MFS® Research Fund

(Class R6 Shares)

Fourth quarter 2024 investment report

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MFS

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 and Investment Objective

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

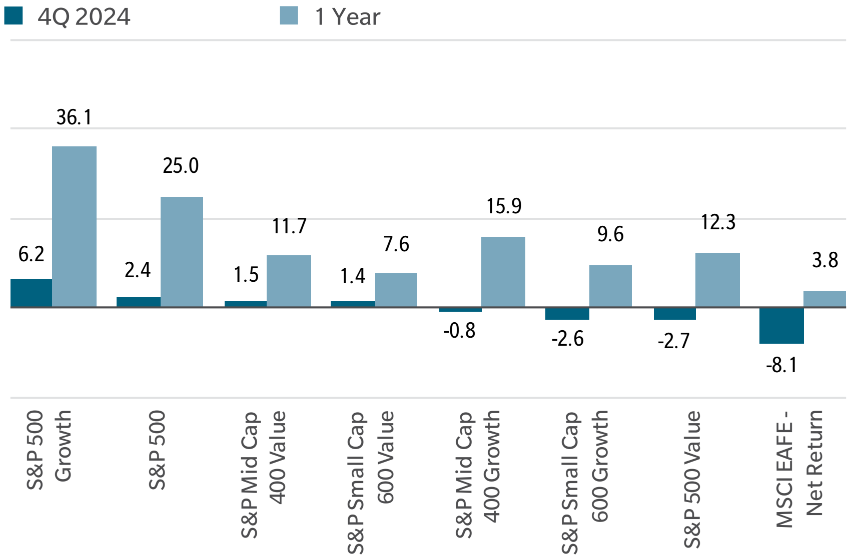
Stock: Stock markets and investments in individual stocks are volatile and can decline significantly in response to or investor perception of, issuer, market, economic, industry, political, regulatory, geopolitical, environmental, public health, and other conditions.

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

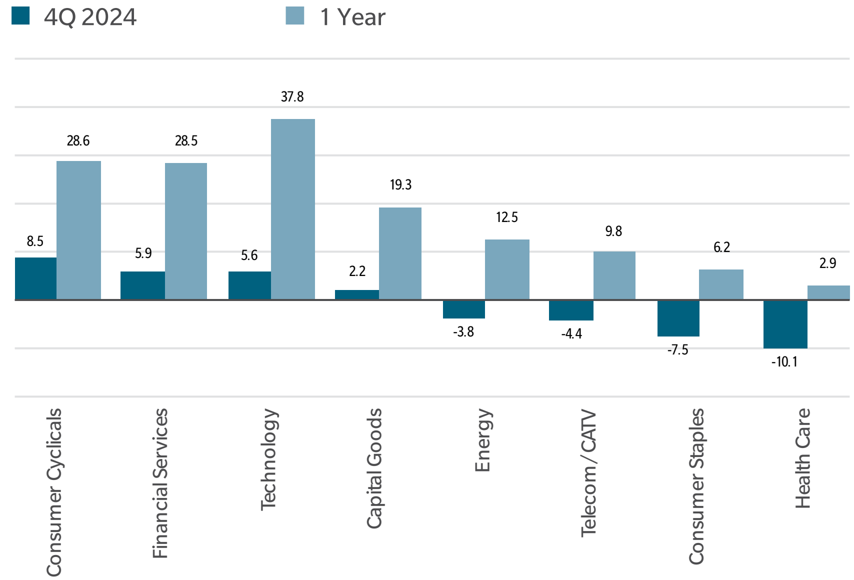
Investment Objective: Seeks capital appreciation.

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.

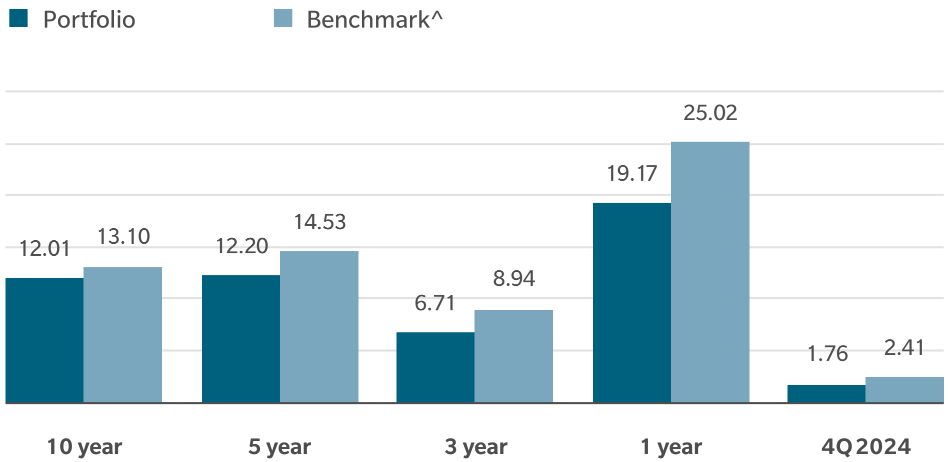
Source: FactSet. Sector performance based on Global Research sector classification. The analysis of Standard & Poor's 500 Stock Index constituents are broken out by MFS defined sectors.

US equities market review as of 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.

^ Standard & Poor's 500 Stock Index

Sector weights (%) as of 31-Dec-24	Portfolio	Benchmark^^
Top overweights		
Health Care	10.7	10.3
Consumer Staples	3.7	3.6
Financial Services	13.2	13.2
Top underweights		
Technology	39.6	40.2
Consumer Cyclicals	12.3	12.5
Capital Goods	12.4	12.6

^^ 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 fourth quarter of 2024.

Contributors

- Financial Services - Stock selection
- Individual stocks:
  - Marvell Technology Group Ltd
  - Salesforce Inc
  - UnitedHealth Group Inc (not held)
  - Advanced Micro Devices Inc (not held)

Detractors

- Capital Goods - Stock selection
- Individual stocks:
  - Broadcom Limited (not held)
  - Cigna Group/The
  - Sba Communications Corp
  - Apple Inc

Performance Results

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

Period	Portfolio	Benchmark^	Excess return vs benchmark
4Q 2024	1.76	2.41	-0.65
3Q 2024	4.48	5.89	-1.40
2Q 2024	1.62	4.28	-2.66
1Q 2024	10.30	10.56	-0.26
2024	19.17	25.02	-5.85
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
10 year	12.01	13.10	-1.09
5 year	12.20	14.53	-2.32
3 year	6.71	8.94	-2.23
1 year	19.17	25.02	-5.85

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^ Standard & Poor's 500 Stock Index

Performance Drivers - Sectors

Relative to Standard & Poor's 500 Stock Index (USD) - fourth quarter 2024		Average relative weighting (%)	Portfolio returns (%)	Benchmark returns (%)	Sector allocation[1] (%) +	Stock selection[2] (%) +	Currency effect (%) =	Relative contribution (%)
Contributors	Financial Services	-0.1	9.2	5.9	-0.0	0.4	—	0.4
	Technology	-0.7	6.0	5.6	0.0	0.2	-0.1	0.2
	Cash	0.6	1.1	—	0.1	—	—	0.1
	Health Care	0.5	-9.3	-10.1	-0.1	0.1	—	0.0
	Consumer Cyclicals	-0.3	9.0	8.5	-0.0	0.1	—	0.0
	Energy	0.1	-3.3	-3.8	-0.0	0.0	—	0.0
Detractors	Capital Goods	-0.2	-3.4	2.2	0.0	-0.7	—	-0.7
	Consumer Staples	0.1	-13.8	-7.5	-0.0	-0.3	—	-0.3
	Telecom/CATV	-0.1	-15.3	-4.4	0.0	-0.2	-0.0	-0.2
Total			**1.9**	**2.4**	**-0.0**	**-0.4**	**-0.1**	**-0.5**

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

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

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

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) - fourth quarter 2024		Average Weighting (%) Portfolio	Average Weighting (%) Benchmark	Returns (%) Portfolio[1]	Returns (%) Benchmark	Relative contribution(%)
Contributors	Marvell Technology Group Ltd	1.1	—	53.3	—	0.5
	Salesforce Inc	1.9	0.6	22.3	22.3	0.3
	Visa Inc	2.9	1.0	15.2	15.2	0.2
	UnitedHealth Group Inc	—	1.1	—	-13.2	0.2
	Advanced Micro Devices Inc	—	0.5	—	-26.4	0.2
Detractors	Tesla Inc	—	1.8	—	54.4	-0.8
	Broadcom Limited	—	1.7	—	34.7	-0.5
	Cigna Group/The	1.1	0.2	-20.0	-20.0	-0.2
	Sba Communications Corp	1.1	0.0	-15.0	-15.0	-0.2
	Apple Inc	3.8	7.2	7.6	7.6	-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 Standard & Poor's 500 Stock Index (USD) - fourth quarter 2024		Relative contribution (%)
Tesla Inc	Not owning shares of electric vehicle manufacturer Tesla (United States) held back relative performance. The stock price rose during the quarter after the company reported automotive gross margins aided by full self-driving service and non-automotive gross margins aided by Tesla Energy. The share price also benefited from a strong stock rally late in the quarter after the re-election of President-Elect Donald Trump.	-0.8
Broadcom Limited	Not owning shares of broadband communications and networking services company Broadcom (United States) held back relative returns. The stock price rose late in the quarter after the company delivered strong earnings per share results led by stronger-than-expected semiconductor solutions revenues driven by generative AI spending on networking products and custom AI engines.	-0.5
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.	-0.2

Significant Impacts on Performance - Contributors

Relative to Standard & Poor's 500 Stock Index (USD) - fourth quarter 2024		Relative contribution (%)
Marvell Technology Group Ltd	The portfolio's position in networking chip maker Marvell Technology (United States) supported relative performance. The stock price climbed as the company reported above-consensus earnings per share through strong data center growth driven by AI-related investments.	0.5
Salesforce Inc	An overweight position in customer information software manager Salesforce (United States) contributed to relative performance. The company's share price benefited from subscription revenue growth and stronger-than-anticipated margins. Additionally, durable strength in core Sales & Service Clouds, new business growth in Latin America, Canada, and Australia, and continued stabilization in its transactional businesses further supported the stock. However, commentary around the newest AI-driven tool Agentforce dominated the narrative during the quarter and its potential to lead the digital labor market.	0.3
Visa Inc	An overweight position in digital payment services provider Visa (United States) aided relative performance. The company delivered net revenues well ahead of market expectations thanks to stronger-than-expected payments and cross-border volume. Service and data processing revenues were also above market estimates.	0.2

Significant Transactions

From 01-Oct-24 to 31-Dec-24		Sector	Transaction type	Trade (%)	Ending weight (%)
Purchases	NVIDIA CORP	Technology	Add	1.3	6.1
	ARAMARK	Consumer Cyclicals	New position	0.7	0.7
	WATERS CORP	Health Care	New position	0.6	0.6
	ATLASSIAN CORP LTD	Technology	New position	0.6	0.7
	CRH PLC	Capital Goods	New position	0.6	0.5
Sales	APPLIED MATERIALS INC	Technology	Eliminate position	-0.8	–
	SUMMIT MATERIALS INC	Capital Goods	Eliminate position	-0.8	–
	DARDEN RESTAURANTS INC	Consumer Cyclicals	Eliminate position	-0.7	–
	ALPHABET INC	Technology	Trim	-0.5	4.8
	ELI LILLY & CO	Health Care	Trim	-0.5	0.2

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Sector Weights

As of 31-Dec-24	Portfolio (%)	Benchmark^ (%)	Underweight/overweight(%)	Top holdings
Health Care	10.7	10.3	0.4	Johnson & Johnson, AbbVie Inc
Consumer Staples	3.7	3.6	0.1	PepsiCo Inc
Energy	5.7	5.7	0.0	ConocoPhillips
Financial Services	13.2	13.2	0.0	Visa Inc, JPMorgan Chase & Co, Chubb Ltd
Telecom / CATV	1.7	1.8	-0.1	SBA Communications Corp REIT
Capital Goods	12.4	12.6	-0.2	Eaton Corp PLC
Consumer Cyclicals	12.3	12.5	-0.2	Amazon.com Inc, Home Depot Inc, Walt Disney Co
Technology	39.6	40.2	-0.6	Microsoft Corp, NVIDIA Corp, Alphabet Inc Class A

^ Standard & Poor's 500 Stock Index

0.8% 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 31-Dec-24	Portfolio	Benchmark^
Fundamentals - weighted average		
IBES long-term EPS growth [1]	16.6%	17.0%
Price/earnings (12 months forward)	22.3x	22.6x
Market capitalization		
Market capitalization (USD) [2]	992.6 bn	1,117.1 bn
Diversification		
Top ten issues	40%	37%
Number of Issues	107	503
Turnover		
Trailing 1 year turnover [3]	22%	—
Risk/reward (10 year)		
Historical tracking error	2.14%	—
Standard deviation	14.84%	15.36%
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 31-Dec-24	Portfolio (%)	Benchmark^ (%)
MICROSOFT CORP	7.6	6.3
NVIDIA CORP	6.1	6.6
AMAZON.COM INC (EQ)	5.2	4.1
ALPHABET INC	4.8	4.0
APPLE INC	4.2	7.6
META PLATFORMS INC	3.6	2.6
VISA INC	3.1	1.1
JPMORGAN CHASE & CO	2.3	1.4
SALESFORCE INC	1.8	0.6
ACCENTURE PLC	1.5	0.4
Total	**40.1**	**34.8**

^ 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, sustainable 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 S&P 500 finished 2024 up 25%, and it has rallied more than 50% over the last two years, the best two-year gain since 1998. Nearly half of its return in 2024 was driven by P/E expansion as recession fears did not come to fruition, inflation fell and the Federal Reserve cut rates. Looking more broadly at the US equity markets in 2024, the Russell 3000 Index was up 22%, but the median performance of the index's constituents was up less than 4%, and nearly 46% of the stocks in the index had a negative return. Given this, it was not surprising that large-cap stocks, most notably large growth, massively outperformed small-cap stocks. In fact, it was the worst relative year for small-caps since 1998, and small-caps have now lagged large-caps in every calendar year since 2017. Growth once again outperformed value with the Russell 1000 Growth outperforming the Russell 1000 Value by 63% over the last two years, the largest gap since the indices' inception in 1978. Ultimately, while the headline numbers were strong, under the surface the story was more mixed. From a factor perspective, momentum was the top performing factor and momentum outperformed in every sector. Following up on their strong performance in 2023, the Magnificent Seven stocks were up again in 2024 with an average return of over 60%. Nvidia contributed nearly 22% to the S&P 500's return for the year.

Turning to performance, the portfolio underperformed the S&P 500 during the fourth quarter and the full year. For the quarter, stock selection in capital goods, most notably not owning Tesla, detracted from relative performance. For the full year, it was a difficult year for our style, with high- quality lagging and momentum leading. Stock selection in information technology, in particular our positioning in semiconductors and being underweight Nvidia and not owning Broadcom, detracted from performance. Stock selection in capital goods, particularly not owning Tesla, also detracted from performance. Finally, stock selection in consumer cyclicals, most notably our positions in Five Below, Nike and Starbucks and not owning Netflix, detracted from performance.

Portfolio Outlook and Positioning

Within their sector teams, our analysts continue to look for compelling investment opportunities. Within capital goods, we remain overweight aerospace & defense as the aerospace cycle has a multi-year runway since global flight hours are growing, load factors are high, and OE backlogs are very high, signaling demand far outstripping supply. We are also overweight homebuilding & materials as the housing end market remains depressed and we have exposure to Sherwin Williams and Builders FirstSource, which is more exposed to new home sales and a better business than homebuilding. We did sell our position in construction materials company Summit Materials after the company agreed to be acquired by Quikrete and started a new position in CRH, a leading producer of building products and construction materials. We view CRH as an underappreciated play on US infrastructure via their integrated, materials-led business model. Their scaled aggregate footprint is what enables them to take outsized share of large infrastructure projects via their ability to offer more products and services to customers, which means better asset turns, better FCF conversion and higher return on capital. Finally, we believe the multiple is undemanding for a business with strong secular tailwinds, a strong operating history and attractive M&A opportunities. We remain underweight autos given that it is a tough group with too much capacity, below-GDP growth, high cyclicality and uncertain investment needs for the EV transition. We do not own Tesla and while the bull case is more realistic post the election and we are more constructive on Tesla now than we have been, there is still a wide range of outcomes and a lack of valuation support after the huge recent run for the stock. We are exposed to secular trends around electrification, including grid modernization and the increased use of sensors and electronics in vehicles through our positions in Eaton, TE Connectivity and Aptiv.

Within consumer cyclicals, we made some changes in restaurants by selling our position in Darden Restaurants, due to concerns management is underinvesting in the Olive Garden brand and the stock is not pricing that in, to start a new position in food services and facilities management company Aramark. While we recognize there are big benchmark weights in restaurants that we are currently betting against (McDonald’s, Starbucks, Chipotle, etc.), we like that we are getting exposure to food away from home via our US Foods position without making a bet on traffic turning at a specific concept or how a given management team will navigate serving an increasingly price conscious consumer. Aramark is similarly positioned and appears to be gaining momentum from a secular shift towards outsourcing for food services across several industries post-COVID. Aramark also offers a margin expansion and de-levering opportunity and there is more valuation upside if retention rates improve. While not owning Walmart and Costco has hurt relative performance this year, we continue to prefer Amazon as we believe the long-term direction of travel on margins is higher, AWS is well positioned to grow from core conversions and Gen AI tailwinds, and retail share gains are likely to continue as the same-day and sub-same-day assortment broadens. In addition, Amazon is now trading at a discount on forward P/E versus Costco and Walmart.

Portfolio Outlook and Positioning

Within consumer staples, after two years of unprecedented levels of pricing, pricing in 2024 slowed across the board and there has been a wide dispersion in volume trends across the sector as the consumer seeks value. Similarly, the companies with the most visibility into positive volume trends and/or pricing power have been rewarded with multiple expansion while multiples have compressed for the companies where volumes and organic growth trends are slower or less certain. Our core positions have remained largely the same, with our largest active position being Colgate-Palmolive, which has benefited from multiple expansion on relatively strong volumes. While still a large position, our active weight in Mondelez has decreased given underperformance driven by the combination of a slowdown in snacking demand and cocoa input cost inflation leading to negative estimate revisions. We have also seen more pressure on discretionary purchases, notably spirits, beauty and snacking, categories we have historically identified as attractive. While certain structural growth questions linger, we attribute much of the recent slowdown to more transitory factors, and we continue to have a long-term positive view on these categories and own a position in Estee Lauder. While there remain questions around the long-term health of the beauty category, growth rates in China, Estee Lauder's market share trends in the US, where margins could shake out, and whatever multiple Estee Lauder deserves amid management changes, we believe the risk/reward skews positive. The recent US presidential election and its result has introduced risks including tariffs, the potential for increased ingredient regulation and a strong US dollar, and the team continues to assess these risks. For example, our position in Constellation Brands is exposed to a potential 25% tariff on Mexican imports. However, the combination of pricing, cost savings and Mexican peso depreciation should help to neutralize the tariff impact. During the first Trump presidency, Constellation was afforded some goodwill by the US government because of their reliance on US farmers (buying corn and barley in the US and then shipping it to Mexico to produce beer), thus avoiding any significant penalties due to tariffs. Our expectation would be for a similar outcome, but given the uncertainty, we will continue to monitor.

Within energy, after many years of favoring E&Ps over integrateds, we are more constructive on integrateds, and we own Exxon Mobil as we like its defensive nature in an oil and gas context. In addition, we like its differentiated assets and ability to operate more reliably than peers, and that it's ahead of the curve in investing in practical energy transition opportunities around hydrogen and carbon capture. We prefer Exxon over Chevron given the scale and duration of its upstream portfolio, and it is more defensive with its leading downstream portfolio and better balance sheet. Within services, we sold our position in Schlumberger and started a new position in TechnipFMC. We like TechnipFMC's differentiated positioning in oilfield services as a pureplay offshore player with monopolistic/oligopolistic offerings. In addition, it's well managed, has a strong/promising underlying pipeline of projects, and arguably has better visibility than peers because its business is backlog- driven rather than rig-count driven, all of which gives us relatively higher conviction in TechnipFMC's fundamentals over the next few years. Finally, we started a new position in energy infrastructure company Cheniere Energy, which helps close some of our underweight to the midstream space, an area that was less balanced than we would prefer. Cheniere is a strong operator that benefits from various tailwinds driving global demand for natural gas and the Trump administration's posture on fossil fuel deregulation should benefit LNG and the midstream industry. Even if certain geopolitical conflicts are resolved and the Russia/Europe relationship improves, longer-term demand should prove durable, but we are leaving some dry powder in case of weakness.

Within financial services, we are focused on bottom-up stockpicking, but we also try to not get too offsides with rates, credit or assets exposure. Our largest overweight remains diversified financials, which includes exposure to insurance brokers Aon and Wills Towers Watson (these names provide exposure to a world getting riskier without balance sheet concerns and reasonable valuations), and payment network provider Visa, exchange CME Group and credit rating agency Moody's, high-quality oligopoly compounders. We remain modestly underweight banks and consumer lending, but slightly overweight larger banks, and we own J.P. Morgan Chase and PNC Financial Services Group, which offer scale, strong management, diversity and good growth prospects. Within insurance, we are comfortable with our underweight, driven by not owning Berkshire Hathaway, and a preference for property and casualty as credit stress is more manageable for P&C than life insurers given lower investment leverage while absolute commercial real estate exposure is lower. Finally, we are overweight in wealth and asset management, and we started a new position in alternative asset manager KKR. In recent months we have had some great team discussions on alternatives, and we have long respected alternative structural growth but have been respectful of cyclical risk, high rate of growth in certain pockets, and valuations. However, not owning alternatives felt inconsistent with the team's long-term views on the group, and we like KKR for its scale and diversification, ability to navigate in multiple economic environments (deploy capital in a down market), long-term growth opportunities, exposures and good culture.

Within health care, we are relying predominantly on bottom-up stock selection within industries to drive performance. Within pharma, we are now underweight after further trimming our position in Eli Lilly. While the range of outcomes remains extremely wide, we are wary that the stock currently embeds expectations for sustainable earnings power for the company that appears too high, and we struggle to see meaningful upside from here. We are overweight life science tools (LST), and we started a new position in Waters.

Portfolio Outlook and Positioning

Waters appears to be underearning more than other LST peers due to the collapse of instrument and China revenues over the past few years and seems well-positioned to grow faster than expected on the back of a rebound in instruments, China, and new vectors of growth (PFAS, GLP1s) kicking in over the next few years. We funded the Waters buy with a sale of Danaher given an elevated valuation. Within managed care, we started a small position in Humana on what we thought was an improved macro for Medicare, but we are now less comfortable making this a much larger position given new emerging risks around changing rules and potential budget cuts.

Within technology, the team spent a lot of time discussing and analyzing the semiconductor space, and in thinking about positioning, we are balancing the team's long-term favorable outlook with the reality that risk/rewards look more challenged for semicap equipment given that we expect a down wafer fab equipment (WFE) year in 2025. As a result, we sold our position in semiconductor equipment company Applied Materials as we became more cautious on the durability of Applied Material's recent China-related demand strength and a less favorable risk/reward. While we did continue to close our underweight to Nvidia and we are now modestly underweight, our position sizing here is continually being reevaluated. Near term, we expect supply/demand for Nvidia's Blackwell chips to remain tight in the first half of 2025, but it does get murkier after that, and the question becomes if inference demand is large enough to use existing fleet or drive further demand for newer silicon. Within software, we started a new position in Atlassian, a software company that specializes in collaboration tools. Atlassian's core products have dominant market share and are potentially more relevant in an AI world where software proliferates from agents. With a culture of innovation, a sticky product with a system of record critical to developers, and low cost/high value platform, Atlassian is more insulated from AI risk than the stock implies. In addition, valuation is at historical troughs despite stable/accelerating revenue growth, margin expansion and improving AI narrative. We also started a position in security software company Okta. The key thesis points are strong margin expansion, reaccelerating topline and sales rep maturation, while consensus expectations remain far too low on both topline and margins. With multiple new products being recently launched or soon to be rolled out (governance, identity posture management, privilege access management, and identity threat detection and response) there remains significant upsell opportunity to support topline growth over multiple years with incremental use cases arising driven by AI agent adoption. Finally, within computer systems, we started a new position in CDW, the largest value-added reseller of technology in North America. CDW can be thought of as a capital-light tollbooth on public sector and medium-sized corporate IT spend and is a leader with scale advantages in a secularly growing and fragmented industry, and we believe they can compound EPS low double digits with a long runway. When layering in CDW's great management team, culture and track record of exceptional execution, as well as AI optionality, alongside a now more reasonable valuation, we decided to start a position.

Portfolio Outlook and Positioning

Within telecom, over the long term, the team has had a structural overweight to towers and cable with an underweight to wireless/telcos under the thesis that competitive and regulatory structure should dictate long-term returns and towers offer an unregulated local monopoly and cable offers lightly regulated broadband mono/duopoly, while telcos are regulated with four competitors. Towers remains our top overweight, although it has been a challenging few years to own towers, particularly versus wireless/telco. Valuations are historically quite attractive now and the long-term business quality and growth algorithm is not in doubt. We continue to prefer SBA Communications given its US-focused mix, strong capital allocation and attractive valuation. Our positioning in cable has changed as over the past three years the cable broadband monopoly has broken (fixed wireless and fiber competition) and we are now underweight, having shifted cable to towers. For wireless/telco, valuation is at an all-time high, the core wireless product is fully mature, and the competitive environment is likely to deteriorate, and we remain comfortably zero weight US telco. We do own Canadian telco Rogers on the long-term thesis of Canada being a better market than the US as it is less penetrated, has faster population growth (immigration) and is less competitive given a three- player converged market.

While the US economy's strength provides reasons for optimism, it will likely be difficult for equity markets to match the returns of the last two years. Stocks did finish 2024 on a down note with the S&P 500 falling 2.4% in December. In particular, earnings expectations are elevated (consensus expects 13% earnings growth), as are broad market valuations (S&P 500 forward earnings P/E is approaching 22 times), typically a difficult combination for outsized gains. The bond markets also appear more circumspect about the prospects for 2025, with rising yields likely in part reflecting risks of higher inflation. In thinking about potential risks that could derail equity markets in 2025, inflation staging a comeback is likely one of the biggest risks equity investors face, and with a new US administration, proposed policy changes to tariffs, immigration and taxes could disrupt growth and/or boost inflation. A resurgence in inflation could also usher in a different market backdrop, potentially lowering correlations and forcing investors to stop chasing the Magnificent Seven, as we witnessed in 2022. A shift away from the Mag Seven may also require evidence that there is a slowdown in AI spending, something we are watching closely. As referenced above, we believe there are opportunities for stock pickers in this market. 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.

51167.13

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 (%)
Capital Goods	**12.4**
Eaton Corp PLC	0.8
Howmet Aerospace Inc	0.8
Johnson Controls International PLC	0.7
Westinghouse Air Brake Technologies Corp	0.7
Boeing Co	0.7
Sherwin-Williams Co	0.7
DuPont de Nemours Inc	0.6
Honeywell International Inc	0.6
Air Products and Chemicals Inc	0.6
Canadian Pacific Kansas City Ltd	0.6
General Dynamics Corp	0.6
Extra Space Storage Inc REIT	0.5
Regal Rexnord Corp	0.5
CRH PLC	0.5
JB Hunt Transport Services Inc	0.5
Corteva Inc	0.5
TE Connectivity PLC	0.5
Aptiv PLC	0.4
Leidos Holdings Inc	0.4
Nordson Corp	0.4
Builders FirstSource Inc	0.3
INGERSOLL-RAND INC	0.2
Cash & Cash Equivalents	**0.8**
Cash & Cash Equivalents	0.8
Consumer Cyclicals	**12.3**
Amazon.com Inc	5.2
Home Depot Inc	1.2
Walt Disney Co	1.1
Booking Holdings Inc	0.9
Ross Stores Inc	0.7
Aramark	0.7
Hilton Worldwide Holdings Inc	0.7

As of 31-Dec-24	Equivalent exposure (%)
Consumer Cyclicals	**12.3**
US Foods Holding Corp	0.6
NIKE Inc	0.6
Electronic Arts Inc	0.6
Consumer Staples	**3.7**
PepsiCo Inc	0.8
Colgate-Palmolive Co	0.6
Mondelez International Inc	0.5
Kenvue Inc	0.5
Constellation Brands Inc	0.4
General Mills Inc	0.3
International Flavors & Fragrances Inc	0.3
Estee Lauder Cos Inc	0.3
Energy	**5.7**
ConocoPhillips	1.0
Exxon Mobil Corp	0.8
PG&E Corp	0.7
Hess Corp	0.6
Duke Energy Corp	0.6
Alliant Energy Corp	0.5
PPL Corp	0.5
Valero Energy Corp	0.3
Cheniere Energy Inc	0.3
Constellation Energy Corp	0.3
TechnipFMC PLC	0.2
Financial Services	**13.2**
Visa Inc	3.1
JPMorgan Chase & Co	2.3
Chubb Ltd	1.3
PNC Financial Services Group Inc	1.1
Morgan Stanley	0.9
Charles Schwab Corp	0.9
Aon PLC	0.9

Portfolio Holdings

As of 31-Dec-24	Equivalent exposure (%)
Financial Services	**13.2**
CME Group Inc	0.8
Willis Towers Watson PLC	0.6
Moody's Corp	0.6
Northern Trust Corp	0.5
KKR & Co Inc	0.3
Health Care	**10.7**
Johnson & Johnson	1.2
AbbVie Inc	1.2
Medtronic PLC	0.9
Cigna Group	0.9
Boston Scientific Corp	0.8
Becton Dickinson & Co	0.7
Vertex Pharmaceuticals Inc	0.7
Agilent Technologies Inc	0.7
Pfizer Inc	0.7
McKesson Corp	0.6
Waters Corp	0.6
STERIS PLC	0.6
Humana Inc	0.4
ICON PLC	0.3
Illumina Inc	0.3
Eli Lilly & Co	0.2
Other	**0.0**
Other	0.0
Technology	**39.6**
Microsoft Corp	7.6
NVIDIA Corp	6.1
Alphabet Inc Class A	4.2
Apple Inc	4.2
Meta Platforms Inc	3.6
Salesforce Inc	1.8
Accenture PLC	1.5

As of 31-Dec-24	Equivalent exposure (%)
Technology	**39.6**
Cadence Design Systems Inc	1.2
Marvell Technology Inc	1.0
Constellation Software Inc/Canada	0.8
Lam Research Corp	0.8
ServiceNow Inc	0.7
Fiserv Inc	0.7
TransUnion	0.7
Gartner Inc	0.7
Atlassian Corp Ltd	0.7
Alphabet Inc Class C	0.6
NXP Semiconductors NV	0.5
QUALCOMM Inc	0.5
EPAM Systems Inc	0.5
HubSpot Inc	0.4
Tyler Technologies Inc	0.4
CDW Corp/DE	0.3
Okta Inc	0.2
Constellation Software Inc	0.0
Telecom / CATV	**1.7**
SBA Communications Corp REIT	1.0
Rogers Communications Inc	0.4
Cable One 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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