

# MFS® Prudent Capital (AUD)

## Goal

Seeks to outperform the MSCI World Index (net div) over a full market cycle.

## Investment team

### Portfolio Managers

**David Cole, CFA**

- 20 years with MFS
- 30 years in industry

**Shanti Das-Wermes**

- 13 years with MFS
- 17 years in industry

**Edward Dearing**

- 10 years with MFS
- 16 years in industry

**Barnaby Wiener**

- 26 years with MFS
- 30 years in industry

Effective April 30, 2024, Barnaby Wiener will retire from MFS and his responsibilities as a Portfolio Manager.

## Assets under management (AUD)

MFS Investment Management® 959.6 billion

MFS® Prudent Capital Composite 5.6 billion

## Philosophy

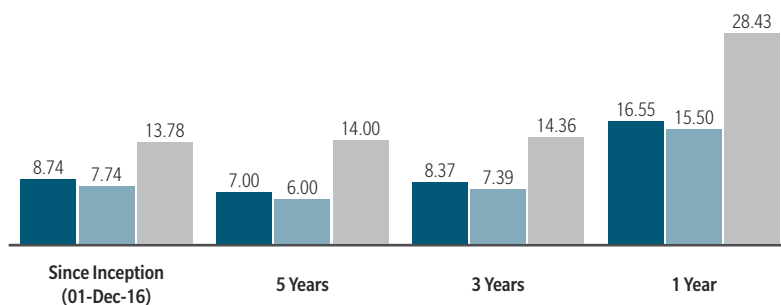
The strategy seeks to generate returns by:

- Investing in equity securities of businesses across the globe, regardless of their location
- Strategically allocating to selective credits in the bond market
- Using cash to mitigate downside risks for the strategy by reducing the overall market exposure
- Strategy may also invest without limit in equity and debt instruments of corporate and government issuers based on its view of the relative value of different types of securities and/or other market conditions

## Performance (%) total return

- MFS (gross of fees)
- MFS (net of fees)
- MSCI World Index (net div)

For periods of less than one-year returns are not annualized.



	Since Inception (01-Dec-16)	5 Years	3 Years	1 Year
Gross vs. MSCI World Index (net div)	-5.04	-7.00	-5.99	-11.88
Net vs. MSCI World Index (net div)	-6.04	-8.00	-6.97	-12.93

## Annual performance (%)

	2017	2018	2019	2020	2021	2022	2023	2024 YTD
MFS (gross of fees)	7.39	11.70	15.27	2.45	9.22	-6.50	16.10	6.72
MFS (net of fees)	6.51	10.60	14.18	1.46	8.20	-7.36	15.06	6.48
MSCI World Index (net div)	13.32	1.42	27.86	5.58	29.29	-12.24	23.03	13.88

## MIFID II performance standard – 12-month rates of total return (%) as of the period ended

	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24
MFS (gross of fees)	23.50	-10.79	1.37	7.73	16.55
MFS (net of fees)	22.34	-11.65	0.43	6.76	15.50
MSCI World Index (net div)	4.00	23.78	11.69	4.25	28.43

**Past performance is not a reliable indicator for future results. All financial investments involve an element of risk. The value of investments may rise and fall so you may get back less than originally invested.** Investors should consider the risks, including lower returns, related to currency movements between their investing currency and the portfolio's base currency, if different.

See the GIPS Composite Report at the end of this presentation for performance methodology and other information.

The Markets in Financial Instruments Directive (MIFID) is the EU legislation that regulates firms who provide services to clients linked to financial instruments.

Source: Benchmark performance from SPAR, FactSet Research Systems Inc.

It is not possible to invest directly in an index. Index performance will differ from our actively managed strategies, which may involve a higher degree of risk.

Total gross of fee returns include both capital appreciation and reinvestment of income but exclude custody fees.

POSITIONING (%)			
	Active Security Selection	Derivative Positions <sup>1</sup>	Net Exposure
Equity	50.6		51.4
Gold Related Investments	3.8		
Hedges*		-3.0	
Debt Instruments, excluding Short-Term Government Securities	22.2		22.2
Cash, Cash Equivalents, and Short-Term Government Securities <sup>2</sup>			23.0
Other <sup>3</sup>			3.4
<b>Total Net Exposure Summary</b>			<b>100.0</b>

TOP 10 EQUITY HOLDINGS	
Security	Sector
ISHARES PHYSICAL GOLD ETC	ETFs
ALPHABET INC	Communication Services
SAMSUNG ELECTRONICS CO LTD	Information Technology
AMADEUS IT GROUP SA	Consumer Discretionary
LEG IMMOBILIEN SE (EQ)	Real Estate
BOOKING HOLDINGS INC	Consumer Discretionary
KNORR-BREMSE AG	Industrials
SAGE GROUP PLC/THE	Information Technology
HEINEKEN HOLDING NV	Consumer Staples
SAFRAN SA	Industrials

REGION WEIGHTS (%) <sup>†,‡</sup>		
	MFS	MSCI World Index
North America	44.0	73.9
Europe ex-U.K.	32.5	13.4
Emerging Markets	6.6	—
Japan	4.7	6.1
United Kingdom	2.8	3.7
Asia/Pacific ex-Japan	—	2.7
Developed - Middle East/Africa	—	0.2

\* Short positions, unlike long positions, lose value if the underlying asset gains value.

<sup>1</sup> Market exposure of derivative position utilized to adjust fund market exposure.

<sup>2</sup> Cash & Cash Equivalents includes any cash, investments in money market funds, and/or other assets less liabilities. The total also includes investments in short term securities (including short-term governments securities).

<sup>3</sup> Other consists of: (i) currency derivatives and/or (ii) any derivative offsets.

<sup>†</sup> 6.0% Cash & Cash Equivalents.

<sup>‡</sup> 3.4% Other. Other consists of: (i) currency derivatives and/or (ii) any derivative offsets.

The information presented is based on an account determined to be representative of the composite's strategy. The representative account's performance is available upon request.

Any mention of specific companies, securities and/or sectors are for information purposes only and should not be construed as investment advice or a recommendation of any nature.

### Important risk considerations

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

■ Investments in derivatives can be used to take both long and short positions, be highly volatile, involve leverage (which can magnify losses), and involve risks in addition to the risks of the underlying indicator(s) on which the derivative is based, such as counterparty and liquidity risk. ■ MFS' assessment of the risk/return potential of asset classes, markets and currencies and its adjustments to the portfolio's exposure to asset classes, markets and currencies may not produce intended results and/or can lead to an investment focus that results in the portfolio underperforming other portfolios that invest in similar investment types or have similar investment strategies and/or underperform the markets in which the portfolio invests.

### Benchmark and vendor disclosures

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.

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The GIPS Composite Report is attached to provide additional information about the strategy, composite, and performance methodology. The funds or other investment vehicles mentioned should not be construed as an offer or solicitation.

**Composite:** MFS Prudent Capital Composite in AUD

**Benchmark:** MSCI The World Index - Net Return

**Creation Date:** 02-Dec-2016

**Inception Date:** 01-Dec-2016

**Composite Description:** The MFS Prudent Capital Composite includes all discretionary portfolios managed to the MFS Prudent Capital strategy that seek to outperform the MSCI World Index over a full market cycle without taking undue risk. The strategy seeks capital appreciation, measured in U.S. dollars, by investing in global stocks and debt securities and using cash and/or derivatives to mitigate downside risks for the strategy by reducing the overall market exposure. The strategy aims to identify best opportunities across region, sector, and capital structure and may invest without limit in equity and debt instruments of corporate and government issuers based on its view of the relative value of different types of securities and/or other market conditions. MFS' assessment of the risk/return potential of asset classes, markets and currencies and its adjustments to the portfolio's exposure to asset classes, markets and currencies may not produce intended results and/or can lead to an investment focus that results in the portfolio underperforming other portfolios that invest in similar investment types or have similar investment strategies and/or underperform the markets in which the portfolio invests. Investments in certain markets can involve greater risk and volatility because of adverse market, currency, economic, industry, political, regulatory, geopolitical, or other conditions. Investments in derivatives can be used to take both long and short positions, be highly volatile, involve leverage (which can magnify losses), and involve risks in addition to the risks of the underlying indicator(s) on which the derivative is based, such as counterparty and liquidity risk.

#### Institutional Separate Accounts Fee Schedule

Asset Breakpoints (AUD)	Fee
For Assets Up To 50 MM	75 bp
For Assets From 50 MM To 100 MM	65 bp
For Assets Over 100 MM	55 bp

Accounts are eligible for inclusion in the composite if they have assets greater than 10 MM USD (14.7 MM AUD). Accounts are included as of their first full month of performance.

#### Derivative Exposure Disclosure

Period	Composite and Benchmark Return %			Composite Dispersion	Accounts in Composite at End of Period	Annualized 3-Year Standard Deviation		Assets (AUD million)	
	Gross of fees	Net of fees^	Benchmark			Composite	Benchmark	Composite	Firm
2023	16.10	15.06	23.03	n/a	<6	7.56	11.62	\$5,557.0	\$843,540.3
2022	-6.50	-7.36	-12.24	n/a	<6	9.39	13.54	\$5,993.1	\$777,452.6
2021	9.22	8.20	29.29	n/a	<6	8.72	11.45	\$7,988.6	\$927,550.8
2020	2.45	1.46	5.58	n/a	<6	8.66	12.00	\$6,252.4	\$776,357.6
2019	15.27	14.18	27.86	n/a	<6	8.01	9.72	\$2,497.4	\$737,703.8
2018	11.70	10.60	1.42	n/a	<6	n/a	n/a	\$984.4	\$605,885.6
2017	7.39	6.51	13.32	n/a	<6	n/a	n/a	\$154.1	\$627,773.3
2016**	3.17	3.11	4.48	n/a	<6	n/a	n/a	\$17.2	\$587,681.0

MFS Investment Management® claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. MFS Investment Management has been independently verified for the periods 1-Jan-1988 through 31-Dec-2022. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Past performance is no guarantee of future results.

Performance for periods less than one year are not annualized.

\*\* Indicates partial period.

Total Gross of fee returns in AUD (includes both capital appreciation and reinvestment of income) are net of transaction costs, withholding taxes and direct expenses, but before management fees, custody and other indirect expenses. Typical separate accounts utilize 4:00 PM (London Time) foreign exchange rates; retail products will use rates deemed most appropriate for daily NAV per share calculations. The possibility exists for performance dispersion between otherwise similarly managed accounts and also with the benchmark.

Net of fee returns presented in this table are gross of fee returns reduced by management fees and performance fees if applicable (actual fees). For certain accounts where the actual fees are unavailable, the maximum applicable annual institutional separate account fees were applied.

Total returns of the benchmark are provided for each period depicted, expressed in AUD. Source of Benchmark Performance: FACTSET®.

MSCI World Index - Net Return - a market capitalization-weighted index that is designed to measure equity market performance in the global developed markets.

Composite Dispersion is measured by the asset-weighted standard deviation of gross of fees account returns for all accounts in the composite for the full period. For composites containing less than six accounts for the full period, dispersion is deemed not meaningful and is not presented. The three-year annualized ex post standard deviation measures the variability of the gross of fees composite returns and the benchmark returns over the preceding 36-month period.

The MFS Prudent Capital Composite is a US Dollar based composite available globally. The regional composite depicted here was created on 13-Oct-2017 for presentation in the Australian market. Where appropriate, data has been converted to Australian Dollars and the fees and breakpoints depicted are applicable to clients in this market.

The composite asset minimum changed from 5MM USD to 10MM USD effective 1-Nov-2022.

For purposes of GIPS compliance, the firm is defined as MFS Investment Management (MFS), which is comprised of Massachusetts Financial Services Company and MFS Institutional Advisors, Inc. (MFSI), each of which is a registered investment advisor, MFS Heritage Trust Company, a New Hampshire Trust company, and MFS Investment Management Canada Limited. Total firm assets include assets managed by Massachusetts Financial Services Company, MFSI, MFS Heritage Trust Company and MFS Investment Management Canada Limited as well as assets managed by Massachusetts Financial Services Company and MFSI in a sub-advisory capacity on behalf of affiliated investment advisors that may or may not be registered under the United States Investment Advisers Act of 1940, such as MFS International (U.K.), Ltd. (MIL UK) and MFS Investment Management K.K. (MIMKK), MFS International Singapore Pte. Ltd, MFS International Australia Pty Ltd, and MFS Investment Management Company (Lux) S.à r.l as well as assets managed by Massachusetts Financial Services Company and MFSI on behalf of unaffiliated investment advisors that are not registered under the United States Investment Advisers Act of 1940.

The firm's list of composite descriptions, list of pooled fund descriptions for limited distribution pooled funds, and list of broad distribution pooled funds are available upon request. Additionally, policies for valuing investment, calculating performance, and preparing GIPS Reports are available upon request.



Certain accounts in this composite utilize derivatives for hedging, investment exposure, implementation efficiency, and transaction cost mitigation purposes. Derivative exposures can be volatile, used to take long or short positions, involve leverage (which can magnify gains or losses), and involve counterparty and liquidity risk. The table below displays the high, median, and low month-end derivative exposures over the last three years, when available or since inception if the composite is less than three years old. Derivative exposure of the account is calculated as the gross equivalent exposure of total net assets. The derivative exposures, displayed below, are the average exposures of the accounts that held derivatives.

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.

LONG EXPOSURE		SHORT EXPOSURE	
High	30.00%	High	-32.48%
Median	4.37%	Median	-11.97%
Low	3.37%	Low	-7.43%