



## Goal

The goal of the European Smaller Companies strategy, while not guaranteed, is to outperform the MSCI Europe Small Mid Cap Index (net div) over a full market cycle.

## Investment team

### Portfolio Managers

**Peter Fruzzetti**

- 23 years with MFS
- 30 years in industry

**Sandeep Mehta**

- 16 years with MFS
- 16 years in industry

### Institutional Portfolio Manager

**Nicholas Paul, CFA**

- 14 years with MFS
- 25 years in industry

## Assets under management (EUR)

MFS Investment Management® 539.2 billion

MFS® European Smaller Companies Composite 185.5 million

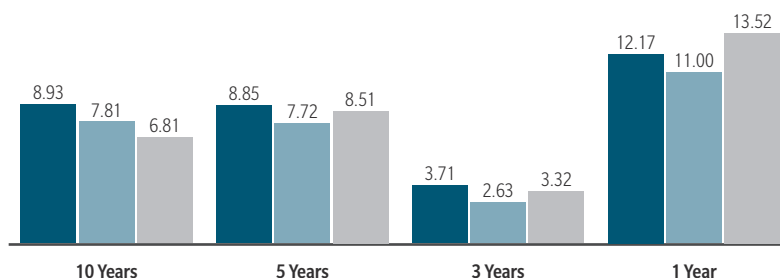
## Philosophy

The consistent application of a disciplined, bottom-up research process provides opportunities to exploit market inefficiencies.

## Performance (%) total return

■ MFS (gross of fees)  
■ MFS (net of fees)  
■ MSCI Europe Small Mid Cap (net div) Index 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 Europe Small Mid Cap (net div) Index linked to previous benchmark	2.12	0.34	0.39	-1.35
Net vs. MSCI Europe Small Mid Cap (net div) Index linked to previous benchmark	1.00	-0.79	-0.69	-2.52

## Annual performance (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
MFS (gross of fees)	15.78	24.22	1.35	14.80	-7.97	34.24	2.02	23.12	-19.22	12.17
MFS (net of fees)	14.61	22.95	0.29	13.61	-8.93	32.87	0.96	21.86	-20.08	11.00
MSCI Europe Small Mid Cap (net div) Index linked to previous benchmark	7.81	18.55	0.82	16.38	-14.30	30.60	4.40	22.55	-20.71	13.52

## 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)	34.24	2.02	23.12	-19.22	12.17
MFS (net of fees)	32.87	0.96	21.86	-20.08	11.00
MSCI Europe Small Mid Cap (net div) Index linked to previous benchmark	30.60	4.40	22.55	-20.71	13.52

Benchmark methodology: From 1-Feb-2006 the blend consisted of 100% MSCI Europe Small Cap - Net Return; from 1-Mar-2013 the blend consisted of 100% MSCI Europe Small Mid Cap - Net Return. 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 Europe Small Mid Cap Index
<b>Fundamentals - weighted average</b>		
Price/earnings (12 months forward ex-negative earnings)	15.2x	12.6x
Dividend yield	2.5%	3.0%
IBES long-term EPS growth <sup>1</sup>	7.5%	10.6%
Return on equity (3-year average)	13.8%	12.6%
Long term debt/capital	31.2%	35.0%
<b>Market capitalization</b>		
Market capitalization (EUR) <sup>2</sup>	7.4 bn	8.0 bn
<b>Diversification</b>		
Top ten issues	30%	7%
Number of Issues	74	1,152
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	5%	—
<b>Risk profile (current)</b>		
Barra predicted tracking error <sup>4</sup>	4.62%	—
Active share	92%	—
<b>Risk/reward (5 year)</b>		
	<b>Gross/Net</b>	
Information ratio	0.08/-0.18	—
Standard deviation	18.10%/18.10%	19.56%
Beta	0.90/0.90	—

TOP 10 HOLDINGS (%)			
Security	Sector	MFS	MSCI Europe Small Mid Cap Index
SYMRISE AG (EQ)	Materials	4.0	0.5
CRANSWICK PLC	Consumer Staples	3.9	0.1
CEMBRE SPA	Industrials	3.6	—
SODEXO SA	Consumer Discretionary	3.5	0.3
BREEDON GROUP PLC	Materials	3.1	0.0
GERRESHEIMER AG	Health Care	2.9	0.1
CRODA INTERNATIONAL PLC	Materials	2.3	0.3
FORTERRA PLC	Materials	2.2	0.0
COMPASS GROUP (EQ)	Consumer Discretionary	2.1	—
CARLSBERG AS	Consumer Staples	2.1	—

SECTOR WEIGHTS UNDERWEIGHT/OVERWEIGHT (%) <sup>†</sup>	
	MSCI Europe Small Mid Cap Index
Materials	11.9
Consumer Staples	7.6
Health Care	1.8
Consumer Discretionary	0.9
Energy	-0.4
Communication Services	-1.1
Utilities	-1.3
Industrials	-2.5
Real Estate	-2.9
Information Technology	-4.0
Financials	-12.0

### 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. ■ Investments in small-cap companies can be more volatile than investments in larger companies.

### Benchmark and vendor disclosures

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COUNTRY WEIGHTS (%) <sup>†</sup>		
	MFS	MSCI Europe Small Mid Cap Index
United Kingdom	32.7	26.8
Germany	14.1	10.9
Italy	9.4	6.2
France	8.8	10.2
Spain	6.7	3.2
Norway	4.1	3.7
Switzerland	3.6	10.0
Sweden	3.2	9.3
Netherlands	2.9	5.9
Portugal	2.9	0.7
Denmark	2.1	3.7
Greece	1.7	—
Ireland	1.6	2.0
Austria	1.6	1.6
Finland	1.1	3.1
Turkey	1.0	—
Iceland	0.7	—
Belgium	—	2.8
Bermuda	—	0.1

<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

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<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 Smaller Companies Composite

**Custom Benchmark:** MSCI Europe Small Mid Cap (net div) Index linked to previous benchmark

**Creation Date:** 08-Mar-2006

**Inception Date:** 01-Feb-2006

**Composite Description:** The MFS European Smaller Companies Composite includes all discretionary portfolios managed to the MFS European Smaller Companies strategy. The strategy seeks capital appreciation by investing primarily in a portfolio of small- to mid-cap European equity securities and seeks to add value through stock selection based on the extensive bottom-up fundamental research of the MFS equity research team. 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. Investments in small-cap companies can be more volatile than investments in larger companies.

#### Institutional Separate Accounts Fee Schedule

Asset Breakpoints (EUR)	Fee
For Assets Up To 50 MM	65 bp
For Assets From 50 MM To 100 MM	55 bp
For Assets Over 100 MM	50 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>	40.31%	<b>High</b>	-40.36%
<b>Median</b>	6.71%	<b>Median</b>	-6.69%
<b>Low</b>	3.82%	<b>Low</b>	-5.47%

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	-19.22	-20.08	-20.71	n/a	<6	21.02	22.41	€277,7	€494.007,5
2021	23.12	21.86	22.55	n/a	<6	17.08	19.17	€572,6	€593.014,3
2020	2.02	0.96	4.40	n/a	<6	17.40	20.03	€524,5	€489.621,5
2019	34.24	32.87	30.60	n/a	<6	10.39	11.59	€727,1	€461.976,7
2018	-7.97	-8.93	-14.30	n/a	<6	9.98	11.88	€807,2	€373.129,9
2017	14.80	13.61	16.38	n/a	<6	11.24	13.22	€1.072,1	€408.904,8
2016	1.35	0.29	0.82	n/a	<6	11.25	13.35	€922,7	€403.450,9
2015	24.22	22.95	18.55	n/a	<6	9.82	11.86	€1.349,2	€379.648,7
2014	15.78	14.61	7.81	n/a	<6	7.72	10.60	€510,6	€355.534,1
2013	24.53	23.26	29.68	n/a	<6	10.36	14.09	€588,2	€299.169,4

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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®.

Custom Benchmark: MSCI Europe Small Mid Cap Index (net div) - a market capitalization weighted index that is designed to measure the equity market performance of small and mid capitalization companies across developed markets in Europe. MSCI Europe Small Cap Index - a market capitalization index that attempts to represent the business activities of small capitalization companies across developed markets.

Custom Benchmark Methodology: Prior to 1-Mar-2013 the custom benchmark blend consisted of 100% MSCI Europe Small Cap Index. From 1-Mar-2013 the custom benchmark blend consists of 100% MSCI Europe Small Mid Cap (net div). Rebalanced monthly.

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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