

## MFS Institutional Advisors, Inc.

This brochure provides information about the qualifications and business practices of MFS Institutional Advisors, Inc. ("MFSI"). If you have any questions about the contents of the brochure, please contact us at +1.877.960.6077 or [institutionalclientservice@mfs.com](mailto:institutionalclientservice@mfs.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Although MFSI is registered with the SEC as an investment adviser, such registration does not imply any level of skill or training.

Additional information about MFSI is available on the SEC's web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as a CRD number. The CRD number for MFSI is 107144.

You may request the most recent version of this brochure by contacting us as provided above.

# Firm Brochure

March 31, 2023

## ***Item 2 – Material Changes***

This Item 2 discusses only material changes made to this Form ADV, Part 2A (“Brochure”) since MFSI’s prior annual updating amendment to the Brochure, which was filed on March 31, 2022. In addition to the material changes described below, this Brochure has also been updated for various non-material changes, such as providing clarification or additional information. Capitalized terms not defined below are defined in the Brochure.

## ***Item 4—Advisory Services***

- Updated the disclosure to include that in addition to providing advisory services to separately managed accounts, or sleeves thereof, held within a wrap fee program, and to sponsors of wrap fee programs, MFSI is also retained by platform providers that in turn make MFSI’s products or services available to sponsors for their use in participants’ accounts in wrap fee programs.
- Added the following clarifying disclosure concerning sponsor or participant imposed investment restrictions:

Investment restrictions, from the sponsor or participant, can affect MFSI’s (or the sponsor’s) freedom of action. For example, a restriction from investing in companies from a country or region can limit the investments available for a strategy that typically includes companies from that country or region. In other cases, the restriction may not have any impact, such as when the strategy does not include companies from that country or region. When the restriction does limit the investments available, account performance will differ from participant accounts that have not imposed such restrictions.

- Added the following disclosure to describe the non-discretionary advisory services offered by MFSI in Institutional Model-Delivery Arrangements:

In addition to providing Model-Delivery Programs in Wrap Programs, MFSI also provides non-discretionary model portfolio delivery services to third-party investment advisers that themselves offer investment products and/or services to underlying investors (such arrangements “Institutional Model-Delivery Arrangements”), which, for example, could include investment companies registered under the 1940 Act and separate account clients subject to ERISA. MFSI’s recommendations are not tailored to any particular underlying investor but may take into account any specific investment restrictions or guidelines imposed by the third-party investment adviser. The third-party investment adviser has the ultimate discretion to accept or reject MFSI’s recommendations. The third-party investment adviser is generally responsible for making and implementing the ultimate investment decisions. MFSI does not know the identity of, or any other information necessary to perform a suitability analysis about, the underlying investors. Additionally, as discussed, above, MFSI does not have any contractual arrangement with the underlying investors with respect to the Model-Delivery Program provided to the third-party investment adviser. As agreed, upon by the investment adviser and MFSI, MFSI may release the portfolio model changes on a delay from the release of orders or portfolio model changes within the same investment strategy.

## ***Item 5—Fees and Compensation***

- Updated the range of MFSI’s asset-based fees in the fee schedules as follows:

### **Fees for Separate Account and Sub-Advised Accounts and Institutional Model-Delivery Arrangements Directly Contracted with MFSI**

MFSI’s asset-based fees may range as shown in the table below.

<b><u>Type of Investment Strategy</u></b>	<b><u>Standard Investment Advisory Fee</u></b>
Municipal Core Fixed Income and Municipal Plus	0.25% to 0.175% of average month end assets
Corporate BB Fixed Income	0.275% to 0.175% of average month end assets
Blended Research Large Cap Growth Equity, Blended Research U.S. Core (ESG) Equity, and Blended Research U.S. Core Equity	0.30% to 0.20% of average month end assets
U.S. Core Plus Fixed Income	0.30% to 0.20% of average month end assets
Blended Research International Equity	0.40% to 0.30% of average month end assets
Low Volatility Global Equity	0.40% to 0.30% of average month end assets
Emerging Markets Debt	0.45% to 0.375% of average month end assets
Domestic Balanced	0.50% to 0.375% of average month end assets
Blended Research Global High Dividend Equity	0.50% to 0.40% of average month end assets
Core Equity, Growth Equity, Large Cap Growth Equity, Large Cap Value Equity, Research Equity Industry Neutral, and U.S. Intrinsic Value	0.55% to 0.40% of average month end assets
U.K. Equity	0.55% to 0.40% of average month end assets
European Equity ex U.K.	0.55% to 0.45% of average month end assets
Contrarian Value Equity	0.65% to 0.50% of average month end assets
Global Growth Equity, Global Infrastructure and Global Real Estate Equity	0.65% to 0.50% of average month end assets

International Research Equity	0.65% to 0.50% of average month end assets
Mid Cap Growth Equity and Mid Cap Value Equity	0.65% to 0.50% of average month end assets
Technology Equity, U.S. REIT, and Utilities Equity	0.65% to 0.50% of average month end assets
European Research Equity	0.70% to 0.50% of average month end assets
Mid Cap Growth Focused Equity	0.70% to 0.55% of average month end assets
Global Equity and Global Value Equity	0.75% to 0.50% of average month end assets
International Equity, International Growth Equity, and International Intrinsic Value Equity	0.75% to 0.50% of average month end assets
Small Cap Growth Equity and Small Cap Value Equity	0.75% to 0.60% of average month end assets
Global Concentrated Equity	0.80% to 0.55% of average month end assets
International Concentrated Equity	0.80% to 0.55% of average month end assets
Emerging Markets Equity	0.80% to 0.70% of average month end assets
International Small-Mid Cap Equity	0.95% to 0.75% of average month end assets

### **Wrap Program Fees and Expenses**

MFSI's asset-based fees for Wrap Programs may range as shown in the table:

<b>Investment Strategy</b>	<b>Dual-Contracts</b>	<b>SMA Programs, Model-Delivery Programs and Discretionary Model-Delivery Programs</b>
MFS Equity Income SMA	--	0.27% to 0.35% of assets under management
MFS Large Cap Growth SMA	0.60% of assets under management	0.28% to 0.42% of assets under management
MFS Large Cap Value SMA	0.60% of assets under management	0.28% to 0.42% of assets under management
MFS Mid Cap Growth SMA	--	0.32% to 0.40% of assets under management
MFS Research International ADR SMA	0.65% of assets under management	0.30% to 0.45% of assets under management

MFS Research International Foreign Ordinaries SMA	--	0.35% to 0.40% of assets under management
MFS Research Core SMA	--	0.30% to 0.38% of assets under management

- Updated the following descriptions of MFS Global Group's practices regarding pricing account assets, in particular its fair value practices and compliance with Rule 2a-5 under the Investment Company Act of 1940, as amended:

For the MFS Global Funds that MFSI advises or sub-advises, the MFS Global Group prices securities or other assets for many purposes, including determining fees and performance reporting. For other pooled investment vehicles that MFSI sub-advises and for which a member of the MFS Global Group does not act as primary investment adviser, the MFS Global Group may be asked to provide valuation assistance for certain securities or other assets held by the pooled investment vehicle. Additionally, for separate accounts, the MFS Global Group prices securities or other assets held by the separate account, if agreed to in the investment advisory agreement. In cases where the MFS Global Group prices account holdings or provides valuation assistance, the MFS Global Group is incentivized to overvalue such account holdings in order to generate a higher fee. When pricing or providing valuation assistance for an account holding, the MFS Global Group attempts, in good faith and in accordance with applicable laws (including ERISA and Rule 2a-5 under the 1940 Act) and the MFS Global Group's valuation policies and procedures, to reasonably estimate its value. The MFS Global Group generally relies on market quotations or other asset valuations provided by a broker, dealer, or broker-dealer (each a "broker") or another third-party pricing service for valuation purposes. A security or other asset will be valued by the MFS Global Group in accordance with the MFS Global Group's valuation procedures described in the next paragraph: (i) when market quotations are not readily available or are believed by the MFS Global Group to be unreliable, or (ii) in circumstances where the MFS Global Group typically relies on valuations provided by approved third-party pricing services, if the third-party pricing services fail to provide a valuation, or (iii) if the MFS Global Group believes such valuation is not representative of fair value. With respect to accounts that invest in privately placed pooled investment vehicles managed by third parties and/or investments sponsored by such third-party managers, the MFS Global Group generally relies on pricing information provided by the private fund or its manager or other service provider. While the MFS Global Group expects that such persons will provide appropriate estimates of fair value, such persons may face conflicts similar to those described above and certain investments may be complex or difficult to value.

As mentioned above, when market quotations or other asset valuations are not readily available or are believed by the MFS Global Group to be unreliable, a client's investments may be fair valued ("Fair Value Assets"). Fair Value Assets are valued by the MFS Global Group in accordance with the MFS Global Group's valuation procedures. The MFS Global Group may conclude that a market quotation is not readily available or is unreliable: (i) if a security is thinly-traded or trades infrequently (*e.g.*, municipal securities and certain non-U.S. securities may be examples of thinly-traded securities); (ii) if the MFS Global Group believes a market quotation from a broker or other source is unreliable (*e.g.*, where it varies significantly from a recent trade); (iii) where recent asset sales represent distressed sale prices not reflective of the price that a client might reasonably expect to receive from the current sale of that asset in an arm's-length transaction; (iv) for debt instruments, bank loans and certain types of derivatives whose valuations are provided by a pricing

agent unless the pricing agent specifically identifies the valuation as a market quotation; (v) where there is a significant event subsequent to the most recent market quotation; or (vi) otherwise where it does not meet the criteria for a readily available market quotation under Rule 2a-5 of the 1940 Act and applicable guidance. The MFS Global Group's good faith judgment as to whether an event would constitute a "significant event" likely to cause a material change in an asset's market price may, in hindsight, prove to be incorrect, and the fair value determination made by the MFS Global Group may be incorrect as to the direction and magnitude of any price adjustment when compared to the next available market price.

- Enhanced the following disclosure concerning certain conflicts associated with MFSI's selling compensation structure:

The structure and amount of selling compensation and bonuses paid by MFSI to its sales force varies depending on the investment strategy, distribution channel, and vehicle selected. When compensation to be paid is higher for one investment strategy, distribution channel, or vehicle over another, a conflict of interest will exist. MFSI believes this potential conflict is largely mitigated by the fact that MFSI investment strategies are offered primarily to or through sophisticated institutional investors and financial intermediaries.

### ***Item 7—Types of Clients***

- Updated the following disclosure concerning minimum initial funding amounts for Wrap Programs:

MFSI typically requests a minimum initial funding of \$100,000 of assets per participant for bundled SMA Programs and Model-Delivery Programs; however, minimum initial funding amounts may differ depending on the type of Wrap Program, investment strategy, sponsor, investment program, and operational considerations (e.g., a sponsor's ability to accommodate the use of fractional shares within an account). MFSI typically requests a minimum initial funding of \$25 million of assets per participant for dual-contract SMA Programs. MFSI can, in its discretion, waive these minimums. Additionally, sponsors may impose higher investment minimums on participants, which would be described in the sponsor's Wrap Fee Program Brochure or other documentation provided by the sponsor.

### ***Item 8—Methods of Analysis, Investment Strategies and Risk of Loss***

- Enhanced the following disclosure concerning certain conflicts of interest associated with MFSI's consideration of ESG factors:

The extent to which an investment professional considers ESG factors in conducting fundamental investment analysis and the extent to which ESG factors impact an account's return will depend on a number of variables, such as an account's investment strategy, the types of asset classes held in an account, regional and geographic exposures, and an investment professional's views and analysis of a specific ESG issue. Each investment professional makes their own decisions with respect to which ESG factors to consider and how much consideration, if any, to give to ESG factors in the security analysis and investment selection process. The extent to which MFSI's integration of ESG factors into its investment process impacts the investment performance of an

account may be difficult to quantify and can vary significantly over time. In addition, ESG-related information generated by third-party data providers may be inaccurate, incomplete, inconsistent and/or out-of-date, which may adversely impact an investment professional's analysis of the ESG factors relevant to an issuer. MFSI is incentivized to characterize the significance of ESG factors in its fundamental investment analysis in a manner that aligns with a current or prospective client's views or expectations on ESG (*e.g.*, to overstate or downplay the significance of such ESG factors depending on the current or prospective client); however, MFSI has policies and procedures in place that it believes are reasonably designed to mitigate such conflicts.

- Updated and added investment risks applicable to certain of MFSI's investment strategies described in Appendix A of the Brochure, including adding a new description of (i) Infrastructure Concentration Risk and (ii) When-Issued, Delayed Delivery, and Forward Commitment Transactions Risk.
- Added disclosure clarifying that with respect to any particular investment strategy or vehicle, MFSI evaluates what it views as the optimal target size of such strategy or vehicle; however, MFSI is incentivized to make capacity management decisions that differ from those targets in order to increase assets or to maintain relationships with distributors or certain investors.
- Added the below Operational and Service Provider Risk applicable to all clients in all investment products and strategies:

#### Operational and Service Provider Risk

MFSI and its affiliates may engage one or more service providers in connection with or in support of its provision of investment advisory services to an account. As discussed in Item 10, *Other Financial Industry Activities and Affiliations*, such service providers may include other members of the MFS Global Group. Service providers may include accountants, valuation agents, software providers, analytic service providers, technology providers, pricing/modeling service providers, regulatory and compliance service providers, proxy voting administration providers, recordkeepers and other persons providing similar types of services. A service provider may provide services with respect to an account, certain investments held in an account or to MFSI or another entity in the MFS Global Group. MFSI evaluates the selection and ongoing use of service providers against a variety of factors, including expertise and experience, quality of service, reputation, and price in accordance with its vendor management program. Although MFSI maintains oversight over its service providers, there may be instances where employee fraud or other misconduct, human error, or deficiencies in controls or technology systems of a third-party service provider may cause losses for an account or impact the operations of the account or of MFSI or another entity in the MFS Global Group. An account's ability to recover any losses or expenses it incurs as a result of these third-party service provider incidents may be limited by the liability, standard of care and related provisions in the contractual arrangements between the account and MFSI or its affiliates, between MFSI or another entity in the MFS Global Group and its service provider(s), and/or between the account and its other service providers.



## ***Item 10—Other Financial Industry Activities and Affiliations***

- Updated the following description of MFS Lux, a Participating Affiliate within the MFS Global Group:

**MFS Lux.** MFS Lux, an indirect, wholly-owned subsidiary of MFS, is a société à responsabilité limitée organized under Luxembourg law and registered with the Luxembourg Commission de Surveillance du Secteur Financier. As a Participating Affiliate, MFS Lux provides portfolio management, distribution and administrative services to certain non-U.S. clients for which MFSI and/or its affiliates act as investment adviser or sub-adviser.

- Updated the following description of Sun Life Financial Inc. entities that have arrangements with MFSI:

Currently, MFSI advises or sub-advises a number of accounts on behalf of SLF's or its subsidiaries' clients (including Canadian mutual fund trusts managed by Sun Life Global Investments (Canada) Inc.) as well as proprietary assets of SLF or its subsidiaries. MFSI has also entered into an arrangement whereby it pays Sun Life Assurance Company of Canada to market certain MFSI model portfolios to Wrap Program sponsors.

## ***Item 12—Brokerage Practices***

- Updated the following disclosure to reflect adoption of a new Global Best Execution Policy (previously the MFS Equity Best Execution Policy and the MFS Fixed Income and Foreign Currency Best Execution Policy):

### **Seeking Best Execution**

MFSI seeks to obtain best execution of client transactions on a consistent and ongoing basis, taking into consideration the prevailing circumstances at the time of the particular transaction and subject to any client-imposed restrictions. We define best execution as the processes that MFSI has implemented to support the objective of seeking to obtain the most favorable outcome under the circumstances when executing and placing orders generated by MFSI in the course of providing investment management services to MFSI's clients. This process involves the regular monitoring, testing and review of the trading process and execution results. In seeking to obtain best execution, MFSI takes into account several execution factors that it considers to be relevant, listed below in no particular order:

- price: the prevailing price of the instrument;
- cost: the expected total costs associated with execution of an order, including, but not limited to, possible expected market impact and explicit costs such as broker commissions;
- bid/ask spreads;
- speed: the expectation and assessment of how quickly the order can be executed;



- likelihood of execution and settlement – the likelihood of fulfilling the order and its settlement;
- size: the size of the order relative to the average, expected and/or visible market volume available;
- nature of the broker’s capabilities in execution, service, clearance and settlement;
- availability of liquidity; and
- any other consideration that MFSI considers relevant to the execution of the order.

In determining the relative importance of each execution factor to a particular order, MFSI takes into account the following execution criteria:

- the characteristics and objectives of the client and the client order, including the investment horizon and any specific instructions, targets or restrictions from the portfolio manager or client *e.g.*, strategic acquisition or exit in an issuer, client inflows and outflows, or portfolio cash management;
- the characteristics of the asset class to which the order relates. Different asset classes will have characteristics specific to that asset class in terms of price transparency and discovery, market structure, participants, liquidity and market impact;
- market conditions and time of day, such as the degree of liquidity, volatility and momentum in the market;
- the characteristics of the liquidity sources to which the order can be directed may differ depending on the asset class in terms of access, mechanism to facilitate price discovery, liquidity, local trading customs and conventions and clearance mechanism;
- historical data and analysis and the ability to test new tools and trading approaches; and
- any other consideration deemed relevant to the execution of an order by MFSI based on the objectives of the order.

In seeking to obtain best execution, MFSI is not required to take into account charges imposed upon clients by third parties, such as ticket charges that may be imposed by the client’s custodian.

### ***Execution Commissions***

Brokers generally will either receive (i) an execution commission, which is generally negotiable and can vary depending on the type of broker, type of trade (agency or principal) and market, or (ii) for trades executed on a “net” basis in lieu of a commission, a “spread” representing the difference (or a portion of the difference) between the buying price and the selling price. Non-U.S. equity securities are typically subject to a fixed notional commission rate that is negotiated on a country-by-country basis. Fixed income transactions are generally traded OTC or on a venue and do not include a stated commission. As described above, the broker retains the spread or a portion of the spread, and additionally the venue may receive from the broker some of such retained spread.

Execution commission rates for equity securities and some derivatives will vary depending upon the trading methods, venues and brokers selected, as well as the market(s) in which the securities are traded and their relative liquidity.

In the case of securities purchased from underwriters, the cost of such securities generally includes a fixed underwriting commission or concession.

### **Selection of Counterparties**

MFSI will determine which counterparty is suitable to access the liquidity needed to execute or place an order as part of the execution strategy, taking into account the following (where applicable):

- level of coverage, expertise and experience of the counterparty, including any historical execution quality analysis / review undertaken;
- perceived ability to manage and minimize information leakage;
- access and connectivity to exchanges and trading platforms;
- range of execution tools, algorithms and other technology enabled strategies;
- availability of liquidity and inventory at the MFS Approved Counterparty and its balance sheet;
- willingness to commit capital;
- assessment of counterparty risk;
- ability to settle transactions in a timely manner;
- desire of the MFS Global Group to test and develop new counterparty relationships; and
- level of reporting and transparency that the counterparty is able to provide to MFSI.

MFSI may employ outside vendors to provide reports on the quality of counterparty executions. With respect to transactions in derivatives, MFSI trades only with counterparties with whom it has legally-required or client-requested documentation in place.

MFSI has an incentive to direct trades to counterparties for various reasons, including its business relationships with such counterparties; however, MFSI has policies and procedures it believes to be reasonably designed to mitigate such conflicts.

### **Other Changes to Item 12**

- Clarified that MiFID II generally considers research to be an inducement and therefore the MFS Global Group pays for certain categories of fixed income research received by MIL UK or MFS Lux out of its own resources.
- Added disclosure clarifying that for SMA Programs where trades are effected through the sponsor (which is expected to be almost all cases) and for Model-Delivery Programs, MFSI will release orders and portfolio model changes according to a rotation methodology designed to treat all participating sponsors fairly and equitably over time. The release of such orders and portfolio model changes may take more than one day, causing some sponsors to complete any such orders on a different day than other sponsors or other accounts managed by MFSI.
- Added the following disclosure concerning the release of portfolio model changes for Institutional Model-Delivery Arrangements:

As described in Item 4, *Advisory Business*, with respect to Institutional Model-Delivery Arrangements, as agreed upon by the third-party investment adviser and MFSI, MFSI releases

portfolio model changes on a delay. In some cases, the portfolio model will be released after the orders for the discretionary accounts within the same strategy have been fully executed. In other cases, the portfolio model will be released while such discretionary accounts are continuing to trade. To the extent the Institutional Model-Delivery Arrangement accounts trade after MFSI's discretionary accounts, the Institutional Model-Delivery Arrangement accounts will likely receive different (potentially less favorable) prices for the same securities. To the extent the Institutional Model-Delivery Arrangement accounts trade while MFSI's discretionary accounts are trading, MFSI and the third-party adviser will compete for the same investment opportunities and an account (Institutional Model-Delivery Arrangement or discretionary) may experience higher or lower execution prices than another account with the same investment strategy.

- Added the following disclosure concerning the use of “tax trading” or “tax harvesting” in Wrap Programs, noting that MFSI does not provide tax, legal or accounting advice and investors should consult their own tax, legal and accounting advisors before engaging in any transaction:

#### **Tax Trading**

Wrap Program participants or the Sponsors of their program may request that MFSI engage in trades intended to incur capital gains or losses (referred to as “Tax Trading” or “tax harvesting”). Tax Trading requests received by MFSI after a specified annual cut-off date will be completed on a best efforts only basis. Tax Trading proceeds will remain in cash unless requested otherwise, in which case they will be invested in unaffiliated ETF(s) during the 30 days wash sale period. Tax Trading will typically only be considered by MFSI for securities that have at least a minimum gain or loss amount specified by MFSI. Tax Trading may adversely impact the overall performance of a participant's account. The sale(s) from Tax Trading may cause the portfolio holdings and performance to deviate from other accounts within the same investment strategy. Securities sold to create a tax loss may or may not be repurchased by MFSI following the 30-day wash sale period and they may be purchased at a price higher than that for which they were sold. Investment management activity in the account subsequent to the Tax Trading may result in additional realized gains (losses) that partially or completely offset the gains (losses) realized from the Tax Trading request. MFSI does not provide tax, legal or accounting advice and investors should consult their own tax, legal and accounting advisors before engaging in any transaction.

### ***Item 13 – Review of Accounts***

- Enhanced the following disclosure concerning conflicts of interest related to MFSI's internal review of accounts:

MFSI monitors client accounts on an on-going basis and performs periodic reviews. Further reviews may also be triggered by changes to account investment strategy or market conditions. Accounts are regularly reviewed from multiple perspectives by multiple groups within the MFS Global Group including the portfolio management, Global Investment and Client Support and Compliance teams. Semi-annual risk reviews, led by members of the Investment Risk Management Team, with participation and direction from the IMC, are an integral component of the review process. The IMC, chaired by the Chief Investment Risk Officer, and comprised of senior investment professionals, including the Chief Investment Officers and Directors of Trading, provides governance and oversight on matters relating to portfolio management, research and trading; the establishment and monitoring of investment policies/procedures; and the monitoring

and management of investment risk. MFSI could be incentivized to make trading decisions at the end of a reporting period to create the appearance of favorable account performance or to obscure the source of account performance, or to mislead investors about the true strategies engaged in (by way of account holdings) by MFSI; however, as described above, MFSI has policies in place to mitigate the risk of acting on such incentives.

- Enhanced the following disclosure concerning conflicts of interest related to MFSI's Institutional Client reporting:

Periodic reports (oral, written or both) are provided to Institutional Clients from time to time in a form mutually agreed with MFSI. MFSI typically provides Institutional Clients with both quarterly and monthly written reports. Quarterly reports typically include account commentary, performance and attribution, market value, account holdings and transaction details in addition to information on corporate actions. Monthly reports are more concise and typically include performance and market value. In addition, as agreed with MFSI, customized reporting is available. MFSI provides different reports and, subject to its inside information policy and code of ethics (see Item 11, *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*), may provide different information about its business operations or portfolio investments to different clients or prospective clients. Written reports are delivered via e-mail and also can be retrieved directly and securely by Institutional Clients from MFSI's website. MFSI also typically provides a similar range of information orally to Institutional Clients through in-person meetings, virtual meetings, conference calls, webinars and client conferences. As discussed above, MFSI may base its performance reporting upon its own valuation of account assets, as agreed to with an Institutional Client. In presenting its performance, MFSI is incentivized to overstate performance by overvaluing account holdings. For more information regarding the MFS Global Group's valuation procedures, which are designed to prevent inaccurate valuations, please see Item 5, *Fees and Compensation*.

## ***Item 14 – Client Referrals and Other Compensation***

- Enhanced the following disclosure concerning certain conflicts of interest related to payments made by MFSI to sponsors of Wrap Programs:

To the extent that MFSI enters into solicitation or referral arrangements with a third party to solicit or refer new clients to MFSI, it intends to comply with the disclosure, oversight, and disqualification requirements applicable to such relationships under applicable laws and regulations. With respect to its business outside of the U.S., MFSI has in the past and may from time to time in the future use local companies in certain jurisdictions for a fee to assist it in obtaining new Institutional Clients. MFSI may be required to pay fees to certain third-party agents that have been retained by clients to assist the Institutional Client in the selection of investment managers. Although the third-party agent has been retained by the Institutional Client, the obligation to pay a referral fee becomes the responsibility of the investment manager in the event that the investment manager enters into an investment advisory agreement with the client. As noted in Item 5, *Fees and Compensation*, MFSI pays certain Wrap Program sponsors fees for data analytics (e.g., sales reporting), use of the sponsor's technology and/or to host MFSI's investment strategies on the sponsor's platform. These payments are not made for the purpose of referring clients to, or soliciting clients on behalf of, MFSI, and MFSI does not treat them as such.

Nevertheless, the receipt of varying (or no) payments from different investment advisers may provide sponsors and their financial advisers with an incentive to recommend MFSI investment strategies over other third-party investment advisers' strategies or other financial products. Separately, MFSI has entered into an arrangement whereby it pays its affiliate Sun Life Assurance Company of Canada to market certain MFSI model portfolios to Wrap Program sponsors and financial advisors.

## ***Item 16 – Investment Discretion***

- Clarified the following disclosure concerning unsupervised assets:

From time to time, clients may leave in the custodial account subject to MFSI's discretionary management certain securities or other property over which MFSI has not been given discretionary authority ("Unsupervised Assets"). Unsupervised assets may be included by MFSI in calculating its advisory fee; please consult with MFSI or your financial advisor or sponsor concerning the payment of any such fees. MFSI may request that the client (or, for SMA Program participants, the participant's sponsor or financial advisor) confirm in writing the identity of any Unsupervised Assets. Unless otherwise agreed to with the client (or for SMA Program participants, as agreed to with the participant or the participant's financial advisor), MFSI will not provide investment advisory services of any kind with regard to Unsupervised Assets. MFSI will have no duty, responsibility, or liability with respect to the Unsupervised Assets and will not take the Unsupervised Assets into consideration when managing the portion of the account for which it provides investment advice.

## *About this Brochure*

*This Brochure is not:*

- *an offer or agreement to provide advisory services to any person*
- *an offer to sell interests (or a solicitation of an offer to purchase interests) in any vehicle*
- *a complete discussion of the features, risks or conflicts associated with any account or vehicle*

*As required by the Investment Advisers Act of 1940, as amended (“Advisers Act”), MFSI will provide this Brochure to current and prospective clients of MFSI or clients of MFSI’s affiliates for which MFSI acts as a sub-adviser. MFSI also, in its discretion, may provide this Brochure to current or prospective investors in a pooled investment vehicle that MFSI advises or sub-advises, together with other relevant governing or disclosure documents, such as the pooled investment vehicle’s offering or private placement memorandum, prior to, or in connection with, such persons’ investment in the pooled investment vehicle. Additionally, this Brochure is available through the Investment Adviser Public Disclosure website of the Securities and Exchange Commission (“SEC”).*

*Although this publicly-available Brochure describes investment advisory services and products of MFSI, persons who receive this Brochure (whether or not from MFSI) should be aware that it is designed solely to provide information about MFSI as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in other relevant documents. More complete information about each separately managed account and pooled investment vehicle is included in the relevant separately managed account or pooled investment vehicle documents, certain of which will be provided to current and eligible prospective investors only by MFSI or a party authorized by MFSI. To the extent that there is any conflict between discussions herein and similar or related discussions in such documents, the relevant separately managed account or pooled investment vehicle governing or disclosure documents shall govern and control.*

*This is not an offer to sell securities of any type. No offer or solicitation for a separately managed account or pooled investment vehicle by us will be made before the delivery of the applicable documents to a potential investor. You should read the client documents carefully and consult with tax, legal and financial advisors before making any investment decision. You should also be aware that the provision of this Brochure to you does not create an adviser-client relationship between you and MFSI.*

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## *Item 4 – Advisory Business*

MFS Institutional Advisors, Inc. (“MFSI”), an investment adviser registered with the SEC, has been serving institutional investors and their consultants since 1986. MFSI is a wholly-owned subsidiary of Massachusetts Financial Services Company, d/b/a MFS Investment Management (“MFS”), which is also an investment adviser registered with the SEC. MFS is also the parent company of other companies that manage investments. In this Brochure, we refer to MFS and its direct and indirect subsidiaries collectively as the “MFS Global Group.” MFS and its predecessor organizations have a history of money management dating from 1924 and the founding of the first U.S. mutual fund. MFS is an indirect, majority owned subsidiary of Sun Life Financial Inc. (“SLF”), a diversified financial services company. As of December 31, 2022, MFSI managed \$116,842,935,821 in discretionary client assets and \$0 in non-discretionary client assets, which includes assets managed for clients of other members of the MFS Global Group. The MFS Global Group managed \$534,248,882,201 as of December 31, 2022. Non-discretionary Model-Delivery Programs and Institutional Model-Delivery Arrangements (each described below) assets are not included in these assets under management.

All discussions of MFSI’s practices in this Brochure are qualified in their entirety with respect to each account by the applicable investment advisory agreement or offering and organizational materials (such offering and organizational materials are collectively referred to as the “Offering Documents”) governing such account. This includes, without limitation, all practices pertaining to an account’s investments, strategies used in managing the account, investment risks, fees and other costs associated with an investment in the account.

MFSI primarily provides investment advisory services to institutional clients via separate accounts. MFSI also provides sub-advisory services to pooled investment vehicles, including investment companies registered as such under the Investment Company Act of 1940, as amended (the “1940 Act”) and other pools (“sub-advised accounts”). Additionally, MFSI serves as managing member of certain funds that are not registered as investment companies under the 1940 Act pursuant to the exemption contained in Section 3(c)(7) of the 1940 Act (the “MFS Private Funds”) for which it has delegated portfolio management responsibility to MFS. MFSI also provides non-discretionary portfolio model-delivery programs to third-party investment advisers that themselves offer investment products and/or services to underlying investors (see “Institutional Model-Delivery Arrangements” below). Finally, MFSI provides portfolio management, research and/or trading services for non-U.S. accounts for which one of its affiliates acts as investment adviser or investment manager. The terms “Institutional Account” or “Institutional Client” are used herein to refer to all of MFSI’s clients (or such clients’ accounts) other than wrap fee programs, which are discussed below. For more information regarding MFSI’s responsibilities as managing member of the MFS Private Funds, please refer to the Offering Documents governing your investment in the applicable MFS Private Fund. Please understand that some accounts may be comprised of multiple sleeves managed in separate investment strategies or asset classes, and the term “account” may refer to the overall account or a sleeve as the context warrants. For information on the types of investment strategies MFSI manages, please see Item 8, *Methods of Analysis, Investment Strategies and Risk of Loss*.

Institutional Clients may access MFSI’s investment advisory services via an outsourced chief investment officer arrangement (also referred to as a discretionary consulting service) (“OCIO provider”). Depending on the specific features of the OCIO arrangement, the OCIO provider may be the decisionmaker as to whether to hire or terminate MFSI as investment adviser to the Institutional Client and for which

investment strategy or strategies. MFSI's client servicing is primarily provided to or through the OCIO provider rather than directly to the Institutional Client.

Some Institutional Accounts are subject to client imposed restrictions on investing in certain securities or derivatives, or types of securities or derivatives. Please see Item 16, *Investment Discretion*, for more information on how imposing such restrictions might affect the management of your separate account.

On a non-discretionary basis, MFSI reviews and provides asset allocation and portfolio structure guidance to certain Institutional Clients, including pension plans, sovereign wealth funds, endowments and foundations. MFSI may also provide similar asset allocation guidance to financial intermediaries for use with the financial intermediary's own clients or clients it has in common with MFS. These services are typically provided to existing Institutional Clients and financial intermediaries without additional charge and without a contractual agreement. MFSI provides these services on a non-discretionary basis, which means that the Institutional Client or financial intermediary has the ultimate discretion to accept none, some, or all of MFSI's guidance. Additionally, MFSI's guidance is based on information provided from the Institutional Client or financial intermediary, reflects advice given as of a particular point in time, and, when provided to a financial intermediary, is not intended to meet the needs of any particular client of a financial intermediary, unless otherwise specified. To the extent MFSI's asset allocation guidance could be implemented using investment products or advisory services provided by the MFS Global Group, and the recipient of the guidance invests in such investment products or advisory services, the MFS Global Group would earn additional revenues because MFSI and/or its affiliates receive revenue from their investment products and advisory services. Therefore, MFSI has an incentive to provide asset allocation guidance that could result in the inclusion of MFS Global Group investment products or advisory services. The fees charged by the MFS Global Group for these investment products or advisory services may be higher than fees charged by third parties. The Institutional Client or financial intermediary has the ultimate discretion whether to use MFS Global Group investment products or advisory services.

#### **Separately Managed Accounts Within Wrap Programs**

Investments made through wrap fee programs can include separately managed accounts, mutual funds, exchange-traded funds ("ETFs") and other securities; however, MFSI does not generally recommend mutual funds or ETFs to wrap fee programs. MFSI provides advisory services to separately managed accounts, or sleeves thereof, held within a wrap fee program, to sponsors of wrap fee programs and platform providers that in turn make MFSI's products or services available to sponsors for their use in participants' accounts in wrap fee programs. For simplicity in this Brochure, we will refer to these wrap fee programs as "Wrap Programs" and the term "sponsor" may refer to such a Wrap Program sponsor or a platform provider, or, as described below, an overlay manager, or some or all of such entities, depending on the structure of the Wrap Program. Wrap Programs are sometimes referred to using different names, including "separately managed account" or "SMA," "unified managed account" or "UMA," or "managed account." In MFSI's Form CRS, wrap fee programs are referred to as "Wrap Accounts." The specific features of each Wrap Program vary from sponsor to sponsor, as do the services MFSI provides. Please consult your sponsor's Wrap Fee Program Brochure and other documentation for information specific to your program.

A Wrap Program is a platform through which a financial intermediary known as a "sponsor" (typically a broker) offers investment accounts. The sponsor typically (though not in all cases) charges investors or "participants" a single, bundled ("wrap") fee that covers brokerage, custodial and administrative services, and the sponsor's investment advice. Fees for MFSI's investment advice are either included in the wrap fee or charged separately and are paid to MFSI by the sponsor. The sponsor, for a portion of the fee, administers the program and selects investment strategies and investment advisers available to the Wrap

Program. In some cases, sponsors also utilize the services of an “overlay manager” to provide certain services to the Wrap Program, such as brokerage services or investment advice. Participants are encouraged to review the Wrap-Fee Program Brochure and any other documentation prepared by their Wrap Program’s sponsor to understand their fee structure, the specific types of services covered by the fee they pay, and the services provided by each of the sponsor, overlay manager and/or investment adviser. MFSI acts only as an investment adviser (or sub-adviser) for Wrap Programs and does not act as the sponsor or overlay manager of any Wrap Program.

Each sponsor is responsible for making the determination that an MFSI investment strategy is appropriate for inclusion in the sponsor’s Wrap Program and may take into account various factors such as MFSI’s style of investment management and performance. Additionally, sponsors or a third-party fiduciary, together with a participant, are responsible for reviewing the participant’s investment objectives and financial circumstances to determine that investing in a particular Wrap Program and (other than with respect to dual-contract clients) an MFSI investment strategy is suitable for that participant. In Wrap Programs, “reverse churning” may occur when there is very little trading activity in the client’s account(s). As such, there may be times when the participant could benefit, sometimes significantly, by not participating in a Wrap Program that charges bundled fees, but instead by paying any brokerage commissions separately. Certain investment strategies offered by MFSI in Wrap Programs have historically had a low portfolio turnover (ranging from approximately 16% to 48% annually over the last three years). MFSI is responsible for ensuring that the securities it selects or recommends are suitable for the particular investment strategy it offers.

MFSI provides different types of services to different types of Wrap Programs, as agreed between MFSI and the sponsor. For “SMA Programs,” MFSI has the discretionary authority to make all investment decisions for a participant’s investment account. For “Model-Delivery Programs,” MFSI provides non-discretionary recommendations of specific securities and weightings in the form of a model portfolio, and the sponsor has the ultimate discretion to accept or reject MFSI’s recommendations for a participant’s investment account. For “Discretionary Model-Delivery Programs,” MFSI provides a model portfolio that the sponsor has agreed to accept in full. As discussed in Item 12, *Brokerage Practices*, in providing Discretionary Model-Delivery Programs, MFSI does not have authority to place orders for the execution of transactions.

Discussions in this Brochure relating to SMA Programs include Discretionary Model-Delivery Programs, unless otherwise specified.

The types of Wrap Programs are described in more detail below. Please see: Item 5, *Fees and Compensation*, for information concerning how MFSI is compensated for providing advisory services through a Wrap Program; Item 8, *Methods of Analysis, Investment Strategies and Risk of Loss*, for information regarding the differences between how MFSI manages Wrap Program accounts and other accounts; and Item 12, *Brokerage Practices*, for information on Wrap Program trading practices. Participants should consult their sponsor’s Wrap Fee Program Brochure and other documentation for additional information about the services provided through their program by the sponsor and related fees and expenses associated with the program.

### **SMA Programs**

As noted above, MFSI has the discretionary authority to make investment decisions for a participant’s investment account in an SMA Program, in accordance with the selected investment strategy and subject to any restrictions. SMA Programs may be offered either in “bundled” or “dual-contract” arrangements (Discretionary Model-Delivery Programs are only available in bundled arrangements). In a bundled SMA

Program arrangement, a participant enters into an advisory agreement with the sponsor and the sponsor enters into a sub-advisory agreement with MFSI. Participants select MFSI and an MFSI investment strategy from among the investment advisers and investment strategies that the sponsor presents to them. Additionally, the participant generally pays a bundled or wrap fee to the sponsor that typically (though not in all cases) covers brokerage, custodial and administrative services, and the sponsor's investment advice. The fees for MFSI's investment advice may be included in the wrap fee or charged separately and are paid to MFSI by the sponsor.

In dual-contract SMA Program arrangements, an investor enters into an investment advisory agreement with MFSI and a separate agreement with the program sponsor. Participants contract for MFSI's advisory services directly with MFSI after selecting MFSI from among the investment advisers presented by the sponsor, and the participant typically pays MFSI directly for its advisory services.

MFSI reserves the right, in its sole discretion, to reject for any reason any participant referred to it. A participant may terminate its selection of MFSI as investment adviser in their Wrap Program account at any time, upon notice either to the sponsor of a bundled SMA Program or, in the case of a dual-contract SMA Program, directly to MFSI in accordance with the terms of the investment advisory agreement between the participant and MFSI.

Investment restrictions, from the sponsor or participant, can affect MFSI's (or the sponsor's) freedom of action. For example, a restriction from investing in companies from a country or region can limit the investments available for a strategy that typically includes companies from that country or region. In other cases, the restriction may not have any impact, such as when the strategy does not include companies from that country or region. When the restriction does limit the investments available, account performance will differ from participant accounts that have not imposed such restrictions.

Some participants in SMA Programs (for a discussion of restrictions in Discretionary Model-Delivery Programs see the next paragraph) elect to impose restrictions upon MFSI's ability to implement investments. Such restrictions must be communicated to and accepted by MFSI as reasonable. Reasonable restrictions can include certain securities or certain types of securities, as well as reasonable sector-based restrictions, such as socially responsible investing ("SRI") category restrictions. Participants typically select sector-based restrictions from among the sponsor's pre-established restricted sector categories. Sponsors typically do not provide MFSI with a list of the securities included in their restricted categories. Therefore, in order to apply such restrictions, MFSI utilizes a third-party vendor to provide information regarding securities that are included in a comparable restricted category. MFSI uses its sole discretion to select the vendor category that most closely approximates the sponsor's restricted category based on the information MFSI receives from the third-party vendor. Although MFSI believes the information provided by the vendor is reliable, MFSI does not independently verify the information or guarantee its accuracy. The securities MFSI applies as restricted for a given category could differ from those that the sponsor may have considered to be within that category (*i.e.*, MFSI's list of restricted securities for a category may be more or less restrictive).

For Discretionary Model-Delivery Programs, participant-imposed restrictions are managed by the sponsor. MFSI does not take into account any participant's restrictions in designing or updating a model, nor is MFSI expected to implement any such restrictions or assist the sponsor in determining how to implement such restrictions.

### **Model-Delivery Programs**

As noted above, in Model-Delivery Programs, MFSI is retained by a sponsor to provide non-discretionary recommendations of specific securities and weightings in the form of a model portfolio to be considered

by the sponsor for use in participants' accounts, or in the case of a platform provider, for use in the accounts of sponsors that utilize the platform. MFSI's recommendations are not tailored to any individual program participant, and the sponsor has the ultimate discretion to accept or reject MFSI's recommendations for each individual participant's investment account. The sponsor (or a third party retained by the sponsor to perform services for the program, such as an overlay manager) is generally responsible for making and implementing the ultimate investment decisions. MFSI does not know the identity of, or any other information necessary to perform a suitability analysis about, the program participants for whose accounts the sponsor uses MFSI's model portfolio. Additionally, as discussed above, MFSI does not have any contractual arrangement with program participants (or in the case of an agreement with a platform provider, with the sponsors that utilize such platform).

The sponsors of (and not any participant in) Model-Delivery Programs have the contractual relationship with MFSI. As with bundled SMA Programs, the sponsor generally charges participants a bundled or wrap fee that covers brokerage, custodial and administrative services, and the sponsor's investment advice. The fees for MFSI's services may be included in the wrap fee or charged separately and are paid to MFSI by the sponsor. Sponsors that are platform providers may charge Wrap Program sponsors a fee to use and have access to their platform and for their other services, such as trade execution, pursuant to their applicable contract.

Participant-imposed restrictions are managed by the sponsor and MFSI does not take into account any participant's restrictions in designing or updating a model, nor is MFSI expected to implement any such restrictions or assist the sponsor in determining how to implement such restrictions. MFSI does take into account certain sponsor-imposed restrictions in designing or updating a model, such as restrictions on including securities issued by the sponsor or its affiliates, including securities of pooled investment vehicles. Nonetheless, as with SMA Programs, to the extent that a restriction applies to the securities recommended by MFSI to be included in accounts following an MFSI model portfolio, a participant's or sponsor's decision to impose restrictions would affect the performance of a participant's account as compared to participants or sponsors who have not imposed such restrictions.

### **Lead Style Manager Services**

MFSI serves as the lead style manager for an investment strategy in the Merrill Lynch, Pierce Fenner & Smith Incorporated ("Merrill Lynch") CDP Investment Advisory program. As lead style manager, MFSI is responsible for identifying, when needed, appropriate style managers from a Merrill Lynch approved list of possible managers. MFSI proposes such a manager to Merrill Lynch and Merrill Lynch must approve any proposed style managers. While MFSI is responsible for identifying an appropriate style manager any time a new manager is needed, MFSI does not monitor on an ongoing basis whether a style manager is appropriate, and the existing style manager will be maintained until such time as it is no longer on Merrill Lynch's approved list.

### **Institutional Model-Delivery Arrangements**

In addition to providing Model-Delivery Programs in Wrap Programs, MFSI also provides non-discretionary model portfolio delivery services to third-party investment advisers that themselves offer investment products and/or services to underlying investors (such arrangements "Institutional Model-Delivery Arrangements"), which, for example, could include investment companies registered under the 1940 Act and separate account clients subject to ERISA. MFSI's recommendations are not tailored to any particular underlying investor but may take into account any specific investment restrictions or guidelines imposed by the third-party investment adviser. The third-party investment adviser has the ultimate discretion to accept or reject MFSI's recommendations. The third-party investment adviser is generally responsible for

making and implementing the ultimate investment decisions. MFSI does not know the identity of, or any other information necessary to perform a suitability analysis about, the underlying investors. Additionally, as discussed, above, MFSI does not have any contractual arrangement with the underlying investors with respect to the Model-Delivery Program provided to the third-party investment adviser. As agreed, upon by the investment adviser and MFSI, MFSI may release the portfolio model changes on a delay from the release of orders or portfolio model changes within the same investment strategy.

## ***Item 5 – Fees and Compensation***

As described above, MFSI provides investment advisory services to a variety of separate- and sub-advised accounts and Wrap Programs. The following provides information related to the fees and compensation MFSI receives for its services.

### **Fees for Separate Account and Sub-Advised Accounts and Institutional Model-Delivery Arrangements Directly Contracted with MFSI**

MFSI provides portfolio management, research and/or trading services to certain of its MFS Global Group affiliates in connection with the affiliate's separate and sub-advised account clients. A discussion of the fees and expenses applicable to clients receiving services from MFSI in this manner is set forth below under the heading "Fees and Expenses for Services Provided to Affiliates."

The following discussion is applicable to separate and sub-advised account and Institutional Model-Delivery Arrangement clients who have an investment advisory agreement with MFSI. MFSI's investment advisory fees are usually based upon a percentage of assets under management ("asset-based fees"), or, less frequently, are based on performance results ("performance-based fees," as discussed further below) and are negotiable. For asset-based fees, the percentage typically depends upon the type of investment strategy. MFSI reserves the right, in its sole discretion, to negotiate and charge different types or rates of advisory fees for different accounts. Advisory fees may vary due to, among other things, the inception date of an account, the initial or potential size of the account, the entirety of the Institutional Client's and its affiliates' (if any) relationship with the members of the MFS Global Group, the manner in which an Institutional Client accesses services from MFSI (e.g., through a consultant, OCIO provider or other financial intermediary), and the Institutional Client's domicile. MFSI may manage a group of related accounts for an Institutional Client, related Institutional Clients or Institutional Clients that access its services through the same consultant or OCIO provider and may agree to aggregate assets in all related client accounts for purposes of attaining fee breakpoints under any applicable fee schedule. MFSI also offers services to its affiliates on terms that are not available to third parties. Accordingly, as agreed with an Institutional Client, MFSI may charge a lower fee than the standard fees set forth below. As negotiated with an Institutional Client, MFSI might temporarily waive or temporarily or permanently reduce the advisory fee charged to such client, and such reduction or waiver may not be offered to other clients or may be offered under different terms.

MFSI's asset-based fees may range as shown in the table below.

<b><u>Type of Investment Strategy</u></b>	<b><u>Standard Investment Advisory Fee</u></b>
Municipal Core Fixed Income and Municipal Plus	0.25% to 0.175% of average month end assets
Corporate BB Fixed Income	0.275% to 0.175% of average month end assets
Blended Research Large Cap Growth Equity, Blended Research U.S. Core (ESG) Equity, and Blended Research U.S. Core Equity	0.30% to 0.20% of average month end assets



U.S. Core Plus Fixed Income	0.30% to 0.20% of average month end assets
Blended Research International Equity	0.40% to 0.30% of average month end assets
Low Volatility Global Equity	0.40% to 0.30% of average month end assets
Emerging Markets Debt	0.45% to 0.375% of average month end assets
Domestic Balanced	0.50% to 0.375% of average month end assets
Blended Research Global High Dividend Equity	0.50% to 0.40% of average month end assets
Core Equity, Growth Equity, Large Cap Growth Equity, Large Cap Value Equity, Research Equity Industry Neutral, and U.S. Intrinsic Value	0.55% to 0.40% of average month end assets
U.K. Equity	0.55% to 0.40% of average month end assets
European Equity ex U.K.	0.55% to 0.45% of average month end assets
Contrarian Value Equity	0.65% to 0.50% of average month end assets
Global Growth Equity, Global Infrastructure and Global Real Estate Equity	0.65% to 0.50% of average month end assets
International Research Equity	0.65% to 0.50% of average month end assets
Mid Cap Growth Equity and Mid Cap Value Equity	0.65% to 0.50% of average month end assets
Technology Equity, U.S. REIT, and Utilities Equity	0.65% to 0.50% of average month end assets
European Research Equity	0.70% to 0.50% of average month end assets
Mid Cap Growth Focused Equity	0.70% to 0.55% of average month end assets
Global Equity and Global Value Equity	0.75% to 0.50% of average month end assets
International Equity, International Growth Equity, and International Intrinsic Value Equity	0.75% to 0.50% of average month end assets
Small Cap Growth Equity and Small Cap Value Equity	0.75% to 0.60% of average month end assets
Global Concentrated Equity	0.80% to 0.55% of average month end assets

International Concentrated Equity	0.80% to 0.55% of average month end assets
Emerging Markets Equity	0.80% to 0.70% of average month end assets
International Small-Mid Cap Equity	0.95% to 0.75% of average month end assets

As noted above, when agreed upon with an Institutional Client, MFSI may also charge performance-based fees. Performance-based fees are described in each applicable investment advisory agreement and will vary from Institutional Client to Institutional Client. However, as a general matter, performance-based fee arrangements usually consist of two components: a negotiated base management fee calculated as a percentage of assets under management and the incentive portion of the compensation. The incentive portion of the compensation is typically calculated as a percentage of the Institutional Account's gross or net return over a specified benchmark. In certain instances, the incentive portion is based on rolling periods and, depending on contractual terms, can be charged as frequently as quarterly after the completion of the initial account year. In some cases, the incentive portion includes a hurdle rate provision under which no incentive compensation will be charged unless gross return meets or exceeds the hurdle rate over and above the specified benchmark. The incentive portion may incorporate a negative or positive carryforward, in which losses or gains from previous periods are applied to the current period for purposes of calculating the Institutional Account's current incentive portion. Institutional Clients that elect performance-based fees could, depending upon account performance and the rate at which the base fee component of their fees are charged, pay a total fee that is far in excess of the amount of asset-based fees charged to other accounts managed by MFSI. MFSI does not maintain standard fee schedules for performance-based fee structures. Certain conflicts of interest exist for MFSI when charging a performance-based fee. These conflicts are described in more detail below in Item 6, *Performance Based Fees and Side by Side Management*.

Fees are billed according to an Institutional Client's investment advisory agreement, which will provide for whether fees are based on average daily- or month-end assets and whether they are payable quarterly or monthly in arrears. Fees are based on the value of Institutional Account assets that are calculated by MFSI, the Institutional Client's custodian or the Institutional Client, as agreed to in the investment advisory agreement. Although MFSI prepares an invoice for most Institutional Clients, some Institutional Clients elect to self-bill, meaning they calculate the fees owed to MFSI and remit payment. In the event MFSI's services are terminated, its management fees are pro-rated to the extent that its services have been provided for less than the full billing period.

Account assets invested in registered investment companies or other pooled investment vehicles for which a member of the MFS Global Group does not act as the primary investment adviser (including ETFs) are included in calculating the value of the account for purposes of computing fees and calculating performance returns. In these cases, Institutional Accounts, in effect, pay two sets of advisory fees for these investments—one to MFSI and another to the managers of each investment vehicle. Although not MFSI's general practice, MFSI may purchase on behalf of an Institutional Account shares of any of the registered investment companies for which MFS acts as an investment adviser (the "MFS Funds"), the Undertakings for the Collective Investment in Transferable Securities (also known as UCITS funds) for which MFS acts as an investment adviser (the "MFS UCITS Funds"), or other pooled investment vehicles managed by a member of the MFS Global Group (together with the MFS Funds and MFS UCITS Funds, the "MFS Global Funds") for various investment-related reasons. If MFSI invests any Institutional Account's assets in shares of an MFS Global Fund, account assets invested in such MFS Global Fund are included in

calculating the performance of the account, however, the Institutional Client will receive a credit to its account equal to the amount of the management fee paid by the relevant MFS Global Fund to MFS or its affiliates attributable to the account's investment in the MFS Global Fund (see below for a discussion concerning other expenses indirectly incurred by an Institutional Account invested in an MFS Global Fund). Nevertheless, MFSI has an incentive to purchase shares of an MFS Global Fund for Institutional Accounts for purposes of creating the appearance of increased assets under management in such Fund.

#### **Expenses for Separate Account and Sub-Advised Accounts Directly Contracted with MFSI**

MFSI's Institutional Accounts typically bear certain expenses in addition to investment advisory fees, including custodial fees; brokerage and transaction costs (please see Item 12, *Brokerage Practices*, for more information); taxes; out-of-pocket costs for Employee Retirement Income Security Act of 1974, as amended ("ERISA")-mandated fidelity bonds (if applicable); fees for plan administrator/trustee-directed special projects or reports; fees for preparing financial statements and audit services; fees for preparing tax-related schedules and documents; or investor relations. MFSI receives no payment or remuneration from Institutional Clients with respect to such other expenses. No portion of such charges, fees or commissions shall be applied as an offset to reduce the amount of advisory fees owed by an Institutional Client to MFSI.

Institutional Account assets invested in any of the MFS Global Funds or any registered investment companies or other pooled investment vehicles for which a member of the MFS Global Group does not act as the primary investment adviser (including ETFs) are subject to additional fees and expenses. The fees and expenses may include, without limitation, brokerage fees and transaction costs, transfer agency fees, and custodial expenses, and are set forth in the Offering Documents of those pooled investment vehicles. These additional fees are paid initially by the pooled investment vehicle, but ultimately borne by investors, including MFSI Institutional Clients. MFSI does not reimburse the Institutional Account for these expenses even if the account assets are invested in an MFS Global Fund.

#### **MFS Private Fund Fees and Expenses**

MFSI serves as managing member for the MFS Private Funds and earns a management fee for those services. The subscription agreement sets forth information regarding the applicable management fee, including the calculation and payment thereof. Please refer to the applicable offering memorandum for information regarding the other fees and expenses borne by a MFS Private Fund.

#### **Fees and Expenses for Services Provided to Affiliates**

MFSI provides portfolio management, research and/or trading services to other members of the MFS Global Group to utilize in connection with accounts for which the MFS Global Group member acts as the primary investment adviser, investment manager or managing member. These accounts include pooled investment vehicles, sub-advised pooled investment vehicles and separate accounts. In these cases, MFSI does not charge the account directly for its services; rather MFSI is compensated by the other member of the MFS Global Group through an internal transfer pricing agreement. Therefore, clients not contracted directly with MFSI should refer to their investment advisory agreement or applicable Offering Documents for a more detailed description of the applicable fees and expenses charged to or borne by their accounts.

#### **Conflicts of Interest Arising from Pricing Account Assets: Separate Accounts, Sub-advised Accounts and Pooled Funds**

For the MFS Global Funds that MFSI advises or sub-advises, the MFS Global Group prices securities or other assets for many purposes, including determining fees and performance reporting. For other pooled

investment vehicles that MFSI sub-advises and for which a member of the MFS Global Group does not act as primary investment adviser, the MFS Global Group may be asked to provide valuation assistance for certain securities or other assets held by the pooled investment vehicle. Additionally, for separate accounts, the MFS Global Group prices securities or other assets held by the separate account, if agreed to in the investment advisory agreement. In cases where the MFS Global Group prices account holdings or provides valuation assistance, the MFS Global Group is incentivized to overvalue such account holdings in order to generate a higher fee. When pricing or providing valuation assistance for an account holding, the MFS Global Group attempts, in good faith and in accordance with applicable laws (including ERISA and Rule 2a-5 under the 1940 Act) and the MFS Global Group's valuation policies and procedures, to reasonably estimate its value. The MFS Global Group generally relies on market quotations or other asset valuations provided by a broker, dealer, or broker-dealer (each a "broker") or another third-party pricing service for valuation purposes. A security or other asset will be valued by the MFS Global Group in accordance with the MFS Global Group's valuation procedures described in the next paragraph: (i) when market quotations are not readily available or are believed by the MFS Global Group to be unreliable, or (ii) in circumstances where the MFS Global Group typically relies on valuations provided by approved third-party pricing services, if the third-party pricing services fail to provide a valuation, or (iii) if the MFS Global Group believes such valuation is not representative of fair value. With respect to accounts that invest in privately placed pooled investment vehicles managed by third parties and/or investments sponsored by such third-party managers, the MFS Global Group generally relies on pricing information provided by the private fund or its manager or other service provider. While the MFS Global Group expects that such persons will provide appropriate estimates of fair value, such persons may face conflicts similar to those described above and certain investments may be complex or difficult to value.

As mentioned above, when market quotations or other asset valuations are not readily available or are believed by the MFS Global Group to be unreliable, a client's investments may be fair valued ("Fair Value Assets"). Fair Value Assets are valued by the MFS Global Group in accordance with the MFS Global Group's valuation procedures. The MFS Global Group may conclude that a market quotation is not readily available or is unreliable: (i) if a security is thinly-traded or trades infrequently (e.g., municipal securities and certain non-U.S. securities may be examples of thinly-traded securities); (ii) if the MFS Global Group believes a market quotation from a broker or other source is unreliable (e.g., where it varies significantly from a recent trade); (iii) where recent asset sales represent distressed sale prices not reflective of the price that a client might reasonably expect to receive from the current sale of that asset in an arm's-length transaction; (iv) for debt instruments, bank loans and certain types of derivatives whose valuations are provided by a pricing agent unless the pricing agent specifically identifies the valuation as a market quotation; (v) where there is a significant event subsequent to the most recent market quotation; or (vi) otherwise where it does not meet the criteria for a readily available market quotation under Rule 2a-5 of the 1940 Act and applicable guidance. The MFS Global Group's good faith judgment as to whether an event would constitute a "significant event" likely to cause a material change in an asset's market price may, in hindsight, prove to be incorrect, and the fair value determination made by the MFS Global Group may be incorrect as to the direction and magnitude of any price adjustment when compared to the next available market price.

### **Wrap Program Fees and Expenses**

The frequency and method of billing advisory fees accrued by MFSI for services provided to Wrap Programs is determined by the applicable investment advisory agreement. In a dual-contract Wrap Program, the participant pays a management fee to MFSI pursuant to the investment advisory agreement between the participant and MFSI. For all other Wrap Programs, the program sponsor arranges for payment of MFSI's advisory fee pursuant to the investment advisory agreement between the sponsor and

MFSI. MFSI's fees for advisory services are billed either in advance or in arrears, depending on the terms of the investment advisory agreement. The sponsor is responsible for refunding a participant if such participant's investment (or access to MFSI's portfolio model in the case of Model-Delivery Programs and Discretionary Model-Delivery Programs) with MFSI is terminated before the end of the billing period. Participants should consult their sponsor's Wrap Fee Program Brochure and other documentation or contact the sponsor regarding arrangements for refunds of pre-paid fees. MFSI's asset-based fees for Wrap Programs may range as shown in the table:

<b>Investment Strategy</b>	<b>Dual-Contracts</b>	<b>SMA Programs, Model-Delivery Programs and Discretionary Model-Delivery Programs</b>
MFS Equity Income SMA	--	0.27% to 0.35% of assets under management
MFS Large Cap Growth SMA	0.60% of assets under management	0.28% to 0.42% of assets under management
MFS Large Cap Value SMA	0.60% of assets under management	0.28% to 0.42% of assets under management
MFS Mid Cap Growth SMA	--	0.32% to 0.40% of assets under management
MFS Research International ADR SMA	0.65% of assets under management	0.30% to 0.45% of assets under management
MFS Research International Foreign Ordinaries SMA	--	0.35% to 0.40% of assets under management
MFS Research Core SMA	--	0.30% to 0.38% of assets under management

MFSI's compensation for these services is negotiable, and, as agreed with a sponsor or dual-contract client, MFSI may charge a lower fee than the representative advisory fee. For Model-Delivery Programs, MFSI is compensated for providing its model(s) to the sponsor and not for managing any particular accounts and, as a result, will receive its entire advisory fee whether or not the sponsor invests any portion of its participants' assets in accordance with such advisory recommendations made by MFSI to the sponsor. MFSI pays certain sponsors fees for data analytics (e.g., sales reporting), use of the sponsor's technology and/or to host MFSI's investment strategies on the sponsor's platform. These fees can be structured as a flat fee for each account managed by MFSI or each investment strategy offered by MFSI, or as a percentage of assets managed by MFSI for such sponsor. In each of these cases, MFSI will retain a smaller portion of the advisory fee than what is paid by the participant to the sponsor for MFSI's services.

Participants in Wrap Programs also bear certain expenses that are separate from and in addition to, advisory fees paid to MFSI by the participant or sponsor, as applicable. In a dual-contract Wrap Program arrangement, the participant pays a separate fee to the sponsor for custodial, execution and other program services pursuant to the program agreement with the sponsor. For all other Wrap Programs, a participant typically pays a wrap fee to the sponsor that covers brokerage, custodial and administrative services, and the sponsor's investment advice. Advisory fees paid to MFSI are either included in the wrap fee or charged separately and are paid to MFSI by the sponsor or participant. MFSI's (or a Wrap Program

sponsor's) trading practices can impact the ultimate costs to a participant since certain trading costs may be charged over and above the wrap fee. See Item 12, *Brokerage Practices*, for more information.

Participants in Wrap Programs should also consider that depending on factors such as (i) the type or level of the bundled or wrap fee charged by the Wrap Program sponsor, (ii) the volume of account activity in the participant's account (see Item 4, *Advisory Business* for more information), and (iii) the value of the custodial and other services that are provided under the arrangement, the bundled or wrap fee may or may not exceed the aggregate amount of MFSI's standard advisory fee plus the cost of such services if they were to be provided separately. Depending upon the amount of the participant's Wrap Program assets, however, a participant may not be eligible to enter into a direct investment advisory relationship with MFSI outside the Wrap Program context.

Participants should consult their sponsor's Wrap Fee Program Brochure and other documentation for additional information about the fees and expenses they pay in connection with their Wrap Program, and other fees or expenses they may pay in connection with MFSI's advisory or model-delivery services.

#### **Conflicts Associated with Selling Compensation Structure**

The structure and amount of selling compensation and bonuses paid by MFSI to its sales force varies depending on the investment strategy, distribution channel, and vehicle selected. When compensation to be paid is higher for one investment strategy, distribution channel, or vehicle over another, a conflict of interest will exist. MFSI believes this potential conflict is largely mitigated by the fact that MFSI investment strategies are offered primarily to or through sophisticated institutional investors and financial intermediaries.

## ***Item 6 – Performance Based Fees and Side by Side Management***

As noted above, MFSI (and other members of the MFS Global Group) negotiate and charge different types (including performance-based and asset-based) or rates of advisory fees for different accounts. MFSI has an incentive to favor accounts paying performance-based fees over accounts paying only asset-based fees because performance-based fees can generate greater management fees for MFSI to the extent performance meets or exceeds the thresholds specified in the arrangement. MFSI also has other incentives to favor different clients or accounts, including, but not limited to, favoring an account that pays a higher asset-based fee rate, a client with greater overall assets under management or the potential for greater assets under management, accounts invested in investment strategies that are of particular focus for MFSI for distribution purposes, accounts believed to be at risk of termination or clients in a particular region or industry in which MFSI would like to grow its business. MFSI may favor an account by allocating to it greater time and attention, superior investment opportunities, or access to limited availability investment opportunities. See “Allocation of Investment Opportunities, Order Execution and Allocation of Executed Orders” in Item 12—*Brokerage Practices*, below, for more information. Performance-based fees also present an incentive for MFSI to take additional risk with regard to an account’s investments in hopes of generating higher performance fees.

The differing nature of performance-based fee arrangements (*e.g.*, benchmarks, hurdles and negative or positive carryforwards) can also present similar conflicts of interest among Institutional Accounts that are charged performance-based fees. With respect to Institutional Accounts subject to a benchmark, hurdle rate or negative or positive carryforward provision, MFSI may have an incentive to favor accounts that are generally above their respective benchmarks, hurdle rates, or with a positive carryforward (and therefore required to pay performance-based fees) over those accounts that are generally below their respective benchmarks, hurdle rates or with a negative carryforward (and therefore are not required to pay performance-based fees until such accounts next exceed the applicable benchmark, hurdle rate or make up the negative carryforward). MFSI may also have an incentive to favor Institutional Accounts that are below their respective benchmarks, hurdle rates or with a negative carryforward in order to increase such account’s performance to a level where the account is required to pay performance-based fees.

These conflicts are most apparent where two accounts follow the same, or a similar, investment strategy but have differing compensation arrangements. The MFS Global Group’s allocation policies and procedures (see Item 12, *Brokerage Practices*, below) address these potential conflicts of interest. These policies, which apply equally to all accounts regardless of fee type or rate, are designed to ensure allocation of investment opportunities and executed trades in a manner MFSI believes is fair and equitable over time.



## *Item 7 – Types of Clients*

MFSI's clients are principally institutional investors, including pension and profit-sharing plans, charitable organizations, corporations, sovereign wealth funds and foreign official institutions, insurance companies, pooled investment vehicles and state and municipal government entities. MFSI's standard minimum account size for establishing a separate account is typically \$50 million of assets. MFSI may accept an account below such minimum in its discretion when, for example, it seeks to promote a new investment strategy or an Institutional Client with multiple accounts above the required minimum is allowed to open another account below the minimum size.

In addition, through Wrap Programs, MFSI's investment advice is made available to institutional investors, high-net-worth individuals and, in some cases, individuals who are not high-net-worth individuals. MFSI typically requests a minimum initial funding of \$100,000 of assets per participant for bundled SMA Programs and Model-Delivery Programs; however, minimum initial funding amounts may differ depending on the type of Wrap Program, investment strategy, sponsor, investment program, and operational considerations (*e.g.*, a sponsor's ability to accommodate the use of fractional shares within an account). MFSI typically requests a minimum initial funding of \$25 million of assets per participant for dual-contract SMA Programs. MFSI can, in its discretion, waive these minimums. Additionally, sponsors may impose higher investment minimums on participants, which would be described in the sponsor's Wrap Fee Program Brochure or other documentation provided by the sponsor.

MFSI serves as managing member to the MFS Private Funds. Investment in such funds is generally restricted to persons who are both "accredited investors" as defined in Regulation D under the Securities Act of 1933, as amended, and "qualified purchasers" as defined by Section 2(a)(51) of the 1940 Act, and rules promulgated thereunder.

MFSI, in its sole discretion, reserves the right to decline any account or to close any account that falls below the relevant minimum account size or for any other reason. Direct client relationships with MFSI are governed by investment advisory agreements that set forth the terms under which MFSI will provide its services. Clients not contracted directly with MFSI should refer to their investment advisory agreement or applicable Offering Documents for the terms governing their applicable accounts.

## ***Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss***

### **Methods of Analysis and Investment Strategies Applicable to Institutional Accounts and Wrap Program Accounts**

MFSI employs a variety of methods to evaluate securities, including fundamental analysis and quantitative analysis. Fundamental analysis focuses on individual issuers and their potential in light of their financial condition, and market, economic, political, and regulatory conditions. Factors considered may include analysis of an issuer's earnings, cash flows, valuation, competitive position, and management ability. MFSI also considers environmental, social and governance ("ESG") factors in its fundamental investment analysis where MFSI believes such factors could materially impact the economic value of an issuer, as described more fully below. Quantitative analysis focuses on quantitative models that systematically evaluate an issuer's valuation, price and earnings momentum, earnings quality, and other factors.

MFSI may, from time to time, utilize advice or research provided by the Participating Affiliates as defined and further described in Item 10, *Other Financial Industry Activities and Affiliations*.

Generally, one or more portfolio managers or research analysts are responsible for the day-to-day management of the accounts following a particular investment strategy. In emergency circumstances, such as due to an illness, another portfolio manager or a chief investment officer may be authorized to make investment decisions on behalf of those accounts.

MFSI utilizes various investment techniques to implement its investment strategies, including, but not limited to, long- and short-term purchases, short sales, margin transactions, futures, forwards, swaps, options, and other exchange-traded and over-the-counter ("OTC") derivatives or other methods to seek to achieve performance. While MFSI may use derivatives for any investment purpose, MFSI uses derivatives primarily to hedge or manage investment risk. MFSI may also use derivatives as an alternative to direct investments. MFSI will execute only those derivative transactions that are allowed for a particular account with an approved broker, and for which it believes its investment professionals have sufficient knowledge and expertise to evaluate the transaction and risks.

All investments carry a risk of loss that will not always be commensurate with the return or return potential for the investment. Investments in the accounts to which MFSI provides advisory services are not insured or guaranteed and carry the risk of loss, which clients must be prepared to bear.

Investment strategies may be limited to certain types of securities (e.g., equities), sectors or industries, geographic regions, etc., and may not be diversified. Investors and clients should understand that they could lose some or all of their investment (and, where derivatives or leverage is employed, losses can exceed the value of the account) and should be prepared to bear the risk of such potential losses. The accounts managed, and models provided, by MFSI are not intended to provide a complete investment program and MFSI expects that assets invested in an account it manages, or in accordance with a model it provides, do not represent all of an investor's assets. Investors are responsible for appropriately diversifying their assets to guard against the risk of loss. MFSI is not responsible for monitoring the appropriateness of short-term investments in situations where (i) the client or their custodian is responsible for managing cash for the account or (ii) residual investing in custodian sweep vehicles occurs.

With respect to any particular investment strategy or vehicle, MFSI evaluates what it views as the optimal target size of such strategy or vehicle; however, MFSI is incentivized to make capacity management decisions that differ from those targets in order to increase assets or to maintain relationships with distributors or certain investors.

MFSI's analysis of a particular investment could prove incorrect. Further, markets can prove volatile in response to issuer- or industry-specific circumstances, as well as broader economic, political, regulatory, geopolitical, environmental and public health conditions. Some of these conditions may prevent MFSI from executing a particular investment strategy successfully. A widespread health crisis such as a global pandemic could cause substantial market volatility and have long-term effects on the U.S. and world economies and markets generally. For example, the novel coronavirus ("COVID-19") outbreak has resulted in significant disruptions to global business activity, including closed international borders, quarantines and travel restrictions, disruptions to business operations and supply chains, and lower consumer demand and economic output. Multiple surges in cases globally, the availability and widespread adoption of vaccines, and the emergence of variant strains of the virus continue to create uncertainty as to the future and long-term impacts resulting from the pandemic. The impact of the COVID-19 outbreak and other epidemics and pandemics that may arise in the future could negatively affect the global economy, as well as the economies of individual countries, the financial performance of individual companies and sectors, and the securities and commodities markets in general in significant and unforeseen ways. A health crisis may also exacerbate other pre-existing political, social and economic risks. Any such impacts could adversely affect the prices and liquidity of an account's investments and an account's performance.

It is not always possible to access certain markets or to sell certain investments at a particular time or at an acceptable price, thereby impacting the liquidity of a given account. Leverage and most types of derivatives create exposure in an amount exceeding the initial investment, which can increase volatility by magnifying gains or losses. The value of an account will change daily based on changes in market, economic, industry, political, regulatory, geopolitical, environmental, public health and other considerations. An account will not always achieve its objective and/or could decrease in value.

MFSI considers ESG factors in its fundamental investment analysis alongside more traditional economic factors where MFSI believes such ESG factors could materially impact the economic value of a company. MFSI believes that certain ESG factors could materially impact the value of a company by representing a source of economic opportunity that contributes to a company's growth and outperformance relative to its peer group or a source of risk that may result in a condition or the occurrence of an event that could have a material negative impact on a company's value. Examples of potentially material ESG risks and opportunities may include, but are not limited to, physical and transitional impacts related to climate change, resource depletion, shifting market or consumer preferences or demand, a company's governance structure and practices, data protection and privacy issues, diversity and labor practices, and regulatory and reputational risks. To account for these factors, MFSI's investment professionals integrate their evaluation of a company's key ESG risks and opportunities into their overall security analysis and investment selection process to the extent that they believe these factors are material to, and have an economic impact on, investment value. In conducting analysis of ESG factors, MFSI's investment professionals may use a variety of tools, including, but not limited to, (i) proprietary issuer and industry research, (ii) internally developed analytical tools designed to evaluate issuer performance and risk-exposure, and (iii) third-party generated issuer and industry research and ratings. MFSI investment and proxy voting professionals may also incorporate ESG factors into their engagement activities when communicating with a company's management team, board of directors, or other representatives in order to better understand (i) the risks and opportunities that a particular ESG issue may present for a company, (ii) to communicate MFSI's desired outcome with respect to a financially material ESG issue, or (iii) to inform proxy voting decisions.

The extent to which an investment professional considers ESG factors in conducting fundamental investment analysis and the extent to which ESG factors impact an account's return will depend on a

number of variables, such as an account's investment strategy, the types of asset classes held in an account, regional and geographic exposures, and an investment professional's views and analysis of a specific ESG issue. Each investment professional makes their own decisions with respect to which ESG factors to consider and how much consideration, if any, to give to ESG factors in the security analysis and investment selection process. The extent to which MFSI's integration of ESG factors into its investment process impacts the investment performance of an account may be difficult to quantify and can vary significantly over time. In addition, ESG-related information generated by third-party data providers may be inaccurate, incomplete, inconsistent and/or out-of-date, which may adversely impact an investment professional's analysis of the ESG factors relevant to an issuer. MFSI is incentivized to characterize the significance of ESG factors in its fundamental investment analysis in a manner that aligns with a current or prospective client's views or expectations on ESG (e.g., to overstate or downplay the significance of such ESG factors depending on the current or prospective client); however, MFSI has policies and procedures in place that it believes are reasonably designed to mitigate such conflicts.

MFSI, or MFS on behalf of MFSI and/or other members of the MFS Global Group, may participate in organizations, initiatives and other collaborative industry efforts to enhance MFSI's knowledge of specific ESG issues or to further ESG-related initiatives that MFSI deems materially impactful to its investment decisions.

For example, MFS, on behalf of the MFS Global Group, is a signatory to the Principles for Responsible Investment ("PRI"), the Net Zero Asset Managers Initiative ("NZAMI"), and Climate Action 100+, among other ESG-related organizations and initiatives. Pursuant to its commitment to NZAMI, the MFS Global Group must publish a framework for achieving net zero carbon emissions by 2050 ("net zero") for a designated portion of its assets under management. The MFS Global Group has designed its net zero framework is to be based on engagement with portfolio companies to implement and execute their own net zero plans and targets. As such, MFSI will not introduce investment restrictions or goals in any account or strategy solely for the purposes of meeting the MFS Global Group's commitment under NZAMI. MFSI's participation in NZAMI and any of these organizations and initiatives is subject to its fiduciary responsibilities to its clients and, therefore, MFSI may fail to act or may take actions that are inconsistent with the purpose, goals or aspirations of these organizations or initiatives if, in MFSI's judgment, it is in the best economic interests of its clients to do so.

MFSI will introduce ESG restrictions, investment criteria or goals for an account when directed by a client or to comply with applicable law. Additionally, MFSI has developed investment strategies that have ESG restrictions, investment criteria or goals as a result of jurisdiction-specific regulations or as result of local market preferences or demand.

Where MFSI manages investment strategies side-by-side across different jurisdictions, vehicles and for different investor types, an investment restriction or guideline imposed by a specific jurisdiction, vehicle, or investor type could impact how MFSI manages the overall investment strategy.

The following is a description of certain risks that apply to all clients in all investment products and strategies. For a general description of the material investment risk factors for accounts managed by MFSI, please see *Appendix A—Material Risk Factors*.

#### Business Continuity Risk

MFSI has developed a Business Continuity Program (the "Program") that is designed to minimize the disruption of normal business operations in the event of an adverse incident impacting MFSI or its affiliates. While MFSI believes that the Program is comprehensive and should enable it to reestablish normal business operations in a timely manner in the event of an adverse incident, there are inherent

limitations in such programs (including the possibility that contingencies have not been anticipated and procedures do not work as intended) and under some circumstances, MFSI and its affiliates, any vendors used by MFSI or its affiliates or any service providers to the accounts MFSI manages could be prevented or hindered from providing services to the account for extended periods of time. These circumstances may include, without limitation, natural disasters, outbreaks of pandemic and epidemic diseases, acts of governments, any act of declared or undeclared war (including acts of terrorism), power shortages or failures, utility or communication failure or delays (including disruptions to broadband and Internet services), labor disputes, strikes, shortages, supply shortages, and system failures or malfunctions. These circumstances, including systems failures and malfunctions, could cause disruptions and negatively impact an account's service providers and an account's business operations, potentially including an inability to process account shareholder transactions, an inability to calculate an account's net asset value and price an account's investments, and impediments to trading account securities. Disruptions to business operations may exist or persist even if employees of MFSI, its affiliates, and any vendors used by MFSI, its affiliates, or an account are able to work remotely. An account's ability to recover any losses or expenses it incurs as a result of a disruption of business operations may be limited by the liability, standard of care and related provisions in the contractual arrangements between the account and MFSI or its affiliates, between MFSI and its vendors, and/or between the account and its other service providers.

#### Cybersecurity Risk

Accounts managed by MFSI may be exposed to cybersecurity risks through MFSI, its affiliates, other third parties (such as brokers, other financial intermediaries and Wrap Program sponsors), as well as through MFSI's service providers or service providers to the accounts MFSI manages. With the increased use of technologies, such as mobile devices and "cloud"-based service offerings and the dependence on the Internet and computer systems to perform necessary business functions, firms are susceptible to operational and information or cybersecurity risks that could result in losses to an account. Cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, infection by computer viruses or other malicious software code, unauthorized access to the firm's digital systems through system-wide hacking or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyberattacks can also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on a firm's systems or websites rendering them unavailable to intended users or via "ransomware" that renders the systems inoperable until appropriate actions are taken. In addition, authorized persons could inadvertently or intentionally release confidential or proprietary information stored on a firm's systems.

Cybersecurity failures or breaches involving such firms or the issuers of securities in which the account invests could negatively impact the value of an account's investments and cause disruptions and impact the firm's or an account's operations, potentially resulting in financial losses, the inability of an account to transact business and process transactions, the inability to calculate an account's net asset value (if applicable), impediments to trading, destruction to equipment and systems, interference with quantitative models, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting counterparties with which an account engages in transactions, governmental and other regulatory authorities, exchanges and other financial market operators and other parties. Accounts that are pooled vehicles may incur incremental costs to prevent or reduce the impact of cyber incidents in the future that could negatively impact the pooled vehicle and its investors.

While the MFS Global Group has established information security plans, business continuity plans and risk management systems that it believes are reasonably designed to prevent or reduce the impact of such cyberattacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been (or cannot be) adequately identified. Furthermore, MFSI cannot directly control any cybersecurity plans and systems put in place by other third parties including service providers, or by issuers in which accounts managed by MFSI may invest and such service providers may have limited indemnification obligations to MFSI, or the accounts managed by MFSI, each of whom could be negatively impacted as a result.

#### Operational and Service Provider Risk

MFSI and its affiliates may engage one or more service providers in connection with or in support of its provision of investment advisory services to an account. As discussed in Item 10, *Other Financial Industry Activities and Affiliations*, such service providers may include other members of the MFS Global Group. Service providers may include accountants, valuation agents, software providers, analytic service providers, technology providers, pricing/modeling service providers, regulatory and compliance service providers, proxy voting administration providers, recordkeepers and other persons providing similar types of services. A service provider may provide services with respect to an account, certain investments held in an account or to MFSI or another entity in the MFS Global Group. MFSI evaluates the selection and ongoing use of service providers against a variety of factors, including expertise and experience, quality of service, reputation, and price in accordance with its vendor management program. Although MFSI maintains oversight over its service providers, there may be instances where employee fraud or other misconduct, human error, or deficiencies in controls or technology systems of a third-party service provider may cause losses for an account or impact the operations of the account or of MFSI or another entity in the MFS Global Group. An account's ability to recover any losses or expenses it incurs as a result of these third-party service provider incidents may be limited by the liability, standard of care and related provisions in the contractual arrangements between the account and MFSI or its affiliates, between MFSI or another entity in the MFS Global Group and its service provider(s), and/or between the account and its other service providers.

#### Performance Differences Between Institutional and Wrap Program Accounts

Wrap Program accounts employ investment strategies that are similar to those employed by other accounts advised by MFSI or other members of the MFS Global Group. Nevertheless, the performance results achieved by MFSI (or, for Model-Delivery Programs and Discretionary Model-Delivery Programs, the sponsor using MFSI's portfolio model(s) to manage a participant's account) with respect to Wrap Program accounts employing a particular investment strategy is likely to differ from the performance results achieved with respect to other accounts advised by the MFS Global Group that employ a similar investment strategy, and also differ from the performance of other, similar Wrap Programs using the same MFSI investment strategy, for a variety of reasons. These reasons include:

##### **Investment and Trading Differences:**

- Wrap Program accounts typically are of a smaller asset size, are managed to hold fewer, more concentrated positions, and occasionally hold different securities as compared to other accounts advised by the MFS Global Group in a similar investment strategy.
- The more-concentrated nature of Wrap Program accounts can exacerbate the impact of the "Account Restrictions" and "Other Factors," discussed below, which can cause further

deviations between the performance of a Wrap Program account and other accounts advised by the MFS Global Group in a similar investment strategy.

- Wrap Program accounts may be traded by MFSI, the sponsor, or another third-party. Please see Item 12, *Wrap Program Brokerage Arrangements, Order Execution and Allocation* for more information.
- The timing and manner of trading a Wrap Program will vary (i) between the sponsor and MFSI when MFSI steps out, (ii) between Wrap Program accounts traded by the sponsor and other accounts advised and traded by the MFS Global Group in a similar investment strategy or (iii) between the different Wrap Program sponsors within an investment style. See “Wrap Program Brokerage Arrangements, Order Execution and Allocation” in Item 12, *Brokerage Practices*.
- For Model-Delivery Programs and Discretionary Model-Delivery Programs, the sponsor or another third-party, rather than MFSI, has ultimate discretion to make investment decisions and may determine to deviate from the MFSI portfolio model.
- For various reasons, including the smaller size of Wrap Program accounts as compared to the other accounts advised by the MFS Global Group in a similar investment strategy, MFSI typically makes investment decisions and/or adjusts portfolio models for Wrap Program accounts less frequently and in larger basis point increments than for such other accounts. In some cases, MFSI may believe that a security is subject to liquidity constraints, due to the nature of the particular security. In those cases, MFSI may, in its discretion, make an investment decision or adjust the portfolio model for Wrap Program accounts in smaller basis point increments than usual to reduce competition in the market among orders for all accounts. Investment decisions for other accounts advised by the MFS Global Group in similar investment strategies will often be made at different times and implemented in different ways, which would likely result in the Wrap Program accounts and such other accounts experiencing some performance differences.

#### **Account Restrictions:**

- Wrap Program accounts can be subject to restrictions imposed by MFSI, the participant, the sponsor or, in the case of multi-manager Wrap Program accounts, the overlay manager, such as limitations on the maximum percentage of an outstanding security under management by an investment manager and its affiliates, or prohibitions on owning securities issued by the sponsor. Wrap Program accounts can also be subject to temporary or permanent restrictions on transactions in specific securities, such as a prohibition on participation in initial public offerings or, in many cases, ineligibility to hold, or a prohibition on holding, foreign securities other than in the form of American Depositary Receipts. These restrictions can differ materially among different Wrap Programs and from those applicable to other accounts advised by the MFS Global Group in a similar investment strategy.
- Like other accounts managed by MFSI, Wrap Program accounts may be prohibited from purchasing or selling specific securities due to restrictions on MFSI related to its possession (or potential possession) of material non-public information. Wrap Program accounts may also be prohibited from purchasing or selling specific securities due to restrictions on the



sponsor (particularly Model-Delivery Program or Discretionary Model-Delivery Program sponsors) related to its possession of material non-public information. The composition of the Wrap Program account resulting from these prohibitions may result in the Wrap Program account having different performance results than other accounts advised by the MFS Global Group in a similar investment strategy.

**Other Factors.** Performance of Wrap Program accounts is also likely to differ from the performance results of other accounts advised by the MFS Global Group in a similar investment strategy due to any of the following:

- Changes over time in the number, types, availability and diversity of securities available;
- Economies of scale, regulations and other factors applicable to Institutional Accounts or registered investment companies;
- Different fees and expenses (including trading expenses); and
- Unlike many of the accounts advised by the MFS Global Group, most Wrap Program accounts can only hold U.S. dollar-denominated securities.

## ***Item 9 – Disciplinary Information***

On August 31, 2018, MFS settled a matter with the SEC related to misstatements and omissions in marketing materials pursuant to which it paid a \$1.9 million penalty and was censured. Specifically, the SEC found that certain marketing materials provided by MFS to Institutional Clients and prospective Institutional Clients, investment consultants and financial intermediaries concerning MFS' Blended Research investment strategies contained material misstatements and omissions. The SEC's findings specifically pertained to a conceptual chart included in the marketing materials that presented the performance of hypothetical buckets of stocks created using quantitative inputs and fundamental inputs. Though MFS labeled the chart as "hypothetical," the SEC found that MFS failed to disclose and/or misrepresented the fact that some of the quantitative data used to create the chart was generated by a retroactive application of MFS' quantitative model (*i.e.*, by "back-testing" the model). As a result of these disclosure issues, the SEC found that MFS violated Section 206(2) and 206(4) of the Advisers Act and Rule 206(4)-1(a)(5) thereunder, and that it failed to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act and its rules in violation of Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. MFS neither admitted nor denied the findings in the SEC's settlement order.

## *Item 10 – Other Financial Industry Activities and Affiliations*

As described above in Item 4, *Advisory Business*, MFSI is a wholly-owned subsidiary of MFS, which in turn is an indirect, majority-owned subsidiary of SLF. MFSI, MFS and the Participating Affiliates (as defined below) are members of the “MFS Global Group,” which has investment professionals located in Australia, Brazil, Canada, Hong Kong, Japan, Mexico, the Netherlands, Portugal, Singapore, the United Kingdom (“U.K.”) and the U.S. The Participating Affiliates are: MFS International (U.K.) Limited (“MIL UK”), MFS Investment Management Company (Lux) S.à r.l. (“MFS Lux”), MFS Investment Management K.K. (“MIMKK”), MFS Investment Management Canada Limited (“MFS Canada”), MFS International Singapore Pte. Ltd. (“MFSI Singapore”), MFS International (Hong Kong) Limited (“MIL HK”), MFS do Brasil Desenvolvimento de Mercado Ltda (“MFS Brazil”) and MFS International Australia Pty Ltd (“MFSI Australia”). Each Participating Affiliate is a non-U.S. affiliate and is not registered under the Advisers Act and provides services to MFSI pursuant to an amended and restated written memorandum of understanding by and among MFSI, MFS and the Participating Affiliates (the “MOU”). Under the MOU, certain employees of each Participating Affiliate serve as associated persons of MFSI (“Associated Persons”).

The investment professionals of each affiliated investment adviser or other entity in the MFS Global Group may contribute to the management of accounts across the MFS Global Group, including those of MFSI. Supervision of such investment professionals is the responsibility of the applicable Participating Affiliate, as well as MFS and MFSI. Specific decisions to purchase or sell account securities are made by MFSI employees or Associated Persons supervised by MFSI. Any such person may serve other clients of MFSI or any affiliate of MFSI in a similar capacity.

The activities of the Participating Affiliates within the MFS Global Group are described more fully below.

- **MIL UK.** MIL UK is an indirect, wholly-owned subsidiary of MFS organized under the laws of England and Wales and is regulated by the UK Financial Conduct Authority. Either directly or as a Participating Affiliate, MIL UK provides investment research, portfolio management and trading services with respect to various U.S. and non-U.S. clients, including those for which MFSI and/or its affiliates act as an investment adviser or sub-adviser.
- **MIMKK.** MIMKK is an indirect, wholly-owned subsidiary of MFS organized under the laws of Japan and registered with the Financial Services Agency in Japan. Either directly or as a Participating Affiliate, MIMKK provides investment research and related distribution services for certain U.S. and non-U.S. clients for which MFSI and/or its affiliates act as investment adviser or sub-adviser.
- **MFS Canada.** MFS Canada, an indirect wholly-owned subsidiary of MFSI, is an investment adviser headquartered in Toronto, Ontario, Canada and registered in each of the provinces and territories of Canada. MFS Canada is registered with all 13 Canadian provincial and territorial regulators. Either directly or as a Participating Affiliate, MFS Canada provides investment research, portfolio management and trading services for certain U.S. and non-U.S. clients for which MFS Canada, MFSI and/or their affiliates act as investment adviser or sub-adviser.
- **MFS Lux.** MFS Lux, an indirect, wholly-owned subsidiary of MFS, is a société à responsabilité limitée organized under Luxembourg law and registered with the Luxembourg Commission de Surveillance du Secteur Financier. As a Participating Affiliate, MFS Lux provides portfolio

management, distribution and administrative services to certain non-U.S. clients for which MFSI and/or its affiliates act as investment adviser or sub-adviser.

- **MIL HK.** MIL HK is an indirect, wholly-owned subsidiary of MFS, licensed and regulated by the Hong Kong Securities and Futures Commission. Either directly or as a Participating Affiliate, MIL HK provides investment research and/or distribution support services for certain U.S. and non-U.S. clients for which MFSI and/or its affiliates act as investment adviser or sub-adviser.
- **MFSI Singapore.** MFSI Singapore is an indirect, wholly-owned subsidiary of MFS and is organized under the laws of Singapore. MFSI Singapore is licensed and regulated by the Monetary Authority of Singapore. MFSI Singapore holds a Capital Markets Services Licence and, either directly or as a Participating Affiliate, provides investment management, investment research and/or distribution related services for certain U.S. and non-U.S. clients that may be advised or sub-advised by MFSI and/or its affiliates.
- **MFSI Australia.** MFSI Australia is an indirect, wholly-owned subsidiary of MFS organized as a proprietary limited liability company under Australian law. MFSI Australia is licensed and regulated by the Australian Securities and Investments Commission and holds an Australian Financial Services Licence. Either directly or as a Participating Affiliate, MFSI Australia provides investment management, investment research, and/or distribution-related services, for certain U.S. and non-U.S. clients for which MFSI and/or its affiliates may act as investment adviser or sub-adviser.
- **MFS Brazil.** MFS Brazil is an indirect, wholly-owned subsidiary of MFS organized under the laws of Brazil. Either directly or as a Participating Affiliate, MFS Brazil provides investment research, distribution and marketing services for MFSI and/or its affiliates.

MFSI provides investment research, portfolio management and/or trading services for certain non-U.S. clients for which MIL UK, MFS Lux, MFS Canada or MFSI Australia act as investment adviser or investment manager. In addition to the Participating Affiliates, MFSI also has arrangements material to its advisory business or its clients with the following affiliated entities:

#### MFS

MFS, an investment adviser registered with the SEC and, with respect to certain MFS Global Funds, a commodity trading advisor and commodity pool operator registered with the U.S. Commodity Futures Trading Commission ("CFTC"), is a subsidiary of Sun Life of Canada (U.S.) Financial Services Holdings, Inc., and an indirect subsidiary of SLF. MFS is the direct parent company of MFSI, and certain investment personnel (portfolio managers, research analysts and traders) are employees of MFS and also officers of MFSI. MFS or another member of the MFS Global Group (including MFS) invests in certain proprietary funds and temporarily seeds certain pooled investment vehicles, which results in certain potential and actual conflicts of interest. Please see Item 12, *Brokerage Practices*, for a discussion of how MFS mitigates these conflicts. Carol W. Geremia, the President of MFSI, and Michael W. Roberge, a member of the MFS Global Group's Investment Management Committee ("IMC"), are both registered with the CFTC as associated persons of MFS.

#### MFS Fund Distributors, Inc. ("MFD")

MFD, an SEC-registered broker and wholly-owned subsidiary of MFS, acts as distributor for the U.S. registered open-end management investment companies for which MFS acts as the primary investment

adviser. MFD is also a registered municipal securities dealer for the limited purpose of distributing 529 tax-advantaged savings plans. Certain registered representatives of MFD are also supervised persons of MFSI and promote the sale of investment strategies that are offered via a variety of investment vehicles such as the MFS Funds, certain other MFS Global Funds, Wrap Programs and Institutional Accounts. Clients and/or financial intermediaries select the investment strategy and the appropriate investment vehicle. The structure and amount of selling compensation paid by MFD and MFSI varies depending on the investment strategy, distribution channel and vehicle selected. When compensation to be paid is higher for one investment strategy, distribution channel or vehicle over another, a conflict of interest will exist. MFSI believes this potential conflict is largely mitigated by the fact that MFSI investment strategies are offered primarily to or through sophisticated institutional investors and financial intermediaries. The following management persons of MFSI are also registered representatives of MFD: Carol W. Geremia (President and Secretary), Heidi W. Hardin (Director and Chair of the Board of MFSI), Michael S. Keenan (Director) and Charuda Upatham-Costello (Treasurer). The agreements under which MFD serves as distributor are subject to annual approval by the independent trustees of the MFS Funds.

#### MFS Heritage Trust Company (“MHTC”)

MHTC, a wholly-owned subsidiary of MFS, is a New Hampshire-chartered non-depository trust company that serves as a directed trustee or custodian of certain employer-sponsored retirement plans and individual retirement accounts, as well as trustee, manager and administrator for collective investment trusts offered to eligible retirement plan investors. MFSI provides client servicing support to MHTC for its collective investment trusts.

#### MFS International Switzerland GmbH (“MFS Switzerland”)

MFS Switzerland is a wholly-owned subsidiary of MIL UK. MFS Switzerland is organized as a company with limited liability under the laws of Switzerland. Employees of MFS Switzerland provide distribution and marketing services outside of the U.S. for various non-U.S. registered products or non-U.S. clients, including those for which MFSI and/or its affiliates acts as an investment adviser or sub-adviser.

#### SLF entities

Currently, MFSI advises or sub-advises a number of accounts on behalf of SLF’s or its subsidiaries’ clients (including Canadian mutual fund trusts managed by Sun Life Global Investments (Canada) Inc.) as well as proprietary assets of SLF or its subsidiaries. MFSI has also entered into an arrangement whereby it pays Sun Life Assurance Company of Canada to market certain MFSI model portfolios to Wrap Program sponsors.

#### MFS Private Funds

MFSI serves as managing member of the MFS Private Funds for which it has delegated portfolio management responsibility to MFS. MFSI and other members of the MFS Global Group may solicit MFSI’s clients to invest in the MFS Private Funds, for which MFSI or other members of the MFS Global Group would receive compensation to the extent such clients invest in the MFS Private Funds.

## ***Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

### **Participation or Interest in Client Transactions**

MFSI and its affiliates act as investment manager to numerous accounts and can, and sometimes do, give advice or take action with respect to one account that differs from action taken on behalf of other accounts. From time to time, MFSI will take an investment action or decision for one or more accounts that is different from, or inconsistent with, an action or decision taken for one or more other accounts that have the same or different investment objectives, and such actions could be taken at different, potentially inopportune, times. The difference in timing could result in increased implementation costs; such accounts could be diluted; the values, prices or investment strategies of another account could be impaired; or such accounts could otherwise be disadvantaged. For example, if one account buys a security and another account subsequently establishes a short position in that same security or with respect to another security of that issuer, the subsequent short sale could result in a decrease in the price of the security that the first account holds. Conversely, potential conflicts can also arise if account decisions effected for one account could result in a benefit to other accounts. This could occur if, for example, one account purchases a security or covers a short position in a security, which increases the price of the same security held by other accounts, therefore benefitting those other accounts. These effects can be particularly pronounced with respect to less liquid securities.

Currently, MFSI advises or sub-advises a number of accounts on behalf of SLF's or its subsidiaries' clients (including Canadian mutual fund trusts managed by Sun Life Global Investments (Canada) Inc.) as well as proprietary assets of SLF or its subsidiaries, and MFSI may have an incentive to favor such accounts because SLF is the ultimate parent of MFSI. Please refer to Item 12, *Brokerage Practices*, for a discussion of the manner in which MFSI addresses such potential conflicts of interest.

Certain accounts to which MFSI or another MFS Global Group member provides investment management services are beneficially owned, in whole or in part, by a member of the MFS Global Group and/or their respective officers and employees. The MFS Global Group's management of such accounts present conflicts of interest, depending on the particular circumstances of each case: (i) in cases of investment of proprietary assets, the MFS Global Group member has an incentive to favor its investments to maximize its return; (ii) where a portfolio manager holds a personal investment in such accounts, the portfolio manager has an incentive to favor accounts in which he/she is invested in order to maximize the return of his/her investment; and (iii) in cases of investment by officers and employees of MFSI or its affiliates, the MFS Global Group member has an incentive to favor the personal investments of its employees and officers. Please refer to Item 12, *Brokerage Practices*, for discussions of the manner in which MFSI addresses such potential conflicts of interest.

Members of the MFS Global Group have also established and seeded a number of accounts for the purpose of establishing a performance record to enable the MFS Global Group to offer such an account's investment style to clients. MFSI could purchase on behalf of one or more accounts the same securities or other financial instruments as those held in a seeded account, whether such accounts are managed in a similar or different style. The MFS Global Group has an incentive to favor these seeded accounts to create a good track record that will help to maximize distribution opportunities. However, as described in Item 12, *Brokerage Practices*, the MFS Global Group has adopted allocation policies and procedures that are designed to treat all accounts fairly and equitably over time. The MFS Global Group has also established proprietary risk accounts that utilize a variety of techniques designed to hedge the investment risks associated with the MFS Global Group's investment in such seeded accounts, including limiting the

MFS Global Group's exposure to specific issuers, instruments, or assets. Depending on the investment strategy and any applicable investment guidelines and restrictions, such hedging techniques are not utilized by the seeded accounts, and thus the MFS Global Group's exposure to a specific issuer, instrument, or asset may be less than a client's exposure when the client invests in the same strategy as a seeded account. The MFS Global Group has controls reasonably designed to ensure that all strategies, including those with seeded accounts, are managed in accordance with the objectives and risk characteristics disclosed to clients and investors in the applicable investment advisory agreement and/or Offering Documents.

Further, employees of the MFS Global Group could invest or otherwise have an interest in securities owned by or recommended to MFSI's clients. Please refer to the heading *MFS Investment Management Code of Ethics/Personal Investing Policy*, below, for a discussion of the manner in which MFSI addresses these potential conflicts of interest.

As described above, MFSI could purchase shares of any MFS Global Fund on behalf of a client account. Although MFSI does not expect to regularly make such investments, to the extent that MFSI does so, the client account will receive a credit equal to the amount of the management fee paid by the relevant MFS Global Fund(s) to MFS or its affiliates attributable to the account's investment in the MFS Global Fund. See Item 5, *Fees and Compensation*, and the Offering Documents for the relevant MFS Global Fund for more information.

Conflicts may also arise in cases where accounts invest in different parts of an issuer's capital structure. If an issuer in which different accounts hold different classes of securities (or other assets, instruments or obligations issued by such issuer) encounters financial problems, decisions regarding the terms of any workout may create conflicts of interests. MFSI has implemented policies and procedures designed to identify such potential conflicts of interest when they occur and address them by, among other things, ensuring that, where conflicts of interest exist, no portfolio manager is responsible for making investment decisions with respect to more than one such category.

#### **MFS Investment Management Code of Ethics/Personal Investing Policy**

The MFS Investment Management Code of Ethics/Personal Investing Policy (the "Policy") and the MFS Code of Business Conduct (together, the "Policies"), applicable to MFSI as a subsidiary of MFS, include standards of business conduct requiring employees to comply with pertinent U.S. and non-U.S. securities laws as applicable and the fiduciary duties an investment adviser owes its clients. The overarching purpose of the Policies is to ensure that we always act in the best interests of our clients. Accordingly, in governing the personal trading of employees, including officers and directors, the Policies require them to always place client interests ahead of their own and to never (i) take advantage of their position to misappropriate investment opportunities from clients; (ii) seek to defraud a client or do anything that could have the effect of creating a fraud or manipulation; or (iii) mislead a client. All employees are obligated to report personal and beneficially owned brokerage accounts and beneficially owned accounts that hold reportable securities, including mutual funds managed or sub-advised by MFS. Additionally, employees are obligated to report holdings and transactions in reportable securities and certify to such transactions and holdings. However, neither MFSI nor any of its employees are obligated to refrain from investing in securities held by the accounts that it manages except to the extent that such investments violate applicable law, the Policies or other policies of MFS or MFSI.

In addition, employees deemed to be Access Persons (which, as defined in the Policy, includes, among others, officers and directors) must receive pre-clearance authorization to execute transactions in designated reportable securities for personal and beneficially-owned accounts.

Portfolio managers are prohibited from trading a security for their personal account (i) for seven calendar days before or after a transaction in a security or derivative of the same issuer in a client account managed by the portfolio manager. Portfolio managers are also prohibited from short-term trades in funds that they manage (*i.e.*, personally (i) buying and selling, or (ii) selling and buying, shares of any mutual fund managed by the portfolio manager within a 14-calendar day period). For these purposes, research analysts who support accounts that do not otherwise employ portfolio managers are themselves treated as portfolio managers.

All employees are required to certify at least annually that they have read and understand the Policies and agree to abide by the terms of the Policies. Violations of the Policies are reviewed with the MFS committee charged with oversight of the Policies, which determines appropriate disciplinary action that may be taken for violations. Disciplinary action includes, but is not limited to, written violation notices, restrictions on personal trading, profit disgorgement and/or termination of employment.

In limited circumstances, the Chief Compliance Officer has the authority to grant exceptions to the provisions of the Policies on a case-by-case basis.

MFSI or its employees have business or personal relationships with other companies MFSI does business with or a security issuer (collectively “business relationships”) that could incentivize MFSI or the employee to favor the business relationship or their own personal interests over a client or to favor certain clients over others. The MFS Code of Business Conduct requires all employees to always act in the best interests of our clients.

A copy of the Policies is available to clients and prospective clients upon request.

As the situations described under the headings “Participation or Interest in Client Transactions” and “MFS Investment Management Code of Ethics/Personal Investing Policy” give rise to potential conflicts of interest, MFSI has implemented policies and/or procedures relating to, among other things, vendor management, employee conduct, portfolio management and trading practices, personal securities transactions, insider trading, gifts and entertainment, political contributions, outside activities and conflicts of interest. These policies and procedures are intended to identify and mitigate conflicts of interest with or among clients, MFS employees and business partners, and to resolve them appropriately when they do occur.

### **Inside Information Policy**

MFSI and the other members of the MFS Global Group could, from time to time, come into possession of material, non-public information which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, MFSI would generally be prohibited from improperly disclosing or using such information for its benefit or for the benefit of any other person, regardless of whether such other person is an advisory client. Accordingly, should a member of the MFS Global Group come into possession of material, non-public information with respect to any issuer of securities, MFSI likely would be prohibited from communicating such information to, or using such information for the benefit of, its clients, and has no obligation or responsibility to disclose such information to, nor responsibility to use such information for the benefit of, such clients. To this end, MFS maintains an Inside Information Policy, to which the members of the MFS Global Group, including MFSI, are subject, that establishes procedures reasonably designed to prevent the misuse of material, non-public information concerning an issuer of securities by MFSI and its employees. The Inside Information Policy provides that if any employee of a member of the MFS Global Group obtains material, non-public information concerning an issuer of securities, the MFS Global Group, including MFSI, is prohibited from using such information for their own and their clients’ benefit, with limited exceptions permitted by law. For purposes of the Inside Information



Policy, “using” material, non-public information includes trading activity while in possession of such information. In some cases, this could prevent MFSI from executing client-requested trades.

#### **Investment in MFSI’s Ultimate Parent Company**

As a matter of corporate policy, MFSI does not invest the assets of any client in securities issued by SLF.

#### **Identification and Resolution of Investment Errors**

Providing investment management services is complicated and numerous considerations and processes are involved in reaching portfolio management decisions, communicating those decisions internally and executing those decisions with counterparties. The MFS Global Group has developed an investment error policy and procedure that applies to MFSI (“Error Policy”). The Error Policy assists MFSI in evaluating mistakes on a case-by-case basis and seeking to resolve them in a manner that is consistent with its contractual and legal obligations.

MFSI’s legal and contractual obligations generally do not require perfect implementation of investment management decisions including the related trading, processing or other functions performed by MFSI. Therefore, not all mistakes will be considered investment errors (“Errors”). MFSI will determine if a mistake is an Error on a case-by-case basis, based on factors it determines are reasonable, including regulatory and contractual requirements and business practices. The Error Policy does not require MFSI to notify a client (unless otherwise agreed with the client) if MFSI investigates a potential breach or error and determines that no Error has occurred. In certain of these cases where a mistake is not deemed to be an Error, MFSI may elect to offer some form of compensation as a goodwill payment to one or more clients but not others.

Imperfections in, or delays in the implementation of, investment decisions and related processes in the normal course of business do not constitute Errors. In addition, in managing accounts, MFSI may establish non-public, formal or informal internal targets, or other parameters that may be used to manage risk or otherwise guide decision-making, and a failure to adhere to such internal parameters will not be considered an Error.

There are regions or transaction types where financial penalties are imposed in a case of a failure to settle a transaction. The MFS Global Group has adopted processes and procedures to mitigate the risk of settlement failures, however it is important to note that, we may sell a security that has not yet been delivered to an account to effectuate the portfolio manager’s intent. This is not considered an Error and, unless otherwise agreed with the client, MFSI is not required to compensate the account for any settlement penalties.

In the event that an error is caused by the action or inaction of a third party, MFSI shall provide reasonable assistance to the client in its attempt to recover all costs from that third-party but is not responsible for compensating the client for such losses.

MFSI will handle an Error as promptly as reasonably possible under the circumstances. Under certain circumstances and to the extent it is not contrary to client instructions, MFSI may consider whether it is possible to avoid or limit the impact of an Error in a client account by using an MFS error account, correcting directly with the counterparty (*i.e.*, cancelling and rebooking the trade), or reallocating to different client account(s), without disadvantaging such client account(s). Gains or losses resulting from Error related transactions settled in the MFS error account will be credited or charged (as applicable) to MFSI and not to any client account. At the end of each calendar year, any net gains generated in the MFS error account will be donated to a charity of the MFS Global Group’s choice.

MFSI will use its reasonable judgment to calculate the amount of compensation associated with an Error. The calculation of the amount of any gain or loss will depend on the particular facts surrounding the Error, and the methodologies used by MFSI to calculate gain or loss may vary. Compensation is generally expected to be limited to direct and actual out-of-pocket monetary losses (in certain circumstances, net of any associated gains) and will not include any amounts that MFSI deems to be uncertain or speculative, including lost opportunity cost, nor will it cover investment losses not caused by the Error.

In calculating the cost of correcting an Error, MFSI will net, in any one account, losses and gains arising from a single Error or a series of related Errors provided that MFSI acts in good faith.

MFSI will generally notify clients of any Errors that impact their account, unless, for example, local law, market practice, or the client do not require such notification.

For errors that occur in Wrap Program accounts, MFSI generally does not have the ability to control the ultimate resolution of the error. In these instances, the error and resolution thereof will be governed by the sponsor's policies and procedures or directions.

Errors are reported to the MFS Error Resolution Committee, including a description of the Error, resolution and action(s) taken to prevent re-occurrence and are reviewed generally monthly by the committee. The committee's members include a cross-functional group of senior professionals. MFSI is subject to a conflict of interest in determining whether a mistake is an Error, whether to notify clients of an Error and how to correct the Error and reimburse for any losses. Such conflict arises because MFSI has an interest in avoiding the reputational or economic consequences of an Error. MFSI employees may be subject to a similar conflict of interest if such employee believes he or she would face negative personal consequences in connection with reporting of errors. When an error is identified, MFS personnel are required promptly to report any such error. Additionally, MFSI has implemented control and procedures, including segregation of duties between portfolio management, trading and operations to increase the likelihood that errors will be identified and reported.

### **Portfolio Manager Compensation**

The MFS Global Group seeks to align portfolio manager compensation with the goal to provide clients with long-term value through a collaborative investment process. Therefore, the MFS Global Group uses long-term investment performance as well as contribution to the overall investment process and collaborative culture as key factors in determining portfolio manager compensation. In addition, the MFS Global Group seeks to maintain total compensation programs that are competitive in the asset management industry in each geographic market where it has employees. In determining portfolio manager compensation, the MFS Global Group uses quantitative means and qualitative means to help ensure a durable investment process. Portfolio manager total cash compensation is a combination of base salary and performance bonus. The performance bonus is based on a combination of quantitative and qualitative factors, generally with more weight given to the former and less weight given to the latter.

## *Item 12 – Brokerage Practices*

### **Seeking Best Execution**

MFSI seeks to obtain best execution of client transactions on a consistent and ongoing basis, taking into consideration the prevailing circumstances at the time of the particular transaction and subject to any client-imposed restrictions. We define best execution as the processes that MFSI has implemented to support the objective of seeking to obtain the most favorable outcome under the circumstances when executing and placing orders generated by MFSI in the course of providing investment management services to MFSI's clients. This process involves the regular monitoring, testing and review of the trading process and execution results. In seeking to obtain best execution, MFSI takes into account several execution factors that it considers to be relevant, listed below in no particular order:

- price: the prevailing price of the instrument;
- cost: the expected total costs associated with execution of an order, including, but not limited to, possible expected market impact and explicit costs such as broker commissions;
- bid/ask spreads;
- speed: the expectation and assessment of how quickly the order can be executed;
- likelihood of execution and settlement – the likelihood of fulfilling the order and its settlement;
- size: the size of the order relative to the average, expected and/or visible market volume available;
- nature of the broker's capabilities in execution, service, clearance and settlement;
- availability of liquidity; and
- any other consideration that MFSI considers relevant to the execution of the order.

In determining the relative importance of each execution factor to a particular order, MFSI takes into account the following execution criteria:

- the characteristics and objectives of the client and the client order, including the investment horizon and any specific instructions, targets or restrictions from the portfolio manager or client *e.g.*, strategic acquisition or exit in an issuer, client inflows and outflows, or portfolio cash management;
- the characteristics of the asset class to which the order relates. Different asset classes will have characteristics specific to that asset class in terms of price transparency and discovery, market structure, participants, liquidity and market impact;
- market conditions and time of day, such as the degree of liquidity, volatility and momentum in the market;
- the characteristics of the liquidity sources to which the order can be directed may differ depending on the asset class in terms of access, mechanism to facilitate price discovery, liquidity, local trading customs and conventions and clearance mechanism;
- historical data and analysis and the ability to test new tools and trading approaches; and
- any other consideration deemed relevant to the execution of an order by MFSI based on the objectives of the order.

In seeking to obtain best execution, MFSI is not required to take into account charges imposed upon clients by third parties, such as ticket charges that may be imposed by the client's custodian.

### ***Execution Commissions***

Brokers generally will either receive (i) an execution commission, which is generally negotiable and can vary depending on the type of broker, type of trade (agency or principal) and market, or (ii) for trades executed on a “net” basis in lieu of a commission, a “spread” representing the difference (or a portion of the difference) between the buying price and the selling price. Non-U.S. equity securities are typically subject to a fixed notional commission rate that is negotiated on a country-by-country basis. Fixed income transactions are generally traded OTC or on a venue and do not include a stated commission. As described above, the broker retains the spread or a portion of the spread, and additionally the venue may receive from the broker some of such retained spread.

Execution commission rates for equity securities and some derivatives will vary depending upon the trading methods, venues and brokers selected, as well as the market(s) in which the securities are traded and their relative liquidity.

In the case of securities purchased from underwriters, the cost of such securities generally includes a fixed underwriting commission or concession.

### ***Selection of Counterparties***

MFSI will determine which counterparty is suitable to access the liquidity needed to execute or place an order as part of the execution strategy, taking into account the following (where applicable):

- level of coverage, expertise and experience of the counterparty, including any historical execution quality analysis / review undertaken;
- perceived ability to manage and minimize information leakage;
- access and connectivity to exchanges and trading platforms;
- range of execution tools, algorithms and other technology enabled strategies;
- availability of liquidity and inventory at the MFS Approved Counterparty and its balance sheet;
- willingness to commit capital;
- assessment of counterparty risk;
- ability to settle transactions in a timely manner;
- desire of the MFS Global Group to test and develop new counterparty relationships; and
- level of reporting and transparency that the counterparty is able to provide to MFSI.

MFSI may employ outside vendors to provide reports on the quality of counterparty executions. With respect to transactions in derivatives, MFSI trades only with counterparties with whom it has legally-required or client-requested documentation in place.

MFSI has an incentive to direct trades to counterparties for various reasons, including its business relationships with such counterparties; however, MFSI has policies and procedures it believes to be reasonably designed to mitigate such conflicts.

### ***Client-Imposed Limits on Broker-Dealer Selection***

At its discretion, MFSI can accept accounts for which MFSI must utilize only brokers chosen by the client or accounts on which clients impose reasonable limits on MFSI’s trading discretion. Under certain of such circumstances, MFSI requires a client to relieve MFSI of its obligation to seek to obtain best execution of the client’s transactions (ERISA may prohibit such a waiver for accounts subject to ERISA). Where a client places a restriction on MFSI’s ability to select a broker, (i) MFSI has a conflict to prioritize abiding by such restrictions over MFSI’s duty to seek to obtain best execution; and (ii) such restriction could impact how

MFSI places trades for other clients within the same investment strategy. MFSI has policies and procedures it believes to be reasonably designed to mitigate such conflicts. Please see Item 12, *Brokerage Practices* for more information on how MFSI seeks to obtain best execution for client accounts.

Clients should understand that directing brokerage, or allowing only certain approved brokers for execution, limits or removes MFSI's discretion to select brokers to execute client transactions and thus to seek to obtain best execution. Additionally, trades for clients who direct brokerage for execution or for clients who are prohibited from utilizing a broker or venue selected by MFSI for executing other clients' orders for the same security generally will not be aggregated with, and may be placed after, orders for the same securities for other client accounts managed by MFSI. Under these circumstances, even if the client has not explicitly waived or otherwise limited MFSI's duty to seek to obtain best execution, the direction by the client of a particular broker to execute transactions, the need to use a different broker to execute the client's order by virtue of an affiliation between the client and the broker or the need to use a different broker to execute the client's order by virtue of the broker not being listed on the client's approved broker list, operates as a limit on MFSI's ability to freely select brokers and could result in higher commissions, greater spreads, higher transaction costs or less favorable prices than might be the case if MFSI could aggregate transactions with other client trades through a different broker or select executing brokers based on its duty to seek to obtain best execution. In some cases, restrictions such as these may preclude the client from the investment opportunity altogether. Some Institutional Clients may establish targets for the use of certain types of brokers (e.g., minority-owned brokers). In order to seek to satisfy these targets, while seeking to obtain best execution for all client accounts in an order, MFSI may trade the client's account separately from the aggregated order for the same securities for other client accounts managed by MFSI. The price, commission rate or transaction costs for orders placed separately from the aggregated orders may not be the same as those obtained for our aggregated orders and thus performance of such accounts may also differ.

MFSI can, but does not do so frequently, use "step-outs" to allow Institutional Clients that restrict MFSI's ability to select brokers to participate in aggregated trades or for other reasons. In step-out transactions, MFSI instructs the broker that executes a transaction to allocate, or step out, a portion of such transaction to the broker to which the client has directed trades. The brokers to which the executing broker has stepped out would then clear and settle the designated portion of the transaction, and the executing broker would clear and settle the remaining portion of the transaction that has not been stepped out. Each broker may receive a commission or brokerage fee with respect to the portion of the transaction that it clears and settles.

Similarly, at the instruction of a client, MFSI will trade derivatives only with brokers with which the client has entered into derivatives agreements. This may result in pricing and other economic terms for such derivative transactions that may be less beneficial to the account than those for the same type of transaction entered into for other accounts under a derivatives agreement negotiated by MFSI with a counterparty selected by MFSI. A client instructing MFSI to use the client's pre-negotiated derivatives agreement, rather than allowing MFSI to negotiate the agreement, should understand that MFSI will be unable to control certain terms or conditions of any transaction entered into under the client's agreement. In addition, limiting trading to a few counterparties with which the client has existing derivatives agreements may increase counterparty risk for the client.

#### **Certain Other Circumstances in Which MFSI's Brokerage Discretion Is Limited**

In certain circumstances, such as a "buy in" for failure to deliver, MFSI is not able to select the broker who will transact to cover the failure. For example, if an account sells a security short and is unable to deliver the securities sold short, the broker through whom the account sold short must deliver securities

purchased for cash (i.e., effect a “buy in,” unless it knows that the account either is in the process of forwarding the securities to the broker or will do so as soon as possible without undue inconvenience or expense). Similarly, there can also be a failure to deliver in a long transaction and a resulting buy in by the broker through whom the securities were sold. If the broker effects a buy in, MFSI will be unable to control the trading techniques, methods, venues, or any other aspect of the trade used by the broker.

### **Research and Other Soft Dollar Benefits**

The MFS Global Group utilizes a global investment platform built on the principle of close collaboration among members of its investment team, where research and investment ideas are shared. MFS Global Group investment professionals rely on their own internal research in making investment decisions even though they utilize external research provided by brokers or other research providers to help develop investment ideas. External research is also used to help understand market consensus, sentiment or perception, and identify relative inefficiencies more quickly and effectively.

The MFS Global Group makes decisions on the procurement of external research separately and distinctly from decisions on the selection of brokers that execute transactions for client accounts. The MFS Global Group will only execute a transaction with a broker who provides external research when, in the MFS Global Group’s judgment, the broker is capable of providing best execution for that transaction. However, as permitted by Section 28(e) of the Securities Exchange Act of 1934, as amended (“Section 28(e)”), the MFS Global Group may cause certain clients to pay a broker that provides “brokerage and research services” (as defined in Section 28(e)) an amount of commission for effecting a securities transaction for clients in excess of the amount other brokers would have charged for the transaction if the MFS Global Group determines in good faith that the greater commission is reasonable in relation to the value of the brokerage and research services provided viewed in terms of the MFS Global Group’s overall responsibilities to its clients. The brokerage and research services received may be useful and of value to the MFS Global Group in serving both the accounts that generated the commissions and other clients of the MFS Global Group. Accordingly, not all of the research and brokerage services provided by brokers through which client securities transactions are effected may be used by the MFS Global Group in connection with the client whose account generated the brokerage commissions.

The MFS Global Group has undertaken to bear the costs of external research for all accounts it advises, either by paying for external research out of its own resources, or by voluntarily reimbursing clients from its own resources for excess commissions paid to obtain external research. For accounts subject to a regulatory prohibition on the payment of excess commissions for research, including accounts that are directly or indirectly subject to the Markets in Financial Instruments Directive (“MiFID II”) in the European Union (“EU”) or U.K. (“MiFID II accounts”), the MFS Global Group will pay for external research out of its own resources. For all other accounts, the MFS Global Group operates client commission arrangements that generate commission “credits” for the purchase of external research from commissions on equity trades in a manner consistent with Section 28(e). Under these arrangements the MFS Global Group may cause a client to pay commissions in excess of what the broker or other brokers might have charged for certain transactions in recognition of brokerage and research services provided by the executing broker. The MFS Global Group has voluntarily undertaken to reimburse clients from its own resources in an amount equal to all commission credits generated under these arrangements.

The research services obtained by the MFS Global Group through the use of commission credits may include: access to corporate management; industry conferences; research field trips to visit corporate management and/or to tour manufacturing, production or distribution facilities; statistical, research and other factual information or services such as investment research reports; access to analysts; a small number of expert networks; reports or databases containing corporate, fundamental, technical, and

political analyses; ESG-related information; portfolio modeling strategies; and economic research services, such as publications, chart services, and advice from economists concerning macroeconomics information, and analytical investment information about particular corporations.

Through the use of eligible brokerage and research services acquired with commission credits, the MFS Global Group initially avoids the additional expenses that it would incur if it developed comparable information through its own staff or if it purchased such services with its own resources. As a result, clients may pay more for their account transactions in the first instance than if the MFS Global Group caused clients to pay execution only rates. However, because the MFS Global Group has voluntarily undertaken to reimburse clients from its own resources for commission credits generated from client brokerage, the MFS Global Group ultimately assumes the additional expenses that it would incur if it purchased external research with its own resources.

Although the MFS Global Group generally bears the costs of external research, we believe we generally do not pay, and therefore do not reimburse clients with respect to research that is made available by a broker to all of its customers and that the MFS Global Group considers to be of *de minimis* value, or for external research provided by executing brokers in fixed income transactions that incur mark-ups, mark-downs, and other fees rather than commissions. With respect to fixed income, the MFS Global Group believes that executing brokers in fixed income transactions do not charge lower mark-ups, mark-downs, commission equivalents or other fees if clients forego research services. Consequently, the MFS Global Group does not believe it pays higher mark-ups, mark-downs, commission equivalents or other fees to brokers on fixed income transactions than it would if it did not receive any research services from brokers. However, MiFID II generally considers research to be an inducement and therefore the MFS Global Group pays for certain categories of fixed income research received by MIL UK or MFS Lux out of its own resources.

#### **Allocation of Investment Opportunities, Order Execution and Allocation of Executed Orders**

MFSI and other members of the MFS Global Group owe their clients a fiduciary obligation to put client interests first. Since MFSI and the other members of the MFS Global Group manage multiple accounts, it is inevitable that the same investment opportunity may be appropriate for multiple accounts. This creates the potential for MFSI to favor one account over another. MFSI and the other members of the MFS Global Group have put in place policies and procedures designed to allocate investment opportunities among the accounts they manage fairly and equitably over time. These policies and procedures are designed to ensure that they do not favor one account over another, but this does not mean that all accounts will be treated identically.

The policies and procedures described in this section do not apply to Wrap Program clients or Institutional Model-Delivery Arrangements, except to the extent an order is “stepped out” and do not apply to foreign exchange transactions that are described under the heading “Foreign Currency Exchange (FX) Transactions” below. For information about MFSI’s other trading practices for Wrap Program clients, please see the information under the heading “Wrap Program Brokerage Arrangements, Order Execution and Allocation,” below. For more information about Institutional Model-Delivery Arrangements, please see below.

#### **Indication of Interest**

MFSI makes investment decisions for accounts based on the objectives, restrictions, guidelines and risk tolerances of each account. When investment opportunities present themselves, portfolio managers will typically seek to indicate their interest in those opportunities among similarly-managed accounts either

(i) *pro rata* based on an account's assets in the case of equity securities; or (ii) in a manner designed to keep the characteristics of those accounts similar in the case of fixed income securities.

However, since the decision regarding how to best indicate for an investment opportunity will typically depend on many factors, it is possible that indications and positions across similar accounts may differ. Relevant factors include, without limitation: an account's investment objective, strategies, restrictions or other instructions; the composition and characteristics of an account; the impact of the purchase relative to achieving desired account characteristics; concentration of positions; minimum denominations; cash availability and expected flows for an account; liquidity; the tax needs of an account; avoiding having an account hold odd-lot or small positions; the availability of other appropriate or substantially similar investment opportunities; risk tolerance; and legal and regulatory restrictions.

The MFS Global Group generally limits aggregate ownership by all accounts that the MFS Global Group manages to a fixed percentage of a single issuer's outstanding common equity. These limits are based partly on regulatory and/or legal considerations related to substantial shareholdings and partly on investment risk management considerations. The firm's legal department performs a review of legal, corporate and regulatory considerations and, if permissible and appropriate, will submit to the IMC a request for approval to increase the ownership limit. When the maximum level has been reached on an aggregate basis, portfolio managers are not permitted to acquire additional shares (absent the prior approval of the IMC), until aggregate ownership by all accounts falls below the maximum level. Consequently, accounts could be unable to acquire certain investments in which the portfolio manager might wish to invest and in which other accounts have previously invested and continue to hold, which can adversely affect absolute and relative returns.

### **Execution and Aggregation of Orders**

Traders execute orders promptly, fairly and expeditiously consistent with MFS Global Group execution policies and procedures. When executing orders, traders may aggregate multiple orders for the same instrument into a single trade as long as aggregation is unlikely to work to the overall disadvantage of any participating account over time.

Traders will not aggregate orders for Related Accounts (which include accounts that are managed by MFS for the sole benefit of itself or its subsidiaries) with orders for client accounts and will trade Related Accounts in a manner that the trader believes will not disadvantage other client accounts. Related Accounts do not include accounts owned by employees or officers of MFS or its subsidiaries, created by MFS to establish a track record for future distribution or accounts seeded by MFS and open for sale to third parties. Additionally, members of the MFS Global Group manage assets for SLF and its subsidiaries (other than the MFS Global Group), and such accounts are not considered to be Related Accounts ("non-Related Accounts"). In cases where non-Related Accounts are participating with other client accounts in a limited opportunity offering, the other client accounts will receive less of the limited opportunity than they would otherwise have received if the non-Related Accounts did not participate. MFSI seeks to ensure fairness among these accounts over time through application and monitoring of its allocation policies and procedures.

There are times that MFSI will trade a particular security for client accounts at the same time that Wrap Program sponsors are trading in the same securities for Wrap Program accounts advised by MFSI. Wrap Program sponsors may complete the order(s) for Wrap Program accounts more quickly or more slowly than MFSI and may experience higher or lower execution prices. MFSI generally does not aggregate orders for Wrap Program accounts with other client accounts managed by the MFS Global Group but is permitted to do so when stepping out an order for one or more SMA Programs, subject to best execution



and other considerations. In cases where MFSI does not aggregate such orders, the Wrap Program accounts may be traded, in the trader's discretion, simultaneously or in rotation with the other client accounts.

As described in Item 4, *Advisory Business*, with respect to Institutional Model-Delivery Arrangements, as agreed upon by the third-party investment adviser and MFSI, MFSI releases portfolio model changes on a delay. In some cases, the portfolio model will be released after the orders for the discretionary accounts within the same strategy have been fully executed. In other cases, the portfolio model will be released while such discretionary accounts are continuing to trade. To the extent the Institutional Model-Delivery Arrangement accounts trade after MFSI's discretionary accounts, the Institutional Model-Delivery Arrangement accounts will likely receive different (potentially less favorable) prices for the same securities. To the extent the Institutional Model-Delivery Arrangement accounts trade while MFSI's discretionary accounts are trading, MFSI and the third-party adviser will compete for the same investment opportunities and an account (Institutional Model-Delivery Arrangement or discretionary) may experience higher or lower execution prices than another account with the same investment strategy.

#### **Allocation of Executed Trades**

There are times when MFSI or another member of the MFS Global Group cannot obtain a sufficient quantity of an instrument to fill the orders for all accounts participating in an aggregated trade. In those cases, MFSI will allocate the amount received as follows:

- For equity securities offered in an initial public offering, oversubscribed secondary offering, or subject to an MFS Global Group internal ownership limit ("Limited Offerings"), MFSI will allocate the amount received according to standards established by the IMC and documented in procedures approved by the MFS Global Group's Trade Oversight Management Committee ("TOMC"). These procedures will generally provide for *pro rata* allocation based on each participating account's share of relevant assets (as determined by the IMC), subject to adjustments to accommodate minimum thresholds, minimum lot sizes and denominations and other adjustments to facilitate equitable and efficient allocation.
- For trades in equity instruments other than through Limited Offerings and for fixed income instruments, fills of combined orders are allocated among participating accounts *pro rata* based on order size, subject to the minimum denomination and lot size requirements for the instrument.
- For fixed income instruments issued in the new issue market, under certain circumstances, MFSI may give priority to certain accounts with state-specific or other restrictive mandates.

Each account that participates in an aggregated trade will receive the average price for that trade, unless exchange rules prevent such an allocation, and will share the transaction costs (other than costs related to payment for research, if any) *pro rata* based on the account's participation on the transaction. MFSI may exclude certain accounts from the allocation of costs relating to the payment of research on a *pro rata* basis if consistent with applicable law (e.g., Section 28(e)). MFSI currently excludes MiFID II accounts (as further described above under the heading "Research and Other Soft Dollar Benefits") and certain other accounts that request such exclusion.

MFSI may also adjust allocations to satisfy minimum holding thresholds at the account level as established by MFSI from time to time to address liquidity or other concerns.

Trading may reallocate executed trades by adding new or follow-on orders post-execution if the orders are received within a reasonable period of time during the trading day and either of the following two conditions are satisfied: (i) trading reasonably believes that the addition of the orders will not have a

material adverse impact on the accounts participating in the original order; or (ii) the additional orders are based on the same event, information or analyst recommendation that prompted the original order, determined in accordance with standards identified periodically by the IMC or TOMC.

The allocation policies and procedures prohibit allocations of Limited Offerings to: (i) Wrap Program accounts; or (ii) any account for which MFSI does not believe that applicable law or the rules or regulations of any governmental or self-regulatory organization would permit such investments.

### **Post-Trade Date Allocations**

MFSI may allocate instruments to an account after trade date as long as the reasons for post-trade date allocations are documented and approved in accordance with the allocation policies and procedures. Examples of reasons for post-trade date allocations include, but are not limited to: orders executed while systems necessary to make accurate allocations are unavailable; or changes to allocations resulting from an error.

### **Other Trading Practices**

#### **Crossing**

MFSI may “cross” opposing trades (e.g., a buy order and a sell order for the same security) between accounts managed by MFSI and/or its affiliates consistent with MFSI’s duty to seek to obtain best execution. Consistent both with Section 206 of the Advisers Act and Rule 17a-7 under the 1940 Act, as applicable, the MFS Global Group has adopted policies and procedures governing purchases or sales of securities between eligible accounts managed by members of the MFS Global Group. In engaging in cross trades, MFSI may have an incentive to favor one account over another by exchanging securities at a price that is advantageous to the favored account or selling illiquid securities from the favored account to another account. MFSI will not execute cross trades where prohibited or materially restricted by agreement or applicable law, including, but not limited to, ERISA and Rules 2a-5 and 17a-7 under the 1940 Act.

#### **Foreign Currency Exchange (FX) Transactions**

Each account will be set on MFSI’s trading system with a single operating currency (which will not necessarily be the same as the reporting currency of the account). Account trades and flows that occur in currencies other than the operating currency will be converted to the operating currency by processing a foreign exchange (FX) transaction.

Foreign income and dividend repatriation FX transactions are executed in order to convert dividends, interest payments and other income received in a currency other than the account’s operating currency (“foreign currency”) into the account’s operating currency. With respect to foreign income and dividend repatriation FX transactions, MFSI will direct the client’s custodian bank to execute the FX transactions in order to repatriate all income to the operating currency of the account, unless the client requests otherwise.

Securities-related FX transactions are executed in connection with specific purchase and sale transactions in individual securities in order to effect an exchange between the account’s operating currency and the foreign currency in which a particular security is denominated. With respect to securities-related FX transactions, clients of MFSI may choose to have FX transactions effected either through MFSI or through their respective custodian. Where MFSI has been given authority to effect securities-related FX transactions for a client, MFSI is permitted to execute FX transactions for the account with brokers MFSI selects at its discretion for currency management purposes, unless the scope of authority given to MFSI

by the client enables the client to direct otherwise (*e.g.*, by reason of any client-directed brokerage requirements, any brokerage affiliation issues the client may have and/or any specific approved broker lists the client may have provided to MFSI). Generally, transactions for accounts with similar currency needs will be aggregated based on the currencies involved as well as matching trade and settlement date requirements. In situations where MFSI encounters offsetting currency needs for accounts at approximately the same time, and where the other details of the needs match, net transactions will be executed among accounts eligible for netting transactions. For example, MFSI will not consider accounts subject to ERISA to be eligible to participate in such netting transactions, and, depending on a non-ERISA account's particular restrictions, including, for example, any client-directed brokerage or custodian bank requirements, a non-ERISA account may or may not be eligible to participate in netting transactions. Where the client has chosen to have securities-related FX transactions effected through its custodian, MFSI will direct the client's custodian bank to execute securities-related FX transactions (the custodian bank may have different netting practices).

For all accounts (regardless of whether the client has chosen to have FX transactions effected through its custodian or through MFSI), the client's custodian bank or a third-party agent will generally process FX transactions related to securities transactions and income and dividend repatriations for transactions in countries that restrict transactions in their currency due to regulatory or foreign exchange controls (*i.e.*, so-called "restricted markets"). MFSI will provide the client's custodian bank or third-party agent with FX instructions for all security settlements in such restricted markets on a trade-by-trade basis, which instructions are in turn sent by the custodian bank or third-party agent to its trading desk or local sub-custodian for execution.

For any FX transaction executed through an Institutional Client's custodian (whether for security transaction purposes at the client's direction or foreign income and dividend repatriation purposes as part of MFSI's standard process), the client generally negotiates the fees charged by the custodian on these FX transactions, and MFSI generally does not evaluate the services provided to the client.

MFSI recognizes that FX transactions may positively or negatively affect performance and does not seek to take any investment view on operating currency related FX transactions.

In some cases, where permitted and consistent with the investment style for an account and determined to be appropriate for the client, MFSI will also execute FX transactions to obtain currency exposure and/or for risk management purposes for the client, depending upon the client account's specific investment strategy and investment guidelines. In these cases, MFSI is permitted to execute FX transactions for the account with brokers that MFSI selects at its discretion for such purposes, unless directed otherwise by a client. In these cases, MFSI will follow the same aggregation and netting practices described above.

#### **Wrap Program Brokerage Arrangements, Order Execution and Allocation**

As described above in Item 4, *Advisory Business*, MFSI provides advisory services to SMA Programs, which may be in bundled or dual-contract arrangements, Model-Delivery Programs and Discretionary Model-Delivery Programs. For purposes of this section, unless otherwise noted, Discretionary Model-Delivery Programs are treated the same as Model-Delivery Programs. The bundled or wrap fees charged to Wrap Program participants generally cover the costs of brokerage commissions and other charges only for transactions effected through a Wrap Program sponsor or its affiliates. MFSI's arrangements with most SMA Program sponsors allow MFSI the discretion to select other brokers for participant's account transactions (a practice called "stepping out" trades). Nevertheless, MFSI expects to direct brokerage transactions for SMA Program participants through a sponsoring broker or its affiliates almost all of the time because MFSI believes that any benefit that may be experienced from executing brokerage

transactions with a third-party broker will typically be outweighed by the incremental commission that would be incurred by the participant. However, as a result of limited information that MFSI is able to receive from sponsors, MFSI is not in a position to effectively monitor or evaluate the nature and quality of a sponsor's execution. Therefore, directing brokerage transactions through a sponsor or its affiliates may adversely affect the quality of execution that participants might otherwise receive if MFSI performed the execution.

For SMA Programs where trades are effected through the sponsor (which is expected to be almost all cases) and for Model-Delivery Programs, MFSI will release orders and portfolio model changes according to a rotation methodology designed to treat all participating sponsors fairly and equitably over time. The release of such orders and portfolio model changes may take more than one day, causing some sponsors to complete any such orders on a different day than other sponsors or other accounts managed by MFSI. In its discretion, MFSI may choose to provide trading guidance to one or more Wrap Program sponsors. Such guidance may include, among other things, participation rates, limit orders or, for ADR trades, instructions to access local market liquidity. Additionally, or alternatively, in its discretion, MFSI may slow the pace of the rotation when it believes one or more securities are subject to liquidity constraints as described below. MFSI believes that slowing the overall pace of trading among Wrap Program sponsors in these cases will result in a reduced impact to the average price of the security achieved by all sponsors, thereby mitigating the effects of multiple large orders, including any orders for other non-Wrap Program clients of MFSI, competing in the market. Under these circumstances, some Wrap Program sponsors would not receive the communication of the order or portfolio model change until (i) later in the day, increasing the likelihood that such sponsors would not be able to complete the whole order before markets close, or (ii) the following day, resulting in these sponsors receiving and trading the order on a different day than other sponsors. In considering whether a security is subject to liquidity constraints, MFSI may take into consideration, among other factors, the percent of average daily volume of a trade in isolation, whether MFSI or another MFS Global Group member will be active (or expects to be active) in trading the security on behalf of Institutional Accounts, the percent of average daily volume for the trade taking into account these Institutional Accounts, as well as the trader's knowledge of a potential event in the security or expectations around volatility in the security ("Liquidity Factors").

As described above, most, but not all, SMA Program sponsors grant MFSI discretion to step out trades from the program's sponsor. When it has discretion to step out, MFSI determines on a trade-by-trade and sponsor-by-sponsor basis whether to trade with the applicable SMA Program sponsor or to step out to another broker. The programs for which MFSI has determined to step out a trade are referred to as the "Step-Out SMA Programs." In determining whether to step out and for which programs, MFSI may consider, among other factors, the Liquidity Factors described above. When MFSI steps out for one or more Step-Out SMA Programs, it will also release orders and portfolio model changes to all other Wrap Program sponsors in a rotation it believes to be equitable. As a result, when MFSI steps out with respect to a particular order, trading on behalf of Step-Out SMA Programs is not subject to the same rotation to which trading by all other Wrap Programs will be subject and trading for Step-Out SMA Programs will occur during a different timeframe than trading for all other Wrap Programs.

There are times when MFSI will release orders and portfolio model changes to Wrap Program sponsors as described above at the same time that it trades the same securities for Institutional Accounts. MFSI may complete the order(s) for Institutional Accounts more quickly or more slowly than the Wrap Program sponsors. Consequently, Wrap Program clients and Institutional Accounts may experience different execution prices when trading the same security in the market at the same time.

Maintenance trades, which are trades required due to circumstances such as opening new accounts, reinstating a frozen account, closing existing accounts, and effecting additions to, or reductions in, open accounts (including trades to recognize gains or losses, trades to implement new or different restrictions, and trades to rectify dispersion between the account and the MFSI's model strategy), are processed differently from trades resulting from investment decisions. For most SMA Programs, MFSI generally directs maintenance trades to the Wrap Program sponsor. For Model-Delivery Programs, the sponsor (or a third party like an overlay manager) performs all maintenance trades in accordance with the last-delivered portfolio models. MFSI neither participates in, nor is responsible for, Model-Delivery Program maintenance trades. Participants in Wrap Programs should consult their sponsor's Wrap Fee Program Brochure and/or ask sponsors for more information about how maintenance trades are effected for their account.

A sponsor may require MFSI to trade all securities transactions for its Wrap Program with the sponsor, impose restrictions upon MFSI from trading with a broker other than the sponsor, prohibit MFSI from stepping out to an affiliate of the sponsor or permit MFSI to step out from the sponsor without any restriction. Participants in Wrap Programs should consult their sponsor's Wrap Fee Program Brochure and/or ask program sponsors about any restrictions imposed on MFSI.

MFSI can, but is not required to, aggregate trades for all Step-Out SMA Programs. The trader can elect to execute all orders attributable to all Step-Out SMA Programs in combination, simultaneously or successively in a rotation MFSI believes to be equitable, as determined in the trader's discretion. For example, if MFSI believes that one or more Step-Out SMA Programs is not permitted to transact with the broker chosen by the trader, for reasons of affiliation or otherwise, then such Step-Out SMA Program orders may be executed with a different broker at the same time as the other Step-Out SMA Program orders are being executed or by participating in a rotation MFSI believes to be equitable with the other Step-Out SMA Program, as determined in the trader's discretion.

Orders for Step-Out SMA Programs are unlikely to be aggregated with, or executed through the same executing broker as, open orders for the same security for Institutional Accounts. Additionally, orders for Step-Out SMA Programs, if received while orders for other Institutional Accounts are being executed for the same security, may be executed generally either simultaneously with the other orders or through a rotation MFSI believes to be equitable with the other Institutional Accounts' orders, as determined in the trader's discretion.

From time to time, MFSI may not be able to release an order or portfolio model change to a sponsor at its designated slot in the rotation if MFSI or the sponsor experiences a technical issue, such as when a trading system is not functioning or a reconciliation report is not available. MFSI may pause the rotation to give time for the issue to be resolved or it may skip that sponsor in the rotation and release the order or model portfolio change to the sponsor once the technical issue is resolved or at the end of rotation, at MFSI's reasonable discretion. If the technical issue is not resolved with sufficient time to process before the end of the trading day, MFSI may release the order or portfolio model change the following day. MFSI may also delay the start of its rotation if it is experiencing broader technical issues, depending on the nature of such technical issues. For SMA Programs where MFSI has discretion to step out, MFSI will most likely not step out in these circumstances because doing so carries substantial risk of error and because participants will incur additional trading commission charges. Where the deviation from the rotation is caused by technical issues originating with the sponsor, MFSI will not consider these deviations from its normal rotation to be errors on the part of MFSI and will not compensate sponsors or participants for these deviations. For more information regarding MFSI's treatment of similar issues originating with MFSI

or its vendors, please see “Business Continuity Risk” and “Operational and Service Provider Risk” in Item 8, *Methods of Analysis, Investment Strategies and Risk of Loss*.

When MFSI steps out, in order to facilitate the allocation of investments to individual SMA Program participants, MFSI can elect to allocate executed trades on a *pro rata* basis or randomly among Wrap Program sponsors or participant accounts, as determined in MFSI’s discretion.

### **ADR Trading Considerations**

The MFS Research International ADR SMA strategy generally gains exposure to foreign securities on behalf of Wrap Program participants through investment in ADRs. Transactions in ADRs involve fees and expenses not typically involved in non-ADR transactions.

There are times when the market in ADRs in the U.S. is not sufficiently liquid for an advantageous purchase or when the U.S. markets are not open, and in those cases an ADR may be “created.” “Creation” of an ADR involves the purchase of ordinary shares of a foreign issuer and deposit of such shares with an ADR custodian, which creates the ADR. When MFSI elects to create an ADR (in cases where it steps out), a broker initiates the transaction and then steps out the transaction to the Wrap Program sponsor. Upon a sale, the ADR is “collapsed,” and the underlying shares of the foreign issuer are sold in the foreign market. In these cases, Wrap Program participants will incur a proportionate share of any costs associated with the creation of such ADR in which the Wrap Program participant’s assets are invested, and can also incur fees and receive credits associated with creating or collapsing ADRs, which, in each case, will impact the overall cost of investing in the ADR. For example, depending upon where the underlying stock is traded, an exchange fee or stamp fee could be charged, and ADR conversion fees are also charged. Participants in Wrap Programs should consult their sponsor’s Wrap Fee Program Brochure and/or ask sponsors about the sponsor’s trading practices and any expenses relating to ADRs.

### **Tax Trading**

Wrap Program participants or the Sponsors of their program may request that MFSI engage in trades intended to incur capital gains or losses (referred to as “Tax Trading” or “tax harvesting”). Tax Trading requests received by MFSI after a specified annual cut-off date will be completed on a best efforts only basis. Tax Trading proceeds will remain in cash unless requested otherwise, in which case they will be invested in unaffiliated ETF(s) during the 30 days wash sale period. Tax Trading will typically only be considered by MFSI for securities that have at least a minimum gain or loss amount specified by MFSI. Tax Trading may adversely impact the overall performance of a participant’s account. The sale(s) from Tax Trading may cause the portfolio holdings and performance to deviate from other accounts within the same investment strategy. Securities sold to create a tax loss may or may not be repurchased by MFSI following the 30-day wash sale period and they may be purchased at a price higher than that for which they were sold. Investment management activity in the account subsequent to the Tax Trading may result in additional realized gains (losses) that partially or completely offset the gains (losses) realized from the Tax Trading request. MFSI does not provide tax, legal or accounting advice and investors should consult their own tax, legal and accounting advisors before engaging in any transaction.

## ***Item 13 – Review of Accounts***

### **Internal Reviews of Accounts**

MFSI monitors client accounts on an on-going basis and performs periodic reviews. Further reviews may also be triggered by changes to account investment strategy or market conditions. Accounts are regularly reviewed from multiple perspectives by multiple groups within the MFS Global Group including the portfolio management, Global Investment and Client Support and Compliance teams. Semi-annual risk reviews, led by members of the Investment Risk Management Team, with participation and direction from the IMC, are an integral component of the review process. The IMC, chaired by the Chief Investment Risk Officer, and comprised of senior investment professionals, including the Chief Investment Officers and Directors of Trading, provides governance and oversight on matters relating to portfolio management, research and trading; the establishment and monitoring of investment policies/procedures; and the monitoring and management of investment risk. MFSI could be incentivized to make trading decisions at the end of a reporting period to create the appearance of favorable account performance or to obscure the source of account performance, or to mislead investors about the true strategies engaged in (by way of account holdings) by MFSI; however, as described above, MFSI has policies in place to mitigate the risk of acting on such incentives.

With respect to Model-Delivery Programs, Discretionary Model-Delivery Programs, and Institutional Model-Delivery Arrangement, MFSI's management and monitoring activities are directed to the composition of the model portfolio provided to sponsors or third-party investment advisers (as applicable), rather than the investments of any particular participant accounts.

### **Institutional Client Reporting**

Periodic reports (oral, written or both) are provided to Institutional Clients from time to time in a form mutually agreed with MFSI. MFSI typically provides Institutional Clients with both quarterly and monthly written reports. Quarterly reports typically include account commentary, performance and attribution, market value, account holdings and transaction details in addition to information on corporate actions. Monthly reports are more concise and typically include performance and market value. In addition, as agreed with MFSI, customized reporting is available. MFSI provides different reports and, subject to its inside information policy and code of ethics (see Item 11, *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*), may provide different information about its business operations or portfolio investments to different clients or prospective clients. Written reports are delivered via e-mail and also can be retrieved directly and securely by Institutional Clients from MFSI's website. MFSI also typically provides a similar range of information orally to Institutional Clients through in-person meetings, virtual meetings, conference calls, webinars and client conferences. As discussed above, MFSI may base its performance reporting upon its own valuation of account assets, as agreed to with an Institutional Client. In presenting its performance, MFSI is incentivized to overstate performance by overvaluing account holdings. For more information regarding the MFS Global Group's valuation procedures, which are designed to prevent inaccurate valuations, please see Item 5, *Fees and Compensation*.

Reports can be sent by a third-party service provider on behalf of MFSI.

Annual audited financial statements are prepared for each MFS Private Fund, and the fund and its investors receive copies of such statements within 120 days following the fund's fiscal year end.

### **Wrap Program Reporting**

Sponsors of Model-Delivery Programs and Discretionary Model-Delivery programs have sole responsibility for participant contact and reporting. Sponsors of SMA Programs have primary responsibility for participant contact and reporting.

## ***Item 14 – Client Referrals and Other Compensation***

Many of MFSI's Institutional Clients retain investment consultants, OCIO providers or other similar service providers (for purposes of this section, "investment consultants") to assist with the selection of investment managers such as MFSI. Typically, such investment consultants are compensated by the Institutional Client, not MFSI. However, MFSI could also have its own relationship with an Institutional Client's investment consultant in connection with services provided by the consultant to MFSI, including, without limitation, competitive universe databases, manager performance analytics, investment forums, and business or product consulting engagements and MFSI pays such investment consultants for these services and believes that the payments it makes to such investment consultants are fair in relation to the services purchased. Such payments are not intended by MFSI to, and do not, compensate an investment consultant for recommending, or induce such investment consultants to recommend, MFSI's services or products to the clients of the investment consultants. In addition, MFSI provides money management services to certain investment consultants for their own account that could (but are in no event required to) recommend MFS Global Group services or products to one or more of their clients. MFSI seeks to maintain arm's-length relationships when receiving or providing services to investment consultants.

To the extent that MFSI enters into solicitation or referral arrangements with a third party to solicit or refer new clients to MFSI, it intends to comply with the disclosure, oversight, and disqualification requirements applicable to such relationships under applicable laws and regulations. With respect to its business outside of the U.S., MFSI has in the past and may from time to time in the future use local companies in certain jurisdictions for a fee to assist it in obtaining new Institutional Clients. MFSI may be required to pay fees to certain third-party agents that have been retained by clients to assist the Institutional Client in the selection of investment managers. Although the third-party agent has been retained by the Institutional Client, the obligation to pay a referral fee becomes the responsibility of the investment manager in the event that the investment manager enters into an investment advisory agreement with the client. As noted in Item 5, *Fees and Compensation*, MFSI pays certain Wrap Program sponsors fees for data analytics (e.g., sales reporting), use of the sponsor's technology and/or to host MFSI's investment strategies on the sponsor's platform. These payments are not made for the purpose of referring clients to, or soliciting clients on behalf of, MFSI, and MFSI does not treat them as such. Nevertheless, the receipt of varying (or no) payments from different investment advisers may provide sponsors and their financial advisers with an incentive to recommend MFSI investment strategies over other third-party investment advisers' strategies or other financial products. Separately, MFSI has entered into an arrangement whereby it pays its affiliate Sun Life Assurance Company of Canada to market certain MFSI model portfolios to Wrap Program sponsors and financial advisors.



## *Item 15 – Custody*

MFSI generally does not maintain custody of client funds or securities because it does not have possession or have authority to obtain possession of such funds or securities. Client funds and securities managed by MFSI are held on the client's behalf with third-party custodians. However, MFSI has custody under the Advisers Act over the MFS Private Funds by virtue of its role as managing member and investment adviser. Investors in such funds will receive audited financial statements annually, within 120 days following the fund's fiscal year end.

Clients should review any statements received from MFSI or a custodian carefully, and to the extent they receive statements from both MFSI and a custodian, they are urged to compare such statements carefully.

## ***Item 16 – Investment Discretion***

As discussed in Item 4, *Advisory Business*, other than for non-discretionary model portfolio programs (*i.e.*, Model-Delivery Programs and Institutional Model-Delivery Arrangements), MFSI is generally retained on a discretionary basis to manage client assets consistent with the investment strategy or mandate. Before assuming discretionary authority, MFSI requires a direct client (or, in the case of Wrap Programs other than for dual-contract clients, the sponsor) to enter into a written investment advisory agreement with MFSI. Any limitations on MFSI's discretion in the case of a particular client will be agreed upon in advance and set forth in the investment advisory agreement between MFSI and such client or sponsor, or other governing documents. Such limitations may include reasonable restrictions on investing in certain securities, derivatives or types of securities or derivatives, as described in Item 4, *Advisory Business*, and client-directed brokerage and other limitations on MFSI's authority to freely select brokers to execute client transactions, as described in Item 12, *Brokerage Practices*. Clients not contracted directly with MFSI should refer to their investment advisory agreement or applicable Offering Documents for a description of any such limitations.

Limitations on MFSI's discretion will likely result in your account experiencing different performance returns (higher or lower) than other similar accounts in the same investment strategy.

In order for MFSI to fully exercise its discretionary investment management authority, MFSI asks Institutional Clients to execute and deliver any and all agreements, instruments, contracts, assignments, bond powers, stock powers, transfer instructions, receipts, waivers, consents and other documents, including a limited power of attorney, provide any and all information and perform any and all such acts, as MFSI may deem necessary or reasonably desirable (collectively, "Necessary Actions"). If an Institutional Client fails to perform any Necessary Action, MFSI may be unable to fully exercise its discretionary investment management authority and, consequently, the performance of the client's account may differ from the performance of similarly-managed accounts of MFSI with respect to which all Necessary Actions have been fully performed.

In addition, the IMC, which is comprised of members of senior management and representatives of the investment department, meets on a regular basis to establish investment policies and procedures and monitor compliance therewith. These policies and procedures govern, among other things, the exercise of MFSI's discretionary authority.

### **Unsupervised Assets**

From time to time, clients may leave in the custodial account subject to MFSI's discretionary management certain securities or other property over which MFSI has not been given discretionary authority ("Unsupervised Assets"). Unsupervised assets may be included by MFSI in calculating its advisory fee; please consult with MFSI or your financial advisor or sponsor concerning the payment of any such fees. MFSI may request that the client (or, for SMA Program participants, the participant's sponsor or financial advisor) confirm in writing the identity of any Unsupervised Assets. Unless otherwise agreed to with the client (or for SMA Program participants, as agreed to with the participant or the participant's financial advisor), MFSI will not provide investment advisory services of any kind with regard to Unsupervised Assets. MFSI will have no duty, responsibility, or liability with respect to the Unsupervised Assets and will not take the Unsupervised Assets into consideration when managing the portion of the account for which it provides investment advice.

## *Item 17 – Voting Client Securities*

The MFS Global Group has adopted the MFS Proxy Voting Policies and Procedures (“Proxy Voting Policy”) with respect to securities owned by the clients for which it serves as investment adviser and has the power to vote proxies. The MFS Global Group’s policy is that proxy voting decisions are made in what it believes at the time to be the best long-term economic interests of those clients and not in the interest of any other party or in the MFS Global Group’s own corporate interests, including its institutional relationships or the distribution of MFS Fund shares. Based on the overall principle that all votes cast by the MFS Global Group on behalf of its clients are in what the MFS Global Group believes to be the best long-term economic interests of such clients, the Proxy Voting Policy includes proxy voting guidelines that govern how the MFS Global Group generally votes on specific matters presented for shareholder vote, including, without limitation, the election of directors, proxy contests, advisory votes on executive compensation and proposals with respect to environmental, social and governance matters.

The MFS Global Group has retained a proxy administrator to provide certain proxy voting administrative services. Subject to monitoring by and at the direction of the MFS Global Group, the proxy administrator automatically votes on matters that do not require the particular exercise of discretion or judgment under the Proxy Voting Policy as determined by the MFS Global Group. In these circumstances, based on the MFS Global Group’s prior direction, if the proxy administrator expects to vote against management with respect to a proxy matter and the MFS Global Group becomes aware that the issuer has filed additional solicitation materials sufficiently in advance of the deadline for casting a vote at the meeting, the MFS Global Group will consider such information when casting its vote. With respect to proxy matters that require the particular exercise of discretion or judgment, the MFS Proxy Voting Committee or its representatives considers and votes on those proxy matters. In analyzing all proxy matters, the MFS Global Group uses a variety of materials and information, including, but not limited to, the issuer’s proxy statement and other proxy solicitation materials (including supplemental materials), our own internal research and research and recommendations provided by other third parties (including research of the proxy administrator).

The MFS Global Group also generally votes consistently on the same matter when securities of an issuer are held by multiple accounts. However, there are circumstances where one client’s securities are voted differently from another client’s securities. One reason why the MFS Global Group could vote differently on the same matter is if it has received explicit voting instructions from a client to vote differently on behalf of its account. From time to time, the MFS Global Group also receives comments on the Proxy Voting Policy from its clients. These comments are carefully considered by the MFS Proxy Voting Committee, which is responsible for reviewing the Proxy Voting Policy and revising it as appropriate, in the MFS Global Group’s sole judgment.

The Proxy Voting Policy is intended to address, potential material conflicts of interest on the part of the MFS Global Group that are likely to arise in connection with the voting of proxies on behalf of its clients. If such potential material conflicts of interest do arise, the MFS Global Group will analyze and document them and will ultimately vote the relevant proxies in what the MFS Global Group believes to be the best long-term economic interests of the clients whose securities it is voting. The MFS Proxy Voting Committee is responsible for monitoring and client reporting with respect to such potential material conflicts of interest. A discussion on conflicts of interest related to the MFS Global Group’s voting of proxies can be found within the Proxy Voting Policy.

A copy of the Proxy Voting Policy can be obtained by visiting [mfs.com/proxyvoting](https://mfs.com/proxyvoting). The MFS Global Group will also furnish a copy of the Proxy Voting Policy to any client upon such client’s request. A client can

additionally request at any time a record of all votes cast for its account. The record reflects the proxy issues that the MFS Global Group voted for the client during the reporting period, and the position taken with respect to each issue. A client can also request a report identifying any situations in which the MFS Global Group may not have voted in accordance with specific guidelines of its proxy voting policies and procedures with respect to the client's account.

## ***Item 18 – Financial Information***

Not Applicable.

## ***Appendix A – Material Risk Factors***

It is not always possible, and the discussion herein does not purport, to identify and describe all risks to which an account may be subject. However, set forth below in alphabetical order is a general description of certain material investment risk factors or other risks inherent to accounts to which MFSI provides advisory, sub-advisory or other services. These risk factors apply to investments across a variety of investment strategies as indicated in the chart below. However, whether the risk factors set forth below are material to a specific account in any investment strategy will depend upon, among other things, the investment vehicle and the specific investment guidelines and restrictions applicable to that account. Additionally, a risk factor could still be a relevant or material risk to a particular investment strategy even if it is not listed below as a principal risk of such investment strategy. Investors in pooled investment vehicles advised or sub-advised by the MFS Global Group should note that the pooled investment vehicle (including an MFS Fund) will contain a more complete description of the risk factors to which the vehicle is subject in its Offering Documents and the discussion below is qualified in its entirety by reference to the relevant Offering Document(s). Investors should review these Offering Documents carefully and consider whether the risks to which the vehicle is subject are appropriate to the investor's circumstances. Depending upon the specific investment guidelines and restrictions applicable to any particular account in any investment strategy, these risk factors may or may not be material to that specific account.

	Investment Strategies (continued on page A-3)																	
	Asia Equity ex Japan	Asset Allocation-Fund of Funds (U.S.)	Balanced	Blended Research Emerging Markets Equity	Blended Research Equity Income	Blended Research European Equity	Blended Research Global Equity	Blended Research Global High Dividend Equity	Blended Research International Equity	Blended Research Large Cap Growth	Blended Research Large Cap Value	Blended Research Mid Cap Equity	Blended Research Small Cap Equity	Blended Research U.S. Core Equity	Charter Income Trust Closed End	Commodity Strategy	Contrarian Value Equity	Core Equity
Risks (continued on page A-3)																		
Allocation Risk – Commodities																✓		
Allocation Risk		✓																
Asia Risk	✓																	
Commodity-Related Investments Risk		✓														✓		
Company-Specific Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓
Counterparty and Third-Party Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Credit Risk		✓	✓												✓	✓	✓	
Credit and Market Risk																		
Currency Risk	✓	✓		✓		✓	✓	✓	✓						✓		✓	
Debt Market Risk		✓	✓												✓	✓	✓	
Derivatives Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Emerging Markets Risk	✓	✓		✓		✓	✓	✓	✓						✓		✓	
Equity Market Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓
European Market Risk						✓												
Foreign Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Focus Risk – Industry, Sector, Country, and Region Focus	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Focus Risk – Country and Region Focus																✓		
Focus Risk –Municipal Mandates																		
Frequent Trading Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Growth Company Risk		✓								✓								

	Investment Strategies (continued from page A-2)																	
<i>Risks (continued from page A-2)</i>	Asia Equity ex Japan	Asset Allocation-Fund of Funds (U.S.)	Balanced	Blended Research Emerging Markets Equity	Blended Research Equity Income	Blended Research European Equity	Blended Research Global Equity	Blended Research Global High Dividend Equity	Blended Research International Equity	Blended Research Large Cap Growth	Blended Research Large Cap Value	Blended Research Mid Cap Equity	Blended Research Small Cap Equity	Blended Research U.S. Core Equity	Charter Income Trust Closed End	Commodity Strategy	Contrarian Value Equity	Core Equity
Inflation-Adjusted Debt Instruments Risk		✓																
Infrastructure Concentration Risk																		
Interest Rate Risk		✓	✓												✓	✓	✓	
Interest Rate Risk – Money Market																		
Intrinsic Value Risk		✓															✓	
Investment Selection Risk (strategies that do not use quantitative models as part of principal investment strategy)	✓	✓	✓												✓		✓	✓
Investment Selection Risk (strategies that use quantitative models as part of principal investment strategy)				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		
Investment Strategy Risk – Tactical Asset Allocation																		
Investment Strategy Risk – Blended Research Strategy					✓			✓										
Investment Strategy Risk – Blended Research Predicted Tracking Error Strategy				✓		✓	✓		✓	✓	✓	✓	✓	✓				
Investment Strategy Risk – Low Volatility Strategy																		
Issuer Focus Risk	✓									✓							✓	
Japan Risk																		
Large Shareholder Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Leveraging Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓



	Investment Strategies (continued from page A-3)																	
	Asia Equity ex Japan	Asset Allocation-Fund of Funds (U.S.)	Balanced	Blended Research Emerging Markets Equity	Blended Research Equity Income	Blended Research European Equity	Blended Research Global Equity	Blended Research Global High Dividend Equity	Blended Research International Equity	Blended Research Large Cap Growth	Blended Research Large Cap Value	Blended Research Mid Cap Equity	Blended Research Small Cap Equity	Blended Research U.S. Core Equity	Charter Income Trust Closed End	Commodity Strategy	Contrarian Value Equity	Core Equity
Risks (continued from page A-3)																		
Leveraging Risk – Closed End Funds															✓			
Liquidity Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Managed Distribution Plan Risk															✓			
Market Discount/Premium Risk															✓			
Mid Cap Risk												✓						
Municipal Risk		✓																
Prepayment/Extension Risk		✓	✓												✓	✓		
Real Estate-Related Investment Risk		✓			✓			✓			✓	✓	✓					
Redemption Risk																		
Small to Medium Cap REIT Risk																		
Short Sales Risk																		
Small Cap Risk													✓					
Small to Medium Cap Company Risk																		
Technology Concentration Risk																		
Temporary Defensive Strategy Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tender Option Bond Risk																		
Underlying Funds Risk		✓																
Utilities Concentration Risk																		
Value Company Risk		✓	✓								✓							
When-Issued, Delayed Delivery and Forward Commitment Risk		✓	✓															

	Investment Strategies (continued on page A-6)																			
	Core Plus Fixed Income	Diversified Income	Emerging Markets Debt	Emerging Markets Equity	Emerging Markets Equity Research	Emerging Markets Local Currency Debt	Euro Credit	European Core Equity	European Equity ex U.K.	European Research Equity	European Smaller Companies	European Value	Global Aggregate Opportunistic Fixed Income	Global Alternative Strategy	Global Balanced	Global Concentrated Equity	Global Credit	Global Equity	Global Growth Equity	Global High Yield
Risks (continued on page A-6)																				
Allocation Risk – Commodities																				
Allocation Risk		✓												✓						
Asia Risk																				
Commodity-Related Investments Risk																				
Company-Specific Risk		✓		✓	✓			✓	✓	✓	✓	✓		✓	✓	✓		✓	✓	
Counterparty and Third-Party Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Credit Risk	✓	✓	✓			✓	✓						✓	✓	✓		✓			✓
Credit and Market Risk																				
Currency Risk		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Debt Market Risk	✓	✓	✓			✓	✓						✓	✓	✓		✓			✓
Derivatives Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Emerging Markets Risk		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Equity Market Risk		✓		✓	✓			✓	✓	✓	✓	✓		✓	✓	✓		✓	✓	
European Market Risk							✓	✓	✓	✓	✓	✓								
Foreign Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Focus Risk – Industry, Sector, Country, and Region Focus	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Focus Risk – Country and Region Focus																				
Focus Risk –Municipal Mandates																				
Frequent Trading Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Growth Company Risk																			✓	

	Investment Strategies (continued from page A-5)																			
<i>Risks (continued from page A-5)</i>	Core Plus Fixed Income	Diversified Income	Emerging Markets Debt	Emerging Markets Equity	Emerging Markets Equity Research	Emerging Markets Local Currency Debt	Euro Credit	European Core Equity	European Equity ex U.K.	European Research Equity	European Smaller Companies	European Value	Global Aggregate Opportunistic Fixed Income	Global Alternative Strategy	Global Balanced	Global Concentrated Equity	Global Credit	Global Equity	Global Growth Equity	Global High Yield
Inflation-Adjusted Debt Instruments Risk						✓														
Infrastructure Concentration Risk																				
Interest Rate Risk	✓	✓	✓			✓	✓						✓	✓	✓		✓			✓
Interest Rate Risk – Money Market																				
Intrinsic Value Risk																				
Investment Selection Risk (strategies that do not use quantitative models as part of principal investment strategy)	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓
Investment Selection Risk (strategies that use quantitative models as part of principal investment strategy)		✓												✓	✓					
Investment Strategy Risk – Tactical Asset Allocation														✓						
Investment Strategy Risk – Blended Research Strategy																				
Investment Strategy Risk – Blended Research Predicted Tracking Error Strategy																				
Investment Strategy Risk – Low Volatility Strategy																				
Issuer Focus Risk					✓	✓			✓			✓				✓				
Japan Risk																				
Large Shareholder Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Leveraging Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

	Investment Strategies (continued from page A-6)																			
<i>Risks (continued from page A-6)</i>	Core Plus Fixed Income	Diversified Income	Emerging Markets Debt	Emerging Markets Equity	Emerging Markets Equity Research	Emerging Markets Local Currency Debt	Euro Credit	European Core Equity	European Equity ex U.K.	European Research Equity	European Smaller Companies	European Value	Global Aggregate Opportunistic Fixed Income	Global Alternative Strategy	Global Balanced	Global Concentrated Equity	Global Credit	Global Equity	Global Growth Equity	Global High Yield
Leveraging Risk – Closed End Funds																				
Liquidity Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Managed Distribution Plan Risk																				
Market Discount/Premium Risk																				
Mid Cap Risk																				
Municipal Risk	✓																			
Prepayment/Extension Risk	✓	✓					✓						✓	✓	✓					✓
Real Estate-Related Investment Risk		✓										✓								
Redemption Risk																				
Small to Medium Cap REIT Risk																				
Short Sales Risk																				
Small Cap Risk											✓									
Small to Medium Cap Company Risk														✓						
Technology Concentration Risk																				
Temporary Defensive Strategy Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tender Option Bond Risk																				
Underlying Funds Risk																				
Utilities Concentration Risk																				
Value Company Risk												✓			✓					
When-Issued, Delayed Delivery and Forward Commitment Risk	✓	✓																		

	Investment Strategies (continued on page A-9)																			
	Global Inflation-Adjusted Fixed Income	Global Infrastructure	Global Intrinsic Value	Global Real Estate	Global Research	Global Research Focused	Global Small Mid Cap	Global Sovereign Fixed Income	Global Strategic Equity	Global Tactical Asset Allocation	Global Value	Growth Equity	Intermediate High Income Closed End	Intermediate Income FI Closed End	International Concentrated Equity	International Diversification	International Equity	International Growth	International Intrinsic Value	International Large Cap Value
Risks (continued on page A-9)																				
Allocation Risk – Commodities																				
Allocation Risk										✓						✓				
Asia Risk																				
Commodity-Related Investments Risk																				
Company-Specific Risk		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Counterparty and Third-Party Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Credit Risk	✓							✓		✓			✓	✓						
Credit and Market Risk																				
Currency Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓	✓
Debt Market Risk	✓							✓		✓			✓	✓						
Derivatives Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Emerging Markets Risk		✓	✓	✓	✓	✓	✓		✓	✓	✓				✓	✓	✓	✓	✓	✓
Equity Market Risk		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
European Market Risk																				
Foreign Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Focus Risk – Industry, Sector, Country, and Region Focus		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Focus Risk – Country and Region Focus	✓							✓												
Focus Risk –Municipal Mandates																				
Frequent Trading Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Growth Company Risk									✓			✓				✓		✓		

	Investment Strategies (continued from page A-8)																			
Risks (continued from page A-8)	Global Inflation-Adjusted Fixed Income	Global Infrastructure	Global Intrinsic Value	Global Real Estate	Global Research	Global Research Focused	Global Small Mid Cap	Global Sovereign Fixed Income	Global Strategic Equity	Global Tactical Asset Allocation	Global Value	Growth Equity	Intermediate High Income Closed End	Intermediate Income FI Closed End	International Concentrated Equity	International Diversification	International Equity	International Growth	International Intrinsic Value	International Large Cap Value
	Inflation-Adjusted Debt Instruments Risk	✓						✓												
	Infrastructure Concentration Risk		✓																	
	Interest Rate Risk	✓						✓		✓			✓	✓						
	Interest Rate Risk – Money Market																			
	Intrinsic Value Risk			✓												✓			✓	
	Investment Selection Risk (strategies that do not use quantitative models as part of principal investment strategy)	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Investment Selection Risk (strategies that use quantitative models as part of principal investment strategy)									✓										
	Investment Strategy Risk – Tactical Asset Allocation										✓									
	Investment Strategy Risk – Blended Research Strategy																			
	Investment Strategy Risk – Blended Research Predicted Tracking Error Strategy																			
	Investment Strategy Risk – Low Volatility Strategy																			
	Issuer Focus Risk	✓	✓		✓		✓		✓	✓						✓				
	Japan Risk																			
	Large Shareholder Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Leveraging Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓

	Investment Strategies (continued from page A-9)																			
	Global Inflation-Adjusted Fixed Income	Global Infrastructure	Global Intrinsic Value	Global Real Estate	Global Research	Global Research Focused	Global Small Mid Cap	Global Sovereign Fixed Income	Global Strategic Equity	Global Tactical Asset Allocation	Global Value	Growth Equity	Intermediate High Income Closed End	Intermediate Income FI Closed End	International Concentrated Equity	International Diversification	International Equity	International Growth	International Intrinsic Value	International Large Cap Value
Risks (continued from page A-9)																				
Leveraging Risk – Closed End Funds													✓	✓						
Liquidity Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Managed Distribution Plan Risk													✓	✓						
Market Discount/Premium Risk													✓	✓						
Mid Cap Risk																				
Municipal Risk														✓						
Prepayment/Extension Risk								✓		✓			✓	✓						
Real Estate-Related Investment Risk				✓			✓													
Redemption Risk																				
Small to Medium Cap REIT Risk				✓																
Short Sales Risk																				
Small Cap Risk																				
Small to Medium Cap Company Risk							✓													
Technology Concentration Risk																				
Temporary Defensive Strategy Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tender Option Bond Risk																				
Underlying Funds Risk																✓				
Utilities Concentration Risk																				
Value Company Risk										✓	✓					✓				✓
When-Issued, Delayed Delivery and Forward Commitment Risk																				

	Investment Strategies (continued on page A-12)																			
	International Research	International Small Mid Cap	Investment Grade Municipal Trust Closed End	Japan Equity	Large Cap Growth	Large Cap Growth Concentrated	Large Cap Value	Lifetime/Target Date	Limited Maturity	Low Volatility Global Equity	Low Volatility U.S. Equity	Managed Wealth	Mid Cap Growth	Mid Cap Value	Money Market	Multimarket Income Trust Closed End	Muni Fixed Income Closed End	Municipal High Yield	Municipal Intermediate	Municipal Plus
Risks (continued on page A-12)																				
Allocation Risk – Commodities																				
Allocation Risk								✓				✓								
Asia Risk																				
Commodity-Related Investments Risk								✓												
Company-Specific Risk	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓	✓	✓		✓				
Counterparty and Third-Party Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Credit Risk			✓					✓	✓			✓				✓	✓	✓	✓	✓
Credit and Market Risk															✓					
Currency Risk	✓	✓		✓				✓		✓		✓				✓				
Debt Market Risk			✓					✓	✓			✓				✓	✓	✓	✓	✓
Derivatives Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Emerging Markets Risk	✓	✓						✓		✓		✓				✓				
Equity Market Risk	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓	✓	✓		✓				
European Market Risk																				
Foreign Risk	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓				
Focus Risk – Industry, Sector, Country, and Region Focus	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓				
Focus Risk – Country and Region Focus																				
Focus Risk –Municipal Mandates			✓														✓	✓	✓	✓
Frequent Trading Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Growth Company Risk		✓			✓	✓		✓					✓							



	Investment Strategies (continued from page A-11)																			
<i>Risks (continued from page A-11)</i>	<i>International Research</i>	<i>International Small Mid Cap</i>	<i>Investment Grade Municipal Trust Closed End</i>	<i>Japan Equity</i>	<i>Large Cap Growth</i>	<i>Large Cap Growth Concentrated</i>	<i>Large Cap Value</i>	<i>Lifetime/Target Date</i>	<i>Limited Maturity</i>	<i>Low Volatility Global Equity</i>	<i>Low Volatility U.S. Equity</i>	<i>Managed Wealth</i>	<i>Mid Cap Growth</i>	<i>Mid Cap Value</i>	<i>Money Market</i>	<i>Multimarket Income Trust Closed End</i>	<i>Muni Fixed Income Closed End</i>	<i>Municipal High Yield</i>	<i>Municipal Intermediate</i>	<i>Municipal Plus</i>
Inflation-Adjusted Debt Instruments Risk								✓												
Infrastructure Concentration Risk																				
Interest Rate Risk			✓					✓	✓			✓				✓	✓	✓	✓	✓
Interest Rate Risk – Money Market															✓					
Intrinsic Value Risk								✓												
Investment Selection Risk (strategies that do not use quantitative models as part of principal investment strategy)	✓	✓	✓	✓	✓	✓	✓		✓			✓	✓	✓	✓	✓	✓	✓	✓	✓
Investment Selection Risk (strategies that use quantitative models as part of principal investment strategy)								✓		✓	✓									
Investment Strategy Risk – Tactical Asset Allocation												✓								
Investment Strategy Risk – Blended Research Strategy																				
Investment Strategy Risk – Blended Research Predicted Tracking Error Strategy																				
Investment Strategy Risk – Low Volatility Strategy										✓	✓									
Issuer Focus Risk			✓	✓	✓	✓									✓		✓			
Japan Risk				✓																
Large Shareholder Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Leveraging Risk	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓

	Investment Strategies (continued from page A-12)																			
<i>Risks (continued from page A-12)</i>	<i>International Research</i>	<i>International Small Mid Cap</i>	<i>Investment Grade Municipal Trust Closed End</i>	<i>Japan Equity</i>	<i>Large Cap Growth</i>	<i>Large Cap Growth Concentrated</i>	<i>Large Cap Value</i>	<i>Lifetime/Target Date</i>	<i>Limited Maturity</i>	<i>Low Volatility Global Equity</i>	<i>Low Volatility U.S. Equity</i>	<i>Managed Wealth</i>	<i>Mid Cap Growth</i>	<i>Mid Cap Value</i>	<i>Money Market</i>	<i>Multimarket Income Trust Closed End</i>	<i>Muni Fixed Income Closed End</i>	<i>Municipal High Yield</i>	<i>Municipal Intermediate</i>	<i>Municipal Plus</i>
Leveraging Risk – Closed End Funds			✓													✓	✓			
Liquidity Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Managed Distribution Plan Risk																✓				
Market Discount/Premium Risk			✓													✓	✓			
Mid Cap Risk													✓	✓						
Municipal Risk			✓														✓	✓	✓	✓
Prepayment/Extension Risk			✓					✓	✓			✓				✓	✓	✓	✓	✓
Real Estate-Related Investment Risk								✓		✓	✓			✓						
Redemption Risk															✓					
Small to Medium Cap REIT Risk																				
Short Sales Risk																				
Small Cap Risk																				
Small to Medium Cap Company Risk		✓																		
Technology Concentration Risk																				
Temporary Defensive Strategy Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tender Option Bond Risk			✓														✓			
Underlying Funds Risk								✓				✓								
Utilities Concentration Risk																				
Value Company Risk							✓	✓						✓						
When-Issued, Delayed Delivery and Forward Commitment Risk								✓												

	Investment Strategies (continued on page A-15)																			
<i>Risks (continued on page A-15)</i>	<i>Municipal Short-Intermediate</i>	<i>Municipal State</i>	<i>Opportunistic Fixed Income</i>	<i>Prudent Capital</i>	<i>Prudent Wealth</i>	<i>Research Equity/Industry Neutral</i>	<i>Research U.S. Equity</i>	<i>Small Cap Growth</i>	<i>Small Cap Value</i>	<i>Special Value Trust Closed End</i>	<i>Technology</i>	<i>U.K. Equity</i>	<i>U.S. Core Fixed Income</i>	<i>U.S. Core High Yield</i>	<i>U.S. Credit</i>	<i>U.S. Government Fixed Income</i>	<i>U.S. Government Fixed Income Closed End</i>	<i>U.S. Inflation Adjusted Fixed Income</i>	<i>U.S. Intrinsic Value</i>	<i>U.S. REIT</i>
Allocation Risk – Commodities																				
Allocation Risk				✓	✓															
Asia Risk																				
Commodity-Related Investments Risk																				
Company-Specific Risk				✓	✓	✓	✓	✓	✓	✓	✓	✓							✓	✓
Counterparty and Third-Party Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Credit Risk	✓	✓	✓	✓	✓					✓			✓	✓	✓	✓	✓	✓		
Credit and Market Risk																				
Currency Risk			✓	✓	✓							✓					✓			
Debt Market Risk	✓	✓	✓	✓	✓					✓			✓	✓	✓	✓	✓	✓		
Derivatives Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Emerging Markets Risk			✓	✓	✓												✓			
Equity Market Risk				✓	✓	✓	✓	✓	✓	✓	✓	✓							✓	✓
European Market Risk												✓								
Foreign Risk			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Focus Risk – Industry, Sector, Country, and Region Focus			✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓				✓	✓
Focus Risk – Country and Region Focus											✓					✓	✓	✓		
Focus Risk –Municipal Mandates	✓	✓																		
Frequent Trading Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Growth Company Risk								✓			✓									

	Investment Strategies (continued from page A-14)																			
<i>Risks (continued from page A-14)</i>	<i>Municipal Short-Intermediate</i>	<i>Municipal State</i>	<i>Opportunistic Fixed Income</i>	<i>Prudent Capital</i>	<i>Prudent Wealth</i>	<i>Research Equity/Industry Neutral</i>	<i>Research U.S. Equity</i>	<i>Small Cap Growth</i>	<i>Small Cap Value</i>	<i>Special Value Trust Closed End</i>	<i>Technology</i>	<i>U.K. Equity</i>	<i>U.S. Core Fixed Income</i>	<i>U.S. Core High Yield</i>	<i>U.S. Credit</i>	<i>U.S. Government Fixed Income</i>	<i>U.S. Government Fixed Income Closed End</i>	<i>U.S. Inflation Adjusted Fixed Income</i>	<i>U.S. Intrinsic Value</i>	<i>U.S. REIT</i>
Inflation-Adjusted Debt Instruments Risk																✓	✓	✓		
Infrastructure Concentration Risk																				
Interest Rate Risk	✓	✓	✓	✓	✓					✓			✓	✓	✓	✓	✓	✓		
Interest Rate Risk – Money Market																				
Intrinsic Value Risk																			✓	
Investment Selection Risk (strategies that do not use quantitative models as part of principal investment strategy)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Investment Selection Risk (strategies that use quantitative models as part of principal investment strategy)																				
Investment Strategy Risk – Tactical Asset Allocation				✓	✓															
Investment Strategy Risk – Blended Research Strategy																				
Investment Strategy Risk – Blended Research Predicted Tracking Error Strategy																				
Investment Strategy Risk – Low Volatility Strategy																				
Issuer Focus Risk		✓		✓	✓						✓	✓				✓	✓	✓		✓
Japan Risk																				
Large Shareholder Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Leveraging Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓

	Investment Strategies (continued from page A-15)																			
<i>Risks (continued from page A-15)</i>	<i>Municipal Short-Intermediate</i>	<i>Municipal State</i>	<i>Opportunistic Fixed Income</i>	<i>Prudent Capital</i>	<i>Prudent Wealth</i>	<i>Research Equity/Industry Neutral</i>	<i>Research U.S. Equity</i>	<i>Small Cap Growth</i>	<i>Small Cap Value</i>	<i>Special Value Trust Closed End</i>	<i>Technology</i>	<i>U.K. Equity</i>	<i>U.S. Core Fixed Income</i>	<i>U.S. Core High Yield</i>	<i>U.S. Credit</i>	<i>U.S. Government Fixed Income</i>	<i>U.S. Government Fixed Income Closed End</i>	<i>U.S. Inflation Adjusted Fixed Income</i>	<i>U.S. Intrinsic Value</i>	<i>U.S. REIT</i>
Leveraging Risk – Closed End Funds										✓							✓			
Liquidity Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Managed Distribution Plan Risk										✓							✓			
Market Discount/Premium Risk										✓							✓			
Mid Cap Risk																				
Municipal Risk	✓	✓																		
Prepayment/Extension Risk	✓	✓	✓	✓	✓					✓			✓	✓	✓	✓	✓	✓		
Real Estate-Related Investment Risk								✓												✓
Redemption Risk																				
Small to Medium Cap REIT Risk																				✓
Short Sales Risk											✓									
Small Cap Risk								✓	✓											
Small to Medium Cap Company Risk																				
Technology Concentration Risk											✓									
Temporary Defensive Strategy Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tender Option Bond Risk																				
Underlying Funds Risk																				
Utilities Concentration Risk																				
Value Company Risk								✓	✓											
When-Issued, Delayed Delivery and Forward Commitment Risk													✓			✓	✓			

	Investment Strategies (continued on page A-18)	
	U. S. Taxable Municipal	Utilities
<i>Risks (continued on page A-18)</i>		
Allocation Risk – Commodities		
Allocation Risk		
Asia Risk		
Commodity-Related Investments Risk		
Company-Specific Risk		✓
Counterparty and Third-Party Risk	✓	✓
Credit Risk	✓	✓
Credit and Market Risk		
Currency Risk		✓
Debt Market Risk	✓	✓
Derivatives Risk	✓	✓
Emerging Markets Risk		✓
Equity Market Risk		✓
European Market Risk		
Foreign Risk		✓
Focus Risk – Industry, Sector, Country, and Region Focus		
Focus Risk – Country and Region Focus		✓
Focus Risk –Municipal Mandates	✓	
Frequent Trading Risk	✓	✓
Growth Company Risk		

	Investment Strategies (continued from page A-17)	
Risks (continued from page A-17)	U. S. Taxable Municipal	Utilities
Inflation-Adjusted Debt Instruments Risk		
Infrastructure Concentration Risk		
Interest Rate Risk	✓	✓
Interest Rate Risk – Money Market		
Intrinsic Value Risk		
Investment Selection Risk (strategies that do not use quantitative models as part of principal investment strategy)	✓	✓
Investment Selection Risk (strategies that use quantitative models as part of principal investment strategy)		
Investment Strategy Risk – Tactical Asset Allocation		
Investment Strategy Risk – Blended Research Strategy		
Investment Strategy Risk – Blended Research Predicted Tracking Error Strategy		
Investment Strategy Risk – Low Volatility Strategy		
Issuer Focus Risk		✓
Japan Risk		
Large Shareholder Risk	✓	✓
Leveraging Risk	✓	✓

	Investment Strategies (continued from page A-18)	
<i>Risks (continued from page A-18)</i>	<i>U. S. Taxable Municipal</i>	<i>Utilities</i>
Leveraging Risk – Closed End Funds		
Liquidity Risk	✓	✓
Managed Distribution Plan Risk		
Market Discount/Premium Risk		
Mid Cap Risk		
Municipal Risk	✓	
Prepayment/Extension Risk	✓	
Real Estate-Related Investment Risk		
Redemption Risk		
Small to Medium Cap REIT Risk		
Short Sales Risk		
Small Cap Risk		
Small to Medium Cap Company Risk		
Technology Concentration Risk		
Temporary Defensive Strategy Risk	✓	✓
Tender Option Bond Risk		
Underlying Funds Risk		
Utilities Concentration Risk		✓
Value Company Risk		
When-Issued, Delayed Delivery and Forward Commitment Risk		



### Allocation Risk – Commodities

MFSI's assessment of the risk/return potential of commodity sectors and the resulting allocation among commodity sectors may not produce the intended results and/or can lead to an investment focus that results in the account underperforming other accounts with similar investment strategies and/or underperforming the markets in which the account invests.

### Allocation Risk

MFSI's assessment of the risk/return potential of asset classes, and the resulting allocation among asset classes, may not produce the intended results and/or can lead to an investment focus that results in the account underperforming other funds with similar investment strategies and/or underperforming the markets in which the account invests.

### Asia Risk

The economies of countries in Asia are in all stages of development. Many of the economies of countries in Asia are considered emerging market economies. Companies in Asia can be subject to risks such as nationalization, new or inconsistent government restrictions, or other forms of government interference, and certain Asian economies rely on only a few industries or commodities. Economic events in one country or group of countries within the Asian region can have significant economic effects on the entire Asian region because the economies of the region are intertwined. Furthermore, many of the Asian economies are often characterized by high levels of inflation, undeveloped financial service sectors, frequent currency fluctuations, devaluations, or restrictions, unstable employment rates, political and social instability, and less efficient markets. Certain countries in Asia restrict direct foreign investment in their securities markets, and investments in securities traded on those markets may be made, if at all, only indirectly. In addition, some Asian countries may impose limitations on the amount of investments that may be made by foreign investors and the repatriation of proceeds from those investments. The economies of many Asian countries are heavily dependent on international trade and can be adversely affected by trade barriers, exchange controls and other measures imposed or negotiated by the countries with which they trade. Furthermore, increased political and social unrest in some Asian countries and slower economic growth could cause further economic and market uncertainty and economic decline in the entire region in the event of economic sanctions or military conflicts. The economies of Asia are also vulnerable to effects of natural disasters occurring within the region, including droughts, floods, tsunamis, and earthquakes. The economic impact of natural disasters can be significant at both the country and company levels.

### Commodity-Related Investments Risk

The value of commodity-related investments may be more volatile than the value of equity securities or debt instruments and may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, currency fluctuations, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, geopolitical events, embargoes, tariffs and international economic, political and regulatory developments. The price of a commodity-related investment may be affected by demand/supply imbalances in the market for the commodity or by demand/supply disruptions in major producing regions and changes in transportation, handling, and storage costs. Certain commodities may be produced in a limited number of states or countries and may be controlled by a small number of producers or groups of producers. As a result, political, economic, and supply-related events in such states and countries could have a disproportionate impact on the prices of such commodities. These imbalances and/or disruptions may be significant due to the length of time required to alter the supply of some commodities in response to changes in demand. To the extent the

account focuses its investments in a particular asset of the commodities market (such as oil, metal, or agricultural products), the account will be more susceptible to risks associated with that particular asset.

#### Company-Specific Risk

Changes in the financial condition of a company or other issuer, changes in specific market, economic, industry, political, regulatory, geopolitical, environmental, public health and other conditions that affect a particular type of investment or issuer, and changes in general market, economic, political, regulatory, geopolitical, environmental, public health and other conditions can adversely affect the prices of investments. The value of an investment held by an account may decline due to factors directly related to the issuer of the investment, such as competitive pressures, cybersecurity incidents, financial leverage, historical and/or prospective earnings, management performance, labor and supply shortages, investor perceptions, and other factors. The prices of securities of smaller, less well-known issuers can be more volatile than the prices of securities of larger issuers or the market in general.

#### Counterparty and Third-Party Risk

Transactions involving a counterparty other than the issuer of the instrument, including clearing organizations, or a third party responsible for servicing the instrument or effecting the transaction, are subject to the credit risk of the counterparty or third party, and to the counterparty's or third party's ability or willingness to perform in accordance with the terms of the transaction. If a counterparty or third party fails to meet its contractual obligations, goes bankrupt or otherwise experiences a business interruption, the account could miss investment opportunities, lose value on its investments or otherwise hold investments it would prefer to sell, resulting in losses for the account.

#### Credit Risk

The price of a debt instrument depends, in part, on the issuer's or borrower's credit quality or ability to pay principal and interest when due. The price of a debt instrument is likely to fall if an issuer or borrower defaults on its obligation to pay principal or interest, if the instrument's credit rating is downgraded by a credit rating agency, or based on other changes in, or perceptions of, the financial condition of the issuer or borrower. For certain types of instruments, including derivatives, the price of the instrument depends in part on the credit quality of the counterparty to the transaction. For other types of debt instruments, including securitized instruments, the price of the debt instrument also depends on the credit quality and adequacy of the underlying assets or collateral as well as whether there is a security interest in the underlying assets or collateral. Enforcing rights, if any, against the underlying assets or collateral may be difficult.

Below investment grade quality debt instruments can involve a substantially greater risk of default or can already be in default, and their values can decline significantly over short periods of time. Below investment grade quality debt instruments are regarded as having predominantly speculative characteristics with respect to capacity to pay interest and principal. Below investment grade quality debt instruments tend to be more sensitive to adverse news about the issuer, or the market or economy in general, than higher quality debt instruments. The market for below investment grade quality debt instruments can be less liquid, especially during periods of recession or general market decline.

Government securities not supported as to the payment of principal or interest by the full faith and credit of a government are subject to greater credit risk than are government securities supported by the full faith and credit of the government. The credit quality of, and the ability to pay principal and interest when due by, an issuer of a municipal instrument depends on the credit quality of the entity supporting the municipal instrument, how essential any services supported by the municipal instrument are, the

sufficiency of any revenues or taxes that support the municipal instrument, and/or the willingness or ability of the appropriate government entity to approve any appropriations necessary to support the municipal instrument. In addition, the price of a municipal instrument also depends on its credit quality and ability to meet the credit support obligations of any insurer or other entity providing credit support to a municipal instrument.

#### Credit and Market Risk

The value of a money market instrument depends on the credit quality of the issuer, borrower, counterparty, or other entity responsible for payment. The value of a money market instrument can also decline in response to changes in, or perceptions of, the financial condition of the issuer or borrower, changes in, or perceptions of, specific market, economic, industry, political, regulatory, geopolitical, environmental, public health, and other conditions that affect a particular type of instrument, issuer, or borrower, and changes in, or perceptions of, general market, economic, industry, political, regulatory, geopolitical, environmental, public health, and other conditions.

#### Currency Risk

Changes in currency exchange rates can significantly impact the financial condition of a company or other issuer with exposure to multiple countries. In addition, a decline in the value of a foreign currency relative to the U.S. dollar reduces the value of the foreign currency and investments denominated in that currency. The use of foreign exchange contracts to reduce foreign currency exposure will not completely eliminate the exposure to foreign currency movements. In addition, the use of foreign exchange contracts to reduce foreign currency exposure can eliminate some or all of the benefit of an increase in the value of a foreign currency versus the U.S. dollar. Suitable currency hedging transactions may not be available in all circumstances and there can be no assurance that the account will engage in such transactions at any given time or from time to time. The value of foreign currencies relative to the U.S. dollar fluctuates in response to, among other factors, interest rate changes, intervention (or failure to intervene) by the U.S. or foreign governments, central banks, or supranational entities such as the International Monetary Fund, the imposition of currency controls, and other political or regulatory conditions in the U.S. or abroad. Foreign currency values can decrease significantly both in the short term and over the long term in response to these and other conditions.

#### Debt Market Risk

Debt markets can be volatile and can decline significantly in response to changes in, or investor perceptions of, issuer, market, economic, industry, political, regulatory, geopolitical, environmental, public health and other conditions. These conditions can affect a single instrument, issuer, or borrower, a particular type of instrument, issuer, or borrower, a segment of the debt markets, or debt markets generally. Certain changes or events, such as political, social or economic developments, including increasing and negative interest rates; or the U.S. government's inability at times to agree on a long-term budget and deficit reduction plan (which has in the past resulted and may in the future result in a government shutdown); market closures and/or trading halts; government or regulatory actions, including the imposition of tariffs or other protectionist actions and changes in fiscal, monetary or tax politics; changes in inflation rates; natural disasters; outbreaks of pandemic or epidemic diseases; terrorist attacks; war; and other geopolitical changes or events can have a dramatic adverse effect on debt markets and may lead to periods of high volatility and reduced liquidity in a debt market or segment of a debt market.

Certain of an account's investments may be based on reference interest rates, such as the London Interbank Offered Rate ("LIBOR"). In 2017, the regulatory authority that oversees financial services firms in the U.K. announced plans to transition away from LIBOR by the end of 2021. In March 2021, the administrator of LIBOR announced the extension of the publication of the more commonly used U.S. dollar LIBOR settings to the end of June 2023. Regulators and industry groups have been planning for the transition away from LIBOR to alternative reference rates and are in the process of implementing measures intended to facilitate this transition. However, there remains uncertainty regarding the transition from LIBOR to these alternative reference rates and the potential effects of the transition from LIBOR on an account, or on certain instruments in which the account invests, are not known. The transition from LIBOR may involve, among other things, increased volatility or illiquidity in markets for instruments that currently rely on LIBOR to determine interest rates. Any such effects of the transition away from LIBOR and the adoption of alternative reference rates, as well as other unforeseen effects, could have an adverse impact on an account's performance.

#### Derivatives Risk

Where permitted by an investment advisory agreement and/or the Offering Documents, an account pursuing any of the investment strategies set forth in the chart at the beginning of this Appendix A can trade derivatives, although not all will do so regularly. Derivatives can be highly volatile and involve risks in addition to, and potentially greater than, the risks of the underlying indicator(s). Gains or losses from derivatives can be substantially greater than the derivatives' original cost and can sometimes be unlimited. Derivatives can involve leverage. Derivatives can be complex instruments and can involve analysis and processing that differs from that required for other investment types used by an account. If the value of a derivative does not change as expected relative to the value of the market or other indicator to which the derivative is intended to provide exposure, the derivative may not have the effect intended. Derivatives can also reduce the opportunity for gains or result in losses by offsetting positive returns in other investments. Derivatives can be less liquid than other types of investments. Derivatives are also subject to the credit risk of the counterparty, as described in more detail above.

#### Emerging Markets Risk

Investments tied economically to emerging markets, especially frontier markets (*i.e.*, emerging markets that are early in their development), can involve additional and greater risks than the risks associated with investment in developed market securities. Emerging markets typically have less developed economies and markets, greater custody and operational risk, less developed legal, regulatory, and accounting systems, less trading volume, less stringent investor protection and disclosure standards, less reliable settlement practices, greater government involvement in the economy, and greater risk of new or inconsistent government treatment of or restrictions on issuers and instruments than developed countries. Financial and other disclosures by emerging market issuers may be considerably less reliable than disclosures made by issuers in developed markets. In addition, the Public Company Accounting Oversight Board, which regulates auditors of U.S. public companies, may be unable to inspect audit work papers in certain emerging market countries. Emerging markets can also be subject to greater political, social, geopolitical, and economic instability, and more susceptible to environmental problems. In addition, many emerging market countries with less established health care systems have experienced outbreaks of pandemic or contagious diseases from time to time. These factors can make emerging market investments more volatile and less liquid than investments in developed markets.

### Equity Market Risk

Equity markets can be volatile and can decline significantly in response to changes in, or investor perceptions of, issuer, market, economic, industry, political, regulatory, geopolitical, environmental, public health and other conditions. These conditions can affect a single issuer or type of security, issuers within a broad market sector, industry or geographic region, or the equity markets in general. Different parts of the market and different types of securities can react differently to these conditions. For example, the stocks of growth companies can react differently from the stocks of value companies, and the stocks of large cap companies can react differently from the stocks of small cap companies. Certain changes or events, such as political, social, or economic developments, including increasing or negative interest rates; or the U.S. government's inability at times to agree on a long-term budget and deficit reduction plan (which has in the past and may in the future result in a government shutdown); market closures and/or trading halts; government or regulatory actions, including the imposition of tariffs or other protectionist actions and changes in fiscal, monetary or tax policies; changes in inflation rates; natural disasters; outbreaks of pandemic or epidemic diseases; terrorist attacks; war; and other geopolitical changes or events, can have a dramatic adverse effect on equity markets and may lead to periods of high volatility in an equity market or a segment of an equity market.

### European Market Risk

Europe includes both developed and emerging markets. Most developed countries in Western Europe are members of the EU, and many are also members of the European Economic and Monetary Union ("EMU"). European countries can be significantly affected by the tight fiscal and monetary controls with which EU members and candidates for EMU membership are required to comply. In addition, the private and public sectors' debt problems of a single EU country can pose economic risks to the EU as a whole. Unemployment in Europe has historically been higher than in the United States, public deficits are an ongoing concern in many European countries, the region is facing significant political and economic uncertainty, and many European economies are experiencing slow economic growth or recession. European countries can be significantly affected by the deficit and budget issues of several EMU members and the associated political uncertainties. Eastern European countries generally continue to move toward developed market economies. However, their markets remain relatively undeveloped and can be particularly sensitive to social, political, and economic developments.

The EU faces challenges related to member states seeking to change their relationship with the EU, exemplified by the United Kingdom's withdrawal from the EU in 2020 (an event commonly referred to as "Brexit"). There can be considerable uncertainty as to the terms and consequences of one or more member states seeking to change their relationship with the EU. Among other things, a member state's decision to leave the EU could result in increased market volatility and illiquidity. Companies with a significant amount of business in a member state or Europe may experience lower revenue and/or profit growth, which could adversely affect the value of an account's investments. In addition, uncertainty regarding any member state's exit from the EU may lead to instability in the foreign exchange markets, including volatility in the value of the Euro. Any further exits from the EU, or the possibility of such exits, or the abandonment of the Euro, may cause additional market disruption globally and introduce new legal and regulatory uncertainties.

### Foreign Risk

Investments in securities of foreign issuers, securities of companies with significant foreign exposure, and investments in foreign currencies can involve additional risks relating to market, economic, industry, political, regulatory, geopolitical, environmental, public health and other conditions. Political, social,

diplomatic and economic developments, U.S. and foreign government action (or the threat thereof), such as the imposition of currency or capital blockages, controls or tariffs, economic and trade sanctions or embargoes, security trading suspensions, entering or exiting trade or other intergovernmental agreements, or the expropriation or nationalization of assets in a particular country, can cause dramatic declines in certain or all securities with exposure to that country and other countries. In the event of nationalization, expropriation confiscation, or other government action, intervention, or restriction, the account could lose its entire investment in a particular foreign issuer or country. Economies and financial markets are interconnected, which increases the likelihood that conditions in one country or region can adversely impact issuers in different countries or regions. Less stringent regulatory, accounting, auditing and disclosure requirements for issuers and markets are more common in certain foreign countries. Enforcing legal rights can be difficult, costly, and slow in certain foreign countries and with respect to certain types of investments, can be particularly difficult against foreign governments. Changes in currency exchange rates can significantly impact the financial condition of a company or other issuer with exposure to multiple countries as well as affect the U.S. dollar value of foreign currency investments and investments denominated in foreign currencies. Additional risks of foreign investments include trading, settlement, custodial, and other operational risks, and withholding and other taxes. These factors can make foreign investments, especially those tied economically to emerging markets, more volatile and less liquid than U.S. investments. In addition, foreign markets can react differently to market, economic, industry, political, regulatory, geopolitical, environmental, public health and other conditions than the U.S. market.

In February 2022, Russia commenced a large-scale military attack on Ukraine. The outbreak of hostilities between the two countries could result in more widespread conflict and could have a severe adverse effect on the regional and the global financial markets and economies. In addition, sanctions imposed on Russia, Russian individuals, including politicians, and Russian corporate and banking entities by the U.S. and other countries, and any sanctions imposed in the future, will likely have a significant adverse impact on the Russian economy and related markets. Such actions may also result in a decline in the value and liquidity of Russian securities and a weakening of the ruble, and will impair an account's ability to buy, sell, receive or deliver Russian securities. In addition, securities market trading halts related to the conflict could adversely impact the value and liquidity of an account's holdings and could impair an account's ability to transact in and/or value portfolio securities. The ramifications of the conflict and related sanctions may negatively impact other regional and global financial markets (including Europe, Asia, and the U.S.), companies in other countries (including those that have done business in Russia), and various sectors, industries and markets for securities and commodities, such as oil and natural gas. The price and liquidity of an account's investments may fluctuate widely as a result of the conflict and related events. The extent and duration of the military conflict or future escalation of such hostilities (including cyberattacks), the extent and impact of existing and future sanctions, market disruptions, and volatility, and the result of any diplomatic negotiations cannot be predicted. These and any related events could have a significant adverse impact on an account's performance and the value of an account.

#### Focus Risk – Industry, Sector, Country and Region Focus

Issuers in a single industry, sector, country or region can react similarly to market, currency, economic, political, regulatory, geopolitical, environmental, public health and other conditions. These conditions include business environment changes; economic factors such as fiscal, monetary, and tax policies; inflation and unemployment rates; and government and regulatory changes. An account's performance will be affected by the conditions in the industries, sectors, countries and regions to which the account is exposed. The more concentrated an account is in a certain industry, sector, country or region, the greater the risk.

### Focus Risk – Country and Region Focus

Issuers in a single country or region can react similarly to market, currency, economic, political, regulatory, geopolitical, environmental, public health and other conditions. These conditions include business environment changes; economic factors such as fiscal, monetary and tax policies; inflation and unemployment rates; and government and regulatory changes. An account's performance will be affected by the conditions in the countries or regions to which the account is exposed. The more concentrated an account is in a certain country or region, the greater the risk.

### Focus Risk –Municipal Mandates

An account's performance will be closely tied to the issuer, market, economic, industry, political, regulatory, geopolitical, environmental, public health and other conditions in the states, territories, and possessions of the U.S. in which the account's assets are invested. These conditions include constitutional or statutory limits on an issuer's ability to raise revenues or increase taxes, anticipated or actual budget deficits or other financial difficulties, or changes in the credit quality of municipal issuers in such states, territories, and possessions. If a significant percentage of the account's assets is invested in a single state, territory, or possession, or a small number of states, territories, or possessions, these conditions will have a significant impact on the account's performance and the account's performance may be more volatile than the performance of more geographically-diversified accounts. A prolonged increase in unemployment or a significant decline in the local and/or national economies, could result in decreased tax revenues. A significant decline in the fiscal and economic conditions in Puerto Rico, the U.S. Virgin Islands, and Guam, such as the economic downturn caused by the COVID-19 pandemic and the costs associated with combatting the pandemic, could result in decreased tax revenues and could significantly affect the price of municipal instruments for these U.S. territories.

### Frequent Trading Risk

MFSI can engage in active and frequent trading in pursuing an account's principal investment strategies. Frequent trading increases transaction costs, which can reduce the account's return. Frequent trading can also increase the possibility of capital gain and ordinary distributions. Frequent trading can also result in the realization of a higher percentage of short-term capital gains and a lower percentage of long-term capital gains as compared to an account that trades less frequently. Because short-term capital gains are distributed as ordinary income, this would generally increase a taxable client's tax liability unless the client holds shares through a tax-advantaged or tax-exempt vehicle.

### Growth Company Risk

The stocks of growth companies can be more sensitive to the companies' earnings and more volatile than the market in general.

### Inflation-Adjusted Debt Instruments Risk

Interest payments on inflation-adjusted debt instruments can be unpredictable and vary based on the level of inflation. If inflation is negative, principal and income both can decline. In addition, the measure of inflation used may not correspond to the actual rate of inflation experienced by a particular individual.

### Infrastructure Concentration Risk

The account's performance will be closely tied to performance of companies in the infrastructure sector. Companies in a single sector can react similarly to market, economic, industry, political, regulatory,

geopolitical, environmental, public health and other conditions. As a result, the account's performance can be more volatile than the performance of more broadly diversified accounts.

The performance of companies in the infrastructure sector can be volatile due to changes in interest rates, political factors that drive procurement decisions by public entities, environmental regulation, regulatory determination of prices and services provided, the effects of broader economic slowdowns, and changes in the cost of energy, among other factors.

#### Interest Rate Risk

The price of a debt instrument typically changes in response to interest rate changes. Interest rates can change in response to the supply and demand for credit, government and/or central bank monetary policy and action, inflation rates, general economic and market conditions and other factors. In general, the price of a debt instrument falls when interest rates rise and rises when interest rates fall. The current period of historically low interest rates may heighten the risks associated with rising interest rates because there may be a greater likelihood of interest rates increasing and interest rates may increase rapidly. Interest rate risk is generally greater for fixed-rate instruments than floating-rate instruments and for instruments with longer maturities or durations, or that do not pay current interest. In addition, short-term and long-term interest rates and interest rates in different countries do not necessarily move in the same direction or by the same amount. An instrument's reaction to interest rate changes depends on the timing of its interest and principal payments and the current interest rate for each of those time periods. The price of an instrument trading at a negative interest rate responds to interest rate changes like other debt instruments; however, an instrument purchased at a negative interest rate is expected to produce a negative return if held to maturity. Inflation-adjusted debt instruments tend to react to changes in "real" interest rates. "Real" interest rates represent nominal interest rates reduced by the inflation rate. Fluctuations in the market price of fixed-rate instruments held by an account may not affect interest income derived from those instruments, but may nonetheless affect the account's share price, especially if an instrument has a longer maturity or duration and is therefore more sensitive to changes in interest rates.

Interest payments on inflation-adjusted debt instruments can be unpredictable and vary based on the level of inflation. If inflation is negative, principal and income both can decline. In addition, the measure of inflation used may not correspond to the actual rate of inflation experienced by a particular individual.

#### Interest Rate Risk – Money Market

In general, the price of a money market instrument falls when interest rates rise and rises when interest rates fall. A major or unexpected increase in interest rates could cause the account's share price to decrease to below \$1.00 per share. The account may face a heightened level of interest rate risk due to changes in monetary policy. When interest rates go down, the account's yield may decline. Also, when interest rates decline, the account's investments may pay a lower interest rate, which would reduce the income received by the account. A low or negative interest rate environment may prevent the account from providing a positive yield and could impair the account's ability to maintain a stable \$1.00 per share. In recent years, the U.S. has experienced historically low interest rates, increasing the exposure of money market instruments to the risks associated with rising interest rates.

#### Intrinsic Value Risk

The stocks of companies that MFSI believes are undervalued compared to their intrinsic value can continue to be undervalued for long periods of time, may not realize their expected value, and can be volatile.



Investment Selection Risk (investment strategies that do not use quantitative models as part of principal investment strategy)

MFSI's investment analysis and its selection of investments will not always produce the intended results and/or can lead to an investment focus that results in the account underperforming other accounts with similar investment strategies and/or underperforming the markets in which the account invests. In addition, MFSI or an account's other service providers may experience disruptions or operating errors that could negatively impact the account.

Investment Selection Risk (investment strategies that use quantitative models as part of principal investment strategy)

MFSI's investment analysis, its development and use of quantitative models, and its selection of investments will not always produce the intended results and/or can lead to an investment focus that results in the account underperforming other accounts with similar investment strategies and/or underperforming the markets in which the account invests. The quantitative models used by MFSI (both proprietary and third party) may not produce the intended results for a variety of reasons, including: the factors used in the models, the weight placed on each factor in the models, changes from the market factors' historical trends, changing sources of market return or market risk, and technical issues in the design, development, application, implementation, and maintenance of the models (*e.g.*, incomplete, stale or inaccurate data, programming or other software issues, coding errors and technology failures). In addition, MFSI or an account's other service providers may experience disruptions or operating errors that could negatively impact the account.

Investment Strategy Risk - Blended Research Predicted Tracking Error Strategy

There is no assurance that the predicted tracking error of an account managed in this investment strategy will equal its target predicted tracking error at any point in time or consistently for any period of time, or that an account's predicted tracking error and actual tracking error will be similar. An account's investment strategy to target a predicted tracking error compared to the account's index and to blend fundamental and quantitative research might not produce the intended results. In addition, MFSI fundamental research is not available for all issuers.

Investment Strategy Risk – Blended Research Strategy

An account's investment strategy to blend fundamental and quantitative research may not produce the intended results. In addition, MFSI fundamental research is not available for all issuers.

Investment Strategy Risk – Low Volatility Strategy

There is no assurance that an account managed in this investment strategy will be less volatile than the account's index over the long term or for any year or period of years. An account's investment strategy to invest in equity securities with historically lower volatility may not produce the intended results if, in general, the historical volatility of an equity security is not a good predictor of the future volatility of that equity security, and/or if the specific equity securities held by the account become more volatile than expected. In addition, an account's investment strategy to blend fundamental and quantitative research might not produce the intended results, and MFSI fundamental research is not available for all issuers. It is expected that an account managed in this investment strategy will generally underperform the equity markets during strong, rising equity markets.

### Investment Strategy Risk – Tactical Asset Allocation

There is no assurance that the account will have lower volatility than that of the overall equity market, over the long term or for any year or period of years. The account's investment strategy to manage its exposure to asset classes, markets, and/or currencies may not produce the intended results. It is expected that the account will generally underperform the equity markets during periods of strong, rising equity markets.

### Issuer Focus Risk

If an account invests a significant percentage of the account's assets in a single issuer or small number of issuers, the account's performance will be affected by economic, industry, political, regulatory, geopolitical, environmental, public health and other conditions that impact that one issuer or those issuers, could be closely tied to the value of that issuer or those issuers, and could be more volatile than the performance of more diversified accounts.

### Japan Risk

The Japanese economy at times has been characterized by government intervention and protectionism, an aging demographic, declining population, and an unstable financial services sector. International trade, particularly with the United States, government support of the financial services sector and other troubled sectors, natural disasters, and geopolitical developments can significantly affect Japan's economic growth. Since a significant portion of Japan's trade is conducted with developing nations, many of which are in East and Southeast Asia, it can be affected by currency fluctuations and other conditions in these other countries.

### Large Shareholder Risk

From time to time, shareholders of a pooled vehicle (which may include institutional investors, financial intermediaries or other MFS Global Funds) may make relatively large redemptions or purchases of account shares. These transactions may cause the pooled vehicle to sell securities or invest additional cash, as the case may be, at disadvantageous prices. While it is impossible to predict the overall impact of these transactions over time, there could be adverse effects on the pooled vehicle's performance to the extent that the pooled vehicle may be required to sell securities or invest cash at times it would not otherwise do so. Redemptions of a large number of shares also may increase transaction and other costs or have adverse tax consequences for shareholders of the pooled vehicle by requiring a sale of account securities. In addition, a large redemption could result in the pooled vehicle's current expenses being allocated over a smaller asset base, leading to an increase in the pooled vehicle's expense ratio. Purchases of a large number of shares may adversely affect the account's performance to the extent that it takes time to invest new cash and the account maintains a larger cash position than it ordinarily would.

### Leveraging Risk

Certain transactions and investment strategies (including derivatives) can result in leverage. Leverage involves investment exposure in an amount exceeding the initial investment. In transactions involving leverage, a relatively small change in an underlying indicator can lead to significantly larger losses to an account. Leverage can cause increased volatility by magnifying gains or losses. Accounts employing leverage could be subject to losses in excess of the account's value.

### Leveraging Risk – Closed End Fund

If the account utilizes investment leverage, there can be no assurance that such a leveraging strategy will be successful during any period in which it is employed. The use of leverage is a speculative investment technique that results in greater volatility in the account's net asset value. To the extent that investments are purchased with the proceeds from the borrowings from a bank, the issuance of preferred shares, or the creation of tender option bonds, the account's net asset value will increase or decrease at a greater rate than a comparable leveraged account. If the investment income or gains earned from the investments purchased with the proceeds from the borrowings from a bank, the issuance of preferred shares, or the creation of tender option bonds, fails to cover the expenses of leveraging, the account's net asset value is likely to decrease more quickly than if the account was not leveraged. In addition, the account's distributions could be reduced. The account may be required to sell a portion of its investments at a time when it may be disadvantageous to do so in order to redeem preferred shares or to reduce outstanding indebtedness to comply with regulatory and/or other requirements. The account may be prohibited from declaring and paying common share dividends and distributions if the account fails to satisfy regulatory and/or other asset coverage requirements. In these situations, the account may choose to repurchase or redeem any outstanding leverage to the extent necessary in order to maintain compliance with such asset coverage requirements. Certain transactions and investment strategies (including derivatives) can result in leverage. Because movements in an account's share price generally correlate over time with the account's net asset value, the market price of a leveraged account will also tend to be more volatile than that of a comparable unleveraged account.

### Liquidity Risk

Certain investments and types of investments are subject to restrictions on resale, may trade in the over-the-counter market, or may not have an active trading market due to adverse market, economic, industry, political, regulatory, geopolitical, environmental, public health and other conditions, including investors trying to sell large quantities of a particular investment or type of investment, or lack of market makers or other buyers for a particular investment or type of investment. At times, all or a significant portion of a market may not have an active trading market. Without an active trading market, it may be difficult to value, and it may not be possible to sell these investments and the account could miss other investment opportunities and hold investments it would prefer to sell, resulting in losses for the account. In addition, the account may have to sell certain investments at prices or times that are not advantageous in order to meet redemptions or other cash needs, which could result in dilution of remaining investors' interests in the account. The prices of illiquid securities may be more volatile than more liquid investments.

MFSI may not be able to sell or close all holdings when an Institutional Client terminates its account. When this occurs, the Institutional Client may be required to take investment responsibility over the holdings MFSI was not able to liquidate and/or use a third party to take investment responsibility or liquidate the holdings.

### Managed Distribution Plan Risk

The account may not be able to maintain a monthly distribution at an annual fixed rate due to many factors, including but not limited to, changes in market returns, fluctuations in market interest rates, and other factors. If income from the account's investments is less than the amount needed to make a monthly distribution, the account may distribute a return of capital to pay the distribution. In certain cases, the account may sell investments at less opportune times in order to pay such distribution. Distributions that are treated as tax return of capital will have the effect of reducing the account's assets and could increase the account's expense ratio. If a portion of the account's distributions represent

returns of capital over extended periods, the account's assets may be reduced over time to levels where the account is no longer viable and might be liquidated.

#### Market Discount/Premium Risk

The market price of common shares of the account will be based on factors such as the supply and demand for common shares in the market and general market, economic, industry, political, regulatory or other conditions. Whether shareholders will realize gains or losses upon the sale of common shares of the account will depend on the market price of common shares at the time of the sale, not on the account's net asset value. The market price may be lower or higher than the account's net asset value. Shares of closed-end funds frequently trade at a discount to their net asset value.

#### Mid Cap Risk

The stocks of mid cap companies can be more volatile than stocks of larger companies due to limited product lines, financial and management resources, and market and distribution channels. Their shares can be less liquid than those of larger companies, especially during market declines.

#### Municipal Risk

The price of a municipal instrument can be volatile and significantly affected by adverse tax changes or court rulings, legislative or political changes, market and economic conditions and developments, issuer, industry-specific and other conditions, including as the result of events that cannot be reasonably anticipated or controlled such as social conflict or unrest, labor disruption and natural disasters. Municipal instruments can be less liquid than other types of investments and there may be less publicly available information about the issuers of municipal instruments compared to other issuers. If the Internal Revenue Service or a state taxing authority determines that an issuer of a municipal instrument has not complied with applicable tax requirements, interest from the instrument could become taxable (including retroactively) and the instrument could decline significantly in price. Because many municipal instruments are issued to finance similar projects, especially those relating to education, health care, housing, utilities, and water and sewer, conditions in these industries can significantly affect the account and the overall municipal market. In addition, changes in the financial condition of an individual municipal insurer can affect the overall municipal market.

Municipal instruments may be more susceptible to downgrades or defaults during economic downturns or similar periods of economic stress, which in turn could affect the market values and marketability of many or all municipal obligations of issuers in a state, U.S. territory, or possession. For example, the COVID-19 pandemic has significantly stressed the financial resources of many municipal issuers, which may impair a municipal issuer's ability to meet its financial obligations when due and may adversely impact the value of its bonds, which could negatively impact the performance of an account. Factors contributing to the economic stress on municipal issuers may include an increase in expenses associated with combatting the COVID-19 pandemic and a decrease in revenues supporting the issuer's bonds due to factors such as lower sales tax revenue as a result of decreased consumer spending, lower income tax revenue due to higher unemployment, and a decrease in the value of collateral backing revenue bonds due to closures and/or curtailment of services and/or changes in consumer behavior. In light of the uncertainty surrounding the magnitude, duration, reach, costs and effects of the COVID-19 pandemic, as well as actions that have been or could be taken by governmental authorities or other third parties, it is difficult to predict the level of financial stress and duration of such stress municipal issuers may experience.

### Prepayment/Extension Risk

Many types of debt instruments, including mortgage-backed securities, commercial mortgage-backed securities, securitized instruments, certain corporate bonds, and municipal housing bonds, and certain derivatives, are subject to the risk of prepayment and/or extension. Prepayment occurs when unscheduled payments of principal are made or the instrument is called or redeemed prior to an instrument's maturity. When interest rates decline, the instrument is called, or for other reasons, these debt instruments may be repaid more quickly than expected. As a result, the holder of the debt instrument may not be able to reinvest the proceeds at the same interest rate or on the same terms, reducing the potential for gain. When interest rates increase or for other reasons, these debt instruments may be repaid more slowly than expected, increasing the potential for loss. In addition, prepayment rates are difficult to predict and the potential impact of prepayment on the price of a debt instrument depends on the terms of the instrument.

### Real Estate-Related Investment Risk

The risks of investing in real estate-related investments, including real estate investment trusts (companies that own, and in many cases operate, income-producing real estate or real estate-related assets) ("REITs"), include certain risks associated with the direct ownership of real estate and the real estate industry in general. These include risks related to general, regional and local economic conditions; difficulties in valuing and disposing of real estate; fluctuations in interest rates and property tax rates; shifts in zoning laws, environmental regulations and other governmental action; cash flow dependency; increased operating expenses; lack of availability of mortgage funds; losses due to natural disasters; overbuilding; losses due to casualty or condemnation; changes in property values and rental rates; the management skill and creditworthiness of the REIT manager; and other factors. The real estate sector is particularly sensitive to economic downturns. Investments in real estate-related investments may be negatively affected by the COVID-19 pandemic. Potential impacts of the pandemic on the real estate sector include lower occupancy rates, decreased lease payments, defaults, and foreclosures, among other consequences. In addition, REITs may have limited diversification because they invest in a limited number of properties, a narrow geographic area, or a single type of property.

### Redemption Risk

Large or frequent redemptions could cause an account's share price to decrease below \$1.00 per share.

### Small to Medium Cap REIT Risk

Many real estate investment trusts (companies that own, and in many cases operate, income-producing real estate or real estate-related assets) ("REITs"), entities similar to REITs formed under the laws of non-U.S. countries, and other real estate-related issuers tend to be small- to medium-sized issuers in relation to the equity markets as a whole. The securities of small and medium-sized real estate-related issuers may experience more price volatility, be less liquid, and have more limited financial resources than larger issuers.

### Short Sales Risk

A security sold short is closed out at a loss if the price of the security sold short increases between the time of the short sale and closing out the short position. It may not be possible to close out a short position at any particular time or at an acceptable price. Short sales can involve leverage. Investing the proceeds from short sale positions in other securities subjects an account to the risks of the securities purchased

with the proceeds in addition to the risks of the securities sold short. Short sales expose an account to the potential for losses in excess of the account's value.

#### Small Cap Risk

The stocks of small cap companies can be more volatile than the stocks of larger companies due to limited product lines, financial and management resources, market and distribution channels. Small cap companies often have shorter operating histories and more limited publicly available information than larger, well-established companies. Their shares can be less liquid than those of larger companies, especially during market declines.

#### Small to Medium Cap Company Risk

The stocks of small to medium cap companies can be more volatile than the stocks of larger companies due to limited product lines, financial and management resources, and market and distribution channels. Small to medium cap companies often have shorter operating histories than larger, well-established companies. Their shares can be less liquid than those of larger companies, especially during market declines.

#### Technology Concentration Risk

The account's performance will be closely tied to the performance of issuers in a limited number of industries. Companies in a single industry can react similarly to market, economic, industry, political, regulatory, geopolitical, environmental, public health and other conditions. As a result, the account's performance can be more volatile than the performance of more broadly diversified accounts.

The prices of stocks in the technology sector can be very volatile, especially over the short term, due to the rapid pace of product change and technological developments. Issuers in the technology sector are subject to significant competitive pressures, such as new market entrants, short product cycles, competition for market share, and falling prices and profits. Issuers doing business in the technology area also face the risk that new services, equipment, or technologies will not be commercially successful, or will rapidly become obsolete. Issuers in the technology sector may also be adversely affected by new government regulation, dependency on patent protection, and changing consumer preferences.

#### Temporary Defensive Strategy Risk

In response to adverse market, economic, industry, political, or other conditions, MFSI may depart from an account's principal investment strategy by temporarily investing for defensive purposes. When MFSI invests defensively, different factors could affect the account's performance and the account may not achieve its investment objective. In addition, the defensive strategy may not work as intended.

#### Tender Option Bond Risk

The underlying municipal instruments held by a special purpose trust are sold or distributed in-kind by the trustee if specified events occur, such as a downgrade in the rating of the underlying municipal instruments, a specified decline in the value of the underlying municipal instruments, a failed remarketing of the floating rate certificates, the bankruptcy of the issuer of the underlying municipal instruments and, if the municipal instruments are insured, of both the issuer and the insurer, and the failure of the liquidity provider to pay in accordance with the trust agreement. In the event the trustee sells or distributes in-kind the underlying municipal instruments to pay amounts owed to the floating rate certificate holders, with the remaining amount paid to the inverse floater holders, the account's leverage will be reduced.

### Underlying Funds Risk

MFS' strategy of investing in underlying funds exposes the account to the risks of the underlying funds. Each underlying fund pursues its own investment objective and strategies and may not achieve its objective. In addition, shareholders of the account will indirectly bear the fees and expenses of the underlying funds.

### Utilities Concentration Risk

The account's performance will be closely tied to the performance of issuers in a limited number of industries. Issuers in a single industry can react similarly to market, economic, industry, political, regulatory, geopolitical, environmental and other conditions. As a result, the account's performance could be more volatile than the performance of more broadly diversified accounts.

Issuers in the utilities sector are subject to many risks, including the following: increase in fuel and other operating costs; restrictions on operations, increased costs, and delays as a result of environmental and safety regulations; coping with the impact of energy conservation and other factors reducing the demand for services; technological innovations that may render existing plans, equipment or products obsolete; the potential impact of natural or man-made disasters; difficulty in obtaining adequate returns on invested capital; difficulty in obtaining approval of rate increases; the high cost of obtaining financing, particularly during periods of inflation; increased competition resulting from deregulation, overcapacity, and pricing pressures; commodity price fluctuations; and the negative impact of regulation.

Issuers doing business in the telecommunications area are subject to many risks, including the negative impact of regulation, a competitive marketplace, difficulty in obtaining financing, rapid obsolescence, and agreements linking future rate increases to inflation or other factors not directly related to the active operating profits of the issuer.

### Value Company Risk

The stocks of value companies can continue to be undervalued for long periods of time and not realize their expected value and can be more volatile than the market in general.

### When-Issued, Delayed Delivery, and Forward Commitment Transaction Risk

When-issued, delayed delivery, and forward commitment transactions include purchases and sales of mortgage-backed securities in the to be announced (TBA) market. The purchaser in a when-issued, delayed delivery or forward commitment transaction, including assumes the rights and risk of ownership, including the risks of price and yield fluctuations and the risk that the security will not be issued or delivered as anticipated, and the seller loses the opportunity to benefit if the price of the security rises. When-issued, delayed delivery and forward commitment transactions can involve leverage. When-issued, delayed delivery and forward commitment transactions may significantly increase and account's portfolio turnover rate.

## ***Appendix B – Privacy Policy***



**FACTS****WHAT DOES MFS DO WITH YOUR PERSONAL INFORMATION?****Why?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

**What?**

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and account balances
- Account transactions and transaction history
- Checking account information and wire transfer instructions

When you are *no longer* our customer, we continue to share your information as described in this notice.

**How?**

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons MFS chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does MFS share?	Can you limit this sharing?
<b>For our everyday business purposes</b> —such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> —to offer our products and services to you	No	We don't share
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes</b> —information about your transactions and experiences	No	We don't share
<b>For our affiliates' everyday business purposes</b> —information about your creditworthiness	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

**Questions?**

Call **800-225-2606** or go to **mfs.com**.

## Who we are

<b>Who is providing this notice?</b>	MFS Funds, MFS Investment Management, MFS Institutional Advisors, Inc., and MFS Heritage Trust Company.
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## What we do

<b>How does MFS protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include procedural, electronic, and physical safeguards for the protection of the personal information we collect about you.
<b>How does MFS collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>▪ open an account or provide account information</li> <li>▪ direct us to buy securities or direct us to sell your securities</li> <li>▪ make a wire transfer</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>▪ sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>▪ affiliates from using your information to market to you</li> <li>▪ sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>

## Definitions

<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>▪ <i>MFS does not share personal information with affiliates, except for everyday business purposes as described on page one of this notice.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>▪ <i>MFS does not share with nonaffiliates so they can market to you.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>▪ <i>MFS doesn't jointly market.</i></li> </ul>

## Other important information

If you own an MFS product or receive an MFS service in the name of a third party such as a bank or broker-dealer, their privacy policy may apply to you instead of ours.

The information below is provided for clients subject to ERISA

**ERISA Section 408(b)(2) Fee Disclosure and  
Form 5500 Schedule C Information**

**MFS Institutional Advisors, Inc. (“MFSI”)**

**INTRODUCTION**

As you may know, U.S. Department of Labor regulations under Section 408(b)(2) of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), require covered service providers, including certain investment advisers, to provide written compensation disclosure to certain ERISA-covered retirement plans (“**Plans**”) in relation to the services provided to them. This is a one-time disclosure, unless notice is required due to material changes. In this notice, we will refer to those regulations as the “**Section 408(b)(2) Regulations**”. In addition, Plan sponsors filing a Form 5500 Schedule C are required to report certain direct and indirect compensation paid with respect to a Plan. Please note that the Section 408(b)(2) Regulations and Form 5500 Schedule C requirements do not apply to SEP IRAs, SIMPLE IRAs, traditional or Roth IRAs, or owner-only Keogh-type plans.

The purpose of this document is to identify documents that contain information relating to fees and services for purposes of satisfying the Section 408(b)(2) Regulations and Form 5500 Schedule C reporting requirements. The MFSI Form ADV, Part 2A (“**Firm Brochure**”) is referenced in this notice. If you need a copy, please contact Orville Clarke, MFS Business Support Manager, 617-954-7248.

This disclosure document is directed to employers/fiduciaries of Plans that invest in separate account sponsor program (at MFSI, these are called a Wrap Program) and have a contract with the program sponsor but not MFSI. For clarity, this notice does not apply to Plans that participate in programs for which MFSI provides non-discretionary model portfolios to a program sponsor (see discussion of Wrap Programs in the Firm’s Brochure (*Item 4 – Advisory Business*)). Plans in model-delivery programs should consult with their program sponsor for information.

**A. Identifying Information:**

This document was prepared by **MFS Institutional Advisors, Inc., 111 Huntington Avenue, Boston, MA 02199. EIN: 04-3247425**

**B. MFSI’s Status as Fiduciary, Investment Adviser and Covered Service Provider:**

MFSI is registered with the Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940, as amended, and is a fiduciary within the meaning of ERISA Section 3(21)(A)(i) with respect to the investment management of the Plan’s Wrap Program account. MFSI is a “covered service provider” as defined in the Section 408(b)(2) Regulations.

**C. MFSI’s Services:**

MFSI provides investment advisory services for the Plan’s account through a Wrap Program. For additional information, see your agreement with your Wrap Program sponsor. Also see the discussion of advisory services provided through a Wrap Program in the Firm’s Brochure (*Item 4 – Advisory Business*). MFSI does not provide investment advice with respect to a Plan’s decision to invest or divest in a strategy managed by MFSI or its affiliates.

**D. MFSI's Compensation and Manner of Payment:**

**Investment Management Fee:** See the fee information in your agreement with the Wrap Program sponsor. For additional information concerning how MFSI is compensated for providing advisory services through a Wrap Program, see the Firm's Brochure (heading "Wrap Program Fees and Expenses" under *Item 5 – Fees and Compensation*).

**Non-Cash Compensation (gifts and entertainment) (Indirect Compensation):** MFSI, its parent, Massachusetts Financial Services Company, and other affiliates (collectively, for purposes of this section, "MFS") will take reasonable steps to ensure that employees do not accept, in the course of business, any inducements which may lead to conflicts of interest. MFS's gifts and entertainment policy instructs employees that they should not accept a gift or entertainment relating to a client that is subject to ERISA. MFS believes that any gifts and entertainment received by MFS employees are received in the context of a general business relationship and should not be viewed as attributable or allocable to any particular investor or product (including any Wrap Program). In any event, if the value of gifts and entertainment received by MFS employees during the relevant calendar year were allocated by MFS to its clients and fund investors pro rata based on the value of their accounts in relation to total assets under management, MFSI believes the value allocated to their accounts would be beneath the reporting thresholds for non-monetary compensation set forth in the Form 5500 Schedule C instructions.

**E. Termination Compensation:**

MFSI receives an advisory fee through the date that services are terminated. For more information, see the fee information in your agreement with the Wrap Program sponsor.

**CAUTION FOR PLAN ADMINISTRATOR**

**THIS DISCLOSURE DOCUMENT IS NOT, AND SHALL NOT BE DEEMED TO CONSTITUTE, LEGAL ADVICE TO RETIREMENT PLANS REGARDING COMPLIANCE WITH FORM 5500 SCHEDULE C REPORTING REQUIREMENTS AND IS ONLY INTENDED TO FURNISH INFORMATION TO SUCH PLANS TO ASSIST THEM IN COMPLYING WITH THE FORM 5500 SCHEDULE C REPORTING OBLIGATIONS.**

Following this page you will see the Form ADV Part 2B for the Large Cap Value SMA Strategy and following that you will see the Form ADV Part 2B for the Research International SMA Strategy.

Following this page you will see the Form ADV Part 2B for the Large Cap Value SMA Strategy.



**Katherine A. Cannan**

**MFS Investment Management**

111 Huntington Avenue

Boston, MA 02199

Phone: (617) 954-5000

September 29, 2022

This brochure supplement provides clients with information about Katherine A. Cannan that supplements the MFS Investment Management brochure, of which you should have received a copy. Please contact MFS Investment Management at (617) 954-4290 if you did not receive a copy of the brochure. If you have any questions about the contents of this brochure supplement, please contact Alison O'Neill Mackey, co-CIO of Equity - Americas, at (617) 954-4011.

## **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Katherine A. Cannan

Year of Birth: 1985

### **Education**

Northwestern University, Bachelor of Arts Degree, Economics, 2007

Harvard Business School, MBA, 2013

### **Business Experience**

Equity Portfolio Manager, MFS, 1/2020 - Present

Research Analyst, MFS, 9/2013 - Present

Portfolio managers and analysts associated with MFS Investment Management must meet certain standards set forth by the firm. Generally, MFS Investment Management requires portfolio managers and analysts to have a college degree or a minimum of four years related experience, have displayed a high degree of integrity in previous business background, have high standards of morals and ethics and be committed to providing quality investment advice.

### **Professional Licenses/Designations**

None.

## **DISCIPLINARY INFORMATION**

This individual has no material disciplinary events to report.



## **OTHER BUSINESS ACTIVITIES**

A portfolio manager may make discretionary investment decisions for advisory clients of MFS Investment Management and one or more of its subsidiaries.

## **ADDITIONAL COMPENSATION**

This individual has no additional compensation to report.

## **SUPERVISION**

Portfolio managers and others who make discretionary investment decisions are typically supervised by team leaders or group heads and the CIO. Supervision is performed on an ongoing basis and may include reviewing research notes, participating in routine risk reviews, and conducting periodic performance evaluations. In addition, the firm's Investment Management Committee meets on a regular basis, providing governance and oversight on matters relating to portfolio management, research, and trading; the establishment and monitoring of investment policies and procedures; and the monitoring and management of investment risk.

The individual responsible for monitoring Katherine A. Cannan's advisory activities is Alison O'Neill Mackey, co-CIO of Equity - Americas, who may be reached at (617) 954-4011.



**Nevin Paul Chitkara**

**MFS Investment Management**

111 Huntington Avenue

Boston, MA 02199

Phone: (617) 954-5000

September 29, 2022

This brochure supplement provides clients with information about Nevin Chitkara that supplements the MFS Investment Management brochure, of which you should have received a copy. Please contact MFS Investment Management at (617) 954-4290 if you did not receive a copy of the brochure. If you have any questions about the contents of this brochure supplement, please contact Alison O'Neill Mackey, co-CIO of Equity - Americas, at (617) 954-4011.

## **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Nevin Paul Chitkara

Year of Birth: 1968

### **Education**

Boston University, Bachelor's Degree, Business Administration, 1990

Massachusetts Institute of Technology, Sloan School of Management, MBA, 1997

### **Business Experience**

Portfolio Manager, MFS, 5/06 - Present

Portfolio managers and analysts associated with MFS Investment Management must meet certain standards set forth by the firm. Generally, MFS Investment Management requires portfolio managers and analysts to have a college degree or a minimum of four years related experience, have displayed a high degree of integrity in previous business background, have high standards of morals and ethics and be committed to providing quality investment advice.

### **Professional Licenses/Designations**

None.

## **DISCIPLINARY INFORMATION**

This individual has no material disciplinary events to report.

## **OTHER BUSINESS ACTIVITIES**

A portfolio manager may make discretionary investment decisions for advisory clients of MFS Investment Management and one or more of its subsidiaries.

## **ADDITIONAL COMPENSATION**

This individual has no additional compensation to report.

## **SUPERVISION**

Portfolio managers and others who make discretionary investment decisions are typically supervised by team leaders or group heads and the CIO. Supervision is performed on an ongoing basis and may include reviewing research notes, participating in routine risk reviews, and conducting periodic performance evaluations. In addition, the firm's Investment Management Committee meets on a regular basis, providing governance and oversight on matters relating to portfolio management, research, and trading; the establishment and monitoring of investment policies and procedures; and the monitoring and management of investment risk.

The individual responsible for monitoring Nevin Chitkara's advisory activities is Alison O'Neill Mackey, co-CIO of Equity - Americas, who may be reached at (617) 954-4011.



**Jonathan W. Sage**

**MFS Investment Management**

111 Huntington Avenue

Boston, MA 02199

Phone: (617) 954-5000

November 7, 2022

This brochure supplement provides clients with information about Jonathan Sage that supplements the MFS Investment Management brochure, of which you should have received a copy. Please contact MFS Investment Management at (617) 954-4290 if you did not receive a copy of the brochure. If you have any questions about the contents of this brochure supplement, please contact Joseph C. Flaherty, Chief Investment Risk Officer and Co-Director of Quantitative Solutions, at (617) 954-4121.

## **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Jonathan W. Sage

Year of Birth: 1973

### **Education**

Tufts University, BA, Social Psychology, 1995

Boston College, MBA, 2008

Boston College, MSF, 2011

### **Business Experience**

Portfolio Manager, MFS, 10/2005 - Present

Portfolio managers and analysts associated with MFS Investment Management must meet certain standards set forth by the firm. Generally, MFS Investment Management requires portfolio managers and analysts to have a college degree or a minimum of four years related experience, have displayed a high degree of integrity in previous business background, have high standards of morals and ethics and be committed to providing quality investment advice.

### **Professional Licenses/Designations**

Chartered Financial Analyst

The CFA designation is given to investment professionals who have successfully completed the requirements set by the CFA Institute. To be eligible for the CFA designation, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

## **DISCIPLINARY INFORMATION**

This individual has no material disciplinary events to report.

## **OTHER BUSINESS ACTIVITIES**

A portfolio manager may make discretionary investment decisions for advisory clients of MFS Investment Management and one or more of its subsidiaries.

## **ADDITIONAL COMPENSATION**

This individual has no additional compensation to report.

## **SUPERVISION**

Portfolio managers and others who make discretionary investment decisions are typically supervised by team leaders or group heads and the CIO. Supervision is performed on an ongoing basis and may include reviewing research notes, participating in routine risk reviews, and conducting periodic performance evaluations. In addition, the firm's Investment Management Committee meets on a regular basis, providing governance and oversight on matters relating to portfolio management, research, and trading; the establishment and monitoring of investment policies and procedures; and the monitoring and management of investment risk.

The individual responsible for monitoring Jonathan Sage's advisory activities is Joseph C. Flaherty, Chief Investment Risk Officer and Co-Director of Quantitative Solutions, who may be reached at (617) 954-4121.

Form ADV Part 2 – MFS Research International ADR SMA Strategy.





**Camille E. Humphries Lee**

**MFS Investment Management**

111 Huntington Avenue

Boston, MA 02199

Phone: (617) 954-5000

October 14, 2022

This brochure supplement provides clients with information about Camille E. Humphries Lee that supplements the MFS Investment Management brochure, of which you should have received a copy. Please contact MFS Investment Management at (617) 954-4290 if you did not receive a copy of the brochure. If you have any questions about the contents of this brochure supplement, please contact Kate Mead, Institutional Portfolio Manager, at (617) 954-4419.

## **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Camille E. Humphries Lee

Year of Birth: 1963

### **Education**

University of Virginia, BA, 1985

University of Virginia, MBA, 1990

### **Business Experience**

Institutional Portfolio Manager, MFS 12/2000-Present

Portfolio managers and analysts associated with MFS Investment Management must meet certain standards set forth by the firm. Generally, MFS Investment Management requires portfolio managers and analysts to have a college degree or a minimum of four years related experience, have displayed a high degree of integrity in previous business background, have high standards of morals and ethics and be committed to providing quality investment advice.

### **Professional Licenses/Designations**

Chartered Financial Analyst

The CFA designation is given to investment professionals who have successfully completed the requirements set by the CFA Institute. To be eligible for the CFA designation, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

## **DISCIPLINARY INFORMATION**

This individual has no material disciplinary events to report.

## **OTHER BUSINESS ACTIVITIES**

A portfolio manager may make discretionary investment decisions for advisory clients of MFS Investment Management and one or more of its subsidiaries.

## **ADDITIONAL COMPENSATION**

This individual has no additional compensation to report.

## **SUPERVISION**

Portfolio managers and others who make discretionary investment decisions are typically supervised by team leaders or group heads and the CIO. Supervision is performed on an ongoing basis and may include reviewing research notes, participating in routine risk reviews, and conducting periodic performance evaluations. In addition, the firm's Investment Management Committee meets on a regular basis, providing governance and oversight on matters relating to portfolio management, research, and trading; the establishment and monitoring of investment policies and procedures; and the monitoring and management of investment risk.

The individual responsible for monitoring Camille E. Humphries Lee's advisory activities is Kate Mead, Institutional Portfolio Manager, who may be reached at (617) 954-4419.



**James C. Fallon**

**MFS Investment Management**

111 Huntington Avenue

Boston, MA 02199

Phone: (617) 954-5000

October 1, 2022

This brochure supplement provides clients with information about James C. Fallon that supplements the MFS Investment Management brochure, of which you should have received a copy. Please contact MFS Investment Management at (617) 954-4290 if you did not receive a copy of the brochure. If you have any questions about the contents of this brochure supplement, please contact either Joseph C. Flaherty at (617) 954-4121, or Ben R. Nastou at (617) 954 - 4131, who are Co-Directors of Quantitative Solutions.

## **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

James C. Fallon

Year of Birth: 1969

### **Education**

University of New Hampshire, Bachelors Degree, Mass Communications, 1996

Boston University, MBA, Finance, 2000

### **Business Experience**

Portfolio Manager, MFS, 2/2008 - Present

Research Analyst, MFS, 10/2001 - 2/2008

Portfolio managers and analysts associated with MFS Investment Management must meet certain standards set forth by the firm. Generally, MFS Investment Management requires portfolio managers and analysts to have a college degree or a minimum of four years related experience, have displayed a high degree of integrity in previous business background, have high standards of morals and ethics and be committed to providing quality investment advice.

### **Professional Licenses/Designations**

None.

## **DISCIPLINARY INFORMATION**

This individual has no material disciplinary events to report.

## **OTHER BUSINESS ACTIVITIES**

A portfolio manager may make discretionary investment decisions for advisory clients of MFS Investment Management and one or more of its subsidiaries.

## **ADDITIONAL COMPENSATION**

This individual has no additional compensation to report.

## **SUPERVISION**

Portfolio managers and others who make discretionary investment decisions are typically supervised by team leaders or group heads and the CIO. Supervision is performed on an ongoing basis and may include reviewing research notes, participating in routine risk reviews, and conducting periodic performance evaluations. In addition, the firm's Investment Management Committee meets on a regular basis, providing governance and oversight on matters relating to portfolio management, research, and trading; the establishment and monitoring of investment policies and procedures; and the monitoring and management of investment risk.

The individuals responsible for monitoring James C. Fallon's advisory activities are Co-Directors of Quantitative Solutions Joseph C. Flaherty, who may be reached at (617) 954-4121, and Ben R. Nastou, who may be reached at (617) 954 - 4131.