

MFS Institutional Advisors, Inc.
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Summary of Material Changes to our Firm Brochure

The following is a summary of material changes made to the MFS Institutional Advisors, Inc. (“MFSI”) Form ADV, Part 2A (“Brochure”) since MFSI’s prior annual updating amendment to the Brochure, which was filed on March 31, 2022. In addition to the material changes described below, the Brochure has also been updated for various non-material changes, such as providing clarification or additional information. Capitalized terms not defined below are defined in the Brochure.

If you have any questions about the contents of this summary or would like to request the most recent copy of the Brochure, please contact us at +1-877-960-6077 or institutionalclientservice@mfs.com. The information in this summary has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Although MFSI is registered with the SEC as an investment adviser, such registration does not imply any level of skill or training.

Additional information about MFSI also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by using a unique identifying number, known as a CRD number. The CRD number for MFSI is 107144.

Summary of Material Changes

Item 4—Advisory Services

- Updated the disclosure to include that in addition to providing advisory services to separately managed accounts, or sleeves thereof, held within a wrap fee program, and to sponsors of wrap fee programs, MFSI is also retained by platform providers that in turn make MFSI's products or services available to sponsors for their use in participants' accounts in wrap fee programs.
- Added the following clarifying disclosure concerning sponsor or participant imposed investment restrictions:

Investment restrictions, from the sponsor or participant, can affect MFSI's (or the sponsor's) freedom of action. For example, a restriction from investing in companies from a country or region can limit the investments available for a strategy that typically includes companies from that country or region. In other cases, the restriction may not have any impact, such as when the strategy does not include companies from that country or region. When the restriction does limit the investments available, account performance will differ from participant accounts that have not imposed such restrictions.

- Added the following disclosure to describe the non-discretionary advisory services offered by MFSI in Institutional Model-Delivery Arrangements:

In addition to providing Model-Delivery Programs in Wrap Programs, MFSI also provides non-discretionary model portfolio delivery services to third-party investment advisers that themselves offer investment products and/or services to underlying investors (such arrangements "Institutional Model-Delivery Arrangements"), which, for example, could include investment companies registered under the 1940 Act and separate account clients subject to ERISA. MFSI's recommendations are not tailored to any particular underlying investor but may take into account any specific investment restrictions or guidelines imposed by the third-party investment adviser. The third-party investment adviser has the ultimate discretion to accept or reject MFSI's recommendations. The third-party investment adviser is generally responsible for making and implementing the ultimate investment decisions. MFSI does not know the identity of, or any other information necessary to perform a suitability analysis about, the underlying investors. Additionally, as discussed, above, MFSI does not have any contractual arrangement with the underlying investors with respect to the Model-Delivery Program provided to the third-party investment adviser. As agreed, upon by the investment adviser and MFSI, MFSI may release the portfolio model changes on a delay from the release of orders or portfolio model changes within the same investment strategy.

Item 5—Fees and Compensation

- Updated the range of MFSI’s asset-based fees in the fee schedules as follows:

Fees for Separate Account and Sub-Advised Accounts and Institutional Model-Delivery Arrangements Directly Contracted with MFSI

MFSI’s asset-based fees may range as shown in the table below.

<u>Type of Investment Strategy</u>	<u>Standard Investment Advisory Fee</u>
Municipal Core Fixed Income and Municipal Plus	0.25% to 0.175% of average month end assets
Corporate BB Fixed Income	0.275% to 0.175% of average month end assets
Blended Research Large Cap Growth Equity, Blended Research U.S. Core (ESG) Equity, and Blended Research U.S. Core Equity	0.30% to 0.20% of average month end assets
U.S. Core Plus Fixed Income	0.30% to 0.20% of average month end assets
Blended Research International Equity	0.40% to 0.30% of average month end assets
Low Volatility Global Equity	0.40% to 0.30% of average month end assets
Emerging Markets Debt	0.45% to 0.375% of average month end assets
Domestic Balanced	0.50% to 0.375% of average month end assets
Blended Research Global High Dividend Equity	0.50% to 0.40% of average month end assets
Core Equity, Growth Equity, Large Cap Growth Equity, Large Cap Value Equity, Research Equity Industry Neutral, and U.S. Intrinsic Value	0.55% to 0.40% of average month end assets
U.K. Equity	0.55% to 0.40% of average month end assets
European Equity ex U.K.	0.55% to 0.45% of average month end assets
Contrarian Value Equity	0.65% to 0.50% of average month end assets
Global Growth Equity, Global Infrastructure and Global Real Estate Equity	0.65% to 0.50% of average month end assets

International Research Equity	0.65% to 0.50% of average month end assets
Mid Cap Growth Equity and Mid Cap Value Equity	0.65% to 0.50% of average month end assets
Technology Equity, U.S. REIT, and Utilities Equity	0.65% to 0.50% of average month end assets
European Research Equity	0.70% to 0.50% of average month end assets
Mid Cap Growth Focused Equity	0.70% to 0.55% of average month end assets
Global Equity and Global Value Equity	0.75% to 0.50% of average month end assets
International Equity, International Growth Equity, and International Intrinsic Value Equity	0.75% to 0.50% of average month end assets
Small Cap Growth Equity and Small Cap Value Equity	0.75% to 0.60% of average month end assets
Global Concentrated Equity	0.80% to 0.55% of average month end assets
International Concentrated Equity	0.80% to 0.55% of average month end assets
Emerging Markets Equity	0.80% to 0.70% of average month end assets
International Small-Mid Cap Equity	0.95% to 0.75% of average month end assets

Wrap Program Fees and Expenses

MFSI's asset-based fees for Wrap Programs may range as shown in the table:

Investment Strategy	Dual-Contracts	SMA Programs, Model-Delivery Programs and Discretionary Model-Delivery Programs
MFS Equity Income SMA	--	0.27% to 0.35% of assets under management
MFS Large Cap Growth SMA	0.60% of assets under management	0.28% to 0.42% of assets under management
MFS Large Cap Value SMA	0.60% of assets under management	0.28% to 0.42% of assets under management
MFS Mid Cap Growth SMA	--	0.32% to 0.40% of assets under management
MFS Research International ADR SMA	0.65% of assets under management	0.30% to 0.45% of assets under management

MFS Research International Foreign Ordinaries SMA	--	0.35% to 0.40% of assets under management
MFS Research Core SMA	--	0.30% to 0.38% of assets under management

- Updated the following descriptions of MFS Global Group's practices regarding pricing account assets, in particular its fair value practices and compliance with Rule 2a-5 under the Investment Company Act of 1940, as amended:

For the MFS Global Funds that MFSI advises or sub-advises, the MFS Global Group prices securities or other assets for many purposes, including determining fees and performance reporting. For other pooled investment vehicles that MFSI sub-advises and for which a member of the MFS Global Group does not act as primary investment adviser, the MFS Global Group may be asked to provide valuation assistance for certain securities or other assets held by the pooled investment vehicle. Additionally, for separate accounts, the MFS Global Group prices securities or other assets held by the separate account, if agreed to in the investment advisory agreement. In cases where the MFS Global Group prices account holdings or provides valuation assistance, the MFS Global Group is incentivized to overvalue such account holdings in order to generate a higher fee. When pricing or providing valuation assistance for an account holding, the MFS Global Group attempts, in good faith and in accordance with applicable laws (including ERISA and Rule 2a-5 under the 1940 Act) and the MFS Global Group's valuation policies and procedures, to reasonably estimate its value. The MFS Global Group generally relies on market quotations or other asset valuations provided by a broker, dealer, or broker-dealer (each a "broker") or another third-party pricing service for valuation purposes. A security or other asset will be valued by the MFS Global Group in accordance with the MFS Global Group's valuation procedures described in the next paragraph: (i) when market quotations are not readily available or are believed by the MFS Global Group to be unreliable, or (ii) in circumstances where the MFS Global Group typically relies on valuations provided by approved third-party pricing services, if the third-party pricing services fail to provide a valuation, or (iii) if the MFS Global Group believes such valuation is not representative of fair value. With respect to accounts that invest in privately placed pooled investment vehicles managed by third parties and/or investments sponsored by such third-party managers, the MFS Global Group generally relies on pricing information provided by the private fund or its manager or other service provider. While the MFS Global Group expects that such persons will provide appropriate estimates of fair value, such persons may face conflicts similar to those described above and certain investments may be complex or difficult to value.

As mentioned above, when market quotations or other asset valuations are not readily available or are believed by the MFS Global Group to be unreliable, a client's investments may be fair valued ("Fair Value Assets"). Fair Value Assets are valued by the MFS Global Group in accordance with the MFS Global Group's valuation procedures. The MFS Global Group may conclude that a market quotation is not readily available or is unreliable: (i) if a security is thinly-traded or trades infrequently (*e.g.*, municipal securities and certain non-U.S. securities may be examples of thinly-traded securities); (ii) if the MFS Global Group believes a market quotation from a broker or other source is unreliable (*e.g.*, where it varies significantly from a recent trade); (iii) where recent asset sales represent distressed sale prices not reflective of the price that a client might reasonably expect to receive from the current sale of that asset in an arm's-length transaction; (iv) for debt instruments, bank loans and certain types of derivatives whose valuations are provided by a pricing

agent unless the pricing agent specifically identifies the valuation as a market quotation; (v) where there is a significant event subsequent to the most recent market quotation; or (vi) otherwise where it does not meet the criteria for a readily available market quotation under Rule 2a-5 of the 1940 Act and applicable guidance. The MFS Global Group’s good faith judgment as to whether an event would constitute a “significant event” likely to cause a material change in an asset’s market price may, in hindsight, prove to be incorrect, and the fair value determination made by the MFS Global Group may be incorrect as to the direction and magnitude of any price adjustment when compared to the next available market price.

- Enhanced the following disclosure concerning certain conflicts associated with MFSI’s selling compensation structure:

The structure and amount of selling compensation and bonuses paid by MFSI to its sales force varies depending on the investment strategy, distribution channel, and vehicle selected. When compensation to be paid is higher for one investment strategy, distribution channel, or vehicle over another, a conflict of interest will exist. MFSI believes this potential conflict is largely mitigated by the fact that MFSI investment strategies are offered primarily to or through sophisticated institutional investors and financial intermediaries.

Item 7—Types of Clients

- Updated the following disclosure concerning minimum initial funding amounts for Wrap Programs:

MFSI typically requests a minimum initial funding of \$100,000 of assets per participant for bundled SMA Programs and Model-Delivery Programs; however, minimum initial funding amounts may differ depending on the type of Wrap Program, investment strategy, sponsor, investment program, and operational considerations (*e.g.*, a sponsor’s ability to accommodate the use of fractional shares within an account). MFSI typically requests a minimum initial funding of \$25 million of assets per participant for dual-contract SMA Programs. MFSI can, in its discretion, waive these minimums. Additionally, sponsors may impose higher investment minimums on participants, which would be described in the sponsor’s Wrap Fee Program Brochure or other documentation provided by the sponsor.

Item 8—Methods of Analysis, Investment Strategies and Risk of Loss

- Enhanced the following disclosure concerning certain conflicts of interest associated with MFSI’s consideration of ESG factors:

The extent to which an investment professional considers ESG factors in conducting fundamental investment analysis and the extent to which ESG factors impact an account’s return will depend on a number of variables, such as an account’s investment strategy, the types of asset classes held in an account, regional and geographic exposures, and an investment professional’s views and analysis of a specific ESG issue. Each investment professional makes their own decisions with respect to which ESG factors to consider and how much consideration, if any, to give to ESG factors in the security analysis and investment selection process. The extent to which MFSI’s integration of ESG factors into its investment process impacts the investment performance of an

account may be difficult to quantify and can vary significantly over time. In addition, ESG-related information generated by third-party data providers may be inaccurate, incomplete, inconsistent and/or out-of-date, which may adversely impact an investment professional's analysis of the ESG factors relevant to an issuer. MFSI is incentivized to characterize the significance of ESG factors in its fundamental investment analysis in a manner that aligns with a current or prospective client's views or expectations on ESG (*e.g.*, to overstate or downplay the significance of such ESG factors depending on the current or prospective client); however, MFSI has policies and procedures in place that it believes are reasonably designed to mitigate such conflicts.

- Updated and added investment risks applicable to certain of MFSI's investment strategies described in Appendix A of the Brochure, including adding a new description of (i) Infrastructure Concentration Risk and (ii) When-Issued, Delayed Delivery, and Forward Commitment Transactions Risk.
- Added disclosure clarifying that with respect to any particular investment strategy or vehicle, MFSI evaluates what it views as the optimal target size of such strategy or vehicle; however, MFSI is incentivized to make capacity management decisions that differ from those targets in order to increase assets or to maintain relationships with distributors or certain investors.
- Added the below Operational and Service Provider Risk applicable to all clients in all investment products and strategies:

Operational and Service Provider Risk

MFSI and its affiliates may engage one or more service providers in connection with or in support of its provision of investment advisory services to an account. As discussed in Item 10, *Other Financial Industry Activities and Affiliations*, such service providers may include other members of the MFS Global Group. Service providers may include accountants, valuation agents, software providers, analytic service providers, technology providers, pricing/modeling service providers, regulatory and compliance service providers, proxy voting administration providers, recordkeepers and other persons providing similar types of services. A service provider may provide services with respect to an account, certain investments held in an account or to MFSI or another entity in the MFS Global Group. MFSI evaluates the selection and ongoing use of service providers against a variety of factors, including expertise and experience, quality of service, reputation, and price in accordance with its vendor management program. Although MFSI maintains oversight over its service providers, there may be instances where employee fraud or other misconduct, human error, or deficiencies in controls or technology systems of a third-party service provider may cause losses for an account or impact the operations of the account or of MFSI or another entity in the MFS Global Group. An account's ability to recover any losses or expenses it incurs as a result of these third-party service provider incidents may be limited by the liability, standard of care and related provisions in the contractual arrangements between the account and MFSI or its affiliates, between MFSI or another entity in the MFS Global Group and its service provider(s), and/or between the account and its other service providers.

Item 10—Other Financial Industry Activities and Affiliations

- Updated the following description of MFS Lux, a Participating Affiliate within the MFS Global Group:

MFS Lux. MFS Lux, an indirect, wholly-owned subsidiary of MFS, is a société à responsabilité limitée organized under Luxembourg law and registered with the Luxembourg Commission de Surveillance du Secteur Financier. As a Participating Affiliate, MFS Lux provides portfolio management, distribution and administrative services to certain non-U.S. clients for which MFSI and/or its affiliates act as investment adviser or sub-adviser.

- Updated the following description of Sun Life Financial Inc. entities that have arrangements with MFSI:

Currently, MFSI advises or sub-advises a number of accounts on behalf of SLF's or its subsidiaries' clients (including Canadian mutual fund trusts managed by Sun Life Global Investments (Canada) Inc.) as well as proprietary assets of SLF or its subsidiaries. MFSI has also entered into an arrangement whereby it pays Sun Life Assurance Company of Canada to market certain MFSI model portfolios to Wrap Program sponsors.

Item 12—Brokerage Practices

- Updated the following disclosure to reflect adoption of a new Global Best Execution Policy (previously the MFS Equity Best Execution Policy and the MFS Fixed Income and Foreign Currency Best Execution Policy):

Seeking Best Execution

MFSI seeks to obtain best execution of client transactions on a consistent and ongoing basis, taking into consideration the prevailing circumstances at the time of the particular transaction and subject to any client-imposed restrictions. We define best execution as the processes that MFSI has implemented to support the objective of seeking to obtain the most favorable outcome under the circumstances when executing and placing orders generated by MFSI in the course of providing investment management services to MFSI's clients. This process involves the regular monitoring, testing and review of the trading process and execution results. In seeking to obtain best execution, MFSI takes into account several execution factors that it considers to be relevant, listed below in no particular order:

- price: the prevailing price of the instrument;
- cost: the expected total costs associated with execution of an order, including, but not limited to, possible expected market impact and explicit costs such as broker commissions;
- bid/ask spreads;
- speed: the expectation and assessment of how quickly the order can be executed;

- likelihood of execution and settlement – the likelihood of fulfilling the order and its settlement;
- size: the size of the order relative to the average, expected and/or visible market volume available;
- nature of the broker’s capabilities in execution, service, clearance and settlement;
- availability of liquidity; and
- any other consideration that MFSI considers relevant to the execution of the order.

In determining the relative importance of each execution factor to a particular order, MFSI takes into account the following execution criteria:

- the characteristics and objectives of the client and the client order, including the investment horizon and any specific instructions, targets or restrictions from the portfolio manager or client *e.g.*, strategic acquisition or exit in an issuer, client inflows and outflows, or portfolio cash management;
- the characteristics of the asset class to which the order relates. Different asset classes will have characteristics specific to that asset class in terms of price transparency and discovery, market structure, participants, liquidity and market impact;
- market conditions and time of day, such as the degree of liquidity, volatility and momentum in the market;
- the characteristics of the liquidity sources to which the order can be directed may differ depending on the asset class in terms of access, mechanism to facilitate price discovery, liquidity, local trading customs and conventions and clearance mechanism;
- historical data and analysis and the ability to test new tools and trading approaches; and
- any other consideration deemed relevant to the execution of an order by MFSI based on the objectives of the order.

In seeking to obtain best execution, MFSI is not required to take into account charges imposed upon clients by third parties, such as ticket charges that may be imposed by the client’s custodian.

Execution Commissions

Brokers generally will either receive (i) an execution commission, which is generally negotiable and can vary depending on the type of broker, type of trade (agency or principal) and market, or (ii) for trades executed on a “net” basis in lieu of a commission, a “spread” representing the difference (or a portion of the difference) between the buying price and the selling price. Non-U.S. equity securities are typically subject to a fixed notional commission rate that is negotiated on a country-by-country basis. Fixed income transactions are generally traded OTC or on a venue and do not include a stated commission. As described above, the broker retains the spread or a portion of the spread, and additionally the venue may receive from the broker some of such retained spread.

Execution commission rates for equity securities and some derivatives will vary depending upon the trading methods, venues and brokers selected, as well as the market(s) in which the securities are traded and their relative liquidity.

In the case of securities purchased from underwriters, the cost of such securities generally includes a fixed underwriting commission or concession.

Selection of Counterparties

MFSI will determine which counterparty is suitable to access the liquidity needed to execute or place an order as part of the execution strategy, taking into account the following (where applicable):

- level of coverage, expertise and experience of the counterparty, including any historical execution quality analysis / review undertaken;
- perceived ability to manage and minimize information leakage;
- access and connectivity to exchanges and trading platforms;
- range of execution tools, algorithms and other technology enabled strategies;
- availability of liquidity and inventory at the MFS Approved Counterparty and its balance sheet;
- willingness to commit capital;
- assessment of counterparty risk;
- ability to settle transactions in a timely manner;
- desire of the MFS Global Group to test and develop new counterparty relationships; and
- level of reporting and transparency that the counterparty is able to provide to MFSI.

MFSI may employ outside vendors to provide reports on the quality of counterparty executions. With respect to transactions in derivatives, MFSI trades only with counterparties with whom it has legally-required or client-requested documentation in place.

MFSI has an incentive to direct trades to counterparties for various reasons, including its business relationships with such counterparties; however, MFSI has policies and procedures it believes to be reasonably designed to mitigate such conflicts.

Other Changes to Item 12

- Clarified that MiFID II generally considers research to be an inducement and therefore the MFS Global Group pays for certain categories of fixed income research received by MIL UK or MFS Lux out of its own resources.
- Added disclosure clarifying that for SMA Programs where trades are effected through the sponsor (which is expected to be almost all cases) and for Model-Delivery Programs, MFSI will release orders and portfolio model changes according to a rotation methodology designed to treat all participating sponsors fairly and equitably over time. The release of such orders and portfolio model changes may take more than one day, causing some sponsors to complete any such orders on a different day than other sponsors or other accounts managed by MFSI.
- Added the following disclosure concerning the release of portfolio model changes for Institutional Model-Delivery Arrangements:

As described in Item 4, *Advisory Business*, with respect to Institutional Model-Delivery Arrangements, as agreed upon by the third-party investment adviser and MFSI, MFSI releases portfolio model changes on a delay. In some cases, the portfolio model will be released after the orders for the discretionary accounts within the same strategy have been fully executed. In other cases, the portfolio model will be released while such discretionary accounts are continuing to trade. To the extent the Institutional Model-Delivery Arrangement accounts trade after MFSI's discretionary accounts, the Institutional Model-Delivery Arrangement accounts will likely receive different (potentially less favorable) prices for the same securities. To the extent the Institutional Model-Delivery Arrangement accounts trade while MFSI's discretionary accounts are trading, MFSI and the third-party adviser will compete for the same investment opportunities and an account (Institutional Model-Delivery Arrangement or discretionary) may experience higher or lower execution prices than another account with the same investment strategy.

- Added the following disclosure concerning the use of “tax trading” or “tax harvesting” in Wrap Programs, noting that MFSI does not provide tax, legal or accounting advice and investors should consult their own tax, legal and accounting advisors before engaging in any transaction:

Tax Trading

Wrap Program participants or the Sponsors of their program may request that MFSI engage in trades intended to incur capital gains or losses (referred to as “Tax Trading” or “tax harvesting”). Tax Trading requests received by MFSI after a specified annual cut-off date will be completed on a best efforts only basis. Tax Trading proceeds will remain in cash unless requested otherwise, in which case they will be invested in unaffiliated ETF(s) during the 30 days wash sale period. Tax Trading will typically only be considered by MFSI for securities that have at least a minimum gain or loss amount specified by MFSI. Tax Trading may adversely impact the overall performance of a participant's account. The sale(s) from Tax Trading may cause the portfolio holdings and performance to deviate from other accounts within the same investment strategy. Securities sold to create a tax loss may or may not be repurchased by MFSI following the 30-day wash sale period and they may be purchased at a price higher than that for which they were sold. Investment management activity in the account subsequent to the Tax Trading may result in additional realized gains (losses) that partially or completely offset the gains (losses) realized from the Tax Trading request. MFSI does not provide tax, legal or accounting advice and investors should consult their own tax, legal and accounting advisors before engaging in any transaction.

Item 13 – Review of Accounts

- Enhanced the following disclosure concerning conflicts of interest related to MFSI's internal review of accounts:

MFSI monitors client accounts on an on-going basis and performs periodic reviews. Further reviews may also be triggered by changes to account investment strategy or market conditions. Accounts are regularly reviewed from multiple perspectives by multiple groups within the MFS Global Group including the portfolio management, Global Investment and Client Support and Compliance teams. Semi-annual risk reviews, led by members of the Investment Risk Management Team, with participation and direction from the IMC, are an integral component of the review process. The IMC, chaired by the Chief Investment Risk Officer, and comprised of

senior investment professionals, including the Chief Investment Officers and Directors of Trading, provides governance and oversight on matters relating to portfolio management, research and trading; the establishment and monitoring of investment policies/procedures; and the monitoring and management of investment risk. MFSI could be incentivized to make trading decisions at the end of a reporting period to create the appearance of favorable account performance or to obscure the source of account performance, or to mislead investors about the true strategies engaged in (by way of account holdings) by MFSI; however, as described above, MFSI has policies in place to mitigate the risk of acting on such incentives.

- Enhanced the following disclosure concerning conflicts of interest related to MFSI's Institutional Client reporting:

Periodic reports (oral, written or both) are provided to Institutional Clients from time to time in a form mutually agreed with MFSI. MFSI typically provides Institutional Clients with both quarterly and monthly written reports. Quarterly reports typically include account commentary, performance and attribution, market value, account holdings and transaction details in addition to information on corporate actions. Monthly reports are more concise and typically include performance and market value. In addition, as agreed with MFSI, customized reporting is available. MFSI provides different reports and, subject to its inside information policy and code of ethics (see Item 11, *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*), may provide different information about its business operations or portfolio investments to different clients or prospective clients. Written reports are delivered via e-mail and also can be retrieved directly and securely by Institutional Clients from MFSI's website. MFSI also typically provides a similar range of information orally to Institutional Clients through in-person meetings, virtual meetings, conference calls, webinars and client conferences. As discussed above, MFSI may base its performance reporting upon its own valuation of account assets, as agreed to with an Institutional Client. In presenting its performance, MFSI is incentivized to overstate performance by overvaluing account holdings. For more information regarding the MFS Global Group's valuation procedures, which are designed to prevent inaccurate valuations, please see Item 5, *Fees and Compensation*.

Item 14 – Client Referrals and Other Compensation

- Enhanced the following disclosure concerning certain conflicts of interest related to payments made by MFSI to sponsors of Wrap Programs:

To the extent that MFSI enters into solicitation or referral arrangements with a third party to solicit or refer new clients to MFSI, it intends to comply with the disclosure, oversight, and disqualification requirements applicable to such relationships under applicable laws and regulations. With respect to its business outside of the U.S., MFSI has in the past and may from time to time in the future use local companies in certain jurisdictions for a fee to assist it in obtaining new Institutional Clients. MFSI may be required to pay fees to certain third-party agents that have been retained by clients to assist the Institutional Client in the selection of investment managers. Although the third-party agent has been retained by the Institutional Client, the obligation to pay a referral fee becomes the responsibility of the investment manager in the event that the investment manager enters into an investment advisory agreement with the client. As noted in Item 5, *Fees and Compensation*, MFSI pays certain Wrap Program sponsors fees for data

analytics (e.g., sales reporting), use of the sponsor's technology and/or to host MFSI's investment strategies on the sponsor's platform. These payments are not made for the purpose of referring clients to, or soliciting clients on behalf of, MFSI, and MFSI does not treat them as such. Nevertheless, the receipt of varying (or no) payments from different investment advisers may provide sponsors and their financial advisers with an incentive to recommend MFSI investment strategies over other third-party investment advisers' strategies or other financial products. Separately, MFSI has entered into an arrangement whereby it pays its affiliate Sun Life Assurance Company of Canada to market certain MFSI model portfolios to Wrap Program sponsors and financial advisers.

Item 16 – Investment Discretion

- Clarified the following disclosure concerning unsupervised assets:

From time to time, clients may leave in the custodial account subject to MFSI's discretionary management certain securities or other property over which MFSI has not been given discretionary authority ("Unsupervised Assets"). Unsupervised assets may be included by MFSI in calculating its advisory fee; please consult with MFSI or your financial advisor or sponsor concerning the payment of any such fees. MFSI may request that the client (or, for SMA Program participants, the participant's sponsor or financial advisor) confirm in writing the identity of any Unsupervised Assets. Unless otherwise agreed to with the client (or for SMA Program participants, as agreed to with the participant or the participant's financial advisor), MFSI will not provide investment advisory services of any kind with regard to Unsupervised Assets. MFSI will have no duty, responsibility, or liability with respect to the Unsupervised Assets and will not take the Unsupervised Assets into consideration when managing the portion of the account for which it provides investment advice.

