

Healthcare & Life Sciences Fund Commentary

June 30, 2024

AT A GLANCE

Manager: Finny Kuruvilla, MD, PhD

Effective 09/01/2024 Dr. I-hung Shih will begin serving as Co-Portfolio Manager for the Fund.

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: \$1.44 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.

GLOSSARY

SG&A: Selling, general and administrative expenses.

XBI: SPDR S&P Biotech ETF, an equal-weighted index of U.S. biotechnology stocks

Eventide Asset Management, LLC

One International Place, Suite 4210

Boston, MA 02110

877-771-EVEN (3836)

WWW.EVENTIDEFUNDS.COM

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

Review

In the second quarter of 2024, the Eventide Healthcare and Life Sciences Fund (Class I)¹ experienced underperformance relative to the S&P Biotechnology Select Industry Index, with returns of -12.07% and -2.37%, respectively.

Contributors

Top Five Contributors² (%)

Q2 2024

Company	Ticker	Industry	Average Weight	Contribution to Return	Total Return ³
Insmed Inc	INSM	Biotechnology	1.68	1.63	146.96
TransMedics Group Inc	TMDX	Health Care Equipment	1.70	1.00	103.71
Mirum Pharmaceuticals Inc	MIRM	Biotechnology	2.91	1.00	36.11
Guardant Health Inc	GH	Health Care Services	2.25	0.78	39.99
Alpine Immune Sciences Inc	ALPN	Biotechnology	0.88	0.60	63.90

In the second quarter of 2024, the largest positive contributors to performance were: Insmed Inc, TransMedics Group Inc, Mirum Pharmaceuticals Inc, Guardant Health Inc, and Alpine Immune Sciences Inc. Insmed Inc, which provides therapies for pulmonary infections and other lung diseases, disclosed positive topline Phase 3 data for brensocaticib supporting a large new market opportunity. TransMedics Group Inc, a provider of therapy for end-stage organ failure, continued their trajectory of strong execution and provided timelines on pipeline initiatives. Mirum Pharmaceuticals, a company treating rare pediatric cholestasis diseases with IBAT inhibitors, disclosed positive clinical updates for an important pipeline asset. Guardant Health Inc, which provides cell diagnostics for cancer patients, had a positive Advisory Committee meeting complemented by strong core business execution. Alpine Immune Sciences Inc, which developed novel therapeutics for rare autoimmune diseases, was acquired by Vertex Pharmaceuticals.

Detractors

Top Five Detractors² (%)

Q2 2024

Company	Ticker	Industry	Average Weight	Contribution to Return	Total Return ³
Exact Sciences Corp	EXAS	Biotechnology	2.05	-0.95	-38.82
Marinus Pharmaceuticals	MRNS	Pharmaceuticals	0.27	-1.04	-85.07
Evolent Health Inc	EVH	Health Care Technology	2.21	-1.12	-41.69
Korro Bio Inc	KRRO	Biotechnology	1.93	-1.82	-62.37
Zentalis Pharmaceuticals	ZNTL	Biotechnology	4.79	-4.78	-74.05

In the second quarter of 2024, the largest negative detractors to performance were: Exact Sciences Corp, Marinus Pharmaceuticals, Evolent Health Inc, Korro Bio Inc, and Zentalis Pharmaceuticals. Exact Sciences Corp, provider of non-invasive molecular screening for colorectal cancer, highlighted underinvestment in SG&A in 2023 and saw readthroughs from a positive Guardant Health AdCom meeting. Marinus Pharmaceuticals, which focuses on developing novel therapies for unmet needs in epilepsy, announced that their Phase 3 study failed. Evolent Health Inc, providing value-based care initiatives in specialty and primary care, reported higher than expected healthcare utilization in certain markets exiting the first quarter, impacting their visibility for 2024. Korro Bio Inc, a company developing RNA editing approaches to treat severe genetic diseases, is in a data desert while we await their first clinical

Performance is historical and does not guarantee future results.

Portfolio Team Outlook

After a turbulent few years, the biotechnology industry is showing promising signs of returning to normalcy. At the same time, during the second quarter, the fund experienced a period of underperformance relative to the broader biotech market. A portfolio holding, Zentalis, was placed on an FDA clinical hold on their ongoing trials. Not owning a Covid vaccine company (Novavax) that did a partnership with a larger company also contributed to our relative underperformance. Despite these hurdles, we remain confident in our investment process. Our focus is on high-quality companies with strong potential to bring to market meaningful medicines that meet unmet needs. Our highest weights are in firms at later development stages, including in oncology and immunology. The biotech industry, while sensitive to interest rates, ultimately rewards firms that are able to create true value by achieving significant scientific and commercial milestones.

The Eventide Healthcare and Life

Sciences Fund diverges from the XBI, with approximately 50% of its holdings in companies not included in the XBI. This selective approach allows us to identify differentiated opportunities that may not be reflected in the broader index, aligning with our commitment to thorough research and differentiated investments.

Looking ahead, we are optimistic about the industry's long-term growth trajectory. We maintain a keen eye on emerging trends and invest in companies led by competent teams capable of delivering compelling clinical data and achieving commercial success. As the biotech industry continues to normalize and recover from the dramatic rising interest rate environment, we expect a more stable and rational market environment, ripe with opportunities for discerning investors.

We believe our fund is strategically aligned to leverage the anticipated growth and investment of the biotech sector. Our goal is to identify companies with the highest



Finny Kuruvilla, MD, PhD
Co-Chief Investment Officer,
Senior Portfolio Manager

likelihood of commercial success that will position to benefit from the industry's long-term value creation. Despite recent underperformance relative to the XBI, we are confident that our selective and research-driven approach will enable us to capitalize on the significant opportunities presented by the evolving biotech landscape.

In conclusion, we believe that the biotechnology industry is poised for recovery and long-term growth. Our commitment to investing in high-quality companies with strong potential, particularly in oncology and immunology, positions us to benefit from this resurgence.

data, expected in 2025. Zentalis Pharmaceuticals, a biotechnology company focused on novel small molecule therapies, announced that FDA has placed a partial clinical hold on their ongoing trials.

Trailing Returns⁴ (%)

30 Jun 2024

Eventide Healthcare & Life Sciences Fund	YTD	3-mos	1-year	3-year ⁶	5-year ⁵	10-year ⁵	Since Inception ⁵	Inception Date
Class I	-7.89	-12.07	-9.58	-6.84	2.23	9.66	13.79	12/27/2012
Class A without load	-8.02	-12.10	-9.78	-7.07	1.99	9.38	13.49	12/27/2012
Class A with 5.75% load ⁶	-13.30	-17.15	-14.96	-8.88	0.78	8.73	12.91	12/27/2012
Class C ⁷	-8.34	-12.26	-10.44	-7.77	1.22	8.57	12.65	12/27/2012
Class N	-7.99	-12.09	-9.76	-7.03	2.03	9.44	13.57	12/27/2012
Benchmarks								
S&P Biotechnology Select Industry Index ⁸	3.95	-2.37	11.93	-11.70	1.28	6.28	10.77	12/27/2012
S&P 500 Total Return Index ⁸	15.29	4.28	24.56	10.01	15.05	12.86	14.57	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 gross expenses: Class I: 1.31%; Class A: 1.56%; Class C: 2.31%; Class N: 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 ("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. 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..

The opinions expressed herein are those of the Fund's portfolio management team as of 06/30/2024 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 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.