

Healthcare & Life Sciences Fund Commentary

March 31, 2023

AT A GLANCE

Manager: Dr. Finny Kuruville

Fund Objective: Seeks to provide long-term capital appreciation.

About the Fund: A diversified mutual fund seeking long-term capital appreciation in the healthcare and life sciences sectors (≥80%). Concentrates investments in the drug-related industries (≥25%). May invest in illiquid securities (≤15%).

Benchmarks: S&P Biotechnology Select Industry Index, S&P 500 Total Return Index

Morningstar Category: US Fund Health

Lipper Category: Health/Biotech

Net Assets: \$1.58 billion

Inception Date: December 27, 2012

Healthcare and life sciences companies include those companies that derive or are expected to derive 50% or more of their revenue from healthcare and life science products and services including, but not limited to, biotechnology, pharmaceuticals, diagnostics, life science tools, medical devices, healthcare information technology, healthcare services, synthetic biology, agricultural and environmental management, and pharmaceutical manufacturing products and services. These companies include smaller development-stage companies.

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Class I: ETIHX | Class A: ETAHX | Class C: ETCHX | Class N: ETNHX

Review

The Eventide Healthcare and Life Sciences Fund (Class I)¹ posted a total return of -1.59% for the first quarter of 2023, compared with the S&P Biotechnology Select Industry Index of -8.70% and the S&P 500 Total Return Index total return of 7.50%. The Fund (Class I) posted a total return of 3.01% for the 12 months ending 03/31/2023 compared to the S&P Biotechnology Select Industry Index of -15.60% and the S&P 500 Total Return Index of -7.73%.

Contributors

In the first quarter of 2023, the largest positive contributors to performance were: Exact Sciences Corp, Seagen Inc, Mirum Pharmaceuticals Inc, Marinus Pharmaceuticals, and iRhythm Technologies. Exact Sciences, a specialist in the detection of early-stage cancers, delivered better-than-expected 4Q results and a profitability upside surprise. Seagen provided robust commercial and pipeline guidance before announcing a \$43B merger with Pfizer. Mirum Pharmaceutical's only competitor, Albireo, was acquired for a 100% premium following a multi-party bidding war. This spotlighted Mirum, which, versus Albireo, has first-mover advantage for key treatments and additional registrational studies in larger adult indications. Marinus enjoyed continued strong results after successful Q4 efforts that brought in over \$100 million net funding, together with a solid launch for lead asset Ztalmy to treat a rare developmental encephalopathy in children. iRhythm posted a better-than-expected 4Q, with easing operational headwinds providing potential upside in 2023.

Top Five Contributors² (%)

Q1 2023

Company	Ticker	Industry	Average Weight	Contribution to Return	Total Return ³
Exact Sciences Corp	EXAS	Biotechnology	3.25	1.12	36.96
Seagen Inc	SGEN	Biotechnology	1.56	0.95	57.55
Mirum Pharmaceuticals Inc	MIRM	Biotechnology	2.81	0.66	23.18
Marinus Pharmaceuticals	MRNS	Pharmaceuticals	1.18	0.64	73.37
iRhythm Technologies	IRTC	Health Care Equipment	1.55	0.51	32.41

Detractors

In the first quarter of 2023, the largest negative detractors to performance were: Prothena, ALX Oncology, Cytokinetics, Zentalis Pharmaceuticals, and Celldex Therapeutics Inc. Prothena, neglected by investors awaiting key data on its lead program in Alzheimer's Disease, expected late 2023. Cytokinetics languished as investors looked elsewhere while waiting to learn whether the company will secure a differentiated label for certain cardiomyopathies. Both ALX Oncology and Zentalis Pharmaceuticals experienced steady declines for the quarter amid structural challenges in the oncology space. Celldex Therapeutics suffered a setback from an unexpected severe adverse event in a prurigo nodularis treatment trial that requires further clarity.

Top Five Detractors² (%)

Q1 2023

Company	Ticker	Industry	Average Weight	Contribution to Return	Total Return ³
Prothena	PRTA	Biotechnology	1.40	-0.37	-19.55
ALX Oncology	ALXO	Biotechnology	0.41	-0.42	-59.89
Cytokinetics	CYTK	Biotechnology	1.37	-0.43	-23.20
Zentalis Pharmaceuticals	ZNTL	Biotechnology	3.04	-0.53	-14.60
Celldex Therapeutics Inc	CLDX	Biotechnology	3.74	-0.85	-19.27

Macro Commentary and Outlook

Despite fears of rate hikes, inflation, recession, and bank failures, U.S. stocks rallied mid-March to end the first quarter on a high note, with the broad-market S&P 500 up 7.5%. Growth-oriented stocks finished well ahead of their value counterparts across the market-cap range. Size, too, mattered this quarter, as results ramped in nearly a straight line from -2.9% for the Russell Microcap to +12.9% for the Russell Top 50[®] Mega Cap Index.

The S&P 500's Health Care sector (-4.3%) underperformed its parent S&P 500 return, with the S&P Biotechnology Select Industry Index (-8.7%) even further behind. From a fundamental perspective, healthcare and biotech historically have tended to be more insulated from the effects of inflation and geopolitical tension, but less so from capital scarcity during periods of global financial stress. With money headed to the sidelines on fears of financial contagion over the past few months, overall valuations could not break out of the range they've occupied the past couple of years.

Historically, the Fund has been more heavily weighted towards early-stage and small-/mid-cap companies than its S&P biotech index. The Fund may also provide investors with access to certain kinds of private investments. Given the Fund's

Performance is historical and does not guarantee future results.

concentrated, high-conviction characteristics, periods of elevated volatility should not be a surprise. Sometimes just a small number of holdings can exert an outsized effect on performance. The Fund invests in companies the research team believes not only present a compelling investment opportunity but also excel at creating value, operating with integrity, and demonstrate ethical and sustainable practices. We believe that once the macro-fear dissipates, healthcare and biotech should undergo a re-rating back up to historic averages.

Trailing Returns⁴ (%)

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Eventide Healthcare & Life Sciences Fund	YTD	3-mos	1-year	3-year ⁶	5-year ⁵	10-year	Since Inception ⁵	Inception Date ⁵
Class I	-1.59	-1.59	3.01	5.79	6.46	13.62	15.16	12/27/2012
Class A without load	-1.67	-1.67	2.74	5.53	6.19	13.33	14.86	12/27/2012
Class A with 5.75% load ⁶	-7.32	-7.32	-3.16	3.47	4.94	12.66	14.20	12/27/2012
Class C ⁷	-1.87	-1.87	1.98	4.73	5.39	12.49	14.01	12/27/2012
Class N	-1.65	-1.65	2.82	5.58	6.24	13.40	14.94	12/27/2012
Benchmarks								
S&P Biotechnology Select Industry Index ⁸	-8.70	-8.70	-15.60	-0.58	-2.74	8.75	9.94	12/27/2012
S&P 500 Total Return Index ⁸	7.50	7.50	-7.73	18.60	11.19	12.24	13.09	12/27/2012

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 Healthcare & Life Sciences Fund expenses: Class I, Gross Expenses 1.31%, Net Expenses 1.31%; Class A, Gross Expenses 1.56%, Net Expenses 1.56%; Class C, Gross Expenses 2.31%, Net Expenses 2.31%; Class N, Gross Expenses 1.51%, Net Expenses 1.51%.

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. Annualized since inception figures use an inception date of 12/27/2012.
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

7. A 1.00% contingent deferred sales charge ("CDSC") may be assessed on C-shares redeemed within twelve months of purchase.
 8. 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 Biotechnology Select Industry Index because the Fund's Adviser believes it is more reflective of the Fund's portfolio. The S&P Biotechnology Select Industry Index represents the biotechnology sub-industry portion of the S&P Total Markets Index. The S&P 500 is an index created by Standard & Poor's of American stocks with the largest market capitalization.
- ("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.

The opinions expressed herein are those of the Fund's portfolio management team as of 03/31/2023 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.

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. 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 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.