



# MFS<sup>®</sup> INVESTMENT FUNDS

Luxembourg-registered fonds commun de placement – Undertaking for Collective Investment in Transferable Securities (UCITS)

## Prospectus

24 July 2023

Containing the following Sub-Funds of investment:

MFS Investment Funds – Blended Research<sup>®</sup> Emerging Markets Equity Fund

MFS Investment Funds – Blended Research<sup>®</sup> Global Equity Fund

MFS Investment Funds – European Research Fund

MFS Investment Funds – Global Concentrated Equity Fund

MFS Investment Funds – Global Equity Fund

MFS Investment Funds – Global Equity Euro Hedged Fund

MFS Investment Funds – Global Listed Infrastructure Fund

MFS Investment Funds – Global Value Fund

MFS Investment Funds – Global Value Ex-Japan Fund

MFS Investment Funds – Low Volatility Global Equity Fund

MFS Investment Funds – U.S. Municipal Bond Fund

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## DIRECTORY

<p><b>Management Company</b>  MFS Investment Management Company (Lux) S.à r.l.  4, rue Albert Borschette  L-1246, Luxembourg  Grand Duchy of Luxembourg</p> <p><b>Board of Managers of the Management Company</b>  Lina M. MEDEIROS (Chairperson)  Head of Office  MFS Investment Management Company (Lux) S.à r.l.</p> <p>Mitchell FREESTONE  Senior Managing Counsel  MFS International (U.K.) Limited</p> <p>Nevis BREGASI  Senior Managing Counsel  Massachusetts Financial Services Company</p> <p>Sanjay NATARAJAN  Institutional Portfolio Manager  Massachusetts Financial Services Company</p> <p>James R. JULIAN, Jr.  Chief Executive Officer  University of Massachusetts Foundation  Independent Manager</p> <p>Paul DE QUANT  Independent Manager</p> <p>Thomas A. BOGART  Independent Manager</p> <p><b>Conducting Persons of the Management Company</b>  Michael DERWAELE  Risk Management Officer  MFS Investment Management Company (Lux) S.à r.l.</p> <p>Olivier GILSON  Compliance Officer  MFS Investment Management Company (Lux) S.à r.l.</p> <p>Nicole NEUBELT  Distribution Officer  MFS International (U.K.) Limited</p>	<p><b>Investment Manager</b>  Massachusetts Financial Services Company  111 Huntington Avenue  Boston, Massachusetts USA 02199  ("MFS" or the "Investment Manager")</p> <p><b>Depository, Administration Agent, Corporate and Paying Agent, Registrar and Transfer Agent</b>  State Street Bank International GmbH, Luxembourg Branch  49, Avenue J.F. Kennedy  L-1855 Luxembourg  Grand-Duchy of Luxembourg  (the "Depository", the "Administration Agent," the "Corporate and Paying Agent," the "Registrar" and the "Transfer Agent")</p> <p><b>Independent Auditor to the Fund</b>  Ernst &amp; Young S.A.  35E Avenue J.F. Kennedy  L-1855 Luxembourg  Grand Duchy of Luxembourg</p> <p><b>Independent Auditor to the Management Company</b>  Deloitte Audit S.à r.l.  20 Boulevard de Kockelscheuer  L-1821 Luxembourg  Grand Duchy of Luxembourg</p> <p><b>Legal Advisers</b>  Arendt &amp; Medernach  41A, Avenue J.F. Kennedy  L-2082 Luxembourg  Grand Duchy of Luxembourg</p>
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## SUMMARY OF MAIN FEATURES

**IMPORTANT:** This Prospectus (the "Prospectus") contains important information about MFS Investment Funds, a *fonds commun de placement* (the "FCP") and its various portfolios (each a "Fund") and Unit classes (each a "Class"). MFS Investment Management Company (Lux) S.à r.l. (the "Management Company") serves as management company to the FCP. For more information before you invest, please consult the Key Information Document ("KID") for each available Class of each Fund. If you are in any doubt about the contents of this Prospectus, you should consult the Management Company or authorised affiliated sub-distributor of the Management Company or the Transfer Agent. Any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in the Prospectus, the periodic financial reports, or any of the documents referred to herein and which may be consulted by the public shall be solely at the risk of the purchaser. Applications to transact in Fund Units ("Units") are subject to acceptance by the Management Company.

The members of the Board of Managers of the Management Company, whose names appear in the Directory (the "Board of Managers" or the "Board"), are the persons responsible for the information contained in this Prospectus. To the best of the knowledge and belief of the Managers, the information contained in this Prospectus is materially in accordance with the facts and does not omit anything likely to materially affect the importance of such information. The Managers accept responsibility accordingly. Statements made in this Prospectus are based on the laws and practice currently in force in the Grand Duchy of Luxembourg, and are subject to changes in those laws.

### Specific Country Considerations

Prospective purchasers of Units of a Fund should inform themselves as to the legal requirements, exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile. All references to laws or regulations include any amendments, restatements or successor laws or regulations thereto.

**Prospective investors resident in Austria, Germany, Ireland, Switzerland and the United Kingdom should note that an addendum for their respective country should be read in conjunction with this Prospectus. Such Addendum includes additional disclosure regarding investment in the Funds in such countries, and can be found by accessing the Prospectus at [fcp.mfs.com](http://fcp.mfs.com) and selecting the relevant country option. In certain other jurisdictions, your respective Financial Intermediary may also have to provide additional documentation along with this Prospectus. Please refer to your Financial Intermediary for more details.**

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

- **Hong Kong:** No person may issue, or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Units, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Units which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.
- **United States:** Neither the FCP nor any Fund has been registered under the U.S. Investment Company Act of 1940, as amended. In addition, the Units of the FCP have not been registered under the U.S. Securities Act of 1933, as amended ("Securities Act"), and may not be offered or sold in the United States, its territories or possessions or to a U.S. Person (see "Eligible Investors" in the section entitled "Practical Information"). The FCP's Management Regulations (the "Management Regulations") generally prohibit the sale and transfer of Units to U.S. Persons.

## The FCP and the Funds

The FCP is an umbrella fund established in Luxembourg as an open-ended investment fund – *fonds commun de placement* pursuant to Part I of the law of 17 December 2010 on undertakings for collective investment, as amended (the "Law"). MFS Investment Management Company S.à r.l. (the "Management Company") serves as its management company. The FCP qualifies as an undertaking for collective investment in transferable securities (a "UCITS") in accordance with the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (the "UCITS Directive"). The FCP is comprised of separate compartments (each a "Fund"), each of which relates to a separate portfolio of securities with specific investment objectives. Each Fund shall be liable for its own debts and obligations. Each Fund is a separate entity with, but not limited to, its own contributions, liabilities, capital gains, losses, charges and expenses. Each Fund is denominated in a single currency (the "Base Currency"), which may be U.S. Dollars or Euros, but may have Classes denominated in currencies other than the Base Currency. The capital of the FCP is expressed in Euros. The entire assets of the FCP, which are separate from those of the Management Company, are the joint property of all Unitholders who have equal rights in proportion to the number of Units they hold in the individual Funds. The Board may decide at any time to establish new Funds consisting of eligible assets as mentioned in Article 41(1) of the Law. Upon the establishment of such additional Funds, the Prospectus and the applicable KIDs shall be updated accordingly.

The FCP was established at the initiative of MFS. The name of each Fund is preceded by "MFS Investment Funds":

1. Blended Research® Emerging Markets Equity Fund
2. Blended Research® Global Equity Fund
3. European Research Fund
4. Global Concentrated Equity Fund
5. Global Equity Fund
6. Global Equity Euro Hedged Fund
7. Global Listed Infrastructure Fund
8. Global Value Fund
9. Global Value Ex-Japan Fund
10. Low Volatility Global Equity Fund
11. U.S. Municipal Bond Fund

On the following pages you will find information about each Fund in addition to the information provided in the KID for the respective Class of each Fund.

Certain Funds promote the MFS Low Carbon Transition characteristic, which is an environmental characteristic within the meaning of Article 8 of the Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector ("SFDR"). This is prominently indicated in the Fund Profile of each applicable Fund. All other Funds fall within Article 6 of SFDR, which is also indicated in the Fund Profile of the relevant Funds.

## BLENDED RESEARCH® EMERGING MARKETS EQUITY FUND

**Base Currency:** U.S. Dollar (\$)**Launch Date:** 16 January 2018**Methodology to Calculate Global Exposure:** Commitment Approach**SFDR Classification:** Article 6**Investment Objective and Policy**

The Fund's objective is capital appreciation, measured in U.S. Dollars. The Investment Manager seeks to achieve the Fund's objective by actively identifying potential investments based on fundamental and quantitative analysis and then constructing a portfolio from these potential investments while managing various risk factors (e.g., issuer, industry, and sector weightings, market capitalization, and volatility) compared to the MSCI Emerging Markets Index, which represents the Fund's investment universe.

The Fund invests primarily (at least 70%) in equity securities of issuers that are tied economically to emerging market countries. Such emerging market countries are located Latin America, Asia, Africa, the Middle East, and developing countries of Europe, primarily Eastern Europe. The Fund may also invest in equity securities of issuers located in developed markets. The Fund may invest in companies it believes to have above average earnings growth potential compared to other companies (growth companies), in companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. The Fund may invest in companies of any size. The Fund may invest a relatively large percentage of the Fund's assets in issuers in a single country, a small number of countries, or a particular geographic region. The Fund normally allocates investments across different industries and sectors, but the Fund may invest a significant percentage of the Fund's assets in issuers in a single or small number of industries or sectors. The Fund may use depositary receipts, including American Depositary Receipts, European Depositary Receipts and Global Depositary Receipts, to gain exposure to an issuer as an alternative to direct investment in the securities of such issuer. Investments are selected based on fundamental analysis of individual issuers and quantitative models that systematically evaluate issuers. The Fund may use derivatives for hedging and/or investment purposes, including to increase or decrease exposure to a particular market, segment of the market, or security, to manage currency exposure or other characteristics of the Fund, or as alternatives to direct investments. The Fund will not extensively or primarily use derivatives to achieve the Fund's investment objective or for investment purposes.

The Investment Manager uses an active bottom-up approach to buying and selling investments for the Fund. Investments are selected primarily based on blending fundamental and quantitative research. The Investment Manager uses fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political, and regulatory conditions to determine a fundamental rating for an issuer. The Investment Manager may also consider environmental, social and governance (ESG) factors in its fundamental investment analysis. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. The Investment Manager uses quantitative analysis, including quantitative models that systematically evaluate an issuer's valuation, price and earnings momentum, earnings quality, and other factors to determine a quantitative rating for an issuer. The Investment Manager combines the fundamental rating with the quantitative rating to create a blended rating for an issuer. When the Investment Manager's fundamental rating is not available, the Investment Manager treats the issuer as having a neutral fundamental rating. The Investment Manager then constructs the portfolio using a portfolio optimization process that considers the blended rating, as well as issuer, industry, and sector weightings, market capitalization, volatility, and other factors. The portfolio managers have the discretion to adjust the inputs and parameters used in the optimization process and the Fund's portfolio holdings based on factors such as the desired portfolio characteristics and the portfolio managers' qualitative assessment of the optimization results. The Investment Manager's goal is to construct an actively managed portfolio with a target predicted tracking error of approximately 2% compared to the MSCI Emerging Markets Index. Tracking error generally measures how the differences between the Fund's monthly returns and the MSCI Emerging Markets Index's monthly returns have varied over a specified time period. A lower tracking error means that there is generally less variation between the Fund's returns compared to the MSCI Emerging Markets Index. Third party quantitative risk models are used in the portfolio construction process and to measure the predicted tracking error of the Fund's portfolio.

Although the Fund's investments will generally be represented in the benchmark, components are likely to be weighted differently from the benchmark and the Fund is likely to invest outside of the benchmark to take advantage of attractive investment opportunities.

As this Fund falls within Article 6 of SFDR, please note that the investments underlying this financial product do not take

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into account the EU criteria for environmentally sustainable economic activities.

You should consult the sections entitled "General Information Regarding Investment Policies and Instruments," "Techniques and Instruments" and "Risk Factors" for further details with respect to the various investment instruments in which the Fund may invest.

### Key Risks

The following summarizes the key risks of investing in the Fund. You should consult the section entitled "Risk Factors" for further details regarding these and other risks.

- Equity markets are volatile and can decline significantly in response to issuer, market, economic, industry, political, regulatory, geopolitical, public health and other conditions, as well as to investor perceptions of these conditions. The price of an equity security can decrease significantly in response to these conditions, and these conditions can affect a single issuer or type of security, issuers within a broad market sector, industry or geographic region, or the market in general.
- The Fund's performance will be closely tied to the market, currency, economic, political, regulatory, geopolitical, or other conditions in emerging market countries and could be more volatile than the performance of more geographically-diversified funds.
- To the extent the Fund invests a relatively large percentage of its assets in a small number of industries or sectors, the Fund's performance could be closely tied to those industries or sectors, and could be more volatile than the performance of more diversified funds.
- Exposure to emerging markets can involve additional risks relating to market, economic, political, regulatory, geopolitical, or other conditions. These factors can make emerging markets investments more volatile and less liquid than developed markets investments. Emerging markets can have less developed legal, regulatory, and accounting systems, and greater political, social, and economic instability than developed markets.
- Derivatives can be used to take both long and synthetic short positions (i.e., the value of a derivative can be positively or negatively related to the value of the underlying indicator(s) on which the derivative is based). Derivatives can be highly volatile and involve risks in addition to the risks of the underlying indicator(s). Gains or losses from derivatives can be substantially greater than the derivatives' original cost and can involve leverage.
- Currency rates fluctuate in response to market, economic, political, regulatory, geopolitical or other conditions. Because a Fund can invest in instruments issued in currencies other than the Fund's base currency or Class currency, changes in currency rates can affect the value of such instrument and the value of your investment. Investors whose financial transactions are primarily in currencies other than the base currency of the Fund (USD) or the currency of the Class should consider the potential risk of loss from the fluctuations in the rate of exchange between such currencies. Currency rate changes may also affect the financial condition of the issuers in which the Fund invests.
- The Fund's strategy to target a predicted tracking error of approximately 2% compared to the MSCI Emerging Markets Index and to blend fundamental and quantitative research may not produce the intended results. In addition, the Investment Manager's fundamental research is not available for all issuers. There is no assurance that the Fund will meet its target predicted tracking error over the long term or for any year or period of years, or that the Fund's predicted tracking error and actual tracking error will be similar.
- The Investment Manager's investment analysis, its development and use of quantitative models and its selection of investments may not produce the intended results and/or can lead to an investment focus that results in the Fund underperforming other funds with similar investment strategies and/or underperforming the markets in which the Fund invests. The quantitative models used by the Investment Manager (both proprietary and third-party) may not produce the intended results for a variety of reasons, including the factors used in the models, the weight placed on each factor in the models, changes from the market factors' historical trends, changing sources of market return or market risk, and technical issues in the design, development, implementation, application and maintenance of the models (e.g., incomplete, outdated or inaccurate data, programming or other software issues, coding errors and technology failures).

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- **There can be no guarantee that the Fund will achieve its investment objective. The value of your investment can go down as well as up and you may not get back the amount invested.**

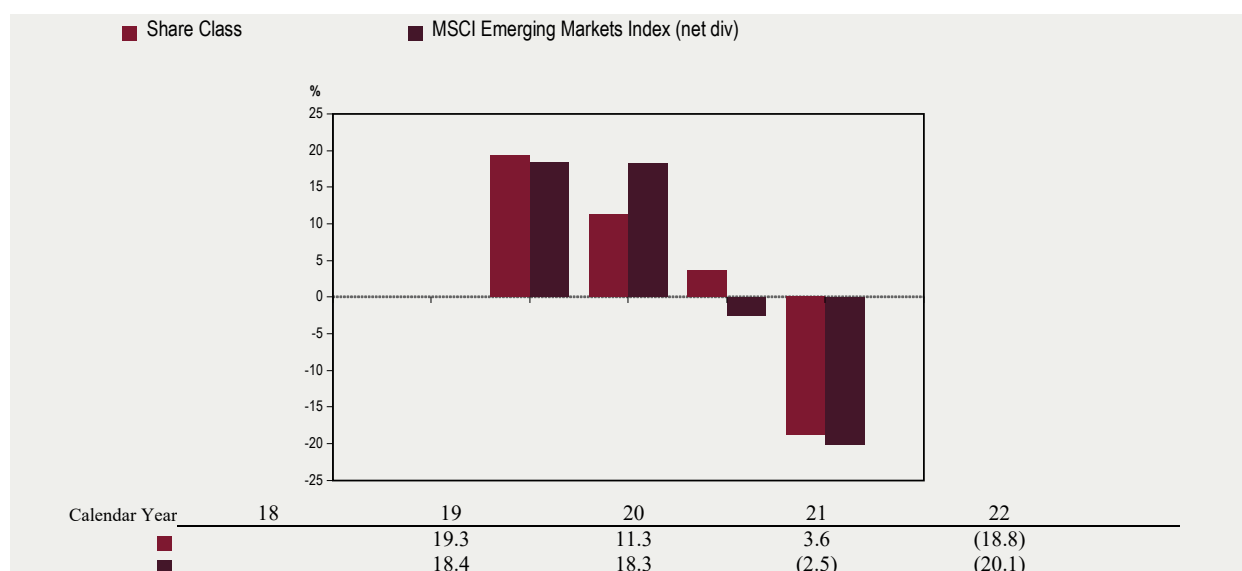
### Typical Investor Profile

- The Fund is intended for investors seeking capital appreciation through investment primarily in equity securities of companies located in emerging market countries.
- The Fund is intended as a long term investment. Investors' risk tolerance levels and investment time horizons may differ based on the individual circumstances of each investor. You should consult your Financial Intermediary for advice regarding your own risk tolerance and investment horizons before investing in the Fund.

### Performance

The following chart provides past performance information. The Fund's past performance does not necessarily indicate how the Fund will perform in the future. The chart does not reflect the impact of sales charges you may pay when purchasing or redeeming Units, or taxes you may incur on these transactions. Any sales charge or taxes would reduce the returns shown.

*Bar Chart:* The chart shows the annual total returns of the Fund's US Dollar Class Units as of 31 December each year. Performance for the Fund's benchmark is also shown.



### Fund Benchmark

MSCI Emerging Markets Index (net div) (USD)

### Fund's Ongoing Charges

The following ongoing charges are expressed at an annual rate as a percentage of net assets. They are based on expenses for the year ended 30 September 2022. For a Class with less than the full period of data available, or where adjustment is necessary to reflect current charges, the ongoing charges figure is an estimate as of the date of this Prospectus. These expenses are paid out of Class level assets and are fully reflected in the relevant Unit price. Except as noted for the Euro Z Units, these expenses are not charged directly to Unitholders. Please see the KID of the relevant Class for the most recent expense information.

Class	US Dollar	Euro	Sterling	Euro W	Euro Z
Investment Management Fee	0.60%	0.60%	0.60%	0.60%	‡
Estimated Other Expenses <sup>1, 2</sup>	0.12%	0.12%	0.12%	0.16%	0.12%
<b>Total Expense Ratio</b>	<b>0.72%</b>	<b>0.72%</b>	<b>0.72%</b>	<b>0.76%</b>	<b>0.12%</b>

<sup>1</sup> "Other Expenses" generally include all direct Fund expenses except for the investment management fee. The Fund does not pay distribution and service fees. "Other Expenses" include fees paid to the Management Company, Depositary and Transfer Agent, legal and audit fees, certain expenses associated with the Fund's investment activities



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including interest, and expenses in connection with the Fund's operation and central administration in Luxembourg, among others. "Other Expenses" do not include brokerage commissions and transaction costs or currency conversion costs.

- 2 The Investment Manager has voluntarily agreed to bear certain expenses such that "Other Expenses", excluding taxes, certain tax reclaim recovery expenses (including contingency fees), tax transparency-related expenses and expenses associated with the Fund's investment activities such as interest, do not exceed 0.10% annually of the average daily net assets of each Class. To the extent "Estimated Other Expenses" exceed the expense cap rate, the difference is attributable to certain Other Expenses that are excluded from the expense cap arrangement, such as taxes, certain tax reclaim recovery expenses, tax transparency-related expenses and interest expenses associated with the Fund's investment activities.
- ‡ The Investment Management Fee for the Euro Z Units will be administratively levied and paid directly by the Unitholder to the Management Company (an affiliate of MFS), or an affiliate in relation to the investment management services provided by MFS to the Fund.

## BLENDED RESEARCH® GLOBAL EQUITY FUND

**Base Currency:** U.S. Dollar (\$)**Launch Date:** 10 February 2015**Methodology to Calculate Global Exposure:** Commitment Approach**SFDR Classification:** Article 8 ("Light Green")**Investment Objective and Policy**

The Fund's objective is capital appreciation, measured in U.S. Dollars. The Investment Manager seeks to achieve the Fund's objective by actively identifying potential investments based on fundamental and quantitative analysis and then constructing a portfolio from these potential investments while managing various risk factors (e.g., issuer, industry, and sector weightings, market capitalization, and volatility) compared to the MSCI All Country World Index, which represents the Fund's investment universe.

The Fund invests primarily (at least 70%) in equity securities of companies located in developed and emerging market countries. The Fund may invest in companies it believes to have above average earnings growth potential compared to other companies (growth companies), in companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. The Fund generally focuses its investments in larger companies, but may invest in companies of any size. The Fund may invest a relatively large percentage of the Fund's assets in a small number of countries or a particular geographic region. Investments are selected based on fundamental analysis of individual issuers and quantitative models that systematically evaluate issuers. The Fund may use derivatives for hedging and/or investment purposes, including to increase or decrease exposure to a particular market, segment of the market, or security, to manage currency exposure or other characteristics of the Fund, or as alternatives to direct investments. The Fund will not extensively or primarily use derivatives to achieve the Fund's investment objective or for investment purposes.

In pursuing the Fund's objective of capital appreciation, the Fund will also promote the MFS Low Carbon Transition Characteristic, an environmental characteristic under Article 8 of SFDR. Please refer to the section "Other Practical Information – Investment Manager – MFS 'Light Green' Funds" in this Prospectus, and to the attached SFDR Annex.

The Investment Manager uses an active bottom-up approach to buying and selling investments for the Fund. Investments are selected primarily based on blending fundamental and quantitative research. The Investment Manager uses fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political, and regulatory conditions to determine a fundamental rating for an issuer. The Investment Manager may also consider environmental, social and governance (ESG) factors in its fundamental investment analysis. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position, and management ability. The Investment Manager uses quantitative analysis, including quantitative models that systematically evaluate an issuer's valuation, price and earnings momentum, earnings quality, and other factors to determine a quantitative rating for an issuer. The Investment Manager combines the fundamental rating with the quantitative rating to create a blended rating for an issuer. When the Investment Manager's fundamental rating is not available, the Investment Manager treats the issuer as having a neutral fundamental rating. The Investment Manager then constructs the portfolio using a portfolio optimization process that considers the blended rating, as well as issuer, industry, and sector weightings, market capitalization, volatility, and other factors. The portfolio managers have the discretion to adjust the inputs and parameters used in the optimization process and the Fund's portfolio holdings based on factors such as the desired portfolio characteristics and the portfolio managers' qualitative assessment of the optimization results. The Investment Manager's goal is to construct an actively managed portfolio with a target predicted tracking error of approximately 2% compared to the MSCI All Country World Index. Tracking error generally measures how the differences between the Fund's monthly returns and the MSCI All Country World Index's monthly returns have varied over a specified time period. A lower tracking error means that there is generally less variation between the Fund's returns compared to the MSCI All Country World Index. Third party quantitative risk models are used in the portfolio construction process and to measure the predicted tracking error of the Fund's portfolio.

Although the Fund's investments will generally be represented in the benchmark, components are likely to be weighted differently from the benchmark and the Fund is likely to invest outside of the benchmark to take advantage of attractive investment opportunities.

You should consult the sections entitled "General Information Regarding Investment Policies and Instruments,"

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"Techniques and Instruments" and "Risk Factors" for further details with respect to the various investment instruments in which the Fund may invest.

### Key Risks

The following summarizes the key risks of investing in the Fund. You should consult the section entitled "Risk Factors" for further details regarding these and other risks.

- Equity markets are volatile and can decline significantly in response to issuer, market, economic, industry, political, regulatory, geopolitical, public health and other conditions, as well as to investor perceptions of these conditions. The price of an equity security can decrease significantly in response to these conditions, and these conditions can affect a single issuer or type of security, issuers within a broad market sector, industry or geographic region, or the market in general.
- The equity securities of large cap companies can underperform the overall equity market.
- Exposure to emerging markets can involve additional risks relating to market, economic, political, regulatory, geopolitical, or other conditions. These factors can make emerging markets investments more volatile and less liquid than developed markets investments. Emerging markets can have less developed markets and less developed legal, regulatory, and accounting systems, and greater political, social, and economic instability than developed markets.
- Because the Fund may invest a relatively large percentage of its assets in a single region, the Fund's performance would be closely tied to the market, currency, economic, political, regulatory, geopolitical, or other conditions prevailing in that region and could be more volatile than the performance of more geographically diversified funds.
- Derivatives can be used to take both long and synthetic short positions (i.e., the value of a derivative can be positively or negatively related to the value of the underlying indicator(s) on which the derivative is based). Derivatives can be highly volatile and involve risks in addition to the risks of the underlying indicator(s). Gains or losses from derivatives can be substantially greater than the derivatives' original cost and can involve leverage.
- Currency rates fluctuate in response to market, economic, political, regulatory, geopolitical or other conditions. Because a Fund can invest in instruments issued in currencies other than the Fund's base currency or Class currency, changes in currency rates can affect the value of such instrument and the value of your investment. Investors whose financial transactions are primarily in currencies other than the base currency of the Fund (USD) or the currency of the Class should consider the potential risk of loss from the fluctuations in the rate of exchange between such currencies. Currency rate changes may also affect the financial condition of the issuers in which the Fund invests.
- The Fund's strategy to target a predicted tracking error of approximately 2% compared to the MSCI All World Country Index and to blend fundamental and quantitative research may not produce the intended results. In addition, the Investment Manager's fundamental research is not available for all issuers. There is no assurance that the Fund will meet its target predicted tracking error over the long term or for any year or period of years, or that the Fund's predicted tracking error and actual tracking error will be similar.
- The Investment Manager's investment analysis, its development and use of quantitative models and its selection of investments may not produce the intended results and/or can lead to an investment focus that results in the Fund underperforming other funds with similar investment strategies and/or underperforming the markets in which the Fund invests. The quantitative models used by the Investment Manager (both proprietary and third-party) may not produce the intended results for a variety of reasons, including the factors used in the models, the weight placed on each factor in the models, changes from the market factors' historical trends, changing sources of market return or market risk, and technical issues in the design, development, implementation, application and maintenance of the models (e.g., incomplete, outdated or inaccurate data, programming or other software issues, coding errors and technology failures). In addition, the Fund's promotion of the MFS Low Carbon Transition characteristic may affect the composition of the Fund, and may result in purchase and sales decisions that negatively impact the investment performance of the Fund.
- **There can be no guarantee that the Fund will achieve its investment objective. The value of your investment can go down as well as up and you may not get back the amount invested.**

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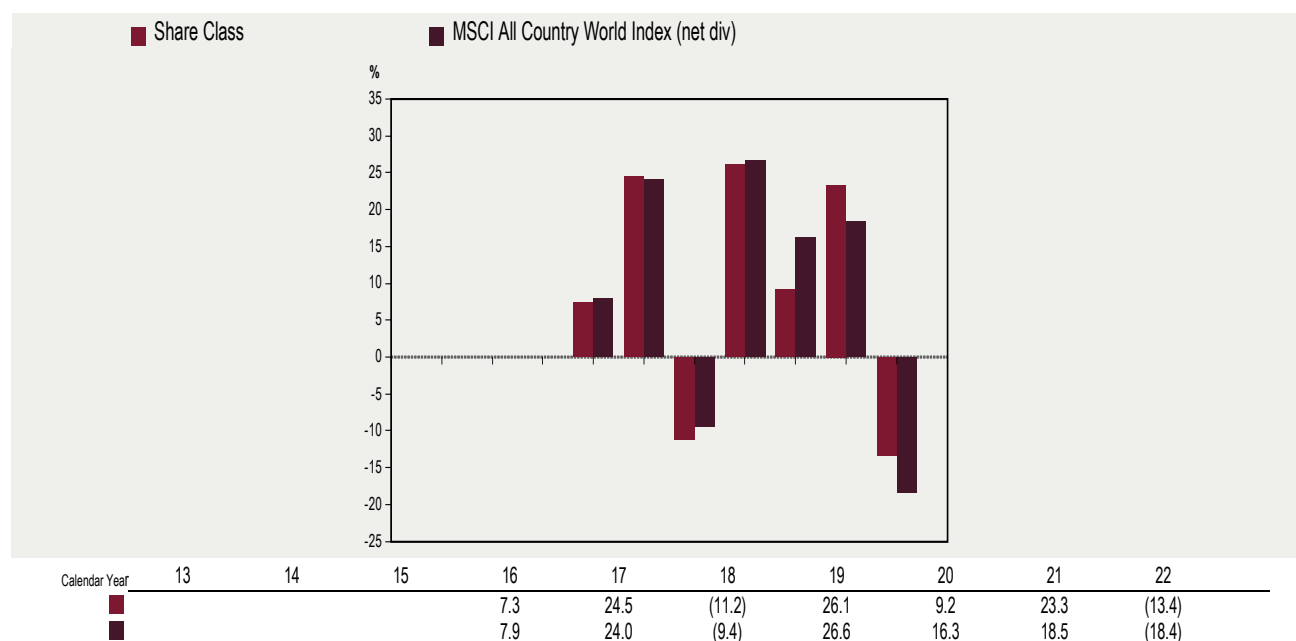
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- The Fund is intended for investors seeking capital appreciation through investment primarily in equity securities of companies located in developed and emerging market countries.
- The Fund is intended as a long term investment. Investors' risk tolerance levels and investment time horizons may differ based on the individual circumstances of each investor. You should consult your Financial Intermediary for advice regarding your own risk tolerance and investment horizons before investing in the Fund.

### Performance

The following chart provides past performance information. The Fund's past performance does not necessarily indicate how the Fund will perform in the future. The chart does not reflect the impact of sales charges you may pay when purchasing or redeeming Units, or taxes you may incur on these transactions. Any sales charge or taxes would reduce the returns shown.

*Bar Chart:* The chart shows the annual total returns of the Fund's US Dollar Class Units as of 31 December each year. Performance of the Fund's benchmark is also shown.



### Fund Benchmark

MSCI All Country World Index (net div) (USD)

### Fund's Ongoing Charges

The following ongoing charges are expressed at an annual rate as a percentage of net assets. They are based on expenses for the year ended 30 September 2022. For a Class with less than the full period of data available, or where adjustment is necessary to reflect current charges, the ongoing charges figure is an estimate as of the date of this Prospectus. These expenses are paid out of Class level assets and are fully reflected in the relevant Unit price. These expenses are not charged directly to Unitholders. Please see the KID of the relevant Class for the most recent expense information.

Class	US Dollar	Euro	Sterling
Investment Management Fee	0.35%	0.35%	0.35%
Estimated Other Expenses <sup>1, 2</sup>	0.06%	0.06%	0.06%
<b>Total Expense Ratio</b>	<b>0.41%</b>	<b>0.41%</b>	<b>0.41%</b>

<sup>1</sup> "Other Expenses" generally include all direct Fund expenses except for the investment management fee. The Fund does not pay distribution and service fees. "Other Expenses" include fees paid to the Management Company, Depositary and Transfer Agent, legal and audit fees, certain expenses associated with the Fund's investment activities including interest, and expenses in connection with the Fund's operation and central administration in Luxembourg, among others. "Other Expenses" do not include brokerage commissions and transaction costs or currency conversion

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costs.

- 2 The Investment Manager has voluntarily agreed to bear certain expenses such that "Other Expenses", excluding taxes, certain tax reclaim recovery expenses (including contingency fees), tax transparency-related expenses and expenses associated with the Fund's investment activities such as interest, do not exceed 0.05% annually of the average daily net assets of each Class. To the extent "Estimated Other Expenses" exceed the expense cap rate, the difference is attributable to certain Other Expenses that are excluded from the expense cap arrangement, such as taxes, certain tax reclaim recovery expenses, tax transparency-related expenses and interest expenses associated with the Fund's investment activities.

## EUROPEAN RESEARCH FUND

**Base Currency:** Euro (€)**Launch Date:** 5 September 2019**Methodology to Calculate Global Exposure:** Commitment Approach**SFDR Classification:** Article 8 ("Light Green")**Investment Objective and Policy**

The Fund's objective is capital appreciation, measured in Euros. The Fund invests primarily (at least 70%) in European equity securities. Some of the countries in Europe, primarily those in Eastern Europe, are currently considered emerging market economies. The Fund may invest in companies it believes to have above average earnings growth potential compared to other companies (growth companies), in companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. The Fund may invest in companies of any size. The Fund may invest a relatively large percentage of the Fund's assets in a small number of countries and/or a particular geographic region. While the Fund's ancillary investments may include any investment type described in the section entitled "Investment Policies and Risks," the Fund will not have material exposure to any investment type other than as described above.

In pursuing the Fund's objective of capital appreciation, the Fund will also promote the MFS Low Carbon Transition Characteristic, an environmental characteristic under Article 8 of SFDR. Please refer to the section "Other Practical Information – Investment Manager – MFS 'Light Green' Funds" in this Prospectus, and to the attached SFDR Annex. The Investment Manager may also consider environmental, social and governance (ESG) factors in its fundamental investment analysis alongside other factors.

The Fund's benchmark, the MSCI Europe Index (EUR), is indicated for performance comparison only. Although the Fund's investments will generally be represented in the benchmark, components are likely to be weighted differently from the benchmark and the Fund is likely to invest outside of the benchmark to take advantage of attractive investment opportunities. The Fund is actively managed within its objectives and the investment strategy will not restrict the extent to which portfolio holdings may deviate from the benchmark. It is expected that the Fund's deviation from the benchmark will be significant.

You should consult the sections entitled "General Information Regarding Investment Policies and Instruments," "Techniques and Instruments" and "Risk Factors" for further details with respect to the various investment instruments in which the Fund may invest.

**Key Risks**

The following summarizes the key risks of investing in the Fund. You should consult the section entitled "Risk Factors" for further details regarding these and other risks.

- Equity markets are volatile and can decline significantly in response to issuer, market, economic, industry, political, regulatory, geopolitical, public health and other conditions, as well as to investor perceptions of these conditions. The price of an equity security can decrease significantly in response to these conditions, and these conditions can affect a single issuer or type of security, issuers within a broad market sector, industry or geographic region, or the market in general.
- The Fund's performance will be closely tied to the market, currency, economic, political, regulatory, geopolitical, or other conditions in Europe and could be more volatile than the performance of more geographically-diversified funds.
- Exposure to emerging markets, including some of the countries in Europe, primarily Eastern Europe, can involve additional risks relating to market, economic, political, regulatory, geopolitical, or other conditions. These factors can make emerging markets investments more volatile and less liquid than developed markets investments. Emerging markets can have less developed markets and less developed legal, regulatory, and accounting systems, and greater political, social, and economic instability than developed markets.
- Currency rates fluctuate in response to market, economic, political, regulatory, geopolitical or other conditions. Because a Fund can invest in instruments issued in currencies other than the Fund's base currency or Class currency, changes in currency rates can affect the value of such instrument and the value of your investment. Investors whose financial transactions are primarily in currencies other than the base currency of the Fund (Euro)

## FUND PROFILES

or the currency of the Class should consider the potential risk of loss from the fluctuations in the rate of exchange between such currencies. Currency rate changes may also affect the financial condition of the issuers in which the Fund invests.

- The Investment Manager's investment analysis and its selection of investments may not produce the intended results and/or can lead to an investment focus that results in the Fund underperforming other funds with similar investment strategies and/or underperforming the markets in which the Fund invests. In addition, the Fund's promotion of the MFS Low Carbon Transition characteristic may affect the composition of the Fund, and may result in purchase and sales decisions that negatively impact the investment performance of the Fund.
- **There can be no guarantee that the Fund will achieve its investment objective. The value of your investment can go down as well as up and you may not get back the amount invested.**

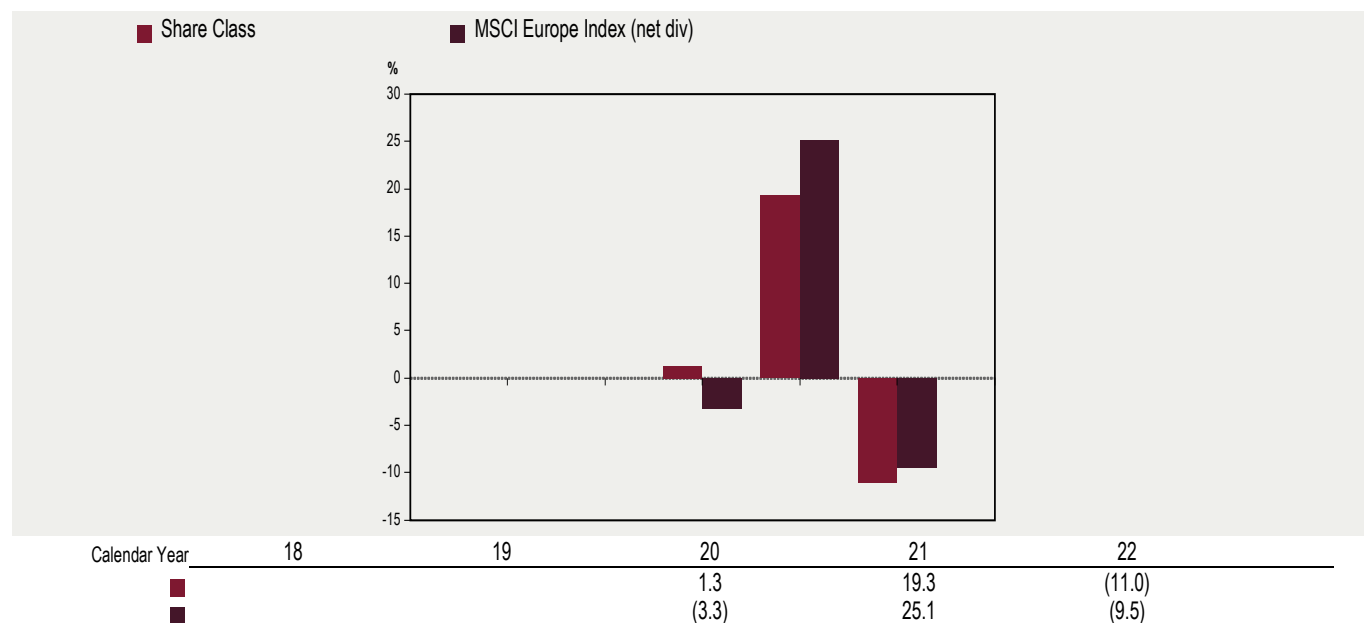
### Typical Investor Profile

- The Fund is intended for investors seeking capital appreciation through investment primarily in European equity securities.
- The Fund is intended as a long term investment. Investors' risk tolerance levels and investment time horizons may differ based on the individual circumstances of each investor. You should consult your Financial Intermediary for advice regarding your own risk tolerance and investment horizons before investing in the Fund.

### Performance

The following chart provides past performance information. The Fund's past performance does not necessarily indicate how the Fund will perform in the future. The chart does not reflect the impact of sales charges you may pay when purchasing or redeeming Units, or taxes you may incur on these transactions. Any sales charge or taxes would reduce the returns shown.

*Bar Chart:* The chart shows the annual total returns of the Fund's Euro Class Units as of 31 December each year. Performance of the Fund's benchmark is also shown.



### Fund Benchmark

MSCI Europe Index (net div) (EUR)

### Fund's Ongoing Charges

The following ongoing charges are expressed at an annual rate as a percentage of net assets. They are based on expenses for the year ended 30 September 2022. For a Class with less than the full period of data available, or where adjustment is

## FUND PROFILES

necessary to reflect current charges, the ongoing charges figure is an estimate as of the date of this Prospectus. These expenses are paid out of Class level assets and are fully reflected in the relevant Unit price. These expenses are not charged directly to Unitholders. Please see the KID of the relevant Class for the most recent expense information.

<b>Class</b>	<b>Euro</b>
Investment Management Fee	0.37%
Estimated Other Expenses <sup>1, 2</sup>	0.10%
<b>Total Expense Ratio</b>	<b>0.47%</b>

- 1 "Other Expenses" generally include all direct Fund expenses except for the investment management fee. The Fund does not pay distribution and service fees. "Other Expenses" include fees paid to the Management Company, Depositary and Transfer Agent, legal and audit fees, certain expenses associated with the Fund's investment activities including interest, and expenses in connection with the Fund's operation and central administration in Luxembourg, among others. "Other Expenses" do not include brokerage commissions and transaction costs or currency conversion costs.
- 2 The Investment Manager has voluntarily agreed to bear certain expenses such that "Other Expenses", excluding taxes, certain tax reclaim recovery expenses (including contingency fees), tax transparency-related expenses and expenses associated with the Fund's investment activities such as interest, do not exceed 0.10% annually of the average daily net assets of each Class. To the extent "Estimated Other Expenses" exceed the expense cap rate, the difference is attributable to certain Other Expenses that are excluded from the expense cap arrangement, such as taxes, certain tax reclaim recovery expenses, tax transparency-related expenses and interest expenses associated with the Fund's investment activities.



## GLOBAL CONCENTRATED EQUITY FUND

**Base Currency:** Euro (€)

**Launch Date:** 30 June 2008

**Methodology to Calculate Global Exposure:** Commitment Approach

**SFDR Classification:** Article 8 ("Light Green")

### Investment Objective and Policy

The Fund's objective is capital appreciation, measured in Euros. The Fund invests primarily (at least 70%) in equity securities of companies located in developed and emerging market countries. The Fund focuses its investments in equity securities of companies located in developed market countries. The Fund generally invests in 50 or fewer companies. The Fund may invest in companies it believes to have above average earnings growth potential compared to other companies (growth companies), in companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. The Fund generally focuses its investments in larger companies, but may invest in companies of any size. The Fund may invest a relatively large percentage of the Fund's assets in a small number of countries or a particular geographic region.

In pursuing the Fund's objective of capital appreciation, the Fund will also promote the MFS Low Carbon Transition Characteristic, an environmental characteristic under Article 8 of SFDR. Please refer to the section "Other Practical Information – Investment Manager – MFS 'Light Green' Funds" in this Prospectus, and to the attached SFDR Annex. The Investment Manager may also consider environmental, social and governance (ESG) factors in its fundamental investment analysis alongside other factors.

The Fund may use derivatives for hedging and/or investment purposes, including to increase or decrease exposure to a particular market, segment of the market, or security, to manage currency exposure or other characteristics of the Fund, or as alternatives to direct investments. The Fund will not extensively or primarily use derivatives to achieve the Fund's investment objective or for investment purposes.

The Fund's benchmark, the MSCI World Index (EUR), is indicated for performance comparison only. Although the Fund's investments will generally be represented in the benchmark, components are likely to be weighted differently from the benchmark and the Fund is likely to invest outside of the benchmark to take advantage of attractive investment opportunities. The Fund is actively managed within its objectives and the investment strategy will not restrict the extent to which portfolio holdings may deviate from the benchmark. It is expected that the Fund's deviation from the benchmark will be significant.

You should consult the sections entitled "General Information Regarding Investment Policies and Instruments," "Techniques and Instruments" and "Risk Factors" for further details with respect to the various investment instruments in which the Fund may invest.

### Key Risks

The following summarizes the key risks of investing in the Fund. You should consult the section entitled "Risk Factors" for further details regarding these and other risks.

- Equity markets are volatile and can decline significantly in response to issuer, market, economic, industry, political, regulatory, geopolitical, public health and other conditions, as well as to investor perceptions of these conditions. The price of an equity security can decrease significantly in response to these conditions, and these conditions can affect a single issuer or type of security, issuers within a broad market sector, industry or geographic region, or the market in general.
- The equity securities of large cap companies can underperform the overall equity market.
- Because the Fund may invest a relatively large percentage of its assets in a small number of issuers, the Fund's performance could be closely tied to those issuers, and could be more volatile than the performance of more diversified funds.
- Exposure to emerging markets can involve additional risks relating to market, economic, political, regulatory, geopolitical, or other conditions. These factors can make emerging markets investments more volatile and less liquid than developed markets investments. Emerging markets can have less developed markets and less

## FUND PROFILES

developed legal, regulatory, and accounting systems, and greater political, social, and economic instability than developed markets.

- Because the Fund may invest a relatively large percentage of its assets in a single region, the Fund's performance would be closely tied to the market, currency, economic, political, regulatory, geopolitical, or other conditions prevailing in that region and could be more volatile than the performance of more geographically diversified funds.
- Derivatives can be used to take both long and synthetic short positions (i.e., the value of a derivative can be positively or negatively related to the value of the underlying indicator(s) on which the derivative is based). Derivatives can be highly volatile and involve risks in addition to the risks of the underlying indicator(s). Gains or losses from derivatives can be substantially greater than the derivatives' original cost and can involve leverage.
- Currency rates fluctuate in response to market, economic, political, regulatory, geopolitical or other conditions. Because a Fund can invest in instruments issued in currencies other than the Fund's base currency or Class currency, changes in currency rates can affect the value of such instrument and the value of your investment. Investors whose financial transactions are primarily in currencies other than the base currency of the Fund (Euro) or the currency of the Class should consider the potential risk of loss from the fluctuations in the rate of exchange between such currencies. Currency rate changes may also affect the financial condition of the issuers in which the Fund invests.
- The Investment Manager's investment analysis and its selection of investments may not produce the intended results and/or can lead to an investment focus that results in the Fund underperforming other funds with similar investment strategies and/or underperforming the markets in which the Fund invests. In addition, the Fund's promotion of the MFS Low Carbon Transition characteristic may affect the composition of the Fund, and may result in purchase and sales decisions that negatively impact the investment performance of the Fund.
- While the Fund aims to achieve fiscal transparency for certain Classes, there is no guarantee that this can be achieved or maintained, or that favorable treatment under tax treaties will otherwise apply in practice.
- **There can be no guarantee that the Fund will achieve its investment objective. The value of your investment can go down as well as up and you may not get back the amount invested.**

### Typical Investor Profile

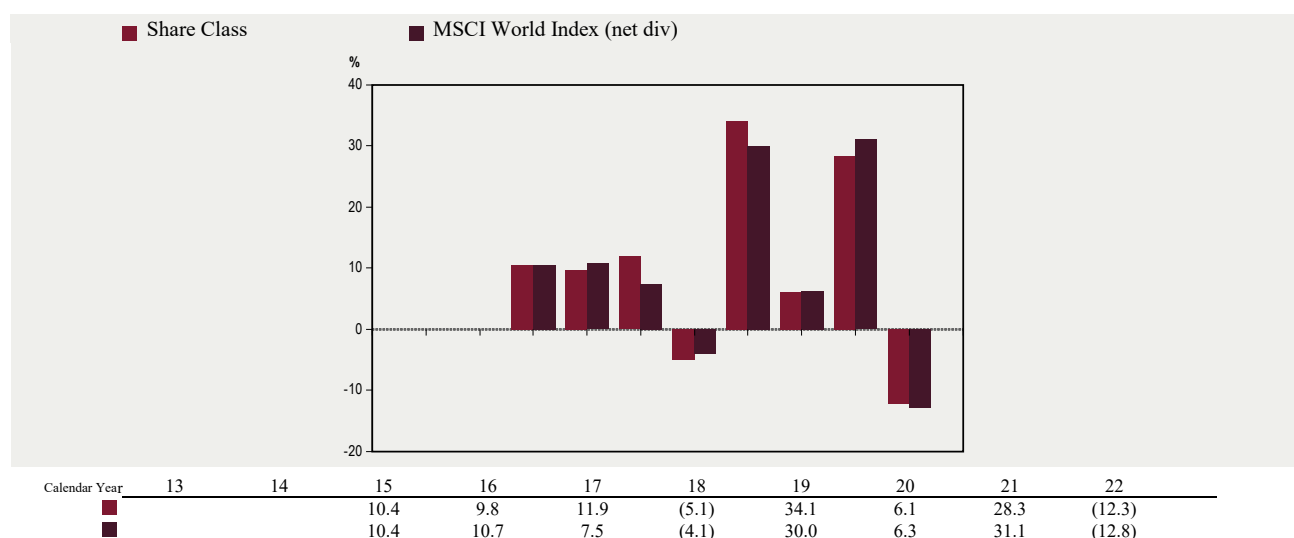
- The Fund is intended for investors seeking capital appreciation through investment primarily in equity securities of companies located in developed and emerging market countries.
- The Fund is intended as a long term investment. Investors' risk tolerance levels and investment time horizons may differ based on the individual circumstances of each investor. You should consult your Financial Intermediary for advice regarding your own risk tolerance and investment horizons before investing in the Fund.

### Performance

The following chart provides past performance information. The Fund's past performance does not necessarily indicate how the Fund will perform in the future. The chart does not reflect the impact of sales charges you may pay when purchasing or redeeming Units, or taxes you may incur on these transactions. Any sales charge or taxes would reduce the returns shown.

*Bar Chart:* The chart shows the annual total returns of the Fund's Euro Class Units as of 31 December each year. Performance of the Fund's benchmark is also shown.

## FUND PROFILES



### Fund Benchmark

MSCI World Index (net div) (EUR)

### Fund's Ongoing Charges

The following ongoing charges are expressed at an annual rate as a percentage of net assets. They are based on expenses for the year ended 30 September 2022. For a Class with less than the full period of data available, or where adjustment is necessary to reflect current charges, the ongoing charges figure is an estimate as of the date of this Prospectus. These expenses are paid out of Class level assets and are fully reflected in the relevant Unit price. These expenses are not charged directly to Unitholders. Please see the KID of the relevant Class for the most recent expense information.

Class	Euro	Sterling	US Dollar	Sterling UK T	Euro IRE T
Investment Management Fee	0.75%	0.75%	0.75%	0.75%	0.75%
Estimated Other Expenses <sup>1, 2</sup>	0.10%	0.10%	0.10%	0.10%	0.10%
<b>Total Expense Ratio</b>	<b>0.85%</b>	<b>0.85%</b>	<b>0.85%</b>	<b>0.85%</b>	<b>0.85%</b>

- "Other Expenses" generally include all direct Fund expenses except for the investment management fee. The Fund does not pay distribution and service fees. "Other Expenses" include fees paid to the Management Company, Depositary and Transfer Agent, legal and audit fees, certain expenses associated with the Fund's investment activities including interest, and expenses in connection with the Fund's operation and central administration in Luxembourg, among others. "Other Expenses" do not include brokerage commissions and transaction costs or currency conversion costs.
- The Investment Manager has voluntarily agreed to bear certain expenses such that "Other Expenses", excluding taxes, certain tax reclaim recovery expenses (including contingency fees), tax transparency-related expenses and expenses associated with the Fund's investment activities such as interest, do not exceed 0.15% annually of the average daily net assets of each Class. To the extent "Estimated Other Expenses" exceed the expense cap rate, the difference is attributable to certain Other Expenses that are excluded from the expense cap arrangement, such as taxes, certain tax reclaim recovery expenses, tax transparency-related expenses and interest expenses associated with the Fund's investment activities.

## GLOBAL EQUITY FUND

**Base Currency:** Euro (€)**Launch Date:** 14 October 2004**Distribution Frequency:** Quarterly**Methodology to Calculate Global Exposure:** Commitment Approach**SFDR Classification:** Article 8 ("Light Green")**Investment Objective and Policy**

The Fund's objective is capital appreciation, measured in Euros. The Fund invests primarily (at least 70%) in equity securities of companies located in developed and emerging market countries. The Fund may invest in companies it believes to have above average earnings growth potential compared to other companies (growth companies), in companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. The Fund generally focuses its investments in larger companies, but may invest in companies of any size. The Fund may invest a relatively large percentage of the Fund's assets in a small number of countries or a particular geographic region.

In pursuing the Fund's objective of capital appreciation, the Fund will also promote the MFS Low Carbon Transition Characteristic, an environmental characteristic under Article 8 of SFDR. Please refer to the section "Other Practical Information – Investment Manager – MFS 'Light Green' Funds" in this Prospectus, and to the attached SFDR Annex. The Investment Manager may also consider environmental, social and governance (ESG) factors in its fundamental investment analysis alongside other factors.

The Fund may use derivatives for hedging and/or investment purposes, including to increase or decrease exposure to a particular market, segment of the market, or security, to manage currency exposure or other characteristics of the Fund, or as alternatives to direct investments. The Fund will not extensively or primarily use derivatives to achieve the Fund's investment objective or for investment purposes.

The Fund's benchmark, the MSCI World Index (EUR), is indicated for performance comparison only. Although the Fund's investments will generally be represented in the benchmark, components are likely to be weighted differently from the benchmark and the Fund is likely to invest outside of the benchmark to take advantage of attractive investment opportunities. The Fund is actively managed within its objectives and the investment strategy will not restrict the extent to which portfolio holdings may deviate from the benchmark. It is expected that the Fund's deviation from the benchmark will be significant.

You should consult the sections entitled "General Information Regarding Investment Policies and Instruments," "Techniques and Instruments" and "Risk Factors" for further details with respect to the various investment instruments in which the Fund may invest.

**Key Risks**

The following summarizes the key risks of investing in the Fund. You should consult the section entitled "Risk Factors" for further details regarding these and other risks.

- Equity markets are volatile and can decline significantly in response to issuer, market, economic, industry, political, regulatory, geopolitical, public health and other conditions, as well as to investor perceptions of these conditions. The price of an equity security can decrease significantly in response to these conditions, and these conditions can affect a single issuer or type of security, issuers within a broad market sector, industry or geographic region, or the market in general.
- The equity securities of large cap companies can underperform the overall equity market.
- Exposure to emerging markets can involve additional risks relating to market, economic, political, regulatory, geopolitical, or other conditions. These factors can make emerging markets investments more volatile and less liquid than developed markets investments. Emerging markets can have less developed markets and less developed legal, regulatory, and accounting systems, and greater political, social, and economic instability than developed markets.
- Because the Fund may invest a relatively large percentage of its assets in a single region, the Fund's performance

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would be closely tied to the market, currency, economic, political, regulatory, geopolitical, or other conditions prevailing in that region and could be more volatile than the performance of more geographically diversified funds.

- Derivatives can be used to take both long and synthetic short positions (i.e., the value of a derivative can be positively or negatively related to the value of the underlying indicator(s) on which the derivative is based). Derivatives can be highly volatile and involve risks in addition to the risks of the underlying indicator(s). Gains or losses from derivatives can be substantially greater than the derivatives' original cost and can involve leverage.
- Currency rates fluctuate in response to market, economic, political, regulatory, geopolitical or other conditions. Because a Fund can invest in instruments issued in currencies other than the Fund's base currency or Class currency, changes in currency rates can affect the value of such instrument and the value of your investment. Investors whose financial transactions are primarily in currencies other than the base currency of the Fund (Euro) or the currency of the Class should consider the potential risk of loss from the fluctuations in the rate of exchange between such currencies. Currency rate changes may also affect the financial condition of the issuers in which the Fund invests.
- The Investment Manager's investment analysis and its selection of investments may not produce the intended results and/or can lead to an investment focus that results in the Fund underperforming other funds with similar investment strategies and/or underperforming the markets in which the Fund invests. In addition, the Fund's promotion of the MFS Low Carbon Transition characteristic may affect the composition of the Fund, and may result in purchase and sales decisions that negatively impact the investment performance of the Fund.
- While the Fund aims to achieve fiscal transparency for certain Classes, there is no guarantee that this can be achieved or maintained, or that favorable treatment under tax treaties will otherwise apply in practice.
- **There can be no guarantee that the Fund will achieve its investment objective. The value of your investment can go down as well as up and you may not get back the amount invested.**

### Typical Investor Profile

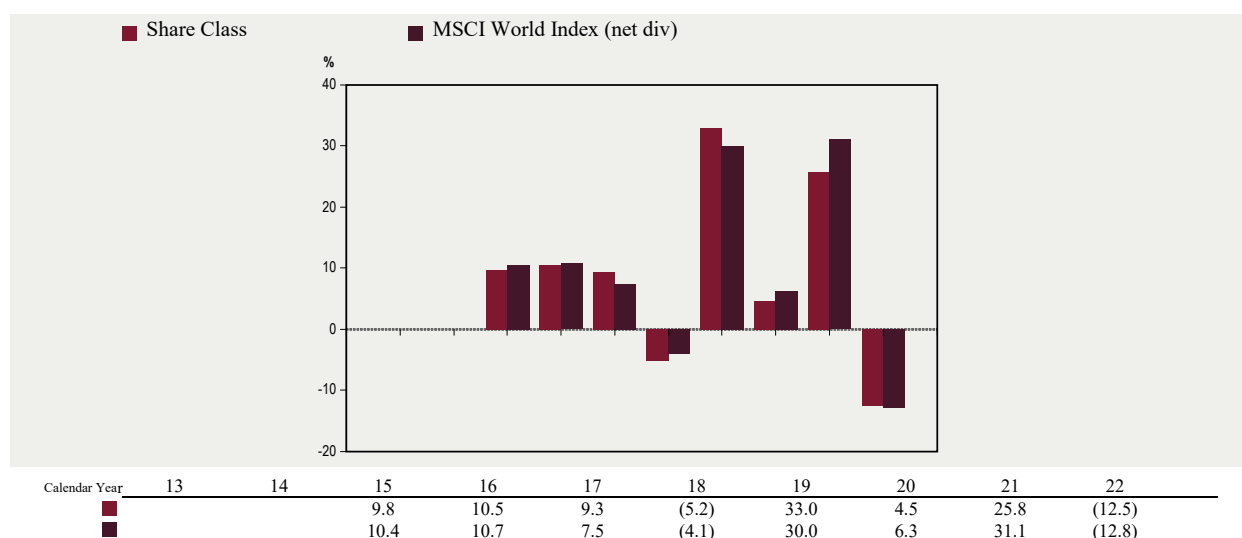
- The Fund is intended for investors seeking capital appreciation through investment primarily in equity securities of companies located in developed and emerging market countries.
- The Fund is intended as a long term investment. Investors' risk tolerance levels and investment time horizons may differ based on the individual circumstances of each investor. You should consult your Financial Intermediary for advice regarding your own risk tolerance and investment horizons before investing in the Fund.

### Performance

The following chart provides past performance information. The Fund's past performance does not necessarily indicate how the Fund will perform in the future. The chart does not reflect the impact of sales charges you may pay when purchasing or redeeming Units, or taxes you may incur on these transactions. Any sales charge or taxes would reduce the returns shown.

*Bar Chart:* The chart shows the annual total returns of the Fund's Euro Class Units as of 31 December each year. Performance of the Fund's benchmark is also shown.

## FUND PROFILES



### Fund Benchmark

MSCI World Index (net div) (EUR)

### Fund's Ongoing Charges

The following ongoing charges are expressed at an annual rate as a percentage of net assets. They are based on expenses for the year ended 30 September 2022. For a Class with less than the full period of data available, or where adjustment is necessary to reflect current charges, the ongoing charges figure is an estimate as of the date of this Prospectus. These expenses are paid out of Class level assets and are fully reflected in the relevant Unit price. These expenses are not charged directly to Unitholders. Please see the KID of the relevant Class for the most recent expense information.

Class	Euro	Sterling	US Dollar	Sterling UK T	Sterling UK T GD	Euro IRE T	Euro IRE T GD
Investment Management Fee	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%
Estimated Other Expenses <sup>1, 2</sup>	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%
<b>Total Expense Ratio</b>	<b>0.71%</b>	<b>0.71%</b>	<b>0.71%</b>	<b>0.71%</b>	<b>0.71%</b>	<b>0.71%</b>	<b>0.71%</b>

- "Other Expenses" generally include all direct Fund expenses except for the investment management fee. The Fund does not pay distribution and service fees. "Other Expenses" include fees paid to the Management Company, Depositary and Transfer Agent, legal and audit fees, certain expenses associated with the Fund's investment activities including interest, and expenses in connection with the Fund's operation and central administration in Luxembourg, among others. "Other Expenses" do not include brokerage commissions and transaction costs or currency conversion costs.
- The Investment Manager has voluntarily agreed to bear certain expenses such that "Other Expenses", excluding taxes, certain tax reclaim recovery expenses (including contingency fees), tax transparency-related expenses and expenses associated with the Fund's investment activities such as interest, do not exceed 0.15% annually of the average daily net assets of each Class. To the extent "Estimated Other Expenses" exceed the expense cap rate, the difference is attributable to certain Other Expenses that are excluded from the expense cap arrangement, such as taxes, certain tax reclaim recovery expenses, tax transparency-related expenses and interest expenses associated with the Fund's investment activities.

## GLOBAL EQUITY EURO HEDGED FUND

**Base Currency:** Euro (€)

**Launch Date:** 18 August 2004

**Methodology to Calculate Global Exposure:** Commitment Approach

**SFDR Classification:** Article 8 ("Light Green")

### Investment Objective and Policy

The Fund's objective is capital appreciation, measured in Euros. The Fund invests primarily (at least 70%) in equity securities of companies located in developed and emerging market countries. The Fund may invest in companies it believes to have above average earnings growth potential compared to other companies (growth companies), in companies it believes are undervalued compared to their perceived worth (value companies,) or in a combination of growth and value companies. The Fund generally focuses its investments in larger companies, but may invest in companies of any size. The Fund may invest a relatively large percentage of the Fund's assets in a small number of countries or a particular geographic region.

In pursuing the Fund's objective of capital appreciation, the Fund will also promote the MFS Low Carbon Transition Characteristic, an environmental characteristic under Article 8 of SFDR. Please refer to the section "Other Practical Information – Investment Manager – MFS 'Light Green' Funds" in this Prospectus, and to the attached SFDR Annex. The Investment Manager may also consider environmental, social and governance (ESG) factors in its fundamental investment analysis alongside other factors.

The Fund may use derivatives for hedging and/or investment purposes, including to increase or decrease exposure to a particular market, segment of the market, or security, to manage currency exposure or other characteristics of the Fund, or as alternatives to direct investments. The Fund will not extensively or primarily use derivatives to achieve the Fund's investment objective or for investment purposes, except that MFS will generally hedge approximately 75% of the Fund's currency exposure to the Euro.

The Fund's benchmark, the FTSE Developed Index (hedged 75% to Euro), is indicated for performance comparison only. Although the Fund's investments will generally be represented in the benchmark, components are likely to be weighted differently from the benchmark and the Fund is likely to invest outside of the benchmark to take advantage of attractive investment opportunities. The Fund is actively managed within its objectives and the investment strategy will not restrict the extent to which portfolio holdings may deviate from the benchmark. It is expected that the Fund's deviation from the benchmark will be significant.

You should consult the sections entitled "General Information Regarding Investment Policies and Instruments," "Techniques and Instruments" and "Risk Factors" for further details with respect to the various investment instruments in which the Fund may invest.

### Key Risks

The following summarizes the key risks of investing in the Fund. You should consult the section entitled "Risk Factors" for further details regarding these and other risks.

- Equity markets are volatile and can decline significantly in response to issuer, market, economic, industry, political, regulatory, geopolitical, public health and other conditions, as well as to investor perceptions of these conditions. The price of an equity security can decrease significantly in response to these conditions, and these conditions can affect a single issuer or type of security, issuers within a broad market sector, industry or geographic region, or the market in general.
- The equity securities of large cap companies can underperform the overall equity market.
- Exposure to emerging markets can involve additional risks relating to market, economic, political, regulatory, geopolitical, or other conditions. These factors can make emerging markets investments more volatile and less liquid than developed markets investments. Emerging markets can have less developed markets and less developed legal, regulatory, and accounting systems, and greater political, social, and economic instability than developed markets.
- Because the Fund may invest a relatively large percentage of its assets in a single region, the Fund's performance

## FUND PROFILES

would be closely tied to the market, currency, economic, political, regulatory, geopolitical, or other conditions prevailing in that region and could be more volatile than the performance of more geographically diversified funds.

- Derivatives can be used to take both long and synthetic short positions (i.e., the value of a derivative can be positively or negatively related to the value of the underlying indicator(s) on which the derivative is based). Derivatives can be highly volatile and involve risks in addition to the risks of the underlying indicator(s). Gains or losses from derivatives can be substantially greater than the derivatives' original cost and can involve leverage.
- Currency rates fluctuate in response to market, economic, political, regulatory, geopolitical or other conditions. Because a Fund can invest in instruments issued in currencies other than the Fund's base currency or Class currency, changes in currency rates can affect the value of such instrument and the value of your investment. Investors whose financial transactions are primarily in currencies other than the base currency of the Fund (Euro) or the currency of the Class should consider the potential risk of loss from the fluctuations in the rate of exchange between such currencies. Currency rate changes may also affect the financial condition of the issuers in which the Fund invests.
- The Investment Manager's investment analysis and its selection of investments may not produce the intended results and/or can lead to an investment focus that results in the Fund underperforming other funds with similar investment strategies and/or underperforming the markets in which the Fund invests. In addition, the Fund's promotion of the MFS Low Carbon Transition characteristic may affect the composition of the Fund, and may result in purchase and sales decisions that negatively impact the investment performance of the Fund.
- While the Fund aims to achieve fiscal transparency for certain Classes, there is no guarantee that this can be achieved or maintained, or that favorable treatment under tax treaties will otherwise apply in practice.
- The Fund's strategy to hedge its exposure to the Euro may not produce the intended results if the Investment Manager is unable to adjust the Fund's Euro exposure as it would like because appropriate derivatives or other instruments are not available. In addition, the success of the Fund's hedging strategy will be subject to the Investment Manager's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments held by the Fund, as well as the Investment Manager's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. The Fund's hedging strategy may substantially protect investors against a decrease in the value of the Euro, but it may also preclude investors from benefiting from an increase in the value of the Euro. The costs associated with such hedging strategy will reduce the Fund's returns.
- **There can be no guarantee that the Fund will achieve its investment objective. The value of your investment can go down as well as up and you may not get back the amount invested.**

### Typical Investor Profile

- The Fund is intended for investors seeking capital appreciation through investment primarily in equity securities of companies located in developed and emerging market countries.
- The Fund is intended as a long term investment. Investors' risk tolerance levels and investment time horizons may differ based on the individual circumstances of each investor. You should consult your Financial Intermediary for advice regarding your own risk tolerance and investment horizons before investing in the Fund.

### Performance

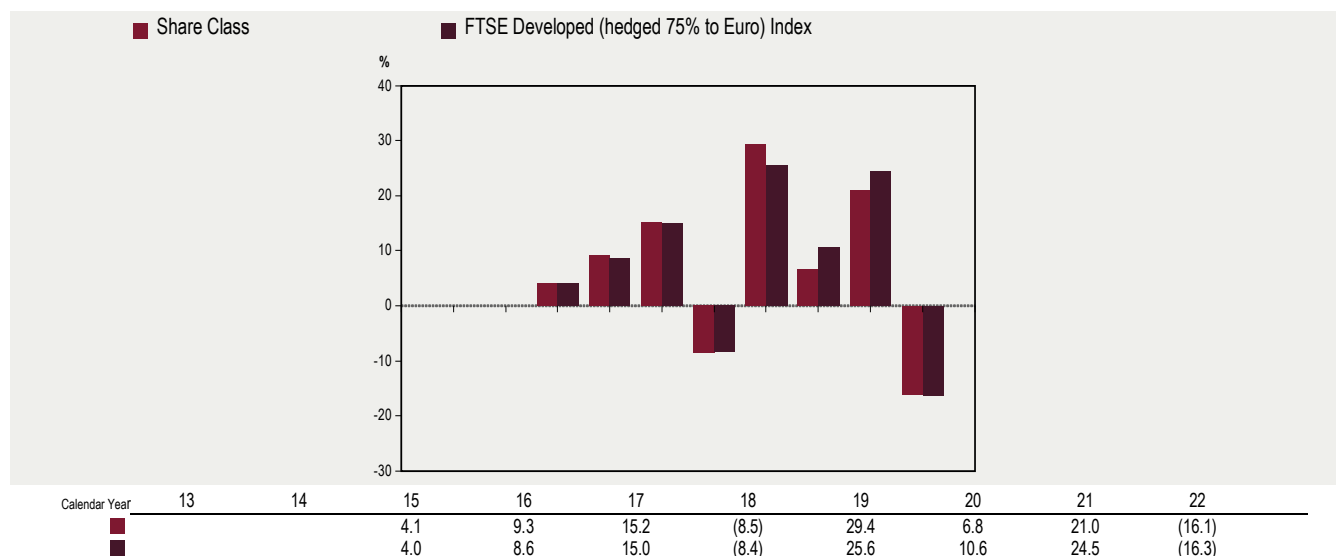
The following chart provides past performance information. The Fund's past performance does not necessarily indicate how the Fund will perform in the future. The chart does not reflect the impact of sales charges you may pay when purchasing or redeeming Units, or taxes you may incur on these transactions. Any sales charge or taxes would reduce the returns shown.

*Bar Chart:* The chart shows the annual total returns of the Fund's Euro Class Units as of 31 December each year.



## FUND PROFILES

Performance of the Fund's benchmark is also shown.



### Fund Benchmark

FTSE Developed (hedged 75% to Euro) Index

### Fund's Ongoing Charges

The following ongoing charges are expressed at an annual rate as a percentage of net assets. They are based on expenses for the year ended 30 September 2022. For a Class with less than the full period of data available, or where adjustment is necessary to reflect current charges, the ongoing charges figure is an estimate as of the date of this Prospectus. These expenses are paid out of Class level assets and are fully reflected in the relevant Unit price. These expenses are not charged directly to Unitholders. Please see the KID of the relevant Class for the most recent expense information.

Class	Euro	Euro IRE T
Investment Management Fee	0.65%	0.65%
Estimated Other Expenses <sup>1, 2</sup>	0.16%	0.16%
<b>Total Expense Ratio</b>	<b>0.81%</b>	<b>0.81%</b>

- 1 "Other Expenses" generally include all direct Fund expenses except for the investment management fee. The Fund does not pay distribution and service fees. "Other Expenses" include fees paid to the Management Company, Depositary and Transfer Agent, legal and audit fees, certain expenses associated with the Fund's investment activities including interest, and expenses in connection with the Fund's operation and central administration in Luxembourg, among others. "Other Expenses" do not include brokerage commissions and transaction costs or currency conversion costs.
- 2 The Investment Manager has voluntarily agreed to bear certain expenses such that "Other Expenses", excluding taxes, certain tax reclaim recovery expenses (including contingency fees), tax transparency-related expenses and expenses associated with the Fund's investment activities such as interest, do not exceed 0.15% annually of the average daily net assets of each Class. To the extent "Estimated Other Expenses" exceed the expense cap rate, the difference is attributable to certain Other Expenses that are excluded from the expense cap arrangement, such as taxes, certain tax reclaim recovery expenses, tax transparency-related expenses and interest expenses associated with the Fund's investment activities.

## GLOBAL LISTED INFRASTRUCTURE FUND

**Base Currency:** U.S. dollar (\$)

**Launch Date:** 13 May 2022

**Methodology to Calculate Global Exposure:** Commitment Approach

**SFDR Classification:** Article 8 ("Light Green")

### Investment Objective and Policy

The Fund's objective is total return, measured in U.S. dollars. The Fund invests primarily (at least 70%) in listed equity securities of infrastructure companies. The Fund focuses on developed market issuers but may also invest in emerging markets. The Fund's investments may include listed equity securities of quasi-public issuers. The Fund may invest in companies it believes to have above average earnings growth potential compared to other companies (growth companies), in companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. The Fund may invest in companies of any size. The Fund may invest a relatively large percentage of its assets in a small number of companies. The Fund may invest a relatively large percentage of the Fund's assets in a small number of countries and/or a particular geographic region.

In pursuing the Fund's objective of total return, the Fund will also promote the MFS Low Carbon Transition Characteristic, an environmental characteristic under Article 8 of SFDR. Please refer to the section "Other Practical Information – Investment Manager – MFS 'Light Green' Funds" in this Prospectus, and to the attached SFDR Annex. The Investment Manager may also consider environmental, social and governance (ESG) factors in its fundamental investment analysis alongside other factors.

The Fund's benchmark, the FTSE Global Core Infrastructure 50/50 Index – Total Return, is indicated for performance comparison only. Although the Fund's investments will generally be represented in the benchmark, components are likely to be weighted differently from the benchmark and the Fund is likely to invest outside of the benchmark to take advantage of attractive investment opportunities. The Fund is actively managed within its objectives and the investment strategy will not restrict the extent to which portfolio holdings may deviate from the benchmark. It is expected that the Fund's deviation from the benchmark will be significant.

You should consult the sections entitled "General Information Regarding Investment Policies and Instruments," "Techniques and Instruments" and "Risk Factors" for further details with respect to the various investment instruments in which the Fund may invest.

### Key Risks

The following summarizes the key risks of investing in the Fund. You should consult the section entitled "Risk Factors" for further details regarding these and other risks.

- Equity markets are volatile and can decline significantly in response to issuer, market, economic, industry, political, regulatory, geopolitical, public health and other conditions, as well as to investor perceptions of these conditions. The price of an equity security can decrease significantly in response to these conditions, and these conditions can affect a single issuer or type of security, issuers within a broad market sector, industry or geographic region, or the market in general.
- The Fund's performance will be closely tied to performance of companies in the infrastructure sector and can be more volatile than the performance of more broadly-diversified funds. The performance of such companies can be volatile due to changes in interest rates, political factors that drive procurement decisions by public entities, environmental regulation, regulatory determination of prices and services provided, the effects of broader economic slowdowns, and changes in the cost of energy, among other factors.
- Exposure to emerging markets can involve additional risks relating to market, economic, political, regulatory, geopolitical, or other conditions. These factors can make emerging markets investments more volatile and less liquid than developed markets investments. Emerging markets can have less developed legal, regulatory, and accounting systems, and greater political, social, and economic instability than developed markets.
- To the extent the Fund invests a relatively large percentage of its assets in a small number of issuers, the Fund's performance could be more volatile than the performance of more diversified funds.

## FUND PROFILES

- Because the Fund may invest a relatively large percentage of its assets in a single region, the Fund's performance would be closely tied to the market, currency, economic, political, regulatory, geopolitical, or other conditions prevailing in that region and could be more volatile than the performance of more geographically diversified funds.
- Currency rates fluctuate in response to market, economic, political, regulatory, geopolitical or other conditions. Because a Fund can invest in instruments issued in currencies other than the Fund's base currency or Class currency, changes in currency rates can affect the value of such instrument and the value of your investment. Investors whose financial transactions are primarily in currencies other than the base currency of the Fund (U.S. dollar) or the currency of the Class should consider the potential risk of loss from the fluctuations in the rate of exchange between such currencies. Currency rate changes may also affect the financial condition of the issuers in which the Fund invests.
- The Investment Manager's investment analysis and its selection of investments may not produce the intended results and/or can lead to an investment focus that results in the Fund underperforming other funds with similar investment strategies and/or underperforming the markets in which the Fund invests. In addition, the Fund's promotion of the MFS Low Carbon Transition characteristic may affect the composition of the Fund, and may result in purchase and sales decisions that negatively impact the investment performance of the Fund.
- **There can be no guarantee that the Fund will achieve its investment objective. The value of your investment can go down as well as up and you may not get back the amount invested.**

### Typical Investor Profile

- The Fund is intended for investors seeking total return through investment primarily in equity securities of listed companies that provide infrastructure and related services.
- The Fund is intended as a long term investment. Investors' risk tolerance levels and investment time horizons may differ based on the individual circumstances of each investor. You should consult your Financial Intermediary for advice regarding your own risk tolerance and investment horizons before investing in the Fund.

### Performance

The Fund is newly established. Performance history and average annual returns for a full calendar year are not available.

### Fund Benchmark

FTSE Global Core Infrastructure 50/50 Index – Total Return

### Fund's Ongoing Charges

The following ongoing charges are expressed at an annual rate as a percentage of net assets. They are based on expenses for the year ended 30 September 2022. For a Class with less than the full period of data available, or where adjustment is necessary to reflect current charges, the ongoing charges figure is an estimate as of the date of this Prospectus. These expenses are paid out of Class level assets and are fully reflected in the relevant Unit price. These expenses are not charged directly to Unitholders. Please see the KID of the relevant Class for the most recent expense information.

Class	US Dollar	Euro	Sterling	Swiss Franc	Yen
Investment Management Fee	0.65%	0.65%	0.65%	0.65%	0.65%
Estimated Other Expenses <sup>1,2</sup>	0.11%	0.11%	0.11%	0.11%	0.11%
<b>Total Expense Ratio</b>	<b>0.76%</b>	<b>0.76%</b>	<b>0.76%</b>	<b>0.76%</b>	<b>0.76%</b>

1 "Other Expenses" generally include all direct Fund expenses except for the investment management fee. The Fund does not pay distribution and service fees. "Other Expenses" include fees paid to the Management Company, Depositary and Transfer Agent, legal and audit fees, certain expenses associated with the Fund's investment activities including interest, and expenses in connection with the Fund's operation and central administration in Luxembourg, among others. "Other Expenses" do not include brokerage commissions and transaction costs or currency conversion costs.

2 The Investment Manager has voluntarily agreed to bear certain expenses such that "Other Expenses", excluding taxes, certain tax reclaim recovery expenses (including contingency fees), tax transparency-related expenses and expenses associated with the Fund's investment activities such as interest, do not exceed 0.10% annually of the average daily net assets of each Class. To the extent "Estimated Other Expenses" exceed the expense cap rate, the difference is attributable to certain Other Expenses that are excluded from the expense cap arrangement, such as taxes, certain tax

## FUND PROFILES

reclaim recovery expenses, tax transparency-related expenses and interest expenses associated with the Fund's investment activities.

## GLOBAL VALUE FUND

**Base Currency:** Euro (€)**Launch Date:** 2 May 2014**Distribution Frequency:** Quarterly**Methodology to Calculate Global Exposure:** Commitment Approach**SFDR Classification:** Article 8 ("Light Green")**Investment Objective and Policy**

The Fund's objective is capital appreciation, measured in Euros. The Fund invests primarily (at least 70%) in equity securities of companies located in developed and emerging market countries. The Fund focuses its investments in equity securities of companies located in developed market countries. The Fund generally focuses its investments in companies it believes to be undervalued compared to their perceived worth (value companies). The Fund generally focuses its investments in larger companies, but may invest in companies of any size. The Fund may invest a relatively large percentage of the Fund's assets in a small number of countries or a particular geographic region.

In pursuing the Fund's objective of capital appreciation, the Fund will also promote the MFS Low Carbon Transition Characteristic, an environmental characteristic under Article 8 of SFDR. Please refer to the section "Other Practical Information – Investment Manager – MFS 'Light Green' Funds" in this Prospectus, and to the attached SFDR Annex. The Investment Manager may also consider environmental, social and governance (ESG) factors in its fundamental investment analysis alongside other factors.

The Fund's benchmarks, the MSCI World Index (EUR) and MSCI World Value Index (EUR), are indicated for performance comparison only. Although the Fund's investments will generally be represented in the benchmark, components are likely to be weighted differently from the benchmark and the Fund is likely to invest outside of the benchmark to take advantage of attractive investment opportunities. The Fund is actively managed within its objectives and the investment strategy will not restrict the extent to which portfolio holdings may deviate from the benchmark. It is expected that the Fund's deviation from the benchmark will be significant.

You should consult the sections entitled "General Information Regarding Investment Policies and Instruments," "Techniques and Instruments" and "Risk Factors" for further details with respect to the various investment instruments in which the Fund may invest.

**Key Risks**

The following summarizes the key risks of investing in the Fund. You should consult the section entitled "Risk Factors" for further details regarding these and other risks.

- Equity markets are volatile and can decline significantly in response to issuer, market, economic, industry, political, regulatory, geopolitical, public health and other conditions, as well as to investor perceptions of these conditions. The price of an equity security can decrease significantly in response to these conditions, and these conditions can affect a single issuer or type of security, issuers within a broad market sector, industry or geographic region, or the market in general.
- The equity securities of large cap companies can underperform the overall equity market.
- The equity securities of value companies can continue to be undervalued for long periods of time and not realize their expected value and can be more volatile than the market in general.
- Exposure to emerging markets can involve additional risks relating to market, economic, political, regulatory, geopolitical, or other conditions. These factors can make emerging markets investments more volatile and less liquid than developed markets investments. Emerging markets can have less developed markets and less developed legal, regulatory, and accounting systems, and greater political, social, and economic instability than developed markets.
- Because the Fund may invest a relatively large percentage of its assets in a single region, the Fund's performance would be closely tied to the market, currency, economic, political, regulatory, geopolitical, or other conditions prevailing in that region and could be more volatile than the performance of more geographically diversified funds.

## FUND PROFILES

- Currency rates fluctuate in response to market, economic, political, regulatory, geopolitical or other conditions. Because a Fund can invest in instruments issued in currencies other than the Fund's base currency or Class currency, changes in currency rates can affect the value of such instrument and the value of your investment. Investors whose financial transactions are primarily in currencies other than the base currency of the Fund (Euro) or the currency of the Class should consider the potential risk of loss from the fluctuations in the rate of exchange between such currencies. Currency rate changes may also affect the financial condition of the issuers in which the Fund invests.
- The Investment Manager's investment analysis and its selection of investments may not produce the intended results and/or can lead to an investment focus that results in the Fund underperforming other funds with similar investment strategies and/or underperforming the markets in which the Fund invests. In addition, the Fund's promotion of the MFS Low Carbon Transition characteristic may affect the composition of the Fund, and may result in purchase and sales decisions that negatively impact the investment performance of the Fund.
- **There can be no guarantee that the Fund will achieve its investment objective. The value of your investment can go down as well as up and you may not get back the amount invested.**

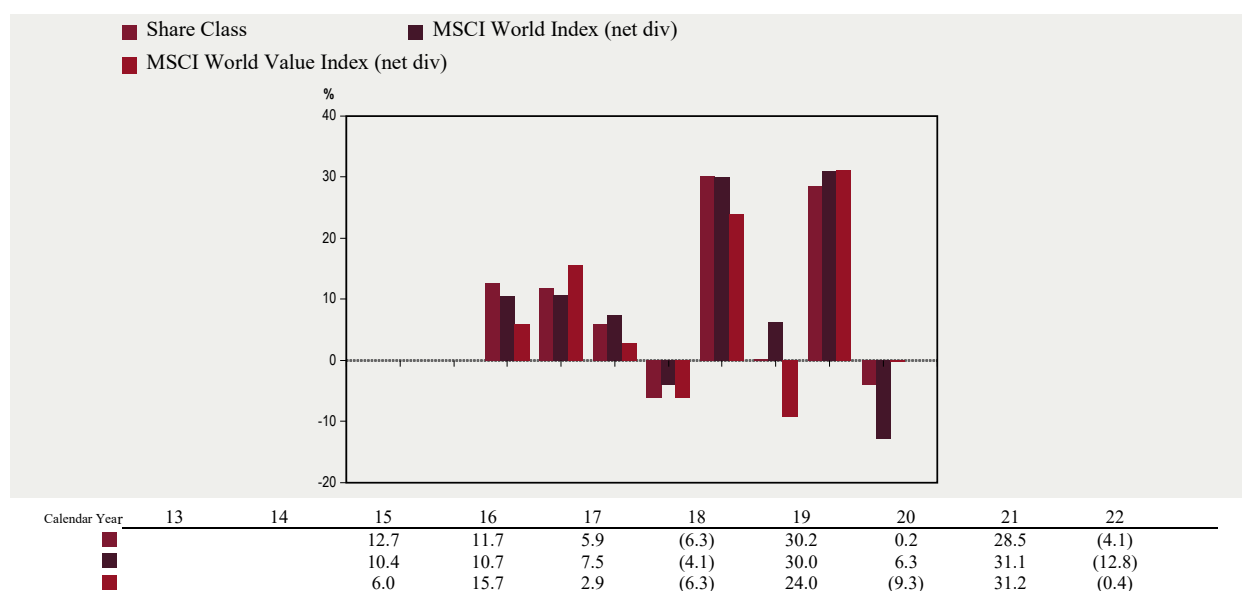
### Typical Investor Profile

- The Fund is intended for investors seeking capital appreciation through investment primarily in equity securities of companies located in developed and emerging market countries.
- The Fund is intended as a long term investment. Investors' risk tolerance levels and investment time horizons may differ based on the individual circumstances of each investor. You should consult your Financial Intermediary for advice regarding your own risk tolerance and investment horizons before investing in the Fund.

### Performance

The following chart provides past performance information. The Fund's past performance does not necessarily indicate how the Fund will perform in the future. The chart does not reflect the impact of sales charges you may pay when purchasing or redeeming Units, or taxes you may incur on these transactions. Any sales charge or taxes would reduce the returns shown.

*Bar Chart:* The chart shows the annual total returns of the Fund's Euro Class Units as of 31 December each year. Performance of the Fund's benchmarks is also shown.



## FUND PROFILES

### Fund Benchmarks

*Primary Benchmark:* MSCI World Index (net div) (EUR)

*Secondary Benchmark:* MSCI World Value Index (net div) (EUR)

### Fund's Ongoing Charges

The following ongoing charges are expressed at an annual rate as a percentage of net assets. They are based on expenses for the year ended 30 September 2022. For a Class with less than the full period of data available, or where adjustment is necessary to reflect current charges, the ongoing charges figure is an estimate as of the date of this Prospectus. These expenses are paid out of Class level assets and are fully reflected in the relevant Unit price. These expenses are not charged directly to Unitholders. Please see the KID of the relevant Class for the most recent expense information.

Class	Euro	Euro ND	Sterling	US Dollar
Investment Management Fee	0.65%	0.65%	0.65%	0.65%
Estimated Other Expenses <sup>1, 2</sup>	0.11%	0.11%	0.11%	0.11%
<b>Total Expense Ratio</b>	<b>0.76%</b>	<b>0.76%</b>	<b>0.76%</b>	<b>0.76%</b>

- 1 "Other Expenses" generally include all direct Fund expenses except for the investment management fee. The Fund does not pay distribution and service fees. "Other Expenses" include fees paid to the Management Company, Depositary and Transfer Agent, legal and audit fees, certain expenses associated with the Fund's investment activities including interest, and expenses in connection with the Fund's operation and central administration in Luxembourg, among others. "Other Expenses" do not include brokerage commissions and transaction costs or currency conversion costs.
- 2 The Investment Manager has voluntarily agreed to bear certain expenses such that "Other Expenses", excluding taxes, certain tax reclaim recovery expenses (including contingency fees), tax transparency-related expenses and expenses associated with the Fund's investment activities such as interest, do not exceed 0.10% annually of the average daily net assets of each Class. To the extent "Estimated Other Expenses" exceed the expense cap rate, the difference is attributable to certain Other Expenses that are excluded from the expense cap arrangement, such as taxes, certain tax reclaim recovery expenses, tax transparency-related expenses and interest expenses associated with the Fund's investment activities.

## GLOBAL VALUE EX-JAPAN FUND

**Base Currency:** US Dollar (\$)**Launch Date:** 24 May 2013**Methodology to Calculate Global Exposure:** Commitment Approach**SFDR Classification:** Article 8 ("Light Green")**Investment Objective and Policy**

The Fund's objective is capital appreciation, measured in U.S. dollars. The Fund invests primarily (at least 70%) in equity securities of companies located in developed and emerging market countries, excluding Japan. The Fund focuses its investments in equity securities of companies located in developed market countries. The Fund generally focuses its investments in companies it believes to be undervalued compared to their perceived worth (value companies). The Fund generally focuses its investments in larger companies, but may invest in companies of any size. The Fund may invest a relatively large percentage of the Fund's assets in a small number of countries or a particular geographic region.

In pursuing the Fund's objective of capital appreciation, the Fund will also promote the MFS Low Carbon Transition Characteristic, an environmental characteristic under Article 8 of SFDR. Please refer to the section "Other Practical Information – Investment Manager – MFS 'Light Green' Funds" in this Prospectus, and to the attached SFDR Annex. The Investment Manager may also consider environmental, social and governance (ESG) factors in its fundamental investment analysis alongside other factors.

The Fund's benchmark, the MSCI Kokusai Index (USD), is indicated for performance comparison only. Although the Fund's investments will generally be represented in the benchmark, components are likely to be weighted differently from the benchmark and the Fund is likely to invest outside of the benchmark to take advantage of attractive investment opportunities. The Fund is actively managed within its objectives and the investment strategy will not restrict the extent to which portfolio holdings may deviate from the benchmark. It is expected that the Fund's deviation from the benchmark will be significant.

You should consult the sections entitled "General Information Regarding Investment Policies and Instruments," "Techniques and Instruments" and "Risk Factors" for further details with respect to the various investment instruments in which the Fund may invest.

**Key Risks**

The following summarizes the key risks of investing in the Fund. You should consult the section entitled "Risk Factors" for further details regarding these and other risks.

- Equity markets are volatile and can decline significantly in response to issuer, market, economic, industry, political, regulatory, geopolitical, public health and other conditions, as well as to investor perceptions of these conditions. The price of an equity security can decrease significantly in response to these conditions, and these conditions can affect a single issuer or type of security, issuers within a broad market sector, industry or geographic region, or the market in general.
- The equity securities of large cap companies can underperform the overall equity market.
- The equity securities of value companies can continue to be undervalued for long periods of time and not realize their expected value and can be more volatile than the market in general.
- Exposure to emerging markets can involve additional risks relating to market, economic, political, regulatory, geopolitical, or other conditions. These factors can make emerging markets investments more volatile and less liquid than developed markets investments. Emerging markets can have less developed markets and less developed legal, regulatory, and accounting systems, and greater political, social, and economic instability than developed markets.
- Because the Fund may invest a relatively large percentage of its assets in a single region, the Fund's performance would be closely tied to the market, currency, economic, political, regulatory, geopolitical, or other conditions prevailing in that region and could be more volatile than the performance of more geographically diversified funds.



## FUND PROFILES

- Currency rates fluctuate in response to market, economic, political, regulatory, geopolitical or other conditions. Because a Fund can invest in instruments issued in currencies other than the Fund's base currency or Class currency, changes in currency rates can affect the value of such instrument and the value of your investment. Investors whose financial transactions are primarily in currencies other than the base currency of the Fund (USD) or the currency of the Class should consider the potential risk of loss from the fluctuations in the rate of exchange between such currencies. Currency rate changes may also affect the financial condition of the issuers in which the Fund invests.
- The Investment Manager's investment analysis and its selection of investments may not produce the intended results and/or can lead to an investment focus that results in the Fund underperforming other funds with similar investment strategies and/or underperforming the markets in which the Fund invests. In addition, the Fund's promotion of the MFS Low Carbon Transition characteristic may affect the composition of the Fund, and may result in purchase and sales decisions that negatively impact the investment performance of the Fund.
- **There can be no guarantee that the Fund will achieve its investment objective. The value of your investment can go down as well as up and you may not get back the amount invested.**

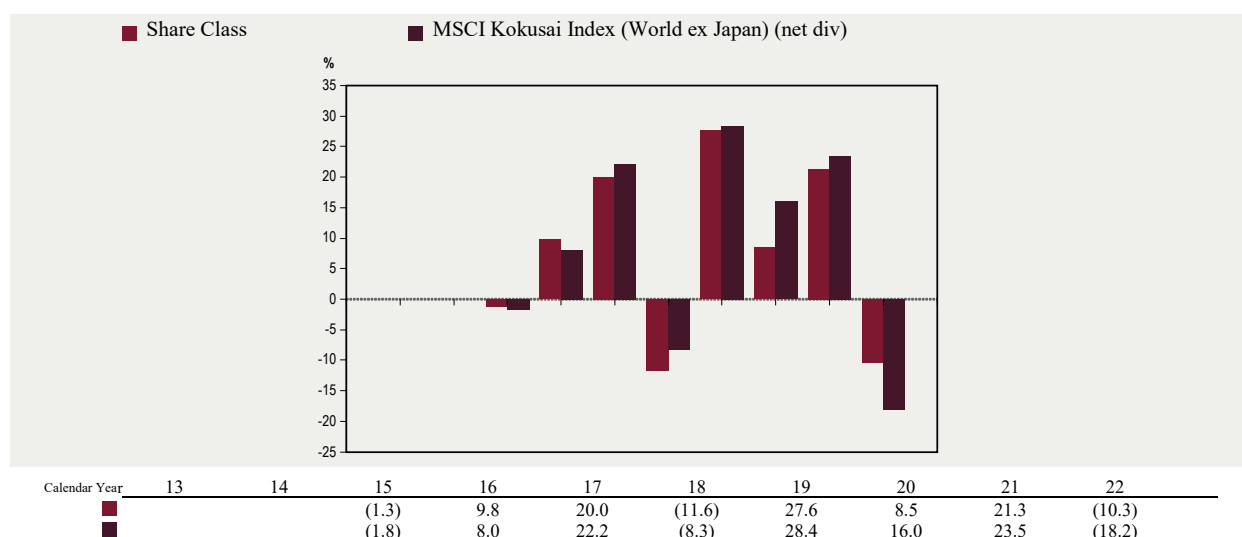
### Typical Investor Profile

- The Fund is intended for investors seeking capital appreciation through investment primarily in equity securities of companies located in developed and emerging market countries.
- The Fund is intended as a long term investment. Investors' risk tolerance levels and investment time horizons may differ based on the individual circumstances of each investor. You should consult your Financial Intermediary for advice regarding your own risk tolerance and investment horizons before investing in the Fund.

### Performance

The following chart provides past performance information. The Fund's past performance does not necessarily indicate how the Fund will perform in the future. The chart does not reflect the impact of sales charges you may pay when purchasing or redeeming Units, or taxes you may incur on these transactions. Any sales charge or taxes would reduce the returns shown.

*Bar Chart:* The chart shows the annual total returns of the Fund's US Dollar Class Units as of 31 December each year. Performance of the Fund's benchmark is also shown.



### Fund Benchmark

MSCI Kokusai Index (World ex Japan) (net div) (USD)

## FUND PROFILES

### Fund's Ongoing Charges

The following ongoing charges are expressed at an annual rate as a percentage of net assets. They are based on expenses for the year ended 30 September 2022. For a Class with less than the full period of data available, or where adjustment is necessary to reflect current charges, the ongoing charges figure is an estimate as of the date of this Prospectus. These expenses are paid out of Class level assets and are fully reflected in the relevant Unit price. These expenses are not charged directly to Unitholders. Please see the KID of the relevant Class for the most recent expense information.

Class	US Dollar	Yen
Investment Management Fee	0.70%	0.70%
Estimated Other Expenses <sup>1, 2</sup>	0.16%	0.16%
<b>Total Expense Ratio</b>	<b>0.86%</b>	<b>0.86%</b>

- 1 "Other Expenses" generally include all direct Fund expenses except for the investment management fee. The Fund does not pay distribution and service fees. "Other Expenses" include fees paid to the Management Company, Depositary and Transfer Agent, legal and audit fees, certain expenses associated with the Fund's investment activities including interest, and expenses in connection with the Fund's operation and central administration in Luxembourg, among others. "Other Expenses" do not include brokerage commissions and transaction costs or currency conversion costs.
- 2 The Investment Manager has voluntarily agreed to bear certain expenses such that "Other Expenses", excluding taxes, certain tax reclaim recovery expenses (including contingency fees), tax transparency-related expenses and expenses associated with the Fund's investment activities such as interest, do not exceed 0.15% annually of the average daily net assets of each Class. To the extent "Estimated Other Expenses" exceed the expense cap rate, the difference is attributable to certain Other Expenses that are excluded from the expense cap arrangement, such as taxes, certain tax reclaim recovery expenses, tax transparency-related expenses and interest expenses associated with the Fund's investment activities.

LOW VOLATILITY GLOBAL EQUITY FUND
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**Base Currency:** US Dollar (\$)**Launch Date:** 10 February 2015**Distribution Frequency:** Annual**Methodology to Calculate Global Exposure:** Commitment Approach**SFDR Classification:** Article 6**Investment Objective and Policy**

The Fund's objective is capital appreciation, measured in U.S. Dollars. The Fund invests primarily (at least 70%) in equity securities of companies located in developed and emerging market countries. The Fund may also invest in equity interests in closed-ended real estate investment trusts (REITs).

The Fund may invest in companies it believes to have above average earnings growth potential compared to other companies (growth companies), in companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. The Fund may invest in companies of any size. The Fund may invest a relatively large percentage of the Fund's assets in a small number of countries or a particular geographic region. The Investment Manager may also consider environmental, social and governance (ESG) factors in its fundamental investment analysis alongside other factors. The Fund may use derivatives for hedging and/or investment purposes, including to increase or decrease exposure to a particular market, segment of the market, or security, to manage currency exposure or other characteristics of the Fund, or as alternatives to direct investments. The Fund will not extensively or primarily use derivatives to achieve the Fund's investment objective or for investment purposes.

The Investment Manager uses an active bottom-up approach to buying and selling investments for the Fund. Investments are selected primarily based on blending fundamental and quantitative research. The Investment Manager uses fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political, and regulatory conditions to determine a fundamental rating for an issuer. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position and management ability. The Investment Manager uses quantitative analysis, including quantitative models that systemically evaluate an issuer's valuation, price and earnings momentum, earnings quality, and other factors to determine a quantitative rating for an issuer. The Investment Manager combines the fundamental rating with the quantitative rating to create a blended rating for an issuer. When the Investment Manager's fundamental rating is not available, the Investment Manager treats the issuer as having a neutral fundamental rating. The Investment Manager generally eliminates the most volatile equity securities based on historical volatility as potential investments for the Fund. The Investment Manager then constructs the portfolio using a portfolio optimization process that considers the blended rating, as well as issuer, sector, industry, volatility and other factors with a goal of constructing a portfolio less volatile than the MSCI All Country World Index. The portfolio managers have the discretion to adjust the inputs and parameters used in the optimization process and the Fund's portfolio holdings based on factors such as the desired portfolio characteristics and the portfolio managers' qualitative assessment of the optimization results. Third party quantitative risk models are used in the portfolio construction process. There is no assurance that the Fund will meet its target volatility over the long term or for any year or period of years. Volatility indicates how much the Fund's returns have varied over a specified time period and is measured by the standard deviation of monthly returns. It is expected that the Fund will generally underperform the equity markets during strong, rising equity markets.

The Fund's primary benchmark (the MSCI All Country World Index (USD)) and secondary benchmark (the MSCI All Country World Minimum Volatility Index (USD)) are indicated in connection with the Fund's target volatility as stated above, and for performance comparison. Although the Fund's investments will generally be represented in the benchmark, components are likely to be weighted differently from the benchmark and the Fund is likely to invest outside of the benchmark to take advantage of attractive investment opportunities. The Fund is actively managed within its objectives and the investment strategy will not restrict the extent to which portfolio holdings may deviate from the benchmark. It is expected that the Fund's deviation from the benchmark will be significant.

As this Fund falls within Article 6 of SFDR, please note that the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

You should consult the sections entitled "General Information Regarding Investment Policies and Instruments," "Techniques and Instruments" and "Risk Factors" for further details with respect to the various investment instruments in which the Fund may invest.

## FUND PROFILES

### Key Risks

The following summarizes the key risks of investing in the Fund. You should consult the section entitled "Risk Factors" for further details regarding these and other risks.

- Equity markets are volatile and can decline significantly in response to issuer, market, economic, industry, political, regulatory, geopolitical, public health and other conditions, as well as to investor perceptions of these conditions. The price of an equity security can decrease significantly in response to these conditions, and these conditions can affect a single issuer or type of security, issuers within a broad market sector, industry or geographic region, or the market in general.
- The Fund's strategy to invest in equity securities with historically lower volatility may not produce the intended results, if in general the historical volatility of an equity security is not a good predictor of the future volatility of that equity security, and/or if the specific equity securities held by the Fund become more volatile than expected. It is expected that the Fund will generally underperform the equity markets during strong, rising equity markets.
- Exposure to emerging markets can involve additional risks relating to market, economic, political, regulatory, geopolitical, or other conditions. These factors can make emerging markets investments more volatile and less liquid than developed markets investments. Emerging markets can have less developed markets and less developed legal, regulatory, and accounting systems, and greater political, social, and economic instability than developed markets.
- Because the Fund may invest a relatively large percentage of its assets in a single region, the Fund's performance would be closely tied to the market, currency, economic, political, regulatory, geopolitical, or other conditions prevailing in that region and could be more volatile than the performance of more geographically diversified funds.
- The risks of investing in REITs include certain risks associated with the direct ownership of real estate and the real estate industry in general. REITs are affected by general, regional, and local economic conditions; difficulties in valuing and disposing of real estate; fluctuations in interest rates and property tax rates; shifts in zoning laws, environmental regulations, and other governmental action; cash flow dependency; increased operating expenses; lack of availability of mortgage funds; losses due to natural disasters; overbuilding; losses due to casualty or condemnation; changes in property values and rental rates; and other factors. Many real estate-related issuers, including REITs, utilize leverage (and some may be highly leveraged), which increases investment risk and could adversely affect the issuer's operations and market value in periods of rising interest rates. The securities of smaller real estate-related issuers can be more volatile and less liquid than securities of larger issuers and their issuers can have more limited financial resources.
- Derivatives can be used to take both long and synthetic short positions (i.e., the value of a derivative can be positively or negatively related to the value of the underlying indicator(s) on which the derivative is based). Derivatives can be highly volatile and involve risks in addition to the risks of the underlying indicator(s). Gains or losses from derivatives can be substantially greater than the derivatives' original cost and can involve leverage.
- Currency rates fluctuate in response to market, economic, political, regulatory, geopolitical or other conditions. Because a Fund can invest in instruments issued in currencies other than the Fund's base currency or Class currency, changes in currency rates can affect the value of such instrument and the value of your investment. Investors whose financial transactions are primarily in currencies other than the base currency of the Fund (USD) or the currency of the Class should consider the potential risk of loss from the fluctuations in the rate of exchange between such currencies. Currency rate changes may also affect the financial condition of the issuers in which the Fund invests.
- The Fund's strategy to blend fundamental and quantitative research may not produce the intended results. In addition, the Investment Manager's fundamental research is not available for all issuers.
- The Investment Manager's investment analysis, its development and use of quantitative models, and its selection of investments may not produce the intended results and/or can lead to an investment focus that results in the Fund underperforming other funds with similar investment strategies and/or underperforming the markets in which the Fund invests. The quantitative models used by the Investment Manager (both proprietary and third-party) may not produce the intended results for a variety of reasons, including the factors used in the models, the weight placed on each factor in the models, changes from the market factors' historical trends, changing sources

## FUND PROFILES

of market return or market risk, and technical issues in the design, development, implementation, application and maintenance of the models (e.g., incomplete, outdated or inaccurate data, programming or other software issues, coding errors and technology failures).

- **There can be no guarantee that the Fund will achieve its investment objective. The value of your investment can go down as well as up and you may not get back the amount invested.**

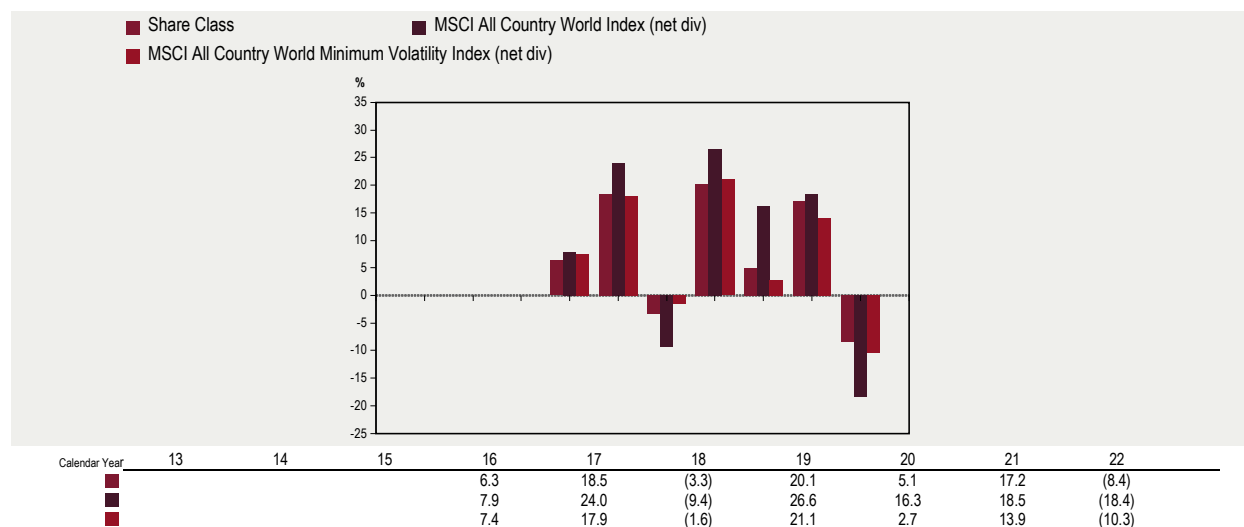
### Typical Investor Profile

- The Fund is intended for investors seeking capital appreciation through investment primarily in equity securities of companies located in developed and emerging market countries.
- The Fund is intended as a long term investment. Investors' risk tolerance levels and investment time horizons may differ based on the individual circumstances of each investor. You should consult your Financial Intermediary for advice regarding your own risk tolerance and investment horizons before investing in the Fund.

### Performance

The following chart provides past performance information. The Fund's past performance does not necessarily indicate how the Fund will perform in the future. The chart does not reflect the impact of sales charges you may pay when purchasing or redeeming Units, or taxes you may incur on these transactions. Any sales charge or taxes would reduce the returns shown.

*Bar Chart:* The chart shows the annual total returns of the Fund's US Dollar Class Units as of 31 December each year. Performance of the Fund's benchmark is also shown.



### Fund Benchmark

*Primary Benchmark:* MSCI All Country World Index (net div) (USD)

*Secondary Benchmark:* MSCI All Country World Minimum Volatility Index (USD)

### Fund's Ongoing Charges

The following ongoing charges are expressed at an annual rate as a percentage of net assets. They are based on expenses for the year ended 30 September 2022. For a Class with less than the full period of data available, or where adjustment is necessary to reflect current charges, the ongoing charges figure is an estimate as of the date of this Prospectus. These expenses are paid out of Class level assets and are fully reflected in the relevant Unit price. These expenses are not charged directly to Unitholders. Please see the KID of the relevant Class for the most recent expense information.

## FUND PROFILES

<b>Class</b>	<b>US Dollar</b>	<b>Euro</b>	<b>Sterling</b>	<b>Yen</b>	<b>Yen Hedged</b>	<b>Yen Hedged ND</b>
Investment Management Fee	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
Estimated Other Expenses <sup>1, 2</sup>	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%
<b>Total Expense Ratio</b>	<b>0.46%</b>	<b>0.46%</b>	<b>0.46%</b>	<b>0.46%</b>	<b>0.46%</b>	<b>0.46%</b>

- 1 "Other Expenses" generally include all direct Fund expenses except for the investment management fee. The Fund does not pay distribution and service fees. "Other Expenses" include fees paid to the Management Company, Depositary and Transfer Agent, legal and audit fees, certain expenses associated with the Fund's investment activities including interest, and expenses in connection with the Fund's operation and central administration in Luxembourg, among others. "Other Expenses" do not include brokerage commissions and transaction costs or currency conversion costs.
- 2 The Investment Manager has voluntarily agreed to bear certain expenses such that "Other Expenses", excluding taxes, certain tax reclaim recovery expenses (including contingency fees), tax transparency-related expenses and expenses associated with the Fund's investment activities such as interest, do not exceed 0.05% annually of the average daily net assets of each Class. To the extent "Estimated Other Expenses" exceed the expense cap rate, the difference is attributable to certain Other Expenses that are excluded from the expense cap arrangement, such as taxes, certain tax reclaim recovery expenses, tax transparency-related expenses and interest expenses associated with the Fund's investment activities.

## U.S. MUNICIPAL BOND FUND

**Base Currency:** U.S. Dollar (\$)**Launch Date:** 14 May 2018**Methodology to Calculate Global Exposure:** Commitment Approach**SFDR Classification:** Article 6**Investment Objective and Policy**

The Fund's objective is to seek total return with an emphasis on current income, but also considering capital appreciation, measured in U.S. Dollars. The Fund invests primarily (at least 70%) in investment grade U.S. municipal debt instruments. The Fund generally focuses its investments in taxable municipal debt instruments, but may also invest in U.S. tax-exempt municipal debt instruments. The Fund may also invest in debt instruments of private issuers, including non-profit organizations, used to finance services and/or projects that relate to public or municipal functions, such as private hospitals and universities. The Fund may invest a relatively large percentage of the Fund's assets in municipal and other related debt instruments that finance similar services or projects, such as those relating to education, healthcare, housing, utilities, water, or sewers. The Fund may invest a significant percentage of the Fund's assets in issuers in a single U.S. state, territory, or possession, or a small number of U.S. states, territories, or possessions. The Fund's municipal and related investments, as described above, may be supported by cash flows from tax receipts, infrastructure projects or other assets. However, the Fund will not invest in other securitized instruments or mortgage-backed securities. The Fund will also not invest in contingent convertible debt instruments, or debt instruments that are distressed or defaulted at the time of purchase. The Investment Manager may also consider environmental, social and governance (ESG) factors in its fundamental investment analysis alongside other factors. The Fund may use derivatives for hedging and/or investment purposes, including to increase or decrease exposure to a particular market, segment of the market, or security, to manage interest rates or other characteristics of the Fund. The Fund will not extensively or primarily use derivatives to achieve the Fund's investment objective or for investment purposes.

The Fund's custom blended benchmark is indicated for performance comparison only. Although the Fund's investments will generally be represented in the benchmark, components are likely to be weighted differently from the benchmark and the Fund is likely to invest outside of the benchmark to take advantage of attractive investment opportunities. The Fund is actively managed within its objectives and the investment strategy will not restrict the extent to which portfolio holdings may deviate from the benchmark. It is expected that the Fund's deviation from the benchmark will be significant.

As this Fund falls within Article 6 of SFDR, please note that the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

You should consult the sections entitled "General Information Regarding Investment Policies and Instruments," "Techniques and Instruments" and "Risk Factors" for further details with respect to the various investment instruments in which the Fund may invest.

**Key Risks**

The following summarizes the key risks of investing in the Fund. You should consult the section entitled "Risk Factors" for further details regarding these and other risks.

- The price of municipal debt instruments can be volatile and significantly affected by adverse tax changes or court rulings, legislative or political changes, changes in specific or general market and economic conditions, and the financial condition of municipal issuers and insurers. Because many municipal debt instruments are issued to finance similar projects, conditions in certain industries can significantly affect the revenue generated and the overall municipal market.
- The taxable municipal market is smaller and less diverse than the broader municipal securities market. As such, the underlying securities of the Fund may be less liquid than other debt instruments.
- The price of a debt instrument depends, in part, on the credit quality of the issuer, borrower, counterparty, or other entity responsible for payment, or underlying collateral and can decline in response to changes in the financial condition of the issuer, borrower, counterparty, or other entity, or underlying collateral, or changes in specific or general market, economic, industry, political, regulatory, geopolitical, public health or other conditions. To the extent an investment grade debt instrument is downgraded, such instrument can involve a substantially greater risk of default or may already be in default, which can cause the value of such instrument to significantly decline and result in losses to the Fund. The Fund will not invest in debt instruments that are in default at the time of

## FUND PROFILES

purchase, but may hold debt instruments that enter into default subsequent to the Fund's purchase. In such circumstances, the Investment Manager will determine, in the best interest of investors, whether to continue holding or to sell the defaulted debt instrument after considering factors such as the reason for the default, the prevailing market conditions impacting the price and liquidity of the instrument and the anticipated recovery rate relative to the market price.

- In general, the price of a debt instrument falls when interest rates rise and rises when interest rates fall. Interest rate risk is generally greater for instruments with longer maturities, or that do not pay current interest.
- The Fund's performance will be closely tied to the issuer, market, economic, industry, political, regulatory and other conditions in the states, territories, and possessions of the United States in which the Fund's assets are invested. If a significant percentage of the Fund's assets are invested in a single state, territory, or possession, or a small number of states, territories, or possessions, these conditions will have a significant impact on the Fund's performance and the Fund's performance may be more volatile than the performance of more geographically-diversified funds.
- Derivatives can be used to take both long and synthetic short positions (i.e., the value of a derivative can be positively or negatively related to the value of the underlying indicator(s) on which the derivative is based). Derivatives can be highly volatile and involve risks in addition to the risks of the underlying indicator(s). Gains or losses from derivatives can be substantially greater than the derivatives' original cost and can involve leverage.
- The Investment Manager's investment analysis and its selection of investments may not produce the intended results and/or can lead to an investment focus that results in the Fund underperforming other funds with similar investment strategies and/or underperforming the markets in which the Fund invests.
- **There can be no guarantee that the Fund will achieve its investment objective. The value of your investment can go down as well as up and you may not get back the amount invested.**

### Typical Investor Profile

- The Fund is intended for investors seeking total return while also considering capital appreciation through investment primarily in U.S. municipal debt instruments.
- The Fund is intended as a long term investment. Investors' risk tolerance levels and investment time horizons may differ based on the individual circumstances of each investor. You should consult your Financial Intermediary for advice regarding your own risk tolerance and investment horizons before investing in the Fund.

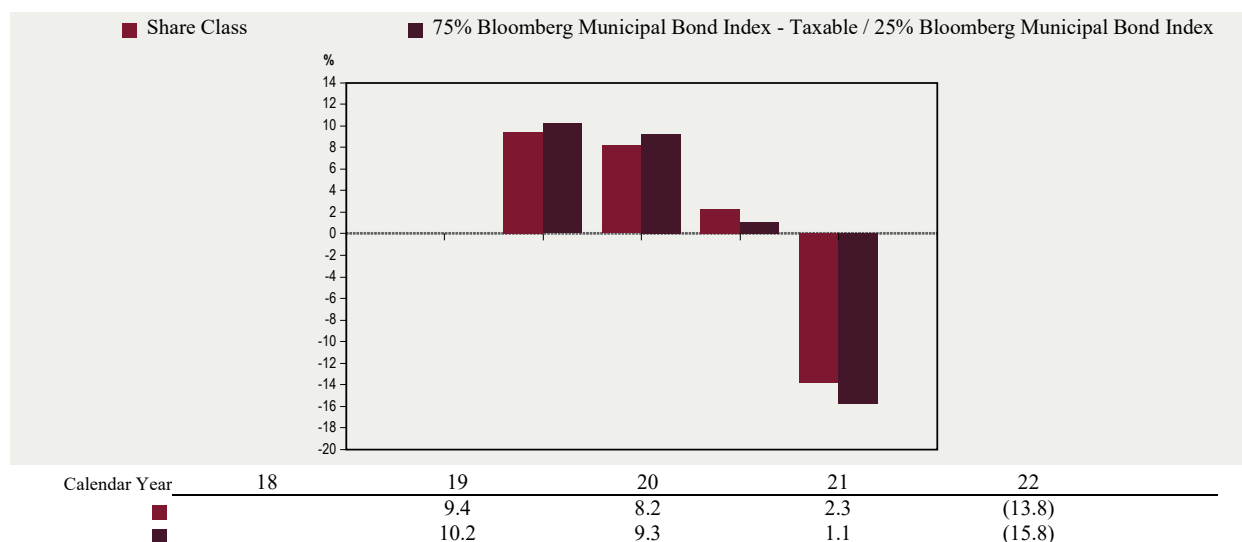
### Performance

The following chart provides past performance information. The Fund's past performance does not necessarily indicate how the Fund will perform in the future. The chart does not reflect the impact of sales charges you may pay when purchasing or redeeming Units, or taxes you may incur on these transactions. Any sales charge or taxes would reduce the returns shown.

*Bar Chart:* The chart shows the annual total returns of the Fund's US Dollar Class Units as of 31 December each year. Performance of the Fund's benchmark is also shown.



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### Fund Benchmark

75% Bloomberg Municipal Bond Index - Taxable /25% Bloomberg Municipal Bond Index

### Fund's Ongoing Charges

The following ongoing charges are expressed at an annual rate as a percentage of net assets. They are based on expenses for the year ended 30 September 2022. For a Class with less than the full period of data available, or where adjustment is necessary to reflect current charges, the ongoing charges figure is an estimate as of the date of this Prospectus. These expenses are paid out of Class level assets and are fully reflected in the relevant Unit price. These expenses are not charged directly to Unitholders. Except as noted for the US Dollar Z Units, these expenses are not charged directly to Unitholders. Please see the KID of the relevant Class for the most recent expense information.

Class	US Dollar	Euro	Sterling	Euro Hedged	Swiss Franc Hedged	US Dollar Z	Yen Z	Yen Hedged Z
Investment Management Fee	0.30%	0.30%	0.30%	0.30%	0.30%	‡	‡	‡
Estimated Other Expenses <sup>1,2</sup>	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%
<b>Total Expense Ratio</b>	<b>0.41%</b>	<b>0.41%</b>	<b>0.41%</b>	<b>0.41%</b>	<b>0.41%</b>	<b>0.11%</b>	<b>0.11%</b>	<b>0.11%</b>

1 "Other Expenses" generally include all direct Fund expenses except for the investment management fee. The Fund does not pay distribution and service fees. "Other Expenses" include fees paid to the Management Company, Depositary and Transfer Agent, legal and audit fees, certain expenses associated with the Fund's investment activities including interest, and expenses in connection with the Fund's operation and central administration in Luxembourg, among others. "Other Expenses" do not include brokerage commissions and transaction costs or currency conversion costs.

2 The Investment Manager has voluntarily agreed to bear certain expenses such that "Other Expenses", excluding taxes, certain tax reclaim recovery expenses (including contingency fees), tax transparency-related expenses and expenses associated with the Fund's investment activities such as interest, do not exceed 0.10% annually of the average daily net assets of each Class. To the extent "Estimated Other Expenses" exceed the expense cap rate, the difference is attributable to certain Other Expenses that are excluded from the expense cap arrangement, such as taxes, certain tax reclaim recovery expenses, tax transparency-related expenses and interest expenses associated with the Fund's investment activities.

‡ The Investment Management Fee for the US Dollar, Yen and Yen Hedged Z Units will be administratively levied and paid directly by the Unitholder to the Management Company (an affiliate of MFS), or an affiliate in relation to the investment management services provided by MFS to the Fund.

### General Information Regarding Investment Policies and Instruments

You may invest in a variety of different Funds, each of which has its own investment objective which it pursues through separate investment policies. The objective and essential policies for each Fund are set out in each Fund's KID, with additional details provided above in the respective Fund's "Fund Profile." Below you will find additional details regarding certain investment policies and instruments in which the Funds may invest, including the definition of certain key investment terms. The risk profile of each Fund will depend upon the securities and instruments in which that Fund invests. You should review carefully the risk profile in each "Fund Profile" and the description of various risks in "Risk Factors" below prior to making an investment in a Fund.

If it is intended that a Fund will have material exposure to an investment type, the Investment Manager will take action to ensure the investment type is disclosed in the 'Fund Profile.' The Investment Manager generally considers 10% of net assets to be an indicative guideline for material exposure, subject to its judgment based on the particular circumstances.

All investment tests, unless otherwise noted, are based on net assets of the Funds. Each Fund may count certain derivative instruments towards its primary investment policy, which is described for each Fund in "Fund Profiles."

*Equity securities* represent an ownership interest, or the right to acquire an ownership interest, in a company or other issuer. Different types of equity securities provide different voting and dividend rights and priorities in the event of bankruptcy of the issuer. A Fund that invests in equity and equity-related securities may invest in all types of equity securities, including, unless otherwise indicated, common, preferred and preference stocks, warrants or rights and depositary receipts for those securities, restricted securities, securities of other investment companies and other similar interests in an issuer. Except to the extent disclosed in the Fund Profile, a Fund will not generally focus in small size companies.

*Debt instruments* represent obligations of corporations, governments, and other entities to repay money borrowed or other instruments believed to have debt-like characteristics. The issuer or borrower usually pays a fixed, variable, or floating rate of interest, and must repay the amount borrowed, usually at the maturity of the instrument. Debt instruments can trade in the over-the-counter market and on this basis can be less liquid than other types of investments, particularly during adverse market and economic conditions. During certain market conditions, some debt instruments can trade at a negative interest rate, i.e., the price to purchase the debt instrument is more than the present value of expected interest payments and principal due at the maturity of the instrument. Some debt instruments, such as zero coupon bonds or payment-in-kind bonds, do not pay current interest. Other debt instruments, such as certain mortgage-backed and other securitized instruments, make periodic payments of interest and/or principal. Some debt instruments are partially or fully secured by collateral supporting the payment of interest and principal. The Funds may only invest to a limited extent in defaulted instruments.

It is intended that each Fund will not invest more than 20% of net assets in mortgage-backed and/or securitized instruments. For any Fund intended to invest 10% or more in mortgage-backed and/or securitized instruments, the Fund Profile description of investment strategy and risks will reflect these investments.

Certain Funds that invest in debt instruments may only invest in, or may focus their investments in or are required to limit their investments in, debt securities with certain credit quality characteristics, such as those considered to be "high quality," "investment grade" or "below investment grade." High quality debt instruments are debt instruments rated in one of the top two rating categories by a Nationally Recognised Securities Rating Organisation ("NRSRO"), such as Moody's Investors Service ("Moody's"), Standard & Poor's ("S&P") or Fitch Ratings ("Fitch") using the methodology described below. Investment grade debt instruments are debt instruments rated in one of the top four rating categories by a NRSRO. Below investment grade debt instruments (also commonly known as "junk bonds") are debt instruments rated below the top four rating categories using the methodology described below. For all securities other than those specifically described below, ratings are assigned to underlying securities utilizing ratings from Moody's, Fitch, and Standard & Poor's rating agencies and applying the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned. If none of the 3 Rating Agencies above assign a rating, but the security is rated by DBRS Morningstar, then the DBRS Morningstar rating is assigned. If none of the 4 rating agencies listed above rate the security, but the security is rated by the Kroll Bond Rating Agency (KBRA), then the KBRA rating is assigned. U.S. treasuries, U.S. agency mortgage-backed securities, and other U.S. agency securities are included within AAA even if the process described above would have assigned a lower rating. Other Not Rated includes other fixed income securities not rated by any rating agency. Ratings are shown in the S&P and Fitch scale (e.g., AAA). All ratings are subject to change.

## INVESTMENT POLICIES AND RISKS

In determining an instrument's effective maturity, MFS uses the instrument's stated maturity or, if applicable, an earlier date on which MFS believes it is probable that a maturity-shortening device (such as a call, put, pre-refunding, prepayment or redemption provision, or an adjustable coupon) will cause the instrument to be repaid. Such an earlier date can be substantially shorter than the instrument's stated maturity.

For Funds that invest in U.S. Government securities, these securities include securities issued or guaranteed by the U.S. Treasury, by an agency or instrumentality of the U.S. Government, or by a U.S. Government-sponsored entity. Certain U.S. Government securities may not be supported as to the payment of principal and interest by the full faith and credit of the U.S. Treasury or the ability to borrow from the U.S. Treasury.

*Infrastructure Sector Companies* are companies that provide essential long-life, physical assets and related services that facilitate the operation of the global economy. This includes assets and services related to railways, toll roads, airports, wireless towers, electricity grids, renewables, pipelines, water and sanitation. The Investment Manager defines "infrastructure sector companies" as those in the following global industry classification standard ("GICS") industries: Electric Utilities, Multi-Utilities, Transportation Infrastructure, Diversified Telecom Services, Road & Rail, Oil, Gas & Consumable Fuels, Construction & Engineering, Equity REITS, Gas Utilities, and Water Utilities.

*Global Funds* means a Fund that invests in issuers located in countries anywhere in the world. A global fund may generally correspond with the geographic concentration of its benchmark (noting, however, that each of the Funds is actively-managed) and of issuers within the relevant asset class. For example, a global equity fund and its benchmark will generally feature a significant allocation to the U.S.

*Regional or Country-Specific Funds:* For purposes of a Fund's investment policies, companies in particular geographic region or country include companies that are based in that geographic region or country, or exercise a preponderant part of their economic activity in that geographic region or country. As used in the Prospectus and the KID, with respect to the Funds' investment policies, the countries and regions below are defined as follows:

*China* includes Mainland China, Hong Kong, and Taiwan. A Fund with investments in companies based in Mainland China will primarily invest in indirect or non-local securities of such companies, including "H shares," "B shares," Depositary Receipts and Participatory or related notes. Each Fund currently does not invest directly in "A shares," although a Fund may access "A shares" through the Hong Kong-Shanghai or Hong Kong-Shenzhen Stock Connect Programme (each a "Stock Connect Programme").

*Emerging Market Countries* include any country determined by the Investment Manager to have an emerging market economy, taking into account a number of factors, which may include whether the country has a low- to middle-income economy according to the International Bank for Reconstruction and Development (the World Bank), the country's designation by the International Monetary Fund as an emerging market, the country's inclusion in an emerging or frontier emerging market index, and other factors that demonstrate that the country's financial and capital markets are in the development phase. The Investment Manager determines whether an issuer's principal activities are located in an emerging market country by considering such factors as its country of organisation, the principal trading market for its securities and the source of its revenues and assets. Such emerging market countries are located in Latin America, Asia, Africa, the Middle East, and the developing countries of Europe, primarily Eastern Europe.

*Europe:* For the purposes of this policy, European countries are generally considered to be those in continental Europe, the United Kingdom, the European Economic Area and Eastern Europe (including Belarus, Bulgaria, Czech Republic, Hungary, Moldova, Poland, Romania, Russia, Slovakia, Turkey and Ukraine).

*Member State* means a Member State of the European Union. The States that are contracting parties to the Agreement creating the European Economic Area other than the Member States of the European Union, within the limits set forth by this Agreement and related acts, are considered as equivalent to Member States of the European Union.

*Derivatives* are financial instruments whose value is based on the value of one or more underlying indicators or the difference between underlying indicators. Underlying indicators may include a security or other financial instrument, asset, currency, interest rate, credit rating, volatility measure or index. The Funds may use derivatives for hedging or investment (which includes efficient portfolio management) purposes. Derivatives used for efficient portfolio management purposes are used where the Investment Manager believes such techniques will reduce overall risk of the portfolio, to reduce tax impact or costs of investing in eligible securities, to more efficiently or effectively gain access to eligible assets or to generate additional capital or income, providing that the portfolio's risk levels remain consistent. Derivatives may include futures, forward contracts, options, warrants, certain types of structured securities, inverse floating rate instruments, swaps

## INVESTMENT POLICIES AND RISKS

(including credit default swaps), caps, floors, collars, synthetic equity securities and hybrid instruments. Derivatives may be used to take both long and synthetic short positions (subject to limitations set forth under applicable Law).

Investing in derivatives entails special risks. You can find more information about investing in derivatives in the "Risk Factors" section below. Under normal market conditions, the primary types of derivatives expected to be used include (i) for Funds focusing on equity securities, forward contracts and options, and (ii) for other Funds, forward contracts, options, futures and swaps.

While the Management Company and the Investment Manager believe that the Fund will be able to establish multiple counterparty business relationships to permit the Fund to effect transactions in the over-the-counter (OTC) market (including credit default swaps, total return swaps and other swaps market as applicable), there can be no assurance that it will be able to do so. The Funds will only enter into OTC derivative transactions with those counterparties which are financial institutions specialized in the relevant type of transaction, which are located in the United States, the European Union, Australia, Switzerland or Canada and the Investment Manager believes to present an acceptable risk. Such counterparties may include (without limitation) JPMorgan Chase Bank N.A., Barclays Bank PLC, Merrill Lynch International and Goldman Sachs International. The Investment Manager considers a number of factors in assessing counterparty risk, including, but not limited to, long and short term credit ratings (as published by one or more international rating agency) and bank financial strength ratings of the counterparty or counterparty's parent organization, where applicable, and (if any) the guarantor. When selecting counterparties, the Investment Manager will only consider those entities with a short-term credit rating of A-1 or P-1 or equivalent long term credit ratings or otherwise judged by the Investment Manager to present acceptable credit risk. The Investment Manager will generally not enter into derivative transactions pursuant to which (i) the counterparty would assume discretion over the composition or management of a Fund's portfolio or the underlying assets of the financial derivative instruments (except in the case that the underlying of the derivative is an index that happens to be published by the counterparty or an affiliate), or (ii) the approval of the counterparty would be required in relation to any Fund portfolio transaction.

*Structured Securities.* Each Fund may invest in structured securities, the interest rate or principal of which is determined by an underlying indicator. Certain types of complex structured securities are considered to be derivative instruments. Structured securities may include securitized instruments, mortgage-backed securities, other mortgage-related derivatives, collateralized bond, debt and loan obligations, index-linked, credit-linked or other structured notes. The value of the principal of and/or interest on structured securities is determined by reference to the value of one or more underlying indicators or the difference between underlying indicators. In the case of certain "1:1 Structured Securities" or "1:1 Certificates," where the value of the principal and/or interest of the structured security is directly based on that of the underlying indicator (e.g., no leverage and, therefore, not embedding a derivative), the underlying indicators may include those items listed above as well as commodities, commodities indices, and real estate indices.

*Risk Management Process.* The Management Company must employ a risk management process which enables it to monitor and measure at any time the risk of the positions in its portfolios and their contribution to the overall risk profile of its portfolios. The Management Company's Risk Management Program will ensure that the global exposure of the underlying assets shall not exceed the total net value of a Fund. Generally, the global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. The global exposure relating to financial derivative instruments may be calculated through the "commitment approach" or through a Value-at-Risk ("VaR") methodology. Generally, a Fund that uses derivatives more extensively or as part of its investment objective will utilize the VaR methodology, and a Fund that uses derivatives less extensively will utilize the commitment approach. Refer to each "Fund Profile" to see which methodology each Fund uses to calculate its global exposure. The commitment approach is based, in part, on the principle of converting the exposure to derivative instruments into equivalent positions of the underlying assets and quantifying the exposure in absolute value of the total commitments (which may account for coverage and netting). VaR provides a measure of the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The VaR approach is measured daily using a one-tailed confidence level of 99% and based on a time horizon of one month. For Funds using an absolute VaR methodology, the absolute VaR cannot be greater than 20% of its net asset value. For Funds using a relative VaR methodology, the relative VaR cannot exceed 200% of the VaR of the relevant reference portfolio. The holding period relating to financial derivative instruments, for the purpose of calculating global exposure under the VaR methodology, is one month.

*Short-Term Liquid Investments.* Each Fund may hold "ancillary liquid assets," defined as bank deposits at sight, up to 20% of its assets. This limit may only be exceeded temporarily when strictly necessary under exceptionally unfavorable market conditions to protect the best interests of investors. Liquid assets held in margin accounts in connection with financial derivative instruments are not "ancillary liquid assets" subject to this limit. Each Fund may also invest in deposits with credit institutions, money market instruments and units of money market funds, and may engage in reverse repurchase transactions. The

## INVESTMENT POLICIES AND RISKS

investments referenced in this paragraph may be held for investment purposes or treasury purposes, or for temporary defensive purposes when adverse market, economic or political conditions exist. For any Fund that expects to maintain a material exposure on a continuing basis to such investments, they will be disclosed in the description of the Fund's investment strategy under "Investment Objective and Policy" in the Fund Profile.

### **Investment Guidelines**

The FCP's investments shall be subject to the following guidelines, which are based on the Law. Each Fund shall be regarded as a separate UCITS for the purposes of the present section.

### **Investment Instruments**

The investments of the FCP shall comprise only one or more of the following:

- 1) transferable securities and money market instruments admitted to or dealt in on a "regulated market," as defined in item 14 of Article 4 of Directive 2004/39/EC;
- 2) transferable securities and money market instruments dealt in on another market in a Member State which is regulated, operates regularly and is recognised and open to the public;
- 3) transferable securities and money market instruments admitted to official listing on a stock exchange in a country in Europe (other than a Member State), North- and South America, Asia, Australia, New Zealand or Africa or dealt in on another market in one of these countries or regions which is regulated, operates regularly and is recognised and open to the public;
- 4) recently issued transferable securities and money market instruments, provided that:
  - the terms of issue include an undertaking that applications will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognised and open to the public in a country in Europe (including a Member State), North- and South America, Asia, Australia, New Zealand or Africa;
  - such admission is scheduled to be secured within a year of issue.
- 5) units of UCITS authorised according to UCITS Directive and/or other undertakings for collective investment within the meaning of Article 1 paragraph (2), points a) b) of the UCITS Directive whether or not established in a Member State, provided that:
  - such other undertakings for collective investment are authorised under laws which provide that they are subject to supervision considered by the Commission de Surveillance du Secteur Financier ("CSSF") to be equivalent to that laid down in European Community law ("Community Law"), and that cooperation between authorities is sufficiently ensured,
  - the level of protection for unitholders in the other undertakings for collective investment is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of UCITS Directive,
  - the business of the other undertakings for collective investment is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period, and
  - no more than 10% of the assets of the UCITS' or the other undertakings for collective investment, whose acquisition is contemplated, can, according to their fund rules or instruments of incorporation, be invested in aggregate in units of other UCITS or other undertakings for collective investment;

A Fund may, to the widest extent permitted by and under the conditions set forth in applicable Luxembourg laws and regulations, subscribe, acquire and/or hold Units to be issued by one or more other Funds of the FCP. In such case and subject to conditions set forth in applicable Luxembourg laws and regulations, the voting rights, if any, attaching to these Units are suspended for as long as they are held by the Fund concerned. In addition and as long as these Units are held by a Fund, their value will not be taken into consideration for the calculation of the net assets of the FCP for purposes of verifying the minimum threshold of net assets imposed by the Law.

- 6) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no

## INVESTMENT POLICIES AND RISKS

more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community Law;

- 7) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in 1), 2) and 3) hereinabove, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
  - the underlying consists of instruments covered by this paragraph, financial indices, interest rates, foreign exchange rates or currencies or other underlying indicators as allowed under regulations applicable to the FCP, in which the FCP may invest according to its investment objectives,
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF, and
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the FCP's initiative;
- 8) money market instruments other than those dealt in on a regulated market, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
  - issued or guaranteed by a central, regional or local authority or central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a Federal State by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
  - issued by an undertaking any securities of which are dealt in on regulated markets referred to in 1), 2) or 3) hereinabove, or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community Law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community Law; or
  - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent of this paragraph 8), and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line; and
- 9) any other instrument permitted under Luxembourg law up to the investment limitations permitted under Luxembourg law; the investment limitations for the instruments identified above should be those permitted under Luxembourg law.

### ***Investment Restrictions and Risk Diversification***

- 1) The FCP may invest no more than 10% of each Fund's assets in transferable securities or money market instruments other than those referred to in the section "Investment Instruments."
- 2)
  - i) The FCP will invest no more than 10% of the net assets of any Fund in transferable securities or money market instruments issued by the same issuing body. Moreover where the FCP holds on behalf of a Fund investments in transferable securities or money market instruments of any issuing body which individually exceed 5% of the net assets of such Fund, the total of all such investments must not account for more than 40% of the total net assets of such Fund provided that this limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision;
  - ii) The FCP may invest no more than 20% of the assets of a Fund in deposits made with the same body; in addition, a Fund's holding of ancillary liquid assets (i.e., bank deposits at sight) is limited to 20% of the assets of such Fund, which may only be exceeded temporarily when strictly necessary under exceptionally unfavorable market conditions to protect the best interests of the investors;
  - iii) The risk exposure to a counterparty of the FCP in an OTC derivative transaction may not exceed 10% of the assets of the relevant Fund when the counterparty is a credit institution referred to in paragraph 6) of the section "Investment Instruments" above or 5% of the relevant Fund's assets in other cases.

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- iv) Notwithstanding the individual limits laid down in paragraphs i), ii) and iii), the FCP may not, for each Fund, combine
  - investments in transferable securities or money market instruments issued by a single body,
  - deposits made with a single body, and/or
  - exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of the Fund's assets.
- v) The limit of 10% laid down in sub-paragraph 2) i) above may be increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its local authorities, or by a non-Member State or by public international bodies of which one or more Member States are members.
- vi) The limit of 10% referred to in paragraph 2) i) may be raised to maximum 25% for the covered bonds ("obligations garanties") as defined in point (1) of Article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/ EC and 2014/59/EU (hereinafter "Directive (EU) 2019/2162"), and for certain bonds where they are issued before 8 July 2022 by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of those bonds issued before 8 July 2022 shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. If a Fund invests more than 5% of its net assets in such debt securities and issued by the same issuer, the total value of such investments may not exceed 80% of the value of the Fund's net assets.
- vii) The transferable securities referred to in paragraphs 2) v) and 2) vi) above are not included in the calculation of the limit of 40% laid down in paragraph 2) i).
- viii) The limits set out in sub-paragraphs i), ii) iii), iv) v) and vi) may not be aggregated and accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or derivative instruments made with this body effected in accordance with sub-paragraphs i), ii) iii), iv) and v) above may not, in any event exceed a total of 35% of any Fund's net assets. A Fund may cumulatively invest up to 20% of its assets in transferable securities and money market instruments within the same group. Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits within the same group.

Notwithstanding the limits set out in 2), in accordance with Article 44 of the Law, each Fund is authorised to invest up to 20% of its net assets in shares and/or debt securities issued by the same body when such Funds' investment policy is to replicate the composition of a certain equity or debt securities index which is recognised by the CSSF on the following basis:

- its composition is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

**Notwithstanding 2) above, in accordance with Article 45 of the Law, the FCP is authorised to invest up to 100% of the net assets of each Fund in transferable securities and money market instruments issued or guaranteed by (i) a Member State or, one or more of its local authorities, (ii) by a member state of the Organization for Economic Cooperation and Development ("OECD") or the Group of Twenty ("G20") or the Republic of Singapore, or (iii) public international bodies of which one or more Member States are members, in each case on the condition that the respective Fund's net assets are diversified on a minimum of six separate issues, and each issue may not account for more than 30% of the total net asset value of the Fund.**

- 3) i) The FCP may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- ii) The FCP may acquire no more than (a) 10% of the non-voting shares of the same issuer, or (b) 10% of the debt securities of the same issuer, (c) 10% of the money market instruments of any single issuer, or (d) 25% of the units

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of the same collective investment undertaking provided that such limits laid down in (b), (c) and (d) may be disregarded at the time of acquisition if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

iii) The limits laid down in i) and ii) above shall not apply to the following:

- the securities referred to under Article 48, paragraph 3), sub-paragraphs a), b) and c) of the Law, or
- to investment by a Fund in one or more companies incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the FCP can invest in the securities of issuing bodies of that State, provided that in its investment policy the company from the non-Member State complies with the limits laid down in the investment policies and restrictions referred to in the current Prospectus of the FCP, as amended from time to time, or
- shares held by the FCP in the capital of subsidiary companies which, exclusively on its behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of shareholders.

4) In addition the FCP will not for each Fund:

- i) Make investments in, or enter into transactions involving precious metals or certificates representing them;
  - ii) Purchase or sell movable or immovable property or any option, right or interest therein, provided the FCP may invest in securities secured by real estate or interests therein, issued by companies which invest in real estate or interests therein or certificates or other notes representing real estate or related index allowed under applicable law and except that the FCP may acquire such property which is essential for the direct pursuit of its business;
  - iii) Invest more than 10%, in aggregate, of the net assets attributable to any Fund in securities of UCITS or other UCI referred to in paragraph 5) of the section "Investment Instruments" above, provided that
    - The Investment Manager may not charge any management, subscription or redemption fees if they purchase target funds (a) which are managed directly or indirectly by the Investment Manager or (b) which are managed by a company linked to the Investment Manager by (i) common management (ii) common control or (iii) by direct or indirect interest of more than 10% of the share capital or of the voting rights;
  - iv) Purchase any securities on margin (except that the FCP may obtain such short-term credit as may be necessary for the clearance of purchases and sales of securities) or make uncovered sales of transferable securities, money market instruments or other financial instruments referred to in paragraphs 5), 7), and 8) of "Investment Instruments" above; deposits or other accounts in connection with option, forward or financial futures contracts, permitted within the limits referred to above, are not considered margins for this purpose;
  - v) Make loans to, or act as a guarantor on behalf of third parties, provided that for the purpose of this restriction i) the acquisition of transferable securities, money market instruments or other financial assets referred to in the section "Investment Instruments" above in partly paid form and ii) the permitted lending of portfolio securities shall be deemed not to constitute the making of a loan;
  - vi) Borrow for the account of any Fund amounts in excess of 10% of the total net assets of that Fund taken at market value, any such borrowing to be effected only as a temporary measure. Back-to-back loans shall not fall under this restriction provided that such loans will be used only in order to acquire foreign currencies and in addition, acquisition of securities in partly-paid form shall not fall under this restriction;
  - vii) Mortgage, pledge, hypothecate or in any manner encumber any assets of the Fund, except as may be necessary in connection with permitted borrowings (within the above 10% limit) (this will not prevent a Fund from depositing securities or other assets in a separate account as may be required in constituting margins in connection with option, financial futures or swap transactions); or
  - viii) Make investments in any asset involving the assumption of unlimited liability;
- 5) i) The FCP will employ a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio; it will employ a process for accurate and independent assessment of the value of OTC derivative instruments and ensure that each portfolio's global risk exposure relating to financial derivative instruments does not exceed the limits specified in the prospectus, the Law or other applicable laws. The FCP will provide to the CSSF such information about its derivatives activity



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and at such intervals as required by Luxembourg law and regulations.

- ii) The FCP shall ensure that each Fund's global exposure relating to derivative instruments does not exceed the total net value of its portfolio. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. A Fund may invest, as part of its investment policy and within the limits laid down in 2) viii) above in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in 2) above. When a Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in 2) above. When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph 5.

The FCP needs not to comply with the limits laid down in this Section when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets. If the limitations in 2), 3), 4) or 5) are exceeded for reasons beyond the control of the FCP or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Unitholders.

In addition:

- Except for the Blended Research® Emerging Markets Equity Fund, each Fund may not invest more than 25% of its net assets in securities of companies in emerging market countries.

### *Techniques and Instruments*

In accordance with the provisions of article 42(2) of the Law and more specifically, in accordance with the provisions of CSSF Circular 08/356 (as amended, including by CSSF Circular 13/559) and other applicable laws, regulations, and the administrative practice of the CSSF (including rules relating to risk management, counterparty exposure and collateral requirements), each Fund may, for efficient portfolio management purposes (e.g., to reduce risk, to reduce costs, generate additional income with appropriate risk, etc.), enter into securities lending transactions, sale or purchase with option to repurchase transactions and repurchase/reverse repurchase transactions. Additionally, each Fund is subject to the requirements of the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse, requiring, among other things, that certain disclosures be made regarding each Fund's use of total return swaps and securities financing transactions ("SFTs"), which include securities lending transactions, repurchase agreements, and reverse repurchase agreements. Specifically, this disclosure must indicate the types of instruments and extent of use by the Funds, the criteria used to select counterparties, the accepted collateral and the valuation of such collateral, allocation of revenue generated from use and information pertaining to risks and safe-keeping arrangements. This information regarding each Fund's use of SFTs and total return swaps is included in the following sections of this Prospectus and further information can be found in the most recent annual and half-yearly reports for the FCP.

Except for the European Research Fund, the Funds are currently not permitted to engage in securities lending transactions and, as such, will not engage in these transactions. Under no circumstances will these techniques and instruments cause a Fund to diverge from its investment objective or subject the Fund to substantially higher risk than contemplated in its risk profile. All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, are returned to the Fund.

Each Fund may enter into these transactions with those counterparties which are financial institutions specialized in the relevant type of transaction, are subject to prudential supervision rules, located in either an OECD or G20 member state as of the date of this prospectus and which the Investment Manager believes to present an acceptable risk, with limitations on exposure to each counterparty in accordance with Luxembourg regulations. The Investment Manager considers a number of factors in assessing counterparty risk, including, but not limited to, long and short term credit ratings (as published by one or more international rating agency) and bank financial strength ratings of the counterparty or counterparty's parent organization, where applicable, and (if any) the guarantor. When selecting counterparties for securities lending and reverse repurchase agreements, the Investment Manager will only consider those entities with a short-term credit rating of A-1 or P-1 or equivalent long term credit ratings or otherwise judged by the Investment Manager to present acceptable credit risk.

The volume of these techniques and instruments shall be kept at a level such that each Fund is able, at all times, to meet its redemption obligations.

The Investment Manager, acting as delegate of its affiliate the Management Company, holds discretion over whether and to what extent the Funds engage in efficient portfolio management techniques. All efficient portfolio management

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techniques are undertaken with third parties unaffiliated with the Investment Manager, Management Company, or any related entity, at market rates or negotiated at arms' length. Neither the Management Company, Investment Manager, or any of their affiliates financially benefit from efficient portfolio management techniques undertaken by the Funds. Accordingly, the Board of the Company and the Management Company have not identified any conflicts of interest related to efficient portfolio management techniques.

*Specific Factors for Securities Lending.* Securities lending (which is permitted for the European Research Fund) involves a Fund lending securities in its portfolio to another party in exchange for a fee. The European Research Fund engages in securities lending in order to generate income from such securities lending fees, and if collateral is received in cash, reinvestment of the collateral subject to the conditions set forth below under "Collateral Management for the Funds." Securities lending activity is solely for the benefit of the Fund and all securities lending revenue, net of fees to third parties unaffiliated with the Management Company or Investment Manager, accrues to the relevant Fund. The European Research Fund will continuously make its securities available for lending; however, whether lending actually occurs will depend on the extent to which the Fund's portfolio securities are in demand by borrowers. The European Research Fund may lend securities up to 25% of the global valuation of its securities portfolio, however, under normal conditions, it is expected that such activity will average less than 5% of the global valuation of the securities portfolio. The Fund's lending activity will only approach 25% in cases where there is significant demand to borrow the securities of multiple different issuers in its portfolio simultaneously. Under the Company's current securities lending agreement, the Fund will only lend portfolio securities that are classified as equity securities. When one party lends portfolio securities to another party, the lender has the right to call the loan and obtain the securities loaned at any time on customary industry settlement notice (which will not usually exceed five business days). For the duration of a loan, the borrower pays the lender an amount equal to any interest or dividends received on the securities loaned. To the extent the collateral is reinvested by the borrower, the lender may also receive a fee from the borrower or compensation from the investment of the collateral, less a fee paid to the borrower (if the collateral is in the form of cash). Income received under securities lending transactions accrues to the respective Fund in accordance with the relevant securities lending agreements, under which a portion of such income may be paid to the Fund's lending agent, Goldman Sachs Agency Lending (which is not a related party to the Fund, Management Company, Investment Manager or Depositary). Under the current securities lending agreement, the lending agent will receive 15% of income generated up to \$4 million from securities lending transactions and 12.5% of income exceeding \$4 million from securities lending transactions. A nominal account maintenance and per-transaction fee is also paid to the Depositary Trust Clearing Corporation in connection with collateral maintenance. These amounts are included as part of the "Estimated Other Expenses" reported in the ongoing charges table in each Fund's "Fund Profile." There are no additional direct or indirect fees related to securities lending activity.

*Specific Factors for Repurchase Agreements.* A repurchase agreement is an agreement under which a buyer would acquire a security for a relatively short period of time (usually not more than a week) subject to the obligation of the seller to repurchase and the buyer to resell such security at a fixed time and price (representing the seller's cost plus interest). From the standpoint of the seller this is called a "repurchase transaction" and from the standpoint of the buyer a "reverse repurchase transaction." Income received under a repurchase agreement (which is effectively interest income) accrues to the buyer. The Funds will only enter into reverse repurchase transactions and, as such, the Funds will only act as buyer and provide cash in connection with such transactions. The Funds' objective in doing so is to generate this interest income on U.S. dollar cash balances. It is expected that Funds will participate continuously in repurchase agreements. Each Fund may invest up to 10% of its net assets in reverse repurchase transactions, however it is expected that each Fund will not exceed more than 5% of its net assets in reverse repurchase transactions.

The buyer bears the risk of loss in the event that the seller defaults on its obligations and the buyer is delayed or prevented from exercising its rights to dispose of the collateral. This includes the risk of procedural costs or delays. In addition, the buyer would be subject to a risk of loss on the collateral if its value should fall below the repurchase price (whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded). If collateral is maintained by a third party custodian, the buyer is also subject to the credit risk of the third party custodian. The seller is subject to the risk that the buyer will be unable or unwilling to complete the transaction as scheduled, which may result in losses to the seller.

A Fund, as buyer, may engage in reverse repurchase transactions that have been novated by the seller to the Fixed Income Clearing Corporation ("FICC"). FICC acts as the common counterparty to all reverse repurchase transactions entered into under the FICC's repurchase agreement clearing program and guarantees that participants will receive their cash or securities collateral (as applicable) at the close of the transaction. While this guarantee is intended to mitigate the counterparty risk and credit risk that exist in the case of a bilateral reverse repurchase agreement transaction, the Fund is exposed to the risk of delays or losses in the event of a bankruptcy or other default by the FICC or the FICC sponsoring member through which the Fund transacts.

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All income generated from reverse repurchase transactions accrues to the respective Fund. The Depositary imposes a transaction-based fee paid by the relevant Fund for each reverse repurchase transaction using a tri-party custodial agreement entered into by the Fund. Refer to the annual report for details on the amount of such fee paid for the previous fiscal year. In addition, a collateral management fee may apply to the services relating to tri-party custodial arrangements required to ensure optimal transfer of collateral between a Fund and its counterparty to the transaction. Such collateral management fee is paid to the tri-party custodian (which would not be an affiliate of the Fund, Management Company, Investment Manager or Depositary) by the Fund's counterparty and not the Fund.

### *Collateral Management for the Funds*

Assets received from counterparties for securities lending transactions, reverse repurchase transactions and OTC derivative transactions, including total return swaps, constitute collateral. Collateral may offset counterparty exposure for purposes of complying with applicable regulatory limits, provided it complies with the following regulatory criteria at all times:

- a) Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 48 of the 2010 Law regarding issuer concentration limits.
- b) Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- c) Issuer credit quality – collateral received should be of high quality.
- d) Correlation – the collateral received by the Fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- e) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When Funds are exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from the foregoing, a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, by a member state of the OECD or the G20 or the Republic of Singapore, or a public international body to which one or more Member States belong. Such a Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Fund's net asset value.
- f) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
- g) Where there is a title transfer, the collateral received should be held by the depositary of the Fund. For other types of collateral arrangements, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- h) Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

In offsetting exposure the value of collateral is reduced by a percentage (a "haircut") which provides, inter alia, for short term fluctuations in the value of the exposure and of the collateral, taking into account the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, and price volatility. The percentage is asset class-specific and is typically 0% for cash and at least 1% for short-term U.S. government securities, 2% for longer-term U.S. government securities and 5% for non-U.S. government and other securities constituting eligible collateral as described below. Collateral levels are maintained to ensure that net counterparty exposure does not exceed the limits per counterparty as set out in section 2(iii) of "Investment Restrictions and Risk Diversification" of this Prospectus. If a Fund were to hold collateral in excess of 30% of its assets, additional stress tests involving normal and exceptional liquidity scenarios would be carried out to enable the Fund to assess the liquidity risk associated with the collateral. The liquidity stress testing policy will at least prescribe the following: (a) design of stress test scenario analysis including calibration, certification and

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sensitivity analysis; (b) empirical approach to impact assessment, including back-testing of liquidity risk estimates; (c) reporting frequency and limit/loss tolerance threshold(s); and (d) mitigation actions to reduce loss including haircut policy and gap risk protection

Collateral received by each Fund in relation to OTC derivative transactions, including total return swaps, primarily consists of cash and highly rated U.S. government and agency debt with a maximum maturity of up to 10 years and may be subject to a credit support annex to the derivatives agreements (e.g., International Swaps and Derivatives Association (ISDA) Master Agreement) that obligate the counterparty to post collateral to each Fund to cover any mark to market exposures of the transaction as long as the exposure is above a minimum transfer amount. Such collateral will be subject to appropriate pre-determined haircuts and will be valued on a daily basis by the Investment Manager in accordance with the valuation methodology for portfolio securities (see "Valuation") and will be subject to daily variation margin requirements. All collateral received by the Funds in such transactions will be held in custody with the Depositary. For collateral provided by the Funds' in such transactions where the Funds have entered into an ISDA, which includes a tri-party agreement with the Depositary, such collateral will be held in custody with the Depositary. For those transactions in which the ISDA does not include a tri-party agreement with the Depositary, the Funds will only provide cash as collateral, which will be held by the counterparty.

Collateral received by the Fund in connection with securities lending or reverse repurchase transactions will be at least equal to the market value of the securities loaned or cash placed and must normally take the form of (i) liquid assets (e.g., cash (with reinvestment restrictions), short term bank certificates, money market instruments, irrevocable letter of credit from a first-class institution); (ii) bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope; (iii) shares or units issued by money market funds calculating a daily net asset value and being assigned a rating of AAA or its equivalent; (iv) shares or units issued by other UCITS investing mainly in bonds/shares mentioned in (v) and (vi) below; (v) bonds issued or guaranteed by first class issuers offering an adequate liquidity; (vi) shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index; or (vii) other collateral types allowed in accordance with Luxembourg regulations applicable to the Funds. There is no specific limitation regarding the maturity of the collateral received in securities lending or reverse repurchase transactions.

Collateral received by the Funds in securities lending transactions is valued by the securities lending agent in accordance with the valuation methodology set forth in the Company's current securities lending agreement. Pursuant to this agreement, collateral is valued by the securities lending agent on a daily basis utilizing electronic feeds from third party pricing services which are reviewed daily for reasonableness. The amount of such collateral is subject to adjustment on a daily basis as calculated by the securities lending agent to ensure such transactions remain collateralized at 105% of the value of the portfolio securities lent by the Funds. Collateral received by the Funds and portfolio securities that are lent by the Funds as part of securities lending transactions will be held in custody with the Depositary.

Collateral received by the Funds for reverse repurchase transactions is valued by the Investment Manager on a daily basis in accordance with the valuation methodology for portfolio securities (see "Valuation") and will be subject to daily variation margin. All collateral received by the Funds for reverse repurchase transactions will be held in custody with the Depositary.

The Funds may be exposed to certain risks that are linked to the management of collateral, such as operational, legal, liquidity, credit, counterparty, and custody risks. Operational risk generally refers to the risk that deficiencies in the effectiveness and accuracy of information systems used by the Management Company, Investment Manager or relevant third parties or applicable internal controls used in the management of collateral will result in a material loss. Legal risk pertaining to collateral management generally refers to the risk that the Management Company or Investment Manager has not entered into sufficient legal agreements to identify and protect its legal right to certain collateral and that the Management Company or Investment Manager will not be able to enforce such rights in the event of a default by the counterparty and may suffer a loss as a result. Investors should consult the following sections: "Credit Risk", "Counterparty and Third Party Risk" and "Liquidity Risk" of the Risk Factors section of this Prospectus for information concerning these specific risks. The Management Company maintains a risk management process which identifies specific processes that have been implemented by the Management Company to mitigate the effects of the above risks.

Collateral received in the form of securities may not be sold, reinvested or pledged. To the extent a Fund receives cash as collateral, such cash collateral would only be placed on deposit with credit institutions allowed under Luxembourg law, and if applicable may only be reinvested in high quality government bonds, reverse repurchase transactions (provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full

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amount of cash on accrued basis) or short-term money market funds allowed by Luxembourg law in order to mitigate the risk of losses on reinvestment. To the extent that cash collateral is reinvested there is a risk that the value received in return of the reinvested cash collateral may not be sufficient to cover the amount required to be repaid to the counterparty and, in such circumstance, the applicable Fund would be required to cover the shortfall out of its assets.

### **Risk Factors**

In addition to the risks described in each Fund's KID and "Fund Profile," a Fund may be subject to other risks described below. Because the following is a combined description of the risks for all Funds, certain matters described herein may not apply to each Fund.

**The price of the FCP's Units and any income earned on the Units may go down as well as up. Future earnings and investment performance can be affected by many factors not necessarily within the control of the Management Company or its Managers or officers. No guarantees as to future performance of, or future return from, the FCP can be given by the Management Company, or by any Manager or officer of the Management Company, the Investment Manager, or any of its affiliates, or by any of their directors or officers, or by any financial intermediary.**

### **Allocation Risk**

The assessment of the risk/reward potential of asset classes, markets and currencies and the resulting allocation among asset classes by the Investment Manager or its delegate may not produce the intended results and/or can lead to an investment focus that results in the Fund underperforming other funds with similar investment strategies and/or underperforming the markets in which the Fund invests.

### **Borrowing Risk**

If the Fund borrows money, its Unit price may be subject to greater fluctuation until the borrowing is paid off. If the Fund makes additional investments while borrowings are outstanding, this may be considered a form of leverage and may cause a Fund to liquidate investments when it would not otherwise do so. Money borrowed will be subject to interest charges and may be subject to other fees or requirements which would increase the cost of borrowing above the stated interest rate.

### **Business Continuity Risk**

The Investment Manager has developed a Business Continuity Program (the "Program") that is designed to minimize the disruption of normal business operations in the event of an adverse incident impacting the Investment Manager, its affiliates, or the Fund. While the Investment Manager believes that the Program is comprehensive and should enable it to reestablish normal business operations in a timely manner in the event of an adverse incident, there are inherent limitations in such programs (including the possibility that contingencies have not been anticipated and procedures do not work as intended) and under some circumstances, the Investment Manager, its affiliates, and any vendors used by the Investment Manager, its affiliates, or the Fund could be prevented or hindered from providing services to the Fund for extended periods of time. These circumstances may include, without limitation, natural disasters, outbreaks of pandemic or epidemic diseases, acts of governments, outbreaks of epidemic and pandemic diseases, any act of declared or undeclared war (including acts of terrorism), power shortages or failures, utility or communication failure or delays (including disruptions to broadband and Internet services), labor disputes, strikes, shortages, supply shortages, system failures or malfunctions. These circumstances, including systems failures and malfunctions, could cause disruptions and negatively impact the Fund's service providers and the Fund's business operations, potentially including an inability to process Fund Unitholders transactions, an inability to calculate the Fund's net asset value and price the Fund's investments, and impediments to trading portfolio securities. Disruptions to business operations may exist or persist even if employees of the Investment Manager, its affiliates, or the Fund are able to work remotely. The Fund's ability to recover any losses or expenses it incurs as a result of a disruption of business operations may be limited by the liability, standard of care, and related provisions in its contractual arrangements with the Investment Manager and other service providers.

### **Company Risk**

Changes in the financial condition of a company or other issuer, changes in specific market, economic, industry, political, regulatory, geopolitical, and other conditions that affect a particular type of investment or issuer, and changes in general market, economic, political, regulatory, geopolitical and other conditions can adversely affect the price of an investment. The value of an investment held by the fund may decline due to factors directly related to the issuer, such as competitive pressures, cybersecurity incidents, financial leverage, historical and/or prospective earnings, management performance, labour and supply shortages, investor perceptions, and other factors.

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### Convertible Securities Risk

Convertible securities are bonds, debentures, notes, or other securities that may be converted into or exchanged for (by the holder or by the issuer) shares of stock (or cash or other securities of equivalent value) of the same or a different issuer at a stated exchange ratio. Convertible securities are senior to common stock in a corporation's capital structure, but are usually subordinated to senior debt obligations of the issuer. Convertible securities provide holders, through their conversion feature, an opportunity to participate in increases in the market price of their underlying securities. A convertible security may also be called for redemption or conversion by the issuer after a particular date and under certain circumstances (including a specified price) established upon issue.

Convertible securities generally have less potential for gain or loss than common stocks. Convertible securities generally provide yields higher than the underlying common stocks, but generally lower than comparable non-convertible securities. Because of this higher yield, convertible securities generally sell at prices above their "conversion value," which is the current market value of the stock to be received upon conversion. The difference between this conversion value and the price of convertible securities will vary over time generally depending on changes in the value of the underlying common stocks and interest rates. When the underlying common stocks decline in value, convertible securities will tend not to decline to the same extent because of the interest or dividend payments and the repayment of principal at maturity for certain types of convertible securities. In general, a convertible security performs more like a stock when the conversion value exceeds the value of the convertible security without the conversion feature and more like a debt instrument when its conversion value is less than the value of the convertible security without the conversion feature. However, securities that are convertible other than at the option of the holder generally do not limit the potential for loss to the same extent as securities convertible at the option of the holder. When the underlying common stocks rise in value, the value of convertible securities may also be expected to increase. At the same time, however, the difference between the market value of convertible securities and their conversion value will narrow, which means that the value of convertible securities will generally not increase to the same extent as the value of the underlying common stocks. Because convertible securities may also be interest-rate sensitive, their value may increase as interest rates fall and decrease as interest rates rise. Convertible securities are also subject to credit risk, and are often lower-quality securities.

### Counterparty and Third Party Risk

Transactions involving a counterparty other than the issuer of the instrument, including clearing organizations, or a third party responsible for servicing the instrument or effecting the transaction, are subject to the credit risk of the counterparty or third party, and to the counterparty's or third party's ability or willingness to perform in accordance with the terms of the transaction. A loss may be sustained by a Fund as a result of the failure of a counterparty to a derivative instrument to comply with the terms of the derivative instrument contract. The counterparty risk for derivative instruments that are cleared through a clearing house is generally less than for uncleared derivative instruments, because the clearing house is the issuer or counterparty to each cleared derivative instrument. This is supported by a daily payment system (i.e. margin requirements) operated by the clearing house in order to reduce overall credit risk. For uncleared derivative instruments, there is no similar clearing agency guarantee. Therefore, the creditworthiness of each counterparty to an uncleared derivative instrument is considered in evaluating potential counterparty risk for such instruments. Counterparty risk may be mitigated by collateral; however, certain types of uncleared derivative instruments (e.g., currency forward contracts) may not call for the posting of collateral by the counterparty.

In addition, Fund assets held by a custodian or other third party are subject to the credit risk of the custodian or other third party, and to the custodian's or third party's ability or willingness to perform in accordance with the terms of the arrangement. If such a counterparty, custodian, or other third party becomes insolvent or declares bankruptcy, the Fund may be limited in its ability to exercise rights to obtain the return of Fund assets or in exercising other rights against the counterparty or third party. In addition, bankruptcy and liquidation proceedings take time to resolve, which can limit or preclude a Fund's ability to exercise its rights, including terminating an arrangement or transaction or obtaining Fund assets in a timely manner.

If a counterparty fails to meet its contractual obligations, goes bankrupt, or otherwise experiences a business interruption, the Fund could miss investment opportunities or otherwise hold investments it would prefer to sell, resulting in losses for the Fund.

*Counterparty Risk to the Depositary:* The assets of the FCP are held with the Depositary. The assets of the FCP should be identified in the Depositary's books as belonging to the FCP. Securities held by the Depositary should be segregated from other assets of the Depositary which mitigates but does not exclude the risk of non-restitution in case of bankruptcy of the Depositary. The investors are therefore exposed to the risk of the Depositary not being able to fully meet its

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obligation to return FCP assets in the case of the Depositary's bankruptcy.

The Depositary does not keep all FCP assets itself but uses a network of sub-custodians which are not always part of the same group of companies as the Depositary. A Fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Fund that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to custody risk. The Depositary will be strictly liable for losses by a Fund at the level of a sub-custodian. The Depositary is also strictly liable for losses at the level of a sub-custodian by certain of its other clients, including other pooled vehicles registered under the Law and other pooled vehicles managed by managers regulated under the Luxembourg Law of 12 July 2013. Accordingly, the Depositary may incur losses due to this liability, which may result in the Depositary's bankruptcy and the risk for non-restitution of assets as set forth above.

### **Credit Risk**

The price of a debt instrument depends, in part, on the issuer's or borrower's or other entity responsible for payment's credit quality or ability to pay principal and interest when due. The price of a debt instrument is likely to fall if an issuer, borrower or other party defaults on its obligation to pay principal or interest or if the instrument's credit rating is downgraded by a credit rating agency. The price of a debt instrument can also decline in response to changes in the financial condition of the issuer or borrower, changes in specific market, economic, industry, political, regulatory, geopolitical, and other conditions that affect a particular type of instrument, issuer, or borrower, and changes in general market, economic, industry, political, regulatory, geopolitical, and other conditions. Certain unanticipated events, such as natural disasters, terrorist attacks, war, and other geopolitical events can have a dramatic adverse effect on the price of a debt instrument. For certain types of instruments, including derivatives, the price of the instrument depends in part on the credit quality of the counterparty to the transaction. For other types of debt instruments, including securitized instruments, the price of the debt instrument also depends on the credit quality and adequacy of the underlying assets or collateral as well as whether there is a security interest in the underlying assets or collateral. Enforcing rights, if any, against the underlying assets or collateral may be difficult, or the underlying assets or collateral may be insufficient, if the issuer defaults.

*U.S. Government Securities.* U.S. Government securities are securities issued or guaranteed by the U.S. Treasury, by an agency or instrumentality of the U.S. Government, or by a U.S. Government-sponsored entity. Certain U.S. Government securities may not be supported as to the payment of principal and interest by the full faith and credit of the U.S. Treasury or the ability to borrow from the U.S. Treasury. Some U.S. Government securities may be supported as to the payment of principal and interest only by the credit of the entity issuing or guaranteeing the security. U.S. Government securities include mortgage-backed securities and other types of collateralized instruments issued or guaranteed by the U.S. Treasury, by an agency or instrumentality of the U.S. Government, or by a U.S. Government-sponsored entity.

*Sovereign Debt Obligations.* Sovereign debt obligations are issued, guaranteed or supported by governments or their agencies, semi-governmental entities or supranational entities, or debt instruments issued by entities organized and operated for the purpose of restructuring outstanding government securities, including debt of developed and emerging countries. Sovereign debt may be in the form of conventional securities or other types of debt instruments such as loans or loan participations. Sovereign debt of emerging countries may involve a high degree of risk, and may be in default or present the risk of default. Governmental entities responsible for repayment of the debt may be unable or unwilling to repay principal and pay interest when due, and may require renegotiation or rescheduling of debt payments. Any restructuring of sovereign debt obligations will likely have a significant adverse effect on the value of the obligations. There is little legal recourse against sovereign issuers other than what such an issuer may determine to provide. In addition, prospects for repayment of principal and payment of interest may depend on political as well as economic factors, including the issuer's cash flow, the size of its reserves, its access to foreign exchange, and the relative size of its debt service burden to its economy as a whole. Although some sovereign debt, such as Brady Bonds, is collateralized by U.S. Government securities, repayment of principal and payment of interest is not guaranteed by the U.S. Government.

### **Currency Risk**

Currency risks include exchange rate fluctuations, international and regional political and economic developments and the possible imposition of exchange controls or other local governmental laws or restrictions applicable to such investments. Since a Fund may invest in portfolio securities and instruments denominated in currencies other than its Base Currency or Class denominations, changes in currency rates may affect the value of such holdings and the value of your investment. Currency rate changes may also affect the financial condition of the issuers in which the Fund invests.

Currency transactions can be made on a spot (i.e., cash) or forward basis (i.e., by entering into forward contracts to purchase or sell currencies). Although foreign exchange dealers generally do not charge a fee for such conversions, they do realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer may offer to sell a currency at one rate, while offering a lesser rate of exchange should the counterparty desire to resell

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that currency to the dealer.

By entering into forward currency exchange contracts, a Fund may be required to forego the benefits of advantageous changes in exchange rates and, in the case of forward contracts entered into for the purpose of increasing return, a Fund may sustain losses which will reduce its gross income. Forward currency exchange contracts involve the risk that the party with which a Fund enters the contract may fail to perform its obligations to the Fund.

In the case of a net asset flow to or from a hedged Fund or Class or fluctuation in the Net Asset Value of such Class, the hedging strategy may not, or not immediately, be adjusted, unless the flow or fluctuation is significant. The hedging strategy for the hedged Fund or Class will not completely eliminate the exposure to currency movements. There can be no guarantee that returns of such Fund or Class will exceed those of unhedged Funds or Classes. Unitholders of hedged Funds or Classes should note that the hedging strategy may limit their ability to benefit from the currency diversification undertaken within the portfolio (including partially offsetting the currency hedging undertaken at the level of the Fund's portfolio).

For the hedged Classes, the gains/losses from hedging transactions will accrue solely to the relevant hedged Class. However, there is a risk that under certain circumstances, currency hedging transactions in relation to one Class could negatively affect the net asset value of the other Classes (including unhedged Classes) of the same Fund. For example, given that there is no segregation of liabilities among Classes of a Fund, if a currency hedging transaction in respect of a hedged Class were to result in liabilities that the hedged Class has insufficient assets to cover, assets attributable to the other Classes of the Fund may be used to cover the liabilities. Further, collateral posting requirements, which may become more burdensome in light of recent regulatory developments, may require the Fund to maintain a larger allocation to cash-equivalents (defined as bank deposits, money market instruments, units of money market funds and reverse repurchase transactions) than the Investment Manager would otherwise determine to hold. This could negatively affect performance for the Fund as a whole, even where the corresponding derivative transactions are in respect of the hedged Classes alone. For a current list of Funds that have one or more hedged Classes, and therefore may subject holders of unhedged Classes to the foregoing risks, please see *fcp.mfs.com*.

No intentional leveraging should result from currency hedging transactions for a hedged Fund or Class, although hedging may exceed 100% for short periods between a redemption instruction and execution of the hedge trade. The foreign exchange rate used for the hedging strategy for the hedged Fund or Class may differ from the spot rate used for determining the net asset value of the non-base currency Classes thus potentially resulting in gains or losses for the hedged Fund or Class based on currency movements between the respective spot rate times.

### **Cybersecurity Risk**

The FCP does not directly have any operational or security systems or infrastructure that are potentially subject to cyber security risk, but the FCP is exposed through its service providers (including the Management Company, the Investment Manager, the Depositary, the Transfer Agent, the Independent Auditor and financial intermediaries) to cybersecurity risks. With increased use of technologies such as mobile devices and cloud-based computing solutions, and the dependence on the Internet and computer systems to perform necessary business functions, the FCP's service providers are susceptible to operational and information security risks that could result in losses to the FCP and its Unitholders. Cybersecurity incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, infection by computer viruses or other malicious software code, unauthorized access to the service providers' digital systems through system-wide "hacking" or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on the service providers' systems or Web Sites, rendering them unavailable, or via "ransomware" that renders the systems inoperable until specified actions are taken. In addition, authorized persons could inadvertently or intentionally release confidential or proprietary information stored on the service providers' systems.

Cyber security failures or breaches resulting from the FCP's service providers or the issuers of securities in which the FCP invests may negatively impact the value of the FCP's investments and cause disruptions and impact the service providers' and the FCP's business operations, potentially resulting in financial losses, the inability of Unitholders to transact business and the FCP to process transactions, the inability to calculate the FCP's net asset value, impediments to trading, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting counterparties with which the Fund engages in transactions, governmental and other regulatory authorities, exchanges and other financial market operators, and other parties. The FCP may incur incremental costs to prevent cyber incidents in the future which could negatively impact the FCP and its Unitholders. While MFS and



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the Management Company have established business continuity plans and risk management systems designed to prevent or reduce the impact of such cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been adequately identified. Furthermore, the FCP cannot directly control any cyber security plans and systems put in place by service providers, or by issuers in which the FCP invests.

### **Debt Market Risk**

Debt markets can be volatile and can decline significantly in response to or investor perceptions of issuer, market, economic, industry, political, regulatory, geopolitical and other conditions. These conditions can affect a single instrument, issuer, or borrower, a particular type of instrument, issuer or borrower, a segment of the debt markets or debt markets generally. Certain changes or events, such as political, social, economic developments, including increasing and negative interest rates; regulatory or government actions, including the imposition of tariffs or other protectionist actions and changes in fiscal, monetary, or tax policies; market closure and/or trading halts; natural disasters; outbreaks of pandemic and epidemic diseases; terrorist attacks; war; and other geopolitical changes or events can have a dramatic adverse effect on debt markets and may lead to periods of high volatility and reduced liquidity in a debt market or a segment of debt market. These risks may be greater due to the current period of historically low interest rates. Markets may be susceptible to market manipulation or other fraudulent practices that could disrupt the orderly functioning of these markets or adversely affect the value of instruments that trade in such markets.

### **Depository Receipts Risk**

Depository receipts are securities that evidence ownership interests in a security or a pool of securities that have been deposited with a "depository." Depository receipts may be sponsored or unsponsored and include American Depositary Receipts (ADRs), European Depositary Receipts (EDRs) and Global Depositary Receipts (GDRs). In sponsored programs, an issuer has made arrangements to have its securities trade in the form of ADRs, EDRs, or GDRs. In unsponsored programs, the issuer may not be directly involved in the creation of the program. For ADRs, the depository is typically a U.S. financial institution and the underlying securities are issued by a foreign issuer. For other depository receipts, the depository may be a foreign or a U.S. entity, and the underlying securities may have a foreign or a U.S. issuer. Depository receipts will not necessarily be denominated in the same currency as their underlying securities. Generally, ADRs are issued in registered form, denominated in U.S. dollars, and designed for use in the U.S. securities markets. Other depository receipts, such as GDRs and EDRs, may be issued in bearer form and denominated in other currencies, and may be offered privately in the United States and are generally designed for use in securities markets outside the U.S. The deposit agreement sets out the rights and responsibilities of the underlying issuer, the depository, and the depository receipt holders. Depository receipts denominated in a currency other than the currency of the underlying securities subjects the investors to the currency risk of the depository receipt and the underlying security.

With sponsored facilities, the underlying issuer typically bears some of the costs of the depository receipts (such as dividend payment fees of the depository), although most sponsored depository receipt holders may bear costs such as deposit and withdrawal fees. Depositories of most sponsored depository receipts agree to distribute notices of shareholder meetings, voting instructions, and other shareholder communications and financial information to the depository receipt holders at the underlying issuer's request.

Holders of unsponsored depository receipts generally bear all the costs of the facility. The depository usually charges fees upon the deposit and withdrawal of the underlying securities, the conversion of dividends into U.S. dollars or other currency, the disposition of non-cash distributions, and the performance of other services. The depository of an unsponsored facility frequently is under no obligation to distribute shareholder communications received from the underlying issuer or to pass through voting rights to depository receipt holders with respect to the underlying securities.

Investments in local securities markets through ADRs, EDRs and GDRs and other types of depository receipts generally involve risks applicable to other types of investments in such markets. Investments in depository receipts may be less liquid and more volatile than the underlying securities in their primary trading market.

### **Derivatives Risk**

Derivatives are financial contracts whose value is based on the value of one or more underlying indicators. Underlying indicators may include a security or other financial instrument, currency, interest rate, credit rating, commodity, volatility measure or index. Derivatives often involve a counterparty to the transaction and therefore are subject to the credit risk of the counterparty and to the counterparty's ability or willingness to perform in accordance with the terms of the derivative. Derivatives include futures, forward contracts, options, inverse floating rate instruments, swaps and certain complex structured securities. Derivatives can be highly volatile and involve risks in addition to, and potentially greater than, the risks of the underlying indicator(s). Gains or losses from derivatives can be substantially greater than the derivatives' original cost and can sometimes be unlimited due to leverage. Derivatives can be complex instruments and can involve

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analysis and processing that differs from that required for other investment types used by the relevant Fund. If the value of a derivative does not correlate well with the particular market or other asset class the derivative is intended to provide exposure to, the derivative may not have the effect intended. Derivatives can also reduce the opportunity for gain or result in losses by offsetting positive returns in other investments. Derivatives can be less liquid than other types of investments. Legislation and regulation of derivatives in the U.S., the E.U. and other jurisdictions, including asset segregation, margin, clearing, trading and reporting requirements, and leveraging and position limits, may make derivatives more costly and/or less liquid, limit the availability of certain types of derivatives, cause the Fund to change its use of derivatives, or otherwise adversely affect a Fund's use of derivatives. The following is a general discussion of important risk factors and issues concerning the use of derivatives.

*Hedging Risk:* When a derivative is used as a hedge against an opposite position that a Fund also holds or against portfolio exposure, any loss generated by the derivative should be substantially offset by gains on the hedged investment or portfolio exposure, and vice versa. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains and could result in losses.

*Correlation Risk:* When a Fund uses derivatives to hedge or gain exposure to an asset, it takes the risk that changes in the value of the derivative will not match those of the asset. Incomplete correlation or lack of correlation can result in unanticipated losses.

*Investment/Leverage Risk:* When a Fund uses derivatives to gain market exposure, rather than for hedging purposes, any loss on the derivative investment will not be offset by gains on another hedged investment. A Fund is therefore directly exposed to the risks of that derivative. Gains or losses from derivative investments may be substantially greater than the derivative's original cost. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.

*Availability Risk:* Derivatives may not be available to a Fund upon acceptable terms. As a result, a Fund may be unable to use derivatives for hedging or other purposes.

*Counterparty Risk:* Please refer to the section above entitled "Counterparty and Third Party Risk."

*Equity Risk* is the sensitivity of security or portfolio value to movement in the equity markets. See "Equity Market Risk."

*Spread risk* is the sensitivity of security value due to changes in option-adjusted spread (OAS). OAS is a spread measure that adjusts for options embedded in a bond issue (e.g., calls, puts, and sinking funds) and allows for valid comparison among issues, both with and without embedded options. The components of spread risk include industry, credit quality and issuer specific factors.

*Valuation Risk* contemplates the difficulty of valuing an investment given its liquidity, complexity, etc. The value of an investment for purposes of calculating the Fund's net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of an investment used to determine the Fund's net asset value may differ from quoted or published prices for the same investment. There can be no assurance that a Fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the Fund determines its net asset value per Unit.

*Volatility risk* is the sensitivity of an option to changes in the overall level of market volatility.

*Liquidity Risk:* Derivatives can be less liquid than other types of investments, and a Fund may not be able to initiate a transaction or sell derivatives that are in a loss position or otherwise at an acceptable price. Privately negotiated or over-the-counter derivatives may be subject to greater liquidity risk than exchange-traded derivatives.

*Additional Information Regarding Derivatives:* Below is additional information about some of the types of derivatives a Fund may invest:

*Futures Contracts.* A futures contract is an agreement between two parties to buy or sell in the future a specific quantity of an asset, currency, interest rate, index, instrument or other indicator at a specific price and time. Futures contracts are standardized, exchange-traded contracts and the price at which the purchase and sale will take place is fixed when the buyer and seller enter into the contract. The value of a futures contract typically fluctuates in correlation with the increase or decrease in the value of the underlying indicator. The buyer of a futures contract enters into an agreement to purchase the underlying indicator on the settlement date and is said to be "long" the contract. The seller of a futures contract enters into an agreement to sell the underlying indicator on the settlement date and is said to be "short" the contract. Futures on indices and futures not calling for physical delivery of the underlying indicator will be settled through cash payments. In the case of cash settled futures contracts, the cash settlement amount is equal to the difference between the final settlement price on the last trading day of the contract and the price at which the contract was entered into.

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If a Fund is the purchaser or seller of a futures contract, the Fund is required to deposit "initial margin" with a clearing member when the futures contract is entered into. The clearing member acts as the agent of the Fund to the clearinghouse. Initial margin is typically calculated as a percentage of the contract's notional amount. The minimum margin required for a futures contract is set by the exchange on which the contract is traded and may be increased by the clearing member during the term of the contract. A futures contract held by a Fund is valued daily at the official settlement price of the exchange on which it is traded. Each day a Fund pays or receives cash (called "variation margin") equal to the daily change in value of the futures contract.

The risk of loss in trading futures contracts can be substantial, because of the low margin required, the extremely high degree of leverage involved in futures pricing, and the potential high volatility of the futures markets. As a result, a relatively small price movement in a futures position may result in immediate and substantial loss (or gain) to the investor (i.e., the Fund), and with respect to certain futures contracts, short futures positions may theoretically result in unlimited losses. In the event of adverse price movements, an investor would continue to be required to make daily cash payments equal to the daily change in value of the futures contract. In addition, on the settlement date, an investor in physically settled futures may be required to make delivery of the indicators underlying the futures positions it holds.

Futures can be sold until their last trading date, or can be closed out by offsetting purchases or sales of futures contracts before then if a liquid market is available. It may not be possible to liquidate or close out a futures contract at any particular time or at an acceptable price and an investor would remain obligated to meet margin requirements until the position is closed. Moreover, most futures exchanges limit the amount of fluctuation permitted in futures contract prices during a single trading day. The daily limit establishes the maximum amount that the price of a futures contract may vary either up or down from the previous day's settlement price at the end of a trading session. Once the daily limit has been reached in a particular type of contract, no trades may be made on that day at a price beyond that limit. The daily limit governs only price movement during a particular trading day and therefore does not limit potential losses, because the limit may prevent the liquidation of unfavorable positions. Futures contract prices have occasionally moved to the daily limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of future positions and subjecting some futures traders to substantial losses. The inability to close futures positions also could have an adverse impact on the ability to hedge a portfolio investment or to establish a substitute for a portfolio investment.

Futures are subject to the creditworthiness of the clearing member and clearing organizations involved in the transaction. Futures contracts in different national markets may be subject to differing levels of regulation, and futures clearing houses may follow different trading, settlement and margin procedures. Such contracts may not involve a clearing mechanism or related guarantees and may involve greater risk of loss, including due to insolvency of a local clearing member, clearing house or other party that may owe margin to a Fund.

If a Fund attempts to use a futures contract as a hedge against, or as a substitute for, a portfolio investment, the futures position may not correlate as expected with the portfolio investment, resulting in losses to the Fund. While hedging strategies involving futures products can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other Fund investments.

*Options:* An option is a contract which conveys to the holder of the option the right, but not the obligation, to purchase (in the case of a call option) or sell (in the case of a put option) a specific amount or value of a particular underlying interest at a specific price (called the "exercise" or "strike" price) at one or more specific times before the option expires. The underlying interest of an option contract can be a security, currency, index, future, swap, commodity, or other type of financial instrument. The seller of an option is called an option writer. The purchase price of an option is called the premium. The potential loss to an option purchaser is limited to the amount of the premium plus transaction costs. This will be the case, for example, if the option is held and not exercised prior to its expiration date.

Options can be traded either through established exchanges ("exchange traded options") or privately negotiated transactions (over-the-counter or "OTC options"). Exchange traded options are standardized with respect to, among other things, the underlying interest, expiration date, contract size and strike price. The terms of OTC options are generally negotiated by the parties to the option contract which allows the parties greater flexibility in customizing the agreement, but OTC options are generally less liquid than exchange traded options.

All option contracts involve credit risk if the counterparty to the option contract (e.g., the clearing house for cleared options or counterparty for uncleared options) or the third party effecting the transaction in the case of cleared options (i.e., the clearing member) fails to perform. The credit risk in OTC options that are not cleared is dependent on the credit worthiness of the individual counterparty to the contract and may be greater than the credit risk associated with cleared options.

The purchaser of a put option obtains the right (but not the obligation) to sell a specific amount or value of a particular interest to the option writer at a fixed strike price. In return for this right, the purchaser pays the option premium. The

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purchaser of a typical put option can expect to realize a gain if the price of the underlying interest falls. However, if the underlying interest's price does not fall enough to offset the cost of purchasing the option, the purchaser of a put option can expect to suffer a loss (limited to the amount of the premium, plus related transaction costs).

The purchaser of a call option obtains the right (but not the obligation) to purchase a specified amount or value of a particular interest from the option writer at a fixed strike price. In return for this right, the purchaser pays the option premium. The purchaser of a typical call option can expect to realize a gain if the price of the underlying interest rises. However, if the underlying interest's price does not rise enough to offset the cost of purchasing the option, the buyer of a call option can expect to suffer a loss (limited to the amount of the premium, plus related transaction costs).

The purchaser of a call or put option may terminate its position by allowing the option to expire, exercising the option or closing out its position by entering into an offsetting option transaction if a liquid market is available. If the option is allowed to expire, the purchaser will lose the entire premium. If the option is exercised, the option purchaser would complete the purchase from or sale to the option writer (as applicable) of the underlying interest at the strike price.

The writer of a put or call option takes the opposite side of the transaction from the option's purchaser. In return for receipt of the premium, the writer assumes the obligation to buy or sell (depending on whether the option is a put or a call) a specified amount or value of a particular interest at the strike price if the purchaser of the option chooses to exercise it.

Generally, an option writer sells options with the goal of obtaining the premium paid by the option purchaser. If an option sold by an option writer expires without being exercised, the writer retains the full amount of the premium. The option writer's loss, if any, will equal the amount the option is "in-the-money" when the option is exercised, offset by the premium received when the option was written. A call option is in-the-money if the value of the underlying interest exceeds the strike price of the option, and so the call option writer's loss is theoretically unlimited. A put option is in-the-money if the strike price of the option exceeds the value of the underlying interest. Generally, any profit realized by an option purchaser represents a loss for the option writer. The writer of an option may seek to terminate a position in the option before exercise by entering into an offsetting option transaction if a liquid market is available. If the market is not liquid for an offsetting option, however, the writer must continue to be prepared to sell or purchase the underlying asset at the strike price while the option is outstanding, regardless of price changes.

The writer of a cleared option is required to deposit initial margin. Additional margin may also be required. The writer of an uncleared option may be required to deposit initial margin and additional margin.

A physical delivery option gives its owner the right to receive physical delivery (if it is a call), or to make physical delivery (if it is a put) of the underlying interest when the option is exercised. A cash-settled option gives its owner the right to receive a cash payment based on the difference between a determined value of the underlying interest at the time the option is exercised and the fixed exercise price of the option. In the case of physically settled options, it may not be possible to terminate the position at any particular time or at an acceptable price. A cash-settled call conveys the right to receive a cash payment if the determined value of the underlying interest at exercise exceeds the exercise price of the option, and a cash-settled put conveys the right to receive a cash payment if the determined value of the underlying interest at exercise is less than the exercise price of the option.

The principal factors affecting the market value of a put or call option include supply and demand, interest rates, the current market price of the underlying interest in relation to the exercise price of the option, the volatility of the underlying interest and the remaining period to the expiration date.

If a trading market in particular options were illiquid, investors in those options would be unable to close out their positions until trading resumes, and option writers may be faced with substantial losses if the value of the underlying interest moves adversely during that time. There can be no assurance that a liquid market will exist for any particular options product at any specific time. Lack of investor interest, changes in volatility, or other factors or conditions might adversely affect the liquidity, efficiency, continuity, or even the orderliness of the market for particular options. Exchanges or other facilities on which options are traded may establish limitations on options trading, may order the liquidation of positions in excess of these limitations, or may impose other sanctions that could adversely affect parties to an options transaction.

Many options, in particular OTC or uncleared options, are complex and often valued based on subjective factors. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to a Fund.

*Forward Contracts:* Forward contracts are customized transactions that require a specific amount of a security, currency or other asset to be delivered at a specific price or exchange rate on a specific date or range of dates in the future. Transactions that require delivery of a specified currency are referred to as deliverable forwards. Depending on time to settlement and certain other characteristics, certain deliverable forwards can be referred to as "spot" foreign currency transactions. Foreign currency transactions that do not provide for physical settlement of the two currencies but instead are settled by a single cash payment calculated as the difference between the agreed upon exchange rate and current rate at

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settlement based upon an agreed upon notional amount are referred to as non-deliverable forwards. Depending on whether a foreign currency transaction is deemed to be a spot, a deliverable forward or a non-deliverable forward in a particular jurisdiction, the transaction may be subject to no or different regulatory requirements, including but not limited to reporting, margin, clearing and exchange trading or trading on other public facilities. Numerous regulatory changes related to foreign currency transactions are expected to occur over time and could materially and adversely affect the ability of the Fund to enter into foreign currency transactions or could increase the cost of foreign currency transactions. In the future, certain foreign currency transactions may be required to be subject to initial as well as variation margin requirements. Foreign currency transactions that are not centrally cleared are subject to the creditworthiness of the counterparty to the foreign currency transaction (usually large commercial banks), and their values may decline substantially if the counterparty's creditworthiness deteriorates. In a cleared foreign currency transaction, performance of the transaction will be effected by a central clearinghouse rather than by the original counterparty to the transaction. Foreign currency transactions that are centrally cleared will be subject to the creditworthiness of the clearing member and the clearing organization involved in the transaction.

Forward contracts can be used to hedge against a decline in the value of existing investments denominated in foreign currency due to currency movement. Such a hedge, sometimes referred to as a "position hedge," would tend to offset both positive and negative currency fluctuations, but would not offset changes in security values caused by other factors. Forward contracts can also be used to shift investment exposure from one currency into another. This type of strategy, sometimes known as a "cross-hedge," will tend to reduce or eliminate exposure to the currency that is sold, and increase exposure to the currency that is purchased, much as if a Fund had sold a security denominated in one currency and purchased an equivalent security denominated in another. Cross-hedges protect against losses resulting from a decline in the hedged currency, but will cause a Fund to assume the risk of fluctuations in the value of the currency it purchases.

A "settlement hedge" or "transaction hedge" attempts to protect against an adverse change in currency values between the date a security is purchased or sold and the date on which payment is made or received. Entering into a forward contract for the purchase or sale of the amount of currency involved in an underlying security transaction for a fixed amount of U.S. dollars "locks in" the U.S. dollar price of the security. Forward contracts to purchase or sell a currency may also be used in anticipation of future purchases or sales of securities denominated in another currency, even if the specific investments have not yet been selected.

An investor could also hedge the position by selling another currency expected to perform similarly to the currency to be hedged. This type of hedge, sometimes referred to as a "proxy hedge," could offer advantages in terms of cost, yield, or efficiency, but generally would not hedge currency exposure as effectively as a direct hedge into the relevant home currency. Proxy hedges may result in losses if the currency used to hedge does not perform similarly to the currency in which the hedged securities are denominated.

Swap agreements, indexed securities, hybrid securities and options and futures contracts relating to currencies can be used for the same purposes.

Successful use of tactical currency management strategies will depend on the Investment Manager's skill in analysing currency values. Currency management strategies may increase the volatility of a Fund's returns and could result in significant losses to a Fund if currencies do not perform as the Investment Manager anticipates. For example, if a currency's value rose at a time when the Investment Manager had hedged a Fund by selling that currency in exchange for another, a Fund would not participate in that currency's appreciation. If the Investment Manager hedges currency exposure through proxy hedges, a Fund could realize currency losses from both the hedge and the security position if the two currencies do not move in tandem. Similarly, if the Investment Manager increases a Fund's exposure to a foreign currency and that currency's value declines, a Fund will realize a loss. There is no assurance that the Investment Manager's use of currency management strategies will be advantageous to a Fund or that it will hedge at appropriate times.

*Swaps (including Credit Default Swaps).* A swap is an agreement between two parties pursuant to which each party agrees to make one or more payments to the other, based on the value of one or more underlying indicators or the difference between underlying indicators. A swap enables the parties to obtain either long or short exposure to an asset or other underlying indicator without owning or transacting directly in that asset or indicator. Underlying indicators may include a security or other financial instrument, asset, currency, interest rate, credit rating, commodity, volatility measure or index. Swaps include "caps," "floors," "collars" and options on swaps, or "swaptions," may be entered into for the same types of hedging or non-hedging purposes as swaps. A "cap" transaction is one in which one party pays a single or periodic fixed amount and the other party pays a floating amount equal to the amount by which a specified fixed or floating rate or other indicator exceeds another rate or indicator (multiplied by a notional amount). A "floor" transaction is one in which one party pays a single or periodic fixed amount and the other party pays a floating amount equal to the excess, if any, of a specified rate or other indicator over a different rate or indicator (multiplied by a notional amount). A "collar" transaction is a combination of a cap and a floor in which one party pays the floating amount on the cap and the other party pays the

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floating amount on the floor. A swaption is an option to enter into a swap agreement. Like other types of options, the buyer of a swaption pays a non-refundable premium for the option and obtains the right, but not the obligation, to enter into the underlying swap on the agreed-upon terms. Swaps can take many different forms and are known by a variety of names and other types of swap agreements may be available.

Swaps can be closed out by physical delivery of the underlying indicator(s) or payment of the cash settlement on settlement date, depending on the terms of the particular agreement. For example, in certain credit default swaps on a specific security, in the event of a credit event one party agrees to pay par on the security while the other party agrees to deliver the security. Other swap agreements provide for cash settlement. For example, in a typical interest rate swap, one party agrees to pay a fixed rate of interest determined by reference to a specified interest rate or index multiplied by a specified amount (the "notional amount"), while the other party agrees to pay an amount equal to a floating rate of interest determined by reference to an interest rate or index which is reset periodically and multiplied by the same notional amount. In a total return swap, one party agrees to make a series of payments to another party based on the income and price return of the underlying indicator during a specified period, while the other party agrees to make a series of payments calculated by reference to an interest rate or other agreed-upon amount. On each payment date, the obligations of parties are netted against each other, with only the net amount paid by one party to the other. A party may enter into a total return swap for hedging purposes or to gain long or short exposure to the underlying instrument without physically owning the underlying instrument. All income generated from a total return swap accrues to the respective Fund. A Fund may incur transaction-based costs and commissions as a result of entering into a total return swap. Any such costs or commissions will be allocated to the relevant Fund.

Certain Funds may be permitted to use total return swaps in their investment policies, however under normal circumstances, it is not expected that such Funds will use these instruments and, as such, the expected proportion of assets under management for each of these Funds that could be subject to total return swaps is 0%. The maximum permitted exposure to total return swaps is 50% for the Municipal Bond Fund. This Fund has a higher maximum permitted exposure than other Funds because, due to the nature of the fixed income markets in which it invests, it may be necessary from time to time to take a temporary total return swap position in order to gain efficient and timely exposure to a particular instrument, category of instrument or market. The maximum permitted exposure is 5% for all other Funds. Subject to these limits, a Fund may participate in total return swaps that are either funded or unfunded.

It may not be possible to close out the swap at any particular time or at an acceptable price. The inability to close swap positions also could have an adverse impact on the ability to hedge a portfolio investment or to establish a substitute for a portfolio investment. Swaps can provide exposure to a variety of different types of investments or market factors. The most significant factor in the performance of swaps, caps, floors, and collars is the change in the underlying price, rate, index level or other indicator that determines the amount of payments to be made under the arrangement. The risk of loss in trading swaps can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in swaps, and the potential high volatility of the swaps markets. As a result, a relatively small price movement in a swap may result in immediate and substantial loss (or gain) to the investor (i.e., the Fund). Thus, a purchase or sale of a swap may result in unlimited losses. In the event of adverse price movements, an investor would continue to be required to make daily cash payments to maintain its required margin. In addition for physically settled swaps, on the settlement date, an investor may be required to make delivery of the indicators underlying the swaps it holds. Swaps may be entered into for hedging or non-hedging purposes. If a Fund attempts to use a swap or related investment as a hedge against, or as a substitute for, a portfolio investment, the swap or related derivative may not correlate as expected with the portfolio investment, resulting in losses to the Fund. While hedging strategies involving swaps and related derivatives can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other Fund investments.

Legislation has been enacted that has, and will continue to, result in numerous regulatory changes related to swaps and other derivative transactions, including margin, clearing, trading and reporting requirements. These regulatory changes are expected to occur over time and could materially and adversely affect the ability of the Fund to buy or sell swaps and increase the cost of swaps. In the future, swaps will be required to be subject to initial as well as variation margin requirements. Initial margin is typically calculated as a percentage of the swap's notional amount. Additional variation margin will be required based on changes in the daily market value of the swap.

Swaps may also be subject to liquidity risk because it may not be possible to close out the swap prior to settlement date and an investor would remain obligated to meet margin requirements until the swap is closed.

In addition, because the purchase and sale of certain swaps currently are not centrally cleared, these are subject to the creditworthiness of the counterparty to the swap, and their values may decline substantially if the counterparty's creditworthiness deteriorates. The credit risk in uncleared swaps is dependent on the creditworthiness of the individual counterparty to the swap and may be greater than the credit risk associated with cleared swaps.

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In a cleared transaction, performance of the transaction will be effected by a central clearing house rather than by the bank or broker that is the Fund's original counterparty to the transaction. Swaps that are centrally cleared will be subject to the creditworthiness of the clearing member and clearing organizations involved in the transaction.

The use of credit default swaps normally carries a higher risk than investing in bonds directly. A credit default swap allows the transfer of default risk. This allows investors to effectively buy insurance on a bond they hold (hedging the investment) or buy protection on a bond they do not physically own in the expectation that the credit will decline in quality. One party, the protection buyer, makes a stream of payments to the seller of protection, and a payment is due to the buyer in the event that there is a "credit event" (a decline in credit quality, which will be pre-defined in the agreement). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid. The market for credit default swaps may sometimes be more illiquid than bond markets.

*Structured Notes.* Structured notes are debt instruments with an embedded derivative (such as a credit-linked note), the value or payout of which is determined by the occurrence or non-occurrence of an event or by an underlying indicator. Structured notes may be subject to liquidity risk since the derivatives are often "customized" to meet the portfolio needs of a particular investor, and therefore, the number of investors that are willing and able to buy such instruments in the secondary market may be smaller than that for more traditional debt instruments. In addition, because the purchase and sale of structured notes takes place in an over-the-counter market, structured notes are subject to the creditworthiness of the counterparty to the structured note or related derivative, and their values may decline substantially if the counterparty's creditworthiness deteriorates. If the counterparty defaults, the Fund's risk of loss consists of the full notional amount paid for the structured note plus any additional amount of payments that the Fund is contractually entitled to receive.

*Contingent Value Rights ("CVRs").* A CVR gives the holder the right to receive an amount, which may be a fixed amount or a variable amount determined by a formula, in the event that a specified corporate action or other trigger event occurs during the term of the CVR. CVRs may be issued in the context of a corporate acquisition or bankruptcy reorganization. For example, investors in an acquired or reorganized company may receive CVRs entitling the holder to additional shares of the acquiring company if that company's share price falls below a certain level by a specified date, or to receive cash payments or securities in the event of a future sale or liquidation event involving the company. CVRs generally do not entitle a holder to dividends or voting rights, and do not represent any rights in the assets of the issuing company. Risks associated with the use of CVRs are generally similar to risks associated with options, such as the risk that the trigger event does not occur prior to expiration. CVRs also present liquidity risk, as they may not be registered under the federal securities laws or may otherwise be subject to transfer restrictions, as well as counterparty risk and credit risk. Further, valuation of CVRs may require subjective modeling and judgment, which increases the risk of improper valuation.

*Synthetic Local Access Instruments:* Participation notes, market access warrants, and other similar structured products (collectively, "synthetic local access instruments") are derivative instruments typically used by foreign investors to obtain exposure to investments in certain markets where direct ownership by foreign investors is restricted or limited by local law. Synthetic local access instruments are generally structured by a local branch of a bank, broker-dealer, or other financial institution to replicate exposure to one or more underlying securities. The holder of a synthetic local access instrument may be entitled to receive any dividends paid in connection with the underlying securities, but usually does not receive voting rights as it would if such holder directly owned the underlying securities.

Synthetic local access instruments also involve risks that are in addition to the risks normally associated with a direct investment in the underlying securities. Synthetic local access instruments represent unsecured, contractual obligations of the banks, broker-dealers, or other financial institutions that issue them and are therefore subject to the credit risk of the issuer and the issuer's ability or willingness to perform in accordance with the terms of the instrument. Synthetic local access instruments are subject to the liquidity risk of the underlying security as well as the liquidity risk that a limited or no secondary market exists for trading synthetic local access instruments. In addition, the trading price of a synthetic local access instrument, if any, may not equal the value of the underlying securities.

### *Hybrid Instruments:*

Hybrid instruments are generally considered derivatives and combine the elements of swaps, futures contracts, or options with those of debt, preferred equity or a depository instrument. A hybrid instrument may be a debt instrument, preferred stock, warrant, convertible security, certificate of deposit or other evidence of indebtedness on which a portion of or all interest payments, and/or the principal or stated amount payable at maturity, redemption or retirement, is determined by reference to prices, changes in prices or differences between prices of the applicable underlying indicator. The risks of investing in hybrid instruments reflect a combination of the risks of investing in securities, swaps, options, futures and currencies. An investment in a hybrid instrument may entail significant risks that are not associated with a similar

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investment in a traditional debt instrument. The risks of a particular hybrid instrument will depend upon the terms of the instrument, but may include the possibility of significant changes in the benchmark(s) or the prices of the underlying indicators to which the instrument is linked. Such risks generally depend upon factors unrelated to the operations or credit quality of the issuer of the hybrid instrument, which may not be foreseen by the purchaser, such as economic and political events, the supply and demand profiles of the underlying indicators and interest rate movements. Hybrid instruments may be highly volatile. Hybrid instruments are potentially more volatile and carry greater market risks than traditional debt instruments. Depending on the structure of the particular hybrid instrument, changes in a benchmark, underlying asset or indicator may be magnified by the terms of the hybrid instrument and have an even more dramatic and substantial effect upon the value of the hybrid instrument. Also, the prices of the hybrid instrument and the underlying indicator may not move in the same direction or at the same time.

Hybrid instruments may bear interest or pay preferred dividends at below-market (or even relatively nominal) rates. Alternatively, hybrid instruments may bear interest at above-market rates but bear an increased risk of principal loss (or gain). Leverage risk occurs when the hybrid instrument is structured so that a given change in a benchmark or underlying indicator is multiplied to produce a greater value change in the hybrid instrument, thereby magnifying the risk of loss as well as the potential for gain.

If the Investment Manager attempts to use a hybrid instrument as a hedge against, or a substitute for, a portfolio investment, the hybrid instrument may not correlate as expected with the portfolio investment, resulting in losses to the Fund. While hedging strategies involving hybrid instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other Fund investments. Hybrid instruments may also carry liquidity risk since the instruments are often "customized" to meet the portfolio needs of a particular investor, and therefore, the number of investors that are willing and able to buy such instruments in the secondary market may be smaller than that for more traditional debt instruments. Under certain conditions, the redemption value of such an investment could be zero. In addition, hybrid instruments are subject to the creditworthiness of the issuer of the hybrid instrument, and their values may decline substantially if the issuer's creditworthiness deteriorates. Hybrid instruments also may not be subject to regulation.

### **Distribution Policy Risk**

In relation to Gross Income Classes, the Funds' policy of distributing income before the deduction of relevant expenses by paying expenses out of the capital of the Funds amounts to a return or withdrawal of part of a unitholder's original investment or from any capital gains attributable to that original investment. Any such distributions involving payment of dividends out of the Funds' capital may result in an immediate reduction of the Funds' Net Asset Value per Unit. As a result, capital may be eroded and income may be achieved by foregoing the potential for future capital growth.

### **Emerging Market Securities Risk**

MFS generally considers the issuer of a security or other investment to be tied economically to emerging market countries if: (i) the security or other investment is issued or guaranteed by the government of an emerging market country or any of its agencies, authorities or instrumentalities; (ii) the issuer is organized under the laws of, and maintains a principal office in, an emerging market country; (iii) the issuer has its principal securities trading market in an emerging market country; (iv) a third party has identified an emerging market country as the issuer's "country of risk"; (v) the issuer is included in an index which is representative of emerging market countries; (vi) the issuer derives 50% or more of its total revenues from goods sold or services performed in emerging market countries; or (vii) the issuer has 50% or more of its assets in emerging market countries.

Investments in emerging market countries may be more volatile than investments in countries with more developed markets. The risk of expropriation, confiscatory taxation, nationalization and social, political, and economic instability, greater government involvement in the economy, inflation or deflation, currency devaluations, greater currency exchange rate fluctuations, war, and terrorism may be greater in emerging market countries than countries in developed markets. In addition, many emerging market countries with less established health care systems have experienced outbreaks of pandemics or contagious diseases from time to time. The economies of emerging market countries may be based on only a few industries, may be subject to a lower degree of environmental regulation, may be vulnerable to changes in trade conditions, and may have large debt burdens and higher inflation rates. In addition, securities markets of emerging market countries may be subject to potential market closures due to market, economic, political, regulatory, geopolitical, environmental, public health, or other conditions.

A number of emerging market countries restrict, to varying degrees, foreign investment in securities. Further, some securities may not be available to the Fund because foreign shareholders hold the maximum amount permissible under current law. Repatriation of investment income, capital, and the proceeds of sales by foreign investors may require



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governmental registration and/or approval in some emerging market countries and may be subject to currency exchange control restrictions. In addition to withholding taxes on investment income, some emerging market countries may impose different capital gains taxes on foreign investors.

Generally accepted accounting, auditing, and financial reporting practices in emerging market countries may be significantly different from those countries in developed markets, there may be less publicly available information about certain financial instruments, and currency hedging may be unavailable. Many emerging market countries have less government supervision, regulation, and enforcement of the securities markets and participants in those markets.

The securities markets of emerging market countries may have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalization and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries.

Practices in relation to settlement of securities transactions in emerging market countries involve higher risks than those in developed countries because brokers and counterparties in such countries may be less well-capitalized and custody and registration of assets in some countries may be unreliable. In certain jurisdictions (e.g., Peru), settlement of securities transactions is generally conducted on a free-of-payment basis (i.e., not delivery versus payment or "DvP"), which can expose a Fund to the risk of loss if it delivers cash for purchases or securities for sale but the counterparty to the transaction fails to perform.

Emerging market country debt will be subject to high risk and may not be rated for creditworthiness by any internationally recognized credit rating organization. The issuer or governmental authority that controls the repayment of an emerging market country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. If a government obligor defaults on its obligation, an investor may have limited resources and may not be able to enforce a judgment against a foreign government.

A sub-set of emerging market countries are considered to be frontier markets. Frontier market countries generally have smaller, less diverse economies, and less mature capital markets than larger emerging markets, and, as a result, the risks of investing in emerging market countries are magnified in frontier market countries.

### **Equity Market Risk**

The price of an equity security fluctuates in response to issuer, market, economic, industry, political, regulatory, geopolitical, public health and other conditions, as well as to investor perceptions of these conditions. Prices can decrease significantly in response to these conditions, and these conditions can affect a single issuer, issuers within a broad market sector, industry or geographic region, or the market in general. Different parts of the market and different types of securities can react differently to these conditions. For example, the equity securities of growth companies can react differently from the equity securities of value companies, and the equity securities of large cap companies can react differently from the equity securities of small cap companies. Certain changes or events, such as political, social or economic developments, including increasing or negative interest rates, government or regulatory actions, including the imposition of tariffs or other protectionist actions, and changes in fiscal, monetary or tax policies, natural disasters, outbreaks of pandemic and epidemic diseases, terrorist attacks, war, and other geopolitical changes or events, can have a dramatic adverse effect on equity markets or a segment of equity markets which may lead to periods of high volatility. Economies and financial markets are interconnected, which increase the likelihood that conditions in one country or region can adversely impact issuers in different countries and regions. Equity markets may be susceptible to market manipulation or other fraudulent practices which could disrupt the orderly functioning of these markets or adversely affect the value of instruments that trade in such markets. Climate change regulation (such as decarbonization legislation or other mandatory controls to reduce emissions of greenhouse gases) could significantly affect many of the companies in which the Fund invests by, among other things, increasing those companies' operating costs and capital expenditures.

A widespread health crisis such as a global pandemic could cause substantial market volatility and have long-term effects on world economies and markets generally. For example, the novel coronavirus disease (COVID-19) has resulted in significant disruptions to global business activity including closed international borders, quarantines and travel restrictions, disruptions to business operations and supply chains, and lower consumer demand and economic output. The impact of this outbreak and other epidemics and pandemics that may arise in the future could negatively affect the global economy, as well as the economies of individual countries, the financial performance of individual companies and sectors, and the securities and commodities markets in general in significant and unforeseen ways. A health crisis may also exacerbate other pre-existing political, social and economic risks. Any such impacts could adversely affect the prices and liquidity of the Fund's investments and the Fund's performance.

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### Exchange-Traded Commodity Risk

Exchange-traded commodities ("ETCs") are debt securities issued by underwriting banks. These financial instruments provide holders with returns based on the performance of an underlying commodity, e.g., gold. The underwriting bank uses the proceeds to purchase a corresponding amount of the referenced commodity, which secures the instrument. However, the terms of the ETC do not provide for physical delivery of the commodity to the purchaser. ETCs are not equities or funds, but are transferable securities listed on an exchange. The performance of these products is based on the price of the underlying commodity. In addition to market risk, the holder is also subject to the counterparty credit risk of the underwriter (which is reduced by the collateralization with the underlying commodity).

The commodities markets may fluctuate widely based on a variety of factors. The commodities markets have experienced periods of extreme volatility. The value of a Fund's ETC investments may be affected by changes in overall market conditions, including interest rates, or factors affecting a particular industry or commodity, such as significant changes in supply or demand for a commodity, labor conditions, weather, embargoes, tariffs and international economic, political and regulatory developments.

### Geographic Concentration Risk

Because a Fund may invest a relatively large percentage of the Fund's assets in issuers located in a small number of countries or a particular geographic region, the Fund's performance could be closely tied to the market, currency, economic, political, regulatory, geopolitical or other conditions in those countries or that region. These conditions include anticipated or actual government budget deficits or other financial difficulties, levels of inflation and unemployment, fiscal and monetary controls, tax policy, sanctions imposed on the country or issuer located within the country, and political and social instability in such countries and regions. A Fund's performance will be affected by the conditions in the countries or regions to which a Fund is exposed and could be more volatile than the performance of more geographically-diversified funds.

*China:* For Funds investing in China, such investments are currently subject to certain additional risks, particularly regarding the ability to deal in equity securities in China. Dealing in certain Chinese securities is restricted to licensed investors and the ability of the investor to repatriate its capital invested in those securities may be limited at times. Due to issues relating to liquidity and repatriation of capital, the Management Company may determine from time to time that making direct investments in certain securities may not be appropriate for a Fund. As a result, the Management Company may choose to gain exposure to Chinese equity securities indirectly and may be unable to gain full exposure to the Chinese equity markets.

The Blended Research® Emerging Markets Equity Fund may, in accordance with its investment policies, invest a relatively large percentage of assets in a particular geographic region or country, and in particular China, and therefore the risks described in this section are particularly relevant for these Funds.

*Stock Connect Securities.* The Funds may invest in "A shares" of companies located in Mainland China via securities trading and clearing programmes for the establishment of mutual market access between the Stock Exchange of Hong Kong ("SEHK") and a Mainland Chinese stock exchange ("Stock Connect Securities"). Such Mainland Chinese stock exchanges include the Shanghai Stock Exchange and the Shenzhen Stock Exchange, and additional schemes may be established in the future. Unless otherwise disclosed in its Fund Profile, a Fund may only invest in Stock Connect Securities to a limited extent. In addition to risks associated with investing in emerging markets and in China as discussed in this section, Stock Connect Securities are subject to certain additional risks.

A Stock Connect Programme is subject to regulations promulgated by regulatory authorities for both the relevant Mainland Chinese exchange and SEHK and further regulations or restrictions, such as trading suspensions, may adversely affect a Stock Connect Programme and Stock Connect Securities. There is no guarantee that the systems required to operate a Stock Connect Programme will function properly or that both exchanges will continue to support the Stock Connect Programme in the future.

Daily and aggregate purchase quotas apply to the aggregate volume in the programme, which may restrict or preclude investment in Stock Connect Securities. In addition, Stock Connect Securities generally may not be sold, purchased or otherwise transferred other than through a Stock Connect Programme in accordance with the program's rules, and therefore are subject to liquidity risk. For example, when the SEHK is closed, investors will not be able to trade Stock Connect Securities at a time when Stock Connect Securities are trading on the Mainland Chinese exchange and will be unable to react to events in that market.

The Hong Kong Securities Clearing Company Limited ("HKSCC") acts as nominee for Stock Connect Securities. As a result, investors will depend upon the cooperation of HKSCC to exercise certain shareholder rights, such as participation in corporate actions or shareholder meetings. It will not be possible for investors to pursue legal recourse against issuers

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of Stock Connect Securities without the participation of HKSCC, which is under no obligation to do so.

It is currently unclear whether Mainland Chinese courts would recognize investors' beneficial ownership of the Stock Connect Securities in the event HKSCC as nominee holder, or another entity within the ownership structure, were to become insolvent. This could prevent or delay recovery of investor assets.

Investments in Stock Connect Securities are not covered by the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Therefore the Fund is exposed to the risks of default by the broker(s) it engages to trade in Stock Connect Securities.

The Blended Research® Emerging Markets Equity Fund may invest up to 30% of net assets in Stock Connect Securities. All other Funds may invest up to 5% of net assets in Stock Connect Securities.

*Variable interest entities:* Certain securities issuers, including issuers in certain emerging market countries, may use a structure known as a variable interest entity. A Fund's investment in such an issuer may pose additional risks because the Fund's investment is made through a holding company whose interests in the underlying operating business are established through contracts rather than through equity ownership. Certain Chinese companies have used variable interest entities as a means to circumvent Chinese restrictions on foreign ownership of companies in certain sectors. In such cases, the operating company is generally owned by Chinese nationals and an offshore holding company indirectly holds certain contractual rights relating to the operating company, including a contractual claim on the operating company's profits. Shares of the offshore holding company, in turn, are traded on exchanges outside of China and are available to non-Chinese investors such as the Fund. While variable interest entities are a longstanding industry practice in China, the legal status of variable interest entities under Chinese law is uncertain. There is a risk that the Chinese government may cease to tolerate these structures or impose new restrictions at any time, either generally or with respect to specific issuers. Further, in case of dispute (for example, with the Chinese owners of the operating company), the holding company's contractual claims with respect to the operating company may be deemed unenforceable in China, thus limiting the remedies and rights of investors such as the Fund. Such legal uncertainty may be exploited against the interests of the investors in the holding company such as the Fund. Further, variable interest entity structure generally restricts the Fund's ability to influence the operating company through proxy voting and other means and may restrict the ability of an issuer to pay dividends to shareholders from operating company earnings.

*Europe:* Investing in Europe involves risks not typically associated with investments in other developed markets.

While most countries in Western Europe are considered to have developed markets, investing in Western Europe imposes different risks than those associated with investing in other developed markets. Most countries in Western Europe are members of the European Union, which faces major issues involving its membership, structure, procedure, and policies. Efforts of the Member States to continue to unify their economic and monetary policies may increase the potential for similarities in the movements of European markets. European countries that are members of the Economic and Monetary Union of the European Union ("EMU") (which is comprised of the European Union members that have adopted the Euro currency) are subject to restrictions on inflation rates, interest rates, deficits, and debt levels, as well as fiscal and monetary controls. By adopting the Euro as its currency, a Member State relinquishes control of its own monetary policies. As a result, European countries are significantly affected by fiscal and monetary controls implemented by the EMU, and it is possible that the timing and substance of these controls may not address the needs of all EMU member countries. In addition, the fiscal policies of a single Member State can impact and pose economic risks to the European Union as a whole. Investing in Euro-denominated securities also risks exposure to a currency that may not fully reflect the strengths and weaknesses of the disparate economies that comprise Europe. There is continued concern over national-level support for the Euro, which could lead to certain countries leaving the EMU, the implementation of currency controls, or potentially the dissolution of the Euro. The dissolution of the Euro would have significant negative effects on European economies.

Because many Eastern European countries are considered to have emerging market economies, investing in Eastern Europe imposes risks greater than, or in addition to, the risks of investing in more developed markets. Securities markets of countries with emerging market economies typically are less efficient and have lower trading volume, lower liquidity, and higher volatility than more developed markets. In addition, some of the region's governments exercise considerable influence on their respective economies and, as a result, companies in the region may be subject to government interference and nationalization. Many Eastern European countries are in the early stages of industrial, economic, or capital market development, and their markets can be particularly sensitive to social, political, and economic conditions. Some Eastern European countries continue to be sensitive to political and economic events in Russia and to be adversely affected by events affecting the Russian economy and currency. Eastern Europe's export exposure is not diversified and the region is highly dependent on exports to Western Europe, making it vulnerable to demand in Western Europe and fluctuations in the Euro.

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Mounting sovereign debt burdens among European governments may inhibit economic growth and lead to credit downgrades for a sovereign issuer, which may have a negative effect on European banks that have significant exposure to sovereign debt. The European Union as a body may be unable to react quickly and cohesively to rising borrowing costs or a potential default by Greece or another country of their sovereign debt, or to deal with fiscal problems. Many European countries routinely experience higher unemployment rates than other developed countries. Several countries have accepted multi-year bailout loans from the European Central Bank, International Monetary Fund, and other institutions. To address budget deficits and public debt concerns, a number of European countries have imposed strict austerity measures and comprehensive financial and labor market reforms. In addition, social unrest, including protests against austerity measures, as well as domestic terrorism, could decrease tourism, lower consumer confidence, and otherwise negatively affect European asset markets.

The United Kingdom formally exited the European Union (an event commonly referred to as "Brexit") on 31 January 2020. An agreement between the United Kingdom and the European Union governing their future trade relationship became effective 1 January 2021. There is still considerable uncertainty relating to the potential consequences of Brexit, how the negotiations for new trade agreements will be conducted, and whether Brexit will increase the likelihood of other countries also departing the European Union. During this period of uncertainty, the negative impact on not only the United Kingdom and European economies, but the broader global economy, could be significant, potentially resulting in increased market volatility and illiquidity, political, economic and legal uncertainty, and lower economic growth for companies that rely significantly on Europe for their business activities and revenues. Any further exits from the European Union, or the possibility of such exits, or the abandonment of the Euro, may cause additional market disruption globally and introduce new legal and regulatory uncertainties.

*Russia and Eastern Europe:* Securities of issuers in the countries of Eastern Europe, Russia and the other former republics of the Soviet Union involve significant risks and special considerations, which are not typically associated with investing in securities of issuers in developed countries. They are additional to the normal risks inherent in any such investments and include political, economic, legal, currency, inflation and taxation risks. For example there is a risk of loss due to lack of adequate systems for transferring, pricing, accounting for and safekeeping or record keeping of securities.

***Investments in securities issued by companies located in the former Soviet Union shall only be made when the proper custodial facilities are in place and direct investment in Russian securities traded in the securities markets in Russia shall in any event be limited, together with any other unlisted securities, to a maximum of 10% of the net assets of a Fund. Investments in securities of issuers located in Russia but listed or traded on an official stock exchange or on a regulated market operating regularly, recognised and open to the public in the meaning of article 41(1) of the Law shall not be deemed to be subject to this limitation.***

In particular, the Russian market presents a variety of risks in relation to the settlement and safekeeping of securities. These risks result from the fact that physical securities do not exist; as a consequence, the ownership of securities is evidenced only on the issuer's register of shareholders. Each issuer is responsible for the appointment of its own registrar. The result is a broad geographic distribution of several hundred registrars across Russia. Russia's Federal Commission for Securities and Capital Markets (the "Commission") has defined the responsibilities for registrar activities, including what constitutes evidence of ownership and transfer procedures. However, difficulties enforcing the Commission's regulations mean that the potential for loss or error still remains and there is no guarantee that the registrars will act according to the applicable laws and regulations. Widely accepted industry practices are actually still in the process of being established. When registration occurs, the registrar produces an extract of the register of shareholders as at that particular point in time. Ownership of shares is vested in the records of the registrar but is not evidenced by the possession of an extract of the register of shareholders. The extract is only evidence that registration has taken place. However, the extract is not negotiable and has no intrinsic value. In addition, a registrar will typically not accept an extract as evidence of ownership of shares and is not obliged to notify the Depositary or its local agents in Russia, if or when it amends the register of shareholders. Russian securities are not on physical deposit with the Depositary or its local agents in Russia. Similar risks apply in respect of the Ukrainian market. Therefore, neither the Depositary nor its local agents in Russia or in Ukraine can be considered as performing a physical safekeeping or custody function in the traditional sense. The registrars are neither agents of, nor responsible to, the Depositary or its local agents in Russia or in Ukraine. The Depositary's liability only extends to its own negligence and wilful default and to that caused by negligence or wilful misconduct of its local agents in Russia or in Ukraine, and does not extend to losses due to the liquidation, bankruptcy, negligence or wilful default of any registrar. In the event of such losses the Management Company will have to pursue the FCP's rights directly against the issuer and/or its appointed registrar. However, securities traded on the Russian Trading Stock Exchange ("RTS") or on the Moscow Interbank Currency Exchange ("MICEX") can be treated as investment in securities dealt in on a regulated market.

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### Industry Concentration Risk

The performance of a Fund which concentrates its investments in a limited number of industries will be closely tied to the performance of companies in those industries. Companies in a single industry often are faced with the same obstacles, issues and regulatory burdens, and their securities may react similarly and more in unison to these or other market conditions. These price movements may have a more significant impact on a Fund than on a Fund with a more broadly diversified portfolio.

### Inflation Risk

Inflation risk is the uncertainty over the future real value (after inflation) of an investment. Inflation rates may change frequently and drastically as a result of various factors, including unexpected shifts in the domestic or global economy, and the Fund's investments may not keep pace with inflation, which may result in losses to Fund investors.

### Infrastructure Sector Companies Risk

Companies in the infrastructure sector subject to a number of risks that may negatively impact investment performance. Such companies frequently incur high financial leverage in connection with major construction projects, and therefore may be especially vulnerable to increases in interest rates. Infrastructure companies may be dependent on procurement decisions by public entities, which may in turn be driven in part by unpredictable political factors. There is also the risk that corruption may negatively affect publicly-funded infrastructure projects, resulting in delays and cost overruns. Infrastructure-related entities may be subject to environmental regulation, which may increase costs and delay or prevent the completion of revenue-generating projects. Prices charged by infrastructure companies may be regulated and limited, and products or services provided may be subject to regulatory-defined geographic scope or other minimum standard. Infrastructure companies are also subject to changes in tax laws, regulatory policies and accounting standards, the effects of economic slowdown and surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, and the effects of energy conservation policies, among other factors.

### Interest Rate Risk

The price of a debt instrument changes in response to interest rate changes. Interest rates change in response to the supply and demand for credit, government monetary policy and action, inflation rates and other factors. In general, the price of a debt instrument falls when interest rates rise and rises when interest rates fall. Instruments with longer maturities, or that do not pay current interest, are more sensitive to interest rate changes. In addition, short-term and long-term interest rates do not necessarily move in the same direction or by the same amount. An instrument's reaction to interest rate changes depends on the timing of its interest and principal payments and the current interest rate for each of those time periods. Instruments with floating interest rates can be less sensitive to interest rate changes. The price of an instrument trading at a negative interest rate responds to interest rate changes like other debt instruments; however, an instrument purchased at a negative interest rate is expected to produce a negative return if held to maturity. These risks may be greater due to the current period of historically low interest rates.

Certain of the Fund's investments may be based on reference interest rates, such as the London Interbank Offered Rate ("LIBOR"). In 2017 the regulatory authority that oversees financial services firms in the United Kingdom has announced plans to transition away from LIBOR by the end of 2021. In March 2021, the administrator of LIBOR announced the extension of the publication of the more commonly used U.S. dollar LIBOR settings to the end of June 2023. In November 2021, regulators announced that they will require the administrator of LIBOR to continue to publish certain select LIBOR rates on a synthetic basis after the end of 2021 (and regulators may in the future compel the administrator of LIBOR to publish other LIBOR settings beyond the currently indicated cessation dates). However, such synthetic rates may not be considered representative of the underlying market and economic reality they are intended to measure and are expected to be published for a limited time period.

It is difficult to quantify or predict the impact on the Fund resulting from the transition from LIBOR to alternative reference rates and the potential effects of the transition from LIBOR on the fund, or on certain instruments in which the Fund invests, are not known. The transition from LIBOR may involve, among other things, increased volatility or illiquidity in markets for instruments that currently rely on LIBOR to determine interest rates. Any such effects of the transition away from LIBOR and the adoption of alternative reference rates, as well as other unforeseen effects, could have an adverse impact on the Fund's performance.

### Investment Selection Risk

The Investment Manager's analysis of an investment can be incorrect and its selection of investments can lead to an investment focus that results in the Fund underperforming other funds with similar investment strategies and/or

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underperforming the markets in which the Fund invests. In addition, the Investment Manager or the Fund's other service providers may experience disruptions or operating errors that could negatively impact the Fund.

### **Issuer Concentration Risk**

Because certain Funds may invest a relatively large percentage of the Fund's assets in a single issuer or small number of issuers, the Fund's performance could be closely tied to that one issuer or issuers, and could be more volatile than the performance of more diversified funds.

### **Large Shareholder Risk**

From time to time, shareholders of a Fund (which may include institutional investors, financial intermediaries, or other MFS funds) may make relatively large redemptions or purchases of Fund shares. These transactions may cause a Fund to sell securities or invest additional cash, as the case may be, at disadvantageous prices. Redemptions of a large number of shares also may increase transaction and other costs or have adverse tax consequences for shareholders of the Fund by requiring a sale of portfolio securities. Purchases of a large number of shares may adversely affect the Fund's performance to the extent that it takes times to invest new cash and the Fund maintains a larger position in cash-equivalents than it ordinarily would.

### **Lending of Portfolio Securities**

The European Research Fund is permitted to lend portfolio securities.

Portfolio securities may be lent to approved entities, including banks, broker/dealers and their affiliates, and would be required to be secured by collateral in cash, an irrevocable letter of credit, or U.S. Government securities maintained on a current basis at an amount generally at least equal to the market value of the securities loaned. The lender does not have the right to vote any securities having voting rights during the existence of the loan, but it can call the loan in anticipation of an important vote to be taken among holders of the securities or of the giving or withholding of their consent on a material matter affecting the investment; however, it is sometimes not feasible, particularly in the case of foreign securities, to recall the securities in time to vote the shares. The Fund's performance will continue to reflect changes in the value of the securities loaned and will also reflect the receipt of interest, through investment of cash collateral by the Fund or a fee. If the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, the lender may not be able to recover the securities loaned or gain access to the collateral. These delays and costs could be greater for foreign securities. If the lender is not able to recover the securities loaned, the lender may sell the collateral and purchase a replacement investment in the market. The value of the collateral could decrease below the value of the replacement investment and related transaction costs by the time the replacement investment is purchased. The Fund bears the risk of any investment loss from cash received as collateral that is invested in other eligible securities, including shares of a money market fund. The Fund engages securities lending agents to arrange loans of the portfolio securities. The Fund pays a portion of securities lending revenues to such agents.

Services provided by the securities lending agents including locating borrowers, evaluating the initial and ongoing creditworthiness of borrowers, determining and monitoring the value of loaned securities and collateral, monitoring collateral requirements and collecting additional collateral as necessary, collateral transfer, cash collateral management, negotiation of loan terms, selection of securities to be loaned, recordkeeping and reporting, monitoring lending restrictions, monitoring for loan position modifications due to corporate actions, monitoring distribution activity and delivering any distributions from securities on loan, monitoring proxy votes related to U.S. loaned securities, and arranging for the return of loaned securities at loan termination or as otherwise required.

New regulations require certain bank-regulated counterparties and certain of their affiliates to include in certain financial contracts, including many securities lending agreements, terms that delay or restrict the rights of counterparties, such as the Funds, to terminate such agreements, foreclose upon collateral, exercise other default rights or restrict transfers of credit support in the event that the counterparty and/or its affiliates are subject to certain types of resolution or insolvency proceedings. It is possible that these new requirements, as well as potential additional government regulation and other developments in the market, could adversely affect a Fund's ability to terminate existing securities lending agreements or to realize amounts to be received under such agreements in the event the counterparty or its affiliate becomes subject to a resolution or insolvency proceeding.

### **Leveraging Risk**

Certain transactions and investment strategies, including when-issued, delayed delivery and forward commitment purchases, mortgage dollar rolls and some derivatives can result in investment leverage. Investment leverage involves investment exposure in an amount exceeding the initial investment. In transactions involving investment leverage, a relatively small change in an underlying indicator can lead to significantly larger losses to the Fund. Investment leverage

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can cause increased volatility by magnifying gains or losses.

### **Liquidity Risk**

Certain investments and types of investments are subject to restrictions on resale, may trade in the over-the-counter market or may not have an active trading market due to adverse market, economic, industry, political, regulatory, geopolitical and other conditions, including investors trying to sell large quantities of a particular investment or type of investment, or lack of market makers or other buyers for a particular investment or type of investment. At times, all or a significant portion of a market may not have an active trading market. Without an active trading market where frequent and large purchase and sale transactions of a security occur without significantly affecting the price of that security, it may be difficult to value and not possible to sell these investments, and a Fund may have to sell certain of these investments at a price or time that is not advantageous in order to meet redemptions or other cash needs.

### **Lower Quality (Below-Investment-Grade) Debt Instruments Risk**

Below-investment-grade debt instruments, commonly referred to as "high yield securities" or "junk bonds," are considered speculative with respect to the issuer's continuing ability to meet principal and interest payments and, while generally expected to provide greater income than investments in higher quality debt instruments, will involve greater risk of principal and income (including the possibility of default or bankruptcy of the issuers of such instruments) and may involve greater volatility of price (especially during periods of economic uncertainty or change) than higher quality debt instruments. In addition, because yields vary over time, no specific level of income can ever be assured. Below-investment-grade debt instruments generally tend to reflect economic changes (and the outlook for economic growth), short-term corporate and industry developments and the market's perception of their credit quality to a greater extent than higher quality debt instruments, which react primarily to fluctuations in the general level of interest rates (although below-investment-grade debt instruments are also affected by changes in interest rates). In the past, economic downturns or an increase in interest rates have, under certain circumstances, resulted in a higher incidence of default by the issuers of these instruments and may do so in the future, especially in the case of highly leveraged issuers. The prices for these instruments may be affected by legislative and regulatory developments. The market for below-investment-grade debt instruments may be less liquid than the market for investment grade debt instruments. Furthermore, the liquidity of below-investment-grade debt instruments may be affected by the market's perception of their credit quality.

These risks are especially acute for distressed instruments, which are securities of issuers in extremely weak financial condition or perceived to have a deteriorating financial condition that will materially affect their ability to meet their financial obligations. Issuers of such instruments are generally experiencing financial or operating difficulties, have substantial capital needs or negative net worth, face special competitive or product obsolescence problems, or may be involved in various stages of bankruptcy, restructuring, or liquidation. The difficulties of such issuers may have resulted from poor financial or operating results, catastrophic events or excessive leverage. Distressed securities may consist of bonds or other fixed-income securities or common or preferred stocks.

Investments of this type involve substantial financial and business risks that can result in significant or total loss. A Fund may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the investments may not compensate a Fund adequately for the risks assumed. While potentially lucrative, investing in distressed securities requires resources and expertise to analyze each instrument and assess its position in an issuer's capital structure along with the likelihood of ultimate recovery. Information as to the conditions of distressed issuers may be limited, thereby reducing the Investment Manager's ability to monitor performance and to evaluate the advisability of continued investment in specific situations. There is no assurance that the value of any assets collateralizing such investments will be sufficient or that a successful reorganization or similar action will occur. Such investments may also be adversely affected by laws and judicial decisions relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and a court's power to disallow, reduce, subordinate, re-characterize debt as equity or disenfranchise particular claims. The market prices of such securities also may be subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and ask prices of such securities may be greater than normally expected.

Instruments in the lowest tier of investment-grade debt instruments, while normally exhibiting adequate protection parameters, have speculative characteristics and changes in economic conditions or other circumstances are more likely to lead to a weakened capacity to make principal and interest payments than in the case of higher grade securities.

The Funds may, from time to time, invest in municipal debt instruments that are distressed or defaulted but are supported by insurance to guarantee the continued payment of principal and interest to investors. These instruments do not exhibit the typical risks associated with distressed or defaulted instruments and, therefore, the Investment Manager will not

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consider such instruments to be distressed or defaulted, so long as, the insurer guaranteeing the continued payment of principal and interest retains an investment-grade rating or is determined by the Investment Manager to be of equivalent quality if unrated. Insurance on municipal debt instruments does not insure against market fluctuations which affect the price of the underlying instrument. Please refer to the section entitled "Municipal Debt Instruments Risk" for further information regarding the risks of municipal debt instruments.

### **MFS Low Carbon Transition Characteristic – Risk to Return**

The MFS Light Green Funds promote the MFS Low Carbon Transition characteristic in pursuing their respective investment objectives, as further discussed below under "Other Practical Information – Investment Manager – MFS 'Light Green' Funds" and in the SFDR Annex to this Prospectus. For these Funds, the application of the MFS Low Carbon Transition characteristic to the Fund's investment approach may affect the composition of the Fund's investment portfolio. As a result, the Fund's returns may be lower than in the absence of MFS Low Carbon Transition characteristic. For example, the Fund may have reduced or no exposure to companies that might be otherwise advantageous to purchase, or it may sell a security when it might otherwise be disadvantageous to do so. This approach may cause the Fund to deviate further from the relevant benchmark. Furthermore, the MFS Low Carbon Transition characteristic has been developed based on the judgment of the Investment Manager and it is possible the Fund may not invest in a way that a shareholder considers to be sustainable or responsible, even with the application of the MFS Low Carbon Transition characteristic.

### **Mortgage-Backed Securities Risk**

Mortgage-backed securities are securities that represent direct or indirect participation in, or are collateralized by and payable from, mortgage loans secured by real property or instruments derived from such loans. The payment of principal and interest and the price of a mortgage-backed security generally depend on the cash flows generated by the underlying mortgages and the terms of the mortgage-backed security. In addition, tax or other regulatory changes may adversely affect the mortgage-backed securities market as a whole. Mortgage-backed securities are backed by different types of mortgages, including commercial and residential properties and reverse mortgages. Investments in mortgage-backed securities are impacted by the industry, sector, and geographic region of the underlying mortgages. Mortgage-backed securities include various types of securities such as pass-throughs, stripped mortgage-backed securities, and collateralized mortgage obligations. There are a wide variety of mortgage types underlying these securities, including mortgage instruments whose principal or interest payments may vary or whose terms to maturity may be shorter than customary.

Mortgage-backed securities represent interests in pools of mortgage loans assembled for sale to investors by various governmental agencies, such as the Government National Mortgage Association (GNMA), by government-related organizations, such as the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC), and by private issuers, such as commercial banks, savings and loan institutions and mortgage companies. Government mortgage-backed securities are backed by the full faith and credit of the United States as to payment of principal and interest. GNMA, the principal U.S. guarantor of these securities, is a wholly-owned U.S. government corporation within the Department of Housing and Urban Development. Government-related mortgage-backed securities are not backed by the full faith and credit of the United States. Issuers of government-related mortgage-backed securities include FNMA and FHLMC. FNMA is a congressionally chartered corporation subject to general regulation by the Secretary of Housing and Urban Development.

Securities issued by FNMA are guaranteed as to timely payment of principal and interest by FNMA. FHLMC is a stockholder-owned government-sponsored enterprise established by Congress. Participation certificates representing interests in mortgages from FHLMC's national portfolio are guaranteed as to the timely payment of interest and principal by FHLMC.

Under the U.S. Federal Housing Finance Agency's "Single Security Initiative," FNMA and FHLMC have entered into a joint initiative to develop a common securitization platform for the issuance of Uniform Mortgage-Backed Securities ("UMBS"), which would generally align the characteristics of FNMA and FHLMC mortgage-backed securities. In June 2019, FNMA and FHLMC started to issue UMBS in place of their current offerings of TBA-eligible mortgage-backed securities.

Private mortgage-backed securities represent interest in pools consisting of residential or commercial mortgage loans created by non-government issuers, such as commercial banks and savings and loan associations and private mortgage companies. Private mortgage-backed securities may be subject to greater credit risk and be more volatile than government or government-related mortgage-backed securities. In addition, private mortgage-backed securities may be less liquid than government or government-related mortgage-backed securities.

Private, government, or government-related entities may create mortgage loan pools offering pass-through investments in addition to those described above. Interests in pools of mortgage-related securities differ from other forms of debt instruments, which normally provide for periodic payment of interest in fixed amounts with principal payments at maturity or specified call



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dates. Instead, these securities typically provide a monthly payment which consists of both interest and principal payments. In effect, these payments generally are a "pass-through" of the monthly payments made by the individual borrowers on their residential or commercial loans, net of any fees paid to the issuer or guarantor of such securities. Additional payments are caused by repayments of principal resulting from the sale of the underlying property, refinancing or foreclosure, net of fees or costs incurred.

Mortgage-backed securities are often subject to more rapid repayment than their stated maturity date would indicate as a result of the pass-through of prepayments of principal on the underlying loans. Prepayments of principal by mortgagors or mortgage foreclosures shorten the term of the mortgage pool underlying the mortgage-backed security. The occurrence of prepayments is a function of several factors, including interest rates, general economic conditions, the location of the mortgaged property, the age of the mortgage or other underlying obligations, regulatory requirements, and other social and demographic conditions. Because prepayment rates of individual mortgage pools vary widely, the average life of a particular pool is difficult to predict. The rate of principal payments for a reverse mortgage-backed security depends on a variety of economic, geographic, social, and other factors, including interest rates and borrower mortality. Reverse mortgage-backed securities may respond differently to economic, geographic, social, and other factors than other mortgage-backed securities. A Fund's ability to maintain positions in mortgage-backed securities is affected by the reductions in the principal amount of such securities resulting from prepayments. The values of mortgage-backed securities vary with changes in market interest rates generally and the differentials in yields among various kinds of U.S. government securities, mortgage-backed securities, and securitized instruments. In periods of rising interest rates, the rate of prepayment tends to decrease, thereby lengthening the average life of a pool of mortgages supporting a mortgage-backed security. Conversely, in periods of falling interest rates, the rate of prepayment tends to increase thereby shortening the average life of such a pool. Because prepayments of principal generally occur when interest rates are declining, an investor generally has to reinvest the proceeds of such prepayments at lower interest rates than those at which its assets were previously invested. Therefore, mortgage-backed securities typically have less potential for capital appreciation in periods of falling interest rates than other income-bearing securities of comparable maturity. Ongoing developments in the residential and commercial mortgage markets may have additional consequences for the market for mortgage-backed securities. During periods of deteriorating economic conditions, such as recessions or periods of rising unemployment, delinquencies and losses generally increase, sometimes drastically, with respect to securitizations involving mortgage loans. The effects of the COVID-19 virus and governmental responses to the effects of the virus, may result in increased delinquencies and losses and have other, potentially unanticipated, adverse effects on such investments and the markets for those investments. There are fewer investors in mortgage- and asset-backed securities markets and those investors are more homogenous than in markets for other kinds of securities. If a number of market participants are impacted by negative economic conditions, forced selling of mortgage- or asset-backed securities unrelated to fundamental analysis could depress market prices and liquidity significantly and for a longer period of time than in markets with greater liquidity.

Collateralized mortgage obligations (CMOs) are mortgage-backed securities that are collateralized by residential or commercial loan mortgages or mortgage pass-through securities. The bonds issued in a CMO transaction are divided into groups, and each group of bonds is referred to as a "tranche." The CMO structure enables the issuer to direct the principal and interest cash flow generated by the collateral of the different tranches in a prescribed manner in order to meet different investment objectives. Under the traditional CMO structure, the cash flows generated by the mortgages or mortgage pass-through securities in the collateral pool are used to first pay interest and then pay principal to the CMO bondholders. The bonds issued under a traditional CMO structure are retired sequentially as opposed to the pro-rata return of principal found in traditional pass-through obligations. Subject to the various provisions of individual CMO issues, the cash flow generated by the underlying collateral (to the extent it exceeds the amount required to pay the stated interest) is used to retire the bonds. Under a CMO structure, the repayment of principal among the different tranches is prioritized in accordance with the terms of the particular CMO issuance. The "fastest-pay" tranches of bonds, as specified in the prospectus for the issuance, would initially receive all principal payments. When those tranches of bonds are retired, the next tranche, or tranches, in the sequence, as specified in the prospectus, receive all of the principal payments until they are retired. The sequential retirement of bond groups continues until the last tranche is retired. Accordingly, the CMO structure allows the issuer to use cash flows of long maturity, monthly-pay collateral to formulate securities with short, intermediate, and long final maturities, as well as varied expected average lives and risk characteristics. Other structures include floating rate CMOs, parallel pay CMOs planned amortization classes, accrual bonds and CMO residuals. These structures affect the amount and timing of principal and interest received by each tranche from the underlying collateral. Under certain of these structures, given classes of CMOs have priority over others with respect to the receipt of prepayments on the mortgages. Therefore, depending on the type of CMOs in which a Fund invests, the investment may be subject to a greater or lesser risk of prepayment than other types of mortgage-backed securities.

A primary risk of CMOs is the uncertainty of the timing of cash flows that results from the rate of prepayments on the underlying mortgages serving as collateral and from the structure of the particular CMO transaction (that is, the priority of the individual tranches). An increase or decrease in prepayment rates (resulting from a decrease or increase in mortgage interest rates) will

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affect the yield, average life, and price of CMOs. The prices of certain CMOs, depending on their structure and the rate of prepayments, can be volatile. Some CMOs may also not be as liquid as other securities.

The value of CMOs collateralized by commercial mortgages or commercial mortgage pass-through securities depend on the cash flow and volatility of the commercial loans, the volatility and reliability of cash flows associated with the commercial properties; the type, quality, and competitiveness of the commercial properties; the experience, reputation and capital resources of the borrower and the manager; the location of the commercial properties; the quality of the tenants; and the terms of the loan agreements.

Stripped mortgage-backed securities (SMBSs) are derivative multi-class mortgage-backed securities. SMBSs may be issued by agencies or instrumentalities of the U.S. government, or by private originators of, or investors in, mortgage loans, including savings and loan associations, mortgage banks, commercial banks, investment banks, and special purpose entities formed or sponsored by any of the foregoing. SMBSs may be less liquid than other types of mortgage-backed securities.

SMBSs are usually structured with two classes that receive different proportions of the interest and principal distributions on a pool of mortgage assets. A common type of SMBS will have one class receiving some of the interest and most of the principal from the mortgage assets, while the other class will receive most of the interest and the remainder of the principal. In the most extreme case, one class will receive all of the interest (the interest-only or "IO" class), while the other class will receive all of the principal (the principal-only or "PO" class). The price and yield-to-maturity on an IO class is extremely sensitive to the rate of principal payments (including prepayments) on the related underlying mortgage assets, and a rapid rate of principal payments may have a material adverse effect on a Fund's yield to maturity from these securities. If the underlying mortgage assets experience greater than anticipated prepayments of principal, a Fund may fail to recoup some or all of its initial investment in these securities, even if the security is in one of the highest rating categories. The mortgages underlying these securities may be alternative mortgage instruments, that is, mortgage instruments whose principal or interest payments may vary or whose terms to maturity may be shorter than customary.

### **Municipal Debt Instruments Risk**

Municipal debt instruments are issued by or for states, territories, or possessions of the United States or by their political subdivisions, agencies, authorities, or other government entities, to raise money for a variety of public and private purposes, including general financing for state and local governments, or financing for a specific project or public facility. Municipal debt instruments include general obligation bonds of municipalities, state or local governments, project or revenue-specific bonds, municipal lease obligations, and pre-refunded or escrowed bonds. Municipal debt instruments may be fully or partially supported by the state or local governments, by the credit of a private issuer, by the current or anticipated revenues from a specific project or assets, by the issuer's pledge to make annual appropriations for lease payments, or by domestic or foreign entities providing credit support, such as insurance, letters of credit, or guarantees.

General obligation bonds are a type of municipal debt instrument that are backed by the issuer's pledge of its full faith and credit and taxing power for the repayment of principal and the payment of interest. Issuers of general obligation bonds include states, territories, counties, cities, towns, and regional districts of the United States. The proceeds of these obligations are used to fund a wide range of public projects, including construction or improvement of schools, highways and roads, and water and sewer systems. The rate of taxes that can be levied for the payment of debt service on these bonds may be limited. Additionally, there may be limits as to the rate or amount of special assessments or taxes that can be levied to meet these obligations. Some general obligation bonds are backed by both a pledge of a specific revenue source, such as a special assessment or tax and an issuer's pledge of its full faith and credit and taxing power. Debt service from these general obligation bonds is typically paid first from the specific revenue source and second, if the specific revenue source is insufficient, from the general taxing power.

Revenue bonds are a type of municipal debt instrument that are backed by the net revenues derived from a particular facility, group of facilities, or, in some cases, the proceeds of a special excise tax or other specific revenue source. Revenue bonds are issued to finance a wide variety of capital projects, such as electric, gas, water and sewer systems; highways, bridges, and tunnels; port and airport facilities; colleges and universities; and hospitals. Industrial development bonds, a type of revenue bond, are issued by or on behalf of public authorities to raise money to finance various privately operated facilities for a variety of purposes, including economic development, solid waste disposal, transportation, and pollution control. Although the principal security for revenue bonds is typically the revenues of the specific facility, project, company or system, many revenue bonds are secured by additional collateral in the form of a mortgage on the real estate comprising a specific facility, project or system, a lien on receivables and personal property, as well as the pledge of various reserve funds available to fund debt service, working capital, capital expenditures or other needs. Net revenues and other security pledged may be insufficient to pay principal and interest due which will cause the price of the bonds to decline. In some cases, revenue bonds issued by an authority are backed by a revenue stream unrelated to the issuer, such

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as a hotel occupancy tax, a sales tax, or a special assessment. In these cases, the ability of the authority to pay debt service is solely dependent on the revenue stream generated by the special tax. Furthermore, the taxes supporting such issues may be subject to legal limitations as to rate or amount.

The value of municipal debt instruments can be affected by changes in their actual or perceived credit quality. The credit quality and ability to pay principal and interest when due on municipal debt instruments can be affected by, among other things, the financial condition of the issuer or guarantor, the issuer's future borrowing plans and sources of revenue, the economic feasibility of the revenue bond project or general borrowing purpose, political or economic developments in the region where the instrument is issued. Municipal debt instruments generally trade in the over-the-counter market. Information about the financial condition of an issuer of municipal debt instruments may not be as extensive as that which is made available by corporations whose securities are publicly traded.

Many municipal debt instruments are supported by insurance, which typically guarantees the timely payment of all principal and interest due on the underlying municipal debt instrument, but does not insure against market fluctuations which affect the price of the underlying instrument. Generally, when municipal debt issuers utilize insurance for a municipal debt instrument it is to bolster protection for investors thereby increasing the attractiveness of the instrument for investment. Such insurance is not necessarily indicative of the relative risk of a municipal debt instrument compared to an equivalently rated corporate debt instrument. Changes in the financial condition of an individual municipal insurer can affect the market for a municipal debt instrument such insurer has guaranteed as financial deterioration may impact an insurer's ability to guaranty continued payment of principal and interest for a specific municipal debt instrument. The value of a municipal insurance policy is dependent on the credit quality and financial strength of the issuer providing such insurance and its ability to fulfill its claims-paying obligations. As a result of ratings downgrades and withdrawals from the municipal insurance business, some municipal insurance policies may have little or no value.

The Funds may, from time to time, invest in municipal debt instruments that are distressed or defaulted but are supported by insurance to guarantee the continued payment of principal and interest to investors. These instruments do not exhibit the typical risks associated with distressed or defaulted instruments and, therefore, the Investment Manager will not consider such instruments to be distressed or defaulted, so long as, the insurer guaranteeing the continued payment of principal and interest retains an investment-grade rating or is determined by the Investment Manager to be of equivalent quality if unrated. Insurance on municipal debt instruments does not insure against market fluctuations which affect the price of the underlying instrument.

The municipal issuers may issue municipal debt instruments which are either US taxable or US tax exempt. The tax treatment of the coupons received from such taxable or tax exempt municipal debt instruments is undifferentiated for non-US taxpayers and therefore the Funds will not seek nor will they necessarily benefit from the tax exempt status of tax exempt municipal debt instruments held by the Funds.

The price of a municipal debt instrument can be volatile and significantly affected by adverse tax changes or court rulings, legislative or political changes, market and economic conditions, issuer, industry-specific and other conditions. Municipal debt instruments can be less liquid than other types of investments and there may be less publicly available information about the issuers of municipal debt instruments compared to other issuers. Generally, interest received on municipal debt instruments is exempt from United States federal income tax. If the United States Internal Revenue Service or a state taxing authority determines that an issuer of a municipal debt instrument has not complied with applicable tax requirements, interest from the instrument could become taxable (including retroactively) and the instrument could decline significantly in price. Because many municipal debt instruments are issued to finance similar projects, especially those relating to education, health care, housing, utilities, and water and sewer, conditions in these industries can significantly affect the revenue generated and the overall municipal market.

### **Preferred Stock Risk**

Preferred stock represents an equity or ownership interest in an issuer and is therefore subject to the same risks as other equity securities. Preferred stock has precedence over common stock in the event the issuer is liquidated or declares bankruptcy, but is junior to the interests of the debt instruments of the issuer. Preferred stock, unlike common stock, often has a stated dividend rate payable from the corporation's earnings. Preferred stock dividends may be cumulative or non-cumulative, participating, or auction rate. "Cumulative" dividend provisions require all or a portion of prior unpaid dividends to be paid before dividends can be paid to the issuer's common stock. "Participating" preferred stock may be entitled to a dividend exceeding the stated dividend in certain cases. The level of "auction rate" dividends are reset periodically through an auction process. If interest rates rise, the fixed dividend on preferred stocks may be less attractive, causing the price of such stocks to decline. Preferred stock may have mandatory sinking fund provisions, as well as

## INVESTMENT POLICIES AND RISKS

provisions allowing the stock to be called or redeemed, which can limit the benefit of a decline in interest rates. The value of preferred stock is sensitive to changes in interest rates and to changes in the issuer's credit quality.

### Public Health Risk

A widespread health crisis such as a global pandemic could cause substantial market volatility and have long-term effects on the U.S. and world economies and markets generally. For example, the novel coronavirus (COVID-19) outbreak has resulted in significant disruptions to global business activity, including closed international borders, quarantines and travel restrictions, disruptions to business operations and supply chains, and lower consumer demand and economic output. Multiple surges in cases globally, the availability and widespread adoption of vaccines, and the emergence of variant strains of the virus continue to create uncertainty as to the future and long-term impacts resulting from the pandemic. The impact of the COVID-19 outbreak and other epidemics and pandemics that may arise in the future could negatively affect the global economy, as well as the economies of individual countries, the financial performance of individual companies and sectors, and the securities and commodities markets in general in significant and unforeseen ways. A health crisis may also exacerbate other pre-existing political, social and economic risks. Any such impacts could adversely affect the prices and liquidity of the Fund's investments and the Fund's performance.

### Real Estate-Related Investments Risk

Certain Funds may invest in real estate investment trusts ("REITs") and real estate-related investments that qualify as transferable securities or otherwise eligible investments under the Law and related Luxembourg regulations. Real estate investment trusts ("REITs") are pooled investment vehicles that invest primarily in income producing real estate or real estate related loans or interests. The affairs of REITs are managed by the REIT's sponsor and, as such, the performance of the REIT is dependent on the management skills of the REIT's sponsor.

Investment in real estate-related investments or derivatives whose value is based on real estate related indicators are subject to similar risks to those associated with the direct ownership of real estate and with the real estate industry in general. Real estate-related investments are affected by general, regional, and local economic conditions; difficulties valuing and disposing of real estate; fluctuations in interest rates; property tax rates, zoning laws, environmental regulations, and other governmental action; cash flow dependency; increased operating expenses; lack of availability of mortgage funds; losses due to natural disasters; overbuilding; losses due to casualty or condemnation; changes in property values and rental rates; the management skill and creditworthiness of a real estate investment trust manager; and other factors. The real estate sector is particularly sensitive to economic downturns. The securities of real estate-related issuers that have small to medium market capitalizations can be more volatile and less liquid than securities of larger issuers and such issuers can have more limited financial resources. Investments in real estate-related investments may be negatively affected by the COVID-19 pandemic. Potential impacts of the pandemic on the real estate sector include lower occupancy rates, decreased lease payments, defaults, and foreclosures, among other consequences. In addition, REITs may have limited diversification because they invest in a limited number of properties, a narrow geographic area, or a single type of property.

REITs are not diversified, and are subject to the risks of financing projects.

REITs could be adversely affected by failure to qualify for the favourable tax treatment available to REITs under the U.S. Internal Revenue Code of 1986, as amended, or to maintain their exemption from registration under the U.S. Investment Company Act of 1940, as amended, and similar risks may also apply to securities of entities similar to REITs formed under the laws of non-U.S. countries. In addition, REITs may be adversely affected by changes in federal tax law, for example, by limiting their permissible businesses or investments.

Many real estate-related issuers, including REITs, utilize leverage (and some may be highly leveraged), which increases investment risk and could adversely affect the issuer's operations and market value in periods of rising interest rates.

### Regulatory Risk

Financial entities, such as investment companies and investment advisers, are generally subject to extensive government regulation. In addition, investments in certain industries, sectors, or countries may be subject to extensive regulation. Government regulation may change frequently and may have significant adverse consequences. Economic downturns and political changes can trigger economic, legal, budgetary, tax, and other regulatory changes. Regulatory changes may change the way a Fund is regulated or the way the Fund's investments are regulated, affect the expenses incurred directly by the Fund and the value of its investments, and limit and/or preclude a Fund's ability to pursue its investment strategy or achieve its investment objective.

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### Restricted Securities Risk

Certain Funds may invest up to 10% of their net assets in securities that are not registered for public sale ("Restricted Securities"). Restricted Securities may include, but are not limited to, U.S. Rule 144A securities and securities in other global private offerings. Restricted Securities involve varying degrees of liquidity risk as there may or may not be an active market for the purchase and sale of such securities. To the extent that Restricted Securities contain rights requiring their registration within one year of purchase, such securities are not subject to the 10% limitation described above.

### Securities of Other Investment Companies

Securities of other investment companies, including shares of closed-end investment companies, unit investment trusts, exchange-traded funds, business development companies, and open-end investment companies, represent interests in professionally managed portfolios that may invest in any type of instrument. Investing in other investment companies involves substantially the same risks as investing directly in the underlying instruments, but involves additional expenses at the investment company-level, such as a proportionate share of portfolio management fees and operating expenses. Certain types of investment companies, such as closed-end investment companies and exchange-traded funds, trade on a stock exchange or over-the-counter at a premium or a discount to their net asset value (NAV) per share.

### Securitized Instruments Risk

Securitized instruments are debt instruments that generally provide payments of principal and interest based on the terms of the instrument and cash flows generated by the underlying assets. Underlying assets include residential and commercial mortgages, debt instruments, bank loans, motor vehicle instalment sales contracts, instalment loan contracts, leases of various types of real and personal property, receivables from revolving credit (e.g., credit cards) agreements and other receivables. The assets can be a pool of assets or a single asset (e.g., a loan to a specific corporation). Securitized instruments that represent an interest in a pool of assets provide greater credit diversification than securitized instruments that represent an interest in a single asset. Securitized instruments are issued by trusts or other special purpose entities that holds the underlying assets. Payment of interest and repayment of principal on securitized instruments may be largely dependent upon the cash flows generated by the underlying assets and, in certain cases, may be supported by letters of credit, surety bonds, or other credit enhancements.

The credit quality of securitized instruments depends primarily on the quality of the underlying assets, the rights of recourse available against the underlying assets and/or the issuer, the level of credit enhancement, if any, provided for the securities, and the credit quality of the credit-enhancement provider, if any. The value of securitized instruments may be affected by the various factors described above and other factors, such as changes in interest rates, the availability of information concerning the pool of assets and its structure, the creditworthiness of the servicing agent for the pool of assets, the originator of the underlying assets, or the entities providing the credit enhancement. Securitized instruments that do not have the benefit of a security interest in the underlying assets present certain additional risks that are not present with securitized instruments that do have a security interest in the underlying assets.

Some types of securitized instruments are often subject to more rapid repayment than their stated maturity date would indicate, as a result of the pass-through of prepayments of principal on the underlying assets. The rate of principal payments on these securitized instruments is related to the rate of principal payments on the underlying pool of assets and related to the priority of payment of the security with respect to the pool of assets. The occurrence of prepayments is a function of several factors, including interest rates, general economic conditions, the location and age of the underlying obligations, asset default and recovery rates, regulatory requirements, and other social and demographic conditions. Because prepayments of principal generally occur when interest rates are declining, an investor generally has to reinvest the proceeds of such prepayments at lower interest rates than those at which its assets were previously invested. Therefore, these securitized instruments may have less potential for capital appreciation in periods of falling interest rates than other income-bearing securities of comparable maturity. In periods of rising interest rates, the rate of prepayment tends to decrease, thereby lengthening the maturity of the security, increasing the potential for loss.

Collateralized debt obligations ("CDOs") are types of securitized instruments and include collateralized bond obligations ("CBOs"), collateralized loan obligations ("CLOs") and other similarly structured securities. Although certain CDOs may benefit from credit enhancement in the form of a senior-subordinate structure, overcollateralization or bond insurance, such enhancement may not always be present, and may fail to protect a Fund against the risk of loss on default of the collateral. CDOs may charge management fees and administrative expenses, which are in addition to those of a Fund. A CBO is ordinarily issued by a trust or other special purpose entity and is typically collateralized by a diversified pool of debt instruments, including below investment grade quality debt instruments, held by such issuer. A CLO is ordinarily issued by a trust or other special purpose entity and is typically collateralized by a pool of loans, including domestic and non-senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be below investment grade quality, held by such issuer. CDOs may be less liquid than other types of securities.

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For CDOs, the cash flows are generally split into two or more portions, called tranches, varying in risk and yield. The riskiest tranche bears the first loss from defaults from the bonds, loans or other underlying collateral and serves to protect the other, more senior tranches from default (though such protection is not complete). The risks of an investment in a CDO depend largely on the type of the underlying collateral and the tranche of the CDO in which a Fund invests. Since it is partially protected from defaults, a senior tranche from a CDO may have a higher rating and lower yields than its underlying collateral.

In addition to the risks associated with debt instruments and securitized instruments, CDOs carry additional risks including, (i) the possibility that distributions from underlying collateral will not be adequate to make interest or other payments; (ii) the quality of the underlying collateral may decline in value or default; (iii) the risk that Funds may invest in CDOs that are subordinate to other tranches; and (iv) the complex structure of the instrument may produce disputes with the issuer or unexpected investment results.

### **Small Cap Companies Risk**

The equity securities of small cap companies can be more volatile than the equity securities of larger companies due to limited product lines, financial and management resources, market and distribution channels. Small cap companies may have shorter operating histories and less publicly available information than larger, well-established companies. Their shares can be less liquid than those of larger companies, especially during market declines.

### **Special Purpose Acquisition Companies Risk**

The Funds may invest in special purpose acquisition companies ("SPACs") or similar special purpose entities that pool funds to seek potential acquisition or merger opportunities. A SPAC is a publicly traded company that raises funds to engage in a future acquisition or merger with a private company in order to take it public. Until a transaction is identified and completed, a SPAC generally invests its assets in U.S. Government securities, money market fund securities and cash. If an acquisition or merger that meets the requirements for the SPAC is not completed within a pre-established period of time, the invested funds are returned to the SPAC's shareholders, less certain permitted expenses, and any rights or warrants issued by the SPAC will expire worthless. Because SPACs and similar entities have no operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity's management to identify and complete a suitable transaction. Some SPACs may pursue acquisitions or mergers only within certain industries or regions, which may further increase the volatility of their securities' prices.

An investment in a SPAC is subject to a variety of risks. A significant portion of the funds raised by the SPAC for the purpose of identifying and effecting an acquisition or merger may be expended during the search for a target transaction. An attractive acquisition or merger target may not be identified and the SPAC will be required to return any remaining invested funds to shareholders. Attractive acquisition or merger targets may become scarce if the number of SPACs seeking to acquire operating businesses increases. Any proposed merger or acquisition may be unable to obtain the requisite approval, if any, of SPAC shareholders and/or antitrust and securities regulators. An acquisition or merger once effected may prove unsuccessful and an investment in the SPAC may lose value. The warrants or other rights with respect to the SPAC held by the Fund may expire worthless or may be repurchased or retired by the SPAC at an unfavorable price. The Fund may be delayed in receiving any redemption or liquidation proceeds from a SPAC to which it is entitled. An investment in a SPAC may be diluted by subsequent public or private offerings of securities in the SPAC or by other investors exercising existing rights to purchase SPAC securities. SPAC sponsors generally purchase interests in the SPAC at more favorable terms than investors in the IPO or subsequent investors on the open market. A liquid market for shares of or interests in a SPAC may not develop.

### **Tax Transparency Risk**

The aim is for the FCP to achieve fiscal transparency for certain Funds and Classes (namely, the Sterling UK T, Sterling UK T GD, and Euro IRE T Classes, and such other tax-transparent classes as may be offered from time to time (the "Tax-Transparent Classes")) in order for the Unitholders of such Funds and Classes to be entitled to treaty withholding tax rates between their country of residence and certain countries of underlying investment. However, no guarantee can be given that these treaty withholding rates will apply in practice. The achievement of tax transparency and related benefits are dependent upon the fulfilment of certain conditions, notably including tax rulings granted by the competent authorities in the investment countries and, in some instances, additional requirements which imply the active cooperation of investors of the relevant Fund or Class (e.g. individual tax forms, U.S. Form W-8BEN, etc.). The Management Company will use its best endeavours to achieve a tax transparent treatment in relation to some (but not all) of the investment markets of the Tax-Transparent Classes as soon as the prerequisites for each of these countries are fulfilled.

However, no guarantee can be given if and when such tax transparency can be achieved for the Tax-Transparent Classes for a given market, and the Management Company and the Depositary are not personally liable for the achievement of tax

## INVESTMENT POLICIES AND RISKS

transparency and/or any related consequences in any given market.

Potential investor's attention is drawn to the following specific tax-related risks: If the Management Company, Depositary (or any of their delegates), the FCP, or any Fund become liable for tax in any jurisdiction as a result of the status or actions of a current or former Unitholder or beneficial owner of a Unit, the relevant Class of the Fund will be responsible for all losses, actions, pleadings and claims and all costs, demands and expenses which may be brought against, suffered or incurred by the Management Company, the Depositary (and their delegates), the FCP and each Fund other than the relevant Fund's Class when those amounts are determined.

Depending on the requirements of each investment country, tax transparency may generally only be achieved provided certain conditions are fulfilled. These conditions may, in certain investment countries, include the submission to the competent authorities of information and/or documents relating to each individual investor. By subscribing Units in a relevant Fund or Class, investors undertake to provide such tax information as may be required to obtain tax transparency, and any updates or additional information as may be or become necessary from time to time. The omission to provide such necessary information or documents may result in the investor losing the benefit of such tax transparency. Depending on the specific circumstances, such omission might even trigger the loss of such benefit for the entire Fund or Class concerned. The Management Company might in such event, in its discretion and in the best interest of investors, decide to take appropriate measures against the relevant investor including, if and where applicable, the remedies available to prevent "Unauthorized Persons" as investors in such Fund or Class, as described under "Eligible Investors" and "How to Sell Units" below. Such measures can have a negative impact on the relevant investor, in particular, it cannot be excluded that the remedies taken (e.g., compulsory conversion as well as, the case being, a reverse conversion, see under "Eligible Investors") might be deemed to constitute a Taxable Event for the relevant investor in the eyes of the competent tax authorities.

Should a Tax-Transparent Class prove not to be transparent for tax purposes resulting in a retrospective liability of tax for the Class and/or the Class being liable for increased withholding taxes, the Net Asset Value will not be retrospectively revised. In such event, the Management Company would in its discretion and having due regard to the best interest of investors decide to make use of any available remedies. Although the Management Company will use its best endeavours, it cannot be excluded that remaining Unitholders in the Fund and/or any Class may bear some additional liability in this context. Unitholders may be liable for any historic and future withholding tax liabilities should a Tax-Transparent Class prove not to be, or to no longer be, transparent for tax purposes with respect to investments in (a) given market(s). Prospective Qualified investors should keep themselves informed of the taxes applicable to the acquisition, holding and disposal of Units of the Fund and to distributions in respect thereof under the law of the countries of their domicile.

### **Taxation Risk**

Applicable law and any other rules or customary practice relating to taxation, or the interpretation thereof by relevant authorities, may change at any time, possibly with retroactive effect. In particular, both the level and the basis of taxation may change. This could significantly affect returns to investors.

Under the terms of the FATCA Law and the CRS Law (as defined below), the FCP (or each Fund) is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the FCP (or each Fund) may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above-mentioned regulations. Although the FCP (or each Fund) will attempt to satisfy any obligations as necessary to avoid any withholding tax and/or penalties under the FATCA Law or penalties or fines under the CRS Law, there can be no assurance that the FCP (or each Fund) will be able to satisfy these obligations. If the FCP (or a Fund) becomes subject to withholding tax and/or penalties as a result of the FATCA regime or to penalties or fines under the CRS regime, the value of the Units held by its Unitholders may suffer material losses. Furthermore, the FCP (or each Fund) may also be required to withhold tax on certain payments to its Unitholders which would not be compliant with FATCA (*i.e.* the so-called foreign passthru payments withholding tax obligation). Please refer to "Taxation" under "Practical Information" for additional detail.

### **Warrants Risk**

Warrants are instruments which entitle the holder to buy an equity security at a specific price for a specific period of time. Warrants can be physically or cash-settled depending on the terms of the warrant and can be issued by the issuer of the underlying equity security or a third party. Warrants often involve a counterparty to the transaction. Changes in the value of a warrant do not necessarily correspond to changes in the value of its underlying security. The price of a warrant may be more volatile than the price of its underlying security, and a warrant may offer greater potential for capital appreciation as well as capital loss. Warrants do not entitle a holder to dividends or voting rights with respect to the underlying security and do not represent any rights in the assets of the issuing company. A warrant ceases to have value if it is not exercised

## INVESTMENT POLICIES AND RISKS

prior to its expiration date. Warrants involve credit risk if the counterparty to the warrant defaults and fails to perform. The credit risk is dependent on the creditworthiness of the individual counterparty issuing the equity security upon exercise. The value of a warrant depends, in part, on the issuer's credit quality or ability to deliver the relevant equity security upon maturity. The holder of a warrant may not be able to obtain the underlying equity security of the warrant and/or the warrant may be deemed worthless upon issuer default. The potential loss for a warrant purchaser is typically limited to the amount of the purchase price, or premium, of the warrant plus any transaction costs. These factors can make warrants more speculative than other types of investments.

### **When-Issued, Delayed-Delivery and Forward-Commitment Transactions Risk**

When-issued, delayed-delivery, and forward-commitment transactions, including securities purchased or sold in the to be announced (TBA) market, involve a commitment to purchase or sell specific securities at a predetermined price or yield in which payment and delivery take place after the customary settlement period for that type of security. Typically, no interest accrues to the purchaser until the security is delivered. When purchasing securities pursuant to one of these transactions, payment for the securities is not required until the delivery date. However, the purchaser assumes the rights and risks of ownership, including the risks of price and yield fluctuations and the risk that the security will not be issued or delivered as anticipated. If a Fund makes additional investments while a delayed delivery purchase is outstanding, this may result in a form of leverage.

When a Fund has sold a security pursuant to one of these transactions, the Fund does not participate in further gains or losses with respect to the security. If the other party to a delayed-delivery transaction fails to deliver or pay for the securities, a Fund could miss a favourable price or yield opportunity or suffer a loss. A Fund may renegotiate a when-issued, delayed delivery, or forward commitment transaction and may sell the underlying securities before delivery, which may result in capital gains or losses for the Fund.

*TBA Transactions.* A Fund may engage in purchases or sales of TBA securities, which usually are transactions in which a Fund buys or sells mortgage-backed securities on a delayed delivery or forward commitment basis. A TBA transaction typically does not designate the actual security to be delivered and only includes an approximate principal amount. TBA trades can be used by a Fund for investment purposes in order to gain or reduce exposure to certain securities, or for hedging purposes to adjust the risk exposure of a Fund's portfolio without having to restructure the portfolio. A Fund that invests in TBAs may also hold cash-equivalents instruments (defined as bank deposits, money market instruments, units of money market funds and reverse repurchase transactions) in connection with its TBA investments, including to facilitate settlement. This is subject to the general limit on ancillary liquid assets described in paragraph 2(ii) under "Investment Policies and Risks – Investment Guidelines – Investment Restrictions and Risk Diversification." Purchases and sales of TBA securities involve risks similar to those discussed above for other delayed delivery and forward commitment purchase and sale transactions. A Fund will not sell TBA securities unless it holds an offsetting long position in TBA securities or the underlying mortgage-backed securities.

### **Zero Coupon Bonds, Deferred Interest Bonds, and Payment-In-Kind Bonds Risk**

Zero coupon and deferred interest bonds are debt instruments which are issued at a discount from face value. The discount approximates the total amount of interest the instruments will accrue and compound over the period until maturity or the first interest payment date at a rate of interest reflecting the market rate of the instrument at the time of issuance. While zero coupon bonds do not require the periodic payment of interest, deferred interest bonds provide for a period of delay before the regular payment of interest begins. Payment-in-kind bonds are debt instruments which provide that the issuer may, at its option, pay interest on such instruments in cash or in the form of additional debt instruments. Such instruments may involve greater credit risks and may experience greater volatility than debt instruments which pay interest in cash currently.



## PRACTICAL INFORMATION

### General Information about Unit Classes

The Management Company may decide to issue one or more Classes in respect of each Fund, each Class having specific criteria which may notably take into account the specific tax profile of the relevant Unitholder(s), as well as other elements such as, but not limited to, (i) a specific sales and redemption charge structure and/or (ii) a specific management or advisory fee structure or Unitholders servicing or other fee structure and/or (iii) a different distribution policy and/or (iv) different types of targeted investors and/or (v) a hedging and/or currency policy and/or (vi) such other distinctive features as may be determined by the Management Company from time to time.

You can obtain information regarding the availability of Unit Classes for each Fund at [fcp.mfs.com](http://fcp.mfs.com), the Management Company's registered office or at the local agent in your country. A KID may be obtained for each available Class at [fcp.mfs.com](http://fcp.mfs.com).

Units are available only in registered form. Registered Unit ownership will be evidenced by a confirmation generally sent within two days of the date upon which the order was accepted. Fractional Units may be issued. Official mailings and notices will generally be mailed to the registered address of each account on the Unit Register of the FCP (or relevant Fund or Class thereof). To the extent permitted under applicable Luxembourg laws and regulations, Fund-related notices may be delivered via electronic means, such as an email containing a link to a downloadable notice document, in certain circumstances or for certain accounts.

Each Fund is denominated in a base currency, and Classes denominated in other currencies may be offered. The following table lists the Funds, their base currencies and Classes offered as of the date of this Prospectus. Additional classes may be established and offered from time to time.

<b>Fund</b>	<b>Base Currency</b>	<b>Classes</b>
Blended Research® Emerging Markets Equity Fund	US Dollar	US Dollar Euro Euro W Euro Z Sterling
Blended Research® Global Equity Fund	US Dollar	US Dollar Euro Sterling
European Research Fund	Euro	Euro
Global Concentrated Equity Fund	Euro	Euro Sterling US Dollar Sterling UK T Euro IRE T
Global Equity Fund	Euro	Euro Sterling US Dollar Sterling UK T Sterling UK T GD Euro IRE T Euro IRE T GD
Global Equity Euro Hedged Fund	Euro	Euro Euro IRE T
Global Listed Infrastructure Fund	US Dollar	Euro Sterling US Dollar Yen Swiss Franc

## PRACTICAL INFORMATION

<b>Fund</b>	<b>Base Currency</b>	<b>Classes</b>
Global Value	Euro	Euro Sterling US Dollar Euro ND
Global Value Ex-Japan	US Dollar	US Dollar Yen
Low Volatility Global Equity	US Dollar	US Dollar Euro Sterling Yen Yen Hedged Yen Hedged ND
U.S. Municipal Bond Fund	US Dollar	US Dollar US Dollar Z Euro Euro Hedged Swiss Franc Hedged Sterling Yen Z Yen Hedged Z

Investors in a particular currency-denominated Class should note that the Net Asset Value of the relevant Fund will be calculated in its Base Currency and then will be expressed in the currency of the relevant Class at the exchange rate between that currency and the Base Currency of the Fund at the time the Net Asset Value is calculated. Fluctuations in that exchange rate may not be hedged by the Fund and may affect the performance of the particular Class independently of the performance of the Fund's investments.

Investors in a particular currency-denominated Class will bear any exchange rate risk associated with holding Units in that Class. The costs of currency exchange transactions and any related currency gains or losses in connection with the purchase or redemption of a particular Class will be borne by such Class and will be reflected in the net asset value of that Class.

Certain Classes are or will be offered with the aim to reduce exchange rate and return fluctuations between the applicable non-base currency hedged Class and the unhedged base currency Class of the relevant Fund ("Hedged Unit Classes"). MFS will be responsible for engaging in hedging transactions for such Hedged Unit Classes. The terms and conditions applicable to the Hedged Unit Classes are the same as those which apply for the same Classes of Units offered in the base currency, the difference being the hedging of the Hedged Unit Class to the base currency of the Fund. MFS may execute such hedging transactions by using various hedging techniques and instruments, including currency forward contracts, foreign exchange swap contracts, currency futures, written call options and purchase put options. The gains/losses and expenses of the hedging process will be borne by the Hedged Unit Classes. However, there is a risk that under certain circumstances, currency hedging transactions in relation to a Hedged Class could negatively affect the net asset value of the other Classes (including Unhedged Classes) of the same Fund. See "Risk Factors – Currency Risk."

The Tax-Transparent Classes are intended to achieve tax transparency with respect to certain countries, and investors are required to provide and (as the case may be) update all relevant tax information, declarations and documents as may be required in the Fund's investment countries (a list of which is available at the Management Company's registered office). Any investor not providing the required tax information may be considered by the Management Company to be a Prohibited Person as described under "Eligible Investors."

Certain Funds may offer Units that distribute net income after the deduction of relevant expenses ("Income Classes") periodically during the year as specified in the relevant Fund Profile and indicated by the inclusion of "ND" (for "net distributing") in the name of the Class (e.g. Sterling UK T ND).

Certain Funds may offer Units that distribute income before the deduction of relevant expenses, such that expenses are paid out of capital gains and/or capital ("Gross Income Classes") as indicated by the inclusion of "GD" in the name of the

## PRACTICAL INFORMATION

Class (e.g. Sterling UK T GD). Any distributions involving the payment of expenses out of the capital of the Fund amounts to a return or withdrawal of part of a Unitholder's original investment or from any capital gains attributable to that original investment. While the payment of all distributions would result in an immediate reduction of the Net Asset Value per Unit, Gross Income Classes may pay larger distributions (by paying expenses out of the capital of the Fund rather than out of income), which may therefore result in a larger reduction in the Net Asset Value per Unit of the relevant Fund. As a result, capital may be eroded and income may be achieved by foregoing the potential for future capital growth.

Certain Funds and/or Classes may not be available in an investor's country of residence or domicile. Investors should consult MFS for additional information.

### Sales Charges

No Funds or Classes that are currently offered are subject to any sales charges.

### Eligible Investors

Only investors who are not "Prohibited Persons" as defined in this Prospectus may acquire Units of the Funds. A Unitholder may not make, and the Management Company will not give effect to, any transfer of units which would result in an ineligible party becoming a Unitholder in the FCP.

Tax-Transparent Classes (as defined above) are only available to pension plans, more specifically, investors who qualify under Article 175(c) of the Law of 17 December 2010. This restriction has been established to maintain the exemption of the Tax-Transparent Classes from the *taxe d'abonnement*, as described below under "Subscription Tax."

The European Research Fund was established for an individual Financial Intermediary and, subject to the discretion of the Management Company to make exceptions, shares of the European Research Fund are reserved to that Financial Intermediary, its affiliates and clients.

**Class Euro W Units** are available to certain non-institutional investors who are not Prohibited Persons at the discretion of the Management Company.

**All other Classes of the Funds other than Class Euro W Units** are available only to institutional investors and other professional investors who are not individuals and are not Prohibited Persons.

**Restrictions on Ownership.** The Management Regulations allow the FCP to exclude or restrict the holding of Units (or voting powers thereof) by any physical person or legal entity that holds Units (as either a registered or beneficial owner) where such holding is likely to (i) result in a failure to meet the eligibility requirements of a Class, including, but not limited to, being an institutional investor or not meeting the initial investment minimums upon purchase; (ii) result in a breach of any applicable law or regulation, whether Luxembourg or foreign, (iii) cause the FCP to become exposed to tax disadvantages or other financial disadvantages that it would not have otherwise incurred had such person or entity not been a holder of Units, or (iv) subject the FCP to additional registration requirements under any securities or investment or similar laws or requirements of any country or authority ("Prohibited Persons").

Such Prohibited Persons include any "U.S. Person" (defined below). Where it appears that any Prohibited Person either alone or in conjunction with any other person is a beneficial owner of Units, the Board may direct such Unitholder to redeem his Units and to provide evidence of the sale within a minimum period required by applicable law, but not less than thirty (30) days of the notice. If such Unitholder fails to comply with the direction, the Management Company may compulsorily redeem or cause to be redeemed from any such Unitholder all Units held by such Unitholder in accordance with procedures established by the Board and the Management Regulations.

Alternatively the Management Company may, in its discretion and taking into account the interests of all investors, abstain from redeeming the Prohibited Person's holding and instead transfer the Unitholder's Units into a parallel Class or Fund with similar features and which shall be invested in common with the Class or Fund currently held, e.g. where a Prohibited Person triggers adverse tax, legal or financial consequences for the relevant Fund or Class and where such situation can be remedied by a split into two separate Classes or Funds. By subscribing Units in the FCP, investors declare their consent to a compulsory conversion of Units into a parallel Class/Fund in the circumstances described herein and any (including negative) consequences resulting therefrom. If the adverse effect is subsequently neutralised, a reverse conversion may be made or the parallel Funds or Classes may be merged after the adverse element has ceased to exist, for which reverse conversion or merger and any (including negative) consequences the investors also declare their consent. Depending on the fiscal law and regulations of the country of residency of such Prohibited Person, a transfer of Units as well as a merger can trigger a taxable event for the Prohibited Person.

The Management Company defines "U.S. Person" as

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- (i) any natural person resident in the United States;
- (ii) any partnership, corporation or other entity organized or incorporated under the laws of the United States or which has its principal place of business in the United States;
- (iii) any estate of which any executor or administrator or any trust of which any trustee is a U.S. person, or the income of which is subject to United States income tax regardless of source;
- (iv) any agency or branch of a foreign entity located in the United States;
- (v) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (vi) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States;
- (vii) any partnership or corporation if: a) organized or incorporated under the laws of any foreign jurisdiction and b) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined under U.S. regulations) who are not natural persons, estates or trusts;
- (viii) An entity organized principally for passive investment such as a pool, investment company or other similar entity where (a) units of participation in the entity held by U.S. persons represent in the aggregate 10% or more of the beneficial interest in the entity, or (b) such entity was formed principally for the purpose of facilitating investment by U.S. persons; and
- (ix) A pension plan for the employees, officers or principals of an entity organized and with its principal place of business within the United States; and
- (x) Any person or entity that would be required upon request to certify their status as a "U.S. Person" under Form W-9 (Request for Taxpayer Identification Number and Certification) issued by the U.S. Internal Revenue Service.

The beneficial ownership of Units in the FCP by U.S. Persons is generally prohibited, and the Management Company is entitled to require any person applying for, or claiming ownership rights in, any Units to provide satisfactory information to establish that person's nationality and country of residence. The Management Company may compulsorily redeem Units held by any Prohibited Person, U.S. Persons on the terms provided in the Management Regulations and restrict the exercise of rights attached to such Units.

In addition, any financial intermediary is required not to introduce to the Funds any customers that are subject to U.S. or E.U. economic or trade sanctions, including but not limited to, sanctions administered by the Office of Foreign Assets Control, U.S. Department of the Treasury, and customers listed on the consolidated list of persons, groups and entities subject to E.U. financial sanctions administered by the European Commission and E.U. credit sector federations.

### **How to Buy Units**

The Management Company shall be authorised, without limitation and at any time, to issue Units in respect of a Fund at the respective Net Asset Value per Unit.

There is no sales charge for the Funds.

*Account Opening and Purchase Procedures.* You or your Financial Intermediary can establish your account with the Funds by submitting an Application Form together with applicable identification documents to the Transfer Agent. The Transfer Agent may request the original signed Application Form and identification documentation to be mailed, in which case it may delay the processing of the Application Form until their receipt.

Once all required documentation is accepted and your account is opened, purchase order instructions must be provided to the Transfer Agent in proper form. Purchase orders can be sent to the Transfer Agent by facsimile, by mail, or by any other means approved by the Transfer Agent or Management Company (including, for eligible Unitholders, the Transfer Agent's iFast Web system). Purchase orders must normally include the full registration details (name(s) of the fund(s), class(es) of Units, the class currency, the value of units or number of units to be purchased), and any other information that the Transfer Agent, the Management Company or their agents require. The Transfer Agent may request a written and duly signed confirmation of the additional purchase instructions, which may result in delay in processing of the investment until receipt of the requested written confirmation.

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Investors applying for Units will be required to provide all information, documentation and declarations necessary to apply for Units in the relevant Fund or Class, such as but not limited to money laundering prevention, tax certificates, W-8 forms, etc. The Management Company or the Registrar and Transfer Agent may reject any purchase application in relation to which insufficient documentation is provided or may temporarily suspend such application until such information, documentation and declarations have been completed and verified by the Management Company or its delegates. Failure to provide Forms and other required documentation in proper form will delay the completion of the transaction and, consequently, the ability to affect subsequent dealings in the Fund's Units. The specific requirements for "proper form" may vary among account types and transactions.

Purchase orders received in proper form by the Transfer Agent at or before 1:00 p.m. Luxembourg time ("Dealing Cut-off") will be dealt with on that day on the basis of the Net Asset Value ("NAV") per Unit calculated as of the Valuation Time (defined below) that day. When purchase orders are received, the NAV that will be applicable to them is unknown.

Purchase orders received by the Transfer Agent after the Dealing Cut-off will be held over until the following Valuation Date. The "Valuation Date" is any day on which banks in Luxembourg are open for normal banking business (other than days during a suspension of normal dealing) and the New York Stock Exchange is open for trading.

The applicable Net Asset Value of Units is determined as of the close of regular trading of the New York Stock Exchange (generally 4:00 p.m. New York City time, but may vary on certain holidays or due to other circumstances) (the "Valuation Time") of the day purchase orders are received. The Net Asset Value of Units is approved generally 12:00 p.m. Luxembourg time of the following Valuation Date after the day purchase orders are received. The Fund's capital stock is increased on the following Valuation Date after the day purchase orders are received. Please note that the time difference between Luxembourg and New York City may vary due to daylight savings adjustments.

You should review the relevant KID prior to purchasing Units. Your Financial Intermediary will provide you the relevant KID prior to finalizing your order and you can also obtain the applicable KID for each available Unit Class at [fcp.mfs.com](http://fcp.mfs.com). The Management Company or its agents reserve the right to reject any purchase order that is not in proper form. If any purchase instruction is not accepted in whole or in part, the purchase monies will be returned to you at your risk and cost.

Payment for purchases must be made in the currency of the Class in which the investment is being made.

The payment for purchases must as a general rule be made no later than three business days after the relevant Valuation Date. Calculation of business days for this purpose will not include any day on which banks in Luxembourg are not open for normal banking business, any day on which the New York Stock Exchange is not open for trading or any bank holiday affecting the exchange rate calculation for non-base currency Classes (for example, bank holidays in Japan will not be counted as business days for Yen denominated classes). Otherwise, purchases may be cancelled without prejudice to the Management Company's right to recover any charges due or losses incurred. An applicant may be required to compensate the Management Company for any additional costs arising from the late payment.

Payment needs to be remitted directly by the Unitholder (wired from a bank account in the name of the Unitholder, or the Unitholder's properly authorized agent/intermediary) to the bank account detailed in the application form or as otherwise instructed by the Transfer Agent. Other forms of payment, including but not limited to third party payments, cash, traveller's cheques or non-bank money orders, will not be accepted.

*Purchases in kind.* The Management Company may also accept in its discretion securities or other assets rather than cash as payment "in kind" for a purchase order, provided however, that the securities or other assets to be accepted are in accordance with the investment objectives, policies and restrictions of the relevant Fund. In such event, the securities or other assets transferred to the relevant Fund shall be valued in accordance with the Funds' valuation policies, and under Luxembourg regulations the FCP's independent auditor is required to review the valuation of the securities or other assets provided in kind. The purchaser shall be responsible for any and all applicable taxes and costs arising from the purchase in kind (including the cost for the independent auditor review) unless the Management Company otherwise agrees.

The minimum initial investment in the Funds is as follows:

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<b>Sub Fund</b>	<b>Minimum initial investment</b>
Blended Research® Emerging Markets Equity Fund	EUR 2,000,000 for Euro Class Units, or its equivalent in GBP for Sterling Class Units and US Dollar for the US Dollar Class Units EUR 4,000 for Euro W Class Units See the Class Z Application Form for the minimum initial investment for the Euro Z Class Units
Blended Research® Global Equity Fund	EUR 2,000,000 for Euro Class Units, or its equivalent in GBP for Sterling Class Units and US Dollar for the US Dollar Class Units
European Research Fund	EUR 2,000,000 for Euro Class Units
Global Concentrated Equity Fund	EUR 2,000,000 for Euro Class Units and Euro IRE T Class Units or its equivalent in GBP for Sterling Class and Sterling UK T Class Units and US Dollar for the US Dollar Class Units
Global Equity Euro Hedged Fund	EUR 2,000,000 for Euro Class Units and Euro IRE T Class Units
Global Equity Fund	EUR 2,000,000 for Euro Class Units, Euro IRE T and Euro IRE T GD Class Units or its equivalent in GBP for Sterling Class, Sterling UK T Class, and Sterling UK T GD Class Units and US Dollar for the US Dollar Class Units
Global Listed Infrastructure Fund	USD 2,500,000 for US Dollar Class Units or its equivalent in EUR for Euro Class, GBP for Sterling Class CHF for Swiss Franc Class and Yen for Yen Class Units
Global Value Fund	EUR 2,000,000 for Euro Class and Euro ND Class Units or its equivalent in GBP for Sterling Class Units and US Dollar for the US Dollar Class Units
Global Value Ex-Japan Fund	USD 2,500,000 for US Dollar Class Units or its equivalent in Yen for Yen Class Units
Low Volatility Global Equity Fund	EUR 2,000,000 for Euro Class Units or its equivalent in GBP for Sterling Class Units, US Dollar for the US Dollar Class Units and Yen for Yen Class and Yen Hedged ND Units Yen Hedged
U.S. Municipal Bond Fund	EUR 2,000,000 for Euro Class Units and Euro Hedged Class Units, or its equivalent in GBP for Sterling Class Units, CHF for Swiss Franc Class Units and US Dollar for the US Dollar Class Units See the Class Z Application Form for the minimum initial investment for the US Dollar, Yen and Yen Hedged Z Class Units

If additional Classes are launched in the future, the minimum initial investment will be the currency equivalent as stated in the currency of the relevant Class. The Management Company, in its discretion, may waive the minimum initial investment amount.

Units are available in registered form only. No Unit certificates will be issued in respect of the registered Units; registered Unit ownership will be evidenced by confirmation of ownership.

Fractions of Units may be issued. Registered Units may be issued to the nearest 10,000th of a Unit. Fractions of Units will participate in the distribution of dividends and in the liquidation distribution.

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As soon as the price at which the Units are to be issued has been determined, the Transfer Agent will inform the investor, if practical by fax, of the total amount receivable, in respect of the number of Units applied for, or, in the case where a subscriber has indicated the amount to be invested, the number of Units to be allotted. If the resulting price does not come out to an even unit of measurement in the Base Currency or the currency of the particular Class, the price shall be adjusted to the nearest unit of measurement in the relevant Base Currency, or the currency of the particular Class. Payment of the total amount due should be made in the Base Currency or the currency of the particular Class.

The Management Regulations allow the Management Company to exclude or restrict the holding of Units by any investor. See "Eligible Investors" above.

Investors should treat all non-public information (including portfolio holdings received by the Unitholder) concerning the FCP or any Fund furnished to them as confidential and should not disclose any such information to third parties (other than on a confidential basis to their professional advisers) except if, and only to the extent, such information is brought into the public domain by the Management Company, the central administration of the FCP or any of their respective agents or affiliates. Investors agree not to trade or make investment recommendations, or permit their employees, agents, professional advisers or affiliates to trade or make investment recommendations, for their own account or for the account of others using any such non-public information and to promptly notify their employees, agents, professional advisers and affiliates of these confidentiality and other obligations.

### **Establishing an Account**

Prior to investment in any of the Funds, a completed Application Form in proper form must be received at the registered office of the Investment Manager or its Subsidiaries. Failure to provide the Application Form in proper form may delay the establishment of an account. The Investment Manager or its Subsidiaries will coordinate the account set-up with the Transfer Agent. The Initial Application Form can be used to set up accounts in more than one Fund provided that the client information remains unchanged: the Investment Manager or its Subsidiaries or the Transfer Agent will provide notification to the client upon the acceptance of the Application. At that point, the initial investment can be initiated by the client.

### **How to Sell Units**

Any Unitholder has the right to request, at any time, that the Management Company redeem its Units at their Net Asset Value.

Redemption orders can be sent to the Transfer Agent by facsimile, by mail, or by any other means approved by the Transfer Agent or Management Company (including, for eligible Unitholders, the Transfer Agent's iFast Web system). Written redemption requests must be signed and submitted to the Transfer Agent.

If the Unitholder wishes to redeem all Units and terminate the account, in addition to the redemption order being sent to the Transfer Agent, a notice advising of the redemption must be sent to the Investment Manager or its Subsidiaries.

Redemptions will be dealt with at an unknown Net Asset Value. All requests must be transmitted to the Transfer Agent and will be processed strictly in the order in which they are received by the Transfer Agent, and each redemption shall be effected at the Net Asset Value of the said Units determined on the Valuation Date of receipt of the request.

Redemption orders received by the Transfer Agent at or before the Dealing Cut-off will be dealt with on that day on the basis of the Net Asset Value ("NAV") per Unit calculated as of the Valuation Time that day.

Redemption orders received by the Transfer Agent after the Dealing Cut-off will be held over until the following Valuation Date and will be deemed to have been received on the next following Valuation Date. Failure to provide a redemption request that is signed and in proper form may prevent acceptance of the order.

The applicable Net Asset Value of Units is determined as of the Valuation Time of the day redemption orders are received. The Net Asset Value of Units is approved generally 12:00 p.m. Luxembourg time of the following Valuation Date after the day redemption orders are received. The Fund's capital stock is decreased on the following Valuation Date after the day redemption orders are received.

Redemption proceeds will be paid in the Base Currency or the currency of the relevant Class where applicable. Redemption proceeds will normally be paid within three business days after the relevant Valuation Date and after receipt of the

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documentation in proper form, however, such payment may be delayed for up to ten business days without interest. Calculation of business days for this purpose will not include any day on which banks in Luxembourg are not open for normal banking business, any day on which the New York Stock Exchange is not open for trading or any bank holiday affecting the exchange rate calculation for non-base currency Classes (for example, bank holidays in Japan will not be counted as business days for Yen denominated classes). The specific requirements for "proper form" may vary among account types and transactions.

Redemption proceeds will be remitted at the request of the Unitholder by transfer of funds to a bank account in the name of the Unitholder. Transfers will be at the expense of the Unitholder. All payments are made at the Unitholder's risk without responsibility as regards to the Investment Manager, the Management Company or other service providers.

Redemption orders or remittance of redemption proceeds may be delayed indefinitely without interest if the Unitholder has not provided all relevant documentation when the account was opened or subsequently upon request from the Management Company or the Transfer Agent. See "Anti-Money Laundering and Counter-Terrorist Financing" below.

*Redemptions in kind.* The Management Company may, in its discretion and to the extent permitted by local law (and only with the prior approval of the redeeming Unitholder), satisfy redemption requests for any Class of any Fund by payment in securities or other assets (or "in kind"). To effect such payment in kind, the Fund will allocate to the Unitholder securities and/or other assets out of the Fund, equal in value, calculated in accordance with the provisions of the Management Regulations as at the Valuation Date (as defined below in "Calculation of Net Asset Value") by reference to which the redemption price of the Units is calculated, to the aggregate net asset value of the Units being redeemed. The nature and type of assets to be transferred in any such case shall be determined by the Board of Managers of the Management Company, on a fair and equitable basis, taking into account the composition of the portfolio of the relevant Fund, and without material prejudice to the interests of the remaining Unitholders. For in-kind redemptions, under applicable Luxembourg laws and regulations the FCP's independent auditor is required to review the valuation of the securities and other assets redeemed. The Unitholder that is redeeming in kind shall be responsible for any and all applicable taxes and costs arising from the redemption in kind (including the cost for the independent auditor review) unless the Management Company otherwise agrees.

Payments for redemption shall only be made by the Depositary where and when legal provisions, particular exchange control regulations or other cases of force majeure do not prohibit it from transferring or paying the redemption proceeds in the country where the payment is requested.

Unitholders should note that any redemption of Units by the Management Company will take place at a price that may be higher or lower than the original acquisition cost, depending upon the value of Units of the Fund at the time of redemption.

The Management Company may suspend any redemption or exchange request in case of massive redemption or exchange requests under certain circumstances. See "Suspension of Calculation of Net Asset Value/Unit Orders." The redemption of Units of any Fund shall be suspended when the calculation of the Net Asset Value thereof is suspended as further described in "Suspension of Calculation of Net Asset Value/Unit Orders."

If a redemption request would result in a Unitholder's investment in a Fund being less than the minimum initial investment for that Fund, the Management Company may redeem the entire Unitholder's account in that Fund and pay the proceeds to the Unitholder. Units are cancelled when redeemed.

### **How to Exchange Units**

An investor may exchange its Units of a Fund for the Units of another Fund or its Units of a certain Class for Units of another Class within the same Fund by sending an order to the Transfer Agent. Unitholders may only exchange into Units of another class of the same or another Fund where the Unitholder meets the minimum eligibility requirements of that class (such as the relevant investment minimum). In order to initiate an exchange transaction the Unitholder must forward a written/faxed request signed by an appropriate person that is recognised from the authorized signatory list or through other means as agreed by the Management Company or Transfer Agent (including, for eligible Unitholders, the Transfer Agent's iFast Web system). Unitholders are advised to consult their own tax advisers before proceeding with an exchange. Settlement of exchange requests will generally occur within three business days of the date on which the exchange request was received in proper form by the Management Company.



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### **Anti-Money Laundering and Counter-Terrorist Financing**

The Fund, the Management Company and the Registrar and Transfer Agent will at all times comply with any obligations imposed by any applicable laws, rules and regulations with respect to money laundering and terrorist financing, as they may be amended or revised from time to time. Accordingly, the Management Company adopted procedures designed to ensure, to the extent applicable, that they shall comply with the foregoing undertaking. To meet the Management Company's requirements, the Management Company appointed the Registrar and Transfer Agent to ensure that the identities of investors and the status of financial intermediaries are disclosed to the Management Company. Accordingly, investors should submit any necessary identification documents together with the application form. For private individuals this will be a passport or identity card copy duly certified to be a true copy by an authorised body in their resident country. Investors who are not individuals will be required to produce documents such as proof of registration, membership to a recognised stock exchange, or company articles of incorporation/by-laws or other constitutive documents as applicable. For financial intermediaries this will be a recent original extract of the Trade Register and, where applicable or if requested, a certified copy of the business authorisation delivered by the competent local authorities. The Management Company is also obliged to identify any beneficial owners of the investment. The Management Company, requirements apply to both purchases made directly to the Management Company and indirect purchases received from an intermediary.

The Management Company reserves the right to ask at any time for additional information and documentation, such as source of funds and origin of wealth, as may be required in higher risk scenarios or to comply with any applicable laws and regulations. The Transfer Agent also performs periodic review of your collected documentation and can require you to provide an update of the information. In case of delay or failure to provide such information and/or documentation, the Management Company may delay or reject the processing of purchase or sale orders, or any other transactions. The Management Company may also delay or suspend the payment of dividends until relevant and satisfactory information and/or documentation is received.

Neither the Management Company nor the FCP have any liability for delays or failure to process orders as a result of an investor providing no or incomplete information and/or documentation. Such information provided to the Management Company is collected and processed for anti-money laundering and counterterrorist financing compliance purposes.

### **Personal Unitholder Information**

In accordance with the provisions of the Luxembourg data protection law of 2 August 2002 as amended and, as of 25 May 2018, of the Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and of any other data protection legislation applicable to the Grand Duchy of Luxembourg (the "Data Protection Law"), the Management Company, acting as data controller (the "Data Controller"), stores and processes by electronic or other means the data supplied by investors at the time of their subscription for the purpose of fulfilling the services required by the investors and complying with its legal obligations.

The data processed may include the name, gender, date and place of birth, nationality, the copy of the investor's identification card or passport, address, telephone number, tax number, account number, amount invested and transaction flows, and payment details of each investor (or, when the investor is a legal person, of the contact person(s) and/or beneficial owner(s) of such legal person) (the "Personal Data").

The investor may, at his/her or its discretion, refuse to communicate the Personal Data to the Management Company. In this case, however, the Management Company may reject the investor's request for subscription of units in the FCP.

Investors should be aware that Personal Data, provided, together with information obtained from other sources, may be used for the purposes of (i) administering the investor's holdings in the Funds, (ii) maintaining the register of unitholders, (iii) processing subscriptions, redemptions and exchanges of units and payment of dividends to investors, (iv) the prevention of money laundering, fraud and terrorism (including the screening of the investor's information against politically exposed persons or sanctions lists) and (v) to comply with other legal and regulatory obligations.

In compliance and within the limits of the Data Protection Law, the Personal Data may be disclosed to another entity, including the Investment Manager, the Depositary, Administration Agent, Corporate and Paying Agent, Registrar and Transfer Agent, the Independent Auditor of the FCP, the Independent Auditor of the Management Company, Legal Advisors or any of their affiliates or agents, acting as data processors (the "Processors"), who may use the information for these purposes on behalf of the Funds. The information may also be disclosed to law enforcement agencies, regulators and anti-fraud agencies and other third parties to achieve these purposes, but only to the extent required under and in accordance with applicable law.

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Processors may or may not be based in countries outside of the European Economic Area (the "EEA"), which data protection laws may not offer an adequate level of protection. In such cases, transfers of Personal Data shall be made on the basis of adequate contractual arrangements, which may take the form of the European Commission "Standard Contractual Clauses".

Personal Data may also be disclosed to the Luxembourg tax authorities, which in turn may, acting as data controller, disclose this information to foreign tax authorities.

Under certain conditions set out by the Data Protection Law, each investor has a right to access their Personal Data, to ask for a rectification thereof in cases where such data is inaccurate or incomplete, to object to the processing of their Personal Data, to ask for erasure of their Personal Data, and to ask for data portability.

The investor also has a right of opposition regarding the use of their Personal Data for marketing purposes.

In relation thereto, the investor may exercise the above rights by letter addressed to the Management Company at its registered office, 4, rue Albert Borschette, L-1246, Luxembourg, Grand Duchy of Luxembourg or via email to [MFSPrivacyOffice@mfs.com](mailto:MFSPrivacyOffice@mfs.com).

The investor also has a right to lodge a complaint with the Luxembourg Data Protection Authority (CNPD), Tel: +352 2610 60 1; [www.cnpd.lu](http://www.cnpd.lu).

Personal Data shall not be held for longer than necessary with regard to the purpose of data processing, subject to statutory periods of limitation. This is generally 10 years starting at the termination of the unitholder's relationship with the Funds, however, this may be longer if there is an interruption or suspension of the statutory term that justifies prolonging the conservation of the data.

### **Right to Reject or Restrict Purchase and Exchange Orders**

The Management Company reserves the right to restrict, reject or cancel, without any prior notice, any purchase or exchange order. Purchases, redemptions and exchanges of Units are executed at an unknown net asset value. The Management Company does not authorise any practices associated with late trading and market timing and the Management Company reserves the right to reject purchase and/or exchange orders coming from an investor whom the Management Company suspects to be engaging in such practices and to take, if need be, necessary measures for protecting the FCP's other Unitholders.

Any Fund may, upon the determination of the Board or the Investment Manager, be closed to new purchases or exchanges for any reason, which may be subject to certain exceptions (e.g., automated investments, certain retirement/pension accounts, etc.). A Fund will not be reopened until, in the opinion of the Board or the Investment Manager, the circumstances that required closure no longer exist.

### **Disruptive Trading – Risks and Policies**

Disruptive trading includes transactions by Unitholders which seem to follow a timing pattern or are characterized by excessively frequent or large trades, which can disrupt portfolio investment strategies and increase the Funds' operating expenses. Investors should, however, be aware that the Funds may be utilized by certain investors for asset allocation purposes or by structured product providers, which may require the periodic re-allocation of assets between Funds. This activity will not normally be classified as disruptive trading unless the activity becomes, in the opinion of the Management Company, too frequent or appears to follow a timing pattern. The Funds are not intended to serve as a vehicle for frequent trading. The Management Company seeks to prevent patterns of disruptive purchases, redemptions or exchanges of Units. The Management Company or its agents may adopt procedures that seek to prevent such disruptive trading practices, including those described below. The Management Company may alter their policies at any time without notice to Unitholders. There is no assurance that the Management Company or its agents will be able to detect or prevent disruptive or frequent trading.

As well as the right of the Management Company to restrict, reject or cancel any purchase or exchange order at its discretion, the Management Company may also employ other tools to ensure that Unitholder interests are protected against disruptive trading, including fair value pricing (see "Valuation"), swing pricing (see "Calculation of Net Asset Value") and in-kind purchases and redemptions (please note that in-kind redemptions require the unitholder's consent) (see "How to

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Sell Units").

Unitholders seeking to engage in frequent trading practices may deploy a variety of strategies to avoid detection, and there is no guarantee that the Management Company or its agents will be able to recognise such Unitholders or curtail their trading practices. The ability of the Management Company and its agents to detect and curtail frequent trading practices may also be limited by operational systems and technological limitations.

To the extent that the Management Company or its agents are unable to curtail disruptive trading practices in a Fund or to the extent there are large or frequent redemptions or exchanges in a Fund, these purchases and/or redemptions can interfere with the efficient management of the Fund's portfolio, and may result in the Fund engaging in certain activities to a greater extent than it otherwise would, such as maintaining higher cash balances, using its line of credit and engaging in portfolio transactions. Increased portfolio transactions and use of the line of credit would correspondingly increase the Fund's operating costs and decrease the Fund's investment performance, and maintenance of a higher level of cash balances would likewise result in lower Fund investment performance during periods of rising markets.

### Charges and Expenses

*Investment Management Services.* The remuneration of the Management Company for investment management services, which includes the remuneration of the Investment Manager and any potential Investment Sub-Managers, is shown in the fee table of each Fund in its Fund Profile. These fees are accrued daily and generally paid monthly. The Management Company may waive any or all of its fees in respect of any Fund at its discretion. Unitholders may be entitled to a rebate on these fees pursuant to agreements reached between the Unitholders and affiliates of the Management Company with which their accounts are established. The Management Company may pay a portion of its fees to its affiliates. If and when paid, such amounts will be paid by the Management Company out of the remuneration it received from the relevant Fund, and will not constitute additional fees of the Management Company or any Fund. A Unitholder that enters into an investment management agreement with an affiliate of the Management Company may pay additional fees to that affiliate of the Management Company to the extent provided for in such investment management agreement, which may include a performance based fee arrangement.

This fee may be increased in respect of any one or more Funds from time to time, provided the aggregate fees do not exceed an annual rate of 2.00% of the value of the average daily Net Asset Value of a Fund. Any such increase is subject to not less than three months' notice being given to Unitholders in the relevant Fund in the same manner as notices to Unitholders.

*Management Company Services.* The Funds pay the Management Company an annual fee approved by the Board, which is intended to cover the expenses of services it provides in connection with the operation and central administration of the Funds in Luxembourg (including office lease, related infrastructure and the fees of the Conducting Persons who are not affiliated with MFS), plus a target profit margin ("Management Company Fee"). These expenses include legal, regulatory and operational costs of the Management Company (including fees for Board members not affiliated with the Management Company), as well as fees paid by the Management Company to third parties to provide certain infrastructure, administrative, risk management and reporting services to the Management Company, including the services provided by MFS and State Street. The Funds also reimburse the Management Company for out-of-pocket expenses related to its services.

The Management Company Fee is allocated such that each Fund pays a fixed fee of \$20,000 (or currency equivalent) plus an asset-based fee at an agreed upon annual rate based on average daily net assets over \$40 million and up to \$4 billion (or currency equivalent) for each Fund. The fee paid to the Management Company for its services is included as part of the "Estimated Other" Expenses (and relevant expense caps on such expenses) reported in the ongoing charges table in each Fund's "Fund Profile".

*Depositary.* The Management Company, out of the assets of the FCP, will pay the Depositary a fee based on the average monthly Net Asset Value of the Funds, calculated upon the Net Asset Value of the Funds each time a Net Asset Value is calculated, and based upon the trading activity of each Fund. The Depositary and the Management Company shall determine the level of the fee from time to time in the light of market rates applicable in Luxembourg. Reasonable disbursements and out-of-pocket expenses incurred by the Depositary or by other banks and financial institutions to whom safekeeping of assets of the Funds is entrusted are additional to the Depositary's fee. The fee normally includes the custody fees and certain transaction charges of such banks and financial institutions. The Depositary expense incurred in a given financial year will be shown in the Annual Report of the FCP for that year and is included as part of the "Other Expenses" reported in each Fund's ongoing charges table in "Fund Profiles."

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*Registrar and Transfer Agent, Administration Agent and Corporate and Paying Agent.* The Management Company arranges for the Funds to pay for the services of the Registrar and Transfer Agent, Administration Agent and Corporate and Paying Agent at commercial rates agreed between such agent and the Management Company, and reasonable out-of-pocket expenses properly incurred in carrying out its duties.

*Domiciliary.* The Management Company does not employ a domiciliary agent. The Management Company maintains its own office in the Grand Duchy of Luxembourg at 4, rue Albert Borschette, L-1246 Luxembourg.

*Additional Expenses.* In addition to the fees described above, the FCP and its Funds bear the following expenses:

- all fees due to various service providers not listed above, including the authorised Auditor and the Legal Advisers to the FCP; and
- all other operational and administration costs, including, but not limited to, certain costs of buying and selling portfolio securities (including standard brokerage fees, bank charges and interest expenses the portion of income under securities lending arrangements paid to the lending agent (for the European Research Fund), the costs of legal publications, prospectuses, KIDs, financial reports and other documents made available to Unitholders; governmental charges; registration, publication, translation, local advice, coordination, representation and other similar costs relating to the registration of Units in foreign jurisdictions; interest; taxes; reporting expenses (including in particular tax filings in various jurisdictions); communication costs; reasonable investor servicing expenses; the cost of registering the Funds on dealing or clearing platforms, exchanges or markets; and generally any other expenses arising from its administration and operations.

For all Unit Classes except the Gross Income Classes, all recurring expenses will be paid first out of current income, then, should this not suffice, out of realised capital gains, and, if necessary, out of assets. For Gross Income Classes, all recurring expenses will be paid out of realised capital gains and, if necessary, out of assets, while all income attributable to the share class will be distributed to unitholders and will not be used to pay such expenses.

Expenses readily attributable to a particular Fund or Funds or Class will be paid by such Fund or Funds or Class, and expenses common to two or more Funds or Classes will be allocated pro-rata or based on an equitable allocation methodology such as respective net assets or the number of Unitholder accounts. Each Hedged Unit Class will bear the gains/losses and expenses of the hedging process attributed to that Hedged Unit Class.

Each Fund shall be liable for its own debts and obligations. For the purpose of the relations between the Unitholders, each Fund will be deemed to be a separate entity with, but not limited to, its own contribution, capital gains, losses, charges and expenses.

The Investment Manager or its affiliate has voluntarily agreed to assume and bear all Fund expenses, excluding investment management fees, distribution and service fees (which are not currently charged), taxes, certain tax reclaim recovery expenses (including contingency fees), tax transparency-related expenses, extraordinary expenses, brokerage and transaction costs and expenses associated with each Fund's investment activities, including interest, so that such expenses do not exceed the following rates:

<b>Fund</b>	<b>Rate</b>
Global Concentrated Equity Fund	0.15%
Global Equity Fund	
Global Equity Euro Hedged Fund	
Global Value Ex-Japan Fund	
Blended Research® Emerging Markets Equity Fund	0.10%
European Research Fund	
Global Listed Infrastructure Fund	
Global Value Fund	
U.S. Municipal Bond Fund	0.05%
Blended Research® Global Equity Fund	
Low Volatility Global Equity Fund	

"Contingency fees" refer to fees that the Funds pay to an unaffiliated party who provides administrative assistance with

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filing for tax reclaims from various European revenue authorities, which are only paid in the event of a successful recovery as a portion of that recovery. There is no expense to a Fund if there is no amount recovered.

These arrangements are subject to termination or revision at the sole discretion of the Management Company. The costs in connection with the establishment of each Fund were borne by MFS and the costs in connection with the establishment of any new Fund will be borne by MFS.

The Funds pay transaction costs, such as commissions, when they buy and sell securities. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Units are held in a taxable account. These transaction costs, which are not reflected in the Funds' "Ongoing Charges" or "Total Expense Ratios", affect the Funds' performance. The Management Company has adopted procedures such that a Fund's net asset value may be adjusted upward or downward in order to reduce the impact of such costs to existing Unitholders of that Fund.

### Calculation of Net Asset Value

The Net Asset Value per Unit in each Fund is determined by deducting the amount of a Fund's liabilities attributable to the Class from the value of the assets attributable to the Class and dividing the difference by the number of its respective Units outstanding. It is calculated in the Base Currency of the relevant Fund to two decimal places, except for the Yen Classes of Global Listed Infrastructure Fund, Global Value Ex-Japan Fund and Low Volatility Global Equity Fund, which are calculated to a one (1) Yen unit (no decimal places).

The Net Asset Value of Units of the Funds is determined once each Valuation Date at the Valuation Time.

With respect to the Classes of Units of a specific currency, the Net Asset Value of each such Class shall be expressed in the relevant currency, by translating the Net Asset Value in the applicable Base Currency calculated as described herein and converting that net asset value into the relevant currency at the relevant exchange rate on each Valuation Date (generally at 11:00 a.m. New York City time).

Assets in a Fund's portfolio are valued on the basis of their market values or otherwise at their fair values, as described below. Changes in portfolio holdings and number of Units outstanding are generally reflected in a Fund's net asset value the next business day after such change. Any assets held in a particular Fund not expressed in the Fund's Base Currency will be translated into the Base Currency on the basis of an exchange rate for such currency on the Valuation Date as determined in good faith by or in accordance with procedures established by the Board. The costs associated with the currency conversion in connection with the purchase, redemption or exchange of Units will normally be borne by the relevant non-base currency Unit Class and could negatively impact the net asset value and performance of such Class.

Foreign exchange hedging may be utilised for the benefit of Hedged Unit Classes. As such, gains/losses of such hedging activities shall be for the account of that Class only. However, there is a risk that under certain circumstances, currency hedging transactions in relation to a Hedged Class could negatively affect the net asset value of the other Classes (including Unhedged Classes) of the same Fund. See "Risk Factors – Currency Risk." Accordingly, such gains or losses will be reflected in the net asset value per Unit for units of any such Hedged Unit Class. The foreign exchange rate used for the hedging strategy for the Hedged Unit Classes may differ from the spot rate used for determining the net asset value of the non-base currency Classes thus potentially resulting in gains or losses for the Hedged Unit Classes based on currency movements between the respective spot rate times.

The net asset value of the FCP is at any time equal to the total of the net asset values of the Units of each Class of each of the various Funds converted, as the case may be, into Euros at the rate of exchange prevailing in a recognised market on any Valuation Date.

*Net Asset Value Adjustment Procedures or "Swing Pricing".* Large transactions into or out of a Fund can create "dilution" of the Fund's assets because the price at which an investor buys or sells Units may not entirely reflect the trading and other related costs that arise when the Investment Manager trades securities to accommodate the large inflows and outflows. Therefore, the Management Company has adopted procedures such that the net asset value per Unit may be adjusted upward or downward (otherwise known as "swing pricing") in order to reduce the impact of such costs (i.e., brokerage commissions, bid-ask spreads and transfer taxes) to existing Unitholders of that Fund. In the usual course of business, the procedures will be triggered whenever the net purchases, exchanges and redemptions in Units of all Classes on a particular business day exceed a certain percentage of the Fund's assets as set by the Board of the Management Company from time to time. If the procedures result in a material adjustment to net asset value per unit: in case of a large amount of net purchases, the net asset value per Unit will be adjusted upward and purchasers of Fund Units on that Valuation Date will effectively contribute an

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additional amount to offset the related transaction costs; and conversely, net asset value per Unit will be adjusted downward with a large amount of net redemptions. The adjusted net asset value will be applicable to all purchases, exchanges or redemptions in Units of all Classes on that Valuation Date. As a Fund's net purchases, redemptions and exchanges vary from business day to business day, it is not possible to predict how frequently a Fund's net asset value will be adjusted. Based on these adjustments, the volatility of a Fund's net asset value may not fully reflect the true performance of the Fund's underlying assets.

Any adjustment to a Fund's net asset value (the "swing factor") will generally not exceed 2% of the net asset value of the relevant Fund on the relevant Valuation Date. However, under extraordinary conditions and when necessary in light of the best interests of Fund investors, the Board of the Management Company may determine to use a swing factor in excess of 2% for a Fund. Such a decision must be notified to the CSSF, and investors will be informed via notice published in a Luxembourg newspaper and in another newspaper of more general circulation, as well as on *fcp.mfs.com*.

### **Suspension of Calculation of Net Asset Value/Unit Orders**

The calculation of the net asset value of the Units of each Class of the Funds may be suspended in the following circumstances, in addition to any circumstances provided for by law:

- during any period (other than ordinary holidays or customary weekend closings) when any market or stock exchange is closed which is the principal market or stock exchange for a significant part of a Fund's investments, or in which trading is restricted or suspended;
- during any period when an emergency exists as a result of which it is impossible to dispose of investments which constitute a substantial portion of a Fund's assets; or to transfer money involved in the acquisition or disposition of investments at normal rates of exchange; or to fairly determine the value of any assets in a Fund;
- during any breakdown in the means of communication normally employed in determining the price of a Fund's investments or the current prices on any market or stock exchange; and
- when, for any reason, the prices of any investment held by a Fund cannot be reasonably, promptly or accurately ascertained.

In addition, the issue, redemption and exchange of the Units of each Class of the Funds may be suspended in any of the above instances, as well as the following:

- during any period when remittance of money which will or may be involved in the purchase or sale of any of a Fund's investments cannot, in the opinion of the Board, be effected at normal rates of exchange.

In case of massive redemption and/or exchange requests in a Fund on a Valuation Date, the Management Company may decide to delay the settlement of the redemption and/or exchange until it has sold the corresponding assets in the relevant Fund without unnecessary delays. These redemption and/or exchange requests shall be met in priority to later requests.

The suspension of the calculation of the Net Asset Value and of the issue, redemption and exchange of Units shall be notified to the Unitholders in writing.

Suspension of determination of the net asset value of Units of Classes of one Fund will not imply suspension in respect of other Funds unaffected by the relevant events.

Unitholders who have requested exchange or redemption of their Units will be notified in writing of any such suspension of the right to exchange or redeem Units and will be promptly notified upon termination of such suspension. Any such suspension will be published in the newspapers in which the FCP's Unit prices are generally published if, in the opinion of the Management Company, the suspension is likely to exceed one week. Redemption orders received during the period a Fund's net asset value is suspended will be processed on the first Valuation Date following the end of the suspension period, unless such redemption order is cancelled by the Unitholder in writing prior to any relevant deadline notified to the Unitholder during the suspension period.

As soon as an event giving rise to liquidation occurs, no further issues, redemptions or exchanges of Units will be permitted. All Units outstanding at the time of the occurrence of such event will participate in the Fund's liquidation distribution.

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The Management Company reserves the right to suspend or terminate sales of Units in one or more Funds and to refuse to accept, in its sole discretion, any Purchase Form. Sales will be suspended when the FCP suspends the determination of net asset value.

### Valuation

The value of the assets of each Class of Units for each Fund is determined as follows:

Equity securities and other equity instruments held by a Fund are valued at their current market prices when current market prices are readily available. Debt securities held by a Fund are valued based on information furnished by an independent pricing service or readily available market quotations. When pricing service information or current market prices are not readily available, equity and debt securities and instruments are priced at fair value as determined under the direction of the Board.

Money market instruments and certain short-term debt securities are generally valued using the amortised cost method of valuation whereby such debt securities are valued at their cost of acquisition adjusted for amortisation of premium or accretion of discount rather than a current market value. In the case of a discount instrument, the value of the instrument, based on the net acquisition cost is gradually adjusted to the redemption price thereof while the investment return calculated on the net acquisition cost is kept constant. Certificates of deposit are valued at their market value.

Securities, financial instruments and other assets of the Funds for which market quotations are not readily available, including those for which available market quotations are deemed unreliable under the Valuation Policies, are valued at fair value as determined in good faith in accordance with the procedures established by the Board. Market quotations for most types of debt instruments and certain types of derivative instruments may be deemed to be not readily available. These investments are generally valued at fair value based on information from third-party pricing services. These valuations can be based on both transaction data and market information such as yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data.

In this case, the Management Company may utilize information from an external vendor or other sources to adjust closing market prices of such securities and instruments to reflect what it believes to be the fair value of the securities and instruments as of the Fund's Valuation Time. Fair valuation of securities and instruments may occur frequently based on an assessment that events which occur on a fairly regular basis are significant.

Further, investments may be valued at fair value if it is determined that an investment's value has been materially affected by events occurring after the close of the exchange or market on which the investment is principally traded (such as a foreign exchange or market) and prior to the determination of the Fund's net asset value, or after the halting of trading of a specific security where trading does not resume prior to the close of the exchange or market on which the security is principally traded. The Investment Manager generally relies on third-party pricing services or other information (such as the correlation with price movements of similar securities in the same or other markets; the type, cost and investment characteristics of the security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the Fund's net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of an investment used to determine the Fund's net asset value may differ from quoted or published prices for the same investment. There can be no assurance that the Fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the Fund determines its net asset value per Unit. For the assets which are not denominated in the currency in which the relevant Class is denominated, the conversion shall be done on the basis of the current exchange rate for such currency in a jurisdiction determined from time to time in good faith by, or in accordance with procedures established by, the Board, obtained from an independent third party on the Valuation Date.

If a valuation in accordance with the above rules owing to particular circumstances would not be deemed to accurately value portfolio securities, the Board or its designee is entitled to use other generally recognised valuation principles, which can be examined by an auditor, in order to reach a proper valuation of each Fund's total assets.

The percentage of the net asset value attributable to each Class of Units of each Fund shall be determined on the establishment of the Management Company by the ratio of the Units issued in each Class to the total number of Units issued, and shall be adjusted subsequently in connection with the distributions effected and the issue and redemption of Units as follows:

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- 1) on each occasion when a distribution is effected in respect of Income Classes the net asset value of the Units in this Class shall be reduced by the amount of the distribution (causing a reduction in the percentage of the net asset value attributable to the Units of this Class); where a distribution is effected in respect of a Gross Income Units, the net asset value of the Units in this Class shall be reduced by the amount of allocable expenses attributable to such Class (causing a reduction in the percentage of the net asset value attributable to the Units of this Class); whereas the net asset value of all other Classes of Units shall remain unchanged (causing an increase in the percentage of the net asset value attributable to the Class); and
- 2) on each occasion when Units are issued or redeemed, the net asset value attributable to each Class of Units shall be increased or reduced by the amount received or paid out.

### **Distribution Policy**

The Management Company shall decide the distribution of dividends or the capitalisation of profits in respect of each Fund.

Net investment income attributable to all Classes, except for Income Classes and Gross Income Classes, will not be distributed to unitholders. Instead, it will be included in the portfolio of the relevant Fund and Class and be reflected in the net asset value of such Fund and Class. It is the current intention of the Board of Managers of the Management Company to distribute to unitholders of Income Classes substantially all of the net investment income attributable to such Classes.

Distributions of net investment income on Income Classes or gross investment income on Gross Income Classes are generally declared and paid as per the frequency as indicated in each “Fund Profile.” “Interim dividends” may be paid upon a decision of the Board of Managers of the Management Company in relation to any of the Funds. Distributions will generally be payable to unitholders within 14 Business Days following the relevant declaration date.

For Gross Income Classes, the dividend is calculated at the discretion of the Board of Managers of the Management Company on the basis of the expected gross income over a given period, with relevant expenses of the Class deducted after such distribution. Distributions for Gross Income Classes may amount to a return or withdrawal of part of a Unitholder’s original investment or from any capital gains attributable to that original investment. While the payment of all distributions would result in an immediate reduction of the Net Asset Value per Unit, Gross Income Classes may pay larger distributions (by paying expenses out of the net capital gains and assets of the Fund), which may therefore result in a larger reduction in the Net Asset Value per Unit of the relevant Fund. As a result, capital may be eroded and income may be achieved by foregoing the potential for future capital growth. Unitholders should note that dividends distributed in this manner may be taxable as income, depending on the local tax legislation, and should seek their own professional tax advice in this regard.

In respect of Income Classes and Gross Income Classes, unless otherwise requested by the unitholder, dividends will be reinvested automatically in further Income Classes or Gross Income Classes of the Fund, as applicable, to which such dividends relate. Such Units will be issued in registered form on the ex-dividend date at that day’s net asset value. No sales charge will be payable. Investors not wishing to use this reinvestment facility should notify the Management Company (via the Transfer Agent) in writing (including, if applicable, in the initial application form when purchasing Fund units). In the event that cash dividends are payable, they will be paid to registered holders of Income Classes or Gross Income Classes who have elected to receive dividends in cash as a wire transfer or by transfer of funds (any charges in either case being at the expense of the unitholder).

If any distribution payment is lower than U.S. \$50, €40, £25, CHF45, or ¥5,000 (based on the currency of the relevant Class), the distribution will normally be automatically reinvested in further units of the same distributing Class and not paid directly to registered unitholders unless the unitholder elects otherwise in writing to the Management Company or its agents or payment of such dividend can otherwise be made to investors through automated or other electronic systems maintained by Financial Intermediaries or platforms holding accounts with the Fund. These minimums may change in the future without notice.

Unclaimed dividend payments (e.g., where an attempted wire transfer has been rejected) will be forfeited five years following the initial payment attempt and will accrue for the benefit of the relevant Fund or Class. No interest shall be payable by the Fund on a dividend which has not been claimed by a Unitholder. When an unclaimed dividend payment



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occurs for an account and the accountholder is unresponsive to the remediation efforts, the Management Company may determine to convert the account's distribution option to reinvestment in additional units.

### Taxation

#### *Taxation of the FCP (or Funds) in Luxembourg*

The description of Luxembourg tax consequences of an investment in and the operations of the FCP (or the Funds) is based on laws and regulations that are subject to change through legislative, judicial or administrative action.

**Income and Net Worth Taxes.** Under Luxembourg law, the FCP (or each Fund) which has no legal personality is tax transparent and thus not liable to any Luxembourg income, capital gains or net worth taxes. Under current law and practice, no capital gains tax is payable in Luxembourg on the realised or unrealised capital appreciation of the assets of the FCP.

#### **Subscription Tax.**

In general, the unit classes of each Fund of the FCP are reserved to institutional investors and therefore should be subject to an annual *taxe d'abonnement* of 0.01%, calculated and payable quarterly, on the aggregate Net Asset Value of the outstanding Units of each Fund at the end of each calendar quarter. As an exception, the Class Euro W Units of the Blended Research® Emerging Markets Equity Fund are offered to certain non-institutional investors at the discretion of the Management Company, and should be subject to an annual *taxe d'abonnement* of 0.05%, calculated and payable quarterly, on the aggregate Net Asset Value of the outstanding Class Euro W Units at the end of each calendar quarter. Classes that are reserved to pension plan investors should be exempt from the *taxe d'abonnement*, pursuant to the Law.

Under certain conditions, reduced rates for Class W shares ranging from 0.04% to 0.01% may also be available for the portion of a Fund that is invested in sustainable economic activities (as defined in Article 3 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088).

**Withholding Taxes.** Under current Luxembourg tax law there is no withholding tax on payments made by the FCP (or the Funds) to the Unitholders. The FCP (or each Fund) is deemed to be tax transparent from a Luxembourg tax perspective and, while distributions are performed, they are disregarded from a tax perspective, as any income and loss derived at the level of the FCP (or each Fund) is directly attributable to the Unitholders.

Investment income received by the FCP (or a Fund), with respect to securities whose country of origin is other than Luxembourg, may be subject to foreign withholding taxes. Certain countries may also assess foreign taxes, withheld at the source, on capital gains that are distributed to the FCP (or a Fund). Dividends paid on U.S. portfolio securities held by the FCP (or a Fund) will generally be subject to U.S. withholding taxes. Distributions with respect to securities held by the FCP (or a Fund) may be subject to withholding or capital gains taxes imposed by the countries of origin. As the FCP itself is exempt from income tax, withholding tax levied at source, if any, is not refundable in Luxembourg.

**Value Added Tax.** The FCP and its Management Company are considered in Luxembourg as one single taxable person for value added tax ("VAT") purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the FCP and/or Management Company could potentially trigger VAT and require the VAT registration of the Management Company in Luxembourg. As a result of such VAT registration, the FCP and its Management Company will be in a position to fulfil their duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad. No VAT liability arises in principle in Luxembourg in respect of any payments by the FCP to its Unitholders, to the extent such payments are linked to their subscription to Units and do not constitute the consideration received for taxable services supplied.

#### *Taxation of the Unitholders*

**The tax implications to each Unitholder of an investment in the FCP will depend on the tax laws of their country of citizenship, residence, and domicile. Unitholders should consult with their professional tax adviser to understand the likely tax ramifications to them prior to making an investment in the FCP.**

*German Investment Tax Act 2018 (Germany).* For purposes of the German Investment Tax Act 2018 ("GITA"), the

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following Funds will invest predominantly (at least 50% of net assets) in equities, as such term is defined in GITA, with the purpose of qualifying as "Equity Funds" as defined in Section 2 paragraph 6 of GITA: Blended Research® Emerging Markets Equity Fund, Blended Research® Global Equity Fund, European Research Fund, Global Concentrated Equity Fund, Global Equity Fund, Global Equity Euro Hedged Fund, Global Listed Infrastructure Fund, Global Value Fund, Global Value Ex-Japan Fund and Low Volatility Global Equity Fund.

### *Exchange of information - CRS.*

Capitalized terms used in this section should have the meaning as set forth in the CRS Law (as defined below), unless otherwise provided herein.

The FCP (or each Fund) may be subject to the Common Reporting Standard (the "CRS") as set out in the amended Luxembourg law of 18 December 2015 (the "CRS Law") implementing Directive 2014/107/EU which provides for an automatic exchange of financial account information between Member States of the European Union as well as the OECD's multilateral competent authority agreement on automatic exchange of financial account information signed on 29 October 2014 in Berlin, with effect as of 1 January 2016.

Under the terms of the CRS Law, the FCP (or each Fund) is likely to be treated as a Luxembourg Reporting Financial Institution.

As such, the FCP (or each Fund) will be required to annually report to the Luxembourg tax authorities (*Administration des contributions directes*) personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) certain Unitholders qualifying as Reportable Persons and (ii) Controlling Persons of passive non-financial entities ("NFEs") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the "Information"), will include personal data related to the Reportable Persons.

The FCP (or each Fund)'s ability to satisfy its reporting obligations under the CRS Law will depend on each Unitholder providing the FCP (or the relevant Fund) with the Information, along with the required supporting documentary evidence. In this context, the Unitholders are hereby informed that, as data controller, the FCP (or each Fund) will process the Information for the purposes as set out in the CRS Law.

Unitholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the FCP (or the relevant Fund).

Additionally, the FCP (or each Fund) is responsible for the processing of personal data and each Unitholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the FCP (or each Fund) are to be processed in accordance with the applicable data protection legislation.

The Unitholders are further informed that the Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction(s). In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

Similarly, the Unitholders undertake to inform the FCP (or the relevant Fund) within thirty (30) days of receipt of these statements should any included personal data not be accurate. The Unitholders further undertake to immediately inform the FCP (or the relevant Fund) of, and provide the FCP (or the relevant Fund) with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Although the FCP (or each Fund) will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the FCP (or each Fund) will be able to satisfy these obligations. If the FCP (or a Fund) becomes subject to a fine or penalty as a result of the CRS Law, the value of the Units held by the Unitholders may suffer material losses.

Any Unitholder that fails to comply with the FCP (or a Fund)'s Information or documentation requests may be held liable for penalties imposed on the FCP (or the relevant Fund) as a result of such Unitholder's failure to provide the Information and the FCP (or the relevant Fund) may, in its sole discretion, redeem the Units of such Unitholders.

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### *Exchange of information - FATCA.*

Capitalized terms used in this section should have the meaning as set forth in the FATCA Law (as defined below), unless otherwise provided herein.

The FCP (or each Fund) may be subject to the so-called FATCA legislation which generally requires reporting to the U.S. Internal Revenue Service of non-U.S. financial institutions that do not comply with FATCA and direct or indirect ownership by U.S. persons of non-U.S. entities. As part of the process of implementing FATCA, the U.S. government has negotiated intergovernmental agreements with certain foreign jurisdictions which are intended to streamline reporting and compliance requirements for entities established in such foreign jurisdictions and subject to FATCA.

Luxembourg has entered into a Model 1 Intergovernmental Agreement implemented by the amended Luxembourg law of 24 July 2015 (the “FATCA Law”), which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by Specified U.S. Persons, if any, to the Luxembourg tax authorities.

Under the terms of the FATCA Law, the FCP (or each Fund) is likely to be treated as a Luxembourg Reporting Financial Institution.

This status imposes on the FCP (or each Fund) the obligation to regularly obtain and verify information on all of its Unitholders. On the request of the FCP (or a Fund), each Unitholder shall agree to provide certain information, including, in the case of a passive Non-Financial Foreign Entity (“NFFE”), information on the Controlling Persons of such NFFE, along with the required supporting documentation. Similarly, each Unitholder shall agree to actively provide to the FCP (or the relevant Fund) within thirty (30) days any information that would affect its status, as for instance a new mailing address or a new residency address.

The FATCA Law may require the FCP (or each Fund) to disclose the names, addresses and taxpayer identification number (if available) of its Unitholders as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities for the purposes set out in the FATCA Law. Such information will be relayed by the Luxembourg tax authorities to the U.S. Internal Revenue Service.

Unitholders qualifying as passive NFFEs undertake to inform their Controlling Persons, if applicable, of the processing of their information by the FCP (or a Fund).

Additionally, the FCP (or each Fund) is responsible for the processing of personal data and each Unitholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the FCP (or each Fund) are to be processed in accordance with the applicable data protection legislation.

Although the FCP (or each Fund) will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the FCP (or each Fund) will be able to satisfy these obligations. If the FCP (or a Fund) becomes subject to a withholding tax or penalties as result of the FATCA regime, the value of the Units held by the Unitholders may suffer material losses. The failure for the FCP (or a Fund) to obtain such information from each Unitholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of U.S. source income as well as penalties.

Any Unitholder that fails to comply with the FCP (or a Fund)’s documentation requests may be charged with any taxes and/or penalties imposed on the FCP (or such Fund) as a result of such Unitholder’s failure to provide the information and the FCP (or such Fund) may, in its sole discretion, redeem the Units of such Unitholder.

Unitholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime.

Unitholders should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

### *Other Tax Considerations in Jurisdictions of Investments*

**Unitholder Reliance on Tax Advice in this Document.** The discussion contained in this document as to U.S. federal tax considerations is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties. Such discussion is written to support the promotion or marketing of the transactions or matters addressed herein. Each taxpayer should seek tax advice based on the taxpayer's particular circumstances from an independent tax advisor.

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The Tax-Transparent Classes have been constituted for certain Funds by the Management Company with the objective that such Classes would be viewed as tax transparent for some (but not all) investment markets where such transparency can be beneficial. As such, where double taxation treaties apply, those treaties between the countries where the investors and the investments are located will be relevant. The objective of the Management Company is that the Tax-Transparent Classes may effectively be ignored for double taxation treaty purposes. For this purpose, it is the intention of the Management Company (or its delegates) to treat the Tax-Transparent Classes as tax transparent for withholding tax purposes to the extent the Management Company considers in good faith that tax transparency in relation to certain investment markets can be achieved.

The achievement of tax transparency and related benefits are generally dependent upon the fulfilment of certain conditions, notably including (i) tax rulings or opinions collected by the Management Company or the Independent Auditor to the Fund from the competent authorities in the investment countries from time to time and, in some instances, (ii) adequate initial and (if and when required) updated tax documentation to be received from each Unitholder in the Tax-Transparent Classes (e.g. individual tax forms, U.S. Form W-8BEN-E, etc.). It is the duty of the Management Company to collect and up-date tax rulings and opinions. The Management Company and the Depositary may rely on the information provided by each Unitholder and shall not bear any responsibility for its content or completeness. The Management Company will use its best endeavours to achieve a tax transparent treatment in relation to some (but not all) of the Tax-Transparent Classes' investment markets as soon as the prerequisites for each of these countries are fulfilled.

Information about the relevant investment countries for the Tax-Transparent Classes can be obtained at the registered office of the Management Company.

The investors in the FCP or a given Fund or Class may not be able to benefit from a reduction in the rate of withholding tax and may not therefore be able to prevent withholding taxes being deducted or be able to reclaim withholding taxes suffered in particular countries. If this position changes in the future and the application for a lower rate results in a repayment to the relevant Fund of the FCP, the Net Asset Value of the relevant Fund will not be restated and the benefit will be allocated to the existing Unitholders of the relevant Fund rateably at the time of repayment.

**Transparency.** The FCP itself has no independent legal personality but is organised as an unincorporated coproprietorship of assets as permitted under Luxembourg law. Each Unit of a Fund or Class represents the proportion of each Unitholder's rights and obligations as beneficial co-owner of such Fund's or Classes' assets. The liability of a Unitholder is limited to the Unitholder's participation in a particular Fund. Holdings/Units in a Fund and/or Class are not freely transferable but are redeemable through the registrar and transfer agent. For Unitholders invested in a distributing Class, income or gains derived from such Class will be distributed annually (unless otherwise provided in section distribution policy), pro rata to each Unitholder in such Class. Income is accounted for and taxed on an arising/current basis.

The application of fiscal transparency in certain markets, where it is aspired, will respect the following principles:

**Proper allocation of income to Unitholders.** The Unitholders of each Fund are the beneficial owners of the gross income arising from the underlying investments of the Fund. Income or gains are attributable to a given Fund or Class and allocated to the Unitholders of such Fund or Class in proportion of their rights and therefore would put each Unitholder in the same tax position as if they had invested directly in the underlying securities.

**Character and source.** The character and source of the income or gains received by a Fund or Class will not be recategorized on distribution to Unitholders. Such income and gains will retain their original source and character and will be subject to the same tax treatment in the hands of the Unitholders as if it had been received directly by them, rather than through the relevant Fund or Class.

**Timing.** Each Unitholder is beneficially entitled to profits earned by the Fund or Class as such items of income / gains arise in the relevant Fund or Class. Unitholders will be taxed on a current basis on any income or gains derived through the Fund or Class i.e. the income and gains will be treated as arising or accruing to each Unitholder in the Fund or Class in proportion to the Units owned by them. Each Unitholder is to separately take into account on a current basis the Unitholders respective share of income or gains paid to the Fund or Class, irrespective of whether such income or gains are distributed to the Unitholder. All income or gains that arise in the year are properly apportioned to that year and reported to each Unitholder. Investors' attention is drawn to the fact that tax transparency can be applied to a given Fund or Class only to the extent all Unitholders of such Fund or Class have and will during the time of their investment in such Fund or Class, provide required and adequate tax documentation to the registrar and transfer agent (to the extent the Management Company intends to apply tax transparency for a given investment market and that all required tax rulings and opinions are effectively in place). Any certification requirements might be subject to change through legislative, judicial or

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administrative action. By subscribing Units of the Fund, investors commit to provide the Management Company (or any delegate acting as registrar and transfer agent) with all information and/or documentation as may be required to determine the investors' tax status in a given Fund or Class (including, as the case may be, any regular or *ad hoc* updates as may be required in the relevant investment countries, a list of which countries is available at the Management Company's registered office for each Fund) and further, to hold the Management Company informed without delay of any relevant change as may occur during the time of such Unitholder's investment in the relevant Fund or Class, including for changes based of the investor qualification under applicable double taxation treaties.

In the absence of any one element of the tax documentation required during the time of the investment into the Fund, the up-dating thereof as required or in the event of any change of the investor tax profile (including changes based on the investor qualification under applicable double taxation treaties), and where any such event would have negative consequences for the other investors and/or the FCP or its Fund or Class, the Management Company has the right to either reject a purchase application or to use, at its discretion, the remedies described under "Eligible Investors" or "Right to Reject or Restrict Purchase and Exchange Orders."

**Unitholder Tax Information.** To the extent required in relation to given Unitholders and in relation to required investments, Unitholders will be provided with an annual tax statement showing the gross amount of benefits (gross income and deductions) of such Unitholder derived in the previous calendar year to which the Unitholder is entitled on an arising basis. This annual income statement will list all relevant income by security type and tax withheld or tax credits attaching thereto to the extent required. Furthermore, to the extent required in relation to a Unitholder, such Unitholder will be provided with a listing of relevant assets.

### Supervisory Authority

The Fund and Management Company are regulated by the Luxembourg Commission de Surveillance du Secteur Financier (the "CSSF") [www.cssf.lu](http://www.cssf.lu). The CSSF is located at 283, route d'Arlon, L-1150 Luxembourg, Grand Duchy of Luxembourg; Telephone: (+352) 26 25 1 – 1; e-mail: [direction@cssf.lu](mailto:direction@cssf.lu).

### Fund, Management Company and Service Provider Information

#### Legal Structure and Applicable Law

The FCP is a *fonds commun de placement* established on 14 July 2000 under the laws of Luxembourg for an unlimited duration.

The District Court of Luxembourg shall have jurisdiction over any disputes between the Unitholders, the Management Company and the Depositary, and Luxembourg law shall apply. The Management Company and the Depositary nevertheless submit themselves and the FCP to the jurisdiction of any country in which Units are offered and sold, in respect of claims by Unitholders solicited in the respective country.

The English language version of the Management Regulations shall be binding; the Management Company and the Depositary nevertheless admit the use of translations approved by them, into the languages of countries in which Units are offered and sold, and these shall be binding in respect of such Units sold to investors in those countries.

Unitholders' claims against the Management Company or the Depositary shall cease to be valid five years after the date of the occurrence giving rise to the claim.

### General Information about the FCP

The Management Regulations for the FCP were signed by the Management Company and the Depositary on 14 July 2000. The Management Company may amend the Management Regulations in the interest of the Unitholders and with the consent of the Depositary. The Management Regulations were deposited with the Luxembourg Trade and Companies Register on July 26, 2000 and were published in the Mémorial of 23 August 2000. The Management Regulations have been amended several times and for the last time effective from 23 May 2018. The FCP is registered with the Luxembourg Trade and Companies Register under reference K223.

The entire assets of the FCP, which are separate from those of the Management Company, are the joint property of all Unitholders who have equal rights in proportion to the number of Units they hold in the individual Funds. There is no provision in the Management Regulations for a meeting of the Unitholders. The purchase to or acquisition of Units in the

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FCP implies acceptance of the Management Regulations by Unitholders.

### General Information about the Management Company

The Management Company is responsible for the FCP's management and administration, including overall investments of the Fund, and the implementation of the FCP's distribution and marketing functions. The Management Company was incorporated in Luxembourg under the laws of the Grand Duchy of Luxembourg on 20 June 2000. Its articles of incorporation were published in the Mémorial for the first time on 4 August 2000 and deposited with the Luxembourg Trade and Companies Register. They were amended for the last time on 16 December 2013. The Management Company was authorised as of 16 December 2013 as a management company managing UCITS funds. The Management Company commenced managing a UCITS fund (i.e., the FCP) as of 22 April 2014, and therefore complies with the conditions set out in Chapter 15 of the Law. It is registered with the Luxembourg Trade and Companies Register under reference B 76467. The Management Company is established for an undetermined period of time. Its objective is (i) the management of its managed funds and the issue and redemption of their units and (ii) the management of portfolios of investments on a discretionary, client-by-client basis, the administration of its own assets being only an ancillary activity.

The Management Company undertakes all actions necessary to meet the FCP's objectives. However, the Management Company may delegate certain administrative, distribution and management functions to affiliates or third party service providers under agreements that, unless otherwise required by law, will be governed by Luxembourg law. The Management Company is responsible for monitoring, on a continuous basis, the activities of the third parties to which it has delegated functions. The agreements entered into between the Management Company and the relevant third parties provide that the Management Company can give instructions to such third parties, and that it can withdraw their mandate with immediate effect if in the best interest of FCP Unitholders. The delegations shall not prevent the obligations or effectiveness of supervision by the Management Company. The Management Company is bound by the Management Regulations.

The Management Company may serve as or may appoint one or more of its affiliates to serve as the global distributor of the Units.

The Management Company has delegated certain administrative support services to MFS, MFS Service Center Inc. and State Street Bank International GmbH, Luxembourg Branch, to assist with a variety of administrative services provided to the Management Company. These services include financial, operations, legal, compliance, risk management, Unitholder communications, platform services in support of the Management Company's independent Conducting Persons and other support services necessary or desirable for the operation of the Management Company and permitted by law.

The Management Company has its registered office at 4, rue Albert Borschette, L-1246, Luxembourg. Its fully paid-in capital amounts to €2,125,000. This comprises a portion of the Management Company's "own funds," which are maintained at a level compliant with the requirements under the Law. The sole shareholder of the Management Company is MFS International Holdings Pty Ltd. Its independent auditor is Deloitte Audit S.à r.l. The financial year of the Management Company shall start on 1 January each year and terminates on 31 December each year.

### Management of the FCP

The Board of Managers of the Management Company is responsible for the overall management and administration of the FCP. The Board may delegate its powers to conduct the daily management and affairs of the FCP, subject to its supervision. Such delegation may include, but is not limited to, delegation of powers to FCP officers to enter into contracts, provide certifications and/or instructions to service providers or other third parties, prepare and authorise regulatory filings and to pay Fund-related invoices, each on behalf of the FCP, and to further delegate such officers' authority to certain authorised signatories.

A Manager may hold any other office or position of profit with the Management Company (other than the office of Auditor) in conjunction with his office of Manager on such terms as to tenure and otherwise as the Board may determine. Any Manager may also act in a professional capacity for the Management Company (other than as Auditor) and he or his firm shall be entitled to remuneration for such services as if he were not a Manager.

A Manager may not normally vote in respect of any contract in which he is personally interested. Any such contract will be disclosed in the financial reports of the FCP.

As of the date of this Prospectus, each member of the Board, except for Messrs. Bogart, Julian and de Quant, is an officer

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and employee of MFS and thus is affiliated with the Management Company and Investment Managers. Managers who are not affiliated with the Investment Manager are paid an annual fee. Managers may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board, or otherwise in connection with the business of the FCP. Such fees are included as part of the "Estimated Other" Expenses (and relevant expense caps on such expenses) reported in each Fund's ongoing charges table in "Fund Profiles."

In compliance with CSSF Circular 18/698, the Board has granted a mandate, in order to conduct the daily business of the Management Company and FCP, to the *dirigeants* ("Conducting Persons") named in the "Directory." Conducting Persons that are independent of MFS or its affiliates will be paid an annual fee and all out-of-pocket expenses properly incurred in carrying out his or her duties.

The Managers and officers of the FCP shall be indemnified by the FCP against liability and related expenses in connection with any claim brought against such person by reason of his having been such Manager or officer, provided that no indemnity shall be provided against liability to the FCP or its Unitholders by reason of gross negligence, fraud or wilful default or with respect to any matter as to which he shall have been finally adjudicated not to have acted in good faith in the reasonable belief that his action was in the best interest of the FCP. The FCP maintains an insurance policy in respect of this indemnity obligation.

### *Remuneration Policy*

The Management Company has adopted a remuneration policy and implements related procedures and practices which are consistent with and promote sound and effective risk management in a manner appropriate to the Management Company's size, internal organization, and the nature, scope and complexity of its activities. The remuneration policy is applicable to each fiscal year of the Company ending 31 December. Pursuant to the Law and related guidelines, certain aspects of the Management Company's remuneration policy shall apply to remuneration paid for the first full fiscal year after the implementation date of the Law, which for the Management Company will be its fiscal year ended 31 December 2017.

The remuneration policy of the Management Company is administered and overseen by a remuneration committee composed of members of MFS executive management and its human resources team. Further details on the remuneration policy are available by referring to [fcp.mfs.com](http://fcp.mfs.com) (and clicking the link "Information on MFS' Remuneration Policy"), and a paper copy of such details is available on request at the registered office of the Management Company without charge.

### *Conflicts of Interest*

The Management Company and its Affiliates. The Management Company, Investment Manager and its affiliates ("MFS") act in similar roles in relation to, or are otherwise involved with, other funds (including other UCITS) and clients. It is therefore possible that MFS or its employees may, in the due course of their business, have potential conflicts of interest with the Company or a Fund. In such event, MFS will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Company or the relevant Fund. In particular, when undertaking any dealings or investments where conflicts of interest may arise, MFS will endeavour to ensure that such conflicts are addressed fairly.

Potential conflicts of interest with respect to the Company or a Fund may arise for a number of reasons:

Certain accounts to which MFS provides investment management services are beneficially owned, in whole or in part, by MFS and/or its officers and employees. MFS's management of such accounts presents conflicts of interest, depending on the particular circumstances of each case: (i) in cases of investment of proprietary assets, MFS has an incentive to favor its investments to maximize its return; (ii) where a portfolio manager holds a personal investment in such account, the portfolio manager has an incentive to favor portfolios in which he/she is invested in order to maximize the return of his/her investment; and (iii) in cases of investment by officers and employees of MFS, MFS has an incentive to favor the personal investments of its employees and officers.

The simultaneous management of multiple accounts may also create conflicts of interest where one or more accounts pay higher fees. MFS has an incentive to favor accounts paying performance-based fees over accounts paying only asset-based fees because performance-based fees can generate greater management fees for MFS to the extent performance meets or exceeds the thresholds specified in the relevant arrangement. MFS also has other incentives to favor different clients or accounts, including, but not limited to, favoring an account that pays a higher asset-based fee rate, a client with greater overall assets under management or the potential for greater assets under management, accounts believed to be at risk of termination or clients in a particular region or industry in which MFS would like to grow its business.

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MFS has also established and seeded a number of accounts for the purpose of establishing a performance record to enable the offering of the account's investment style to clients. MFS has an incentive to favor these seeded accounts to create a positive track record to maximize distribution opportunities.

Further, employees of MFS may own or otherwise have an interest in securities owned by or recommended to clients, including MFS Meridian Funds.

MFS may favor an account by allocating to it greater time and attention, superior investment opportunities, or access to investment opportunities where the availability or liquidity of securities is limited.

MFS has adopted policies and procedures designed to ensure that it does not favor one account over another. However, this does not mean that MFS will treat all accounts identically. When executing orders, MFS may aggregate multiple orders for the same instrument into a single trade as long as aggregation is unlikely to work to the overall disadvantage of any participating account over time. MFS does not generally aggregate orders for proprietary accounts (which are limited to accounts that are managed by MFS for the sole benefit of itself or its subsidiaries) with orders for other client accounts, and will trade for such proprietary accounts in a manner that it believes will not disadvantage other client accounts. Proprietary accounts do not include accounts owned by employees or officers of MFS, accounts that are funded by MFS or its subsidiaries to establish a track record for distribution, accounts that are funded by MFS and open for sale to third parties, and accounts managed by MFS for Sun Life Financial, Inc. Execution and allocation for such accounts is made on the same basis as other client accounts of MFS.

From time to time, MFS will take an investment action or decision for one or more portfolios that is different from, or inconsistent with, an action or decision taken for one or more other portfolios that have different investment objectives, and such actions could be taken at different, potentially inopportune, times. In certain instances there may be securities that are suitable for a Fund's portfolio as well as for accounts managed by MFS with similar investment objectives to that Fund, or that MFS believes should no longer be held by the Fund or such other accounts. It is possible that a particular security is bought or sold for only one client even though it might be held by, or is eligible to be bought or sold for, other clients.

MFS has adopted policies that it believes are reasonably designed to ensure that when two or more clients (including accounts in which MFS has an interest) are simultaneously engaged in the purchase or sale of the same security, the securities are allocated among accounts in a manner believed by MFS to be fair and equitable to each over time. Allocations may be based on many factors and may not always be pro rata based on assets managed. The allocation methodology could have a detrimental effect on the price or availability of a security with respect to a particular Fund in a particular instance.

MFS, in performing services for the Funds, shall not be liable to account to the Fund for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions, nor will the fees paid by the Company, unless otherwise provided, be reduced. MFS will ensure that such transactions are effected on terms which are not less favourable to a Fund than if the potential conflict had not existed.

There is no prohibition on the Company entering into any transactions with MFS, Financial Intermediaries, the Depositary or with any of their affiliates, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length. In addition, there is no prohibition on MFS to purchase any products on behalf of a Fund where the issuer, dealer and/or distributor of such products is an MFS affiliate provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length, in the best interest of the Fund. The Investment Manager also acts on behalf of the Company as counterparty for financial derivative and other investment-related contracts entered into by the Company.

MFS could hold a relatively large proportion of Shares and voting rights in any Fund or Class. MFS may make substantial investments in a Sub-Fund or a Share Class for various purposes including, but not limited to, facilitating the growth of the Fund or Class, for facilitating the portfolio management or tax reporting of a Fund or Class, or for meeting future remuneration payment obligations to certain employees. MFS is under no obligation to make or maintain its investments and may reduce or dispose of any of these in the Fund or Class at any time. As part of its financial planning, MFS may also hedge the risk of its investments in any Class with the intention of reducing all or part of its exposure to such investments.

### **Investment Manager**

The Management Company has appointed Massachusetts Financial Services Company in Boston, Massachusetts USA as Investment Manager. The Investment Manager is responsible for providing investment management services to the



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Management Company under the terms of the Investment Management Agreement. Under the terms of the Investment Management Agreement, the Investment Manager is responsible for investment management and supervision of the Funds on a day-to-day basis and statistical and other related services under the supervision and subject to the control of the Board. The Investment Management Agreement was entered into for a period of 30 years unless terminated earlier by either party on not less than 90 days' prior written notice, provided that the Management Company may withdraw the Investment Manager's mandate with immediate effect if in the best interest of the Unitholders.

MFS is America's oldest mutual fund organisation. MFS and its predecessor organisations have a history of money management dating from 1924, and the founding of the first mutual fund in the United States. MFS and its affiliates serve as investment adviser to United States registered open-end and closed-end investment companies, non-US domiciled funds and separate accounts located or organised in jurisdictions around the world. MFS is a majority-owned subsidiary of Sun Life of Canada (U.S.) Financial Services Holdings, Inc., which in turn is a majority owned subsidiary of Sun Life Financial Inc. ("Sun Life"). Sun Life, a life insurance company with its headquarters office in Toronto, Canada, is one of the largest international life insurance companies.

The registered office and principal place of business of MFS is 111 Huntington Avenue, Boston, Massachusetts USA 02199. MFS is a registered investment adviser regulated by the United States Securities and Exchange Commission ("SEC") (100 F Street, NE, Washington, DC 20549; [www.sec.gov](http://www.sec.gov)).

The Investment Manager is authorised to act on behalf of the FCP and to select agents, brokers and dealers through whom to execute transactions and provides the Board with such reports as they may require.

The Investment Manager and its affiliates also provide investment management and advisory services to other affiliated mutual funds and institutional and high net worth private investors. The Investment Management Agreement provides that if the respective Investment Manager and/or a third party to which the Investment Manager delegated any of the provisions under the Investment Management Agreement no longer serves as an investment manager to the FCP, the FCP will change its name so as to delete the initials "MFS" or any name connected with the applicable Investment Manager or its affiliates. Specific decisions to purchase or sell securities for a Fund are made by persons affiliated with MFS. Any such person may serve other clients of MFS, or any subsidiary or affiliate of MFS in a similar capacity.

The investment management fee rate varies by Fund and Class, the details of which are noted in the ongoing charges table in each Fund's "Fund Profile." The investment management fees are paid by the Funds to the Management Company. The Management Company (and not the Funds) is responsible for the compensation of the Investment Manager according to the terms of the Investment Management Agreement (available free of charge at the FCP's and Depositary's registered offices during normal business hours).

### *Investment Approach and Environmental, Social and Governance ("ESG") Factors*

In considering whether to invest in or divest from an issuer, the Investment Manager considers ESG factors, which include sustainability risks, to the extent these are deemed likely to materially impact the future investment performance of that issuer. The Investment Manager's purpose in integrating ESG factors into its analysis is to increase returns and/or decrease financial risk of a Fund.

Accordingly, ESG factors are integrated into the Investment Manager's fundamental economic analysis of issuers as an element of that analysis. The Investment Manager uses an active bottom-up investment approach to buying and selling investments for the Funds. For each Fund, investments are selected primarily based on fundamental analysis or, where specified in the Fund Profile, a blend of fundamental analysis and quantitative research. Fundamental analysis of individual portfolio companies and/or instruments takes into account a company's financial condition and market, economic, political, and regulatory conditions, as well as ESG factors.

The extent to which the Investment Manager considers any particular fundamental factor, including ESG factors, when evaluating an investment opportunity will vary depending on the type of asset class and a Fund's investment strategy. For example, when evaluating equity instruments, MFS investment professionals may consider fundamental factors including, but not limited to, an issuer's earnings, cash flows, competitive position, and management ability. Additionally, when evaluating debt instruments, MFS investment professionals may consider, among other fundamental factors, the instrument's credit quality, collateral characteristics, and indenture provisions, and the issuer's management ability, capital structure, leverage, and ability to meet its current obligations.

The Investment Manager believes that certain ESG factors could materially impact the value of a portfolio company by

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representing a source of economic opportunity that contributes to a company's growth and outperformance relative to its peer group or a source of risk that may result in a condition or the occurrence of an event that could have a material negative impact on a company's value. Examples of potentially material ESG risks and opportunities may include, but are not limited to, physical and transitional impacts related to climate change, shifting market or consumer preferences or demand, a company's governance structure and practices, data protection and privacy issues, diversity and labor practices, and regulatory and reputational risks. To account for these factors, MFS' investment professionals integrate their evaluation of a company's key ESG risks and opportunities into their overall security analysis and investment selection process to the extent that they believe these factors are material to, and have an economic impact on, investment value. In conducting analysis of ESG factors, MFS' investment professionals may use a variety of tools, including, but not limited to, (i) proprietary issuer and industry research, (ii) internally developed analytical tools designed to evaluate issuer performance and risk-exposure, and (iii) third-party generated issuer and industry research and ratings.

MFS investment and proxy voting professionals may also incorporate ESG factors into their engagement activities when communicating with a company's management team, board of directors, or other representatives in order to better understand the risks and opportunities that a particular ESG issue may present for a company.

MFS has incorporated the above ESG integration approach within its fundamental analysis because it believes that ESG risks and opportunities could materially impact the performance of the Funds. The extent to which an investment professional considers ESG factors in conducting fundamental investment analysis and the extent to which these factors impact a Fund's return will depend on a number of variables, such as a Fund's investment strategy, the types of asset classes held in a Fund, regional and geographic exposures, and an investment professional's views and analysis of a specific ESG issue. The extent that MFS' integration of ESG factors impacts the return of a Fund may be difficult to quantify and can vary significantly over time. Additionally, MFS' overall investment analysis and its selection of investments may not produce the intended results and may lead to an investment focus that results in a Fund underperforming other funds with similar investment strategies and/or underperforming the markets in which a Fund invests.

MFS may also participate in organizations, engagements or other collaborative industry efforts to enhance MFS' knowledge of specific ESG issues or to further ESG-related initiatives that MFS deems materially impactful to its investment decisions. For example, MFS is a signatory to the Principles for Responsible Investment ("PRI"), the Net Zero Asset Managers Initiative ("NZAMI"), and Climate Action 100+, among other ESG-related organizations and initiatives. The requirements for participation in these organizations and initiatives vary, and certain organizations, initiatives and efforts require a commitment from MFS to adopt a framework for achieving the aims of such organization or initiative. Pursuant to its commitment to NZAMI, MFS must publish a framework for achieving net zero carbon emissions by 2050 ("net zero") for a designated portion of its assets under management. MFS has designed its net zero framework to be based on engagement with portfolio companies to implement and execute their own net zero plans and targets. As such, MFS will not introduce investment restrictions or goals with respect to the Funds solely for the purposes of meeting MFS' commitment under NZAMI. MFS' participation in NZAMI and these other organizations or initiatives is subject to its fiduciary responsibilities to the Funds, and therefore MFS may fail to act or may take actions that are inconsistent with the purpose, goals or aspirations of these organizations or initiatives if, in MFS' judgment, it is in the best economic interests of the Funds to do so.

More information about MFS' approach to sustainable investing practices, including its Responsible Investing Policy Statement, can be found at [mfs.com](https://www.mfs.com) under "About MFS – Sustainable Investing."

### *MFS 'Light Green' Funds – Article 8 of SFDR*

A financial product is considered 'light green' under Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR") where it promotes an environment or social characteristic. As well as integrating the consideration of ESG factors as set out above, the following Funds (the "MFS Light Green Funds") promote the MFS Low Carbon Transition characteristic in pursuing their respective investment objectives: Blended Research® Global Equity Fund, European Research Fund, Global Concentrated Equity Fund, Global Equity Fund, Global Equity Euro Hedged Fund, Global Listed Infrastructure Fund, Global Value Fund and Global Value ex-Japan Fund. Except for the European Research Fund, each MFS Light Green Fund also considers certain principal adverse impact indicators in pursuing its investment objective.

The MFS Light Green Funds do not have sustainable investment as their objective for the purposes of Article 9 of SFDR. Further information relating to the promotion of the MFS Low Carbon Transition Characteristic and consideration of certain principal adverse impact indicators by the MFS Light Green Funds can be found in the SFDR Annex and on our website [meridian.mfs.com](https://www.meridian.mfs.com).

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### *Portfolio Transactions and Brokerage Commissions.*

The Investment Manager seeks best execution for all Funds by executing transactions in such a manner that a Fund's total costs or proceeds in each transaction are the most favorable under the circumstances. The Investment Manager deals with broker/dealers reasonably expected to provide the most favorable execution quality under the circumstances. Subject to its obligation to seek best execution, the Investment Manager may place Fund orders with Luminex Trading & Analytics LLC, an alternative trading system in which the Investment Manager owns a small stake (i.e., less than 2 percent) of its parent company. Accordingly, there could be an economic incentive for the Investment Manager to route orders to Luminex to enhance its profitability.

In seeking best execution, the Investment Manager takes into account several factors that it considers to be relevant, which include without limitation and in no particular order, the following: price, the size of the transaction, the nature of the market of the security, the amount of the commission or "spread", the timing and potential for impact of the transaction considering market prices and trends, the reputation, experience and financial stability of the broker/dealer involved, the willingness of the broker/dealer to commit capital, the need for anonymity in the market, and the quality of services rendered by the broker/dealer in other transactions.

The Investment Manager utilizes a global investment platform built on the principle of close collaboration among members of its investment team, where research and investment ideas are shared. Investment professionals rely on their own internal research in making investment decisions even though they utilize external research provided by brokers or other research providers to help develop investment ideas. External research is also used to help understand market consensus, sentiment or perception, and identify relative inefficiencies more quickly and effectively.

The Investment Manager makes decisions on the procurement of external research separately and distinctly from decisions on the selection of brokers that execute transactions for the Funds. The Investment Manager will only execute a transaction with a broker who provides external research when, in the Investment Manager's judgment, the broker is capable of providing best execution for that transaction. However, as permitted by Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"), the Investment Manager may cause certain Funds to pay a broker that provides "brokerage and research services" (as defined in Section 28(e)) an amount of commission for effecting a securities transaction for such Fund in excess of the amount other brokers would have charged for the transaction if the Investment Manager determines in good faith that the greater commission is reasonable in relation to the value of the brokerage and research services provided viewed in terms of the Investment Manager's overall responsibilities to its clients. The brokerage and research services received may be useful and of value to the Investment Manager in serving both the Fund or other client account that generated the commissions and other Funds or client accounts of the Investment Manager. Accordingly, not all of the research and brokerage services provided by brokers through which Fund securities transactions are effected may be used by the Investment Manager in connection with the Fund that generated the brokerage commissions.

The Investment Manager has undertaken to bear the costs of external research for all Funds, either by paying for external research out of its own resources, or by voluntarily reimbursing Funds from its own resources for excess commissions paid to obtain external research. For Funds subject to a regulatory prohibition on the payment of excess commissions for research, including accounts that are directly or indirectly subject to the Markets in Financial Instruments Directive in the EU or U.K. ("MiFID II accounts"), the Investment Manager will pay for external research out of its own resources. For all other Funds, the Investment Manager operates client commission arrangements that generate commission "credits" for the purchase of external research from commissions on equity trades in a manner consistent with Section 28(e). Under these arrangements the Investment Manager may cause a Fund to pay commissions in excess of what the broker or other brokers might have charged for certain transactions in recognition of brokerage and research services provided by the executing broker. The Investment Manager has voluntarily undertaken to reimburse the Funds from its own resources in an amount equal to all commission credits generated under these arrangements.

The research services obtained by the Investment Manager through the use of commission credits may include: access to corporate management; industry conferences; research field trips to visit corporate management and/or to tour manufacturing, production or distribution facilities; statistical, research and other factual information or services such as investment research reports; access to analysts; a small number of expert networks; reports or databases containing corporate, fundamental, technical and political analyses; ESG-related information; portfolio modeling strategies; and economic research services, such as publications, chart services, and advice from economists concerning macroeconomics information, and analytical investment information about particular corporations.

Through the use of eligible brokerage and research services acquired with commission credits, the Investment Manager initially avoids the additional expenses that it would incur if it developed comparable information through its own staff or if it purchased such services with its own resources. As a result, a Fund may pay more for its transactions in the first

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instance than if the Investment Manager caused the Fund to pay execution only rates. However, because the Investment Manager has voluntarily undertaken to reimburse the Funds from its own resources for commission credits generated from Fund brokerage, the Investment Manager ultimately assumes the additional expenses that it would incur if it purchased external research with its own resources. If the Investment Manager determined to discontinue this voluntary undertaking, it may have an incentive to select or recommend a broker based on its interest in receiving external research rather than the Fund's interest in receiving lower commission rates.

Although the Investment Manager generally bears the costs of external research, the Investment Manager believes it generally does not pay, and therefore does not reimburse Funds, with respect to research that is made available by a broker to all of its customers and that the Investment Manager considers to be of *de minimis* value, or for external research provided by executing brokers in fixed income transactions that incur mark-ups, mark-downs, and other fees rather than commissions. With respect to fixed income, the Investment Manager believes that executing brokers in fixed income transactions do not charge lower mark-ups, mark-downs, commission equivalents or other fees if a Fund foregoes research services. Consequently, the Investment Manager does not believe it pays higher mark-ups, mark-downs, commission equivalents or other fees to brokers on fixed income transactions than it would if it did not receive any research services from brokers.

The Investment Manager's broker selection practices are under the supervision of the Management Company and are subject to best execution principles.

### **Financial Intermediary Support and Other MFS Payments**

The Management Company, the Investment Manager or one or more of their affiliates (collectively, "MFS"), out of their own resources, may make cash payments to certain Financial Intermediaries, including in recognition of their administrative support and/or transaction processing services. These services may include processing and settling orders, maintaining custody of Fund units for underlying shareholders, performing reconciliations, processing corporate actions and providing other necessary account maintenance and services to the underlying shareholders of the Fund. To the extent permitted by applicable laws and regulations, MFS may make other payments, including goodwill payments, to Financial Intermediaries.

These payments may provide an additional incentive to actively promote the Funds or cooperate with MFS' promotional efforts. You may ask your Financial Intermediary for information about any payments it receives from MFS and any services provided, as well as about any fees it charges in addition to those disclosed in this Prospectus.

MFS compensates Financial Intermediaries based on criteria established by MFS from time to time that consider, among other factors, the level and/or type of administrative support provided by the Financial Intermediary, the level of assets attributable to and/or sales by the Financial Intermediary, and the quality of the overall relationship with the Financial Intermediary.

Additionally, MFS, out of its own resources, may make payments to certain institutional or other significant shareholders as an incentive to invest in the Funds. As a result, the cost to shareholders who receive such payment from MFS will generally be lower than the cost of shareholders who do not receive such payments.

Because foregoing payments are paid by MFS and not by the Funds themselves, they are not reflected in the fees and expenses listed in each Fund's ongoing charges table in "Fund Profiles."

### **Independent Auditors**

Ernst & Young S.A., Luxembourg, have been appointed as the FCP's auditors.

Deloitte Audit S.à r.l., Luxembourg, have been appointed as the Management Company's auditors.

### **Depository**

The FCP has appointed State Street Bank International GmbH ("SSBI"), acting through its Luxembourg Branch ("State Street"), as its Depository within the meaning of the 2010 Law pursuant to a Depository Agreement dated 18 August 2016. SSBI is a limited liability company organized under the laws of Germany, having its registered office at Brienner Str. 59, 80333 München, Germany and registered with the commercial register court, Munich under number HRB 42872. It is a credit institution supervised by the European Central Bank (ECB) (Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany; +49 69 1344 1300), the German Federal Financial Services Supervisory Authority (BaFin) (Graurheindorfer Strasse 108, 53117 Bonn, Germany; +49 (0) 228 299 70 299) and the German Central Bank (Wilhelm-Epstein-Strasse 14, 60431 Frankfurt am Main, Germany; +49 69 9566-0). SSBI is a member of the State Street group of companies having as

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their ultimate parent State Street Corporation, a US publicly listed company. State Street is authorized by the CSSF in Luxembourg to act as depositary and is specialized in depositary, fund administration, and related services. State Street is registered in the Luxembourg Commercial and Companies' Register (RCS) under number B 148 186.

The Agreement is entered into for an unlimited duration, unless terminated by either party with 90 days' prior written notice.

Under the Depositary Agreement, State Street has been appointed as custodian of the assets of the FCP, which may either be held directly by State Street, or under its responsibility, entrusted, in whole or in part, to other banking institutions or depositary agents. State Street further carries out the instructions of the Board and, complying with the instructions of the Board, settles any transaction relating to the purchase or disposal of the FCP's assets. The Depositary shall:

- a) ensure that the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with applicable law and the Management Regulations;
- b) ensure that the value of the Units is calculated in accordance with applicable law and the Management Regulations;
- c) carry out the instructions of the Management Company unless they conflict with applicable law and the Management Regulations;
- d) ensure that in transactions involving the assets of the Funds any consideration is remitted within the usual time limits;
- e) ensure that the income of the Funds is applied in accordance with applicable law and the Management Regulations;
- f) monitor the Funds' cash and cash flows; and
- g) provide safe-keeping of the Funds' assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

### **Depositary's liability**

In the event of a loss of a financial instrument held in custody, determined in accordance with the Law, and in particular Article 18 of the Law, the Depositary shall return financial instruments of identical type or the corresponding amount to the Management Company acting on behalf of the FCP without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the Law.

In case of a loss of financial instruments held in custody, the Unitholders may invoke the liability of the Depositary directly or indirectly through the Management Company provided that this does not lead to a duplication of redress or to unequal treatment of the Unitholders.

The Depositary will be liable to the FCP for all other losses suffered by the Funds as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Law.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations. The Depositary is indemnified by the Company against all liabilities suffered or incurred by the Depositary by reason of the proper performance of the Depositary's duties under the terms of the Depositary Agreement, except where a result of the Depositary's negligence, fraud, bad faith, willful default or recklessness of the Depositary or the loss of financial instruments held in custody.

### **Delegation**

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

The Depositary has delegated those safekeeping duties set out under the Law of 17 December 2010, as amended, to State Street Bank and Trust Company with registered office at One Lincoln Street, Boston, Massachusetts, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

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Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Management Company or at the following internet site: [www.statestreet.com/about/office-locations/luxembourg/subcustodians.html](http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html).

### **Conflicts of Interest**

The Depositary is part of an international group of companies and businesses (the "State Street Group") that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the depositary agreement or under separate contractual or other arrangements. Such activities may include:

- (a) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Funds; and
- (b) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Funds either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- (a) will seek to profit as part of or in addition to providing custody services. Examples include profit through the fees and other charges for the services, profit from deposit taking activities, revenue from sweeps and repo arrangements, foreign exchange transactions, contractual settlement, error correction (where consistent with applicable law) and commissions for sale of fractional shares. The Depositary and its affiliates are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Funds, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (b) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (c) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Management Company on behalf of the Funds;
- (d) may provide the same or similar services to other clients including competitors of the Funds; and
- (e) may be granted creditors' rights by the Management Company on behalf of the Funds which it may exercise.

The Management Company may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Funds. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Funds. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Management Company on behalf of the Funds. The affiliate shall enter into such transactions on the terms and conditions agreed with the Management Company on behalf of the Funds.

Where cash belonging to the Funds is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Management Company may also be a client or counterparty of the Depositary or its affiliates. The Depositary appoints a network of affiliated and non-affiliated subcustodians. Multiple factors influence the determination to engage a particular subcustodian or allocate assets to them, including their expertise and capabilities, financial condition, service platforms and commitment to the custody business as well as the negotiated fee structure (which may include terms that result in fee reductions or rebates to the Depositary or an affiliate), significant business relationships and competitive considerations.

Potential conflicts that may arise in the Depositary's use of sub-custodians include four broad categories:

- (1) conflicts from sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;

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- (2) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;
- (3) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and
- (4) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

The State Street Group has implemented a global policy laying down the standards required for identifying, assessing, recording and managing all conflicts of interest which may arise in the course of business. Each State Street Group business unit, including the Depositary, is responsible for establishing and maintaining a Conflicts of Interest Program for the purpose of identifying and managing organizational conflicts of interest that may arise within the business unit in connection with providing services to its clients or in delivering its functional responsibilities. In carrying out its duties, the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the FCP and its Unitholders.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest with the depositary tasks to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Unitholders on request.

The related fee arrangements are described above under "Charges and Expenses – Depositary."

### **Registrar and Transfer Agent, Administration Agent and Corporate and Paying Agent**

The Management Company has entered into an agreement with State Street dated 14 July 2000, as restated from time to time, to act as the Registrar and Transfer Agent, Administration Agent and Corporate and Paying Agent. State Street processes purchases and redemptions, and transfers of Units and enters such transactions in the FCP's Register of Unitholders. In addition, it provides services to the Management Company in connection with the keeping of accounts, determination of the Net Asset Value of Units on each Valuation Date, preparation and distribution of Unitholders' reports and provision of paying agency services and of certain other administrative and corporate secretarial services. The agreement is entered into for an unlimited duration, unless terminated by either party with 90 days' prior written notice, provided that the Management Company may withdraw State Street's mandate with immediate effect if in the best interest of Fund Unitholders.

The related fee arrangements are described above under "Charges and Expenses – Registrar and Transfer Agent, Administration Agent and Corporate and Paying Agent."

### **Administration Services Provider**

The Management Company has appointed MFS as Administration Services Provider pursuant to the Master Services Agreement to assist with a variety of services provided to the FCP. These arrangements are detailed above under "Charges and Expenses."

### **Other Practical Information**

#### **Benchmarks Used by the Funds**

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On 1 January 2018, Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "EU Benchmark Regulation") became effective subject to certain transitional provisions and regulates, among other things, the Funds' use of benchmarks. As of the date of this Prospectus, the Funds only use (within the meaning of the EU Benchmark Regulation) benchmarks in accordance with the provisions of the EU Benchmark Regulation and its transitional provisions. In accordance with the relevant provisions of the EU Benchmark Regulation, benchmarks used by the Funds are provided by administrators that appear in the register of authorized European Union benchmark administrators maintained by the European Securities and Markets Authority, are authorized for use in the European Union pursuant to applicable third country provisions, qualify for continued use by the Funds under the transitional provisions set forth in the EU Benchmark Regulation and applicable guidance, or qualify for an exemption from the EU Benchmark Regulation.

The following table reflects the benchmarks currently used by the Funds, within the meaning of the EU Benchmark Regulation, as of the date of this prospectus and whether each benchmark is provided by an administrator that has been authorized under the EU Benchmark Regulation, is an approved third country benchmark, or is eligible for continued use pursuant to the available transitional provisions. Other benchmarks that are referenced in the Prospectus are not "used" by the Funds for purposes of the EU Benchmark Regulation.

<b>Fund Name</b>	<b>Benchmark Name</b>	<b>Benchmark Administrator</b>	<b>Date of Inclusion in the Register</b>
Blended Research® Emerging Markets Equity Fund	<i>MSCI Emerging Markets Index</i>	<i>MSCI Limited</i>	<i>7 March 2018</i>
Blended Research® Global Equity Fund, Low Volatility Global Equity Fund	<i>MSCI All Country World Index</i>	<i>MSCI Limited</i>	<i>7 March 2018</i>

Additionally, as required under the EU Benchmark Regulation, the Management Company maintains, on behalf of the Funds, a written plan addressing circumstances in which a benchmark used by the Funds materially changes or ceases to be provided. A copy of such written plan is available to Unitholders free of charge at the registered office of the Management Company.

### Portfolio Holdings and Fund Information

The Management Company or the Investment Manager may periodically publish a complete schedule of portfolio holdings for one or more Funds at [fcp.mfs.com](http://fcp.mfs.com). Full portfolio holdings and top ten holdings are published at set intervals following month-end that may vary by Fund. A Fund's Portfolio holdings may be available prior to publication at the discretion of the Board, Management Company and/or Investment Manager and subject to certain conditions (e.g. confidentiality agreements, etc.). Further, certain other Fund information may be available upon request and at the discretion of the Board, Management Company and/or the Investment Manager.

The Investment Manager has established a policy governing the disclosure of Fund portfolio holdings that it believes is reasonably designed to protect the confidentiality of the Fund's non-public portfolio holdings and prevent inappropriate selective disclosure of such holdings. Exceptions to this policy may be authorized by a senior member of the Investment Manager's legal department. Certain other accounts that are advised or sub-advised by the Investment Manager or its affiliates, and may have substantially similar or identical portfolio holdings to that of a Fund, are subject to different portfolio holdings disclosure policies that may permit public disclosure of portfolio holdings information in different forms and at different times, including disclosure of certain portfolio holdings each business day.

### Publication of Prices

The net asset value of each Fund's Unit Class and the issue and redemption prices will be available at all times at the registered offices of the Management Company and the Depositary's office (49, Avenue J.F. Kennedy, c/o State Street Bank International GmbH, Luxembourg Branch, L-1855 Luxembourg (Tel: + 352 464010-1)). The Management Company may in its discretion and as required by local law publish information about the net asset value of any of its Classes of Units or Funds at [fcp.mfs.com](http://fcp.mfs.com), in newspapers of general circulation and/or other electronic media.



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### Notices

Notices to Unitholders will be available at the Management Company's registered office and at the Depositary's registered office and may be published at *fcp.mfs.com*, in newspapers of general circulation and/or other electronic media.

### Financial Reporting

The FCP's financial year end is 30 September.

The FCP's Annual Report incorporating audited financial statements is available within four months after the end of the financial year. The Accounts of the FCP are maintained in Euros and comprise the accounts of each of the Funds. The FCP makes available a semi-annual unaudited financial report, containing a list of each Fund's holdings and their values, within two months of the date to which it applies. Such reports will be sent to registered Unitholders upon request.

Separate financial statements shall be issued for each Fund. To establish the balance sheet of the FCP, these financial statements shall be added, after conversion into the currency of the FCP.

### Unitholder Meetings

There is no provision in the Management Regulations for meetings of Unitholders.

### Liquidation and Mergers of a Fund or the FCP

The FCP and the Funds have been established for an indefinite period.

Unitholders may not demand the division or dissolution of the FCP.

The FCP may be liquidated at any time by mutual agreement of the Management Company and the Depositary.

Furthermore, liquidation shall take place if required according to the Law. Notice must be given without delay by the Management Company or the Depositary in accordance with the Management Regulations.

Notice of the event giving rise to liquidation shall be published without delay by the Management Company or the Depositary. The notice shall be published in the Mémorial and in at least two newspapers with adequate circulation one of which must be a Luxembourg newspaper. No Units may be issued, redeemed or exchanged as soon as the event giving rise to liquidation occurs. The Management Company shall dispose of the FCP's assets in the best interest of the Unitholders and the Depositary shall distribute the net liquidation proceeds, after deduction of liquidation charges and expenses, to the Unitholders in proportion to their holdings, in accordance with the directions of the Management Company. Proceeds which cannot be distributed to the Unitholders at the close of liquidation shall be deposited with the "Caisse de Consignation" in Luxembourg until expiry of the prescription period.

A Fund may be terminated by resolution of the Board of Managers of the Management Company if the Net Asset Value of a Fund is below EUR 4,500,000 or its equivalent in any other currency or in the event of special circumstances beyond its control, such as political, economic and military emergencies, or if the Management Company should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Fund to operate in an economically efficient manner, and with due regard to the best interests of Unitholders, that a Fund should be terminated. In such events, the assets of the Fund will be realised, the liabilities discharged and the net proceeds of realisation distributed to Unitholders in the proportion to their holding of Units in that Fund. In such event, notice of the termination of the Fund will be given in writing to registered Unitholders. No Units shall be issued, redeemed or exchanged after the date of the decision to liquidate a Fund. Any amounts not claimed by any Unitholder shall be deposited at the close of liquidation will be deposited in escrow with the Caisse de Consignation.

A Fund may be merged with another Fund by resolution of the Board of Managers of the Management Company if the value of its net assets is below EUR 4,500,000 or its equivalent in any other currency or in the event of special circumstances beyond its control, such as political economic and military emergencies or if the Management Company should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Fund to operate in an economically efficient manner, and with due regard to the best interests of Unitholders, that a Fund should be merged. In such events, notice of the merger will be given in writing to registered Unitholders. Each Unitholder of the relevant Fund shall be given the possibility, within a period of one month as of the date of the notification,

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to request the repurchase or the exchange of its Units, free of any charge.

At the expiry of this one month period, any Unitholder which did not request the repurchase or the exchange of its Units, shall be bound by the decision relating to the merger.

A Fund may be contributed to another Luxembourg fund by resolution of the Board of Managers of the Management Company in the event of special circumstances beyond its control such as political, economic or military emergencies or if the Management Company should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Fund to operate in an economically efficient manner, and with due regard to the best interests of the Unitholders, that a Fund should be contributed to another fund. In such events, notice will be given in writing to registered Unitholders. Each Unitholder of the relevant Fund shall be given the possibility within a period to be determined by the Management Company, but not being less than one month, and notified to the Unitholders to request, free of any charge, the repurchase or the exchange of its Units. At the close of such period, the contribution shall be binding for all Unitholders who did not request a redemption or an exchange. When a Fund is contributed to another Luxembourg investment fund, the valuation of the Fund's assets shall be verified by the independent auditor of the FCP who shall issue a written report at the time of the contribution.

A Fund may be contributed to a non-Luxembourg investment fund only when the relevant Fund's Unitholders have unanimously approved the contribution on the condition that only the Unitholders who have approved such contribution are effectively transferred to that foreign fund.

### Documents

The following documents may be obtained free of charge at the Management Company's and Depositary's registered offices during normal business hours. The Prospectus, annual and semi-annual reports may be translated into other languages. In the case of any ambiguity, the English language version shall prevail to the extent permitted by applicable law.

- a) the Prospectus of the FCP;
- b) the KID for each available Class of each Fund;
- c) the periodic financial reports of the FCP;
- d) the Management Company's Articles of Association;
- e) the FCP's Management Regulations;
- f) the Investment Management Agreement with MFS;
- g) the Master Services Agreement with MFS;
- h) the Depositary Agreement with State Street Bank International GmbH; and
- i) the Administration Agent, Corporate and Paying Agent, Registrar and Transfer Agent Agreement with State Street Bank International GmbH.

The Agreements listed above may be amended from time to time by agreement between the parties thereto. Any such agreement on behalf of the FCP will be made by the Board of Managers of the Management Company, except as noted above.

### Further Information

For further information, please contact: State Street Bank International GmbH, Luxembourg Branch, 49, Avenue J.F. Kennedy, L-1855 Luxembourg Tel + 352 46-40-10-600 or your local agent.

### Primary Local Agents/Facilities Providers

The following are details of the FCP's representatives and local paying agents in certain countries as of the date of this

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Prospectus. Investors may obtain additional information from the Management Company's registered office upon request or may refer to any specific country addendum to this Prospectus if applicable.

Austria	Raiffeisen Bank International AG, Am Stadtpark 9, A-1030 Vienna, Austria. Tel: +43-1-71-707-1730
Germany	Marcard Stein & Co. AG, Ballindamm 36, 20095 Hamburg, Germany. Tel: +49-40-32-099-224
Ireland	Bridge Consulting Limited, Ferry House, 48-53 Mount Street Lower, Dublin 2, D02 PT98, Ireland. Tel: +353 (0)1-631-6444
Luxembourg	State Street Bank International GmbH, Luxembourg Branch, 49, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. Tel: +352-46-40-10-600
Sweden	Securities Services, Skandinaviska Enskilda Banken AB, Global Funds, RA 6, Rissneleden 110, SE-106 40 Stockholm, Sweden. Tel: +46-8763-6906/5960
Switzerland	Representative: Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva, Switzerland. Tel: +41-22-705-1178;  Paying Agent: Banque Cantonale de Genève, 17 Quai de l'Île, 1204 Geneva, Tel: +41-22-317-2727
U.K.	MFS International (U.K.) Ltd., One Carter Lane, London, United Kingdom EC4V 5ER. Tel: 44 (0) 20 7429 7200

## Index Provider Information

An affiliate of the Management Company has entered into agreements with various index providers authorizing the use of certain trademarks, trade names and information in connection with the offering and/or promotion of certain of the Funds. Information regarding certain of these agreements is included below:

### *Bloomberg Port*

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### *FTSE ESPRA Nareit*

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## Pre-Contractual Disclosure - Article 8 of SFDR

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** MFS Investment Funds – Blended Research Global Equity Fund ("MFS Blended Research Global Equity Fund")

**Legal entity identifier:** 2221004Q1I4X4CC7RZ61

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

Effective 21 November 2022, the MFS Blended Research Global Equity Fund promotes the MFS Low Carbon Transition Characteristic, which refers to the transition to a low carbon economy that MFS as an allocator of capital will promote through active engagement and the application of climate criteria to certain investments made by this product. In particular, the MFS Blended Research Equity Fund will aim to have at least 50% of the equity securities in the portfolio invested in equity issuers that meet at least one of the three climate criteria (see below) from 1 January 2027 (the "Transition Date").

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the MFS Blended Research Global Equity Fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The following climate criteria, calculated on an asset weighted basis, will be used to measure the attainment of the MFS Low Carbon Characteristic in the portfolio of the MFS Blended Research Global Equity Fund, depending on the composition of the portfolio assets at the time:

**Climate Criterion 1 - Measuring GHG intensity of equity issuers:** the percentage (%) of equity securities in the portfolio invested in equity issuers that reduced their annual GHG intensity in accordance with the methodology set out in the website disclosure (see link below).

#### Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

Climate Criterion 2 - Measuring recognised GHG emissions reduction or stabilization program: the percentage (%) of equity securities in the portfolio invested in equity issuers that have adopted such programs in accordance with the methodology set out in the website disclosure (see link below).

Climate Criterion 3 - Measuring 'net-zero' issuers: the percentage (%) of equity securities in the portfolio invested in equity issuers that are operating at 'net-zero' determined in accordance with the methodology set out in the website disclosure (see link below).

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable. The MFS Blended Research Global Equity Fund does not have sustainable investments as its objective.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable. The MFS Blended Research Global Equity Fund does not have sustainable investments as its objective.

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

The MFS Blended Research Global Equity Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Therefore, the “do not significant harm” principle does not apply to any of the investments of this financial product.



**Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes.

MFS believes that integrating financially material sustainability (environmental, social and governance or ESG) factors into investment analysis and decision-making processes leads to better informed decision-making which will drive investment returns over the long term. MFS investment professionals across the MFS Global Integrated Research Platform have access to proprietary interactive dashboards which allow them to visualize and analyze various ESG data elements, including the principal adverse impact indicators set out below. These ESG data elements are intended to enable MFS investment professionals to better understand and assess the financial impact of sustainability (ESG) factors on issuers and the portfolio, the negative external impact of issuers and the portfolio on sustainability (ESG) factors, and make informed long term investment decisions that are consistent with the financial investment objective of the MFS Blended Research Global Equity Fund.

To complement the promotion of the MFS Low Carbon Transition Characteristic which incorporates the **GHG emissions** (scope 1 and 2, and 3 where available) and **GHG intensity of investee companies** principal adverse impact indicators, MFS also makes available to investment professionals the following additional greenhouse gas emissions principal adverse impact indicators: **carbon footprint, exposure to active in the fossil fuel sector, share of non-renewable energy consumption and production and**

**Principal adverse impacts** are the most significant negative impacts of investment decision on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**energy consumption intensity per high impact climate sector** (collectively, the "**Additional Emissions Indicators**"). At a portfolio level, MFS investment professionals will consider these Additional Emissions Indicators alongside the MFS Low Carbon Transition Characteristic and underlying climate criteria. MFS investment professionals will use the Additional Emissions Indicators as part of their broader assessment to address the readiness of issuers to transition their activities towards a low carbon economy and will engage with issuers consistent with the MFS Low Carbon Transition Characteristic. MFS also makes available to investment professionals the following social principal adverse impact indicators: **violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises** and **board gender diversity**. MFS investment professionals will consider these indicators within their broader ESG integration framework in the investment process to assess financial materiality and also their engagement practices. In partnership with our global stewardship team and our team of ESG specialists, MFS assesses and addresses the potential adverse impact of companies assessed at the portfolio level through its engagement approach, which may include direct engagement, proxy voting and industry collaborations (as appropriate). Information on how principal adverse impacts on sustainability (ESG) factors were considered will be made available in the annual report.

Sustainability issues are complex, interconnected and evolving. MFS believes that the materiality of principal adverse impacts cannot be reduced to an automated process. The consideration of principal adverse impacts by MFS investment professionals for financial materiality is generally subjective and often involves considering risks or opportunities that are intangible and hard to measure. Their analysis will therefore be in-depth, qualitative, issuer-specific and contextual. MFS investment professionals retain flexibility to consider the principal adverse impacts within different points of the investment process and engagement activities, and the extent to which MFS investment professionals consider principal adverse impact indicators may vary. Importantly, MFS investment professionals do not apply principal adverse impact indicators as the basis for exclusions or screens, nor would these indicators be used within a purely quantitative portfolio optimization framework. As principal adverse indicators are considered at the portfolio level, MFS investment professionals will engage with certain issuers in the portfolio with respect to issues that are considered to be financially material and not engage with every issuer within the portfolio.

☐ No

## What investment strategy does this financial product follow?

In pursuing the MFS Blended Research Global Equity Fund's investment objective of capital appreciation, it will also promote the MFS Low Carbon Transition Characteristic.

Blending fundamental with quantitative research and active engagement, MFS investment professionals will assess and monitor equity issuers for their readiness to transition to a low carbon economy by measuring such issuers against the climate criteria of the MFS Low Carbon Transition Characteristic. MFS investment professionals will also actively engage equity issuers on the climate criteria of the MFS Low Carbon Transition Characteristic and their response to climate change. In engaging on the climate criteria, MFS investment professionals will seek to influence equity issuers on the following: providing climate disclosure that is clear, consistent, audited and decision-useful; undertake carbon reduction plans that are aligned with international standards and global ambitions; and holding senior leadership accountable for climate responses. By actively engaging equity issuers on the climate criteria, especially during the period leading up to the Transition Date, MFS investment professionals will gradually adjust as necessary the level of equity instruments in the portfolio of the MFS Blended Research Global Equity Fund towards the minimum target 50% climate criteria threshold from the Transition Date.

Where the equity securities of the portfolio (on an asset weighted basis) fall below the 50% climate criteria threshold after the Transition Date, MFS investment professionals will undertake a review of the portfolio and implement a remedial plan. The remedial plan may include an assessment of the shortfall, a consideration of how to raise the threshold through various active ownership escalation strategies to address this over time, including reduction of exposure or divestment where active ownership is not deemed to be appropriate or feasible. As our purpose is to effect meaningful change in the real economy, immediate divestment and / or portfolio repositioning may not be the best approach to promote the MFS Low Carbon Transition Characteristic and the portfolio may remain below 50% for a period of time. In making portfolio adjustments, MFS investment professionals will take into account the need to minimise financial loss, ensure responsible risk management and mitigate disruption to the MFS Blended Research Global Equity Fund. MFS investment professionals may also choose to invest in equity issuers that cause the portfolio to fall below the 50% target following the Transition Date.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



However, this would only be permissible where the MFS investment professionals reasonably believe that promotion of the MFS Low Carbon Characteristic in relation to the climate criteria can be achieved within a reasonable timeframe through the use of active ownership tools to effect change at the level of the equity issuer.

Information on the extent to which the MFS Blended Research Global Equity Fund is meeting the climate criteria threshold and further details relating to the MFS Low Carbon Characteristic are available in the website disclosure (see link below). MFS will also provide periodic disclosure annually on the application of the MFS Low Carbon Characteristic in the annual report.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The MFS Blended Research Global Equity Fund will promote the MFS Low Carbon Characteristic by: actively engaging with existing, new and / or prospective equity issuers on the climate criteria before and beyond the Transition Date as explained above; applying the climate criteria to equity securities in the portfolio of the MFS Blended Research Global Equity Fund with the aim of having at least 50% of the equity securities invested in equity issuers that meet any one of the three climate criteria from the Transition Date; and undertake a remedial plan where the equity securities of the portfolio fall below the 50% climate criteria target from the Transition Date.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable. The MFS Blended Research Global Equity Fund does not commit to reduce the scope of the investments by a minimum rate prior to the application of the investment strategy.

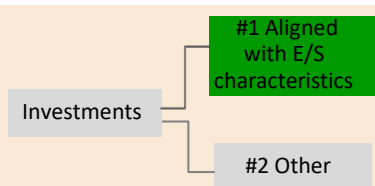
● ***What is the policy to assess good governance practices of the investee companies?***

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

MFS considers "good governance" to mean the standards of governance that organisations seeking or obtaining capital in public markets to finance economic activities are required to comply or expected to conform and which may have a material impact on the value of the organisation. These standards of governance cover a broad range of matters including its structure, constitutional arrangements, management, culture, remuneration and compensation policies, employee relations, accountability to shareholders, engagement with broader stakeholders, compliance with applicable laws and adherence to industry norms. It is important to note that these standards of governance are not static and evolve within the broader environment in which issuers operate. The MFS investment professionals assess and monitor the governance practices of equity issuers in which the MFS Blended Research Global Equity Fund is invested to determine whether these issuers follow good governance practices. These assessments are inherently subjective, qualitative and complex and dependent on the availability and reliability of data. They are unique to the equity issuer and may vary based on the broader operating context including market expectations, local practices, sector and industry. It is important to note that these assessments are continuous rather than point in time. MFS will seek to assist equity issuers to improve their governance practices through the deployment of our active ownership tools explained above. This enables MFS investment professionals to raise concerns or make suggestions on a particular aspect of the equity issuer's governance practice.

**What is the asset allocation planned for this financial product?**

**Asset allocation** describes the share of investments in specific assets.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee.

As set forth and further detailed in the Prospectus Fund Profile, the MFS Blended Research Global Equity Fund invests primarily (at least 70%) in equity securities of companies located in developed and emerging market countries. The MFS Blended Research Global Equity Fund will aim to have at least 50% of the equity securities in the portfolio invested in equity issuers meeting at least one of the climate criteria from the Transition Date and therefore aligned with the E/S characteristics promoted by the MFS Blended Research Global Equity Fund (i.e. # 1) from the Transition Date. As of 31 July 2022, equity securities represented 99.13% of the total assets of the portfolio of the MFS Blended Research Global Equity Fund

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable. The MFS Blended Research Global Equity Fund does not use derivatives to attain the MFS Low Carbon Transition Characteristic.

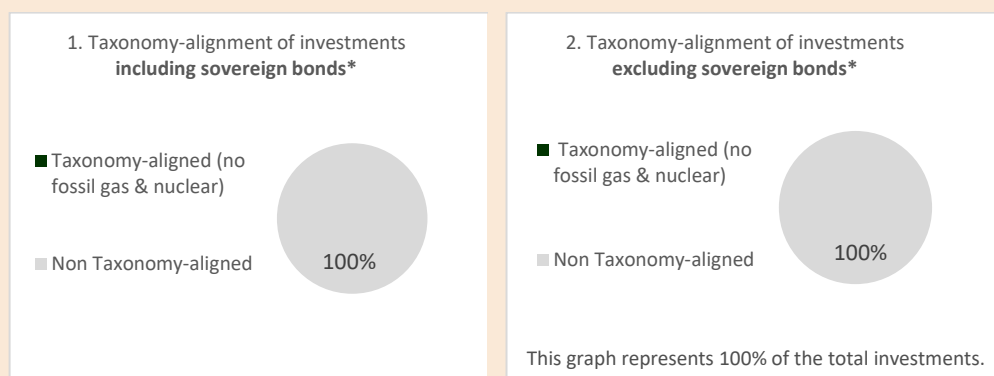
### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Zero. The MFS Blended Research Global Equity Fund does not aim or commit to invest in sustainable investments with an environmental objective aligned with the EU Taxonomy.

### Does the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy?

- ☐ Yes:
- ☐ In fossil fuel ☐ In nuclear energy
- ☒ No. The MFS Blended Research Global Equity Fund does not aim or commit to make investments aligned with the EU Taxonomy.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

### What is the minimum share of investments in transitional and enabling activities?

Zero. The MFS Blended Research Global Equity Fund does not aim or commit to invest in transitional or enabling activities under the EU Taxonomy.

### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Zero. The MFS Blended Research Global Equity Fund does not aim or commit to invest in sustainable investments with an environmental objective.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.





### **What is the minimum of sustainable investments with a social objective?**

Zero. The MFS Blended Research Global Equity Fund does not aim or commit to invest in sustainable investments with a social objective.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Our aim is to apply the MFS Low Carbon Transition Characteristic to more than 50% of the equity securities in the portfolio of the MFS Blended Research Global Equity Fund from the Transition Date. For those equity securities that do not adhere to the climate criteria of the MFS Low Carbon Transition Characteristic, MFS investment professionals will continue to actively engage with these issuers on the climate criteria. The remaining portfolio may also hold instruments not subject to the MFS Low Carbon Transition Characteristic such as cash and cash equivalent instruments and currency derivatives.



### **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index is designated as a reference benchmark to determine whether the MFS Blended Research Global Equity Fund is aligned with the MFS Low Carbon Transition Characteristic.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



### **Where can I find more product specific information online?**

**More product-specific information can be found on the website:**  
[fcp.mfs.com](http://fcp.mfs.com)

**Template pre-contractual disclosure for financial products referred to in Article 8(1) of Regulation (EU) 2019/2088 and Article 6 of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Pre-Contractual Disclosure - Article 8 of SFDR**

Product name: MFS Investment Funds – European Research Fund ("MFS European Research Fund")  
Legal entity identifier: 54930082CDXP61KYX339

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

Effective 31 December 2021, the MFS European Research Fund promotes the MFS Low Carbon Transition Characteristic, which refers to the transition to a low carbon economy that MFS as an allocator of capital will promote through active engagement and the application of climate criteria to certain investments made by this product. In particular, the MFS European Research Fund will aim to have at least 50% of the equity securities in the portfolio invested in equity issuers that meet at least one of the three climate criteria (see below) from 1 January 2027 (the "Transition Date").

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the MFS European Research Fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The following climate criteria, calculated on an asset weighted basis, will be used to measure the attainment of the MFS Low Carbon Characteristic in the portfolio of the MFS European Research Fund, depending on the composition of the portfolio assets at the time:

Climate Criterion 1 - Measuring GHG intensity of equity issuers: the percentage (%) of equity securities

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

in the portfolio invested in equity issuers that reduced their annual GHG intensity in accordance with the methodology set out in the website disclosure (see link below).

Climate Criterion 2 - Measuring recognised GHG emissions reduction or stabilization program: the percentage (%) of equity securities in the portfolio invested in equity issuers that have adopted such programs in accordance with the methodology set out in the website disclosure (see link below).

Climate Criterion 3 - Measuring 'net-zero' issuers: the percentage (%) of equity securities in the portfolio invested in equity issuers that are operating at 'net-zero' determined in accordance with the methodology set out in the website disclosure (see link below).

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable. The MFS European Research Fund does not have sustainable investments as its objective.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable. The MFS European Research Fund does not have sustainable investments as its objective.

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

The MFS European Research Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Therefore, the "do no significant" principle does not apply to any of the investments of this financial product.

## **What investment strategy does this financial product follow?**

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

In pursuing the MFS European Research Fund 's investment objective of capital appreciation, it will also promote the MFS Low Carbon Transition Characteristic.

Applying fundamental analysis and active engagement, MFS investment professionals will assess and monitor equity issuers for their readiness to transition to a low carbon economy by measuring such issuers against the climate criteria of the MFS Low Carbon Transition Characteristic. MFS investment professionals will also actively engage equity issuers on the climate criteria of the MFS Low Carbon Transition Characteristic and their response to climate change. In engaging on the climate criteria, MFS investment professionals will seek to influence equity issuers on the following: providing climate disclosure that is clear, consistent, audited and decision-useful; undertake carbon reduction plans that are aligned with international standards and global ambitions; and holding senior leadership accountable for climate responses. By actively engaging equity issuers on the climate criteria, especially during the period leading up to the Transition Date, MFS investment professionals will gradually adjust as necessary the level of equity instruments in the portfolio of the MFS European Research Fund towards the minimum target 50% climate criteria threshold from the Transition Date.

Where the equity securities of the portfolio (on an asset weighted basis) fall below the 50% climate criteria threshold after the Transition Date, MFS investment professionals will undertake a review of the portfolio and implement a remedial plan. The remedial plan may include an assessment of the shortfall, a consideration of how to raise the threshold through various active ownership escalation strategies to address this over time, including reduction of exposure or divestment where active ownership is not deemed to be appropriate or feasible. As our purpose is to effect meaningful change in the real economy, immediate divestment and / or portfolio repositioning may not be the best approach to promote the MFS Low Carbon Transition Characteristic and the portfolio may remain below 50% for a period of time. In making portfolio adjustments, MFS investment professionals will take into account the need to minimise financial loss, ensure responsible risk management and mitigate disruption to the MFS European Research Fund. MFS investment professionals may also choose to invest in equity issuers that cause the portfolio to fall below the 50% target following the Transition Date. However, this would only be permissible where the MFS investment professionals reasonably believe that promotion of the MFS Low Carbon Characteristic in relation to the climate criteria can be achieved within a reasonable timeframe through the use of active ownership tools to effect change at the level of the equity issuer.

Information on the extent to which the MFS European Research Fund is meeting the climate criteria threshold and further details relating to the MFS Low Carbon Characteristic are available in the website disclosure (see link below). MFS will also provide periodic disclosure annually on the application of the MFS Low Carbon Characteristic in the annual report.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The MFS European Research Fund will promote the MFS Low Carbon Characteristic by: actively engaging with existing, new and / or prospective equity issuers on the climate criteria before and beyond the Transition Date as explained above; applying the climate criteria to equity securities in the portfolio of the MFS European Research Fund with the aim of having at least 50% of the equity securities invested in equity issuers that meet any one of the three climate criteria from the Transition Date; and undertake a remedial plan where the equity securities of the portfolio fall below the 50% climate criteria target from the Transition Date.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable. The MFS European Research Fund does not commit to reduce the scope of the investments by a minimum rate prior to the application of the investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

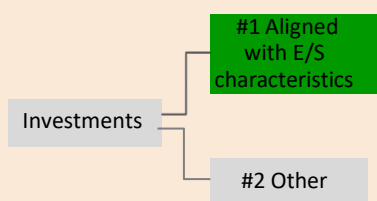
MFS considers "good governance" to mean the standards of governance that organisations seeking or obtaining capital in public markets to finance economic activities are required to comply or expected to conform and which may have a material impact on the value of the organisation. These standards of governance cover a broad range of matters including its structure, constitutional arrangements, management, culture, remuneration and compensation policies, employee relations, accountability to shareholders, engagement with broader stakeholders, compliance with applicable laws and adherence to industry norms. It is important to note that these standards of governance are not static and evolve within the broader environment in which issuers operate. The MFS investment professionals assess and monitor the governance practices of equity issuers in which the MFS European Research Fund is invested to determine whether these issuers follow good governance practices. These assessments are inherently subjective, qualitative and complex and dependent on the availability and reliability of data. They are unique to the equity issuer and may vary based on the broader operating context including market expectations, local practices, sector and industry. It is important to note that these assessments are continuous rather than point in time. MFS will seek to assist equity issuers to improve their governance practices through the deployment of our active ownership tools explained above. This enables MFS investment professionals to raise concerns or make suggestions on a particular aspect of the equity issuer's governance practice.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee.



As set forth and further detailed in the Prospectus Fund Profile, the MFS European Research Fund invests primarily (at least 70%) in European equity securities. The MFS European Research Fund will aim to have at least 50% of the equity securities in the portfolio invested in equity issuers meeting at least one of the climate criteria from the Transition Date and therefore aligned with the E/S characteristics promoted by the MFS European Research Fund (i.e. # 1) from the Transition Date. As of 30 November 2021, equity securities represented 99.21% of the total assets of the portfolio of the MFS European Research Fund.

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable. The MFS European Research Fund does not use derivatives to attain the MFS Low Carbon Transition Characteristic.

### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Zero. The MFS European Research Fund does not aim or commit to invest in sustainable investments with an environmental objective aligned with the EU Taxonomy.

### Does the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy?

☐

Yes:

☐

In fossil fuel

☐

In nuclear energy



No. The MFS European Research Fund does not aim or commit to make investments aligned with the EU Taxonomy.

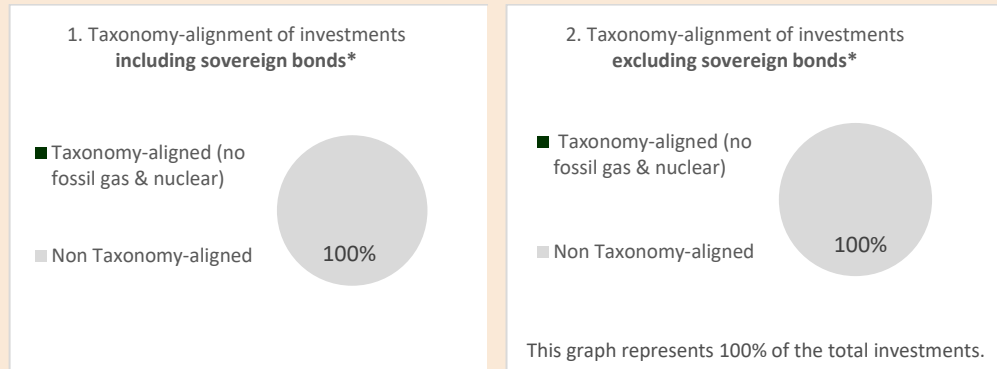
#### Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

#### Transitional activities are

activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



### **What is the minimum share of investments in transitional and enabling activities?**

Zero. The MFS European Research Fund does not aim or commit to invest in transitional or enabling activities under the EU Taxonomy.



### **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Zero. The MFS European Research Fund does not aim or commit to invest in sustainable investments with an environmental objective.



### **What is the minimum of sustainable investments with a social objective?**

Zero. The MFS European Research Fund does not aim or commit to invest in sustainable investments with a social objective.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Our aim is to apply the MFS Low Carbon Transition Characteristic to more than 50% of the equity securities in the portfolio of the MFS European Research Fund from the Transition Date. For those equity securities that do not adhere to the climate criteria of the MFS Low Carbon Transition Characteristic, MFS investment professionals will continue to actively engage with these issuers on the climate criteria. The remaining portfolio may also hold instruments not subject to the MFS Low Carbon Transition Characteristic such as cash and cash equivalent instruments and currency derivatives.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

### **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index is designated as a reference benchmark to determine whether the MFS European Research Fund is aligned with the MFS Low Carbon Transition Characteristic.



**Where can I find more product specific information online?**  
More product-specific information can be found on the website:  
[fcf.mfs.com](http://fcf.mfs.com)

## Pre-Contractual Disclosure - Article 8 of SFDR

Product name: MFS Investment Funds – Global Concentrated Fund ("MFS Global Concentrated Fund") Legal entity identifier: IPVNLCPGMF9XEFE5DS1

### Environmental and/or social characteristics

#### Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



#### What environmental and/or social characteristics are promoted by this financial product?

Effective 31 December 2021, the MFS Global Concentrated Fund promotes the MFS Low Carbon Transition Characteristic, which refers to the transition to a low carbon economy that MFS as an allocator of capital will promote through active engagement and the application of climate criteria to certain investments made by this product. In particular, the MFS Global Concentrated Fund will aim to have at least 50% of the equity securities in the portfolio invested in equity issuers that meet at least one of the three climate criteria (see below) from 1 January 2027 (the "Transition Date").

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the MFS Global Concentrated Fund.

#### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The following climate criteria, calculated on an asset weighted basis, will be used to measure the attainment of the MFS Low Carbon Characteristic in the portfolio of the MFS Global Concentrated Fund, depending on the composition of the portfolio assets at the time:

Climate Criterion 1 - Measuring GHG intensity of equity issuers: the percentage (%) of equity securities in the portfolio invested in equity issuers that reduced their annual GHG intensity in accordance with the methodology set out in the website disclosure (see link below).

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



Climate Criterion 2 - Measuring recognised GHG emissions reduction or stabilization program: the percentage (%) of equity securities in the portfolio invested in equity issuers that have adopted such programs in accordance with the methodology set out in the website disclosure (see link below).

Climate Criterion 3 - Measuring 'net-zero' issuers: the percentage (%) of equity securities in the portfolio invested in equity issuers that are operating at 'net-zero' determined in accordance with the methodology set out in the website disclosure (see link below).

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable. The MFS Global Concentrated Fund does not have sustainable investments as its objective.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable. The MFS Global Concentrated Fund does not have sustainable investments as its objective.

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

The MFS Global Concentrated Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Therefore, the "do no significant" principle does not apply to any of the investments of this financial product.



**Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes.

MFS believes that integrating financially material sustainability (environmental, social and governance or ESG) factors into investment analysis and decision-making processes leads to better informed decision-making which will drive investment returns over the long term. MFS investment professionals across the MFS Global Integrated Research Platform have access to proprietary interactive dashboards which allow them to visualize and analyze various ESG data elements, including the principal adverse impact indicators set out below. These ESG data elements are intended to enable MFS investment professionals to better understand and assess the financial impact of sustainability (ESG) factors on issuers and the portfolio, the negative external impact of issuers and the portfolio on sustainability (ESG) factors, and make informed long term investment decisions that are consistent with the financial investment objective of the MFS Global Concentrated.

To complement the promotion of the MFS Low Carbon Transition Characteristic which incorporates the **GHG emissions** (scope 1 and 2, and 3 where available) and **GHG intensity of investee companies** principal adverse impact indicators, MFS also makes available to investment professionals the following additional greenhouse gas emissions principal adverse impact indicators: **carbon footprint, exposure to active in the fossil fuel sector, share of non-renewable energy consumption and production and**

**Principal adverse impacts** are the most significant negative impacts of investment decision on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



**energy consumption intensity per high impact climate sector** (collectively, the "**Additional Emissions Indicators**"). At a portfolio level, MFS investment professionals will consider these Additional Emissions Indicators alongside the MFS Low Carbon Transition Characteristic and underlying climate criteria. MFS investment professionals will use the Additional Emissions Indicators as part of their broader assessment to address the readiness of issuers to transition their activities towards a low carbon economy and will engage with issuers consistent with the MFS Low Carbon Transition Characteristic. MFS also makes available to investment professionals the following social principal adverse impact indicators: **violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises** and **board gender diversity**. MFS investment professionals will consider these indicators within their broader ESG integration framework in the investment process to assess financial materiality and also their engagement practices. In partnership with our global stewardship team and our team of ESG specialists, MFS assesses and addresses the potential adverse impact of companies assessed at the portfolio level through its engagement approach, which may include direct engagement, proxy voting and industry collaborations (as appropriate). Information on how principal adverse impacts on sustainability (ESG) factors were considered will be made available in the annual report.

Sustainability issues are complex, interconnected and evolving. MFS believes that the materiality of principal adverse impacts cannot be reduced to an automated process. The consideration of principal adverse impacts by MFS investment professionals for financial materiality is generally subjective and often involves considering risks or opportunities that are intangible and hard to measure. Their analysis will therefore be in-depth, qualitative, issuer-specific and contextual. MFS investment professionals retain flexibility to consider the principal adverse impacts within different points of the investment process and engagement activities, and the extent to which MFS investment professionals consider principal adverse impact indicators may vary. Importantly, MFS investment professionals do not apply principal adverse impact indicators as the basis for exclusions or screens, nor would these indicators be used within a purely quantitative portfolio optimization framework. As principal adverse indicators are considered at the portfolio level, MFS investment professionals will engage with certain issuers in the portfolio with respect to issues that are considered to be financially material and not engage with every issuer within the portfolio.

☐ No

### What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

In pursuing the MFS Global Concentrated Fund 's investment objective of capital appreciation, it will also promote the MFS Low Carbon Transition Characteristic.

Applying fundamental analysis and active engagement, MFS investment professionals will assess and monitor equity issuers for their readiness to transition to a low carbon economy by measuring such issuers against the climate criteria of the MFS Low Carbon Transition Characteristic. MFS investment professionals will also actively engage equity issuers on the climate criteria of the MFS Low Carbon Transition Characteristic and their response to climate change. In engaging on the climate criteria, MFS investment professionals will seek to influence equity issuers on the following: providing climate disclosure that is clear, consistent, audited and decision-useful; undertake carbon reduction plans that are aligned with international standards and global ambitions; and holding senior leadership accountable for climate responses. By actively engaging equity issuers on the climate criteria, especially during the period leading up to the Transition Date, MFS investment professionals will gradually adjust as necessary the level of equity instruments in the portfolio of the MFS Global Concentrated Fund towards the minimum target 50% climate criteria threshold from the Transition Date.

Where the equity securities of the portfolio (on an asset weighted basis) fall below the 50% climate criteria threshold after the Transition Date, MFS investment professionals will undertake a review of the portfolio and implement a remedial plan. The remedial plan may include an assessment of the shortfall, a consideration of how to raise the threshold through various active ownership escalation strategies to address this over time, including reduction of exposure or divestment where active ownership is not deemed to be appropriate or feasible. As our purpose is to effect meaningful change in the real economy, immediate divestment and / or portfolio repositioning may not be the best approach to promote the MFS Low Carbon Transition Characteristic and the portfolio may remain below 50% for a period of time. In making portfolio adjustments, MFS investment professionals will take into account the need to minimise financial loss, ensure responsible risk management and mitigate disruption to the MFS Global Concentrated Fund. MFS investment professionals may also choose to invest in equity issuers that cause the portfolio to fall below the 50% target following the Transition Date. However, this

would only be permissible where the MFS investment professionals reasonably believe that promotion of the MFS Low Carbon Characteristic in relation to the climate criteria can be achieved within a reasonable timeframe through the use of active ownership tools to effect change at the level of the equity issuer.

Information on the extent to which the MFS Global Concentrated Fund is meeting the climate criteria threshold and further details relating to the MFS Low Carbon Characteristic are available in the website disclosure (see link below). MFS will also provide periodic disclosure annually on the application of the MFS Low Carbon Characteristic in the annual report.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The MFS Global Concentrated Fund will promote the MFS Low Carbon Characteristic by: actively engaging with existing, new and / or prospective equity issuers on the climate criteria before and beyond the Transition Date as explained above; applying the climate criteria to equity securities in the portfolio of the MFS Global Concentrated Fund with the aim of having at least 50% of the equity securities invested in equity issuers that meet any one of the three climate criteria from the Transition Date; and undertake a remedial plan where the equity securities of the portfolio fall below the 50% climate criteria target from the Transition Date.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable. The MFS Global Concentrated Fund does not commit to reduce the scope of the investments by a minimum rate prior to the application of the investment strategy.

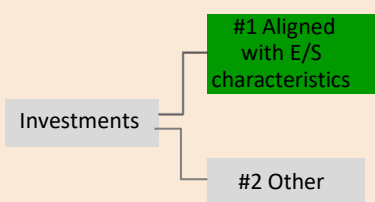
● ***What is the policy to assess good governance practices of the investee companies?***

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

MFS considers "good governance" to mean the standards of governance that organisations seeking or obtaining capital in public markets to finance economic activities are required to comply or expected to conform and which may have a material impact on the value of the organisation. These standards of governance cover a broad range of matters including its structure, constitutional arrangements, management, culture, remuneration and compensation policies, employee relations, accountability to shareholders, engagement with broader stakeholders, compliance with applicable laws and adherence to industry norms. It is important to note that these standards of governance are not static and evolve within the broader environment in which issuers operate. The MFS investment professionals assess and monitor the governance practices of equity issuers in which the MFS Global Concentrated Fund is invested to determine whether these issuers follow good governance practices. These assessments are inherently subjective, qualitative and complex and dependent on the availability and reliability of data. They are unique to the equity issuer and may vary based on the broader operating context including market expectations, local practices, sector and industry. It is important to note that these assessments are continuous rather than point in time. MFS will seek to assist equity issuers to improve their governance practices through the deployment of our active ownership tools explained above. This enables MFS investment professionals to raise concerns or make suggestions on a particular aspect of the equity issuer's governance practice.

**What is the asset allocation planned for this financial product?**

**Asset allocation** describes the share of investments in specific assets.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



As set forth and further detailed in the Prospectus Fund Profile, the MFS Global Concentrated Fund invests primarily (at least 70%) in equity securities. The MFS Global Concentrated Fund will aim to have at least 50% of the equity securities in the portfolio invested in equity issuers meeting at least one of the climate criteria from the Transition Date and therefore aligned with the E/S characteristics promoted by the MFS Global Concentrated Fund (i.e. # 1) from the Transition Date. As of 30 November 2021, equity securities represented 99.06% of the total assets of the portfolio of the MFS Global Concentrated Fund.

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable. The MFS Global Concentrated Fund does not use derivatives to attain the MFS Low Carbon Transition Characteristic.

### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Zero. The MFS Global Concentrated Fund does not aim or commit to invest in sustainable investments with an environmental objective aligned with the EU Taxonomy.

### Does the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy?

☐

Yes:

☐

In fossil fuel

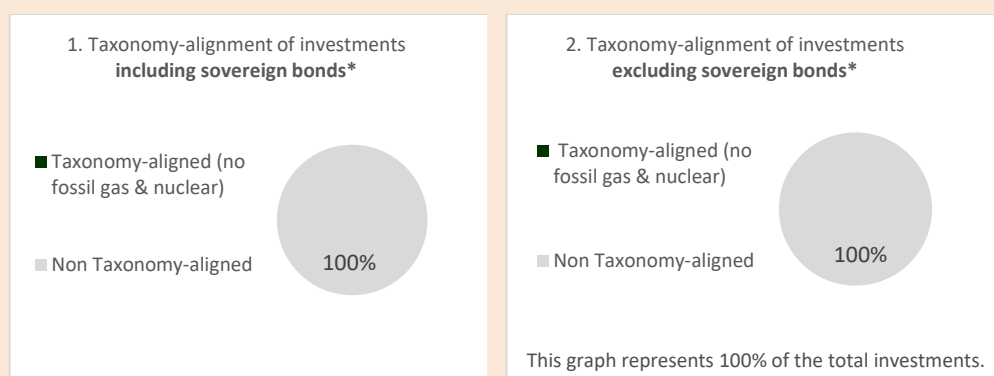
☐

In nuclear energy



No. The MFS Global Concentrated Fund does not aim or commit to make investments aligned with the EU Taxonomy.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

### What is the minimum share of investments in transitional and enabling activities?

Zero. The MFS Global Concentrated Fund does not aim or commit to invest in transitional or enabling activities under the EU Taxonomy.

### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Zero. The MFS Global Concentrated Fund does not aim or commit to invest in sustainable investments with an environmental objective.



### **What is the minimum of sustainable investments with a social objective?**

Zero. The MFS Global Concentrated Fund does not aim or commit to invest in sustainable investments with a social objective.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Our aim is to apply the MFS Low Carbon Transition Characteristic to more than 50% of the equity securities in the portfolio of the MFS Global Concentrated Fund from the Transition Date. For those equity securities that do not adhere to the climate criteria of the MFS Low Carbon Transition Characteristic, MFS investment professionals will continue to actively engage with these issuers on the climate criteria. The remaining portfolio may also hold instruments not subject to the MFS Low Carbon Transition Characteristic such as cash and cash equivalent instruments and currency derivatives.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

### **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index is designated as a reference benchmark to determine whether the MFS Global Concentrated Fund is aligned with the MFS Low Carbon Transition Characteristic.



### **Where can I find more product specific information online? More product-specific information can be found on the website: [fcp.mfs.com](http://fcp.mfs.com)**

## Pre-Contractual Disclosure - Article 8 of SFDR

Product name: MFS Investment Funds – Global Equity Fund ("MFS Global Equity Fund")

Legal entity identifier: 3FKX7YO5BDRM5E6ZWB39

### Environmental and/or social characteristics

#### Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☒ ☐ No

☐ It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



#### What environmental and/or social characteristics are promoted by this financial product?

Effective 31 December 2021, the MFS Global Equity Fund promotes the MFS Low Carbon Transition Characteristic, which refers to the transition to a low carbon economy that MFS as an allocator of capital will promote through active engagement and the application of climate criteria to certain investments made by this product. In particular, the MFS Global Equity Fund will aim to have at least 50% of the equity securities in the portfolio invested in equity issuers that meet at least one of the three climate criteria (see below) from 1 January 2027 (the "Transition Date").

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the MFS Global Equity Fund.

#### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The following climate criteria, calculated on an asset weighted basis, will be used to measure the attainment of the MFS Low Carbon Characteristic in the portfolio of the MFS Global Equity Fund, depending on the composition of the portfolio assets at the time:

Climate Criterion 1 - Measuring GHG intensity of equity issuers: the percentage (%) of equity securities in the portfolio invested in equity issuers that reduced their annual GHG intensity in accordance with the methodology set out in the website disclosure (see link below).

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

Climate Criterion 2 - Measuring recognised GHG emissions reduction or stabilization program: the percentage (%) of equity securities in the portfolio invested in equity issuers that have adopted such programs in accordance with the methodology set out in the website disclosure (see link below).

Climate Criterion 3 - Measuring 'net-zero' issuers: the percentage (%) of equity securities in the portfolio invested in equity issuers that are operating at 'net-zero' determined in accordance with the methodology set out in the website disclosure (see link below).

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable. The MFS Global Equity Fund does not have sustainable investments as its objective.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable. The MFS Global Equity Fund does not have sustainable investments as its objective.

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

The MFS Global Equity Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Therefore, the “do no significant” principle does not apply to any of the investments of this financial product.



**Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes.

MFS believes that integrating financially material sustainability (environmental, social and governance or ESG) factors into investment analysis and decision-making processes leads to better informed decision-making which will drive investment returns over the long term. MFS investment professionals across the MFS Global Integrated Research Platform have access to proprietary interactive dashboards which allow them to visualize and analyze various ESG data elements, including the principal adverse impact indicators set out below. These ESG data elements are intended to enable MFS investment professionals to better understand and assess the financial impact of sustainability (ESG) factors on issuers and the portfolio, the negative external impact of issuers and the portfolio on sustainability (ESG) factors, and make informed long term investment decisions that are consistent with the financial investment objective of the MFS Global Equity.

To complement the promotion of the MFS Low Carbon Transition Characteristic which incorporates the **GHG emissions** (scope 1 and 2, and 3 where available) and **GHG intensity of investee companies** principal adverse impact indicators, MFS also makes available to investment professionals the following additional greenhouse gas emissions principal adverse impact indicators: **carbon footprint, exposure to active in the fossil fuel sector, share of non-renewable energy consumption and production and energy consumption intensity per high impact climate sector** (collectively, the “**Additional Emissions Indicators**”). At a portfolio level, MFS investment professionals will consider these Additional Emissions Indicators alongside the MFS Low Carbon Transition Characteristic and underlying climate criteria. MFS

**Principal adverse impacts** are the most significant negative impacts of investment decision on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



investment professionals will use the Additional Emissions Indicators as part of their broader assessment to address the readiness of issuers to transition their activities towards a low carbon economy and will engage with issuers consistent with the MFS Low Carbon Transition Characteristic. MFS also makes available to investment professionals the following social principal adverse impact indicators: **violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises and board gender diversity**. MFS investment professionals will consider these indicators within their broader ESG integration framework in the investment process to assess financial materiality and also their engagement practices. In partnership with our global stewardship team and our team of ESG specialists, MFS assesses and addresses the potential adverse impact of companies assessed at the portfolio level through its engagement approach, which may include direct engagement, proxy voting and industry collaborations (as appropriate). Information on how principal adverse impacts on sustainability (ESG) factors were considered will be made available in the annual report.

Sustainability issues are complex, interconnected and evolving. MFS believes that the materiality of principal adverse impacts cannot be reduced to an automated process. The consideration of principal adverse impacts by MFS investment professionals for financial materiality is generally subjective and often involves considering risks or opportunities that are intangible and hard to measure. Their analysis will therefore be in-depth, qualitative, issuer-specific and contextual. MFS investment professionals retain flexibility to consider the principal adverse impacts within different points of the investment process and engagement activities, and the extent to which MFS investment professionals consider principal adverse impact indicators may vary. Importantly, MFS investment professionals do not apply principal adverse impact indicators as the basis for exclusions or screens, nor would these indicators be used within a purely quantitative portfolio optimization framework. As principal adverse indicators are considered at the portfolio level, MFS investment professionals will engage with certain issuers in the portfolio with respect to issues that are considered to be financially material and not engage with every issuer within the portfolio.

☐ No

## What investment strategy does this financial product follow?



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

In pursuing the MFS Global Equity Fund's investment objective of capital appreciation, it will also promote the MFS Low Carbon Transition Characteristic.

Applying fundamental analysis and active engagement, MFS investment professionals will assess and monitor equity issuers for their readiness to transition to a low carbon economy by measuring such issuers against the climate criteria of the MFS Low Carbon Transition Characteristic. MFS investment professionals will also actively engage equity issuers on the climate criteria of the MFS Low Carbon Transition Characteristic and their response to climate change. In engaging on the climate criteria, MFS investment professionals will seek to influence equity issuers on the following: providing climate disclosure that is clear, consistent, audited and decision-useful; undertake carbon reduction plans that are aligned with international standards and global ambitions; and holding senior leadership accountable for climate responses. By actively engaging equity issuers on the climate criteria, especially during the period leading up to the Transition Date, MFS investment professionals will gradually adjust as necessary the level of equity instruments in the portfolio of the MFS Global Equity Fund towards the minimum target 50% climate criteria threshold from the Transition Date.

Where the equity securities of the portfolio (on an asset weighted basis) fall below the 50% climate criteria threshold after the Transition Date, MFS investment professionals will undertake a review of the portfolio and implement a remedial plan. The remedial plan may include an assessment of the shortfall, a consideration of how to raise the threshold through various active ownership escalation strategies to address this over time, including reduction of exposure or divestment where active ownership is not deemed to be appropriate or feasible. As our purpose is to effect meaningful change in the real economy, immediate divestment and / or portfolio repositioning may not be the best approach to promote the MFS Low Carbon Transition Characteristic and the portfolio may remain below 50% for a period of time. In making portfolio adjustments, MFS investment professionals will take into account the need to minimise financial loss, ensure responsible risk management and mitigate disruption to the MFS Global Equity Fund. MFS investment professionals may also choose to invest in equity issuers that cause the portfolio to fall below the 50% target following the Transition Date. However, this would only be permissible where the MFS investment professionals reasonably believe that promotion of the MFS Low Carbon Characteristic in relation to the climate criteria can be achieved within a reasonable timeframe through the use of active ownership tools to effect change at the level of the equity issuer.

Information on the extent to which the MFS Global Equity Fund is meeting the climate criteria threshold and further details relating to the MFS Low Carbon Characteristic are available in the website disclosure (see link below). MFS will also provide periodic disclosure annually on the application of the MFS Low Carbon Characteristic in the annual report.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The MFS Global Equity Fund will promote the MFS Low Carbon Characteristic by: actively engaging with existing, new and / or prospective equity issuers on the climate criteria before and beyond the Transition Date as explained above; applying the climate criteria to equity securities in the portfolio of the MFS Global Equity Fund with the aim of having at least 50% of the equity securities invested in equity issuers that meet any one of the three climate criteria from the Transition Date; and undertake a remedial plan where the equity securities of the portfolio fall below the 50% climate criteria target from the Transition Date.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable. The MFS Global Equity Fund does not commit to reduce the scope of the investments by a minimum rate prior to the application of the investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

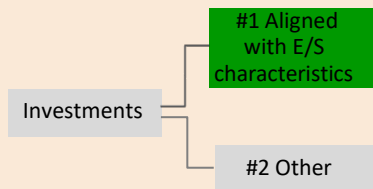
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

MFS considers "good governance" to mean the standards of governance that organisations seeking or obtaining capital in public markets to finance economic activities are required to comply or expected to conform and which may have a material impact on the value of the organisation. These standards of governance cover a broad range of matters including its structure, constitutional arrangements, management, culture, remuneration and compensation policies, employee relations, accountability to shareholders, engagement with broader stakeholders, compliance with applicable laws and adherence to industry norms. It is important to note that these standards of governance are not static and evolve within the broader environment in which issuers operate. The MFS investment professionals assess and monitor the governance practices of equity issuers in which the MFS Global Equity Fund is invested to determine whether these issuers follow good governance practices. These assessments are inherently subjective, qualitative and complex and dependent on the availability and reliability of data. They are unique to the equity issuer and may vary based on the broader operating context including market expectations, local practices, sector and industry. It is important to note that these assessments are continuous rather than point in time. MFS will seek to assist equity issuers to improve their governance practices through the deployment of our active ownership tools explained above. This enables MFS investment professionals to raise concerns or make suggestions on a particular aspect of the equity issuer's governance practice.



**What is the asset allocation planned for this financial product?**

**Asset allocation** describes the share of investments in specific assets.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

As set forth and further detailed in the Prospectus Fund Profile, the MFS Global Equity Fund invests primarily (at least 70%) in equity securities. The MFS Global Equity Fund will aim to have at least 50% of the equity securities in the portfolio invested in equity issuers meeting at least one of the climate criteria from the Transition Date and therefore aligned with the E/S characteristics promoted by the MFS Global Equity Fund (i.e. # 1) from the Transition Date. As of 30 November 2021, equity securities represented 99.53% of the total assets of the portfolio of the MFS Global Equity Fund.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable. The MFS Global Equity Fund does not use derivatives to attain the MFS Low Carbon Transition Characteristic.

## ● **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Zero. The MFS Global Equity Fund does not aim or commit to invest in sustainable investments with an environmental objective aligned with the EU Taxonomy.

## ● **Does the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy?**



Yes:



In fossil fuel

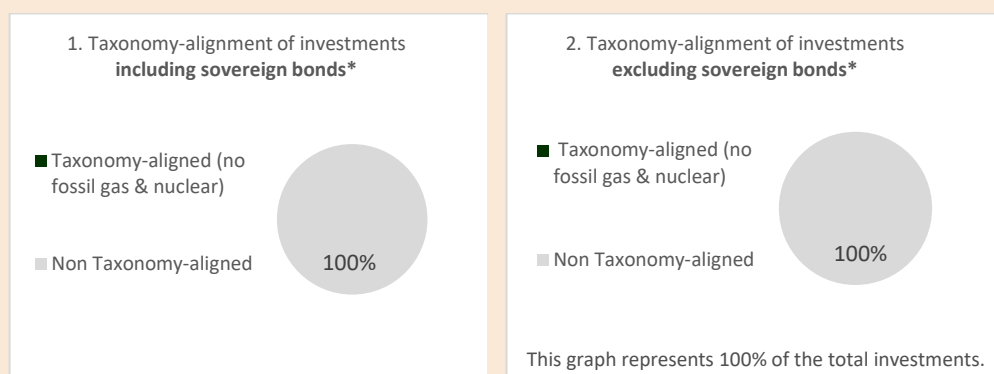


In nuclear energy



No. The MFS U.S. Global Equity Fund does not aim or commit to make investments aligned with the EU Taxonomy.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

## ● **What is the minimum share of investments in transitional and enabling activities?**

Zero. The MFS Global Equity Fund does not aim or commit to invest in transitional or enabling activities under the EU Taxonomy.

## ● **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Zero. The MFS Global Equity Fund does not aim or commit to invest in sustainable investments with an environmental objective.

## ● **What is the minimum of sustainable investments with a social objective?**

Zero. The MFS Global Equity Fund does not aim or commit to invest in sustainable investments with a social objective.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Our aim is to apply the MFS Low Carbon Transition Characteristic to more than 50% of the equity securities in the portfolio of the MFS Global Equity Fund from the Transition Date. For those equity securities that do not adhere to the climate criteria of the MFS Low Carbon Transition Characteristic, MFS investment professionals will continue to actively engage with these issuers on the climate criteria. The remaining portfolio may also hold instruments not subject to the MFS Low Carbon Transition Characteristic such as cash and cash equivalent instruments and currency derivatives.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index is designated as a reference benchmark to determine whether the MFS Global Equity Fund is aligned with the MFS Low Carbon Transition Characteristic.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**Where can I find more product specific information online?**  
**More product-specific information can be found on the website:**  
[fcp.mfs.com](http://fcp.mfs.com)

## Pre-Contractual Disclosure - Article 8 of SFDR

Product name: MFS Investment Funds – Global Equity Euro Hedged Fund ("MFS Global Equity Euro Hedged Fund")  
Legal entity identifier: 3DGGVUJBAG88TR27II73

# Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

Effective 31 December 2021, the MFS Global Equity Euro Hedged Fund promotes the MFS Low Carbon Transition Characteristic, which refers to the transition to a low carbon economy that MFS as an allocator of capital will promote through active engagement and the application of climate criteria to certain investments made by this product. In particular, the MFS Global Equity Euro Hedged Fund will aim to have at least 50% of the equity securities in the portfolio invested in equity issuers that meet at least one of the three climate criteria (see below) from 1 January 2027 (the "Transition Date").

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the MFS Global Equity Euro Hedged Fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The following climate criteria, calculated on an asset weighted basis, will be used to measure the attainment of the MFS Low Carbon Characteristic in the portfolio of the MFS Global Equity Euro Hedged Fund, depending on the composition of the portfolio assets at the time:

Climate Criterion 1 - Measuring GHG intensity of equity issuers: the percentage (%) of equity securities in the portfolio invested in equity issuers that reduced their annual GHG intensity in accordance with the methodology set out in the website disclosure (see link below).

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

Climate Criterion 2 - Measuring recognised GHG emissions reduction or stabilization program: the percentage (%) of equity securities in the portfolio invested in equity issuers that have adopted such programs in accordance with the methodology set out in the website disclosure (see link below).

Climate Criterion 3 - Measuring 'net-zero' issuers: the percentage (%) of equity securities in the portfolio invested in equity issuers that are operating at 'net-zero' determined in accordance with the methodology set out in the website disclosure (see link below).

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable. The MFS Global Equity Euro Hedged Fund does not have sustainable investments as its objective.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable. The MFS Global Equity Euro Hedged Fund does not have sustainable investments as its objective.

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

The MFS Global Equity Euro Hedged Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Therefore, the "do no significant" principle does not apply to any of the investments of this financial product.



**Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes.

MFS believes that integrating financially material sustainability (environmental, social and governance or ESG) factors into investment analysis and decision-making processes leads to better informed decision-making which will drive investment returns over the long term. MFS investment professionals across the MFS Global Integrated Research Platform have access to proprietary interactive dashboards which allow them to visualize and analyze various ESG data elements, including the principal adverse impact indicators set out below. These ESG data elements are intended to enable MFS investment professionals to better understand and assess the financial impact of sustainability (ESG) factors on issuers and the portfolio, the negative external impact of issuers and the portfolio on sustainability (ESG) factors, and make informed long term investment decisions that are consistent with the financial investment objective of the MFS Global Equity Euro Hedged.

To complement the promotion of the MFS Low Carbon Transition Characteristic which incorporates the **GHG emissions** (scope 1 and 2, and 3 where available) and **GHG intensity of investee companies** principal adverse impact indicators, MFS also makes available to investment professionals the following additional greenhouse gas emissions principal adverse impact indicators: **carbon footprint, exposure to active in the fossil fuel sector, share of non-renewable energy consumption and production and**

**Principal adverse impacts** are the most significant negative impacts of investment decision on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti- corruption and anti- bribery matters.

**energy consumption intensity per high impact climate sector** (collectively, the "**Additional Emissions Indicators**"). At a portfolio level, MFS investment professionals will consider these Additional Emissions Indicators alongside the MFS Low Carbon Transition Characteristic and underlying climate criteria. MFS investment professionals will use the Additional Emissions Indicators as part of their broader assessment to address the readiness of issuers to transition their activities towards a low carbon economy and will engage with issuers consistent with the MFS Low Carbon Transition Characteristic. MFS also makes available to investment professionals the following social principal adverse impact indicators: **violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises** and **board gender diversity**. MFS investment professionals will consider these indicators within their broader ESG integration framework in the investment process to assess financial materiality and also their engagement practices. In partnership with our global stewardship team and our team of ESG specialists, MFS assesses and addresses the potential adverse impact of companies assessed at the portfolio level through its engagement approach, which may include direct engagement, proxy voting and industry collaborations (as appropriate). Information on how principal adverse impacts on sustainability (ESG) factors were considered will be made available in the annual report.

Sustainability issues are complex, interconnected and evolving. MFS believes that the materiality of principal adverse impacts cannot be reduced to an automated process. The consideration of principal adverse impacts by MFS investment professionals for financial materiality is generally subjective and often involves considering risks or opportunities that are intangible and hard to measure. Their analysis will therefore be in-depth, qualitative, issuer-specific and contextual. MFS investment professionals retain flexibility to consider the principal adverse impacts within different points of the investment process and engagement activities, and the extent to which MFS investment professionals consider principal adverse impact indicators may vary. Importantly, MFS investment professionals do not apply principal adverse impact indicators as the basis for exclusions or screens, nor would these indicators be used within a purely quantitative portfolio optimization framework. As principal adverse indicators are considered at the portfolio level, MFS investment professionals will engage with certain issuers in the portfolio with respect to issues that are considered to be financially material and not engage with every issuer within the portfolio.

☐ No

### What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

In pursuing the MFS Global Equity Euro Hedged Fund's investment objective of capital appreciation, it will also promote the MFS Low Carbon Transition Characteristic.

Applying fundamental analysis and active engagement, MFS investment professionals will assess and monitor equity issuers for their readiness to transition to a low carbon economy by measuring such issuers against the climate criteria of the MFS Low Carbon Transition Characteristic. MFS investment professionals will also actively engage equity issuers on the climate criteria of the MFS Low Carbon Transition Characteristic and their response to climate change. In engaging on the climate criteria, MFS investment professionals will seek to influence equity issuers on the following: providing climate disclosure that is clear, consistent, audited and decision-useful; undertake carbon reduction plans that are aligned with international standards and global ambitions; and holding senior leadership accountable for climate responses. By actively engaging equity issuers on the climate criteria, especially during the period leading up to the Transition Date, MFS investment professionals will gradually adjust as necessary the level of equity instruments in the portfolio of the MFS Global Equity Euro Hedged Fund towards the minimum target 50% climate criteria threshold from the Transition Date.

Where the equity securities of the portfolio (on an asset weighted basis) fall below the 50% climate criteria threshold after the Transition Date, MFS investment professionals will undertake a review of the portfolio and implement a remedial plan. The remedial plan may include an assessment of the shortfall, a consideration of how to raise the threshold through various active ownership escalation strategies to address this over time, including reduction of exposure or divestment where active ownership is not deemed to be appropriate or feasible. As our purpose is to effect meaningful change in the real economy, immediate divestment and / or portfolio repositioning may not be the best approach to promote the MFS Low Carbon Transition Characteristic and the portfolio may remain below 50% for a period of time. In making portfolio adjustments, MFS investment professionals will take into account the need to minimise financial loss, ensure responsible risk management and mitigate disruption to the MFS Global Equity Euro Hedged Fund. MFS investment professionals may also choose to invest in equity issuers that cause the portfolio to fall below the 50% target following the Transition Date. However, this

would only be permissible where the MFS investment professionals reasonably believe that promotion of the MFS Low Carbon Characteristic in relation to the climate criteria can be achieved within a reasonable timeframe through the use of active ownership tools to effect change at the level of the equity issuer.

Information on the extent to which the MFS Global Equity Euro Hedged Fund is meeting the climate criteria threshold and further details relating to the MFS Low Carbon Characteristic are available in the website disclosure (see link below). MFS will also provide periodic disclosure annually on the application of the MFS Low Carbon Characteristic in the annual report.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The MFS Global Equity Euro Hedged Fund will promote the MFS Low Carbon Characteristic by: actively engaging with existing, new and / or prospective equity issuers on the climate criteria before and beyond the Transition Date as explained above; applying the climate criteria to equity securities in the portfolio of the MFS Global Equity Euro Hedged Fund with the aim of having at least 50% of the equity securities invested in equity issuers that meet any one of the three climate criteria from the Transition Date; and undertake a remedial plan where the equity securities of the portfolio fall below the 50% climate criteria target from the Transition Date.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable. The MFS Global Equity Euro Hedged Fund does not commit to reduce the scope of the investments by a minimum rate prior to the application of the investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

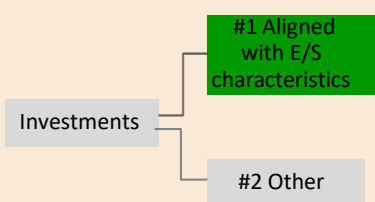
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

MFS considers "good governance" to mean the standards of governance that organisations seeking or obtaining capital in public markets to finance economic activities are required to comply or expected to conform and which may have a material impact on the value of the organisation. These standards of governance cover a broad range of matters including its structure, constitutional arrangements, management, culture, remuneration and compensation policies, employee relations, accountability to shareholders, engagement with broader stakeholders, compliance with applicable laws and adherence to industry norms. It is important to note that these standards of governance are not static and evolve within the broader environment in which issuers operate. The MFS investment professionals assess and monitor the governance practices of equity issuers in which the MFS Global Equity Euro Hedged Fund is invested to determine whether these issuers follow good governance practices. These assessments are inherently subjective, qualitative and complex and dependent on the availability and reliability of data. They are unique to the equity issuer and may vary based on the broader operating context including market expectations, local practices, sector and industry. It is important to note that these assessments are continuous rather than point in time. MFS will seek to assist equity issuers to improve their governance practices through the deployment of our active ownership tools explained above. This enables MFS investment professionals to raise concerns or make suggestions on a particular aspect of the equity issuer's governance practice.



**What is the asset allocation planned for this financial product?**

**Asset allocation** describes the share of investments in specific assets.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

As set forth and further detailed in the Prospectus Fund Profile, the MFS Global Equity Euro Hedged Fund invests primarily (at least 70%) in equity securities. The MFS Global Equity Euro Hedged Fund will aim to have at least 50% of the equity securities in the portfolio invested in equity issuers meeting at least one of the climate criteria from the Transition Date and therefore aligned with the E/S characteristics promoted by the MFS Global Equity Euro Hedged Fund (i.e. # 1) from the Transition Date. As of 30 November 2021, equity securities represented 99.76% of the total assets of the portfolio of the MFS Global Equity Euro Hedged Fund.

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable. The MFS Global Equity Euro Hedged Fund does not use derivatives to attain the MFS Low Carbon Transition Characteristic.



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Zero. The MFS Global Equity Euro Hedged Fund does not aim or commit to invest in sustainable investments with an environmental objective aligned with the EU Taxonomy.

### Does the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy?

☐

Yes:

☐

In fossil fuel

☐

In nuclear energy

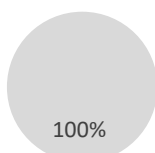


No. The MFS Global Equity Euro Hedged Fund does not aim or commit to make investments aligned with the EU Taxonomy.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

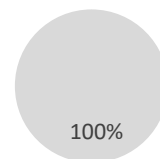
1. Taxonomy-alignment of investments including sovereign bonds\*

■ Taxonomy-aligned (no fossil gas & nuclear)  
■ Non Taxonomy-aligned



2. Taxonomy-alignment of investments excluding sovereign bonds\*

■ Taxonomy-aligned (no fossil gas & nuclear)  
■ Non Taxonomy-aligned



This graph represents 100% of the total investments.

\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

### What is the minimum share of investments in transitional and enabling activities?

Zero. The MFS Global Equity Euro Hedged Fund does not aim or commit to invest in transitional or enabling activities under the EU Taxonomy.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Zero. The MFS Global Equity Euro Hedged Fund does not aim or commit to invest in sustainable investments with an environmental objective.



### **What is the minimum of sustainable investments with a social objective?**

Zero. The MFS Global Equity Euro Hedged Fund does not aim or commit to invest in sustainable investments with a social objective.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Our aim is to apply the MFS Low Carbon Transition Characteristic to more than 50% of the equity securities in the portfolio of the MFS Global Equity Euro Hedged Fund from the Transition Date. For those equity securities that do not adhere to the climate criteria of the MFS Low Carbon Transition Characteristic, MFS investment professionals will continue to actively engage with these issuers on the climate criteria. The remaining portfolio may also hold instruments not subject to the MFS Low Carbon Transition Characteristic such as cash and cash equivalent instruments and currency derivatives.



### **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index is designated as a reference benchmark to determine whether the MFS Global Equity Euro Hedged Fund is aligned with the MFS Low Carbon Transition Characteristic.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



### **Where can I find more product specific information online? More product-specific information can be found on the website: [fcp.mfs.com](http://fcp.mfs.com)**



## Pre-Contractual Disclosure - Article 8 of SFDR

Product name: MFS Investment Funds – Global Listed Infrastructure Fund ("MFS Global Listed Infrastructure Fund")

Legal entity identifier: 549300M58MMQ487WBV69

### Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**What environmental and/or social characteristics are promoted by this financial product?**

Effective 13 May 2022, the MFS Global Listed Infrastructure Fund promotes the MFS Low Carbon Transition Characteristic, which refers to the transition to a low carbon economy that MFS as an allocator of capital will promote through active engagement and the application of climate criteria to certain investments made by this product. In particular, the MFS Global Listed Infrastructure Fund will aim to have at least 50% of the equity securities in the portfolio invested in equity issuers that meet at least one of the three climate criteria (see below) from 1 January 2027 (the "Transition Date").

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the MFS Global Listed Infrastructure Fund.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The following climate criteria, calculated on an asset weighted basis, will be used to measure the attainment of the MFS Low Carbon Characteristic in the portfolio of the MFS Global Listed Infrastructure Fund, depending on the composition of the portfolio assets at the time:

Climate Criterion 1 - Measuring GHG intensity of equity issuers: the percentage (%) of equity securities in the portfolio invested in equity issuers that reduced their annual GHG intensity in accordance with the methodology set out in the website disclosure (see link below).

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

Climate Criterion 2 - Measuring recognised GHG emissions reduction or stabilization program: the percentage (%) of equity securities in the portfolio invested in equity issuers that have adopted such programs in accordance with the methodology set out in the website disclosure (see link below).

Climate Criterion 3 - Measuring 'net-zero' issuers: the percentage (%) of equity securities in the portfolio invested in equity issuers that are operating at 'net-zero' determined in accordance with the methodology set out in the website disclosure (see link below).

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable. The MFS Global Listed Infrastructure Fund does not have sustainable investments as its objective.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable. The MFS Global Listed Infrastructure Fund does not have sustainable investments as its objective.

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

The MFS Global Listed Infrastructure Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Therefore, the “do no significant” principle does not apply to any of the investments of this financial product.



**Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes.

MFS believes that integrating financially material sustainability (environmental, social and governance or ESG) factors into investment analysis and decision-making processes leads to better informed decision-making which will drive investment returns over the long term. MFS investment professionals across the MFS Global Integrated Research Platform have access to proprietary interactive dashboards which allow them to visualize and analyze various ESG data elements, including the principal adverse impact indicators set out below. These ESG data elements are intended to enable MFS investment professionals to better understand and assess the financial impact of sustainability (ESG) factors on issuers and the portfolio, the negative external impact of issuers and the portfolio on sustainability (ESG) factors, and make informed long term investment decisions that are consistent with the financial investment objective of the MFS Global Listed Infrastructure.

To complement the promotion of the MFS Low Carbon Transition Characteristic which incorporates the **GHG emissions** (scope 1 and 2, and 3 where available) and **GHG intensity of investee companies** principal adverse impact indicators, MFS also makes available to investment professionals the following additional greenhouse gas emissions principal adverse impact indicators: **carbon footprint, exposure to active in the fossil fuel sector, share of non-renewable energy consumption and production and energy consumption intensity per high impact climate sector** (collectively, the “Additional Emissions

**Principal adverse impacts** are the most significant negative impacts of investment decision on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**Indicators**"). At a portfolio level, MFS investment professionals will consider these Additional Emissions Indicators alongside the MFS Low Carbon Transition Characteristic and underlying climate criteria. MFS investment professionals will use the Additional Emissions Indicators as part of their broader assessment to address the readiness of issuers to transition their activities towards a low carbon economy and will engage with issuers consistent with the MFS Low Carbon Transition Characteristic. MFS also makes available to investment professionals the following social principal adverse impact indicators: **violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises** and **board gender diversity**. MFS investment professionals will consider these indicators within their broader ESG integration framework in the investment process to assess financial materiality and also their engagement practices. In partnership with our global stewardship team and our team of ESG specialists, MFS assesses and addresses the potential adverse impact of companies assessed at the portfolio level through its engagement approach, which may include direct engagement, proxy voting and industry collaborations (as appropriate). Information on how principal adverse impacts on sustainability (ESG) factors were considered will be made available in the annual report.

Sustainability issues are complex, interconnected and evolving. MFS believes that the materiality of principal adverse impacts cannot be reduced to an automated process. The consideration of principal adverse impacts by MFS investment professionals for financial materiality is generally subjective and often involves considering risks or opportunities that are intangible and hard to measure. Their analysis will therefore be in-depth, qualitative, issuer-specific and contextual. MFS investment professionals retain flexibility to consider the principal adverse impacts within different points of the investment process and engagement activities, and the extent to which MFS investment professionals consider principal adverse impact indicators may vary. Importantly, MFS investment professionals do not apply principal adverse impact indicators as the basis for exclusions or screens, nor would these indicators be used within a purely quantitative portfolio optimization framework. As principal adverse indicators are considered at the portfolio level, MFS investment professionals will engage with certain issuers in the portfolio with respect to issues that are considered to be financially material and not engage with every issuer within the portfolio.

☐ No

### What investment strategy does this financial product follow?

In pursuing the MFS Global Listed Infrastructure Fund's investment objective of capital appreciation, it will also promote the MFS Low Carbon Transition Characteristic.

Applying fundamental analysis and active engagement, MFS investment professionals will assess and monitor equity issuers for their readiness to transition to a low carbon economy by measuring such issuers against the climate criteria of the MFS Low Carbon Transition Characteristic. MFS investment professionals will also actively engage equity issuers on the climate criteria of the MFS Low Carbon Transition Characteristic and their response to climate change. In engaging on the climate criteria, MFS investment professionals will seek to influence equity issuers on the following: providing climate disclosure that is clear, consistent, audited and decision-useful; undertake carbon reduction plans that are aligned with international standards and global ambitions; and holding senior leadership accountable for climate responses. By actively engaging equity issuers on the climate criteria, especially during the period leading up to the Transition Date, MFS investment professionals will gradually adjust as necessary the level of equity instruments in the portfolio of the MFS Global Listed Infrastructure Fund towards the minimum target 50% climate criteria threshold from the Transition Date.

Where the equity securities of the portfolio (on an asset weighted basis) fall below the 50% climate criteria threshold after the Transition Date, MFS investment professionals will undertake a review of the portfolio and implement a remedial plan. The remedial plan may include an assessment of the shortfall, a consideration of how to raise the threshold through various active ownership escalation strategies to address this over time, including reduction of exposure or divestment where active ownership is not deemed to be appropriate or feasible. As our purpose is to effect meaningful change in the real economy, immediate divestment and / or portfolio repositioning may not be the best approach to promote the MFS Low Carbon Transition Characteristic and the portfolio may remain below 50% for a period of time. In making portfolio adjustments, MFS investment professionals will take into account the need to minimise financial loss, ensure responsible risk management and mitigate disruption to the MFS Global Listed Infrastructure Fund. MFS investment professionals may also choose to invest in equity issuers that cause the portfolio to fall below the 50% target following the Transition Date. However, this would only be permissible where the MFS investment professionals reasonably believe that promotion



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

of the MFS Low Carbon Characteristic in relation to the climate criteria can be achieved within a reasonable timeframe through the use of active ownership tools to effect change at the level of the equity issuer.

Information on the extent to which the MFS Global Listed Infrastructure Fund is meeting the climate criteria threshold and further details relating to the MFS Low Carbon Characteristic are available in the website disclosure (see link below). MFS will also provide periodic disclosure annually on the application of the MFS Low Carbon Characteristic in the annual report.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The MFS Global Listed Infrastructure Fund will promote the MFS Low Carbon Characteristic by: actively engaging with existing, new and / or prospective equity issuers on the climate criteria before and beyond the Transition Date as explained above; applying the climate criteria to equity securities in the portfolio of the MFS Global Listed Infrastructure Fund with the aim of having at least 50% of the equity securities invested in equity issuers that meet any one of the three climate criteria from the Transition Date; and undertake a remedial plan where the equity securities of the portfolio fall below the 50% climate criteria target from the Transition Date.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable. The MFS Global Listed Infrastructure Fund does not commit to reduce the scope of the investments by a minimum rate prior to the application of the investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

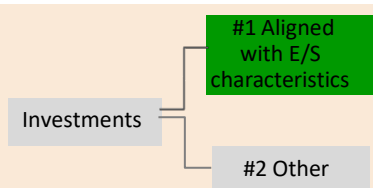
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

MFS considers "good governance" to mean the standards of governance that organisations seeking or obtaining capital in public markets to finance economic activities are required to comply or expected to conform and which may have a material impact on the value of the organisation. These standards of governance cover a broad range of matters including its structure, constitutional arrangements, management, culture, remuneration and compensation policies, employee relations, accountability to shareholders, engagement with broader stakeholders, compliance with applicable laws and adherence to industry norms. It is important to note that these standards of governance are not static and evolve within the broader environment in which issuers operate. The MFS investment professionals assess and monitor the governance practices of equity issuers in which the MFS Global Listed Infrastructure Fund is invested to determine whether these issuers follow good governance practices. These assessments are inherently subjective, qualitative and complex and dependent on the availability and reliability of data. They are unique to the equity issuer and may vary based on the broader operating context including market expectations, local practices, sector and industry. It is important to note that these assessments are continuous rather than point in time. MFS will seek to assist equity issuers to improve their governance practices through the deployment of our active ownership tools explained above. This enables MFS investment professionals to raise concerns or make suggestions on a particular aspect of the equity issuer's governance practice.



**What is the asset allocation planned for this financial product?**

**Asset allocation** describes the share of investments in specific assets.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

As set forth and further detailed in the Prospectus Fund Profile, the MFS Global Listed Infrastructure Fund invests primarily (at least 70%) in listed equity securities of infrastructure companies. The MFS Global Listed Infrastructure Fund will aim to have at least 50% of the equity securities in the portfolio invested in equity issuers meeting at least one of the climate criteria from the Transition Date and therefore aligned with the E/S characteristics promoted by the MFS Global Listed Infrastructure Fund (i.e. # 1) from the Transition Date. As of 31 March 2022, equity securities represented 98.0% of the total assets of the portfolio of the MFS Global Listed Infrastructure Fund.

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable. The MFS Global Listed Infrastructure Fund does not use derivatives to attain the MFS Low Carbon Transition Characteristic.

### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Zero. The MFS Global Listed Infrastructure Fund does not aim or commit to invest in sustainable investments with an environmental objective aligned with the EU Taxonomy.

### Does the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy?

☐

Yes:

☐

In fossil fuel

☐

In nuclear energy

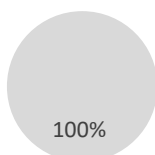


No. The MFS Global Listed Infrastructure Fund does not aim or commit to make investments aligned with the EU Taxonomy.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

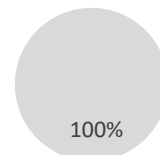
1. Taxonomy-alignment of investments including sovereign bonds\*

■ Taxonomy-aligned (no fossil gas & nuclear)  
■ Non Taxonomy-aligned



2. Taxonomy-alignment of investments excluding sovereign bonds\*

■ Taxonomy-aligned (no fossil gas & nuclear)  
■ Non Taxonomy-aligned



This graph represents 100% of the total investments.

\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

### What is the minimum share of investments in transitional and enabling activities?

Zero. The MFS Global Listed Infrastructure Fund does not aim or commit to invest in transitional or enabling activities under the EU Taxonomy.

### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Zero. The MFS Global Listed Infrastructure Fund does not aim or commit to invest in sustainable investments with an environmental objective.

### What is the minimum of sustainable investments with a social objective?

Zero. The MFS Global Listed Infrastructure Fund does not aim or commit to invest in sustainable investments with a social objective.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Our aim is to apply the MFS Low Carbon Transition Characteristic to more than 50% of the equity securities in the portfolio of the MFS Global Listed Infrastructure Fund from the Transition Date. For those equity securities that do not adhere to the climate criteria of the MFS Low Carbon Transition Characteristic, MFS investment professionals will continue to actively engage with these issuers on the climate criteria. The remaining portfolio may also hold instruments not subject to the MFS Low Carbon Transition Characteristic such as cash and cash equivalent instruments and currency derivatives.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index is designated as a reference benchmark to determine whether the MFS Global Listed Infrastructure Fund is aligned with the MFS Low Carbon Transition Characteristic.



**Where can I find more product specific information online?**  
**More product-specific information can be found on the website:**  
[fcp.mfs.com](http://fcp.mfs.com)



## Pre-Contractual Disclosure - Article 8 of SFDR

Product name: MFS Investment Funds – Global Value Fund ("MFS Global Value Fund")

Legal entity identifier: 549300E4P0WR5WDOY870

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☐ **Yes**

☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective: \_\_\_\_%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective: \_\_\_\_%**

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

Effective 31 December 2021, the MFS Global Value Fund promotes the MFS Low Carbon Transition Characteristic, which refers to the transition to a low carbon economy that MFS as an allocator of capital will promote through active engagement and the application of climate criteria to certain investments made by this product. In particular, the MFS Global Value Fund will aim to have at least 50% of the equity securities in the portfolio invested in equity issuers that meet at least one of the three climate criteria (see below) from 1 January 2027 (the "Transition Date").

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the MFS Global Value Fund.

### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The following climate criteria, calculated on an asset weighted basis, will be used to measure the attainment of the MFS Low Carbon Characteristic in the portfolio of the MFS Global Value Fund, depending on the composition of the portfolio assets at the time:

Climate Criterion 1 - Measuring GHG intensity of equity issuers: the percentage (%) of equity securities in the portfolio invested in equity issuers that reduced their annual GHG intensity in accordance with the methodology set out in the website disclosure (see link below).

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

Climate Criterion 2 - Measuring recognised GHG emissions reduction or stabilization program: the percentage (%) of equity securities in the portfolio invested in equity issuers that have adopted such programs in accordance with the methodology set out in the website disclosure (see link below).

Climate Criterion 3 - Measuring 'net-zero' issuers: the percentage (%) of equity securities in the portfolio invested in equity issuers that are operating at 'net-zero' determined in accordance with the methodology set out in the website disclosure (see link below).

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable. The MFS Global Value Fund does not have sustainable investments as its objective.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable. The MFS Global Value Fund does not have sustainable investments as its objective.

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

The MFS Global Value Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Therefore, the “do no significant” principle does not apply to any of the investments of this financial product.



**Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes.

MFS believes that integrating financially material sustainability (environmental, social and governance or ESG) factors into investment analysis and decision-making processes leads to better informed decision-making which will drive investment returns over the long term. MFS investment professionals across the MFS Global Integrated Research Platform have access to proprietary interactive dashboards which allow them to visualize and analyze various ESG data elements, including the principal adverse impact indicators set out below. These ESG data elements are intended to enable MFS investment professionals to better understand and assess the financial impact of sustainability (ESG) factors on issuers and the portfolio, the negative external impact of issuers and the portfolio on sustainability (ESG) factors, and make informed long term investment decisions that are consistent with the financial investment objective of the MFS Global Value.

To complement the promotion of the MFS Low Carbon Transition Characteristic which incorporates the **GHG emissions** (scope 1 and 2, and 3 where available) and **GHG intensity of investee companies** principal adverse impact indicators, MFS also makes available to investment professionals the following additional greenhouse gas emissions principal adverse impact indicators: **carbon footprint, exposure to active in the fossil fuel sector, share of non-renewable energy consumption and production and energy consumption intensity per high impact climate sector** (collectively, the “**Additional Emissions Indicators**”). At a portfolio level, MFS investment professionals will consider these Additional Emissions Indicators alongside the MFS Low Carbon Transition Characteristic and underlying climate criteria. MFS

**Principal adverse impacts** are the most significant negative impacts of investment decision on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



investment professionals will use the Additional Emissions Indicators as part of their broader assessment to address the readiness of issuers to transition their activities towards a low carbon economy and will engage with issuers consistent with the MFS Low Carbon Transition Characteristic. MFS also makes available to investment professionals the following social principal adverse impact indicators: **violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises and board gender diversity**. MFS investment professionals will consider these indicators within their broader ESG integration framework in the investment process to assess financial materiality and also their engagement practices. In partnership with our global stewardship team and our team of ESG specialists, MFS assesses and addresses the potential adverse impact of companies assessed at the portfolio level through its engagement approach, which may include direct engagement, proxy voting and industry collaborations (as appropriate). Information on how principal adverse impacts on sustainability (ESG) factors were considered will be made available in the annual report.

Sustainability issues are complex, interconnected and evolving. MFS believes that the materiality of principal adverse impacts cannot be reduced to an automated process. The consideration of principal adverse impacts by MFS investment professionals for financial materiality is generally subjective and often involves considering risks or opportunities that are intangible and hard to measure. Their analysis will therefore be in-depth, qualitative, issuer-specific and contextual. MFS investment professionals retain flexibility to consider the principal adverse impacts within different points of the investment process and engagement activities, and the extent to which MFS investment professionals consider principal adverse impact indicators may vary. Importantly, MFS investment professionals do not apply principal adverse impact indicators as the basis for exclusions or screens, nor would these indicators be used within a purely quantitative portfolio optimization framework. As principal adverse indicators are considered at the portfolio level, MFS investment professionals will engage with certain issuers in the portfolio with respect to issues that are considered to be financially material and not engage with every issuer within the portfolio.

☐ No

### What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

In pursuing the MFS Global Value Fund's investment objective of capital appreciation, it will also promote the MFS Low Carbon Transition Characteristic.

Applying fundamental analysis and active engagement, MFS investment professionals will assess and monitor equity issuers for their readiness to transition to a low carbon economy by measuring such issuers against the climate criteria of the MFS Low Carbon Transition Characteristic. MFS investment professionals will also actively engage equity issuers on the climate criteria of the MFS Low Carbon Transition Characteristic and their response to climate change. In engaging on the climate criteria, MFS investment professionals will seek to influence equity issuers on the following: providing climate disclosure that is clear, consistent, audited and decision-useful; undertake carbon reduction plans that are aligned with international standards and global ambitions; and holding senior leadership accountable for climate responses. By actively engaging equity issuers on the climate criteria, especially during the period leading up to the Transition Date, MFS investment professionals will gradually adjust as necessary the level of equity instruments in the portfolio of the MFS Global Value Fund towards the minimum target 50% climate criteria threshold from the Transition Date.

Where the equity securities of the portfolio (on an asset weighted basis) fall below the 50% climate criteria threshold after the Transition Date, MFS investment professionals will undertake a review of the portfolio and implement a remedial plan. The remedial plan may include an assessment of the shortfall, a consideration of how to raise the threshold through various active ownership escalation strategies to address this over time, including reduction of exposure or divestment where active ownership is not deemed to be appropriate or feasible. As our purpose is to effect meaningful change in the real economy, immediate divestment and / or portfolio repositioning may not be the best approach to promote the MFS Low Carbon Transition Characteristic and the portfolio may remain below 50% for a period of time. In making portfolio adjustments, MFS investment professionals will take into account the need to minimise financial loss, ensure responsible risk management and mitigate disruption to the MFS Global Value Fund. MFS investment professionals may also choose to invest in equity issuers that cause the portfolio to fall below the 50% target following the Transition Date. However, this would only be permissible where the MFS investment professionals reasonably believe that promotion of the MFS Low Carbon Characteristic in relation to the climate criteria can be achieved within a reasonable timeframe through the use of active ownership tools to effect change at the level of the equity issuer.

Information on the extent to which the MFS Global Value Fund is meeting the climate criteria threshold and further details relating to the MFS Low Carbon Characteristic are available in the website disclosure (see link below). MFS will also provide periodic disclosure annually on the application of the MFS Low Carbon Characteristic in the annual report.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The MFS Global Value Fund will promote the MFS Low Carbon Characteristic by: actively engaging with existing, new and / or prospective equity issuers on the climate criteria before and beyond the Transition Date as explained above; applying the climate criteria to equity securities in the portfolio of the MFS Global Value Fund with the aim of having at least 50% of the equity securities invested in equity issuers that meet any one of the three climate criteria from the Transition Date; and undertake a remedial plan where the equity securities of the portfolio fall below the 50% climate criteria target from the Transition Date.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable. The MFS Global Value Fund does not commit to reduce the scope of the investments by a minimum rate prior to the application of the investment strategy.

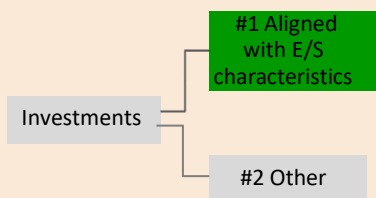
● ***What is the policy to assess good governance practices of the investee companies?***

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

MFS considers "good governance" to mean the standards of governance that organisations seeking or obtaining capital in public markets to finance economic activities are required to comply or expected to conform and which may have a material impact on the value of the organisation. These standards of governance cover a broad range of matters including its structure, constitutional arrangements, management, culture, remuneration and compensation policies, employee relations, accountability to shareholders, engagement with broader stakeholders, compliance with applicable laws and adherence to industry norms. It is important to note that these standards of governance are not static and evolve within the broader environment in which issuers operate. The MFS investment professionals assess and monitor the governance practices of equity issuers in which the MFS Global Value Fund is invested to determine whether these issuers follow good governance practices. These assessments are inherently subjective, qualitative and complex and dependent on the availability and reliability of data. They are unique to the equity issuer and may vary based on the broader operating context including market expectations, local practices, sector and industry. It is important to note that these assessments are continuous rather than point in time. MFS will seek to assist equity issuers to improve their governance practices through the deployment of our active ownership tools explained above. This enables MFS investment professionals to raise concerns or make suggestions on a particular aspect of the equity issuer's governance practice.

**What is the asset allocation planned for this financial product?**

**Asset allocation** describes the share of investments in specific assets.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

As set forth and further detailed in the Prospectus Fund Profile, the MFS Global Value Fund invests primarily (at least 70%) in equity securities of UK companies. The MFS Global Value Fund will aim to have at least 50% of the equity securities in the portfolio invested in equity issuers meeting at least one of the climate criteria from the Transition Date therefore aligned with the E/S characteristics promoted

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee.

**Enabling activities** directly enable other activities to make a substantial

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

by the MFS Global Value Fund (i.e. # 1) from the Transition Date. As of 30 November 2021, equity securities represented 98.72% of the total assets of the portfolio of the MFS Global Value Fund.

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable. The MFS Global Value Fund does not use derivatives to attain the MFS Low Carbon Transition Characteristic.



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Zero. The MFS Global Value Fund does not aim or commit to invest in sustainable investments with an environmental objective aligned with the EU Taxonomy.

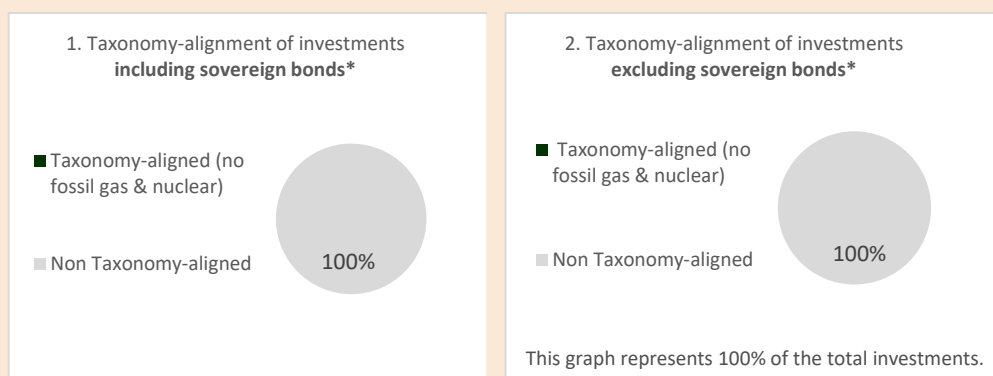
### Does the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy?

☐ Yes:

☐ In fossil fuel ☐ In nuclear energy

☒ No. The MFS Global Value Fund does not aim or commit to make investments aligned with the EU Taxonomy.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

### What is the minimum share of investments in transitional and enabling activities?

Zero. The MFS Global Value Fund does not aim or commit to invest in transitional or enabling activities under the EU Taxonomy.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Zero. The MFS Global Value Fund does not aim or commit to invest in sustainable investments with an environmental objective.



### What is the minimum of sustainable investments with a social objective?

Zero. The MFS Global Value Fund does not aim or commit to invest in sustainable investments with a social objective.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Our aim is to apply the MFS Low Carbon Transition Characteristic to more than 50% of the equity securities in the portfolio of the MFS Global Value Fund from the Transition Date. For those equity securities that do not adhere to the climate criteria of the MFS Low Carbon Transition Characteristic, MFS investment professionals will continue to actively engage with these issuers on the climate criteria. The remaining portfolio may also hold instruments not subject to the MFS Low Carbon Transition Characteristic such as cash and cash equivalent instruments and currency derivatives.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index is designated as a reference benchmark to determine whether the MFS Global Value Fund is aligned with the MFS Low Carbon Transition Characteristic.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**  
[fcp.mfs.com](http://fcp.mfs.com)

## Pre-Contractual Disclosure - Article 8 of SFDR

Product name: MFS Investment Funds – Global Value Ex-Japan Fund ("MFS Global Value Ex-Japan Fund")  
Legal entity identifier: 549300ORCQBZL0T61U70

### Environmental and/or social characteristics

#### Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



#### What environmental and/or social characteristics are promoted by this financial product?

Effective 31 December 2021, the MFS Global Value Ex-Japan Fund promotes the MFS Low Carbon Transition Characteristic, which refers to the transition to a low carbon economy that MFS as an allocator of capital will promote through active engagement and the application of climate criteria to certain investments made by this product. In particular, the MFS Global Value Ex-Japan Fund will aim to have at least 50% of the equity securities in the portfolio invested in equity issuers that meet at least one of the three climate criteria (see below) from 1 January 2027 (the "Transition Date").

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the MFS Global Value Ex-Japan Fund.

#### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The following climate criteria, calculated on an asset weighted basis, will be used to measure the attainment of the MFS Low Carbon Characteristic in the portfolio of the MFS Global Value Ex-Japan Fund, depending on the composition of the portfolio assets at the time:

Climate Criterion 1 - Measuring GHG intensity of equity issuers: the percentage (%) of equity securities in the portfolio invested in equity issuers that reduced their annual GHG intensity in accordance with the methodology set out in the website disclosure (see link below).

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

Climate Criterion 2 - Measuring recognised GHG emissions reduction or stabilization program: the percentage (%) of equity securities in the portfolio invested in equity issuers that have adopted such programs in accordance with the methodology set out in the website disclosure (see link below).

Climate Criterion 3 - Measuring 'net-zero' issuers: the percentage (%) of equity securities in the portfolio invested in equity issuers that are operating at 'net-zero' determined in accordance with the methodology set out in the website disclosure (see link below).

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable. The MFS Global Value Ex-Japan Fund does not have sustainable investments as its objective.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable. The MFS Global Value Ex-Japan Fund does not have sustainable investments as its objective.

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

The MFS Global Value Ex-Japan Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Therefore, the "do no significant" principle does not apply to any of the investments of this financial product.



**Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes.

MFS believes that integrating financially material sustainability (environmental, social and governance or ESG) factors into investment analysis and decision-making processes leads to better informed decision-making which will drive investment returns over the long term. MFS investment professionals across the MFS Global Integrated Research Platform have access to proprietary interactive dashboards which allow them to visualize and analyze various ESG data elements, including the principal adverse impact indicators set out below. These ESG data elements are intended to enable MFS investment professionals to better understand and assess the financial impact of sustainability (ESG) factors on issuers and the portfolio, the negative external impact of issuers and the portfolio on sustainability (ESG) factors, and make informed long term investment decisions that are consistent with the financial investment objective of the MFS Global Value Ex-Japan.

To complement the promotion of the MFS Low Carbon Transition Characteristic which incorporates the **GHG emissions** (scope 1 and 2, and 3 where available) and **GHG intensity of investee companies** principal adverse impact indicators, MFS also makes available to investment professionals the following additional greenhouse gas emissions principal adverse impact indicators: **carbon footprint, exposure to active in the fossil fuel sector, share of non-renewable energy consumption and production and energy consumption intensity per high impact climate sector** (collectively, the "Additional Emissions

**Principal adverse impacts** are the most significant negative impacts of investment decision on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



**Indicators**"). At a portfolio level, MFS investment professionals will consider these Additional Emissions Indicators alongside the MFS Low Carbon Transition Characteristic and underlying climate criteria. MFS investment professionals will use the Additional Emissions Indicators as part of their broader assessment to address the readiness of issuers to transition their activities towards a low carbon economy and will engage with issuers consistent with the MFS Low Carbon Transition Characteristic. MFS also makes available to investment professionals the following social principal adverse impact indicators: **violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises** and **board gender diversity**. MFS investment professionals will consider these indicators within their broader ESG integration framework in the investment process to assess financial materiality and also their engagement practices. In partnership with our global stewardship team and our team of ESG specialists, MFS assesses and addresses the potential adverse impact of companies assessed at the portfolio level through its engagement approach, which may include direct engagement, proxy voting and industry collaborations (as appropriate). Information on how principal adverse impacts on sustainability (ESG) factors were considered will be made available in the annual report.

Sustainability issues are complex, interconnected and evolving. MFS believes that the materiality of principal adverse impacts cannot be reduced to an automated process. The consideration of principal adverse impacts by MFS investment professionals for financial materiality is generally subjective and often involves considering risks or opportunities that are intangible and hard to measure. Their analysis will therefore be in-depth, qualitative, issuer-specific and contextual. MFS investment professionals retain flexibility to consider the principal adverse impacts within different points of the investment process and engagement activities, and the extent to which MFS investment professionals consider principal adverse impact indicators may vary. Importantly, MFS investment professionals do not apply principal adverse impact indicators as the basis for exclusions or screens, nor would these indicators be used within a purely quantitative portfolio optimization framework. As principal adverse indicators are considered at the portfolio level, MFS investment professionals will engage with certain issuers in the portfolio with respect to issues that are considered to be financially material and not engage with every issuer within the portfolio.

☐ No

### What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

In pursuing the MFS Global Value Ex-Japan Fund's investment objective of capital appreciation, it will also promote the MFS Low Carbon Transition Characteristic.

Applying fundamental analysis and active engagement, MFS investment professionals will assess and monitor equity issuers for their readiness to transition to a low carbon economy by measuring such issuers against the climate criteria of the MFS Low Carbon Transition Characteristic. MFS investment professionals will also actively engage equity issuers on the climate criteria of the MFS Low Carbon Transition Characteristic and their response to climate change. In engaging on the climate criteria, MFS investment professionals will seek to influence equity issuers on the following: providing climate disclosure that is clear, consistent, audited and decision-useful; undertake carbon reduction plans that are aligned with international standards and global ambitions; and holding senior leadership accountable for climate responses. By actively engaging equity issuers on the climate criteria, especially during the period leading up to the Transition Date, MFS investment professionals will gradually adjust as necessary the level of equity instruments in the portfolio of the MFS Global Value Ex-Japan Fund towards the minimum target 50% climate criteria threshold from the Transition Date.

Where the equity securities of the portfolio (on an asset weighted basis) fall below the 50% climate criteria threshold after the Transition Date, MFS investment professionals will undertake a review of the portfolio and implement a remedial plan. The remedial plan may include an assessment of the shortfall, a consideration of how to raise the threshold through various active ownership escalation strategies to address this over time, including reduction of exposure or divestment where active ownership is not deemed to be appropriate or feasible. As our purpose is to effect meaningful change in the real economy, immediate divestment and / or portfolio repositioning may not be the best approach to promote the MFS Low Carbon Transition Characteristic and the portfolio may remain below 50% for a period of time. In making portfolio adjustments, MFS investment professionals will take into account the need to minimise financial loss, ensure responsible risk management and mitigate disruption to the MFS Global Value Ex-Japan Fund. MFS investment professionals may also choose to invest in equity issuers that cause the portfolio to fall below the 50% target following the Transition Date. However, this would only be permissible where the MFS investment professionals reasonably believe that promotion

of the MFS Low Carbon Characteristic in relation to the climate criteria can be achieved within a reasonable timeframe through the use of active ownership tools to effect change at the level of the equity issuer.

Information on the extent to which the MFS Global Value Ex-Japan Fund is meeting the climate criteria threshold and further details relating to the MFS Low Carbon Characteristic are available in the website disclosure (see link below). MFS will also provide periodic disclosure annually on the application of the MFS Low Carbon Characteristic in the annual report.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The MFS Global Value Ex-Japan Fund will promote the MFS Low Carbon Characteristic by: actively engaging with existing, new and / or prospective equity issuers on the climate criteria before and beyond the Transition Date as explained above; applying the climate criteria to equity securities in the portfolio of the MFS Global Value Ex-Japan Fund with the aim of having at least 50% of the equity securities invested in equity issuers that meet any one of the three climate criteria from the Transition Date; and undertake a remedial plan where the equity securities of the portfolio fall below the 50% climate criteria target from the Transition Date.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable. The MFS Global Value Ex-Japan Fund does not commit to reduce the scope of the investments by a minimum rate prior to the application of the investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

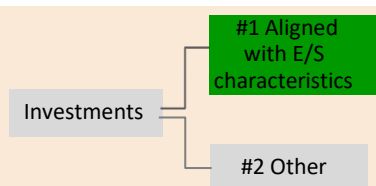
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

MFS considers "good governance" to mean the standards of governance that organisations seeking or obtaining capital in public markets to finance economic activities are required to comply or expected to conform and which may have a material impact on the value of the organisation. These standards of governance cover a broad range of matters including its structure, constitutional arrangements, management, culture, remuneration and compensation policies, employee relations, accountability to shareholders, engagement with broader stakeholders, compliance with applicable laws and adherence to industry norms. It is important to note that these standards of governance are not static and evolve within the broader environment in which issuers operate. The MFS investment professionals assess and monitor the governance practices of equity issuers in which the MFS Global Value Ex-Japan Fund is invested to determine whether these issuers follow good governance practices. These assessments are inherently subjective, qualitative and complex and dependent on the availability and reliability of data. They are unique to the equity issuer and may vary based on the broader operating context including market expectations, local practices, sector and industry. It is important to note that these assessments are continuous rather than point in time. MFS will seek to assist equity issuers to improve their governance practices through the deployment of our active ownership tools explained above. This enables MFS investment professionals to raise concerns or make suggestions on a particular aspect of the equity issuer's governance practice.



**What is the asset allocation planned for this financial product?**

**Asset allocation** describes the share of investments in specific assets.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.



invests primarily (at least 70%) in equity securities of UK companies. The MFS Global Value Fund will aim to have at least 50% of the equity securities in the portfolio invested in equity issuers meeting at least one of the climate criteria from the Transition Date therefore aligned with the E/S characteristics promoted by the MFS Global Value Ex-Japan Fund (i.e. # 1) from the Transition Date. As of 30 November 2021, equity securities represented 98.75% of the total assets of the portfolio of the MFS Global Value Ex-Japan Fund.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable. The MFS Global Value Ex-Japan Fund does not use derivatives to attain the MFS Low Carbon Transition Characteristic.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Zero. The MFS Global Value Ex-Japan Fund does not aim or commit to invest in sustainable investments with an environmental objective aligned with the EU Taxonomy.

● **Does the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy?**

☐

Yes:

☐

In fossil fuel

☐

In nuclear energy

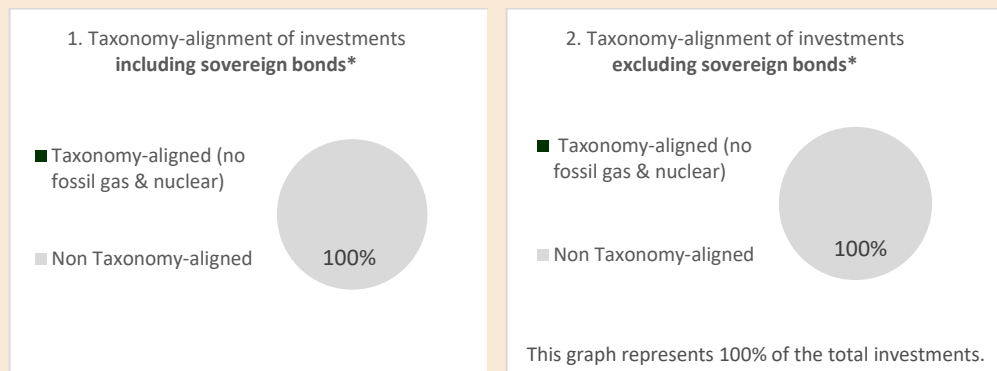


No. The MFS Global Value Ex-Japan Fund does not aim or commit to make investments aligned with the EU Taxonomy.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

Zero. The MFS Global Value Ex-Japan Fund does not aim or commit to invest in transitional or enabling activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Zero. The MFS Global Value Ex-Japan Fund does not aim or commit to invest in sustainable investments with an environmental objective.



**What is the minimum of sustainable investments with a social objective?**



are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.

Zero. The MFS Global Value Ex-Japan Fund does not aim or commit to invest in sustainable investments with a social objective.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Our aim is to apply the MFS Low Carbon Transition Characteristic to more than 50% of the equity securities in the portfolio of the MFS Global Value Ex-Japan Fund from the Transition Date. For those equity securities that do not adhere to the climate criteria of the MFS Low Carbon Transition Characteristic, MFS investment professionals will continue to actively engage with these issuers on the climate criteria. The remaining portfolio may also hold instruments not subject to the MFS Low Carbon Transition Characteristic such as cash and cash equivalent instruments and currency derivatives.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index is designated as a reference benchmark to determine whether the MFS Global Value Ex-Japan Fund is aligned with the MFS Low Carbon Transition Characteristic.



**Where can I find more product specific information online? More product-specific information can be found on the website: [fcp.mfs.com](http://fcp.mfs.com)**