STRATEGY SNAPSHOT

Features and Benefits of Common Investment Vehicles

Nowadays, investors have a myriad of choices when it comes to investment vehicles. Mutual funds and exchange traded funds (ETFs) are some of the most common and accessible. Separately managed accounts (SMAs) and collective investment trusts (CITs) have been in existence for decades and are growing in popularity.

All vehicles share some similarities

- are regulated by government agencies
- are professionally managed
- are actively or passively managed
- invests in various asset classes

Vehicles also differ in a number of ways

THESE VEHICLES ALSO DIFFER IN A NUMBER OF WAYS. UNDERSTANDING THESE DIFFERENCES CAN HELP YOU DETERMINE WHICH ONE MAY BE SUITABLE FOR YOU.

MF
MUTUAL FUNDS

Mutual funds pool investor funds to invest in stocks, bonds and other securities. Mutual fund shares represent an investor's proportionate ownership of the portfolio. Shares are priced at net asset value (NAV) after the major exchanges close.

ETF
EXCHANGE-TRADED FUNDS

ETFs pool investor funds in a variety of securities, but unlike mutual funds they can be traded throughout the trading day much like stocks. ETFs achieve this intraday liquidity through their structure: ETFs are listed on an exchange and represent the per share value of the underlying assets. Investors trade the shares, not the underlying assets.

SMA
SEPARATELY MANAGED ACCOUNTS

SMAs are a portfolio of securities held in a single account on an investor's behalf. Unlike with a mutual fund or ETF, the investor directly holds the securities in the portfolio, and the SMA can be customized to reflect their goals and preferences.

CIT
COLLECTIVE INVESTMENT TRUSTS

CITs pool the funds of tax-qualified retirement plans (including pension plans or 401(k)s but excluding 403(b) plans and IRAs) to invest in stocks, bonds or other assets.

See next page for important disclosures.

Investment vehicle features compared to mutual fund Class I share

	ETF	SMA	CIT
Fee Level	X **=** √	X = **√**	X = **√**
Tax Efficiency	X = **√**	X = **√**	X = √
Trading Efficiency Impact of Flows	X = **√**	X = **√**	X **=** √
Customization	X **=** √	X = **√**	X **=** √
Accessibility	X **=** √	**X** = √	**X** = √
Portfolio Transparency	X **=** √	X = **√**	X = **√**
Capacity Management	**X** = √	X **=** √	X **=** √
Range of Strategies	**X** = √	**X** = √	X **=** √

√ More favorable than mutual funds   = Equal or similar to mutual funds   X Less favorable than mutual funds

Source: MFS research; Cerulli, US Advisor Edge, US Managed Account Edge; ICI 2023 Factbook, Morningstar.

To learn more about how these investment vehicles may fit in your over all portfolio, talk to your investment professional. For more specific information on MFS Active ETFs, please visit **mfs.com/ActiveETFs**.

* An in-kind exchange is a tax-deferred transaction that allows for the disposal of an asset and the acquisition of another similar asset without generating a capital gains tax liability from the sale of the first asset.

MFS SMAs are available through MFS Institutional Advisors, Inc.

MFS registered investment products are offered through MFS® Fund Distributors, Inc., Member SIPC.
MFS does not provide legal, tax or accounting advice. Clients of MFS should obtain their own independent tax and legal advice based on their particular circumstances.
This material is provided for general and educational purposes only and is not investment advice.
Keep in mind that all investments, including mutual funds, ETFs, SMAs and CITs carry a certain amount of risk including the possible loss of the principal amount invested.

Before investing, consider the funds' investment objectives, risks, charges, and expenses. For a prospectus or summary prospectus containing this and other information, contact MFS or view online at mfs.com. Please read it carefully.

Glossary

Fee levels – Compare average fees relative to mutual fund Class I shares. Other mutual fund share classes may be more expensive.

Tax efficiency – Mutual funds may already have capital gains dating to when the fund purchased the securities. CITs are not for taxable accounts. In an SMA, gains are based on the clients' costs basis. ETFs use the non-taxable in-kind exchange* of underlying securities and ETF shares minimizing the need to realize capital gains.

Trading efficiency/Impact of flows – Mutual funds may have limits on ownership of certain securities or industry weightings compared to other vehicles.

Customization – Ability to customize a portfolio based on various parameters.

Accessibility – Compares ease of purchase. Comparable ease will vary for mutual funds depending on the share class.

Capacity management – Mutual funds may impose purchase restrictions, limits or availability in the best interest of existing shareholders. ETFs cannot be closed due to being on the primary market.

Range of strategies – Compares the number of products available to purchase (according to Morningstar Direct, number of products available).

NEXT STEPS TO CONSIDER

INVESTORS – WORK WITH YOUR INVESTMENT PROFESSIONAL TO START BUILDING YOUR LONG-TERM PORTFOLIO.

INVESTMENT PROFESSIONALS – CALL YOUR DEDICATED MFS TEAM AT 1-800-343-2829 FOR MORE DETAILED ANALYSIS OR VISIT MFS.COM.