Market Declines: A History of Recoveries

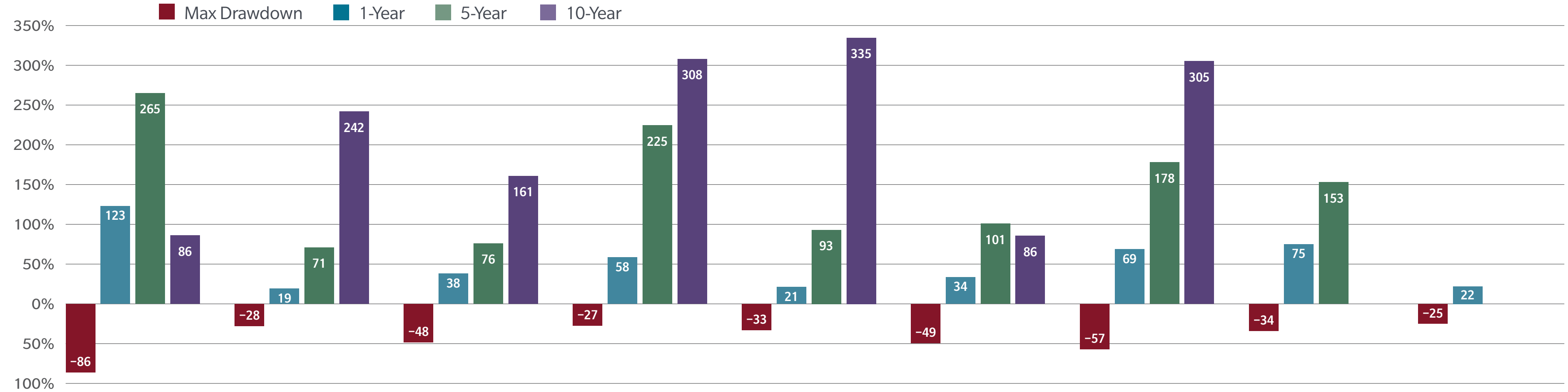
As of 3/31/25

Gaining confidence based on history

Sharp, sudden market declines are disconcerting, prompting many investors to reduce their stock holdings, or pull out of the market. As history has shown, financial markets have rebounded from market shocks, posting strong long-term gains. All too often, investors that have sold out during a crisis have locked in losses and possibly missed the rebound. Riding out market declines and benefiting from potential rebounds may be a better plan.

Historically, markets have posted strong long-term gains following declines

S&P 500 Index cumulative returns for 1-, 5- and 10-years periods following end of bear market



	GREAT DEPRESSION	POST-WWII RECESSION	ARAB OIL EMBARGO	RECESSION	BLACK MONDAY	DOT-COM BUBBLE	GLOBAL FINANCIAL CRISIS	COVID-19 PANDEMIC	INFLATION SPIKE
TIMEFRAME	09/06/29 to 06/01/32	05/30/46 to 05/19/47	01/11/73 to 10/03/74	11/28/80 to 08/12/82	08/21/87 to 12/04/87	03/24/00 to 10/09/02	10/09/07 to 03/09/09	02/20/20 to 03/23/20	01/03/22 to 10/12/22
DURATION (MO.)	33	12	21	20	3	31	17	1	9

As history has shown, recoveries have followed declines, and investors that have stayed invested for the long term may have benefited from the recovery.

Source: FactSet. Daily data from January 3, 1928 through March 31, 2025. Bear market is defined as the period from a peak to trough, with at least a 20% decline in the S&P 500 index price. Data in USD

Past performance is no guarantee of future results. It is not possible to invest in an index.

Max drawdown is the largest drawdown (peak-to-trough) within each calendar year. This data is not intended to represent the performance of any MFS portfolio.

The **S&P 500 Index** measures the broad US stock market. Index performance does not include any investment-related fees or expenses. It is not possible to invest directly in an index.

The investments you choose should correspond to your financial needs, goals, and risk tolerance. For assistance in determining your financial situation, please consult an investment professional. Past performance is no guarantee of future results.

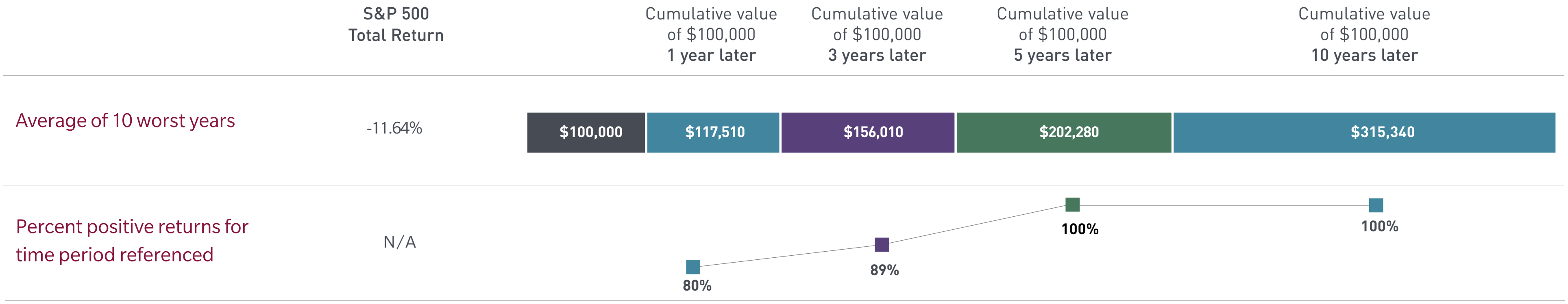
See next page for important disclosures.

Stay the course

Many factors including inflation, recession fears and geopolitical events can impact short-term stock market performance. However, historically, difficult years have often been followed by better long-term outcomes.

Below we show the average of how markets performed after the 10 worst calendar year returns over the past 50 years.

Worst 10 calendar year returns since 1975 and subsequent outcomes for a $100,000 investment



	S&P 500 Total Return		Cumulative value of $100,000 1 year later	Cumulative value of $100,000 3 years later	Cumulative value of $100,000 5 years later	Cumulative value of $100,000 10 years later
Average of 10 worst years	-11.64%	$100,000	$117,510	$156,010	$202,280	$315,340
Percent positive returns for time period referenced	N/A		80%	89%	100%	100%

Source: MFS Research, Factset. Data in USD as of December 2024. Past performance is no guarantee of future results. It is not possible to invest in an index. Based on S&P 500 Total Return Index (Gross).

Keep in mind that no investment strategy, including diversification, can guarantee a profit or protect against a loss. Also, all investments carry a certain amount of risk, including the possible loss of the principal amount invested.

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