

# MFS® Utilities Equity (USD)

## Goal

Seeks to outperform the Standard & Poors 500 Utilities Index over full market cycles and achieve a competitive ranking in relevant peer groups.

## Investment team

### Portfolio Managers

**Claud Davis, CFA**

- 35 years with MFS
- 39 years in industry

**J. Scott Walker, CFA**

- 16 years with MFS
- 16 years in industry

## Assets under management (USD)

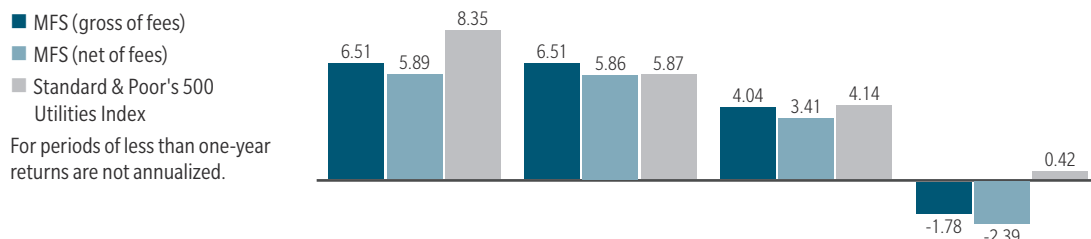
MFS Investment Management® 626.1 billion

MFS® Utilities Equity Composite 3.7 billion

## Philosophy

We seek to outperform our benchmark (S&P 500 Utilities Index) over full market cycles by trying to create a diversified portfolio of mostly utilities and related stocks that have attractive valuations, solid growth prospects and that generate free cash flow.

## Performance (%) total return



|   | 10 Years | 5 Years | 3 Years | 1 Year |
|---|----------|---------|---------|--------|
| Gross vs. Standard & Poor's 500 Utilities Index | -1.84    | 0.64    | -0.10   | -2.20  |
| Net vs. Standard & Poor's 500 Utilities Index   | -2.46    | -0.01   | -0.73   | -2.81  |

## Annual performance (%)

|                                       | 2014  | 2015   | 2016  | 2017  | 2018 | 2019  | 2020 | 2021  | 2022 | 2023  | 2024 YTD |
|---------------------------------------|-------|--------|-------|-------|------|-------|------|-------|------|-------|----------|
| MFS (gross of fees)                   | 13.67 | -13.89 | 12.44 | 15.78 | 1.88 | 26.09 | 6.97 | 14.98 | 1.47 | -1.28 | -0.73    |
| MFS (net of fees)                     | 13.04 | -14.37 | 11.82 | 15.15 | 1.30 | 25.35 | 6.31 | 14.28 | 0.85 | -1.89 | -0.88    |
| Standard & Poor's 500 Utilities Index | 28.98 | -4.85  | 16.29 | 12.11 | 4.11 | 26.35 | 0.48 | 17.67 | 1.57 | -7.08 | 4.57     |

## 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)                   | -7.50     | 31.57     | 17.40     | -2.33     | -1.78     |
| MFS (net of fees)                     | -8.06     | 30.78     | 16.69     | -2.93     | -2.39     |
| Standard & Poor's 500 Utilities Index | -1.40     | 19.42     | 19.93     | -6.21     | 0.42      |

**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 Utilities Index |
|--|---------------|---------------------------------------|
| <b>Fundamentals - weighted average</b>   |               |                                       |
| Price/earnings (12 months forward)       | 16.1x         | 16.4x                                 |
| Price/book                               | 1.8x          | 2.0x                                  |
| Price/sales                              | 1.9x          | 2.3x                                  |
| IBES long-term EPS growth <sup>1</sup>   | 9.3%          | 7.8%                                  |
| <b>Market capitalization</b>             |               |                                       |
| Market capitalization (USD) <sup>2</sup> | 44.8 bn       | 51.9 bn                               |
| <b>Diversification</b>                   |               |                                       |
| Top ten issues                           | 54%           | 60%                                   |
| Number of Issues                         | 39            | 30                                    |
| <b>Turnover</b>                          |               |                                       |
| Trailing 1 year turnover <sup>3</sup>    | 7%            | —                                     |
| <b>Risk/reward (10 year)</b>             |               |                                       |
| R-squared                                | 67.83%/67.83% | —                                     |
| Standard deviation                       | 13.94%/13.94% | 15.17%                                |

## TOP 10 HOLDINGS (%)

| Security                  | Industry           | MFS  | Standard & Poor's 500 Utilities Index |
|---------------------------|--------------------|------|---------------------------------------|
| NEXTERA ENERGY INC        | Electric Utilities | 12.0 | 13.5                                  |
| PG&E CORP                 | Electric Utilities | 6.4  | 3.7                                   |
| DOMINION ENERGY INC       | Multi-Utilities    | 5.2  | 4.2                                   |
| CONSTELLATION ENERGY CORP | Electric Utilities | 5.0  | 6.1                                   |
| SOUTHERN CO/THE           | Electric Utilities | 4.9  | 8.1                                   |
| DTE ENERGY CO             | Multi-Utilities    | 4.7  | 2.4                                   |
| SEMPRA                    | Multi-Utilities    | 4.2  | 4.7                                   |
| EDISON INTERNATIONAL      | Electric Utilities | 4.0  | 2.8                                   |
| PPL CORP                  | Electric Utilities | 3.8  | 2.1                                   |
| AMEREN CORP               | Multi-Utilities    | 3.6  | 2.0                                   |

INDUSTRY WEIGHTS UNDERWEIGHT/OVERWEIGHT (%)<sup>†,‡</sup>

|  | Standard & Poor's 500 Utilities Index |
|--|---------------------------------------|
| Independent Power And Renewable Electricity Produc | 5.6                                   |
| Diversified Telecommunication Services             | 3.4                                   |
| Specialized REITs                                  | 2.8                                   |
| Wireless Telecommunication Services                | 1.1                                   |
| Gas Utilities                                      | 0.9                                   |
| Water Utilities                                    | -2.1                                  |
| Multi-Utilities                                    | -3.7                                  |
| Electric Utilities                                 | -9.3                                  |

REGION WEIGHTS (%)<sup>†,‡</sup>

|                  | MFS  | Standard & Poor's 500 Utilities Index |
|------------------|------|---------------------------------------|
| North America    | 77.3 | 100.0                                 |
| Europe ex-U.K.   | 15.2 | —                                     |
| United Kingdom   | 4.6  | —                                     |
| Emerging Markets | 1.6  | —                                     |

<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>†</sup> 1.2% Cash & Cash Equivalents.<sup>‡</sup> 0.1% Other. Other consists of: (i) currency derivatives and/or (ii) any derivative offsets.

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. ■ 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 the utilities sector can be very volatile because of supply and/or demand for services or fuel, financing costs, conservation efforts, the negative impact of regulation, and other factors.

## Benchmark and vendor disclosures

"Standard & Poor's<sup>®</sup>" and S&P "S&P<sup>®</sup>" are registered trademarks of Standard & Poor's Financial Services LLC ("S&P") and Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones") and have been licensed for use by S&P Dow Jones Indices LLC and sublicensed for certain purposes by MFS. The S&P 500<sup>®</sup> is a product of S&P Dow Jones Indices LLC, and has been licensed for use by MFS. MFS's Products are not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, S&P, or their respective affiliates, and neither S&P Dow Jones Indices LLC, Dow Jones, S&P, their respective affiliates make any representation regarding the advisability of investing in such products.

The Global Industry Classification Standard (GICS<sup>®</sup>) was developed by and/or is the exclusive property of MSCI, Inc. and S&P Global Market Intelligence Inc. ("S&P Global Market Intelligence"). GICS is a service mark of MSCI and S&P Global Market Intelligence and has been licensed for use by MFS. MFS has applied its own internal sector/industry classification methodology for equity securities and non-equity securities that are unclassified by GICS.

## Global disclosures

Issued in the United States by MFS Institutional Advisors, Inc., a U.S.-based investment advisor and subsidiary of Massachusetts Financial Services Company ("MFS"). Issued in Canada by MFS Investment Management Canada Limited. MFS Institutional Advisors, Inc. provides certain sub-advisory services to all MFS Investment Management Canada Limited portfolios, including discretionary investment management for non-Canadian portfolios or components of portfolios. Pursuant to a sub-advisory agreement executed between MFS Institutional Advisors, Inc. and MFS Investment Management Canada Limited, MFS provides investment advice pursuant to statutory exemptions or regulatory relief, as applicable. Such advice is being rendered outside of Canada and certain members of the team may not be registered in any capacity with any Canadian securities regulatory authority. Note to UK and Switzerland readers: Issued in the UK and Switzerland by MFS International (U.K.) Limited ("MIL UK"), a private limited company registered in England and Wales with the company number 03062718, and authorised and regulated in the conduct of investment business by the UK Financial Conduct Authority. MIL UK, an indirect subsidiary of MFS®, has its registered office at One Carter Lane, London, EC4V 5ER. Note to Europe (ex UK and Switzerland) readers: Issued in Europe by MFS Investment Management (Lux) S.à r.l. (MFS Lux) – authorized under Luxembourg law as a management company for Funds domiciled in Luxembourg and which both provide products and investment services to institutional investors and is registered office is at S.à r.l. 4 Rue Albert Borschette, Luxembourg L-1246. Tel: 352 2826 12800. This material shall not be circulated or distributed to any person other than to professional investors (as permitted by local regulations) and should not be relied upon or distributed to persons where such reliance or distribution would be contrary to local regulation. Issued in Hong Kong by MFS International (Hong Kong) Limited ("MIL HK"), a private limited company licensed and regulated by the Hong Kong Securities and Futures Commission (the "SFC"). MIL HK is a wholly-owned, indirect subsidiary of Massachusetts Financial Services Company, a US based investment adviser and fund sponsor registered with the US Securities and Exchange Commission. MIL HK is approved to engage in dealing in securities and asset management regulated activities and may provide certain investment services to "professional investors" as defined in the Securities and Futures Ordinance ("SFO"). Issued in Singapore by MFS International Singapore Pte. Ltd., a private limited company registered in Singapore with the company number 201228809M, and further licensed and regulated by the Monetary Authority of Singapore. Issued in Japan: MFS Investment Management K.K., is registered as a Financial Instruments Business Operator, Kanto Local Finance Bureau (FIBO) No.312, a member of the Investment Trust Association, Japan and the Japan Investment Advisers Association. As fees to be borne by investors vary depending upon circumstances such as products, services, investment period and market conditions, the total amount nor the calculation methods cannot be disclosed in advance. All investments involve risks, including market fluctuation and investors may lose the principal amount invested. Investors should obtain and read the prospectus and/or document set forth in Article 37-3 of Financial Instruments and Exchange Act carefully before making the investments. For professional investors in Australia: MFS International Australia Pty Ltd ("MFS Australia") (ABN 68 607 579 537) holds an Australian financial services licence number 485343. MFS Australia is regulated by the Australian Securities and Investments Commission. For Professional Investors in China – MFS Financial Management Consulting (Shanghai) Co., Ltd. 2801-12, 28th Floor, 100 Century Avenue, Shanghai World Financial Center, Shanghai Pilot Free Trade Zone, 200120, China, a Chinese limited liability company registered to provide financial management consulting services. This material is directed at investment professionals for general information use only with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. Any securities and/or sectors mentioned herein are for illustration purposes and should not be construed as a recommendation for investment. Investment involves risk. Past performance is not indicative of future performance. The information contained herein may not be copied, reproduced or redistributed without the express consent of MFS Investment Management ("MFS"). While the information is believed to be accurate, it may be subject to change without notice. MFS does not warrant or represent that it is free from errors or omissions or that the information is suitable for any particular person's intended use. Except in so far as any liability under any law cannot be excluded, MFS does not accept liability for any inaccuracy or for the investment decisions or any other actions taken by any person on the basis of the material included. MFS does not authorise distribution to retail investors. Unless otherwise indicated, logos, product and services names are trademarks of MFS and its affiliates and may be registered in certain countries. 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 Utilities Equity Composite**Benchmark:** S&P Utilities - Total Return**Creation Date:** 31-Dec-1997**Inception Date:** 01-Jun-1992

**Composite Description:** The MFS Utilities Equity Composite includes all discretionary portfolios managed to the MFS Utilities Equity strategy. The strategy seeks capital growth and current income by investing primarily in equity of U.S. and non-U.S. companies in the utilities sector. The strategy may also invest to a lesser extent in U.S. and non-U.S. debt securities in the utilities sector. 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 the utilities sector can be very volatile because of supply and/or demand for services or fuel, financing costs, conservation efforts, the negative impact of regulation, and other factors. The portfolio's performance could be more volatile than the performance of more diversified portfolios.

**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.

**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   | 21.75%        | High   | -21.32%        |
| Median | 18.36%        | Median | -18.09%        |

| 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   | -1.28                            | -1.89        | -7.08     | n/a                  | <6                                     | 16.80                                | 18.23     | \$3,953.0            | \$575,589.7 |
| 2022   | 1.47                             | 0.85         | 1.57      | n/a                  | <6                                     | 19.01                                | 19.75     | \$4,677.9            | \$527,229.5 |
| 2021   | 14.98                            | 14.28        | 17.67     | n/a                  | <6                                     | 16.19                                | 16.70     | \$4,815.8            | \$674,375.8 |
| 2020   | 6.97                             | 6.31         | 0.48      | n/a                  | <6                                     | 14.36                                | 13.89     | \$4,631.9            | \$599,076.3 |
| 2019   | 26.09                            | 25.35        | 26.35     | n/a                  | <6                                     | 8.00                                 | 10.05     | \$5,050.0            | \$518,568.9 |
| 2018   | 1.88                             | 1.30         | 4.11      | n/a                  | <6                                     | 9.35                                 | 12.39     | \$4,675.2            | \$426,543.5 |
| 2017   | 15.78                            | 15.15        | 12.11     | n/a                  | <6                                     | 10.95                                | 13.40     | \$6,950.0            | \$491,012.9 |
| 2016   | 12.44                            | 11.82        | 16.29     | n/a                  | <6                                     | 11.98                                | 14.13     | \$7,150.2            | \$425,539.8 |
| 2015   | -13.89                           | -14.37       | -4.85     | n/a                  | <6                                     | 11.74                                | 14.10     | \$7,587.9            | \$412,412.4 |
| 2014   | 13.67                            | 13.04        | 28.98     | n/a                  | <6                                     | 10.24                                | 13.04     | \$10,354.6           | \$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 Utilities -Total Return - a market capitalization-weighted index designed to measure the utilities sector, including those companies considered electric, gas or water utilities, or companies that operate as independent producers and/or distributors of power.

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.

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.



|     |        |     |         |  |
|-----|--------|-----|---------|--|
| Low | 14.54% | Low | -14.47% | Standard & Poor's® and "S&P®" are registered trademarks of Standard & Poor's Financial Services LLC ("S&P") and Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones") and have been licensed for use by S&P Dow Jones Indices LLC and sublicensed for certain purposes by MFS. The S&P 500® is a product of S&P Dow Jones Indices LLC, and has been licensed for use by MFS. MFS's Fund(s) is not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, S&P, or their respective affiliates, and neither S&P Dow Jones Indices LLC, Dow Jones, S&P, their respective affiliates make any representation regarding the advisability of investing in such product(s). |
|-----|--------|-----|---------|--|