average Weight	Contribution to Return	Total Return <sup>3</sup>
Trane Technologies PLC	TT	Industrials	3.04	0.52	18.47
DR Horton Inc	DHI	Consumer Discretionary	1.81	0.52	35.59
Iron Mountain Inc	IRM	Real Estate	1.75	0.51	33.40
Vistra Corp	VST	Utilities	1.26	0.46	38.15
Sherwin-Williams	SHW	Materials	1.42	0.36	28.15

In the third quarter of 2024, the largest positive contributors to performance were: Trane Technologies PLC, DR Horton Inc, Iron Mountain Inc, Vistra Corp, and Sherwin-Williams. Trane Technologies PLC, a provider of 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. DR Horton Inc, a nationwide builder of affordable new homes, benefitted from expectations for lower rates and a soft landing. Iron Mountain Inc, a storage and information management company, reported strong results across business lines and continues to have a long runway for growth. Vistra Corp, which offers electricity and power generation solutions, is benefitting from the demand for nuclear and natural gas power, especially to serve data center load. The Sherwin-Williams Co, which manufactures, distributes, and sells paints and coatings, raised its medium-term profitability outlook and benefited from expectations for lower rates.

## Detractors

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

Q3 2024

Company	Ticker	Industry	Average Weight	Contribution to Return	Total Return <sup>3</sup>
Lam Research Corp	LRCX	Information Technology	0.20	-0.10	-21.04
KLA Corporation	KLAC	Information Technology	1.89	-0.13	-5.91
Ferguson Enterprises Inc	FERG	Industrials	1.27	-0.18	-7.85
Synopsys Inc	SNPS	Information Technology	0.94	-0.20	-14.83
nVent Electric PLC	NVT	Industrials	2.62	-0.24	-8.06

In the third quarter of 2024, the largest negative detractors to performance were: Lam Research Corp, KLA Corporation, Ferguson Enterprises Inc, Synopsys Inc, and nVent Electric PLC. Lam Research Corp, a semiconductor wafer fabrication equipment company, saw memory pricing soften in the quarter due to excess inventories. KLA Corporation, which provides semiconductor production equipment and assembly solutions, sees earnings implications as Intel spending cuts contribute to negative forward revisions. Ferguson PLC, a distributor of plumbing, waterworks, HVAC, and other products, continues to gain market share, but residential construction and remodeling markets have remained soft. Synopsys Inc,

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

## Portfolio Team Outlook

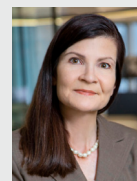
The third quarter of this year saw strong and broad-based performance in the equity markets, with mid cap and small cap stocks leading large and mega cap stocks. The Federal Reserve's reduction of its Fed Funds rate by 50bps, improving inflationary pressures, and a continued resilient economy helped midcap and small-cap indices outperform. Simultaneously, high valuations and concerns over the continuation of strong Artificial Intelligence ("AI") spending muted mega cap tech performance in the quarter.

Sectors like Utilities, Real Estate, Industrials, and Financials showed strength among midcaps this quarter, while Energy, Staples, and Information Technology lagged. Companies benefitting from declining US interest rates and strong end market demand outperformed those exposed to global economic and pricing weakness.

Our Fund's equity positions outperformed its benchmark this quarter across many sectors—most notably in Consumer Discretionary, Materials, Energy Infrastructure, Utilities, Healthcare, and REITs. These gains were slightly offset

by underperformance in Industrials, and Information Technology. Our fixed income positions slightly underperformed the benchmark from underperformance in corporate bonds. Going forward, we believe the fixed income portion of the Fund is positioned to benefit from a steepening yield curve. We believe the Fund overall is well-positioned in key secular growth themes, particularly in housing, technology, electrification, increased power and cooling requirements, energy efficiency, and energy infrastructure. This strategic positioning includes substantial overweight in the Industrials, REITs, Energy Infrastructure, Information Technology, and Electric Power sectors. We continue to selectively add high-quality and well-positioned companies that are solutions providers and enablers of important technological, power, and housing-related trends. Concurrently, we are prudently trimming positions that have shown extraordinary outperformance.

Despite market volatility and economic uncertainty, we remain focused on investing in resilient, well-managed companies that we believe are well-positioned for long-term secular growth. These companies are strong



**Dolores Bamford, CFA**  
Co-Chief Investment Officer,  
Senior Portfolio Manager

solutions providers within their industries, offering attractive dividend growth and valuations—particularly in the mid-cap equity space. As the Federal Reserve lowers policy rates and money market fund rates decline, balanced equity strategies may regain favor, providing exposure to high-quality, dividend-growing equities along with their income and downside protection.

We continue to prioritize high-conviction ideas for the Funds. Our experience underpins our confidence that these high-quality, dividend-growth companies will continue to serve their customers, stakeholders, and shareholders effectively. Our focus remains on resilient growth, strong financials, idiosyncratic risk, and the overarching theme of human flourishing.

a provider of software for designing advanced semiconductors, sees earnings implications as Intel spending cuts contribute to negative forward revisions. nVent Electric PLC, a provider of electronic packaging and networking solutions, underperformed due to concerns about slowing growth from data centers.

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

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

30 Sep 2024

Eventide Balanced 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	12.96	6.95	22.11	4.76	8.69	—	7.56	07/15/2015
Class A without load	12.72	6.95	21.86	4.51	8.48	—	7.32	07/15/2015
Class A with 5.75% load <sup>6</sup>	6.20	0.81	14.83	2.46	7.21	—	6.64	07/15/2015
Class C <sup>7</sup>	12.12	6.73	21.00	3.72	7.62	—	6.50	07/15/2015
Class N	12.79	6.90	21.86	4.55	8.49	—	7.35	07/15/2015
<b>Benchmark and Components</b>								
Bloomberg Mid Cap/Intermediate US Aggregate 50/50 TR Index <sup>1</sup>	9.53	6.87	19.47	3.24	6.74	—	6.41	07/15/2015
Bloomberg US Mid Cap Index <sup>1</sup>	14.42	9.16	28.81	6.23	11.95	—	10.50	07/15/2015
Bloomberg U.S. Intermediate Aggregate Bond Index <sup>1</sup>	4.63	4.59	10.39	-0.30	0.85	—	1.73	07/15/2015

**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 Balanced Fund expenses: Class I, Gross Expenses 0.90%, Net Expenses 0.82%; Class A, Gross Expenses 1.15%, Net Expenses 1.07%; Class C, Gross Expenses 1.90%, Net Expenses 1.82%; Class N, Gross Expenses 1.10%, Net Expenses 1.02%. 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.

- On 06/30/2024, the Fund's benchmark composite changed from 50% Russell Midcap Total Return Index and 50% Bloomberg U.S. Intermediate Aggregate Bond Index to 50% Bloomberg US Mid Cap Index and 50% Bloomberg U.S. Intermediate Aggregate Bond Index because the Fund's Adviser believes it provides more value per cost while maintaining high standards of accuracy, relevance, and reliability. The Russell Midcap Total Return Index measures the performance of the mid-cap segment of the U.S. equity universe. 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. The Bloomberg U.S. Intermediate Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market with less than 10 years to maturity. The securitized sector is wholly included. The index includes Treasuries, government-related and corporate securities, MBS (mortgage-backed securities), ABS (asset-backed securities), and CMBS (commercial mortgage-backed securities).
- Source: Bloomberg PORT Attribution Report. Allocation percentages are subject to change at any time, and should not be considered investment advice.
- The total return percentage listed is impacted by the Fund's transactions and transacted price levels of the holding during the quarter.
- 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.
- Performance figures for periods greater than 1 year are annualized. Annualized since inception figures use an inception date of 7/15/2015.
- 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.
- A 1.00% contingent deferred sales charge ("CDSC") may be assessed on C-shares redeemed within twelve months of purchase.

The opinions expressed herein are those of the Fund's portfolio management team as of 09/30/2024 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. Investors in the Fund should be aware that interest rates may change at any time based on government policy. In general, the price of a fixed income security falls when interest rates rise. Longer term securities may be more sensitive to changes in interest rates. The intermediate-term bond portion of the Fund's portfolio may represent 0% to 100% of the Fund's portfolio with an average duration of between two and eight years. The Fund may invest, directly or indirectly, in "junk bonds." Such securities are speculative investments that carry greater risks than higher quality debt securities. 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 asset-backed securities, convertible securities, credit, foreign securities, hedging, income, MLPs, mortgage-backed securities, preferred stocks, prepayment, REITs, securities, U.S. Agency 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.**