

As of 30 November 2019

## Fact Sheet

# MFS Meridian® Funds

## U.S. Total Return Bond Fund



## Investment team

## Portfolio Managers

Joshua Marston

- 19 years with MFS
- 26 years in industry

Robert Persons, CFA

- 19 years with MFS
- 32 years in industry

## Fund benchmark

Bloomberg Barclays U.S.  
Aggregate Bond Index

## A research-driven core plus bond fund

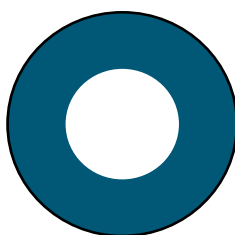
The fund's investment objective is to seek total return, measured in US dollars.

## Key Points:

- Primarily investment-grade U.S. dollar bond fund that integrates macro, bottom-up, and quantitative perspectives in an effort to add value through sector allocation, security selection, and duration/yield curve decisions
- Through a collaborative process, portfolio managers set the strategy's risk budget and work with analysts to select securities
- This credit-biased portfolio has the flexibility to invest in all core investment-grade sectors as well as emerging markets and high-yield securities

## Portfolio structure (%)

■ Bonds (104.9)



Cash & Cash Equivalents (-0.2%)

-4.6% Other. Other consists of: (i) currency derivatives and/or (ii) any derivative offsets.

## Top 10 holdings

UST Bond 2Yr Future MAR 31 20

US Treasury Note 2.5% JAN 31 21

US Treasury Note 2.375% FEB 29 24

GNMA (II) 30YR 3.5

GNMA (II) 30YR 3.0

US Treasury Bond 3% FEB 15 48

GNMA (II) 30YR 4.0

FNMA 30YR 4.0

UST Ultra Bond Future MAR 20 20

UST 10Yr Ultra Bond Future MAR 20 20\*

27.7% long and 3.4% short (\*) positions of total net assets

## Sectors (%)

Investment Grade Corporates	33.3
Mortgage Backed	24.4
U.S. Treasuries	20.4
Commercial Mtg Backed	12.2
Collateralized Debt Obligations	4.6
High Yield Corporates	3.7
Municipals	2.2
Asset Backed	1.5
Emerging Markets Debt	1.4
U.S. Govt Agencies	0.7
Residential Mtg Backed	0.3
Cash & Cash Equivalents	-0.2
Other	-4.6

## Portfolio facts

Net Assets (USD)	701.4 million
Number of Issues	393
Avg. Eff. Maturity	7.9 years
Avg. Eff. Duration	5.8 years

\* Short positions, unlike long positions, lose value if the underlying asset gains value.

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. The portfolio is actively managed, and current holdings may be different.

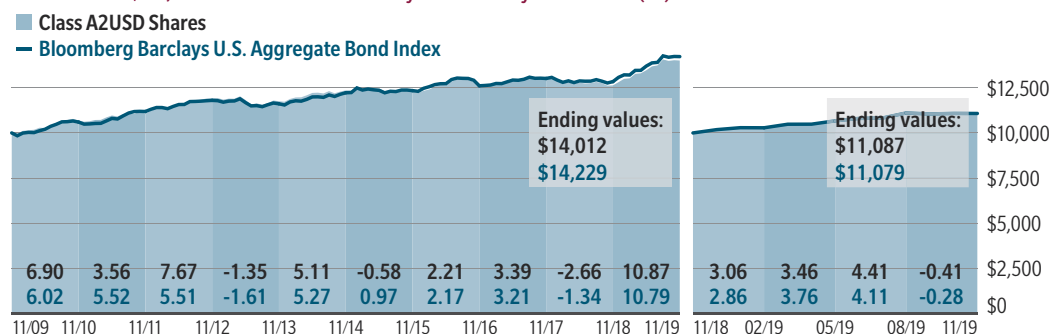
Top holdings, portfolio characteristics and weightings do not reflect the effect of exposure/weightings for hedging of hedged share classes. Full holdings and net assets do reflect this hedging.

MFS Meridian Funds from time to time may be registered for sale in other jurisdictions or otherwise offered where registration is not required.

MFS Meridian Funds are not available for sale in the United States or Canada or to US persons.

**MAY LOSE VALUE - NOT GUARANTEED**

## Growth of a \$10,000 investment over 10 years and 1 year at NAV (%) as of 30-Nov-19



Fund returns assume the reinvestment of dividends and capital gain distributions but do not include a sales charge. Results would have been less favorable if the sales charge were included. This example is for illustrative purposes only and is not intended to represent the future performance of any MFS product. **Past performance is not a reliable indicator for future results.**

## Calendar year total returns (%), not including sales charge A2USD^

	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18
Fund	16.23	6.52	5.64	6.31	-1.67	5.24	-1.06	2.92	3.77	-1.79
Benchmark	5.93	6.54	7.84	4.21	-2.02	5.97	0.55	2.65	3.54	0.01

Please see reverse for complete performance information and important disclosures.

ANNUALIZED RETURNS AT NAV (%) ^								SHARE CLASS INFORMATION					
Class	Ongoing Charges (%) ^1	Start of Class Perf. Record	YTD^^	1 yr	3 yr	5 yr	10 yr/Life	Distribution Rate (%)	Sedol	WKN	ISIN	CUSIP	Bloomberg
A1USD	1.20	20-Aug-02	9.34	10.82	3.71	2.55	3.43	—	B08N8F1	A0F4WJ	LU0219442976	L6365Y108	MFMRBAR LX
A2USD	1.20	20-Aug-02	9.37	10.87	3.72	2.54	3.43	2.04	B08N8J5	A0F4W4	LU0219443438	L6365Y116	MFMRBAI LX
A3USD 1,3	1.20	20-Aug-02	9.29	10.72	3.69	2.53	3.43	3.31	BYZ7NQ0	A2AHGF	LU1399134185	L6368T742	MFRBA3U LX
AH1EUR 2	1.26	01-Apr-15	6.42	7.55	1.08	—	0.23	—	BVVQ1B1	A14PYX	LU1200227335	L6366G502	MFRBAH1 LX
I1USD	0.56	26-Sep-05	10.02	11.55	4.38	3.21	4.11	—	B08N8S4	A0F489	LU0219455879	L6365Y173	MFRBIU1 LX
IH1EUR 2	0.58	01-Apr-15	7.09	8.24	1.81	—	0.96	—	BVVQ1H7	A14PYY	LU1200227509	L6366G510	MFRBIH1 LX
Benchmark: Bloomberg Barclays U.S. Aggregate Bond Index													
EUR			12.79	13.77	2.77	5.64	6.84						
USD			8.79	10.79	4.10	3.08	3.59						

Past performance is not a reliable indicator for future results. All financial investments involve an element of risk. The value of investments may rise and fall so you may get back less than originally invested.

Investors should consider the risks, including lower returns, related to currency movements between their investing currency and the portfolio's base currency, if different.

Other share classes are available for which performance and expenses will differ.

Returns would have been lower had sales charges, of up to 6% of the net asset value (NAV), or any commissions, fees or other charges that your financial intermediary may charge been reflected.

Performance results reflect ongoing charges and any applicable expense subsidies and waivers in effect during the periods shown. All historic results assume the reinvestment of dividends and capital gains.

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

Fund Inception Date: 26 September 2005

^ Results represent the percent change in NAV.

^^ Periods less than one year are actual not annualized.

† Ongoing charges are expressed at an annual rate as a percentage of net assets. They are based on annualized expenses for the six months ended 31 January 2019. For a Class with less than the full period of data available, or where adjustment is necessary to reflect current charges, the ongoing charges figure is an estimate. Please see the KIID of the relevant Class for the most recent expense information.

1 The MFS Meridian Funds offer several share classes each with different expenses. Performance reflects the performance of a relevant older class with the same currency until the actual start of class performance record of the class detailed. Performance for periods prior to that date may have been higher or lower had the actual share class fees and expenses been reflected.

2 Hedged share classes aim to reduce exchange rate and return fluctuations between the applicable non-base currency hedged share class and the unhedged base currency class of the fund. From time to time shareholder transactions in the share class could result in a gain or a loss, which could be significant, in the share class value that is attributable to the adviser's hedging activities rather than to its investment management activities. Other share classes will not share in these gains or losses.

3 Unlike other share classes, the Gross Income Share Class pays income before the expenses attributable to the share class have been deducted. This has the effect of increasing the amount of income paid and therefore the distribution rate will be higher than the Income Share Class. However, expenses will deducted from the fund's capital gains and/or capital which may cause your principal value to be less than your original investment. Investors should discuss the suitability of this share class with their tax or financial advisor.

Class I shares are only available to certain qualifying institutional investors.

CREDIT QUALITY† (% OF TOTAL NET ASSETS)	
U.S. Government	14.8
Federal Agencies	25.1
AAA	13.2
AA	4.4
A	11.0
BBB	23.3
BB	4.7
B	1.0
CCC and Below	0.0
Other Not Rated	7.4

**Avg. credit quality: AA-**

† The Average Credit Quality (ACQR) is a market weighted average (using a linear scale) of securities included in the rating categories. For all securities other than those specifically described below, ratings are assigned to underlying securities utilizing ratings from Moody's, Fitch, and Standard& Poor's rating agencies and applying the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two is assigned. Ratings are shown in the S&P and Fitch scale (e.g., AAA). All ratings are subject to change. U.S. Government includes securities issued by the U.S. Department of the Treasury. Federal Agencies includes rated and unrated U.S. Agency fixed-income securities, U.S. Agency MBS, and CMOs of U.S. Agency MBS. Other Not Rated includes fixed income securities which have not been rated by any rating agency. The portfolio itself has not been rated.

TRAILING 3-YEAR RISK MEASURES VS. BENCHMARK (A2USD)	
Standard Deviation	2.80 vs. 2.90

**Standard Deviation** is an indicator of the portfolio's total return volatility, which is based on a minimum of 36 monthly returns. The larger the portfolio's standard deviation, the greater the portfolio's volatility.

RISK AND REWARD PROFILE CLASS (A2USD)						
◀ Lower Risk (typically lower rewards)			Higher Risk ▶ (typically higher rewards)			
1	2	3	4	5	6	7

The rating is based on past volatility of returns and may be different in the future or for other classes of the fund.

**See the fund's offering documents for more details, including information on fund risks and expenses.**

The offering documents (sales prospectus and Key Investor Information Documents (KIIDs)), articles of incorporation and financial reports are available to investors at no cost in paper form or electronically at [meridian.mfs.com](http://meridian.mfs.com), at the offices of the paying agent or representative in each jurisdiction or from your financial intermediary. KIIDs are available in the following languages; Danish, Dutch, English, French, German, Italian, Norwegian, Portuguese, Spanish, and Swedish. The sales prospectus and other documents are available in English. For additional information, call 416.506.8418 in Toronto or 352.464.010.600 in Luxembourg or your local paying agent or representative. **Spain:** A complete list of the MFS Meridian SICAV fund distributors in Spain is available on the CNMV Website ([www.cnmv.es](http://www.cnmv.es))

MFS Meridian Funds is an investment company with a variable capital established under Luxembourg law. MFS Investment Management Company (Lux) S.à.r.l. is the management company of the Funds, having its registered office at 4, Rue Albert Borschette, L-1246, Luxembourg, Grand Duchy of Luxembourg (Company No.

B.76.467). The Management Company and the Funds have been duly authorised by the CSSF (Commission de Surveillance du Secteur Financier) in Luxembourg.

**CNMV's registration number for Spain- 68.**

MFS Meridian Funds are recognised under Section 264 of the Financial Services and Markets Act of 2000 (reference number 435996) and U.K. investors should note that holdings of shares in the funds will not be covered by the provisions of the Financial Services Compensation Scheme, or by any similar scheme in Luxembourg.

**Important risk considerations**

The fund may not achieve its objective and/or you could lose money on your investment in the fund. ■ **Bond:** Investments in debt instruments may decline in value as the result of, or perception of, declines in the credit quality of the issuer, borrower, counterparty, or other entity responsible for payment, underlying collateral, or changes in economic, political, issuer-specific, or other conditions. Certain types of debt instruments can be more sensitive to these factors and therefore more volatile. In addition, debt instruments entail interest rate risk (as interest rates rise, prices usually fall). Therefore, the portfolio's value may decline during rising rates. Portfolios that consist of debt instruments with longer durations are generally more sensitive to a rise in interest rates than those with shorter durations. At times, and particularly during periods of market turmoil, all or a large portion of segments of the market may not have an active trading market. As a result, it may be difficult to value these investments and it may not be possible to sell a particular investment or type of investment at any particular time or at an acceptable price. The price of an instrument trading at a negative interest rate responds to interest rate changes like other debt instruments; however, an instrument purchased at a negative interest rate is expected to produce a negative return if held to maturity. ■ **Derivatives:** Investments in derivatives can be used to take both long and short positions, be highly volatile, involve leverage (which can magnify losses), and involve risks in addition to the risks of the underlying indicator(s) on which the derivative is based, such as counterparty and liquidity risk. ■ **High Yield:** Investments in below investment grade quality debt instruments can be more volatile and have greater risk of default, or already be in default, than higher-quality debt instruments. ■ **Mortgage-backed:** Mortgage-backed securities can be subject to prepayment and/or extension and therefore can offer less potential for gains and greater potential for loss. ■ **Geographic:** Because the portfolio may invest a substantial amount of its assets in issuers located in a single country or in a limited number of countries, it may be more volatile than a portfolio that is more geographically diversified. ■ Please see the prospectus for further information on these and other risk considerations.

**Benchmark and vendor disclosures**

Bloomberg Barclays U.S. Aggregate Bond Index - a market capitalization-weighted index that measures the performance of the U.S. investment-grade, fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities with at least one year to final maturity.

It is not possible to invest directly in an index.

Source: Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). BARCLAYS® is a trademark and service mark of Barclays Bank Plc (collectively with its affiliates, "Barclays"), used under license. Bloomberg or Bloomberg's licensors, including Barclays, own all proprietary rights in the Bloomberg Barclays Indices. Neither Bloomberg nor Barclays approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.