

Class A: ETAGX | Class C: ETCGX | Class I: ETILX | Class N: ETGLX

GILEAD FUND AT A GLANCE

Manager: Dr. Finny Kuruvilla

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

About the Fund: A diversified mutual fund representing our “best ideas” for long-term capital appreciation. Historical emphases in small- and mid-cap growth, Health Care and Information Technology.

Benchmarks: S&P 500 Total Return Index, Russell Midcap Growth Index

Morningstar Category: US Fund Mid-Cap Growth

Lipper Category: Mid-Cap Growth

Net Assets: \$2.61 billion

Inception Date: July 8, 2008

REVIEW

The Eventide Gilead Fund (Class N) posted a total return of 10.43% for the fourth quarter of 2019, compared with the S&P 500 Total Return Index of 9.07% and the Russell Midcap Growth Index of 8.17%. The Fund (Class N) posted a total return of 33.83% for the 12 months ending 12/31/2019 compared to the S&P 500 Total Return Index of 31.49% and the Russell Midcap Growth Index of 35.47%. The Gilead Fund outperformed its benchmark during the fourth quarter, largely due to performance within healthcare and IT sectors. Both allocation and selection were positive drivers within healthcare, while selection alone in IT drove positive performance. In general, the fourth quarter was a period where growth stocks performed well in a “relief rally” as the trade war began to fade.

CONTRIBUTORS

In the fourth quarter of 2019, the largest positive contributors to performance were Ascendis Pharma A/S, The Trade Desk, Sarepta Therapeutics Inc, Aimmune Therapeutics Inc, and Zogenix Inc. Investors were encouraged by positive data from a competitor that helped validate Ascendis’ therapeutic target. The Trade Desk traded higher in 4Q19 in anticipation of revenue growth linked to the election cycle. Sarepta, which had fallen in 3Q19 after a FDA rejection, recovered some of the losses after the FDA approved its oligo-based therapy for Duchenne muscular dystrophy. AIMT shares rose into year end ahead of the company’s peanut allergy candidate’s FDA action date set for late January. Zogenix shares performed well following presentations at the American Epilepsy Society in December.

Top Five Contributors¹

Q4 2019

Company	Ticker	Sector	Average Weight	Contribution to Return	Total Return ²
Ascendis Pharma A/S	ASND	Healthcare	5.05%	1.94%	44.44%
The Trade Desk	TTD	Technology	3.88%	1.27%	38.51%
Sarepta Therapeutics Inc	SRPT	Healthcare	2.10%	1.08%	71.32%
Aimmune Therapeutics Inc	AIMT	Healthcare	2.03%	0.94%	59.84%
Zogenix Inc	ZGNX	Healthcare	3.38%	0.91%	30.19%

DETRACTORS

In the fourth quarter of 2019, the largest negative detractors to performance were Arista Networks Inc, Twilio Inc, Wayfair Inc, ServiceMaster Global Holdings Inc, and Sage Therapeutics Inc. Arista Network shares fell sharply following worse than expected revenue guidance after a key customer scaled back orders. Twilio’s slowing growth concerned investors in a challenging year integrating a recent acquisition. Wayfair stock was hit sharply on lowered guidance for the holidays. ServiceMaster shares suffered as the company’s pest control segment faced challenges. Sage shares plummeted with the failure of a phase 3 study in major depression.

Top Five Detractors¹

Q4 2019

Company	Ticker	Sector	Average Weight	Contribution to Return	Total Return ²
Arista Networks Inc	ANET	Technology	0.44%	-0.23%	-19.94%
Twilio Inc	TWLO	Communication Services	3.44%	-0.40%	-10.62%
Wayfair Inc	W	Consumer Cyclical	2.18%	-0.52%	-19.40%
ServiceMaster Global Holdings Inc	SERV	Consumer Cyclical	0.73%	-0.69%	-39.21%
Sage Therapeutics Inc	SAGE	Healthcare	2.17%	-1.18%	-48.54%

MACRO COMMENTARY AND OUTLOOK

We continue to use our three legs of the stool (sentiment, valuation, leading indicators) approach for evaluating the overall macro-environment. Sentiment remains in neutral territory although high-frequency measures are overbullish, suggesting a near-term pullback. Equity valuation is rich now, approximately 20% overvalued on a historic basis, but this is offset by even more expensive bond valuations. The only offset to this is even more expensive bond valuation. If interest rates continue to be low (a consequence of low inflation, aging demographics, a dovish Fed, and demand for safety), then the equity market’s historically expensive valuation

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will likely persist. For now, this remains our base case. Regarding the leading indicators, they have clearly tempered, but the longest-range indicators are still moving higher. Thus, of the three legs of the stool, sentiment and valuation are neutral while leading indicators are mildly positive. Based on this synthesis, we recommend that investors keep a neutral exposure to equities.

Fund Returns³

31 December 2019

Eventide Gilead Fund	YTD	1-year	3-Year ⁴	5-Year ⁴	10-Year ⁴	Since Inception ⁴	Inception Date ⁴
Class N	33.83%	33.83%	20.11%	11.34%	15.77%	14.92%	7/8/2008
Class A without load	33.75%	33.75%	20.05%	11.28%	15.71%	17.25%	10/28/2009
Class A with 5.75% load ⁵	26.07%	26.07%	17.70%	9.97%	15.03%	16.57%	10/28/2009
Class C	32.76%	32.76%	19.16%	10.45%	14.84%	16.36%	10/28/2009
Class I	34.10%	34.10%	20.35%	11.56%	—	15.96%	2/2/2010
Benchmarks							
S&P 500 Total Return Index ⁶	31.49%	31.49%	15.27%	11.70%	13.56%	10.78%	7/8/2008
Russell Midcap Growth Index ⁶	35.47%	35.47%	17.36%	11.60%	14.24%	11.29%	7/8/2008

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 Gilead Fund expenses: Class A, Gross Expenses 1.44%, Net Expenses 1.44%; Class C, Gross Expenses 2.19%, Net Expenses 2.19%; Class I, Gross Expenses 1.19%, Net Expenses 1.19%; Class N, Gross Expenses 1.39%, Net Expenses 1.39%.

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.
4. Performance figures for periods greater than 1 year are annualized. The Fund's share classes have different inception dates. Class N has an inception date of 7/8/2008. Class A and Class C have an inception date of 10/28/2009. Class I has an inception date of 2/2/2010. The indices assume an inception date of 7/8/2008.
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. As explained below, 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. The S&P 500 is an index created by Standard & Poor's of American stocks with the largest market capitalization. The Russell Midcap Growth Index measures the performance of the U.S. equity mid-cap growth segment. It includes mid-cap companies with higher price-to-book ratios and forecasted growth.

The opinions expressed herein are those of the Fund's portfolio management team as of 12/31/2019 and are subject to change. There is no guarantee 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.

Mutual funds involve risk including the possible loss of principal. Past performance does not guarantee future results. 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's ethical values screening criteria could cause it to under-perform similar funds that do not have such screening criteria. 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.