

Eventide Exponential Technologies Fund

About the Fund

The Eventide Exponential Technologies Fund seeks to provide long-term capital appreciation by investing in companies primarily positioned in the information technology and communication services sectors with a high emphasis on the software, technology hardware and equipment, semiconductor, and communications group of industries. We seek to identify technologies, innovations, themes, and trends that we believe have long-term exponential characteristics. 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.

The Fund aims to be more heavily weighted towards small/mid-cap companies than its benchmark, the **S&P 500 Total Return Index**¹. The technology and growth investing background of the portfolio manager offers a differentiated understanding of the technology sector, which can help to provide insights into the long-term success of the companies in which it invests.

The Fund will tend to have a high active share and concentration compared to its benchmark and the broader market, which presents the potential for differentiated returns. The Fund can invest in common stock, options, preferred stock and convertible debt. Up to 15% of the Fund can be invested in private investments.

As described in our process below, a primary trait that Eventide seeks in each of its investments is whether a company is creating value for society. We believe information technology plays a powerful role in meeting important human needs.

Investment Philosophy

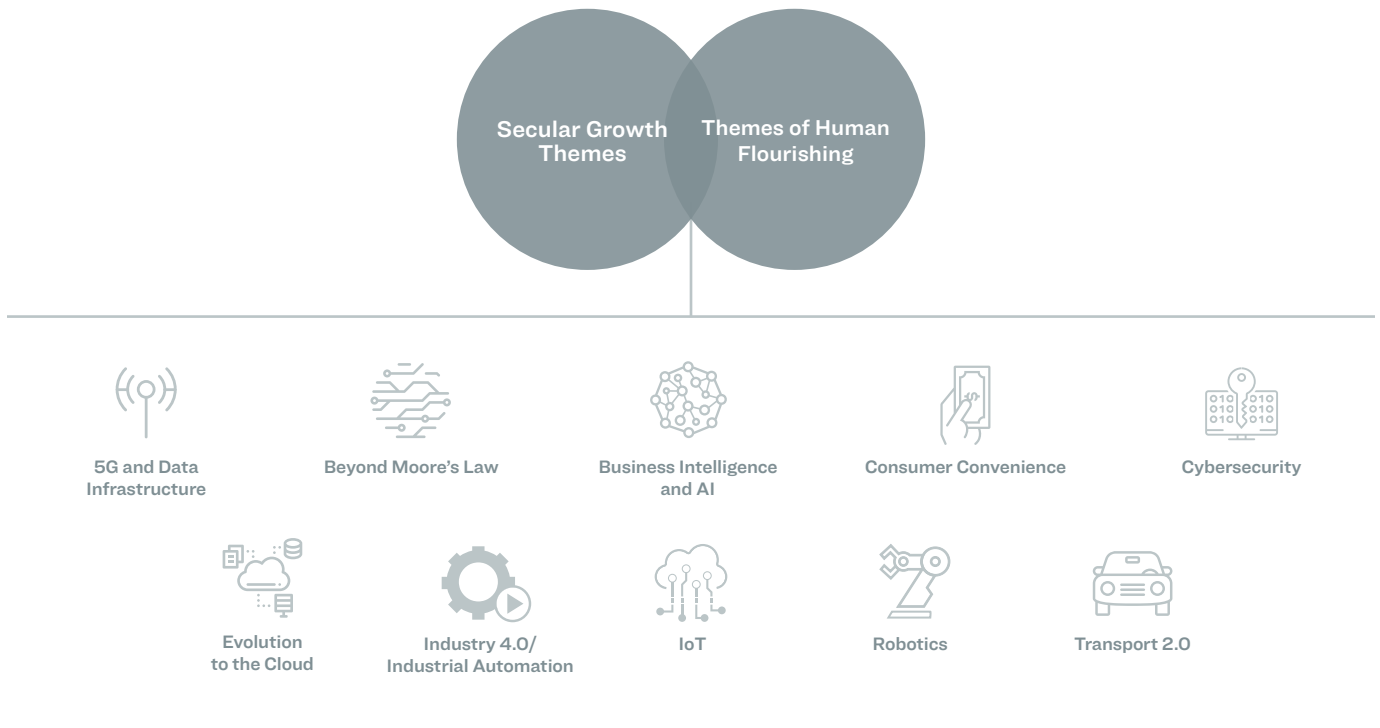
We believe **high-quality companies** that excel at **creating value for others** and **trade at a discount to intrinsic value** offer superior long-term risk-adjusted returns.

Process

1. Idea generation: Understanding the industry

- a. While the Fund identifies as using a fundamental “bottom-up” approach to security selection, the portfolio manager begins the idea generation phase of the process by first **understanding the big picture fundamentals within the Information Technology and Communication Services sectors**. Many factors will have a great impact on the investments within these sectors including
 - Scientific and technological advances
 - Unmet technological needs
 - Development of new business models
 - Value proposition to enterprises and individuals
 - Total addressable market size
- b. After we understand these fundamental factors, we seek to **discern attractive long-term investment themes**. We believe themes to be powerful drivers of long-term performance. The term “theme” is broad and can refer to a number of ways to categorize investment

opportunities, but we see thematic investing as a way to identify what we believe to be future tailwinds. We then narrow our investment universe to those trends that we believe will have the most traction in the market over the next 1, 5, and 10 years. At Eventide, we focus on secular themes that we believe also promote human flourishing. Below are examples of some of these themes.

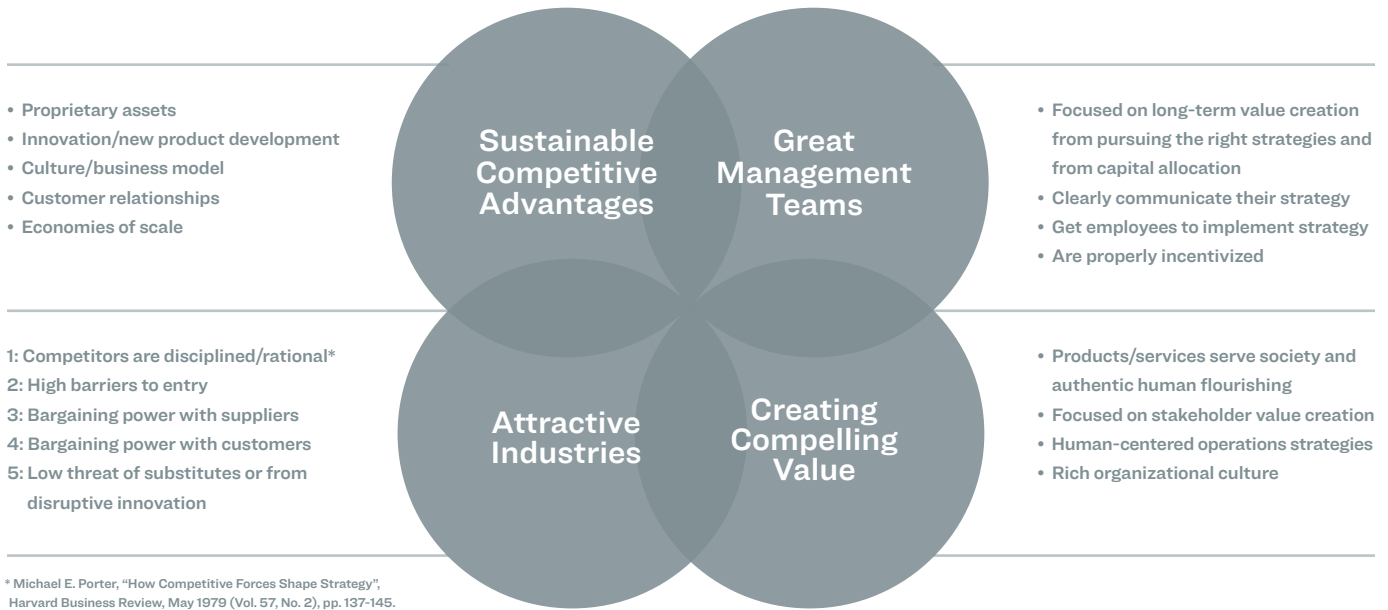


These are representative examples of themes in the Eventide Exponential Technologies Fund

- c. The portfolio manager and analysts perform due diligence on the fundamental industry factors and themes by staying current on relevant technological literature, engaging key opinion leaders within the industry, and attending technology-related conferences to gauge each theme’s investment viability. We believe this immersive approach to understanding the industry is an important part of investment due diligence.

2. Fundamental Security Selection

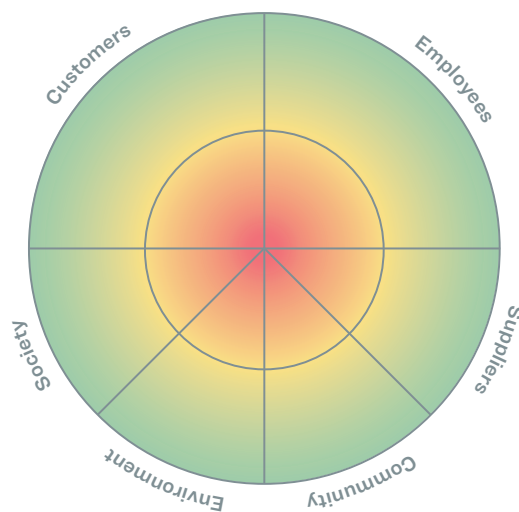
- a. Our security selection process begins by researching companies within the themes that we have become deeply familiar with from our idea-generation phase of the process. As we evaluate individual companies, we start with a **qualitative analysis**. We seek to invest in companies that we deem to be “high-quality” by embodying four key traits:



b. An essential piece of our qualitative analysis is our **Business 360®** framework that we use to evaluate whether a company is creating value for or extracting value from its various stakeholders. This framework has been formalized and implemented through a proprietary tool called Edify, which combines third-party data alongside Eventide’s research.

BUSINESS 360®

Business 360® targets a holistic framework for evaluating both a company’s long-term competitive advantage and its impact on human flourishing by analyzing its operations and strategy through the lens of key stakeholders.



c. Alongside our qualitative analysis, we employ a **financial analysis** where we first evaluate a company's **current financial strength** using the following criteria:

- Existing successful business model that is already or has the potential to be profitable in the next years (demonstrating operating leverage)
- Clean capital structure (no heavy debt burden)
- History of well thought out and executed capital allocation decisions (reinvestment, M&A, capital raises)
- Strong operational execution (walking the talk)

Next, we analyze the potential for a company's **future growth and profitability**:

- Large total addressable market and company's potential market share
- Multiple growth vectors for the company
- Existing pricing power and potential competitive advantages
- Strong margin and cash flow generation potential once business has scaled

d. After we perform the qualitative analysis and financial analysis of a company, we estimate a company's intrinsic value by performing a **discounted cash flow (DCF) valuation analysis**. This analysis considers the magnitude, timing, and risk of future free cash flows discounted to today based on the company's cost of capital. It also considers the sustainability of its competitive advantages. Once we have estimated an intrinsic value for the company, we compare our estimates to market consensus to assess the opportunity. We also conduct a **comparable company valuation analysis** where we evaluate the company's valuation multiple against comparable companies. We then triangulate valuation between the DCF (primary method) and comparable company valuation analysis (secondary method) to better evaluate the opportunity.

3. Portfolio construction and risk management

a. The Exponential Technologies Fund is a concentrated portfolio that typically contains 25-45 companies, predominantly in the Information Technology sector. Therefore, internal diversification comes from a sensitivity to risk factors that would impact specific holdings such as end-market exposures, geographic exposures, competitive dynamics, M&A trends, and likelihood of positive or negative outcomes around key events (new product rollouts, earnings reports, analyst days, etc.). The portfolio manager will generally adjust estimates, price targets, conclusions, and position sizes to reflect changes in industry and company fundamentals. ●

Portfolio Manager



ANANT GOEL

Mr. Goel has a diverse background having grown up and lived in India, Hong Kong, UK, USA and China, which combined with his academic and professional interests, allow him to incorporate a diverse set of perspectives in his investment decision process.

Mr. Goel has been passionate about responsible investing from early in his career. He has served as a Research Analyst at Eventide since 2016, leading its technology focused research. In 2015, during his M.B.A. program, Mr. Goel worked at Adage Capital Management, a long/short hedge fund. From 2011-2014, he served as an Analyst for NewQuest Capital Partners, a Private Equity firm in Hong Kong, where he was responsible for evaluating new investment opportunities for funds across Asia. From 2008-2011, Mr. Goel lived and worked in Beijing, China where he studied Mandarin and worked on start-up companies and other investment projects.

Mr. Goel holds an M.B.A. from the MIT Sloan School of Management where he was selected as a Teaching Assistant (TA) for finance courses for both Executive M.B.A. and M.B.A. students. He also holds a Bachelors of Science (HONS) from the University of Warwick, UK in Economics.

¹The S&P 500 is an index created by Standard & Poor's of American stocks with the largest market capitalization. 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.

The Adviser's judgment about the quality of a particular company may prove to be incorrect. There is no guarantee that the Adviser's approach will produce the desired results. Reference to Eventide's Business 360[®] approach is provided for illustrative purposes only and indicates a general framework of guiding principles that inform Eventide's overall research process.

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 technology companies defined as those in the information technology, communications, and healthcare technology and devices industries. The Fund invests primarily in companies that Eventide believes are participating in and benefitting from technologies, innovations, themes, or trends that have long-term exponential characteristics. 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. 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 a limited history of operations for investors to evaluate.

Investors should consider a fund's investment objectives, risks, charges and expenses carefully before investing or sending money. This and other important information can be found in the prospectus, which can be obtained at www.eventidefunds.com or by calling 1-877-771-EVEN (3836). Please read the prospectus carefully before investing. Eventide Mutual Funds are distributed by Northern Lights Distributors, LLC, Member FINRA, which is not affiliated with Eventide Asset Management, LLC.