

Class A: ETAHX | Class C: ETCHX | Class I: ETIHX | Class N: ETNHX

HEALTHCARE & LIFE SCIENCES 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 in the healthcare and life sciences sectors (≥80%). Concentrates investments in the drug-related industries (≥25%). May invest in illiquid securities (≤15%).

Benchmark: S&P 500 Total Return Index

Secondary Benchmark: S&P Biotechnology Select Industry Index

Morningstar Category: Health

Lipper Category: Health/Biotech

Net Assets: \$671 million

Inception Date: December 27, 2012

Healthcare and life sciences companies include those companies that derive or are expected to derive 50% or more of their revenue from healthcare and life science products and services including, but not limited to, biotechnology, pharmaceuticals, diagnostics, life science tools, medical devices, healthcare information technology, healthcare services, synthetic biology, agricultural and environmental management, and pharmaceutical manufacturing products and services. These companies include smaller development-stage companies.

REVIEW

The Eventide Healthcare & Life Sciences Fund Class N posted a -24.43% total return for 4Q, 2018, compared with the S&P Biotechnology Select Industry Index of -24.89% and the S&P 500 Total Return Index of -13.52%. Although we slightly outperformed the S&P Biotechnology Select Industry Index, that is small consolation given that all of the year's gains were quickly wiped out. The more comforting assessment is that we believe that the selling was primarily psychologically driven and not fundamentally driven.

CONTRIBUTORS

In the fourth quarter of 2018, the largest positive contributors to performance were ECTY, ARGX, VCYT, COLL, and KNSA. ECTY announced it was being acquired by Novartis in an all cash deal in October to help expand Novartis's prostate cancer portfolio. ARGX gained in the quarter as Phase 3 data for its Myasthenia Gravis drug appeared to have a better safety profile and a head start on its competition. VCYT hit its operational stride in the 4Q, with increasing revenues for its flagship thyroid cancer diagnostic product, Affirma, while improving cost and launching a new lung cancer diagnostic. COLL continues to expand its base of exclusive formulary wins for its lead product, Xtampza, an abuse deterrent pain medication. Recent IPO KNSA gained investors' attention as its trial for symptomatic recurrent pericarditis moved from phase 2 to phase 3.

Top Five Contributors¹

Q4 2018

Company	Ticker	Industry	Average Weight	Contribution	Total Return ²
Endocyte Inc	ECTY	Biotechnology	1.15	0.81	32.60
Argenx	ARGX	Biotechnology	3.23	0.72	26.67
Veracyte Inc	VCYT	Medical Equipment & Devices	1.40	0.32	31.73
Collegium Pharmaceutical Inc	COLL	Biotechnology	1.88	0.21	16.49
Kiniksa Pharmaceuticals	KNSA	Biotechnology	0.85	0.16	10.16

DETRACTORS

In the fourth quarter of 2018, the largest detractors to performance were AVRO, SRPT, VKTX, SAGE, and MNTA. AVRO shares came under very heavy pressure early in the quarter as its Phase 1/2 data for its gene therapy for Fabry's disease raised investors' concerns about the durability of its treatment. After very strong 1H18 performance based on progress in its lead product for DMD, shares of SRPT drifted lower through the second half of the year on broader biotech weakness. VKTX shares retreated amid weakness in small cap biotech and investor concerns about the timeline for their lead candidate in the increasingly competitive NASH (Non-Alcoholic Steato-Hepatitis) space. Despite a positive AdCom outcome for Zulresso (SAGE-217 for Postpartum Depression) in early November, SAGE sank through the rest of the quarter on investors' concern about potential safety warnings on the label and a four month delay for its PDUFA date. MNTA fell during the period as investors grew concerned about the company's ability to pivot from a biosimilar focus to drug development.

Top Five Detractors¹

Q4 2018

Company	Ticker	Industry	Average Weight	Contribution	Total Return ²
Avrobio	AVRO	Biotechnology	2.09	-2.35	-67.90
Sarepta Therapeutics Inc.	SRPT	Biotechnology	5.10	-1.68	-32.43
Viking Therapeutics Inc.	VKTX	Biotechnology	2.27	-1.50	-56.08
Sage Therapeutics Inc.	SAGE	Biotechnology	4.43	-1.38	-32.18
Momenta Pharmaceuticals Inc.	MNTA	Biotechnology	1.45	-1.27	-58.02

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MACRO COMMENTARY AND OUTLOOK

Biotech was particularly hard hit during the fourth quarter. Some of the selling was due to continued pressure that larger-cap biotech companies face because of patent expiries and biosimilars. But more of the selling was due to a “risk-off” mentality that investors adopted because of macro-fears. Investors were already on edge due to fears about trade wars, Brexit, China’s macro deceleration, and dysfunctional politics. The first part of the fourth quarter saw stocks and commodities swiftly decline. The commodity decline, normally a sign of disinflationary pressure, led many to believe that the Fed would forgo another hike. However, the Fed continued to raise rates which surprised and disappointed the market. This led to further selling, which then drove additional tax-loss selling. In our judgment, the move to the downside was excessive. Now in the new year, we believe that biotech will move more in-line with fundamentals, particularly with the companies addressing formidable unmet needs via technologies like gene therapy. M&A has already been strong thus far in 2019, and we believe that the larger companies will need to continue to acquire high-quality mid cap biotech companies. We believe that we are well positioned for that trend. The most significant risk that biotech and pharma faces is political rhetoric for a single-payer system and against high drug prices. As the Democratic Presidential nomination process unfolds, we believe this will be a greater risk in 2H19 which we are actively monitoring. Until then, our thesis is that midcap biotech generally performs well given technologic advances, clinical trial success, and a favorable regulatory environment.

Fund Returns³

31 Dec 2018

	YTD	1-year	3-year ⁴	5-year ⁴	Since Inception ⁴
Eventide Healthcare & Life Sciences Fund Class N	-0.37%	-0.37%	6.72%	12.52%	19.59%
Class A without load	-0.44%	-0.44%	6.66%	12.45%	19.51%
Class A with 5.75% load	-6.15%	-6.15%	4.57%	11.13%	18.33%
Class C	-1.15%	-1.15%	5.87%	11.63%	18.63%
Class I	-0.15%	-0.15%	6.93%	12.73%	19.81%
Benchmarks					
S&P 500 Total Return Index ⁵	-4.38%	-4.38%	9.26%	8.49%	12.24%
S&P Biotechnology Select Industry TR ⁵	-14.99%	-14.99%	1.06%	10.82%	16.42%

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. To obtain the most recent month-end performance information and a current Eventide Healthcare & Life Sciences Fund prospectus please call the fund, toll free at 1-877-771-EVEN (3836).

Eventide Healthcare & Life Sciences Fund expenses: Class A, Total Expenses 1.56%; Class C, Total Expenses 2.31%; Class I, Total Expenses 1.31%; Class N, Total Expenses 1.51%.

1. Source: Bloomberg PORT Attribution Report

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. Annualized since inception returns assume an inception date of December 27, 2012.

5. The S&P 500 is an index created by Standard & Poor's of American stocks with the largest market capitalization. It is not an investment product available for purchase. The S&P Biotechnology Select Industry Index represents the biotechnology sub-industry portion of the S&P Total Markets Index. The volatility of the indices may be materially different than that of the fund, and investors should not expect the fund to achieve the same results as the indices listed.

The opinions expressed herein are those of fund's portfolio management team as of 31 December 2018, and 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. 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. Because of ongoing market volatility, Fund performance may be subject to substantial short-term changes.

Investors should consider the Fund's objectives, risks, charges and expenses carefully before investing or sending money. This and other important information about the Eventide Healthcare & Life Sciences Fund can be found in the Fund's prospectus, which can be obtained at www.eventidefunds.com or by calling 877-771-EVEN (3836). Please read the prospectus carefully before investing. The Fund is distributed by Northern Lights Distributors, Member FINRA/SIPC, which is not affiliated with Eventide Asset Management, LLC.