

Gilead Fund Commentary

March 31, 2022

AT A GLANCE

Managers: Dr. Finny Kuruvilla, Anant Goel

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: S&P 500 Total Return Index

Secondary Benchmark: Russell Midcap Growth Index

Morningstar Category: US Fund Mid-Cap Growth

Lipper Category: Mid-Cap Growth

Net Assets: \$4.48 billion

Inception Date: July 8, 2008

Eventide Asset Management, LLC

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

Review

The Eventide Gilead Fund (Class I)¹ posted a total return of -16.23% for the first quarter of 2022, compared with the S&P 500 Total Return Index of -4.60% and the Russell Midcap Growth Index of -12.58%. The Fund (Class I) posted a total return of -6.24% for the 12 months ending 3/31/2022 compared to the S&P 500 Total Return Index of 15.65% and the Russell Midcap Growth Index of -0.89%. The fund has underperformed its benchmark in the last year, primarily due to its overweights in higher growth and quality stocks, which have fared negatively during this period. Certain subsector exposures where we had positions such as biotechnology and internet have seen more significant corrections.

Contributors

In the first quarter of 2022, the largest positive contributors to performance were: CrowdStrike Holdings Inc, Palo Alto Networks Inc, Brookfield Renewable Corporation, and Enphase Energy Inc. CrowdStrike posted strong financial execution and guidance, coupled with greater optimism for the cybersecurity market due to geopolitical tensions. Palo Alto Networks also posted strong financial execution and guidance, coupled with greater optimism for the cybersecurity market due to geopolitical tensions. Brookfield Renewable benefitted from growing global demand for renewables as oil and gas prices rise. The shift away from Russian Energy also boosted the company. Enphase benefitted from continued execution on new products, rising oil and gas prices that incentivize solar deployment, and the desire to move away from Russian oil and gas in Europe.

Top Five Contributors² (%)

Q1 2022

Company	Ticker	Sector	Average Weight	Contribution to Return	Total Return ³
CrowdStrike Holdings Inc	CRWD	Information Tech	2.40	0.34	10.91
Palo Alto Networks Inc	PANW	Information Tech	2.13	0.30	11.81
Brookfield Renewable Corporation	BEP-U	Utilities	0.98	0.16	15.61
Brookfield Renewable Corporation	BEPC	Utilities	0.63	0.13	19.99
Enphase Energy Inc	ENPH	Energy	0.40	0.12	10.30

Detractors

In the first quarter of 2022, the largest negative detractors to performance were: HubSpot Inc, Five9 Inc, The Trade Desk Inc, Global-e Online Ltd, and Trex Company Inc. Hubspot posted strong financial execution and guidance but was hurt in the broader growth selloff due to uncertainties around the health of the small and medium-sized business space. Five9 delivered strong financial execution and guidance but the stock sold off as the market continued to be skeptical about growth companies. The Trade Desk delivered strong financial execution and guidance but sold off due to uncertainties around the ad-tech market caused by fears of slowing macroeconomic growth. Global-e delivered strong financial execution and guidance but sold off due to uncertainties around cross border e-commerce driven by fears of slowing consumer spending. Due to higher interest rates, Trex Company was negatively affected because the market re-rated downward companies that are housing-related.

Top Five Detractors² (%)

Q1 2022

Company	Ticker	Sector	Average Weight	Contribution to Return	Total Return ³
HubSpot Inc	HUBS	Information Tech	2.50	-0.76	-27.95
Five9 Inc	FIVN	Information Tech	3.61	-0.78	-19.60
The Trade Desk Inc	TTD	Communications	3.41	-0.95	-24.43
Global-e Online Ltd	GLBE	Information Tech	1.80	-1.13	-46.71
Trex Company Inc	TREX	Materials	1.96	-1.38	-51.62

Macro Commentary and Outlook

The good news of Covid's decline has been more than overshadowed by inflationary fears and Russia's invasion of Ukraine. Because the Fed is behind the curve, the Fed raised interest rates in 1Q22 and the market is expecting several more hikes in 2022. This will most likely naturally decrease demand in the economy. Higher interest rates have pressured growth stocks the most because of their longer duration and higher terminal values. Russia's invasion of Ukraine and resulting sanctions have rapidly driven up commodity prices—especially oil, natural gas and certain foods. Higher gas and food prices and the spectre of inflation have caused the consumer to retrench. We utilize a three-legs-of-the-stool framework for analyzing the health of the macroeconomy. The first leg, sentiment, has pulled back but not toward the “fear” levels that are compelling. Short-term sentiment is fearful, a contrarian positive. The second leg, valuation, is showing historic overvaluation, yet still offset by bonds being even more expensive. Notably, pockets of the equity market are looking very undervalued because of the carnage of 1Q22. The final leg, leading indicators, is showing strength but has not yet incorporated the fallout of the shock from higher oil prices. Synthesize these legs, we advocate a neutral posture toward equities. We believe that

investors should have a balance of “ride out the weather” parts of their portfolios while also being positioned for the upside to occur after the inflation and war shocks have subsided.

Trailing Returns⁴ (%)

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Eventide Gilead Fund	YTD	3-mos	1-year	3-year ⁶	5-year ⁵	10-year ⁶	Since Inception ⁶	Inception Date ⁶
Class I	-16.23	-16.23	-6.24	15.07	18.44	16.67	16.36	2/2/2010
Class A without load	-16.28	-16.28	-6.45	14.80	18.15	16.38	17.36	10/28/2009
Class A with 5.75% load ⁶	-21.10	-21.10	-11.82	12.56	16.77	15.69	16.80	10/28/2009
Class C ⁷	-16.43	-16.43	-7.17	13.92	17.26	15.50	16.47	10/28/2009
Class N	-16.26	-16.26	-6.41	14.85	18.21	16.44	15.40	7/8/2008
Benchmarks								
S&P 500 Total Return Index ⁸	-4.60	-4.60	15.65	18.92	15.99	14.64	11.95	7/8/2008
Russell Midcap Growth Index ⁸	-12.58	-12.58	-0.89	14.81	15.10	13.52	11.69	7/8/2008

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 total annual fund operating expenses: Class I: 1.11%; Class A: 1.36%; Class C: 2.11%; Class N: 1.31%.

1. Prior to Q4 2020, Class N shares were displayed.
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.
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.
8. The S&P 500 is an index created by Standard & Poor's of American stocks with the largest market capitalization. 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 03/31/2021 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.

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.

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 <https://www.eventidefunds.com/prospectus> 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/SIPC, which is not affiliated with Eventide Asset Management, LLC.