

# MFS® Global Equity (AUD)

## Goal

Seeks to outperform the MSCI World Index (net div) over full market cycles while maintaining a consistent style discipline.

## Investment team

### Portfolio Managers

**Ryan McAllister, CFA**

- 17 years with MFS
- 22 years in industry

**Roger Morley**

- 22 years with MFS
- 27 years in industry

### Institutional Portfolio Managers

**Paul Fairbrother, ASIP**

- 4 years with MFS
- 31 years in industry

**Victoria Higley, ASIP**

- 13 years with MFS
- 30 years in industry

**Sanjay Natarajan**

- 17 years with MFS
- 28 years in industry

**Chris Sunderland**

- 8 years with MFS
- 34 years in industry

## Assets under management (AUD)

MFS Investment Management® 959.6 billion

MFS® Global Equity Composite 25.4 billion

## Philosophy

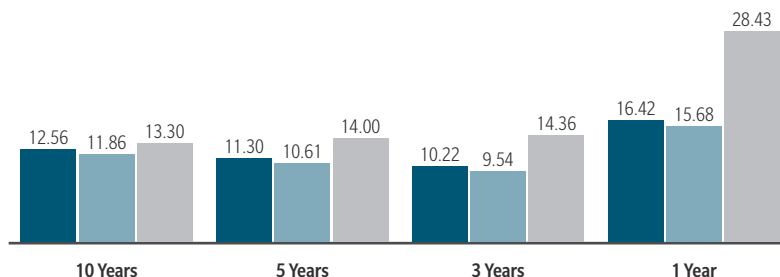
We believe:

- Companies with durable above-average growth and return prospects, which are not reflected in their valuation, will outperform over the long run
- The value of compounding strong returns on capital and above-average growth rates over long time periods is often underestimated by the market
- Through fundamental analysis we seek to identify enduring businesses, focusing on operational risks and the long-term potential for change
- We consider whether the valuation reflects the long-term growth and returns of the company, and to what extent it adequately incorporates risk

## Performance (%) total return

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

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



Gross vs. MSCI World Index (net div)	-0.74	-2.70	-4.14	-12.01
Net vs. MSCI World Index (net div)	-1.44	-3.39	-4.82	-12.75

## Annual performance (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
MFS (gross of fees)	14.76	11.81	8.73	15.68	1.19	31.88	4.48	25.40	-11.11	14.66	10.48
MFS (net of fees)	14.07	11.11	8.06	14.97	0.56	31.07	3.82	24.64	-11.66	13.93	10.31
MSCI World Index (net div)	14.72	11.50	8.02	13.32	1.42	27.86	5.58	29.29	-12.24	23.03	13.88

## 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)	3.89	22.77	7.17	7.33	16.42
MFS (net of fees)	3.24	22.01	6.51	6.67	15.68
MSCI World Index (net div)	4.00	23.78	11.69	4.25	28.43

**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 World Index
<b>Fundamentals - weighted average</b>		
IBES long-term EPS growth <sup>1</sup>	11.1%	13.3%
Price/earnings (12 months forward ex-negative earnings)	19.6x	19.1x
Return on invested capital	11.8%	16.0%
Long term debt/capital	41.7%	37.4%
Dividend yield	1.7%	1.8%
<b>Fundamentals - weighted median</b>		
IBES long-term EPS growth <sup>1</sup>	9.9%	11.0%
Price/earnings (12 months forward ex-negative earnings)	20.9x	22.8x
Return on invested capital	9.7%	13.3%
Long term debt/capital	37.9%	36.3%
Dividend yield	1.6%	1.3%
<b>Market capitalization</b>		
Market capitalization (AUD) <sup>2</sup>	330.3 bn	873.8 bn
Market capitalization (AUD) <sup>3</sup>	133.4 bn	192.9 bn
<b>Diversification</b>		
Top ten issues	24%	21%
Number of Issues	84	1,465
Number of countries	15	23
<b>Turnover</b>		
Trailing 1 year turnover <sup>4</sup>	15%	—
<b>Risk profile (current)</b>		
Barra predicted tracking error <sup>5</sup>	3.93%	—
Active share	87%	—
<b>Risk/reward (since inception)</b>		
	<b>Gross/Net</b>	
Standard deviation <sup>6</sup>	12.56%/12.57%	12.98%
Information ratio <sup>6</sup>	0.43/0.28	—
Upside capture <sup>6</sup>	97.43%/95.50%	—
Downside capture <sup>6</sup>	81.18%/83.38%	—

TOP 10 HOLDINGS (%)			
Security	Sector	MFS	MSCI World Index
VISA INC	Financials	2.9	0.7
SCHNEIDER ELECTRIC SE	Industrials	2.7	0.2
THERMO FISHER SCIENTIFIC INC (EQ)	Health Care	2.5	0.3
MEDTRONIC PLC	Health Care	2.4	0.2
CHARLES SCHWAB CORP/THE	Financials	2.2	0.2
LVMH MOET HENNESSY	Consumer Discretionary	2.2	0.4
LOUIS VUITTON SE	Consumer Discretionary	2.2	0.4
COMCAST CORP	Communication Services	2.2	0.3
LINDE PLC	Materials	2.2	0.3
WILLIS TOWERS WATSON PLC	Financials	2.1	0.0
ALPHABET INC	Communication Services	2.1	2.6

### Important risk considerations

Investments in certain markets can involve greater risk and volatility because of adverse market, currency, economic, industry, political, regulatory, geopolitical, or other conditions. ■ 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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SECTOR WEIGHTS UNDERWEIGHT/OVERWEIGHT (%) <sup>†</sup>	
	MSCI World Index
Industrials	8.3
Health Care	5.9
Financials	3.2
Materials	3.1
Consumer Staples	2.4
Communication Services	0.0
Consumer Discretionary	-1.8
Real Estate	-2.3
Utilities	-2.4
Energy	-4.5
Information Technology	-13.2

REGION WEIGHTS (%) <sup>†</sup>		
	MFS	MSCI World Index
North America	56.4	73.9
Europe ex-U.K.	28.9	13.4
United Kingdom	8.4	3.7
Japan	2.5	6.1
Emerging Markets	1.5	—
Developed - Middle East/Africa	1.3	0.2
Asia/Pacific ex-Japan	—	2.7

<sup>1</sup> Source: FactSet

<sup>2</sup> Weighted average.

<sup>3</sup> Weighted median.

<sup>4</sup> US Turnover Methodology: (Lesser of Purchase or Sales)/Average Month End Market Value

<sup>5</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>6</sup> Since inception, based on first full month of performance.

<sup>†</sup> 1.2% 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 Global Equity Composite in AUD

**Benchmark:** MSCI The World Index - Net Return

**Creation Date:** 31-Dec-1997

**Inception Date:** 01-Jan-1988

**Composite Description:** The MFS Global Equity Composite includes all discretionary portfolios managed to the MFS Global Equity strategy that have unhedged currency exposure and do not have country-specific restrictions. The strategy seeks long-term growth of capital through investments in a diversified portfolio of global companies with durable above-average growth and return prospects and reasonable valuation. Investments in certain markets can involve greater risk and volatility because of adverse market, currency, economic, industry, political, regulatory, geopolitical, or other conditions. 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 50 MM	75 bp
For Assets From 50 MM To 100 MM	60 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 (1.5 MM AUD). 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
High	72.57%	High	-116.38%
Median	4.39%	Median	-54.77%
Low	0.12%	Low	-2.46%

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	14.66	13.93	23.03	0.39	37	12.71	11.62	\$25,218.2	\$843,540.3
2022	-11.11	-11.66	-12.24	0.17	41	14.11	13.54	\$30,525.6	\$777,452.6
2021	25.40	24.64	29.29	0.30	44	12.14	11.45	\$41,341.5	\$927,550.8
2020	4.48	3.82	5.58	0.31	41	12.27	12.00	\$39,614.2	\$776,357.6
2019	31.88	31.07	27.86	0.23	46	9.98	9.72	\$46,667.3	\$737,703.8
2018	1.19	0.56	1.42	0.18	51	9.44	9.74	\$43,503.8	\$605,885.6
2017	15.68	14.97	13.32	0.30	51	11.00	10.78	\$49,975.9	\$627,773.3
2016	8.73	8.06	8.02	0.20	56	11.25	10.59	\$49,137.5	\$587,681.0
2015	11.81	11.11	11.50	0.23	59	12.40	10.88	\$50,249.7	\$566,850.9
2014	14.76	14.07	14.72	0.33	61	10.89	9.29	\$47,557.2	\$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. 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®.

MSCI World Index - Net Return - a market capitalization-weighted index that is designed to measure equity market performance in the global developed 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 MFS Global Equity composite is a US Dollar based composite available globally. The regional composite depicted here was created on 24-Oct-2007 for presentation in the Australian market. Where appropriate, data have been converted to Australian Dollar and the fees and breakpoints depicted are applicable to clients in this market.

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. Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI.

Limited Distribution Pooled Fund Fees and Expenses

Fund Name	Vehicle	Max Management Fee	Other Expense	Total Expenses
MFS Heritage Trust Company Collective Investment Trust - MFS Global Equity Fund	Collective Investment Trust	64	10	74
MFS Global Equity LLC	Limited Liability Company	64	10	74