

# MFS® Blended Research® - U.S. Small Cap Equity (USD)



## Goal

The goal of the Blended Research - U.S. Small Cap Equity strategy, while not guaranteed, is to outperform the Russell 2000® Index over a full market cycle with a controlled tracking error.

## Investment team

### Lead Portfolio Manager

**Matt Krummell, CFA**

▪ 23 years with MFS

▪ 31 years in industry

### Portfolio Managers

**Jim Fallon**

▪ 25 years with MFS

▪ 25 years in industry

**Jonathan Sage, CFA**

▪ 24 years with MFS

▪ 28 years in industry

**Jed Stocks, CFA**

▪ 24 years with MFS

▪ 25 years in industry

### Institutional Portfolio Manager

**Christopher Zani, CFA**

▪ 4 years with MFS

▪ 23 years in industry

## Assets under management (USD)

MFS Investment Management® 626.1 billion

MFS® Blended Research® - U.S. Small Cap Equity Composite 420.0 million

## Philosophy

We believe:

- Investing in high-quality companies that are trading at favorable valuations with a catalyst may be rewarded over the long term
- Quantitative research provides a systematic, objective appraisal that complements the qualitative perspective of fundamental research
- Integrating fundamental and quantitative research in a disciplined portfolio construction process may lead to strong risk-adjusted results

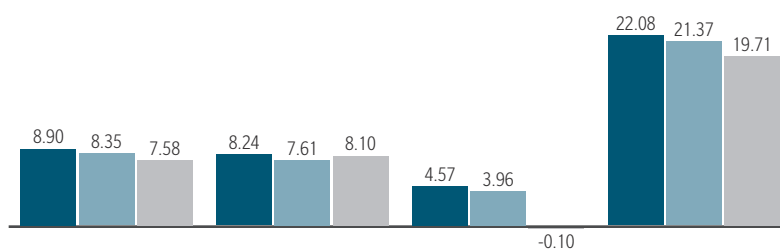
## Performance (%) total return

■ MFS (gross of fees)

■ MFS (net of fees)

■ Russell 2000® Index

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



	10 Years	5 Years	3 Years	1 Year
Gross vs. Russell 2000® Index	1.32	0.14	4.67	2.37
Net vs. Russell 2000® Index	0.77	-0.49	4.06	1.66

## Annual performance (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
MFS (gross of fees)	7.84	-3.64	21.32	15.27	-4.68	27.20	2.85	30.07	-17.83	19.64	3.91
MFS (net of fees)	7.41	-4.03	20.82	14.73	-5.17	26.53	2.26	29.32	-18.32	18.94	3.76
Russell 2000® Index	4.89	-4.41	21.31	14.65	-11.01	25.52	19.96	14.82	-20.44	16.93	5.18

## 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)	-27.58	79.37	7.19	-12.61	22.08
MFS (net of fees)	-27.99	78.38	6.57	-13.13	21.37
Russell 2000® Index	-23.99	94.85	-5.79	-11.61	19.71

**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.

CHARACTERISTICS	MFS	Russell 2000® Index
<b>Fundamentals - weighted average</b>		
Price/earnings (12 months forward ex-negative earnings)	13.4x	16.1x
Price/book	1.8x	2.0x
Price/sales	1.1x	1.3x
Dividend yield	1.4%	1.3%
<b>Market capitalization</b>		
Market capitalization (USD) <sup>1</sup>	4.7 bn	4.8 bn
<b>Diversification</b>		
Top ten issues	15%	6%
Number of Issues	169	1,945
<b>Turnover</b>		
Trailing 1 year turnover <sup>2</sup>	54%	—
<b>Risk profile (current)</b>		
Axioma predicted tracking error <sup>3</sup>	3.54%	—
Active share	91%	—

TOP 10 HOLDINGS (%)		
Security	MFS	Russell 2000® Index
TRINET GROUP INC	1.6	0.2
ELF BEAUTY INC	1.6	0.4
PRESTIGE CONSUMER		
HEALTHCARE INC	1.6	0.1
SKECHERS USA INC	1.6	—
API GROUP CORP	1.6	0.3
VERINT SYSTEMS INC	1.5	0.1
GRAND CANYON EDUCATION INC	1.5	—
ENCOMPASS HEALTH CORP	1.4	—
REGAL REXNORD CORP (EQ)	1.4	—
ELEMENT SOLUTIONS INC (EQ)	1.4	—

Important risk considerations

MFS' investment analysis, development and use of quantitative models, and selection of investments may not produce the intended results and/or can lead to an investment focus that results in underperforming portfolios with similar investment strategies and/or the markets in which the portfolio invests. The proprietary and third party quantitative models used by MFS may not produce the intended results for a variety of reasons, including the factors used, the weight placed on each factor, changing sources of market return, and technical issues in the development, application, and maintenance of the models (e.g., incomplete or inaccurate data, programming/software issues, coding errors and technology failures).

■ 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.

Benchmark and vendor disclosures

Frank Russell Company ("Russell") is the source and owner of the Russell Index data contained or reflected in this material and all trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and/or Russell ratings or underlying data and no party may rely on any Russell Indexes and/or Russell ratings and/or underlying data contained in this communication. No further distribution of Russell Data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication.

The Global Industry Classification Standard (GICS®) was developed by and/or is the exclusive property of MSCI, Inc. and S&P Global Market Intelligence Inc. ("S&P Global Market Intelligence"). GICS is a service mark of MSCI and S&P Global Market Intelligence and has been licensed for use by MFS. MFS has applied its own internal sector/industry classification methodology for equity securities and non-equity securities that are unclassified by GICS.

SECTOR WEIGHTS UNDERWEIGHT/OVERWEIGHT (%) <sup>†</sup>	Russell 2000® Index
Industrials	1.4
Real Estate	1.3
Materials	1.1
Health Care	0.8
Communication Services	0.6
Financials	-0.3
Energy	-0.5
Consumer Discretionary	-0.9
Consumer Staples	-1.3
Information Technology	-1.3
Utilities	-1.3

<sup>1</sup> Weighted average.

<sup>2</sup> US Turnover Methodology: (Lesser of Purchase or Sales)/Average Month End Market Value

<sup>3</sup> Source: Axioma

<sup>†</sup> 0.5% 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.

## Global disclosures

Issued in the United States by MFS Institutional Advisors, Inc., a U.S.-based investment advisor and subsidiary of Massachusetts Financial Services Company ("MFS"). Issued in Canada by MFS Investment Management Canada Limited. MFS Institutional Advisors, Inc. provides certain sub-advisory services to all MFS Investment Management Canada Limited portfolios, including discretionary investment management for non-Canadian portfolios or components of portfolios. Pursuant to a sub-advisory agreement executed between MFS Institutional Advisors, Inc. and MFS Investment Management Canada Limited, MFS provides investment advice pursuant to statutory exemptions or regulatory relief, as applicable. Such advice is being rendered outside of Canada and certain members of the team may not be registered in any capacity with any Canadian securities regulatory authority. 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. Issued in Hong Kong by 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 a wholly-owned, indirect subsidiary of Massachusetts Financial Services Company, a US based investment adviser and fund sponsor registered with the US Securities and Exchange Commission. 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"). Issued in Singapore by MFS International Singapore Pte. Ltd., a private limited company registered in Singapore with the company number 201228809M, and further licensed and regulated by the Monetary Authority of Singapore. Issued in 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 professional investors in Australia: 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. 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. This material is directed at investment professionals for general information use only with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. Any securities and/or sectors mentioned herein are for illustration purposes and should not be construed as a recommendation for investment. Investment involves risk. Past performance is not indicative of future performance. The information contained herein may not be copied, reproduced or redistributed without the express consent of MFS Investment Management ("MFS"). While the information is believed to be accurate, it may be subject to change without notice. MFS does not warrant or represent that it is free from errors or omissions or that the information is suitable for any particular person's intended use. Except in so far as any liability under any law cannot be excluded, MFS does not accept liability for any inaccuracy or for the investment decisions or any other actions taken by any person on the basis of the material included. MFS does not authorise distribution to retail investors. Unless otherwise indicated, logos, product and services names are trademarks of MFS and its affiliates and may be registered in certain countries. 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 Blended Research - U.S. Small Cap Equity Composite

**Benchmark:** Russell 2000® - Total Return

**Creation Date:** 30-Jan-2013

**Inception Date:** 01-Jan-2013

**Composite Description:** The MFS Blended Research - U.S. Small Cap Equity Composite includes all discretionary portfolios managed to the MFS Blended Research - US Small Cap Equity strategy that seek to outperform the Russell 2000 Total Return Index over a full market cycle with controlled tracking error. The strategy seeks to provide long-term growth of capital through investment in equity securities, generally of U.S. small-capitalization companies, selected through a blend of fundamental and quantitative research.

Fundamental research focuses on quality and valuation with a long-term investment horizon. Quantitative research, which utilizes a multi-factor model, provides an objective appraisal that complements the qualitative perspective of fundamental research. MFS' investment analysis, development and use of quantitative models, and selection of investments may not produce the intended results and/or can lead to an investment focus that results in underperforming portfolios with similar investment strategies and/or the markets in which the portfolio invests. The proprietary and third party quantitative models used by MFS may not produce the intended results for a variety of reasons, including the factors used, the weight placed on each factor, changing sources of market return, changes from the market factors' historical trends, and technical issues in the development, application, and maintenance of the models (e.g., incomplete or inaccurate data, programming/software issues, coding errors and technology failures). 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.

#### Institutional Separate Accounts Fee Schedule

Asset Breakpoints (USD)	Fee
For Assets Up To 50 MM	50 bp
For Assets From 50 MM To 100 MM	45 bp
For Assets Over 100 MM	40 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^	Benchmark			Composite	Benchmark	Composite	Firm
2023	19.64	18.94	16.93	n/a	<6	20.87	21.41	\$406.1	\$575,589.7
2022	-17.83	-18.32	-20.44	n/a	<6	25.38	26.39	\$394.4	\$527,229.5
2021	30.07	29.32	14.82	n/a	<6	23.52	23.68	\$480.7	\$674,375.8
2020	2.85	2.26	19.96	n/a	<6	25.27	25.63	\$416.8	\$599,076.3
2019	27.20	26.53	25.52	n/a	<6	16.25	15.93	\$375.2	\$518,568.9
2018	-4.68	-5.17	-11.01	n/a	<6	15.00	16.01	\$244.8	\$426,543.5
2017	15.27	14.73	14.65	n/a	<6	12.37	14.11	\$201.9	\$491,012.9
2016	21.32	20.82	21.31	n/a	<6	14.14	15.99	\$150.4	\$425,539.8
2015	-3.64	-4.03	-4.41	n/a	<6	13.42	14.16	\$113.1	\$412,412.4
2014	7.84	7.41	4.89	n/a	<6	n/a	n/a	\$135.7	\$430,214.0

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.

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.

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 ®.

Russell 2000® - Total Return - constructed to provide a comprehensive barometer for securities in the small-cap segment of the U.S. equity universe. The index includes 2,000 of the smallest U.S. companies based on total market capitalization, representing approximately 10% of the investable U.S. equity market.

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 composite asset minimum changed from 2MM USD to 1MM 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.

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2023. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®" "Russell®", "FTSE Russell®" is/are a trade mark(s) of the relevant LSE Group companies and is/are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.