

# Core Bond Fund Commentary

March 31, 2026

## 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:** \$182 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

**CMBS:** Commercial Mortgage-Backed Securities, backed by pools of commercial real estate loans

**Commodities:** Raw materials used to manufacture consumer products

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

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

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

**Eventide Asset Management, LLC**

One International Place, Suite 4210

Boston, MA 02110

877-771-EVEN (3836)

[WWW.EVENTIDEFUNDS.COM](http://WWW.EVENTIDEFUNDS.COM)

**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 -0.15% for the first quarter of 2026, compared with the Bloomberg US Aggregate Bond Index of -0.05%. The Fund (Class I) posted a total return of 5.10% for the 12 months ending 03/31/2026 compared to the Bloomberg US Aggregate Bond Index of 4.35%.

## Contribution to Return by Security Type<sup>2</sup> (%)

Q1 2026

	Average Weight	Total Return <sup>3</sup>	Contribution to Fund Return
ABS	2.20	0.73	0.02
Cash	1.64	0.00	0.00
Corporate Bonds	47.49	-0.49	-0.20
Pass-Throughs	30.19	0.27	0.02
Sovereign Agency Debt	11.23	0.00	0.00
U.S. Taxable Municipals	7.25	0.52	0.04

## Return Breakdown

- Interest rate volatility escalated during the quarter with short-term rates rising more than long-term rates, resulting in a flattening of the yield curve.
- Credit spreads widened amid macroeconomic uncertainty and issuer-specific AI and private credit concerns.
- Higher-quality bonds generally outperformed lower-quality in both investment-grade and high-yield segments of the market.
- On an excess return basis, shorter-duration credit outperformed longer-duration credit, though both lagged Treasuries.
- The securitized sectors were one of the few areas within fixed income to produce positive excess returns for the quarter and were led by agency MBS, CMBS, and ABS.

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

## Portfolio Team Outlook

The year began with a favorable economic backdrop: inflation expectations were easing, the growth outlook remained positive, and the Federal Reserve was widely expected to resume cutting interest rates later in the year. On February 28, the United States and Israel launched coordinated military strikes against Iran, triggering retaliatory attacks across the Gulf region and severely disrupting traffic through the Strait of Hormuz, a key shipping route that carries approximately 20 percent of global oil supply. Brent crude has surged from about \$72 per barrel on February 27, 2026, before the conflict, to above \$100, according to Koyfin. Over the same period, U.S. gasoline prices have climbed more than 30% year-to-date, based on U.S. Energy Information Administration data compiled by Macrobond. The resulting trade disruptions and market volatility have widened the range of potential economic outcomes, with the conflict's duration and severity likely to affect several key indicators throughout 2026.

Before the conflict, growth measures suggested a rebound from Q4 2025 GDP of 0.7%, with the Atlanta Fed's GDPNow estimate at 2.0% for Q1. Energy price spikes have introduced meaningful downside risk to growth and upside risk to inflation. Higher gasoline prices are likely to offset the expected boost from tax refunds, weighing on discretionary spending particularly among lower-income households. Prolonged volatility across commodities and financial markets may also slow capital markets

activity and capex spending, pressuring sectors such as artificial intelligence and private credit. If the conflict endures or intensifies, supply chain disruptions could continue to extend beyond energy into fertilizer and technology inputs, further weighing on growth.

Inflation dynamics were stable at the start of the year, with the Consumer Price Index (CPI) at 2.4% year-over-year in January and February and core CPI at 2.5%. However, this data reflects pre-conflict conditions. The surge in crude oil alone could push headline CPI above 3.0%, even as shelter costs moderate. The combination of tariff-driven producer price pressures and an energy supply shock create a challenging inflation backdrop, which raises stagflation concerns.

On the jobs front, revisions to population estimates have reduced both the labor force and overall employment levels. Against this backdrop, the employment outlook remains mixed with reduced demand for labor met by a corresponding decline in labor supply, resulting in a relatively stable unemployment rate in recent months. However, if higher energy costs begin to weigh on corporate profit margins and hiring intentions, labor market softening could accelerate.

Against this backdrop, the FOMC voted 11-1 in March to hold the federal funds rate steady at 3.50% to 3.75%, with one dissent in favor of a rate cut. Updated median economic projections showed GDP growth



**David Dirk, CFA**

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

at 2.4% and inflation at 2.7% for 2026. The 'dot plot' indicated a median projection of one rate cut in 2026 and another in 2027. Market expectations have shifted sharply, from pricing in two cuts to nearly none in 2026, shifting the conversation from "when" the FOMC will cut rates to "if" they will at all.

While downside risks have increased, hard economic data has yet to show a sharp contraction. The outlook for growth, inflation, and monetary policy will likely depend heavily on the war's duration and severity. The Fed faces a familiar dilemma: the potential need to support a weakening labor market while simultaneously confronting a supply-driven inflation shock that could prove persistent. Our base case assumes a relatively short conflict or de-escalation in the coming months. This would allow oil prices to stabilize and the pre-conflict economic trajectory to resume, with the FOMC delivering on its rate cut projection later in the year. However, a prolonged war could raise recession risks through higher energy prices, weaker consumer confidence, and tighter financial conditions.

Trailing Returns<sup>4</sup> (%)

31 Mar 2026

	YTD	3-mos	1-year	3-year <sup>5</sup>	5-year <sup>5</sup>	10-year	Since Inception <sup>5</sup>	Inception Date
<i>Eventide Core Bond Fund</i>								
Class I	-0.15	-0.15	5.10	3.83	0.12	—	-0.61	07/31/2020
Class A without load	-0.31	-0.31	4.74	3.54	-0.15	—	-0.85	07/31/2020
Class A with 5.75% load <sup>6</sup>	-6.04	-6.04	-1.27	1.49	-1.32	—	-1.88	07/31/2020
Class C <sup>6</sup>	-0.51	-0.51	3.97	2.79	-0.86	—	-1.57	07/31/2020
Class N	-0.20	-0.20	4.90	3.63	-0.08	—	-0.80	07/31/2020
<i>Benchmark</i>								
Bloomberg US Aggregate Bond Index <sup>1</sup>	-0.05	-0.05	4.35	3.63	0.31	—	-0.36	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 03/31/2026 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.eventideinvestments.com/mutual-funds> 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.*