

# MFS® U.K. Equity (USD)

## Goal

Seeks to outperform the FTSE All-Share 5% Capped Index with lower absolute volatility over a full market cycle.

## Investment team

### Portfolio Managers

#### James Neale

- 14 years with MFS
- 26 years in industry

#### David Shindler

- 18 years with MFS
- 23 years in industry

#### Florence Taj

- 25 years with MFS
- 28 years in industry

### Institutional Portfolio Manager

#### Victoria Higley, ASIP

- 12 years with MFS
- 30 years in industry

## Assets under management (USD)

MFS Investment Management®	595.7 billion
MFS® U.K. Equity Composite	22.3 million

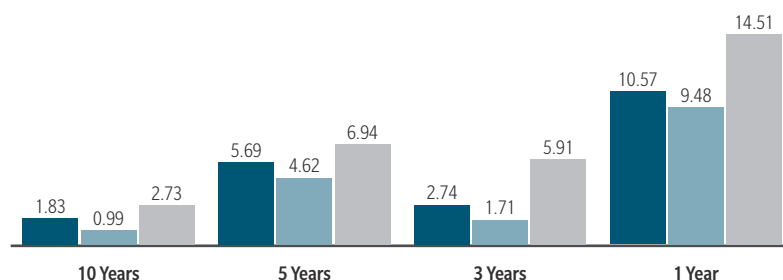
## Philosophy

We take a long-term view on stocks where the market is short-term focused, seek out less volatile high-quality franchises that the market underappreciates, and exploit misunderstood secular changes at the industry or stock level. We believe that superior fundamental research, focusing on industries and companies, is vital to uncover these investment opportunities at the right valuations.

## Performance (%) total return

- MFS (gross of fees)
- MFS (net of fees)
- FTSE All-Share 5% Capped Index

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



	10 Years	5 Years	3 Years	1 Year
Gross vs. FTSE All-Share 5% Capped Index	-0.90	-1.25	-3.17	-3.94
Net vs. FTSE All-Share 5% Capped Index	-1.74	-2.32	-4.20	-5.03

## Annual performance (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
MFS (gross of fees)	-7.28	-2.53	-5.37	24.57	-14.65	25.81	-3.34	13.78	-13.80	10.57
MFS (net of fees)	-8.02	-3.15	-5.86	23.91	-15.21	24.52	-4.36	12.64	-14.67	9.48
FTSE All-Share 5% Capped Index	-4.67	-4.14	-2.57	23.68	-15.00	24.96	-5.78	17.29	-11.55	14.51

## 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)	25.81	-3.34	13.78	-13.80	10.57
MFS (net of fees)	24.52	-4.36	12.64	-14.67	9.48
FTSE All-Share 5% Capped Index	24.96	-5.78	17.29	-11.55	14.51

**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	FTSE All-Share 5% Capped Index
<b>Fundamentals - weighted average</b>		
Price/earnings (12 months forward ex-negative earnings)	11.6x	11.3x
Dividend yield	3.8%	3.8%
IBES long-term EPS growth <sup>1</sup>	7.5%	7.5%
Return on equity (3-year average)	16.2%	16.5%
Long term debt/capital	40.9%	38.7%
<b>Market capitalization</b>		
Market capitalization (USD) <sup>2</sup>	61.4 bn	63.4 bn
<b>Diversification</b>		
Top ten issues	44%	37%
Number of Issues	46	572
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	23%	—
<b>Risk profile (current)</b>		
Barra predicted tracking error <sup>4</sup>	2.19%	—
Active share	56%	—
<b>Risk/reward (5 year)</b>		
Information ratio	Gross/Net -0.39/-0.73	—
Standard deviation	19.72%/19.72%	19.91%
Beta	0.98/0.98	—

## TOP 10 HOLDINGS (%)

Security	Sector	MFS	FTSE All-Share 5% Capped Index
SHELL PLC	Energy	7.4	5.0
ASTRAZENECA PLC	Health Care	6.1	5.1
RELX PLC	Industrials	5.3	2.7
DIAGEO PLC	Consumer Staples	4.5	2.9
GLENCORE PLC	Materials	3.8	2.7
EXPERIAN PLC	Industrials	3.7	1.3
NATIONAL GRID PLC	Utilities	3.6	1.8
RIO TINTO PLC	Materials	3.4	2.9
LONDON STOCK EXCHANGE GROUP PLC	Financials	3.3	1.9
TESCO PLC (EQ)	Consumer Staples	3.1	0.9

SECTOR WEIGHTS UNDERWEIGHT/OVERWEIGHT (%)<sup>†</sup>

	FTSE All-Share 5% Capped Index
Industrials	3.4
Consumer Staples	1.9
Materials	1.4
Communication Services	1.1
Energy	0.7
Mutual Funds	-0.1
Information Technology	-0.2
Utilities	-0.5
Real Estate	-1.0
Health Care	-1.2
Financials	-2.9
Consumer Discretionary	-3.8

<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> 1.3% 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

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.

## 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 U.K. Equity Composite in USD

**Benchmark:** FTSE All-Share Capped 5% (TR)

**Creation Date:** 08-Mar-2002

**Inception Date:** 01-Mar-2002

**Composite Description:** The MFS U.K. Equity Composite includes all discretionary portfolios managed to the MFS U.K. Equity strategy that do not have extensive guideline restrictions. The strategy seeks capital appreciation and to outperform the FTSE All Share Index over full market cycles with lower absolute volatility. The strategy focuses on high quality compounders, secular change, sentiment and valuation and takes a long-term view on U.K. stocks seeking to create a high conviction portfolio. 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.

#### Institutional Separate Accounts Fee Schedule

Asset Breakpoints (USD)	Fee
For Assets Up To 50 MM	55 bp
For Assets From 50 MM To 100 MM	45 bp
For Assets Over 100 MM	40 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>^</sup>	Benchmark			Composite	Benchmark	Composite	Firm
2022	-13.80	-14.67	-11.55	n/a	<6	22.38	22.48	\$25.6	\$527,229.5
2021	13.78	12.64	17.29	n/a	<6	20.02	20.59	\$33.6	\$674,375.8
2020	-3.34	-4.36	-5.78	n/a	<6	19.69	20.73	\$25.4	\$599,076.3
2019	25.81	24.52	24.96	n/a	<6	11.75	12.30	\$31.1	\$518,568.9
2018	-14.65	-15.21	-15.00	n/a	<6	11.10	11.85	\$50.4	\$426,543.5
2017	24.57	23.91	23.68	n/a	<6	12.39	13.17	\$142.9	\$491,012.9
2016	-5.37	-5.86	-2.57	n/a	<6	12.93	13.82	\$273.9	\$425,539.8
2015	-2.53	-3.15	-4.14	n/a	<6	12.85	13.52	\$567.9	\$412,412.4
2014	-7.28	-8.02	-4.67	n/a	<6	12.69	13.30	\$785.6	\$430,214.0
2013	27.45	26.40	23.71	n/a	<6	15.70	16.18	\$1,072.2	\$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>^</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®.

FTSE All-Share Capped 5% (TR) - a market capitalization-weighted index that measures the performance of the U.K. stock market, with exposure to any single issuer capped at 5% of the index.

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 U.K. Equity composite is a British Pound based composite available globally. The regional composite depicted here was created on 29-Jun-2011 for presentation in the US market. Where appropriate, data has been converted to US 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 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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