

# Dividend Opportunities Fund Commentary

September 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:** \$991 million

**Inception Date:** September 29, 2017

*Effective 11/01/2024, the Fund's name will change to the Eventide Dividend Growth Fund. Also effective 11/01/2024, the investment objectives of the Fund will be dividend growth and long-term capital appreciation. The Fund's secondary objective will be dividend income and, under normal circumstances, at least 80% of the Fund's net assets (plus the amount of borrowings for investment purposes) is invested in the securities of companies that Eventide Asset Management, LLC believes have the ability to increase dividends over the long term. These clarifications are designed to help investors understand that the Fund places a greater emphasis on cash flow generation and dividend growth as opposed to absolute dividend yield or dividend income alone.*

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

## Review

The Eventide Dividend Opportunities Fund (Class I) reported a total return of 9.49% for Q3 2024, ahead of 9.16% returned by its primary benchmark, the Bloomberg US Midcap Index. For the trailing 12-month period ending 9/30/2024, the Fund (Class I) rose 33.83%, leading the Bloomberg US Midcap (+28.81%). The Fund's 3- and 5-year results also remain strong.

## Contributors

### Top Five Contributors<sup>1</sup> (%)

Q3 2024

Company	Ticker	Industry	Average Weight	Contribution to Return	Total Return <sup>2</sup>
Trane Technologies PLC	TT	Industrials	5.27	0.96	18.47
Iron Mountain Inc	IRM	Real Estate	3.18	0.94	33.40
DR Horton Inc	DHI	Consumer Discretionary	2.90	0.86	35.59
Vistra Corp	VST	Utilities	2.16	0.84	38.15
Sherwin-Williams	SHW	Materials	2.58	0.66	28.15

In the third quarter of 2024, the largest positive contributors to performance were: Trane Technologies PLC, Iron Mountain Inc, DR Horton 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. Iron Mountain Inc, a storage and information management company, reported strong results across business lines and continues to have a long runway for growth. DR Horton Inc, a nationwide builder of affordable new homes, benefitted from expectations for lower rates and a soft landing. 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. 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>1</sup> (%)

Q3 2024

Company	Ticker	Sector	Average Weight	Contribution to Return	Total Return <sup>2</sup>
Lam Research Corp	LRCX	Information Technology	0.35	-0.17	-21.04
KLA Corporation	KLAC	Information Technology	3.38	-0.19	-5.91
Ferguson Enterprises Inc	FERG	Industrials	2.09	-0.30	-7.85
Synopsys Inc	SNPS	Information Technology	1.68	-0.35	-14.83
nVent Electric PLC	NVT	Industrials	4.24	-0.41	-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, a provider of software for designing advanced semiconductors, sees earnings implications as

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

## Portfolio Team Outlook

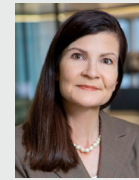
The third quarter of this year saw strong and broad-based performance in the equity markets, with mid cap and small cap stocks leading large and mega cap stocks. The Federal Reserve's reduction of its Fed Funds rate by 50bps, improving inflationary pressures, and a continued resilient economy helped 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 their 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. We believe our Fund overall is well-positioned in key secular

growth themes, particularly in housing-related, technology, AI, 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. Given our high quality dividend growth focus and lower volatility bias versus its benchmark, we believe the Fund is well-positioned to excel in market environments that favor high quality companies with strong financials and execution, as experienced year to date in 2024. We may encounter potential lag during rallies led by lower quality or more cyclical companies and sectors.

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



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

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 as money market fund rates subsequently decline, dividend growth oriented strategies may come back in favor. This shift could signal an opportunity to participate in attractive high quality, dividend growth equities that provide income and potentially lower volatility than the overall markets.

We continue to prioritize high-conviction ideas for the Fund. 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.

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 Dividend Opportunities Fund	YTD	3-mos	1-year	3-year <sup>4</sup>	5-year <sup>4</sup>	10-year	Since Inception <sup>4</sup>	Inception Date
Class I	20.75	9.49	33.83	8.42	14.19	—	11.81	09/29/2017
Class A without load	20.47	9.43	33.54	8.18	13.95	—	11.55	09/29/2017
Class A with 5.75% load <sup>5</sup>	13.57	3.15	25.85	6.06	12.60	—	10.61	09/29/2017
Class C <sup>6</sup>	19.79	9.19	32.48	7.33	13.03	—	10.70	09/29/2017
Class N	20.52	9.44	33.52	8.18	13.96	—	11.58	09/29/2017
<b>Benchmarks</b>								
Bloomberg US Mid Cap Index <sup>7</sup>	14.42	9.16	28.81	6.23	11.95	—	10.96	09/29/2017
Russell Midcap Total Return Index <sup>7</sup>	14.63	9.21	29.33	5.75	11.30	—	10.47	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. Source: Bloomberg PORT Attribution Report. Allocation percentages are subject to change at any time, and should not be considered investment advice.
2. The total return percentage listed is impacted by the Fund's transactions and transacted price levels of the holding during the quarter.
3. 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.
4. Performance figures for periods greater than 1 year are annualized. Annualized since inception figures use an inception date of 09/29/2017.
5. 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.
6. A 1.00% contingent deferred sales charge ("CDSC") may be assessed on C-shares redeemed within twelve months of purchase.
7. 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. 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 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. 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.***