

# MFS® European Research Equity (EUR)

## Goal

Seek to outperform the MSCI Europe Index (net div) over a full market cycle while maintaining a reasonable level of risk.

## Investment team

Team of Investment Professionals

### General Oversight

Gabrielle Gourgey

- 18 years with MFS
- 29 years in industry

## Assets under management (EUR)

MFS Investment Management\* 539.2 billion

MFS® European Research Equity Composite 8.2 billion

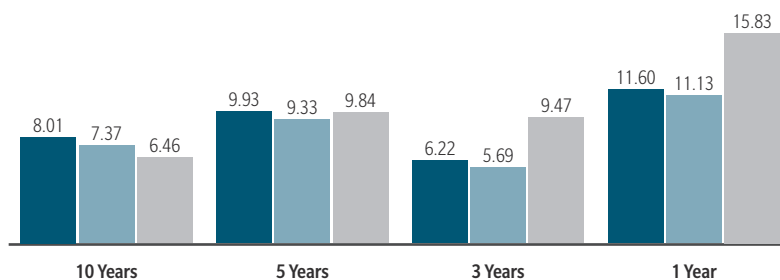
## Philosophy

We believe that stock prices follow durable earnings growth and accelerating cash flows, and that bottom-up fundamental research provides the best means of consistently identifying high-quality European investments.

## Performance (%) total return

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

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



|                                       | 10 Years | 5 Years | 3 Years | 1 Year |
|---------------------------------------|----------|---------|---------|--------|
| Gross vs. MSCI Europe Index (net div) | 1.55     | 0.09    | -3.25   | -4.23  |
| Net vs. MSCI Europe Index (net div)   | 0.91     | -0.51   | -3.78   | -4.70  |

## Annual performance (%)

|                             | 2014  | 2015  | 2016 | 2017  | 2018   | 2019  | 2020  | 2021  | 2022   | 2023  |
|-----------------------------|-------|-------|------|-------|--------|-------|-------|-------|--------|-------|
| MFS (gross of fees)         | 10.00 | 15.11 | 0.91 | 14.07 | -7.68  | 31.92 | 1.56  | 20.14 | -10.61 | 11.60 |
| MFS (net of fees)           | 9.33  | 14.36 | 0.21 | 13.35 | -8.24  | 31.17 | 0.89  | 19.43 | -11.05 | 11.13 |
| MSCI Europe Index (net div) | 6.84  | 8.22  | 2.58 | 10.24 | -10.57 | 26.05 | -3.32 | 25.13 | -9.49  | 15.83 |

## 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)         | 31.92     | 1.56      | 20.14     | -10.61    | 11.60     |
| MFS (net of fees)           | 31.17     | 0.89      | 19.43     | -11.05    | 11.13     |
| MSCI Europe Index (net div) | 26.05     | -3.32     | 25.13     | -9.49     | 15.83     |

**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 Europe Index |
| <b>Fundamentals - weighted average</b>                  |               |                   |
| Price/earnings (12 months forward ex-negative earnings) | 13.9x         | 13.0x             |
| Dividend yield  | 3.0%          | 3.3%              |
| IBES long-term EPS growth <sup>1</sup>                  | 10.7%         | 9.9%              |
| Return on equity (3-year average)                       | 18.7%         | 18.8%             |
| Long term debt/capital                                  | 39.5%         | 37.7%             |
| <b>Market capitalization</b>                            |               |                   |
| Market capitalization (EUR) <sup>2</sup>                | 89.6 bn       | 100.3 bn          |
| <b>Diversification</b>                                  |               |                   |
| Top ten issues  | 31%           | 22%               |
| Number of Issues  | 72            | 425               |
| <b>Turnover</b>   |               |                   |
| Trailing 1 year turnover <sup>3</sup>                   | 21%           | —                 |
| <b>Risk profile (current)</b>                           |               |                   |
| Barra predicted tracking error <sup>4</sup>             | 2.07%         | —                 |
| Active share  | 71%           | —                 |
| <b>Risk/reward (5 year)</b>                             |               |                   |
| Information ratio                                       | Gross/Net     | —                 |
| Standard deviation                                      | 14.83%/14.83% | 15.99%            |
| Beta  | 0.91/0.91     | —                 |

| TOP 10 HOLDINGS (%)   |                        |     |                   |
|-----------------------|------------------------|-----|-------------------|
| Security              | Sector                 | MFS | MSCI Europe Index |
| NESTLE SA             | Consumer Staples       | 4.1 | 2.9               |
| LVMH MOET HENNESSY    | Consumer               | 3.7 | 2.1               |
| LOUIS VUITTON SE      | Discretionary          |     |                   |
| ASML HOLDING NV       | Information Technology | 3.4 | 2.9               |
| SCHNEIDER ELECTRIC SE | Industrials            | 3.3 | 1.0               |
| ROCHE HOLDING AG      | Health Care            | 3.3 | 2.0               |
| LINDE PLC             | Materials              | 3.0 | —                 |
| WOLTERS KLUWER NV     | Industrials            | 2.7 | 0.3               |
| TOTALENERGIES SE      | Energy                 | 2.5 | 1.5               |
| NOVO NORDISK A/S      | Health Care            | 2.4 | 3.2               |
| SANOFI (EQ)           | Health Care            | 2.2 | 1.1               |

| SECTOR WEIGHTS UNDERWEIGHT/OVERWEIGHT (%) <sup>†</sup> |                   |
|--|-------------------|
|  | MSCI Europe Index |
| Consumer Discretionary                                 | 3.3               |
| Communication Services                                 | 2.0               |
| Utilities  | 1.3               |
| Materials  | 0.8               |
| Energy   | 0.7               |
| Real Estate  | 0.3               |
| Financials   | -0.5              |
| Consumer Staples                                       | -1.3              |
| Industrials  | -1.7              |
| Information Technology                                 | -1.8              |
| Health Care  | -4.7              |

### Important risk considerations

Because the portfolio may invest a substantial amount of its assets in issuers located in a single country or in a limited number of countries, it may be more volatile than a portfolio that is more geographically diversified. ■ 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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| COUNTRY WEIGHTS (%) <sup>†</sup> |      |                   |
|----------------------------------|------|-------------------|
|                                  | MFS  | MSCI Europe Index |
| United Kingdom                   | 25.1 | 22.2              |
| France                           | 21.0 | 18.4              |
| Netherlands                      | 11.1 | 6.9               |
| Switzerland                      | 11.1 | 15.2              |
| Germany                          | 7.3  | 13.1              |
| Spain                            | 4.8  | 4.1               |
| Denmark                          | 4.3  | 5.1               |
| Italy                            | 3.7  | 4.0               |
| Ireland                          | 3.4  | 1.3               |
| United States                    | 3.0  | —                 |
| Portugal                         | 1.0  | 0.3               |
| Finland                          | 0.9  | 1.3               |
| Sweden                           | 0.8  | 5.3               |
| Norway                           | 0.7  | 1.0               |
| Belgium                          | —    | 1.5               |
| Austria                          | —    | 0.3               |

<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> 1.9% 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.

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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 European Research Equity Composite

**Benchmark:** MSCI Europe - Net Return

**Creation Date:** 25-May-2001

**Inception Date:** 01-Oct-1999

**Composite Description:** The MFS European Research Equity Composite includes all discretionary portfolios managed to the MFS European Research Equity strategy that have unhedged currency exposure and do not have country-specific restrictions. The strategy seeks capital appreciation by investing primarily in a portfolio of European equity securities that represent the highest conviction ideas of the team of European equity analysts that are believed have attractive valuations and above-average growth prospects. Because the portfolio may invest a substantial amount of its assets in issuers located in a single country or in a limited number of countries, it may be more volatile than a portfolio that is more geographically diversified. 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 (EUR)         | Fee   |
|---------------------------------|-------|
| For Assets Up To 50 MM          | 60 bp |
| For Assets From 50 MM To 100 MM | 50 bp |
| For Assets Over 100 MM          | 45 bp |

Accounts are eligible for inclusion in the composite if they have assets greater than 1 MM USD (.9 MM EUR). Accounts are included as of their first full month of performance.

**Derivative Exposure Disclosure**

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.

|               | LONG EXPOSURE |               | SHORT EXPOSURE |
|---------------|---------------|---------------|----------------|
| <b>High</b>   | 26.83%        | <b>High</b>   | -27.53%        |
| <b>Median</b> | 0.84%         | <b>Median</b> | -11.16%        |
| <b>Low</b>    | 0.47%         | <b>Low</b>    | -6.44%         |

| Period | Composite and Benchmark Return % |                          |           | Composite Dispersion | Accounts in Composite at End of Period | Annualized 3-Year Standard Deviation |           | Assets (EUR million) |            |
|--------|----------------------------------|--------------------------|-----------|----------------------|--|--------------------------------------|-----------|----------------------|------------|
|        | Gross of fees                    | Net of fees <sup>^</sup> | Benchmark |                      |  | Composite                            | Benchmark | Composite            | Firm       |
| 2022   | -10.61                           | -11.05                   | -9.49     | 0.36                 | 18                                     | 17.15                                | 18.56     | €8.714,5             | €494.007,5 |
| 2021   | 20.14                            | 19.43                    | 25.13     | 0.40                 | 18                                     | 14.38                                | 16.52     | €10.517,0            | €593.014,3 |
| 2020   | 1.56                             | 0.89                     | -3.32     | 0.33                 | 18                                     | 14.70                                | 16.89     | €9.418,0             | €489.621,5 |
| 2019   | 31.92                            | 31.17                    | 26.05     | 0.25                 | 17                                     | 9.34                                 | 10.23     | €8.603,7             | €461.976,7 |
| 2018   | -7.68                            | -8.24                    | -10.57    | 0.10                 | 16                                     | 9.60                                 | 10.05     | €5.270,1             | €373.129,9 |
| 2017   | 14.07                            | 13.35                    | 10.24     | 0.27                 | 19                                     | 12.10                                | 13.07     | €6.311,3             | €408.904,8 |
| 2016   | 0.91                             | 0.21                     | 2.58      | 0.24                 | 17                                     | 12.15                                | 13.15     | €5.300,1             | €403.450,9 |
| 2015   | 15.11                            | 14.36                    | 8.22      | 0.14                 | 16                                     | 10.96                                | 12.64     | €4.882,6             | €379.648,7 |
| 2014   | 10.00                            | 9.33                     | 6.84      | 0.43                 | 18                                     | 7.53                                 | 9.13      | €3.902,2             | €355.534,1 |
| 2013   | 22.27                            | 21.54                    | 19.82     | 0.24                 | 20                                     | 10.81                                | 12.41     | €3.785,8             | €299.169,4 |

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. 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 EUR (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>^</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 EUR. Source of Benchmark Performance: FACTSET®.

MSCI Europe - Net Return - a market capitalization-weighted index that is designed to measure equity market performance in the developed European 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 composite asset minimum changed from 2MM USD to 1MM USD on 01-Nov-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.

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