

# Core Bond Fund Commentary

December 31, 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<sup>1</sup>

**Morningstar Category:** US Fund Intermediate Core Bond

**Lipper Category:** Core Bond

**Net Assets:** \$161 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

**MBS:** Mortgage-Backed Securities, backed by pools of residential mortgage loans

## Eventide Asset Management, LLC

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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 1.29% for the fourth quarter of 2025, compared with the Bloomberg U.S. Aggregate Bond Index of 1.10%. The Fund (Class I) posted a total return of 7.48% for the 12 months ending 12/31/2025 compared to the Bloomberg U.S. Aggregate Bond Index of 7.30%.

	Contribution to Return by Security Type <sup>2</sup> (%)	Q4 2025
ABS	Average Weight	Total Return <sup>3</sup>
Cash	2.43	1.36
Corporate Bonds	1.60	0.00
Pass-Throughs	48.77	0.63
Sovereign Agency Debt	26.37	1.27
U.S. Tax-Exempt Municipal	13.24	0.94
U.S. Taxable Municipal	0.02	0.18
	7.56	1.18
		0.33
		0.14

## Return Breakdown

- Following three consecutive interest rate cuts by the Federal Reserve, interest rates were largely confined to a narrow range during the fourth quarter, with short-term rates declining even as longer term rates moved higher.
- The yield curve steepened with the yield differential between two-year and ten-year Treasuries increasing 15 basis points during the quarter.
- Credit spreads were slightly wider during the quarter, with longer maturities underperforming.
- From a quality standpoint, lower quality assets generally outperformed higher quality ones, with one exception: the CCC segment of the high yield market, which widened by 78bps during the quarter.
- Agency MBS led all fixed income sectors for the quarter, benefiting from stable interest rates, lower mortgage rates, and an accommodative Fed, resulting in the highest excess returns relative to Treasuries.

*Performance is historical and does not guarantee future results.*

## Portfolio Team Outlook

Economic activity in the United States ended 2025 demonstrating resilience amid a historic 43-day government shutdown, persistent yet easing inflation pressures, and unprecedented challenges to Federal Reserve independence. The record-breaking government shutdown led to significant lapses in data collection and scheduled releases, leaving market participants and the Federal Open Market Committee (“FOMC”) with an incomplete view of economic conditions. Despite the absence of official inflation data for October and delays for November, alternative indicators – including home, auto, and gasoline prices – pointed to a modest deceleration in inflation. These developments, alongside emerging labor market softening, likely contributed to the FOMC’s decisions to cut the Federal Funds Rate by 50 basis points during the quarter, bringing the total rate cuts for 2025 to three.

Economic growth continued to exceed expectations, supported by healthy consumer spending and sustained investment related to artificial intelligence (“AI”). Consumer metrics have been relatively strong, but gains are largely concentrated among higher income segments of the “K-shaped” economy. On the trade front, imports declined while exports picked up, contributing positively to Gross Domestic Product. Following a strong third quarter, industrial production accelerated further during the first two

months of the fourth quarter, reaching 2.5% year-over-year growth in November. Collectively, the economic data points to continued growth in 2026, however risks such as student loan defaults and potential wage garnishment, lagged effects of tariffs on trade and production, and potential softening of AI-related sentiment could alter the path.

Inflation, measured by the Consumer Price Index (CPI), remained above the FOMC target of 2% for the 57th consecutive month through November of 2025, and we expect it will likely remain range bound between 2% and 3% over the near term. CPI will largely be influenced by housing, which is gradually softening but still elevated. Autos and gasoline are also key, as auto prices have slowed to a flat year-over-year pace over the last three months, while gasoline prices are down more than 10% year-over-year. CPI risk above 3% would likely stem from delayed tariff effects or an overly accommodative Fed, while risk below 2% would likely be driven by weaker consumer demand amid a pronounced slowdown and further labor market softening.

Questions remain around the labor market as job growth slowed in 2025 and expectations for 2026 remain subdued. Corporations appear cautious amid economic uncertainty and AI-driven efficiency gains, resulting in a slow to hire, slow to fire environment. This dynamic brings initial jobless claims into



**David Dirk, CFA**

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

focus, which have been relatively benign. Underscoring the lack of mass layoffs, corporate earnings growth has been positive, a trend expected to continue in the first half of 2026.

Overall, the U.S. economy enters 2026 more resilient than many anticipated, supported by consumer spending, trade dynamics, and AI-related investment activity. We believe the FOMC could deliver more than the roughly two and a half rate cuts the market expected at year end, driven by the changing internal Fed dynamics, continued political pressure, and gradually moderating inflation. Key risks to this outlook include the Supreme Court’s ruling on tariff legality and, depending on that ruling, the delayed economic impact of tariffs on both trade flows and consumer prices. Additionally, potential softening in AI-related investment sentiment, broader consumer demand weakness, particularly among lower-income households or those impacted by student loan defaults, and uncertainty around labor market dynamics as immigration slows, could all impact the economic outlook.

Trailing Returns <sup>4</sup> (%)	31 Dec 2025						
Eventide Core Bond Fund	YTD	3-mos	1-year	3-year <sup>3</sup>	5-year <sup>3</sup>	10-year	Since Inception <sup>5</sup>
Class I	7.48	1.29	7.48	4.69	-0.60	—	-0.60
Class A without load	7.34	1.23	7.34	4.47	-0.83	—	-0.83
Class A with 5.75% load <sup>6</sup>	1.23	-4.59	1.23	2.41	-2.01	—	-1.91
Class C <sup>6</sup>	6.61	1.05	6.61	3.73	-1.57	—	-1.55
Class N	7.27	1.24	7.27	4.53	-0.80	—	-0.80
Benchmark							
Bloomberg U.S. Aggregate Bond Index <sup>1</sup>	7.30	1.10	7.30	4.66	-0.36	—	-0.37
							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 0.68%, Net Expenses 0.48%; Class A, Gross Expenses 0.93%, Net Expenses 0.73%; Class C, Gross Expenses 1.68%, Net Expenses 1.48%; Class N, Gross Expenses 0.88%, Net Expenses 0.68%. The adviser has contractually agreed to waive fees and/or reimburse expenses of the Fund through 10/31/2026. The agreement may be terminated by the Fund's Board of Trustees only on 60 days' written notice.

1. 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.
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 07/31/2020.
6. 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.

*The opinions expressed herein are those of the Fund's portfolio management team as of 12/31/2025 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'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.*