

# Key Equity Themes

**Navigating a New Era of Opportunity**

Market Insights

## SUMMARY

In today's rapidly shifting global economy, the rules of investing are being rewritten. Structural reforms, groundbreaking technological advancements, energy transitions, and seismic policy shifts are reshaping markets and creating unparalleled opportunities for investors. This report identifies four transformative themes that are not just shaping the future but defining it:

### 1. Non-US Equities Poised for a Comeback:

After years of lagging performance, non-US markets — bolstered by fiscal stimulus, structural reforms, AI supply chains and undervaluation — are emerging as fertile ground for growth.

### 2. AI's Game-Changing Diffusion:

Artificial intelligence is no longer a buzzword; it's a catalyst revolutionizing industries, driving innovation, and creating new avenues for value creation.

### 3. Energy at the Crossroads:

The energy sector, which sits at the intersection of innovation, sustainability, and geopolitics, offers investors a unique chance to capture growth while navigating the global energy transition.

### 4. Quality and Resilience in a New Global Order:

As fiscal dominance and structural change reshape the investment landscape, focusing on high-quality, resilient companies is no longer optional — it's essential.

---

This report doesn't just explore these themes; it provides actionable insights to help investors adapt, thrive, and seize opportunities in this dynamic new era. The time to look forward is now — because what worked yesterday may not work tomorrow. ▲

---

PROVIDED BY

**Market  
Insights  
Team**



# Unlocking Value in Non-US Equities:

As global markets evolve, the opportunity to unlock value in non-US equities has become increasingly compelling. Europe, Japan, and emerging markets (EM) each present unique dynamics that merit closer examination. These regions appear poised to benefit from structural reforms, fiscal initiatives, demographic trends, and undervaluation relative to US equities.

## Europe: A Turning Point for Growth and Valuation

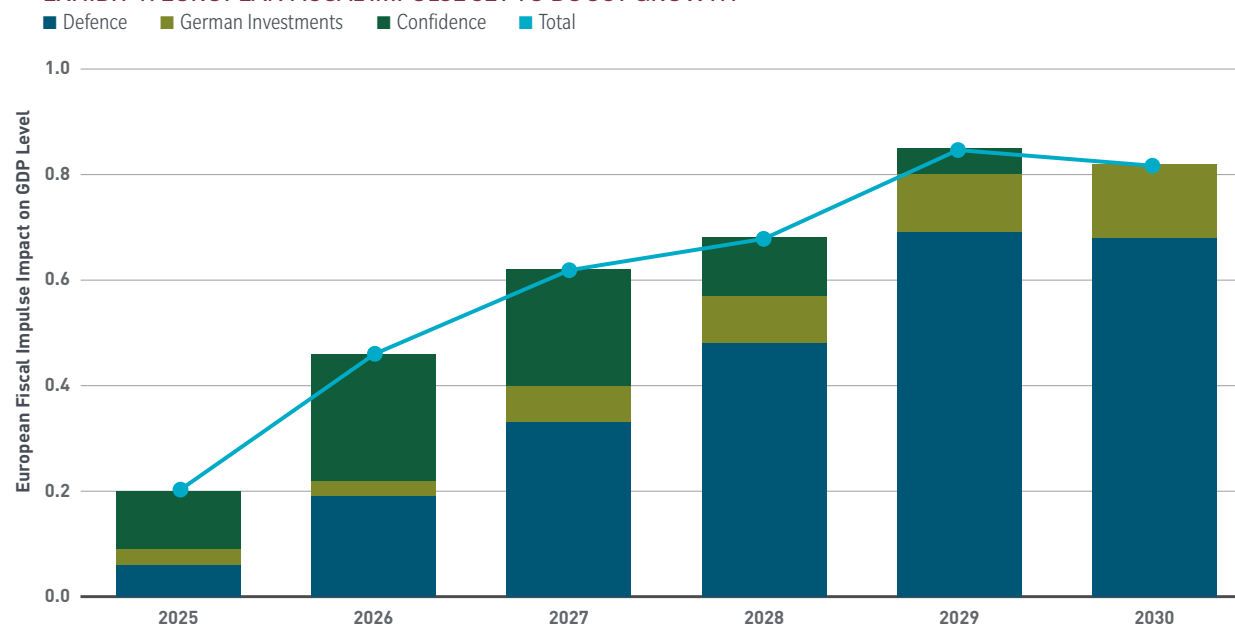
European equities are at a potential inflection point after decades of underperformance relative to the US. Structural reforms, fiscal initiatives, and improving economic conditions are creating a favorable environment for growth. Despite past challenges — including a sovereign debt crisis, fiscal austerity, and an energy crisis — Europe's valuation relative to the US remains near record lows.

### Key Drivers of Growth

- 1. Fiscal Stimulus and Infrastructure Spending:** Germany is leading fiscal expansion efforts, while Europe broadly increases defense and infrastructure investments. These initiatives are expected to drive corporate earnings growth and improve sentiment.
- 2. Lower Interest Rates:** Europe's higher sensitivity to floating rates could lead to improving consumer and business confidence as rates decline.
- 3. EU Structural Reforms:** Efforts to create an EU savings and investment union aim unlock capital and keep it in Europe. Additionally, proposed changes to securitization rules freeing up bank capital and creating new investment products.

While the euro's strength may pose near-term challenges for earnings, the long-term structural changes underway in Europe may offer investors an opportunity to diversify into undervalued assets with improving growth prospects.

EXHIBIT 1: EUROPEAN FISCAL IMPULSE SET TO BOOST GROWTH



Source: "Strategy: When MEGA meets MAGA," 27 March 2025, BNP Paribas Exane, BNP Paribas Exane estimates, Bundesbank.

# Unlocking Value in Non-US Equities:

## Japan: Shareholder-Friendly Policies and Reflationary Tailwinds

Japanese equities are experiencing renewed momentum, driven by ongoing shareholder-friendly reforms, a reflationary environment, and attractive valuations.

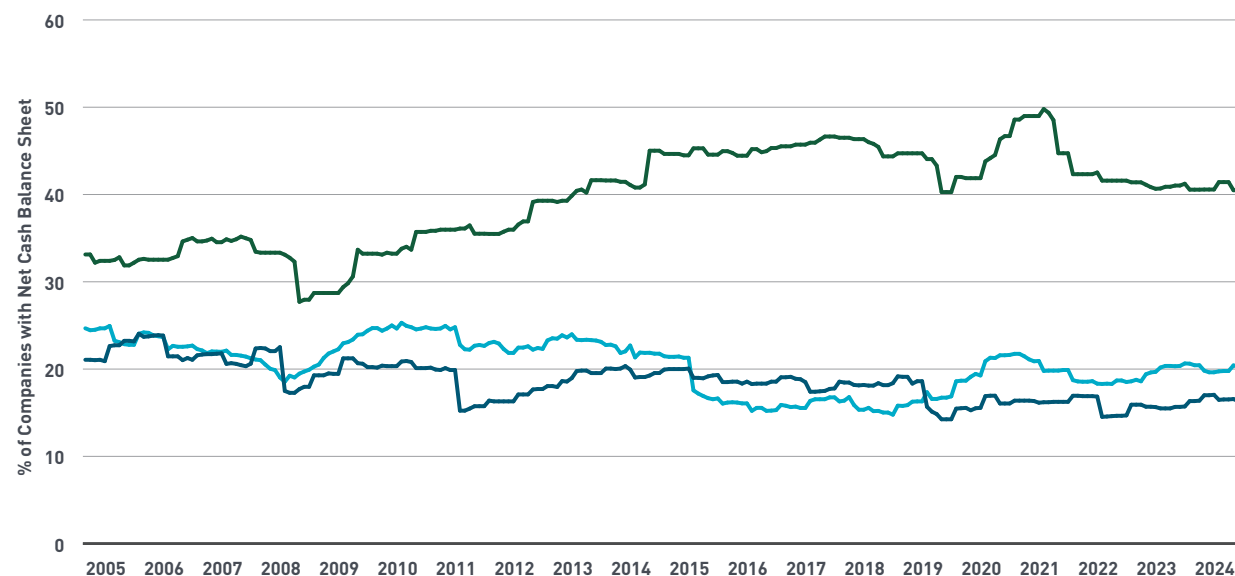
### Key Catalysts

- 1. Trade Deal with the US:** A US-Japan trade deal has provided greater certainty to Japan's economic outlook and catalyzed a sharp rebound in equities.
- 2. Corporate Governance Reforms:** A record high in share buybacks reflects a focus on increasing shareholder returns, supported by balance sheet reforms to improve ROE.

We believe the combination of structural reforms, attractive valuations, and increased certainty around trade policy provides a strong case for continued positive performance in Japanese equities.

## EXHIBIT 2: JAPANESE COMPANIES ARE WELL POSITIONED TO DELIVER CASH BACK TO SHAREHOLDERS

■ Europe ■ USA ■ Japan



Source: FactSet Portfolio Analysis. Data from 30 June 2005 through 30 May 2025 (latest available). Europe = MSCI Europe, USA = MSCI USA, Japan = MSCI Japan. Net cash balance sheet defined as companies with a greater amount of cash than total debt. Cash values are in JPY.

# Unlocking Value in Non-US Equities:

## Emerging Markets: Innovation and Resilience in High-Growth Economies

Emerging markets are increasingly central to global economic growth, accounting for approximately 65% of global GDP expansion. With 19 out of 24 emerging economies expected to outpace US GDP growth this year, the case for EM equities remains robust.

### KEY TAKEAWAYS

- ➔ **European Industrials and Banks:** Appear positioned to benefit from fiscal expansion, infrastructure development, and structural reforms.
- ➔ **Japanese Equities:** Undervalued companies supported by shareholder-friendly policies and economic momentum.
- ➔ **Emerging Market Innovators:** Companies leading in AI, technology, and industrial supply chains, particularly in Taiwan, South Korea, and China.

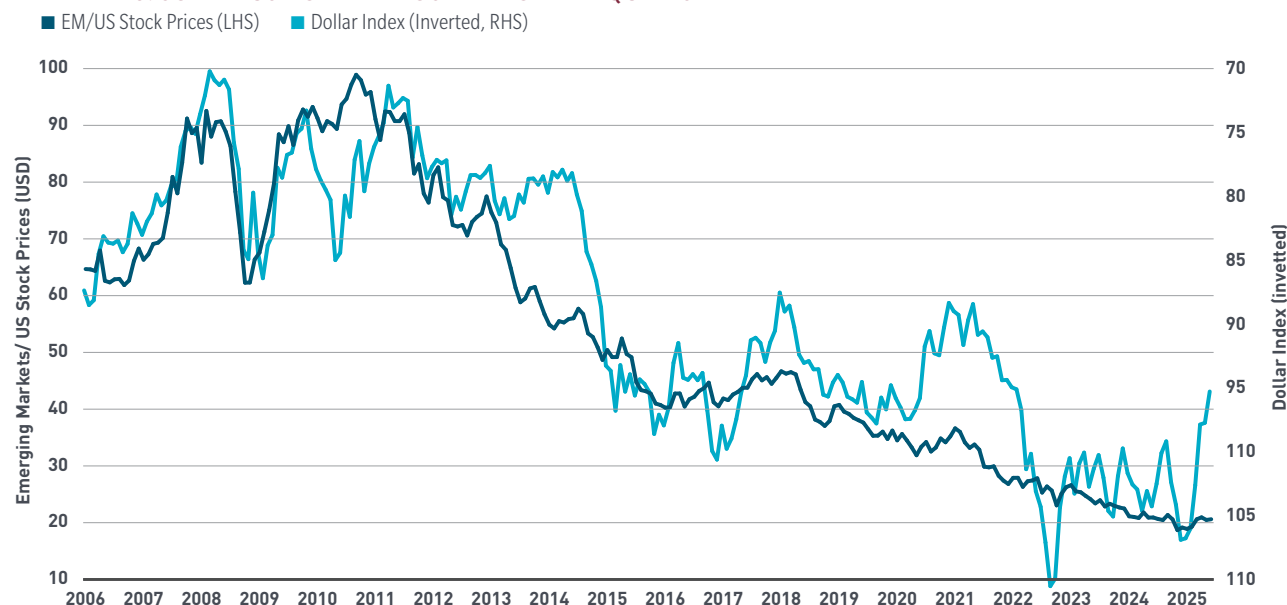
### Key Drivers of Growth

- 1. Innovation Leadership:** Emerging markets companies are becoming global innovators in sectors like AI, industrial goods, and renewable energy. For example, Taiwan, South Korea, and China all play critical roles in the AI supply chain.
- 2. US Dollar Weakness:** Historically, EM equities have shown strong correlation with a weaker USD, which boosts trade competitiveness, attracts capital flows, and supports commodity demand.
- 3. Improved Fiscal Health:** Many EM countries have lower debt-to-GDP ratios compared to developed markets, providing room for fiscal and monetary easing.

### Country-Specific Highlights

- **India:** Structural reforms continue to drive growth, while US exports only represent approximately 2% of GDP, implying limited effects from tariffs. Falling inflation and interest rates further support economic momentum.
- **China:** Stimulus measures and easing restrictions on the tech sector are driving growth, with accommodative monetary and fiscal policy supporting credit activity and recovery in the property market.

### EXHIBIT 3: SOFTER US DOLLAR A POSITIVE FOR EM EQUITIES



Source: FactSet Market Aggregates. Monthly data from 31 January 2006 to 30 June 2025. Emerging markets = MSCI Emerging Markets. US = MSCI USA Index. Price levels in USD.

# AI Diffusion – AI Consumes the World

Artificial intelligence (AI) is not just a technological evolution; it represents a paradigm shift in how businesses create value. Its diffusion across industries is reshaping workflows, enabling innovation, driving productivity, and unlocking new growth opportunities. Understanding the breadth and depth of AI's impact is essential for positioning portfolios to capture long-term growth potential.

## The Infrastructure of AI Diffusion: Early Enablers

Semiconductor firms and hyperscalers have been foundational in AI's explosive growth, providing the computational infrastructure that underpins this transformation. Hyperscalers alone are projected to spend approximately \$480 billion in capital expenditures (capex) in 2025. This extraordinary investment raises critical questions for investors:

- To what extent is this spending existential, aimed at defending market positions?
- Are these investments dilutive, cannibalizing current revenue streams, or are they accretive, driving entirely new revenue opportunities?
- How will this spending ripple through the broader ecosystem and impact suppliers, customers, and competitors?

These early enablers are setting the stage for AI's broader adoption, but their long-term return on investment will likely depend on exponential growth in AI-generated revenues.

## AI's Diverse Applications Across Industries

AI's diffusion is not limited to a single sector; its applications are diverse and transformative. Investors need to understand how AI is reshaping value creation across industries:

- **Healthcare:** AI-powered diagnostics and personalized treatment plans are improving patient outcomes and reducing costs.
- **Retail:** AI-driven analytics enabling hyper-personalized shopping experiences, increasing customer loyalty and sales.
- **Manufacturing:** Predictive maintenance and supply chain optimization are reducing operational costs and improving efficiency.
- **Financial Services:** AI is enhancing fraud detection, risk assessment, and customer engagement driving profitability.
- **Software and SaaS:** Large language models (LLMs) are accelerating monetization, functionality, and deployment speed. Companies leveraging agentic AI are reporting significant gains in both revenue and employee productivity.
- **Robotics:** AI is redefining robotics, enabling machines to learn complex tasks and transforming industries reliant on physical intelligence.

# AI Diffusion – AI Consumes the World

## KEY TAKEAWAYS

### 1. Leaders and Innovators

Identify companies that are not just adopting AI but are driving its development and application in transformative ways. Attributes to prioritize include:

- High R&D spending targeted at AI advancements.
- Strategic partnerships that leverage proprietary data to unlock AI-driven efficiencies.
- Companies innovating within their industries rather than being disrupted by AI.

### 2. Beyond AI Enablers

While semiconductor firms and hyperscalers are critical, investors should look beyond these enablers to consider industries and companies that can capture the economic benefits of AI diffusion. Prioritize sectors where AI adoption enhances profitability rather than forcing companies to pass efficiencies through to customers.

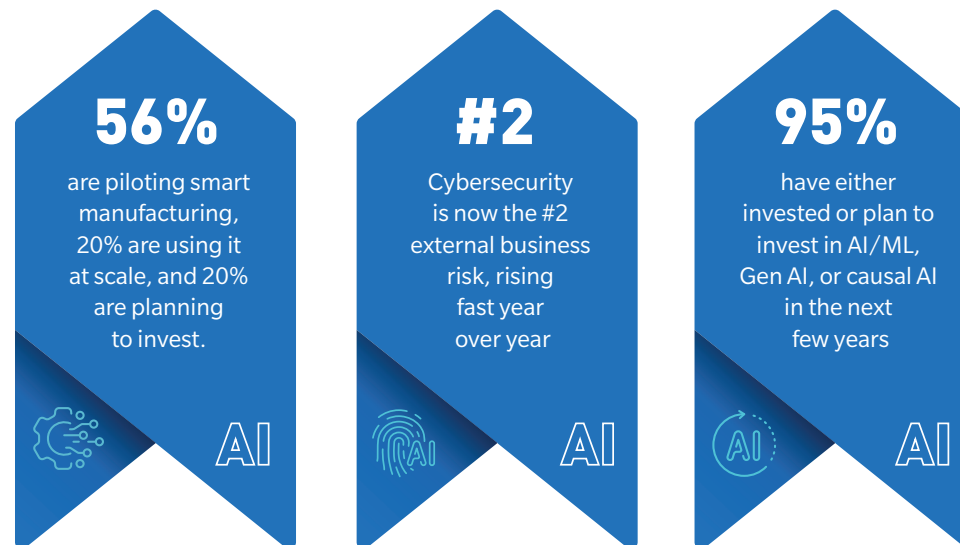
AI adoption is advancing at an unprecedented pace, but there's a clear divide between consumer and enterprise adoption.

- **Consumer Adoption:** Adoption rates at the consumer level are soaring. A recent MIT report revealed that while 95% of generative AI pilots at companies may be failing, nearly every individual has used a large language model (LLM) for work in some capacity.

- **Enterprise Adoption:** Adoption at the enterprise level remains in its early stages, hindered by concerns around data readiness, security, and governance. Sales cycles are slower due to the need for consistent, reliable, and predictable outputs that align with organizational requirements. For example, companies cannot afford AI tools that compromise customer experience or accuracy, such as a customer service chatbot recommending a competitor's product.

Despite these challenges, the pace of AI adoption is faster than any previous technological wave. Enterprises that overcome these hurdles stand to gain a significant competitive advantage.

## EXHIBIT 4: AI ADOPTION IN MANUFACTURING



Source: Rockwell Automation - 10th annual state of smart manufacturing report

# Investing in Energy Markets: A Growth Opportunity Rooted in Innovation and Sustainability

Energy sits at the crossroads of innovation, sustainability, and geopolitical realignment. For investors, the energy sector represents not just a chance to capture returns, but also a strategic opportunity to diversify portfolios and hedge against risks, including those posed by global political shifts. With compelling trends shaping the future of the energy landscape, we believe it is essential to consider how investments in energy companies can catalyze cleaner, more efficient solutions while ensuring resilience for equity investors.

## Portfolio Resilience Through Energy Investments

The energy sector offers a unique combination of diversification and exposure to long-term structural trends. Incorporating energy-related assets can act as a geopolitical hedge, especially in times of uncertainty surrounding supply chains and natural resource pricing. By allocating capital to innovative energy companies addressing both efficiency and sustainability, investors can seek to position their portfolios to weather the transition to cleaner solutions.

However, one central question looms: is the current pursuit of short-term efficiency sustainable, or must we think beyond practices like “drill, baby, drill”? While shale development over the past decades has revolutionized production, diminishing yields suggest the need for longer-term strategies. With the energy transition accelerating globally, the focus must shift toward balancing traditional resource extraction with investments in renewables and infrastructure modernization.

## Key Growth Drivers in Energy Markets

Several forces are shaping the evolution of energy markets. These trends not only create opportunities for forward-thinking investors but also emphasize the need for actionable, long-term strategies.

### 1. Electrification and Infrastructure Modernization

The rise of electric vehicles (EVs), heat pumps, and renewable energy solutions is driving unprecedented demand for electricity. Meeting this surge requires significant investments in modernizing infrastructure, particularly in energy storage, smart grid technologies, and transmission systems. As governments and corporations work to create resilient, electrified systems, investors can play a pivotal role in funding the modernization of this infrastructure.

### 2. Natural Gas as a Transition Fuel

Natural gas serves as a critical bridge between coal and renewable energy sources, providing a reliable backup to renewable energy sources, which, due to their intermittent nature, can't always meet demand during peak energy usage times. Natural gas helps fill the gaps, ensuring energy stability, supporting economic growth, and reducing emissions compared with coal, making natural gas an ideal “transition fuel” as the world moves toward cleaner energy solutions.



# Investing in Energy Markets: A Growth Opportunity Rooted in Innovation and Sustainability

## 3. Renewable Energy Expansion

Renewables such as wind, solar, and nuclear energy are seeing accelerated adoption globally as ambitious net-zero commitments begin to materialize. Alongside these advancements, challenges like intermittency highlight the importance of complementary technologies. Solutions such as battery storage and natural gas integration will be critical for maintaining stable energy grids.

## 4. Geopolitical Energy Shifts

Europe's pivot away from Russian gas toward liquefied natural gas (LNG) imports from the US is reshaping global trade patterns. These shifts are likely to have long-term pricing implications for energy markets.

## 5. Technological Innovation

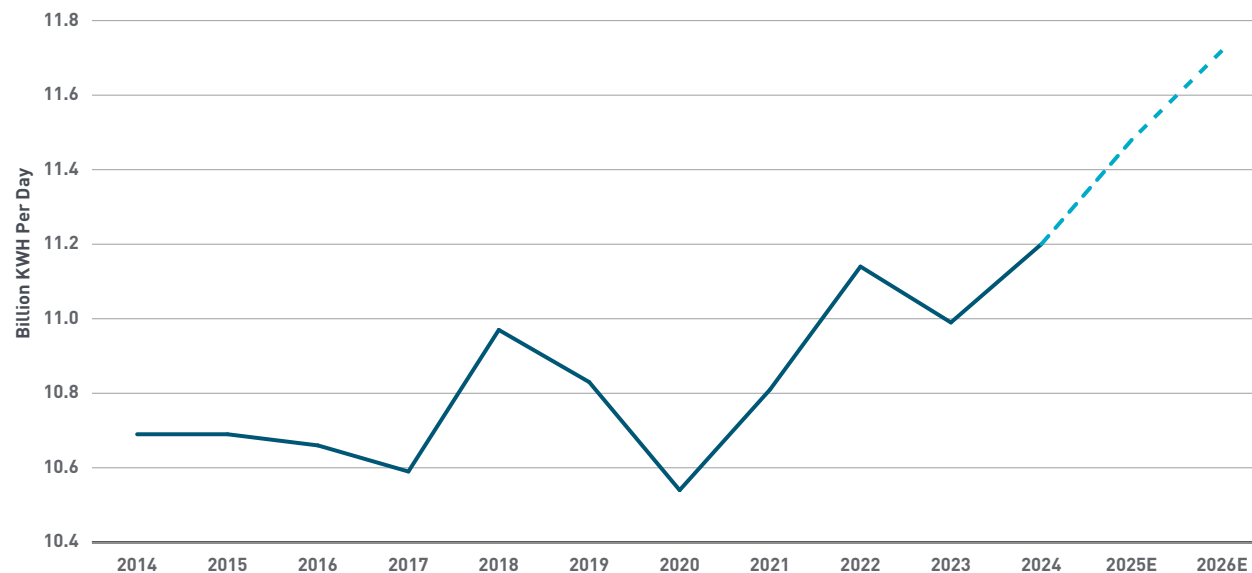
From AI optimizing energy production to breakthroughs in carbon capture, hydrogen production, and battery storage, technological innovation is transforming the energy sector. Each breakthrough offers opportunities to invest in companies that are leading the charge toward a sustainable future while offering cutting-edge, scalable solutions.

### KEY TAKEAWAYS

- ➔ Companies involved in building or upgrading energy infrastructure are likely to benefit as more natural gas is added to energy grids
- ➔ Exploration and production companies stand to benefit from increased energy demand
- ➔ Midstream and pipeline companies also seem positioned to benefit from increasing volumes

### EXHIBIT 5: US ELECTRICITY CONSUMPTION IS EXPECTED TO ACCELERATE

■ US Electricity Consumption



Source: Energy Information Administration, Short Term Energy Outlook. Annual data from 31 December 2014 to 31 December 2024. 2025 and 2026 are estimates pulled as of 25 July 2025.

# Investing in an Era of Fiscal Dominance and Structural Change

As we transition into a new economic paradigm, institutional investors face both opportunities and challenges. Where fiscal dominance, higher inflation, geopolitical shifts, and technological innovation are reshaping the investment landscape, focusing on quality and resilience offer a framework for navigating this unique environment.

## The Shift to Fiscal Dominance

We are moving from an era of falling inflation and yields to one defined by fiscal dominance, where inflation is structurally higher, government spending is surging, and nominal growth rates are elevated. This shift is driven by several interrelated forces:

1. **Higher Inflation and Growth:** Inflation is expected to stabilize well above target due to robust fiscal spending on reindustrialization, supply chain restructuring, and defense investments. Labor shortages, exacerbated by restrictive US immigration policies, further fuel inflationary pressures.
2. **Geopolitical Shifts:** The world is shifting from US-led unipolarity to a multipolar landscape, disrupting trade patterns, imposing tariffs, and reshaping supply chains amid rising global tensions.
3. **Rising Term Premiums:** Bond markets are demanding higher returns for long-term risk, reflecting skepticism about inflation and fiscal deficits. This increases the cost of capital and impacts valuations.

4. **Policy-Driven Investment:** Fiscal stimulus is driving capital investment, particularly in capital-heavy industries such as industrials, semiconductors, and infrastructure. For example, tax incentives under the OBBBA (One Big Beautiful Bill Act) are expected to improve corporate returns, incentivize domestic investment, and contribute to GDP growth.

While fiscal spending is broadly positive for equities, we believe that some sectors and industries are better positioned to thrive in this environment:

- **Capital-Intensive Industries:** Fiscal incentives, such as immediate expensing of capital expenditures and tax credits are driving investment in industrials, manufacturing, defense, and materials. These sectors appear poised to benefit from both policy support and structural demand as governments globally spend more.
- **Technology and Infrastructure:** Hyperscalers' capital expenditures are emerging as a key pillar of support for the US economy, extending beyond technology to construction and energy needs.

# Investing in an Era of Fiscal Dominance and Structural Change

## KEY TAKEAWAYS

To navigate this new economic paradigm, we believe institutional investors should consider actionable strategies that align with the themes of quality and resilience:

- ➔ **Prioritize High-Quality Companies:** Invest in businesses with strong fundamentals, pricing power, and resilient models. Quality is particularly important where valuations are high.
- ➔ **Capitalize on Fiscal Incentives:** Sectors such as industrials, materials, infrastructure, semiconductors, and defense appear well-positioned to benefit from policy-driven investment. Identify companies with robust capital investment plans and strong execution capabilities.
- ➔ **Balance Growth and Value:** While technology and visible growth stocks will continue to attract capital, higher nominal growth supports value stocks, particularly those with dividends and tangible assets offering inflation protection.
- ➔ **Monitor Risks:** Vigilance is required to navigate tariff risks, supply chain disruptions, and geopolitical tensions. Companies with strong management teams and adaptive strategies may be better equipped to manage these uncertainties.

## Quality: A Compass in Uncertainty

In this environment, quality becomes paramount. High-quality companies — those with strong balance sheets, free cash flow, earnings growth, and pricing power — appear better positioned to navigate inflationary pressure, higher rates, and both policy and geopolitical uncertainty. Investors should consider:

- **Management Excellence:** Firms with proven leadership and execution capabilities may be more likely to adapt to challenges such as tariffs, supply chain disruptions, and labor shortages.

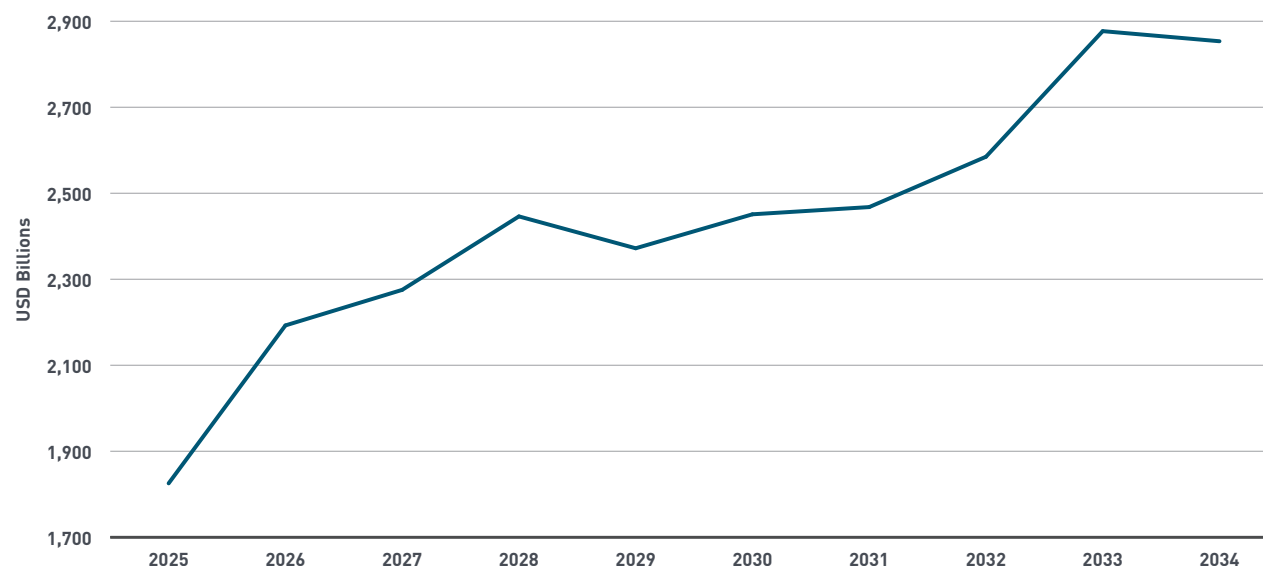
- **Resilient Fundamentals:** Companies with low debt levels, consistent profitability, and strong cash flow generation can offer stability in volatile markets.
- **Pricing Power:** Businesses with the ability to pass on costs to consumers are likely better equipped to maintain margins in an inflationary environment.

While technology remains a dominant driver of equity markets, not all growth stocks are equal. We believe that those with solid fundamentals and clear growth trajectories will thrive, while speculative plays may face heightened risks.

However, resilience is not guaranteed. Investors must evaluate companies' exposure to tariffs, global supply chain issues, and management's ability to execute.

## EXHIBIT 6: US BUDGET DEFICIT EXPECTED TO CONTINUE RISING AMID FISCAL EXPANSION

■ Post-OBDDA US Federal Deficit Projection



Source: CBO, MFS calculations. Data as of 3 July 2025. OBDDA = One Big Beautiful Bill Act.

# Conclusion: Navigating the Investment Landscape Ahead

By aligning portfolios with these transformative trends, investors can help position themselves to capture growth opportunities in this dynamic and evolving global economy. The road ahead demands agility, foresight, and a commitment to navigating uncertainty with a focus on value creation.

As we move towards the end of the year, the investment landscape is defined by profound structural changes, technological advancements, and geopolitical realignments. The themes of unlocking value in international equities, capitalizing on AI diffusion, navigating energy transitions, and adapting to fiscal dominance are interconnected by a common thread: the need for quality and resilience.

Investors are encouraged to look beyond traditional strategies and embrace a forward-looking approach. We believe this includes diversifying into potentially undervalued international markets, identifying leaders in AI innovation, balancing short-term and long-term opportunities in energy markets, and prioritizing high-quality companies that appear positioned to thrive in an inflationary and policy-driven environment.

## KEY EQUITY THEMES: NAVIGATING A NEW ERA OF OPPORTUNITY

### Important Risk Considerations:

Stock markets and investments in individual stocks are volatile and can decline significantly in response to or investor perception of, issuer, market, economic, industry, political, regulatory, geopolitical, and other conditions.

Investments in small-cap companies can be more volatile than investments in larger companies.

Investments in certain markets can involve greater risk and volatility because of adverse market, currency, economic, industry, political, regulatory, geopolitical, or other conditions.

The views expressed herein are those of the MFS Strategy & Insights Group (SAIG) within the MFS distribution unit and may differ from those of MFS portfolio managers and research analysts. These views are subject to change at any time and should not be construed as the Advisor's investment advice, as securities recommendations, or as an indication of trading intent on behalf of MFS.

<sup>1</sup> UBS: Global Economics & Strategy 8 July 2025.

BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Bloomberg neither approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

Index data source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI.

**This material is for institutional, investment professional and qualified professional investor use only. This material should not be shared with retail investors.**

This material is for general information purposes only, with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. This material does not constitute any promotion of or advice on MFS investment products or services. The views expressed are those of the author(s) and are subject to change at any time. These views are for informational purposes only and should not be relied upon as a recommendation to purchase any security or as a solicitation or investment advice. Past performance or any prediction, projection or forecast is not indicative of future performance. The information contained herein may not be copied, reproduced or redistributed without the express consent of MFS. While reasonable care has been taken to ensure the accuracy of the information as at the date of publication, MFS does not give any warranty or representation, expressed or implied, and expressly disclaims liability for any errors or omissions. Information may be subject to change without notice. MFS accepts no liability for any loss, indirect or consequential damages, arising from the use of or reliance on this material.

Unless otherwise indicated, logos and product and service names are trademarks of MFS® and its affiliates and may be registered in certain countries.

Distributed by: **U.S.** – MFS Institutional Advisors, Inc. ("MFSI"), MFS Investment Management and MFS Fund Distributors, Inc., Member SIPC; **Latin America** – MFS International Ltd.; **Canada** – MFS Investment Management Canada Limited. **Note to UK and Switzerland readers:** Issued in the UK and Switzerland by MFS International (U.K.) Limited ("MIL UK"), a private limited company registered in England and Wales with the company number 03062718, and authorised and regulated in the conduct of investment business by the UK Financial Conduct Authority. MIL UK, an indirect subsidiary of MFS®, has its registered office at One Carter Lane, London, EC4V 5ER. **Note to Europe (ex UK and Switzerland) readers:** Issued in Europe by MFS Investment Management (Lux) S.à r.l. (MFS Lux) – authorized under Luxembourg law as a management company for Funds domiciled in Luxembourg and which both provide products and investment services to institutional investors and is registered office is at S.à r.l. 4 Rue Albert Borschette, Luxembourg L-1246. Tel: 352 2826 12800. This material shall not be circulated or distributed to any person other than to professional investors (as permitted by local regulations) and should not be relied upon or distributed to persons where such reliance or distribution would be contrary to local regulation; **Singapore** – MFS International Singapore Pte. Ltd. (CRN 201228809M); **Australia/New Zealand** – MFS International Australia Pty Ltd ("MFS Australia") (ABN 68 607 579 537) holds an Australian financial services licence number 485343. MFS Australia is regulated by the Australian Securities and Investments Commission.; **Hong Kong** – MFS International (Hong Kong) Limited ("MIL HK"), a private limited company licensed and regulated by the Hong Kong Securities and Futures Commission (the "SFC"). MIL HK is approved to engage in dealing in securities and asset management regulated activities and may provide certain investment services to "professional investors" as defined in the Securities and Futures Ordinance ("SFO"); **For Professional Investors in China** – MFS Financial Management Consulting (Shanghai) Co., Ltd. 2801-12, 28th Floor, 100 Century Avenue, Shanghai World Financial Center, Shanghai Pilot Free Trade Zone, 200120, China, a Chinese limited liability company registered to provide financial management consulting services.; **Japan** – MFS Investment Management K.K., is registered as a Financial Instruments Business Operator, Kanto Local Finance Bureau (FIBO) No.312, a member of the Investment Trust Association, Japan and the Japan Investment Advisers Association. As fees to be borne by investors vary depending upon circumstances such as products, services, investment period and market conditions, the total amount nor the calculation methods cannot be disclosed in advance. All investments involve risks, including market fluctuation and investors may lose the principal amount invested. Investors should obtain and read the prospectus and/or document set forth in Article 37-3 of Financial Instruments and Exchange Act carefully before making the investments. **For readers in Saudi Arabia, Kuwait, Oman, and UAE (excluding the DIFC and ADGM). In Qatar strictly for sophisticated investors and high net worth individuals only. In Bahrain, for sophisticated institutions only: The information contained in this document is intended strictly for professional investors.** The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of MFS International U.K. Ltd ("MIL UK"). The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public. The information contained in this document, may contain statements that are not purely historical in nature but are "forward-looking statements". These include, amongst other things, projections, forecasts or estimates of income. These forward-looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorised financial adviser. Please note that any materials sent by the issuer (MIL UK) have been sent electronically from offshore. **South Africa** – This document, and the information contained is not intended and does not constitute, a public offer of securities in South Africa and accordingly should not be construed as such. This document is not for general circulation to the public in South Africa. This document has not been approved by the Financial Sector Conduct Authority and neither MFS International (U.K.) Limited nor its funds are registered for public sale in South Africa.