

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Product name: MFS Meridian Funds – Prudent Wealth Fund ("MFS Prudent Wealth Fund")
Legal entity identifier: 549300LM7K1F8VSRZS66

Environmental and/or social characteristics

Does this financial product have a sustainable investment?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: ____%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: ____%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

To what extent were the environmental and/or social characteristics are promoted by this financial product met?

Effective 31 December 2021, the MFS Prudent Wealth Fund promoted the MFS Low Carbon Transition Characteristic, which refers to the transition to a low carbon economy that MFS as an allocator of capital will promote through active engagement and the application of climate criteria to certain investments made by this product. In particular, the MFS Prudent Wealth Fund will aim to have at least 50% of the equity securities and 50% of the corporate debt instruments (as applicable) in the portfolio invested in equity issuers and corporate debt issuers that meet at least one of the four climate criteria (see below) from 1 January 2027 (the "Transition Date").

As of 31 January 2023: 60.92% of the equity securities in the portfolio of the MFS Prudent Wealth Fund met at least one of the climate criteria, which represented 41.12% of the total assets; 100% of the corporate debt instruments in the portfolio of the MFS Prudent Wealth Fund met at least one of the climate criteria, which represented 1.14% of total assets. Equity securities represented 67.51% and corporate debt instruments represented 1.14% of the assets of the MFS Prudent Wealth Fund as of 31 January 2023. Please note that percentages of total assets may differ from the financial statements included in the Shareholder Annual Report due to certain adjustments which have been made for reporting purposes. Corporate debt instruments percentages included in this report include any accrued interest amounts.

How did the sustainability indicators perform?

This periodic disclosure relates to the period from 31 December 2021 to 31 January 2023.

Climate Criterion 1 - Measuring GHG intensity of equity issuers and corporate debt issuers: the percentage (%) of equity securities and corporate debt instruments in the portfolio invested in equity issuers and corporate debt issuers that reduced their annual GHG intensity in accordance with the methodology set out in the website disclosure (see link below).

Climate Criterion 1	% of equity securities in the portfolio meeting this criterion	% of total assets in the portfolio meeting this criterion
31 January 2023	39.18	26.45
30 November 2021	67.01	37.0

Climate Criterion 1	% of corporate debt instruments in the portfolio meeting this criterion	% of total assets in the portfolio meeting this criterion
31 January 2023	100	1.14
30 November 2021	100	0.90

Climate Criterion 2 - Measuring recognised GHG emissions reduction or stabilization program: the percentage (%) of equity securities and corporate debt instruments in the portfolio invested in equity issuers and corporate debt issuers that have adopted such programs in accordance with the methodology set out in the website disclosure (see link below).

Climate Criterion 2	% of equity securities in the portfolio meeting this criterion	% of total assets in the portfolio meeting this criterion
31 January 2023	54.86	37.04
30 November 2021	43.80	24.20

Climate Criterion 2	% of corporate debt instruments in the portfolio meeting this criterion	% of total assets in the portfolio meeting this criterion
31 January 2023	30.70	0.35
30 November 2021	33.1	0.28

Climate Criterion 3 - Measuring 'net-zero' issuers: the percentage (%) of equity securities and corporate debt instruments in the portfolio invested in equity issuers and corporate debt issuers that are operating at 'net-zero' determined in accordance with the methodology set out in the website disclosure (see link below).

Climate Criterion 3	% of equity securities in the portfolio meeting this criterion	% of total assets in the portfolio meeting this criterion
31 January 2023	0	0
30 November 2021	0	0

Climate Criterion 3	% of corporate debt instruments in the portfolio meeting this criterion	% of total assets in the portfolio meeting this criterion
31 January 2023	0	0
30 November 2021	0	0

Climate Criterion 4 – Measuring activities that facilitate transition to a low carbon economy: the percentage (%) of corporate debt instruments in the portfolio invested in corporate debt issuers that have committed to use the proceeds raised to finance climate change adaptation and / or mitigation activities or to attain a reduction in GHG emissions determined in accordance with the methodology in the website disclosure (see link below).

Climate Criterion 4	% of corporate debt instruments in the portfolio meeting this criterion	% of total assets in the portfolio meeting this criterion
31 January 2023	0	0
30 November 2021	0	0

Compliance with climate criteria – measuring the percentage (%) of equity securities in the portfolio that complied with at least one of Climate Criterion 1, 2 and / or 3 in accordance with the methodology set out in the website disclosure (see link below).

Climate Criteria	% of equity securities in the portfolio meeting any criteria	% of total assets in the portfolio meeting this criterion
31 January 2023	60.92	41.12
30 November 2022	76.12	42.03

Compliance with climate criteria – measuring the percentage (%) of corporate debt instruments in the portfolio that complied with at least one of Climate Criterion 1, 2 and / or 3 in accordance with the methodology set out in the website disclosure (see link below).

Climate Criteria	% of corporate debt instruments in the portfolio meeting any criteria	% of total assets in the portfolio meeting any criteria
31 January 2023	100	1.14
30 November 2022	100	0.90

... and compared to previous periods?

Not applicable.

What were the objectives of the sustainable investments that the financial product partially intends to make and how did the sustainable investment contribute to such objectives?

Not applicable.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Not applicable.

The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

The MFS Prudent Wealth Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Therefore, the “do no significant harm” principle does not apply to any of the investments of this financial product.



Principal adverse impacts are the most significant negative impacts of investment decision on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti- corruption and anti- bribery matters.

How did this financial product consider principal adverse impacts on sustainability factors?

MFS believes that integrating financially material sustainability (environmental, social and governance or ESG) factors into investment analysis and decision-making processes leads to better informed decision-making which will drive investment returns over the long term. MFS investment professionals across the MFS Global Integrated Research Platform have access to proprietary interactive dashboards which allow them to visualize and analyze various ESG data elements, including the principal adverse impact indicators set out below. These ESG data elements are intended to enable MFS investment professionals to better understand and assess the financial impact of sustainability (ESG) factors on issuers and the portfolio, the negative external impact of issuers and the portfolio on sustainability (ESG) factors, and make informed long term investment decisions that are consistent with the financial investment objective of the MFS Prudent Wealth Fund.

To complement the promotion of the MFS Low Carbon Transition Characteristic which incorporates the **GHG emissions** (scope 1 and 2, and 3 where available) and **GHG intensity of investee companies** principal adverse impact indicators, MFS also makes available to investment professionals the following additional greenhouse gas emissions principal adverse impact indicators: **carbon footprint, exposure to active in the fossil fuel sector, share of non-renewable energy consumption and production and energy consumption intensity per high impact climate sector** (collectively, the "**Additional Emissions Indicators**"). At a portfolio level, MFS investment professionals considered these Additional Emissions Indicators alongside the MFS Low Carbon Transition Characteristic and underlying climate criteria from July 2022. MFS investment professionals will use the Additional Emissions Indicators as part of their broader assessment to address the readiness of issuers to transition their activities towards a low carbon economy and will engage with issuers consistent with the MFS Low Carbon Transition Characteristic. MFS also makes available to investment professionals the following social principal adverse impact indicators: **violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises** and **board gender diversity**. MFS investment professionals will consider these indicators within their broader ESG integration framework in the investment process to assess financial materiality and also their engagement practices. In partnership with our global stewardship team and our team of ESG specialists, MFS assesses and addresses the potential adverse impact of companies assessed at the portfolio level through its engagement approach, which may include direct engagement, proxy voting and industry collaborations (as appropriate).

Sustainability issues are complex, interconnected and evolving. MFS believes that the materiality of principal adverse impacts cannot be reduced to an automated process. The consideration of principal adverse impacts by MFS investment professionals for financial materiality is generally subjective and often involves considering risks or opportunities that are intangible and hard to measure. Their analysis will therefore be in-depth, qualitative, issuer-specific and contextual. MFS investment professionals retain flexibility to consider the principal adverse impacts within different points of the investment process and engagement activities, and the extent to which MFS investment professionals consider principal adverse impact indicators may vary. Importantly, MFS investment professionals do not apply principal adverse impact indicators as the basis for exclusions or screens, nor would these indicators be used within a purely quantitative portfolio optimization framework. As principal adverse indicators are considered at the portfolio level, MFS investment professionals will engage with certain issuers in the portfolio with respect to issues that are considered to be financially material and not engage with every issuer within the portfolio.



What were the top investments of this financial product?

Largest investments	Sector	% Asset	Country
US Treasury Note Sep 30 23	U.S. Governments	4.87	United States
US Treasury Note Jun 30 23	U.S. Governments	4.69	United States
US Treasury Note Mar 15 23	U.S. Governments	4.66	United States
US Treasury Note Dec 31 23	U.S. Governments	3.36	United States
LEG Immobilien SE	Real Estate	3.12	Germany
US Treasury Note Dec 15 22	U.S. Governments	3.06	United States
Alphabet Inc Class A	Communication Services	2.90	United States
iShares Physical Gold ETC ETF	ETFs	2.28	Ireland
Iberdrola SA	Utilities	2.04	Spain
US Treasury Note Mar 31 24	U.S. Governments	1.97	United States

The list includes investments constituting the greatest proportion of investments of the financial product during the reference period which is 31 December 2021 to 31 January 2023.

Check Point Software Technologies Ltd	Information Technology	1.82	Israel
KDDI Corp	Communication Services	1.81	Japan
Serco Group PLC	Industrials	1.62	United Kingdom
Wolters Kluwer NV	Industrials	1.45	Netherlands
Sage Group PLC	Information Technology	1.44	United Kingdom

The top investment holdings above represent the average security weights for the top 15 securities in the portfolio at the end of the 31 March 2022, 30 June 2022, 30 September 2022 and 31 December 2022 quarter end periods. Weights 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. Sectors shown are based on the Global Industry Classification Standard (GICS®) sectors and MFS classifications. GICS was developed by and/or is the exclusive property of MSCI, Inc. and S&P Global Market Intelligence Inc. ("S&P Global Market Intelligence"). GICS is a service mark of MSCI and S&P Global Market Intelligence and has been licensed for use by MFS. MFS has applied its own internal sector/industry classification methodology for equity securities and non-equity securities that are unclassified by GICS.



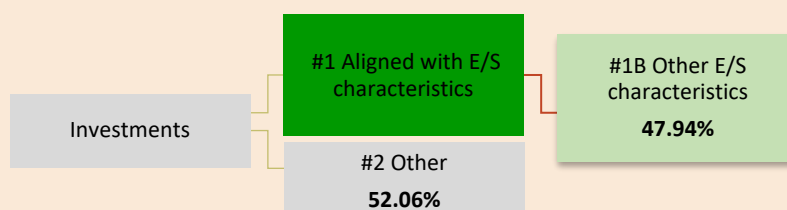
Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

The MFS Prudent Wealth Fund aims to have at least 50% of the equity securities and 50% of the corporate debt instruments in the portfolio invested in equity issuers and corporate debt issuers meeting at least one of the climate criteria from the Transition Date and therefore aligned with the E/S characteristics promoted by the MFS Prudent Wealth Fund (i.e. # 1) from the Transition Date.

What was the asset allocation?

As of 31 January 2023, equity securities represented 67.51% and corporate debt instruments represented 1.14% of the total assets of the portfolio of the MFS Prudent Wealth Fund; the remaining investments of the portfolio included non-corporate debt instruments, derivatives, cash and / or cash equivalent instruments; 60.92% of the equity securities in the portfolio of the MFS Prudent Wealth Fund met at least one of the climate criteria, which represented 41.12% of the total assets of the portfolio; 62.92% of the corporate debt instruments in the portfolio of the MFS Prudent Wealth Fund met at least one of the climate criteria, which represented 6.82% of the total assets of the portfolio; 47.94% of the total assets of the portfolio attained the MFS Low Carbon Transition Characteristic (which did not qualify as sustainable investments); 52.06% of the total assets were not aligned with the MFS Low Carbon Transition Characteristic or qualified as sustainable investments. Please note that percentages of total assets may differ from the financial statements included in the Shareholder Annual Report due to certain adjustments which have been made for reporting purposes. Corporate debt instruments percentages included in this report include any accrued interest amounts.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

In which economic sectors were the investments made?

Sectors	% Average weight
U.S. Governments	27.53
Other	21.12
Information Technology	12.69
Real Estate	11.03
Communication Services	10.33
Industrials	9.65
Consumer Staples	5.66
Cash & Cash Equivalents	4.31
Consumer Discretionary	3.74
ETFs	2.87
Materials	2.64
Financials	2.60
Utilities	2.04
Corporate Debt	1.03
Health Care	0.74
Equity Options	-0.22
Index Futures	-2.47
Index Options	-15.29

The sector holdings above represent the average sector weight for the portfolio at the end of the 31 March 2022, 30 June 2022, 30 September 2022 and 31 December 2022 quarter end periods.] Weights 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. Sectors shown are based on the Global Industry Classification Standard (GICS®) sectors and MFS classifications. GICS was developed by and/or is the exclusive property of MSCI, Inc. and S&P Global Market Intelligence Inc. ("S&P Global Market Intelligence"). GICS is a service mark of MSCI and S&P Global Market Intelligence and has been licensed for use by MFS. MFS has applied its own internal sector/industry classification methodology for equity securities and non-equity securities that are unclassified by GICS.

Taxonomy-aligned activities are expressed as a shareof:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Zero. The MFS Prudent Wealth Fund does not aim or commit to invest in sustainable investments with an environmental objective aligned with the EU Taxonomy.

Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy?

☐

Yes:

☐

In fossil fuel

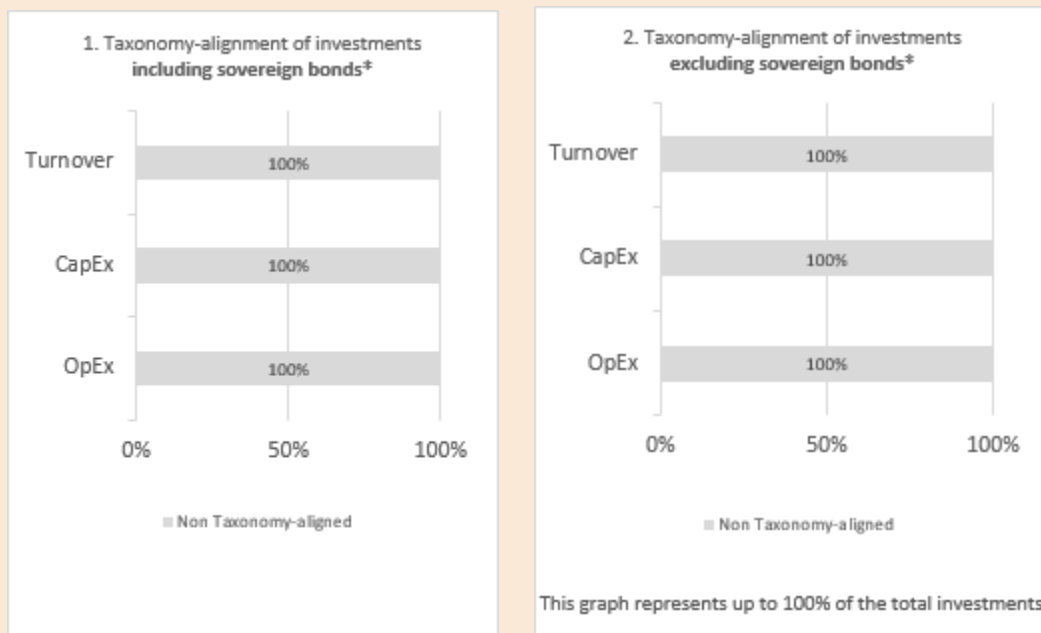
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In nuclear energy



No. The MFS Prudent Wealth Fund does not commit to make investments aligned with the EU Taxonomy.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

Zero. The MFS Prudent Wealth Fund does not aim or commit to invest in transitional or enabling activities as defined under the EU Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What was the share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Zero. The MFS Prudent Wealth Fund does not aim or commit to invest in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



What was the share of sustainable investments with a social objective?

Not applicable.



What investments were included under “#2 Other”, what was their purpose and were there any minimum environmental or social safeguards?

For those equity securities and corporate debt instruments that do not adhere to the climate criteria of the MFS Low Carbon Transition Characteristic, MFS investment professionals will continue to actively engage with these issuers on the climate criteria. The remaining portfolio held instruments not subject to the MFS Low Carbon Transition Characteristic which may include non-corporate debt instruments, derivatives, cash and cash equivalent instruments.



What actions have been taken to meet the environmental and / or social characteristics during the reference period?

The MFS Prudent Wealth Fund is managed by MFS investment professionals operating within the MFS integrated global research platform. As well as supporting strategy level investment analysis and decision making, certain initiatives are undertaken at the platform level for all MFS portfolios ("Platform Initiatives"). Information on Platform Initiatives that support the MFS Low Carbon Transition Characteristic are included below.

Platform Initiatives

Net Zero Assets Managers ("NZAM") - In 2021, MFS joined NZAM initiative. As a signatory, MFS is required to commit a portion of AUM that will align to net zero principles. In May 2022, MFS published interim and long-term targets to align with the Net Zero Asset Managers initiative. As of 2022, 90% of total MFS assets under management will be considered in-scope, including investments in equity securities and corporate debt instruments of the MFS Prudent Wealth Fund.

MFS interim and long-term targets:

- 2030 – 90% of in scope AUM is considered net zero aligned or aligning
- 2040 – 100% of in scope AUM is considered net zero aligned.
- 2050 – 100% of AUM is considered 'achieving net zero'.

The MFS approach is predicated on the belief that engaging investee companies across all industry sectors to transition in line with the decarbonization of the global economy will reduce the overall climate-related financial risks within our clients' investment portfolios. We believe this approach will help to influence positive change, is in the best interest of clients and aligned with our purpose of creating long-term value responsibly.

Task Force on Climate related Financial Disclosures ("TCFD") – MFS became a signatory in 2019. In 2022, MFS produced its first annual report in line with the TCFD recommendations. This report demonstrates our progress in integrating climate-risk awareness into our business operations and investment strategy. The full report is available on www.mfs.com.

MFS Climate Letter – MFS wrote to 700 issuers that represent our largest and highest emitting portfolio holdings. This letter outlined MFS' support of the Paris Agreement and the goal of limiting temperature increases to below 1.5° Celsius relative to pre-industrial levels. MFS requested these issuers to disclose carbon and related data, plan strategies to reduce their impacts, and act on those strategies in both the short and intermediate terms.

MFS Climate Working Group – MFS established an internal climate working group with the goal of engaging the broader MFS investment professionals on climate change and environmental impact within the MFS investment process and corporate engagement activity. Recent activities during the reporting period include the following: developed an internal climate framework that is Paris aligned, across all sectors, geographies and asset classes; ongoing integration of climate consideration and process across the MFS integrated global research platform; collaborating externally with groups such as NZAM, Climate Action 100+ and other initiatives.

Engagements and Proxy Voting - MFS Prudent Wealth Fund

During the reporting period, MFS investment professionals conducted at least 6 engagements with issuers in the portfolio on climate related risks and opportunities including: Check Point Software, Danone, Iberdrola, and LEG Immobilien SE. Topics engaged on include identification of climate change risk, transition risk, and Net Zero / SBTi initiatives. MFS investment professionals also assessed and voted FOR climate related shareholder proposals of the following issuers during the reporting period: Charter Communications Inc. and Alphabet Inc. MFS investment professionals also assessed and voted AGAINST climate related shareholder proposals of the following issuers during the reporting period: Booking Holdings inc. and Microsoft.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How did this financial product perform compared to the reference benchmark?

Not applicable.

Link to access website disclosure:

<https://www.mfs.com/content/mfs-enterprise/microsites/meridian/global/en/mfs-meridian-funds.html>