

Class A Shares	Class 529A Shares	Class R Shares
Class B Shares	Class 529B Shares	
Class C Shares	Class 529C Shares	

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# MFS® Value Fund

This Prospectus describes the MFS® Value Fund. The fund's investment objective is to seek capital appreciation and reasonable income.

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**The Securities and Exchange Commission has not approved or disapproved the fund's shares or determined whether this prospectus is accurate or complete. Anyone who tells you otherwise is committing a crime.**

El presente Prospecto también se encuentra disponible en español. Solicite un ejemplar a un representante de servicio de MFS llamando al 1-800-225-2606. En el caso de discrepancias entre las versiones en inglés y en español, se considerará válida la versión en inglés.



## I RISK RETURN SUMMARY

### ▶ Investment Objective

The fund's investment objective is to seek capital appreciation and reasonable income. The fund's objectives may be changed without shareholder approval.

### ▶ Principal Investment Policies

The fund invests, under normal market conditions, at least 65% of its net assets in income producing equity securities of companies which Massachusetts Financial Services Company (referred to as MFS or the adviser), believes are undervalued in the market relative to their long term potential. Equity securities include common stocks and related securities, such as preferred stocks, convertible securities and depositary receipts for those securities. While the fund may invest in companies of any size, the fund generally focuses on undervalued companies with large market capitalizations. The equity securities of these companies may be undervalued because:

- they are temporarily out of favor in the market due to
  - ▶ a decline in the market
  - ▶ poor economic conditions
  - ▶ developments that have affected or may affect the issuer of the securities or the issuer's industry
- the market has overlooked them

Undervalued equity securities generally have low price-to-book, price-to-sales and/or price-to-earnings ratios. The fund seeks to achieve a gross yield that exceeds that of the S&P 500 Index. Equity securities may be listed on a securities exchange or traded in the over-the-counter markets.

MFS uses a bottom-up, as opposed to a top-down, investment style in managing the equity-oriented funds (such as the fund) it advises. This means that securities are selected based upon fundamental analysis (such as an analysis of earnings, cash flows, competitive position and management's abilities) performed by the fund's portfolio manager and MFS' large group of equity research analysts.

The fund may invest in foreign securities through which it may have exposure to foreign currencies.

### ▶ Principal Risks of an Investment

The principal risks of investing in the fund and the circumstances reasonably likely to cause the value of your investment in the fund to decline are described below. The share price of the fund generally changes daily based on market conditions and other factors. Please note that there are many circumstances which could cause the value of your investment in the fund to decline, and which could prevent the fund from achieving its objective, that are not described here.

The principal risks of investing in the fund are:

- *Market Risk*: This is the risk that the price of a security held by the fund may decline due to changing economic, political or market conditions, or disappointing earnings results.
- *Undervalued Securities Risk*: The fund may invest in securities that are undervalued based on its belief that the market value of these securities will rise due to anticipated events and investor perceptions. If these events do not occur or are delayed, or if investor perceptions about the securities do not improve, the market price of these securities may not rise as expected or may fall.
- *Large Cap Companies Risk*: Large cap companies tend to go in and out of favor based on market and economic conditions. Large cap companies tend to be less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the fund's value may not rise as much as the value of funds that emphasize smaller cap companies.
- *Interest Rate Risk*: Income producing equity securities may react like fixed income securities to changes in interest rates. Thus, when interest rates rise, the prices of income producing equity securities may fall. Conversely, a decrease in interest rates may cause these securities to increase in value.
- *Foreign Markets Risk*: Investing in foreign securities involves risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject:
  - ▶ These risks may include the seizure by the government of company assets, excessive taxation, withholding taxes on dividends and interest, limitations on the use or transfer of portfolio assets, and political or social instability.
  - ▶ Enforcing legal rights may be difficult, costly and slow in foreign countries, and there may be special problems enforcing claims against foreign governments.
  - ▶ Foreign companies may not be subject to accounting standards or governmental supervision comparable to U.S. companies, and there may be less public information about their operations.
  - ▶ Foreign markets may be less liquid and more volatile than U.S. markets.
  - ▶ Foreign securities often trade in currencies other than the U.S. dollar, and the fund may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect the fund's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of securities. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the fund to decline. Certain foreign currencies may be particularly volatile, and foreign governments may intervene in the currency markets, causing a decline in value or liquidity in the fund's foreign currency holdings. By entering into forward foreign currency exchange contracts, the

fund may be required to forego the benefits of advantageous changes in exchange rates and, in the case of forward contracts entered into for the purpose of increasing return, the fund may sustain losses which will reduce its gross income. Forward foreign currency exchange contracts involve the risk that the party with which the fund enters the contract may fail to perform its obligations to the fund.

- *Over-the-Counter Risk:* Over-the-counter (OTC) transactions involve risks in addition to those associated with transactions in securities traded on exchanges. OTC-listed companies may have limited product lines, markets or financial resources. Many OTC stocks trade less frequently and in smaller volume than exchange-listed stocks. The values of these stocks may be more volatile than exchange-listed stocks, and the fund may experience difficulty in buying and selling these stocks at prevailing market prices.
- As with any mutual fund, you could lose money on your investment in the fund.

*An investment in the fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.*

## **Bar Chart and Performance Table**

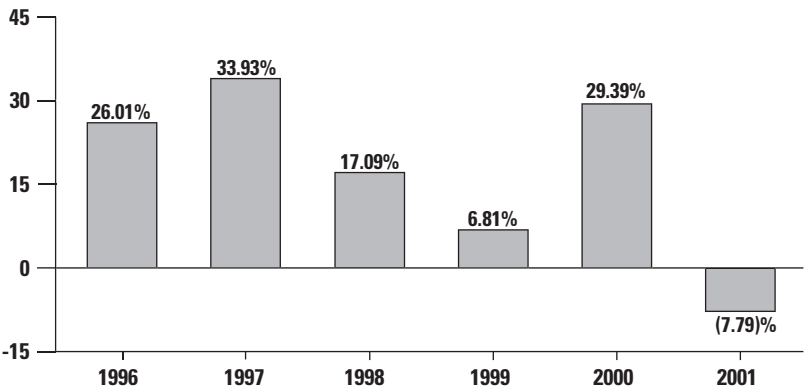
The bar chart and performance table below are intended to indicate some of the risks of investing in the fund by showing changes in the fund's performance over time. The performance table also shows:

- how the fund's performance over time compares with that of one or more broad measures of market performance, and
- for class A shares, returns before the deduction of taxes and returns after the deduction of certain taxes.

The chart and table provide past performance information. The fund's past performance (before and after taxes) does not necessarily indicate how the fund will perform in the future. The performance information in the chart and table is based upon calendar year periods, while the performance information presented under the caption "Financial Highlights" and in the fund's shareholder reports is based upon the fund's fiscal year. Therefore, these performance results differ.

**Bar Chart**

The bar chart shows changes in the annual total returns of the fund’s class A shares. The chart and related notes do not take into account any sales charges (loads) that you may be required to pay upon purchase or redemption of the fund’s shares, but do include the reinvestment of distributions. Any sales charge will reduce your return. The return of the fund’s other classes of shares will differ from the class A returns shown in the bar chart, depending upon the expenses of those classes.



The total return for the nine-month period ended September 30, 2002 was (23.85)%. During the period shown in the bar chart, the highest quarterly return was 13.74% (for the calendar quarter ended June 30, 1997) and the lowest quarterly return was (11.13)% (for the calendar quarter ended September 30, 2001).

## Performance Table

This table shows how the average annual total returns of each class of the fund before the deduction of taxes ("Returns Before Taxes"), compare to a broad measure of market performance and various other market indicators and assumes the deduction of applicable sales loads and the reinvestment of distributions. In addition, for class A shares, this table shows class A average annual total returns:

- after the deduction of taxes on distributions made on class A shares, such as capital gains and income distributions ("Class A Shares' Return After Taxes on Distributions"), and
- after the deduction of taxes on both distributions made on class A shares and redemption of class A shares, assuming that the shares are redeemed at the end of the periods for which returns are shown ("Class A Shares' Return After Taxes on Distributions and Sale of Class A Shares").

### **Average Annual Total Returns (for the periods ended December 31, 2001)**

<b>Returns Before Taxes</b>	1 Year	5 Years	Life*
Class B Shares	(12.09)%	14.01%	16.05%
Class C Shares	(9.36)%	14.24%	16.13%
Class R Shares	N/A	N/A	N/A
Class 529A Shares	N/A	N/A	N/A
Class 529B Shares	N/A	N/A	N/A
Class 529C Shares	N/A	N/A	N/A
Class A Shares	(13.10)%	13.50%	15.50%

#### **Returns After Taxes (Class A Shares only)**

Class A Shares' Return After Taxes on Distributions	(15.18)%	5.01%	10.35%
Class A Shares' Return After Taxes on Distributions and Sale of Class A Shares	(9.03)%	4.61%	9.19%

#### **Index Comparisons (reflects no deduction for fees, expenses or taxes)**

Standard & Poor's 500 Composite Index†	(11.88)%	10.70%	12.65%
Lipper Equity Income Fund Average##	(5.67)%	8.16%	9.59%

\* Fund performance figures are for the period from the commencement of the fund's investment operations on January 2, 1996, through December 31, 2001. Index and Lipper average returns are from January 1, 1996. Class R shares were not available for sale during the period covered in this chart.

† Source: Standard & Poor's Micropal.

# The Standard & Poor's 500 Composite Index is a broad-based, unmanaged, and commonly used measure of common stock total return performance. It is composed of 500 widely held common stocks listed on the New York Stock Exchange, American Stock Exchange and over-the-counter market.

## The Lipper Equity Income Fund Average, as calculated by Lipper Inc., is the average investment performance of funds in the Lipper Equity Income Fund category which have similar investment objectives to the fund, and does not reflect the deduction of sales charges.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates (without regard for phaseouts of certain exemptions, deductions and credits) and do not reflect the impact of state and local taxes. Your actual after-tax returns will depend on your own tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their shares through tax-deferred arrangements, such as 401(k) plans, Section 529 qualified tuition programs, or individual retirement accounts. The after-tax returns are shown for only one of the fund's classes of shares, and after-tax returns for the fund's other classes of shares will vary from the returns shown.

Class A share performance takes into account and class 529A share performance will take into account the deduction of the 5.75% maximum sales charge. Class B share performance takes into account and class 529B share performance will take into account the deduction of the applicable contingent deferred sales charge (referred to as a CDSC), which declines over six years from 4% to 0%. Class C share performance takes into account and 529C share performance will take into account the deduction of the 1% CDSC.

All performance results reflect any applicable expense subsidies and waivers in effect during the periods shown; without these, the results would have been less favorable.

The fund commenced investment operations on January 2, 1996 with the offering of class A shares and subsequently offered class B shares on November 4, 1997, C shares on November 5, 1997, class 529A, 529B and class 529C shares on July 31, 2002 and Class R shares on January 1, 2003. Performance for share classes offered after class A shares includes the performance of the fund's class A shares for periods prior to their offering. Blended class performance has been adjusted to take into account differences in sales loads, if any, applicable to these share classes, but has not been adjusted to take into account differences in class specific operating expenses (such as Rule 12b-1 fees). Compared to performance these share classes would have experienced had they been offered for the entire period, the use of blended performance generally results in higher performance for share classes with higher operating expenses than the initial share class, and lower performance for share classes with lower operating expenses than the initial share class.

If you would like the fund's current yield, contact the MFS Service Center at the toll free number set forth on the back cover page.



## II EXPENSE SUMMARY



### Expense Table

This table describes the fees and expenses that you may pay when you buy, redeem and hold shares of the fund.

#### Shareholder Fees (fees paid directly from your investment):

	Class A <sup>(1)</sup>	Class B <sup>(1)</sup>	Class C <sup>(1)</sup>	Class R
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price) . . . . .	5.75%	0.00%	0.00%	0.00%
Maximum Deferred Sales Charge (Load) (as a percentage of original purchase price or redemption proceeds, whichever is less) . . . . .	See Below	4.00%	1.00%	0.00%

#### Annual Fund Operating Expenses (expenses that are deducted from fund assets):

	Class A	Class B	Class C	Class R
Management Fees . . . . .	0.60%	0.60%	0.60%	0.60%
Distribution and Service (12b-1) Fees <sup>(2)</sup> . . . . .	0.35%	1.00%	1.00%	0.50%
Other Expenses . . . . .	0.30%	0.30%	0.30%	0.30%
Total Annual Fund Operating Expenses . . . . .	1.25%	1.90%	1.90%	1.40%

	Class 529A	Class 529B	Class 529C
Management Fees . . . . .	0.60%	0.60%	0.60%
Distribution and Service (12b-1) Fees <sup>(2)</sup> . . . . .	0.35%	1.00%	1.00%
Other Expenses . . . . .	0.55% <sup>(4)</sup>	0.55% <sup>(4)</sup>	0.55% <sup>(4)</sup>
Total Annual Fund Operating Expenses . . . . .	1.50%	2.15%	2.15%

(1) Includes the 529 share class versions of these classes. For class A shares only an initial sales charge will not be deducted from your purchase if you buy \$1 million or more of class A shares, or if you are investing through a retirement plan and your class A purchase meets certain requirements. However, in either case, a contingent deferred sales charge (referred to as a CDSC) of 1% may be deducted from your redemption proceeds if you redeem your investment within 12 months. Class 529A shares are not subject to any CDSC.

(2) The fund adopted a distribution plan under Rule 12b-1 that permits it to pay marketing and other fees to support the sale and distribution of each class of shares and the services provided to you by your financial adviser (referred to as distribution and service fees). The maximum distribution and service fees under the plan are: 0.35% annually for class A shares, 0.50% annually for class R shares and class 529A shares, and 1.00% annually for class B, C, 529B and 529C shares. A portion of the class 529A distribution fee equal to 0.15% is not currently in effect and may be imposed only with the approval of the Board of Trustees which oversees the fund.

- (3) "Other Expenses" are estimated for class R shares for the funds' current fiscal year. The fund has an expense offset arrangement which reduces the fund's custodian fee based upon the amount of cash maintained by the fund with its custodian and dividend disbursing agent. The fund may enter into other similar arrangements and directed brokerage arrangements, which would also have the effect of reducing the fund's expenses. "Other Expenses" do not take into account these expense reductions, and are therefore higher than the actual expenses of the fund. Had these fee reductions been taken into account, "Total Annual Fund Operating Expenses" would be lower.
- (4) Estimated for the fund's current fiscal year. Includes the program management fee described below under "Management of the Fund." The only fees and charges a 529 participant will incur are the fund's sales charges and expenses described in the table above and an annual account maintenance fee and miscellaneous other account fees which may be charged in connection with the administration of the participant's account. See the program description and materials available from your financial representative for details about other account fees.

## Example of Expenses

*These examples are intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds.*

The examples assume that:

- You invest \$10,000 in the fund for the time periods indicated and you redeem your shares at the end of the time periods (unless otherwise indicated);
- Your investment has a 5% return each year and dividends and other distributions are reinvested; and
- The fund's operating expenses remain the same.

Although your actual costs may be higher or lower, under these assumptions your costs would be:

Share Class	Year 1	Year 3	Year 5	Year 10
Class A shares	\$695	\$ 949	\$1,222	\$1,999
Class B shares <sup>(1)</sup>				
Assuming redemption at end of period	\$593	\$ 897	\$1,226	\$2,053
Assuming no redemption	\$193	\$ 597	\$1,026	\$2,053
Class C shares				
Assuming redemption at end of period	\$293	\$ 597	\$1,026	\$2,222
Assuming no redemption	\$193	\$ 597	\$1,026	\$2,222
Class R shares	\$143	\$ 443	N/A	N/A
Class 529A shares <sup>(1)</sup>	\$719	\$1,022	\$1,346	\$2,263
Class 529B shares <sup>(1)</sup>				
Assuming redemption at end of period	\$618	\$ 973	\$1,354	\$2,318
Assuming no redemption	\$218	\$ 673	\$1,154	\$2,318
Class 529C shares				
Assuming redemption at end of period	\$318	\$ 673	\$1,154	\$2,483
Assuming no redemption	\$218	\$ 673	\$1,154	\$2,483

(1) Class B shares convert to class A shares, and class 529B shares convert to class 529A shares, approximately eight years after purchase; therefore, years nine and ten reflect class A and class 529A shares, respectively.

### III CERTAIN INVESTMENT STRATEGIES AND RISKS

#### **Further Information on Investment Strategies and Risks**

The fund may invest in various types of securities and engage in various investment techniques and practices which are not the principal focus of the fund and therefore are not described in this Prospectus. The types of securities and investment techniques and practices in which the fund may engage, including the principal investment techniques and practices described above, are identified in Appendix A to this Prospectus, and are discussed, together with their risks, in the fund's Statement of Additional Information (referred to as the SAI), which you may obtain by contacting MFS Service Center, Inc. (see back cover for address and phone number).

#### **Temporary Defense Policies**

In addition, the fund may depart from its principal investment strategies by temporarily investing for defensive purposes when adverse market, economic or political conditions exist. While the fund invests defensively, it may not be able to pursue its investment objective. The fund's defensive investment position may not be effective in protecting its value.

#### **Active or Frequent Trading**

The fund may engage in active and frequent trading to achieve its principal investment strategies. This may result in the realization and distribution to shareholders of higher capital gains as compared to a fund with less active trading policies, which would increase your tax liability. Frequent trading also increases transaction costs, which could detract from the fund's performance.

## IV MANAGEMENT OF THE FUND

### ► **Investment Adviser**

Massachusetts Financial Services Company (referred to as MFS or the adviser) is the fund's investment adviser. MFS is America's oldest mutual fund organization. MFS and its predecessor organizations have a history of money management dating from 1924 and the founding of the first mutual fund, Massachusetts Investors Trust. Net assets under the management of the MFS organization were approximately \$116.2 billion as of November 30, 2002. MFS is located at 500 Boylston Street, Boston, Massachusetts 02116.

MFS provides investment management and related administrative services and facilities to the fund, including portfolio management and trade execution. For these services the fund pays MFS an annual management fee computed and paid monthly. For the fiscal year ended August 31, 2002, the fund paid MFS an aggregate management fee equal to 0.60% of the fund's average daily net assets.

### ► **Portfolio Manager**

The fund is managed by Lisa B. Nurme and Steven R. Gorham, each an MFS Senior Vice President. These individuals have been the fund's portfolio managers since: Ms. Nurme — 1996 and Mr. Gorham — January 2002 and have been employed in the MFS investment management area since: Ms. Nurme — 1987 and Mr. Gorham — 1992.

### ► **Administrator**

MFS provides the fund with certain financial, legal, compliance, shareholder communications and other administrative services. MFS is reimbursed by the fund for a portion of the costs it incurs in providing these services.

### ► **Distributor**

MFS Fund Distributors, Inc. (referred to as MFD), a wholly owned subsidiary of MFS, is the distributor of shares of the fund.

### ► **Shareholder Servicing Agent**

MFS Service Center, Inc. (referred to as MFSC), a wholly owned subsidiary of MFS, performs transfer agency and certain other services for the fund, for which it receives compensation from the fund.

### ► **Program Manager(s)**

The fund has and may from time to time enter into contracts with program managers and other parties which administer the tuition programs through which an investment in the fund's 529 share classes is made. The fund has entered into an agreement with MFD pursuant to which MFD receives an annual fee of up to 0.35% from the fund based solely upon the value of the fund's 529 share classes attributable to a tuition program to which MFD (or another party contracting with MFD) provides administrative services. The current fee has been established at 0.25% annually of the average net

assets of the fund's 529 share classes. The fee may only be increased with the approval of the board of trustees that oversees the fund. The services provided by or through MFD include recordkeeping and tax reporting and account services, as well as services designed to maintain the program's compliance with the Internal Revenue Code and other regulatory requirements.

## **V DESCRIPTION OF SHARE CLASSES**

The fund offers class A, B, C, R, 529A, 529B and 529C shares through this prospectus. The fund also offers an additional class of shares, class I shares, exclusively to certain institutional investors. Class I shares are made available through a separate prospectus supplement provided to the investors eligible to purchase them.

Class R shares are generally available only to 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans, defined benefit plans and non-qualified deferred compensation plans (eligible retirement plans). Where MFS (or one of its affiliates) is responsible for providing participant recordkeeping services for the eligible retirement plan, the plan will be eligible to purchase class R shares if it meets certain asset thresholds established and disclosed to the plan sponsor by MFS. Class R shares are not generally available to retail non-retirement accounts, traditional and Roth IRAs, Coverdell Educational Savings Accounts, SEPs, SAR-SEPs, SIMPLE IRAs, individual 403(b) plans and 529 tuition programs.

Class 529A, 529B and 529C shares are only offered in conjunction with qualified tuition programs (tuition programs) established in accordance with Section 529 of the Internal Revenue Code (Code). Contributions to these tuition programs may be invested in the fund's class 529A, 529B or 529C shares and certain other MFS funds offering these share classes. Earnings on investments in the fund made through such tuition programs may receive favorable tax treatment under the Code, as described further under the caption "Tax Considerations" below. For information on policies, services and restrictions which apply to your account with the tuition program through which your investment in the fund is made, please refer to the description of the tuition program available from your financial representative (the program description).

### **Sales Charges**

You may be subject to an initial sales charge when you purchase class A or class 529A shares, or a CDSC when you redeem, class A, B, C, 529B and 529C shares. These sales charges are described below. In certain circumstances, these sales charges are waived. These circumstances are described in the SAI. Special considerations concerning the calculation of the CDSC that apply to each of these classes of shares are described below under the heading "Calculation of CDSC."

If you purchase your fund shares through a financial adviser (such as a broker or bank), the adviser may receive commissions or other concessions which are paid from various sources, such as from the sales charges and distribution and service fees, or from MFS or MFD. These commissions and concessions are described in the SAI.

### **Class A and 529A Shares**

You may purchase class A and 529A shares at net asset value plus an initial sales charge (referred to as the offering price). In some cases you may purchase class A shares without an initial sales charge but subject to a 1% CDSC upon redemption within

one year. Class A and 529A shares have annual distribution and service fees up to a maximum of 0.35% and 0.50% of net assets annually, respectively.

**Purchases Subject to an Initial Sales Charge.** The amount of the initial sales charge you pay when you buy class A and 529A shares differs depending upon the amount you invest, as follows:

Amount of Purchase	<b>Sales Charge* as Percentage of:</b>	
	Offering Price	Net Amount Invested
Less than \$50,000	5.75%	6.10%
\$50,000 but less than \$100,000	4.75	4.99
\$100,000 but less than \$250,000	4.00	4.17
\$250,000 but less than \$500,000	2.95	3.04
\$500,000 but less than \$1,000,000	2.20	2.25
\$1,000,000 or more	None**	None**

\* Because of rounding in the calculation of offering price, actual sales charges you pay may be more or less than those calculated using these percentages.

\*\* For class A shares only a 1% CDSC will apply to such purchases, as discussed below.

**Purchases Subject to a CDSC (but not an initial sales charge).** You pay no initial sales charge when you invest \$1 million or more in class A shares (or, with respect to certain retirement plans, if MFD determines in its sole discretion that the total purchases by the retirement plan (or by multiple plans maintained by the same plan sponsor) will equal or exceed \$1 million within a reasonable period of time). However, a CDSC of 1% will be deducted from your redemption proceeds if you redeem within 12 months of your purchase.



## **Class B and 529B Shares**

You may purchase class B and 529B shares at net asset value without an initial sales charge, but if you redeem your shares within the first six years, you may be subject to a CDSC (declining from 4.00% during the first year to 0% after six years). Class B and 529B shares have annual distribution and service fees up to a maximum of 1.00% of net assets annually.



The CDSC is imposed according to the following schedule:

Year of Redemption After Purchase	Contingent Deferred Sales Charge
First	4%
Second	4%
Third	3%
Fourth	3%
Fifth	2%
Sixth	1%
Seventh and following	0%

If you hold class B or 529B shares for approximately eight years, they will convert to class A or 529A shares of the fund. All class B or 529B shares you purchased through the reinvestment of dividends and distributions will be held in a separate sub-account. Each time any class B or 529B shares in your account convert to class A or 529A shares, a proportionate number of the class B or 529B shares in the sub-account will also convert to class A or 529A shares, respectively.

### ▶ **Class C and 529C Shares**

You may purchase class C and 529C shares at net asset value without an initial sales charge, but if you redeem your shares within the first year, you may be subject to a CDSC of 1.00%. Class C and 529C shares have annual distribution and service fees up to a maximum of 1.00% of net assets annually. Class C and 529C shares do not convert to any other class of shares of the fund.

### ▶ **Class R Shares**

You may purchase class R shares at net asset value without an initial sales charge. Class R shares are not subject to a CDSC, and have annual distribution and service fees up to a maximum of 0.50% of net assets annually.

### ▶ **Calculation of CDSC**

As discussed above, certain investments in class A, B, C, 529B and 529C shares will be subject to a CDSC. Two different aging schedules apply to the calculation of the CDSC:

- Purchases of class A shares made on any day during a calendar month will age one month on the last day of the month, and each subsequent month.
- Purchases of class B, 529B, C and 529C shares made on any day during a calendar month will age one year at the close of business on the last day of that month in the following calendar year, and each subsequent year.

No CDSC is assessed on the value of your account represented by appreciation or additional shares acquired through the automatic reinvestment of dividends or capital gain distributions. Therefore, when you redeem your shares, only the value of the shares in excess of these amounts (*i.e.*, your direct investment) is subject to a CDSC.

The CDSC will be applied in a manner that results in the CDSC being imposed at the lowest possible rate, which means that the CDSC will be applied against the lesser of your direct investment or the total cost of your shares. The applicability of a CDSC will not be affected by exchanges or transfers of registration, except as described in the SAI.



## **Distribution and Service Fees**

The fund has adopted a plan under Rule 12b-1 that permits it to pay marketing and other fees to support the sale and distribution of each class of shares and the services provided to you by your financial adviser. These annual distribution and service fees may equal up to 0.35% for class A shares (0.10% distribution fee and 0.25% service fee); 0.50% for class R shares and 529A shares (a 0.25% distribution fee and a 0.25% service fee) and 1.00% for each of class B, C, 529B and 529C shares (a 0.75% distribution fee and a 0.25% service fee), and are paid out of the assets of these classes. Over time, these fees will increase the cost of your shares and may cost you more than paying other types of sales charges.

A portion of the class 529A distribution fee equal to 0.15% is not currently in effect and may be imposed only with the approval of the board of trustees which oversees the fund.

## VI HOW TO PURCHASE, EXCHANGE AND REDEEM SHARES

You may purchase, exchange and redeem class A, B, C, R, 529A, 529B and 529C shares of the fund in the manner described below. In addition, you may be eligible to participate in certain investor services and programs to purchase, exchange and redeem these classes of shares, which are described in the next section under the caption "Investor Services and Programs."

### ▶ How to Purchase Shares

**Initial Purchase.** You can establish an account by having your financial adviser process your purchase. The minimum initial investment is generally \$1,000, except for IRAs and for the 529 share classes, the minimum initial investment is \$250 per account. In the following circumstances, the minimum initial investment is only \$50 per account:

- if you establish an automatic investment plan;
- if you establish an automatic exchange plan; or
- if you establish an account under either:
  - ▶ tax-deferred retirement programs (other than IRAs) where investments are made by means of group remittance statements; or
  - ▶ employer sponsored investment programs.

The maximum investment in class C shares is \$1,000,000 per transaction.

**Adding to Your Account.** There are several easy ways you can make additional investments of at least \$50 to your account:

- send a check with the returnable portion of your statement;
- ask your financial adviser to purchase shares on your behalf;
- wire additional investments through your bank (call MFSC first for instructions); or
- authorize transfers by phone between your bank account and your MFS account (the maximum purchase amount for this method is \$100,000). You must elect this privilege on your account application if you wish to use it.

**Special Considerations for 529 Share Classes.** The Code and tuition programs impose a maximum total contribution limitation for designated beneficiaries on behalf of whom assets under tuition programs are held, which may result in a limitation on your ability to purchase the fund's 529 share classes. Please see the program description for details concerning the maximum contribution limitation and its application.

An account owner of a newly established account under a tuition program in which the designated beneficiary is age 12 or older will not be entitled to purchase class 529B shares, unless the newly established account results from a transfer of registration from another MFS fund account. Additional restrictions may apply and are described in the program description.

### ▶ How to Exchange Shares

**Exchange Privilege.** You can exchange your shares for shares of the same class of certain other MFS funds at net asset value by having your financial adviser process your exchange request or by contacting MFSC directly. To be eligible for exchange,

shares of the fund must be registered in your name or in the name of your financial adviser for your benefit for at least 15 days. Shares that have been registered for less than 15 days may only be exchanged upon a determination by the fund that the exchange, when considered together with your transactions in shares of the other MFS funds, does not constitute a pattern of market timing or excessive trading practices and is not otherwise harmful to the interests of the fund and its shareholders. The minimum exchange amount is generally \$1,000 (\$50 for exchanges made under the automatic exchange plan). Shares otherwise subject to a CDSC will not be charged a CDSC in an exchange. However, when you redeem the shares acquired through the exchange, the shares you redeem may be subject to a CDSC, depending upon when you originally purchased the shares you exchanged. For purposes of computing the CDSC, the length of time you have owned your shares will be measured from the date of original purchase and will not be affected by any exchange.

Sales charges may apply to exchanges made from the MFS money market funds. Certain qualified retirement plans may make exchanges between the MFS funds and the MFS Fixed Fund, a bank collective investment fund, and sales charges may also apply to these exchanges. Call MFSC for information concerning these sales charges. In addition, class R shares may be exchanged for shares of the MFS Money Market Fund (subject to any limitation applicable to the purchase of this fund's shares as disclosed in its prospectus).

Exchanges may be subject to certain limitations and are subject to the MFS funds' policies concerning excessive trading practices, which are policies designed to protect the funds and their shareholders from the harmful effect of frequent exchanges. Other limitations and policies are described below under the captions "Right to Reject or Restrict Purchase and Exchange Orders" and "Excessive Trading Practices." You should read the prospectus of the MFS fund into which you are exchanging and consider the differences in objectives, policies and rules before making any exchange.

**Special Considerations for 529 Share Classes.** Your ability to exchange your class 529A, 529B or 529C shares of the fund for corresponding class 529A, 529B and 529C shares of other MFS funds may be limited under Section 529 of the Code and the tuition program through which your investment in the MFS funds is made. Please see the program description for details.



## How to Redeem Shares

You may redeem your shares either by having your financial adviser process your redemption or by contacting MFSC directly. The fund sends out your redemption proceeds within seven days after your request is received in good order. "Good order" generally means that the stock power, written request for redemption, and letter of instruction or certificate must be endorsed by the record owner(s) exactly as the shares are registered. In addition, you need to have your signature guaranteed and/or submit additional documentation to redeem your shares. See "Signature Guarantee/Additional Documentation" below, or contact MFSC for details (see back cover page for address and phone number).

Under unusual circumstances, such as when the New York Stock Exchange is closed, trading on the Exchange is restricted or if there is an emergency, the fund may suspend

redemptions or postpone payment. If you purchased the shares you are redeeming by check, the fund may delay the payment of the redemption proceeds until the check has cleared, which may take up to 15 days from the purchase date.

### **Redeeming directly through MFSC.**

- **By telephone.** You can call MFSC to have shares redeemed from your account and the proceeds wired directly to a pre-designated bank account. MFSC will request personal or other information from you and will generally record the calls. MFSC will be responsible for losses that result from unauthorized telephone transactions if it does not follow reasonable procedures designed to verify your identity. You must elect this privilege on your account application if you wish to use it.
- **By mail.** To redeem shares by mail, you can send a letter to MFSC with the name of your fund, your account number, and the number of shares or dollar amount to be sold.
- **Electronically.** You can have shares redeemed from your account and the proceeds wired directly to a pre-designated bank account by contacting MFSC via the Internet (MFS Access). You must elect this privilege on your account application and establish a personal identification number (PIN) on MFS Access to use this service.

**Redeeming through your Financial Adviser.** You can call your financial adviser to process a redemption on your behalf. Your financial adviser will be responsible for furnishing all necessary documents to MFSC and may charge you for this service.

**Signature Guarantee/Additional Documentation.** In order to protect against fraud, the fund requires that your signature be guaranteed in order to redeem your shares. Your signature may be guaranteed by an eligible bank, broker, dealer, credit union, national securities exchange, registered securities association, clearing agency, or savings association. MFSC may require additional documentation for certain types of registrations and transactions. Signature guarantees and this additional documentation shall be accepted in accordance with policies established by MFSC, and MFSC may, at its discretion, make certain exceptions to these requirements.

**Special Considerations for 529 Share Classes.** If you redeem your class 529A, 529B or 529C shares and use the proceeds for non-qualified higher education expenses or other non-qualified purposes, taxes and penalties may apply. Please see the program description and the discussion below under the caption "Tax Considerations" for details.



## **Other Considerations**

**Right to Reject or Restrict Purchase and Exchange Orders.** Purchases and exchanges should be made for investment purposes only. The MFS funds each reserve the right to reject or restrict any specific purchase or exchange request. Because an exchange request involves both a request to redeem shares of one fund and to purchase shares of another fund, the MFS funds consider the underlying redemption and purchase requests conditioned upon the acceptance of each of these underlying requests. Therefore, in the event that the MFS funds reject an exchange request, neither the redemption nor the purchase side of the exchange will be processed.

**Excessive Trading Practices.** The MFS funds do not permit market-timing or other excessive trading practices that may disrupt portfolio management strategies and harm fund performance. As noted above, the MFS funds reserve the right to reject or restrict any purchase order (including exchanges) from any investor. The MFS funds will exercise these rights, including rejecting or cancelling purchase and exchange orders, delaying for up to two business days the processing of exchange requests, restricting the availability of purchases and exchanges through telephone requests, facsimile transmissions, automated telephone services, internet services or any other electronic transfer service, if an investor has a history of excessive trading or if an investor's trading, in the judgment of the MFS funds, has been or may be disruptive to a fund. In making this judgment, the MFS funds may consider trading done in multiple accounts under common ownership or control.

**Reinstatement Privilege.** After you have redeemed shares, you have a one-time right to reinvest the proceeds within 90 days of the redemption at the current net asset value (without an initial sales charge).

For shareholders who exercise this privilege after redeeming class A, class C or 529C shares, if the redemption involved a CDSC, your account will be credited with the appropriate amount of the CDSC you paid; however, your new shares will still be subject to a CDSC for up to one year from the date you originally purchased the shares you redeemed.

For shareholders who exercise their 90-day reinstatement privilege after redeeming class B or 529B shares, you may reinvest your redemption proceeds only into class A or 529A shares. The class A or 529A shares you purchase will not be subject to a CDSC, but if you paid a CDSC when you redeemed your class B or 529B shares, your account will not be credited with the CDSC you paid.

**In-kind distributions.** The MFS funds have reserved the right to pay redemption proceeds by a distribution in-kind of portfolio securities (rather than cash). In the event that the fund makes an in-kind distribution, you could incur the brokerage and transaction charges when converting the securities to cash and the securities may increase or decrease in value until you sell them. The fund does not expect to make in-kind distributions. However, if it does, the fund will pay, during any 90-day period, your redemption proceeds in cash up to either \$250,000 or 1% of the fund's net assets, whichever is less.

**Involuntary Redemptions/Small Accounts.** Because it is costly to maintain small accounts, the MFS funds have generally reserved the right to automatically redeem shares and close your account when it contains less than \$500 due to your redemptions or exchanges. Before making this automatic redemption, you will be notified and given 60 days to make additional investments to avoid having your shares redeemed.

## VII INVESTOR SERVICES AND PROGRAMS

As a shareholder of the fund, you have available to you a number of services and investment programs. Some of these services and programs may not be available to you if your shares are held in the name of your financial adviser or if your investment in the fund is made through a retirement plan or a 529 tuition program.

### ► Distribution Options

The following distribution options are generally available to all accounts except 529 tuition program accounts and you may change your distribution option as often as you desire by notifying MFSC:

- Dividend and capital gain distributions reinvested in additional shares (*this option will be assigned if no other option is specified*);
- Dividend distributions in cash; capital gain distributions reinvested in additional shares; or
- Dividend and capital gain distributions in cash.

Distributions on the 529 share classes will automatically be invested in additional shares; account owners do not have the option of receiving distributions in cash.

Reinvestments (net of any tax withholding) will be made in additional full and fractional shares of the same class of shares at the net asset value as of the close of business on the record date. Distributions in amounts less than \$10 will automatically be reinvested in additional shares of the fund. If you have elected to receive dividends and/or capital gain distributions in cash, and the postal or other delivery service is unable to deliver checks to your address of record, or you do not respond to mailings from MFSC with regard to uncashed distribution checks, your distribution option will automatically be converted to having all distributions reinvested in additional shares. Your request to change a distribution option must be received by MFSC by the record date for a distribution in order to be effective for that distribution. No interest will accrue on amounts represented by uncashed distribution or redemption checks.

### ► Purchase and Redemption Programs

For your convenience, the following purchase and redemption programs are made available to you without extra charge:

**Automatic Investment Plan.** You can make cash investments of \$50 or more through your checking account or savings account on any day of the month. If you do not specify a date, the investment will automatically occur on the first business day of the month.

**Automatic Exchange Plan.** If you have an account balance of at least \$2,000 in any MFS fund, you may participate in the automatic exchange plan, a dollar-cost averaging program. This plan permits you to make automatic monthly or quarterly exchanges from your account in an MFS fund for shares of the same class of shares of other MFS funds. You may make exchanges of at least \$50 to up to six different funds under this plan. Exchanges will generally be made at net asset value without any sales charges. If you exchange shares out of the MFS Money Market Fund or MFS Government Money

Market Fund, or if you exchange class A shares out of the MFS Cash Reserve Fund, into class A shares of any other MFS fund, you will pay the initial sales charge if you have not already paid this charge on these shares.

**Reinvest without a sales charge.** You can reinvest dividend and capital gain distributions into your account without a sales charge to add to your investment easily and automatically.

**Distribution Investment Program.** You may purchase shares of any MFS fund without paying an initial sales charge or a CDSC upon redemption by automatically reinvesting a minimum of \$50 of dividend and capital gain distributions from the same class of another MFS fund.

**Letter of Intent (LOI).** When you commit to invest a specific dollar amount in the MFS funds (including the MFS Fixed Fund) within a 13 month period, you will pay the same sales charge as if all shares had been purchased at one time. If you commit to invest \$1 million or more under this program, the time period is extended to 36 months. If you do not purchase the committed amount within the time period, your account will be adjusted to reflect deduction of the higher initial sales charge level for the amount actually purchased.

**Right of Accumulation.** You will qualify for a lower sales charge on your purchases of class A and 529A shares when your new investment in class A and 529A shares, together with the current (offering price) value of all your holdings in the MFS funds (including the MFS Fixed Fund), reaches a reduced sales charge level.

**Systematic Withdrawal Plan.** You may elect to automatically receive (or designate someone else to receive) regular periodic payments of at least \$100. Each payment under this systematic withdrawal is funded through the redemption of your fund shares. For class B and C shares, you can receive up to 10% (15% for certain IRA distributions) of the value of your account through these payments in any one year (measured at the time you establish this plan). You will incur no CDSC on class B and C shares redeemed under this plan. For class A shares, there is no similar percentage limitation; however, you may incur the CDSC (if applicable) when class A shares are redeemed under this plan.



## VIII OTHER INFORMATION

### ► Pricing of Fund Shares

The price of each class of the fund's shares is based on its net asset value. The net asset value of each class of shares is determined once each day during which the New York Stock Exchange is open for trading as of the close of regular trading on the New York Stock Exchange (generally, 4:00 p.m., Eastern time) (referred to as the valuation time). The New York Stock Exchange is closed on most national holidays and Good Friday. To determine net asset value, the fund values its assets at current market values, or at fair value as determined by the adviser under the direction of the Board of Trustees that oversees the fund if the trustees determine that the current market price does not constitute fair value.

The securities held by the fund that trade in foreign markets are usually valued on the basis of the most recent closing market prices in those markets. Most foreign markets close before the fund's valuation time. For example, for securities primarily traded in the Far East, the most recent closing prices may be as much as 15 hours old at 4:00 p.m. Eastern time. Normally, developments that could affect the values of portfolio securities that occur between the close of the foreign market and the fund's valuation time will not be reflected in the fund net asset value. However, if a determination is made that such developments are so significant that they will, in its judgment, clearly and materially affect the value of the fund's securities, the fund may adjust the previous closing prices to reflect what it believes to be the fair value of the securities as of the fund's valuation time. A fund may fair value securities in other situations, for example, when a particular foreign market is closed but the fund is open.

You will receive the net asset value next calculated, after the deduction of applicable sales charges and any required tax withholding, if your order is complete (has all required information) and MFSC receives your order by:

- the valuation time, if placed directly by you (not through a financial adviser such as a broker or bank) to MFSC; or
- MFSC's close of business, if placed through a financial adviser, so long as the financial adviser (or its authorized designee) received your order by the valuation time.

The fund invests in certain securities which are primarily listed on foreign exchanges that trade on weekends and other days when the fund does not price its shares. Therefore, the value of the fund's shares may change on days when you will not be able to purchase or redeem the fund's shares.

### ► Distributions

The fund intends to distribute substantially all of its net income (excluding any capital gains) to shareholders as dividends at least quarterly. Any capital gains are distributed at least annually.



## Tax Considerations

The following discussion is very general. You are urged to consult your tax adviser regarding the effect that an investment in the fund may have on your particular tax situation.

**Taxability of Distributions.** As long as the fund qualifies for treatment as a regulated investment company (which it has in the past and intends to do in the future), it pays no federal income tax on the earnings it distributes to shareholders.

You will normally have to pay federal income taxes, and any state or local taxes, on the distributions you receive from the fund, whether you take the distributions in cash or reinvest them in additional shares. Distributions designated as capital gain dividends are taxable as long-term capital gains. Other distributions are generally taxable as ordinary income. Some dividends paid in January may be taxable as if they had been paid the previous December.

The Form 1099 that is mailed to you every January details your distributions and how they are treated for federal tax purposes.

Fund distributions will reduce the fund's net asset value per share. Therefore, if you buy shares shortly before the record date of a distribution, you may pay the full price for the shares and then effectively receive a portion of the purchase price back as a taxable distribution.

If you are neither a citizen nor a resident of the U.S., the fund will withhold U.S. federal income tax at the rate of 30% on taxable dividends and other payments that are subject to such withholding. You may be able to arrange for a lower withholding rate under an applicable tax treaty if you supply the appropriate documentation required by the fund. The fund is also required in certain circumstances to apply backup withholding at the rate then in effect on taxable dividends, redemption proceeds and certain other payments that are paid to any shareholder (including a shareholder who is neither a citizen nor a resident of the U.S.) who does not furnish to the fund certain information and certifications or who is otherwise subject to backup withholding. The backup withholding rate is being reduced from the current 30% rate to 28% in a series of steps ending on January 1, 2006. Backup withholding will not, however, be applied to payments that have been subject to the 30% withholding tax on shareholders who are neither citizens nor residents of the U.S. Prospective investors should read the fund's Account Application for additional information regarding backup withholding of federal income tax.

**Taxability of Transactions.** When you redeem, sell or exchange shares, it is generally considered a taxable event for you. Depending on the purchase price and the sale price of the shares you redeem, sell or exchange, you may have a gain or a loss on the transaction. You are responsible for any tax liabilities generated by your transaction.

**Special Considerations for 529 Share Classes.** In addition to the tax considerations discussed above, please note the following tax considerations that apply specifically to the ownership of the fund's 529 share classes through a tuition program that qualifies under Section 529 of the Code.

The fund is an investment option under one or more tuition programs designed to qualify under Section 529 of the Code so that earnings on investments are not subject to federal income tax (to either a contributor to the tuition program or a designated beneficiary) until the earnings are withdrawn. Withdrawals of earnings that are used to pay “qualified higher education expenses” are tax-free for federal income tax purposes for tax years beginning on or before December 31, 2010. State and local taxes may still apply. These tax benefits are not available to 529 shares that are not owned through a qualifying Section 529 tuition program.

Withdrawals of earnings that are not used for the designated beneficiary’s qualified higher education expenses generally are subject not only to federal income tax but also to a 10% penalty tax (unless such amounts are transferred within sixty (60) days to another tuition program for the same designated beneficiary or another designated beneficiary who is a member of the family of the designated beneficiary with respect to which the distribution was made and certain other conditions are satisfied). The 10% penalty tax will not apply to withdrawals made under certain circumstances, including certain withdrawals made after the designated beneficiary dies or becomes disabled. Withdrawals attributable to contributions to the tuition program (including the portion of any rollover from another tuition program that is attributable to contributions to that program) are not subject to tax.

The foregoing is only a brief summary of some of the important federal income tax considerations relating to investments in the fund under the tuition programs; you will find more information in the program description. You are urged to consult your own tax adviser for information about the federal estate and gift and the state and local tax consequences of, and impact of your personal financial situation on, an investment in the fund’s 529 share classes.

## **Unique Nature of Fund**

MFS may serve as the investment adviser to other funds which have investment goals and principal investment policies and risks similar to those of the fund, and which may be managed by the fund’s portfolio manager(s). While the fund may have many similarities to these other funds, its investment performance will differ from their investment performance. This is due to a number of differences between the funds, including differences in sales charges, expense ratios and cash flows.

## **Voting Rights for 529 Share Classes**

Because the account owner may invest in the fund’s class 529A, 529B and 529C shares indirectly through a tuition program, the account owner may not technically be a shareholder of the fund (rather, a trust or other vehicle established by the state or eligible educational institution through which the investment is made would be the fund’s shareholder of record). Therefore, with respect to investments through certain tuition programs, the account owner may not have voting rights in the fund’s shares or may only be entitled to vote if the tuition program through which the fund shares are held passes through the voting rights to the account owner. Please see the program description for details.



## **Provision of Annual and Semiannual Reports and Prospectuses**

The fund produces financial reports every six months and updates its prospectus annually. To avoid sending duplicate copies of materials to households, only one copy of the fund's annual and semiannual report and prospectus will be mailed to shareholders having the same residential address on the fund's records. However, any shareholder may contact MFSC (see back cover for address and phone number) to request that copies of these reports and prospectuses be sent personally to that shareholder.

## **IX FINANCIAL HIGHLIGHTS**

The financial highlights table is intended to help you understand the fund's financial performance since the fund's inception. Certain information reflects financial results for a single fund share. The total returns in the table represent the rate by which an investor would have earned (or lost) on an investment in the fund (assuming reinvestment of all distributions). This information has been audited by the fund's independent auditors, whose report, together with the fund's financial statements, are included in the fund's Annual Report to shareholders. The fund's Annual Report is available upon request by contacting MFSC (see back cover for address and telephone number). These financial statements are incorporated by reference into the SAI. The fund's independent auditors are Ernst & Young LLP.

## Class A Shares

	Year Ended August 31,				
	2002	2001	2000	1999	1998
<b>Per share data (for a share outstanding throughout each period):</b>					
Net asset value – beginning of period	\$19.28	\$19.38	\$17.17	\$14.20	\$14.82
Income from investment operations# –					
Net investment income\$	\$ 0.20	\$ 0.20	\$ 0.24	\$ 0.24	\$ 0.22
Net realized and unrealized gain (loss) on investments and foreign currency###	(2.05)	0.44	2.43	3.17	1.07
Total from investment operations	\$ (1.85)	\$ 0.64	\$ 2.67	\$ 3.41	\$ 1.29
Less distributions declared to shareholders –					
From net investment income	\$ (0.15)	\$ (0.19)	\$ (0.22)	\$ (0.22)	\$ (0.20)
From net realized gain on investments and foreign currency transactions	(0.03)	(0.55)	(0.24)	(0.22)	(1.71)
In excess of net realized gain on investments and foreign currency transactions	(0.04)	—	—	—	—
Total distributions declared to shareholders	\$ (0.22)	\$ (0.74)	\$ (0.46)	\$ (0.44)	\$ (1.91)
Net asset value – end of period	\$17.21	\$19.28	\$19.38	\$17.17	\$14.20
Total return‡	(9.64)%	3.19%	15.95%	24.27%	9.50%
<b>Ratios (to average net assets)/</b>					
<b>Supplemental data\$:</b>					
Expenses##	1.25%	1.21%	1.30%	1.36%	1.46%
Net investment income	1.05%	1.00%	1.38%	1.47%	1.45%
<b>Portfolio turnover</b>					
	48%	63%	83%	97%	89%

### Net assets at end of period (000 Omitted)

\$1,820,568	\$981,373	\$165,616	\$51,753	\$11,146
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\$Through June 30, 2000, subject to reimbursement by the fund, the investment adviser agreed to maintain expenses of the fund, exclusive of management, distribution, and service fees, at not more than 0.40% of average daily net assets. To the extent actual expenses were over this limitation, the net investment income (loss) per share and the ratios would have been:

Net investment income	\$ —	\$ —	\$ 0.25	\$ 0.24	\$ 0.11
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### Ratios (to average net assets):

Expenses##	—	—	1.26%	1.36%	2.20%
Net investment income	—	—	1.42%	1.47%	0.70%

#Per share data are based on average shares outstanding.

##Ratios do not reflect expense reductions from directed brokerage and certain expense offset arrangements.

###The per share amount is not in accordance with the net realized and unrealized gain for the year ended August 31, 1998, because of the timing of sales of fund shares and the amount of per share realized and unrealized gains and losses at such time.

‡Total returns for Class A shares do not include the applicable sales charge. If the charge had been included, the results would have been lower.

## Class B Shares

	Year Ended August 31,				Period Ended
	2002	2001	2000	1999	August 31, 1998*
<b>Per share data (for a share outstanding throughout each period):</b>					
Net asset value – beginning of period	\$19.19	\$19.30	\$17.11	\$14.16	\$13.61
Income from investment operations# –					
Net investment income\$	\$ 0.07	\$ 0.07	\$ 0.13	\$ 0.14	\$ 0.10
Net realized and unrealized gain (loss) on investments and foreign currency###	(2.02)	0.45	2.42	3.15	0.47
Total from investment operations	\$ (1.95)	\$ 0.52	\$ 2.55	\$ 3.29	\$ 0.57
Less distributions declared to shareholders –					
From net investment income	\$ (0.04)	\$ (0.08)	\$ (0.12)	\$ (0.12)	\$ (0.02)
From net realized gain on investments and foreign currency transactions	(0.03)	(0.55)	(0.24)	(0.22)	—
In excess of net realized gain on investments and foreign currency transactions	(0.04)	—	—	—	—
Total distributions declared to shareholders	\$ (0.11)	\$ (0.63)	\$ (0.36)	\$ (0.34)	\$ (0.02)
Net asset value – end of period	\$17.13	\$19.19	\$19.30	\$17.11	\$14.16
Total return	(10.20)%	2.55%	15.19%	23.47%	4.20%††
<b>Ratios (to average net assets)/</b>					
<b>Supplemental data\$:</b>					
Expenses##	1.90%	1.86%	1.95%	2.01%	2.11%†
Net investment income	0.40%	0.35%	0.73%	0.83%	0.66%†
<b>Portfolio turnover</b>	48%	63%	83%	97%	89%
<b>Net assets at end of period (000 Omitted)</b>					
	\$923,330	\$698,338	\$125,713	\$52,586	\$16,786

\$Through June 30, 2000, subject to reimbursement by the fund, the investment adviser agreed to maintain expenses of the fund, exclusive of management, distribution, and service fees, at not more than 0.40% of average daily net assets. To the extent actual expenses were over this limitation, the net investment income (loss) per share and the ratios would have been:

Net investment income (loss)	\$ —	\$ —	\$ 0.14	\$ 0.14	\$ (0.02)
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### Ratios (to average net assets):

Expenses##	—	—	1.91%	2.01%	2.85%†
Net investment income (loss)	—	—	0.77%	0.83%	(0.09)%†

\*For the period from the inception of Class B shares, November 4, 1997, through August 31, 1998.

†Annualized.

††Not annualized.

#Per share data are based on average shares outstanding.

##Ratios do not reflect expense reductions from directed brokerage and certain expense offset arrangements.

###The per share amount is not in accordance with the net realized and unrealized gain for the period ended August 31, 1998, because of the timing of sales of fund shares and the amount of per share realized and unrealized gains and losses at such time.

## Class C Shares

	Year Ended August 31,				Period Ended August 31, 1998*
	2002	2001	2000	1999	
<b>Per share data (for a share outstanding throughout each period):</b>					
Net asset value – beginning of period	<u>\$19.18</u>	<u>\$19.30</u>	<u>\$17.10</u>	<u>\$14.16</u>	<u>\$13.63</u>
Income from investment operations# –					
Net investment income\$	\$ 0.07	\$ 0.07	\$ 0.13	\$ 0.14	\$ 0.10
Net realized and unrealized gain (loss) on investments and foreign currency###	<u>(2.02)</u>	<u>0.44</u>	<u>2.43</u>	<u>3.15</u>	<u>0.45</u>
Total from investment operations	<u>\$ (1.95)</u>	<u>\$ 0.51</u>	<u>\$ 2.56</u>	<u>\$ 3.29</u>	<u>\$ 0.55</u>
Less distributions declared to shareholders –					
From net investment income	\$ (0.04)	\$ (0.08)	\$ (0.12)	\$ (0.13)	\$ (0.02)
From net realized gain on investments and foreign currency transactions	(0.03)	(0.55)	(0.24)	(0.22)	—
In excess of net realized gain on investments and foreign currency transactions	<u>(0.04)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total distributions declared to shareholders	<u>\$ (0.11)</u>	<u>\$ (0.63)</u>	<u>\$ (0.36)</u>	<u>\$ (0.35)</u>	<u>\$ (0.02)</u>
Net asset value – end of period	<u>\$17.12</u>	<u>\$19.18</u>	<u>\$19.30</u>	<u>\$17.10</u>	<u>\$14.16</u>
Total return	(10.21)%	2.52%	15.27%	23.47%	4.02%††
<b>Ratios (to average net assets)/</b>					
<b>Supplemental data\$:</b>					
Expenses##	1.90%	1.86%	1.95%	2.01%	2.09%†
Net investment income	0.40%	0.35%	0.73%	0.84%	0.66%†
<b>Portfolio turnover</b>	48%	63%	83%	97%	89%
<b>Net assets at end of period</b>					
<b>(000 Omitted)</b>	\$473,537	\$366,154	\$49,887	\$19,053	\$3,613

\$Through June 30, 2000, subject to reimbursement by the fund, the investment adviser agreed to maintain expenses of the fund, exclusive of management, distribution, and service fees, at not more than 0.40% of average daily net assets. To the extent actual expenses were over this limitation, the net investment income (loss) per share and the ratios would have been:

Net investment income (loss)	\$ —	\$ —	\$ 0.14	\$ 0.14	\$ (0.02)
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### Ratios (to average net assets):

Expenses##	—	—	1.91%	2.01%	2.83%†
Net investment income (loss)	—	—	0.77%	0.84%	(0.09)%†

\*For the period from the inception of Class C shares, November 5, 1997, through August 31, 1998.

†Annualized.

††Not annualized.

#Per share data are based on average shares outstanding.

##Ratios do not reflect expense reductions from directed brokerage and certain expense offset arrangements.

###The per share amount is not in accordance with the net realized and unrealized gain for the period ended August 31, 1998, because of the timing of sales of fund shares and the amount of per share realized and unrealized gains and losses at such time.



## Class 529A Shares

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Period Ended August 31, 2002\*

Class 529A

**Per share data (for a share outstanding throughout each period):**

Net asset value – beginning of period	\$17.01
Income from investment operations# –	
Net investment income	\$ 0.03
Net realized and unrealized gain on investments and foreign currency	0.17
Total from investment operations	\$ 0.20
Net asset value – end of period	\$17.21
Total return††	1.18%

**Ratios (to average net assets)/Supplemental data:**

Expenses##†	1.50%
Net investment income	2.23%

**Portfolio turnover**

48%

**Net assets at end of period (000 Omitted)**

\$10

†Annualized.

††Not annualized.

\*For the period from the inception of Class 529A shares, July 31, 2002, through August 31, 2002.

#Per share data are based on average shares outstanding.

##Ratios do not reflect expense reductions from directed brokerage and certain expense offset arrangements.

## Class 529B Shares

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Period Ended August 31, 2002\*

Class 529B

### Per share data (for a share outstanding throughout each period):

Net asset value – beginning of period	\$16.93
Income from investment operations# –	
Net investment income	\$ 0.02
Net realized and unrealized gain on investments and foreign currency	0.17
Total from investment operations	\$ 0.19
Net asset value – end of period	\$17.12
Total return††	1.12%

### Ratios (to average net assets)/Supplemental data:

Expenses##†	2.15%
Net investment income	1.33%

### Portfolio turnover

48%

### Net assets at end of period (000 Omitted)

\$6

†Annualized.

††Not annualized.

\*For the period from the inception of Class 529B shares, July 31, 2002, through August 31, 2002.

#Per share data are based on average shares outstanding.

##Ratios do not reflect expense reductions from directed brokerage and certain expense offset arrangements.

## Class 529C Shares

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Period Ended August 31, 2002\*

Class 529C

**Per share data (for a share outstanding throughout each period):**

Net asset value – beginning of period	\$16.92
Income from investment operations# –	
Net investment income	\$ 0.02
Net realized and unrealized gain on investments and foreign currency	0.17
Total from investment operations	\$ 0.19
Net asset value – end of period	\$17.11
Total return††	1.12%

**Ratios (to average net assets)/Supplemental data:**

Expenses##†	2.15%
Net investment income	1.75%
<b>Portfolio turnover</b>	<b>48%</b>

**Net assets at end of period (000 Omitted)**

\$21

†Annualized.

††Not annualized.

\*For the period from the inception of Class 529C shares, July 31, 2002, through August 31, 2002.

#Per share data are based on average shares outstanding.

##Ratios do not reflect expense reductions from directed brokerage and certain expense offset arrangements.

## Appendix A

### ► Investment Techniques and Practices

In pursuing its investment objective, the fund may engage in the following principal and non-principal investment techniques and practices to the extent to which these techniques and practices are consistent with the fund's investment objective. Investment techniques and practices which the fund will use or currently anticipates using are denoted by a check (✓) mark. However, the fund may not use all of these techniques and practices. Investment techniques and practices which the fund does not currently anticipate using but which the fund reserves the freedom to use are denoted by a dash (—) mark. Investment techniques and practices which are the principal focus of the fund are described, together with their risks, in the Risk Return Summary of the Prospectus. Both principal and non-principal techniques and practices are described, together with their risks, in the SAI.

#### Investment Techniques/Practices

**Symbols**      ✓ fund uses, or currently anticipates using      — permitted, but fund does not currently anticipate using

Debt Securities	
Asset-Backed Securities	
Collateralized Mortgage Obligations and Multiclass Pass-Through Securities	✓
Corporate Asset-Backed Securities	✓
Mortgage Pass-Through Securities	✓
Stripped Mortgage-Backed Securities	✓
Corporate Securities	✓
Loans and Other Direct Indebtedness	✓
Lower Rated Bonds	✓
Municipal Bonds	✓
U.S. Government Securities	✓
Variable and Floating Rate Obligations	✓
Zero Coupon Bonds, Deferred Interest Bonds and PIK Bonds	✓
Equity Securities	✓
Foreign Securities Exposure	
Brady Bonds	✓
Depository Receipts	✓
Dollar-Denominated Foreign Debt Securities	✓
Emerging Markets	✓
Foreign Securities	✓

## Investment Techniques/Practices (continued)

Forward Contracts	✓
Futures Contracts	✓
Indexed Securities	✓
Inverse Floating Rate Obligations	—
Investment in Other Investment Companies	
Closed-End	✓
Open-End	✓
Lending of Portfolio Securities	✓
Leveraging Transactions	
Bank Borrowings	—
Mortgage “Dollar-Roll” Transactions	✓
Reverse Repurchase Agreements	—
Options	
Options on Foreign Currencies	✓
Options on Futures Contracts	✓
Options on Securities	✓
Options on Stock Indices	✓
Reset Options	✓
“Yield Curve” Options	✓
Repurchase Agreements	✓
Short Sales	✓
Short Term Instruments	✓
Swaps and Related Derivative Instruments	✓
Temporary Borrowings	✓
Temporary Defensive Positions	✓
“When-Issued” Securities	✓

## MFS® VALUE FUND

If you want more information about the fund, the following documents are available free upon request:

**Annual/Semiannual Reports.** These reports contain information about the fund's actual investments. Annual reports discuss the effect of recent market conditions and the fund's investment strategy on the fund's performance during its last fiscal year.

**Statement of Additional Information (SAI).** The SAI, dated January 1, 2003, provides more detailed information about the fund and is incorporated into this prospectus by reference.

**You can get free copies of the annual/semiannual reports, the SAI and other information about the fund, and make inquiries about the fund, by contacting:**

MFS Service Center, Inc.  
2 Avenue de Lafayette  
Boston, MA 02111-1738  
Telephone: **1-800-225-2606**  
Internet: <http://www.mfs.com>

Information about the fund (including its prospectus, SAI and shareholder reports) can be reviewed and copied at the:

Public Reference Room  
Securities and Exchange Commission  
Washington, D.C., 20549-0102

Information on the operation of the Public Reference Room may be obtained by calling the Commission at 1-202-942-8090. Reports and other information about the fund are available on the EDGAR Databases on the Commission's Internet website at <http://www.sec.gov>, and copies of this information may be obtained, upon payment of a duplicating fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing the Public Reference Section at the above address.

The fund's Investment Company Act file number is 811-4777.