Asset Allocation Diversification – 20 Years of the Best and Worst

Everyone wants to be in the best-performing asset class every year. The thing is, few people are savvy enough to consistently choose the best. That’s why diversification is key. This chart shows annual returns for eight broad-based asset classes, cash and a diversified portfolio ranked from best to worst. Notice how the “leadership” changes from year to year, and how competitively the diversified portfolio performed over 20 years (see the “average” column).

| Year | Large Cap Growth | Commodities | REITs | Small/Mid Cap Stocks | Large Cap Value | Global Bonds | Large Cap Growth | REITs | Commodities | Small/Mid Cap Stocks | Large Cap Value | Global Bonds | Large Cap Growth | REITs | Commodities | Small/Mid Cap Stocks | Large Cap Value | Global Bonds | Large Cap Growth | REITs | Commodities | Small/Mid Cap Stocks | Large Cap Value | Global Bonds | Large Cap Growth | REITs | Commodities | Small/Mid Cap Stocks | Large Cap Value | Global Bonds | Large Cap Growth | REITs | Commodities | Small/Mid Cap Stocks | Large Cap Value | Global Bonds | Large Cap Growth | REITs | Commodities | Small/Mid Cap Stocks | Large Cap Value | Global Bonds | Large Cap Growth | REITs | Commodities | Small/Mid Cap Stocks | Large Cap Value | Global Bonds | Large Cap Growth | REITs | Commodities | Small/Mid Cap Stocks | Large Cap Value | Global Bonds | Large Cap Growth | REITs | Commodities | Small/Mid Cap Stocks | Large Cap Value | Global Bonds | Large Cap Growth | REITs | Commodities | Small/Mid Cap Stocks | Large Cap Value | Global Bonds | Large Cap Growth | REITs | Commodities | Small/Mid Cap Stocks | Large Cap Value | Global Bonds | Large Cap Growth | REITs | Commodities | Small/Mid Cap Stocks | Large Cap Value | Global Bonds | Large Cap Growth | REITs | Commodities | Small/Mid Cap Stocks | Large Cap Value | Global Bonds | Large Cap Growth | REITs | Commodities | Small/Mid Cap Stocks | Large Cap Value | Global Bonds | Large Cap Growth | Re...
A Case for Asset Allocation Diversification

Looking to balance risk with potential returns?
Diversifying your assets can work if you and your financial advisor also examine how much risk you’re willing to take. Finding your comfort zone in the asset allocation pies below will help determine how your assets could be invested. See the table at right for MFS’ portfolios to consider.

Target allocations shown. The portfolios are actively managed and current allocations may be different.
Examples are for illustrative purposes only. Talk to your financial advisor about diversification and your individual situation. It’s worth the time spent. All funds mentioned may not be available for sale by your investment professional’s firm.

The list of funds presented above does not include all MFS funds.

The Specialty/Alternative class consists of funds with less traditional investment strategies, including REITs and commodities, that aim to provide diversification benefits when added into a portfolio consisting of stock and bond funds.

* Effective at the close of business on August 14, 2019 (the “Closing Date”), MFS New Discovery Value Fund will be closed to new investors subject to certain exceptions. Please see the prospectus for additional information.

** MFS’ Commodity Strategy Fund is available for investment by MFS Allocation and Lifetime® funds only and not for direct purchase. For more information on the reallocation of underlying funds, up-to-date performance information, and risks, please see the prospectus at mfs.com.

1 3 Russell 1000® Growth Index
2 Russell 2500™ Index
3 JPMorgan Global Government Bond Index
4 Bloomberg Commodity Index
5 Russell 1000® Value Index
6 MSCI EAFE Index
7 Russell 1000® Growth Index
8 Russell 2500™ Index
9 FTSE NAREIT All REITs Total Return Index
10 MFS® Total Return Bond Fund
11 MFS® Limited Maturity Fund
12 MFS® Inflation-Adjusted Bond Fund
13 MFS® Mid Cap Growth Fund
14 MFS® Global Real Estate Fund
15 MFS® Real Estate Allocation Fund

Important risk considerations
10 The fund may not achieve its objective and/or you could lose money on your investment in the fund. 11 Stock markets and investments in individual stocks are volatile and can decline significantly in response to issuer, market, economic, industry, political, regulatory, geopolitical, and other conditions. 12 Investments in debt instruments may decline in value as the result 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 Fund’s share price may decline during rising rates. Funds 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.

Before investing, consider the fund’s investment objectives, risks, charges, and expenses. For a prospectus or summary prospectus containing this and other information, contact your investment professional or view online at mfs.com. Please read it carefully.

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