



MFS® Value Fund

(Class R6 Shares)

Fourth quarter 2024 investment report

Effective December 31, 2024, Tom Crowley will join the portfolio management team.

Effective May 1, 2026, Nevin Chitkara will retire from MFS.

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-EIF-31-Dec-24

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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.

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PRPEQ-EIF-31-Dec-24

Fund Risks and Investment Objective



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.

Value: The portfolio's investments can continue to be undervalued for long periods of time, not realize their expected value, and be more volatile than the stock market in general.

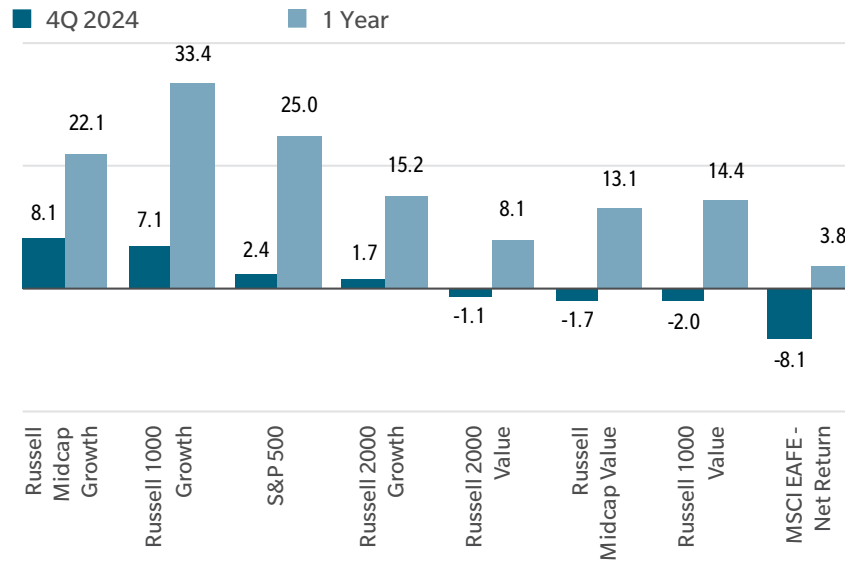
Please see the prospectus for further information on these and other risk considerations.

Investment Objective: Seeks capital appreciation.

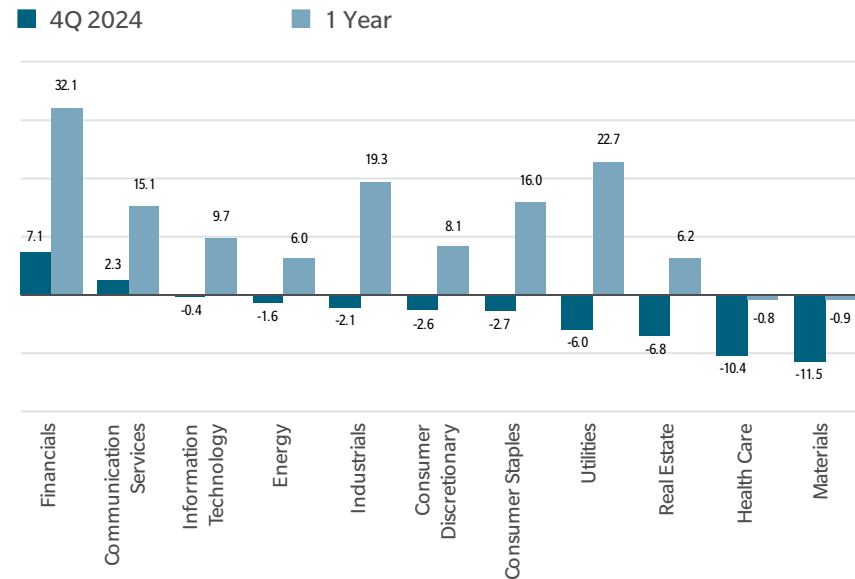
Market Overview



Style performance (%) (USD) as of 31-Dec-24



Sector performance (%) (USD) as of 31-Dec-24



Past performance is not a reliable indicator for future results.
 Source for benchmark performance SPAR, FactSet Research Systems Inc. All indices represent total return unless otherwise noted.

Source: FactSet. Sector performance based on MSCI sector classification. The analysis of Russell 1000® Value Index constituents are broken out by MSCI defined sectors.

US equities market review as of 31 December 2024

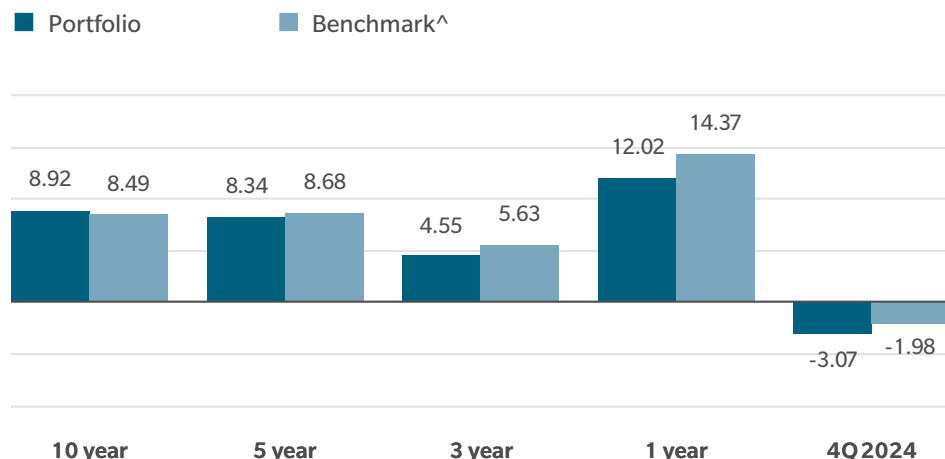
- The US market, as measured by the S&P 500 Index, finished higher in Q4 2024. While the market ended the quarter with a gain, it gave back some of that return in December. Investors used the last month of the year to lock in some profits from a strong year as well as to recognize the uncertainty in many areas in 2025.
- Economic growth in the United States expanded during Q3 2024, with GDP increasing 3.1%. This was similar to Q2 and showed that the US economy was still performing well. With inflation heading toward the US Federal Reserve’s 2% goal, the Fed cut rates two times, each by 25 basis

- points, during the quarter. However, the Fed also announced that fewer cuts than anticipated were likely in 2025.
- For the quarter, growth outperformed value in the large-, mid- and small-cap spaces. Consumer discretionary, communication services and financials were the best-performing sectors, and materials, health care and real estate were the worst.

Executive Summary



Performance results (%) R6 shares at NAV (USD) as of 31-Dec-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.

^ Russell 1000® Value Index

Sector weights (%) as of 31-Dec-24

| | Portfolio | Benchmark^^ |
|-------------------------|-----------|-------------|
| Top overweights | | |
| Financials | 29.6 | 23.1 |
| Utilities | 9.0 | 4.6 |
| Industrials | 16.9 | 14.8 |
| Top underweights | | |
| Communication Services | 0.2 | 4.4 |
| Real Estate | 1.9 | 4.7 |
| Consumer Discretionary | 3.6 | 6.2 |

^^ Russell 1000® Value Index

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The MFS Value Fund underperformed the Russell 1000® Value Index in the fourth quarter of 2024.

Contributors

- Financials - Overweight position
- Health Care - Stock selection
- Individual stocks:
 - Boeing Co/The

Detractors

- Information Technology - Stock selection
- Consumer Staples - Stock selection
- Individual stocks:
 - Cigna Group/The
 - Elevance Health, Inc.
 - Wells Fargo & Co (not held)

Performance Results



Performance results (%) R6 shares at NAV (USD) as of 31-Dec-24

| Period | Portfolio | Benchmark [^] | Excess return vs benchmark |
|---------|-----------|------------------------|----------------------------|
| 4Q 2024 | -3.07 | -1.98 | -1.09 |
| 3Q 2024 | 8.44 | 9.43 | -0.99 |
| 2Q 2024 | -2.08 | -2.17 | 0.09 |
| 1Q 2024 | 8.84 | 8.99 | -0.14 |
| 2024 | 12.02 | 14.37 | -2.34 |
| 2023 | 8.29 | 11.46 | -3.17 |
| 2022 | -5.80 | -7.54 | 1.74 |
| 2021 | 25.55 | 25.16 | 0.39 |
| 2020 | 4.03 | 2.80 | 1.23 |
| 10 year | 8.92 | 8.49 | 0.44 |
| 5 year | 8.34 | 8.68 | -0.35 |
| 3 year | 4.55 | 5.63 | -1.09 |
| 1 year | 12.02 | 14.37 | -2.34 |

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.

[^] Russell 1000[®] Value Index

Performance Drivers - Sectors



| Relative to Russell 1000® Value Index (USD) - fourth quarter 2024 | | Average relative weighting (%) | Portfolio returns (%) | Benchmark returns (%) | Sector allocation ¹ (%) | + Stock selection ² (%) | + Currency effect (%) | = Relative contribution (%) |
|---|------------------------|--------------------------------|-----------------------|-----------------------|------------------------------------|------------------------------------|-----------------------|-----------------------------|
| Contributors | Financials | 6.6 | 5.9 | 7.1 | 0.6 | -0.3 | — | 0.3 |
| | Health Care | -0.2 | -9.1 | -10.4 | 0.0 | 0.2 | -0.0 | 0.2 |
| | Materials | -2.0 | -10.2 | -11.5 | 0.2 | 0.0 | — | 0.2 |
| | Consumer Discretionary | -2.6 | -0.9 | -2.6 | 0.0 | 0.1 | — | 0.1 |
| | Cash | 0.5 | 1.1 | — | 0.0 | — | — | 0.0 |
| Detractors | Information Technology | -1.1 | -9.1 | -0.4 | -0.0 | -0.7 | — | -0.7 |
| | Consumer Staples | 0.1 | -11.2 | -2.7 | -0.0 | -0.5 | -0.2 | -0.7 |
| | Communication Services | -3.8 | -9.5 | 2.3 | -0.2 | -0.0 | — | -0.2 |
| | Energy | -0.6 | -4.2 | -1.6 | -0.0 | -0.2 | — | -0.2 |
| | Real Estate | -2.9 | -15.8 | -6.8 | 0.1 | -0.2 | — | -0.0 |
| | Utilities | 4.0 | -4.5 | -6.0 | -0.1 | 0.1 | — | -0.0 |
| | Industrials | 2.0 | -2.1 | -2.1 | -0.0 | -0.0 | — | -0.0 |
| Total | | | -3.0 | -2.0 | 0.7 | -1.5 | -0.2 | -1.0 |

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. As these securities are bought or sold, the portion of the security's return attributed to the difference between fair value price and trade price will not be recognized in attribution results. These factors 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 Russell 1000® Value Index (USD) - fourth quarter 2024 | | Average Weighting (%) | | Returns (%) | | Relative contribution(%) |
|---|-----------------------|-----------------------|-----------|------------------------|-----------|--------------------------|
| | | Portfolio | Benchmark | Portfolio ¹ | Benchmark | |
| Contributors | Mckesson Corp | 2.5 | 0.2 | 15.4 | 15.4 | 0.4 |
| | Morgan Stanley | 2.2 | 0.5 | 21.6 | 21.6 | 0.4 |
| | JPMorgan Chase & Co | 4.7 | 2.6 | 14.4 | 14.4 | 0.3 |
| | Boeing Co/The | 1.7 | 0.3 | 16.4 | 16.4 | 0.3 |
| | American Express | 2.4 | 0.4 | 9.7 | 9.7 | 0.2 |
| Detractors | Cigna Group/The | 3.0 | 0.3 | -20.0 | -20.0 | -0.5 |
| | Elevance Health, Inc. | 1.3 | 0.3 | -28.8 | -28.8 | -0.3 |
| | Kla Corp | 1.3 | — | -18.4 | — | -0.2 |
| | Wells Fargo & Co | — | 0.9 | — | 25.1 | -0.2 |
| | General Dynamics Corp | 2.1 | 0.3 | -12.4 | -12.4 | -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. As these securities are bought or sold, the portion of the security’s return attributed to the difference between fair value price and trade price will not be recognized in attribution results. These factors 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 Russell 1000® Value Index (USD) - fourth quarter 2024 | | Relative contribution (%) |
|---|---|---------------------------|
| Cigna Group/The | An overweight position in global health company Cigna (United States) detracted from relative returns. Despite reporting strong earnings for the quarter, the stock price fell alongside other managed care companies due to increased regulatory concerns, renewed scrutiny from Congress, and proposals for government cost-cutting measures. | -0.5 |
| Elevance Health, Inc. | An overweight position in health company Elevance Health (United States) detracted from relative returns. The company reported earnings that missed consensus expectations amid higher-than-expected medical losses in its Medicaid business, which were caused by accelerating costs. The company reported that eligibility requirements are changing the underlying pool of Medicaid patients, removing healthier members and leaving behind costlier, less healthy members. Increased regulatory scrutiny in the healthcare space, alongside management's weaker forward guidance, pushed shares of the company lower for the quarter. | -0.3 |
| Kla Corp | The portfolio's position in semiconductor industry services provider KLA (United States) weakened relative returns. The stock price came under pressure as the company reduced its forward guidance due to regulatory authorities establishing export controls to prevent sales to Chinese firms, which are major customers for the company's semiconductor equipment and services. | -0.2 |

Significant Impacts on Performance - Contributors



| Relative to Russell 1000® Value Index (USD) - fourth quarter 2024 | | Relative contribution (%) |
|---|--|---------------------------|
| Mckesson Corp | An overweight position in health services company McKesson (United States) buoyed relative returns as the company released solid financial results through better-than-expected U.S. pharmaceutical performance. Robust demand for both plasma and biologic products and improved earnings guidance from management further lifted the share price. | 0.4 |
| Morgan Stanley | An overweight position in global financial services firm Morgan Stanley (United States) bolstered relative performance as the company delivered better-than-expected earnings-per-share results on strong asset management flows, solid management and banking fees, and expanded net interest incomes. The company also expanded margins in its wealth management segment, which further supported the stock price. | 0.4 |
| JPMorgan Chase & Co | The portfolio's overweight position in global financial services firm JPMorgan Chase (United States) supported relative returns. The stock price climbed as the company reported net interest income ahead of expectations and higher-than-expected fee income from its credit cards, investment banking, and asset management business lines. The company also raised its forward guidance reflecting an improved outlook for interest income, which further supported the stock. | 0.3 |

Significant Transactions



| From 01-Oct-24 to 31-Dec-24 | | Sector | Transaction type | Trade (%) | Ending weight (%) |
|-----------------------------|--------------------------------------|------------------------|------------------|-----------|-------------------|
| Purchases | BOEING CO/THE | Industrials | Add | 0.6 | 2.2 |
| | CIGNA GROUP/THE | Health Care | Add | 0.3 | 2.8 |
| | PG&E CORP | Utilities | Add | 0.3 | 1.5 |
| | XCEL ENERGY INC | Utilities | Add | 0.2 | 1.0 |
| | PNC FINANCIAL SERVICES GROUP INC/THE | Financials | Add | 0.2 | 1.4 |
| Sales | COMCAST CORP | Communication Services | Trim | -0.5 | 0.2 |
| | TRANE TECHNOLOGIES PLC | Industrials | Trim | -0.4 | 0.3 |
| | JPMORGAN CHASE & CO | Financials | Trim | -0.4 | 4.9 |
| | TARGET CORP | Consumer Staples | Trim | -0.3 | 1.0 |
| | MORGAN STANLEY | Financials | Trim | -0.2 | 2.3 |

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Sector Weights



| As of 31-Dec-24 | Portfolio (%) | Benchmark^ (%) | Underweight/overweight(%) | Top holdings |
|------------------------|---------------|----------------|---------------------------|--|
| Financials | 29.6 | 23.1 | 6.5 | JPMorgan Chase & Co, Progressive Corp, Aon PLC |
| Utilities | 9.0 | 4.6 | 4.4 | Duke Energy Corp, Southern Co, Dominion Energy Inc |
| Industrials | 16.9 | 14.8 | 2.1 | Boeing Co, RTX Corp, General Dynamics Corp |
| Health Care | 14.2 | 14.2 | 0.0 | Cigna Group, McKesson Corp, Johnson & Johnson |
| Consumer Staples | 7.7 | 7.9 | -0.2 | PepsiCo Inc, Nestle SA, Diageo PLC |
| Energy | 6.1 | 6.7 | -0.6 | ConocoPhillips, Exxon Mobil Corp, Chevron Corp |
| Information Technology | 7.9 | 9.3 | -1.4 | Analog Devices Inc, Accenture PLC, Texas Instruments Inc |
| Materials | 2.2 | 4.2 | -2.0 | DuPont de Nemours Inc |
| Consumer Discretionary | 3.6 | 6.2 | -2.6 | Lowe's Cos Inc, Marriott International Inc/MD |
| Real Estate | 1.9 | 4.7 | -2.8 | ProLogis REIT |
| Communication Services | 0.2 | 4.4 | -4.2 | Comcast Corp |

^ Russell 1000® Value Index

0.7% Cash & cash equivalents

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Characteristics



| As of 31-Dec-24 | Portfolio | Benchmark [^] |
|--|-----------|------------------------|
| Fundamentals - weighted average | | |
| Price/earnings (12 months forward) | 17.3x | 17.2x |
| Price/book | 2.9x | 2.5x |
| IBES long-term EPS growth ¹ | 10.9% | 9.5% |
| Return on equity (3-year average) | 25.4% | 19.6% |
| Market capitalization | | |
| Market capitalization (USD) ² | 153.0 bn | 171.5 bn |
| Diversification | | |
| Top ten issues | 28% | 17% |
| Number of Issues | 70 | 869 |
| Turnover | | |
| Trailing 1 year turnover ³ | 11% | — |
| Risk profile (current) | | |
| Active share | 74% | — |
| Risk/reward (10 year) | | |
| Correlation (monthly) | 0.98 | — |
| Beta | 0.93 | — |
| Standard deviation | 14.89% | 15.75% |

[^] Russell 1000[®] Value 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 31-Dec-24 | Portfolio (%) | Benchmark^ (%) |
|--------------------------------|---------------|----------------|
| JPMORGAN CHASE & CO | 4.9 | 2.7 |
| PROGRESSIVE CORP/THE (EQ) | 3.9 | 0.1 |
| CIGNA GROUP/THE | 2.8 | 0.3 |
| MCKESSON CORP | 2.7 | 0.2 |
| AON PLC | 2.6 | 0.3 |
| AMERICAN EXPRESS CO | 2.5 | 0.4 |
| MARSH & MCLENNAN (EQ) | 2.4 | 0.4 |
| MORGAN STANLEY | 2.3 | 0.6 |
| BOEING CO/THE | 2.2 | 0.4 |
| LOWE'S COS INC | 2.1 | 0.6 |
| Total | 28.3 | 5.9 |

^ Russell 1000® Value Index

Portfolio Outlook and Positioning



Market Environment

Equity markets had another banner year in 2024, with all major indices posting double digit returns, driven primarily by P/E multiple expansion. 2023 and 2024 have been the strongest consecutive returns for US equity markets since 1997 and 1998, during the height of the Tech Bubble. While there are a few different ways to measure the performance of momentum, 2024 was an incredible year for momentum investing. According to data from Piper Sandler, there have only been seven years in the last 40 where momentum has performed better than in 2024 and it is within the top 3% of years over the last seven decades based on work from Empirical Research Partners.

The strength of absolute returns has been remarkable, fueled by an extraordinary run for growth stocks and the Magnificent 7, which were up 60% on average in 2024 after a tremendous year in 2023! Since 2017, every year that equity market returns have been positive (six of eight years), absolute returns have been solidly in double digits for the S&P 500 and in the high 20s or greater (with half of the periods posting returns over 35%) for the Russell 1000® Growth!

This performance has been driven by a narrow group of companies, leaving equity markets as concentrated as they've been in the last 100 years.

It is possible that the pace of equity returns and this growth-driven market environment can continue into 2025 or even for the next several years. However, history would suggest that this is not the most likely outcome, particularly as we extend the timeframe. Our expectation is for more muted absolute returns in the coming years, with the possibility of a significant market correction and a rotation back to more attractively valued companies. Of course, predicting the timing of these shifts is a fool's errand and we never attempt to position the MFS Large Cap Value strategy for a particular outcome. We are focused on investing in companies that have a high degree of business resiliency who can be successful through a variety of markets over long periods of time.

The Russell 1000® Value's annualized returns of 9% since 2017 compares quite well versus long-term equity market returns but has massively lagged the growthier parts of the market. The duration and magnitude of the growth-oriented market environment has left many investors less convinced in the long-term benefit of allocating to value investment styles. As disciplined value investors, the last

Portfolio Outlook and Positioning



couple of years has started to feel a bit like the late 1990s when “Old Economy” companies were left for dead in favor of ones perceived to be part of the “New Economy” during the internet craze. The current level of enthusiasm surrounding the long-term growth of Generative Artificial Intelligence (Gen AI) appears to have reached a fever pitch. While we are incredibly optimistic about the potential for this emerging technology to significantly impact nearly every industry in ways that we can only start to imagine, these transitions rarely progress in a straight line. The First and Second Industrial Revolutions and the build out of the Internet happened in phases, with ups and downs along the way. It seems highly likely that the pathway forward for Gen AI will proceed in a similar way. There will be periods of digestion as the most impactful Gen AI use cases are developed and deployed before we see wide scale adoption that comes with real productivity benefits and cost and labor savings that drive attractive levels of return on the significant investments required. In the meantime, the opportunity to add value for clients in the coming years looks increasingly compelling for disciplined quality value investors like the MFS Large Cap Value team.

It might be surprising to note that the average quality of companies in the Russell 1000® Value and the Russell 1000® Growth are at similar places based on Bank of America Merrill Lynch’s quality rankings. And yet, the valuation of the Russell 1000® Value index currently sits at a 40% discount to the Russell 1000® Growth index. The only time period with this wide of a discount for the Russell 1000® Value was the late 1990s.

The long-term data showing the importance of valuation in driving stock price performance is compelling. While our attention has always been focused here, it’s only a matter of time before other investors reorient back in this direction.

Portfolio Performance

For the fourth quarter, the MFS Large Cap Value strategy underperformed the Russell 1000® Value index and finished behind the benchmark for the calendar year. All of the strategy’s annual underperformance occurred from early September through mid-December as investor expectations solidified that the US Federal Reserve would begin a campaign of lowering interest rates and the election of Donald Trump would have positive benefits for US equity markets. A significant high beta, low quality rally ensued. This is a factor backdrop that has always presented relative performance headwinds for the MFS Large Cap Value strategy.

Portfolio Outlook and Positioning



Through the first eight-and half months of the year, the MFS Large Cap Value strategy was roughly 100 basis points ahead of the Russell 1000® Value in a healthy absolute return environment before losing roughly 460 bps of relative performance from September 6 through December 11. As the market began to wobble during the last few weeks of the year, the MFS Large Cap Value strategy held up better than the overall market, recouping some relative performance through the end of the year. While we are always striving to add value for our clients, this strategy has never performed well in a market led by high beta, low quality companies.

Peer Group Observations

We remain committed to delivering true large cap, high quality value exposure to our clients. This is increasingly a source of differentiation from the large cap value peer group, a number of whom own one or more of the Magnificent 7 in the top 10 holdings of their portfolios. Over the last few years, ownership of these companies has been a benefit to performance and peer ranks; however, it is not helpful in providing clients with the diversification that should come within a large cap value allocation.

Clients that maintain a US Growth or a US Core allocation have significant exposure to the Magnificent 7 companies through these allocations. We do not believe it is prudent to amplify exposure to these companies within a large cap value allocation. The MFS Value strategy does not own any of these stocks because we do not believe they meet our valuation and durability criteria.

The peer rankings for the MFS Large Cap Value strategy ended 2024 in a more challenged position, with below median ranks across the last one, three and five years and in the 45th percentile over the trailing 10 years. In the 30-year history of this strategy, we have certainly been through periods where the relative performance has been similarly challenged. We never lose sight of our goal of adding value for our clients over the long term using our time-tested, consistent, disciplined process. Staying true to our proven investment philosophy has meant that when market shifts occur, as they inevitably do, the MFS Large Cap Value strategy and our clients have been well positioned to benefit.

Giving our strategy the benefit of time has historically led to positive results for clients in the subsequent periods. This has been doubly true if the ensuing market environment is one that is more challenged from an absolute performance perspective.

Portfolio Outlook and Positioning



Fourth Quarter Transactions

There were no new names added to the portfolio during the fourth quarter, while we eliminated two holdings (*Roche, Veralto*). The most significant transactions during the period included adding to existing positions in *Boeing*, where we participated in the company's equity capital raise at the end of October, *Cigna, PG&E* and *Xcel Energy*. We trimmed back some of our stronger performers including *Trane Technologies, JP Morgan* and *Morgan Stanley* and reallocated capital from holdings in *Comcast* (discussed below) into more attractive opportunities elsewhere.

2024 Transactions

For the year, the turnover of the MFS Large Cap Value strategy was approximately 11%, which is at the lower end of our long-term average. The strategy's weighted average holding period ended 2024 at 8.6 years. We added four new positions (*Boeing, CDW, Mondelez, WW Grainger*) to the portfolio and eliminated six holdings (*Archer-Daniels-Midland, Boston Scientific, Charter Communications, Johnson Controls, Roche, Veralto*). We also received shares of *ExxonMobil* following its acquisition of *Pioneer Natural Resources*. Exxon is a name that we added to opportunistically following the closing of the deal.

The biggest changes in the portfolio's exposure throughout the year include an increased weight to financials, which is entirely explained by very strong stock price performance. Financials have been an area of relative strength for this strategy and 2024 was a year where our stock selection and the diversity of the exposures benefited performance. The financials sector was the strongest performing area of the Russell 1000® Value Index and this strategy in 2024, appreciating over 35% and 38%, respectively. Performance in this strategy came from a variety of companies including *Progressive Corp, American Express, JP Morgan, KKR, Morgan Stanley, Nasdaq, Citigroup, Aon* and *Travelers*. We trimmed back several of our financials holdings into strength throughout the year.

In 2024, we reduced exposure to communication services as we became increasingly concerned about the impact of a heightened competitive environment on the broadband cable operators, despite their shares trading at inexpensive valuations. Early in 2024, we eliminated the strategy's position in *Charter Communications* after the company's growth came in below expectations and they announced plans to increase their capital expenditure program, seemingly at odds with the realities of the industry landscape.

Portfolio Outlook and Positioning



Subsequently, we also significantly reduced exposure to *Comcast*, which started the year among our top 10 holdings. With NBC Universal, in addition to its broadband business, Comcast has a more diversified revenue stream, a less levered balance sheet and a cheaper valuation, which made it more attractive compared to Charter. However, we continued to trim back exposure to Comcast through the balance of the year and ended 2024 with minimal exposure to the stock and the sector. An increasingly competitive landscape, significant shifts in the content and media landscape and many companies with higher-than-average financial leverage have made it challenging for us to find names within the communications services sector that meet our durability requirements.

Overall, the transactional themes of the last several years remained in place in 2024. We've been adding opportunistically to stocks that have underperformed the market due to fundamental headwinds or short-term issues that have created valuation opportunities *Boeing, Mondelez, Elevance, Chevron, PG&E, Paccar, Cigna, Dominion Energy, Abbott Laboratories, WW Grainger, Reckitt Benckiser, ExxonMobil, Equifax, CDW* and *General Dynamics* are all examples of stocks that we added to in 2024. On the other hand, many of the stocks we have sold or trimmed back have been in recognition of strong performance and appreciating valuations, including *Boston Scientific, Trane Technologies, Johnson Controls, Eaton Corp, Chubb* and *Illinois Tool Works*. We also trimmed back holdings in *Northrop Grumman, DuPont* and *Medtronic* in favor of more attractive alternatives

Outlook

From 1978 to 2024, the compounded annual rate of return for the Russell 1000® Growth, Value and the S&P 500 have been remarkably similar — on either side of 12%. At the end of 2024, the trailing 10-year compounded annual rate of return for the Russell 1000® Growth Index is well-above its average annualized return since 1978, while the returns for the Russell 1000® Value Index remain well-below average.

Looking ahead to 2025 and beyond, it seems very likely that equity market returns will be lower than those experienced over the last decade. There has never been a period in the last thirty years where the forward 10-year compounded annual rate of return for US equities has been greater than 2% when the starting forward P/E has been at current levels (21.4x). In fact, nearly all periods which have started at the current or higher valuation levels have had negative 10-year forward returns. We believe that the opportunity from here

Portfolio Outlook and Positioning



for fundamental, bottom-up, quality value investors like MFS is extremely compelling. Investor attention on a narrow set of growth companies has left the valuations of many durable businesses at attractive levels.

Since 2020, the influence of macroeconomic considerations and other factors on equity markets has been unusually pronounced. Over long periods of time, however, company fundamentals and valuations drive the performance of stocks and markets. It seems quite likely that the coming months and years could bring more volatility to markets. Volatility always creates opportunity for long-term oriented investors. Knowing what you own, careful risk management and employing a long-term investment decision making framework will be critical elements to successfully navigating the next decade. The MFS Large Cap Value team is well-positioned to thoughtfully take advantage of opportunities offered by the market, while also managing risk to deliver strong risk-adjusted results for clients in the years to come.

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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 31-Dec-24 | Equivalent exposure (%) |
|------------------------------------|-------------------------|
| Cash & Cash Equivalents | 0.7 |
| Cash & Cash Equivalents | 0.7 |
| Communication Services | 0.2 |
| Comcast Corp | 0.2 |
| Consumer Discretionary | 3.6 |
| Lowe's Cos Inc | 2.1 |
| Marriott International Inc/MD | 1.5 |
| Consumer Staples | 7.7 |
| PepsiCo Inc | 1.1 |
| Nestle SA | 1.1 |
| Diageo PLC | 1.0 |
| Target Corp | 1.0 |
| Kenvue Inc | 1.0 |
| Mondelez International Inc | 1.0 |
| Kimberly-Clark Corp | 0.7 |
| Reckitt Benckiser Group PLC | 0.6 |
| Energy | 6.1 |
| ConocoPhillips | 2.1 |
| Exxon Mobil Corp | 1.8 |
| Chevron Corp | 1.4 |
| EOG Resources Inc | 0.8 |
| Financials | 29.6 |
| JPMorgan Chase & Co | 4.9 |
| Progressive Corp | 3.9 |
| Aon PLC | 2.6 |
| American Express Co | 2.5 |
| Marsh & McLennan Cos Inc | 2.4 |
| Morgan Stanley | 2.3 |
| Nasdaq Inc | 1.8 |
| Travelers Cos Inc | 1.8 |
| Chubb Ltd | 1.7 |
| Citigroup Inc | 1.6 |
| PNC Financial Services Group Inc | 1.4 |
| KKR & Co Inc | 1.4 |

| As of 31-Dec-24 | Equivalent exposure (%) |
|-------------------------------|-------------------------|
| Financials | 29.6 |
| Blackrock Inc | 1.3 |
| Health Care | 14.2 |
| Cigna Group | 2.8 |
| McKesson Corp | 2.7 |
| Johnson & Johnson | 2.0 |
| Pfizer Inc | 1.5 |
| AbbVie Inc | 1.4 |
| Abbott Laboratories | 1.3 |
| Elevance Health Inc | 1.2 |
| Merck & Co Inc | 1.0 |
| Medtronic PLC | 0.3 |
| Industrials | 16.9 |
| Boeing Co | 2.2 |
| RTX Corp | 2.0 |
| General Dynamics Corp | 2.0 |
| Union Pacific Corp | 1.8 |
| Honeywell International Inc | 1.7 |
| Eaton Corp PLC | 1.2 |
| Northrop Grumman Corp | 1.2 |
| PACCAR Inc | 1.1 |
| Equifax Inc | 1.1 |
| Illinois Tool Works Inc | 1.0 |
| Canadian National Railway Co | 0.4 |
| WW Grainger Inc | 0.4 |
| Otis Worldwide Corp | 0.3 |
| Trane Technologies PLC | 0.3 |
| Information Technology | 7.9 |
| Analog Devices Inc | 2.0 |
| Accenture PLC | 1.9 |
| Texas Instruments Inc | 1.5 |
| KLA Corp | 1.2 |
| NXP Semiconductors NV | 1.1 |

Portfolio Holdings



| As of 31-Dec-24 | Equivalent exposure (%) |
|--------------------------------|-------------------------|
| Information Technology | 7.9 |
| CDW Corp/DE | 0.2 |
| Materials | 2.2 |
| DuPont de Nemours Inc | 0.9 |
| Corteva Inc | 0.5 |
| Sherwin-Williams Co | 0.5 |
| PPG Industries Inc | 0.4 |
| Real Estate | 1.9 |
| ProLogis REIT | 1.5 |
| Public Storage REIT | 0.3 |
| Utilities | 9.0 |
| Duke Energy Corp | 2.0 |
| Southern Co | 1.8 |
| Dominion Energy Inc | 1.7 |
| PG&E Corp | 1.5 |
| Xcel Energy Inc | 1.0 |
| Exelon Corp | 0.7 |
| American Electric Power Co Inc | 0.4 |

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