

## **Mitteilung an alle Anteilseigner der MFS Meridian Fonds:**

Anbei finden Sie die Information der Fondsgesellschaft, folgende Fonds sind betroffen:

LU0219419214	MFS Meridian Continental Euro Eq A1 EUR
LU0219432076	MFS Meridian Continental Euro Eq A1 GBP
LU1099986561	MFS Meridian Diversified Inc A2 Dis
LU0215948108	MFS Meridian Emerg Mark A1 Acc
LU0219422606	MFS Meridian Emerg Mark A1 EUR Acc
LU0219432159	MFS Meridian Emerg Mark A1 GBP Acc
LU0125946151	MFS Meridian Europ Core Eq A1 EUR Acc
LU0219440509	MFS Meridian Europ Core Eq A1 USD Acc
LU0094557526	MFS Meridian Europ Res A1 EUR Acc
LU0870260600	MFS Meridian Europ Res N1 Acc
LU0125944966	MFS Meridian Europ Small Comp A1 EUR Acc
LU0219440681	MFS Meridian Europ Small Comp A1 USD Acc
LU0219440335	MFS Meridian Europ Res A1 USD Acc

Details können Sie der beigefügten Anlage entnehmen. Falls Ihre Kunden diesen Änderungen nicht zustimmen und die Möglichkeit besteht, die Anteile ohne Gebühren seitens der Fondsgesellschaft zurückzugeben, können Sie den Verkauf der Anteile direkt in MomentumOffice erfassen.

Bitte nehmen Sie zur Kenntnis, dass für die Abwicklung dieser Aufträge die im Preis- und Leistungsverzeichnis von Momentum ausgewiesenen Gebühren und die auf MomentumOffice angegebenen Annahmeschlusszeiten gelten.



**MFS MERIDIAN FUNDS**  
Société d'Investissement à Capital Variable  
À Compartiments Multiples

Siège social: 4, rue Albert Borschette, L-1246 Luxembourg  
R.C.S. Luxembourg B 39.346

---

**NOTICE TO SHAREHOLDERS**

---

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

Luxembourg, 18 August 2020

Notice is hereby given to the shareholders of MFS Meridian Funds (the "Company") that the Board of Directors<sup>1</sup> has resolved to make certain changes to the Company's offering documents, including the Key Investor Information Documents and prospectus (the "Prospectus") which relate to the Company and/or certain sub-funds (the "Funds"), including the changes described below. Any reference to a Fund name shall be preceded with "MFS Meridian Funds –".

1. Strategy/benchmark changes: Contrarian Value Fund, Euro Credit Fund, Global Credit Fund, Managed Wealth Fund;
2. Other Fund-specific policy changes or disclosure enhancements;
3. General investment disclosure enhancements;
4. Enhancements to information regarding purchases, redemptions and exchanges; and
5. Other updates and clarifications relating to information about the Company, MFS Investment Management Company (Lux) S.à r.l. as management company (the "Management Company") or Massachusetts Financial Services Company as investment manager (the "Investment Manager") operational policies and procedures.

These changes will be effective on **18 September 2020** (the "Effective Date") and will be reflected in the next update of the Company's Prospectus.

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

**1. Strategy/Benchmark Changes**

***Euro Credit Fund and Global Credit Fund.*** For each of the Euro Credit Fund and the Global Credit Fund, the Fund's investment strategy will be changed such that the Fund will be allowed to use derivatives more extensively for hedging and/or investment purposes as allowed per applicable regulations. Based on this

---

<sup>1</sup> Capitalized terms, unless otherwise defined, shall have the same meaning given in the Prospectus of the Company dated 4 November 2019, prior to the date of this Notice.

MER-NTC-PRO-UK-0720



change, each Fund will use a relative Value at Risk (VaR) methodology to calculate global exposure under its Risk Management Process. The expected range of leverage for each Fund will be 0 to 275% using the sum-of-notionals methodology and 0 to 125% using the commitment approach. Each Fund's maximum "relative VaR" is 200% of the VaR of its benchmark (Bloomberg Barclays Euro-Aggregate Corporate Index for the Euro Credit Fund, and Bloomberg Barclays Global Aggregate Credit Index for the Global Credit Fund).

Disclosure under "Key Risks" will be enhanced for each Fund to reflect that it may have a net leveraged exposure of more than 100% of its net asset value, and will be exposed to the credit risk of counterparties with whom it undertakes derivatives transactions (subject to applicable regulatory limits on such exposure).

In addition, it will be clarified that each of the Euro Credit Fund and the Global Credit Fund may invest up to 10% in contingent convertible bonds, an increase from the current limit of 5%.

*Contrarian Value Fund.* Currently, as stated under "Investment Objective and Policy" in the Prospectus, the Contrarian Value Fund may invest up to 20% of net assets in cash and cash-equivalent instruments, and may invest up to 5% in short exposure through the use of derivatives. As of the Effective Date, the description of the Fund's strategy will be changed to reflect that the Fund may only invest up to 10% in cash and cash-equivalent instruments. In addition, reference to short exposure through derivatives will be deleted to reflect that the Fund's portfolio managers will not seek short exposure as part of the Fund's investment strategy.

*Managed Wealth Fund.* As currently described under "Investment Objective and Policy" in the Prospectus, the Managed Wealth Fund's investments consist of (i) direct investments in equity securities and (ii) a tactical asset allocation overlay using derivative instruments to seek to decrease the volatility of the Fund's returns by varying its exposure to different asset classes, markets and/or currencies. The features of the tactical asset allocation overlay are not changing.

Currently the Fund normally focuses its direct investments in equity securities of companies located in developed and emerging market countries. Further, the Fund's direct investments are selected according to the Investment Manager's Blended Research® methodology, whereby fundamental and quantitative analyses of equity securities are combined into a blended rating used, together with other factors, in constructing the portfolio. As of the Effective Date, the description of the Fund's strategy will be changed to reflect that it will normally focus on U.S. equity securities (but will also continue to invest in non-U.S. equity securities, including emerging markets securities). In addition, the Fund's investments will be selected based on the Investment Manager's fundamental analysis alone, and accordingly the description of the Blended Research® methodology will be deleted from the description of the Fund's investment strategy.

Further, currently under "Investment Objective and Policy" it is stated that Fund's expected range of leverage, as measured using the commitment approach, will vary between 0% and 150%. As of the Effective Date, the maximum expected rate of leverage will be reduced to 100%, and disclosure under "Key Risks" regarding potential leverage in excess of 100% will be deleted.

Finally, the Fund's secondary benchmark will change from the MSCI All Country World Index to the MSCI World Index.

## **2. Other Fund-Specific Enhancements or Clarifications**

Each of the Fund-specific disclosure changes below is provided for additional clarification, and does not represent an actual change in the management of the relevant Fund.

*Blended Research® European Equity Fund and Global Equity Income Fund.* Disclosure under "Investment Objective and Policy" will be enhanced to provide additional detail on the Investment Manager's Blended Research® methodology, whereby security selection decisions take into account both fundamental and quantitative analyses in a "blended" rating. Specifically, disclosure is being enhanced to state that security selection decisions are ultimately made based on an optimization process that takes into account a security's blended rating, together with a number of other factors in the portfolio such as issuer, industry, and sector weightings, market capitalization, and measures of expected volatility of the Fund's returns. Further, the Fund's portfolio managers have the discretion to adjust the optimization process and the Fund's ultimate investments based on factors such as the desired portfolio characteristics and the portfolio managers' qualitative assessment of the optimization results.

*Contrarian Value Fund.* As currently stated under "Investment Objective and Policy," the Fund may invest a relatively large percentage of its assets in a small number of countries or a particular geographic region. Additional disclosure regarding the risk of geographic concentration will be added under "Key Risks."

*European Value Fund.* Disclosure under "Investment Objective and Policy" will be enhanced to clarify that the European Value Fund's equity investments may include closed-ended Real Estate Investment Trusts ("REITs"). Corresponding disclosure under "Key Risks" regarding REITs will also be added.

*Global Total Return Fund.* As currently stated in the Prospectus, the Fund allocates its investments across equity and debt instruments. Disclosure under "Investment Objective and Policy" will be enhanced with the following additional language to clarify the following regarding the Fund's equity investments:

- (i) the Fund's equity investments normally include a portion of income-producing equities;
- (ii) the Fund's equity investments are selected primarily based on fundamental analysis of individual issuers and instruments, which may consider quantitative screening tools;
- (iii) a portion of the Fund's equity investments are selected according to the Investment Manager's Blended Research® methodology, *i.e.*, blending the results of fundamental analysis of individual issuers, and quantitative research based on models that systematically evaluate issuers. For this segment, the Investment Manager combines the fundamental rating with the quantitative rating to create a blended rating for an issuer. When the Investment Manager's fundamental rating is not available, the Investment Manager treats the issuer as having a neutral fundamental rating.

*Inflation-Adjusted Bond Fund.* Disclosure under "Investment Objective and Policy" will be enhanced to clarify that the Fund's inflation-adjusted investments may include inflation-linked swaps.

*Prudent Capital Fund, Prudent Wealth Fund and Managed Wealth Fund.* Disclosure under "Investment Objective and Policy" will be added to specify that the Investment Manager seeks to reduce volatility of each Fund's returns relative to global equity markets, as measured by the MSCI World Index.



Further, disclosure will be added to specify performance comparisons, over a full market cycle, which the Investment Manager believes are appropriate for each Fund. Specifically, the Prospectus will state that in light of each Fund's principal investment strategies, the Investment Manager believes it is reasonable to compare the Fund's performance (net of Fund expenses) over a full market cycle relative to the performance of the MSCI World Index (USD), as well as to the following:

<b>Fund</b>	<b>Appropriate Performance Comparison as Suggested by Investment Manager</b>
Managed Wealth Fund	The BofA Merrill Lynch 0-3 Month U.S. Treasury Bill Index plus 2% to 4%
Prudent Capital Fund	The BofA Merrill Lynch U.S. Dollar LIBOR (3 M Constant Maturity) (USD) plus 3% to 5%
Prudent Wealth Fund	The BofA Merrill Lynch U.S. Dollar LIBOR (3 M Constant Maturity) (USD) plus 3% to 5%

The Prospectus will continue to note that the Fund's benchmarks are indicated for performance (including volatility) comparison only, that the Investment Manager does not seek to achieve a specific rate of return in managing the Fund and there is no assurance that the Fund will outperform the suggested performance comparison over the long term or for any year or period of years.

*Prudent Capital Fund.* Disclosure under "Investment Policies and Risks – Techniques and Instruments – Specific Factors for Reverse Repurchase Agreements" will be revised to clarify that it is expected that the Prudent Capital Fund will invest up to 10% of net assets in reverse repurchase agreements, an increase from the current expected level of 5%. The Prospectus currently permits all Funds of the Company to invest up to 10% in reverse repurchase agreements.

*Continental European Equity Fund, European Core Equity Fund, European Research Fund, European Value Fund, Global Research Focused Fund, U.K. Equity Fund and U.S. Value Fund.* The portfolio managers for these Funds do not intend to obtain a material level of exposure to derivatives for these Funds. Accordingly, disclosure regarding the use of derivatives under "Investment Objective and Policy," as well as disclosure regarding derivatives risks under "Key Risks," has been deleted.

### **3. General Investment Disclosure Enhancements**

*ESG Disclosure.* Disclosure under "Investment Objective and Policy" will be enhanced for all Funds to state that the Investment Manager may consider environmental, social and governance (ESG) factors in its fundamental investment analysis, alongside other factors. This reflects that the Investment Manager incorporates ESG factors into investment analysis to the extent the Investment Manager perceives they are material to the long-term value of a company.

*Use of Benchmarks.* Disclosure under "Investment Objective and Policy" will be enhanced for all Funds to clarify the Funds' use of benchmarks. Specifically, although the Fund's investments will generally be represented in the benchmark, components are likely to be weighted differently from the benchmark and the Fund is likely to invest outside of the benchmark to take advantage of attractive investment opportunities. The Fund is actively managed within its objectives and the investment strategy will not restrict the extent to which portfolio holdings may deviate from the benchmark. It is expected that the Fund's deviation from the benchmark will be significant.

*Equity Market Risk and Debt Market Risk.* Disclosure will be enhanced under "Key Risks" for the relevant Funds to clarify that public health-related events may affect the overall performance of equity and debt markets.

*REIT Risk.* For those Funds that invest in real estate investment trusts ("REITs"), disclosure under "Key Risks" will be clarified to state that REITs may employ leverage, may be less liquid and therefore may be more volatile than other types of investments.

In addition, disclosure will be added or enhanced with respect to the following items under "Investment Policies and Risks – Risk Factors":

- Counterparty/Third-Party Risk
- Cybersecurity Risk
- Derivatives Risk
- Emerging Markets Risk
- Equity Market Risk
- Geographic Concentration Risk
- Interest Rate Risk
- Investment Manager Business Continuity Risk
- Investment Selection Risk
- Issuer Focus Risk
- Large Shareholder Risk
- Lending of Portfolio Securities Risk
- Mortgage-Backed Securities Risk
- Real Estate-Related Investment Risk
- Securitized Instruments Risk
- Taxation Risk
- Variable/Floating Rate Securities Risk

#### **4. Enhancements to Information Regarding Purchases, Redemptions and Exchanges**

The Prospectus currently specifies under "Other Practical Information – Order Processing" that the Trade Order Cut-Off Time is 1:00pm New York City time, which is normally 7:00pm Luxembourg time although the time difference may vary due to daylight savings time. The Prospectus will be enhanced to state explicitly that the definitive Trade Order Cut-Off Time is 1:00pm New York City time, regardless of the time difference between New York City and Luxembourg.

#### **5. Other updates and clarifications relating to the Fund information, operational policies and procedures.**

*Conflicts of Interest.* Disclosure will be enhanced to clarify the reasons why the Investment Manager may decide to aggregate trading orders for the Funds' portfolio securities with trading orders for other clients (including other funds and separate accounts managed by the Investment Manager). Specifically, such aggregated trades can be used to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution or reducing overall commission charges. The Investment Manager will not aggregate orders for the Funds or other client with those of its own proprietary portfolios, and orders for proprietary portfolios will always be traded last.

Disclosure will also be enhanced to discuss the conflict of interest whereby the Investment Manager has an incentive to favor those portfolios under its management that the Investment Manager, its affiliates or their employees have invested in. The Investment Manager believes it has policies reasonably designed to mitigate the risks posed by this conflict.



## **General**

During the period from the date of this Notice until the Effective Date, shareholders may redeem their shares free of any redemption fee; however, any applicable Back-End Load (e.g., contingent deferred sales charge, or "CDSC") will still apply.

Updated Prospectuses reflecting all changes noted above (along with the Funds' financial reports and Articles of Incorporation) shall be available at 49, Avenue J.F. Kennedy, c/o State Street Luxembourg, S.C.A., L-1855 Luxembourg, Grand-Duchy of Luxembourg or at 35 Boulevard du Prince Henri, L-1724, Luxembourg, the registered office of the Company.

The Directors accept responsibility for the accuracy of the contents of this Notice.

By order of the Board of Directors