

# Eventide Limited-Term Bond Fund

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## About the Fund

The Limited-Term Bond Fund seeks to provide income by investing in short- and medium-duration bonds. At least 80% of the Fund will be invested in bonds across industry sectors and market capitalizations. The Fund's weighted average effective portfolio duration will not exceed five years. The portfolio manager seeks to keep the duration within  $\pm 15\%$  of the **Bloomberg 1-5 Year Government/Credit Index**,<sup>1</sup> but has flexibility and may choose to deviate  $\pm 35\%$  of this benchmark's duration. Notably, the Fund does not invest in U.S. Treasuries and has historically been overweight on corporate bonds in comparison to the benchmark. In accordance with Eventide's investment philosophy, we seek issuers that we believe are creating value for society. The Fund will invest in green, social, and sustainability bonds if they meet the other criteria of the portfolio.

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## Investment Philosophy

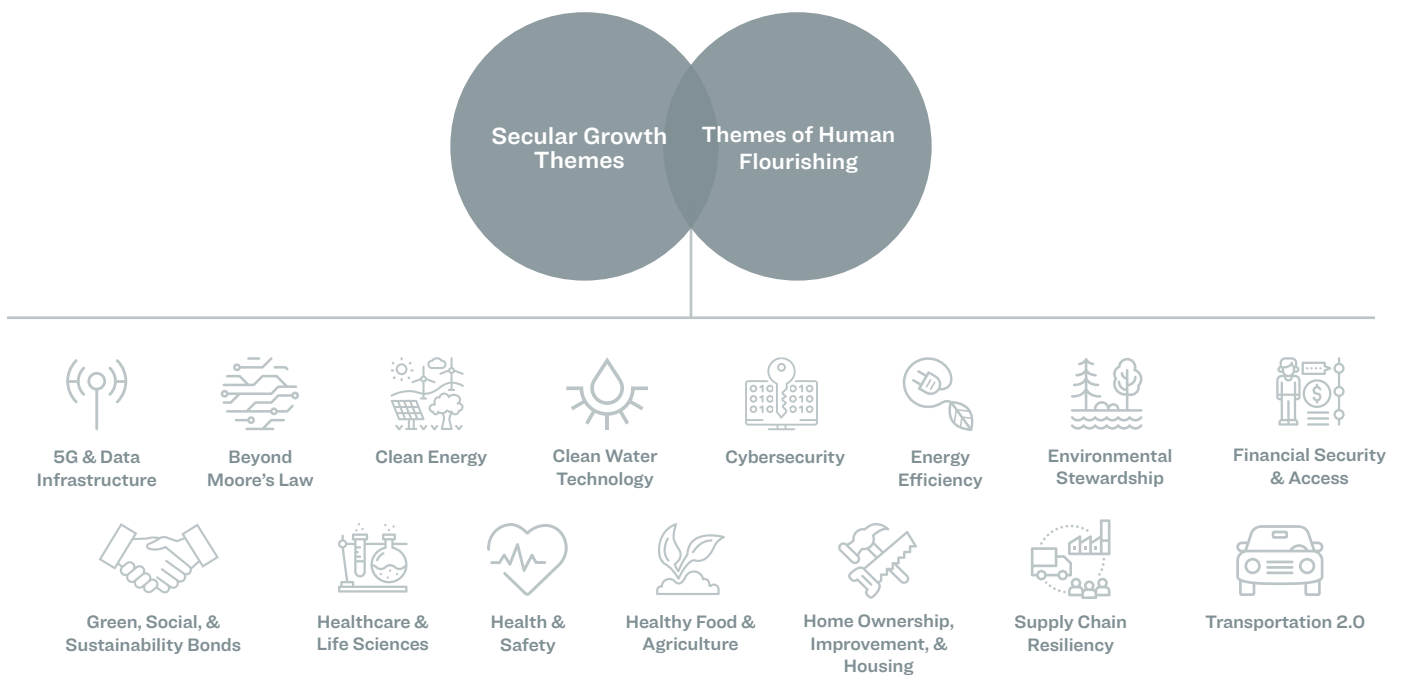
We believe **high-quality companies** that excel at **creating value for others** and **trade at a discount to intrinsic value** offer superior long-term risk-adjusted returns.

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## Process

### 1. Idea generation: Narrowing the macro universe

- a. Our investment process begins with **understanding the overall health of the economy and the most likely path for interest rates**. 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. Our discernment of the direction of interest rates is focused on projections rather than near-term bets. Recognizing that monetary policy reacts to economic health, much of our analysis is based on our assessment of the health of the economy, which drives our sector weightings. We believe sector allocation and security selection, rather than interest rate positioning, are the keys to delivering long-term risk-adjusted outperformance.
  
- b. After we understand the macro environment 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 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. We believe providing liquidity for fixed-income instruments within the bond market is an important part of the process of providing financing for businesses that are meeting important human needs. Therefore, we focus on secular themes that we believe also promote a context conducive for human flourishing. Below are some examples of these themes.



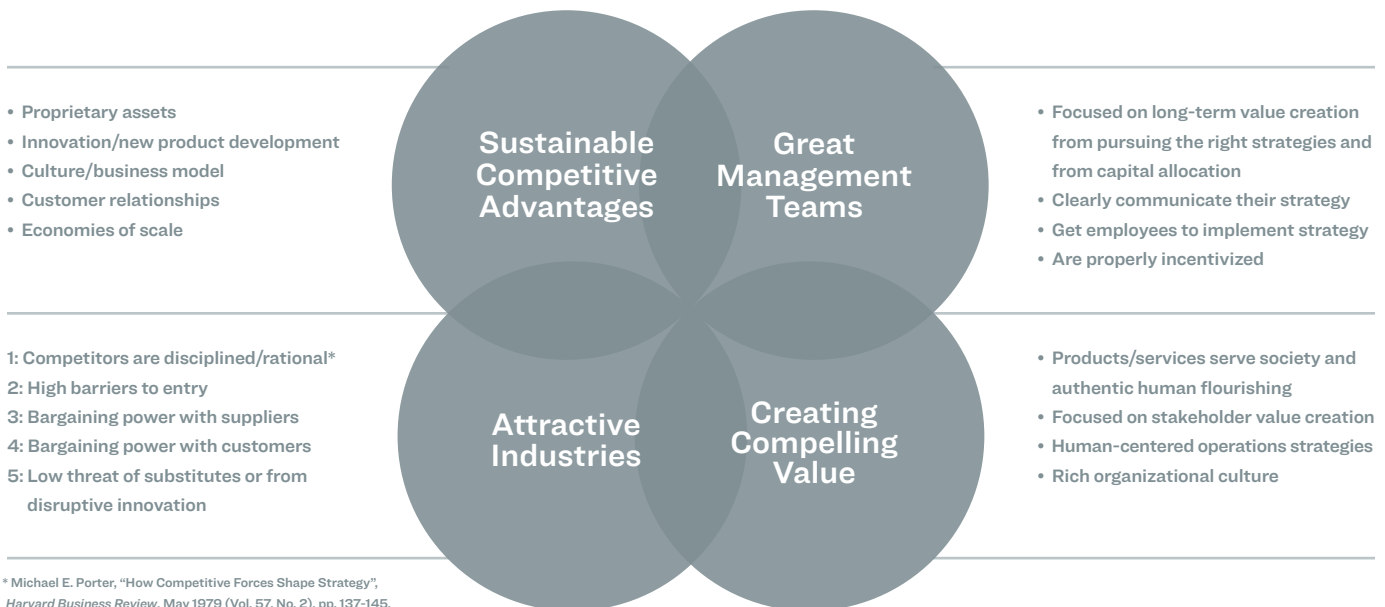
*These are representative examples of themes in the Eventide Limited-Term Bond Fund*

## 2. Fundamental Security Selection

a. Our security selection process begins by using screens to narrow the universe of fixed-income securities to a smaller set that we believe meet our investment ideals of

- **Respecting the value and freedom of all people:** this includes the right to life at all stages and freedom from addictive behaviors caused by gambling, pornography, tobacco, and alcohol.
- **Demonstrating a concern for justice and peace:** this includes fair and ethical relationships with customers, suppliers, and business partners and through avoidance of products and services that promote weapons production and proliferation.
- **Promoting family and community:** this includes protecting children from violent forms of entertainment and also includes serving low-income communities.
- **Exhibiting responsible management practices:** this includes fair dealing with employees, communities, competitors, suppliers, and customers as demonstrated by a company’s record regarding litigation, regulatory actions against the company, and its record of promoting products and services that improve the lives of people.
- **Practicing environmental stewardship:** this includes practices considered more sustainable than those of industry peers, reduction in environmental impact when compared to previous periods, and/or the use of more efficient and cleaner energy sources.

b. 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 four key traits:

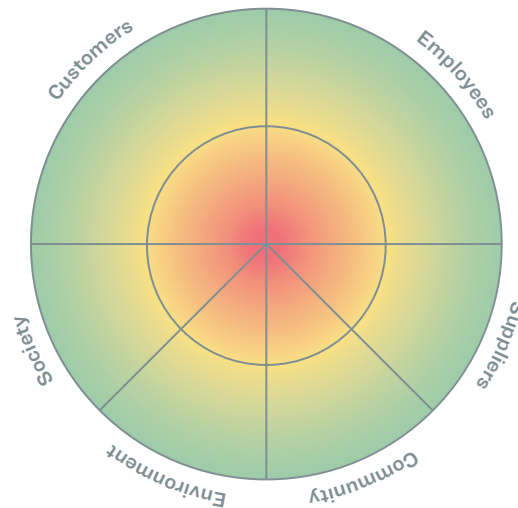


\* Michael E. Porter, “How Competitive Forces Shape Strategy”, *Harvard Business Review*, May 1979 (Vol. 57, No. 2), pp. 137-145.

- 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:

- ✓ Low total debt-to-enterprise value
- ✓ Low net debt-to-enterprise value
- ✓ Positive interest coverage ratios
- ✓ Operating margins that are stable or increasing
- ✓ Strong free cash flow
- ✓ Positive and improving credit profiles

- e. After our qualitative and financial analysis of a company, we perform a **valuation analysis** to determine if we believe the instrument is currently an attractive investment.

**3. Portfolio construction and risk management**

- a. When constructing the portfolio, we select securities for assigned allocation with goals of high internal diversification and low interest rate risk. The portfolio managers pay attention to both the structure of the securities (e.g., bullet, amortizing, callable, and serial securities) as well as the partial/key rate durations of each of the benchmark sectors (e.g., 6mo, 1yr, 2yr, 3yr, 5yr, 7yr, 10yr, 20yr, and 30yr terms). We seek to select securities whose structures

comport with our interest rate views and whose terms mirror underlying durations of each sector of the benchmark. We believe this allows us to isolate our potential for outperformance or underperformance based on sector allocation and security selection while also seeking to control interest rate risk at a portfolio level. ●

**Portfolio Management Team****DOLORES BAMFORD, CFA****Co-Chief Investment Officer, Senior Portfolio Manager**

Dolores Bamford, CFA, serves as co-CIO for Eventide and Senior Portfolio Manager for the Eventide Dividend Opportunities Fund, the Eventide Multi-Asset Income Fund, the Eventide Core Bond Fund, and the Eventide Limited-Term Bond Fund.

Ms. Bamford has more than 25 years of investment experience. Prior to joining Eventide in 2019, Ms. Bamford was with Goldman Sachs Asset Management for 13 years (2002-2015), most recently as Managing Director and Portfolio Manager on U.S. Value Equity. She also led Goldman Sachs's U.S. Responsible Equity investments and co-led the Global Sustain Equity and Midcap Value Equity investments. Previously, Ms. Bamford was with Putnam Investments for 10 years (1992-2002), where she served as Senior Vice President and Portfolio Manager and Analyst on multiple value investments. Before that, Ms. Bamford was with Fidelity Investments (1988-1990), where she served in investment research.

Ms. Bamford holds an S.M. in Management from the MIT Sloan School of Management, a dual-M.A. in Theology and Church History from Gordon-Conwell Theological Seminary, and a B.A. in Economics from Wellesley College. She is a CFA Charterholder and member of the Boston Society of Security Analysts and the CFA Institute.

**DAVID DIRK, CFA****Portfolio Sub-Manager****Boyd Watterson, Fixed Income Sub-Adviser**

David M. Dirk, CFA, is Director of Portfolio Management and Trading at Boyd Watterson and has been responsible for directing the firm's Portfolio Management and Trading activity since 2011. This includes the implementation, execution and evaluation of all strategies across Boyd Watterson's suite of fixed income products. Mr. Dirk joined Duff & Phelps, predecessor to Boyd Watterson Asset Management, in 1996. David holds a CFA Charter from CFA Institute, an MBA from Case Western Reserve University, and a BA from Baldwin-Wallace University. He is also a member of the CFA Society of Cleveland and CFA Institute. David has 18 years of industry experience.

<sup>1</sup> 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 fund also has a benchmark of The Bloomberg U.S. Intermediate Aggregate Bond Index. This 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. 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<sup>®</sup> 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. 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 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. 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 [www.eventidefunds.com](http://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.**