Q4 | 2023
As of 31 December 2023

Fact Sheet

MFS® Corporate BB Fixed Income (USD)

Goal

Seeks to outperform the ICE BofA U.S. High Yield BB-Rated Constrained Index over full market cycles.

Investment team

Portfolio Managers

David Cole, CFA
- 20 years with MFS
- 30 years in industry

Michael Skatrud, CFA
- 11 years with MFS
- 28 years in industry

Institutional Portfolio Manager

Craig Anzlovar, CFA
- 8 years with MFS
- 23 years in industry

Assets under management (USD)

MFS Investment Management®	595.7 billion
MFS® Corporate BB Fixed Income Composite	53.3 million

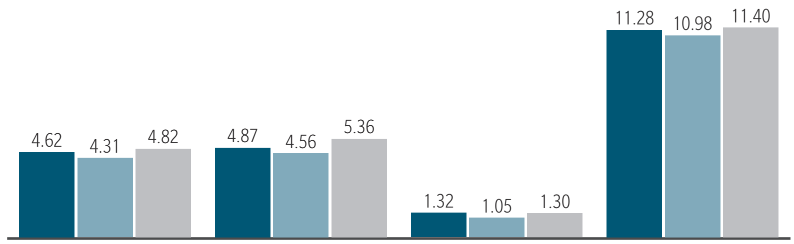
Philosophy

We believe:
- Corporate bond markets, and in particular the BB-rated quality tier, have underlying inefficiencies, which can be exploited through fundamental analysis
- Consistently favorable risk-adjusted returns can be achieved through a focus on relative value and downside risk

Performance (%) total return

- MFS (gross of fees)
- MFS (net of fees)
- ICE BofA U.S. High Yield Constrained (BB)

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



	10 Years	5 Years	3 Years	1 Year
Gross vs. ICE BofA U.S. High Yield Constrained (BB)	-0.20	-0.49	0.02	-0.12
Net vs. ICE BofA U.S. High Yield Constrained (BB)	-0.51	-0.80	-0.25	-0.42

Annual performance (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
MFS (gross of fees)	6.17	0.65	10.99	6.61	-2.08	15.36	5.72	3.84	-9.98	11.28
MFS (net of fees)	5.86	0.36	10.69	6.30	-2.41	14.96	5.35	3.56	-10.23	10.98
ICE BofA U.S. High Yield Constrained (BB)	5.35	-1.17	13.44	7.25	-2.57	15.74	7.89	4.19	-10.44	11.40

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)	15.36	5.72	3.84	-9.98	11.28
MFS (net of fees)	14.96	5.35	3.56	-10.23	10.98
ICE BofA U.S. High Yield Constrained (BB)	15.74	7.89	4.19	-10.44	11.40

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	ICE BofA US High Yield BB Constrained
Fundamentals		
Average effective duration	3.3yrs	3.6yrs
Average coupon	5.3%	5.5%
Yield to worst[1]	6.3%	6.4%
Average quality[2,C]	BB-	BB
Diversification		
Number of Issues	153	–
Number of Issuers	112	–
Turnover		
Trailing 1 year turnover[3]	47%	–
Risk/reward (5 year)	**Gross/Net**	
Historical tracking error	1.37%/ 1.37%	–
Beta	0.93/ 0.93	–
Standard deviation	8.56%/ 8.56%	9.09%
Alpha	-0.13%/ -0.43%	–
Information ratio	-0.35/ -0.58	–

CREDIT QUALITY (%)[C]

BBB	1.7
BB	70.3
B	22.9
Cash & Cash Equivalents	5.2

SECTOR WEIGHTS (%)

	MFS	ICE BofA US High Yield BB Constrained
High Yield Corporates	91.7	100.0
Investment Grade Corporates	1.7	–
Emerging Markets Debt	1.5	–
Cash & Cash Equivalents	5.2	–

Derivatives, including futures and interest rate swaps, are categorized in the sector that MFS considers most closely aligned with the underlying asset.

PORTFOLIO STRUCTURE (%)

Bonds	94.8
Cash & Cash Equivalents	5.2

1 Weighted average yield-to-worst of all portfolio holdings excluding cash & derivatives. Yield-to-worst is the annual anticipated yield on a portfolio considering factors such as call provisions, prepayments, and other features that may affect the bond's cash flow; assumes that the bond doesn't default.

2 The Average Credit Quality (ACQR) is a market weighted average (using a linear scale) of securities included in the rating categories.

3 US Turnover Methodology: (Lesser of Purchase or Sales)/Average Month End Market Value

C For all securities other than those described below, ratings are assigned utilizing ratings from Moody's, Fitch, and Standard & Poor's and applying the following hierarchy: If all three agencies provide a rating, the consensus rating is assigned if applicable or the middle rating if not; if two of the three agencies rate a security, the lower of the two is assigned. If none of the 3 Rating Agencies above assign a rating, but the security is rated by DBRS Morningstar, then the DBRS Morningstar rating is assigned. If none of the 4 rating agencies listed above rate the security, but the security is rated by the Kroll Bond Rating Agency (KBRA), then the KBRA rating is assigned. Other Not Rated includes other fixed income securities not rated by any rating agency. Ratings are shown in the S&P and Fitch scale (e.g., AAA). All ratings are subject to change. The portfolio itself has not been rated by any rating agency. The credit quality of a particular security or group of securities does not ensure the stability or safety of an overall portfolio. The quality ratings of individual issues/issuers are provided to indicate the credit-worthiness of such issues/ issuer and generally range from AAA, Aaa, or AAA (highest) to D, C, or D (lowest) for S&P, Moody's, and Fitch respectively. The index rating methodology may differ.

Portfolio characteristics are based on equivalent exposure, which measures how a portfolio's value would change due to price changes in an asset held either directly or, in the case of a derivative contract, indirectly. The market value of the holding may differ.

MFS has not independently verified benchmark data provided by the vendor or the underlying methodology, which may be different than MFS.

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

Investments in debt instruments may decline in value as the result of, or perception of, declines in the credit quality of the issuer, borrower, counterparty, or other entity responsible for payment, underlying collateral, or changes in economic, political, issuer-specific, or other conditions. Certain types of debt instruments can be more sensitive to these factors and therefore more volatile. In addition, debt instruments entail interest rate risk (as interest rates rise, prices usually fall). Therefore, the portfolio's value may decline during rising rates. ■ Investments in below investment grade quality debt instruments can be more volatile and have greater risk of default, or already be in default, than higher-quality debt instruments.

Benchmark and vendor disclosures

Global disclosures

Composite: MFS Corporate BB Fixed Income Composite

Benchmark: ICE BofA U.S. High Yield Constrained (BB)

Creation Date: 11-Nov-2013

Inception Date: 01-Oct-2013

Composite Description: The MFS Corporate BB Fixed Income Composite includes all discretionary portfolios managed to the MFS Corporate BB Fixed Income strategy that seeks total returns through investments in primarily in higher quality below investment grade corporate securities. Investments in debt instruments may decline in value as the result of, or perception of, declines in the credit quality of the issuer, borrower, counterparty, or other entity responsible for payment, underlying collateral, or changes in economic, political, issuer-specific, or other conditions. Certain types of debt instruments can be more sensitive to these factors and therefore more volatile. In addition, debt instruments entail interest rate risk (as interest rates rise, prices usually fall). Therefore, the portfolio's value may decline during rising rates. Investments in below investment grade quality debt instruments can be more volatile and have greater risk of default, or already be in default, than higher-quality debt instruments.

Institutional Separate Accounts Fee Schedule

Asset Breakpoints (USD)	Fee
For Assets Up To 50 MM	27.5 bp
For Assets From 50 MM To 100 MM	22.5 bp
For Assets Over 100 MM	17.5 bp

Accounts are eligible for inclusion in the composite if they have assets greater than 15 MM USD. Accounts are included as of their second 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.

SHORT EXPOSURE	
High	-5.03%
Median	-2.47%

Period	Composite and Benchmark Return %			Composite	Accounts in Composite at	Annualized 3-Year Standard Deviation		Assets (USD million)	
	Gross of fees	Net of fees^	Benchmark	Dispersion	End of Period	Composite	Benchmark	Composite	Firm
2022	-9.98	-10.23	-10.44	n/a	<6	9.73	10.56	$47.8	$527,229.5
2021	3.84	3.56	4.19	n/a	<6	6.92	8.20	$53.1	$674,375.8
2020	5.72	5.35	7.89	n/a	<6	7.06	8.38	$51.1	$599,076.3
2019	15.36	14.96	15.74	n/a	<6	3.58	3.74	$48.3	$518,568.9
2018	-2.08	-2.41	-2.57	n/a	<6	3.36	3.73	$41.8	$426,543.5
2017	6.61	6.30	7.25	n/a	<6	4.04	4.64	$108.3	$491,012.9
2016	10.99	10.69	13.44	n/a	<6	4.62	5.20	$136.2	$425,539.8
2015	0.65	0.36	-1.17	n/a	<6	n/a	n/a	$109.7	$412,412.4
2014	6.17	5.86	5.35	n/a	<6	n/a	n/a	$109.0	$430,214.0
2013**	3.14	3.06	3.14	n/a	<6	n/a	n/a	$102.7	$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.

** Indicates partial period.

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 ®.

ICE BofA U.S. High Yield Constrained (BB) - a captialization-weighted index containing all securities in The BofA Merrill Lynch US High Yield Index that are rated BB1 through BB3, based on an average of Moody's, S&P and Fitch, but caps issuer exposure at 2%.
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 20MM USD to 15MM 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.
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Low	-2.35%