



MFS® Research Series

(Class IC)

First quarter 2024 investment report

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Withdrawals of taxable amounts from variable annuity contracts prior to age 59½ may be subject to an additional 10% federal tax penalty as well as income tax. Amounts withdrawn from a variable insurance contract will reduce the death benefit and withdrawals of earnings will be subject to income tax.

No representation is made, and no assurance can be given, that any investment's results will be comparable to the investment results of any other product with similar investment objectives and policies, including products with the same investment professional or manager. Differences in portfolio size, investments held, contract and portfolio expenses, and other factors can be expected to affect performance.

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Before purchasing any variable product, consider the objectives, risks, charges, and expenses associated with the underlying investment option(s) and those of the product itself. For a prospectus, or summary prospectus if available, containing this and other information contact the issuing insurance company. Read the prospectus carefully before you invest.

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PRPEQ-VFR-31-Mar-24

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Table of Contents



Contents	Page
Fund Risks	1
Market Overview	2
Executive Summary	3
Performance	4
Attribution	5
Significant Transactions	9
Portfolio Positioning	10
Characteristics	11
Portfolio Outlook	13
Portfolio Holdings	18
Additional Disclosures	20

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.

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Fund Risks



Issued by insurance companies, variable annuity and variable life insurance contracts allow investors to accumulate money on a tax deferred basis for long-term financial goals. Mortality and expense charges (which compensate the insurance company for insurance risks it assumes under the contract), surrender charges (typically levied if a contract holder cancels it within a certain period following initial purchase), and an annual maintenance charge are among the fees typically associated with these types of variable products. Also keep in mind that any income guarantees are subject to the claims-paying ability of the issuing insurance company, and that contract owners have options when a contract's payout phase begins. Generally, investors may take their money in a lump sum, make discretionary or systematic distributions, or they can annuitize. Please refer investors to your variable annuity or life insurance contract as well as the underlying fund prospectus(es) for more detailed information and other important considerations, which should be read carefully before investing.

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

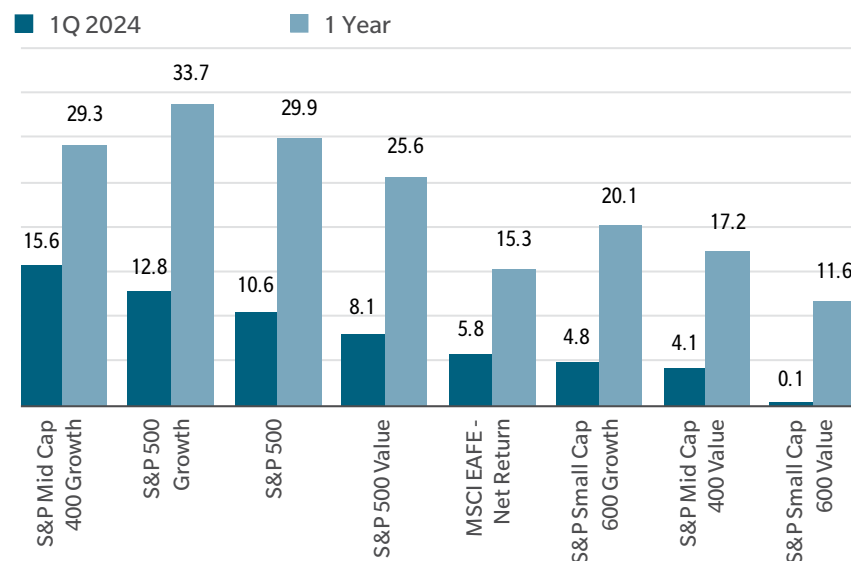
Stock: Stock markets and investments in individual stocks are volatile and can decline significantly in response to or investor perception of, issuer, market, economic, industry, political, regulatory, geopolitical, environmental, public health, and other conditions.

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

Market Overview

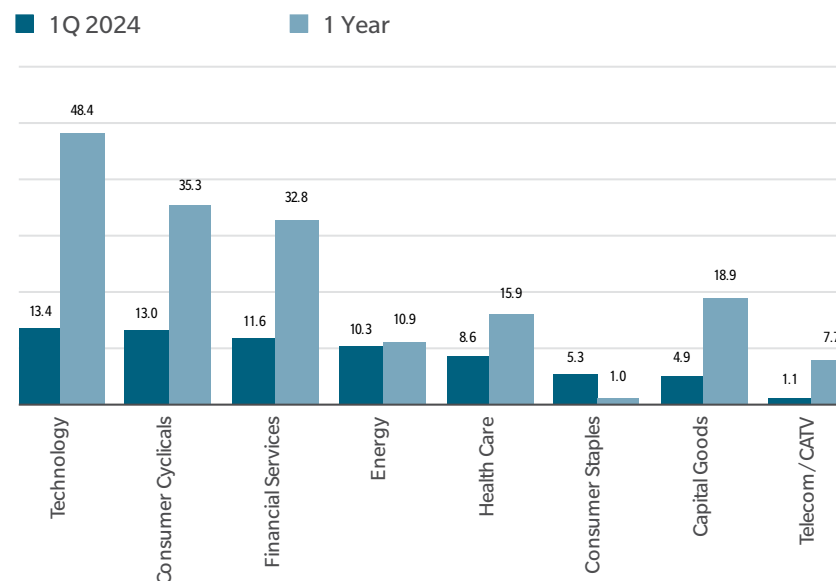


Style performance (%) (USD) as of 31-Mar-24



Source for benchmark performance SPAR, FactSet Research Systems Inc. All indices represent total return unless otherwise noted.

Sector performance (%) (USD) as of 31-Mar-24



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

US equities market review as of 31 March 2024

- The US market, as measured by the S&P 500 Index, finished strongly higher in Q1 2024. This was driven by the ongoing belief that interest rates will be cut later this year as inflation moves lower.
- Economic growth in the United States expanded during Q4 2023, with GDP increasing 3.4%. While this was slower than the 4.9% for Q3, it continued to show increases in consumer and government spending. With inflation trending down, although not in a straight

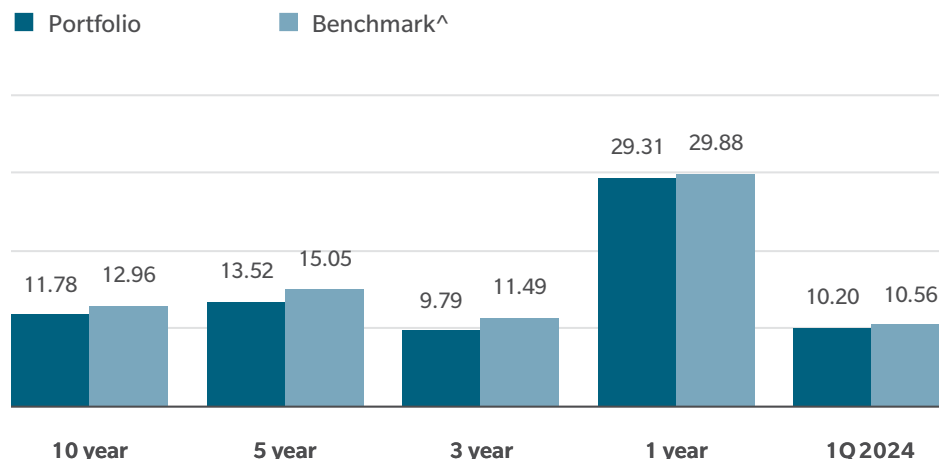
line, the US Federal Reserve continues to anticipate interest rate cuts in 2024.

- For the quarter, growth outperformed value in the large-cap, midcap and small-cap spaces. Energy, communication services and financials were the best-performing sectors, and real estate, consumer discretionary and utilities were the worst.

Executive Summary



Performance results (%) class IC shares at NAV (USD) as of 31-Mar-24



The source for all fund data is MFS. Source for benchmark performance: SPAR, FactSet Research Systems Inc.

Performance data shown represents past performance and is no guarantee of future results. Investment return and principal value fluctuate so your units, when sold, may be worth more or less than the original cost; current performance may be lower or higher than quoted.

For the most recent month-end performance results net of fees and charges imposed by insurance company separate accounts, contact the variable product's issuing insurance company.

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

The returns for the series shown do not reflect the deduction of expenses associated with variable products, such as mortality and expense risk charges, separate account charges, and sales charges imposed by insurance company separate accounts. Such expenses would reduce the overall returns shown. Please refer to the variable product's annual report for performance that reflects the deduction of the fees and charges imposed by insurance company separate accounts.

Initial Class shares have no sales charge.

^ Standard & Poor's 500 Stock Index

Sector weights (%) as of 31-Mar-24	Portfolio	Benchmark^^
Top overweights		
Health Care	13.1	12.6
Energy	6.4	6.2
Consumer Staples	4.2	4.2
Top underweights		
Technology	35.9	36.8
Financial Services	12.9	13.2
Consumer Cyclical	12.2	12.5

^^ Standard & Poor's 500 Stock Index

The sectors described and the associated portfolio composition are based on MFS' own sector classification methodology which differs from industry classification standards, including the standard that is associated with the benchmark composition presented. The variance in sector weights between the portfolio and the benchmark would be different if an industry classification standard was used.

The MFS Research Series underperformed the Standard & Poor's 500 Stock Index in the first quarter of 2024.

Contributors	Detractors
<ul style="list-style-type: none"> Capital Goods - Stock selection Health Care - Stock selection Individual stocks: <ul style="list-style-type: none"> - Apple Inc - Adobe Systems Inc (not held) 	<ul style="list-style-type: none"> Financial Services - Stock selection Telecom/Catv - Stock selection Consumer Cyclical - Stock selection Individual stocks: <ul style="list-style-type: none"> - Nvidia Corp - Boeing Co/The

Performance Results



Performance results (%) class IC shares at NAV (USD) as of 31-Mar-24

Period	Portfolio	Benchmark^	Excess return vs benchmark
1Q 2024	10.20	10.56	-0.36
4Q 2023	12.49	11.69	0.80
3Q 2023	-3.68	-3.27	-0.40
2Q 2023	8.29	8.74	-0.45
2023	22.42	26.29	-3.87
2022	-17.21	-18.11	0.90
2021	24.80	28.71	-3.90
2020	16.59	18.40	-1.81
2019	32.95	31.49	1.46
10 year	11.78	12.96	-1.18
5 year	13.52	15.05	-1.53
3 year	9.79	11.49	-1.70
1 year	29.31	29.88	-0.57

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^ Standard & Poor's 500 Stock Index

Performance Drivers - Sectors



Relative to Standard & Poor's 500 Stock Index (USD) - first quarter 2024		Average relative weighting (%)	Portfolio returns (%)	Benchmark returns (%)	Sector allocation ¹ (%)	Stock selection ² (%)	Currency effect (%)	= Relative contribution (%)
Contributors	Capital Goods	-0.1	8.8	4.9	0.0	0.5	—	0.5
	Health Care	0.4	11.6	8.6	-0.0	0.4	—	0.4
	Technology	-0.5	14.0	13.4	0.0	0.2	-0.0	0.2
Detractors	Financial Services	-0.2	8.5	11.6	-0.0	-0.4	—	-0.4
	Telecom/CATV	-0.1	-15.8	1.1	0.0	-0.4	—	-0.4
	Consumer Cyclicals	-0.6	11.0	13.0	-0.0	-0.2	—	-0.2
	Energy	0.3	8.4	10.3	-0.0	-0.1	—	-0.1
	Cash	0.7	1.3	—	-0.0	—	—	-0.0
	Consumer Staples	0.1	5.0	5.3	-0.0	-0.0	—	-0.0
Total			10.4	10.6	-0.0	-0.1	-0.0	-0.1

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. This may further compound differences between attribution results and actual performance. To obtain the contribution calculation methodology and a complete list of every holding's contribution to the overall portfolio's performance during the measurement period, please email DLAttributionGrp@MFS.com.

The sectors described and the associated portfolio composition are based on MFS' own sector classification methodology which differs from industry classification standards, including the standard that is associated with the benchmark composition presented. The variance in sector weights between the portfolio and the benchmark would be different if an industry classification standard was used.

Performance Drivers - Stocks



Relative to Standard & Poor's 500 Stock Index (USD) - first quarter 2024		Average Weighting (%)		Returns (%)		Relative contribution(%)
		Portfolio	Benchmark	Portfolio ¹	Benchmark	
Contributors	Apple Inc	3.3	6.4	-10.8	-10.8	0.7
	Tesla Inc	—	1.3	—	-29.3	0.7
	UnitedHealth Group Inc	—	1.1	—	-5.7	0.2
	Adobe Systems Inc	—	0.6	—	-15.4	0.2
	Walt Disney Co/The	1.2	0.5	35.5	35.5	0.2
Detractors	Nvidia Corp	2.5	4.2	82.5	82.5	-1.0
	Sba Communications Corp	1.2	0.1	-14.2	-14.2	-0.3
	Cable One Inc	0.6	—	-23.5	—	-0.2
	Boeing Co/The	0.7	0.3	-26.0	-26.0	-0.2
	Accenture Plc	1.6	0.5	-0.9	-0.9	-0.1

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

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Significant Impacts on Performance - Detractors



Relative to Standard & Poor's 500 Stock Index (USD) - first quarter 2024		Relative contribution [%]
Nvidia Corp	The portfolio's underweight position in computer graphics processor maker NVIDIA (United States) detracted from relative results. The share price rose as the company reported impressive revenues ahead of investor expectations from the continued demand for its line of generative AI processors.	-1.0
Sba Communications Corp	An overweight holding of real estate investment trust SBA Communications (United States) held back relative performance. Although the company reported earnings per share results ahead of consensus estimates, its 2024 guidance reflected slowing domestic and international site leasing and development revenues.	-0.3
Cable One Inc	The portfolio's holdings of internet, cable, and phone company Cable One (United States) weighed on relative performance. The share price declined as the company reported lower revenue due to pricing cuts designed to increase its residential broadband subscriber base.	-0.2

Significant Impacts on Performance - Contributors



Relative to Standard & Poor's 500 Stock Index (USD) - first quarter 2024		Relative contribution [%]
Apple Inc	The portfolio's underweight position in computer and personal electronics maker Apple (United States) lifted relative returns. The stock price declined as the company reported a slowdown in iPhone demand in China. App store revenues from China were also below analyst expectations. The stock price suffered further after the Department of Justice filed a civil antitrust lawsuit alleging the company monopolized the smartphone market by discouraging innovation that threatens its competitive position or disintermediates the iPhone.	0.7
Tesla Inc	Not owning shares of electric vehicle manufacturer Tesla (United States) benefited relative results. The share price of Tesla fell following softer-than-anticipated earnings for the sixth straight quarter as a consequence of its strategy undertaken at the end of 2022 to sacrifice pricing and margins to drive sales.	0.7
UnitedHealth Group Inc	Not owning shares of health insurance and Medicare/Medicaid provider UnitedHealth Group (United States) benefited relative returns. The stock price underperformed during the quarter as a higher-than-expected medical coverage rationing appeared to have sparked investor concern about elevated cost trends.	0.2

Significant Transactions



From 01-Jan-24 to 31-Mar-24		Sector	Transaction type	Trade (%)	Ending weight (%)
Purchases	NVIDIA CORP	Technology	Add	0.8	3.5
	BOOKING HOLDINGS INC	Consumer Cyclical	New position	0.8	0.7
	JOHNSON & JOHNSON	Health Care	Add	0.3	1.4
	STARBUCKS CORP	Consumer Cyclical	Add	0.3	0.9
	ABBVIE INC	Health Care	Add	0.2	1.3
Sales	ZOETIS INC	Health Care	Eliminate position	-0.6	–
	DOLLAR GENERAL CORP (EQ)	Consumer Cyclical	Eliminate position	-0.4	–
	APPLIED MATERIALS INC	Technology	Trim	-0.3	0.9
	ALPHABET INC	Technology	Trim	-0.3	4.8
	WENDY'S CO/THE	Consumer Cyclical	Eliminate position	-0.3	–

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Sector Weights



As of 31-Mar-24	Portfolio (%)	Benchmark^ (%)	Underweight/overweight(%)	Top holdings
Health Care	13.1	12.6	0.5	Eli Lilly & Co, Johnson & Johnson, Cigna Group
Energy	6.4	6.2	0.2	ConocoPhillips
Capital Goods	12.4	12.4	0.0	Eaton Corp PLC
Consumer Staples	4.2	4.2	0.0	PepsiCo Inc
Telecom / CATV	1.9	2.0	-0.1	SBA Communications Corp REIT
Consumer Cyclicals	12.2	12.5	-0.3	Amazon.com Inc, Home Depot Inc, Walt Disney Co
Financial Services	12.9	13.2	-0.3	Visa Inc, JPMorgan Chase & Co, Chubb Ltd
Technology	35.9	36.8	-0.9	Microsoft Corp, Alphabet Inc Class A, NVIDIA Corp

^ Standard & Poor's 500 Stock Index

1.1% Cash & cash equivalents

0.0% Other. Other consists of: (i) currency derivatives and/or (ii) any derivative offsets.

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Characteristics



As of 31-Mar-24	Portfolio	Benchmark [^]
Fundamentals - weighted average		
IBES long-term EPS growth ¹	14.6%	14.4%
Price/earnings (12 months forward)	23.0x	21.9x
Market capitalization		
Market capitalization (USD) ²	757.4 bn	805.6 bn
Diversification		
Top ten issues	35%	32%
Number of Issues	101	503
Turnover		
Trailing 1 year turnover ³	22%	—
Risk/reward (10 year)		
Historical tracking error	2.10%	—
Standard deviation	14.66%	15.16%
Beta	0.96	—

[^] Standard & Poor's 500 Stock Index

Past performance is no guarantee of future results.

No forecasts can be guaranteed.

¹ Source: FactSet

² Weighted average.

³ US Turnover Methodology: (Lesser of Purchase or Sales)/Average Month End Market Value

Top 10 Issuers



Top 10 issuers as of 31-Mar-24	Portfolio (%)	Benchmark^ (%)
MICROSOFT CORP	8.8	7.1
ALPHABET INC	4.8	3.7
AMAZON.COM INC (EQ)	4.3	3.7
NVIDIA CORP	3.5	5.1
META PLATFORMS INC	3.2	2.4
APPLE INC	2.9	5.6
VISA INC	2.6	1.0
JPMORGAN CHASE & CO	2.2	1.3
SALESFORCE INC	1.9	0.7
ELI LILLY & CO	1.6	1.4
Total	35.7	32.1

^ Standard & Poor's 500 Stock Index

Portfolio Outlook and Positioning



We employ a sector neutral approach relative to the S&P 500 Index and we use our bottom-up, fundamental investment approach to try and identify solid companies with a bias towards companies generating above-average, sustainable growth and whose stocks trade at reasonable valuations. Our eight sector teams focus on constructing portfolios that aim to outperform their respective S&P 500 sectors with the flexibility to invest across industries and add value through stock selection.

The S&P 500 was up 10.6% in the first quarter, good for the 11th best start to a year since 1950, and now up nearly 28% since the October lows. The momentum trade remained in charge during the first quarter, with the two best performing stocks in the S&P 500 being artificial intelligence darlings Super Micro Computer, up 255%, and Nvidia, up 82%. According to data from Piper Sandler, the weight of high-momentum stocks in the US equity markets is at all-time highs, surpassing previous peaks such as 1929, the Nifty 50, and the 2000 tech bubble. The good news is that many of today's momentum plays have strong profitability and fundamentals alongside valuations that are more reasonable, at least compared to the early 2000s. From a Magnificent 7 perspective, we did start to see more dispersion of returns among this cohort, with Tesla, Apple and Alphabet underperforming.

Turning to the portfolio's performance, the portfolio slightly underperformed the S&P 500 during the first quarter. Stock selection in financial services, most notably not owning Berkshire Hathaway, and telecom, notably our positions in SBA Communications and Cable One, detracted from performance. As mentioned, Magnificent 7 performance started to diverge during the quarter, which helped our relative performance.

Within their sector teams, our analysts continue to look for compelling investment opportunities. Within capital goods, we are overweight aerospace & defense as these companies benefit from an improving aerospace cycle as global airlines look to retire/refresh fleets to reach decarbonization goals. We did trim our position in Honeywell to fund more compelling ideas. While Honeywell is growing double digits in aerospace, it suffers from short-cycle exposures in warehouse and productivity solutions and we worry it is overly diversified which hinders growth, so we decided to reduce exposure. We are also overweight homebuilding & materials, and we own heavy building materials companies Summit Materials and Vulcan Materials, which provide strong end market exposure to infrastructure spending at reasonable valuations. We added to Summit as it is seeing better synergies from the Argos acquisition and better pricing across both cement and aggregates. We remain underweight autos and do not own Tesla under the view that there are no imminent growth catalysts over the next few years as volume growth is under pressure and either Tesla needs to revert to incremental pricing discounts to move volume that results in further margin pressure or it can try to preserve margins at the expense of growth, in which case it is likely they see lower volume growth. Under either scenario, estimates

Portfolio Outlook and Positioning



need to continue to move lower, and the stock's valuation isn't reflecting this. We are exposed to secular trends around electrification including grid modernization and the increased use of sensors and electronics in vehicles through our positions in Eaton, TE Connectivity and Aptiv.

Within consumer cyclicals, we sold our position in discount retailer **Dollar General** to start a new position in online travel agency **Booking Holdings**. When we compared the two stocks, they were trading at similar P/E valuations, but Dollar General had much higher leverage including leases and is constrained on capital return versus Booking with a pristine balance sheet and capital return upside. Dollar General also has margin headwinds from labor, fixing the supply chain and store standards issues while Booking offers a margin mix story and a long-term execution track record. The addition of Booking also helped close our underweight to the travel and leisure space, a gap we had been eager to close. Within restaurants, we sold our position in **Wendy's** to add to Starbucks. While sentiment around Starbucks has worsened on the acknowledgement of China woes, we have confidence in the business improving outside of China, and margin expansion from efficiencies and reducing COGS is contributing to stronger EPS growth. In addition, we view the risk/reward on Starbucks as compelling as it is trading close to its lowest relative multiple versus the S&P 500 in 10 years and close to its lowest relative multiple versus McDonald's.

Within consumer staples, after taking unprecedented pricing in 2022 and into 2023 to combat cost inflation, we have been seeing dispersion in volumes between companies and categories and further risk from a greater propensity for trade-down and higher promotional activity into 2024. In this environment we have been marginally less sensitive to valuations for companies we believe have attractive category exposure, advantaged positions and pricing power, which can lead to less earnings risk over the medium term, and we have largely maintained core positions in Mondelez, Colgate-Palmolive, Constellation Brands and PepsiCo. A risk that is continuing in 2024 is that retailers may no longer accept higher prices with more benign inputs while consumer elasticities may be more pronounced as lower-end consumer wallets are stretched. General Mills stands out attractively relative to US packaged foods with a valuation in line with peers but more attractive category exposures, as evidenced by stronger elasticities over the last two years.

Within energy, the global commodity market for oil continues to be supported by capex/production discipline from OPEC and US shale players. In addition, US producers' restraint on production growth over the past five years has significantly impacted the demand/supply balance near term as well as into the future. Near term, downside price risk would likely be due to weakening demand expectations and upside price risk would likely be due to supply disruptions. Looking further out, ongoing investment restraint and low resource replacement could lead to a return of energy shortages while rising populations put a structural upwards pressure on oil demand through the end of the decade. We prefer E&Ps over services given balance sheets better able to handle the next downturn, better midcycle valuations and more capital return. In addition, for

Portfolio Outlook and Positioning



several years we have followed a strategy of trying to build a better Exxon Mobil/Chevron with components having commonalities with the main supermajor businesses. This has meant owning Hess for its exposure to Guyana, one of the most promising offshore projects in the world, which given its growth potential differentiates its FCF profile; ConocoPhillips for its return to shareholders capital discipline, a solid global upstream portfolio and a strong balance sheet; Diamondback Energy for its onshore exposure; and Valero, which offers much improved capital allocation along with attractive valuations as it continues to take advantage of refining tailwinds. Within utilities, the team views the group as attractive after notable underperformance in 2023, but ownership should be selective as headwinds persist and the team prefers names that should be resilient in a potentially stagflationary environment.

Within financial services, our largest overweight remains diversified financials, which includes exposure to insurance brokers Aon and Willis Towers Watson, payment network provider Visa, exchange CME Group and credit rating agency Moody's, due to their compounding and relative economic defensiveness. We also remain overweight asset/wealth management and brokerage, where we hope to see net interest income reaccelerate as deposit pressures settle and longer duration assets are reinvested at higher rates. We also hope to benefit from structural organic growth, capital-light models and lower credit risk. We remain underweight banks and consumer financials as we worry that diminishing excess consumer savings, more limited credit availability, pockets of debt and the risk of higher unemployment could lead to more challenging credit issues ahead. However, we are neutral larger banks that are structurally better positioned, and we are looking for select opportunities to lean in further as we consider more attractive valuations, the potential for NII reacceleration, healthy provision allowances and capital rebuild. In the first quarter, we saw some of that larger bank re-rating play out with universal bank stocks (JPM, BAC, C, WFC) up nearly 20% versus the US regional bank index being down 5%. Within insurance, we are underweight due to not owning Berkshire Hathaway, which we use to fund preferred names elsewhere. Moreover, we are comfortable with our underweight to life insurance and preference for property and casualty as credit stress is more manageable for P&C than life insurers given lower investment leverage while absolute commercial real estate exposure is lower.

Within health care, we are relying predominantly on bottom-up stock selection within industries to drive performance, but we are slightly overweight medtech and pharma and slightly underweight biotech and managed care. Within medtech, we exited our position in dental equipment and supplies company **Envista Holdings** as the company continued to struggle on the execution front, with the risk of a cyclical reset in estimates looming in the background. Within pharma, we sold our position in animal health company **Zoetis** and added to Johnson & Johnson and AbbVie, where the risk/reward screened more favorably. Zoetis had been a great performer, but with the quality of revenue growth deteriorating and a demanding valuation, the risk/reward was no longer compelling. During the quarter, the team took a closer look at the

Portfolio Outlook and Positioning



health care services space and drug distribution and managed care remain the best businesses within the broader HC services space and have put up the best earnings growth over the long-term. Drug distributors have benefited the most from multiples re-rating over the past five years with most of that coming on the back of their growth profile re-rating positively in recent years. The recent higher op profit growth is mostly attributable to favorable pricing trends in the generic market and we are worried that may prove unsustainable long term. McKesson remains our favored name in the group, but risk/reward is no longer super compelling as valuation has moved higher, so we trimmed back our position. Within managed care, we continue to expect greater volatility in earnings over the next couple of years owing to specific factors impacting Medicare and Medicaid/exchanges margins. Cigna continues to screen the best from a risk/reward perspective.

Within technology, the team revisited the thesis around some of the larger benchmark constituents. For Apple, we continue to remain underweight given weakening fundamentals, a still very expensive valuation, and idiosyncratic risks to its largest profit streams. More specifically, we expect 2024 to be a year of muted growth for Apple, driven by weakness across most hardware categories and incremental pressure for the iPhone in China. In addition, the Google licensing payment and Apple's App Store revenues are both by far the largest contributors to forecast profit growth and both revenue streams are under increased regulatory scrutiny. While we did take a trim to Microsoft, it remains our largest active position in tech as it is one of the only companies monetizing its investment in GenAI. More specifically, the use cases for software are exploding as data is harnessed and Microsoft's CoPilot assistants permeate daily work/consumer life and digital creation and software shifts from human-driven to machine-driven, as with OpenAI's new generative video engine Sora. Both massively expand the addressable market for software and infrastructure, benefiting Microsoft. We continued to swap Alphabet for Meta Platforms as we have more questions around Alphabet's terminal value while we believe Meta is a beneficiary of AI. Finally, Nvidia is easily the hardest stock for us to assess given a wide range of outcomes and questions on market share, gross margins and average selling price. However, the multiple likely reflects some of our concerns, and we closed some of our underweight.

Within telecom, we closed out our short position in tower **Crown Castle** and we now have a historically high overweight to towers where revenues are driven by wireless competition and data consumption, both of which remain robust, and they currently trade at discount to the broader market while offering a narrow range of outcomes and long-term contracted growth. We also continue to have a structural preference for cable over telco as we believe cable ultimately wins the convergence war between cable and telco. Within cable, we prefer the cheaper Cable One where their lower penetration, better customer service and treatment of employees, and rural footprint should allow them to continue growing broadband subs through increased competition. In addition, they are a potential takeout candidate.

Portfolio Outlook and Positioning



The risk of recession appears to be declining, and rising oil and copper prices may be an indication the economy is strengthening. Contrary signals, including rising bankruptcies, which are on par with 2020 and the global financial crisis, but this likely has more to do with companies wrestling with higher financing costs rather than economic weakness. As discussed earlier, momentum led the market in the first quarter. For a more broad-based rally to take hold, investors will likely need to see further signs that the economy is improving, inflation is slowing and interest rates are coming down. We did see signs of the market broadening in March, as value outperformed growth, and value-oriented, more cyclical sectors such as energy, materials and financials outperformed with technology lagging. In addition, EPS growth is poised to substantially broaden in the coming year, with Magnificent 7 growth decelerating while the rest of the market accelerates, which should lead to less market concentration. We take an active, bottom-up-oriented approach to equity investing focused on high-quality franchises with durable and consistent growth, combined with a valuation discipline that we believe will serve the strategy well moving forward.

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The commentary included in this report was based on a representative fully discretionary portfolio for this product style; as such the commentary may include securities not held in your portfolio due to account, fund, or other limits.

Portfolio Holdings



As of 31-Mar-24	Equivalent exposure (%)
Capital Goods	12.4
Eaton Corp PLC	0.8
Canadian Pacific Kansas City Ltd	0.8
Sherwin-Williams Co	0.7
Westinghouse Air Brake Technologies Corp	0.7
DuPont de Nemours Inc	0.7
INGERSOLL-RAND INC	0.7
Honeywell International Inc	0.7
Summit Materials Inc	0.7
Boeing Co	0.6
Johnson Controls International PLC	0.6
JB Hunt Transport Services Inc	0.6
General Dynamics Corp	0.6
Howmet Aerospace Inc	0.6
Regal Rexnord Corp	0.5
Air Products and Chemicals Inc	0.5
TE Connectivity Ltd	0.5
Leidos Holdings Inc	0.5
Vulcan Materials Co	0.5
AZEK Co Inc	0.4
Aptiv PLC	0.4
Corteva Inc	0.3
Cash & Cash Equivalents	1.1
Cash & Cash Equivalents	1.1
Consumer Cyclical	12.2
Amazon.com Inc	4.3
Home Depot Inc	1.3
Walt Disney Co	1.3
Starbucks Corp	0.9
Booking Holdings Inc	0.7
NIKE Inc	0.7
Ross Stores Inc	0.7
Target Corp	0.7

As of 31-Mar-24	Equivalent exposure (%)
Consumer Cyclical	12.2
Marriott International Inc/MD	0.6
Electronic Arts Inc	0.6
Five Below Inc	0.3
Consumer Staples	4.2
PepsiCo Inc	0.9
Colgate-Palmolive Co	0.7
Mondelez International Inc	0.6
Constellation Brands Inc	0.5
Philip Morris International Inc	0.5
Kenvue Inc	0.4
International Flavors & Fragrances Inc	0.3
General Mills Inc	0.3
Energy	6.4
ConocoPhillips	1.5
Hess Corp	0.9
Diamondback Energy Inc	0.7
PG&E Corp	0.6
Duke Energy Corp	0.6
Valero Energy Corp	0.6
Alliant Energy Corp	0.5
Schlumberger NV	0.5
PPL Corp	0.4
CMS Energy Corp	0.2
Financial Services	12.9
Visa Inc	2.6
JPMorgan Chase & Co	2.2
Chubb Ltd	1.3
Charles Schwab Corp	1.0
PNC Financial Services Group Inc	1.0
Aon PLC	0.9
Morgan Stanley	0.8
CME Group Inc	0.8

Portfolio Holdings



As of 31-Mar-24	Equivalent exposure (%)
Financial Services	12.9
Willis Towers Watson PLC	0.5
Northern Trust Corp	0.5
Moody's Corp	0.5
Extra Space Storage Inc REIT	0.5
Jones Lang LaSalle Inc	0.3
Health Care	13.1
Eli Lilly & Co	1.6
Johnson & Johnson	1.4
Cigna Group	1.4
AbbVie Inc	1.3
Agilent Technologies Inc	0.9
Medtronic PLC	0.9
Boston Scientific Corp	0.9
Becton Dickinson & Co	0.8
Vertex Pharmaceuticals Inc	0.8
McKesson Corp	0.8
STERIS PLC	0.7
Pfizer Inc	0.6
ICON PLC	0.6
Masimo Corp	0.4
Other	0.0
Other	0.0
Technology	35.9
Microsoft Corp	8.8
Alphabet Inc Class A	3.7
NVIDIA Corp	3.5
Meta Platforms Inc	3.2
Apple Inc	2.9
Salesforce Inc	1.9
Accenture PLC	1.4
Cadence Design Systems Inc	1.3
Alphabet Inc Class C	1.1

As of 31-Mar-24	Equivalent exposure (%)
Technology	35.9
Lam Research Corp	1.0
Marvell Technology Inc	1.0
Applied Materials Inc	0.9
Constellation Software Inc/Canada	0.9
ServiceNow Inc	0.9
NXP Semiconductors NV	0.9
Gartner Inc	0.7
TransUnion	0.6
Palo Alto Networks Inc	0.4
HubSpot Inc	0.4
Tyler Technologies Inc	0.3
Constellation Software Inc	0.0
Telecom / CATV	1.9
SBA Communications Corp REIT	1.2
Cable One Inc	0.5
T-Mobile US Inc	0.2

Other consists of: (i) currency derivatives and/or (ii) any derivative offsets.

The sectors described and the associated portfolio composition are based on MFS' own sector classification methodology which differs from industry classification standards, including the standard that is associated with the benchmark composition presented. The variance in sector weights between the portfolio and the benchmark would be different if an industry classification standard was used.

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