MFS® Emerging Markets Equity Fund

(Class R6 Shares)

Fourth quarter 2025 investment report

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Country and region information contained in this report is based upon MFS classification methodology which may differ from the methodology used by individual benchmark providers.

Performance and attribution results are for the fund or share class depicted and do not reflect the impact of your contributions and withdrawals. Your personal performance results may differ.

Portfolio characteristics are based on equivalent exposure, which measures how a portfolio's value would change due to price changes in an asset held either directly or, in the case of a derivative contract, indirectly. The market value of the holding may differ.

Fund Risks and Investment Objective

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

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

International: Investments in foreign markets can involve greater risk and volatility than U.S. investments because of adverse market, currency, economic, industry, political, regulatory, geopolitical, or other conditions.

Emerging Markets: Emerging markets can have less market structure, depth, and regulatory, custodial or operational oversight and greater political, social, geopolitical and economic instability than developed markets.
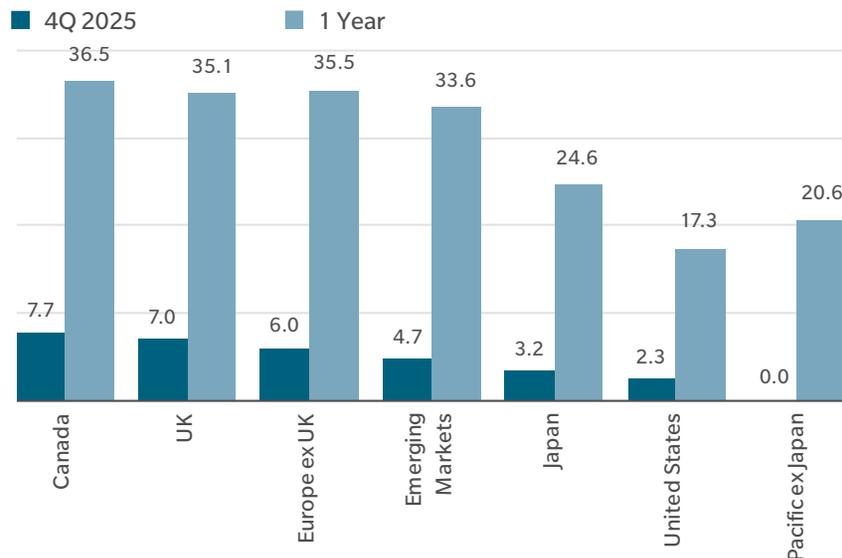
Please see the prospectus for further information on these and other risk considerations.

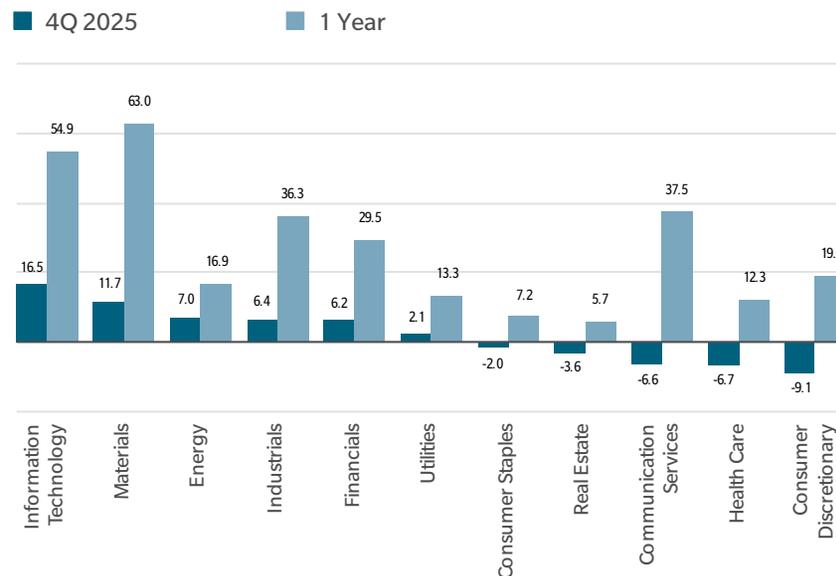**Investment Objective:** Seeks capital appreciation.

Market Overview

Region performance (%) (USD) as of 31-Dec-25

■ 4Q 2025 ■ 1 Year

Region	4Q 2025	1 Year
Canada	7.7	36.5
UK	7.0	35.1
Europe ex UK	6.0	35.5
Emerging Markets	4.7	33.6
Japan	3.2	24.6
United States	2.3	17.3
Pacific ex Japan	0.0	20.6

Past performance is not a reliable indicator for future results.
Source: FactSet. Region performance based on MSCI regional/country indexes.

Sector performance (%) (USD) as of 31-Dec-25

■ 4Q 2025 ■ 1 Year

Sector	4Q 2025	1 Year
Information Technology	16.5	54.9
Materials	11.7	63.0
Energy	7.0	16.9
Industrials	6.4	36.3
Financials	6.2	29.5
Utilities	2.1	13.3
Consumer Staples	-2.0	7.2
Real Estate	-3.6	5.7
Communication Services	-6.6	37.5
Health Care	-6.7	12.3
Consumer Discretionary	-9.1	19.0

Source: FactSet. Sector performance based on MSCI sector classification. The analysis of MSCI Emerging Markets Index constituents are broken out by MSCI defined sectors.

Emerging Markets review as of 30-Dec-2025

- Emerging markets finished the year ahead of developed markets in 2025; the first time since 2020 and fifth time since 2010.
- Latin American countries such as Mexico and Brazil are regarded as tariff winners while China fared a lot better than expected in the face of tariffs.
- Despite some skepticism over the durability of capital spending, the AI trade continued to be a key driver of market returns in the fourth quarter.

- Taiwanese and South Korean dominate the semiconductor and memory chip manufacturing value chain. Their largest companies are key players in the race for AI supremacy.

Executive Summary

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Performance results (%) R6 shares at NAV (USD) as of 31-Dec-25

■ Portfolio ■ Benchmark^

Period	Portfolio	Benchmark^
10 year	7.93	8.42
5 year	4.48	4.20
3 year	18.45	16.40
1 year	33.99	33.57
4Q 2025	4.60	4.73

Performance data shown represent past performance and are no guarantee of future results. Investment return and principal value fluctuate so your shares, when sold, may be worth more or less than the original cost; current performance may be lower or higher than quoted. For most recent month-end performance, please visit mfs.com.

Performance results reflect any applicable expense subsidies and waivers in effect during the periods shown. Without such subsidies and waivers the fund's performance results would be less favorable. All results assume the reinvestment of dividends and capital gains.

Shares are available without a sales charge to eligible investors.

Source for benchmark performance SPAR, FactSet Research Systems Inc.

For periods of less than one-year returns are not annualized.

^ MSCI Emerging Markets Index (net div)

Sector weights (%) as of 31-Dec-25

Sector weights (%) as of 31-Dec-25	Portfolio	Benchmark^^
Top overweights		
Consumer Staples	9.3	3.7
Energy	7.2	3.9
Communication Services	9.4	9.3
Top underweights		
Materials	3.3	7.1
Industrials	5.0	7.0
Health Care	1.3	3.1

^^ MSCI Emerging Markets Index

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The MFS Emerging Markets Equity Fund underperformed the MSCI Emerging Markets Index (net div) in the fourth quarter of 2025.

Contributors	Detractors
• Information Technology - Stock selection	• Energy - Stock selection
• Consumer Discretionary - Stock selection and an underweight position	• Communication Services - Stock selection
• Financials - Stock selection	• Individual stocks:
• Individual stocks:	- Sk Hynix Inc
- Weg Sa	- Saudi Tadawul Group Holding Co
	- Lenovo Group Ltd

Performance Results

Performance results (%) R6 shares at NAV (USD) as of 31-Dec-25

Period	Portfolio	Benchmark^	Excess return vs benchmark
4Q 2025	4.60	4.73	-0.13
3Q 2025	10.45	10.64	-0.19
2Q 2025	10.57	11.99	-1.42
1Q 2025	4.89	2.93	1.97
2025	33.99	33.57	0.42
2024	11.43	7.50	3.93
2023	11.32	9.83	1.49
2022	-19.78	-20.09	0.31
2021	-6.64	-2.54	-4.10
10 year	7.93	8.42	-0.49
5 year	4.48	4.20	0.28
3 year	18.45	16.40	2.06
1 year	33.99	33.57	0.42

Performance data shown represent past performance and are no guarantee of future results. Investment return and principal value fluctuate so your shares, when sold, may be worth more or less than the original cost; current performance may be lower or higher than quoted. For most recent month-end performance, please visit mfs.com.
Performance results reflect any applicable expense subsidies and waivers in effect during the periods shown. Without such subsidies and waivers the fund's performance results would be less favorable. All results assume the reinvestment of dividends and capital gains.
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Source for benchmark performance SPAR, FactSet Research Systems Inc.
For periods of less than one-year returns are not annualized.
^ MSCI Emerging Markets Index (net div)

Performance Drivers - Sectors

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Relative to MSCI Emerging Markets Index (USD) - fourth quarter 2025		Average relative weighting (%)	Portfolio returns (%)	Benchmark returns (%)	Sector allocation[1] (%) +	Stock selection[2] (%) +	Currency effect (%) =	Relative contribution (%)
Contributors	Information Technology	-0.3	18.7	16.5	-0.1	0.6	-0.1	0.4
	Consumer Discretionary	-1.0	-7.6	-9.1	0.2	0.2	0.0	0.3
	Financials	-0.0	7.4	6.2	0.0	0.2	0.0	0.3
	Industrials	-1.6	9.0	6.4	-0.0	0.2	-0.0	0.1
	Health Care	-2.1	-15.0	-6.7	0.3	-0.1	0.0	0.1
	Real Estate	-0.8	4.6	-3.6	0.1	0.1	-0.0	0.1
	Utilities	-1.2	3.3	2.1	0.0	0.0	-0.0	0.0
Detractors	Energy	2.2	2.2	7.0	-0.0	-0.2	-0.0	-0.3
	Communication Services	0.2	-8.6	-6.6	-0.0	-0.2	0.0	-0.3
	Materials	-3.2	12.1	11.7	-0.2	-0.0	-0.0	-0.2
	Consumer Staples	5.9	0.3	-2.0	-0.5	0.3	0.0	-0.2
	Cash	1.8	0.9	—	-0.1	—	0.0	-0.1
Total			5.3	4.8	-0.3	0.9	-0.0	0.5

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

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

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

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Performance Drivers - Stocks

Relative to MSCI Emerging Markets Index (USD) - fourth quarter 2025		Average Weighting (%)		Returns (%)		Relative contribution(%)
		Portfolio	Benchmark	Portfolio[1]	Benchmark	
Contributors	Ase Technology Holding Co Ltd	1.9	0.2	48.2	48.2	0.6
	Samsung Electronics Co, Ltd	4.6	3.8	39.6	38.6	0.3
	Xiaomi Corp	0.4	1.0	-15.3	-27.3	0.3
	Weg Sa	1.1	0.1	33.5	33.5	0.3
	Kasikornbank Pcl	1.3	0.0	19.4	19.4	0.2
Detractors	Sk Hynix Inc	0.7	2.0	82.6	82.6	-0.7
	Kingsoft Corp Ltd	0.9	0.0	-17.9	-17.9	-0.2
	Tencent Holdings Limited	6.7	5.2	-9.7	-9.7	-0.2
	Saudi Tadawul Group Holding Co	0.5	0.0	-31.9	-31.9	-0.2
	Lenovo Group Ltd	0.8	0.1	-19.2	-19.2	-0.2

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

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

Significant Impacts on Performance – Detractors

Relative to MSCI Emerging Markets Index (USD) – fourth quarter 2025		Relative contribution (%)
Sk Hynix Inc	Underweighting semiconductor products manufacturer SK Hynix (South Korea) held back relative performance as the company capitalized on exceptional demand conditions across memory product segments, with strong pricing momentum and supply constraints supporting performance. The memory semiconductor manufacturer benefited from robust server-driven demand for both DRAM and NAND products. The firm's production capabilities and technological leadership in specialized memory products reinforced its competitive advantages during strong market conditions.	-0.7
Kingsoft Corp Ltd	An overweight position in internet-based services provider Kingsoft (China) weighed on relative performance as the company faced revenue decline from its underperforming online games business and reduced contributions from existing titles. The software and gaming company struggled with margin compression from increased research and development expenses while dealing with competitive pressures in office software markets and slower-than-expected adoption of AI features.	-0.2
Tencent Holdings Limited	Overweighting shares of internet-based, multiple services company Tencent (China) detracted from relative performance as the company encountered regulatory pressures and competitive gaming market headwinds, while advertising revenue faced challenges from macroeconomic uncertainty. Margin compression from increased AI and cloud infrastructure investment requirements constrained profitability. Fintech regulatory changes limited financial services growth potential while geopolitical tensions created operational complexities.	-0.2

Significant Impacts on Performance - Contributors

Relative to MSCI Emerging Markets Index (USD) - fourth quarter 2025		Relative contribution (%)
Ase Technology Holding Co Ltd	An overweight position in semiconductor packaging and testing provider ASE Technology (Taiwan) contributed to relative returns. Management reported third-quarter financial results that exceeded expectations, driven by better-than-expected sales and gross margin performance across its semiconductor packaging and testing services.	0.6
Samsung Electronics Co, Ltd	An overweight position in microchip and electronics manufacturer Samsung Electronics (South Korea) contributed to relative returns. Management reported strong quarterly revenue results, driven by memory business strength, particularly in high-bandwidth memory, increased sales for commodity DRAM and NAND, and server solid-state drive products. The company demonstrated strong performance across multiple business segments, including semiconductors and device solutions.	0.3
Xiaomi Corp	The timing of the portfolio's ownership in shares of smartphone manufacturer Xiaomi (China) benefited relative performance. Although the company delivered remarkable third-quarter results, with strong revenue growth and record-high margins reflecting improved execution, the stock price declined. Investors appeared to have been concerned that core earnings growth had decelerated and the market narrative around EV had turned bearish, despite continued strong execution.	0.3

Significant Transactions

From 01-Oct-25 to 31-Dec-25		Sector	Transaction type	Trade (%)	Ending weight (%)
Purchases	HON HAI PRECISION INDUSTRY CO LTD	Information Technology	Add	1.0	1.7
	RELIANCE INSURANCE PLC (EQ)	Energy	Add	1.0	1.6
	XIAOMI CORP	Information Technology	New position	0.9	0.8
	ADNOC GAS PLC	Energy	New position	0.8	0.8
	TRIP.COM GROUP LTD	Consumer Discretionary	New position	0.8	0.8
Sales	KOTAK MAHINDRA BANK LTD	Financials	Trim	-0.9	1.0
	ALIBABA GROUP HOLDING LTD	Consumer Discretionary	Trim	-0.7	3.0
	OTP BANK NYRT	Financials	Eliminate position	-0.7	–
	NEDBANK GROUP LTD	Financials	Eliminate position	-0.7	–
	BANCO BRADESCO SA	Financials	Eliminate position	-0.7	–

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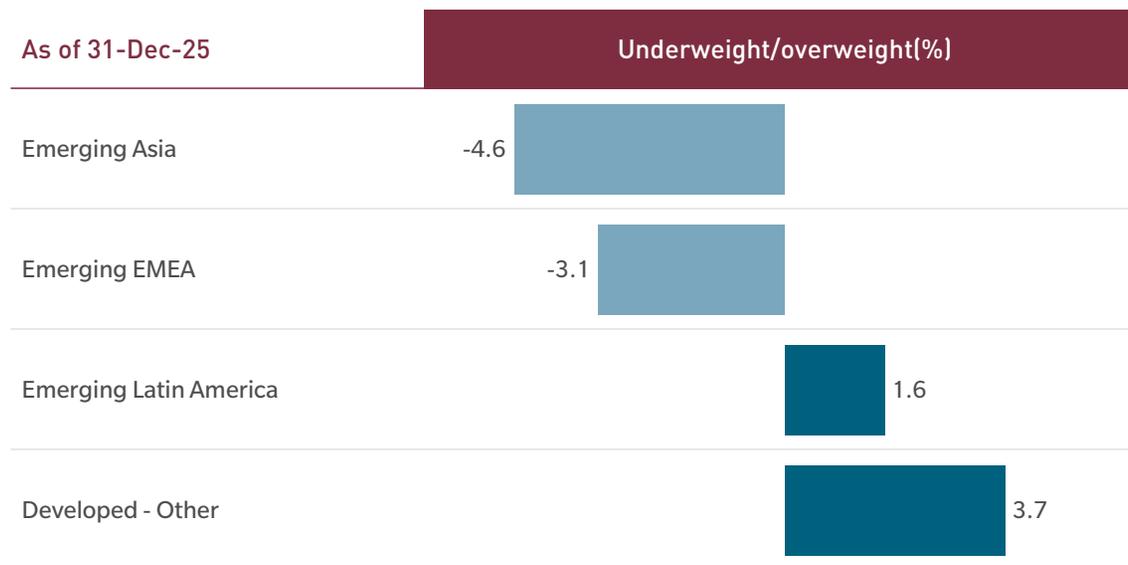
Sector Weights

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As of 31-Dec-25	Portfolio (%)	Benchmark^ (%)	Underweight/overweight(%)	Top holdings
Consumer Staples	9.3	3.7	5.6	Kweichow Moutai Co Ltd, Wal-Mart de Mexico SAB de CV, ITC Ltd
Energy	7.2	3.9	3.3	Reliance Industries Ltd, Petroleo Brasileiro SA - Petrobras ADR
Communication Services	9.4	9.3	0.1	Tencent Holdings Ltd, NetEase Inc ADR
Consumer Discretionary	11.3	11.7	-0.4	Alibaba Group Holding Ltd, Meituan, Midea Group Co Ltd
Financials	21.5	22.3	-0.8	HDFC Bank Ltd, China Construction Bank Corp, China Merchants Bank Co Ltd
Information Technology	27.5	28.3	-0.8	Taiwan Semiconductor Manufacturing Co Ltd, Samsung Electronics Co Ltd, ASE Technology Holding Co Ltd
Real Estate	0.5	1.3	-0.8	Emaar Properties PJSC
Utilities	1.1	2.3	-1.2	NTPC Ltd
Health Care	1.3	3.1	-1.8	WuXi AppTec Co Ltd
Industrials	5.0	7.0	-2.0	WEG SA
Materials	3.3	7.1	-3.8	Gold Fields Ltd ADR, Vale SA ADR

^ MSCI Emerging Markets Index
2.5% Cash & Cash Equivalents.
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Region Weights

As of 31-Dec-25	Underweight/overweight(%)
Emerging Asia	-4.6
Emerging EMEA	-3.1
Emerging Latin America	1.6
Developed - Other	3.7

2.5% Cash & Cash Equivalents.

Region and Country Weights

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As of 31-Dec-25	Portfolio (%)	Benchmark^ (%)	Underweight/ overweight(%)
Emerging Asia	**76.0**	**80.6**	**-4.6**
Indonesia	2.9	1.2	1.7
Thailand	2.0	1.0	1.0
India	16.1	15.3	0.8
China	27.7	27.6	0.1
Philippines	0.2	0.4	-0.2
Malaysia	0.0	1.2	-1.2
South Korea	10.3	13.3	-3.0
Taiwan	16.8	20.6	-3.8
Emerging EMEA	**9.0**	**12.1**	**-3.1**
United Arab Emirates	2.7	1.4	1.3
Turkey	1.2	0.4	0.8
Greece	1.1	0.6	0.5
Czech Republic	0.0	0.1	-0.1
Egypt	0.0	0.1	-0.1
Qatar	0.5	0.7	-0.2
Hungary	0.0	0.3	-0.3
Saudi Arabia	2.3	2.9	-0.6
Kuwait	0.0	0.7	-0.7
Poland	0.0	1.1	-1.1
South Africa	1.1	3.8	-2.7

	Portfolio (%)	Benchmark^ (%)	Underweight/ overweight(%)
Emerging Latin America	**8.9**	**7.3**	**1.6**
Brazil	5.7	4.3	1.4
Mexico	2.5	1.9	0.6
Peru	0.7	0.4	0.3
Colombia	0.0	0.1	-0.1
Chile	0.0	0.6	-0.6
Developed - Other	**3.7**	**0.0**	**3.7**
Hong Kong	2.5	0.0	2.5
Portugal	0.7	0.0	0.7
United States	0.5	0.0	0.5

^ MSCI Emerging Markets Index
2.5% Cash & Cash Equivalents.

Characteristics

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As of 31-Dec-25	Portfolio	Benchmark^
Fundamentals - weighted average		
IBES long-term EPS growth [1]	11.8%	15.9%
Price/earnings (12 months forward ex-negative earnings)	12.7x	13.7x
Return on equity (3-year average)	18.7%	17.5%
Long term debt/capital	21.9%	24.5%
Market capitalization		
Market capitalization (USD) [2]	266.9 bn	271.5 bn
Diversification		
Top ten issues	36%	31%
Number of Issues	91	1,197
Turnover		
Trailing 1 year turnover [3]	43%	—
Risk/reward (5 year)		
Beta	0.99	—
Standard deviation	15.89%	15.42%

^ MSCI Emerging Markets Index
Past performance is no guarantee of future results.
No forecasts can be guaranteed.
[1] Source: FactSet
[2] Weighted average.
[3] US Turnover Methodology: (Lesser of Purchase or Sales)/Average Month End Market Value

Top 10 Issuers

Top 10 Issuers as of 31-Dec-25	Portfolio (%)	Benchmark^ (%)
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	9.9	11.9
TENCENT HOLDINGS LTD	6.3	4.8
SAMSUNG ELECTRONICS CO LTD	5.2	4.3
ALIBABA GROUP HOLDING LTD	3.0	3.1
HDFC BANK LTD	2.4	1.2
ASE TECHNOLOGY HOLDING CO LTD	1.9	0.3
CHINA CONSTRUCTION BANK CORP	1.8	0.9
HON HAI PRECISION INDUSTRY CO LTD	1.7	0.9
KWEICHOW MOUTAI CO LTD	1.7	0.1
INFOSYS LTD	1.6	0.6
Total	**35.6**	**28.2**

^ MSCI Emerging Markets Index

Portfolio Outlook and Positioning

Emerging markets finished the year ahead of developed markets in 2025; the first time since 2020 and fifth time since 2010.

Besides the weak dollar and valuation disparity compared to the United States (US), we think other factors also contributed to emerging markets' outperformance:

1. Latin American countries such as Mexico and Brazil are regarded as tariff winners.
2. Taiwan and South Korea dominate the semiconductor and memory chip manufacturing value chain. Their largest companies are key players in the race for AI supremacy.
3. China fared a lot better than expected in the face of tariffs. Also, post DeepSeek, China has reemerged from the wilderness. It has gone from being uninvestable to a must-have exposure. Global investors appear more excited than domestic investors, as H-shares outperformed A-shares this year.
4. In Eastern Europe, there is optimism that peace is close, one way or another, and anticipation that rebuilding Ukraine may boost growth in the near term.

Beneath the calm surface, it was a difficult year for long-term investors in emerging markets: sensational news headlines often caused sizeable short-term market gyrations; market returns were largely concentrated in a narrow segment of the market; equity markets oscillated sharply between value and growth factors. As such, we are pleased that our fundamental, long-term and bottom-up investment approach managed to weather these challenges. The strategy outperformed the broader market in the fourth quarter and the year.

Despite some skepticism over the durability of capital spending, the AI trade continued to be a key driver of market returns in the fourth quarter. Stock selection within the technology sector contributed to relative returns in the fourth quarter, although for the year stock selection was a detractor due to the underweight to SK Hynix as well as holdings in IT services companies.

Portfolio Outlook and Positioning

In our opinion, consensus earnings expectations remain lofty, and valuations are at multi-year highs, leaving little room for error. As a result, we have continued to trim our AI-exposed holdings, such as TSMC, SK Square, SK Hynix, Samsung Electronics, ASE Technology and Accton. Our trims may have been early, but we prefer to be prudent and are cognizant of the risks, should the AI trade unwind. In absolute terms, the portfolio still has sizeable positions in TSMC, Samsung Electronics and Hon Hai. We believe these companies have broad exposure across the technology sector and will do well over the long term, even if AI capex slows down.

IT services companies have largely met earnings expectations in the fourth quarter, but the demand environment remains challenged as most of their clients are prioritizing cost optimization projects. AI-related revenue is expected to remain small in the near term.

The likes of Tata Consultancy, Infosys and EPAM are regarded as losers of the AI revolution as the arrival of GenAI supposedly reduces the need for IT consultants. We are in the camp that believes IT projects should increase in complexity with GenAI, which means companies will need even more specialized expertise to implement IT projects. In our recent meetings with Indian IT services companies, most management teams expressed optimism about GenAI's impact on their business and are confident that the AI cycle will result in new workloads for IT services companies. We are still working with our analysts to develop deeper insights into this area.

The consumer discretionary sector was weak in the fourth quarter as share prices of Chinese platform companies and EV manufacturers declined. Both stock selection and the underweight allocation to the consumer discretionary sector benefited performance in the fourth quarter and the year. Although the Chinese government has voiced out against 'involution' or excessive competition, the competitive landscape in China remains cutthroat while consumer confidence remains weak.

Portfolio Outlook and Positioning

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At a country level, stock selection and the underweight to China contributed significantly to relative returns in the fourth quarter but was the largest detractor for the year. China's equity markets had a topsy-turvy year. It was in the doldrums until that DeepSeek moment, which sparked a huge market rally. After this, cooler heads prevailed as the focus shifted to the weak economy and low consumer confidence.

China's GDP growth slowed in the second half of the year as its property market took another leg down, the boost from the earlier consumer trade in program turned into a drag and local government spending (both infrastructure and manufacturing-linked) are in the spotlight over the 'anti-involution' campaign.

On a positive note, exports held up, mainly due to China's global competitiveness in the high-tech segment. 2026 will see the inauguration of China's 15th 5-Year Plan, although structural priorities so far appear entirely consistent with the narrative of the past few years. We expect continued policy measures from the Chinese government in 2026, to cushion the economy from a sharp slowdown. Within China, we continue to find better value in consumer-related businesses such as Tencent, Kweichow Moutai, CR Beer, Yili, Midea and Trip.com.

PORTFOLIO POSITIONING

From a sector perspective, the portfolio is overweight to consumer staples, energy and information technology. This is offset by our underweight to materials, industrials and health care.

Portfolio Outlook and Positioning

Over the course of the year, we have consistently trimmed the relative outperformers in information technology, financials, industrials and communication services and added to relative underperformers in consumer discretionary, consumer staples and health care.

From a country perspective, Hong Kong remains the largest country overweight, due to holdings in AIA, Techtronic and Sands China which we believe are higher-quality alternatives compared to their China peers. The portfolio is also overweight Indonesia, Brazil and the UAE. Taiwan and South Korea are the largest underweights due to valuations. The underweight to Taiwan is also affected by portfolio restrictions relating to TSMC (maximum of 10% single stock exposure).

Over the course of the year, we have been trimming relative outperformers in North Asia (South Korea and Taiwan), to fund laggards in India and the Middle East. We continue to manage our China exposure despite stronger investor interest this year. We have seen how quickly sentiment can turn and are conscious of the economic challenges China still faces.

The portfolio is now overweight India for the first time since 3Q of 2021. India logged its worst relative annual returns to the MSCI EM index since the early 1990s, despite recording an impressive 8.2% real GDP growth in 2Q of FY2026. The Indian economy is experiencing a Goldilocks moment where growth is robust but inflation is low. We think this is an indication that Indian equities are primed for some catch-up in performance relative to its emerging market peers.

Key trades during the quarter include the following:

- We increased the portfolio's overweight to the energy sector by starting a new position in Adnoc Gas and adding to Reliance Industries. Adnoc Gas is a subsidiary of the state-owned Adnoc Group, one of the world's largest integrated energy companies. Adnoc Gas supplies ~60% of UAE's gas requirements and is key to energy security as the UAE seeks to achieve gas self-sufficiency. Volume growth is expected to be more than 30% over the next few years. The stock is trading at mid-teens earnings with high-teens ROE. As for Reliance Industries, which has business interest across multiple sectors including energy,

retail and telecoms, we believe that the expected IPO of their telco business in 2026 and their focus on returns in their retail business (after years of wanton expansion), along with the upcycle in their refining business drive by supply side constraints, will be positive catalysts for the stock going forward.

- Within financials, we added to B3 (Brazilian Stock Exchange) and started a position in Saudi National Bank. B3 has shown that they have a diversified and moated business model spanning across the breadth of Brazilian financial products and their burgeoning fixed income and data business should provide incremental returns over the medium term. Saudi National Bank has approximately 25% market share by assets and 22% market share in loans and deposits in Saudi Arabia. At the start of the year, it launched an initiative to increase market share in its lending business and to deepen SME and digital banking penetration, all of which are showing some signs of progress. Current valuations are attractive relative to its Saudi peers. On the opposite side of the ledger, we continued to reduce our exposure to the financials sector. We exited OTP Bank, Nedbank, Banco Bradesco, KB Financial and trimmed Kotak Mahindra Bank, Kasikornbank, Credicorp and State Bank of India, mostly due to valuations and relative outperformance. These banks generally benefit from higher interest rates and we are cautious about the interest rate cycle going forward.

- We initiated a position in Xiaomi. While we remain negative on their white goods and handset business, we are incrementally more positive on their EV business. China's domestic EV market is going through a tough period but Xiaomi continues to execute well and is seeing success as it takes share from other premium brands within China. They also have the opportunity to expand overseas. On the flipside, we exited BYD and Gree, which have done well but face a challenging outlook.

- We used the proceeds from our sale of AI-exposed names to fund our purchase of Trip.com and Makemytrip, China and India's leading online travel booking platform respectively. Online travel platforms are seen as likely to be disaggregated by AI but we believe the competitive landscape in China and India is different from developed markets as hotels and airlines in China and India hold little power in the value chain. We believe these online travel agents can grow revenues at mid-single

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Portfolio Outlook and Positioning

digits based on continued travel demand domestically. They continue to gain market share, and their margins have improved over the past few years.

51180.17

Portfolio Holdings

MFS®

As of 31-Dec-25	Country	Equivalent exposure (%)
Cash & Cash Equivalents		**2.5**
Cash & Cash Equivalents		2.5
Communication Services		**9.4**
Tencent Holdings Ltd	China	6.3
NetEase Inc ADR	China	1.2
Kingsoft Corp Ltd	China	0.8
Etihad Etisalat Co	Saudi Arabia	0.5
Hellenic Telecommunications Organization SA	Greece	0.5
Consumer Discretionary		**11.3**
Alibaba Group Holding Ltd	China	3.0
Meituan	China	1.6
Midea Group Co Ltd	China	1.3
Mahindra & Mahindra Ltd	India	1.2
MakeMyTrip Ltd	India	1.2
PDD Holdings Inc ADR	China	1.0
Sands China Ltd	Hong Kong	0.9
Trip.com Group Ltd	China	0.8
Maruti Suzuki India Ltd	India	0.4
Consumer Staples		**9.3**
Kweichow Moutai Co Ltd	China	1.7
Wal-Mart de Mexico SAB de CV	Mexico	1.3
ITC Ltd	India	1.1
China Resources Beer Holdings Co Ltd	China	1.1
BIM Birlesik Magazalar AS	Turkey	0.7
Hindustan Unilever Ltd	India	0.6
Ambev SA ADR	Brazil	0.6
Gruma SAB de CV	Mexico	0.6
Inner Mongolia Yili Industrial Group Co Ltd	China	0.6
Orion Corp/Republic of Korea	South Korea	0.6
Dabur India Ltd	India	0.4
Kwality Wall's India Ltd	India	0.0
Energy		**7.2**
Reliance Industries Ltd	India	1.6

As of 31-Dec-25	Country	Equivalent exposure (%)
Energy		**7.2**
Petroleo Brasileiro SA - Petrobras ADR	Brazil	1.1
Adnoc Gas PLC	United Arab Emirates	0.8
United Tractors Tbk PT	Indonesia	0.8
Galp Energia SGPS SA	Portugal	0.7
ADNOC Drilling Co PJSC	United Arab Emirates	0.7
Bharat Petroleum Corp Ltd	India	0.6
Petronet LNG Ltd	India	0.5
Petroleo Brasileiro SA ADR	Brazil	0.4
Financials		**21.5**
HDFC Bank Ltd	India	2.4
China Construction Bank Corp	China	1.8
China Merchants Bank Co Ltd	China	1.6
B3 SA - Brasil Bolsa Balcao	Brazil	1.4
Ping An Insurance Group Co of China Ltd	China	1.4
Kasikornbank PCL	Thailand	1.2
Samsung Fire & Marine Insurance Co Ltd	South Korea	1.2
Kotak Mahindra Bank Ltd	India	1.0
Bank Central Asia Tbk PT	Indonesia	1.0
AIA Group Ltd	Hong Kong	0.9
Bangkok Bank PCL	Thailand	0.8
Saudi National Bank	Saudi Arabia	0.8
Bank Negara Indonesia Persero Tbk PT	Indonesia	0.8
Credicorp Ltd	Peru	0.7
Emirates NBD Bank PJSC	United Arab Emirates	0.7
Saudi Awwal Bank	Saudi Arabia	0.7
Hyundai Marine & Fire Insurance Co Ltd	South Korea	0.6
National Bank of Greece SA	Greece	0.6
Grupo Financiero Banorte SAB de CV	Mexico	0.5
DB Insurance Co Ltd	South Korea	0.4
Bandhan Bank Ltd	India	0.4

Portfolio Holdings

As of 31-Dec-25	Country	Equivalent exposure (%)
Financials		**21.5**
Saudi Tadawul Group Holding Co	Saudi Arabia	0.4
State Bank of India	India	0.3
Sberbank of Russia PJSC	Russia	0.0
Health Care		**1.3**
WuXi AppTec Co Ltd	China	0.6
Hangzhou Tigermed Consulting Co Ltd	China	0.5
Hugel Inc	South Korea	0.3
Industrials		**5.0**
WEG SA	Brazil	1.2
LG Corp	South Korea	0.7
Techtronic Industries Co Ltd	Hong Kong	0.6
KOC Holding AS	Turkey	0.6
Industries Qatar QSC	Qatar	0.5
Astra International Tbk PT	Indonesia	0.4
Samsung Engineering Co Ltd	South Korea	0.4
Doosan Bobcat Inc	South Korea	0.4
SM Investments Corp	Philippines	0.2
Information Technology		**27.5**
Taiwan Semiconductor Manufacturing Co Ltd	Taiwan	9.9
Samsung Electronics Co Ltd	South Korea	5.2
ASE Technology Holding Co Ltd	Taiwan	1.9
Hon Hai Precision Industry Co Ltd	Taiwan	1.7
Infosys Ltd	India	1.6
MediaTek Inc	Taiwan	1.5
Tata Consultancy Services Ltd	India	1.3
Delta Electronics Inc	Taiwan	1.1
Lenovo Group Ltd	China	0.8
Xiaomi Corp	China	0.8
Largan Precision Co Ltd	Taiwan	0.6
SK Hynix Inc	South Korea	0.6
EPAM Systems Inc	United States	0.5

As of 31-Dec-25	Country	Equivalent exposure (%)
Materials		**3.3**
Gold Fields Ltd ADR	South Africa	1.1
Vale SA ADR	Brazil	1.1
UPL Ltd	India	0.7
Anhui Conch Cement Co Ltd	China	0.5
Real Estate		**0.5**
Emaar Properties PJSC	United Arab Emirates	0.5
Utilities		**1.1**
NTPC Ltd	India	0.6
China Resources Gas Group Ltd	China	0.5

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