

# MFS® Asia Concentrated Equity (USD)

## Goal

The goal of the MFS Asia Concentrated Equity strategy is to seek capital appreciation by investing in a high-conviction portfolio of 25-40 primarily Asia ex Japan equity securities.

## Investment team

### Portfolio Manager

Salman Khan

- 19 years with MFS
- 30 years in industry

### Institutional Portfolio Manager

Sanjay Natarajan

- 16 years with MFS
- 27 years in industry

## Assets under management (USD)

MFS Investment Management® 595.7 billion

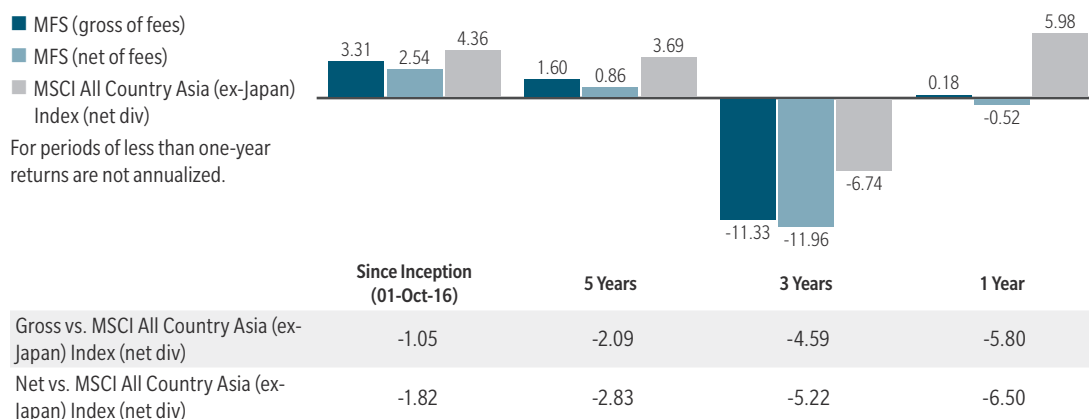
MFS® Asia Concentrated Equity Composite 1.7 million

## Philosophy

We believe earnings growth drives share price performance over the long term. We conduct proprietary fundamental research to try and identify companies that:

- Operate in a favorable industry structure
- Have superior business models
- Have reasonable valuations

## Performance (%) total return



## Annual performance (%)

	2017	2018	2019	2020	2021	2022	2023
MFS (gross of fees)	39.30	-11.69	17.74	31.87	-12.59	-20.39	0.18
MFS (net of fees)	38.22	-12.40	16.81	30.90	-13.21	-20.96	-0.52
MSCI All Country Asia (ex-Japan) Index (net div)	41.72	-14.37	18.17	25.02	-4.72	-19.67	5.98

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

	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23
MFS (gross of fees)	17.74	31.87	-12.59	-20.39	0.18
MFS (net of fees)	16.81	30.90	-13.21	-20.96	-0.52
MSCI All Country Asia (ex-Japan) Index (net div)	18.17	25.02	-4.72	-19.67	5.98

**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.

Historical performance results may have differed had the composite included assets of client accounts during these time periods for various reasons including the impact of cash flows.

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.

## CHARACTERISTICS

	MFS	MSCI All Country Asia ex Japan
<b>Fundamentals - weighted average</b>		
IBES long-term EPS growth <sup>1</sup>	12.4%	12.9%
Price/earnings (12 months forward ex-negative earnings)	11.5x	12.6x
Return on equity (3-year average)	16.9%	14.6%
Long term debt/capital	22.7%	22.8%
<b>Market capitalization</b>		
Market capitalization (USD) <sup>2</sup>	160.1 bn	115.3 bn
<b>Diversification</b>		
Top ten issues	46%	27%
Number of Issues	49	1,249
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	63%	—
<b>Risk profile (current)</b>		
Barra predicted tracking error <sup>4</sup>	2.74%	—
Active share	64%	—
<b>Risk/reward (3 year)</b>		
Beta	1.05/1.05	—
Standard deviation	20.41%/20.41%	18.98%
Upside capture	93.59%/92.20%	—
Downside capture	113.35%/114.86%	—

## TOP 10 HOLDINGS (%)

Security	Sector	MFS	MSCI All Country Asia ex Japan
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	Information Technology	11.1	7.8
SAMSUNG ELECTRONICS CO LTD	Information Technology	8.3	5.4
TENCENT HOLDINGS LTD	Communication Services	4.8	4.1
HDFC BANK LTD	Financials	4.2	0.9
ALIBABA GROUP HOLDING LTD	Consumer Discretionary	3.3	2.6
ADVANTECH CO LTD	Information Technology	3.1	0.1
BANK NEGARA INDONESIA	Financials	3.1	0.1
PERSERO TBK PT	Financials	3.1	1.6
AIA GROUP LTD (EQ)	Financials	3.1	1.6
RELIANCE INDUSTRIES LTD (EQ)	Energy	3.0	1.6
KOTAK MAHINDRA BANK LTD	Financials	2.9	0.4

SECTOR WEIGHTS UNDERWEIGHT/OVERWEIGHT (%)<sup>†</sup>

	MSCI All Country Asia ex Japan
Financials	6.9
Consumer Discretionary	5.2
Energy	3.9
Information Technology	1.9
Communication Services	-0.7
Utilities	-1.6
Consumer Staples	-1.7
Real Estate	-3.1
Materials	-3.5
Health Care	-3.9
Industrials	-4.3

COUNTRY WEIGHTS (%)<sup>†</sup>

	MFS	MSCI All Country Asia ex Japan
China	31.1	30.7
India	19.6	19.5
Taiwan	16.7	18.6
South Korea	13.1	15.1
Indonesia	6.4	2.2
Hong Kong	4.1	6.0
Thailand	3.5	2.0
Singapore	3.2	3.7
Philippines	1.4	0.7
Malaysia	—	1.5

<sup>1</sup> Source: FactSet

<sup>2</sup> Weighted average.

<sup>3</sup> US Turnover Methodology: (Lesser of Purchase or Sales)/Average Month End Market Value

<sup>4</sup> Source Barra. The Barra information may not be redistributed, may not be reproduced or disseminated in any form and may not be used to create any financial instruments or products or any indices. The Barra information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. Barra, each of its affiliates and each other person involved in or related to compiling, computing or creating any Barra information (collectively, the "Barra Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any Barra Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages.

<sup>†</sup> 0.8% Cash & Cash Equivalents.

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

The portfolio's performance could be more volatile than the performance of more diversified portfolios. ■ Emerging markets can have less market structure, depth, and regulatory, custodial or operational oversight and greater political, social, geopolitical and economic instability than developed markets. ■ Investments in certain markets can involve greater risk and volatility because of adverse market, currency, economic, industry, political, regulatory, geopolitical, or other conditions. ■ 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.

## Benchmark and vendor disclosures

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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 Asia Concentrated Equity Composite

**Benchmark:** MSCI AC Asia ex Japan - Net Return

**Creation Date:** 21-Nov-2016

**Inception Date:** 01-Oct-2016

**Composite Description:** The MFS Asia Concentrated Equity Composite includes all discretionary portfolios managed to the MFS Asia Concentrated Equity strategy. The strategy seeks capital appreciation by investing in a high conviction portfolio of 25 to 40 primarily Asia ex-Japan equity securities. The portfolio's performance could be more volatile than the performance of more diversified portfolios. Investments in certain markets can involve greater risk and volatility because of adverse market, currency, economic, industry, political, regulatory, geopolitical, or other conditions. 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.

#### Institutional Separate Accounts Fee Schedule

Asset Breakpoints (USD)	Fee
For Assets Up To 50 MM	70 bp
For Assets From 50 MM To 100 MM	65 bp
For Assets Over 100 MM	60 bp

Accounts are eligible for inclusion in the composite if they have assets greater than 1 MM USD. Accounts are included as of their first full month of performance.

Period	Composite and Benchmark Return %			Composite Dispersion	Accounts in Composite at End of Period	Annualized 3-Year Standard Deviation		Assets (USD million)	
	Gross of fees	Net of fees <sup>A</sup>	Benchmark			Composite	Benchmark	Composite	Firm
2022	-20.39	-20.96	-19.67	n/a	<6	23.18	21.00	\$1.7	\$527,229.5
2021	-12.59	-13.21	-4.72	n/a	<6	19.40	17.46	\$1.9	\$674,375.8
2020	31.87	30.90	25.02	n/a	<6	19.66	18.92	\$3.1	\$599,076.3
2019	17.74	16.81	18.17	n/a	<6	14.76	14.82	\$3.1	\$518,568.9
2018	-11.69	-12.40	-14.37	n/a	<6	n/a	n/a	\$2.6	\$426,543.5
2017	39.30	38.22	41.72	n/a	<6	n/a	n/a	\$3.0	\$491,012.9
2016**	-4.89	-5.08	-6.31	n/a	<6	n/a	n/a	\$2.1	\$425,539.8

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-2021. 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.

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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 USD (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.

<sup>A</sup>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 USD. Source of Benchmark Performance: FACTSET®.

MSCI AC Asia ex Japan - Net Return - a market capitalization-weighted index that is designed to measure equity market performance for both developed and emerging market countries in Asia, excluding the country of Japan.

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.

Historical performance results may have differed had the composite included assets of client accounts during these time periods for various reasons including the impact of cash flows.

Prior to 1-Jul-2020, the maximum institutional separate account fee charged for this product was 80 bps.

The composite asset minimum changed from 2MM USD to 1MM USD on 01-Aug-2022.

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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.

Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Massachusetts Financial Services Company. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.