## Fixed Income 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. This chart shows annual returns for seven broad-based fixed income asset classes, and cash ranked from best to worst. As you can see, the bond market asset classes do not generally move in lockstep with the stock market — or with each other. That’s why, in any market and over time, it makes good sense to have a well-diversified portfolio.

### MARKET SEGMENT
- **Emerging Market**
- **Corporate Bonds**
- **Government Bonds**
- **Municipal Bonds**
- **Bank Loans**
- **Global Bonds**
- **Emerging Market Debt**
- **High Yield Bonds**
- **S&P 500**

### REPRESENTED BY
- FTSE 3-month T-bill Index
- Bloomberg Barclays US Intermediate Government Bond Index
- Bloomberg Barclays US Intermediate Credit Bond Index
- Bloomberg Barclays 10-year Municipal Bond Index
- S&P/LSTA Leveraged Loans Index - Total Return
- JP Morgan Global Government Bond Index
- JP Morgan EMBI Global
- Bloomberg Barclays US High-Yield Corporate Bond Index
- S&P 500 Index (per S&P)

### STANDARD DEVIATION
- 0.53
- 2.88
- 3.81
- 4.42
- 5.99
- 6.42
- 8.49
- 9.06
- 14.51

### INDEX DEFINITIONS
1. FTSE 3-month T-bill Index, which is derived from secondary market Treasury bill rate published by the Federal Reserve Bank.
2. Bloomberg Barclays US Intermediate Government Bond Index, which measures the investment-grade debt obligations of the US Treasury and government agencies, as well as US corporate and foreign delegations and secured notes.
4. Bloomberg Barclays 10-year Municipal Bond Index, which measures the long-term municipal bond market.
5. S&P/LSTA Leveraged Loans Index - Total Return, which measures the performance of the US leveraged loan market.
6. JP Morgan Global Government Bond Index (Unhedged), which measures government bond markets around the world.
7. JP Morgan EMBI Global, which measures the performance of US dollar-denominated emerging market bonds.
8. Bloomberg Barclays US High-Yield Corporate Bond Index, which measures the high-yield bond market.
9. S&P 500 Index, which measures the broad US stock market.

### AVERAGE
- 6.53%
- 4.86%
- 5.31%
- 5.32%
- 5.15%
- 3.68%
- 9.66%
- 3.97%
- 5.53%

### BEST
- Cash: 1.69%
- Corporate Bonds: 1.70%
- Government Bonds: 1.70%
- Emerging Market Debt: 2.02%
- Global Bonds: 1.70%
- Emerging Market Debt: 1.24%
- High Yield Bonds: 1.24%
- S&P 500: 1.24%
- S&P 500: 1.24%

### WORST
- Cash: -5.86%
- Global Bonds: -5.86%
- Emerging Market Debt: -4.67%
- High Yield Bonds: -1.41%
- S&P 500: -1.41%
- Emerging Market Debt: -1.07%
- Global Bonds: -1.07%
- Emerging Market Debt: -1.24%
- Global Bonds: -1.24%

*Standard deviation reflects a portfolio’s total return volatility, which is based on a minimum of 36 monthly returns. Standard deviation shown is based on a 20 year period as of 12/31/19.*

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.

Common stocks generally provide an opportunity for more capital appreciation than fixed-income investments, but are also subject to greater market fluctuations. 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 declining interest rates, 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.

Investments in lower-rated securities may provide greater returns but may have greater-than-average risk. The guarantees of government-guaranteed securities apply to the underlying securities only and not to the prices and yields of a portfolio. Diversification does not guarantee a profit or protect against a loss.

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**NATIONAL TAX-ADVANTAGED FIXED INCOME**

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**STATE-SPECIFIC TAX-ADVANTAGED FIXED INCOME**

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Keep in mind that all investments, including mutual funds, carry a certain amount of risk including the possible loss of the principal amount invested. 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.