## 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 “annualized return” column).

### 2004 - 2023

<table>
<thead>
<tr>
<th>Year</th>
<th>REITs</th>
<th>Commodities</th>
<th>Bonds</th>
<th>Large Cap Growth</th>
<th>Small/Mid Cap Growth</th>
<th>Large Cap Value</th>
<th>Small/Mid Cap Value</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>30.41%</td>
<td>21.36%</td>
<td>5.24%</td>
<td>16.23%</td>
<td>7.84%</td>
<td>15.84%</td>
<td>27.58%</td>
<td>9.04%</td>
</tr>
<tr>
<td>2005</td>
<td>34.35%</td>
<td>19.96%</td>
<td>8.29%</td>
<td>13.54%</td>
<td>7.28%</td>
<td>12.78%</td>
<td>23.72%</td>
<td>6.61%</td>
</tr>
<tr>
<td>2006</td>
<td>26.34%</td>
<td>11.17%</td>
<td>8.11%</td>
<td>11.78%</td>
<td>7.28%</td>
<td>11.78%</td>
<td>19.81%</td>
<td>5.32%</td>
</tr>
<tr>
<td>2007</td>
<td>31.78%</td>
<td>16.83%</td>
<td>11.17%</td>
<td>15.75%</td>
<td>7.15%</td>
<td>15.75%</td>
<td>27.67%</td>
<td>5.05%</td>
</tr>
<tr>
<td>2008</td>
<td>11.78%</td>
<td>5.64%</td>
<td>8.29%</td>
<td>13.15%</td>
<td>7.15%</td>
<td>13.15%</td>
<td>22.78%</td>
<td>4.03%</td>
</tr>
<tr>
<td>2009</td>
<td>27.45%</td>
<td>13.15%</td>
<td>9.15%</td>
<td>20.25%</td>
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<tr>
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<td>3.93%</td>
<td>6.30%</td>
<td>8.17%</td>
<td>5.93%</td>
<td>8.17%</td>
<td>13.54%</td>
<td>4.33%</td>
</tr>
<tr>
<td>2011</td>
<td>18.91%</td>
<td>5.05%</td>
<td>8.29%</td>
<td>13.21%</td>
<td>4.97%</td>
<td>13.21%</td>
<td>13.05%</td>
<td>1.86%</td>
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<tr>
<td>2012</td>
<td>25.03%</td>
<td>3.93%</td>
<td>6.30%</td>
<td>8.17%</td>
<td>5.93%</td>
<td>8.17%</td>
<td>13.54%</td>
<td>4.33%</td>
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<tr>
<td>2013</td>
<td>5.64%</td>
<td>5.05%</td>
<td>8.29%</td>
<td>13.21%</td>
<td>4.97%</td>
<td>13.21%</td>
<td>13.05%</td>
<td>1.86%</td>
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<tr>
<td>2014</td>
<td>9.28%</td>
<td>5.05%</td>
<td>8.29%</td>
<td>13.21%</td>
<td>4.97%</td>
<td>13.21%</td>
<td>13.05%</td>
<td>1.86%</td>
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<tr>
<td>2015</td>
<td>16.23%</td>
<td>5.05%</td>
<td>8.29%</td>
<td>13.21%</td>
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<tr>
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<td>26.54%</td>
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<tr>
<td>2017</td>
<td>25.16%</td>
<td>5.05%</td>
<td>8.29%</td>
<td>13.21%</td>
<td>4.97%</td>
<td>13.21%</td>
<td>13.05%</td>
<td>1.86%</td>
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<tr>
<td>2018</td>
<td>20.01%</td>
<td>5.05%</td>
<td>8.29%</td>
<td>13.21%</td>
<td>4.97%</td>
<td>13.21%</td>
<td>13.05%</td>
<td>1.86%</td>
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<tr>
<td>2019</td>
<td>21.78%</td>
<td>5.05%</td>
<td>8.29%</td>
<td>13.21%</td>
<td>4.97%</td>
<td>13.21%</td>
<td>13.05%</td>
<td>1.86%</td>
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<tr>
<td>2020</td>
<td>27.60%</td>
<td>5.05%</td>
<td>8.29%</td>
<td>13.21%</td>
<td>4.97%</td>
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</table>

### MARKET SEGMENT

- **Cash**
- **Bonds**
- **Global stocks**
- **Diversified portfolio**

### STANDARD DEVIATION

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### MARKET SEGMENT REPRESENTED BY

- **REITs**
- **Commodities**
- **Bonds**
- **Large Cap Growth stocks**
- **Small/Mid Cap Growth stocks**
- **Large Cap Value stocks**
- **Russell 1000 Growth Index**
- **Russell 2500 Growth Index**
- **FTSE NAREIT REITs Total Return Index**

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### IMPORTANT RISK CONSIDERATIONS

**International**: Investing in foreign and/or emerging market securities involves interest rate, currency exchange, market, and political risks. These risks are magnified in emerging or developing markets compared with domestic markets. Small/Mid Cap stocks: Investing in small and/or mid-sized companies involves more risk than that customarily associated with investing in more-established companies. Bonds: Bonds, if held to maturity, provide a fixed rate of return and a fixed principal value. Bond funds will fluctuate and, when redeemed, may be worth more or less than their original cost. Commodity-related investments can be more volatile than investments in equity securities or debt instruments and can be affected by changes in overall market movements, commodity index volatility, changes in interest rates, currency fluctuations, or factors affecting a particular industry or commodity, and demand/supply imbalances in the market for the commodity. Events that affect the financial services sector may have a significant adverse effect on the portfolio.

**Real Estate**: Real estate-related investments can be volatile because of general, regional, and local economic conditions, fluctuations in interest rates and property tax rates, shifts in zoning laws, environmental regulations, and other governmental actions; increased operation expenses, lack of availability of mortgage funds; losses due to natural disasters; changes in property values and rental rates; overbuilding, losses due to casualty or condemnation, cash flows, the management skill and creditworthiness of the REIT manager, and other factors. The historical performance of each index cited is provided to illustrate market trends; it does not represent the performance of a particular MFS® investment product. It is not possible to invest directly in an index. Index performance does not take into account fees and expenses. Past performance is no guarantee of future results. The investments you choose should correspond to your financial needs, goals, and risk tolerance. For assistance in determining your financial situation, consult an investment professional. For more information on any MFS product, including performance, please visit mfs.com.
A Case for Asset Allocation Diversification

Looking to balance risk with potential returns?
Diversifying your assets can work if you and your financial advisor or investment professional 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.

**MFS® Conservative Allocation Fund**
- Specialty/Alternative 4%
- US Equity 28%
- Global/International Equity 8%
- Fixed Income 60%

**MFS® Growth Allocation Fund**
- Specialty/Alternative 8%
- Fixed Income 20%
- Global/International Equity 20%
- US Equity 52%

**MFS® Moderate Allocation Fund**
- Specialty/Alternative 6%
- US Equity 41%
- Global/International Equity 13%
- Fixed Income 40%

**MFS® Aggressive Growth Allocation Fund**
- Specialty/Alternative 10%
- US Equity 60%
- Global/International Equity 30%

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 or investment professional about diversification and your individual situation. It may be worth the time spent. All funds mentioned may not be available for sale by your investment professional’s firm. The list of funds presented at right 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.

1 On August 14, 2019, the fund closed to new investors subject to certain exceptions. Please see the prospectus for additional information.

2 Effective November 29, 2019 the fund closed to new investors subject to certain exceptions. Please see the prospectus for additional information.

3 Effective May 29, 2015, the fund closed to new investors subject to certain exceptions. Please see the prospectus for additional information.

4 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 FTSE 3-month Treasury Bill Index tracks the daily performance of 3-month US Treasury bills. 2 Bloomberg U.S. Aggregate Bond Index measures the US bond market. 3 Bloomberg Global Aggregate Bond Index (Unhedged) provides a broad-based measure of the global investment-grade fixed income markets. 4 Russell 1000® Value Index measures US large-cap value stocks. 5 Russell 1000® Growth Index measures US large-cap growth stocks. 6 Bloomberg Commodity Index is composed of futures contracts on physical commodities. 7 MSCI EAFE Index measures the non-US stock market. 8 Russell 2500® Index measures US small- and mid-cap stocks. 9 FTSE NAREIT All REITs Total Return Index tracks the performance of commercial real estate across the US economy. It is not possible to invest directly in an index.

**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: Stock markets and investments in individual stocks are volatile and can decline significantly in response to or investor perception of, issuer, market, economic, industry, political, regulatory, geopolitical, environmental, public health, and other conditions. 12 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 Fund’s share price may decline during rising interest 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. 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. 13 International: Investments in foreign markets can involve greater risk and volatility than US investments because of adverse market, currency, economic, industry, political, regulatory, geopolitical, or other conditions. 14 Underlying Funds: MFS’ strategy of investing in underlying funds exposes the fund to the risks of the underlying funds. Each underlying fund pursues its own objective and strategies and may not achieve its objective. In addition, shareholders of the fund will indirectly bear the fees and expenses of the underlying funds. Please see the prospectus for further information on these and other risk considerations.

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.