

MFS[®] Active International ETF – MFSI

Product Profile

Objective

Seeks capital appreciation

Benchmark

MSCI All Country World Index (ACWI) ex-US Index

Style

International

Vehicle

Active ETF

Portfolio management

Filipe Benzinho,
Portfolio Manager

Daniel Ling, CFA,
Portfolio Manager

Harry Purcell
Portfolio Manager

Jed Stocks, CFA,
Portfolio Manager

Brett Fleishman,
Institutional Portfolio
Manager

Chris Sunderland,
Institutional Portfolio
Manager

Effective May 1, 2025, Harry Purcell assumed portfolio management responsibilities. Effective June 30, 2026, Daniel Ling will retire from MFS and relinquish his portfolio management responsibilities.

Expense Ratio*

0.59%

Ticker symbol

MFSI

*Gross Expense Ratio is the fund's total operating expense ratio from the fund's most recent prospectus.

Goal

To outperform the MSCI All Country World Index (ACWI) ex-US Index over a full market cycle

Philosophy

The tenets of our investment philosophy are as follows:

- We seek to generate strong returns by compounding growth in high-quality companies over a full market cycle.
- We aim to exploit short-term market inefficiencies that distort valuations by investing with a long-term investment horizon.
- We believe a strong focus on downside risk management at the stock and portfolio level is key for navigating through volatile market environments.

Distinguishing Characteristics

Integrated global research

- Collaborative culture with a fully integrated approach to researching companies
- Combines equity, fixed income and quantitative analysis
- Fundamental, bottom-up stock selection helps drive alpha

Multiyear investment horizon

- Seeks companies with durable above-average growth and return prospects and below-average risk relative to industry
- Aims for low turnover

Investment Team (as of May 2025)

Name	Role	MFS Experience (years)	Industry Experience (years)
Filipe Benzinho	Portfolio Manager	16	18
Daniel Ling, CFA*	Portfolio Manager	19	26
Harry Purcell*	Portfolio Manager	13	27
Jed Stocks, CFA	Portfolio Manager	25	26
Brett Fleishman	Institutional Portfolio Manager	24	28
Chris Sunderland	Institutional Portfolio Manager	9	35

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The Active International ETF team includes portfolio managers Filipe Benzinho, Daniel Ling, Harry Purcell and Jed Stocks, in addition to institutional portfolio managers Brett Fleishman and Chris Sunderland. The portfolio managers participate in the research process and strategy discussions and maintain overall responsibility for portfolio construction, final buy and sell decisions and risk management for the portfolios. Daniel joined MFS in 2006 and became a portfolio manager in 2009. Filipe joined MFS in 2009 and became a portfolio manager in 2016. Harry joined MFS in 2012 and became a portfolio manager in 2017. Jed joined MFS in 2001 and became a portfolio manager in 2015.

Institutional portfolio managers Brett Fleishman and Chris Sunderland participate in the research process, strategy and portfolio construction discussions, assess portfolio risk, manage daily cash flows and communicate investment policy, strategy and tactics. Brett joined MFS in 2001 and joined the team in 2011. Chris joined MFS and the team in 2015.

The institutional portfolio managers on the Active International ETF work with the MFS Capital Markets team in the creation and maintenance of the basket of portfolio securities, including custom baskets or cash in lieu requests, that the Active International ETF uses as the basis for issuing and redeeming creation units. The IPMs also facilitate the in-kind creation and redemption process on an ongoing basis, monitor and maintain portfolios in the intended portfolio weightings and assist with implementing large flow transactions.

Investment product specialists Ann Marie Costello and Peter Loncto, CFA, lead institutional product development, perform portfolio analysis, participate in portfolio strategy discussions and communicate investment policy, strategy and tactics.

Investment Process

MFS' global research platform

The MFS global research platform is an integrated framework combining equity, fixed income and quantitative analysis. The firm's experienced fundamental equity and fixed income analysts are based in eight investment offices around the world. Firm-wide, MFS analysts review more than 1,000 non-US stocks and rate each of these stocks buy, hold or sell. MFS' coverage represents a broad range of our investable universe.

The analysts are organized into eight global sector teams that include capital goods, consumer cyclicals, consumer staples, energy, financial services, health care, technology and telecommunications and cable. The sector-team structure facilitates the sharing of information across geographies as well as asset classes, resulting in a collaborative, integrated model that leverages all the research. Our platform enables all our investment professionals to develop a comprehensive view of the securities under evaluation. We believe this helps us make better investment decisions. In each sector team, analysts are responsible for following companies within their specific industry coverage area. They develop and maintain their own earnings and valuation models, engage with company management teams, consider ESG factors and interview competitors, suppliers and customers in order to form an opinion about each company. Within the global sector framework, they also incorporate relevant data points gathered by other analysts to complete the overall investment picture. Ultimately, this process leads to a buy, hold or sell rating for each company they follow.

MFS analysts narrow the list of potential non-US investment opportunities to approximately 350 to 450 buy candidates. With a focus on teamwork and communication, the portfolio management team, fundamental research analysts and quantitative research analysts actively participate in the research process.

The portfolio management team collaborates on an ongoing basis with the analysts throughout their research process, accompanying them on company visits, working through their financial models, and valuation approach and other parts of their investment thesis. Interaction between analyst team members results in discussions aimed at identifying appropriate ideas for inclusion within the portfolio. Analysts and portfolio managers also exchange ideas and information in formal weekly meetings. However, much of the communication takes place on an informal basis through face-to-face discussions, voicemail or email and an online notes system through which team members post reports and ratings for companies under coverage.

As part of their analysis, the team takes these steps:

Evaluate each company's growth and return potential: How durable is the company's business model? Is it gaining market share? Does it have pricing power? How fast is the industry growing? Are there barriers to entry? What is the strength of the management team? Does the company generate positive free cash flow?

Assess each company's business risk: What is the impact of a change in supply/demand? What is the strength of this company relative to its competition? What is the potential for losing its competitive advantage? What is the company's scale of risk?

Determine each company's appropriate valuation: The team assesses a broad range of outcomes to assess whether the stock's current valuation reflects the company's future potential growth and returns. Multiple valuation measures are considered as part of our assessment: cash flow, book value or total capital employed, earnings, sales, dividend yield and the company's cash flow return on investment. The team then considers how these valuation measures compare to the company's history, its peers and the overall market.

Idea generation

Once an idea has been generated, the next step is for the team to decide whether it is a good fit for the portfolio strategy. In order for a stock to be included in the portfolio, it has generally met the following criteria:

- Growth rate greater than global GDP growth
- Return on capital exceeds its cost of capital
- Strong free cash flow generation

The portfolio is expected to hold high conviction stocks that the team believes have above-average, durable growth rates and attractive valuation.

Portfolio construction

The portfolio management team combines their strong investment conviction with risk discipline and a multiyear investment horizon to

arrive at what they think are the best investment opportunities across regions and sectors. Sector, region and country weightings derive from our bottom-up approach to portfolio construction and are expected to vary from index weightings.

The portfolio management team also utilizes quantitative models that evaluate factors such as issuer, industry and sector weightings, geographic weightings, market capitalization, volatility, tracking error and other factors to assist them in the portfolio construction and security selection process.

Buy and Sell Disciplines

Buy discipline

Our goal is to manage the portfolio with little residual cash. Therefore, new investment opportunities are funded by trims of existing portfolio holdings. The portfolio management team considers initiating new positions or adding to existing positions based on

- relative valuation
- a new investment idea
- a change in thesis

Sell discipline

The portfolio management team considers selling or trimming existing positions based on

- relative valuation
- whether a better alternative is available
- a change in company fundamentals

Risk Management

At MFS, the goal is not to minimize risk but rather to understand its sources and effectively manage it. The risk management process strives to ensure that each strategy takes an appropriate level of risk that is disciplined and consistent with the investment philosophies of its mandate while also meeting long-term investment objectives. Risks to the long-term objectives of each strategy may come in the form of either system or security-specific factors. As a result, we take a collaborative approach to assessing and managing portfolio risk. Our investment team works together to assess risk from both fundamental and quantitative viewpoints.

Global fundamental research analysts

Starting at the security level, our global research team is responsible for bottom-up fundamental securities research. The team is situated in local markets around the world and organized by sector to facilitate collaboration globally and across asset classes. Through the detailed analysis of issuer-specific attributes, as well as operational, financial, ESG and valuation risks, each team member identifies potential investments with attractive risk/reward relationships.



Equity portfolio management

Our equity portfolio managers are experienced investors who work closely with the global research team to choose the most attractive and appropriate investment ideas for their mandate. The portfolio management team is responsible for bottom-up security selection, portfolio construction, which includes sizing positions appropriately within the context of a portfolio, and ensuring this process results in a portfolio that adheres to its stated investment philosophy and goals. In managing portfolio risk, equity portfolio managers work closely with fundamental analysts, ESG analysts, quantitative analysts and equity traders. This provides deep perspectives and risk management at the security and portfolio levels as well as insights into market liquidity.

Portfolio risk is analyzed at multiple levels:

Security level

On a day-to-day basis, risk analysis occurs at the security level through our fundamental and equity quantitative research efforts. The fundamental analysts assess the operational, financial and valuation risk characteristics of each issuer they follow, and quantitative models use factors based on earnings momentum, price momentum, valuation and earnings quality. Careful consideration is also given not only to the evaluation of each security's appreciation potential, but also to the level of downside support the team can reasonably expect in the event things don't develop as anticipated. Each team engages in a comprehensive evaluation of the risk characteristics of all investment ideas as consideration for inclusion within their portion of the portfolio.

Portfolio level

The portfolio management team uses daily exposure reports and monthly attribution reports to compare the portfolio's industry and sector weightings to the benchmark to confirm that the portfolio's positioning is consistent with the team's investment convictions and theses that result from its bottom-up fundamental research. The Investment Management Committee (IMC) reviews the portfolio risk reports monthly to ensure that our investment policies are carried out by the team.

Semiannually, portfolio management team members meet with the CIO and the co-director of quantitative solutions/chief investment risk officer to review various portfolio characteristics and risks inherent within the strategy to ensure that they are consistent with the strategy. We have also recently developed a comprehensive annual portfolio evaluation that measures sustainability characteristics across a wide array of ESG metrics. These annual sustainability reviews are attended by the portfolio manager(s) of the strategy, at least one ESG-dedicated member of our investment team and MFS' CIO.

Firm level

We have instituted a comprehensive approach to risk management that is a combination of disciplined internal controls and managerial oversight. Policies are dictated, first and foremost, by portfolio limits and regulatory restrictions. We have established an organizational structure, systems and processes, with the appropriate segregation of duties and checks and balances to ensure that these practices are followed. Exception reporting and oversight by senior investment personnel, as well as independent bodies such as the dedicated portfolio compliance team of the MFS Compliance Department and global independent risk officer, are conducted on a regular basis. ▲

Important risk considerations

The fund may not achieve its objective and/or you could lose money on your investment in the fund.

Exchange-Traded Funds (ETFs): Trade like stocks, are subject to investment risk, and will fluctuate in market value. Shares of ETFs are bought and sold at market price, not NAV, and are not individually redeemed from the fund. The market price at the time of sale may be higher or lower than the fund's NAV, and any applicable brokerage commissions will reduce returns. There can be no guarantee that an active market for the funds will develop or be maintained.

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.

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

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](https://www.mfs.com). Please read it carefully.

MFS registered investment products are offered through MFS Fund Distributors, Inc., Member SIPC, 111 Huntington Avenue, Boston, MA 02199.

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