

# MFS® Blended Research® - U.S. Core (ESG) Equity (USD)



## Goal

Seeks to outperform the S&P 500 Index over a full market cycle with a controlled tracking error through investments primarily in U.S. companies that employ environmental, social, and governance-sensitive policies and practices selected through a blend of fundamental and quantitative research.

## Investment team

### Portfolio Managers

#### Jim Fallon

- 25 years with MFS
- 25 years in industry

#### Matt Krummell, CFA

- 23 years with MFS
- 31 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. Core (ESG) Equity Composite 22.1 million

## Philosophy

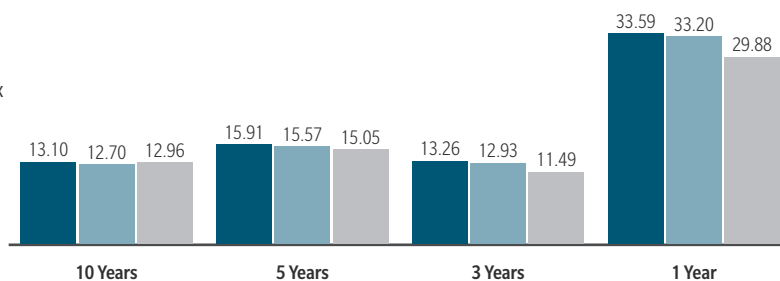
We believe:

- 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)
- Standard & Poor's 500 Stock Index

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



	10 Years	5 Years	3 Years	1 Year
Gross vs. Standard & Poor's 500 Stock Index	0.14	0.86	1.77	3.71
Net vs. Standard & Poor's 500 Stock Index	-0.26	0.52	1.44	3.32

## Annual performance (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
MFS (gross of fees)	14.03	2.78	9.94	21.74	-5.94	28.06	16.10	28.59	-12.81	25.48	12.35
MFS (net of fees)	13.36	2.16	9.61	21.38	-6.22	27.68	15.76	28.21	-13.07	25.12	12.27
Standard & Poor's 500 Stock Index	13.69	1.38	11.96	21.83	-4.38	31.49	18.40	28.71	-18.11	26.29	10.56

## 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)	-9.36	58.88	14.06	-4.64	33.59
MFS (net of fees)	-9.63	58.42	13.72	-4.93	33.20
Standard & Poor's 500 Stock Index	-6.98	56.35	15.65	-7.73	29.88

**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	Standard & Poor's 500 Stock Index
<b>Fundamentals - weighted average</b>		
IBES long-term EPS growth <sup>1</sup>	13.9%	14.4%
Price/earnings (12 months forward ex-negative earnings)	18.3x	21.8x
PEG ratio	1.7x	2.0x
Price/book	4.8x	4.5x
Price/sales	1.9x	2.8x
Dividend yield	1.4%	1.4%
<b>Market capitalization</b>		
Market capitalization (USD) <sup>2</sup>	828.4 bn	805.6 bn
<b>Diversification</b>		
Top ten issues	39%	32%
Number of Issues	90	503
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	51%	—
<b>Risk profile (current)</b>		
Axioma predicted tracking error <sup>4</sup>	1.98%	—
Active share	60%	—
<b>Risk/reward (5 year)</b>		
Beta	Gross/Net 1.02/1.02	—

## TOP 10 HOLDINGS (%)

Security	MFS	Standard & Poor's 500 Stock Index
MICROSOFT CORP	7.6	7.1
NVIDIA CORP	6.3	5.1
ALPHABET INC	6.3	3.7
APPLE INC	5.5	5.6
AMAZON.COM INC (EQ)	4.6	3.7
JPMORGAN CHASE & CO	2.9	1.3
ELI LILLY & CO	2.0	1.4
AMERIPRISE FINANCIAL INC	1.9	0.1
CIGNA GROUP/THE	1.9	0.2
TARGET CORP	1.9	0.2

## SECTOR WEIGHTS UNDERWEIGHT/OVERWEIGHT (%)†

	Standard & Poor's 500 Stock Index
Consumer Staples	1.3
Utilities	1.2
Health Care	1.1
Financials	0.8
Energy	0.6
Information Technology	-0.3
Materials	-0.3
Communication Services	-0.6
Industrials	-0.9
Consumer Discretionary	-1.3
Real Estate	-2.3

<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: Axioma

† 0.6% 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

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.

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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 Blended Research - U.S. Core (ESG) Equity Composite

**Benchmark:** S&P 500 - Total Return

**Creation Date:** 15-Dec-2011

**Inception Date:** 01-Apr-2011

**Composite Description:** The MFS Blended Research - U.S. Core (ESG) Equity Composite includes all discretionary portfolios managed to the MFS Blended Research - US Core (ESG) Equity strategy. The strategy seeks to provide long-term growth of capital through investment in equity securities of U.S. companies that employ environmental, social, and governance-sensitive policies and practices, 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. The strategy excludes securities that perform poorly from an ESG standpoint in each economic sector based on third-party MSCI ESG Ratings. 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.

#### Institutional Separate Accounts Fee Schedule

Asset Breakpoints (USD)	Fee
For Assets Up To 50 MM	30 bp
For Assets From 50 MM To 100 MM	25 bp
For Assets Over 100 MM	20 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	25.48	25.12	26.29	n/a	<6	17.40	17.54	\$20.7	\$575,589.7
2022	-12.81	-13.07	-18.11	n/a	<6	21.43	21.16	\$20.8	\$527,229.5
2021	28.59	28.21	28.71	n/a	<6	18.67	17.41	\$31.3	\$674,375.8
2020	16.10	15.76	18.40	n/a	<6	20.13	18.79	\$27.3	\$599,076.3
2019	28.06	27.68	31.49	n/a	<6	13.33	12.10	\$44.5	\$518,568.9
2018	-5.94	-6.22	-4.38	n/a	<6	11.55	10.95	\$38.4	\$426,543.5
2017	21.74	21.38	21.83	n/a	<6	9.89	10.07	\$46.9	\$491,012.9
2016	9.94	9.61	11.96	n/a	<6	10.61	10.74	\$46.6	\$425,539.8
2015	2.78	2.16	1.38	n/a	<6	10.82	10.62	\$45.6	\$412,412.4
2014	14.03	13.36	13.69	n/a	<6	9.64	9.10	\$50.8	\$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®.

S&P 500 - Total Return - a market capitalization-weighted index of 500 widely held equity securities, designed to measure broad U.S. equity performance.

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.

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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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