MFS Meridian® Funds - European Value Fund

(A1EUR Share Class)

First quarter 2025 investment report

Portfolio characteristic data are based on unaudited net assets.

MAY LOSE VALUE - NOT GUARANTEED

See important disclosures on final page of presentation.

See the fund's offering documents for more details, including information on fund risks and expenses.

The MFS Meridian Funds are not available for sale in the United States or to US persons. Information on investors rights is made available in English and, as the case may be, in local language at meridian.mfs.com. MFS Investment Management Company (Lux) S.à r.l. may decide to terminate the marketing arrangements of this fund in accordance with the appropriate regulation.

The offering documents (sales prospectus and Key Information Documents (KIDs) or in the U.K. Key Investor Information Documents (KIIDs)), articles of incorporation and financial reports are available to investors at no cost in paper form or electronically at meridian.mfs.com, at the offices of the paying agent or representative in each jurisdiction or from your financial intermediary. KIDs are available in the following languages; Danish, Dutch, English, French, German, Icelandic, Italian, Norwegian, Portuguese, Spanish, and Swedish. KIIDs and the sales prospectus and other documents are available in English.

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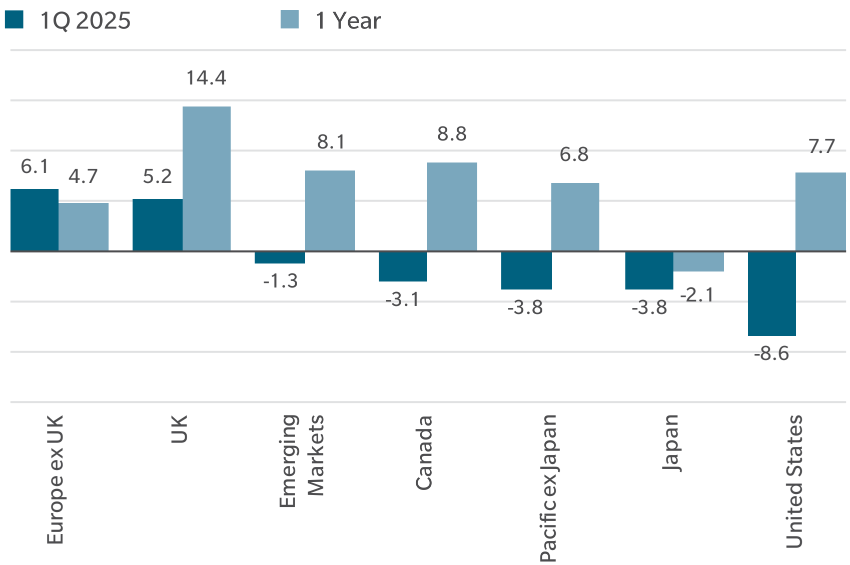
Country and region information contained in this report is based upon MFS classification methodology which may differ from the methodology used by individual benchmark providers.
Performance and attribution results are for the fund or share class depicted and do not reflect the impact of your contributions and withdrawals. Your personal performance results 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.

Fund Risks

The fund may not achieve its objective and/or you could lose money on your investment in the fund.
Stock: 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, environmental, public health, and other conditions.
Value: 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.
Geographic: 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.
Please see the prospectus for further information on these and other risk considerations.

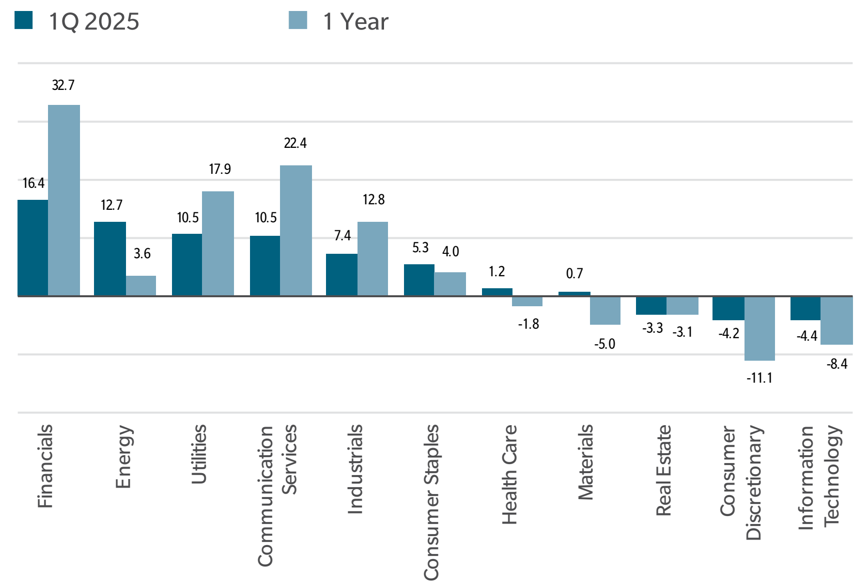
Market Overview

Region performance (%) (EUR) as of 31-Mar-25



Past performance is not a reliable indicator for future results.
Source: FactSet. Region performance based on MSCI regional/country indexes.

Sector performance (%) (EUR) as of 31-Mar-25



Source: FactSet. Sector performance based on MSCI sector classification. The analysis of MSCI Europe Index constituents are broken out by MSCI defined sectors.

Global Equities market review as of 31-Mar-25

- Global equity markets experienced increased volatility and a significant rotation in Q1 of 2025. Growth underperformed value and the US market underperformed Europe and emerging markets, reversing the trends from 2024.
- A number of large US technology stocks sold off on concerns about future demand and potential disruptions in AI.
- Volatile US economic policies regarding tariffs have weighed on investor sentiment, while improving outlook in Europe and additional fiscal stimulus in China may benefit these regions.
- Easing monetary policies in most countries may continue to provide support to global economies, although stubborn inflation could limit the pace of rate cuts, and increasing trade tensions and geopolitical risks may also impact growth outlook.

Performance

MiFID II Performance Standard

Performance results (%) A1EUR shares 12 month rates of total return as of the period ended:	With maximum 6% sales charge	Without sales charge	Benchmark^
31-Mar-21	25.12	33.11	35.32
31-Mar-22	-0.36	6.00	9.34
31-Mar-23	-3.71	2.43	3.82
31-Mar-24	-1.33	4.97	14.79
31-Mar-25	-3.33	2.84	6.85

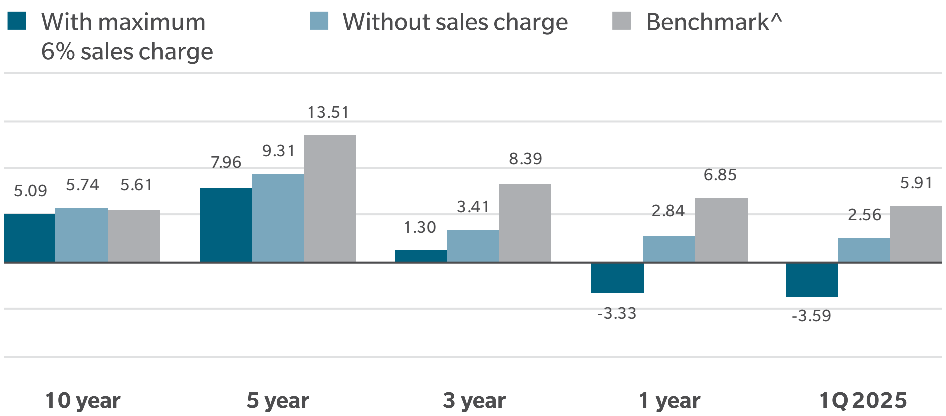
Performance results (%) A1EUR shares average annual rates of total return as of 31-Mar-25

Calendar year returns	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
With maximum 6% sales charge	7.86	-6.31	7.86	-11.19	20.12	-2.43	15.42	-20.16	2.79	-1.36
Without sales charge	14.75	-0.33	14.74	-5.52	27.78	3.80	22.79	-15.06	9.35	4.94
Benchmark^	8.22	2.58	10.24	-10.57	26.05	-3.32	25.13	-9.49	15.83	8.59

The source for all fund data is MFS. Source for benchmark performance: SPAR, FactSet Research Systems Inc.
Start of Class Performance: 01-Oct-02. Fund Inception Date: 01-Oct-02.
Other share classes are available for which performance and expenses will differ.
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.
For periods of less than one-year returns are not annualized.
Investors should consider the risks, including lower returns, related to currency movements between their investing currency and the portfolio's base currency, if different.
Past performance is not a reliable indicator for future results.
Performance results reflect ongoing charges and any applicable expense subsidies and waivers in effect during the periods shown. All historic results assume distributions within the fund and/or the share class are reinvested.
The Fund's benchmark is indicated for performance comparison only.
^ MSCI Europe Index (net div)
The Markets in Financial Instruments Directive (MIFID) is the EU legislation that regulates firms who provide services to clients linked to financial instruments.

Executive Summary

Performance results (%) A1EUR shares average annual rates of total return as of 31-Mar-25



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^ MSCI Europe Index (net div)

Sector weights (%) as of 31-Mar-25	Portfolio	Benchmark^^
Top overweights		
Utilities	7.2	4.1
Industrials	20.1	17.7
Consumer Discretionary	10.7	8.7
Top underweights		
Health Care	11.4	14.6
Energy	2.0	4.9
Financials	20.1	22.3

^^ MSCI Europe Index
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The MFS Meridian Funds - European Value Fund underperformed the MSCI Europe Index (net div) in the first quarter of 2025.

Contributors
- Individual stocks:
  - Thales SA
  - LVMH Moet Hennessy Louis Vuitton SE (not held)
  - Deutsche Boerse Ag
  - Nestle SA
  - Aib Group Plc

Detractors
- Financials - Stock selection
- Individual stocks:
  - Sodexo Sa
  - Diageo PLC
  - Flutter Entertainment Plc
  - Rentokil Initial Plc
  - Rheinmetall Ag (not held)
  - Schneider Electric SA
  - Symrise Ag (Eq)

Performance Results

Performance results (%) A1EUR shares average annual rates of total return as of 31-Mar-25

Period	With maximum 6% sales charge	Without sales charge	Benchmark^	Excess return with maximum sales charge vs benchmark	Excess return without sales charge vs benchmark
1Q 2025	-3.59	2.56	5.91	-9.50	-3.34
4Q 2024	-8.95	-3.13	-2.72	-6.23	-0.42
3Q 2024	-2.03	4.22	2.35	-4.39	1.87
2Q 2024	-6.63	-0.67	1.32	-7.96	-2.00
2024	-1.36	4.94	8.59	-9.94	-3.65
2023	2.79	9.35	15.83	-13.04	-6.48
2022	-20.16	-15.06	-9.49	-10.67	-5.57
2021	15.42	22.79	25.13	-9.71	-2.34
2020	-2.43	3.80	-3.32	0.89	7.12
10 year	5.09	5.74	5.61	-0.52	0.13
5 year	7.96	9.31	13.51	-5.55	-4.20
3 year	1.30	3.41	8.39	-7.09	-4.98
1 year	-3.33	2.84	6.85	-10.18	-4.01

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^ MSCI Europe Index (net div)

Performance Drivers - Sectors

Relative to MSCI Europe Index (EUR) - first quarter 2025		Average relative weighting (%)	Portfolio returns (%)	Benchmark returns (%)	Sector allocation[1] (%) +	Stock selection[2] (%) +	Currency effect (%) =	Relative contribution (%)
Contributors	Utilities	2.7	13.0	10.5	0.1	0.2	-0.0	0.3
	Information Technology	-1.3	-5.9	-4.4	0.1	-0.1	-0.0	0.0
	Communication Services	0.4	10.2	10.5	0.0	-0.1	0.1	0.0
Detractors	Financials	-0.3	8.6	16.4	-0.0	-1.3	-0.3	-1.6
	Industrials	2.3	3.9	7.4	0.0	-0.5	-0.2	-0.7
	Consumer Staples	1.2	1.3	5.3	0.0	-0.5	-0.0	-0.4
	Consumer Discretionary	2.2	-5.6	-4.2	-0.3	-0.1	-0.1	-0.4
	Materials	-1.8	-7.1	0.7	0.1	-0.4	0.0	-0.3
	Real Estate	0.2	-17.7	-3.3	-0.0	-0.2	0.0	-0.2
	Energy	-2.9	14.9	12.7	-0.2	0.0	0.0	-0.1
	Health Care	-4.1	-1.6	1.2	0.2	-0.4	0.1	-0.1
	Cash	1.4	0.7	—	-0.1	—	0.0	-0.1
Total			**2.5**	**6.1**	**0.1**	**-3.1**	**-0.5**	**-3.6**

1 Sector allocation is calculated based upon each security's price in local currency.

2 Stock selection is calculated based upon each security's price in local currency and included interaction effect. Interaction effect is the portion of the portfolio's relative performance attributable to combining allocation decisions with stock selection decisions. This effect measures the relative strength of the manager's convictions. The interaction effect is the weight differential times the return differential.

Attribution results are generated by the FactSet application utilising a methodology that is widely accepted in the investment industry. Results are based upon daily holdings using a buy-and-hold methodology to generate individual security returns and do not include fees or expenses. As such, attribution results are essentially estimates and do not aggregate to the total return of the portfolio, which can be found elsewhere in this presentation. Recent geopolitical events may have impacted or disrupted the pricing of specific securities including the use of fair valuation approaches. Fair valuation practices across pricing sources – index providers, pricing vendors, MFS - may not align due to security specific considerations or timing of fair valuation parameters. For instance, decisions to use stale prices vs fair value or on the level of haircut when fair valuing securities are typical sources of discrepancy between pricing sources observed during the events. As these securities are bought or sold, the portion of the security’s return attributed to the difference between fair value price and trade price will not be recognised in attribution results. These factors may further compound differences between attribution results and actual performance. To obtain the contribution calculation methodology and a complete list of every holding’s contribution to the overall portfolio’s performance during the measurement period, please email DLAttributionGrp@MFS.com.

Performance Drivers - Stocks

Relative to MSCI Europe Index (EUR) - first quarter 2025		Average Weighting (%) Portfolio	Average Weighting (%) Benchmark	Returns (%) Portfolio[1]	Returns (%) Benchmark	Relative contribution(%)
Contributors	Thales SA	0.5	0.2	53.3	77.1	0.3
	LVMH Moet Hennessy Louis Vuitton SE	—	1.7	—	-10.0	0.3
	Deutsche Boerse Ag	1.7	0.4	22.3	22.3	0.2
	Nestle SA	3.7	2.1	17.2	17.2	0.2
	Aib Group Plc	1.6	0.1	18.4	18.4	0.2
Detractors	Sodexo Sa	1.5	0.1	-25.3	-25.3	-0.5
	Diageo PLC	1.8	0.6	-20.4	-20.4	-0.4
	Flutter Entertainment Plc	1.4	—	-17.8	—	-0.4
	Rentokil Initial Plc	1.5	0.1	-14.3	-14.3	-0.3
	Rheinmetall Ag	—	0.4	—	114.6	-0.3

[1] Represents performance for the time period stock was held in portfolio.

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Significant Impacts on Performance - Detractors

Relative to MSCI Europe Index (EUR) - first quarter 2025		Relative contribution (%)
Sodexo Sa	The portfolio's overweight position in on-site food and facilities management services company Sodexo (France) detracted from relative performance. The stock price came under pressure as the company issued a profit warning led by softer-than-expected trends in education and healthcare in North America.	-0.5
Diageo PLC	The portfolio's overweight position in premium drinks distributor Diageo (United Kingdom) weighed on relative results. Despite reporting better-than-expected first-half net sales and operating profits, the stock price came under pressure as the company reduced its guidance for this year's operating profit and removed its medium-term guidance for sales growth due to economic uncertainty and the potential negative impact from U.S. tariffs.	-0.4
Flutter Entertainment Plc	The portfolio's position in online betting and gaming operator Flutter Entertainment (Ireland) detracted from relative returns. The stock price declined as the company posted worse-than-anticipated game outcomes in National Football League sports books, which outweighed the reduction in free bet incentives.	-0.4

Significant Impacts on Performance - Contributors

Relative to MSCI Europe Index (EUR) - first quarter 2025		Relative contribution (%)
Thales SA	The timing of the portfolio's ownership in shares of aerospace and defence company Thales SA (France) contributed to relative performance. The stock price rose as the company released above-consensus financial results driven by strong sales and organic growth in its Defense segment and better-than-expected margins in its Aerospace division.	0.3
LVMH Moet Hennessy Louis Vuitton SE	Not owning shares of luxury goods company LVMH Moet Hennessy Louis Vuitton (France) benefited relative returns. The share price declined as the company reported below-consensus full-year 2024 earnings before interest and taxes (EBIT) results.	0.3
Deutsche Boerse Ag	An overweight position in stock exchange Deutsche Boerse (Germany) contributed to relative performance. Better-than-expected fourth-quarter earnings, driven by strong financial investment results and a €500 million share buyback, were the key drivers of the share price outperformance.	0.2

Significant Transactions

From 01-Jan-25 to 31-Mar-25		Sector	Transaction type	Trade (%)	Ending weight (%)
Purchases	L'OREAL SA	Consumer Staples	New position	1.0	1.0
	SANDOZ GROUP AG	Health Care	New position	0.8	0.8
	THALES SA (EQ)	Industrials	New position	0.7	1.2
	CIE DE SAINT-GOBAIN SA	Industrials	New position	0.7	0.7
	BEIERSDORF AG	Consumer Staples	Add	0.2	1.1
Sales	CNH INDUSTRIAL NV (EQ)	Industrials	Eliminate position	-1.2	–
	RECKITT BENCKISER GROUP PLC	Consumer Staples	Eliminate position	-1.0	–
	AON PLC	Financials	Trim	-0.5	1.7
	ZALANDO SE	Consumer Discretionary	Eliminate position	-0.5	–
	FLUTTER ENTERTAINMENT PLC	Consumer Discretionary	Trim	-0.4	1.1

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Sector Weights

As of 31-Mar-25	Portfolio (%)	Benchmark^ (%)	Underweight/overweight(%)	Top holdings
Utilities	7.2	4.1	3.1	Iberdrola SA, National Grid PLC, RWE AG
Industrials	20.1	17.7	2.4	Safran SA, Schneider Electric SE, Experian PLC
Consumer Discretionary	10.7	8.7	2.0	Cie Financiere Richemont SA, Amadeus IT Group SA, Sodexo SA
Consumer Staples	11.4	10.1	1.3	Nestle SA, Heineken NV, Diageo PLC
Communication Services	4.6	4.1	0.5	Cellnex Telecom SA
Real Estate	0.9	0.8	0.1	LEG Immobilien SE
Information Technology	5.8	7.0	-1.2	ASML Holding NV, Dassault Systemes SE
Materials	4.0	5.6	-1.6	Symrise AG, Novozymes AS
Financials	20.1	22.3	-2.2	UBS Group AG, Deutsche Boerse AG, Zurich Insurance Group AG
Energy	2.0	4.9	-2.9	TotalEnergies SE
Health Care	11.4	14.6	-3.2	Sanofi SA, Novo Nordisk AS, Haleon PLC

^ MSCI Europe Index

1.9% Cash & Cash Equivalents.

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Country Weights

As of 31-Mar-25	Portfolio(%)	Benchmark^ (%)	Underweight/overweight(%)
France	21.5	17.2	4.3
United States	4.1	0.0	4.1
Spain	7.6	4.7	2.9
Ireland	2.5	0.5	2.0
Switzerland	16.3	14.9	1.4
Netherlands	7.5	6.5	1.0
Denmark	4.5	3.6	0.9
Greece	0.9	0.0	0.9
Austria	1.0	0.3	0.7
Portugal	0.9	0.2	0.7
Germany	11.5	15.0	-3.5
United Kingdom	19.1	22.9	-3.8
Sweden	0.8	5.5	-4.7

^ MSCI Europe Index
1.9% Cash & Cash Equivalents.
0.0% Other. Other consists of: (i) currency derivatives and/or (ii) any derivative offsets.
The portfolio does not own any securities in countries represented in the benchmark in the following percentages: Italy 4.6%; Belgium 1.5%; Finland 1.5%; Norway 1.0% and 1 country with weight less than 0.5% which totals to 0.1%.

Characteristics

As of 31-Mar-25	Portfolio	Benchmark^
Fundamentals - weighted average		
Price/earnings (12 months forward ex-negative earnings)	16.1x	14.0x
Dividend yield	2.6%	3.2%
IBES long-term EPS growth [1]	10.3%	10.6%
Return on equity (3-year average)	18.0%	18.5%
Long term debt/capital	39.0%	40.2%
Market capitalisation		
Market capitalisation (EUR) [2]	69.4 bn	100.3 bn
Diversification		
Top ten issues	27%	20%
Number of Issues	66	399
Turnover		
Trailing 1 year turnover [3]	16%	—
Risk profile (current)		
Barra predicted tracking error [4]	2.98%	—
Active share	75%	—
Risk/reward (5 year)		
Information ratio	-0.98	—
Standard deviation	14.34%	13.70%
Beta	1.00	—

^ MSCI Europe Index

Past performance is not a reliable indicator for future results.

No forecasts can be guaranteed.

[1] Source: FactSet

[2] Weighted average.

[3] US methodology US Turnover Methodology: (Lesser of Purchase or Sales)/Average Month End Market Value; LUX methodology ((Purchases + Sales) - (Subscriptions + Redemptions))/Average Month End Assets: 15%

[4] Source Barra. The Barra information may not be redistributed, may not be reproduced or redisseminated 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.

Top 10 Issuers

Top 10 Issuers as of 31-Mar-25	Portfolio (%)	Benchmark^ (%)
NESTLE SA	4.0	2.3
SANOFI (EQ)	3.0	1.1
CIE FINANCIERE RICHEMONT SA	2.9	0.8
AMADEUS IT GROUP SA	2.8	0.3
IBERDROLA SA	2.7	0.8
ASML HOLDING NV	2.7	2.3
SAFRAN SA	2.5	0.8
SCHNEIDER ELECTRIC SE	2.3	1.1
UBS GROUP AG	2.3	0.9
NOVO NORDISK A/S	2.2	1.9
Total	**27.5**	**12.4**

^ MSCI Europe Index

Portfolio Outlook and Positioning

The post global financial crisis period had not been kind to European equities. The bursting of the United States (US) housing bubble in 2008 contaminated European housing, banks and economies. A sovereign debt crisis swiftly followed with Portugal, Italy, Ireland, Greece and Spain forced through a painful multi-year fiscal restructuring. Severe austerity measures pushed European Union (EU) cohesion to the brink, prompting the electorates to flirt with populism on both the left and right of politics. Political disrupters Syriza, Podemos, Gilet Jaunes, Momentum, Brexit and the AfD enjoyed varying degrees of electoral success. The 2016 slowdown in China's economic growth weighed on Europe's exporters, while unconventional US diplomacy, tariff uncertainty and the undermining of the NATO alliance from 2017 was a precursor of what was to come. A once in a century pandemic brought the European economy to a hard stop followed by an inflation spike requiring an aggressive central bank hiking cycle to bring it under control. The invasion of a sovereign nation on the edge of Europe had global implications for supply chains and commodities including Europe's most vital energy import, natural gas.

Over the same period, US equity performance was nothing short of exceptional. The Bush administration and Federal Reserve under Chairman Bernanke rescued the banking system, and the absence of fiscal austerity translated into stronger GDP and revenue growth for corporates. P/E multiples expanded as US assets were well bid as the only region generating meaningful growth. Equity returns were further supported by a favorable sectoral composition skewed towards capital-light, long-duration technology stocks benefiting from an era of ultra-low interest rates running in parallel with the secular trend of global smartphone proliferation. Corporate margins expanded as labor union power diminished, with jobs and costs offshored while corporate tax rates moved ever lower. More recently, a concentrated cohort of corporates with magnificent margins seemingly at the centre of the next wave of technological change added further momentum to the headline returns for the S&P500.

But as we stand today, we appear to be at a major inflection point. Following years of government largesse, the US has a newfound fiscal frugality under the DOGE programme. New trade tariffs amount to an effective tax hike on US consumers and importers who will pay either via higher prices or reduced domestic demand. In contrast, under new Chancellor Friedrich Merz, Germany has unleashed a trillion euro fiscal package focused on defense and infrastructure investment. Alongside the broader ReARM Europe programme, the magnitude of spend is equivalent to the post-World War II Marshall Plan and German Reunification combined. The change in fiscal impulse in both regions should send GDP growth in opposite directions, potentially leading the relative earnings gap to narrow. Ironically, Make America Great Again may have inadvertently Made Europe Grow At Last. Evidence if ever it was needed that no policy decision exists in a vacuum.

Portfolio Outlook and Positioning

While the defense and infrastructure announcements are directionally positive, it remains to be seen exactly how the fiscal package is spent and which businesses will be the long-term beneficiaries. Since February, we have observed a knee-jerk rotation beneath the surface of the European equity market, with businesses previously viewed as most at risk of a European recession initially outperforming while those with diversified global revenues lagging under the weight of a looming US tariff deadline set for 2nd April.

Extending the horizon beyond the initial market response we see opportunities for many of our businesses to emerge as long-term relative winners. Given the concessions made to Germany's Green party we would expect businesses involved in securing Europe's future power generation capacity particularly via renewables as likely beneficiaries. E.ON, Iberdrola and National Grid are well placed to invest in grid capacity at attractive returns. Cell tower infrastructure providers such as Cellnex and telco operators dominant in consolidated markets such as Tele2 may also benefit from accelerated investment in broadband and 5G infrastructure.

Rising geopolitical tensions and catch-up effects from years of underinvestment mean the overall defense spending environment will be structurally higher over the medium-term, but the fragmented nature of defense procurement is unlikely to change overnight. There is uncertainty over which businesses will be capable of meeting increased demand or if Europe's governments will need to look elsewhere for reliable supply. The decision over which defense contractors to use may become intertwined with negotiations on trade tariffs, possibly leading to some budget spend leaking outside Europe to US defense contractors.

The portfolio has exposure to aerospace and defense through its holding in Thales, the French manufacturer of electronic equipment and systems for aeronautics, naval and defense. It is a major beneficiary of increasing defense spending by European governments and has an attractive defense portfolio focusing on mission-critical systems' integration, command and control and ISTAR (intelligence, surveillance, target acquisition and reconnaissance). These are technologically advanced, long cycle systems with order backlog fully booked out, providing years of revenue visibility and defense sales growth should be well supported. It has a small civil aviation business providing air traffic management systems and inflight services which has been performing well as passenger volumes continue to recover from Covid troughs. We also have exposure to defense via holdings in Safran which manufactures critical components such as landing gear, wheels and brakes, wiring, avionics and navigation systems as well as medium-thrust engines.

Rheinmettal, the German armed vehicle and munitions manufacturer, we have looked at closely but so far avoided. It has been a short-term beneficiary of German defense budget and while we agree the structural case for the sector has strengthened there are doubts about how the German government will allocate its budget. The ability for Rheinmettal to meet urgent increased demand is questionable which may lead customers to diversify their spend across multiple suppliers. The business is most exposed to the land domain which includes short-cycle products such as ammunition, missiles and armored trucks. These have much lower barriers to entry and are more easily substitutable by other suppliers than the technologically advanced areas such as electronics, naval and air engine systems where we prefer Thales and Safran. Rheinmettal is trading at a valuation that leaves little margin of safety, given the risk that current margins prove unsustainable in a scenario where its number one customer (its own government) faces a threat to its national security; as a result, we continue to avoid it.

Portfolio performance

The portfolio underperformed its benchmark over the first quarter. Stock selection in financials was the primary detractor from relative performance, followed by stock selection in industrials and consumer staples. Conversely, stock selection and an overweight position in utilities contributed to relative returns.

Portfolio activity

We identified several attractively valued opportunities during the period with trading activity that included the addition of four new positions:

- We started a position in L'Oreal, a leading global beauty company based in France. The stock has experienced a significant de-rating and is currently trading at a discount. The year 2024 posed challenges, particularly with a slowdown in North Asia, including China and Travel Retail Asia. Despite this, we expect to see improved performance in the latter half of 2025 and beyond. The beauty market is consistently growing at a rate of 4.5% per year, fueled by an aging global population and expanding middle classes. We are particularly impressed by L'Oreal's portfolio of top-tier brands, strong celebrity endorsements, and extensive distribution network, all supported by significant investments in advertising and promotions. Coupled with a very strong balance sheet, the company presents a favorable risk-reward profile.
- We started a position in Sandoz Group (Switzerland), the leading biosimilar manufacturer in Europe and the fourth in the US. The company has set ambitious goals to grow its top line and improve EBITDA margins significantly by 2028. Growth is driven by biosimilar generics, which currently make up a significant portion of sales and are expected to expand due to upcoming patent expiries. The

biosimilar market features high entry barriers due to substantial R&D and manufacturing investments. Sandoz' strong pipeline and commercial presence positions it well in this space. The stock's current low valuation appears attractive.

- In early February we started a new position in Thales, the leading French defence and aerospace manufacturer. European Defense & Security represents two-thirds of profits, and the company is poised to benefit from increased defence in Europe. The company's restructuring in its aerospace division also offers potential for recovery. With a €40 billion order backlog ensuring revenue visibility and the stock trading at attractive valuations, Thales presents a favorable risk-reward opportunity.
- We started a new position in Compagnie de Saint-Gobain, a manufacturer and distributor of materials and services for the construction and industrial markets. Despite challenges from rising interest rates and deflation over the past two years, the company has managed to improve its profit margins through effective cost control and reallocating capital to more profitable areas like construction chemicals. The company has also supported earnings growth through share buybacks, with additional buybacks planned for this year. With the potential for government stimulus in Germany and the continuation of low interest rates, the construction environment in Europe is poised for improvement. This could lead to a positive re-evaluation of the company's market value and enhance its overall financial performance.

We also added to existing positions including:

- Skin and personal care products manufacturer Beiersdorf (Germany), whose pipeline of innovation looks very strong
- Jeronimo Martins (Portugal), in our view one of the best-in-class food retailers in Europe trading at reasonable valuation.
- Wiring and cable systems manufacturer Legrand (France). The company posted encouraging year end results with ambitious growth goals, valuation looks attractive any pick up in construction in Europe as a result of the German stimulus should be a positive.

We eliminated three positions during the quarter:

- We divested from agricultural equipment and commercial vehicles manufacturer CNH Industrial (Italy). Our initial thesis was driven by confidence around the company's decision to focus on its core agricultural business, a large cost cutting program, and the long-term potential for smart agriculture. While CNH has achieved some of its financial goals, the gains were offset by a weak agricultural cycle.

Portfolio Outlook and Positioning

- We took advantage of a partial recovery in the share price and exited our position in household products manufacturer Reckitt Benckiser (United Kingdom). We are concerned about the potential risks and disruptions associated with the company's disposal plans, as well as the challenges posed by a weakening consumer environment. We prefer other names in this space.
- We sold German online fashion retailer Zalando after it announced its intention to acquire fashion e-commerce platform About You. We see the deal as dilutive despite aggressive synergies, and we worry about leverage on the company's balance sheet.

  We also gave a sizeable trim to online betting and gaming operator Flutter Entertainment (Ireland). The company displays attractive long-term growth profile but it is now off-benchmark following the NYSE listing. Valuation appears full considering the ongoing risk of regulatory interventions.

  Finally, we trimmed several names on valuation following re-rating or to manage the position size, including insurance names Aon Plc, Willis Towers Watson and Beazley, as well as Erste Group Bank and London Stock Exchange in the financial sector.

Portfolio positioning

Sector positioning is an output of our fundamental, bottom-up stock selection process. Essentially, we are looking for durable companies where the value of the business has not been recognized by the market. It does not mean we look for the cheapest stocks; rather, we analyze what the business is worth, its intrinsic value. Typically, companies that fall into this category tend to have a unique or superior value proposition compared to competitors, for example, because they have an exceptional cost position or they have invested in their distribution, brand or R&D. As a result, these companies have an entrenched position with their customers, which can give them a high level of recurring revenues and pricing power. Equally, often when we assess companies, we are looking through multi-year horizons rather than focusing on short-term expectations or speculation around a trend/theme.

Looking across the portfolio, we are overweight in utilities where we have identified select durable, high-quality companies that we feel could benefit from opportunities in networks and renewables. Historically, companies within this sector have been seen as bond proxies with no/low growth. We believe over time that perception will change as investors realize that the energy transition and the growth in renewables will require substantial investments in the grid and distribution networks as well as in electricity production. The portfolio has exposure to Iberdrola, National Grid and RWE and E.ON.

Portfolio Outlook and Positioning

Industrials is the largest relative overweight position in the portfolio. Our exposure is driven by a number of select businesses that exhibit many of the attributes we look for. Companies that fall into this category have tended to have a unique or superior value proposition compared to competitors, strong market positions and are generally difficult to displace, such as Safran, Schneider Electric, Experian, Legrand and Intertek Group.

Consumer discretionary is another sector where the portfolio has a relative overweight. Our exposure is driven by a number of select businesses that exhibit many of the attributes we look for. We believe companies that fall into this category have tended to have a unique or superior value proposition compared to competitors, strong market positions and are generally exposed to structural growth opportunities, such as Amadeus, Richemont, Sodexo and Flutter Entertainment.

Within consumer staples, our view is the sector has been overly penalized by the demand volatility given the market environment of inflation and inventory destocking since COVID and as consumers reassess their spending amid inflation. We maintain our conviction and continue to favor businesses that have brand value, global distribution networks, strong balance sheets and the ability to adapt to the digital environment across a number of consumer product, food and alcoholic beverage companies. We have been actively monitoring our exposure to some of the leading spirits companies that have suffered (Pernod, Diageo, Heineken) due to inventory destocking pressures, and we believe these to be temporary in nature. In our view, they exhibit decent growth characteristics and margin potential at attractive valuations. We believe these companies will benefit as the consumer environment improves and volume growth starts to normalize; the combination of 1) premiumization (favorable mix) and 2) cost improvement initiatives mean we should get some decent operating leverage and EPS growth. Our largest holding within the sector is Nestle, and we believe that the weakness witnessed by the stock is largely cyclical or due to one-offs (new CEO, accelerated innovation and A&P spend) and that over time their attractive categories (pet, coffee, supplements) should offer continued growth as the cyclical headwinds fade. We also believe beauty remains an attractive niche over the long-term and have initiated a new position on attractive valuation in L'Oreal over the quarter.

Our largest underweight is in the health care sector, where we continue to be selective and mindful of risks, with our exposure diversified across medical technology, diagnostics and pharma names, which we believe have long-term drivers for growth potential and attractive valuations, including Sanofi, Novo Nordisk, Convatec Group and Qiagen. Over the quarter, we added a new position in Sandoz and topped up our existing position in Novo Nordisk thus reducing the underweight slightly relative to the benchmark.

The portfolio has a modest exposure to the energy sector via one name, TotalEnergies (a French multinational integrated energy and petroleum company). We continue to have an underweight position to the sector and remain selective in finding opportunities that meet our investment criteria. Broadly speaking, we believe the earnings of energy companies are typically dependent on the level of volatility in commodity prices, face structural challenges around climate change and are exposed to embedded geopolitical risk. We believe the high energy prices will at some point lead to demand destruction and incentivize faster spend into energy transition, which is worse for terminal values in the space. We have generally found more attractive investment opportunities within the utilities sector where the portfolio is relatively overweight.

With the changing trade policy and defense backdrop we remained focused on the fundamentals and valuation to understand what the market is pricing in today and where the best risk/reward opportunities lie. Changing market dynamics have always created new winners of those businesses best able to adapt to a new normal. We believe more than ever the identification of winning businesses will require a fully active, fundamental approach grounded in deep research that leverages a global platform of investors.

We remain patient and disciplined in security selection and will engage with opportunities as the market presents them in 2025. Market volatility will continue to provide us idiosyncratic opportunities to find durable quality or cyclically depressed franchises trading at attractive valuations. We believe we have the experience and discipline to navigate through periods of volatility and macroeconomic uncertainty as demonstrated by our proven track record of managing assets through various market cycles.

The commentary included in this report was based on a representative fully discretionary portfolio for this product style; as such the commentary may include securities not held in your portfolio due to account, fund, or other limits.

Portfolio Holdings

As of 31-Mar-25	Country	Equivalent exposure (%)
Cash & Cash Equivalents		**1.9**
Cash & Cash Equivalents		1.9
Communication Services		**4.6**
Cellnex Telecom SA	Spain	2.1
Scout24 SE	Germany	0.9
Tele2 AB	Sweden	0.8
Informa PLC	United Kingdom	0.7
Consumer Discretionary		**10.7**
Cie Financiere Richemont SA	Switzerland	2.9
Amadeus IT Group SA	Spain	2.8
Sodexo SA	France	1.2
Cie Generale des Etablissements Michelin SCA	France	1.2
Flutter Entertainment PLC	United States	1.1
Whitbread PLC	United Kingdom	0.7
Burberry Group PLC	United Kingdom	0.7
Consumer Staples		**11.4**
Nestle SA	Switzerland	4.0
Heineken NV	Netherlands	2.0
Diageo PLC	United Kingdom	1.6
Beiersdorf AG	Germany	1.1
L'Oreal SA	France	1.0
Jeronimo Martins SGPS SA	Portugal	0.9
Pernod Ricard SA	France	0.8
Energy		**2.0**
TotalEnergies SE	France	2.0
Financials		**20.1**
UBS Group AG	Switzerland	2.3
Deutsche Boerse AG	Germany	1.9
Zurich Insurance Group AG	Switzerland	1.7
Aon PLC	United States	1.7
ING Groep NV	Netherlands	1.7
AIB Group PLC	Ireland	1.6
London Stock Exchange Group PLC	United Kingdom	1.5

As of 31-Mar-25	Country	Equivalent exposure (%)
Financials		**20.1**
Julius Baer Group Ltd	Switzerland	1.4
Willis Towers Watson PLC	United States	1.3
Beazley PLC	United Kingdom	1.2
Jyske Bank AS	Denmark	1.0
Erste Group Bank AG	Austria	1.0
National Bank of Greece SA	Greece	0.9
Allfunds Group Plc	Netherlands	0.6
Pluxee NV	France	0.4
Health Care		**11.4**
Sanofi SA	France	3.0
Novo Nordisk AS	Denmark	2.2
Haleon PLC	United Kingdom	2.0
Roche Holding AG	Switzerland	1.6
ConvaTec Group PLC	United Kingdom	1.1
Sandoz Group AG	Switzerland	0.8
QIAGEN NV	Germany	0.8
Industrials		**20.1**
Safran SA	France	2.5
Schneider Electric SE	France	2.3
Experian PLC	United Kingdom	2.0
Legrand SA	France	2.0
Intertek Group PLC	United Kingdom	1.9
Schindler Holding AG	Switzerland	1.6
Weir Group PLC	United Kingdom	1.5
GEA Group AG	Germany	1.4
Rentokil Initial PLC	United Kingdom	1.4
Thales SA	France	1.2
Ryanair Holdings PLC ADR	Ireland	0.9
Cie de St-Gobain	France	0.7
Aalberts NV	Netherlands	0.7
Information Technology		**5.8**
ASML Holding NV	Netherlands	2.7

Portfolio Holdings

As of 31-Mar-25	Country	Equivalent exposure (%)
Information Technology		**5.8**
Dassault Systemes SE	France	2.2
Capgemini SE	France	0.9
Materials		**4.0**
Symrise AG	Germany	1.9
Novozymes AS	Denmark	1.2
Croda International PLC	United Kingdom	0.8
Other		**-0.0**
Other*		-0.0
Real Estate		**0.9**
LEG Immobilien SE	Germany	0.5
Vonovia SE	Germany	0.4
Utilities		**7.2**
Iberdrola SA	Spain	2.7
National Grid PLC	United Kingdom	2.0
RWE AG	Germany	1.4
E.ON SE	Germany	1.2

Other consists of: (i) currency derivatives and/or (ii) any derivative offsets.

*Short positions, unlike long positions, lose value if the underlying asset gains value.

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Fund Regulatory Details

See the fund's offering documents for more details, including information on fund risks and expenses. For additional information, call **Latin America**: 416.506.8418 in Toronto or 352.46.40.10.600 in Luxembourg. **U.K.**: MFS International (U.K.) Ltd., 1 Carter Lane, London, EC4V 5ER UK. Tel: 44 (0)20 7429 7200. **European Union**: MFS Investment Management Company (Lux) S.a r.l. 4 Rue Albert Borschette, Luxembourg L-1246. Tel: 352 2826 12800. **Switzerland**: REYL & Cie Ltd., Rue du Rhône 4, 1204 Geneva, Switzerland, Tél + +41-22-816-8000, www.reyl.com. **Hong Kong**: State Street Trust (HK) Limited, 68th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. Tel: 852.2840.5388. **Taiwan**: Master Agent: PineBridge Investments Consulting Taiwan Limited, 10th floor, 144 Minchuan E. Rd., Section 2, Taipei 10436, Taiwan Tel: 886.2.2516.7676.

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