



Actively Aligned
for Long-Term Value

Global opportunity through a long-term lens

As a global investment manager, MFS® strives to create long-term value and protect capital for clients through an active approach and an investment platform built on nearly a century of expertise.

Throughout that time, we've remained disciplined, believing that many perspectives drive better insight, collaboration leads to better decisions and time can turn those decisions into better outcomes for clients.

MFS' approach to active management starts with client alignment and is driven by:

- Continuity
- Collective expertise
- Risk management

The outcome is best when we stay true to our beliefs and have clients who share them.



Our commitment to client alignment

To create meaningful long term value for clients, we need to align with them on our beliefs, their needs and the time it takes to deliver on their desired outcomes.

Client alignment creates mutual understanding and clarity. Clients know what to expect from us and precisely how we will invest on their behalf. We build an intimate understanding of their objectives. And, we work to achieve them together.



“We help clients understand very clearly how we’re managing their assets so they can give us the time needed to allocate their capital responsibly.”

Carol Geremia,
President of MFS Investment Management



Continuity: Time is an asset

We think, act and invest with a long-term focus because we believe it's the best way to meet client objectives. By investing through a full market cycle, we help clients manage the downside while pursuing opportunities to outperform as we find them. By rewarding our investment team for long-term performance, we keep our strategies aligned with our clients' time horizons and objectives.

Harnessing the value of time

To broaden the opportunity set for clients, we look for the more dispersed returns that are available over longer horizons — of three to five years or more. By integrating environmental, social and corporate governance factors into our research, and actively engaging with our portfolio companies, we can make long-term investments in businesses we believe to have lasting competitive advantages and more durable returns.

Focused on the future

Investors put their trust in our investment process — our robust research, insight, active risk management and discipline. To preserve the integrity of that process and sustain our expertise, we look at the development of our talent strategically and plan ahead for the succession of key investment professionals.



“Time is critical to investing — identifying what drives long-term value and positioning in light of market volatility and opportunities to take full advantage.”

Michael Roberge,
MFS Chief Executive Officer

Collective expertise: Insight to advantage

In an age of information democracy, our ability to turn information into investment insight is the analysis advantage we strive to bring to clients. Created through MFS Active IntelligenceSM, our global investment platform, and uncompromised information flow across geographies, asset classes and industries, that analysis advantage helps us actively manage risk and make effective decisions within client portfolios.

The strongest idea over the strongest individual

Diversity of thought is so critical to a sound investment thesis that we not only encourage it, we insist on it. Good investment ideas, which can come from anyone in the firm, become great decisions when they can stand the test of active debate.

Cultivating collaboration

What truly supports our analysis advantage is teamwork — collaborative thinking that we link directly to investment team compensation. We conduct 360-degree peer reviews to evaluate how team members work together and reward them for doing it well.

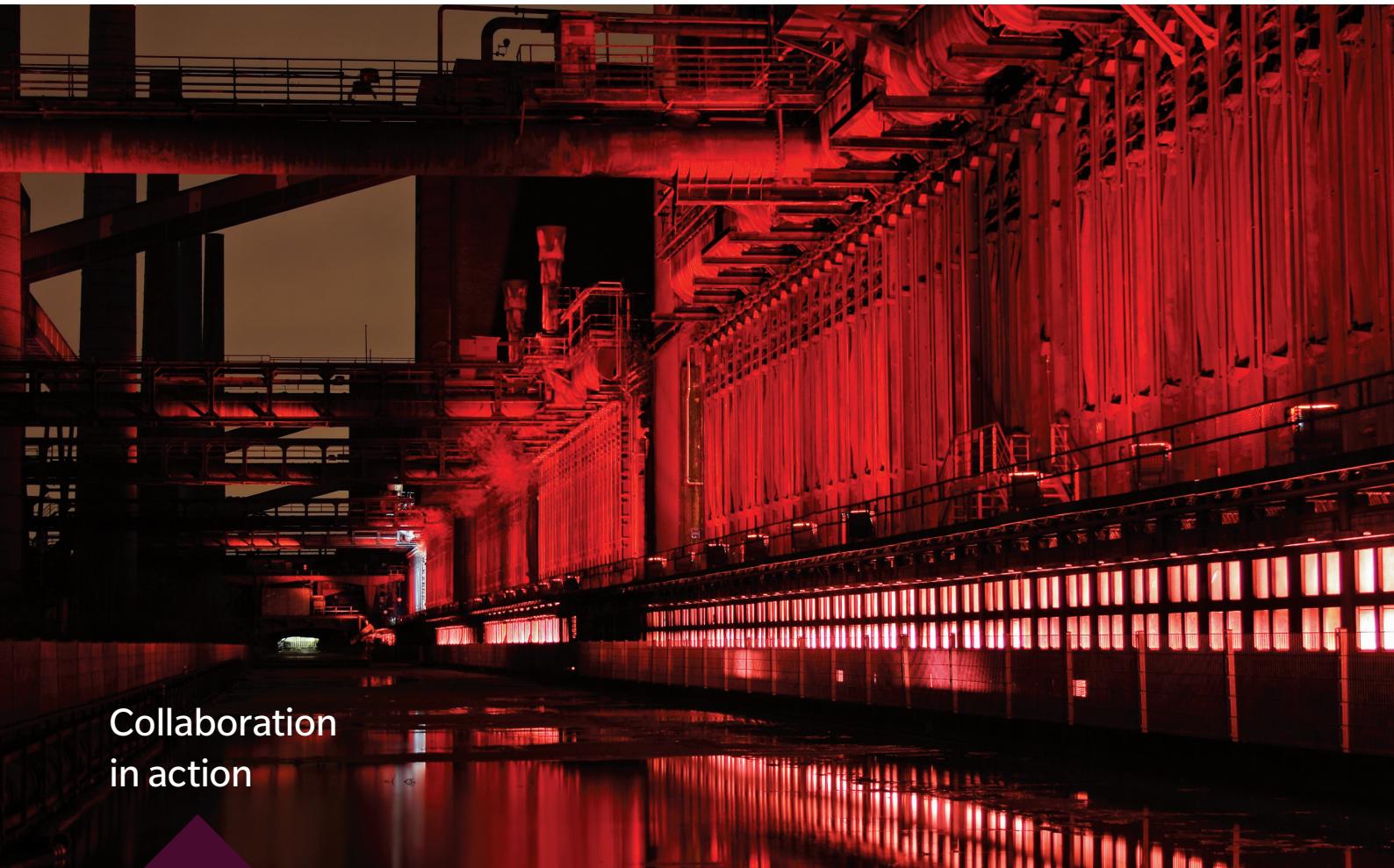
MFS Active IntelligenceSM The Power of Our Investment Platform

- MFS RESEARCH OFFICES
- OTHER MFS OFFICES

AS OF 1/2018



TORONTO | BOSTON | MEXICO CITY | SÃO PAULO | LONDON | TOKYO | HONG KONG | SINGAPORE | SYDNEY



Collaboration in action

Upon learning that one of the mining companies in which we owned stock planned to reduce its debt by half, one of our equity analysts in Toronto shared this information with one of our fixed income analysts in Boston.

Believing that such a debt reduction would lead to a tender and an upgrade in the company's bonds — thus making it a more attractive credit — our fixed income analyst recommended that we buy more of the bonds, which we did.

The tender played out as we expected, and the company was on track to reduce its debt — what we saw as potential positives for performance. That's how global collaboration across our investment team could ultimately benefit clients.



Risk management: Seeing all angles

Risk can be an adversary or an ally. It's a matter of having the time, skill and discipline to potentially turn risk into an investment opportunity. We believe our risk-aware culture affords us that ability. Every member of our investment team takes responsibility for assessing risk on behalf of clients, and in every decision we make, risk is part of the equation.

Improving outcomes

Active risk management is always on at MFS and embedded in every corner of our investment process, with regular and rigorous reviews at the portfolio, security and firm levels. We know that limiting losses in volatile markets is just as critical to our clients as maximizing returns on the upside. Our capacity management discipline — closing strategies that grow too large to manage long-term performance for clients — is an integral part of our active risk management.

Taking risk with intention

Whether we're looking for good entry points to invest in volatile markets or trying to protect client capital in market downturns, we view risks, and ultimately choose them, based on multiple viewpoints. We aim to take risks when we believe we'll be rewarded. To help improve client outcomes, we focus on fundamentals and assess material factors that could jeopardize a company's long-term value.



“Our perception of risk and attention to different types of risk depend heavily on the time horizon.”

Joseph C. Flaherty Jr.,
MFS Chief Investment Risk Officer



Understanding material risks

Integrating ESG considerations into our investment process improves our analysts' ability to assess the risks and opportunities associated with the companies they cover.

Our emerging markets team identified a potentially significant risk to a beverage company that had 80% of its facilities in areas of water stress. Similar situations elsewhere had led to water-related protests and disputes with local communities. We believe this potentially threatened the company's ability to operate in some areas and source enough high-quality water to sustain its operations.

Collaborating with one of our ESG analysts, the team concluded that the risk warranted applying a significant discount to their internal price target. A subsequent engagement with company leadership revealed little appreciation for these risks and no programs to manage them. This response reinforced the valuation discount and our continued engagement with the company on this issue.





"Focusing on downside risk at certain points in the cycle and the potential for capital appreciation at others is how we actively manage assets for clients."

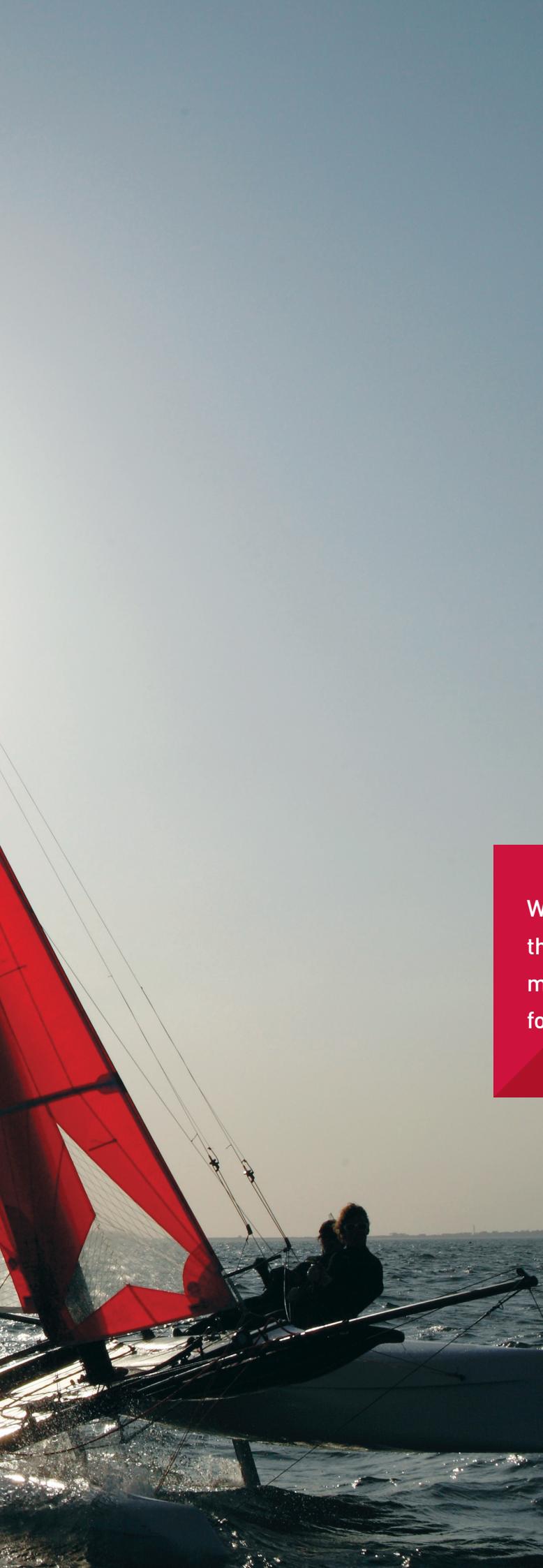
William J. Adams
MFS Chief Investment Officer, Global Fixed Income



"As investors, we need to be inquisitive, look at the world a little differently and examine opportunities through a different lens to develop our best investment ideas."

Kevin Beatty
MFS Chief Investment Officer, Global Equity



A photograph of a sailboat with large red sails, moving through choppy blue water under a clear sky. The boat's white hull cuts through the waves.

Over 90 and still active

Over the past nine decades, MFS has been both an active manager and an active participant in shaping the investment industry. From giving individual investors access to the market by establishing America's first mutual fund in 1924, to having a voice in key financial regulation to creating funds for investors outside the US, our singular focus on the best interests of investors has never wavered. It's our history, our heritage and our future.

Visit www.mfs.com.

A solid red rectangular area with a diagonal cutout on the right side, creating a wedge shape.

We're active
through time, to
make time work
for our clients.



For more than 90 years, MFS has actively managed investments – around the globe, across asset classes and through a myriad of economic and market environments. While the opportunities and challenges have changed, we have kept our long-term perspective and cultivated our robust investment platform.

Founded on integrated research, fortified by collaborative thinking and supported by active risk management, our investment platform drives information flow and effective decision-making. This is how we turn information into an analysis advantage, maintain our conviction and allow enough time for our insights to help create the long-term value that drives better outcomes for clients.



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