

*MFS Institutional Advisors, Inc.*  
*111 Huntington Avenue, Boston, MA 02199*  
[www.mfs.com](http://www.mfs.com)

## Summary of Material Changes to our Firm Brochure

---

The following is a summary of material changes made to the MFS Institutional Advisors, Inc. (“MFSI”) Form ADV, Part 2A (“Brochure”) since MFSI’s prior annual updating amendment to the Brochure, which was filed on March 31, 2023. In addition to the material changes described below, the 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.

If you have any questions about the contents of this summary or would like to request the most recent copy of the Brochure, please contact us at +1-877-960-6077 or [institutionalclientservice@mfs.com](mailto:institutionalclientservice@mfs.com). The information in this summary has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) 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 also is available on the SEC’s website 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.

## *Summary of Material Changes*

### ***Item 4—Advisory Services***

- Revised for clarity the following disclosure describing MFSI’s provision of investment advisory services for use in “Managed Account Programs” in different investment programs and platforms and made conforming changes throughout the Brochure.

#### **Managed Account Programs**

MFSI provides investment advisory services for use in “Managed Account Programs” in different investment programs and platforms. In MFSI’s Form CRS, Managed Account Programs are referred to as “Wrap Accounts.” Managed Account Programs are organized by investment advisers, broker-dealers, platform providers or other financial intermediaries and their affiliates (collectively “sponsors”). MFSI acts only as an investment adviser (or sub-adviser) for Managed Account Programs and does not act as the sponsor of any Managed Account Program.

Managed Account Programs are organized in different program and platform structures. One common Managed Account Program structure consists of a sponsor maintaining an investment program for the benefit of its clients, through which investors or “participants” are able to access various investment services and products, including separately managed accounts, mutual funds, exchange-traded funds (“ETFs”) and other securities. Another common structure consists of a sponsor establishing an investment platform through which other third-party financial intermediaries access investment services and products for the accounts of their clients. Managed Account Programs may utilize various service providers, such as overlay investment advisory, administrative, trading and custodial services. The structure of the Managed Account Program, including services offered and fees and expenses incurred by the account will vary depending on the sponsor that establishes it and how the participant accesses the provided services.

#### **Fee Structure of Managed Account Programs**

Managed Account Programs have different fee structures that vary depending on the sponsor that establishes the program. For example, some are organized as “wrap fee programs,” in which participants pay a single, bundled fee that covers all the services provided by the sponsor and other service providers. In bundled fee programs, fees for MFSI’s investment advice are either included in the bundled fee or charged separately and are paid to MFSI by the participant or sponsor. In other Managed Account Programs, the fees paid by the participant are unbundled, meaning participants may pay separate fees and expenses for the various services received through the program, including those provided by MFSI.

#### **Contractual Arrangements in Managed Account Programs**

Managed Account Programs can be structured in “single-contract” or “dual-contract” variants. In a single-contract Managed Account Program, a participant enters into a single agreement with the sponsor (and not MFSI). MFSI and the sponsor enter into a separate agreement that allows the sponsor to offer to its program participants MFSI’s investment advisory services through the Managed Account Program. In a dual-contract Managed Account Program, a client enters into two agreements: one with the sponsor and (after selecting MFSI from among the investment advisers presented by the sponsor) a second agreement with MFSI. In a dual-contract Managed

Account Program, the client pays MFSI, or causes MFSI to be paid, for its advisory services. In some dual-contract Managed Account Programs, participants may enter into additional agreements with third-party service providers, such as a custodian or executing broker.

### **Types of Managed Account Programs**

MFSI provides its investment advice in different ways depending on the Managed Account Program. For “Separately Managed Account Programs” or “SMA Programs” (which can be single-contract or dual-contract arrangements), MFSI has the discretionary authority to make all investment decisions for a participant’s investment account. For “Model-Delivery Programs” (which are only single-contract arrangements), MFSI generally provides non-discretionary recommendations of specific securities and weightings in the form of a model portfolio that it updates from time to time, and the sponsor is responsible for making the ultimate investment decisions for each participant’s investment account. However, in “Discretionary Model-Delivery Programs” where MFSI provides a model portfolio that the sponsor has agreed to accept in full, subject to a participant’s investment restrictions, the contract between the sponsor and MFSI could cause investment discretion to be deemed shared between MFSI and the sponsor. MFSI only has authority to place orders for the execution of transactions for SMA Programs. For more information about MFSI’s trading practices, please see *“Managed Account Program Brokerage Arrangements, Order Execution and Allocation”* in Item 12, *Brokerage Practices*. Discussions in this Brochure relating to SMA Programs include Discretionary Model-Delivery Programs, unless otherwise specified.

Each sponsor is responsible for making the determination that an MFSI investment strategy is appropriate for inclusion in the sponsor’s Managed Account Program and in making that determination, may consider various factors, such as MFSI’s style of investment management, performance and portfolio turnover. 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 Managed Account Program and (other than with respect to dual-contract clients) an MFSI investment strategy is appropriate for that participant. MFSI is responsible for ensuring that the securities it selects or recommends are appropriate for the particular investment strategy it offers.

In bundled fee programs, “reverse churning” occurs when there is very little trading activity in a participant’s account(s). As such, there may be times when the participant could benefit, sometimes significantly, by not participating in a bundled fee program, but instead by paying any trading commissions separately. Certain investment strategies offered by MFSI in Managed Account Programs have historically had a low portfolio turnover (ranging from approximately 16% to 51% annually over the last three years). For specific information concerning the portfolio turnover of an investment strategy, please consult with your financial advisor.

Participants should consult the sponsor’s Wrap Fee Program Brochure and/or other documentation provided by the sponsor for additional information about the services provided through their program by the sponsor or third-parties and related fees and expenses associated with the program. Participants should also consult with their own financial, legal, and tax advisors when selecting an investment strategy and Managed Account Program. In providing services in Managed Account Programs, MFSI generally relies on information or directions communicated by a participant’s financial advisor acting with apparent authority on behalf of its client. For information concerning how MFSI is compensated for providing investment advisory services

through Managed Account Programs, please see: Item 5, *Fees and Compensation*; for information regarding the differences between how MFSI manages Managed Account Program accounts and other accounts, Item 8, *Methods of Analysis, Investment Strategies and Risk of Loss*; and for information on Managed Account Program trading practices, Item 12, *Brokerage Practices*.

### **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 investment restrictions. Trades are generally executed by the sponsor or its affiliates (except with respect to Discretionary Model Delivery Programs where trades are always executed by the sponsor or its affiliates) and participants in such programs should satisfy themselves that the sponsor or its affiliates is able to seek best execution of transactions within their account. MFSI offers investment advisory services to SMA Programs in both single-contract and dual-contract arrangements. Discretionary Model-Delivery Programs are only available in single-contract arrangements.

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 SMA Program account at any time, upon notice either to the sponsor of a single-contract 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 client and MFSI.

Some participants in SMA Programs elect to impose restrictions upon MFSI's ability to implement investments (for a discussion of restrictions in Discretionary Model-Delivery Programs see the next paragraph). 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, a participant's account performance will differ from participant accounts that have not imposed such restrictions within the same investment strategy. 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 those related to ESG 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 sector categories. Therefore, in order to apply such restrictions where the sponsor does not provide a list of restricted securities, 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).

Sponsors may also impose investment restrictions which can affect MFSI's freedom of action in participant accounts. For example, a restriction on including securities issued by the sponsor or its affiliates, including securities of pooled investment vehicles managed by the sponsor or its affiliates, can limit the investments available for a strategy that typically includes such securities.

When a sponsor-imposed restriction does limit the investments available, a participant's account performance will differ from participant accounts in an SMA Program organized by a different sponsor.

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 an investment 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 that MFSI updates from time to time. The model portfolio provided by MFSI may be used by the sponsor for its own clients' accounts or may be provided by the sponsor to third-party financial intermediaries for use in such intermediaries' clients' accounts, depending on the structure of the Managed Account Program. MFSI's recommendations are not tailored to any individual program participant, and the sponsor or third-party financial intermediary 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 or other relevant information necessary to perform a suitability analysis of the program participants for whose accounts the sponsor or third-party financial intermediary uses MFSI's model portfolios. Additionally, as discussed above, MFSI does not have any contractual arrangement with program participants or any third-party financial intermediaries that access MFSI's model portfolios for use in their clients' accounts. Such program participants and third-party intermediaries are not considered advisory clients of MFSI. If this Brochure is delivered to such parties with whom MFSI does not have an advisory relationship, or where it is not legally required to be delivered, it is provided for informational purposes only.

Participant or third-party financial intermediary-imposed restrictions are managed by the sponsor and MFSI does not take into account any such 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 not take into account certain sponsor-imposed restrictions in designing or updating a model, such as restrictions on securities issued by the sponsor or its affiliates. MFSI does implement legal restrictions imposed by certain jurisdictions that prohibit MFSI from providing investment advice to participants within such jurisdiction concerning securities of issuers within such jurisdiction. 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, sponsor's, third-party financial intermediary's or jurisdiction's decision to impose restrictions would affect the performance of a participant's account as compared to accounts within the same investment strategy not subject to such investment restrictions.

- Updated disclosure to include that MFSI also provides non-discretionary model-delivery programs to institutional clients that invest for their own account or the accounts of others.

## *Item 5—Fees and Compensation*

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

<b><u>Type of Investment Strategy</u></b>	<b><u>Standard Investment Advisory Fee</u></b>
U.S. Credit Buy and Maintain	0.08% to 0.14% of average month end assets
Municipal Core Fixed Income and Municipal Plus	0.175% to 0.25% of average month end assets
Corporate BB Fixed Income	0.175% to 0.275% 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	0.20% to 0.30% of average month end assets
U.S. Core Plus Fixed Income	0.20% to 0.30% of average month end assets
Blended Research International Equity	0.30% to 0.40% of average month end assets
Low Volatility Global Equity	0.30% to 0.40% of average month end assets
Emerging Markets Debt	0.375% to 0.45% of average month end assets
Domestic Balanced	0.375% to 0.50% of average month end assets
Blended Research Global High Dividend Equity	0.40% to 0.50% 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	0.40% to 0.55% of average month end assets
U.K. Equity	0.40% to 0.55% of average month end assets
European Equity ex U.K.	0.45% to 0.55% of average month end assets
Large Cap Growth Concentrated	0.45% to 0.60% of average month end assets
Contrarian Value Equity	0.50% to 0.65% of average month end assets
Global Growth Equity and Global Real Estate Equity	0.50% to 0.65% of average month end assets

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

**Managed Account Program Fees and Expenses**

MFSI’s asset-based fees for Managed Account 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	0.30% to 0.48% of assets under management	0.27% to 0.42% of assets under management
MFS Large Cap Growth SMA	0.32% to 0.50% of assets under management	0.28% to 0.42% of assets under management
MFS Large Cap Value SMA	0.32% to 0.50% of assets under management	0.28% to 0.42% of assets under management
MFS Mid Cap Growth SMA	0.33% to 0.51% of assets under management	0.30% to 0.42% of assets under management
MFS Research International ADR SMA	0.38% to 0.55% 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	0.32% to 0.50% of assets under management	0.28% to 0.42% of assets under management

- Updated the following description of MFSI’s billing and fee calculating practices:

Fees are billed according to an Institutional Client’s investment advisory agreement, which will provide for whether fees are payable quarterly or monthly in arrears. Fees are based on the value of Institutional Account assets, including amounts held in residual cash and amounts held in cash sweep vehicles, that are calculated by MFSI, the Institutional Client’s custodian or the Institutional Client, as agreed to in the investment advisory agreement. 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 concerning the payment of any such fees. 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.

- Updated the following disclosure concerning Fees and Expenses for Services Provided to Members of the MFS Global Group:



### **Fees and Expenses for Services Provided to Members of the MFS Global Group**

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. In managing such accounts, other members of the MFS Global Group determine the advisory fees they charge for such services based on similar factors as those considered by MFSI when determining its advisory fees, which may include consideration of the entirety of the relationship between a client (and any of its affiliates) and MFSI and other members of the MFS Global Group. 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.

- 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 or distribution channel over another, a conflict of interest will exist because MFSI's sales force is incentivized to sell such higher paying investment strategy, or sell through the higher paying distribution channel, than what might otherwise be in the best interest of an investor. 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 capable of selecting which investment strategy and distribution channel is best for them and their underlying clients.

### ***Item 7—Types of Clients***

- Added clarifying disclosure that MFSI's listed client types includes those for which a member of the MFS Global Group acts as investment adviser or investment manager and for which MFSI acts as a sub-adviser.
- Updated the following disclosure concerning typically requested minimum initial funding amounts for Managed Account Program participants:

MFSI typically requests a minimum initial funding of \$100,000 of assets per participant for bundled SMA Programs and Model-Delivery Programs and a minimum initial funding of \$250,000 of assets per participant for dual-contract SMA Programs; however, minimum initial funding amounts may differ depending on the type of Managed Account 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 can, in its discretion, waive or reduce 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***

- Added the following disclosure:

There may be times when MFSI decides not to engage in certain transactions or activities for an account because doing so in compliance with applicable law would result in significant cost to, or administrative burden on, MFSI or create the potential risk of an error.

- Enhanced the following disclosure concerning MFSI's management of cash:

MFSI is not responsible for monitoring the appropriateness of short-term investments in situations where the client or their custodian is responsible for managing cash for the account, including residual cash that MFSI would otherwise have the authority to manage, but that is instead invested in a custodian's cash sweep vehicle. Where MFSI does manage the short-term cash for an account, it will do so without considering the net yield the account might be able to receive were such short-term cash managed by the account's custodian as compared to the net yield received by MFSI, including the fees and expenses (including, for example, ticket charges) the account might incur whether MFSI or the custodian manages cash. An account may get a different rate of return if MFSI manages an account's short-term cash instead of the account's custodian. MFS does not manage the short-term cash of any accounts with an operating currency other than U.S. or Canadian dollars.

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

MFSI may consider ESG factors in its fundamental investment analysis and security selection process 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. MFSI's consideration of the impact of ESG factors on the value of an issuer often involves a long-term investment horizon, and the impact of such ESG factors may not be realized in the short term. 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. 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 when engaging with an issuer's management team, board of directors, or other representatives in order (i) to better understand 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. Such engagement activities will not necessarily result in any changes to an issuer's ESG-related practices.

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, an account's regional and geographic exposures, any investment restrictions imposed on MFSI's management of the account, and an investment professional's assessment 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, the Net Zero Asset Managers Initiative ("NZAMI"), CDP, and Climate Action 100+, among other ESG-related organizations and initiatives. MFS also engages regarding financially material ESG topics with other organizations, such as the Financial Accounting Standards Board, the International Accounting Standards Board, and the Global Reporting Initiative. The requirements for participation in these organizations and initiatives may vary, and certain organizations, initiatives, and efforts require a commitment from MFS to adopt a framework for achieving the aims of such organization or initiative. Pursuant to its commitment to NZAMI, the MFS Global Group publishes 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 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 implement or 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 the same or similar 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. Similarly, clients of MFSI may have preferences for their investments, including investment restrictions, that are not fully aligned with the way in which MFSI manages a particular investment strategy. In these instances, depending on the client, MFSI is incentivized to change how it manages the overall investment strategy or otherwise create products that do not align with MFSI's overall investment management approach in order to win or retain business.

- Enhanced the following disclosure concerning Cybersecurity Risk:

#### Cybersecurity Risk

Accounts managed by MFSI may be exposed to cybersecurity risks through MFSI, a member of the MFS Global Group, other third parties (such as brokers, other financial intermediaries and Managed Account Program sponsors), as well as through MFSI's vendors 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. Because technology is frequently changing, new ways to carry out cybersecurity attacks continue to develop. Therefore, there is a chance that certain risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the ability of MFSI and its vendors and an account and its service providers to plan for or respond to a cybersecurity attack. Furthermore, geopolitical tensions could increase the scale and sophistication of deliberate cybersecurity attacks, particularly those from nation-states or from entities with nation-state backing.

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 vendors, or by issuers in which accounts managed by MFSI may invest and such vendors may have limited indemnification obligations to MFSI, or the accounts managed by MFSI, each of whom could be negatively impacted as a result.

- Enhanced the following disclosure concerning Operational and Vendor Risk:

#### Operational and Vendor Risk

MFSI and the other members of the MFS Global Group may engage one or more vendors in connection with or in support of their provision of investment advisory services to an account. As discussed in Item 10, *Other Financial Industry Activities and Affiliations*, such vendors may include other members of the MFS Global Group. Vendors may include accountants, valuation agents, software providers, analytics vendors, technology providers, pricing/modeling vendors, regulatory and compliance vendors, data providers, proxy voting administration providers, recordkeepers and other persons providing similar types of services. A vendor 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 vendors 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 vendors, there may be instances where employee fraud or other misconduct, human error, inaccurate, incomplete, inconsistent and/or out-of-date data, or deficiencies in controls or technology systems of a third-party vendors (or vendors utilized by these third-party vendors) may cause losses for an account or impact the operations of the account or of MFSI or another entity in the MFS Global Group.

- Added the following Technology and Data Risk:

#### Technology and Data Risk

MFSI and the other members of the MFS Global Group rely on both proprietary and third-party technology and data in business operations, as well as in the provision of investment advisory services to client accounts. The technological tools employed by MFSI include, but are not limited to, software, computer systems, digital systems, algorithms and various forms of automation, including machine learning and natural language processing. The MFS Global Group's vendors may, depending on the nature of the services they provide, use similar technologies. MFSI uses these technologies to enhance operational efficiency, to support its information technology environment and to assist various MFS Global Group employees in the performance of their roles. As technology advances, the MFS Global Group expects to continue to explore, test the utility of, and potentially use, a variety of technologies, including emerging forms of technology, for different potential use cases. While the MFS Global Group seeks to utilize reputable vendors and technology partners and seeks to employ reasonable controls with respect to technology and its technology environment, there are nonetheless risks associated with the use of technology. These risks include, but are not limited to, that technology will not perform as expected or

intended, will change over time without detection by the MFS Global Group, is susceptible to cybersecurity risk (see “Cybersecurity Risk” above) and can be configured or used in a way that leads to unexpected or unintended results. For these reasons, there is no guarantee that the use of technology will not result in losses, financial or otherwise, to an account.

MFSI and other members of the MFS Global Group use a range of data sourced internally or from third-party providers for a variety of purposes, including for use in the investment management process. The MFS Global Group seeks to implement reasonable internal data governance practices and use reliable third-party data sources. Nevertheless, data may be inaccurate, incomplete, inconsistent or out-of-date, which may result in losses, financial or otherwise, to an account.

- Updated investment risks applicable to certain of MFSI’s investment strategies described in Appendix A of the Brochure.
- Added the following additional factors as to why performance of Managed Account Program accounts is likely to differ from the performance results of other accounts advised by the MFS Global Group in a similar investment strategy:
  - Differences in cash balances;
  - Different custodians of client accounts have different rules around the handling of corporate actions and timelines for how long securities may be restricted from trading around corporate actions.

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

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

**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, portfolio management, and distribution services for certain clients for which MFSI and/or members of the MFS Global Group act as investment adviser or sub-adviser.

- Updated the following description of MIL HK a Participating Affiliate within the MFS Global Group:

**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, portfolio management and/or distribution services for certain clients for which MFSI and/or members of the MFS Global Group act as investment adviser or sub-adviser.

- Updated the following description of MFS Fund Distributors, Inc.:

MFD, an SEC-registered broker and wholly-owned subsidiary of MFS, acts as distributor for the

MFS Funds. MFD is also a registered municipal securities dealer for the limited purpose of distributing a 529 tax-advantaged savings plan. In addition, MFD facilitates subscriptions into the MFS Private Funds and provides distribution assistance to members of the MFS Global Group with respect to certain MFS Global Funds. 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, the MFS Private Funds, Managed Account 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 and distribution channel selected. When compensation to be paid is higher for one investment strategy or distribution channel over another, a conflict of interest will exist because MFD's sales force is incentivized to sell such higher paying investment strategy or sell through such higher paying distribution channel than what might otherwise be in the best interest of an investor. 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 capable of selecting which investment strategy or distribution channel is best for them and their underlying clients. The following management persons of MFSI are also registered representatives of MFD: Carol W. Geremia (President and Secretary), Michael S. Keenan (Director) and Charuda Upatham-Costello (Treasurer). The agreements under which MFD serves as distributor to the MFS Funds are subject to annual approval by the independent trustees of the MFS Funds.

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

- Clarified the following disclosure concerning investments made by a member of the MFS Global Group and/or their respective officers, directors and employees:

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, directors and employees. The MFS Global Group's management of such accounts presents conflicts of interest, depending on the particular circumstances of each case: (i) where a portfolio manager holds a personal investment in an account, the portfolio manager has an incentive to favor such account in which he/she is invested in order to maximize the return of his/her investment; and (ii) in cases of investment by a member of the MFS Global Group, or any officers, directors and employees of a member of the MFS Global Group, the MFS Global Group member providing advisory services to the account has an incentive to maximize the return of the investments of itself or the officers, directors or employees. Additionally, officers, directors and 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 Item 12, *Brokerage Practices* and the heading *MFS Investment Management Code of Ethics/Personal Investing Policy*, below, for information about how MFSI addresses these conflicts of interest.



Members of the MFS Global Group have established proprietary accounts for different purposes, including establishing a performance record to enable the MFS Global Group to promote a new investment style. Members of the MFS Global Group have also seeded investment products that are open to investors. MFSI could purchase on behalf of one or more client accounts the same securities or other financial instruments as those held in a proprietary or seeded account, whether the accounts are managed in a similar or different style. The MFS Global Group has incentives to favor its proprietary and seeded accounts by allocating to such accounts better investment opportunities in order to maximize returns on its investments or establishing a more favorable performance record to maximize distribution opportunities. 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, thereby mitigating the risk that MFSI will favor a proprietary or seeded account over a client's account.

Additionally, the MFS Global Group has established separate risk management accounts that utilize a variety of techniques designed to hedge the investment risks and exposure associated with the proprietary and seeded accounts' investments, including limiting the MFS Global Group's exposure to specific issuers, instruments or assets. These hedging techniques are not necessarily utilized or permitted by client accounts managed by MFSI, 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 issuer, instrument or asset as a proprietary or seeded account.

- Enhanced the following disclosure concerning certain conflicts of interest associated with business and personal relationships:

MFSI or its employees have business or personal relationships with other companies or persons MFSI does business with or with 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. For example, MFSI may have an incentive to make investment decisions to purchase or increase its holdings in securities issued by clients or potential clients of MFSI or another member of the MFS Global Group in order to maintain or win additional business from the issuer of the securities (or its affiliates). This could include purchasing equity securities issued by the client (or its affiliates) to increase the share price, purchasing distressed bonds issued by the client (or its affiliates) to help create the perception the issuer is healthy or solvent or to be able to exercise greater influence in favor of the issuer in the case of a workout, or purchasing new issues or private placements issued by the client (or its affiliates) when the client is struggling to attract other buyers. The MFS Code of Business Conduct requires all employees always to act in the best interests of clients.

### ***Item 12—Brokerage Practices***

- Updated the following disclosure to reflect amendments to our Trade Allocation Policy:

The policies and procedures described in this section do not apply to (i) Managed Account Program clients, except to the extent an order is "stepped out," (ii) Institutional Model-Delivery Arrangements, (iii) foreign exchange transactions which are described under the heading "Foreign



Currency Exchange (FX) Transactions” below, and (iv) investment of overnight cash in any accounts. With respect to investment of overnight cash, MFSI's allocation of investment opportunity and the amount received on aggregated trades is focused on allocating liquidity fairly and equitably over time. However, in cases of liquidity constraints, MFSI may prioritize allocating liquidity to accounts for which investment of cash is part of their investment strategy. For information about MFSI's other trading practices for Managed Account Program clients, please see the information under the heading “Managed Account Program Brokerage Arrangements, Order Execution and Allocation,” below. For more information about Institutional Model-Delivery Arrangements, please see below.

[This page intentionally left blank]