

100 YEARS

Lessons Learned From 100 Years of Investing



Key Lessons Learned From the Past 100 Years

In 1924, MFS® launched the US' first mutual fund, bringing a diversified, professionally managed portfolio, formerly the privilege of the wealthy, to ordinary people. Since then, MFS has invested through 25 bear markets, 24 bull markets, 17 recessions, multiple market bubbles and many wars.* We've learned many lessons along the way.



Fundamentals
matter



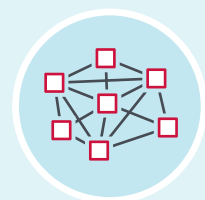
Time is an
investor's
greatest
asset



Diversification
works



Balance
opportunity
and risk



Disruption is
constant



Teams
over
individuals

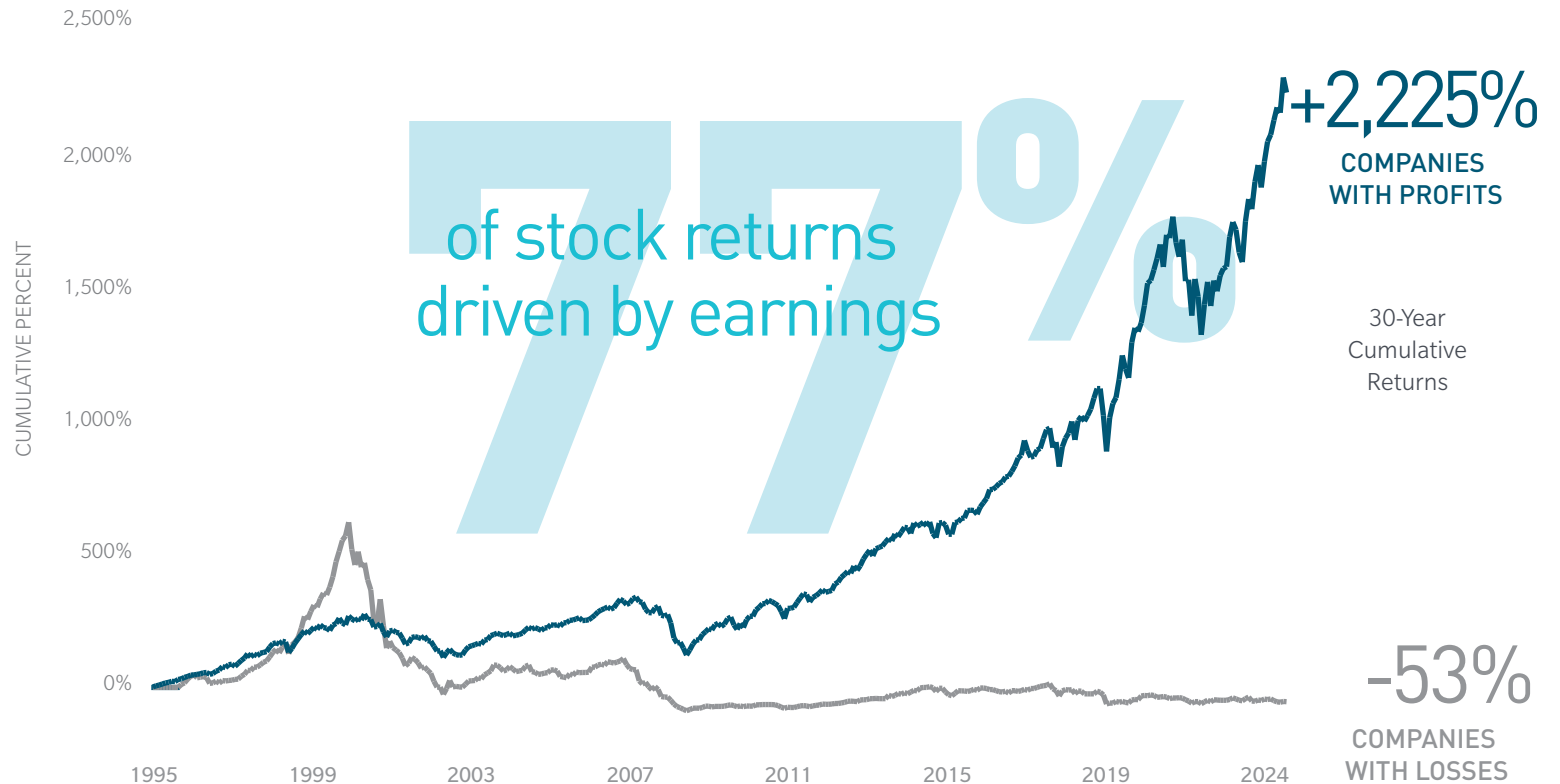
*As of 12/31/24.



Earnings are the most important driver of returns.

Key points

- Fundamentals are factors that contribute to a company's worth.
- They can be quantitative, like earnings or amount of debt, or qualitative, like business model or competitive position.
- MFS believes understanding fundamentals is the best way to assess a company's long-term earning potential.
- Why are earnings important? Because earnings drive stock prices over time.



Investing in quality companies with strong earnings prospects has paid off over time.

Source: FactSet using data from 12/31/1994 through 12/31/2024 (cumulative return shown on a monthly frequency). Analysis sorts S&P 500 securities into positive and negative earning companies based on last 12-month earnings and then weighted by market capitalization within each group (rebalanced monthly). Analysis for the stock returns driven by earnings is for S&P 500. Earnings impact calculated as the natural log of the division between the current value for earnings (last-twelve-months basis, reported by companies) and the value as of the beginning of the period. Earnings = Earnings Per Share. Analysis shown for illustrative purpose only. It is not possible to invest in an index or only the earnings portions of an index.

The **Standard & Poor's 500 Stock Index** captures a market capitalization-weighted index of 500 widely held equity securities and is designed to measure broad US equity performance.



Time Is an Investor's Greatest Asset

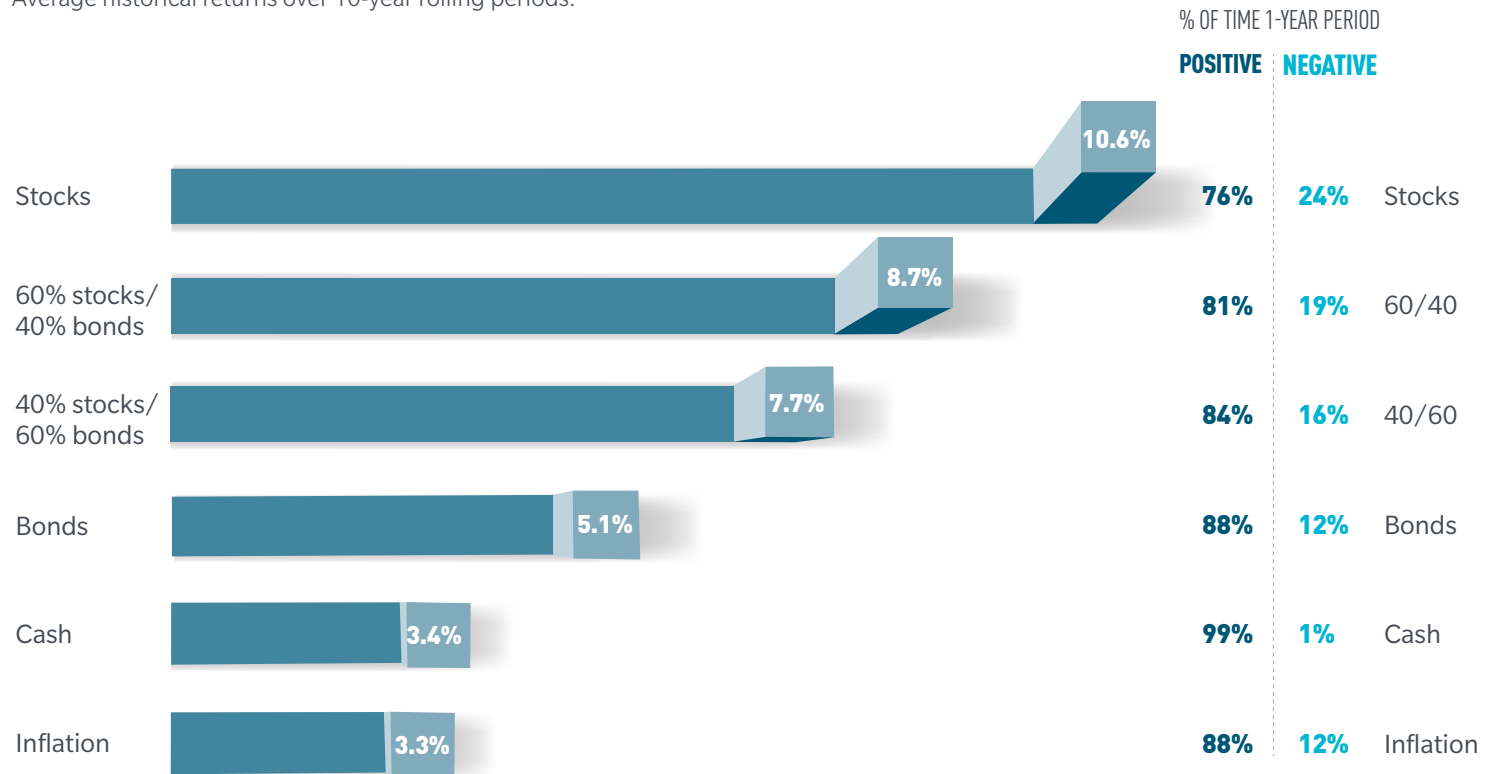


Investing for the long term can help investors pursue their goals.

Average historical returns over 10-year rolling periods.¹

Key points

- Taking a long-term view can help separate short-term noise from information that drives long-term results.
- Markets can be volatile over short time periods.
- Looking at a longer time frame — such as 10 years — can provide a clearer picture of an asset's return potential.
- Understanding how different asset classes perform over time is key in building a portfolio aligned with your goals.



A long-term focus and an appropriate asset allocation may be key to meeting your goals.

Source: Ibbotson, Bloomberg, Morningstar. MFS Analysis Monthly data from 31 December 1925 through 31 December 2024. Returns are in USD. Data for stock and cash returns are monthly total returns to the Ibbotson US Large Stock Total Return Index and Ibbotson 30-day T-Bill from January 1926 through December 2024. Data for bond returns are monthly total returns for Ibbotson US Intermediate Term Government Bond Index from 31 December 1925 through 31 December 2023 and Bloomberg US Treasury (5-7 Yr) Index for 31 December 2023 through 31 December 2024. Inflation based on Ibbotson published inflation rate for that same time period. Total of 1,177 rolling periods calculated. Past performance is no guarantee of future results. It is not possible to invest directly in an index.

Ibbotson US Large Stock Total Return Index measures the performance of the 500 largest publicly traded companies in the US equity market. **Ibbotson 30-day T-Bill** measures the performance of a single issue of outstanding Treasury Bill which matures closest to, but not beyond, one month from the rebalancing date. The issue is purchased at the beginning of the month and held for a full month; at the end of the month that issue is sold and rolled into a newly selected issue. **Ibbotson US Intermediate Term Government Bond Index** is an unmanaged index that measures the performance of the U.S. intermediate-term government bond market, constructed as a single-bond portfolio of the shortest-term, non-callable government bond with less than 5 years to maturity.

¹ A rolling period is the annualized return for each sequential 120 months of returns from January 1926 through December 2024. The first period is from January 1926 through December 1935, the second period is from February 1926 through January 1936, and so on.



Diversification Works



Over 100 years of returns: A compelling case for diversification

Calendar year returns for a 60% equity/40% bond portfolio

Key points

- Diversification spreads your investments across a variety of assets that can react differently.
- The goal is to balance a declining asset with one that is rising.
- It can help reduce risk.
- Over more than 100 years, a 60% equity/40% bond portfolio had positive returns 78% of the time, delivering an average annual return of 8.7%.
- Diversification does not ensure a profit or guarantee against a loss.



A diversified portfolio may help you pursue your goals with potentially lower risk.

Source: FactSet, Ibbotson, Morningstar. Annual data from 31 December 1925 through 31 December 2024. Prior to 1976, portfolio comprised of 60% Ibbotson® SBI® US Large-Cap Stocks (Total Return) and 40% Ibbotson® SBI® US Intermediate-term (5-Year) Government Bonds (Total Return) datasets. After 1975, portfolio comprised 60% S&P 500 Index and 40% Bloomberg US Aggregate Index. Returns are in USD. Past performance is no guarantee of future results. It is not possible to invest directly in an index.

Ibbotson® SBI® US Large-Cap Stocks (Total Return) measures the performance of the 500 largest publicly traded companies in the US equity market. **Ibbotson® SBI® US Intermediate-term (5-Year) Government Bonds (Total Return)** is an unmanaged index that measures the performance of the U.S. intermediate-term government bond market, constructed as a single-bond portfolio of the shortest-term, non-callable government bond with less than 5 years to maturity.



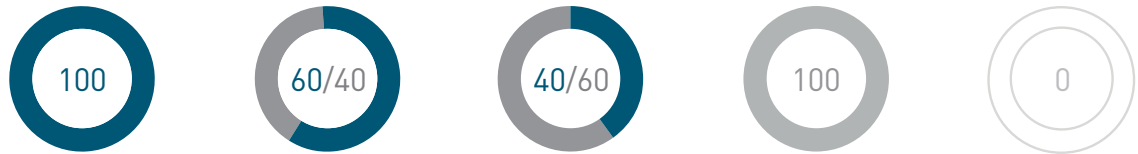
Asset allocation and withdrawal rate may be key to your retirement lifestyle.

Understanding their impact on retirement outcomes

Key points

- When investing for retirement, your asset allocation should shift over time.
- When you're young, a high equity allocation can help you build wealth.
- Later in life, a high allocation to bonds can help preserve wealth.
- Your withdrawal rate in retirement is equally important.
- The table shows how asset allocation and withdrawal rate work together, helping you pursue the retirement you want.

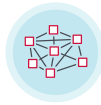
AGGRESSIVE ← → CONSERVATIVE



Withdrawal Rate (% of initial portfolio value)	100% US equities	60% US equities/ 40% bonds	40% US equities/ 60% bonds	100% bonds	100% cash
	PERCENT CHANCES OF THE PAYOUT LASTING 30 YEARS				
8%	50%	19%	9%	1%	0%
7%	62%	43%	20%	5%	0%
6%	70%	59%	44%	10%	0%
5%	82%	81%	65%	32%	1%
4%	97%	100%	100%	49%	20%

Choosing an appropriate asset allocation and withdrawal rate may help savings last.

Source: Ibbotson, MFS Analysis. Data for stock returns are monthly total returns to the Ibbotson US Large Stock Total Return Index from January 1926 through December 2024. Data for bonds returns are monthly total returns to the Ibbotson US Intermediate Term Government Bond Index from January 1926 through December 2023. Bloomberg US Treasury: 5-7 Year Index was used for January 2024 to December 2024 bonds return data. Withdrawals adjusted for inflation monthly using the Ibbotson published inflation rate for the relevant time period.



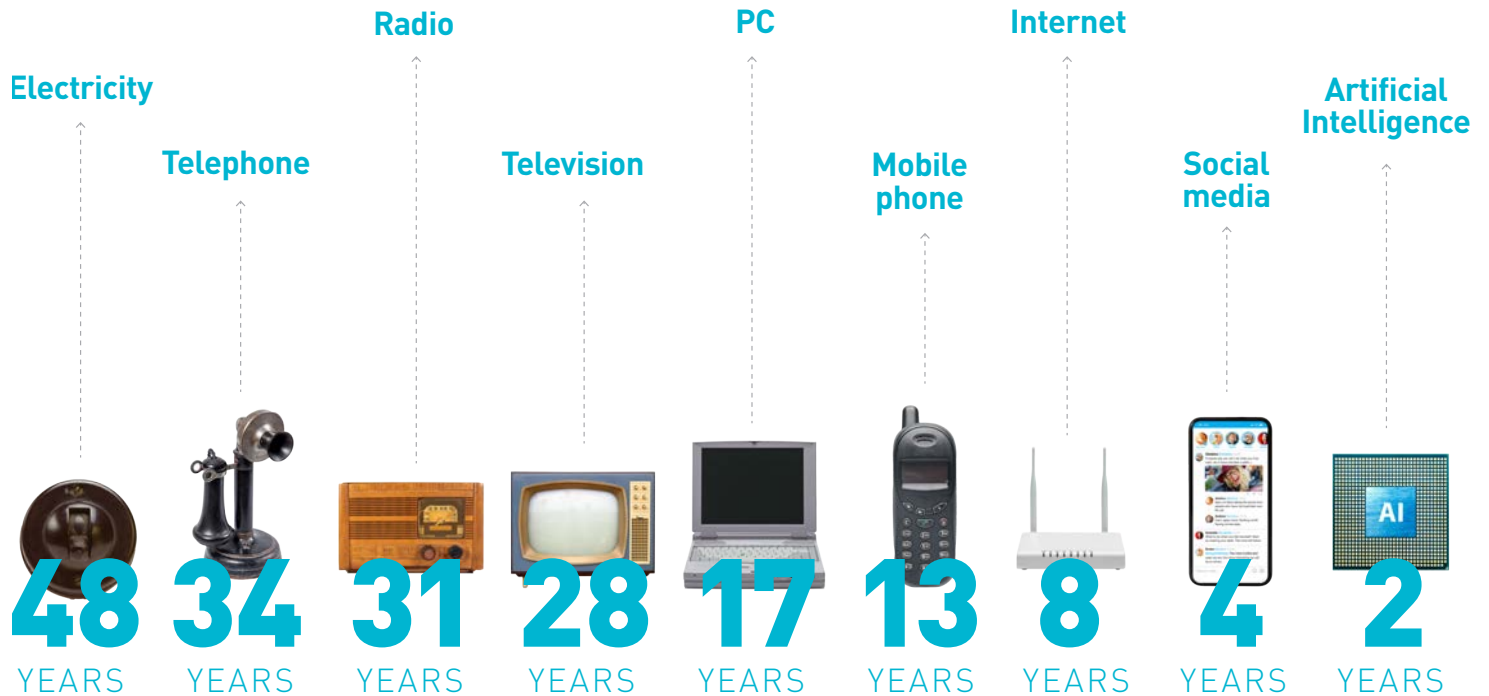
Disruption and Innovation Are Constant



Years until key technology breakthroughs was used by a quarter of the US population.

Key points

- Every generation has its disruptors.
- New companies spring up and incumbents are challenged.
- We've learned that the long-term impact of disruption isn't always clear.
- That's why we talk to companies, their suppliers and competitors and look to narrow the potential range of outcomes through research.
- We invest. We don't speculate.



Disruption offers opportunities and risks. You need to do your homework to understand the potential long-term winners and losers.

Source: Citi GPS Disruptive Innovations III report, July 2015, latest data available. Artificial Intelligence adoption data retrieved from Federal Reserve Bank of St. Louis, February 2025.



Teams Over Individuals

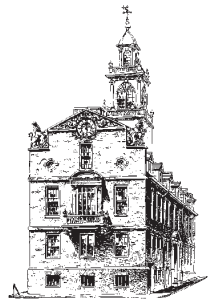


We believe diverse views drive better investment decision making.

From our roots in Boston to teams that span the globe

Key points

- Teamwork is at the heart of everything MFS does.
- In today's complex world, understanding the range of risks and opportunities takes a team.
- Our teams share and debate ideas, using wide expertise to thoroughly assess a company.
- Whether its our investment team picking securities or an advisor building a financial plan, teams drive better results, in our view.



1924

BOSTON

12 Employees

2025



■ MFS RESEARCH OFFICES ● OTHER MFS OFFICES

TORONTO | BOSTON | SÃO PAULO | LONDON | TOKYO | HONG KONG | SINGAPORE | SYDNEY

2,000+ Employees

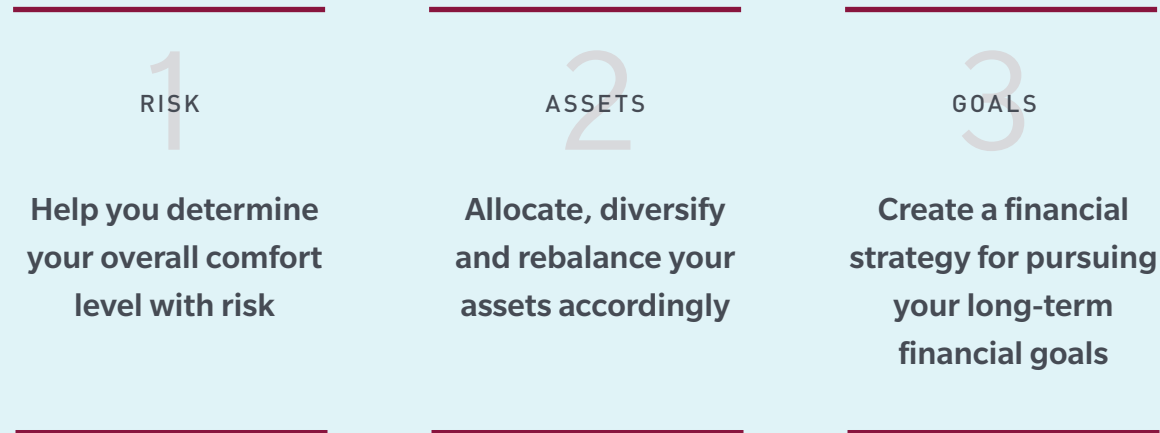
Teamwork — our investment team and your advisor team — can help the dream work, in our view.

Employee data as of 12/31/24.

Ask an Expert

How can a Financial Professional help me?

A **financial professional** can be your most valuable asset.
The financial professional can:



As the market and your needs change over time, a financial professional will be right there with you, helping you make changes to your portfolio as necessary.

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



In 1924, MFS launched the US' first open-end mutual fund. Today, we celebrate a century of active management and wealth creation for all. Our time-tested investing approach uncovers what we believe are the best investment opportunities for our end investors through

- collective expertise
- long-term discipline
- thoughtful risk management



Work with your investment professional to develop your investment plan today.

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