

# MFS® Mid Cap Value Equity (USD)

## Goal

Seeks to outperform the Russell Midcap® Value Index and mid cap value peers over the long term.

## Investment team

### Portfolio Managers

#### Richard Offen

- 13 years with MFS
- 17 years in industry

#### Kevin Schmitz

- 22 years with MFS
- 29 years in industry

#### Brooks Taylor

- 28 years with MFS
- 31 years in industry

### Institutional Portfolio Manager

#### Joseph MacDougall, CFA

- 23 years with MFS
- 29 years in industry

## Assets under management (USD)

MFS Investment Management® 626.1 billion

MFS® Mid Cap Value Equity Composite 22.4 billion

## Philosophy

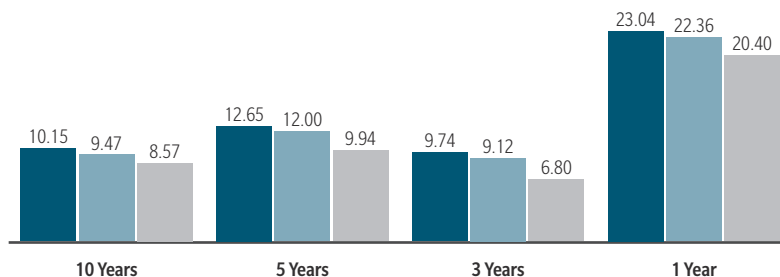
The tenets of our investment philosophy are based upon the following beliefs:

- Durability of some businesses and the duration of high returns are often underappreciated
- Owning durable businesses with strong returns bought at attractive valuations with a long-term horizon may allow for compounding returns over time
- Investors may underestimate ability for fundamental improvement or overly discount weak current fundamentals
- Applying a disciplined valuation framework in all environments can be a critical source of downside risk mitigation and alpha generation

## Performance (%) total return

- MFS (gross of fees)
- MFS (net of fees)
- Russell Midcap® Value Index

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



Gross vs. Russell Midcap® Value Index	1.58	2.71	2.94	2.64
Net vs. Russell Midcap® Value Index	0.90	2.06	2.32	1.96

## Annual performance (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
MFS (gross of fees)	11.23	-1.35	16.73	14.64	-10.73	31.96	5.10	31.82	-8.08	13.57	9.12
MFS (net of fees)	10.44	-2.04	15.94	13.90	-11.29	31.17	4.46	31.06	-8.62	12.93	8.96
Russell Midcap® Value Index	14.75	-4.78	20.00	13.34	-12.29	27.06	4.96	28.34	-12.03	12.71	8.23

## 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)	-20.36	72.34	13.26	-5.16	23.04
MFS (net of fees)	-20.86	71.35	12.61	-5.70	22.36
Russell Midcap® Value Index	-24.13	73.76	11.45	-9.22	20.40

**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	Russell Midcap® Value Index
<b>Fundamentals - weighted average</b>		
Price/earnings (12 months forward)	15.1x	17.4x
Price/book	2.4x	2.3x
IBES long-term EPS growth <sup>1</sup>	10.1%	9.9%
Return on equity (3-year average)	17.5%	15.5%
<b>Market capitalization</b>		
Market capitalization (USD) <sup>2</sup>	23.8 bn	26.1 bn
<b>Diversification</b>		
Top ten issues	13%	7%
Number of Issues	141	699
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	23%	—
<b>Risk/reward (10 year)</b>		
Beta	0.96/0.96	—
Standard deviation	17.10%/17.10%	17.62%

## TOP 10 HOLDINGS (%)

Security	Sector	MFS	Russell Midcap® Value Index
HARTFORD FINANCIAL SERVICES GROUP INC/THE (EQ)	Financials	1.6	0.4
TOLL BROTHERS INC	Consumer Discretionary	1.5	0.2
CENCORA INC	Health Care	1.3	—
LEIDOS HOLDINGS INC	Industrials	1.3	0.2
DIAMONDBACK ENERGY INC	Energy	1.3	0.4
WESTINGHOUSE AIR BRAKE TEC(EQ)	Industrials	1.3	0.3
PG&E CORP	Utilities	1.2	0.4
HOWMET AEROSPACE INC	Industrials	1.2	0.3
LKQ CORP	Consumer Discretionary	1.2	0.2
RAYMOND JAMES FINANCIAL INC	Financials	1.1	0.3

## SECTOR WEIGHTS UNDERWEIGHT/OVERWEIGHT (%)†

	Russell Midcap® Value Index
Consumer Staples	1.7
Energy	1.5
Materials	1.4
Health Care	1.0
Consumer Discretionary	0.8
Utilities	0.1
Financials	0.0
Industrials	-0.2
Information Technology	-2.1
Communication Services	-2.3
Real Estate	-3.1

<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

† 1.3% 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

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 mid-cap companies can be more volatile than investments in larger companies. ■ The portfolio's investments can continue to be undervalued for long periods of time, not realize their expected value, and be more volatile than the stock market in general.

## 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 Mid Cap Value Equity Composite

**Benchmark:** Russell Midcap® Value - Total Return

**Creation Date:** 26-Mar-2009

**Inception Date:** 01-Jan-2009

**Composite Description:** The MFS Mid Cap Value Equity Composite includes all discretionary portfolios managed to the MFS Mid Cap Value strategy. The strategy seeks to provide long-term growth of capital through investments in undervalued, primarily U.S. mid-cap companies. Furthermore, the focus will be on high-quality companies with resilient business models, above-average returns, solid balance sheets and prudent capital deployment while also considering opportunistic investment ideas consisting of improvement potential opportunities and/or low market expectations. 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 mid-cap companies can be more volatile than investments in larger companies. The portfolio's investments can continue to be undervalued for long periods of time, not realize their expected value, and be more volatile than the stock market in general.

#### Institutional Separate Accounts Fee Schedule

Asset Breakpoints (USD)	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. 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	13.57	12.93	12.71	0.12	11	18.45	19.58	\$20,868.9	\$575,589.7
2022	-8.08	-8.62	-12.03	0.06	10	23.77	24.79	\$19,127.3	\$527,229.5
2021	31.82	31.06	28.34	0.06	10	21.54	22.27	\$19,903.1	\$674,375.8
2020	5.10	4.46	4.96	0.12	8	22.39	22.94	\$14,064.9	\$599,076.3
2019	31.96	31.17	27.06	0.08	7	13.19	12.97	\$12,132.9	\$518,568.9
2018	-10.73	-11.29	-12.29	0.05	7	12.21	12.13	\$8,311.8	\$426,543.5
2017	14.64	13.90	13.34	0.02	7	10.68	10.47	\$8,720.1	\$491,012.9
2016	16.73	15.94	20.00	n/a	6	11.80	11.46	\$6,373.7	\$425,539.8
2015	-1.35	-2.04	-4.78	n/a	6	11.01	10.86	\$4,640.7	\$412,412.4
2014	11.23	10.44	14.75	n/a	<6	9.77	9.95	\$3,626.4	\$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®.

Russell Midcap® Value - Total Return - constructed to provide a comprehensive barometer for value securities in the mid-cap segment of the U.S. equity universe. Companies in this index generally have lower price-to-book ratios and lower forecasted growth values.

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.

Prior to 1-Jul-2020, the maximum institutional separate account fee charged for this product was 75 bps.

The composite asset minimum changed from 2MM USD to 1MM USD effective 1-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 Australia 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.



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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 Mid Cap Value Fund	Collective Investment Trust	55	5	60