



# Principles of Long-Term Investing Resilience

Not FDIC Insured

May Lose Value

No Bank Guarantee



# Building Resilience for the Long Term

[Presenter Name]

[Title]

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# More Information, Faster = More Noise and More Fear

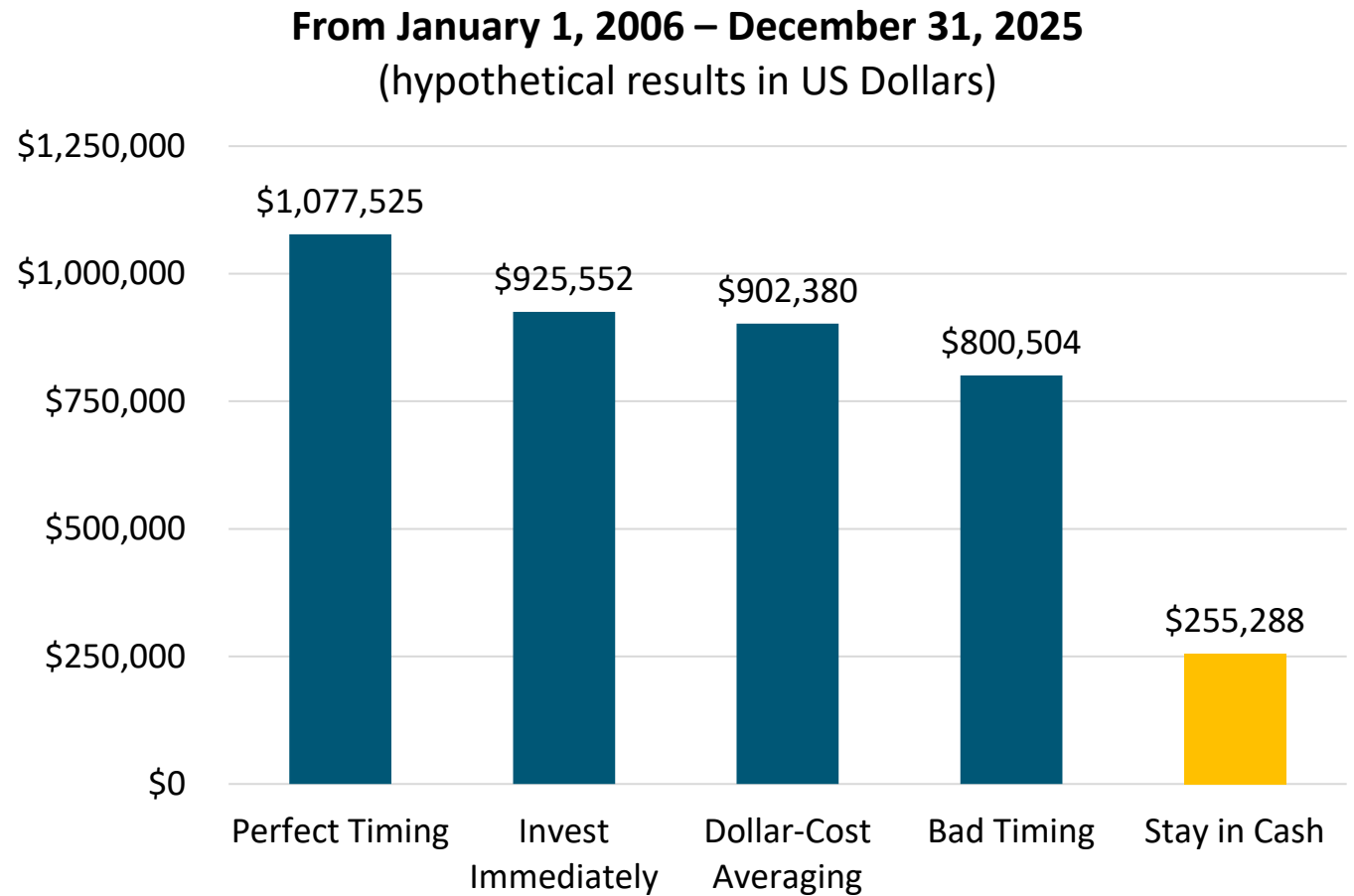
*Increasing media coverage of negative information can turn anxiety into fear*



# Historically, Even the Worst Timing Beats Doing Nothing

Consider these five investors each received a \$10,000 bonus to be invested at the end of each year for 20 years.

1. **Perfect Timing**  
Timed the market perfectly and invested at the low point each year
2. **Invest Immediately**  
Invested immediately on the first of each year
3. **Dollar-Cost Averaging**  
Invested a fixed amount of money at regular intervals into the market at the beginning of each month
4. **Bad Timing**  
Timed the market poorly and invested at the high point each year
5. **Stay in Cash**  
Left the money in a cash account



Source: FactSet Research, MFS. The chart represents five different hypothetical investments into the Standard and Poor's 500 Stock Index ("S&P 500"). Cash is represented by the FTSE 3-month US T-Bill Index. Keep in mind that all investments carry a certain amount of risk including the possible loss of the principal amount invested. **Past performance is no guarantee of future results.** The Standard & Poor's 500 Stock Index measures the broad U.S. stock market. Index performance does not include any investment-related fees or expenses. FTSE 3-month Treasury Bill Index tracks the daily performance of 3-month US Treasury bills. It is not possible to invest directly in an index. **This example is hypothetical and for illustrative purposes only.**

# 1<sup>st</sup> Principle

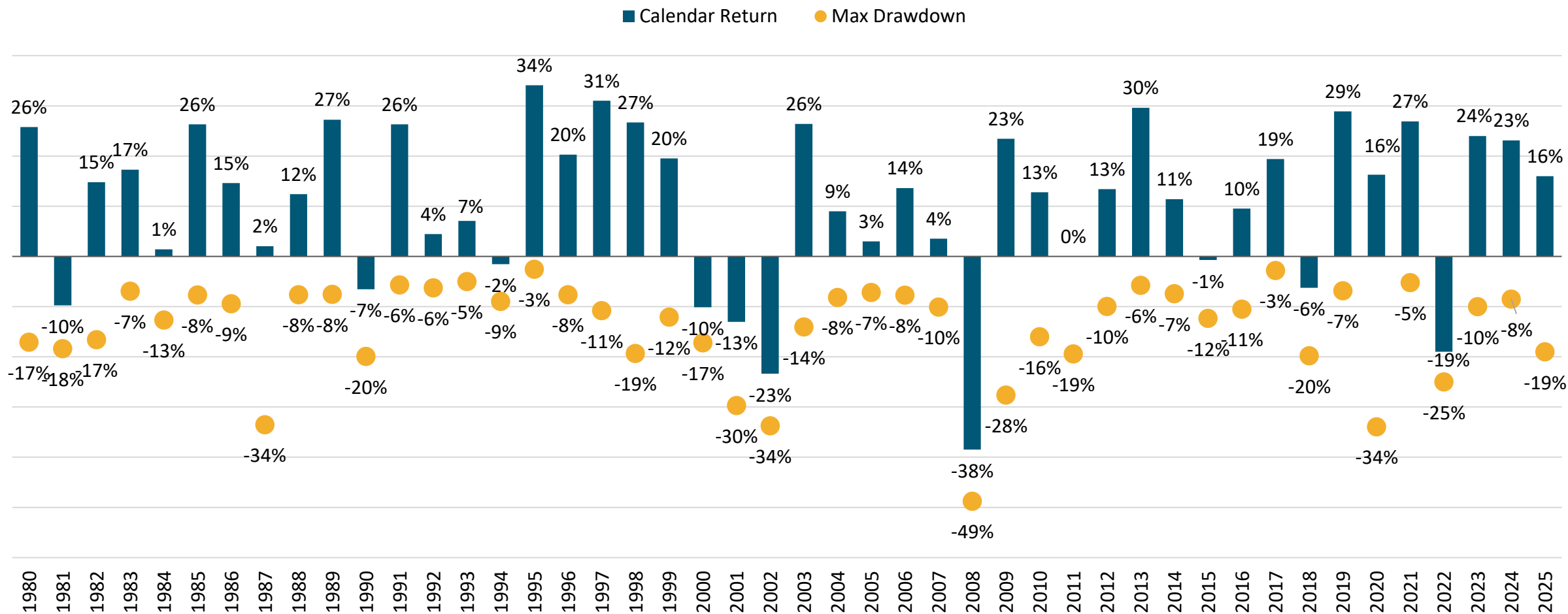
Understand market movements



# Markets Have Been Resilient: History Has Shown Declines Have Not Lasted



*Moving out of stocks potentially locks in losses and may prevent you from profiting from subsequent gains*

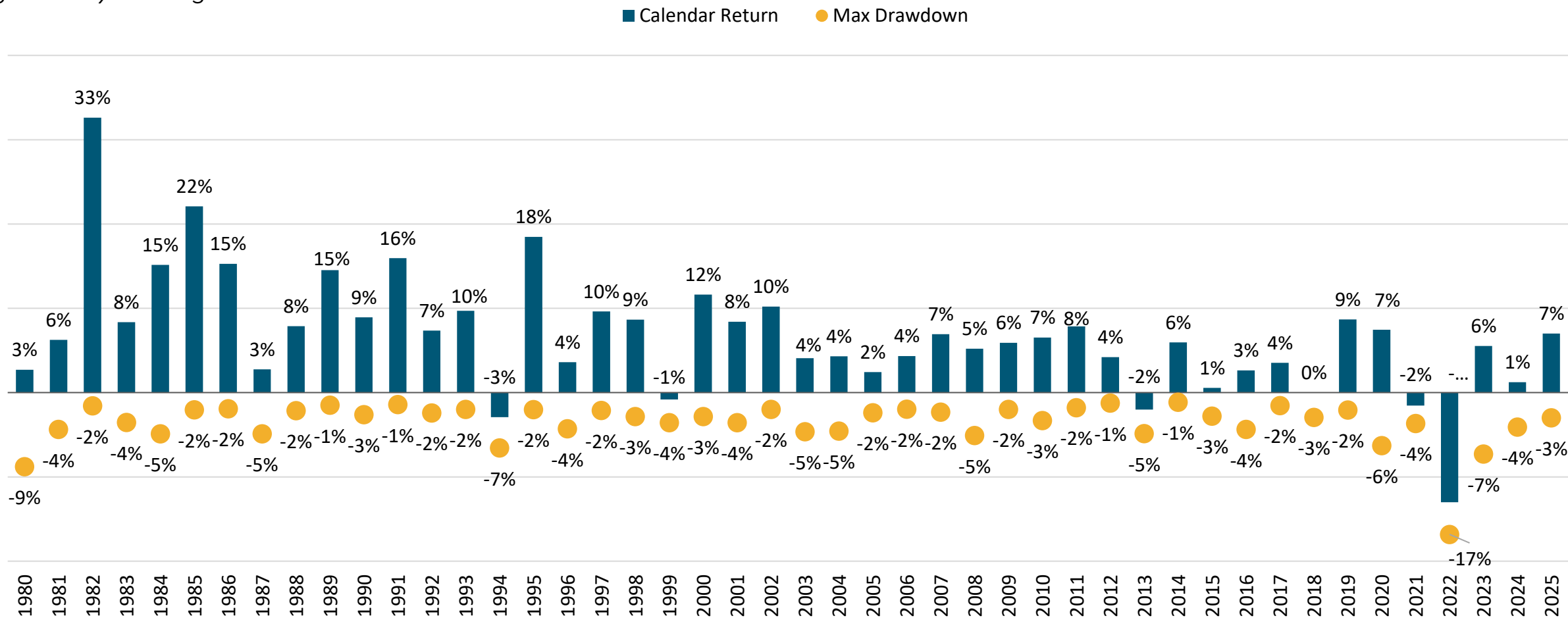


Source: FactSet and S&P US. Daily data as of 31 December 1979 to 31 December 2025. Returns above are in US dollars and calculated based on the **S&P 500 Price Return Index**. It is not possible to invest in an index. The S&P 500 Index measures the broad US stock market. Max drawdown is the largest drawdown (peak-to-trough) within each calendar year. This data is not intended to represent the performance of any MFS portfolio. **Past performance is no guarantee of future results.**

# Markets Have Been Resilient: History Shows that Bond Declines Also Don't Last



*While volatility can be challenging, it's important to remember that historically declines were short term and gave way to long-term recoveries*



Source: FactSet. Monthly data used from 31 December 1979 to 31 December 1988 due to data limitations; daily data from 1 January 1989 to 31 December 2025. Returns above are in US dollars and calculated based on the Bloomberg US Aggregate Total Return Index. It is not possible to invest in an index. The Bloomberg U.S. Aggregate Total Return Index is a benchmark that tracks the US market by capitalization. It's a float market-cap weighted 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.

**Past performance is no guarantee of future results.**



# 2<sup>nd</sup> Principle

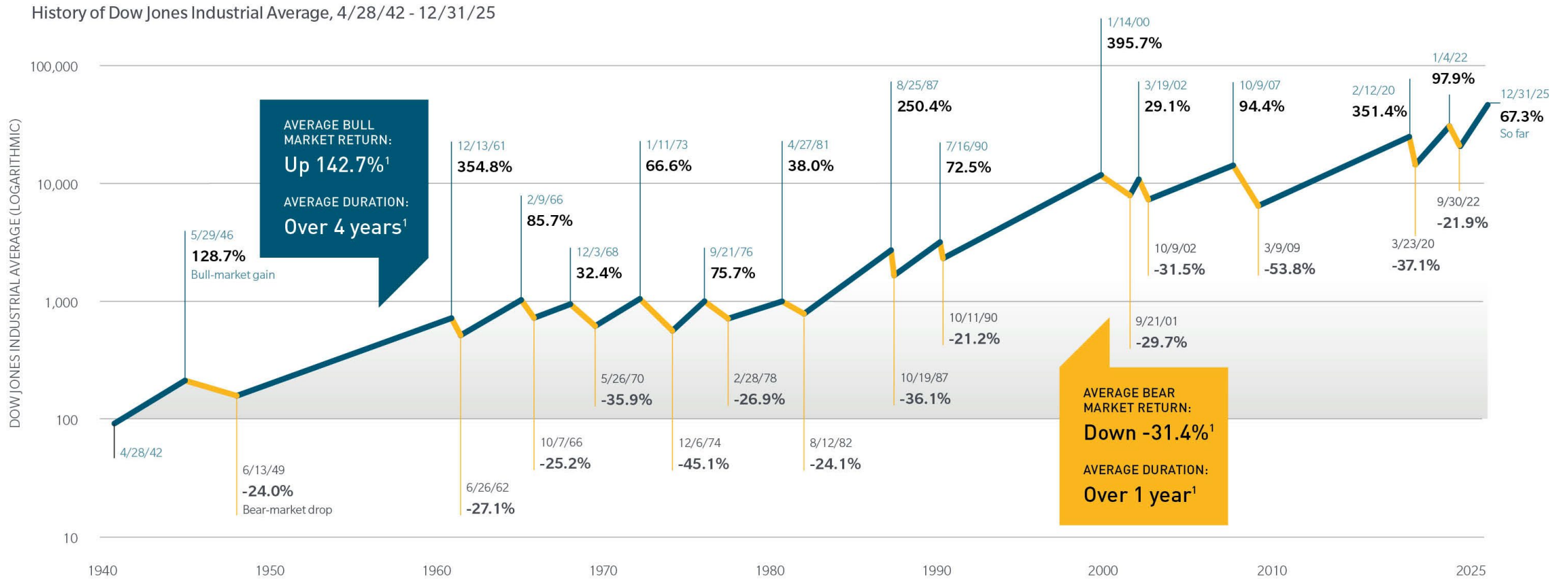
Volatility is Normal



# Historically, Bull Markets Have Beaten Bears and Driven Long-Term Gains



*Investing for the long-term and having a disciplined plan can help you reach your goals*



Source: SPAR, FactSet Research Systems Inc.

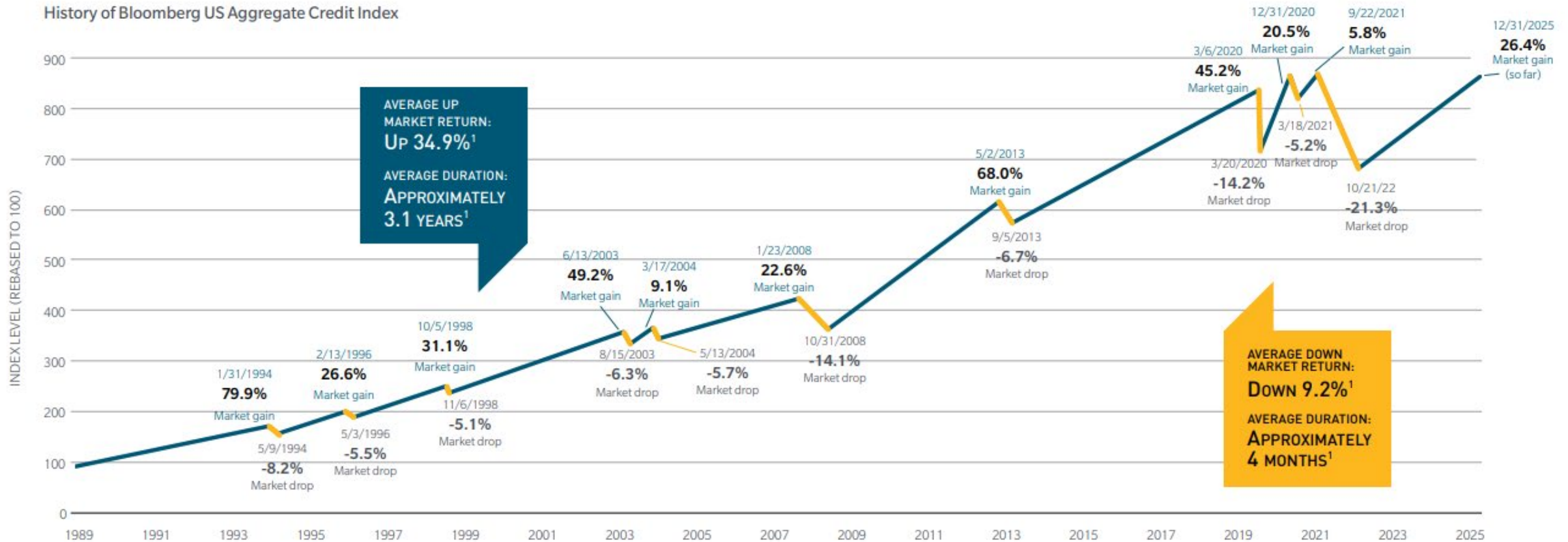
<sup>1</sup> Dow Jones Industrial Average from 4/28/42–12/31/25. The Dow Jones Industrial Average (DJIA) measures the US stock market. Returns are shown based on price only. It is not possible to invest in an index.

**Past performance is no guarantee of future results.**

# Historically, the Bond Market Has Recovered from Declines and Posted Long-Term Gains



*Investing for the long-term and having a disciplined plan can help you reach your goals*



Source: FactSet and Bloomberg. Daily data as of 2 January 1989 to 31 December 2025. Total returns are that of the Bloomberg US Aggregate Credit index in US dollars. Analysis shows peak-to-trough-to-peak lines for the index and their corresponding returns. “Bear market” is defined as a drawdown of 5% or greater from the previous market peak, and we plot only the max drawdown from the peak. Last data point of series is latest price for timeframe - which may not be the most recent peak or trough. Most recent timeframe is excluded in the Bull market calculation for average return and average duration since it has not ended. <sup>1</sup>Bloomberg US Aggregate Credit Index 1/2/89–12/31/25. It is not possible to invest in an index.

**Past performance is no guarantee of future results.**



# 3<sup>rd</sup> Principle

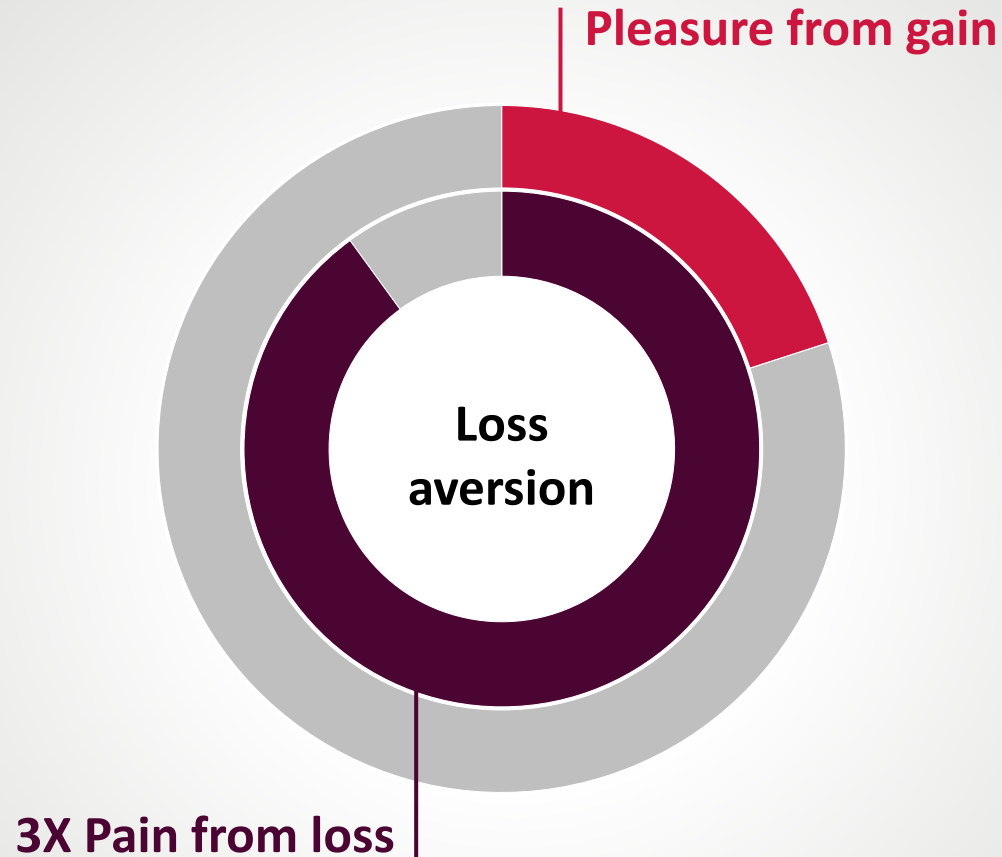
You Control Your Emotions and Behavior





# Behavioral Biases May Lead You in the Wrong Direction

*Don't let your irrational and emotional biases cloud your long-term investment plan*



## How our minds work against us

- Familiarity<sup>1</sup>
- Anchoring<sup>2</sup>
- Oversimplification<sup>2</sup>
- Hindsight<sup>2</sup>

## How biases prevent our success

- The Endowment Effect<sup>1</sup>
- Status Quo<sup>1</sup>
- Bandwagon Effect<sup>1</sup>

# The Average Investor Underperformed<sup>1</sup>

*When investors tried to protect their portfolios by moving in and out of the market, they often limited gains and increased losses instead*

## Market returns vs. average investor returns, 20 years – 2006 -2025<sup>2</sup>



Source: Dalbar, 2026 QAIB Report, as of December 31, 2025.

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.

1 The Average Investor underperformance determined by comparing 20-year returns from Dalbar for Average Asset Allocation (vs. a 60% S&P 500 index and 40% Bloomberg US Aggregate Bond Index). Average Fixed Income Investor (vs. Bloomberg US Aggregate Bond Index) and Average Equity Investor (vs. S&P 500). While the Average Equity Investor had a return close to the S&P 500 Index, the Average Asset Allocation and Average Fixed Income Investor underperformed by meaningful amounts.

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 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.

4 Source: FactSet as of 31 December 2025 for the 20-year period for 60^ Standard & Poor's 500 Index/40% Bloomberg US Aggregate Bond Index (Total return in USD, quarterly rebalancing).

5 The Average Asset Allocation Fund Investor is comprised of a universe of funds that invest in a mix of equity and debt securities.

6 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.

**The S&P 500 Total Return Index** measures the broad US stock market. **Bloomberg 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.**



# 4<sup>th</sup> Principle

Take a Longer View



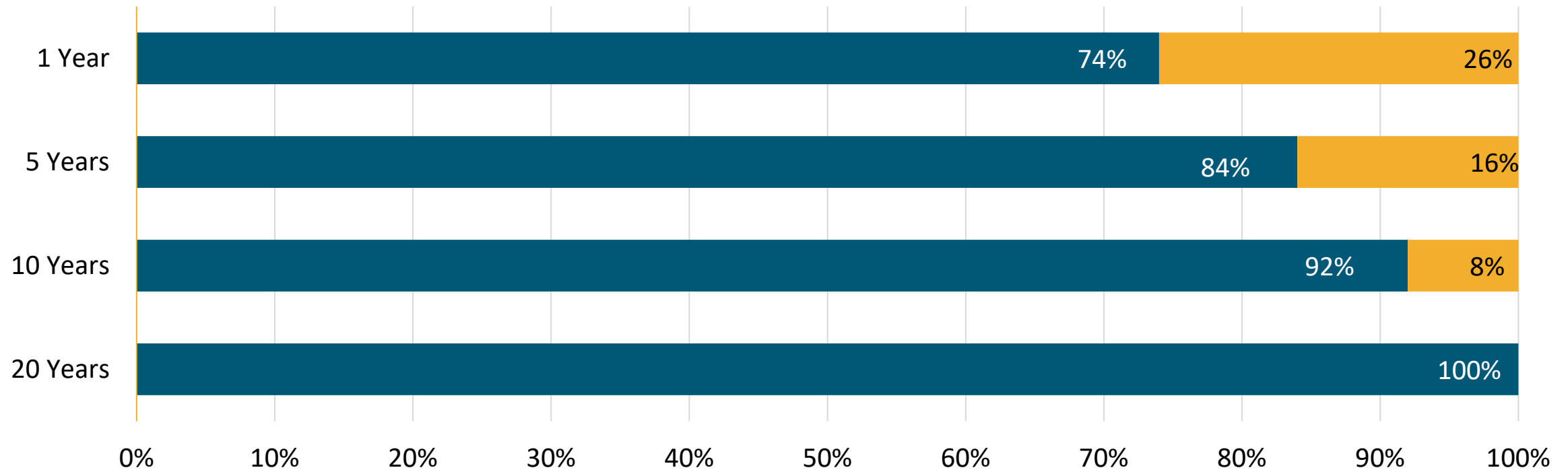


# Building Wealth Takes Time. Think Long Term.

*As part of an overall portfolio, consider stocks for their long-term growth potential*

**Over 20-year periods, as of 12/31/25, stocks have generated positive returns 100% of the time**

■ % of time periods S&P went up    ■ % of time periods S&P went down



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 and S&P US. Monthly data as of 30 December 1949 to 31 December 2025. S&P 500 Index price returns are gross and in US dollars. 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 board 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.



# 5<sup>th</sup> Principle

Compounding and how it works

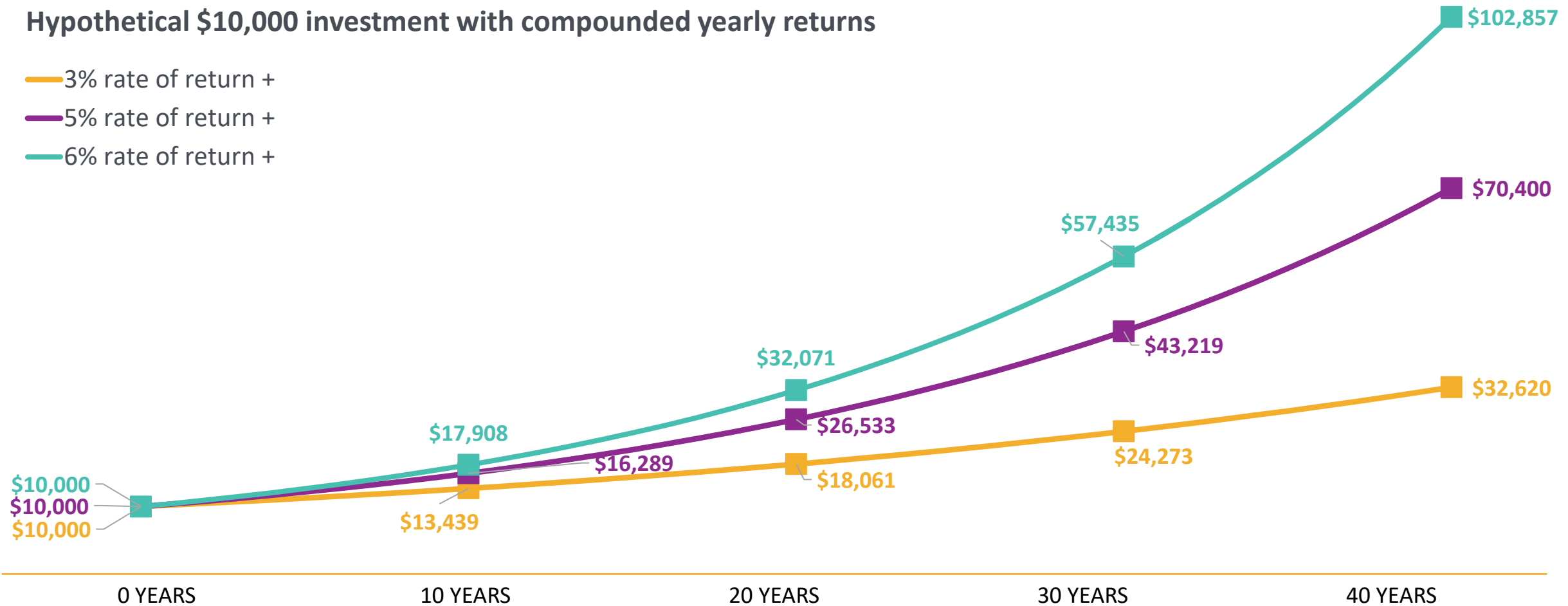


# The Power of Compounding

Money left alone in a long-term investment could compound as years pass

## Hypothetical \$10,000 investment with compounded yearly returns

- 3% rate of return +
- 5% rate of return +
- 6% rate of return +



Source: MFS research. This example is for illustrative purposes only and is not intended to predict the returns of any investment choices. Regular investing does not ensure a profit or protect against loss in declining markets. Investors should consider their ability to continue purchasing shares during periods of low price levels.

† Assumed rate of return. Does not represent the performance of any MFS fund, which would vary according to the rise and the fall of the markets. It is not realistic to state that the stock market or any investment vehicle will have 20 or more years of positive returns. These examples are for illustrative purposes only and are not intended to predict the returns of any investment choices. Rates of return will vary over time, particularly for long-term investments. There is no guarantee the selected rate of return can be achieved. The performance of the investments will fluctuate with market condition.



# 6<sup>th</sup> Principle

## Diversification Benefits



# Diversification Has Paid Off Over the Long Run (2006 – 2015)

You can't predict the winners and losers...

|               | 2006                                   | 2007                                    | 2008                                    | 2009                                    | 2010                                    | 2011                                   | 2012                                    | 2013                                    | 2014                                    | 2015                                   | 10 YEAR<br>ENTIRE DECADE<br>ANNUALIZED RETURN<br>2006-2015 |  |
|---------------|--|---|---|---|---|--|---|---|---|--|--|--|
| BEST          | REITs<br>\$145,487<br>34.35%           | Commodities<br>\$143,983<br>16.23%      | Bonds<br>\$120,303<br>5.24%             | Large Cap Growth<br>\$108,440<br>37.21% | REITs<br>\$121,805<br>27.58%            | Bonds<br>\$146,421<br>7.84%            | REITs<br>\$156,992<br>20.14%            | Small/Mid Cap<br>\$215,428<br>36.80%    | REITs<br>\$206,016<br>27.15%            | Large Cap Growth<br>\$226,809<br>5.67% | Large Cap Growth<br>\$226,809<br>8.53%                     |  |
|               | International<br>\$143,441<br>26.34%   | Large Cap Growth<br>\$128,377<br>11.81% | Global Bonds<br>\$116,853<br>4.79%      | Small/Mid Cap<br>\$108,151<br>34.39%    | Small/Mid Cap<br>\$137,036<br>26.71%    | REITs<br>\$130,669<br>7.28%            | Small/Mid Cap<br>\$157,481<br>17.88%    | Large Cap Growth<br>\$199,860<br>33.48% | Large Cap Value<br>\$202,307<br>13.45%  | REITs<br>\$194,604<br>2.29%            | Small/Mid Cap<br>\$207,170<br>7.56%                        |  |
| ANNUAL RETURN | Large Cap Value<br>\$130,868<br>22.25% | International<br>\$159,463<br>11.17%    | Cash<br>\$115,045<br>1.80%              | International<br>\$118,981<br>31.78%    | Commodities<br>\$128,715<br>16.83%      | Global Bonds<br>\$139,321<br>5.64%     | Large Cap Value<br>\$134,553<br>17.51%  | Large Cap Value<br>\$178,319<br>32.53%  | Large Cap Growth<br>\$225,942<br>13.05% | Bonds<br>\$155,517<br>0.55%            | REITs<br>\$194,604<br>6.88%                                |  |
|               | Small/Mid Cap<br>\$125,584<br>16.17%   | Global Bonds<br>\$111,514<br>9.48%      | Diversified<br>\$94,166<br>-27.54%      | REITs<br>\$95,473<br>27.45%             | Large Cap Growth<br>\$126,561<br>16.71% | Large Cap Growth<br>\$129,905<br>2.64% | International<br>\$132,143<br>17.32%    | International<br>\$162,242<br>22.78%    | Small/Mid Cap<br>\$230,659<br>7.07%     | Cash<br>\$112,313<br>0.03%             | Large Cap Value<br>\$181,744<br>6.16%                      |  |
|               | Diversified<br>\$124,133<br>15.02%     | Bonds<br>\$114,313<br>6.97%             | Commodities<br>\$92,654<br>-35.65%      | Diversified<br>\$116,499<br>23.72%      | Diversified<br>\$134,823<br>15.73%      | Large Cap Value<br>\$114,505<br>0.39%  | Large Cap Growth<br>\$149,725<br>15.26% | Diversified<br>\$171,012<br>13.41%      | Bonds<br>\$158,424<br>5.97%             | International<br>\$134,789<br>-0.81%   | Diversified<br>\$161,344<br>4.90%                          |  |
|               | Large Cap Growth<br>\$114,814<br>9.07% | Cash<br>\$113,015<br>4.74%              | Small/Mid Cap<br>\$80,476<br>-36.79%    | Large Cap Value<br>\$98,747<br>19.69%   | Large Cap Value<br>\$114,059<br>15.51%  | Cash<br>\$115,471<br>0.08%             | Diversified<br>\$150,784<br>12.02%      | REITs<br>\$162,029<br>3.21%             | Diversified<br>\$180,115<br>5.32%       | Small/Mid Cap<br>\$207,170<br>-2.90%   | Bonds<br>\$155,517<br>4.51%                                |  |
|               | Global Bonds<br>\$101,856<br>6.64%     | Diversified<br>\$129,951<br>4.69%       | Large Cap Value<br>\$82,502<br>-36.85%  | Commodities<br>\$110,171<br>18.91%      | International<br>\$128,203<br>7.75%     | Diversified<br>\$134,607<br>-0.16%     | Global Bonds<br>\$145,337<br>4.32%      | Cash<br>\$115,611<br>0.05%              | Global Bonds<br>\$142,391<br>0.59%      | Global Bonds<br>\$144,375<br>-3.15%    | Global Bonds<br>\$144,375<br>3.74%                         |  |
|               | Cash<br>\$107,903<br>4.76%             | Small/Mid Cap<br>\$127,313<br>1.38%     | REITs<br>\$74,912<br>-37.34%            | Global Bonds<br>\$124,951<br>6.93%      | Bonds<br>\$135,774<br>6.54%             | Small/Mid Cap<br>\$133,598<br>-2.51%   | Bonds<br>\$152,593<br>4.21%             | Bonds<br>\$149,505<br>-2.02%            | Cash<br>\$115,650<br>0.03%              | Diversified<br>\$161,344<br>-3.33%     | International<br>\$134,789<br>3.03%                        |  |
|               | Bonds<br>\$106,868<br>4.33%            | Large Cap Value<br>\$130,642<br>-0.17%  | Large Cap Growth<br>\$79,033<br>-38.44% | Bonds<br>\$127,437<br>5.93%             | Global Bonds<br>\$131,879<br>5.54%      | International<br>\$112,637<br>-12.14%  | Cash<br>\$115,554<br>0.07%              | Global Bonds<br>\$141,561<br>-2.60%     | International<br>\$154,290<br>-4.90%    | Large Cap Value<br>\$181,744<br>-3.83% | Cash<br>\$112,313<br>1.17%                                 |  |
|               | Commodities<br>\$123,877<br>2.07%      | REITs<br>\$119,545<br>-17.83%           | International<br>\$90,291<br>-43.38%    | Cash<br>\$115,233<br>0.16%              | Cash<br>\$115,383<br>0.13%              | Commodities<br>\$111,570<br>-13.32%    | Commodities<br>\$110,391<br>-1.06%      | Commodities<br>\$99,878<br>-9.52%       | Commodities<br>\$82,891<br>-17.01%      | Commodities<br>\$51,459<br>-24.66%     | Commodities<br>\$51,459<br>-6.43%                          |  |
|               | WORST                                  |   |   |   |   |  |   |   |   |  |  |  |

About the chart (chart key and risks on slide 22): The historical performance of each index cited is provided to illustrate market trends; it does not represent the performance of a particular investment product. Index performance does not reflect the deduction of any investment-related fees and 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, consult an investment professional. For more information on any MFS product, including performance, please visit [mfs.com](http://mfs.com). **Past performance is no guarantee of future results.** The Diversified Portfolio: Equal allocations among the market segments are represented by the various market indices defined herein (excludes cash).

Note that the portfolio's assets were rebalanced at the end of every quarter to maintain equal allocations throughout the period. Diversification does not guarantee a profit or protect against a loss.

# Diversification Has Paid Off Over the Long Run (2016 – 2025)

*Diversification, however, can potentially add value and help manage risk.*

|       | 2016                                   | 2017                                    | 2018                                    | 2019                                    | 2020                                    | 2021                                    | 2022                                     | 2023                                    | 2024                                    | 2025                                    | 10 YEAR<br>ENTIRE DECADE<br>ANNUALIZED RETURN<br>2016-2025 | 20 YEAR<br>WHOLE PERIOD<br>ANNUALIZED<br>RETURN 2006-2025 |
|-------|--|---|---|---|---|---|--|---|---|---|--|---|
| BEST  | Small/Mid Cap<br>\$114,177<br>17.59%   | Large Cap Growth<br>\$147,329<br>30.21% | Cash<br>\$103,027<br>1.86%              | Large Cap Growth<br>\$197,899<br>36.39% | Large Cap Growth<br>\$274,077<br>38.49% | REITs<br>\$197,539<br>39.88%            | Commodities<br>\$117,021<br>16.09%       | Large Cap Growth<br>\$353,581<br>42.68% | Large Cap Growth<br>\$471,522<br>33.36% | International<br>\$219,594<br>31.22%    | Large Cap Growth<br>\$529,056<br>18.13%                    | Large Cap Growth<br>\$1,199,946<br>13.23%                 |
|       | Large Cap Value<br>\$112,849<br>17.34% | International<br>\$125,257<br>25.03%    | Bonds<br>\$106,880<br>0.01%             | REITs<br>\$150,014<br>28.07%            | Small/Mid Cap<br>\$184,021<br>19.99%    | Large Cap Growth<br>\$349,712<br>27.60% | Cash<br>\$107,600<br>1.50%               | International<br>\$159,872<br>18.24%    | Large Cap Value<br>\$225,799<br>14.37%  | Large Cap Growth<br>\$529,056<br>18.56% | Large Cap Value<br>\$272,131<br>10.53%                     | Small/Mid Cap<br>\$557,439<br>8.97%                       |
|       | Commodities<br>\$84,208<br>11.77%      | Small/Mid Cap<br>\$133,371<br>16.81%    | Global Bonds<br>\$104,903<br>-1.20%     | Small/Mid Cap<br>\$153,360<br>27.77%    | Diversified<br>\$148,845<br>10.58%      | Commodities<br>\$100,799<br>27.11%      | Large Cap Value<br>\$177,128<br>-7.54%   | Small/Mid Cap<br>\$208,462<br>17.42%    | Small/Mid Cap<br>\$233,467<br>12.00%    | Large Cap Value<br>\$272,131<br>15.91%  | Small/Mid Cap<br>\$269,074<br>10.40%                       | Large Cap Value<br>\$494,581<br>8.32%                     |
|       | REITs<br>\$111,785<br>9.28%            | Large Cap Value<br>\$128,270<br>13.66%  | Large Cap Growth<br>\$145,099<br>-1.51% | Large Cap Value<br>\$148,895<br>26.54%  | Global Bonds<br>\$122,385<br>9.20%      | Large Cap Value<br>\$191,568<br>25.16%  | Bonds<br>\$106,991<br>-13.01%            | Diversified<br>\$170,372<br>12.81%      | Diversified<br>\$185,769<br>9.04%       | Commodities<br>\$174,497<br>15.77%      | International<br>\$219,594<br>8.18%                        | Diversified<br>\$353,552<br>6.52%                         |
|       | Diversified<br>\$105,098<br>8.72%      | Diversified<br>\$118,977<br>13.21%      | REITs<br>\$117,136<br>-4.10%            | International<br>\$131,756<br>22.01%    | International<br>\$142,053<br>7.82%     | Small/Mid Cap<br>\$217,480<br>18.18%    | Diversified<br>\$151,021<br>-13.61%      | REITs<br>\$164,937<br>11.48%            | Cash<br>\$119,427<br>5.45%              | Diversified<br>\$219,129<br>14.03%      | Diversified<br>\$219,129<br>8.16%                          | REITs<br>\$332,830<br>6.20%                               |
|       | Large Cap Growth<br>\$113,145<br>7.08% | REITs<br>\$122,144<br>9.27%             | Diversified<br>\$111,864<br>-5.98%      | Diversified<br>\$134,606<br>20.33%      | Bonds<br>\$124,919<br>7.51%             | Diversified<br>\$174,823<br>17.45%      | International<br>\$135,212<br>-14.45%    | Large Cap Value<br>\$197,431<br>11.46%  | Commodities<br>\$113,560<br>5.38%       | Small/Mid Cap<br>\$269,074<br>11.91%    | Commodities<br>\$174,497<br>5.73%                          | International<br>\$295,988<br>5.58%                       |
|       | Bonds<br>\$103,212<br>2.65%            | Global Bonds<br>\$106,177<br>7.39%      | Large Cap Value<br>\$117,665<br>-8.27%  | Bonds<br>\$116,196<br>8.72%             | Large Cap Value<br>\$153,058<br>2.80%   | International<br>\$158,053<br>11.26%    | Global Bonds<br>\$97,675<br>-16.25%      | Global Bonds<br>\$103,257<br>5.72%      | REITs<br>\$172,083<br>4.33%             | Global Bonds<br>\$113,380<br>8.17%      | REITs<br>\$171,030<br>5.51%                                | Bonds<br>\$189,720<br>3.25%                               |
|       | Global Bonds<br>\$98,866<br>2.09%      | Bonds<br>\$106,868<br>3.54%             | Small/Mid Cap<br>\$120,031<br>-10.00%   | Commodities<br>\$81,858<br>7.69%        | Cash<br>\$105,960<br>0.58%              | Cash<br>\$106,008<br>0.05%              | Small/Mid Cap<br>\$177,531<br>-18.37%    | Bonds<br>\$112,906<br>5.53%             | International<br>\$165,984<br>3.82%     | Bonds<br>\$121,993<br>7.30%             | Cash<br>\$124,642<br>2.23%                                 | Global Bonds<br>\$163,693<br>2.49%                        |
|       | International<br>\$100,178<br>1.00%    | Commodities<br>\$85,643<br>1.70%        | Commodities<br>\$76,012<br>-11.25%      | Global Bonds<br>\$112,078<br>6.84%      | Commodities<br>\$79,301<br>-3.12%       | Bonds<br>\$122,992<br>-1.54%            | REITs<br>\$147,948<br>-25.10%            | Cash<br>\$113,258<br>5.26%              | Bonds<br>\$114,318<br>1.25%             | Cash<br>\$124,642<br>4.40%              | Bonds<br>\$121,993<br>2.01%                                | Cash<br>\$139,989<br>1.70%                                |
| WORST | Cash<br>\$100,299<br>0.27%             | Cash<br>\$101,143<br>0.84%              | International<br>\$107,984<br>-13.79%   | Cash<br>\$105,348<br>2.25%              | REITs<br>\$141,223<br>-5.86%            | Global Bonds<br>\$116,624<br>-4.71%     | Large Cap Growth<br>\$247,817<br>-29.14% | Commodities<br>\$107,761<br>-7.91%      | Global Bonds<br>\$101,513<br>-1.69%     | REITs<br>\$171,030<br>1.66%             | Global Bonds<br>\$113,380<br>1.26%                         | Commodities<br>\$89,794<br>-0.54%                         |

About the chart (chart key and risks on next slide): The historical performance of each index cited is provided to illustrate market trends; it does not represent the performance of a particular investment product. Index performance does not reflect the deduction of any investment-related fees and 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, consult an investment professional. For more information on any MFS product, including performance, please visit [mfs.com](https://www.mfs.com).

**Past performance is no guarantee of future results.**

The Diversified Portfolio: Equal allocations among the market segments are represented by the various market indices defined herein (excludes cash).

Note that the portfolio's assets were rebalanced at the end of every quarter to maintain equal allocations throughout the period. Diversification does not guarantee a profit or protect against a loss.

# Chart Key

- Cash<sup>1</sup>
- Bonds<sup>2</sup>
- Global bonds<sup>3</sup>
- Diversified portfolio
- Large-cap value stocks<sup>4</sup>
- Commodities<sup>5</sup>
- International stocks<sup>6</sup>
- Large-cap growth stocks<sup>7</sup>
- Small-/Mid-cap stocks<sup>8</sup>
- REITs<sup>9</sup>

International: Investing in foreign and/or emerging market securities involves interest rate, currency exchange rate, economic, and political risks. These risks are magnified in emerging or developing markets as compared with domestic markets. Small/Mid Cap stocks: Investing in small and/or mid-sized companies involves more risk than that customarily associated with 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.

<sup>1</sup> The **FTSE 3-Month Treasury Bill Index** is derived from secondary market US Treasury bill rates published by the US Federal Reserve.

<sup>2</sup> The **Bloomberg Barclays U.S. Aggregate Bond Index** measures the US bond market.

<sup>3</sup> The **Bloomberg Barclays Global Aggregate Bond Index** provides a broad-based measure of the global investment-grade fixed income markets.

<sup>4</sup> The **Russell 1000<sup>®</sup> Value Index** measures large-cap US value stocks.

<sup>5</sup> The **Bloomberg Commodity Index** is composed of futures contracts on physical commodities.

<sup>6</sup> The **MSCI EAFE Index** measures the non-US stock market.

<sup>7</sup> The **Russell 1000<sup>®</sup> Growth Index** measures large-cap US growth stocks.

<sup>8</sup> The **Russell 2500<sup>™</sup> Index** measures small- and mid-cap US stocks.

<sup>9</sup> The **FTSE NAREIT All REITs Total Return Index** tracks the performance of commercial real estate across the US economy.

Commodity: Commodity-related investments can be more volatile than investments in equity securities or debt instruments and can be affected by changes in overall market movements, commodity index volatility, changes in interest rates, currency fluctuations, or factors affecting a particular industry or commodity, and demand/supply imbalances in the market for the commodity. Events that affect the financial services sector may have a significant adverse effect on the portfolio. Real Estate: Real estate-related investments can be volatile because of general, regional, and local economic conditions, fluctuations in interest rates and property tax rates; shifts in zoning laws, environmental regulation and other governmental actions; increased operation expenses; lack of availability of mortgage funds; losses due to natural disasters; changes in property values and rental rates; overbuilding; losses due to casualty or condemnation, cash flows; the management skill and creditworthiness of the REIT manager, and other factors.



# 7<sup>th</sup> Principle

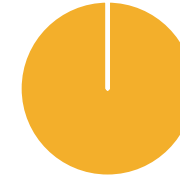
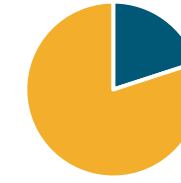
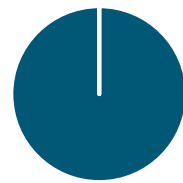
Investments should align with your goals





# Asset Allocation and Withdrawal Rates Are Key to Achieving Goals

*Right choices today can help you meet your retirement income and estate planning objectives*



| Allocation  | Aggressive          | ←—————→                       |                               |                               | Conservative |
|---|---------------------|-------------------------------|-------------------------------|-------------------------------|--------------|
| Withdrawal Rate<br>(% of initial portfolio value) | 100%<br>US Equities | 60% US equities/<br>40% bonds | 40% US equities/<br>60% bonds | 20% US equities/<br>80% bonds | 100% bonds   |
| Percent Chances of the Payout Lasting 30 Years    |                     |                               |                               |                               |              |
| 8%  | 50%                 | 19%                           | 9%                            | 4%                            | 1%           |
| 7%  | 63%                 | 44%                           | 19%                           | 9%                            | 5%           |
| 6%  | 71%                 | 59%                           | 44%                           | 25%                           | 10%          |
| 5%  | 82%                 | 81%                           | 66%                           | 41%                           | 32%          |
| 4%  | 97%                 | 100%                          | 100%                          | 83%                           | 50%          |

This example is for illustrative purposes only. **No investment strategy can guarantee a profit or protect against a loss.**

Chart 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 2025 bonds return data. Withdrawals adjusted for inflation monthly using the Ibbotson published inflation rate for the relevant time period. Generally, stocks are more volatile than bonds. Government and corporate bonds have more moderate short-term price fluctuations than stocks but provide lower potential long-term returns. Bonds contain interest rate risk (as interest rates rise, bond prices usually fall), the risk of issuer default and inflation risk. No forecasts can be guaranteed. Stock returns are represented by the S&P 500 Stock Index, which measures the broad US stock market. Bond returns are represented by the 20-year US Government Bond as identified in Ibbotson's Stocks, Bonds, Bills, and Inflation® (S&BBI®) Yearbook, by Roger G. Ibbotson and Rex Sinquefeld, updated annually. It is not possible to invest directly in an index.



# 8<sup>th</sup> Principle

Importance of rebalancing





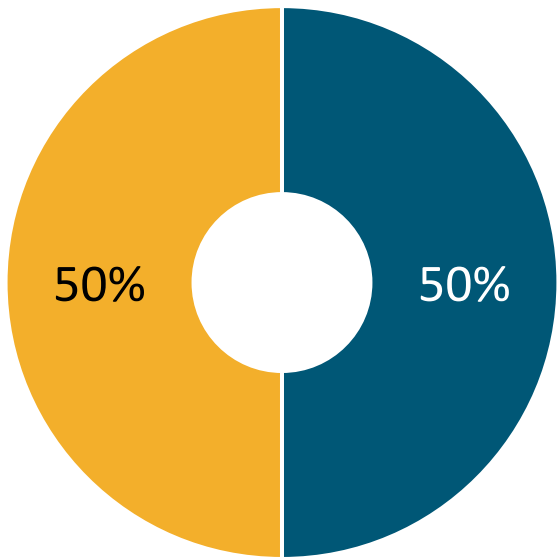
# Don't Make Unintended Bets. Consider Rebalancing Your Portfolio

*Rebalancing may help your portfolio to stay in line with your goals and risk tolerance*

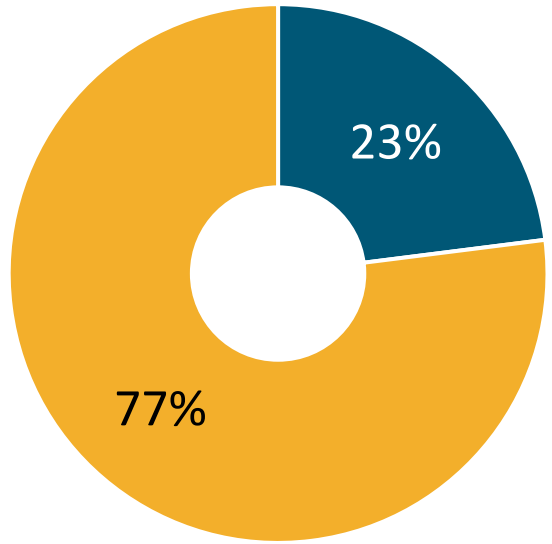
## Stocks were strong<sup>1</sup>

1/1/16 –12/31/25 market activity

■ Stocks ■ Bonds



Original allocation balanced on 1/1/16



Unbalanced on 12/31/25 a stock market high

<sup>1</sup>Time periods above, reflecting a strong stock market and a strong bond market, respectively, are based on performance of the following indices: Stocks are represented by the S&P 500 Index, which measures the broad US stock market. Bonds are represented by the Bloomberg Barclays U.S. Aggregate Bond Index. Index performance does not reflect the deduction of any investment-related fees and expenses. It is not possible to invest directly in an index.

Past performance is no guarantee of future results.



# 9<sup>th</sup> Principle

Understanding Risk is Critical



# Understand the Risk That's in Your Portfolio

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

## MFS: Navigating risk from all angles



**Risk-aware culture**  
Every member of the investment team is responsible for assessing risk

**Active risk management**  
Evaluating risks as markets change

**Time horizons**  
A long-term perspective helps distinguish between real risk and short-term noise

**Capacity management**  
Close funds to try to protect long-term performance for existing clients.



# 10<sup>th</sup> Principle

Benefits of working with a professional



# Ask an Expert

*How can a Financial Professional help me?*



A **financial professional** – who knows your goals, temperament for risk, time horizon and total holdings – could be your most valuable asset in any type of market environment.



- The financial professional can**
- Help you determine your overall comfort level with risk
  - Allocate, diversify and rebalance your assets accordingly
  - Help to create the best possible financial strategy for pursuing your long-term financial goals



Your financial professional can also review your overall investment portfolio, at least annually, to help keep you focused and on course with your goals. And 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.



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