

Core Bond Fund Commentary

June 30, 2025

AT A GLANCE

Managers: Chris Grogan, CFA; David Dirk, CFA

Fund Objective: Seeks total return consistent with income generation.

About the Fund: The fund seeks to invest at least 80% net assets in bonds.

Benchmark: Bloomberg U.S. Aggregate Bond Index

Morningstar Category: US Fund Intermediate Core Bond

Lipper Category: Core Bond

Net Assets: \$156 million

Inception Date: July 31, 2020

GLOSSARY

ABS: Asset-Backed Securities, backed by pools of assets including auto and equipment loans and leases, and credit cards

FOMC: Federal Open Market Committee, sets U.S. monetary policy

GDP: Gross Domestic Product, measures a country's economic output

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Class I: ETIRX | Class A: ETARX | Class C: ETCRX | Class N: ETNRX

Review

The Eventide Core Bond Fund (Class I) posted a total return of 1.75% for the second quarter of 2025, compared with the Bloomberg U.S. Aggregate Bond Index of 1.21%. The Fund (Class I) posted a total return of 6.14% for the 12 months ending 06/30/2025 compared to the Bloomberg U.S. Aggregate Bond Index of 6.08%.

Contribution to Return by Security Type¹ (%)

Q2 2025

	Average Weight	Total Return ²	Contribution to Fund Return
ABS	1.64	1.52	0.03
Cash	1.78	0.00	0.00
Corporate Bonds	47.14	2.25	1.09
Pass-Throughs	28.53	1.16	0.32
Sovereign Agency Debt	13.13	1.84	0.25
U.S. Tax-Exempt Municipals	0.07	0.81	0.00
U.S. Taxable Municipals	7.72	0.03	0.00

Return Breakdown

- Short- to intermediate-term Treasury yields declined during the quarter, while long-term yields rose, continuing the steepening of the yield curve.
- After initially widening on Liberation Day tariff announcements, credit spreads gradually narrowed toward the tighter end of historical ranges after confidence grew that tariffs would likely be negotiated significantly lower in the coming months.
- In the securitized sectors, asset-backed, agency mortgage-backed, and commercial mortgage-backed securities all delivered positive excess returns relative to Treasuries, though they generally underperformed corporate bonds.
- From a quality standpoint, lower-quality securities generally outperformed higher-quality securities.

Performance is historical and does not guarantee future results.

Portfolio Team Outlook

The U.S. economy demonstrated modest resilience in the second quarter as GDP growth likely turned positive despite persistent inflation, a softening labor market, and a challenging global backdrop. However, growing tensions around trade policy, rising geopolitical risks, and intensifying political pressure on the Federal Reserve have complicated the near-term outlook and introduced new risks to the future path of monetary policy.

The Federal Reserve continues to face a difficult balancing act in managing its dual mandate of maximum employment and price stability. This challenge has been complicated by the Trump Administration's increasing pressure on the Federal Open Market Committee ("FOMC") to cut short-term interest rates. FOMC Committee members have emphasized the importance of central bank independence – as its loss could have significant consequences for the U.S. dollar, U.S. Treasuries, and financial markets more broadly.

The Consumer Price Index (CPI) rose 2.4% year-over-year in May, the first acceleration since January, while the core CPI remained elevated at 2.8%, primarily driven by housing costs that remain stubbornly high. Wage growth continues to outpace inflation, supporting real household income and spending; however, the recent rise in inflation and the threat of tariff-related price pressures have lowered the chances of near-term interest rate cuts.

The labor market is showing signs of softening. Payroll growth has slowed, and

labor force participation declined modestly during the quarter. The unemployment rate leveled off at 4.2%, and while initial jobless claims remain low, hiring activity has become more cautious as evidenced by the rise in continuing jobless claims. Tighter immigration enforcement may also distort employment data over the next several months, complicating the Fed's ability to assess labor market health in real time.

Trade policy re-emerged as a significant driver of market volatility during the quarter. The U.S. imposed new tariffs on countries around the world in an effort to rebalance the global trade landscape and support domestic production. The auto sector saw the most immediate impact, as consumers accelerated purchases ahead of price hikes. Concerns are mounting that a broader trade war could ensue if current negotiations falter, posing additional risks to vulnerable supply chains and adding upward pressure on inflation.

Geopolitical tensions also remained elevated, adding complexity to the economic outlook. The ongoing war in Ukraine and renewed instability in the Middle East continued to influence commodity markets and investor sentiment. While the recent de-escalation between Israel, Iran, and the United States has eased some immediate concerns about military conflict and energy supply disruptions, the relationship remains fragile. Earlier fears of sanctions and oil market volatility contributed temporarily to higher inflationary expectations, and markets remain sensitive to further developments.



David Dirk, CFA

Portfolio Manager for assets allocated to the Fund's Fixed Income Sub-Adviser, Boyd Watterson Asset Management, LLC

On the fiscal front, the budget bill in Congress has sparked renewed concerns about debt sustainability. Increased federal spending may boost GDP in the short term, but a resulting rise in debt levels could trigger crowding-out effects, alter the shape of the yield curve, and complicate future monetary policy decisions. Bond markets are now weighing the inflationary implications of higher spending and budget deficits against expectations for eventual Fed rate adjustments.

Looking ahead, the third quarter is likely to bring continued moderate growth, persistent inflation, and heightened policy uncertainty. Trade tensions and geopolitical developments remain key risks, particularly if they lead to further supply chain disruptions or retaliatory measures. The Federal Reserve is expected to maintain a cautious stance, focusing on inflation, while closely monitoring labor market dynamics. While the U.S. economy continues to expand, it does so in an increasingly complex environment. For now, the path forward is one of cautious optimism, tempered by an increasingly uncertain fiscal, monetary, and geopolitical outlook.

Trailing Returns³ (%)

30 Jun 2025

Eventide Core Bond Fund	YTD	3-mos	1-year	3-year ⁴	5-year	10-year	Since Inception ⁴	Inception Date
Class I	3.89	1.75	6.14	2.63	—	—	-1.35	07/31/2020
Class A without load	3.75	1.55	5.73	2.38	—	—	-1.60	07/31/2020
Class A with 5.75% load ⁵	-2.16	-4.28	-0.40	0.40	—	—	-2.78	07/31/2020
Class C ⁵	3.42	1.39	5.04	1.60	—	—	-2.32	07/31/2020
Class N	3.79	1.70	5.93	2.42	—	—	-1.55	07/31/2020
Benchmark								
Bloomberg U.S. Aggregate Bond Index ⁶	4.02	1.21	6.08	2.55	—	—	-1.04	07/31/2020

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 Core Bond Fund expenses: Class I, Gross Expenses 0.70%, Net Expenses 0.58%; Class A, Gross Expenses 0.95%, Net Expenses 0.83%; Class C, Gross Expenses 1.70%, Net Expenses 1.58%; Class N, Gross Expenses 0.90%, Net Expenses 0.78%. The adviser has contractually agreed to waive fees and/or reimburse expenses of the Fund through 10/31/2025. The agreement may be terminated by the Fund's Board of Trustees only on 60 days' written notice.

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. Annualized since inception figures use an inception date of 07/31/2020.
5. Class A and Class C are also subject to a maximum deferred sales charge of 1.00%. This and other expenses that apply to a continued investment in the Fund are described in the Fund's prospectus.
6. The Bloomberg U.S. Aggregate Bond Index is a broad based benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. This includes Treasuries, government-related and corporate securities, mortgage backed securities, asset-backed securities and collateralized mortgage-backed securities.

The opinions expressed herein are those of the Fund's portfolio management team as of 06/30/2025 and are subject to change. There is no guarantee that such views are correct or that the outlook opinions will come to pass. Security types 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'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. Longer term securities may be more sensitive to changes in interest rates. 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. 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 be between three years and nine 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, duration, extension, foreign securities, income, mortgage back securities, municipal bonds, preferred stocks, pre-payment securities, sovereign debt, and U.S. Agency securities that are covered in the Fund's prospectus and SAI.

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.