

Eventide Gilead Fund

About the Fund

The Gilead Fund represents Eventide’s “best ideas” to seek long-term capital appreciation. Historically, the Fund has emphasized small- and mid-cap growth equities within the Health Care and Information Technology sectors. The Fund has historically had a high active share, meaning that many of its holdings are distinct from the holdings within its benchmarks: **Russell Midcap Growth Total Return Index**¹ and the **S&P 500 Total Return Index**.²

As described in our process below, equities in our portfolio are evaluated to determine whether we believe the company is creating value for society.

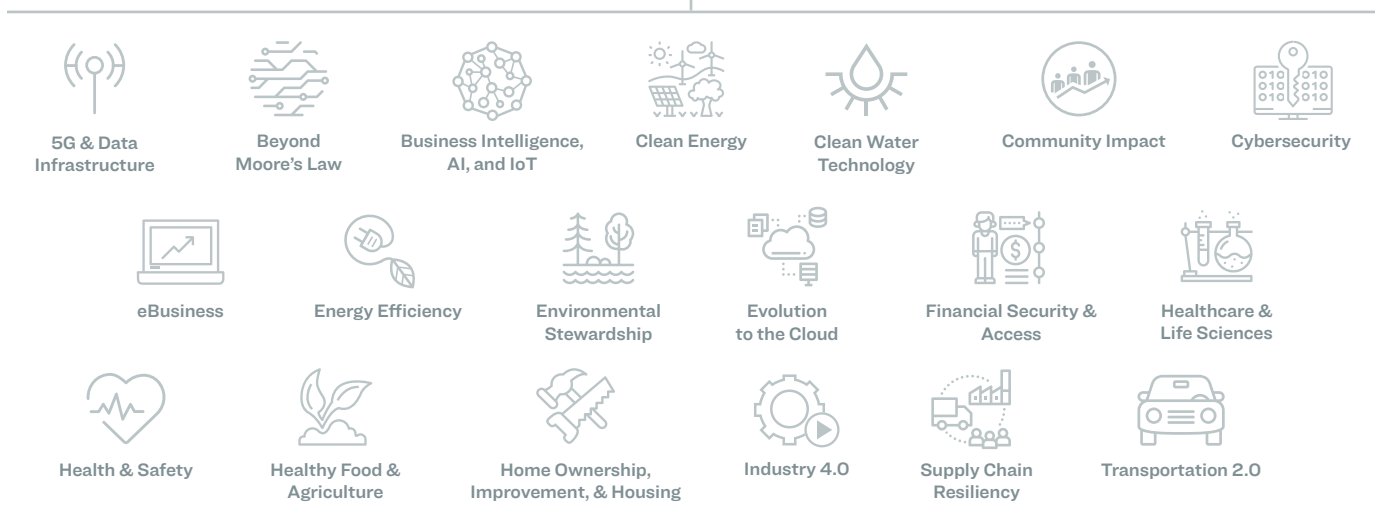
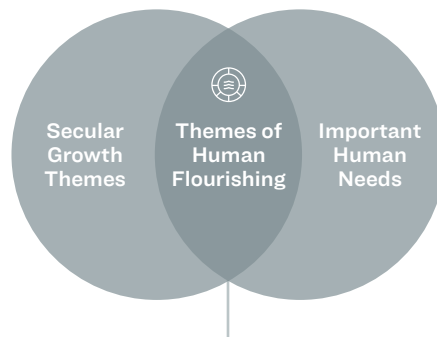
Investment Philosophy

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: Narrowing the macro universe

- a. Our investment process begins with **understanding the big picture of asset classes and sectors**. While Eventide generally identifies as a bottom-up fundamental manager, we understand the importance of macro factors and how these factors impact the performance of asset classes and sectors. Since the Gilead Fund seeks long-term capital appreciation, the portfolio manager and analysts pay particular attention to asset classes and sectors that they believe have the ability to experience long-term growth with the possible risk of higher short-term volatility.
- b. After we develop views of asset classes and sectors, we seek to **discern attractive long-term secular 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 current and 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 a context conducive for human flourishing. Below are some examples of these themes.

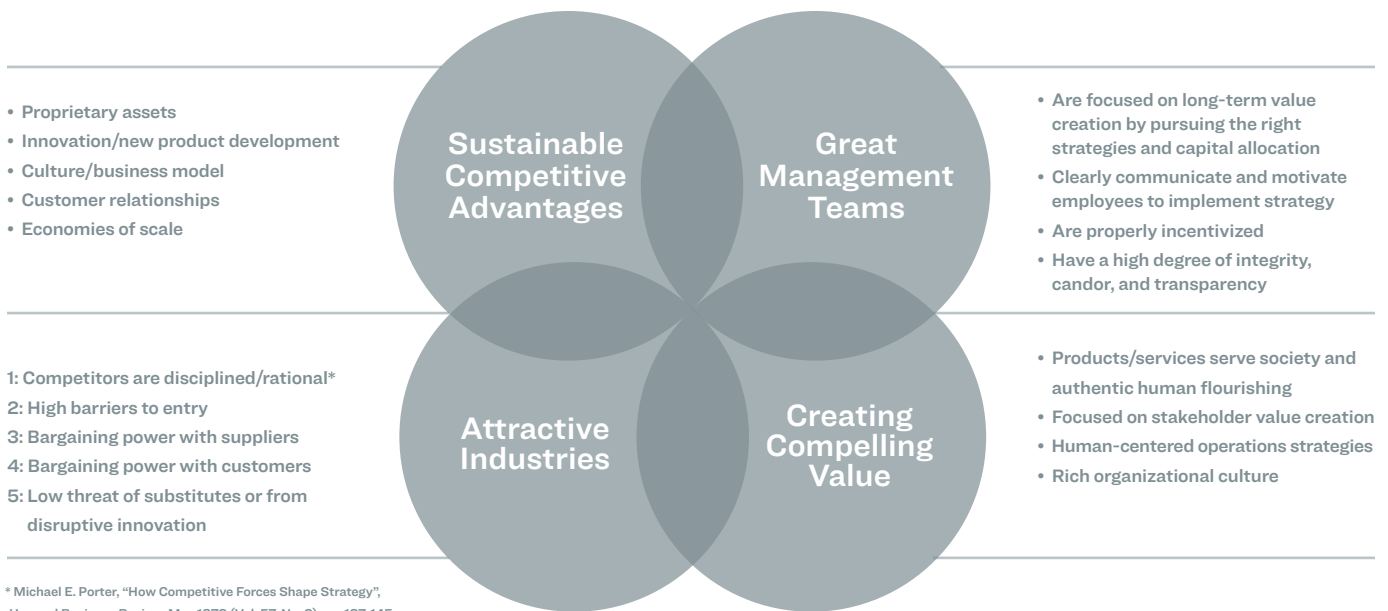


These are representative examples of themes in the Eventide Gilead Fund

c. There are many different investment approaches that an investor can take when investing within each theme, which is why we **leverage consultants and industry experts** to help guide the process of narrowing our research. From these conversations, we then **review industry specific reports, trends, and third-party research** to corroborate the guidance we receive from the industry interviews. Eventide has a diverse group of analysts with various backgrounds, each of which has familiarities with different subsectors of the market. We pride ourselves on employing analysts who are life-long learners with the capability of understanding big concepts—a skill that comes from speaking to people in different industries. We believe that this part of the process—leveraging thought-leaders alongside published research—is an important way to gain unique insight into investment opportunities.

2. Fundamental Security Selection

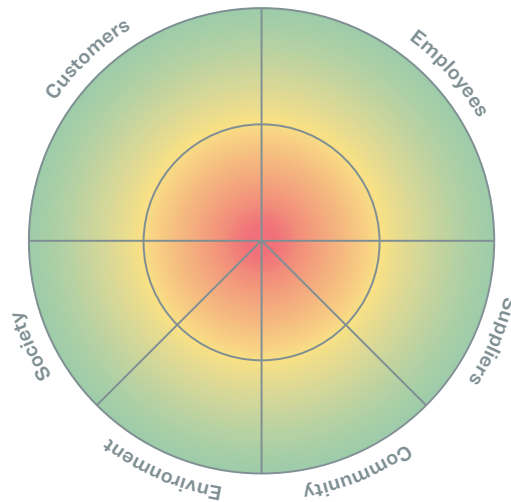
- a. Our security selection process begins by researching companies within the themes that we have become deeply familiar with from our idea-generation phase of the process. To gain new ideas for the portfolio, we **study the direct competitors, suppliers, and customers of our existing holdings as well as companies that are positioned differently than our existing holdings but participate in the same themes**. Eventide believes that using specialization to explore areas that we are familiar with allows us to make more informed investing decisions.
- b. 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:



- c. 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 and insights from key opinion leaders.

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.



- d. Alongside our qualitative analysis, we employ a **financial analysis** where we seek out companies with long-term financial strength by looking for the following qualities:

- ✓ Return on invested capital that is high and increasing
- ✓ Revenue and earnings growth that is consistent and repeatable
- ✓ Pricing power
- ✓ Operating margins that are high and increasing
- ✓ Strong balance sheet
- ✓ Strong free cash flow

- e. 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. Final security selection and weighting is informed by seeking the goals of diversification across asset classes while maintaining low correlation to broad equity markets. The goals of diversification across asset classes and income sources refers to our approach to **maintaining internal diversification** within the Fund to reduce the Fund's volatility. The goal of low correlation to broad equity markets refers to the Fund's approach to being a **less-correlated source of alpha** within a larger portfolio of funds.

- b. We position the Fund's weighting to reflect our **macro views of the economy**. We synthesize three data streams to inform our views: economic indicators, valuation metrics, and sentiment indicators. We refer to these data streams as our "three-legs-of-the-stool" approach to the economy. We can tilt beta and asset class exposure to reflect our macro views. ●

Portfolio Management Team



FINNY KURUVILLA, MD, PHD

**Co-Chief Investment Officer,
Senior Portfolio Manager, Founding Member**

Finny Kuruvilla, MD, PhD serves as co-CIO for Eventide and Senior Portfolio Manager for the Eventide Gilead Fund and the Eventide Healthcare & Life Sciences Fund.

Dr. Finny Kuruvilla has a unique background in healthcare, statistics, and investing. He holds an MD from Harvard Medical School, a PhD in Chemistry and Chemical Biology from Harvard University, a master's degree in Electrical Engineering and Computer Science from MIT, and a bachelor's degree from Caltech in Chemistry. He completed his residency and fellowship at the Brigham & Women's Hospital and Children's Hospital Boston, where he cared for adult and pediatric patients suffering from a variety of hematologic, oncologic, and autoimmune disorders. Subsequently, he was a research fellow at MIT where he designed and implemented statistical algorithms involving logistic regression and pseudo-Bayesian expectation maximization.

As an avid proponent of values-based investing, Dr. Kuruvilla has developed standards for selecting ethical companies at the outset of the stock selection process.



ANANT GOEL

Portfolio Manager, Senior Research Analyst

Anant Goel serves as a Portfolio Manager for the Eventide Exponential Technologies Fund, the Eventide Gilead Fund, the Eventide Large Cap Focus Fund, and Senior Research Analyst on other Eventide funds.

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. He 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, he 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, he 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.

¹ The Russell Midcap Growth Index measures the performance of the U.S. equity mid-cap growth segment. 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 the index.

² The 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 the 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'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 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.