MFS® Research Fund

(Class R6 Shares)

Second quarter 2024 investment report

PRPEQ-MFR-30-Jun-24

34135.9

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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.

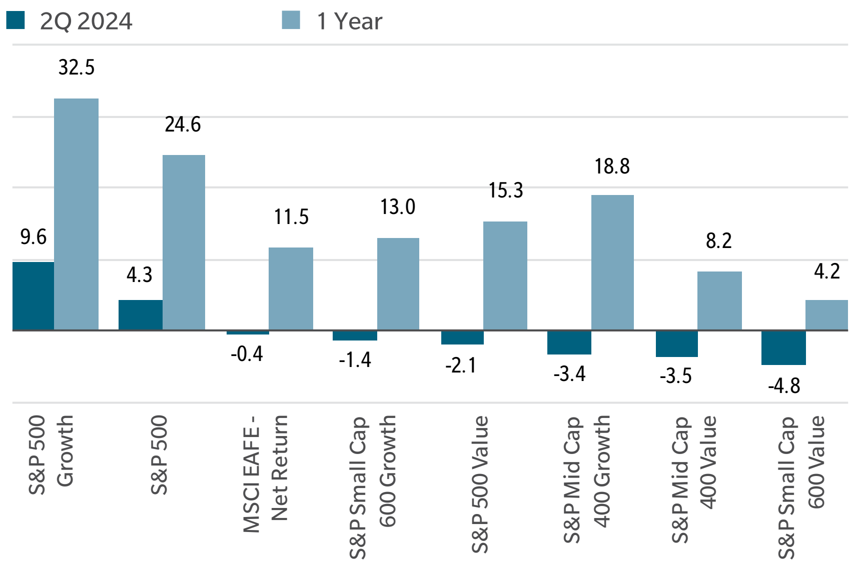
Please see the prospectus for further information on these and other risk considerations.

Disciplined Investment Approach

Investment Objective	Seeks capital appreciation
Goals	▪ Outperform S&P 500 Index over full market cycle ▪ Achieve a competitive ranking in relevant peer universes over full market cycles
Philosophy	Bottom-up analysis offers the best opportunity to identify high-quality (resilient franchises, durable earnings and/or free cash flow growth, strong balance sheet, and strong management team) companies with above average, durable earnings growth
Strategy	▪ Analyst-driven decision making process ▪ Core, primarily large-capitalization investment strategy searches for highest conviction ideas ▪ Managed generally as a sector neutral relative to S&P 500 Index

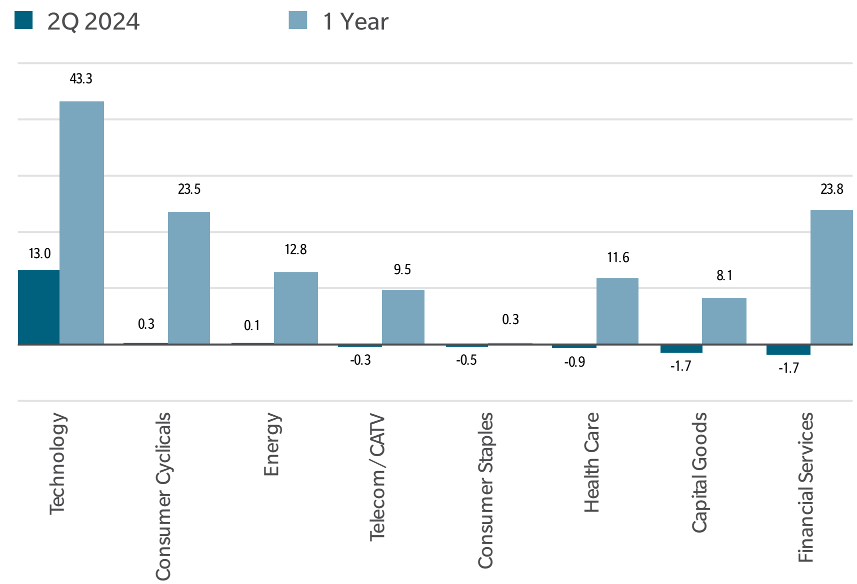
Market Overview

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



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

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



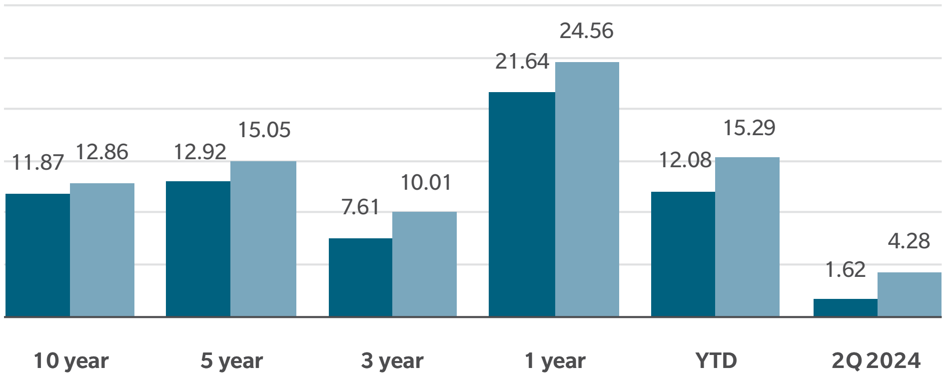
Source: FactSet. Sector performance based on Global Research sector classification. The analysis of Standard & Poor's 500 Stock Index constituents are broken out by MFS defined sectors.

US equities market review as of 30 June 2024

- The US market, as measured by the S&P 500 Index, finished higher in Q2 2024. This was a continuation from Q1, driven by the possibility that interest rates would be cut later in the year given falling inflation.
- Economic growth in the United States expanded during Q1 2024, with GDP increasing 1.4%. While this gain was smaller than the previous quarter, it was consistent with an economy that is slowing down due to the impact of higher interest rates and lower inflation. While inflation has trended down toward the US Federal Reserve's 2% goal, the Fed has continued to take a patient approach to an interest rate cut (or cuts) in 2024.
- For the quarter, growth outperformed value in the large-, mid- and small-cap spaces, although the gap of outperformance was most notable in the large-cap space. Technology, communication services and utilities were the best-performing sectors, and materials, industrials and energy were the worst.

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.

^ Standard & Poor's 500 Stock Index

Sector weights (%) as of 30-Jun-24	Portfolio	Benchmark^^
Top overweights		
Health Care	12.4	12.0
Capital Goods	11.8	11.6
Consumer Staples	4.1	3.9
Top underweights		
Technology	38.9	40.0
Telecom / CATV	1.7	1.9
Consumer Cyclicals	11.8	12.0

^^ Standard & Poor's 500 Stock Index

The sectors described and the associated portfolio composition are based on MFS' own sector classification methodology which differs from industry classification standards, including the standard that is associated with the benchmark composition presented. The variance in sector weights between the portfolio and the benchmark would be different if an industry classification standard was used.

The MFS Research Fund underperformed the Standard & Poor's 500 Stock Index in the second quarter of 2024.

Contributors

- Individual stocks:
  - Alphabet Inc
  - Intel Corp (not held)
  - Berkshire Hathaway Inc (Eq) (not held)
  - MasterCard Inc (not held)
  - Advanced Micro Devices Inc (not held)

Detractors

- Technology - Stock selection
- Individual stocks:
  - Walt Disney Co/The
  - Conocophillips (Eq)

Performance Results

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

Period	Portfolio	Benchmark^	Excess return vs benchmark
2Q 2024	1.62	4.28	-2.66
1Q 2024	10.30	10.56	-0.26
4Q 2023	12.58	11.69	0.89
3Q 2023	-3.60	-3.27	-0.33
2024 YTD	12.08	15.29	-3.21
2023	22.85	26.29	-3.43
2022	-17.01	-18.11	1.11
2021	25.11	28.71	-3.59
2020	16.98	18.40	-1.41
2019	33.49	31.49	2.01
10 year	11.87	12.86	-0.99
5 year	12.92	15.05	-2.12
3 year	7.61	10.01	-2.40
1 year	21.64	24.56	-2.91

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^ Standard & Poor's 500 Stock Index

Performance Drivers - Sectors

Relative to Standard & Poor's 500 Stock Index (USD) - second quarter 2024		Average relative weighting (%)	Portfolio returns (%)	Benchmark returns (%)	Sector allocation[1] (%) +	Stock selection[2] (%) +	Currency effect (%) =	Relative contribution (%)
Detractors	Technology	-1.0	9.6	13.0	-0.1	-1.2	-0.0	-1.3
	Consumer Cyclicals	-0.2	-3.8	0.3	0.0	-0.5	—	-0.5
	Capital Goods	0.0	-4.1	-1.7	-0.0	-0.3	—	-0.3
	Energy	0.1	-3.1	0.1	0.0	-0.2	—	-0.2
	Telecom/CATV	-0.1	-8.8	-0.3	0.0	-0.2	—	-0.2
	Health Care	0.5	-1.0	-0.9	-0.0	-0.0	—	-0.0
	Consumer Staples	0.1	-0.9	-0.5	-0.0	-0.0	—	-0.0
	Cash	0.7	1.3	—	-0.0	—	—	-0.0
	Financial Services	-0.2	-1.8	-1.7	0.0	-0.0	—	-0.0
Total			**1.7**	**4.3**	**-0.1**	**-2.4**	**-0.0**	**-2.6**

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

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

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

The sectors described and the associated portfolio composition are based on MFS' own sector classification methodology which differs from industry classification standards, including the standard that is associated with the benchmark composition presented. The variance in sector weights between the portfolio and the benchmark would be different if an industry classification standard was used.

Performance Drivers - Stocks

Relative to Standard & Poor's 500 Stock Index (USD) - second quarter 2024		Average Weighting (%) Portfolio	Average Weighting (%) Benchmark	Returns (%) Portfolio[1]	Returns (%) Benchmark	Relative contribution(%)
Contributors	Alphabet Inc	5.3	4.1	20.8	20.7	0.2
	Intel Corp	—	0.3	—	-29.6	0.1
	Berkshire Hathaway Inc (Eq)	—	1.7	—	-3.3	0.1
	MasterCard Inc	—	0.9	—	-8.3	0.1
	Advanced Micro Devices Inc	—	0.6	—	-10.1	0.1
Detractors	Apple Inc	3.2	6.1	23.0	23.0	-0.5
	Nvidia Corp	3.9	5.6	36.7	36.7	-0.5
	Salesforce Inc	1.7	0.6	-14.6	-14.6	-0.2
	Broadcom Limited	—	1.4	—	21.5	-0.2
	Walt Disney Co/The	1.2	0.5	-18.9	-18.9	-0.2

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

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Significant Impacts on Performance - Detractors

Relative to Standard & Poor's 500 Stock Index (USD) - second quarter 2024		Relative contribution (%)
Apple Inc	The portfolio's underweight position in computer and personal electronics maker Apple (United States) detracted from 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.	-0.5
Nvidia Corp	The portfolio's underweight position in computer graphics processor maker NVIDIA (United States) detracted from relative results. 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.	-0.5
Salesforce Inc	The portfolio's overweight position in customer information software manager Salesforce (United States) weighed on relative results. 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.	-0.2

Significant Impacts on Performance - Contributors

Relative to Standard & Poor's 500 Stock Index (USD) - second quarter 2024		Relative contribution (%)
Alphabet Inc	An overweight position in technology company Alphabet (United States) boosted relative results as the company reported robust search, YouTube, and Cloud revenue, most notably due to strong advertising traction within YouTube Shorts. Investors appeared to have rewarded AI initiatives designed to further drive search revenues.	0.2
Intel Corp	Not owning shares of semiconductor company Intel (United States) contributed to relative performance. The share price declined as the company reduced its forward revenue guidance and experienced higher-than-expected start-up costs for its chip foundries.	0.1
Berkshire Hathaway Inc (Eq)	Not owning shares of insurance and investment firm Berkshire Hathaway (United States) helped relative performance. The stock price declined during the quarter after the company reported operating earnings after investments and derivatives below market estimates, largely driven by weaker revenue per unit at BNSF.	0.1

Significant Transactions

From 01-Apr-24 to 30-Jun-24		Sector	Transaction type	Trade (%)	Ending weight (%)
Purchases	HILTON WORLDWIDE HOLDINGS INC	Consumer Cyclicals	New position	0.6	0.6
	US FOODS HOLDING CORP	Consumer Cyclicals	New position	0.6	0.5
	FISERV INC	Technology	New position	0.5	0.5
	NORDSON CORP	Capital Goods	New position	0.3	0.2
	DANAHER CORP (EQ)	Health Care	New position	0.3	0.3
Sales	ELI LILLY & CO	Health Care	Trim	-0.6	1.2
	MARRIOTT INTERNATIONAL INC/MD	Consumer Cyclicals	Eliminate position	-0.6	–
	PALO ALTO NETWORKS INC	Technology	Eliminate position	-0.4	–
	AZEK CO INC/THE	Capital Goods	Eliminate position	-0.4	–
	TARGET CORP	Consumer Cyclicals	Trim	-0.4	0.2

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Sector Weights

As of 30-Jun-24	Portfolio (%)	Benchmark^ (%)	Underweight/overweight(%)	Top holdings
Health Care	12.4	12.0	0.4	Johnson & Johnson, Cigna Group, AbbVie Inc
Capital Goods	11.8	11.6	0.2	Eaton Corp PLC
Consumer Staples	4.1	3.9	0.2	PepsiCo Inc
Energy	6.1	6.1	0.0	ConocoPhillips
Financial Services	12.5	12.6	-0.1	Visa Inc, JPMorgan Chase & Co, Chubb Ltd
Consumer Cyclicals	11.8	12.0	-0.2	Amazon.com Inc, Home Depot Inc, Walt Disney Co
Telecom / CATV	1.7	1.9	-0.2	SBA Communications Corp REIT
Technology	38.9	40.0	-1.1	Microsoft Corp, NVIDIA Corp, Alphabet Inc Class A

^ Standard & Poor's 500 Stock Index

0.7% Cash & cash equivalents

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

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Characteristics

As of 30-Jun-24	Portfolio	Benchmark^
Fundamentals - weighted average		
IBES long-term EPS growth [1]	15.6%	16.4%
Price/earnings (12 months forward)	22.0x	21.8x
Market capitalization		
Market capitalization (USD) [2]	929.9 bn	1,011.2 bn
Diversification		
Top ten issues	37%	36%
Number of Issues	104	503
Turnover		
Trailing 1 year turnover [3]	19%	—
Risk/reward (10 year)		
Historical tracking error	2.12%	—
Standard deviation	14.80%	15.31%
Beta	0.96	—

^ Standard & Poor's 500 Stock Index

Past performance is no guarantee of future results.

No forecasts can be guaranteed.

[1] Source: FactSet

[2] Weighted average.

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

Top 10 Issuers

Top 10 issuers as of 30-Jun-24	Portfolio (%)	Benchmark^ (%)
MICROSOFT CORP	9.1	7.2
ALPHABET INC	5.6	4.3
AMAZON.COM INC (EQ)	4.7	3.9
NVIDIA CORP	4.7	6.6
APPLE INC	3.6	6.6
META PLATFORMS INC	3.3	2.4
VISA INC	2.4	0.9
JPMORGAN CHASE & CO	2.2	1.3
SALESFORCE INC	1.6	0.5
CONOCOPHILLIPS (EQ)	1.4	0.3
Total	**38.6**	**34.1**

^ Standard & Poor's 500 Stock Index

Portfolio Outlook and Positioning

We employ a sector neutral approach relative to the S&P 500 Index and we use our bottom-up, fundamental investment approach to try and identify solid companies with a bias towards companies generating above-average, viable growth and whose stocks trade at reasonable valuations. Our eight sector teams focus on constructing portfolios that aim to outperform their respective S&P 500 sectors with the flexibility to invest across industries and add value through stock selection.

The Mag 7 morphed into the Fab 5, or even more accurately one stock, NVIDIA. According to data from Strategas, NVIDIA's contribution to the S&P 500's performance this year is 30%, the third largest individual contributor in a calendar year, but the largest in a year where equity performance is positive. And NVIDIA joins Microsoft and Apple with an index weight greater than 6%. Historically, having one name above that level was unusual, but we now have three names above 6%. Led by NVIDIA, the S&P 500 finished the first half of the year up over 15%, the third best start to the year in the last 25 years, and the momentum factor led by a wide margin. Given the strong headline performance numbers of the S&P 500, the assumption would be a strong risk-on rally, but that has not been the case. Investors have piled into mega-cap tech, but beyond the large-cap growth indices, returns have been more muted with the Russell 1000® Value, Russell Midcap® Index and Russell 2000® Index all finishing with negative second quarter returns. The extreme bifurcation has made it difficult for investors and, according to data from BofA Securities, only 24% of S&P 500 stocks are beating the index year-to-date, which is the third lowest rate in history since 1986.

Turning to the portfolio's performance, the portfolio underperformed the S&P 500 during the quarter. Stock selection in technology, most notably underweights to Nvidia and Apple, detracted from performance. Since the start of the year, NVIDIA's 2025 EPS is up 50%, but unlike last year when the multiple compressed, it has gone from 20x to 30x 2025 EPS. The range of outcomes remains large with upside based on the potential of $400 billion in GPU total addressable market (TAM) by 2027 (AMD's estimates). NVIDIA's TAM may be even bigger given their larger role in servers/networking content. Conversely, NVIDIA's downside is based on a scenario where competition from AMD, Intel and ASICs pressure NVIDIA's average selling prices down to prior levels, which could result in meaningful downside. A modest underweight seemed appropriate given these considerations, but the stock has been a monster this year and any underweight has been painful to relative performance.

Within their sector teams, our analysts continue to look for compelling investment opportunities. Within capital goods, the team conducted a global aerospace comparison with a focus on engine suppliers. The aerospace cycle has a multi-year runway as global flight hours are growing, load factors are high and original equipment (OE) backlogs are high, signaling demand far outstripping supply. We are overweight the group with engine exposure through Howmet Aerospace, a core long-term holding and a play on the commercial aerospace production ramp. Howmet is not overly exposed to one original equipment manufacturer (OEM) or platform, and we believe they will outgrow OEM production rates due to market share gains and increasing penetration on next generation platforms. We are also overweight homebuilding & materials, owning heavy building materials companies Summit Materials and Vulcan Materials which provide strong end market exposure to infrastructure spending at reasonable valuations. We sold our position in composite deck and rail manufacturer **AZEK** after strong performance led to a less compelling valuation. We started a new position in **Builders FirstSource**, the nation's largest supplier of building products, components and services which provides exposure to an under-built US single family home construction market. Builders FirstSource is seeing a mix improvement via more value add (factory-built substitutes for job-site framing, such as wood floors, roof trusses, wall panels and engineered wood that they design, cut and assemble) as a percentage of revenues. In addition, its balance sheet, management team and capital allocation are all top tier. We remain underweight autos and do not own Tesla. Over the past year, we have seen EPS decline by almost 50%, yet the stock still commands a high multiple. We find it odd that the stock is being valued as a growth stock when revenue growth is negative, and EPS is down. With no clear growth catalysts over the next two years, minimal cost takeout opportunities on existing platforms and rising capex, we struggle to see what supports the current multiple. The stock has essentially become a binary call on them solving full autonomy/robotaxis. We are exposed to secular trends around electrification, including grid modernization and increased use of sensors and electronics in vehicles through our positions in Eaton, TE Connectivity and Aptiv. Finally, we started a position in **Nordson**, which manufactures a variety of industrial products including adhesives dispensing, industrial coatings equipment and medical components. In our view, Nordson is a best-in-class industrial from a quality perspective, with high margins compelling organic growth and returns, trading at a valuation that is highly attractive on a relative basis.

Within consumer cyclicals, we made some changes in lodging by selling our position in hotel and resort operator **Marriott International** to start a new position in **Hilton Worldwide Holdings**. On the margin, we feel better about Hilton's ability to deliver numbers given its greater franchise/base management fee mix that has less embedded variability and lower overall capital intensity. In addition, Hilton should deliver a higher total shareholder return, it offers a better balance sheet and it currently trades at a discount to P/FCF (Historically Hilton has traded at a premium to Marriott.). Within restaurants, we started a new position in food distributor **US Foods Holding**. The food distributors have been resilient and highly FCF generative through various cycles. We view US Foods as a play on the food away from home versus food at home trend without the exposure to a specific restaurant brand/end customer. US Foods has the added kicker of a margin expansion story with a new CEO that did well for shareholders in his prior role at Builders FirstSource. We think the valuation looks attractive given the health of the core business, and there is potential for additional value creation via capital deployment. The team also added to Amazon as it is likely in the strongest position ever as a retailer. The company is back to taking roughly 28% of every incremental sales dollar in the US at the same time its cost to serve is falling, shipping speeds are at all-time highs and margins are expanding. We have not seen this before. The combination of retail strength, advertising hitting a nearly $50 billion run rate (with theoretically very high incremental margins) and potential AI tailwinds for Amazon Web Services likely makes Amazon an even tougher company to bet against on a 3- to 5-year view versus the past 3 to5 years.

Within consumer staples, after taking unprecedented pricing in 2022 and into 2023 to combat cost inflation, we have been seeing dispersion in volumes between companies and categories with further risk from a greater propensity for trade down and higher promotional activity in 2024. In this environment, we have been marginally less sensitive to valuations for companies we believe have attractive category exposure, advantaged positions and pricing power which can lead to less earnings risk over the medium term, and we have largely maintained core positions in Mondelez, Colgate-Palmolive, Constellation Brands and PepsiCo. In the case of PepsiCo, the valuation has derated considerably on P/E, both absolute and relative to staples, yet estimates have continued to rise (and have grown faster than staples on a 3-, 6- and 12-month basis), creating a compelling risk/reward opportunity.

Within energy, while we continue to assess ExxonMobil and Chevron for potential ownership, we have maintained exposure to E&Ps over integrateds which stems from our strategy of trying to build a better Exxon Mobil and/or Chevron with components having commonalities with the main supermajor businesses. This has meant owning Hess for its exposure to Guyana, one of the most attractive offshore projects in the world, which given its growth potential differentiates its FCF profile; owning ConocoPhillips for its discipline in returning capital to shareholders, a solid global upstream portfolio and a strong balance sheet; owning Diamondback Energy for its onshore exposure and owning Valero which offers much improved capital allocation with attractive valuations as it continues to take advantage of refining tailwinds. Within services, we own Schlumberger for international and/or offshore exposure. Within utilities, the team took a closer look at independent power producers (IPPs) during the quarter. Electricity demand projections have increased significantly and are likely to result in tight market conditions for the intermediate term. In particular, data center demand for energy has exploded due to machine learning and the continued expansion of the cloud. Industrial demand across multiple sectors has also returned as onshoring of manufacturing has accelerated, driven in part by tax incentives from the Inflation Reduction Act. New supply is unlikely to solve the issue for several years given turbine availability is several years out, new EPA regulations deter development of baseload combined cycle gas turbine plants and construction takes 2 to 3 years. The energy transition has led to an accelerated closure of existing baseload coal generation leading to a further reduction in generation. This has created opportunities for IPPs, which are beneficiaries of increased energy demand, and we continue to assess our positioning in the broader utilities group.

Within financial services, our largest overweight remains diversified financials, which includes exposure to insurance brokers Aon and Wills Towers Watson, payment network provider Visa, exchange CME Group and rating agency Moody's, due to their compounding of earnings and relative economic defensiveness. We also remain overweight asset/wealth management and brokerage companies where we hope to see net interest income (NII) re-accelerate as deposit pressures settle and longer duration assets are re-invested at higher rates. We also hope to benefit from structural organic growth, capital light models and lower credit risk. We remain modestly underweight banks and consumer financials as we worry that diminishing excess consumer savings, more limited credit availability, pockets of debt and the risk of higher unemployment could lead to more challenging credit issues ahead. However, we are neutral larger banks that are structurally better positioned given the potential for NII re-acceleration, healthy provision allowances and capital rebuild. Within insurance, we are underweight due to not owning Berkshire Hathaway, funding preferred names elsewhere. Moreover, we are comfortable with our underweight to life insurers and preference for property and casualty (P&C) insurers. Credit stress is more manageable for P&C than life insurers given lower investment leverage, and absolute commercial real estate exposure is lower. While multiples for P&C insurers are full versus expected growth and returns, we are still comfortable with our ownership in the context of the financials sector given their healthy ROEs that support compounding and relatively defensive qualities (less sensitive to macro cycles and should outperform banks if credit worsens). Within P&C, we prefer commercial lines to personal lines given their greater diversification, less competition from mutuals and less regulation which leads to a lower volatility of returns over time. We also own Chubb, which is primarily a commercial line insurer.

Within health care, we are relying predominantly on bottom-up stock selection within industries to drive performance. We are slightly overweight medtech and pharma and slightly underweight biotech and managed care. Within pharma, we trimmed back our position in Eli Lilly. While the range of outcomes remains extremely wide, we are wary that the stock currently embeds expectations for durable earnings power that appears too high, and we struggle to see meaningful upside from here. We swapped our position in health technology company **Masimo** (concerns around SEC investigation and Sound divesture questions) for biotech company **Illumina**. Illumina remains a complicated story with a wide range of outcomes, but several negatives are abating, and a more positive story is building. We like the new management team that is focused on driving consumable growth and capturing greater economics in the sequencing value chain. We also believe the pricing headwinds in the business will wane from here and the divestiture of Grail removes a major overhang.

Portfolio Outlook and Positioning

We also started a new position in medical products and services company **Danaher**, one of the best businesses in health care with an attractive long-term growth profile. The bioprocessing business has probably overshot to the downside, cyclically, and Danaher could potentially be under-earning in this business. That being said, we are also cognizant that the company is still benefiting from COVID testing revenues and earnings that might not prove to be durable, so we are building this position slowly.

Within technology, we sold out of our position in cybersecurity company **Palo Alto Networks** on concerns over decelerating billings growth, governance concerns, low quality FCF and targets appearing out of reach. In addition, Palo Alto's main product, firewalls, are in a mature end market and are coming off a strong post-COVID refresh cycle. We started a new position in fintech and payments company **Fiserv**. While we acknowledge the higher organic revenue growth guidance and the challenged neighborhood that Fiserv plays in, Fiserv has demonstrated a differentiated market position and solid management execution over time. The valuation appears reasonable for its EPS and FCF growth profile. Within software, stocks have been weak due to a variety of concerns, including AI crowding out software spend, macro uncertainty, AI monetization taking longer than expected and a rationalization of software spend post-COVID. The AI cycle is rhyming with the mobile cycle, with semis performing well first, followed by infrastructure (hyperscalers) with software and services taking more time. However, we believe select software companies will be more resilient than the market expects. Specifically, rebuilding application architecture is difficult, and software is embedded in expensive to change workflows. We believe that embedding large language models in existing workflows is the best way to add value. In addition, software business models will need to shift from seats to consumption as seat growth is slowing, and incremental growth will need to come from a combination of pricing and upsell of new modules. We own Microsoft and Salesforce as they appear well equipped to make this transition. Finally, the team took a closer look at compute on the edge, which brings computation and data storage closer to the sources of data. We have been strategically and purposely underweight names most exposed to PCs and handsets due to the low relative long term growth and highly penetrated nature of the PC and handset markets globally. However, we acknowledge the potential to craft powerful bull case upside scenarios across many of these names, largely due to an AI driven refresh cycle and rising content needs to support AI. We continue to assess our positioning.

Within telecom, we maintained our historically high overweight to towers where revenues are driven by wireless competition and data consumption, both of which remain robust. These stocks currently trade at discount to the broader market while offering a narrow range of outcomes and long-term contracted growth. While we also continue to have a structural preference for cable over telco as we believe cable ultimately wins the convergence war between cable and telco, fiber builds are continuing, and we feel incrementally worse about cable's ability to grow broadband subs in this environment.

EPS growth is poised to broaden in the coming quarters with Magnificent 7 growth decelerating, while the rest of the market accelerates. In fact, after several quarters of the Mag 7 EPS growth significantly exceeding the rest of the market, EPS growth of the S&P 500 Ex Mag 7 is expected to converge towards or even exceed Mag 7 EPS growth by early next year, which should lead to less market concentration. In addition to less market concentration, we would also expect to see more dispersion as it appears that the impact of higher interest rates and inflation is starting to have an impact. The performance of highly levered companies is starting to deteriorate, and higher prices also seem to be impacting consumer discretionary stocks. We take an active, bottom-up oriented approach to equity investing, focused on high-quality franchises with durable and consistent growth, combined with a valuation discipline, which aims to serve the strategy well moving forward.

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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	Equivalent exposure (%)
Capital Goods	**11.8**
Eaton Corp PLC	0.8
DuPont de Nemours Inc	0.7
Honeywell International Inc	0.7
Canadian Pacific Kansas City Ltd	0.7
Westinghouse Air Brake Technologies Corp	0.7
Johnson Controls International PLC	0.6
Sherwin-Williams Co	0.6
Air Products and Chemicals Inc	0.6
Howmet Aerospace Inc	0.6
General Dynamics Corp	0.6
Boeing Co	0.6
Summit Materials Inc	0.5
Leidos Holdings Inc	0.5
TE Connectivity Ltd	0.5
JB Hunt Transport Services Inc	0.5
Aptiv PLC	0.4
Vulcan Materials Co	0.4
Regal Rexnord Corp	0.4
Corteva Inc	0.4
INGERSOLL-RAND INC	0.4
Nordson Corp	0.2
Builders FirstSource Inc	0.2
Cash & Cash Equivalents	**0.7**
Cash & Cash Equivalents	0.7
Consumer Cyclicals	**11.8**
Amazon.com Inc	4.7
Home Depot Inc	1.2
Walt Disney Co	1.0
Booking Holdings Inc	0.8
Ross Stores Inc	0.7
Hilton Worldwide Holdings Inc	0.6
Electronic Arts Inc	0.6

As of 30-Jun-24	Equivalent exposure (%)
Consumer Cyclicals	**11.8**
NIKE Inc	0.6
Starbucks Corp	0.6
US Foods Holding Corp	0.5
Five Below Inc	0.3
Target Corp	0.2
Consumer Staples	**4.1**
PepsiCo Inc	0.9
Colgate-Palmolive Co	0.7
Mondelez International Inc	0.6
Philip Morris International Inc	0.6
Constellation Brands Inc	0.5
International Flavors & Fragrances Inc	0.4
Kenvue Inc	0.3
General Mills Inc	0.2
Energy	**6.1**
ConocoPhillips	1.4
Hess Corp	0.8
Diamondback Energy Inc	0.7
PG&E Corp	0.6
Duke Energy Corp	0.6
Valero Energy Corp	0.5
Alliant Energy Corp	0.5
PPL Corp	0.4
Schlumberger NV	0.4
CMS Energy Corp	0.2
Financial Services	**12.5**
Visa Inc	2.4
JPMorgan Chase & Co	2.2
Chubb Ltd	1.3
Charles Schwab Corp	1.0
PNC Financial Services Group Inc	0.9
Morgan Stanley	0.9

Portfolio Holdings

As of 30-Jun-24	Equivalent exposure (%)
Financial Services	**12.5**
Aon PLC	0.8
CME Group Inc	0.7
Moody's Corp	0.5
Willis Towers Watson PLC	0.5
Northern Trust Corp	0.5
Extra Space Storage Inc REIT	0.5
Jones Lang LaSalle Inc	0.3
Health Care	**12.4**
Johnson & Johnson	1.3
Cigna Group	1.2
AbbVie Inc	1.2
Eli Lilly & Co	1.2
Boston Scientific Corp	0.9
Vertex Pharmaceuticals Inc	0.9
Medtronic PLC	0.8
Agilent Technologies Inc	0.8
McKesson Corp	0.8
STERIS PLC	0.7
Becton Dickinson & Co	0.7
Pfizer Inc	0.6
ICON PLC	0.5
Danaher Corp	0.3
Illumina Inc	0.3
Other	**0.0**
Other	0.0
Technology	**38.9**
Microsoft Corp	9.1
NVIDIA Corp	4.7
Alphabet Inc Class A	4.4
Apple Inc	3.6
Meta Platforms Inc	3.3
Salesforce Inc	1.6

As of 30-Jun-24	Equivalent exposure (%)
Technology	**38.9**
Accenture PLC	1.3
Cadence Design Systems Inc	1.3
Lam Research Corp	1.2
Alphabet Inc Class C	1.2
Applied Materials Inc	1.1
Constellation Software Inc/Canada	1.0
Marvell Technology Inc	1.0
ServiceNow Inc	0.9
NXP Semiconductors NV	0.8
Gartner Inc	0.7
TransUnion	0.5
Fiserv Inc	0.5
Tyler Technologies Inc	0.4
HubSpot Inc	0.4
Constellation Software Inc	0.0
Telecom / CATV	**1.7**
SBA Communications Corp REIT	1.1
Cable One Inc	0.4
T-Mobile US Inc	0.2

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

The sectors described and the associated portfolio composition are based on MFS' own sector classification methodology which differs from industry classification standards, including the standard that is associated with the benchmark composition presented. The variance in sector weights between the portfolio and the benchmark would be different if an industry classification standard was used.

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