

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%).

Benchmarks: S&P 500 Total Return Index, S&P Biotechnology Select Industry Index

Morningstar Category: US Fund Health

Lipper Category: Health/Biotech

Net Assets: \$1.29 billion

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 and Life Sciences Fund (Class N) posted a total return of 46.37% for the fourth quarter of 2019, compared with the S&P 500 Total Return Index of 9.07% and the S&P Biotechnology Select Industry Index total return of 24.89%. The Fund (Class N) posted a total return of 58.41% for the 12 months ending 12/31/2019 compared to the S&P 500 Total Return Index of 31.49% and the S&P Biotechnology Select Industry Index of 32.34%. The HLS fund outperformed its benchmark during the fourth quarter. This was due to stock-picking and performance of private investments. In general, the fourth quarter was a period where growth stocks performed well in a "relief rally" as the trade war began to fade. The outperformance of "risk-on" assets benefited biotech in particular.

CONTRIBUTORS

In the fourth quarter of 2019, the largest positive contributors to performance were Karuna Therapeutics Inc, Sarepta Therapeutics Inc, Myovant Sciences Ltd., Ascendis Pharma A/S, and Audentes Therapeutics. Karuna shares gained following positive Phase 2 data for their lead Schizophrenia therapy candidate. 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. Myovant shares recovered from earlier losses in the year following positive data for its pivotal trial for an oral prostate cancer treatment. Investors were encouraged by positive data from a competitor that helped validate Ascendis' therapeutic target. Audentes agreed to be acquired by Astellas Pharma for a 110% premium from its prior closing price.

Top Five Contributors¹

Q4 2019

Company	Ticker	Industry	Average Weight	Contribution to Return	Total Return ²
Karuna Therapeutics Inc	KARUNA	Biotechnology	3.46%	6.98%	361.64%
Sarepta Therapeutics Inc	SRPT US	Biotechnology	5.47%	3.48%	71.32%
Myovant Sciences Ltd.	MYOV US	Biotechnology	2.35%	2.96%	198.46%
Ascendis Pharma A/S	ASND US	Biotechnology	6.10%	2.65%	44.44%
Audentes Therapeutics	BOLD US	Biotechnology	1.45%	2.45%	111.11%

DETRACTORS

In the fourth quarter of 2019, the largest negative detractors to performance were Entasis Therapeutics, Amicus Therapeutics, GW Pharma, Wave Life Sciences, and Sage Therapeutics Inc. Shares of Entasis drifted lower in the quarter with the company lacking near-term catalysts. Investors were disappointed by Amicus' interim update for its Pompe disease program early in the quarter. GW Pharmaceuticals shares fell following disappointing sales projections. Wave Life shares fell dramatically following disappointing data suggesting issues with their drug platform. Sage shares plummeted with the failure of a phase 3 study in major depression.

Top Five Detractors¹

Q3 2019

Company	Ticker	Industry	Average Weight	Contribution to Return	Total Return ²
Entasis Therapeutics	ETTX US	Biotechnology	0.15%	-0.03%	-14.75%
Amicus Therapeutics	FOLD US	Biotechnology	0.20%	-0.07%	-1.00%
GW Pharma	GWPH US	Biotechnology	2.41%	-0.27%	-9.10%
Wave Life Sciences	WVE US	Biotechnology	0.03%	-0.35%	-77.96%
Sage Therapeutics Inc	SAGE US	Biotechnology	4.41%	-2.60%	-48.54%

MACRO COMMENTARY AND OUTLOOK

2019 was a positive year for healthcare. M&A was strong: over \$200 billion in valuation across 17 deals. In addition, there were 68 IPOs during the year, with 44 of them (65%) enjoying positive returns.³ A permanent FDA commissioner, Stephen Hahn, was confirmed in the Senate in December 2019. Dr. Hahn appears to be a continuation of the same leadership philosophy that fosters innovation and good relations between industry and government. While issues like vaping and the opioid-crisis will be time consuming for the new commissioner, we believe that overall his appointment is a positive for the space. For 2020, the election is the major overhang. While Medicare-for-all is unlikely to become law within the next 2-4 years, the nomination of

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Warren or Sanders would weigh on sentiment. Valuation in large-cap biotech remains very inexpensive due to persistent concerns over patent expiration and drug pricing. This naturally pushes the industry to more M&A. Hence our focus remains high-quality smidcap biotech. While election season could bring volatility and bearish sentiment, we believe that valuation, fundamentals, scientific innovation, and clinical progress continue to make healthcare attractive for long-term investors.

Fund Returns ⁴		31 December 2019			
Eventide Healthcare & Life Sciences Fund	YTD	1-year	3-Year ⁵	5-Year ⁵	Since Inception ⁵
Class N	58.41%	58.41%	31.96%	17.22%	24.48%
Class A without load	58.30%	58.30%	31.84%	17.13%	24.38%
Class A with 5.75% load ⁶	49.18%	49.18%	29.27%	15.75%	23.34%
Class C	57.15%	57.15%	30.88%	16.27%	23.47%
Class I	58.74%	58.74%	32.22%	17.45%	24.72%
Benchmarks					
S&P 500 Total Return Index ⁷	31.49%	31.49%	15.27%	11.70%	14.80%
S&P Biotechnology Select Industry Index ⁷	32.34%	32.34%	17.40%	9.08%	18.57%

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 Healthcare & Life Sciences Fund expenses: Class A, Gross Expenses 1.54%, Net Expenses 1.54%; Class C, Gross Expenses 2.29%, Net Expenses 2.29%; Class I, Gross Expenses 1.29%, Net Expenses 1.29%; Class N, Gross Expenses 1.49%, Net Expenses 1.49%.

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. Source: Axios and Jefferies
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 returns assume an inception date of 12/27/2012.
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. 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.
7. The S&P 500 is an index created by Standard & Poor's of American stocks with the largest market capitalization. The S&P Biotechnology Select Industry Index represents the biotechnology sub-industry portion of the S&P Total Markets Index.

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. 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.