

Eventide Healthcare & Life Sciences Fund

About the Fund

The Eventide Healthcare & Life Sciences Fund seeks long-term capital appreciation by investing exclusively in companies positioned within themes in the healthcare sector with a significant emphasis on the biotechnology industry, which we believe will create long-term value for each of the companies' stakeholders. Historically, the Fund has been more heavily weighted towards early-stage and small/mid-cap companies than its benchmark, the **S&P Biotechnology Select Industry Index**¹. The unique medical and venture investing background of the portfolio team provides a differentiated understanding of the industry and in-depth insights into the viability of individual companies.

The Fund tends to have a high active share compared to its sector benchmark and the broader market, which poses the potential for differentiated returns. The Fund actively invests in IPOs, mezzanine financing offerings, and up to 15% of the Fund can be invested in illiquid securities (e.g., private investments).

As described in our process, a primary trait that Eventide seeks in each of its investments is whether the company is creating value for society. We believe biotechnology has a powerful role in meeting important human needs.

Investment Philosophy

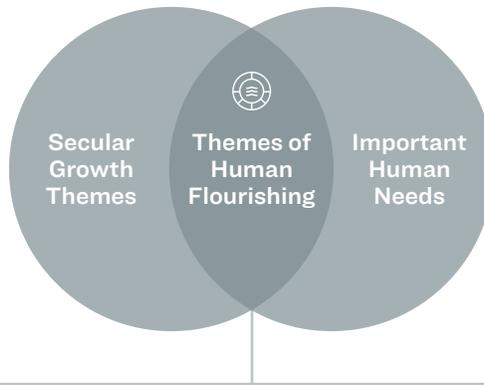
We believe **high-quality companies** that excel at **creating value for others** and **trade at a discount to intrinsic value** offer superior long-term risk-adjusted returns.

Process

1. Idea generation: Understanding the industry

- a. Our investment process begins with **understanding the big picture fundamentals within Healthcare**. Many factors will greatly impact investments within the Healthcare sector and Biotech industry. Some of these factors include:
 - Scientific and medical advances
 - Changes in the standard of care of diseases
 - Unmet medical needs
 - Value proposition to patients
 - Total addressable market size

- b. After we understand these fundamental factors, we seek to **discern attractive long-term 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 future tailwinds resulting from the development of the economy. 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 examples of themes that we have identified as themes within Healthcare more generally, and Biotech specifically, that we believe have the potential to promote human flourishing.



These are representative examples of themes in the Healthcare & Life Sciences Fund

- c. The portfolio manager and analysts perform macro due diligence on the fundamental industry factors and themes by staying current on relevant scientific and medical literature, engaging key opinion leaders within the industry, attending scientific and medical conferences, and speaking with experienced physicians to gauge an opinion on each theme’s investment viability. We believe this immersive approach to understanding the industry is an important part of investment due diligence.

2. Fundamental Security Selection

- a. Our security selection process begins by researching companies within the themes that we have become deeply familiar with from the idea-generation phase of the process. As we evaluate individual companies, we start with a **qualitative analysis**. To this end, we seek to invest in companies that we deem to be “high-quality” by embodying three key traits:

- Proprietary assets
- Unique technology platforms
- Strong intellectual property



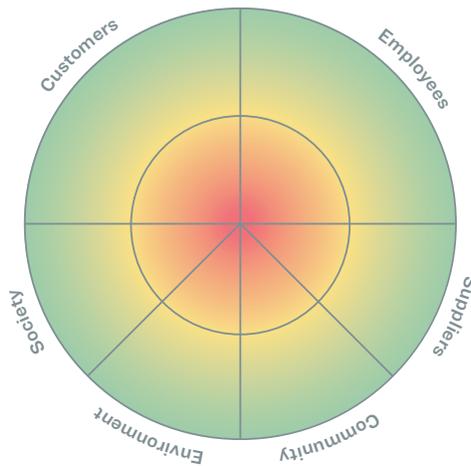
- Are focused on long-term value creation by pursuing the right strategies and capital allocation
- Clearly communicate and motivate employees to implement strategy
- Are properly incentivized
- Have a high degree of integrity, candor, and transparency

- Targeting large unmet medical need
- Focused on value creation for key stakeholders

- b. 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 technology platform 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.



- c. Alongside our qualitative analysis, we employ a **financial analysis** where we first evaluate a company's **current financial strength**:
- Well capitalized (≥ 1 year of cash remaining) to reach key milestones (clinical trial data release, FDA indication, product launch)
 - Clean capital structure (no warrants or heavy debt burden)
 - No known history of ill-conceived and/or poorly-executed financings (extremely dilutive)

Then, we analyze the potential for **future profitability**:

- Current financing needs (i.e., dilution)
 - Total addressable market (based on epidemiology)
 - Penetration rate (based on competition for target product profile)
 - Pricing (based on comparables)
 - Lifespan of sales (based on IP)
- d. After we perform the qualitative analysis and financial analysis of a company, we estimate its 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.

3. Portfolio construction and risk management

- a. The Healthcare & Life Sciences Fund is a concentrated portfolio that typically houses 60-70 companies within a single sector. Therefore, internal diversification comes from a strong knowledge of risk factors that could impact specific holdings, such as advancements or setbacks in particular fields of study, M&A trends, and likelihood of positive or negative outcomes from binary events (clinical trials, FDA approvals, etc.). The manager will adjust estimates, price targets, conclusions, and position sizes to reflect changes in industry fundamentals. ●

Investment Team²**FINNY KURUVILLA, MD, PHD**

Co-Chief Investment Officer, Senior Portfolio Manager, Managing Director, Founding Member

Finny Kuruvilla, MD, PhD, serves as a Co-Chief Investment Officer, Senior Portfolio Manager for Eventide's mid-cap growth and healthcare & life sciences strategies, including the Eventide Gilead Fund and the Eventide Healthcare & Life Sciences Fund, a Managing Director for Eventide's private fund, as well as a Founding Member of Eventide.

Dr. Kuruvilla has a background in healthcare, statistics, and investing. Concurrent with his early years at Eventide, he was a Principal at Clarus Ventures, a healthcare and life sciences venture capital firm subsequently acquired by Blackstone. Earlier in his career, Dr. Kuruvilla was a postdoctoral research fellow at the Broad Institute of Harvard and MIT, where he led the development of a new microarray between the Broad Institute and a publicly-traded company Affymetrix. Prior to his investing career, Dr. Kuruvilla was resident, chief resident, and fellow at the Brigham and Women's Hospital and Boston Children's Hospital.

Dr. Kuruvilla holds an MD from Harvard Medical School, a PhD in Chemistry and Chemical Biology from Harvard University, a SM in Electrical Engineering and Computer Science from MIT, and a BS in Chemistry from Caltech.

**KYLE RASBACH, PHD, PHARM D**

Managing Director, Senior Research Analyst

Kyle Rasbach, PhD, serves as a Managing Director for Eventide's private fund, and a Senior Research Analyst for other Eventide investments.

Dr. Rasbach has extensive experience in clinical pharmacology, basic science, and healthcare equity research. Prior to joining Eventide, Dr. Rasbach was a Managing Partner at Pappas Capital, a life science venture capital firm that invests across biotechnology, biopharmaceuticals, drug delivery, and medical devices. Earlier in his career he was an equity research analyst and Vice President at T. Rowe Price, where he managed pharmaceutical, specialty pharmaceutical, and biotechnology investments. Prior to joining T. Rowe, Dr. Rasbach was an equity research associate and Vice President at Cowen and Company, where he covered global pharmaceutical equities.

Dr. Rasbach holds a PhD in Pharmaceutical and Biomedical Sciences as well as a PharmD from the Medical University of South Carolina; he completed his postdoctoral training in the laboratory of Bruce Spiegelman at the Harvard Medical School. He also holds an MBA from The Citadel and a BS in Biology from Denison University.



BRIAN CHOW, PHD

Principal, Research Analyst

Brian Chow, PhD, serves as a Principal for Eventide’s private fund, and as a Research Analyst for other Eventide investments. Dr. Chow has research responsibilities for healthcare investments at Eventide.

Prior to joining Eventide, Dr. Chow was a neuroscience researcher as well as a venture investor. Dr. Chow studied under both Nobel Laureate Dr. Ardem Patapoutian and Dr. Chenghua Gao, a 2021 Howard Hughes Medical Institute Investigator. Dr. Chow’s doctoral research focused on the biological mechanisms underlying the blood-brain barrier, with the potential to enhance drug delivery to the brain to treat neurological disorders. He published his discoveries as first author in the journals Nature and Neuron and wrote several peer-reviewed articles published in Nature Review Neuroscience and Trends in Neuroscience. During Dr. Chow’s doctoral program, he also worked at life sciences venture firm Flagship Pioneering.

Dr. Chow currently serves as an observer on the board of directors of Goldfinch Bio, Biosplice Therapeutics, and Arch Oncology, portfolio companies of certain other Eventide products. Dr. Chow holds a PhD in Neuroscience from Harvard University’s Graduate School of Arts and a BS in Biology and Chemistry from the University of California San Diego.



JORDAN BAUMHARDT, PHD

Research Analyst, Associate

Jordan Baumhardt, PhD, serves as a Research Analyst for Eventide, and an Associate for Eventide’s private fund. Dr. Baumhardt has research responsibilities for healthcare investments at Eventide.

Prior to joining Eventide, Dr. Baumhardt worked at LifeSci Capital in New York, where he served as an Associate and then Lead Analyst, covering companies in oncology and autoimmune spaces. During Dr. Baumhardt’s doctoral program, he worked at life sciences venture firm Flagship Pioneering. He also worked at Reata Pharmaceuticals in the strategy department and is the Co-founder and Chief Scientific Officer of Peak Research Group, LLC.

Dr. Baumhardt holds a PhD in Biophysics & Pharmacology from the University of Texas Southwestern Medical Center and a BS in Biochemistry and Molecular Biology from Illinois State University.



WESTLEY DUPRAY

Research Analyst, Associate

Westley Dupray, CFA, serves as a Research Analyst for Eventide, and an Associate for Eventide’s private fund. Mr. Dupray has research responsibilities for healthcare investments at Eventide.

Prior to joining Eventide, Mr. Dupray spent three years at SVB Leerink, where he served as Equity Research Associate and then Vice President, covering companies in the life sciences tools and diagnostics space after having spent time covering healthcare information technology and distribution companies. Prior to that, he worked as a Credit Risk Analyst at Philips Healthcare.

Mr. Dupray has a BS in Economics and Finance and a minor in mathematics from Bentley University. He is a CFA Charterholder and is a member of the CFA Society Boston and CFA Institute.



NATHAN AKHAVAN

Associate Research Analyst, Associate

Nathan Akhavan serves as an Associate Research Analyst for Eventide, and an Associate for Eventide’s private fund. Mr. Akhavan has research responsibilities for healthcare investments at Eventide.

Prior to joining Eventide, Mr. Akhavan worked at Gryphon Partners in New York, where he served as an Investment Analyst covering the sectors of healthcare, technology, and sustainability. Prior to Gryphon, he conducted research on pancreatic cancer and oncogenes at MD Anderson Cancer Center and Columbia University Medical Center.

Mr. Akhavan holds an MBA from New York University’s Stern School of Business and a BA with honors from Yeshiva University in Biology.

¹ The S&P Biotechnology Select Industry Index represents the biotechnology sub-industry portion of the S&P Total Markets Index. The Fund also as a benchmark of the S&P 500 Total Return Index. This 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 a listed index.

² Joy Ghosh, PhD, ceased his role as a portfolio manager for Eventide Healthcare & Life Sciences Fund effective June 14, 2022.

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. 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.