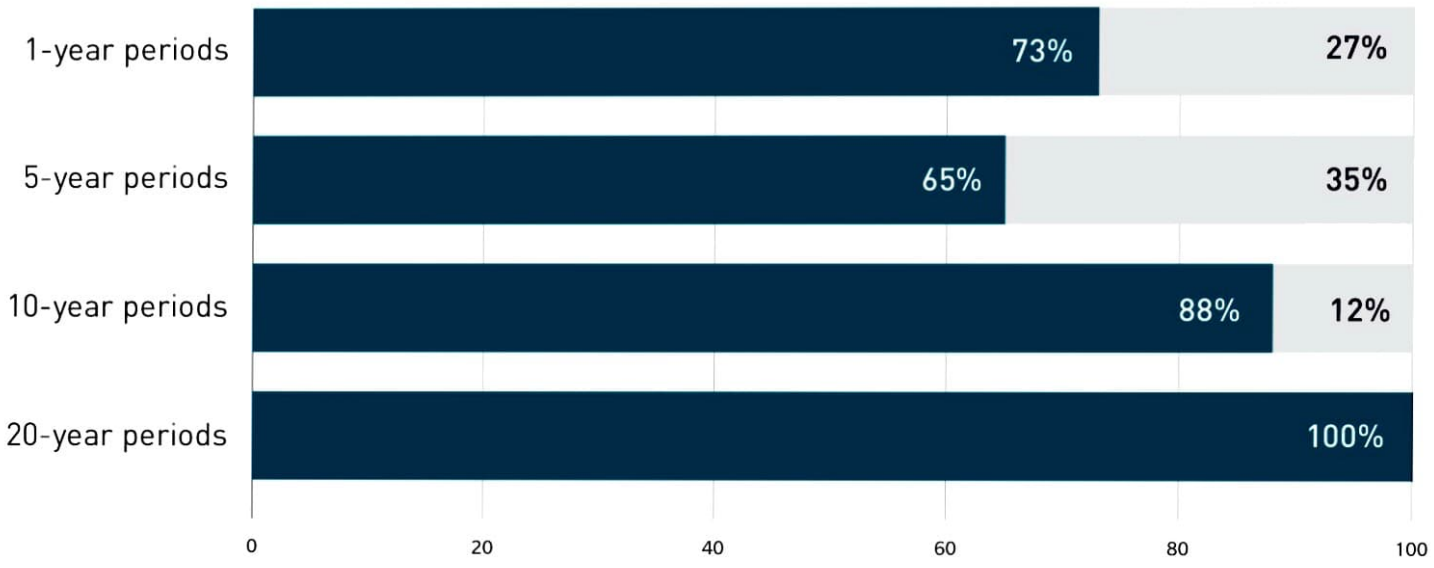
4 Take a Longer View

Building wealth takes time. Think long term.

Key points

- Historically, investing in stocks has been one of the best ways to build wealth, because of their long-term growth potential, relative to bonds and/or cash.
- Yet many investors under invest in stocks or try to time the market.
- In either case, investors could be missing opportunities.
- That's because over long periods of time, the stock market has historically generated positive returns.

Stocks have generated positive returns 100% of the time over 20-year periods, 1/1/50–12/31/18



As part of a well-balanced portfolio, consider stocks for their long-term growth potential.

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.

Source: Factset. The historical performance of the index cited is provided to illustrate market trends; it does not represent the performance of a particular MFS® investment product. **The S&P 500 (Price Return) Index** is a commonly used measure of the broad stock market. Index performance does not take into account fees and expenses. It is not possible to invest directly in an index. **Past performance is no guarantee of future results.**

Common stocks generally provide an opportunity for more capital appreciation than fixed-income investments but have also been subject to greater market fluctuations. Keep in mind, all investments do not guarantee a profit or protect against a loss.

Advisor vs. client perception of diversification

Key points

- Diversification spreads your investments between asset classes that perform differently. Potentially, strength in one asset can offset weakness in another.
- In down markets, diversification may help your portfolio lose less value than the market. In up markets, diversification can help your portfolio take part in market gains.
- Rather than focusing on the short term, a look at long-term performance shows how diversification can help your portfolio navigate volatility and potentially get you closer to your goals.

Putting portfolio performance into perspective beyond the S&P 500

YEARS	S&P 500 (TOTAL RETURN) INDEX	DIVERSIFIED PORTFOLIO	ADVISOR	CLIENT
2000-2002	-37.6%	-14.03%	"You were down less than the S&P 500"	"I still lost money"
2003-2007	+82.9%	+57.51%	"You participated in market gains"	"I didn't gain as much as the S&P 500"
2008-2008	-37.0%	-22.06%	"You were down less than the S&P 500"	"I still lost money"
2009-2018	+243%	+146%	"You participated in market gains"	"I didn't gain as much as the S&P 500"
TOTAL RETURN 2000-2018	**+147%**	**+160%**	"Diversification can work"	"Wow, diversification can work!"

While you may feel like you're falling behind, by potentially managing losses and adding value, diversification may help you stay on track with your goals.

Source: Factset/Spar as of 12/31/18. **Past performance does not guarantee or indicate future results.** Diversified Portfolio is represented by 60% S&P 500 Total Return Index and 40% in the Bloomberg Barclays US Aggregate Bond Index and is rebalanced monthly. Index performance is for illustrative purposes only. You can not invest directly in the index. All returns shown are cumulative.

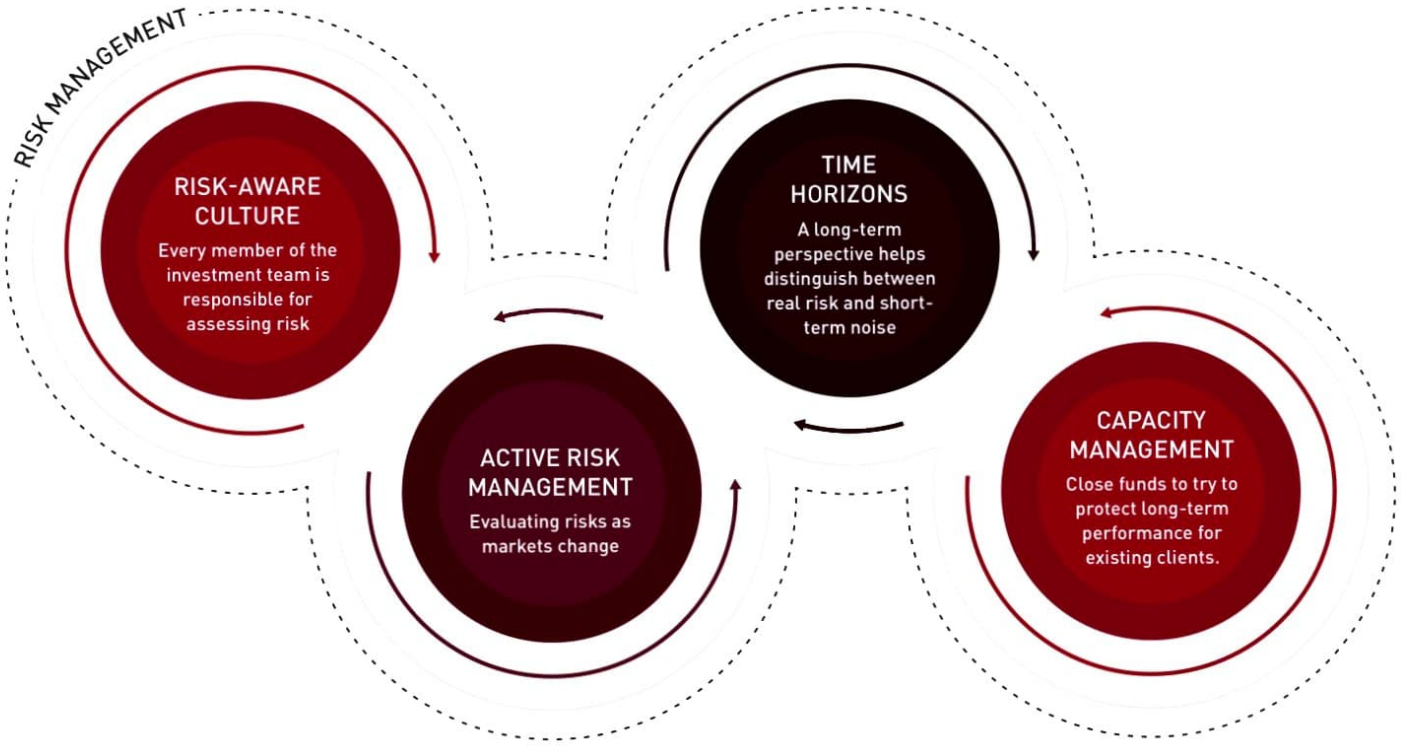
9 Understanding Risk is Critical

Determining the risk in your portfolio may make the difference when reaching your goals.

Key points

- While you can't avoid risk, by understanding the nature of risk, you may be able to manage it.
- One aspect to think about is how your asset manager tackles risk.
- At MFS, we've had a singular purpose since 1924: to put your money to work, responsibly.
- One of the ways we do that is through risk management.

MFS: Navigating risk from all angles.



At MFS, we believe managing the downside is just as important as capturing the upside.

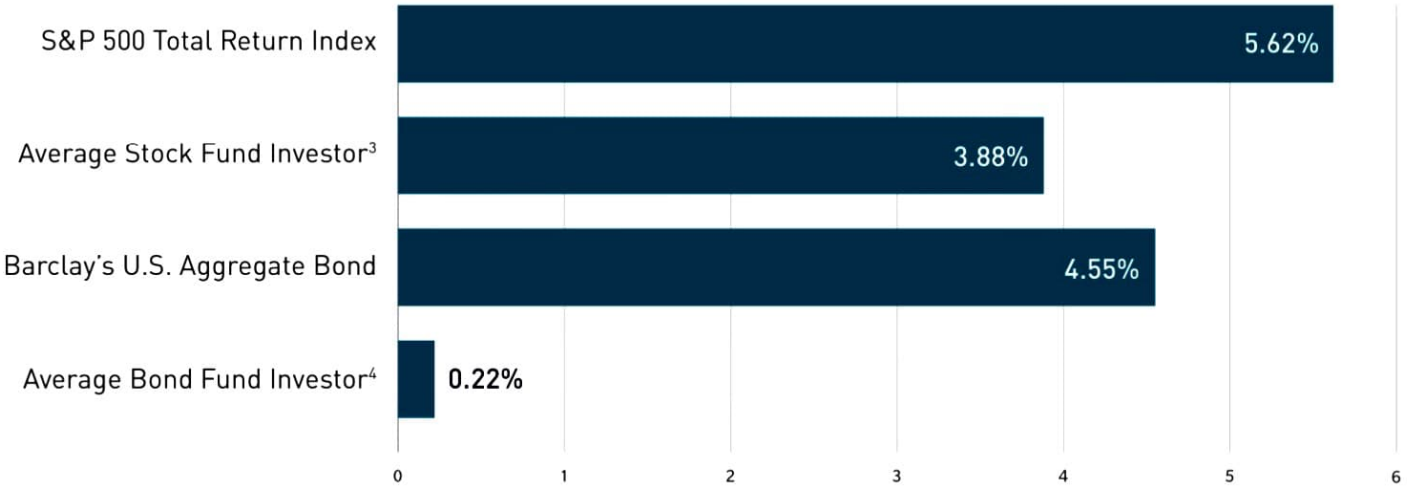
10 Realize the Benefits of Working With a Professional

Key points

- An advisor can help you determine your overall comfort level with risk.
- Allocate, diversify and rebalance your assets accordingly
- Review your overall investment portfolio, at least annually, to help keep you focused and on course with your goals
- Choose investments aligned with your goals and risk tolerances and help you stay focused and on track as markets shift

The average investor underperformed[1]

Market returns vs. average investor returns, 1999-2018[2]



Source: Dalbar, 2019 QAIB Report, as of December 31, 2018.

This example is for illustrative purposes only and are not intended to represent the future performance of any MFS® product. Although the data is gathered from sources believed to be reliable, MFS cannot guarantee the accuracy and/or completeness of the information.

The S&P 500 Total Return Index measures the broad US stock market. **Bloomberg Barclays U.S. Aggregate Bond Index** measures the U.S. bond market.

Past performance is no guarantee of future results. Keep in mind that all investments carry a certain amount of risk, including the possible loss of the principal amount invested.

A financial advisor will help you create a suitable financial strategy for pursuing your long term financial goals.

[1] The Average Investor refers to the universe of all mutual funds investors whose actions and financial results are restated to represent a single investor. This approach allows the entire universe of mutual funds investors to be used as the statistical sample, ensuring ultimate reliability.

[2] Average investor return performance: Methodology: QAIB calculates investor returns as the change in assets, after excluding sales, redemptions, and exchanges. This method of calculation captures realized and unrealized capital gains, dividends, interest, trading costs, sales charges, fees, expenses and any other costs. After calculating investor returns in dollar terms, two percentages are calculated: total investor rate for the period and annualized investor return rate. Total return rate is determined by calculating the investor return dollars as a percentage of the net assets, sales, redemptions and exchanges for the period. Annualized return rate is calculated as the uniform rate that can be compounded annually for the period under consideration to produce the investor return dollars.

[3] The Average Equity Fund Investor comprises a universe of both domestic and world equity mutual funds. It includes growth, sector, alternative strategy, value, blend emerging markets, global equity, international equity and regional equity.

[4] The Average Fixed Income Investor is comprised of a universe of fixed income mutual funds, which includes investment- grade, high-yield, government, municipal, multisector, and global bond funds. It does not include money market funds.