Limited-Term Bond Fund Commentary

March 31, 2022

AT A GLANCE

Managers: Dolores Bamford, CFA; David Dirk, CFA

Fund Objective: Seeks to provide income.

About the Fund: An income fund investing in short- and medium-duration bonds.

Benchmarks: Bloomberg 1-5 Year Government/ Credit Index, Bloomberg U.S. Intermediate Aggregate Bond Index

Morningstar Category: US Fund Short-Term Bond

Lipper Category: Flexible Income

Net Assets: $192 million

Inception Date: July 28, 2010

Eventide Asset Management, LLC
One International Place, Suite 4210
Boston, MA 02110
877-771-EVEN (3836)
WWW.EVENTIDEFUNDS.COM

Class A: ETABX | Class C: ETCBX | Class I: ETIBX | Class N: ETNBX

Review

The Eventide Limited Term Bond Fund (Class I) posted a total return of -3.35% for the first quarter of 2022, compared with the Bloomberg 1-5 Year Government/Credit Index of -3.45% and the Bloomberg U.S. Intermediate Aggregate Bond Index total return of -4.68%. The Fund (Class I) posted a total return of -3.59% for the 12 months ending 3/31/2022 compared to the Bloomberg 1-5 Year Government/Credit Index of -3.84% and the Bloomberg U.S. Intermediate Aggregate Bond Index of -4.38%.

Contribution to Return by Security Type[1] (%) Q1 2022

	Average Weight	*Total Return[2]*	*Contribution to Fund Return*
Cash & Equivalents	2.36	0.01	0.00
Agency CMOs & CMBS	0.15	-1.77	0.00
U.S. Tax-Exempt Municipals	0.94	-1.26	-0.01
U.S. Taxable Municipals	2.80	-3.49	-0.10
Pass-Throughs	4.82	-4.03	-0.20
ABS	9.75	-2.70	-0.27
Sovereign Agency Debt	9.28	-3.90	-0.38
Corporate Bonds	69.89	-3.32	-2.39
Corporate Bonds	68.86	-0.47	-0.38

Macro Commentary and Outlook

Investors began 2022 with growth expected to decelerate, inflation at multi-decade highs, and the path to tighter monetary policy in sight. If this was not enough to deal with, the economic landscape was further disrupted by Russia's military buildup along the Ukrainian border and subsequent invasion in late February. The United States, along with allies from many countries, swiftly placed economic sanctions on the Russian government and key individuals, while numerous American corporations ceased operations in Russia in protest of their unprovoked actions. The bottom line is the convergence of these events further complicate an already troubling inflation picture while clouding the global growth outlook.

The Federal Open Market Committee (FOMC) announced their first interest rate hike in March, a twenty-five basis point increase in the federal funds rate. Several Committee members are openly advocating for more aggressive policy adjustments, including the potential for rate increases in fifty basis point increments to combat inflation. The FOMC's updated median projections now reflect a federal funds rate of 2.8% next year. This is an increase of more than one hundred basis points from their prior quarterly projections and is also above their longer-run projection of 2.4%. Given the multitude of risk factors faced, we remain skeptical of the Fed's ability to pull off a so called "soft landing" going forward. Our current economic view supports a higher probability for a stagflationary environment than an outright recession over the next 12-18 months.

For the fixed income markets, we expect volatility to likely remain elevated as further changes in monetary policy and heightened geopolitical risk dominate the headlines. Our portfolios reflect a short duration bias relative to the index and a modestly barbelled maturity structure in our core bond strategies. We continue to remain overweight both corporate bonds and ABS and have underweights in U.S. Treasuries and agency MBS. Despite the negative returns in the first quarter, the move higher in interest rates, combined with wider credit spreads, have resulted in a more attractive risk/reward profile for fixed income investors. We believe this has the potential to provide a more compelling investment landscape as we navigate the remainder of this year.

Return Breakdown

- During the first quarter interest rates moved up aggressively, the yield curve flattened, and nearly all spread sectors underperformed significantly.
- The negative performance was primarily the result of the rapid rise in interest rates across the yield curve as investors responded to the Federal Reserve adjusting their rate hike projections due to the highest inflation rates since the early 1980s, a highly uncertain macroeconomic backdrop, and heightened geopolitical tensions.
- However, this rise in interest rates was not uniform as the yield curve bear flattened – meaning short-term interest rates rose at a faster pace than long-term interest rates.
- Contributing to the declines in total returns was a renewed aversion to risk, as uncertainty and volatility sparked a widening in credit spreads as agencies, corporate bonds, agency MBS, ABS, and CMBS, all underperformed duration equivalent Treasuries.

Trailing Returns[3] (%) 31 Mar 2022

Eventide Limited-Term Bond Fund	*YTD*	*3-mos*	*1-year*	*3-year[4]*	*5-year[4]*	*10-year[4]*	*Since Inception[4]*	*Inception Date[4]*
Class I	-3.35	-3.35	-3.59	1.05	1.33	1.37	1.81	7/28/2010
Class A without load	-3.39	-3.39	-3.91	0.78	1.10	1.63	2.16	7/28/2010
Class A with 5.75% load[5]	-8.93	-8.93	-9.43	-1.20	-0.09	1.03	1.65	7/28/2010
Class C[6]	-3.59	-3.59	-4.55	0.04	—	—	0.74	12/14/2018
Class N	-3.39	-3.39	-3.77	0.84	—	—	1.54	12/14/2018
Benchmarks								
Bloomberg 1-5 Year Government/Credit Index[7]	-3.45	-3.45	-3.84	1.14	1.42	1.36	1.53	7/28/2010
Bloomberg U.S. Intermediate Aggregate Bond Index[7]	-4.68	-4.68	-4.38	1.19	1.67	1.81	2.16	7/28/2010

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 Limited-Term Bond Fund expenses: Class I, Gross Expenses 0.66%, Net Expenses 0.55%; Class A, Gross Expenses 0.91%, Net Expenses 0.80%; Class C, Gross Expenses 1.66%, Net Expenses 1.55%; Class N, Gross Expenses 0.86%, Net Expenses 0.75%. The adviser has contractually agreed to waive fees and/or reimburse expenses of the Fund through 10/31/2022. The agreement may only be terminated by the Fund's Board of Trustees on 60 days' written notice.

1. Source: Bloomberg PORT Attribution Report. Allocation percentages are subject to change at any time, and should not be considered investment advice.
2. The total return percentage listed is impacted by the Fund's transactions and transacted price levels of the holding during the quarter.
3. 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. The Fund acquired the assets and liabilities of the Epiphany FFV Strategic Income Fund ("Predecessor Fund") on 12/14/2018. The Predecessor Fund's Class A shares were reclassified from Class N shares on 6/1/2015 and its Class I shares were reclassified from Class C shares on 5/30/2017, and the fee structure was different.
4. Performance figures for periods greater than 1 year are annualized. The Fund's share classes have different inception dates. Annualized since inception figures use the Predecessor Fund's inception date of 7/28/2010 unless otherwise noted.
5. 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.
6. A 1.00% contingent deferred sales charge ("CDSC") may be assessed on C-shares redeemed within twelve months of purchase.
7. The Bloomberg 1-5 Year Government/Credit Index includes investment grade, U.S. dollar-denominated, fixed-rate treasuries, government-related and corporate securities that have a remaining maturity of greater than or equal to one year and less than five years. The Bloomberg U.S. Intermediate Aggregate Bond Index is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S.-traded investment grade bonds are represented. Municipal bonds and Treasury Inflation-Protected Securities are excluded. The index includes Treasury securities, Government agency bonds, mortgage-backed bonds, corporate bonds, and a small amount of foreign bonds traded in the U.S.

The opinions expressed herein are those of the Fund's portfolio management team as of 3/31/2021 and are subject to change. There is no guarantee that such views are correct or that the outlook opinions will come to pass. Security types 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. Investors in the Fund should be aware that interest rates may change at any time based on government policy. In general, the price of a fixed income security falls when interest rates rise. A rise in interest rates may result in volatility and increased redemptions, which in turn could result in the Fund being forced to liquidate portfolio securities at disadvantageous prices. Longer term securities may be more sensitive to changes in interest rates. Interest rates are sensitive to changes in inflation, and investing in bonds exposes investors to inflation risk. Bonds may be subject to default, causing loss of invested capital.*

Fixed income investments may be of any maturity or credit quality, but the Fund's weighted average effective portfolio duration will not exceed five years. The Fund may invest, directly or indirectly, in "junk bonds." Such securities are speculative investments that carry greater risks than higher quality debt securities. 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. There are unique risks associated with asset-backed securities, convertible securities, credit, foreign securities, income, interest rates, LIBOR, mortgage-backed securities, municipal bonds, preferred stocks, prepayment, securities, sovereign debt, and U.S. Agency securities that are covered in the Fund's prospectus and SAI.

The Predecessor Fund was advised by Trinity Fiduciary Partners, LLC and had an investment objective and strategies that were, in all material respects, the same as those of the Fund, whose investment adviser is Eventide Asset Management, LLC. However, under normal market conditions, the Fund will invest at least 80% of its net assets (plus borrowings for investment purposes) in bonds.

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.