

Exponential Technologies Fund Commentary

September 30, 2024

AT A GLANCE

Manager: Funny Kuruville, MD, PhD

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

About the Fund: A concentrated mutual fund representing our thesis regarding long-term capital appreciation in technology which can include information technology, e-commerce discretionary, internet media and services, healthcare technology, healthcare devices, or transaction and payment processing services industries (≥80%). The fund has a non-diversified approach in which ≥5% holdings cumulatively can be ≥25% of the fund. May invest in illiquid securities (≤15%).

Benchmarks: Bloomberg US 2500 Technology Total Return Index, S&P North American Technology Sector Index

Morningstar Category: US Fund Technology

Lipper Category: Technology

Net Assets: \$114 million

Inception Date: June 30, 2020

GLOSSARY

Moat: Competitive strategy that helps protect a company's market position from competitors

Eventide Asset Management, LLC

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Class I: ETIEX | Class A: ETAEX | Class C: ETCEX | Class N: ETNEX

Review

The Eventide Exponential Technologies Fund (Class I) posted a total return of 0.99% for the third quarter of 2024, compared with the Bloomberg US 2500 Technology Total Return Index of 6.24%. The Fund (Class I) posted a total return of 6.84% for the 12 months ending 09/30/2024 compared to the Bloomberg US 2500 Technology Total Return Index of 24.36%.

Contributors

Top Five Contributors¹ (%)

Q3 2024

Company	Ticker	Sub-Industry	Average Weight	Contribution to Return	Total Return ²
Xometry Inc	XMTR	Trading Companies & Distributors	6.06	2.66	58.91
Adyen NV	ADYEY	Transaction & Payment Processing	3.23	0.95	31.68
Monday.com Ltd	MNDY	Systems Software	4.19	0.72	15.37
Constellation Software	CNSWF	Application Software	5.20	0.64	13.49
Monolithic Power Systems Inc	MPWR	Semiconductors	3.70	0.49	12.67

In the third quarter of 2024, the largest positive contributors to performance were: Xometry Inc, Adyen NV, Monday.com Ltd, Constellation Software, and Monolithic Power Systems Inc. Xometry Inc, an AI-enabled marketplace for on-demand manufacturing, steadily reported marketplace growth despite the ongoing industrial downturn, nearing profitability. Adyen NV, a single platform enabling businesses to accept a wide range of payment methods with high authorization rates, expands payment volumes with enterprise merchants supporting its growth trajectory. Monday.com Ltd, a cloud-based software company for business workflow applications, continues to have strong fundamentals as it evolves into a platform. Constellation Software Inc, a long-term serial acquirer of vertical software businesses, benefitted from continued strong execution and rational capital allocation. Monolithic Power Systems Inc, a provider of power management solutions, benefitted from technology leadership in providing power management for AI accelerators.

Detractors

Top Five Detractors¹ (%)

Q3 2024

Company	Ticker	Sub-Industry	Average Weight	Contribution to Return	Total Return ²
Datadog Inc	DDOG	Application Software	3.72	-0.57	-11.28
Synopsys Inc	SNPS	Application Software	3.37	-0.61	-14.90
NEXTracker Inc	NXT	Electrical Components & Equipment	3.01	-0.61	-17.02
Mobileye Global Inc	MBLY	Automotive Parts & Equipment	0.67	-0.72	-61.55
Lam Research Corp	LRCX	Semiconductor Materials & Equipment	3.04	-0.99	-23.13

In the third quarter of 2024, the largest negative detractors to performance were: Datadog Inc, Synopsys Inc, NEXTracker Inc, Mobileye Global Inc, and Lam Research Corp. For Datadog Inc, a cloud-based monitoring and analytics platform, positioning was a headwind to earnings. While earnings were solid, fundamentals did not accelerate; projected earnings have become less of a consensus since the company's last quarterly report. Synopsys Inc, a provider of software for designing advanced semiconductors, sees earnings implications as Intel spending cuts contribute to negative forward revisions. NEXTracker Inc, a provider of intelligent, integrated solar tracker and software solutions, was impacted by fears of increased delays in solar project build timelines. Mobileye Global Inc, a developer of self-driving technologies and

Performance is historical and does not guarantee future results.

Portfolio Team Outlook

The market continued its upward trajectory during the third quarter of 2024. July saw a significant unwinding of the big tech, momentum, and growth trades before switching back over to previous leadership through August and September. Now that the Fed has begun cutting rates, both the trajectory of rates and its potential impact on the economic environment are still unclear as we think about the technology sector's near- and medium-term outlook.

Pursuant to our objective to invest in areas of technological innovation, our portfolio maintains a mix of solutions providers primarily within the software, semiconductor, fintech, equipment, and services industries. During the third quarter, earlier-stage software companies continued to be a significant drag on relative returns, offset by relative strength within the portfolio's capital goods and fintech investments. While the overall market reacted positively to Fed rate cuts, it appears companies that exhibit less revenue visibility and more transactional business models continue to face valuation

contraction to account for perceived uncertainty.

While certain areas of our investment approach remain out of favor, we continue to focus on high-quality companies which enjoy wide moats and meet important human needs. We have also made portfolio changes to reflect a greater focus on risk management in an uncertain market environment. We believe a more proactive approach to portfolio-level risk will allow our team to focus even more on bottoms-up, fundamental stock-picking in those parts of the market where we seek to bring the most differentiation.

As we look towards the end of 2024 and beyond, we observe a tide beginning to turn. Positive performance drivers may take the form of easier access to capital, increased customer spending, or more favorable valuations. Uncertainty around the US election or the state of the US economy may remain an overhang on the Fund in the short-term, but historically these periods have been an opportune time for investment



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for those with a long-term perspective. We believe it is in the best interest of our investors to keep the portfolio nimble and be ready to act when fundamental positive revisions become more clear.

As a team, we remain grounded in the view that exponential growth can be unlocked over market cycles for investors who have the risk appetite and patience to invest in those areas where real technological innovation is occurring. We believe these opportunities are especially vivid as our investment team strives to invest in companies that address important human needs and create compelling value for their stakeholders.

advanced driver-assistance systems, underperformed in the quarter due to demand weakness and share loss in China. Lam Research Corp, a semiconductor wafer fabrication equipment company, saw memory pricing soften in the quarter due to excess inventories.

Trailing Returns ³ (%)	30 Sep 2024							
	YTD	3-mos	1-year	3-year ⁴	5-year	10-year	Since Inception ⁴	Inception Date
<i>Eventide Exponential Technologies Fund</i>								
Class I	-6.88	0.99	6.84	-13.02	—	—	5.12	06/30/2020
Class A without load	-7.01	1.00	6.62	-13.20	—	—	4.90	06/30/2020
Class A with 5.75% load ⁵	-12.34	-4.81	0.50	-14.89	—	—	3.45	06/30/2020
Class C ⁶	-7.58	0.78	5.79	-13.87	—	—	4.12	06/30/2020
Class N	-7.01	0.92	6.62	-13.20	—	—	4.90	06/30/2020
<i>Benchmarks</i>								
Bloomberg US 2500 Technology Total Return Index ⁷	9.45	6.24	24.36	-0.22	—	—	9.69	06/30/2020
S&P North American Technology Sector Index ⁷	28.47	1.86	50.52	13.42	—	—	19.43	06/30/2020

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 Exponential Technologies Fund expenses: Class I, Gross Expenses 1.51%, Net Expenses 1.44%; Class A, Gross Expenses 1.76%, Net Expenses 1.69%; Class C, Gross Expenses 2.51%, Net Expenses 2.44%; Class N, Gross Expenses 1.71%, Net Expenses 1.64%. 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 06/30/2020.
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 12/29/2023, the Fund's primary benchmark to compare its performance was changed from the S&P North American Technology Sector Index to the Bloomberg US 2500 Technology Total Return Index because the Fund's Adviser believes it will be helpful in shareholder evaluation of the risk reward of and investment opportunity set for the Fund. The Bloomberg US 2500 Technology Total Return Index is a float market-cap-weighted equity benchmark derived from membership of the Bloomberg US 2500 Index. The S&P North American Technology Sector Index represents U.S. securities classified under the GICS® information technology sector as well as the internet & direct marketing retail, interactive home entertainment, and interactive media & services sub-industries.

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 typically invests at least 80% of its net assets in companies that the Adviser believes are participating in and benefiting from technologies, innovations, technology themes, or technology trends which can include information technology, e-commerce discretionary, internet media and services, healthcare technology, healthcare devices, or transaction & payment processing services industries. The term "exponential" means the potential for accelerated advancements in underlying technologies that can positively impact capabilities and development cycles of a company's products and services. Not every company in the Fund's portfolio will experience exponential growth, and the Fund is not expected to deliver exponential returns. 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 may experience higher volatility than the general market due to being concentrated in the technology industries. Companies in the technology industries have different risks including but not limited to products becoming obsolete, and entrance of competing products. Communications companies may underperform due to legislative or increased competition. Internet and Direct Marketing Retail companies may underperform due to legislative or increased government supervision. Healthcare Technology and Devices Companies may be heavily dependent on clinical trials with uncertain outcomes and decisions made by the governments and regulatory authorities. Further, these companies are dependent on patent protection. The Fund has non-diversification risk as a high percentage of Fund assets may be invested in a limited number of companies. 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. The Fund has no history of operations prior to its inception date.

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.

