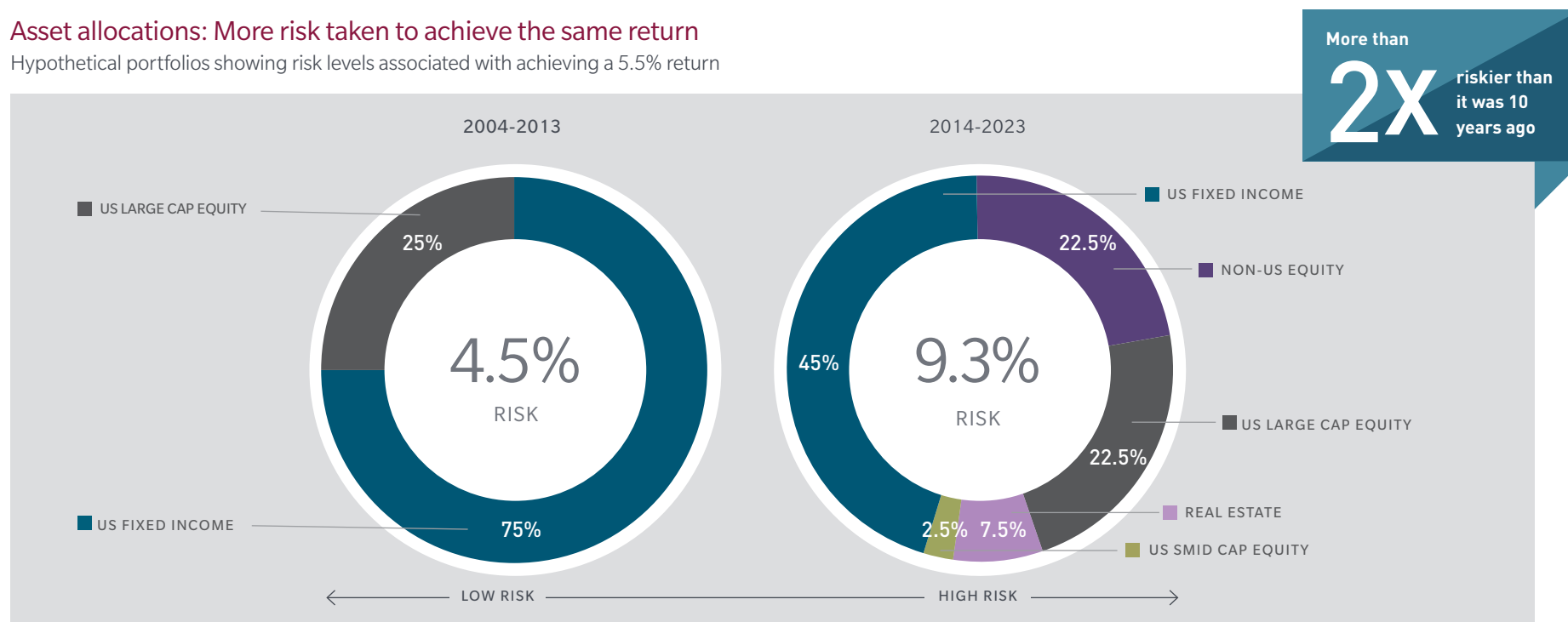


# Are Investors Piling on Risk in Search of Returns?

In the past, investors could generate attractive returns without taking on a lot of risk. However, market dynamics have changed substantially, and to achieve the same returns of the past, investors have to take on significantly more risk. At MFS®, we believe that active management — the ability to adapt to changing market conditions and manage risk — is critical to helping investors pursue their goals with confidence. Rather than chasing short-term gains, we invest for the long-term, looking beyond short-term market noise to find investments that can appreciate over the long haul.

## Asset allocations: More risk taken to achieve the same return

Hypothetical portfolios showing risk levels associated with achieving a 5.5% return



## Active managers can navigate today's complex markets and manage risk, helping investors pursue their long-term goals.

Hypothetical examples are for illustrative purposes only and are not intended to represent future performance. Risk is based on standard deviation.

Source: Jacobi. Monthly data as of 31 December 2003 to 31 December 2023. US Large Cap Equity = S&P® 500 Index. US Fixed Income = Bloomberg US Aggregate Bond Index. US SMID Cap = Russell 2000 Index. Non-US Equity = MSCI EAFE Index. Real Estate = FTSE NAREIT All Equity REITs. All returns are in US dollars.

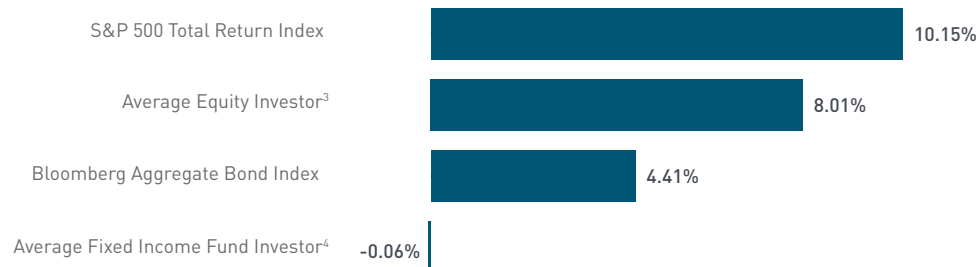
**S&P® 500 Stock Index** measures the broad US stock market. **Bloomberg U.S. Aggregate Bond Index** measures the U.S. bond market. **Russell 2000 Index** measures the small cap market. **MSCI EAFE (Europe, Australasia, Far East) Index** (net div) measures the non-U.S. stock market. **FTSE NAREIT All Equity REITs** tracks the performance of commercial real estate across the US economy.

## Are Investors Piling on Risk in Search of Returns?

### The average investor underperformed<sup>1</sup>

Unfortunately, some investors get caught up in market moves, chasing gains as markets peak, bailing out as markets bottom and missing rebounds. As a result, the average investor has generally underperformed. An investment professional can develop a long-term plan, based on investors' goals and risk tolerance and designed to keep them invested as they pursue their goals.

Market returns vs. average investor returns, 30 years, 1994-2023



For additional information, please contact an investment professional or visit us online at [mfs.com](https://mfs.com).

Source: Dalbar, 2024 QAIB Report, as of December 31, 2023. This example is for illustrative purposes only and are not intended to represent the future performance of any MFS<sup>®</sup> product. Although the data is gathered from sources believed to be reliable, MFS cannot guarantee the accuracy and/or completeness of the information. **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.

Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell<sup>®</sup> is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and/or Russell ratings or underlying data and no party may rely on any Russell Indexes and/or Russell ratings and/or underlying data contained in this communication. No further distribution of Russell Data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication.

Source: FTSE International Limited ("FTSE") © FTSE 2024. "FTSE" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. "FT-SE", "FOOTSIE" and "FTSE4GOOD" are trade marks of the London Stock Exchange Group companies. "NAREIT" is a trade mark of the National Association of Real Estate Investment Trusts ("NAREIT") and "EPRA" is a trade mark of the European Public Real Estate Association ("EPRA") and all are used by FTSE International Limited ("FTSE") under licence. The FTSE NAREIT All Equity REITS Index is calculated by FTSE. Neither FTSE, Euronext N. V., NAREIT nor EPRA sponsor, endorse or promote this product and are not in any way connected to it and do not accept any liability. All intellectual property rights in the index values and constituent list vests in FTSE, Euronext N. V., NAREIT and EPRA. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

"Standard & Poor's" and "S&P" are registered trademarks of Standard & Poor's Financial Services LLC ("S&P") and Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones") and have been licensed for use by S&P Dow Jones Indices LLC and sublicensed for certain purposes by Massachusetts Financial Services Company ("MFS"). The S&P 500<sup>®</sup> is a product of S&P Dow Jones Indices LLC, and has been licensed for use by MFS. MFS's product(s) is not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, S&P, or their respective affiliates, and neither S&P Dow Jones Indices LLC, Dow Jones, S&P, their respective affiliates make any representation regarding the advisability of investing in such product(s).

Source: Bloomberg Index Services Limited. BLOOMBERG<sup>®</sup> is a trademark and service mark of Bloomberg Finance L.P. and its affiliates

(collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Bloomberg neither approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI.

Distributed by: **U.S.** - MFS Investment Management; **Latin America** - MFS International Ltd.

**Please note that in Europe and Asia Pacific, this document is intended for distribution to investment professionals and institutional use only. In Canada, this document is intended for distribution to institutional clients only.**

**Note to readers in Canada:** Issued in Canada by MFS Investment Management Canada Limited. **Note to UK and Switzerland readers:** Issued in the UK and Switzerland by MFS International (U.K.) Limited ("MIL UK"), a private limited company registered in England and Wales with the company number 03062718, and authorised and regulated in the conduct of investment business by the UK Financial Conduct Authority. MIL UK, an indirect subsidiary of MFS<sup>®</sup>, has its registered office at One Carter Lane, London, EC4V 5ER. **Note to Europe (ex UK and Switzerland) readers:** Issued in Europe by MFS Investment Management (Lux) S.à r.l. (MFS Lux) – authorized under Luxembourg law as a management company for Funds domiciled in Luxembourg and which both provide products and investment services to institutional investors and is registered office is at S.a r.l. 4 Rue Albert Borschette, Luxembourg L-1246. Tel: 352 2826 12800. This material shall not be circulated or distributed to any person other than to professional investors (as permitted by local regulations) and should not be relied upon or distributed to persons where such reliance or distribution would be contrary to local regulation; **Singapore** - MFS International Singapore Pte. Ltd. (CRN 201228809M); **Australia/New Zealand** - MFS International Australia Pty Ltd ("MFS Australia") (ABN 68 607 579 537) holds an Australian financial services licence number 485343. MFS Australia is regulated by the Australian Securities and Investments Commission; **Hong Kong** - MFS International (Hong Kong) Limited ("MIL HK"), a private limited company licensed and regulated by the Hong Kong Securities and Futures Commission (the "SFC"). MIL HK is approved to engage in dealing in securities and asset management regulated activities and may provide certain investment services to "professional investors" as defined in the Securities and Futures Ordinance ("SFO"); **For Professional Investors in China** - MFS Financial Management Consulting (Shanghai) Co., Ltd. 2801-12, 28th Floor, 100 Century Avenue, Shanghai World Financial Center, Shanghai Pilot Free Trade Zone, 200120, China, a Chinese limited liability company registered to provide financial management consulting services; **Japan** - MFS Investment Management K.K., is registered as a Financial Instruments Business Operator, Kanto Local Finance Bureau (FIBO) No.312, a member of the Investment Trust Association, Japan and the Japan Investment Advisers Association. As fees to be borne by investors vary depending upon circumstances such as products, services, investment period and market conditions, the total amount nor the calculation methods cannot be disclosed in advance. All investments involve risks, including market fluctuation and investors may lose the principal amount invested. Investors should obtain and read the prospectus and/or document set forth in Article 37-3 of Financial Instruments and Exchange Act carefully before making the investments.

Unless otherwise indicated, logos, product and services names are trademarks of MFS and its affiliates and may be registered in certain countries.