

A horizontal red bar with a decorative, faceted end on the left side, matching the MFS logo's style.

MFS® Emerging Markets Equity Fund

(Class R6 Shares)

Second quarter 2024 investment report

NOT FDIC INSURED MAY LOSE VALUE NOT A DEPOSIT

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

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PRPEQ-FEM-30-Jun-24

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

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

Fund Risks



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

Stock: Stock markets and investments in individual stocks are volatile and can decline significantly in response to or investor perception of, issuer, market, economic, industry, political, regulatory, geopolitical, environmental, public health, and other conditions.

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

Emerging Markets: Emerging markets can have less market structure, depth, and regulatory, custodial or operational oversight and greater political, social, geopolitical and economic instability than developed markets.

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

Disciplined Investment Approach



Investment objective

Seeks capital appreciation

Goal

Seeks to consistently outperform the MSCI Emerging Markets Index over full market cycles.

Philosophy

Fundamental research provides an opportunity to achieve favorable, risk-adjusted returns in a historically volatile and inefficient asset class

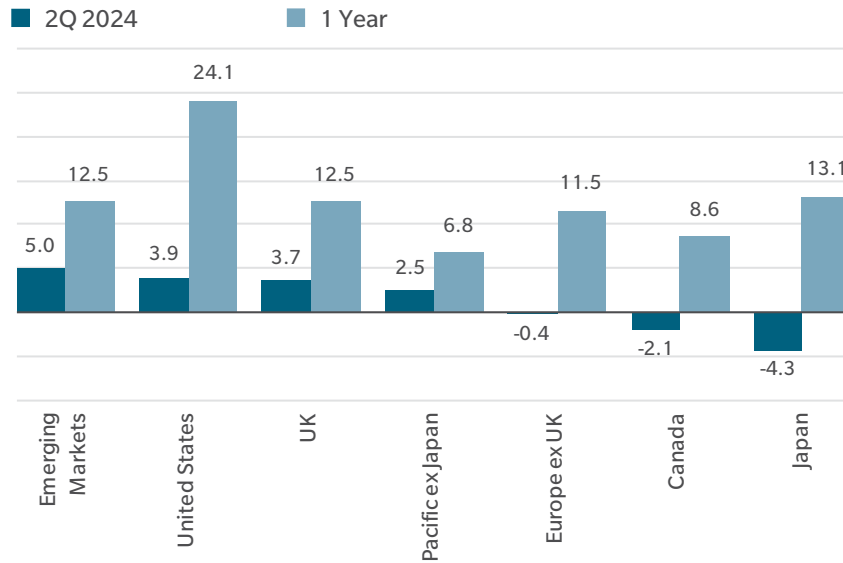
Strategy

- Rely on our proprietary, fundamental research to identify companies that meet our 5 key investment criteria
 - Discuss with the Emerging Markets Debt team macroeconomic factors that might affect our investments in individual securities
 - Actively managed, all-cap portfolio that has generally been 80–120 stocks
-

Market Overview

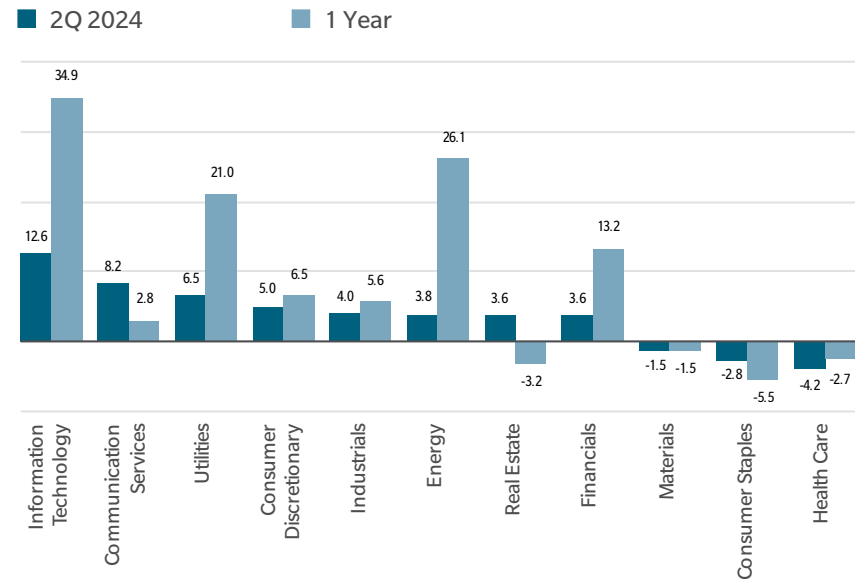


Region performance (%) (USD) as of 30-Jun-24



Source: FactSet. Region performance based on MSCI regional/country indexes.

Sector performance (%) (USD) as of 30-Jun-24



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

Emerging Markets review as of 30-Jun-2024

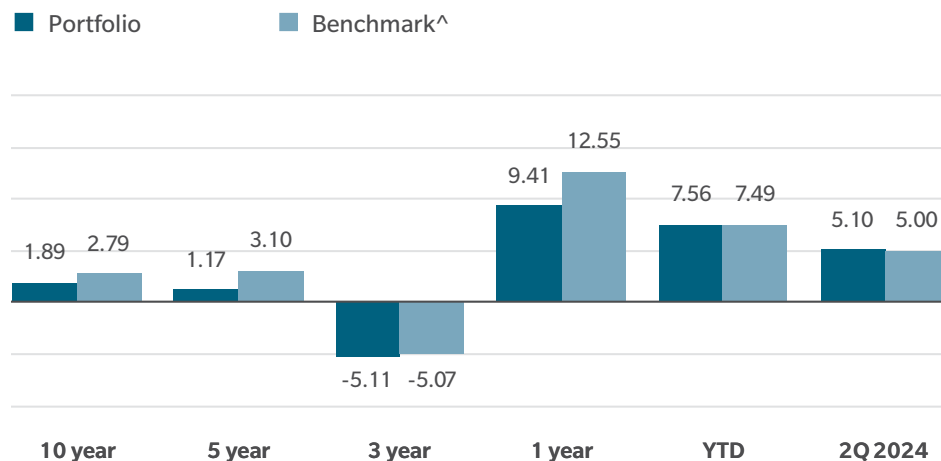
- Emerging markets had a strong second quarter and managed to outperform developed markets.
- While artificial intelligence (AI) enthusiasm was the main driver of returns for developed markets this quarter, emerging markets had a more diverse set of performance drivers, which includes AI enthusiasm and solid returns from India and China.

- We saw strong performance across the board in emerging markets, as both large- and small-cap companies participated in the rally. From a style perspective, value was slightly ahead of growth this quarter.

Executive Summary



Performance results (%) R6 shares at NAV (USD) as of 30-Jun-24



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

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

Shares are available without a sales charge to eligible investors.

Source for benchmark performance SPAR, FactSet Research Systems Inc.

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

^ MSCI Emerging Markets Index (net div)

Sector weights (%) as of 30-Jun-24

Portfolio Benchmark^^

Top overweights

Consumer Staples	9.3	5.2
Communication Services	11.5	8.9
Information Technology	26.5	25.1

Top underweights

Consumer Discretionary	9.7	12.3
Utilities	0.6	3.0
Health Care	0.9	3.2

^^ MSCI Emerging Markets Index

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The MFS Emerging Markets Equity Fund outperformed the MSCI Emerging Markets Index (net div) in the second quarter of 2024.

Contributors

- Financials - Stock selection
- Information Technology - Stock selection
- Health Care - Stock selection and an underweight position
- Individual stocks:
 - Galp Energia Sgps Sa
 - Tencent Holdings Limited
 - Mahindra & Mahindra Ltd
 - UPL Ltd

Detractors

- Consumer Staples - Stock selection and an overweight position
- Industrials - Stock selection
- Individual stocks:
 - Bank Negara Indonesia Persero Tbk Pt
 - Sk Hynix Inc (not held)
 - Yum China Holdings, Inc.

Performance Results



Performance results (%) R6 shares at NAV (USD) as of 30-Jun-24

Period	Portfolio	Benchmark [^]	Excess return vs benchmark
2Q 2024	5.10	5.00	0.10
1Q 2024	2.34	2.37	-0.02
4Q 2023	5.16	7.86	-2.70
3Q 2023	-3.28	-2.93	-0.35
2024 YTD	7.56	7.49	0.08
2023	11.32	9.83	1.49
2022	-19.78	-20.09	0.31
2021	-6.64	-2.54	-4.10
2020	10.61	18.31	-7.70
2019	20.20	18.42	1.78
10 year	1.89	2.79	-0.90
5 year	1.17	3.10	-1.93
3 year	-5.11	-5.07	-0.04
1 year	9.41	12.55	-3.14

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

[^] MSCI Emerging Markets Index (net div)

Performance Drivers - Sectors



Relative to MSCI Emerging Markets Index (USD) - second quarter 2024		Average relative weighting (%)	Portfolio returns (%)	Benchmark returns (%)	Sector allocation ¹ (%) + Stock selection ² (%) + Currency effect (%)	=	Relative contribution (%)	
Contributors	Financials	0.2	6.3	3.6	-0.0	0.6	0.0	0.6
	Information Technology	1.4	13.9	12.6	0.1	0.3	0.0	0.5
	Health Care	-2.3	12.0	-4.2	0.2	0.2	-0.0	0.4
	Energy	0.3	7.9	3.8	-0.0	0.3	-0.1	0.3
	Materials	-2.2	-0.1	-1.5	0.1	-0.0	0.1	0.2
	Communication Services	2.5	7.9	8.2	0.1	-0.1	0.0	0.0
	Utilities	-2.4	13.9	6.5	-0.0	0.0	0.0	0.0
Detractors	Consumer Staples	4.5	-7.8	-2.8	-0.3	-0.4	-0.2	-0.9
	Industrials	-1.9	-5.0	4.0	0.0	-0.5	0.0	-0.5
	Consumer Discretionary	-2.7	4.0	5.0	0.0	-0.1	-0.0	-0.1
	Real Estate	0.6	2.0	3.6	-0.0	-0.0	-0.0	-0.0
	Cash	1.9	1.3	—	-0.1	—	0.0	-0.0
Total			5.9	5.4	0.2	0.3	-0.0	0.5

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

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

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

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Performance Drivers - Stocks



Relative to MSCI Emerging Markets Index (USD) - second quarter 2024		Average Weighting (%)		Returns (%)		Relative contribution(%)
		Portfolio	Benchmark	Portfolio ¹	Benchmark	
Contributors	Galp Energia Sgps Sa	1.3	—	29.5	—	0.3
	Tencent Holdings Limited	5.7	4.1	23.9	23.9	0.3
	Mahindra & Mahindra Ltd	1.1	0.4	49.2	49.2	0.3
	Hon Hai Precision Industry Co Ltd	1.8	0.9	35.8	35.8	0.2
	Samsung Fire & Marine Insurance Co Ltd	1.3	0.1	23.1	23.1	0.2
Detractors	Bank Negara Indonesia Persero Tbk Pt	1.0	0.1	-23.5	-23.5	-0.3
	Sk Hynix Inc	—	1.0	—	30.2	-0.3
	Yum China Holdings, Inc.	1.0	0.2	-22.1	-22.1	-0.2
	AmBev SA	1.1	0.1	-17.3	-17.7	-0.2
	Kweichow Moutai Co Ltd	1.4	0.2	-12.5	-12.5	-0.2

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

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

Significant Impacts on Performance - Contributors



Relative to MSCI Emerging Markets Index (USD) - second quarter 2024		Relative contribution (%)
Galp Energia Sgps Sa	Holdings of oil and gas company Galp Energia (Portugal) bolstered relative returns as the company concluded its first exploration phase in the Mopane field off the coast of Namibia and estimated it could have at least 10 billion barrels of oil.	0.3
Tencent Holdings Limited	An overweight position in internet-based, multiple services company Tencent (China) benefited relative performance. The stock price rose as the company reported better-than-expected net profit, expanded operating margins, and strong growth in its advertising segment. The company also raised guidance within its games division as it foresees strong demand for several game title releases.	0.3
Mahindra & Mahindra Ltd	An overweight position in automobile manufacturer Mahindra & Mahindra (India) benefited relative performance. The stock price rose as the company reported earnings per share results that exceeded expectations, driven by strength in its auto and farming margins and an improved mix of more profitable vehicles.	0.3

Significant Impacts on Performance - Detractors



Relative to MSCI Emerging Markets Index (USD) - second quarter 2024		Relative contribution (%)
Bank Negara Indonesia Persero Tbk Pt	The portfolio's overweight position in financial services company Bank Negara Indonesia (Indonesia) detracted from relative performance. Although the company posted strength in asset quality and non-interest income, the stock price declined during the quarter with a drop in its net interest margin.	-0.3
Sk Hynix Inc	Not owning shares of semiconductor products manufacturer SK Hynix (South Korea) detracted from relative returns. The share price advanced during the period led by strong HBM (High Bandwidth Memory) demand and a recovery in commodity memory prices following production cuts.	-0.3
Yum China Holdings, Inc.	The portfolio's overweight position in fast food restaurant operator Yum China (United States) held back relative performance. Although the company reported all-time high revenue results, the share price fell as it faced margin declines due to higher transaction volumes not being able to make up for lower average tickets, and modestly lower same-store sales growth amid concerns over the level of competition in the market and a challenging macro environment in China.	-0.2

Significant Transactions



From 01-Apr-24 to 30-Jun-24		Sector	Transaction type	Trade (%)	Ending weight (%)
Purchases	SAMSUNG ELECTRONICS CO LTD	Information Technology	Add	0.6	6.4
	BANK NEGARA INDONESIA PERSERO TBK PT	Financials	Add	0.6	1.1
	ASE TECHNOLOGY HOLDING CO LTD	Information Technology	Add	0.5	1.3
	SAUDI ARABIAN OIL CO	Energy	New position	0.5	0.5
	ASTRA INTERNATIONAL TBK PT	Industrials	New position	0.4	0.4
Sales	TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	Information Technology	Trim	-1.4	9.8
	HON HAI PRECISION INDUSTRY CO LTD	Information Technology	Trim	-0.7	1.8
	PING AN INSURANCE GROUP CO OF CHINA LTD	Financials	Trim	-0.6	1.4
	GALP ENERGIA SGPS SA	Energy	Trim	-0.5	1.0
	JD.COM INC	Consumer Discretionary	Eliminate position	-0.4	-

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Sector Weights

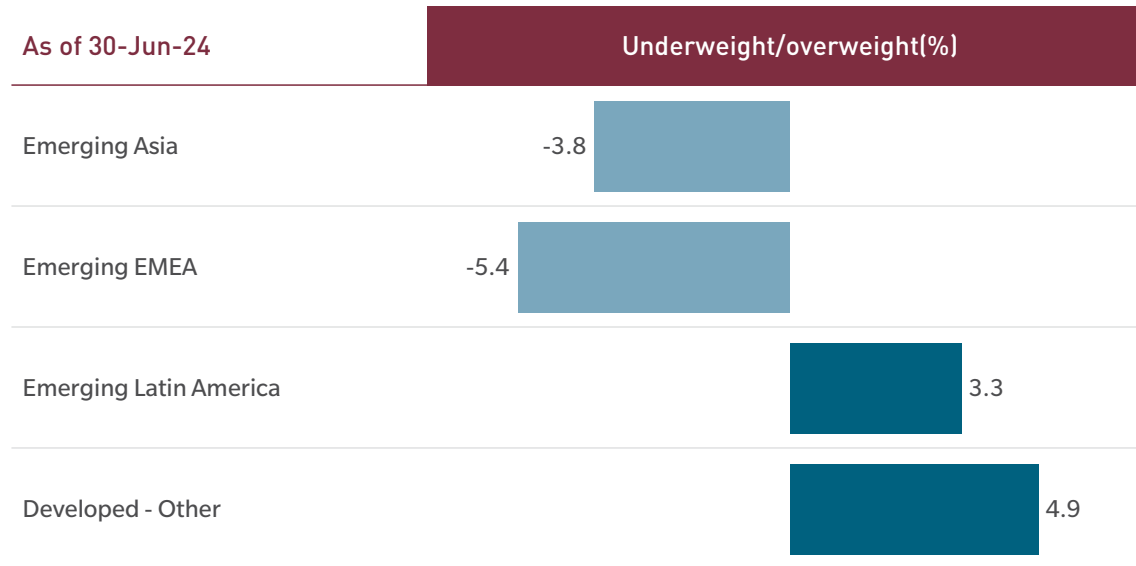


As of 30-Jun-24	Portfolio (%)	Benchmark^ (%)	Underweight/overweight(%)	Top holdings
Consumer Staples	9.3	5.2	4.1	Inner Mongolia Yili Industrial Group Co Ltd, Kweichow Moutai Co Ltd, Wal-Mart de Mexico SAB de CV
Communication Services	11.5	8.9	2.6	Tencent Holdings Ltd, NetEase Inc ADR
Information Technology	26.5	25.1	1.4	Taiwan Semiconductor Manufacturing Co Ltd, Samsung Electronics Co Ltd, Infosys Ltd
Real Estate	2.1	1.5	0.6	Emaar Properties PJSC
Energy	5.7	5.2	0.5	Petroleo Brasileiro SA ADR, United Tractors Tbk PT, Galp Energia SGPS SA
Financials	22.4	21.9	0.5	China Construction Bank Corp, HDFC Bank Ltd, Kotak Mahindra Bank Ltd
Industrials	5.4	6.9	-1.5	LG Corp
Materials	4.9	6.9	-2.0	Vale SA ADR, UPL Ltd
Health Care	0.9	3.2	-2.3	Hugel Inc
Utilities	0.6	3.0	-2.4	China Resources Gas Group Ltd
Consumer Discretionary	9.7	12.3	-2.6	Alibaba Group Holding Ltd, Mahindra & Mahindra Ltd, Gree Electric Appliances Inc of Zhuhai

^ MSCI Emerging Markets Index
1.0% Cash & cash equivalents

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Region Weights



1.0% Cash & cash equivalents

Region and Country Weights



As of 30-Jun-24	Portfolio (%)	Benchmark^ (%)	Underweight/overweight(%)
Emerging Asia	76.7	80.5	-3.8
South Korea	15.7	12.2	3.5
Indonesia	3.5	1.6	1.9
Thailand	1.9	1.3	0.6
China	25.0	25.0	0.0
Philippines	0.3	0.5	-0.2
Malaysia	0.0	1.4	-1.4
India	15.6	19.2	-3.6
Taiwan	14.8	19.4	-4.6
Emerging EMEA	6.7	12.1	-5.4
United Arab Emirates	1.9	1.1	0.8
Greece	0.7	0.5	0.2
Qatar	0.7	0.8	-0.1
Czech Republic	0.0	0.1	-0.1
Egypt	0.0	0.1	-0.1
Hungary	0.0	0.2	-0.2
Turkey	0.4	0.8	-0.4
Kuwait	0.0	0.7	-0.7
Poland	0.0	1.0	-1.0
South Africa	1.8	3.0	-1.2
Saudi Arabia	1.3	3.9	-2.6

	Portfolio (%)	Benchmark^ (%)	Underweight/overweight(%)
Emerging Latin America	10.5	7.2	3.3
Brazil	6.3	4.2	2.1
Peru	1.2	0.3	0.9
Mexico	2.9	2.1	0.8
Colombia	0.0	0.1	-0.1
Chile	0.0	0.4	-0.4
Developed - Other	5.0	0.1	4.9
Hong Kong	2.0	0.1	1.9
Austria	1.3	0.0	1.3
Portugal	1.0	0.0	1.0
United Kingdom	0.7	0.0	0.7

^ MSCI Emerging Markets Index
1.0% Cash & cash equivalents

Characteristics



As of 30-Jun-24	Portfolio	Benchmark [^]
Fundamentals - weighted average		
IBES long-term EPS growth ¹	16.1%	17.9%
Price/earnings (12 months forward ex-negative earnings)	10.3x	12.4x
Return on equity (3-year average)	19.6%	17.7%
Long term debt/capital	23.6%	25.2%
Market capitalization		
Market capitalization (USD) ²	178.3 bn	156.2 bn
Diversification		
Top ten issues	36%	26%
Number of Issues	97	1,329
Turnover		
Trailing 1 year turnover ³	34%	—
Risk/reward (5 year)		
Beta	1.03	—
Standard deviation	19.69%	18.60%

¹ Source: FactSet

² Weighted average.

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

[^] MSCI Emerging Markets Index

Past performance is no guarantee of future results.

No forecasts can be guaranteed.

Top 10 Issuers



Top 10 issuers as of 30-Jun-24	Portfolio (%)	Benchmark^ (%)
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	9.8	9.7
SAMSUNG ELECTRONICS CO LTD	6.4	4.3
TENCENT HOLDINGS LTD	5.8	4.2
ALIBABA GROUP HOLDING LTD	2.7	1.9
INFOSYS LTD	2.4	0.8
CHINA CONSTRUCTION BANK CORP (EQ)	1.9	0.9
TATA CONSULTANCY SERVICES LTD	1.9	0.6
HDFC BANK LTD	1.9	0.8
DELTA ELECTRONICS INC	1.9	0.3
HON HAI PRECISION INDUSTRY CO LTD	1.8	1.1
Total	36.5	24.5

^ MSCI Emerging Markets Index

Portfolio Outlook and Positioning



Emerging markets had a strong second quarter and managed to outperform developed markets. While artificial intelligence (AI) enthusiasm was the main driver of returns for developed markets this quarter, emerging markets had a more diverse set of performance drivers, which includes AI enthusiasm and solid returns from India and China. We saw strong performance across the board in emerging markets, as both large- and small-cap companies participated in the rally. From a style perspective, value was slightly ahead of growth this quarter.

While the star players in the artificial intelligence race are mostly based in developed markets, there are supporting players based in emerging markets that play a very critical role. This may be a surprise to some, given the headlines today are constantly filled with the latest prognosis by Jensen Huang or Elon Musk, and whether Nvidia has overtaken Microsoft or Apple as the world's most valuable company.

Several of these role players are based in Taiwan, and the most well-known of them is Taiwan Semiconductor, the foundry giant that supplies cutting-edge semiconductor chips to the likes of Nvidia, Microsoft and Apple. Taiwan Semiconductor is a core holding within our portfolio and it has been a long-term contributor to performance. In our view, Taiwan Semiconductor has undisputed technology leadership in leading-edge foundry operations. Its competitive positioning is comparable to that of Nvidia in GPUs and ASML in EUV lithography. Having said that, we are cognizant of idiosyncratic risks associated with having a large exposure to one stock and therefore we have been actively managing its position size.

The portfolio also owns a few more of these 'role players' that contributed to performance over the quarter, such as Hon Hai and ASE Technology. We believe these companies are well positioned to benefit from the AI trend. Hon Hai is the world's foremost electronics contract manufacturer. In recent years it has prioritized its business in AI servers and electric vehicles. ASE Technology is the leading outsourced semiconductor assembly and testing (OSAT) provider, with 27% market share. We like that these companies operate in quasi-monopolistic industries within the semiconductor value chain, have solid business fundamentals and are trading at reasonable valuations.

The Indian market continued its upward march in the second quarter. There were some jitters after the general elections results were announced. President Modi's party emerged victorious, although they did not win in the dominating fashion that was widely expected. Modi's weaker mandate gave some investors pause but that did not last long. The market quickly moved past the disappointment and

Portfolio Outlook and Positioning



focused on the positives of the India story, such as political continuity and stability and its strong economic growth prospects. Global agencies continue to revise the growth projections for India upwards, the latest being Fitch and the United Nations. Both are expecting India's economy to expand close to 7%, due to strong public investments and a recovery in consumer spending.

The portfolio is underweight India, but stock selection was a positive for the quarter. Our holdings in automotive manufacturers, such as Mahindra & Mahindra and Hero Motocorp, aided relative returns. Mahindra & Mahindra continues to gain market share in all automotive segments (autos, tractors, trucks) and has improved its margins and capital allocation. Holdings in agrochemical and crop protection company UPL also helped. The company had a pretty poor year results-wise, but it seems investors are convinced it has managed to overcome the cyclical issues that have plagued it over the past year.

On the flipside, our holdings within Indian banks detracted. Among our Indian banks holdings, we own Kotak Mahindra and HDFC bank. We believe they are strong franchises and among the best deposit and risk management practices. We also own Bandhan Bank and IndusInd Bank, two smaller banks that are cheaper in terms of valuations as they are recovering from past asset quality issues but have potential for higher growth and improving returns.

China also had a relatively good quarter, although there was much debate around the sustainability of China's recovery. On one hand, there were signs of economic stabilization, and the Chinese government continues to roll out policy support measures. The latest being a plan to create a "financial institutions rescue fund," which aims to prevent a broader financial crisis following the real estate slump. On the other hand, consumer confidence remains poor and trade tensions remain an overhang. For example, the European Union recently announced a range of countervailing duties between 17% and 38%, on top of the ordinary import duty of 10%, on all battery electric vehicles from China.

The portfolio owns electric vehicle manufacturer BYD, which was hit with the lowest duty at 17%. Ironically, the stock rallied following the tariff announcements. The stock was a positive contributor to performance this quarter, so perhaps the market was expecting much heavier tariff measures. In our view, given the structural cost advantages BYD enjoys, even post the tariffs, its cars should remain competitive against European-made equivalents. Currently, less than 1% of BYD's revenues are from the EU region, but this is expected to grow over the medium term.

Portfolio Outlook and Positioning



Given the size of its economy and the depressed market valuations today, we believe there are attractive investment opportunities in China that should not be ignored. Having said that, we will continue to be selective in seeking out fundamentally attractive businesses with long growth runways to invest in. Within China, our preference continues to be companies that are levered to domestic consumption growth. Although these have been detractors in the near term, we have conviction that our Chinese consumer-related holdings, such as China Resources Beer, Kweichow Moutai, Inner Mongolia Yili, Zhejiang Supor and Gree, will be able to compound earnings over the medium term, driven by domestic consumption growth and product premiumization.

Brazil and Mexico were among the worst performing emerging markets this quarter. In Brazil, concerns remain over the government's fiscal policy approach. Investors are not convinced of the government's efforts to contain spending and their overall commitment to a sustainable fiscal framework. This has also led to concerns about direction of monetary policy as Brazil's central bank governor is due to be replaced by the end of this year. The portfolio is overweight Brazil, which hurt performance this quarter. More than half of our Brazilian exposure is in materials (Suzano, Vale) and energy (Petrobras). We would argue these companies are more levered to global macroeconomic factors than Brazil's domestic policies. Broadly speaking, we believe that Brazilian equities remains attractively priced, trading close to 1 standard deviation below its 10-year average.

Meanwhile in Mexico, equity markets sold off sharply late in the quarter, after Claudia Sheinbaum was elected as the country's first female president and her MORENA party won a majority in the Congress. Investors were concerned that the MORENA party's dominating win in the elections would embolden them to pass constitutional changes that are not market friendly. We are a bit more sanguine about the situation. The MORENA party was the incumbent during the elections so the fact that they won, in our minds, indicates it is more likely that things will be business as usual in Mexico. President-elect Sheinbaum has also sought to calm investors by pledging to "promote private investments and respect businesses." In the aftermath of the sell-off, we took the opportunity to add to our existing positions in Banorte, Mexico's second largest bank, and airport operator Grupo Aeroportuario del Centro Norte.

PORTFOLIO POSITIONING

The portfolio is overweight consumer staples and technology companies. This is offset by our underweight to the health care, consumer discretionary and utilities sectors. The top overweight countries include South Korea, Brazil and Hong Kong/China, while the top underweight countries include Taiwan, India and Saudi Arabia.

Portfolio Outlook and Positioning



We made small adds and trims to the portfolio over the course of the quarter. The largest trim was to Taiwan Semiconductor and that was mainly because the stock has been a strong outperformer and we want to manage its position size within the portfolio.

Other notable trades include:

- We initiated a position in Saudi Arabian Oil (Aramco). We are of the view that Aramco's operations are run very well (they are the world's lowest cost oil producer) and that they run the business to maximize free cash flow to the government. In that sense there is a strong alignment of interest between minorities and the controlling shareholder. Valuations are not cheap, but their dividend yield is fairly stable at between 5.5% to 6.5%. We funded this by trimming GALP, which has done relatively well, and exiting SABIC as the thesis has drifted.
- We added to existing holdings in Indonesia. Indonesian assets sold off over the quarter, partly because the narrative regarding Indonesia lost momentum after the presidential elections. Investors are now scrutinising the next government. Investors have questions over the fiscal discipline of the incoming Prabowo government and there are doubts over potential ministerial candidates. These issues will continue to weigh on investor sentiment for the next couple of quarters and plausibly into next year as Prabowo's government will only assume power in October 2024. We do not expect the new government to do things too differently from the Jokowi government. Afterall, Prabowo's vice president is Jokowi's son, so we think we are more likely to see policy continuity from the previous government. In our opinion, the current stock market malaise provides a good opportunity for us to invest in quality businesses with strong fundamentals, and we added to Bank Negara Indonesia and Telkom Indonesia.

51180.11

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

Portfolio Holdings



As of 30-Jun-24	Country	Equivalent exposure (%)
Cash & Cash Equivalents		1.0
Cash & Cash Equivalents		1.0
Communication Services		11.5
Tencent Holdings Ltd	China	5.8
NetEase Inc ADR	China	1.4
Telkom Indonesia Persero Tbk PT	Indonesia	0.9
Kingsoft Corp Ltd	China	0.8
Etiihad Etisalat Co	Saudi Arabia	0.8
Hellenic Telecommunications Organization SA	Greece	0.7
Advanced Info Service PCL	Thailand	0.5
NAVER Corp	South Korea	0.4
Baidu Inc ADR	China	0.2
Consumer Discretionary		9.7
Alibaba Group Holding Ltd	China	2.7
Mahindra & Mahindra Ltd	India	1.2
Gree Electric Appliances Inc of Zhuhai	China	1.1
Yum China Holdings Inc	China	0.8
Midea Group Co Ltd	China	0.8
BYD Co Ltd	China	0.8
Hero MotoCorp Ltd	India	0.6
Vipshop Holdings Ltd ADR	China	0.6
Maruti Suzuki India Ltd	India	0.5
MakeMyTrip Ltd	India	0.4
Zhejiang Supor Co Ltd	China	0.1
Consumer Staples		9.3
Inner Mongolia Yili Industrial Group Co Ltd	China	1.4
Kweichow Moutai Co Ltd	China	1.3
Wal-Mart de Mexico SAB de CV	Mexico	1.1
Ambev SA ADR	Brazil	1.0
Orion Corp/Republic of Korea	South Korea	0.9
Wuliangye Yibin Co Ltd	China	0.7
Gruma SAB de CV	Mexico	0.7
British American Tobacco PLC	United Kingdom	0.7

As of 30-Jun-24	Country	Equivalent exposure (%)
Consumer Staples		9.3
ITC Ltd	India	0.7
China Resources Beer Holdings Co Ltd	China	0.5
BIM Birlesik Magazalar AS	Turkey	0.4
Energy		5.7
Petroleo Brasileiro SA ADR	Brazil	1.2
United Tractors Tbk PT	Indonesia	1.1
Galp Energia SGPS SA	Portugal	1.0
Reliance Industries Ltd	India	0.9
Petroleo Brasileiro SA ADR	Brazil	0.6
Saudi Arabian Oil Co	Saudi Arabia	0.5
Petronet LNG Ltd	India	0.5
LUKOIL PJSC	Russia	0.0
Financials		22.4
China Construction Bank Corp	China	1.9
HDFC Bank Ltd	India	1.9
Kotak Mahindra Bank Ltd	India	1.6
Samsung Fire & Marine Insurance Co Ltd	South Korea	1.5
KB Financial Group Inc	South Korea	1.5
Ping An Insurance Group Co of China Ltd	China	1.4
Erste Group Bank AG	Austria	1.3
Credicorp Ltd	Peru	1.2
Bank Negara Indonesia Persero Tbk PT	Indonesia	1.1
DB Insurance Co Ltd	South Korea	1.1
Hyundai Marine & Fire Insurance Co Ltd	South Korea	0.9
Banco Bradesco SA ADR	Brazil	0.9
Bangkok Bank PCL	Thailand	0.8
Nedbank Group Ltd	South Africa	0.8
AIA Group Ltd	Hong Kong	0.7
Emirates NBD Bank PJSC	United Arab Emirates	0.6
Grupo Financiero Banorte SAB de CV	Mexico	0.6
Tisco Financial Group PCL	Thailand	0.6
Bandhan Bank Ltd	India	0.5

Portfolio Holdings



As of 30-Jun-24	Country	Equivalent exposure (%)
Financials		22.4
China Merchants Bank Co Ltd	China	0.5
IndusInd Bank Ltd	India	0.5
B3 SA - Brasil Bolsa Balcao	Brazil	0.5
Moscow Exchange MICEX-RTS PJSC	Russia	0.0
Sberbank of Russia PJSC	Russia	0.0
Health Care		0.9
Hugel Inc	South Korea	0.7
Genomma Lab Internacional SAB de CV	Mexico	0.2
Burning Rock Biotech Ltd ADR	China	0.0
Industrials		5.4
LG Corp	South Korea	1.0
Techtronic Industries Co Ltd	Hong Kong	0.8
Industries Qatar QSC	Qatar	0.7
Beijing New Building Materials PLC	China	0.6
Doosan Bobcat Inc	South Korea	0.6
Samsung Engineering Co Ltd	South Korea	0.5
Astra International Tbk PT	Indonesia	0.4
Grupo Aeroportuario del Centro Norte SAB de CV	Mexico	0.3
SM Investments Corp	Philippines	0.3
SK Square Co Ltd	South Korea	0.2
Information Technology		26.5
Taiwan Semiconductor Manufacturing Co Ltd	Taiwan	9.8
Samsung Electronics Co Ltd	South Korea	6.4
Infosys Ltd	India	2.4
Tata Consultancy Services Ltd	India	1.9
Delta Electronics Inc	Taiwan	1.9
Hon Hai Precision Industry Co Ltd	Taiwan	1.8
ASE Technology Holding Co Ltd	Taiwan	1.3
Tech Mahindra Ltd	India	0.7
GDS Holdings Ltd ADR	China	0.2
GDS Holdings Ltd	China	0.1
Accton Technology Corp	Taiwan	0.0

As of 30-Jun-24	Country	Equivalent exposure (%)
Materials		4.9
Vale SA ADR	Brazil	1.6
UPL Ltd	India	1.3
Gold Fields Ltd ADR	South Africa	1.0
Anhui Conch Cement Co Ltd	China	0.5
Suzano SA	Brazil	0.5
Real Estate		2.1
Emaar Properties PJSC	United Arab Emirates	1.3
Hang Lung Properties Ltd	Hong Kong	0.3
ESR Group Ltd	Hong Kong	0.2
Multiplan Empreendimentos Imobiliarios SA	Brazil	0.2
Utilities		0.6
China Resources Gas Group Ltd	China	0.6

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