

MFS® MeridianSM Global Asset Allocation Fund

January 31, 2001



FUND FACTS

Fund commencement

Class A September 16, 1998
Class B April 16, 1998

Portfolio manager(s)

Joseph C. Flaherty, Jr.

Net assets

\$26.7 million

NAV

Class A \$11.19
Class B \$11.25

Most recent distribution

Payable date 12/20/00 (Annually)

Class A \$0.19406
Class B \$0.12924

CUSIP/Bloomberg symbols

Class A G6015E672 / MFGAAA1
Class B G6015E508 / MFGAABI

Portfolio structure

Stock	58.4%
Bond	38.7%
Cash	2.9%

Top five equity holdings

VODAFONE GROUP PLC	3.1%
NOVARTIS	2.6%
NTT MOBILE DOCOMO	2.4%
DIAGEO	2.3%
SYNGENTA	2.1%

Five largest stock sectors

Technology	19.9%
Financial Services	18.3%
Utilities & Communications	14.1%
Health Care	10.0%
Leisure	8.8%

Top five regional weightings

United States	45.6%
United Kingdom	14.0%
Japan	9.4%
Netherlands	7.1%
France	4.9%

The portfolio is actively managed, and current holdings may be different.

INVESTMENT OBJECTIVE

The fund seeks total return over the long-term through investment in a globally diversified equity and fixed income securities, low volatility of share price, and reduced risk (compared to an aggressive equity/fixed income fund).

PERFORMANCE INFORMATION¹

NAV

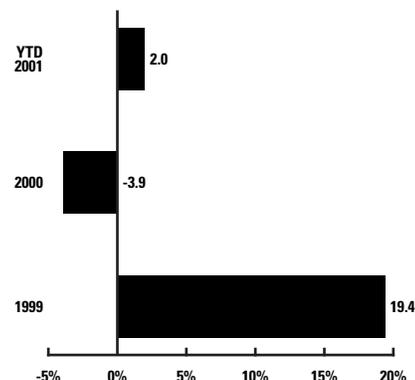
	YTD	1 Yr.	3 Yr.*	5 Yr.*	Life*
Class A	2.0%	1.7%	—	—	5.8%
Class B	2.0%	1.2%	—	—	5.3%

* Periods less than one year are actual not annualized.

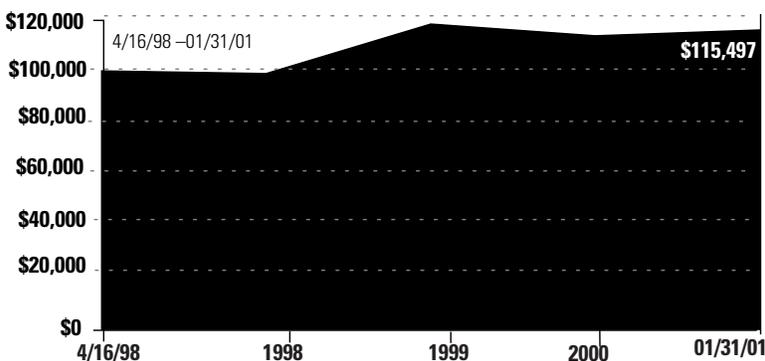
CLASS B NAV HI/LOW

February 1, 2000 – January 31, 2001
March 27, 2000 \$12.18
December 21, 2000 \$10.70

CLASS B ANNUAL RATES OF RETURN¹



RESULTS OF A HYPOTHETICAL INVESTMENT OF \$100,000 ON THE INCEPTION OF CLASS B¹



KEY POINTS

- Fund adheres to a top-down analysis for asset allocation decisions and a bottom-up analysis for security selection.
- Asset allocation decisions utilize a quantitative model.
- Security selection is delegated to seasoned professionals in the individual asset classes and fundamental research drives the decision making.

Portfolio structure percentages reflect sensitivity to asset class price changes. Negative exposures have been offset against the expected settlement position.

¹ Class A share results include the performance and operating expenses of Class I for periods prior to the inception of Class A. Because operating expenses of Class A are lower than those of Class I, performance generally would have been higher than Class I performance. These results reflect the percent change in net asset value. Returns would have been lower had sales charges been reflected. Performance results reflect any applicable expense subsidies and waivers in effect during the periods shown; without these, the results would have been less favorable. Please see the prospectus for details. All results are historical and assume the reinvestment of dividends and capital gains. **These results represent past performance and should not be considered as a representation of future results. Investment return and principal value will fluctuate and shares, when redeemed, may be worth more or less than the original cost, more recent returns may be worth more or less than shown.** A current prospectus for the MFS Meridian Funds may be obtained from your financial consultant. These funds are not for sale in the U.S. or to U.S. citizens or residents, or in Canada. Issued in the U.K. by MFS International (U.K.) Limited, regulated by IMRO in the conduct of investment business in the United Kingdom. For purposes of distribution in the U.K., MFS® Meridian Funds are an unregulated, collective investment scheme, and as such, their promotion in the U.K. is restricted to certain categories of persons. Investments in securities may be favorably or unfavorably affected by changes in interest rates and currency exchange rates, market conditions, and the economic and political conditions of the countries where investment are made. Investments in lower-rated securities may provide greater returns, but they are also associated with greater than average risk. The fund's geographic concentration make it subject to greater volatility than with a more geographically diversified fund.

MAY LOSE VALUE NO BANK GUARANTEE

MER-4MRW-2/01

MANAGEMENT PERSPECTIVE

Q What is your investment philosophy?

A The fund seeks to provide actively managed global diversification by allocating assets among equity and fixed income markets throughout the world. The asset allocation decision is based on an MFS-proprietary quantitative model that has demonstrated an ability to consistently add value over time in historical backtests. Security selection within each asset class is delegated to proven MFS portfolio managers and is based on the firm's traditional strength of original fundamental research. By employing a disciplined investment process that balances risk and reward and provides two potential sources of outperformance (asset allocation and security selection) we intend to deliver high risk-adjusted returns over a market cycle.

Q How is the fund currently positioned?

A The portfolio currently has 58% of its assets invested in global equity markets and 42% of its assets invested in global fixed income markets. Aside from a short period of time early in the fall where the fund approached a neutral equity weighting (65%), the fund has been positioned defensively all year. This defensive positioning has been based primarily on high valuations prevalent throughout global equity markets and rising short-term interest rates. Given the relative performance of stocks versus bonds in the year 2000, the fund has benefited from this defensive positioning.

Q What is your current outlook for interest rates and how has this affected the fund's asset allocation?

A The current tightening cycle appears to have come to an end as the economy has shown obvious signs of slowing down. The Fed stated at its December 19th meeting that it "believes that the risks are mainly weighted toward conditions that may generate economic weakness in the foreseeable future." This statement suggests that the next Fed move may be to lower short-term interest rates and we expect that process to start early next year. I believe, if the Fed does lower rates the equity markets stand to benefit and we will work to position the fund accordingly when that time comes.

Q Has the outperformance of fixed income relative to equities in 2000 had any impact on the fund's positioning?

A The rather pronounced global equity market sell-off, particularly in some of the technology and telecommunications sectors, has done a lot to wring some of the excess valuation out of equity prices. However, we do not yet consider equity markets to be cheap. We have benefited from being overweight the fixed income markets during a very turbulent year in the equity markets. Given our focus on risk-adjusted performance, we feel that the time to increase our allocation to the equity markets may be coming soon, but it has not yet arrived.

Q How would you describe the investment environment for stocks and bonds going into 2001? Which areas look particularly attractive?

A Stock valuations have come down from extreme levels but we do not yet considered attractive. We will enter the year maintaining our current defensive position and will look for signs to increase our allocation to the equity markets. Those signs will be some combination of attractive price levels, declining interest rates, and evidence that the Fed has been successful in executing a soft landing. As always, we will strive for broad diversification and will balance the risk associated with each position against its reward potential.



JOSEPH C. FLAHERTY, JR.

Joseph C. Flaherty, Jr., is Vice President of MFS Investment Management and manager of the Quantitative Research Group. He is portfolio manager of MFS Global Asset Allocation Fund, the World Asset Allocation Series offered through MFS/Sun Life annuity products, and MFS MeridianSM Global Asset Allocation Fund.

Mr. Flaherty joined MFS as a fixed-income quantitative research associate in 1993 and was named quantitative research analyst and Assistant Vice President in 1996. He became manager of the Quantitative Research Group in 1998 and portfolio manager in 1999.

Mr. Flaherty earned a bachelor of science degree in mechanical engineering from Tufts University in 1984 and an M.B.A. in finance from Bentley College in 1990.