



Build With Precision

Pursue your risk and return goals

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

Past performance is no guarantee of future results. No forecasts can be guaranteed. It is not possible to invest directly in an index.

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Surveys Reveal Investors in Need



The % of investors that indicated their need for financial advice has increased over the past 12 months

Overall
average
44%

- **Gen Y = 58%**
- **Gen X = 47%**
- **Boomers = 27%**

Source: MFS, through Dynata, an independent research firm, sponsored an online survey of 1,001 individual investors. MFS was not identified as the sponsor of the survey, which was fielded in December 2022 (most recent survey available). To qualify, respondents had to have a household income of at least \$50,000, use the services of a financial advisor, be invested in mutual funds, and make or share in financial decisions for their household. Gen Y refers to investors ages 26 to 41, gen X refers to investors ages 42 to 57, and boomer refers to investors ages 58 to 77. These ages are based on calendar year 2022.



Two Common, Costly Mistakes

Loss Aversion





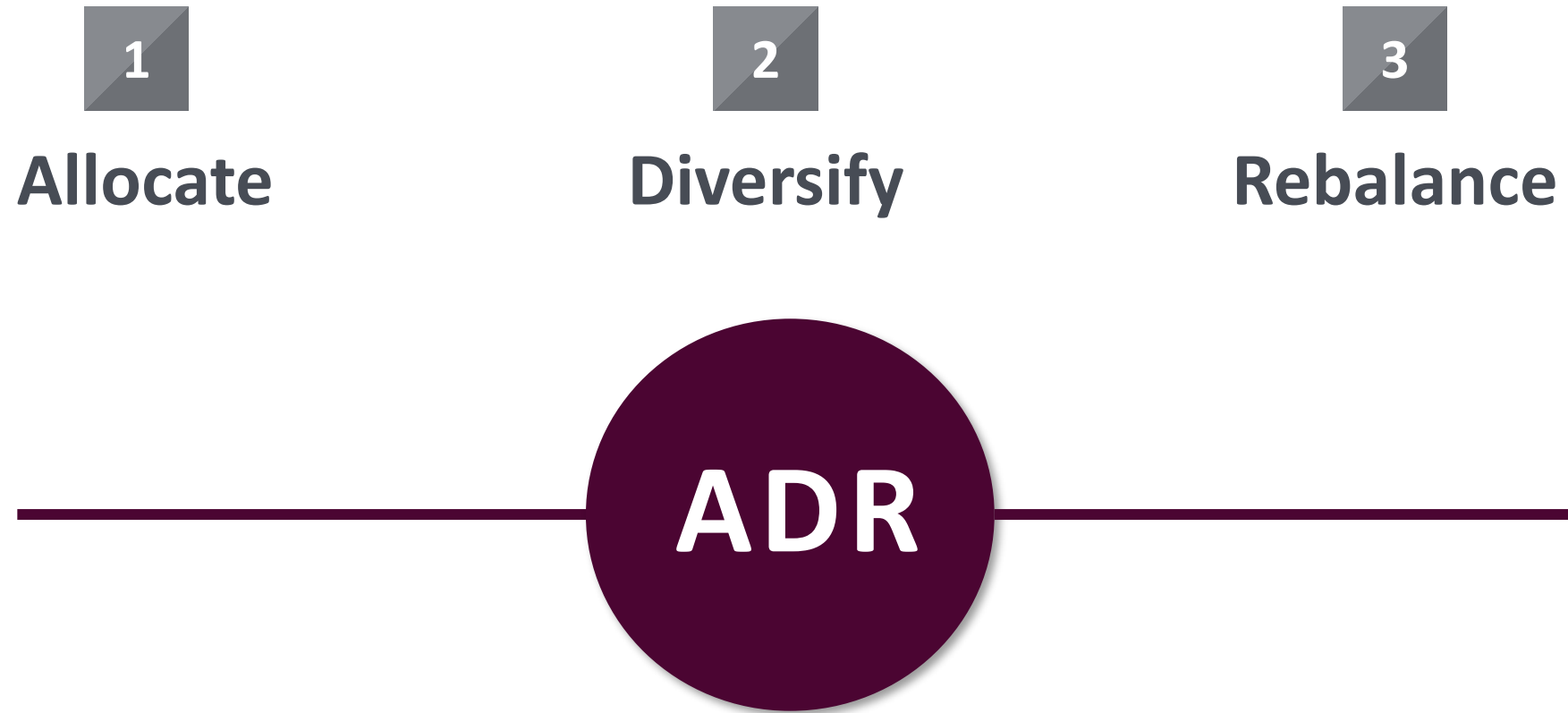
Two Common, Costly Mistakes

Regret Aversion





Take a Disciplined 3-Step Approach



No investment strategy, including ADR, can guarantee a profit or protect against a loss.



First, Allocate



93.6%
of the variability of performance was
driven by an asset allocation policy.

Only 6.4
of the variability of performance was
driven by security selection and timing
of investment.

Source: Study by Gary P. Brinson, L. Randolph Hood, and Gilbert L. Beebower, "Determinants of Portfolio Performance," Financial Analysts Journal, January/February 1995. The study analyzed data from 91 large corporate pension plans with assets of at least \$100 million over a 10-year period beginning in 1974 and concluded that asset allocation policy explained, on average, 93.6% of the variation in total plan return.

Diversify: Putting Investments Together

Annual asset class and a sample diversified portfolio returns

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	ENTIRE DECADE ANNUALIZED RETURN 2014-2023
BEST	REITs \$127,147 27.1%	Large Cap Growth \$119,457 5.7%	Small/Mid Cap \$122,250 17.6%	Large Cap Growth \$166,555 30.2%	Cash \$103,062 1.9%	Large Cap Growth \$223,725 36.4%	Large Cap Growth \$309,843 38.5%	REITs \$251,166 39.9%	Commodities \$97,118 16.1%	Large Cap Growth \$399,723 42.7%	Large Cap Growth \$399,723 14.9%
	Large Cap Value \$113,452 13.5%	REITs \$130,059 2.3%	Large Cap Value \$128,030 17.3%	International \$119,117 25.0%	Bonds \$113,256 0.0%	REITs \$190,739 28.1%	Small/Mid Cap \$197,031 20.0%	Large Cap Growth \$395,349 27.6%	Cash \$107,636 1.5%	International \$152,035 18.2%	Large Cap Value \$223,991 8.4%
ANNUAL RETURN	Large Cap Growth \$113,050 13.0%	Bonds \$106,548 0.5%	Commodities \$69,886 11.8%	Small/Mid Cap \$142,801 16.8%	Global Bonds \$105,518 -1.2%	Small/Mid Cap \$164,202 27.8%	Diversified \$156,768 10.6%	Commodities \$83,655 27.1%	Large Cap Value \$200,956 -7.5%	Small/Mid Cap \$223,200 17.4%	Small/Mid Cap \$223,200 8.4%
	Small/Mid Cap \$107,070 7.1%	Cash \$100,062 0.0%	REITs \$142,132 9.3%	Large Cap Value \$145,525 13.7%	Large Cap Growth \$164,034 -1.5%	Large Cap Value \$168,925 26.5%	Global Bonds \$123,102 9.2%	Large Cap Value \$217,338 25.2%	Bonds \$113,374 -13.0%	Diversified \$179,441 12.8%	REITs \$209,713 7.7%
ANNUAL RETURN	Bonds \$105,966 6.0%	International \$94,324 -0.8%	Diversified \$110,693 8.7%	Diversified \$125,311 13.2%	REITs \$148,935 -4.1%	International \$125,297 22.0%	International \$135,090 7.8%	Small/Mid Cap \$232,856 18.2%	Diversified \$159,061 -13.6%	REITs \$209,713 11.5%	Diversified \$179,441 6.0%
	Diversified \$105,323 5.3%	Small/Mid Cap \$103,963 -2.9%	Large Cap Growth \$127,910 7.1%	REITs \$155,303 9.3%	Diversified \$117,818 -6.0%	Diversified \$141,772 20.3%	Bonds \$132,371 7.5%	Diversified \$184,129 17.5%	International \$128,584 -14.5%	Large Cap Value \$223,991 11.5%	International \$152,035 4.3%
ANNUAL RETURN	Global Bonds \$100,586 0.6%	Global Bonds \$97,414 -3.2%	Bonds \$109,369 2.6%	Global Bonds \$106,799 7.4%	Large Cap Value \$133,494 -8.3%	Bonds \$123,128 8.7%	Large Cap Value \$173,648 2.8%	International \$150,306 11.3%	Global Bonds \$98,247 -16.2%	Global Bonds \$103,862 5.7%	Bonds \$119,642 1.8%
	Cash \$100,033 0.0%	Diversified \$101,818 -3.3%	Global Bonds \$99,446 2.1%	Bonds \$113,243 3.5%	Small/Mid Cap \$128,518 -10.0%	Commodities \$67,936 7.7%	Cash \$105,995 0.6%	Cash \$106,044 0.0%	Small/Mid Cap \$190,082 -18.4%	Bonds \$119,642 5.5%	Cash \$113,296 1.3%
WORST	International \$95,098 -4.9%	Large Cap Value \$109,110 -3.8%	International \$95,267 1.0%	Commodities \$71,077 1.7%	Commodities \$63,084 -11.2%	Global Bonds \$112,735 6.8%	Commodities \$65,814 -3.1%	Bonds \$130,330 -1.5%	REITs \$188,112 -25.1%	Cash \$113,296 5.3%	Global Bonds \$103,862 0.4%
	Commodities \$82,992 -17.0%	Commodities \$62,528 -24.7%	Cash \$100,333 0.3%	Cash \$101,177 0.8%	International \$102,690 -13.8%	Cash \$105,383 2.3%	REITs \$179,561 -5.9%	Global Bonds \$117,308 -4.7%	Large Cap Growth \$280,157 -29.1%	Commodities \$89,433 -7.9%	Commodities \$89,433 -1.1%

Source: FactSet SPAR. Returns are in USD, and net for international (MSCI EAFE) equities and gross for all other asset classes. About the chart: The historical performance of each index cited is provided to illustrate market trends; it does not represent the performance of a particular investment product. Index performance does not reflect the deduction of any investment-related fees and expenses. It is not possible to invest directly in an index.

The Diversified Portfolio: Equal allocations among the market segments are represented by the various market indices defined herein (excludes cash).

Note that the portfolio's assets were rebalanced at the end of every quarter to maintain equal allocations throughout the period. Diversification does not guarantee a profit or protect against a loss.

Chart Key

-  Cash¹
-  Bonds²
-  Global bonds³
-  Diversified portfolio
-  Large-cap value stocks⁴
-  Commodities⁵
-  Large-cap growth stocks⁶
-  International stocks⁷
-  Small-/Mid-cap stocks⁸
-  REITs⁹

¹The **FTSE 3-Month Treasury Bill Index** is derived from secondary market US Treasury bill rates published by the US Federal Reserve.

²The **Bloomberg U.S. Aggregate Bond Index** measures the US bond market.

³The **Bloomberg Global Aggregate Index (Unhedged)** provides a broad-based measure of the global investment-grade fixed income markets.

⁴The **Russell 1000[®] Value Index** measures large-cap US value stocks.

⁵The **Bloomberg Commodity Index** is composed of futures contracts on physical commodities.

⁶The **Russell 1000[®] Growth Index** measures large-cap US growth stocks.

⁷The **MSCI EAFE Index** measures the non-US stock market.

⁸The **Russell 2500[™] Index** measures small- and mid-cap US stocks.

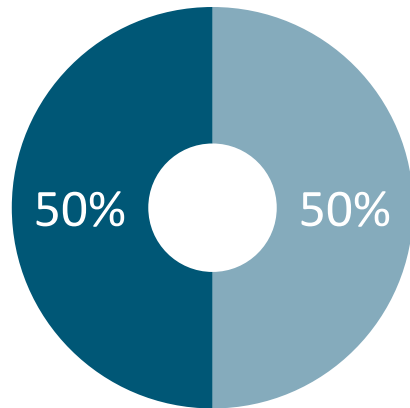
⁹The **FTSE NAREIT All REITs Total Return Index** tracks the performance of commercial real estate across the US economy.



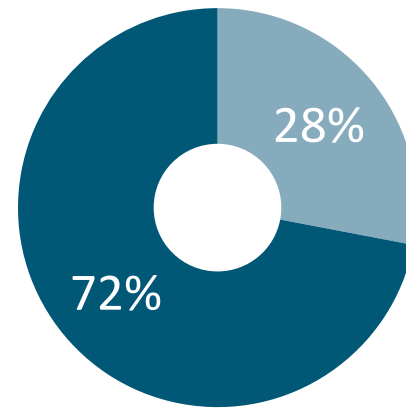
Rebalance to Maintain Your Portfolio's Desired Allocation

Stocks outperformed bonds¹

1/1/14–12/31/23 market activity



Original allocation
balanced on
1/1/14



Unbalanced on
12/31/23

Too risky: Without rebalancing, this hypothetical portfolio could lose more than the original portfolio if stocks fall.

¹ Time period above, reflecting a strong stock market, is based on the performance of the S&P 500 Index, which measures the broad US stock market. Index performance does not reflect the deduction of any investment-related fees and expenses. It is not possible to invest directly in an index.

Past performance is no guarantee of future results.



Key Points



1 MARKET PERFORMANCE

The relative market performance of asset classes shifts over time, which may alter your portfolio's mix of investments

2 STOCKS OUTPERFORM

If stocks outperform bonds, your allocation to stocks grows, potentially increasing risk

3 REBALANCE

Consistent rebalancing can help keep you at an appropriate level of risk based on your individual risk profile



Sample Investor Questionnaire:

Determine Your Risk/Return Profile

Time horizon

Your current income situation and future income needs

What is your current age?

- Less than 45 5
- 45 to 55 4
- 56 to 65 3
- 66 to 75 2
- Older than 75 1

When do you expect to start drawing income?

- Not for at least 20 years 5
- In 10 to 20 years 4
- In 5 to 10 years 3
- Not now, but within 5 years 2
- Immediately 1

Long-term goals and expectations

Your views on how an investment should perform over the long term

What is your goal for this investment?

- To grow aggressively 5
- To grow significantly 4
- To grow moderately 3
- To grow with caution 2
- To avoid losing money 1

Assuming normal market conditions, what would you expect from this investment over time?

- To generally keep pace with the stock market 5
- To slightly trail the stock market but make a good profit 4
- To trail the stock market but make a moderate profit 3
- To have some stability but make modest profits 2
- To have a high degree of stability but make small profits 1

Suppose the stock market performs unusually poorly over the next decade. What would you expect from this investment?

- To lose money 5
- To make very little or nothing 4
- To eke out a little gain 3
- To make a modest gain 2
- To be little affected by what happens in the stock market 1

Short-term risk attitudes

Your attitude toward short-term volatility

Which of these statements would best describe your attitudes about the next three years' performance of this investment?

- I don't mind if I lose money 5
- I can tolerate a loss 4
- I can tolerate a small loss 3
- I'd have a hard time tolerating any losses 2
- I need to see at least a little return 1

Which of these statements would best describe your attitudes about the next three months' performance of this investment?

- Who cares? One calendar quarter means nothing 5
- I wouldn't worry about losses in that time frame 4
- If I suffered a loss of greater than 10%, I'd get concerned 3
- I can only tolerate small short-term losses 2
- I'd have a hard time stomaching any losses 1

POINT TOTAL

See page 7 to find an MFS Asset Allocation Fund that may fit your profile.

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