MFS® Global Equity Fund

(Class R6 Shares)

Second quarter 2024 investment report

PRPEQ-LGE-30-Jun-24

34135.9

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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.

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

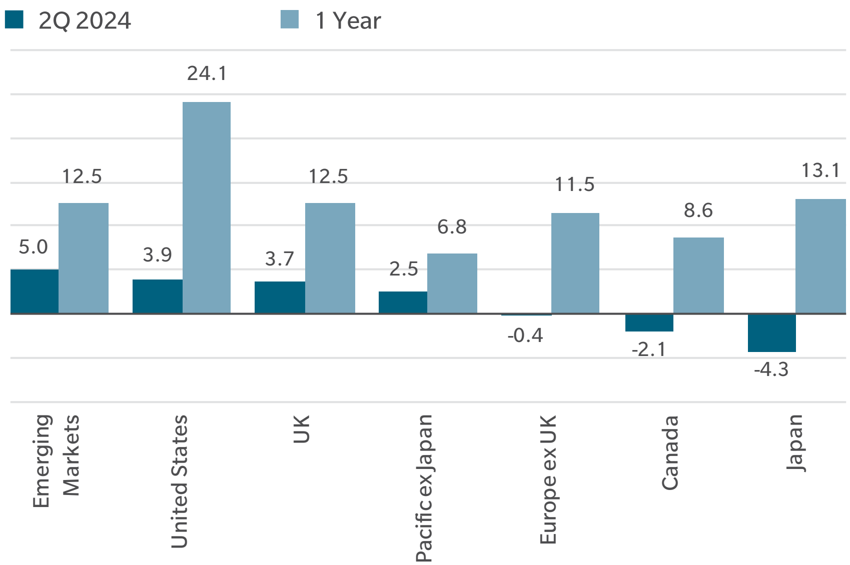
Disciplined Investment Approach

MFS

Investment objective	Seeks capital appreciation
Goal	Outperform the MSCI World Index over full market cycles
Philosophy	We believe: ▪ Companies with durable above-average growth potential and return prospects, which are not reflected in their valuation, may outperform over the long run ▪ The value of compounding high returns on capital and above-average growth rates over long time periods is often underestimated by the market
Strategy	▪ Through fundamental analysis we aim to identify enduring businesses, focusing on operational risks and the long-term potential for change ▪ We consider whether the valuation reflects the long-term growth and returns of the company, and to what extent it adequately incorporates risk

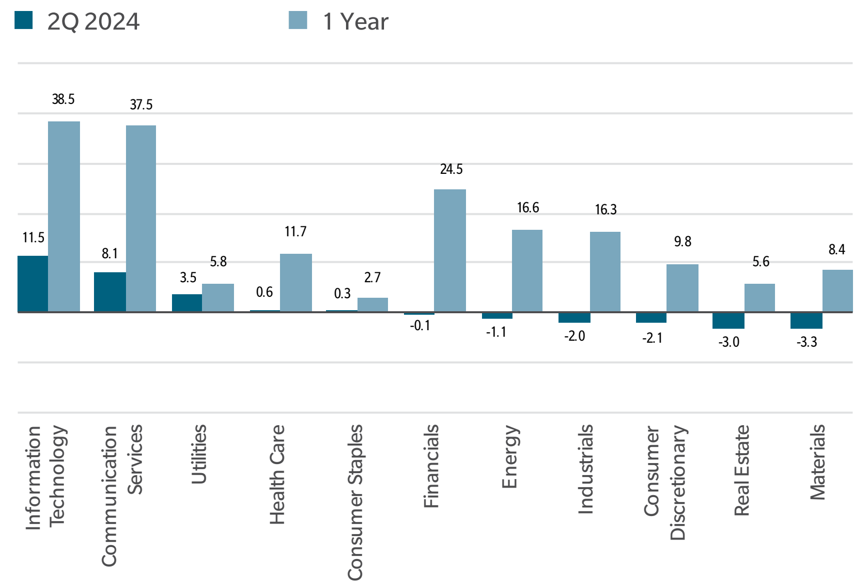
Market Overview

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



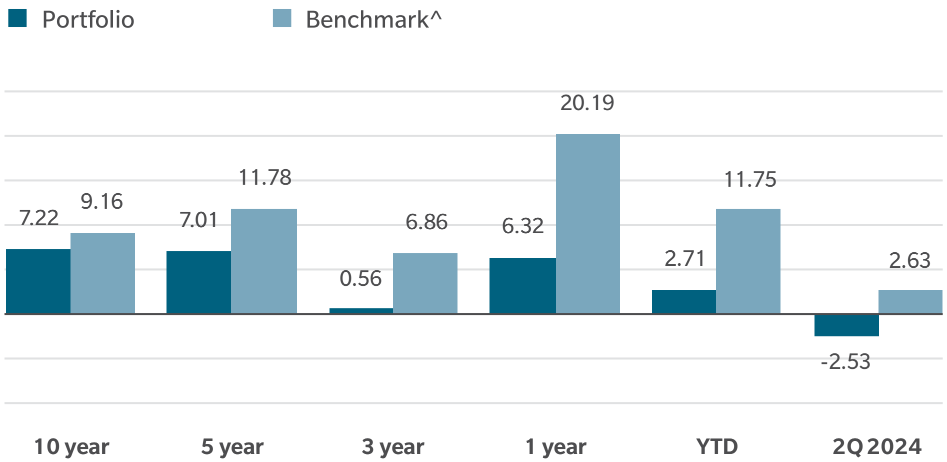
Source: FactSet. Sector performance based on MSCI sector classification. The analysis of MSCI World Index constituents are broken out by MSCI defined sectors.

Global Equities market review as of 30-Jun-2024

- The global equity market rally continued in Q2 of 2024, helped by improving economic data and expectation of less restrictive monetary policy.
- While recent and anticipated interest rate cuts by global central banks have supported equity markets, the pace and magnitude of rate cuts remain uncertain and dependent on the inflation outlook.
- The equity market has been narrowly focused on and led by large US growth stocks, particularly those perceived to be beneficiaries of AI. Market concentration continues to present a key risk to investors.
- Other risks to the market include excessive fiscal spending, elections, trade tensions, supply chain challenges, wars, and geopolitical conflicts.

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 World Index (net div)

Sector weights (%) as of 30-Jun-24	Portfolio	Benchmark^^
Top overweights		
Industrials	19.1	10.7
Health Care	17.5	11.8
Materials	7.3	3.7
Top underweights		
Information Technology	12.1	25.9
Energy	-	4.3
Utilities	-	2.4

^^ MSCI World Index

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The MFS Global Equity Fund underperformed the MSCI World Index (net div) in the second quarter of 2024.

Contributors

- Individual stocks:
  - Oracle Corp
  - Salesforce Inc
  - Schneider Electric SA
  - Boston Scientific Corp

Detractors

- Information Technology - Stock selection and an underweight position
- Individual stocks:
  - Diageo PLC
  - LVMH Moet Hennessy Louis Vuitton SE
  - Medtronic Inc

Performance Results

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

Period	Portfolio	Benchmark^	Excess return vs benchmark
2Q 2024	-2.53	2.63	-5.16
1Q 2024	5.37	8.88	-3.51
4Q 2023	11.03	11.42	-0.38
3Q 2023	-6.77	-3.46	-3.31
2024 YTD	2.71	11.75	-9.04
2023	14.59	23.79	-9.20
2022	-17.66	-18.14	0.48
2021	17.45	21.82	-4.37
2020	14.25	15.90	-1.65
2019	30.66	27.67	2.99
10 year	7.22	9.16	-1.94
5 year	7.01	11.78	-4.76
3 year	0.56	6.86	-6.29
1 year	6.32	20.19	-13.88

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.
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^ MSCI World Index (net div)

Performance Drivers - Sectors

MFS®

Relative to MSCI World Index (USD) - second quarter 2024		Average relative weighting (%)	Portfolio returns (%)	Benchmark returns (%)	Sector allocation[1] (%) +	Stock selection[2] (%) +	Currency effect (%) =	Relative contribution (%)
Contributors	Energy	-4.5	—	-1.1	0.2	—	-0.0	0.2
	Real Estate	-2.2	—	-3.0	0.1	—	-0.0	0.1
	Cash	0.8	1.3	—	0.0	—	0.0	0.0
Detractors	Information Technology	-13.3	1.6	11.5	-1.1	-1.0	-0.0	-2.1
	Health Care	5.9	-3.0	0.6	-0.1	-0.6	-0.1	-0.8
	Communication Services	-0.3	-1.6	8.1	-0.0	-0.7	0.0	-0.7
	Consumer Staples	2.5	-5.6	0.3	-0.1	-0.6	0.0	-0.6
	Industrials	8.4	-1.6	-2.0	-0.4	0.0	0.0	-0.3
	Financials	3.3	-1.3	-0.1	-0.1	-0.3	0.0	-0.3
	Consumer Discretionary	-1.5	-6.3	-2.1	0.1	-0.4	0.0	-0.3
	Materials	3.4	-3.1	-3.3	-0.2	0.0	0.0	-0.2
	Utilities	-2.5	—	3.5	-0.0	—	-0.0	-0.0
Total			**-2.3**	**2.8**	**-1.6**	**-3.6**	**0.1**	**-5.1**

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 World Index (USD) - second quarter 2024		Average Weighting (%) Portfolio	Average Weighting (%) Benchmark	Returns (%) Portfolio[1]	Returns (%) Benchmark	Relative contribution(%)
Contributors	Oracle Corp	2.0	0.3	12.8	12.6	0.2
	Salesforce Inc	0.2	0.4	9.7	-14.6	0.1
	Schneider Electric SA	2.8	0.2	7.8	7.8	0.1
	Boston Scientific Corp	1.4	0.2	12.4	12.4	0.1
	Amphenol Corp	0.8	0.1	17.0	17.0	0.1
Detractors	Nvidia Corp	—	3.9	—	36.7	-1.2
	Apple Inc	—	4.2	—	23.0	-0.8
	Diageo PLC	1.9	0.1	-14.8	-14.8	-0.3
	LVMH Moet Hennessy Louis Vuitton SE	2.1	0.4	-14.3	-14.3	-0.3
	Medtronic Inc	2.3	0.2	-8.9	-8.9	-0.3

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

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

Significant Impacts on Performance - Detractors

Relative to MSCI World Index (USD) - second quarter 2024		Relative contribution (%)
Nvidia Corp	Not owning shares of computer graphics processor maker NVIDIA (United States) weakened relative returns. The share price rose as the company reported strong earnings ahead of expectations on intense demand for its data center chips used for AI data processing. The company also increased its forward revenue guidance as it rolled out its new generation of chips and issued a 10-for-1 share split, which further supported the stock.	-1.2
Apple Inc	Not owning shares of computer and personal electronics maker Apple (United States) hindered relative performance. The share price rallied following the Apple Developers Conference, where the company announced major device OS and software platform upgrades poised with AI functionality, which lead to expectations that the upgrades may catalyze a replacement cycle.	-0.8
Diageo PLC	The portfolio's overweight position in premium drinks distributor Diageo (United Kingdom) weighed on relative results. The share price declined as a deterioration in organic growth within the US and Europe appeared to have weighed on investor sentiment.	-0.3

Significant Impacts on Performance - Contributors

Relative to MSCI World Index (USD) - second quarter 2024		Relative contribution (%)
Oracle Corp	The portfolio's overweight position in enterprise software products maker Oracle (United States) contributed to relative returns. Despite announcing slightly lower-than-expected revenue results, the share price rose as the company guided for robust revenue acceleration in the coming fiscal year. The company expects sales to grow due to new partnerships with other companies that are building out their AI capabilities, which rely on Oracle's cloud infrastructure.	0.2
Salesforce Inc	The timing of the portfolio's ownership in shares of customer information software manager Salesforce (United States) benefited relative returns. The company reported underwhelming financial results on weaker-than-expected bookings impacted by challenging spending conditions. Revenue growth continued to disappoint as customers generally opted for smaller deals rather than larger-scale transformations.	0.1
Schneider Electric SA	The portfolio's overweight position in electrical distribution equipment manufacturer Schneider Electric (France) aided relative performance. The stock price climbed as the company reported better-than-expected organic sales led by strong growth within its Energy Management segment and a lesser-than-feared downside stemming from its Industrial Automation business. Moreover, management confirmed sustained demand strength, which further supported its outlook expectations.	0.1

Significant Transactions

From 01-Apr-24 to 30-Jun-24		Sector	Transaction type	Trade (%)	Ending weight (%)
Purchases	STERIS PLC	Health Care	New position	0.8	0.8
	SALESFORCE INC	Information Technology	New position	0.7	0.8
	CAPGEMINI SE	Information Technology	Add	0.7	1.5
	AIR PRODUCTS AND CHEMICALS INC	Materials	Add	0.4	1.4
	BECTON DICKINSON AND CO (EQ)	Health Care	Add	0.3	1.7
Sales	STRYKER CORP	Health Care	Eliminate position	-0.5	–
	BOSTON SCIENTIFIC CORP	Health Care	Trim	-0.5	1.2
	AMPHENOL CORP	Information Technology	Trim	-0.4	0.7
	GOLDMAN SACHS GROUP INC/THE	Financials	Trim	-0.4	1.7
	SCHNEIDER ELECTRIC SE	Industrials	Trim	-0.3	2.6

Sector Weights

As of 30-Jun-24	Portfolio (%)	Benchmark^ (%)	Underweight/overweight(%)	Top holdings
Industrials	19.1	10.7	8.4	Schneider Electric SE, Honeywell International Inc, Canadian Pacific Kansas City Ltd
Health Care	17.5	11.8	5.7	Thermo Fisher Scientific Inc, Medtronic PLC, Roche Holding AG
Materials	7.3	3.7	3.6	Linde PLC, International Flavors & Fragrances Inc, Air Products and Chemicals Inc
Financials	18.2	14.8	3.4	Visa Inc, Charles Schwab Corp, Willis Towers Watson PLC
Consumer Staples	8.8	6.3	2.5	Nestle SA, Diageo PLC, Heineken NV
Communication Services	7.4	7.8	-0.4	Alphabet Inc Class A, Comcast Corp, Walt Disney Co
Consumer Discretionary	8.7	10.2	-1.5	LVMH Moet Hennessy Louis Vuitton SE, Cie Financiere Richemont SA, Amadeus IT Group SA
Real Estate	-	2.1	-2.1	
Utilities	-	2.4	-2.4	
Energy	-	4.3	-4.3	
Information Technology	12.1	25.9	-13.8	Oracle Corp, Microsoft Corp, Capgemini SE

^ MSCI World Index

1.0% Cash & cash equivalents

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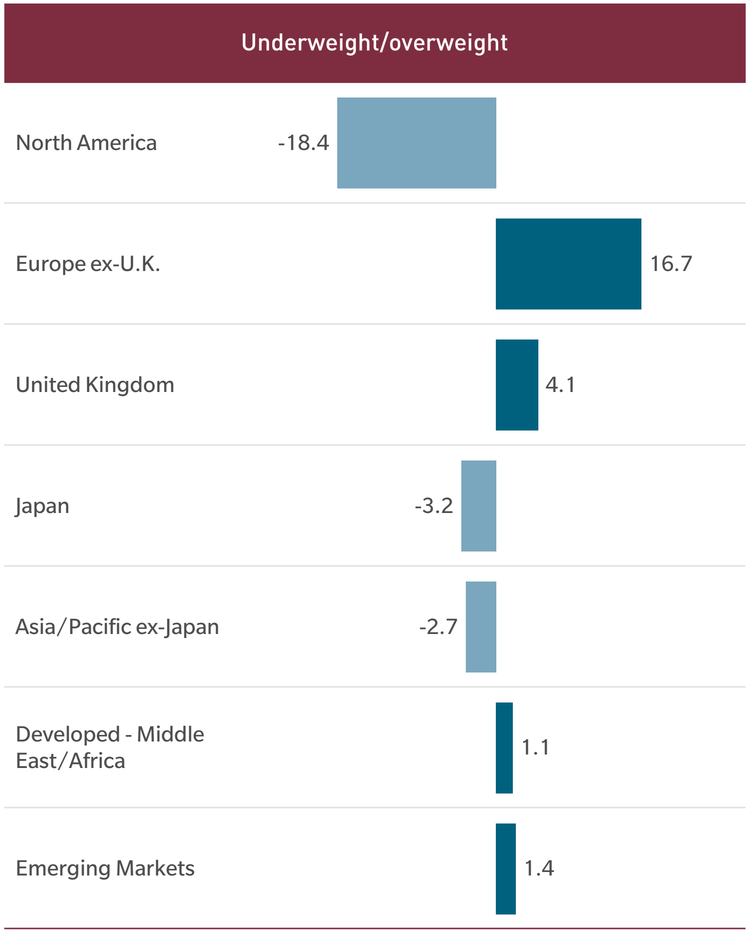
Region and Country Weights

As of 30-Jun-24	Portfolio (%)	Benchmark^ (%)	Underweight/ overweight(%)
North America	**56.4**	**74.8**	**-18.4**
Canada	3.3	3.0	0.3
United States	53.2	71.8	-18.6
Europe ex-U.K.	**29.5**	**12.8**	**16.7**
France	10.4	2.8	7.6
Switzerland	8.3	2.4	5.9
Spain	3.2	0.7	2.5
Germany	3.1	2.2	0.9
Netherlands	2.3	1.4	0.9
Austria	0.6	0.0	0.6
Sweden	1.2	0.8	0.4
Denmark	0.5	1.0	-0.5
Other countries [1]	0.0	1.5	-1.5
United Kingdom	**7.9**	**3.8**	**4.1**
Japan	**2.5**	**5.7**	**-3.2**
Asia/Pacific ex-Japan	**0.0**	**2.7**	**-2.7**
Other countries [1]	0.0	2.7	-2.7
Developed - Middle East/Africa	**1.3**	**0.2**	**1.1**
Israel	1.3	0.2	1.1
Emerging Markets	**1.4**	**0.0**	**1.4**
South Korea	1.1	0.0	1.1
Mexico	0.3	0.0	0.3



^ MSCI World Index

1.0% Cash & cash equivalents

[1] The portfolio does not own any securities in countries represented in the benchmark in the following percentages: Australia 1.9%; Italy 0.7% and 8 countries with weights less than 0.5% which totals to 1.7%.

Characteristics

As of 30-Jun-24	Portfolio	Benchmark^
Fundamentals - weighted average		
IBES long-term EPS growth [1]	11.3%	14.9%
Price/earnings (12 months forward ex-negative earnings)	18.3x	19.0x
Return on invested capital	11.9%	16.7%
Long term debt/capital	40.2%	36.9%
Fundamentals - weighted median		
IBES long-term EPS growth [1]	10.1%	11.1%
Price/earnings (12 months forward ex-negative earnings)	19.8x	23.5x
Return on invested capital	9.7%	14.1%
Long term debt/capital	37.9%	35.1%
Market capitalization		
Market capitalization (USD) [2]	240.9 bn	726.8 bn
Market capitalization (USD) [3]	80.9 bn	139.1 bn
Diversification		
Top ten issues	23%	25%
Number of Issues	85	1,430
Number of countries	15	23
Turnover		
Trailing 1 year turnover [4]	17%	—
Risk profile (current)		
Active share	86%	—
Risk/reward (since inception)		
Standard deviation [5]	14.69%	14.14%
Information ratio [5]	-0.39	—
Upside capture [5]	99.40%	—
Downside capture [5]	107.55%	—

^ MSCI World Index

Past performance is no guarantee of future results.

No forecasts can be guaranteed.

[1] Source: FactSet

[2] Weighted average.

[3] Weighted median.

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

[5] Since inception, based on first full month of performance.

Top 10 Issuers

Top 10 issuers as of 30-Jun-24	Portfolio (%)	Benchmark^ (%)
VISA INC	2.8	0.6
SCHNEIDER ELECTRIC SE	2.6	0.2
THERMO FISHER SCIENTIFIC INC (EQ)	2.5	0.3
ALPHABET INC	2.5	3.0
CHARLES SCHWAB CORP/THE	2.3	0.2
MEDTRONIC PLC	2.2	0.2
ORACLE CORP	2.2	0.4
MICROSOFT CORP	2.1	4.8
WILLIS TOWERS WATSON PLC	2.1	0.0
HONEYWELL INTERNATIONAL INC (EQ)	2.1	0.2
Total	**23.4**	**9.9**

^ MSCI World Index

Portfolio Outlook and Positioning

The level of absolute returns from equity markets in recent periods has been well above normal. We recognize that relative performance versus the benchmark has not met our clients' expectations over recent times. This is disappointing for our clients and is equally disappointing and frustrating for us. With hindsight, the portfolio has been positioned too defensively in a market that has risen strongly and become increasingly and dangerously concentrated. The benefits of portfolio diversification have not played out against a benchmark that now exhibits real concentration risk. The good news is that the narrow focus of markets has provided us tremendous opportunities to own quality businesses with durable growth prospects at attractive valuations. We are stock pickers focused on through-the-cycle returns, committed to our philosophy of "growth at a reasonable price." We have sharpened our focus to take advantage of the relative opportunities, and we have taken steps to refine our process and recognize some lessons learned. We are genuinely excited about the absolute and relative return prospects of the stocks left behind in the herd-like behavior of other investors. We have identified eight new ideas in the portfolio so far this year. We are positioned for change ahead, and we are confident that as anomalies unwind and markets broaden out again, our approach will serve you well over a full market cycle.

Market concentration

Today the construct of a global benchmark such as the MSCI World Index looks highly dangerous to us and highlights a risk to passive investing, usually sold as a "low risk" approach. It seems far from that today. Just five stocks make up 20% of the index, up from 9% five years ago. It is even more extreme in the United States. Only 17% of stocks in the S&P 500 Index have outperformed the index in the last year. We have not seen concentration levels like this since the 1930s.

Q2 of 2024 continued in much the same direction, with euphoria around AI driving only a handful of technology-related stocks. Apple fell sharply in Q1, and then rose sharply in Q2 after signing a partnership deal with OpenAI and plans for a suite of generative models embedded in its operating systems. Nvidia has become the poster child for the AI boom, driven by huge sales and earnings growth from demand for its high-powered chips, needed to train large language models. The shares added another 37% for the quarter and 150% year to date, briefly overtaking Apple and Microsoft to become the biggest company in the world by market value, accounting for 30% of the return of the US market (as represented by the S&P 500 index) this quarter. Not since 1927 has a single stock dominated the market so much in a short space of time. While acknowledging the spectacular short-term growth and $100 billion of sales over the next year, we continue to question whether this is durable and repeatable in future years as the big customers re-assess their capex budgets and spending. Customers have clearly ramped up their spending on AI chips, but how much is simply pull-forward demand to avoid being left behind in the AI arms race, and how quickly will the majors design and develop their own chips rather than allow Nvidia to swallow up the profit pool? It is still not obvious what or who are the clear winners in terms of product or applications. Will investment fade if returns on this investment don't become obvious soon? With such a wide range of potential outcomes, we think the valuation is exposed here. We are believers in the impact of this technology and have exposure across many AI and technology themes, including proprietary data sets, energy efficiency, cloud computing, automation, business efficiency software and content generation. In our experience hardware companies such as Nvidia are only the start, and there are many ways to monetize the AI theme.

Huge opportunities ahead

"Valuations don't really matter, until they do." In our opinion, growth investors seem increasingly willing to pay practically any price for companies with strong earnings growth in this slow growth environment. Valuations certainly looked very stretched to us across pockets of the market, driven by a fear of missing the AI frenzy in technology and the GLP-1s in health care.

The good news is that the narrow focus of markets is creating a growing opportunity for us. Through rigorous interaction with the analyst platform, we are finding plenty of strong quality stocks with good growth prospects trading at reasonable valuations. We have invested in eight new positions so far this year: Microsoft, Becton Dickinson, Capgemini, Amadeus, TransUnion, Air Products and Chemicals, Steris and Salesforce. We are genuinely excited about the absolute and relative return prospects of these and other stocks owned in the portfolio, which have been left behind in the herd-like behavior of other investors. We are positioned for change and set to benefit as markets broaden out once again.

Now is not the time to change tack. We have historically added most value for clients during the biggest challenges in markets, rather than when returns have been exceptionally high or exuberant, as has been the case recently. We continue to believe our "through cycle" approach will add value once markets revert to balancing fundamentals with valuation, which they always do. The market recovered swiftly from the brief selloff during the Covid pandemic in 2020, and the interest rate squeeze in 2022 did not last long either. The market has essentially had an extended rally for 16 years since the last proper reset and market leadership shakeout during the global financial crisis.

Q2 equity market review

After a wobble in April, global equity markets rose again in May and June, with the MSCI World Index (net div. in USD) returning 2.6% for the quarter and 11.8% year to date. Dig a little deeper and things look less rosy — the dramatic outperformance of a small handful of stocks at the upper end of the size spectrum has flattered index-level performance. An equal-weighted index fell 2.9% for the quarter and is up just 1.4% YTD — hardly a raging bull market for many stocks! We are confident in the scenario where the equity market broadens out and many stocks that are being ignored right now, such as those in your portfolio, will show strong performance once again.

The interesting feature of the rally is that returns have been driven mostly by multiple expansion (stocks getting more expensive) rather than earnings growth, which has been patchy at best. At a result, equity markets look dangerously poised, with strong earnings growth needing to come through to support these higher valuations. The problem is not only the high concentration, but also the record bullishness on future earnings from a small group of companies. The market has been incredibly narrow, with just two sectors materially beating the market in Q2 — information technology and communication services. Eight out of eleven sectors underperformed, with six of them falling in absolute terms.

From a style perspective, growth has again beaten value by a wide margin. The MSCI World Growth Index returned 6.4% (net div. in USD) compared to the MSCI World Value Index return of -1.2% (net div. in USD) for the quarter. Year to date, the gap has widened to 17.2% for the growth index versus 6.2% for the value index.

Macro background

Equity markets rose last year on expectations of interest rate cuts and, somewhat surprisingly, have continued to rise even though investors have pushed backed their expectations for rate cuts as the US Federal Reserve and other central banks fight with lingering inflation. The “last mile” of inflation is proving stickier and harder to shift. Canada and the European Central Bank (ECB) have made their first moves, cutting rates for the first time in five years, with ECB President Christine Lagarde saying there was a strong likelihood the decision marks the start of dialing back rates from all-time highs in the euro area. The Fed has not yet moved, with US interest rates still at a 23-year high. Investors are now pricing in just one or two rate cuts this year, having started the year predicting five to six rate cuts. Some now predict the Fed might not move at all.

What has changed is that the risk of widespread recession appears to have passed. The IMF raised its global growth forecasts to 3.2% growth in 2024 and the same for 2025. It now thinks the US is on track to grow 2.7% this year, double the rate of any other G7 country, and far away from recession fears which spooked the market last year. The US continues to surprise economists, proving resilient with a hot labor market and rising equity prices feeding into strong business and consumer confidence — but not across all income cohorts. This is a watch item for us. US inflation eased gently to 3.3% in May, with measures of core inflation staying higher than expected due to ongoing price pressure in services. Central banks continue to weigh up when and how much to act, with inflation in most developed markets still not back to target levels. Furthermore, the US election will be a wild card in terms of policy outcomes and their implications on inflation.

Portfolio performance in Q2

The portfolio underperformed the benchmark in the second quarter. This was mostly due to the underweight to the information technology sector and weak stock selection in information technology, health care, communication services and consumer staples. Not owning any energy or real estate stocks was a small offsetting positive.

At a stock level, the biggest detractors to relative performance were not holding Nvidia and Apple, which rose 37% and 23% respectively, together with the weakness in portfolio holdings Diageo, LVMH and Medtronic. Offsetting this was a positive contribution from holdings in Oracle, Schneider Electric, Boston Scientific and Amphenol. Not owning Salesforce during the earlier part of the quarter also benefited relative performance, as the stock fell 15% over the quarter and prompted a valuation refresh and purchase opportunity late in the quarter.

Portfolio positioning

The extreme narrowness of markets is creating a growing opportunity set for a long-term investor like MFS®. We are finding a growing number of companies meeting our growth and valuation criteria, and we continue to adjust the portfolio to take advantage of these opportunities. As a reminder, we are bottom-up stock pickers, so sector and geographic allocations are merely outputs of the process and not targeted in any way.

At a sector level, the biggest overweights versus the benchmark are industrials, health care, materials and financials.

Within industrials and materials, we believe our holdings are defensive, such as railroads, electrical equipment, aerospace, industrial gases and professional services firms such as the credit bureaus Experian and Equifax. We added a third credit bureau with the recent purchase of TransUnion. We particularly like the "data" element to the growth story as these companies use AI to mine their proprietary and highly regulated data sets to optimize the value they add for their customers.

Our health care holdings mainly consist of medical devices and life sciences tools companies, which we believe will benefit from above-average secular growth prospects driven by aging demographics, increasing health care spending and product innovations. We added a new name this quarter, buying Steris, the global market leader in infection protection, and we sold out of our position in Stryker and trimmed Boston Scientific to fund the purchase.

Within financials, we favor asset-light financials with less regulation that generate durable growth, strong returns and recurring revenues, such as asset managers, payments, exchanges and insurance brokers. We remain underweight banks as most are too cyclical with a poor history of returns and do not meet the growth and return criteria we look for.

Consumer staples is no longer one of our biggest overweight sectors, post the sale of Danone in Q1. We continue to like the exposure to alcoholic beverages, which exhibit decent growth characteristics and margin potential at attractive valuations.

The biggest underweight sectors versus the benchmark are information technology, energy and utilities, where many large holdings in the benchmark have not met our "growth at a reasonable price" criteria. Within technology, we took the opportunity of a reset in valuation to buy Salesforce and added further to our recently initiated positions in Capgemini and Microsoft. We trimmed recent winners such as Amphenol and Oracle.

Portfolio activity in Q2

Increased activity levels reflect the growing opportunity set we see for companies that meet our criteria for “growth at a reasonable price,” which increasingly have been overlooked in the narrow focus of markets. This opportunity looks exciting and highly encouraging to us, and has prompted the funding of eight new positions so far this year. We have introduced two more new names in Q2, Steris and Salesforce, and added further to positions in the six new names that we bought in Q1 (Microsoft, Becton Dickinson, Capgemini, Amadeus, TransUnion and Air Products and Chemicals). To make space in the portfolio, we exited Stryker this quarter to add to the five stocks we exited in Q1.

Purchases

- We initiated a new position in **Steris,** which provides innovative health care and outsource sterilization services. It is the world leader in infection prevention. 80% of revenues are recurring, and we believe the company has pricing power given its dominant position as one of the only integrated providers. We expect the company to deliver mid-single-digit organic sales growth and low-double-digit earnings growth, supported by margin improvements from greater efficiency, and a recovery in volumes as health care providers recover from Covid lows.

- We started a new position in **Salesforce,** which specializes in customer relationship management software and applications. The company has a strong market position and appears well positioned to add value through the application of AI. We believe the company can deliver low-double-digit organic growth driven by better pricing on its products through bundling of its front office applications that has premium AI features, underlying SaaS trends across industries, and an improvement in the macro environment.

- We continue to build our position in **Capgemini**, the IT consulting firm. We are optimistic in the secular growth outlook of IT consulting, where capital-light, high-return businesses benefit from their customers’ need to adapt to technological changes. We believe Capgemini will be able to achieve high-single-digit revenue growth and double-digit EPS growth over the long term. We feel the stock is attractively valued relative to long-term growth prospects and relative to peers.

- We added to our position in **Air Products and Chemicals,** the industrial gases supplier. We believe the company has a defensive and stable business capable of delivering mid-single-digit revenue growth and high-single-digit EPS growth, and there is significant upside potential from several big projects in its backlog.

- We continued to build our position in **Becton Dickinson**, a medical equipment and supplies business with leading market shares (70% in key products) in most of its categories across medical, life sciences and interventional surgery. It has 85% recurring revenues and a diversified product portfolio that we believe will be resilient in any market environment. We believe the company can deliver mid-single-digit organic revenue growth and high-single-digit earnings growth, and the stock is trading at attractive valuations.

- We added to other newer positions in **Amadeus**, **Microsoft** and **TransUnion,** which were started in Q1, and **Cellnex**, which was started in Q3 last year. We also added to longer-held names such as **Pernod Ricard**, **Aon**, **Aptiv**, **Merck KGaA**, **Nestle**, **Deutsche Borse**, **Equifax**, **MTU Aero Engines** and **Heineken.**

Sales

- We sold our position in **Stryker**, the medical equipment company, where the valuation looks stretched relative to other stocks with similar growth profiles, such as Steris and Becton Dickinson. It is a well-managed business that has outperformed peers and is a good example of what can happen when management get the execution right.

- We took a sizeable trim to **Boston Scientific,** the US medical technology company focused on cardiology, urology, endoscopy and rhythm management. Most of its markets are oligopolies, where Boston Scientific occupies market leading positions. The company has achieved solid revenue growth over the last several years and successfully transitioned its portfolio to faster growth markets. We feel all of this is now reflected in the premium valuation of the stock.

Portfolio Outlook and Positioning

- We trimmed **Amphenol**, **Goldman Sachs**, **Schneider Electric**, **Abbot Laborataries**, **Rolls-Royce**, **Sonova**, **American Express**, **Alphabet**, **Cognizant**, **Linde**, **Oracle**, **eBay**, **UBS**, **Canadian Pacific Kansas City**, **Experian**, **Erste Group**, **PPG**, **Waters** and **Walt Disney** to manage position size and fund the new opportunities highlighted above.

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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		**7.4**
Alphabet Inc Class A	United States	2.5
Comcast Corp	United States	2.0
Walt Disney Co	United States	1.1
Cellnex Telecom SA	Spain	1.0
WPP PLC	United Kingdom	0.5
Omnicom Group Inc	United States	0.3
Consumer Discretionary		**8.7**
LVMH Moet Hennessy Louis Vuitton SE	France	1.9
Cie Financiere Richemont SA	Switzerland	1.8
Amadeus IT Group SA	Spain	1.1
Marriott International Inc/MD	United States	0.8
Aptiv PLC	United States	0.6
eBay Inc	United States	0.6
Compass Group PLC	United Kingdom	0.6
Hermes International SCA	France	0.5
Burberry Group PLC	United Kingdom	0.4
Whitbread PLC	United Kingdom	0.4
Consumer Staples		**8.8**
Nestle SA	Switzerland	1.8
Diageo PLC	United Kingdom	1.7
Heineken NV	Netherlands	1.6
Pernod Ricard SA	France	1.2
Essity AB	Sweden	1.2
Reckitt Benckiser Group PLC	United Kingdom	0.9
Carlsberg AS	Denmark	0.5
Financials		**18.2**
Visa Inc	United States	2.8
Charles Schwab Corp	United States	2.3
Willis Towers Watson PLC	United States	2.1
UBS Group AG	Switzerland	1.8

As of 30-Jun-24	Country	Equivalent exposure (%)
Financials		**18.2**
Goldman Sachs Group Inc	United States	1.7
American Express Co	United States	1.4
Aon PLC	United States	1.3
Fiserv Inc	United States	1.1
Fidelity National Information Services Inc	United States	1.0
London Stock Exchange Group PLC	United Kingdom	0.8
Deutsche Boerse AG	Germany	0.6
Erste Group Bank AG	Austria	0.6
Julius Baer Group Ltd	Switzerland	0.4
Grupo Financiero Banorte SAB de CV	Mexico	0.3
Health Care		**17.5**
Thermo Fisher Scientific Inc	United States	2.5
Medtronic PLC	United States	2.2
Roche Holding AG	Switzerland	2.1
Becton Dickinson & Co	United States	1.7
Merck KGaA	Germany	1.6
Boston Scientific Corp	United States	1.2
Olympus Corp	Japan	1.2
Waters Corp	United States	1.2
Abbott Laboratories	United States	1.0
Cooper Cos Inc	United States	0.8
STERIS PLC	United States	0.8
Hoya Corp	Japan	0.5
EssilorLuxottica SA	France	0.4
Sonova Holding AG	Switzerland	0.4
Industrials		**19.1**
Schneider Electric SE	France	2.6
Honeywell International Inc	United States	2.1
Canadian Pacific Kansas City Ltd	Canada	1.8
Canadian National Railway Co	Canada	1.5
Legrand SA	France	1.2
Union Pacific Corp	United States	1.2

Portfolio Holdings

As of 30-Jun-24	Country	Equivalent exposure (%)
Industrials		**19.1**
Experian PLC	United Kingdom	1.1
Aena SME SA	Spain	1.0
TransUnion	United States	0.9
Rolls-Royce Holdings PLC	United Kingdom	0.9
Kubota Corp	Japan	0.9
United Parcel Service Inc	United States	0.7
Equifax Inc	United States	0.7
Intertek Group PLC	United Kingdom	0.7
Otis Worldwide Corp	United States	0.6
MTU Aero Engines AG	Germany	0.5
Brenntag SE	Germany	0.4
Carrier Global Corp	United States	0.3
Information Technology		**12.1**
Oracle Corp	United States	2.2
Microsoft Corp	United States	2.1
Capgemini SE	France	1.5
Check Point Software Technologies Ltd	Israel	1.3
Accenture PLC	United States	1.2
Samsung Electronics Co Ltd	South Korea	1.1
Salesforce Inc	United States	0.8
Amphenol Corp	United States	0.7
Microchip Technology Inc	United States	0.6
Cognizant Technology Solutions Corp	United States	0.5
Materials		**7.3**
Linde PLC	United States	2.0
International Flavors & Fragrances Inc	United States	1.4
Air Products and Chemicals Inc	United States	1.4
Air Liquide SA	France	1.0
PPG Industries Inc	United States	0.8
Akzo Nobel NV	Netherlands	0.7

Additional Disclosures

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