EVENTIDE

# Balanced Fund Commentary

March 31, 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:** Balanced Blend[1]

**Morningstar Category:** US Fund Moderate Allocation

**Lipper Category:** Flexible Portfolio

**Net Assets:** $377 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.

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

## Review

The Balanced Fund (Class I)[2] reported a total return of +5.92% for Q1 2024, ahead of the +4.07% return for its 50/50 custom Balanced Blend benchmark. For the trailing 12-month period ending 3/31/2024, the Fund (Class I) outperformed its primary benchmark, returning 16.08% while the benchmark saw a return of 12.23%. The Fund's 3- and 5-year results also remain strong relative to its benchmark.

## Contributors

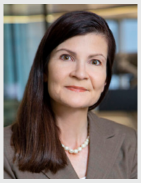
**Top Five Contributors[3] (%)** Q1 2024

| *Company* | *Ticker* | *Industry* | *Average Weight* | *Contribution to Return* | *Total Return[4]* |
|---|---|---|---|---|---|
| nVent Electric PLC | NVT | Industrials | 2.86 | 0.75 | 28.03 |
| Vistra Corp | VST | Utilities | 0.95 | 0.63 | 81.43 |
| Trane Technologies PLC | TT | Industrials | 2.87 | 0.63 | 23.45 |
| KLA Corporation | KLAC | Information Technology | 2.68 | 0.55 | 20.44 |
| Targa Resources Corp | TRGP | Energy | 1.27 | 0.34 | 29.66 |

In the first quarter of 2024, the largest positive contributors to performance were: nVent Electric PLC, Vistra Corp, Trane Technologies PLC, KLA Corporation, and Targa Resources Corp. nVent Electric, an electronic packaging and networking solutions provider, benefited from electrification trends in data solutions, industrial, and commercial end-markets. Vistra, which offers electricity and power generation, distribution, and transmission solutions, continued to benefit from strong financial results amid surging demand for power in the U.S.. Trane Technologies, a provider of HVAC systems for efficiency and reduced carbon emissions, continued to post strong results in its commercial HVAC business, driven by data centers, education, and healthcare.. KLA Corp, a provider of semiconductors and semiconductor assembly solutions, benefited from a cyclical recovery and new technology transitions.. Targa Resources, a midstream natural gas and NGL provider in the Permian Basin, is benefiting from strong Permian natural gas and NGL production with increasing free cash flow generation.

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

## Portfolio Team Outlook



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

Equity markets rallied in 1Q2024 continuing their strength from 4Q2023 with the S&P delivering its best performance to start a year since 2019. A resilient economy, strong company earnings, and relatively stable interest rates contributed to strong 1Q2024 equity market returns, despite less certainty of near-term Fed policy easing and more geopolitical risks. Additionally, the breadth of market performance improved beyond mega cap tech with companies and sectors tied to exciting themes, such as AI and electrification, continuing to perform well. Other areas, such as energy, materials, homebuilders, and financials, also performed well, as the US economy remained resilient through the two-year record increase in interest rates and is positioned to possibly reaccelerate in 2024, particularly if interest rates decline.

The Fund's equity positions outperformed their benchmark for the quarter as sectors, particularly in Information Technology, Industrials, Utilities, Energy, and Healthcare enjoyed strong relative results as compared to their benchmark, slightly offset by underperformance in Financials and Consumer Discretionary. The Fund's fixed income positions outperformed their benchmark for the quarter, primarily from outperformance in corporate bonds versus treasuries.

We believe that we positioned the Fund well in relationship to key secular growth themes in technology, AI, electrification, transportation, logistics, energy efficiency, and energy infrastructure, by having substantial overweights to Industrials, Technology, Electric Power, and Energy Infrastructure. We have been adding selectively to high-quality and well-positioned solutions providers and enablers of important technological, AI, and power related trends, where we see attractive valuation, dividend growth, and strong fundamental prospects. We have also been trimming selectively in technology and other areas that have experienced extraordinary outperformance. Given the Fund's high quality and lower volatility approach as a 50% equities and 50% fixed income balanced fund, it could lag in strong equity markets or low quality rallies, but outperform in down or more volatile markets, with its strong focus on risk-adjusted return and potential downside protection.

Since we begin our investment process by looking at the fundamentals of individual companies, we remain focused on pursuing companies we see as resilient, well-managed, and well-positioned in long-term secular growth themes of human flourishing and are strong solutions providers to their respective industries. Despite continued uncertainty and volatility in the markets, we have been finding what we believe are attractive opportunities to invest in these types of companies with attractive dividend growth and valuations, particularly in the mid-cap equity space. Also as the Fed starts lowering their policy rates and money market fund rates subsequently decline, balanced equity strategies may become back in favor, providing participation in attractive high quality, dividend growth equities with income and downside hedge of US intermediate duration bonds.

We continue to prioritize high conviction ideas for our funds. Our experience underpins our confidence that these high-quality, dividend growth companies in the Fund will continue to serve their customers, stakeholders, and shareholders well. We remain focused on resilient growth, strong financials, idiosyncratic risk, and as ever, themes of human flourishing.

## Detractors

**Top Five Detractors[3] (%)** Q1 2024

| *Company* | *Ticker* | *Industry* | *Average Weight* | *Contribution to Return* | *Total Return[4]* |
|---|---|---|---|---|---|
| Xometry Inc | XMTR | Information Technology | 0.05 | -0.02 | -3.62 |
| Mirum Pharmaceuticals Inc | MIRM | Health Care | 0.32 | -0.02 | -7.06 |
| Sempra Energy | SRE | Utilities | 0.47 | -0.03 | -3.03 |
| Pinnacle Financial Partners Inc | PNFP | Financials | 0.21 | -0.03 | -6.16 |
| Lithia Motors Inc | LAD | Consumer Discretionary | 1.70 | -0.16 | -8.47 |

In the first quarter of 2024, the largest negative detractors to performance were: Xometry Inc, Mirum Pharmaceuticals Inc, Sempra Energy, Pinnacle Financial Partners Inc, and Lithia Motors Inc. Xometry, an AI-enabled marketplace for on-demand manufacturing, accelerated Q4 revenues as expected but their 2024 guide came in materially lower than expectations due to a weak January. Mirum Pharmaceuticals, which treats rare pediatric cholestasis diseases, declined because shares were pressured ahead of their upcoming liver disease readout. Sempra Energy, which provides electric, gas, and LNG services in North America, was impacted by higher interest rates and a national pause on LNG permits. Pinnacle Financial Partners, which provides community banking services, may have been impacted by the prospect of fewer rate

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cuts than the market expected. Lithia Motors, which retails and services new and used vehicles and arranges financing, declined because used car sales fell more than expected.

**Trailing Returns[5] (%)** 31 Mar 2024

| *Eventide Multi-Asset Income Fund* | *YTD* | *3-mos* | *1-year* | *3-year[6]* | *5-year[6]* | *10-year* | *Since Inception[6]* | *Inception Date* |
|---|---|---|---|---|---|---|---|---|
| Class I | 5.92 | 5.92 | 16.08 | 4.15 | 8.83 | — | 7.22 | 07/15/2015 |
| Class A without load | 5.85 | 5.85 | 15.75 | 3.96 | 8.61 | — | 6.98 | 07/15/2015 |
| Class A with 5.75% load[7] | -0.27 | -0.27 | 9.14 | 1.94 | 7.32 | — | 6.26 | 07/15/2015 |
| Class C[8] | 5.63 | 5.63 | 14.87 | 3.10 | 7.74 | — | 6.16 | 07/15/2015 |
| Class N | 5.87 | 5.87 | 15.85 | 3.94 | 8.62 | — | 7.01 | 07/15/2015 |
| *Benchmark* | | | | | | | | |
| Balanced Blend[1] | 4.07 | 4.07 | 12.23 | 2.47 | 6.25 | — | 5.90 | 07/15/2015 |
| *Benchmark Components* | | | | | | | | |
| Russell Midcap Total Return Index[1] | 8.60 | 8.60 | 22.35 | 6.07 | 11.10 | — | 9.92 | 07/15/2015 |
| Bloomberg U.S. Intermediate Aggregate Bond Index[1] | -0.42 | -0.42 | 2.30 | -1.66 | 0.60 | — | 1.25 | 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.*

1. The Balanced Blend is a proprietary Eventide benchmark composed of 50% Russell Midcap Total Return Index and 50% Bloomberg U.S. Intermediate Aggregate Bond Index. The Russell Midcap Total Return Index measures the performance of the mid-cap segment of the U.S. equity universe. The Bloomberg U.S. Intermediate Aggregate Bond Index is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S.-traded investment-grade bonds are represented. Municipal bonds and Treasury Inflation-Protected Securities are excluded. The index includes Treasury securities, Government agency bonds, mortgage-backed bonds, corporate bonds, and a small amount of foreign bonds traded in the U.S. Source: Bloomberg Index Services Limited. Bloomberg® and the indices referenced herein (the "Indices", and each such index, an "Index") are service marks of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg") and/or one or more third-party providers (each such provider, a "Third-Party Provider,") and have been licensed for use for certain purposes to Eventide Asset Management LLC (the "Licensee"). To the extent a Third-Party Provider contributes intellectual property in connection with the Index, such third-party products, company names and logos are trademarks or service marks, and remain the property, of such Third-Party Provider. Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors, including a Third-Party Provider, approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither Bloomberg nor Bloomberg's licensors, including a Third-Party Provider, shall have any liability or responsibility for injury or damages arising in connection therewith. Please refer to the Fund's Prospectus for additional index details.
2. Prior to Q4 2020, Class N shares were displayed.
3. Source: Bloomberg PORT Attribution Report. Allocation percentages are subject to change at any time, and should not be considered investment advice.
4. The total return percentage listed is impacted by the Fund's transactions and transacted price levels of the holding during the quarter.
5. 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.
6. Performance figures for periods greater than 1 year are annualized. Annualized since inception figures use an inception date of 7/15/2015.
7. 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.

8. 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 03/31/2024 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 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.***