Gilead Fund Commentary

December 31, 2024

AT A GLANCE

Manager: Finny Kuruvilla, MD, PhD

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: Bloomberg US Mid Cap Growth Index

Secondary Benchmark: Russell Midcap Growth Index

Morningstar Category: US Fund Mid-Cap Growth

Lipper Category: Mid-Cap Growth

Net Assets: $2.93 billion

Inception Date: July 8, 2008

GLOSSARY

S&P 500: The S&P 500 is an index created by Standard & Poor's of American stocks with the largest market capitalization.

XBI: SPDR S&P Biotech ETF, an equal-weighted index of U.S. biotechnology stocks

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Class I: ETILX | Class A: ETAGX | Class C: ETCGX | Class N: ETGLX

Review

In the fourth quarter of 2024, the Gilead Fund (Class I) achieved a 0.25% return, contrasting with the Bloomberg US Midcap Growth Index's 2.76%. The Fund's lag to the Bloomberg US Midcap Growth index primarily stemmed from underperformance in the Information Technology and Healthcare sectors, while we noted outperformance in the Industrials and Real Estate sectors.

Contributors

Top Five Contributors[1] (%) Q4 2024

Company	*Ticker*	*Sector*	*Average Weight*	*Contribution to Return*	*Total Return[2]*
Xometry Inc	XMTR	Industrials	3.19	2.83	132.23
Scholar Rock	SRRK	Health Care	1.63	1.65	439.58
Verona Pharma PLC	VRNA	Health Care	2.20	1.02	61.42
Global-e Online Ltd	GLBE	Consumer Discretionary	2.13	0.76	41.86
Toast Inc	TOST	Financials	2.64	0.61	28.75

In the fourth quarter of 2024, the largest positive contributors to performance were: Xometry Inc, Scholar Rock, Verona Pharma PLC, Global-e Online Ltd, and Toast Inc. Xometry Inc is an AI-enabled marketplace for on-demand manufacturing. Its distributed manufacturing network is a perceived tariff and onshoring beneficiary. The company achieved roughly break-even profitability as marketplace growth outpaced expectations. Scholar Rock, developer of novel therapeutics for neuromuscular disorders and obesity, saw a positive Phase 3 data readout of apitegromab in spinal muscular atrophy and competitive failure driving stock performance. Verona Pharma PLC, which develops new therapies for severe respiratory diseases, including COPD, asthma, and cystic fibrosis, performed well as its ongoing launch of Ohtuvayre for COPD patients has exceeded consensus expectations so far. Global-e Online Ltd, which develops end-to-end cross-border platforms for eBusiness, accelerated on new large merchant adds despite macro softness in consumer discretionary categories. Toast Inc, which develops cloud software to equip restaurants to thrive, saw its SaaS platform continue to scale faster than expected on new location adds and pricing adjustments.

Detractors

Top Five Detractors[1] (%) Q4 2024

Company	*Ticker*	*Sector*	*Average Weight*	*Contribution to Return*	*Total Return[2]*
Celldex Therapeutics Inc	CLDX	Health Care	1.91	-0.56	-25.65
DR Horton Inc	DHI	Consumer Discretionary	2.04	-0.62	-26.53
Monolithic Power Systems Inc	MPWR	Information Technology	1.56	-0.87	-35.86
Evolent Health Inc	EVH	Health Care	1.30	-1.22	-60.22
TransMedics Group Inc	TMDX	Health Care	1.38	-1.38	-60.29

In the fourth quarter of 2024, the largest negative detractors to performance were: Celldex Therapeutics Inc, DR Horton Inc, Monolithic Power Systems Inc, Evolent Health Inc, and TransMedics Group Inc. Celldex Therapeutics Inc, which develops applications of immunology to prevent and treat diseases, presented follow-up data with robust efficacy but disappointing new safety findings. DR Horton Inc, a nationwide builder of affordable new homes, saw its performance impacted by elevated mortgage rates in the fourth quarter that introduced

Performance is historical and does not guarantee future results.

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Portfolio Team Outlook

Finny Kuruvilla, MD, PhD
Co-Chief Investment Officer, Senior Portfolio Manager

It was another eventful quarter to finish off a year marked by no shortage of headlines focused on the presidential cycle, economic growth, job creation, consumer spending, inflation, and the latest action by the Federal Reserve (Fed), all resulting in a multitude of trading days where the S&P 500 set new all-time-highs. The fourth quarter saw a decisive election victory by the Trump campaign, and the market reacted positively overall to a potentially higher economic growth regime and a more favorable regulatory and Mergers and Acquisitions (M&A) environment. While the US equity market chugged higher, outperformance continued to be concentrated within the Magnificent 7 (Mag 7). In fact, at one point, the Mag 7 was outperforming all other large-cap equities in the Bloomberg US Large Cap Index by almost 20% for the month of December alone. Despite two 25 basis point rate cuts by the Fed during the quarter, longer term treasury rates actually increased, and the yield curve steepened, which negatively affected long duration smid caps and rate sensitive sectors of the market. As we look to the new year, we seek to identify areas of the market and our portfolios where stock performance is driven by company-specific attributes and catalysts rather than macroeconomic forces beyond our control.

The Strategy continued to underperform on a relative basis, although we believe this continued weakness was due more to sector and style allocation as opposed to stock selection as had been the case in recent quarters. Top performing sectors within the benchmark included communication services, financials, and energy, in all of which the Strategy was relatively underweight. The portfolio's largest overweights were in areas of innovation within healthcare and biotechnology, which were especially weak within the benchmark, as the biotechnology index ETF, XBI, underperformed the Strategy benchmark by over 11% during the quarter. Much of the weakness within healthcare was due to perceived policy overhangs from the incoming Trump administration and RFK Jr. nomination. As we tend to focus on smaller companies developing new drugs and therapies, we see a potentially more favorable M&A environment as a greater tailwind than current perceived political headwinds. The full suite of cabinet nominations that President-elect Trump has made give us assurance that smid cap biotech and healthcare should perform well, particularly given the low valuations.

Looking forward, market pundits will likely continue to point to uncertainty around inflation and employment caused by tariffs, fiscal policy, and ensuing effects on the Fed's rate path or yield curve. It is our intention and philosophy to focus on company-specific fundamentals. We currently see more solutions providers and industry leaders trading at reasonable valuations than we have seen in the past. For this Strategy, it is our view that markets often fail to appreciate and appropriately price a growth company's long-term earnings power. We argue it takes a skilled analyst to understand a company's future growth outlook, unit economics, competitive moat, inflection points, and growth durability in the future. The market has handsomely rewarded the mega cap technology companies that have an Artificial Intelligence (AI) halo, but that relative outperformance may not be the case in 2025 and beyond. As aspects of AI move down the capitalization pyramid, we suspect that this will lead to a broadening in returns, particularly to high-quality companies that can enhance their moat with judicious application of AI.

We often remind our investors and ourselves that our investment strategy relies on the belief that companies with strong competitive advantages in attractive industries run by great management teams that focus on value creation for stakeholders will generate attractive returns over the long-term. Based on the attractive stock-specific attributes observed by our analyst team and a potentially more favorable interest rate backdrop, we believe the next 3-5 years for this Strategy will be much better for patient investors than the last.

uncertainty into the housing market. Monolithic Power Systems Inc, provider of power management solutions, reported worse than expected data center revenues. Evolent Health Inc, provider of value-based care initiatives in specialty and primary care, missed 3Q24 estimates and guided down 4Q24 expectations as cost trends remained high alongside unexpected, temporary prior period claims. TransMedics Group Inc, which provides therapy for end-stage organ failure, delivered 3Q24 results below consensus expectations resulting from a weak market quarter and logistics bottlenecks.

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Trailing Returns[3] (%) 31 Dec 2024

Eventide Gilead Fund	*YTD*	*3-mos*	*1-year*	*3-year[4]*	*5-year[4]*	*10-year[4]*	*Since Inception[4]*	*Inception Date*
Class I	-0.02	0.25	-0.02	-6.74	7.07	9.30	12.90	02/02/2010
Class A without load	-0.26	0.20	-0.26	-6.97	6.82	9.03	13.71	10/28/2009
Class A with 5.75% load[5]	-5.99	-5.57	-5.99	-8.79	5.56	8.38	13.27	10/28/2009
Class C[5]	-1.03	0.00	-1.03	-7.67	6.00	8.20	12.84	10/28/2009
Class N	-0.22	0.22	-0.22	-6.93	6.86	9.08	12.42	07/08/2008
Benchmarks								
Bloomberg US Mid Cap Growth Index[6]	15.76	2.76	15.76	2.15	10.82	10.74	10.63	07/08/2008
Russell Midcap Growth Index[6]	22.10	8.14	22.10	4.04	11.47	11.54	11.35	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 gross expenses: Class I: 1.16%; Class A: 1.41%; Class C: 2.16%; Class N: 1.36%.

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. The indices use an inception date of 07/08/2008.
5. Class A and Class C are also subject to a maximum deferred sales charge of 1.00%. This and other expenses that apply to a continued investment in the Fund are described in the Fund's prospectus.
6. On 06/30/2024, the Fund's primary benchmark to compare its performance changed from the Russell Midcap Growth Index to the Bloomberg US Mid Cap Growth 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 Growth Index is a float market-cap-weighted index based on an equal-weighted combination of four factors: earnings yield, valuation, dividend yield, and growth. The constituents consist of the lower 800 in capitalization of the Bloomberg 1000 Index, which is a float market-cap-weighted benchmark of the 1000 most highly capitalized US companies. The Russell Midcap Growth Index measures the performance of the U.S. equity mid-cap growth segment.

The opinions expressed herein are those of the Fund's portfolio management team as of 12/31/2024 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

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