

A horizontal decorative bar with a red-to-maroon gradient, starting with a geometric pattern on the left and ending in a solid red line.

MFS® New Discovery Fund

(Class R6 Shares)

Fourth quarter 2023 investment report

NOT FDIC INSURED MAY LOSE VALUE NOT A DEPOSIT

Before investing, consider the fund's investment objectives, risks, charges, and expenses. For a prospectus, or summary prospectus, containing this and other information, contact MFS or view online at mfs.com. Please read it carefully.

©2024 MFS Fund Distributors, Inc., Member SIPC, 111 Huntington Avenue, Boston, MA 02199.

FOR DEALER AND INSTITUTIONAL USE ONLY. Not to be shown, quoted, or distributed to the public.

PRPEQ-NDF-31-Dec-23

34135.9

Table of Contents



Contents	Page
Fund Risks	1
Disciplined Investment Approach	2
Market Overview	3
Executive Summary	4
Performance	5
Attribution	6
Significant Transactions	10
Portfolio Positioning	11
Characteristics	12
Portfolio Outlook	14
Portfolio Holdings	18
Additional Disclosures	21

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.

FOR DEALER AND INSTITUTIONAL USE ONLY. - MFS New Discovery Fund

PRPEQ-NDF-31-Dec-23

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.

International: Investments in foreign markets can involve greater risk and volatility than U.S. investments because of adverse market, currency, economic, industry, political, regulatory, geopolitical, or other conditions.

Small-cap: Investments in small-cap companies can be more volatile than investments in larger companies.

Growth: Investments in growth companies can be more sensitive to the company's earnings and more volatile than the stock market in general.

Please see the prospectus for further information on these and other risk considerations.

Disciplined Investment Approach

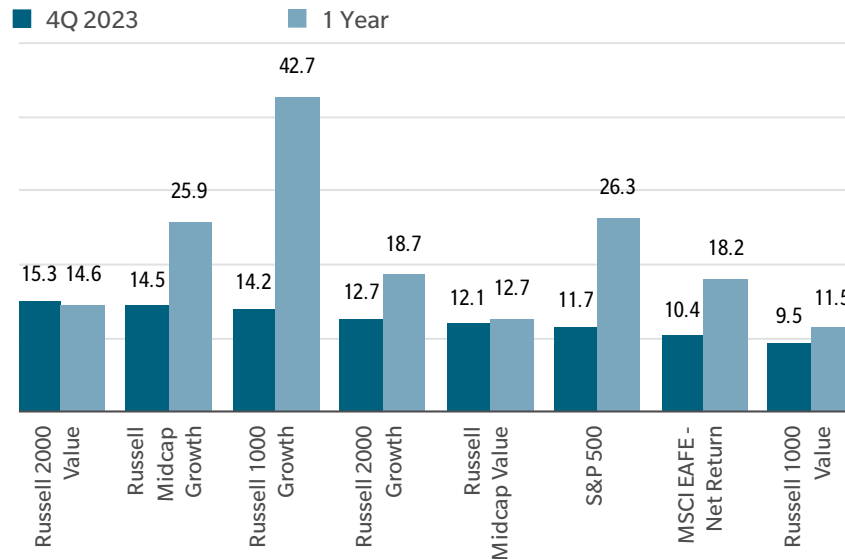


Investment objective	Seeks capital appreciation
Goals	Outperform the Russell 2000® Growth Index & small cap growth peers over full market cycles
Philosophy	We believe stocks typically follow earnings which could translate into stock outperformance relative to the benchmark over the long term.
Strategy	<p>Seeks to identify what we feel are the most attractive companies across industries that can grow to a multiple of their current size over a 3-5 year investment horizon to create a portfolio that:</p> <ul style="list-style-type: none">▪ Focuses on smaller capitalization companies generally in the \$500M- \$6B range.▪ Has a mix of companies with early stage emerging growth and those with more durable earnings and/or free cash flow growth.▪ Where valuations do not adequately reflect fundamental strengths and growth prospects on out-year earnings power.▪ Is diversified seeking attractive risk-adjusted returns

Market Overview

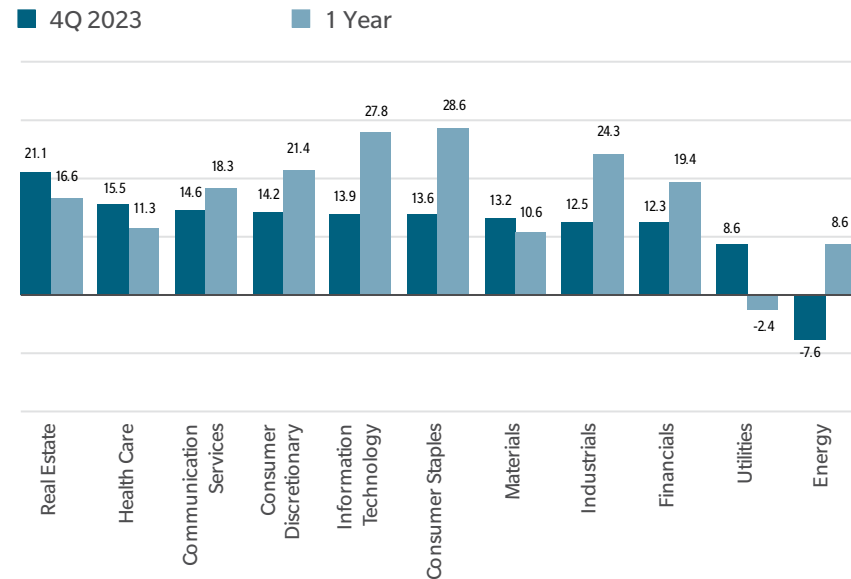


Style performance (%) (USD) as of 31-Dec-23



Source for benchmark performance SPAR, FactSet Research Systems Inc. All indices represent total return unless otherwise noted.

Sector performance (%) (USD) as of 31-Dec-23



Source: FactSet. Sector performance based on MSCI sector classification. The analysis of Russell 2000® Growth Index constituents are broken out by MSCI defined sectors.

US equities market review as of 31 December 2023

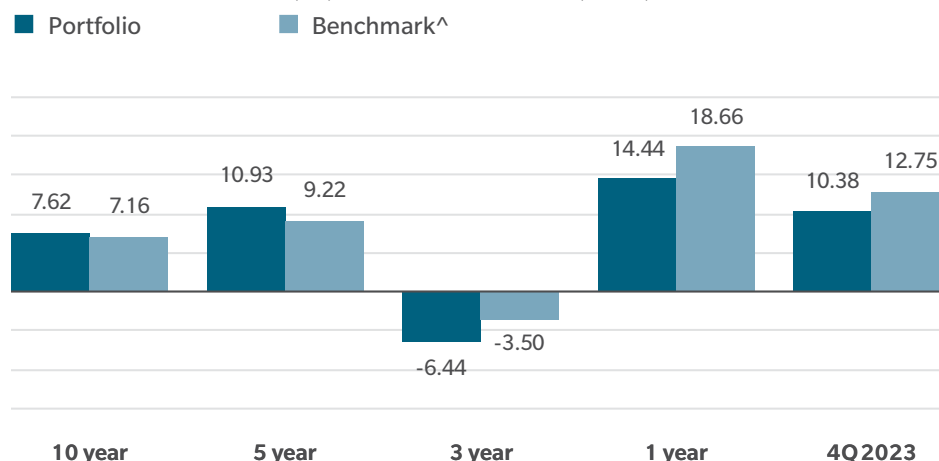
- The US market, as measured by the S&P 500 Index, finished strongly higher in Q4 2023. This was driven by falling long-term interest rates, a resilient economy and easing inflation.
- Economic growth in the United States expanded sharply during Q3 2023, with GDP increasing 4.9%. This was notably higher than the 2.1% for Q2, with the acceleration mainly due to an upturn in exports and an increase in consumer spending. As inflation has continued to come down, the US Federal Reserve updated its long-

- term projections showing a lower federal funds rate in 2024, which would indicate several rate cuts.
- For the quarter, growth outperformed value in the large-cap and midcap spaces but value outperformed growth in the small-cap space. Real estate, technology and financials were the best-performing sectors, and energy, consumer staples and health care the worst.

Executive Summary



Performance results (%) R6 shares at NAV (USD) as of 31-Dec-23



Performance data shown represent past performance and are no guarantee of future results. Investment return and principal value fluctuate so your shares, when sold, may be worth more or less than the original cost; current performance may be lower or higher than quoted. For most recent month-end performance, please visit mfs.com.

Performance results reflect any applicable expense subsidies and waivers in effect during the periods shown. Without such subsidies and waivers the fund's performance results would be less favorable. All results assume the reinvestment of dividends and capital gains.

Shares are available without a sales charge to eligible investors.

Source for benchmark performance SPAR, FactSet Research Systems Inc.

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

^ Russell 2000® Growth Index

Sector weights (%) as of 31-Dec-23

	Portfolio	Benchmark^^
Top overweights		
Industrials	24.2	20.3
Materials	5.2	4.1
Real Estate	2.3	1.7
Top underweights		
Health Care	19.7	22.4
Financials	4.4	6.0
Communication Services	0.6	2.2

^^ Russell 2000® Growth Index

The Global Industry Classification Standard (GICS®) 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.

The MFS New Discovery Fund underperformed the Russell 2000® Growth Index in the fourth quarter of 2023.

Contributors

- Consumer Discretionary - Stock selection
- Materials - Stock selection
- Individual stocks:
 - Crane Co
 - Doubleverify Holdings Inc
 - Alkami Technology Inc

Detractors

- Industrials - Stock selection
- Health Care - Stock selection
- Individual stocks:
 - European Wax Center Inc

Performance Results



Performance results (%) R6 shares at NAV (USD) as of 31-Dec-23

Period	Portfolio	Benchmark [^]	Excess return vs benchmark
4Q 2023	10.38	12.75	-2.37
3Q 2023	-6.40	-7.32	0.92
2Q 2023	3.47	7.05	-3.58
1Q 2023	7.05	6.07	0.97
2023	14.44	18.66	-4.22
2022	-29.55	-26.36	-3.19
2021	1.58	2.83	-1.26
2020	45.18	34.63	10.55
2019	41.26	28.48	12.77
10 year	7.62	7.16	0.46
5 year	10.93	9.22	1.70
3 year	-6.44	-3.50	-2.94
1 year	14.44	18.66	-4.22

Performance data shown represent past performance and are no guarantee of future results. Investment return and principal value fluctuate so your shares, when sold, may be worth more or less than the original cost; current performance may be lower or higher than quoted. For most recent month-end performance, please visit mfs.com.

Performance results reflect any applicable expense subsidies and waivers in effect during the periods shown. Without such subsidies and waivers the fund's performance results would be less favorable. All results assume the reinvestment of dividends and capital gains.

Shares are available without a sales charge to eligible investors.

Source for benchmark performance SPAR, FactSet Research Systems Inc.

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

[^] Russell 2000[®] Growth Index

Performance Drivers - Sectors



Relative to Russell 2000® Growth Index (USD) - fourth quarter 2023		Average relative weighting (%)	Portfolio returns (%)	Benchmark returns (%)	Sector allocation ¹ (%)	+ Stock selection ² (%)	+ Currency effect (%)	= Relative contribution (%)
Contributors	Consumer Discretionary	1.4	16.9	14.2	0.0	0.4	—	0.4
	Materials	1.0	19.9	13.2	0.0	0.3	—	0.3
	Information Technology	-2.8	15.5	13.9	-0.1	0.2	0.1	0.2
	Consumer Staples	-1.0	17.6	13.6	-0.0	0.2	—	0.1
	Utilities	-1.6	—	8.6	0.1	—	—	0.1
Detractors	Industrials	5.4	6.8	12.5	0.1	-1.6	0.0	-1.5
	Health Care	-4.0	9.4	15.5	0.0	-1.2	0.1	-1.1
	Cash	4.1	1.3	—	-0.4	—	—	-0.4
	Financials	-2.2	7.5	12.3	0.0	-0.2	—	-0.2
	Communication Services	-1.6	-1.6	14.6	-0.0	-0.1	—	-0.1
	Real Estate	0.7	16.9	21.1	0.1	-0.1	0.0	-0.0
	Energy	0.6	-6.8	-7.6	-0.2	0.1	—	-0.0
Total			10.5	12.7	-0.5	-1.9	0.2	-2.2

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 utilizing 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. This 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.

The Global Industry Classification Standard (GICS®) 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.

Performance Drivers - Stocks



Relative to Russell 2000® Growth Index (USD) - fourth quarter 2023		Average Weighting (%)		Returns (%)		Relative contribution(%)
		Portfolio	Benchmark	Portfolio ¹	Benchmark	
Contributors	Topbuild Corp	1.7	—	48.8	—	0.6
	Crane Co	1.7	—	33.2	—	0.3
	Doubleverify Holdings Inc	1.7	—	31.6	—	0.3
	Deckers Outdoor Corp	0.9	—	30.0	—	0.2
	Alkami Technology Inc	1.2	0.1	33.1	33.1	0.2
Detractors	Cytokinetics Inc	—	0.3	—	183.4	-0.4
	Jacobs Solutions Inc	2.0	—	-4.7	—	-0.4
	Kbr Inc (Eq)	1.8	—	-5.8	—	-0.3
	Wns Holdings Ltd	1.5	—	-7.7	—	-0.3
	European Wax Center Inc	1.0	0.0	-16.1	-16.1	-0.3

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

Attribution results are generated by the FactSet application utilizing 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. This 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.

Significant Impacts on Performance - Detractors



Relative to Russell 2000® Growth Index (USD) - fourth quarter 2023		Relative contribution (%)
Cytokinetics Inc	Not owning shares of biopharmaceutical company Cytokinetics (United States) weighed on relative returns. The share price appreciated rapidly following the announcement that its experimental heart disease drug met the main goal of a keenly awaited late-stage study, putting it in favorable position against the rival treatment from Bristol Myers Squibb.	-0.4
Jacobs Solutions Inc	The portfolio's position in technology-centric engineering, construction, and consulting services provider Jacobs Solutions (United States) hindered relative performance. The share price fell as the company announced lower-than-expected earnings, issued lower guidance, and reported higher costs due to overhead and corporate expenses.	-0.4
Kbr Inc (Eq)	The portfolio's holdings of engineering, procurement, and construction company KBR (United States) detracted from relative performance. The company's share price fell following management's announcement that its HomeSafe contract is expected to ramp up at a slower pace than originally predicted.	-0.3

Significant Impacts on Performance - Contributors



Relative to Russell 2000® Growth Index (USD) - fourth quarter 2023		Relative contribution (%)
Topbuild Corp	Holdings of insulation product distributor TopBuild (United States) contributed to relative returns as the company posted above-consensus operating results led by higher-than-expected TruTeam and specialty distribution sales and margins.	0.6
Crane Co	Holding shares of aerospace, electronics, and engineered industrial products manufacturer Crane (United States) contributed to relative returns. The stock price rose as the company reported better-than-expected earnings results supported by strong sales performance. Management also raised its full-year guidance, which further supported the stock.	0.3
Doubleverify Holdings Inc	The portfolio's position in digital media software company DoubleVerify (United States) benefited relative performance. The stock price rose as the company posted above-consensus quarterly earnings, primarily driven by strong revenue results in its measurement segment.	0.3

Significant Transactions



From 01-Oct-23 to 31-Dec-23		Sector	Transaction type	Trade (%)	Ending weight (%)
Purchases	QIAGEN NV	Health Care	New position	1.2	1.2
	CHEWY INC	Consumer Discretionary	New position	1.0	1.1
	BIO-TECHNE CORP	Health Care	New position	1.0	1.1
	GUIDEWIRE SOFTWARE INC	Information Technology	New position	0.9	0.9
	CHEMOURS CO/THE	Materials	New position	0.8	0.9
Sales	PENN ENTERTAINMENT INC	Consumer Discretionary	Eliminate position	-1.2	-
	PAYCOR HCM INC	Industrials	Eliminate position	-1.1	-
	ABCAM PLC	Health Care	Eliminate position	-1.0	-
	CHAMPIONX CORP	Energy	Trim	-0.9	0.4
	HEALTH EQUITY INC (EQ)	Health Care	Trim	-0.6	0.6

The Global Industry Classification Standard (GICS®) 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.

Sector Weights



As of 31-Dec-23	Portfolio (%)	Benchmark^ (%)	Underweight/overweight(%)	Top holdings
Industrials	24.2	20.3	3.9	GFL Environmental Inc, Sensata Technologies Holding PLC, RB Global Inc
Materials	5.2	4.1	1.1	Summit Materials Inc
Real Estate	2.3	1.7	0.6	STAG Industrial Inc REIT
Consumer Discretionary	11.6	11.1	0.5	TopBuild Corp, Chewy Inc, Five Below Inc
Energy	4.8	4.5	0.3	TechnipFMC PLC, Permian Resources Corp, Matador Resources Co
Equity Warrants	0.0	-	0.0	Optinose Inc Warrant
Consumer Staples	3.6	4.5	-0.9	US Foods Holding Corp, Duckhorn Portfolio Inc
Information Technology	20.7	21.7	-1.0	DoubleVerify Holdings Inc, Five9 Inc, Advanced Energy Industries Inc
Utilities	-	1.5	-1.5	
Communication Services	0.6	2.2	-1.6	Vivid Seats Inc
Financials	4.4	6.0	-1.6	Remitly Global Inc
Health Care	19.7	22.4	-2.7	Certara Inc, QIAGEN NV, Shockwave Medical Inc

^ Russell 2000® Growth Index

2.8% Cash & cash equivalents

0.0% Other. Other consists of: (i) currency derivatives and/or (ii) any derivative offsets.

The Global Industry Classification Standard (GICS®) 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.

Characteristics



As of 31-Dec-23	Portfolio	Benchmark [^]
Fundamentals - weighted average		
IBES long-term EPS growth ¹	15.2%	—
Price/earnings (12 months forward ex-negative earnings)	21.8x	19.7x
Market capitalization		
Market capitalization (USD) ²	6.1 bn	3.8 bn
Diversification		
Top ten issues	18%	7%
Number of Issues	110	1,074
Turnover		
Trailing 1 year turnover ³	62%	—
Risk profile (current)		
Active share	92%	—
Risk/reward (5 year)		
Beta	0.93	—

¹ Source: FactSet

² Weighted average.

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

[^] Russell 2000[®] Growth Index

Past performance is no guarantee of future results.

No forecasts can be guaranteed.

Top 10 Issuers



Top 10 issuers as of 31-Dec-23	Portfolio (%)	Benchmark^ (%)
GFL ENVIRONMENTAL INC (EQ)	2.1	-
SUMMIT MATERIALS INC	2.1	-
SENSATA TECHNOLOGIES HOLDING PLC	1.9	-
RB GLOBAL INC	1.9	-
DOUBLEVERIFY HOLDINGS INC	1.8	-
JACOBS SOLUTIONS INC	1.8	-
TOPBUILD CORP	1.7	-
FIVE9 INC	1.7	-
NVENT ELECTRIC PLC	1.7	-
CRANE CO	1.7	-
Total	18.4	0.0

^ Russell 2000® Growth Index

Portfolio Outlook and Positioning



Performance recap

After struggling for most of the year, small cap stocks rallied sharply in October as investors anticipated the end of the US Federal Reserve's rate-increase cycle. As smaller caps tend to be more domestically focused and economically cyclical, the Russell 2000® index jumped 14% in the fourth quarter, outpacing the large cap Russell 1000®'s 12% gain. A strong end to the year wasn't enough to allow the index to reach new highs as the Russell 2000® Index returned -21.5% from its highs on November 8, 2021, through the end of 2023. Somewhat surprising was the fact that small-cap value outpaced growth during a period of positive total return as the Russell 2000® Value Index's return of +15.3% beat the Russell 2000® Growth's +12.8% return in the fourth quarter.

After outperforming nicely in the third quarter's market drawdown, our small-cap growth strategy fell behind the index as small-cap growth equities rallied to an impressive gain of 12.8% in the fourth quarter. From a factor perspective, the lowest quality stocks in the growth index, as measured by a composite of quality factors including ROE, significantly outperformed. The smallest and micro-cap stocks in the index also outperformed larger more established companies in the index. As a result, our high-quality secular growth-focused small-cap growth portfolio, that tends to avoid more speculative and micro-cap stocks in the index, lagged behind in this environment. In addition, the biotech industry was among the best performers during the quarter, as acquisition activity continued to pick up and investors rushed into a handful of early-stage drug developers' shares. For example, stock of Cytokinetics (part of the index, but not in our portfolio) soared more than 180% on the quarter after its early-stage drug for patients with a progressive disease that can result in heart failure reported favorable test data. The portfolio's underweight to the biotech industry was among the largest detractors to portfolio results during the quarter, exacerbated by the mid-year Russell index rebalance that pushed the industry weighting in the index above 13% by the end of the year. Our approach to biotech has consistently been to invest in companies that have at least one late-stage drug that is more de-risked and complimented by several earlier stage drugs that could provide upside to the valuation. In our view, these well-positioned companies tend to have more attractive risk-reward characteristics than the more speculative names in this industry that we've chosen to avoid. Outside of health care, the market has begun to discount some of business process outsourcing (BPO) companies, who handle business functions for other companies on an outsourced basis, on concerns that AI could replace much of their profit stream. Our holdings in BPO company WNS Global Services was among the portfolio's top detractors for the quarter on fears that automation ultimately could overwhelm the shift in these models from headcount to outcomes-based pricing, despite the ability in the past to outrun the herd. Our position in Jacobs Solutions also detracted from portfolio results after the company's spin-off of its slower growth government IT services business hurt near-term profits. However, we continue to believe that the strategic transformation of Jacobs into a more streamlined, focused and higher margin portfolio, aligned to critical infrastructure and sustainability business segments will lead to multiple expansion for the stock longer term as fundamentals begin to shine.

Portfolio Outlook and Positioning



Much like the fourth quarter, the best performing factors during calendar year 2023 included high beta and low quality, which is typically a challenging backdrop for our high-quality, small-cap growth portfolio with a beta of less than one. More specifically, the lowest quality, highest beta, most highly shorted stocks of the Russell 2000® Index significantly outperformed for the year. For the full year of 2023, the portfolio lagged the Russell 2000® Growth index's 18.7% return, as our underperformance during the strong market rally late in the year more than offset our relative gains from the other ten months of the year. In fact, portfolio performance was roughly in line with the index for the year, until the market bottomed on October 27 as investors sensed an end to the era of rising interest rates. From October 27 through the end of the year, the Russell 2000® Growth shot up an impressive 23.98% in a little over eight weeks' time. While we are never pleased with underperformance of any kind, we are not overly surprised that our high-quality, secular growth-focused small-cap growth portfolio — that has historically had a below-market beta — lagged the growth index during this highly cyclical and lower quality market environment. Although we do not have the same concentration issues of the large growth index's nearly 50% exposure to the "Magnificent 7" names, portfolio performance was hurt by not owning stock of Super Micro Computer, whose shares surged nearly 250% to finish the year at a \$16 billion market cap and approximately 1% weighting in the index at year end. Strong momentum drove the name higher last year as investors chased the stock in hopes of it being a strong AI beneficiary along with Nvidia, despite the fact that it offers a relatively undifferentiated product in the highly competitive server chip market, with gross margins that are a fraction of Nvidia's. While not owning the stock has been painful, we prefer to remain on the sidelines with this one in favor of other technology names with more durable fundamentals and attractive risk/reward profiles. Other holdings that detracted from our performance last year included digital IT services company Thoughtworks, business process outsourcing company WNS Global Services and luxury wine Producer Duckhorn. Although these stocks underperformed last year, we continue to believe fundamentals are on track and have maintained our positions, or in some cases added to them, as valuations have become more compelling. While IT services companies have experienced a macro-driven slowdown following the COVID period, near-term fundamentals at Thoughtworks were impacted more negatively than we anticipated. We believe the company's brand equity remains strong and that fundamentals will prove to be more resilient than the market currently expects as the macro environment stabilizes. We have continued to hold onto the stock at an attractive multiple for a business that we also believe is potentially a strategic asset for a larger IT services player. Stock of WNS Global was hurt by fears that AI models could make their headcount-driven business obsolete despite the company's ability to remain ahead of the competition in the past. After further analysis by our team, we believe AI will become a benefit for the company as they help their customers automate their processes and reduce costs and therefore will be a positive catalyst on WNS' growth and margins in the future. We added to our position in the stock at an attractive multiple during the recent period of price weakness. Although fundamentals at Duckhorn remained favorable, the stock price came under pressure after the company announced a deal to acquire Brown Forman's Sonoma Cutrer wine assets and create a new partnership that will allow them to leverage Brown Forman's more global distribution platform. While the market appeared to question the price of the deal, we believe it was reasonable and will provide significant opportunities for synergy going forward. We added to our position during the weakness as we believe the valuation is compelling with a long-term view.

Portfolio Outlook and Positioning



Although we finished behind the index last year, there were many examples of outperforming stocks where the bottom-up research from our team led us to take meaningful position sizes in some of our higher conviction ideas. For example, our position in closeouts, excess inventory and salvage merchandise retailer Ollie's Bargain Outlet also aided relative results. Ollie's tends to perform well during challenging economic times as its loyal army of "cheapskate" customers tend to trade down from traditional department stores when their budgets get pinched in tougher economic times. Despite fears that higher mortgage rates would crimp the housing market, demand remained robust, which benefited well-positioned homebuilding suppliers such as our position in top performing insulation and building materials company TopBuild. Strong performance from our position in trucking and logistics company XPO also contributed to portfolio results as a strong economic backdrop, strong operating performance and the demise of their largest direct competitor, Yellow Corporation, caused the stock to nearly double in price last year. Also under the heading of favorable stock selection, the portfolio continued to benefit from M&A activity as three holdings were acquired during the year. The team continues to focus on identifying and taking meaningful positions in strategic assets that we believe have considerable long-term growth potential as standalone companies but may be attractive to strategic buyers looking to jumpstart their growth prospects with an acquisition of these assets. We were fortunate to hold positions in life science tools company Abcam (by Danaher), independent fiduciary wealth management firm Focus Financial Partners (private equity) and chemical and ingredients distributor Univar Solutions, whose stock jumped after strategic buyers purchased their businesses at premium valuations.

Portfolio positioning

From a portfolio positioning perspective, despite a lot of thematic trading in the market due to AI, there are no real themes associated with recent trades in the US small-cap growth strategy, though we have generally been leaning into companies where we see durable growth and attractive valuation opportunities.

In recent months, we have been finding opportunities in the health care tools/diagnostics space where stocks have underperformed on COVID growth hangovers and the widely reported biotech funding slowdown. We are now lapping COVID grow-over effects and biotech funding is showing some green shoots as evidenced by recent IPOs, successful equity capital raises on a rebound in the stocks and innovation in part due to GLP-1s research and testing. In an attempt to reduce our considerable underweight to the biotech industry, we started new positions in life science tools and testing companies Qiagen, Bio-technie and Natera. We also started a new position in biotech Viking Therapeutics, a clinical-stage biopharmaceutical company that is focused on the development of therapies for metabolic and endocrine disorders, with a particularly promising next-generation weight loss drug. As software valuations have increasingly become attractive, we continued to add to many of our existing holdings such as cloud-based incident response and threat detection provider Pager Duty and construction project management software platform Procore and started new positions in P&C insurance software provider Guidewire and cloud-based marketing technology company Zeta Global.

Portfolio Outlook and Positioning



As always, we continue to build the portfolio from the bottom up, selecting the most attractive small-cap growth stocks that align with our investment style. With rates stabilizing (or at least rate expectations) and inflation abating somewhat in 2023, we are optimistic that fundamentals will begin to carry more of the weight of stock returns moving forward. We feel well positioned to outperform in such an environment as we tend to focus on more recurring revenue, longer duration growth companies whose fundamentals should hold up better in a challenging macro. We believe these were the stocks that demonstrated some of the greatest rate sensitivity in 2022 (to the downside), especially in tech, where we tend to have a structural overweight.

Summary

We have continued to invest the portfolio across a variety of industries and target the most attractive small-cap companies we believe can grow to a multiple of their current size over a three- to five-year investment time horizon. Since our potential investment universe and opportunity set is vast, we leverage MFS' extensive global research platform to focus on secular growth businesses and avoid companies that don't have a tailwind aiding their growth. Our goal is to diversify the portfolio and allow stock selection to try to drive outperformance through a variety of investment environments.

Our process has resulted in strong absolute and relative returns for our investors over the more than eight-year history of Portfolio Manager Mike Grossman's leadership. Through that time, the portfolio's track record demonstrated our ability to seek outperformance in up markets and outperform in more challenging environments, which is vitally important. Regardless of where we are in a business or market cycle, we remain focused on rigorous, collaborative, company-by-company research and analysis to define MFS' own view of a business, its ability to try to outgrow and take share from its competitors over the long term and the potential for its stock to reward investors.

As always, we have not wavered from our long-term focus on durable small-cap growth companies at reasonable multiples. Regardless of what lies ahead, we remain confident in our investment process and ability to drive returns on our clients' behalf through our core competency of bottom-up fundamental research and security selection across a diverse number of stocks and market sectors.

56395.2

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-Dec-23	Equivalent exposure (%)
Cash & Cash Equivalents	2.8
Cash & Cash Equivalents	2.8
Communication Services	0.6
Vivid Seats Inc	0.6
Consumer Discretionary	11.6
TopBuild Corp	1.7
Chewy Inc	1.1
Five Below Inc	1.1
Brunswick Corp/DE	1.1
Visteon Corp	1.1
Ollie's Bargain Outlet Holdings Inc	0.9
Genius Sports Ltd	0.9
Skechers U.S.A. Inc	0.9
European Wax Center Inc	0.8
Deckers Outdoor Corp	0.7
Sabre Corp	0.6
On Holding AG	0.4
Funko Inc	0.3
Consumer Staples	3.6
US Foods Holding Corp	1.5
Duckhorn Portfolio Inc	1.0
elf Beauty Inc	0.6
Oddity Tech Ltd	0.2
Oatly Group AB ADR	0.2
Energy	4.8
TechnipFMC PLC	1.3
Permian Resources Corp	1.3
Matador Resources Co	1.2
Cactus Inc	0.6
ChampionX Corp	0.4
Equity Warrants	0.0
Optinose Inc Warrant	0.0
Financials	4.4
Remitly Global Inc	1.2

As of 31-Dec-23	Equivalent exposure (%)
Financials	4.4
WisdomTree Inc	0.9
Hamilton Lane Inc	0.9
GCM Grosvenor Inc	0.8
AvidXchange Holdings Inc	0.6
Health Care	19.7
Certara Inc	1.2
QIAGEN NV	1.2
Shockwave Medical Inc	1.2
Bruker Corp	1.1
Masimo Corp	1.1
Gerresheimer AG	1.1
Techne Corp	1.1
Definitive Healthcare Corp	0.9
Amicus Therapeutics Inc	0.9
CryoPort Inc	0.8
Envista Holdings Corp	0.8
Natera Inc	0.8
PROCEPT BioRobotics Corp	0.7
HealthEquity Inc	0.6
Neurocrine Biosciences Inc	0.6
Immunocore Holdings PLC ADR	0.6
Inari Medical Inc	0.6
Collegium Pharmaceutical Inc	0.6
SpringWorks Therapeutics Inc	0.5
Harmony Biosciences Holdings Inc	0.4
Legend Biotech Corp ADR	0.4
Ascendis Pharma AS ADR	0.4
Viking Therapeutics Inc	0.3
MaxCyte Inc	0.3
Kymera Therapeutics Inc	0.3
Adaptive Biotechnologies Corp	0.3
Oxford Nanopore Technologies PLC	0.2

Portfolio Holdings



As of 31-Dec-23	Equivalent exposure (%)
Health Care	19.7
Maravai LifeSciences Holdings Inc	0.2
Outset Medical Inc	0.1
Optinose Inc	0.1
Annexon Inc	0.1
Sana Biotechnology Inc	0.1
Prelude Therapeutics Inc	0.1
Lyell Immunopharma Inc	0.1
BioAtla Inc	0.0
Industrials	24.2
GFL Environmental Inc	2.1
Sensata Technologies Holding PLC	1.9
RB Global Inc	1.9
Jacobs Solutions Inc	1.8
nVent Electric PLC	1.7
Crane Co	1.7
KBR Inc	1.7
ExlService Holdings Inc	1.7
CACI International Inc	1.5
WNS Holdings Ltd ADR	1.5
Knight-Swift Transportation Holdings Inc	1.3
Boyd Group Services Inc	1.0
AZEK Co Inc	1.0
XPO Inc	0.8
TriNet Group Inc	0.7
ACV Auctions Inc	0.7
AeroVironment Inc	0.5
Paylocity Holding Corp	0.4
NEXTracker Inc	0.4
Information Technology	20.7
DoubleVerify Holdings Inc	1.8
Five9 Inc	1.7
Advanced Energy Industries Inc	1.5

As of 31-Dec-23	Equivalent exposure (%)
Information Technology	20.7
Onto Innovation Inc	1.4
Q2 Holdings Inc	1.4
PagerDuty Inc	1.3
Procore Technologies Inc	1.2
FormFactor Inc	1.1
Alkami Technology Inc	1.0
Littelfuse Inc	1.0
Rapid7 Inc	1.0
Keywords Studios PLC	1.0
Kinaxis Inc	0.9
Guidewire Software Inc	0.9
Allegro MicroSystems Inc	0.9
Thoughtworks Holding Inc	0.7
Nova Ltd	0.6
Corsair Gaming Inc	0.5
Zeta Global Holdings Corp	0.5
Materials	5.2
Summit Materials Inc	2.1
Chemours Co	0.9
Axalta Coating Systems Ltd	0.9
Ashland Inc	0.7
Element Solutions Inc	0.7
Other	-0.0
Other*	-0.0
Real Estate	2.3
STAG Industrial Inc REIT	1.6
Corp Inmobiliaria Vesta SAB de CV ADR	0.7

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.

Portfolio Holdings



The Global Industry Classification Standard (GICS®) 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.

Additional Disclosures



Frank Russell Company ("Russell") is the source and owner of the Russell Index data contained or reflected in this material and all trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and/or Russell ratings or underlying data and no party may rely on any Russell Indexes and/or Russell ratings and/or underlying data contained in this communication. No further distribution of Russell Data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication.