

20 years of the best and worst — a case for asset allocation diversification



Everyone wants to be in the best-performing asset class every year. The thing is, few people are savvy enough to choose the best consistently. That's why diversification is key. This chart shows annual returns for five broad-based equity asset classes, bonds, cash, and a diversified portfolio, ranked from best to worst. Notice how the "leadership" changes.

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
International	69.94%	24.93%	28.59%	35.92%	8.95%	46.70%	16.19%	32.94%	8.06%	38.35%	23.12%	35.18%	38.71%	33.16%	11.63%	8.42%	10.27%	45.51%	20.70%	14.02%
Diversified Portfolio	24.45%	6.09%	23.16%	30.42%	7.92%	41.16%	13.81%	18.12%	4.24%	37.77%	22.45%	32.85%	27.02%	27.30%	7.02%	4.09%	1.70%	39.17%	18.29%	8.11%
Large Cap Value	19.98%	5.90%	22.73%	25.19%	-0.26%	33.03%	9.04%	16.54%	2.66%	37.19%	21.64%	30.49%	20.33%	24.14%	5.96%	1.22%	-14.78%	30.03%	16.49%	7.22%
Large Cap Blend	17.87%	5.31%	18.64%	22.76%	-4.16%	28.77%	7.40%	14.89%	0.91%	31.70%	19.03%	24.36%	18.63%	20.91%	4.27%	-5.59%	-15.52%	29.89%	12.93%	7.05%
Large Cap Growth	15.36%	2.94%	17.23%	19.43%	-6.89%	24.61%	6.53%	10.15%	0.38%	28.89%	15.87%	22.15%	15.63%	18.80%	-3.69%	-8.06%	-15.66%	29.75%	11.40%	6.27%
Bonds	15.25%	2.76%	11.27%	14.53%	-8.08%	16.00%	5.00%	9.75%	-1.06%	18.48%	6.36%	9.68%	8.67%	7.35%	-7.79%	-12.45%	-17.79%	29.53%	6.30%	5.26%
Small/Mid Cap	11.98%	0.50%	7.88%	10.80%	-14.88%	12.50%	3.62%	3.09%	-1.99%	11.55%	5.25%	5.25%	5.06%	4.74%	-13.96%	-20.42%	-21.65%	4.11%	4.34%	3.00%
Cash	6.24%	-4.68%	6.76%	8.63%	-23.20%	5.75%	-11.85%	2.90%	-2.92%	5.75%	3.61%	2.06%	0.39%	-0.83%	-22.43%	-21.21%	-27.88%	1.07%	1.24%	2.43%

MARKET SEGMENT	REPRESENTED BY	20 YEARS ENDED 12-31-05	
		Avg. Annual Return	Standard Deviation
International stocks	MSCI EAFE Index ¹	10.00%	17.32
Large-cap growth stocks	Russell 1000 Growth Index ²	10.64%	18.09
Large-cap value stocks	Russell 1000 Value Index ³	12.72%	14.26
Large-cap blend stocks	Russell 1000 Index ⁴	11.94%	15.32
Small-/mid-cap stocks	Russell 2500 Index ⁵	12.35%	17.77
Bonds	Lehman Brothers U.S. Aggregate Bond Index ⁶	7.88%	4.25
Cash	Citigroup 3-month T-bill Index ⁷	4.74%	0.57
Diversified portfolio	All segments disclosed above, excluding cash	11.40%	12.32



Portfolio assets are rebalanced at the end of every quarter so that they remain equally distributed among the six segments.

See reverse for index definitions.

Source: Zephyr. 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. 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.

Risk considerations

International stocks: Investing in foreign and/or emerging markets securities involves interest rate, currency exchange rate, economic, and political risks. Small-/mid-cap stocks: Investing in small, mid-, or emerging growth companies is riskier than 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.

Standard deviation reflects a portfolio's total return volatility, which is based on a minimum of 36 monthly returns. The larger the portfolio's standard deviation, the greater the portfolio's volatility.

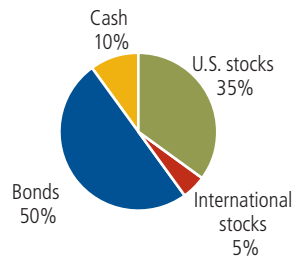
Diversification does not guarantee a profit or protect against a loss.

Visit mfs.com for the most recent month-end performance results.

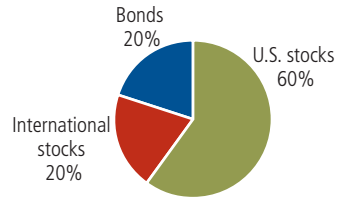
Balancing risk with potential returns

Diversifying your assets can work if you and your 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 should be invested. Then see the table at right for MFS portfolios to consider.

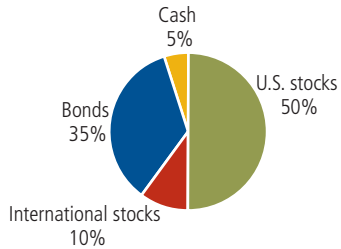
Conservative



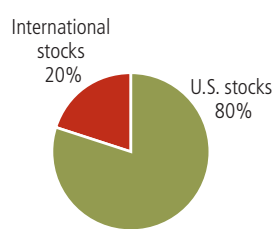
Growth



Moderate



Aggressive Growth



These examples are for illustrative purposes only. You should talk to your investment professional about diversification and your individual situation. It's worth the time spent.

1 MSCI EAFE Index measures the non-U.S. stock market. **2** Russell 1000 Growth Index measures large-cap U.S. growth stocks. **3** Russell 1000 Value Index measures large-cap U.S. value stocks. **4** Russell 1000 Index measures large-cap U.S. stocks. **5** Russell 2500 Index measures U.S. small- and mid-cap stocks. **6** Lehman Brothers U.S. Aggregate Bond Index measures the U.S. bond market. **7** Citigroup 3-month T-bill Index is derived from secondary market Treasury bill rates published by the Federal Reserve Bank. It is not possible to invest directly in an index.

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

* Source: Lipper, Inc.

For specific information on risks, please see the fund's prospectus.

All funds mentioned may not be available for sale by your investment professional's firm.

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Mutual Funds	Class A	Symbol Class B	Class C	Lipper Category*
U.S. stocks				
Massachusetts Investors Trust	MITTX	MITBX	MITCX	Large-Cap Core
Massachusetts Investors Growth Stock Fund	MIGFX	MIGBX	MIGDX	Large-Cap Growth
MFS® Capital Opportunities Fund	MCOFX	MCOBX	MCOCX	Multi-Cap Core
MFS® Core Growth Fund	MFCAX	MFCBX	MFCXC	Large-Cap Growth
MFS® Emerging Growth Fund	MFEGX	MEGBX	MEFCX	Multi-Cap Growth
MFS® Mid Cap Growth Fund	OTCAX	OTCBX	OTCCX	Mid-Cap Growth
MFS® Mid Cap Value Fund	MVCAX	MVCBX	MVCCX	Mid-Cap Value
MFS® New Discovery Fund	MNDAX	MNDBX	MNDCX	Small-Cap Growth
MFS® New Endeavor Fund	MECAX	MECBX	MECCX	Mid-Cap Growth
MFS® Research Fund	MFRFX	MFRBX	MFRXC	Multi-Cap Core
MFS® Strategic Growth Fund	MFSGX	MSBGX	MFGCX	Large-Cap Growth
MFS® Strategic Value Fund	MSVTX	MSVLX	MQSVX	Multi-Cap Value
MFS® Technology Fund	MTCAX	MTCBX	MTCXC	Science & Technology
MFS® Utilities Fund	MMUFX	MMUBX	MMUCX	Utility
MFS® Value Fund	MEIAX	MFEBC	MEICX	Large-Cap Value
International stocks				
MFS® Global Equity Fund	MWAFX	MWEXB	MWECX	Global Multi-Cap Core
MFS® Global Growth Fund	MWOFX	MWOXB	MWOCX	Global Multi-Cap Growth
MFS® International Diversification SM Fund	MDIDX	MDIFX	MDIGX	International Multi-Cap Core
MFS® International Growth Fund	MGRAX	MGRBX	MGRXC	International Multi-Cap Growth
MFS® International New Discovery Fund	MIDAX	MIDBX	MIDCX	International Small-/Mid-Cap Growth
MFS® International Value Fund	MGIAX	MGIBX	MGICX	International Multi-Cap Core
MFS® Research International Fund	MRSAX	MRIBX	MRICX	International Multi-Cap Core
Emerging markets debt				
MFS® Emerging Markets Debt Fund	MEDAX	MEDBX	MEDCX	Emerging Markets Debt
High-grade bonds				
MFS® Bond Fund	MFBFX	MFBXB	MFBXC	Corp. Debt BBB-Rated
MFS® Government Limited Maturity Fund	MGLFX	MGLBX	MGLCX	Short U.S. Government
MFS® Government Securities Fund	MFGSX	MFGBX	MFGDX	General U.S. Government
MFS® Inflation-Adjusted Bond Fund	MIAAX	MIABX	MIACX	Treasury Inflation Protected Securities
MFS® Intermediate Investment Grade Bond Fund	MGBFX	MGBVB	MGBXC	Short-Intermediate Investment Grade Debt
MFS® Limited Maturity Fund	MQLFX	MQLBX	MQLCX	Short Investment Grade Debt
MFS® Municipal Bond Fund	MMBFX	MMBBX	—	General Municipal Debt
MFS® Research Bond Fund	MRBFX	MRBBX	MRBCX	Corporate Debt A-Rated
High-yield bonds				
MFS® Floating Rate High Income Fund	FRHAX	—	FRHCX	Loan Participation
MFS® High Income Fund	MHITX	MHIBX	MHICX	High Current Yield
MFS® High Yield Opportunities Fund	MHOAX	MHOXB	MHOCX	High Current Yield
MFS® Municipal High Income Fund	MMHYX	MMHBX	MMHCX	High Yield Municipal Debt
Asset allocation strategies				
MFS® Aggressive Growth Allocation Fund	MAAGX	MBAGX	MCAGX	Multi-Cap Core
MFS® Conservative Allocation Fund	MACFX	MACBX	MACVX	Mixed-Asset Target Allocation Conservative
MFS® Growth Allocation Fund	MAGWX	MBGWX	MCGWX	Multi-Cap Core
MFS® Moderate Allocation Fund	MAMAX	MMABX	MMACX	Mixed-Asset Target Allocation Moderate
MFS® Total Return Fund	MSFRX	MTRBX	MTRCX	Mixed-Asset Target Allocation Moderate
Lifetime funds				
MFS® Lifetime® 2010 Fund	MFSAX	MFSBX	MFSDX	Mixed Target 2010
MFS® Lifetime® 2020 Fund	MFLAX	MFLBX	MFLCX	Mixed Target 2020
MFS® Lifetime® 2030 Fund	MLTAX	MLTBX	MLTCX	Mixed Target 2030
MFS® Lifetime® 2040 Fund	MLFAX	MLFBX	MLFCX	Mixed Target 2030+
MFS® Lifetime® Retirement Income Fund	MLLAX	MLLBX	MLLCX	Mixed-Asset Target Allocation Conservative