Exponential Technologies Fund Commentary

December 31, 2023

AT A GLANCE

Manager: Anant Goel

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[1]: Bloomberg US 2500 Technology Total Return Index, S&P North American Technology Sector Index

Morningstar Category: US Fund Technology

Lipper Category: Technology

Net Assets: $127 million

Inception Date: June 30, 2020

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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 14.72% for the fourth quarter of 2023, compared with the Bloomberg US 2500 Technology Total Return Index of 13.62% and the S&P North American Technology Sector Index total return of 17.16%. The Fund (Class I) posted a total return of 31.96% for the 12 months ending 12/31/2023 compared to the Bloomberg US 2500 Technology Total Return Index of 23.56% and the S&P North American Technology Sector Index of 61.13%.

Contributors

Top Five Contributors[2] (%) Q4 2023

Company	*Ticker*	*Industry*	*Average Weight*	*Contribution to Return*	*Total Return[3]*
Xometry Inc	XMTR	Trading Companies & Distributors	6.88	6.37	111.48
CrowdStrike Holdings Inc	CRWD	Systems Software	3.67	1.66	52.54
Palo Alto Networks Inc	PANW	Systems Software	5.87	1.51	25.78
Monolithic Power Systems Inc	MPWR	Semiconductors	3.42	1.21	36.75
DoubleVerify Holdings Inc	DV	Application Software	3.25	0.98	31.59

In the fourth quarter of 2023, the largest positive contributors to performance were: Xometry Inc, CrowdStrike Holdings Inc, Palo Alto Networks Inc, Monolithic Power Systems Inc, and DoubleVerify Holdings Inc. Xometry, an AI-enabled marketplace for on-demand manufacturing, benefited from consistent execution over the last quarters, which combined with its cheap valuation, increased investor demand. Crowdstrike, an enterprise cybersecurity platform, continued to benefit from cybersecurity budget consolidation as they keep building out their platform strategy. Palo Alto Networks, a company that provides integrated cloud and network security solutions, continued to benefit from cybersecurity budget consolidation as they keep building out their platform strategy. Monolithic Power Systems, a power management solutions company, experienced near-term strength from GPU exposure which offset cyclical weakness in other end-markets. DoubleVerify, a digital media and analytics tools company, had social measurement accelerated with increase platform adoption and continued strength in short-form video content.

Detractors

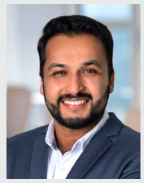
Top Five Detractors[2] (%) Q4 2023

Company	*Ticker*	*Industry*	*Average Weight*	*Contribution to Return*	*Total Return[3]*
Lattice Semiconductor Corp	LSCC	Semiconductors	2.07	-0.50	-19.71
dLocal Ltd	DLO	Transaction & Payment Processing	4.38	-0.50	-7.72
Bill Holdings Inc	BILL	Application Software	2.51	-0.56	-24.85
HelloFresh SE	HFG GR	Food Retail	1.43	-1.40	-45.35
Flywire Corp	FLYW	Transaction & Payment Processing	6.34	-2.56	-27.41

In the fourth quarter of 2023, the largest negative detractors to performance were: Lattice Semiconductor Corp, dLocal Ltd, Bill Holdings Inc, HelloFresh SE, and Flywire Corp. Lattice, a semiconductor provider, had broad-based weakness in industrial and automotive end markets, which, resulted in much softer guidance than expected. Dlocal, a payment solutions platform, saw increased volatility in their Nigerian and Argentinean business, which capped investor demand. Bill.com, a software company that enables digital bill and expense management, missed expectations as the tighter macro factors curbed small and mid-sized business spending

Performance is historical and does not guarantee future results.

Portfolio Team Outlook



Anant Goel
Portfolio Manager

In relation to the broader technology category, the fund had a challenging year. The fund focuses on small- and mid-cap companies, whereas many peer funds and benchmarks had high concentrations in the large- and mega-cap names of the Magnificent 7. One metric on the lack of dispersion in the market in 2023 was that the Magnificent 7 accounted for over 90 percent of the S&P returns, and the QQQ (Nasdaq-100 ETF) outperformed QQQE (Nasdaq-100 equal-weighted ETF) by over 21 percent.

Looking ahead, we feel optimistic about how the fund is positioned for 2024. With several macroeconomic and geopolitical headwinds over the last couple of years (wars, high inflation, and interest rate movements) leading technology investors to flock assets into the same 7 to 10 companies, we have looked elsewhere. We have identified several names in the small- and mid-cap space that we believe are being overlooked while having attractive risk-reward characteristics.

As these headwinds dissipate, we believe our high active share portfolio of compelling small- and mid-cap technology companies, with growing moats, run by great management teams and creating long term value for stakeholders, is positioned well. As our focus areas are different than our peers, our returns will also be different. While the last year was challenging due to the lack of dispersion, we believe the fund should do well barring a scenario where rates go higher or we enter a deep recession.

As always, as we do internally, we encourage our investors to focus on the longer term, where we believe the best risk rewards are available. This would come at the price of patience and some volatility, which we believe should pay off in the longer term.

on their platform. HelloFresh, a company that provides healthy and affordable meals directly to consumers, delayed execution of its new AZ Factor Facility ahead of key winter customer acquisition period due to labor and water shortages. Flywire, a global payments enablement software, missed investor expectations on top line due to FX and lower growth in India in the quarter which lowered investor sentiment in the short term.

Trailing Returns[4] (%) 31 Dec 2023

Eventide Exponential Technologies Fund	*YTD*	*3-mos*	*1-year*	*3-year[5]*	*5-year*	*10-year*	*Since Inception[5]*	*Inception Date[5]*
Class I	31.96	14.72	31.96	-5.66	—	—	8.43	06/30/2020
Class A without load	31.61	14.65	31.61	-5.86	—	—	8.19	06/30/2020
Class A with 5.75% load[6]	24.07	8.07	24.07	-7.70	—	—	6.38	06/30/2020
Class C[7]	30.79	14.47	30.79	-6.58	—	—	7.41	06/30/2020
Class N	31.61	14.65	31.61	-5.86	—	—	8.19	06/30/2020
Benchmarks								
Benchmarks[1]	23.56	13.62	23.56	-0.89	—	—	9.04	06/30/2020
Bloomberg US 2500 Technology Total Return Index[1]	61.13	17.16	61.13	9.60	—	—	15.48	06/30/2020
S&P North American Technology Sector Index[1]	26.29	11.69	26.29	10.00	—	—	14.88	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%.

1. On 04/01/2023, the Fund's primary benchmark to compare its performance was changed from the S&P 500 Total Return Index to the S&P North American Technology Sector Index because the Fund's Adviser believes it is more reflective of the Fund's portfolio. On 12/29/2023, the benchmark was changed 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 S&P 500 is an index created by Standard & Poor's of American stocks with the largest market capitalization.
2. Source: Bloomberg PORT Attribution Report. Allocation percentages are subject to change at any time, and should not be considered investment advice.
3. The total return percentage listed is impacted by the Fund's transactions and transacted price levels of the holding during the quarter.
4. 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.
5. Performance figures for periods greater than 1 year are annualized. Annualized since inception figures use an inception date of 06/30/2020.
6. 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.
7. 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 12/31/2023 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,