

Exponential Technologies Fund Commentary

March 31, 2024

AT A GLANCE

Manager: Anant Goel

Fund Objective: Seeks to provide long-term capital appreciation.

About the Fund: A concentrated mutual fund representing our thesis regarding long-term capital appreciation in technology which can include information technology, e-commerce discretionary, internet media and services, healthcare technology, healthcare devices, or transaction and payment processing services industries (≥80%). The fund has a non-diversified approach in which ≥5% holdings cumulatively can be ≥25% of the fund. May invest in illiquid securities (≤15%).

Benchmarks¹: Bloomberg US 2500 Technology Total Return Index, S&P North American Technology Sector Index

Morningstar Category: US Fund Technology

Lipper Category: Technology

Net Assets: \$129 million

Inception Date: June 30, 2020

GLOSSARY

Moat: Competitive strategy that helps protect a company's market position from competitors

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Class I: ETIEX | Class A: ETAEX | Class C: ETCEX | Class N: ETNEX

Review

The Eventide Exponential Technologies Fund (Class I) posted a total return of 1.15% for the first quarter of 2024, compared with the Bloomberg US 2500 Technology Total Return Index of 7.10% and the S&P North American Technology Sector Index total return of 15.31%. The Fund (Class I) posted a total return of 19.82% for the 12 months ending 03/31/2024 compared to the Bloomberg US 2500 Technology Total Return Index of 20.83% and the S&P North American Technology Sector Index of 52.98%.

Contributors

Top Five Contributors² (%)

Q1 2024

Company	Ticker	Industry	Average Weight	Contribution to Return	Total Return ³
Shockwave Medical Inc	SWAV	Health Care Equipment	1.99	1.11	70.88
Monday.com Ltd	MNDY	Systems Software	5.25	0.97	20.27
CrowdStrike Holdings Inc	CRWD	Systems Software	3.09	0.80	25.56
The Trade Desk Inc	TTD	Advertising	3.67	0.80	21.48
Toast Inc	TOST	Transaction & Payment Processing	2.82	0.77	36.47

In the first quarter of 2024, the largest positive contributors to performance were: Shockwave Medical Inc, Monday.com Ltd, CrowdStrike Holdings Inc, The Trade Desk Inc, and Toast Inc. Shockwave Medical, a company that treats calcified cardiovascular disease, delivered strong operating results, buoyed by encouraging end market trends, pipeline developments, and M&A rumors. Monday.com, a cloud-based software for business workflow applications, continued to deliver on top and bottom line as the leader in work management. CrowdStrike, an enterprise cybersecurity platform, continued to deliver strong results as their cybersecurity platform across endpoints and cloud, continues to gain traction. The Trade Desk, a digital advertising platform for display, social, delivered strong top and bottom line results as key channels including CTV and mobile continued to deliver. Toast, develops cloud software to equip restaurants, experienced stronger consumer trends & cost efficiencies which drove upside to earnings trajectory.

Detractors

Top Five Detractors² (%)

Q1 2024

Company	Ticker	Industry	Average Weight	Contribution to Return	Total Return ³
MongoDB Inc	MDB	Internet Services & Infrastructure	2.96	-0.37	-12.28
dLocal Ltd	DLO	Transaction & Payment Processing	2.99	-0.48	-16.90
Five9 Inc	FIVN	Application Software	2.09	-0.49	-21.07
Coursera Inc	COUR	Education Services	3.92	-1.24	-27.62
Xometry Inc	XMTR	Technology Hardware, Storage & Peripherals	6.62	-3.86	-52.97

In the first quarter of 2024, the largest negative detractors to performance were: MongoDB Inc, dLocal Ltd, Five9 Inc, Coursera Inc, and Xometry Inc. MongoDB, a database software developer, gave weaker guidance for 2024 than expectations. Dlocal, a payment solutions platform, saw negative impacts from their Argentina and Egyptian businesses due to currency devaluation even though their top and bottom lines were healthy. Five9, a cloud-based call-center platform, did not deliver a strong beat and raise quarter due to their consumer vertical underperforming. Coursera, an online education services provider, reported a decent Q4 and forward guidance, but negative investor sentiment emerged after a sell-side report labeled it

Performance is historical and does not guarantee future results.

Portfolio Team Outlook

The first quarter of 2024 witnessed robust market performance, predominantly propelled by mega-cap companies and the AI-winner cohort. This period saw a continuation of the momentum trend, with high-performing stocks sustaining their growth trajectory, whereas the underperforming stocks, or “laggards,” remained subdued.

In our portfolio, we maintain positions in both segments: the high-flyers and the laggards. Our analysis indicates that the latter, despite their short-term underperformance, harbor potential for substantial long-term value. These laggard stocks often possess undervalued market prices, presenting attractive investment opportunities. We look for companies that, in our view, have strong moats and competitive advantages, essential for long-term success, but whose current undervaluation stems from market momentum biases, which we saw negatively affect our quarterly performance.

Moreover, a few of our portfolio companies,

especially in the software and internet sectors, experienced sell-offs following conservative revenue forecasts for the full year 2024. This situation contributed to the quarter’s underperformance, although our trailing twelve months (TTM) performance remains aligned with our benchmark.

We anticipate a market re-rating for these companies as the year unfolds, enhancing their investment appeal and potentially offering attractive returns for our fund investors.

Looking forward, we are optimistic about our fund’s positioning and believe the current market environment, characterized by a chase for immediate gains, underscores the importance of maintaining discipline and a long-term investment perspective. With a stable economy and expectations of rate cuts by the Federal Reserve, we believe we are well-positioned with our portfolio of small to mid-sized (SMID) technology companies. These companies, evaluated through our Business 360 framework, demonstrate growing moats, are led by



Anant Goel
Portfolio Manager

competent management teams, and are committed to creating long-term value for a broad spectrum of stakeholders, including customers, employees, suppliers, host communities, and the environment.

We believe that barring significant interest rate hikes or a deep economic recession, the fund is poised for success.

Consistent with our internal ethos, we advocate for a long-term investment focus. This approach necessitates patience and tolerance for volatility but we believe it is likely to yield better risk-reward outcomes over time.

as an AI underperformer. Xometry, an AI-enabled marketplace for on-demand manufacturing, accelerated Q4 revenues as expected but their 2024 guide came in materially lower than expectations due to a weak January.

Trailing Returns⁴ (%)

31 Mar 2024

Eventide Exponential Technologies Fund	YTD	3-mos	1-year	3-year ⁵	5-year	10-year	Since Inception ⁵	Inception Date
Class I	1.15	1.15	19.82	-7.15	—	—	8.18	06/30/2020
Class A without load	1.08	1.08	19.58	-7.35	—	—	7.94	06/30/2020
Class A with 5.75% load ⁶	-4.72	-4.72	12.70	-9.16	—	—	6.25	06/30/2020
Class C ⁷	0.87	0.87	18.68	-8.07	—	—	7.15	06/30/2020
Class N	1.08	1.08	19.58	-7.35	—	—	7.94	06/30/2020
Benchmarks								
Bloomberg US 2500 Technology Total Return Index ¹	7.10	7.10	20.83	0.67	—	—	10.41	06/30/2020
S&P North American Technology Sector Index ¹	15.31	15.31	52.98	13.65	—	—	18.82	06/30/2020
S&P 500 Total Return Index ¹	10.56	10.56	29.88	11.49	—	—	16.93	06/30/2020

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 Exponential Technologies Fund expenses: Class I, Gross Expenses 1.51%, Net Expenses 1.44%; Class A, Gross Expenses 1.76%, Net Expenses 1.69%; Class C, Gross Expenses 2.51%, Net Expenses 2.44%; Class N, Gross Expenses 1.71%, Net Expenses 1.64%. The adviser has contractually agreed to waive fees and/or reimburse expenses of the Fund through 10/31/2024. The agreement may be terminated by the Fund's Board of Trustees only on 60 days' written notice.

1. On 12/29/2023, the Fund's primary benchmark to compare its performance was changed from the S&P North American Technology Sector Index to the Bloomberg US 2500 Technology Total Return Index because the Fund's Adviser believes it will be helpful in shareholder evaluation of the risk reward of and investment opportunity set for the Fund. On 04/01/2023, the primary benchmark had been changed from the S&P 500 Total Return Index because the Fund's Adviser believed it was more reflective of the Fund's portfolio. The Bloomberg US 2500 Technology Total Return Index is a float market-cap-weighted equity benchmark derived from membership of the Bloomberg US 2500 Index. Source: Bloomberg Index Services Limited. Bloomberg® and the indices referenced herein (the "Indices", and each such index, an "Index") are service marks of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg") and/or one or more third-party providers (each such provider, a "Third-Party Provider,") and have been licensed for use for certain purposes to Eventide Asset Management LLC (the "Licensee"). To the extent a Third-Party Provider contributes intellectual property in connection with the Index, such third-party products, company names and logos are trademarks or service marks, and remain the property, of such Third-Party Provider. Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors, including a Third-Party Provider, approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither Bloomberg nor Bloomberg's licensors, including a Third-Party Provider, shall have any liability or responsibility for injury or damages arising in connection therewith. The S&P North American Technology Sector Index represents U.S. securities classified under the GICS® information technology sector as well as the internet & direct marketing retail, interactive home entertainment, and interactive media & services sub-industries. The S&P 500 is an index created by Standard & Poor's of American stocks with the largest market capitalization.
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 06/30/2020.
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.

The opinions expressed herein are those of the Fund's portfolio management team as of 03/31/2024 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 typically invests at least 80% of its net assets in companies that the Adviser believes are participating in and benefiting from technologies, innovations, technology themes, or technology trends which can include information technology, e-commerce discretionary, internet media and services, healthcare technology, healthcare devices, or transaction & payment processing services industries. The term "exponential" means the potential for accelerated advancements in underlying technologies that can positively impact capabilities and development cycles of a company's products and services. Not every company in the Fund's portfolio will experience exponential growth, and the Fund is not expected to deliver exponential returns. 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 may experience higher volatility than the general market due to being concentrated in the technology industries. Companies in the technology industries have different risks including but not limited to products becoming obsolete, and entrance of competing products. Communications companies may underperform due to legislative or increased competition. Internet and Direct Marketing Retail companies may underperform due to legislative or increased government supervision. Healthcare Technology and Devices Companies may be heavily dependent on clinical trials with uncertain outcomes and decisions made by the governments and regulatory authorities. Further, these companies are dependent on patent protection. The Fund has non-diversification risk as a high percentage of Fund assets may be invested in a limited number of companies.

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. The Fund has no history of operations prior to its inception date.

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.