

2022 Capital Gain Estimates

October 7, 2022



The following are preliminary estimates of capital gain distributions scheduled to be paid before the end of 2022 for those MFS® Funds that have current estimated capital gains of at least 3% of their average net asset value. The below estimates have been computed through August 31, 2022. MFS is planning to release updated capital gain estimates for the entire MFS Family of Funds® in early November.

Please note that any ordinary income dividends that the fund may pay are not included in these estimates. These estimates only provide estimates of capital gain distributions.

Actual distributions will be affected by a number of factors:

- These estimates are computed through part of the year and do not reflect the full measurement period.
- Portfolio trading through the end of October may affect the estimates; remember that these are actively managed funds.
- Significant market movement and/or subscription/redemption activity can have a significant impact on these estimates.
- The estimates do not reflect all required tax adjustments. Actual capital gain distributions will be affected by all required tax adjustments and may be substantially different from these estimates.
- Because these are estimates, some of these funds may pay capital gains above or below these estimated ranges, and funds not currently expected to pay capital gains of at least 3% of their average net asset value could be required to do so.

MFS provides these estimates for informational purposes. Please remember that they are based on preliminary information and are subject to change. Capital gain estimates are not intended or written to be used as tax advice. Because each investor's tax situation is unique, you should consult your tax professional about the federal, state, local, or foreign tax consequences of this information.

Capital Gain Estimates as of August 31, 2022 (as a % of average NAV)						
Fund Name	Short-term	Long-term	Total	Record Date	Ex Date	Payable Date
Massachusetts Investors Growth Stock Fund	0%	2% - 4%	2% - 4%	12/12	12/13	12/14
Massachusetts Investors Trust	0%	4% - 6%	4% - 6%	12/12	12/13	12/14
MFS® Blended Research® Core Equity Fund	0%	7% - 8%	7% - 8%	12/12	12/13	12/14
MFS® Blended Research® Mid Cap Equity Fund	0%	4% - 5%	4% - 5%	12/12	12/13	12/14
MFS® Blended Research® Small Cap Equity Fund	0%	4% - 5%	4% - 5%	12/12	12/13	12/14
MFS® Blended Research® Value Equity Fund	0%	5% - 6%	5% - 6%	12/12	12/13	12/14
MFS® Core Equity Fund	0%	3% - 4%	3% - 4%	12/5	12/6	12/7
MFS® Equity Income Fund	0%	3% - 4%	3% - 4%	12/14	12/15	12/16
MFS® Global Equity Fund	0%	8% - 11%	8% - 11%	12/7	12/8	12/9

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Fund Name	Short-term	Long-term	Total	Record Date	Ex Date	Payable Date
MFS® Global Growth Fund	0% - 1%	3% - 5%	3% - 6%	12/7	12/8	12/9
MFS® Global Real Estate Fund	0%	4% - 5%	4% - 5%	12/12	12/13	12/14
MFS® Global Total Return Fund	0%	3% - 4%	3% - 4%	12/14	12/15	12/16
MFS® International Intrinsic Value Fund ¹	0% - 1%	7% - 10%	7% - 11%	12/7	12/8	12/9
MFS® International New Discovery Fund ²	0%	5% - 6%	5% - 6%	12/5	12/6	12/7
MFS® Lifetime® 2030 Fund	0% - 1%	3% - 4%	3% - 5%	12/27	12/28	12/29
MFS® Lifetime® 2035 Fund	0% - 1%	3% - 4%	3% - 5%	12/27	12/28	12/29
MFS® Lifetime® 2040 Fund	0% - 1%	3% - 5%	3% - 6%	12/27	12/28	12/29
MFS® Lifetime® 2045 Fund	0% - 1%	4% - 5%	4% - 6%	12/27	12/28	12/29
MFS® Lifetime® 2050 Fund	0% - 1%	3% - 5%	3% - 6%	12/27	12/28	12/29
MFS® Lifetime® 2055 Fund	0% - 1%	4% - 5%	4% - 6%	12/27	12/28	12/29
MFS® Lifetime® 2060 Fund	0%	3% - 4%	3% - 4%	12/27	12/28	12/29
MFS® Low Volatility Equity Fund	0%	11% - 12%	11% - 12%	12/14	12/15	12/16
MFS® Low Volatility Global Equity Fund	0%	3% - 4%	3% - 4%	12/14	12/15	12/16
MFS® Mid Cap Value Fund	0% - 1%	4% - 6%	4% - 7%	12/7	12/8	12/9
MFS® New Discovery Value Fund ³	0%	3% - 5%	3% - 5%	12/7	12/8	12/9
MFS® Research Fund	0%	4% - 5%	4% - 5%	12/7	12/8	12/9
MFS® Technology Fund	0%	7% - 12%	7% - 12%	12/5	12/6	12/7
MFS® Total Return Fund	0%	3% - 4%	3% - 4%	12/14	12/15	12/16
MFS® Utilities Fund	2% - 3%	3% - 4%	5% - 7%	12/14	12/15	12/16
MFS® Value Fund	0% - 1%	4% - 5%	4% - 6%	12/14	12/15	12/16

¹ Effective at the close of business on May 29, 2015 (the "Closing Date"), the fund was closed to new investors subject to certain exceptions. Please see the prospectus for additional information.

² Effective at the close of business on November 29, 2019 (the "Closing Date"), the fund was closed to new investors subject to certain exceptions. Please see the prospectus for additional information.

³ Effective at the close of business on August 14, 2019, the fund was closed to new investors subject to certain exceptions. Please see the prospectus for additional information.

Please refer to the Q&A on the following pages for additional information on capital gain distributions.

Q&A: 2022 Capital Gain Distributions

This information is intended to help you understand capital gain distributions and how they are calculated.

Q: Why are capital gain distributions made to shareholders?

A: As long as certain conditions imposed by the IRS are met, a mutual fund is not subject to income taxes on income, such as interest and dividends, that it earns from portfolio holdings or on the capital gains that are realized when a portfolio manager sells securities in the portfolio. The reason for this is that a mutual fund is a conduit through which its income and capital gains flow to its shareholders in the form of distributions. The distributions are then subject to tax when they are paid to the shareholders. These distributions are included in a shareholder's income tax return. According to IRS rules, a mutual fund must distribute 98% of its calendar-year income and 98.2% of its capital gains realized from November 1 of the previous year to October 31 of the current year. If it fails to meet these minimum distribution requirements, the fund is subject to a 4% excise tax on any undistributed amounts.

Q: What determines the amount of the capital gains to be distributed?

A: The capital gain distribution is generally based on the capital gains the fund realizes from November 1 of the previous year to October 31 of the current year. This period may not correspond with the fund's fiscal year. If it does not, a comparison will be made of the capital gains realized during the fiscal year with those realized during the excise tax measurement period. Generally, the higher of the two amounts will be distributed.

Q: What other factors could affect the estimated capital gains?

A: Additional trading or shareholder activity through October 31, 2022, and tax adjustments could further affect the estimates.

Q: Why aren't estimates of ordinary income distributions provided by MFS?

A: As described above, IRS rules require mutual funds to distribute 98% of their calendar year income, and calendar year income for certain funds can be highly volatile based on factors including: trading activity, investor purchases and sales, and tax adjustments. The volatility of calendar year income prevents the calculation of reasonably accurate estimates of ordinary income distributions.

Q: How do a fund's realized capital gains relate to current market conditions?

A: Just because securities markets may be up or down does not mean that a fund will have more or less in realized capital gains. A fund may distribute a capital gain during a bear market and, conversely, it may not distribute a large capital gain during a bull market. A fund must pay a capital gain distribution if at the end of its fiscal year it has a net gain from the sales of securities. Capital gain/loss is the difference between the price at which each security is purchased and the price at which it is subsequently sold. If it is sold for more than its cost, there is a gain. If it is sold for less than its cost, there is a loss. Losses from the sales of securities may be used to offset gains realized from the sale of other securities. However, if at the end of its fiscal year the fund is in a net gain position, the amount of net capital gains must be distributed to shareholders.

Although a capital gain is a taxable event, it is important to remember that it occurs because the fund makes a profit on an investment. That profit is included in the price per share and in the value of the account until it is distributed in additional shares or as a cash distribution. This is why you often see a fund's price per share drop when it distributes capital gains. Unless a shareholder receives a capital gain distribution in cash, the value of the shareholder's account is not affected by a capital gain distribution.

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Q: Why may a fund be paying a capital gain in a year in which the fund has negative total return?

A: A fund can pay a capital gain distribution even if the fund posted a negative return for the year. This happens when a fund manager sells underlying shares for a profit even though the fund itself experienced a loss. Keep in mind that funds may hold securities for several years, and any appreciation in the value of the shares during that time is not distributed as taxable capital gains until after they are sold. Fund managers may sell holdings—and thereby realize gains or losses—for a variety of reasons, such as concerns about earnings growth (or if a stock has become fully valued in the manager’s opinion) or to reinvest the proceeds in a more attractive opportunity. Corporate mergers and acquisitions also may result in a taxable sale of shares in the company being acquired. Taxable gains in a fund potentially could be offset by realized losses on sales of other investments in an investor’s portfolio. The net realized total of gains and losses during the year in the portfolio determines if a fund is required to distribute capital gains in a specific year and not the total return earned by the fund in that year.

Q: Why might the portfolio manager not try to reduce gains by realizing losses?

A: Although losses realized as a result of trading do offset gains, decisions about buying and selling securities are made on the basis of whether or not we believe the security remains a good investment for the fund. We will not sell a security simply to realize a loss. When we decide to sell a security, we try to do so in the most tax-advantageous manner. The decision to sell, however, is based on the portfolio manager’s analysis of that security’s prospects as an investment, not on how its sale will affect the fund’s overall gains or losses. Our focus is on the long-term performance of the fund for our shareholders.