



MFS INVESTMENT MANAGEMENT COMPANY (LUX) S.à r.l.

4, rue Albert Borschette, L-1246 Luxembourg
Grand Duchy of Luxembourg
the "Management Company" of

MFS INVESTMENT FUNDS

a Luxembourg *fonds commun de placement*

NOTICE TO UNITHOLDERS

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.

Luxembourg, 21 October 2022

Notice is hereby given to the Unitholders of the MFS Investment Funds that the Board of Managers of the Management Company (the "**Board**") has resolved to make certain changes to MFS Investment Funds' offering documents, including the Key Investor Information Documents and prospectus (the "**Prospectus**"), which relate to certain sub-funds of MFS Investment Funds as described below.

These changes will be effective on **21 November 2022**, one month following the date of this Notice (the "**Effective Date**") and will be reflected in the next update of the Prospectus.

You are not required to take any action in respect of this Notice.

1. All Sub-Funds – Modification of Expense Cap Arrangement

Massachusetts Financial Services Company as investment manager to the sub-funds (the "**Investment Manager**") currently maintains a voluntary arrangement to pay for certain of the sub-funds' expenses, so that such expenses do not exceed the threshold specified in the Prospectus under "Fund Profile – Fund's Ongoing Charges" for each unit class of each sub-fund (the "**Expense Cap**"). As stated in the Prospectus, the Expense Cap arrangement excludes certain expenses, specifically, investment management fees, taxes, tax transparency-related expenses, extraordinary expenses, brokerage and transaction costs, and expenses associated with a sub-fund's investment activities including interest.

Sub-fund expenses may include contingency fees incurred in connection with tax reclaim recoveries. As a result of a series of decisions by the European Court of Justice, some sub-funds are eligible to file for reclaim of taxes previously withheld by certain jurisdictions within the European Union. To perform the administrative steps for pursuing such reclaims, an external service provider (who is not affiliated with the Investment Manager or the Management Company) has been retained on behalf of the relevant sub-funds and is compensated on a contingent fee basis, *i.e.*, the fees are a percentage of amounts successfully recovered and there is no expense to the sub-funds if there is no recovery ("**Tax Reclaim Recovery Expenses**").

As of the Effective Date, the Expense Cap arrangement will be modified such that Tax Reclaim Recovery Expenses are among those expenses excluded from the Expense Cap. As a result, in the event of a successful tax reclaim recovery by a sub-fund, the sub-fund (and not the Investment Manager) will bear

the corresponding contingency fee as a percentage of the amount recovered. Disclosure throughout the Prospectus will be amended accordingly.

2. Blended Research® Global Equity Fund – Designation Under Article 8 of SFDR

Currently, a number of sub-funds of MFS Investment Funds are designated under and comply with Article 8 of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector ("SFDR").

As of the Effective Date, the Blended Research® Global Equity Fund will be designated under and comply with Article 8 of SFDR. Corresponding changes will be made to the offering documents as of the Effective Date.

Article 8 of SFDR requires the disclosure of additional information where an environmental or social characteristic is promoted. The MFS Article 8 Funds promote the MFS Low Carbon Transition Characteristic, which refers to the transition to a low carbon economy promoted by the Investment Manager through active engagement and the application of climate criteria to certain investments made by the Funds. In particular, each MFS Article 8 Fund will monitor and assess certain issuers against, and use active engagement to promote, the climate criteria below from the Effective Date, with the aim of having at least 50% of the equity securities and/or 50% of the corporate debt instruments in the portfolios meet any one of the climate criteria from 1 January 2027 (the "**Transition Date**"):

*Climate Criterion 1 – Reduction in greenhouse gas ("**GHG**") intensity*

In order to comply with this criterion an issuer must reduce GHG intensity on a year-over-year basis. The Investment Manager will not apply a minimum threshold and will calculate the yearly GHG intensity based on a three-year rolling average (or the longest available where data for a three-year historical period is not available in respect of corporate debt instrument issuers).

Climate Criterion 2 – Commitment to a recognised GHG emissions reduction or stabilization program aligned with international/national targets

This criterion comprises issuers that have committed to an emissions reduction or stabilization program aligned with international or national targets, such as a net-zero commitment or a published science-based target.

Climate Criterion 3 – Operating on a net-zero basis aligned with the United Nations Paris Agreement or such other successor multilateral framework

Such issuers already operate on a net-zero basis based on a credible and transparent methodology.

Climate Criterion 4 – Corporate debt instruments issued to finance activities that facilitate the transition to a low carbon economy

This criterion comprises corporate debt instruments of issuers that have committed to using the proceeds raised to finance climate change adaptation and/or mitigation activities or to attain a reduction in GHG emissions, in accordance with regulatory frameworks, industry principles or other internationally recognised principles, such as the International Capital Market Association's Green Bond Principles.

Following the Transition Date, if an MFS Article 8 Fund's portfolio falls below the 50% threshold, the Investment Manager will review the portfolio and implement a remedial plan. The remedial plan may include an active ownership engagement strategy and the Fund may remain below 50% for a period of time. The remedial plan and may also include portfolio adjustments.

In managing each MFS Article 8 Fund, the Investment Manager considers the following principal adverse impact indicators with respect to investee companies in pursuing such Fund's investment objective:

- Greenhouse gas ("GHG") emissions (scope 1 and 2, and 3 where available);
- GHG intensity;
- Carbon footprint;
- Exposure to activities in the fossil fuel sector;
- Share of non-renewable energy consumption and production;
- Energy consumption intensity per high impact climate sector;
- Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises; and
- Board gender diversity.

Each MFS Article 8 Fund **does not** aim or commit to maintain any minimum level of investment in:

- Sustainable investments with an environmental objective aligned with the EU Taxonomy;
- Transitional or enabling activities under the EU Taxonomy; or
- Sustainable investments with an environmental objective as otherwise defined.

Additional information on the MFS Low Carbon Characteristic and the calculation methodology for the climate criteria will be available on the Effective Date in Fund-specific annexes to the prospectus and at fcp.mfs.com.

General

Other than as stated above, there are no changes to any sub-fund's objective, investment policies/restrictions or fee structure.

Unitholders may redeem their units at any time free of any fee.

The updated Prospectus reflecting the changes noted above will be effective as of the Effective Date and will be available free of charge at 49, Avenue J.F. Kennedy, c/o State Street Bank International GmbH, Luxembourg Branch, L-1855 Luxembourg, Grand-Duchy of Luxembourg, or at the registered office of the Management Company at 4 rue Borschette, L-1246, Luxembourg, Grand Duchy of Luxembourg and at the German paying and information agent, Marcard, Stein & Co AG, Ballindamm 36, 20095 Hamburg (the "German Paying and Information Agent").

By order of the Board of Managers