

# MFS® Emerging Markets Equity (AUD)

## Goal

Seeks to consistently outperform the MSCI Emerging Markets Index (net div) over full market cycles.

## Investment team

### Portfolio Managers

#### Rajesh Nair

- 16 years with MFS
- 28 years in industry

#### Harry Purcell

- 12 years with MFS
- 26 years in industry

### Institutional Portfolio Managers

#### Greg Johnsen, CFA

- 5 years with MFS
- 38 years in industry

#### Sanjay Natarajan

- 17 years with MFS
- 28 years in industry

## Assets under management (AUD)

MFS Investment Management® 959.6 billion

MFS® Emerging Markets Equity Composite 12.6 billion

## Philosophy

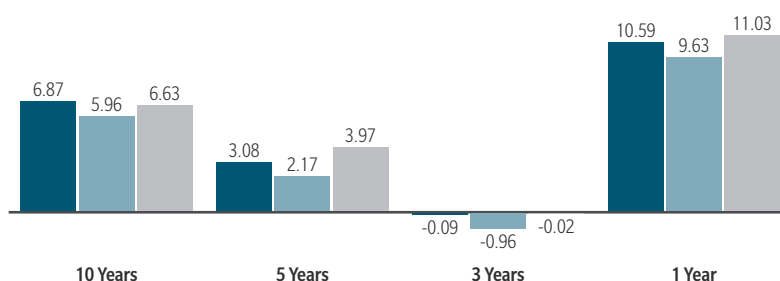
We believe earnings growth drives share price performance over the long term. We conduct proprietary fundamental research to try and identify companies with:

- Visible normalized free cash flow
- Return on invested capital higher than cost of capital
- Appropriate leverage
- Good ESG practices
- Reasonable valuation

## Performance (%) total return

- MFS (gross of fees)
- MFS (net of fees)
- MSCI Emerging Markets (net div) linked to previous benchmark

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



	10 Years	5 Years	3 Years	1 Year
Gross vs. MSCI Emerging Markets (net div) linked to previous benchmark	0.24	-0.89	-0.07	-0.44
Net vs. MSCI Emerging Markets (net div) linked to previous benchmark	-0.67	-1.80	-0.94	-1.40

## Annual performance (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
MFS (gross of fees)	3.80	-0.75	10.85	29.13	-3.04	21.79	2.02	0.09	-13.24	11.63	7.29
MFS (net of fees)	3.02	-1.52	9.94	27.98	-3.94	20.68	1.13	-0.77	-13.99	10.66	7.06
MSCI Emerging Markets (net div) linked to previous benchmark	6.93	-4.30	11.72	27.09	-5.08	18.60	7.77	3.44	-14.33	9.15	7.07

## 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)	-8.21	27.11	-15.39	6.57	10.59
MFS (net of fees)	-9.05	26.03	-16.13	5.66	9.63
MSCI Emerging Markets (net div) linked to previous benchmark	-4.47	27.28	-10.10	0.12	11.03

Benchmark methodology: Prior to 1-Jan-2014 the blend consisted of 100% MSCI EMF (Emerging Markets) - Gross Return Index; from 1-Jan-2014 the blend consists of 100% MSCI EMF (Emerging Markets) - Net Return Index. Rebalanced monthly.

**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	MSCI Emerging Markets Index
<b>Fundamentals - weighted average</b>		
IBES long-term EPS growth <sup>1</sup>	14.2%	15.7%
Price/earnings (12 months forward ex-negative earnings)	10.6x	12.3x
Return on equity (3-year average)	18.9%	16.8%
Long term debt/capital	23.7%	25.3%
Dividend yield	3.6%	2.8%
<b>Market capitalization</b>		
Market capitalization (AUD) <sup>2</sup>	222.3 bn	193.3 bn
<b>Diversification</b>		
Top ten issues	34%	24%
Number of Issues	101	1,376
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	30%	—
<b>Risk profile (current)</b>		
Barra predicted tracking error <sup>4</sup>	2.54%	—
<b>Risk/reward (5 year)</b>		
Gross/Net		
Beta	1.04/1.04	—
Standard deviation	13.40%/13.40%	12.16%

## TOP 10 HOLDINGS (%)

Security	Sector	MFS	MSCI Emerging Markets Index
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	Information Technology	9.2	8.2
SAMSUNG ELECTRONICS CO LTD	Information Technology	6.0	4.6
TENCENT HOLDINGS LTD	Communication Services	5.0	3.6
ALIBABA GROUP HOLDING LTD	Consumer Discretionary	2.8	2.0
HON HAI PRECISION INDUSTRY CO LTD	Information Technology	2.0	0.8
INFOSYS LTD	Information Technology	2.0	0.8
TATA CONSULTANCY SERVICES LTD	Information Technology	1.9	0.6
PING AN INSURANCE GROUP CO OF CHINA LTD	Financials	1.9	0.4
PETROLEO BRASILEIRO SA	Energy	1.9	0.9
HDFC BANK LTD	Financials	1.8	0.7

## SECTOR WEIGHTS UNDERWEIGHT/OVERWEIGHT (%)†

	MSCI Emerging Markets Index
Consumer Staples	4.7
Communication Services	2.2
Information Technology	0.8
Real Estate	0.7
Energy	0.2
Financials	-0.4
Materials	-2.2
Industrials	-2.3
Utilities	-2.3
Consumer Discretionary	-2.4
Health Care	-2.4

## EM REGION WEIGHTS (%)

	MFS	MSCI Emerging Markets Index
Emerging Asia	72.9	78.5
Emerging Latin America	11.2	8.9
Emerging EMEA	6.6	12.5

<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.

† 3.5% Cash &amp; 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

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. ■ 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 Emerging Markets Equity Composite in AUD

**Custom Benchmark:** MSCI Emerging Markets (net div) Index linked to previous benchmark

**Creation Date:** 13-Sep-2005

**Inception Date:** 01-Jan-2000

**Composite Description:** The MFS Emerging Markets Equity Composite includes all discretionary portfolios managed to the MFS Emerging Markets Equity strategy. The strategy seeks capital appreciation through investment in a diversified portfolio of stocks of firms in emerging market countries. Stock selection is based solely on MFS proprietary research process and, therefore, excludes assets managed by external parties or non-MFS sub-advisors. 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. 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 (AUD)	Fee
For Assets Up To 75 MM	80 bp
For Assets From 75 MM To 150 MM	75 bp
For Assets Over 150 MM	70 bp

Accounts are eligible for inclusion in the composite if they have assets greater than 1 MM USD (1.5 MM AUD). 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 (AUD million)	
	Gross of fees	Net of fees^	Benchmark			Composite	Benchmark	Composite	Firm
2023	11.63	10.66	9.15	0.05	7	12.95	11.55	\$11,620.4	\$843,540.3
2022	-13.24	-13.99	-14.33	0.39	9	15.07	13.18	\$10,362.6	\$777,452.6
2021	0.09	-0.77	3.44	0.15	10	12.44	11.55	\$12,184.9	\$927,550.8
2020	2.02	1.13	7.77	0.75	10	12.86	11.88	\$9,961.4	\$776,357.6
2019	21.79	20.68	18.60	0.26	10	10.09	9.80	\$6,985.5	\$737,703.8
2018	-3.04	-3.94	-5.08	0.28	9	9.09	9.09	\$3,437.0	\$605,885.6
2017	29.13	27.98	27.09	0.51	9	10.03	10.56	\$3,124.4	\$627,773.3
2016	10.85	9.94	11.72	0.18	10	9.51	10.14	\$2,882.2	\$587,681.0
2015	-0.75	-1.52	-4.30	0.52	12	9.57	10.14	\$2,943.4	\$566,850.9
2014	3.80	3.02	6.93	0.25	13	9.62	9.33	\$4,829.0	\$525,709.0

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 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. Certain institutional accounts hold Canadian trusts subject to 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 ®.

Custom Benchmark: MSCI Emerging Markets (net div) - a market capitalization-weighted index that is designed to measure equity market performance in the global emerging markets.

Custom Benchmark Methodology: Prior to 1-Jan-2014 the custom benchmark linked consisted of 100% MSCI Emerging Markets - Gross Return Index; from 1-Jan-2014 the custom benchmark linked consists of 100% MSCI Emerging Markets (net div).

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 Emerging Markets Equity composite is a US Dollar based composite available globally. The regional composite depicted here was created on 14-Jan-2010 for presentation in the Australian market. Where appropriate, data has been converted to Australian Dollar and the fees and breakpoints depicted are applicable to clients in this market.

Prior to 1-Oct-2017, the maximum institutional separate account fee charged for this product was 95 bps. From 1-Oct-2017 through 30-Jun-2020, the maximum institutional separate account fee charged for this product was 90 bps.

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: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, MFS. 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.

Limited Distribution Pooled Fund Fees and Expenses

Fund Name	Vehicle	Max Management Fee	Other Expense	Total Expenses
MFS Emerging Markets Equity Fund	Canadian Trust	90	10	100
MFS Heritage Trust Company Collective Investment Trust - MFS Emerging Markets Equity Fund I	Collective Investment Trust	68	10	78