

# MFS® International Concentrated Equity (USD)



## Goal

Seeks to outperform the MSCI EAFE Index (net div) over full market cycles.

## Investment team

### Portfolio Managers

Filipe Benzinho

- 15 years with MFS
- 17 years in industry

Daniel Ling, CFA

- 18 years with MFS
- 25 years in industry

### Institutional Portfolio Managers

Brett Fleishman

- 22 years with MFS
- 27 years in industry

Chris Sunderland

- 8 years with MFS
- 33 years in industry

## Assets under management (USD)

MFS Investment Management® 595.7 billion

MFS® International Concentrated Equity Composite 774.4 million

## Philosophy

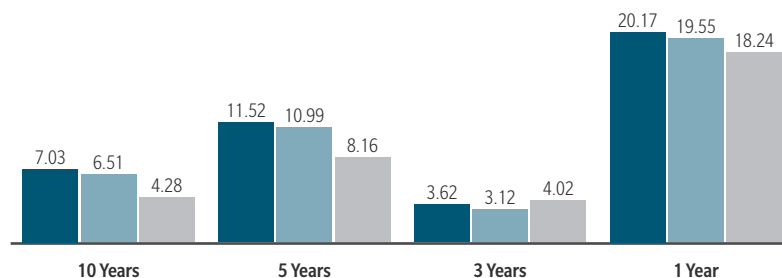
The strategy seeks to generate returns by:

- Investing with a long-term investment horizon, which capitalizes on opportunities created by investors with shorter investment horizons. Our global research platform, collaborative investment approach and compensation structure are all aligned with this timeframe.
- Seeking companies we believe have above-average, durable growth and return prospects over the long term. Typically these companies have identifiable competitive advantages that lead to fairly predictable earnings and cash flow, strong balance sheets, management interests that are aligned with shareholders, and transparent corporate governance.
- Managing capital with the goal of attempting to avoid stocks with substantial downside risk, and only invest where we believe valuations more than compensate for inherent risks. Downside risk is emphasized in stock selection, portfolio construction, and risk management.

## Performance (%) total return

- MFS (gross of fees)
- MFS (net of fees)
- MSCI EAFE (Europe, Australasia, Far East) 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 EAFE (Europe, Australasia, Far East) Index (net div) | 2.75     | 3.36    | -0.40   | 1.93   |
| Net vs. MSCI EAFE (Europe, Australasia, Far East) Index (net div)   | 2.23     | 2.83    | -0.90   | 1.31   |

## Annual performance (%)

|   | 2014  | 2015  | 2016 | 2017  | 2018   | 2019  | 2020  | 2021  | 2022   | 2023  |
|---|-------|-------|------|-------|--------|-------|-------|-------|--------|-------|
| MFS (gross of fees)                                       | -4.92 | -0.78 | 1.53 | 29.48 | -7.78  | 31.87 | 17.54 | 11.06 | -16.63 | 20.17 |
| MFS (net of fees)   | -5.33 | -1.23 | 1.04 | 28.79 | -8.27  | 31.23 | 17.04 | 10.57 | -17.06 | 19.55 |
| MSCI EAFE (Europe, Australasia, Far East) Index (net div) | -4.90 | -0.81 | 1.00 | 25.03 | -13.79 | 22.01 | 7.82  | 11.26 | -14.45 | 18.24 |

## 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)                                       | 31.87     | 17.54     | 11.06     | -16.63    | 20.17     |
| MFS (net of fees)   | 31.23     | 17.04     | 10.57     | -17.06    | 19.55     |
| MSCI EAFE (Europe, Australasia, Far East) Index (net div) | 22.01     | 7.82      | 11.26     | -14.45    | 18.24     |

**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.

Historical performance results may have differed had the composite included assets of client accounts during these time periods for various reasons including the impact of cash flows.

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 EAFE Index |
|---|-----------------|-----------------|
| <b>Fundamentals - weighted average</b>      |                 |                 |
| IBES long-term EPS growth <sup>1</sup>      | 9.7%            | 9.1%            |
| Price/earnings (12 months forward)          | 18.6x           | 13.6x           |
| Return on invested capital                  | 10.3%           | 10.3%           |
| Long term debt/capital                      | 32.3%           | 34.9%           |
| <b>Market capitalization</b>                |                 |                 |
| Market capitalization (USD) <sup>2</sup>    | 112.3 bn        | 92.0 bn         |
| <b>Diversification</b>                      |                 |                 |
| Top ten issues                              | 44%             | 15%             |
| Number of Issues                            | 29              | 783             |
| <b>Turnover</b>                             |                 |                 |
| Trailing 1 year turnover <sup>3</sup>       | 8%              | —               |
| <b>Risk profile (current)</b>               |                 |                 |
| Barra predicted tracking error <sup>4</sup> | 3.98%           | —               |
| Active share                                | 90%             | —               |
| <b>Risk/reward (10 year)</b>                |                 |                 |
| Upside capture                              | 104.20%/103.04% | —               |
| Downside capture                            | 91.27%/92.42%   | —               |

| TOP 10 HOLDINGS (%)                       |                        |     |                 |
|---|------------------------|-----|-----------------|
| Security                                  | Sector                 | MFS | MSCI EAFE Index |
| SCHNEIDER ELECTRIC SE                     | Industrials            | 5.8 | 0.7             |
| SAP SE                                    | Information Technology | 4.7 | 1.0             |
| CAPGEMINI SE                              | Information Technology | 4.6 | 0.2             |
| EXPERIAN PLC                              | Industrials            | 4.4 | 0.2             |
| UBS GROUP AG                              | Financials             | 4.4 | 0.6             |
| TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD | Information Technology | 4.2 | —               |
| RYANAIR HOLDINGS PLC                      | Industrials            | 4.2 | —               |
| COMPASS GROUP (EQ)                        | Consumer Discretionary | 4.0 | 0.3             |
| BEIERSDORF AG                             | Consumer Staples       | 3.9 | 0.1             |
| DEUTSCHE BOERSE AG                        | Financials             | 3.8 | 0.2             |

| SECTOR WEIGHTS UNDERWEIGHT/OVERWEIGHT (%) <sup>†</sup> | MSCI EAFE Index |
|--|-----------------|
| Industrials  | 6.7             |
| Information Technology                                 | 4.9             |
| Consumer Staples                                       | 1.0             |
| Utilities  | -0.9            |
| Consumer Discretionary                                 | -1.3            |
| Financials   | -1.3            |
| Materials  | -1.4            |
| Communication Services                                 | -1.5            |
| Energy   | -2.1            |
| Real Estate  | -2.5            |
| Health Care  | -3.1            |

| REGION WEIGHTS (%) <sup>†</sup> | MFS  | MSCI EAFE Index |
|---------------------------------|------|-----------------|
| Europe ex-U.K.                  | 60.4 | 50.9            |
| Japan                           | 10.6 | 22.5            |
| Emerging Markets                | 9.5  | —               |
| United Kingdom                  | 8.4  | 14.5            |
| North America                   | 6.1  | —               |
| Asia/Pacific ex-Japan           | 3.5  | 11.4            |
| Developed - Middle East/Africa  | —    | 0.7             |

<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> 1.5% 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.

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

The portfolio's performance could be more volatile than the performance of more diversified portfolios. ■ 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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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 International Concentrated Equity Composite

**Benchmark:** MSCI EAFE - Net Return

**Creation Date:** 28-Mar-2007

**Inception Date:** 01-Apr-2007

**Composite Description:** The MFS International Concentrated Equity Composite includes all discretionary portfolios managed to the MFS International Concentrated Equity strategy that do not have extensive guideline restrictions. The strategy seeks capital appreciation by investing principally in a concentrated portfolio of equities of companies whose primary activities lie outside of the United States. Portfolios in this strategy seek companies that provide above-average, durable earnings growth and whose stocks trade at a discount to their expected growth rate. Portfolios in this strategy are typically concentrated in 25-35 stocks. The portfolio's performance could be more volatile than the performance of more diversified portfolios. 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 (USD)         | Fee   |
|---------------------------------|-------|
| For Assets Up To 50 MM          | 80 bp |
| For Assets From 50 MM To 100 MM | 65 bp |
| For Assets Over 100 MM          | 55 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 <sup>A</sup> | Benchmark |                      |  | Composite                            | Benchmark | Composite            | Firm        |
| 2022   | -16.63                           | -17.06                   | -14.45    | n/a                  | <6                                     | 19.14                                | 20.25     | \$1,065.1            | \$527,229.5 |
| 2021   | 11.06                            | 10.57                    | 11.26     | n/a                  | <6                                     | 15.91                                | 17.16     | \$1,295.6            | \$674,375.8 |
| 2020   | 17.54                            | 17.04                    | 7.82      | n/a                  | 6                                      | 17.02                                | 18.14     | \$2,699.1            | \$599,076.3 |
| 2019   | 31.87                            | 31.23                    | 22.01     | n/a                  | <6                                     | 11.27                                | 10.96     | \$1,085.5            | \$518,568.9 |
| 2018   | -7.78                            | -8.27                    | -13.79    | n/a                  | <6                                     | 11.52                                | 11.40     | \$843.8              | \$426,543.5 |
| 2017   | 29.48                            | 28.79                    | 25.03     | n/a                  | <6                                     | 11.89                                | 12.00     | \$891.1              | \$491,012.9 |
| 2016   | 1.53                             | 1.04                     | 1.00      | 0.24                 | 6                                      | 12.39                                | 12.64     | \$1,007.9            | \$425,539.8 |
| 2015   | -0.78                            | -1.23                    | -0.81     | 0.30                 | 11                                     | 12.01                                | 12.64     | \$1,762.1            | \$412,412.4 |
| 2014   | -4.92                            | -5.33                    | -4.90     | 0.18                 | 10                                     | 12.96                                | 13.21     | \$1,992.6            | \$430,214.0 |
| 2013   | 20.26                            | 19.75                    | 22.78     | 0.30                 | 10                                     | 16.64                                | 16.48     | \$2,243.2            | \$412,240.5 |

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 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.

<sup>A</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 USD. Source of Benchmark Performance: FACTSET ®.

MSCI EAFE - Net Return - a market capitalization-weighted index that is designed to measure equity market performance in the developed markets, excluding the U.S. and Canada.

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.

Historical performance results may have differed had the composite included assets of client accounts during these time periods for various reasons including the impact of cash flows.

The composite asset minimum changed from 3MM USD to 1MM USD on 01-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, Massachusetts Financial Services Company. 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<br>Management<br>Fee | Other<br>Expense | Total<br>Expenses |
|---|-----------------------------|--------------------------|------------------|-------------------|
| MFS Heritage Trust Company Collective<br>Investment Trust - MFS International<br>Concentrated Equity Fund | Collective Investment Trust | 68                       | 5                | 73                |
| MFS International Concentrated Equity LLC   | Limited Liability Company   | 68                       | 10               | 78                |