MFS® INVESTMENT MANAGEMENT
We invented the mutual fund®

MFS® Bond Fund

MFS® ORIGINAL RESEARCH MAKES A DIFFERENCE®

A professionally managed portfolio of high-grade bonds

Q4 December 31, 2000

MORNINGSTAR CATEGORY

Long-Term Bond

The Morningstar category identifies funds based on their underlying portfolio holdings. Classifications are based on portfolio statistics and compositions over the past three years. For funds less than three years old, category classifications are based on life of fund.

PORTFOLIO MANAGER(S)

Geoffrey L. Kurinsky, Senior Vice President of MFS, has been with the company since 1987 and has managed the fund since 1989. William J. Adams, Vice President and associate portfolio manager has also managed the fund since July 2000. He joined MFS in 1997.

OBJECTIVE

Seeks as high a level of current income as is believed to be consistent with prudent investment risk. As a secondary objective, the fund strives to protect shareholders' capital.

Philosophy

We seek to add value to investors' fixed-income portfolios by actively trading investment-grade as well as lower-rated corporate bonds. We use fundamental and quantitative analysis to measure the relative value of bonds in several industries, followed by intensive, bottom-up research to select individual companies.

BENCHMARK(S)*

- Lehman Brothers Government/Credit Bond Index

*See reverse for benchmark definitions.

A prospectus containing more complete information, including charges and expenses, for any of the MFS products can be obtained from your investment professional. Read it carefully before you invest or send money.

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

Shares are available without a sales charge through eligible trust departments.

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

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Visit our Web site at www.mfs.com
TRUST-4MFB-1/01

PORTFOLIO FACTS

Fund commencement 5/8/74
Class A 5/8/74
Class I 1/2/97

Net assets
$1167.7 million

Quotron symbol / CUSIP number
Class A MFBFX / 55272P208
Class I MBDIX / 55272P877

SEC yield with waiver (Class A)	6.11%
SEC yield no waiver (Class A)	6.11%
SEC yield with waiver (Class I)	6.72%
SEC yield no waiver (Class I)	6.72%

Investment process

MFS Original Research® is our own bottom-up fundamental analysis of issuers. Over 100 MFS analysts and portfolio managers each year:

- visit more than 2,000 companies around the world
- meet with representatives from over 3,000 companies worldwide
- attend roughly 5,000 company presentations of major international investment firms

Portfolio structure

High Grade Corporates	44.6%
US Treasuries	16.0%
Mortgage Backed	14.6%
High Yield Corporates	10.2%
Emerging Markets	6.0%
Asset Backed	5.7%
Govt Agency	2.0%
Domestic Equity	0.9%

Quality

Govts	30.4%
AAA	4.3%
AA	1.9%
A	14.1%
BBB	32.5%
BB	8.8%
B	3.7%
CCC	0.8%
Not Rated	0.4%
Equity	0.9%
Other	2.3%

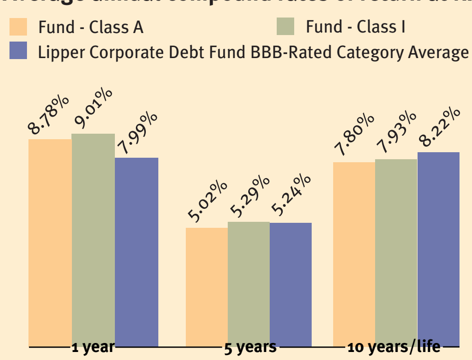
Average coupon/yield
7.6%/7.8%

Avg. life/option adjusted duration
12.0 years/5.7 years

Most recent distribution (Dividends may include capital gain distributions)
Payable date 12/04/00 (monthly)
Class A $0.07300 div $0.00000 cap gain
Class I $0.07598 div $0.00000 cap gain

PERFORMANCE

Average annual compound rates of return at NAV



	Lipper-Class A	Morningstar-Class A	# of funds in Morningstar category
Category	Corporate Debt Funds BBB-Rated	Taxable Bond	—
Overall	—	★★★	1769
1 year	# 74 of 154	—	—
3 years	# 64 of 97	★★	1769
5 years	# 40 of 67	★★	1309
10 years	# 13 of 22	★★★	398

SEC yield is annualized based on a trailing 30-day period.

Lipper rankings and performance are based on net asset value.

The highest Morningstar rating is 5 stars; the lowest is 1 star. Morningstar rates funds in existence at least 3 years by asset class based on historical, risk-adjusted performance over 3, 5, and 10 years. Risk measurement compares fund and 90-day Treasury bill returns. Ratings are load adjusted, updated monthly, and subject to change. Within each asset class, the top 10%, the next 22.5%, the next 35%, the next 22.5%, and the next 10% receive 5, 4, 3, 2, or 1 star, respectively. The overall rating is based on a weighted average of the applicable time periods: the 10-yr. rating accounts for 50%; the 5-yr. for 30%; and the 3-yr. for 20%. **Ratings may vary among share classes and are based on past performance, which is no guarantee of future results.**

Class I share ("I") results include the performance and the operating expenses (e.g., Rule 12b-1 fees) of the fund's Class A shares ("A") for periods prior to the inception of I. Because operating expenses attributable to Class I are lower than those of A, A performance generally would have been lower than I performance. The A performance has been adjusted to reflect the fact that I have no initial sales charge. These results represent the percent change in net asset value. Performance results reflect any

Past performance is no guarantee of future results.

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.

Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. More recent returns may be more or less than those shown. Past performance is no guarantee of future results.

Investments in foreign and emerging market securities may be unfavorably affected by interest-rate and currency-exchange-rate changes, as well as market, economic, and political conditions of the countries where investments are made. There may be greater returns but also greater risk than with U.S. investments. The portfolio may invest in derivative securities which may include futures and options. These types of hedging instruments can increase price fluctuation. Investments in lower-rated securities may provide greater returns but may have greater-than-average risk. The portfolio may invest in mortgage-backed securities, which are subject to prepayments as homeowners pay their mortgages early by refinancing them at lower rates. Therefore, the value of securities may not increase as much as that of other fixed-income securities during periods of falling rates. These risks may increase share price volatility. Please see the prospectus for details.

MANAGEMENT PERSPECTIVE

Q How do you choose from the many types of bonds available to you?

A We use MFS Original Research®, a bottom-up process that allows us to draw from the best ideas of our fixed-income analysts in the corporate, Treasury, municipal, foreign, and high-yield markets. I incorporate the expertise, analysis, and recommendations of our various analysts to assemble a well-diversified portfolio.

Q Where have some of the best ideas come from recently?

A We've found some very good values in the mortgage market, which we believe offer several distinct advantages right now. First, the mortgage securities we emphasize – those issued by the Federal National Mortgage Association and the Government National Mortgage Association – are indirectly backed by the U.S. government. As such, they are very high-quality investments. Second, mortgage securities currently carry an attractive yield advantage over Treasury securities with comparable maturities. (Principal value and interest on Treasury securities are guaranteed by the U.S. government if held to maturity.) Third, mortgage securities, unlike corporate bonds, don't carry any credit risk. Given that the economy is slowing, credit fundamentals for many companies have begun to deteriorate, causing their bonds' prices to decline in response. It's true that mortgage securities are susceptible to interest rate movements, a sensitivity that's known as interest rate risk. Even though we believe that interest rates are poised to decline, we don't think they'll fall far enough to prompt a significant enough increase in prepayment activity to hurt mortgage securities.

Q How is the portfolio positioned within the corporate bond sector?

A Given the ongoing challenges the corporate bond sector faces, including the stock market's decline and a slowing economy, we've significantly reduced our holdings there. In addition, we've become more defensive, favoring high-quality companies, particularly those in the energy and utility sectors. Both could continue to benefit from their reputation as being "defensive" when economic conditions are slowing. Furthermore, we believe that energy and utility holdings have more upside potential, given high oil and natural gas prices.

Q How have you positioned the portfolio to benefit from the U.S. Treasury's buyback of its debt?

A We've focused most of our U.S. Treasury investments in bonds with intermediate- and long-term maturities, which has been the focus of the government's buyback efforts. The Treasury Department indicated that it expected to pay down $23 billion in marketable debt during the fourth quarter of 2000, which is about $13 billion more than it originally had projected. Furthermore, it plans to buy back approximately $9 billion more in the first quarter of calendar quarter 2001. We think those buybacks, combined with reduced and less frequent auctions of new debt and expected interest rate declines, could bode well for the continued strong performance of intermediate- and long-term Treasury securities.

Q What's your outlook?

A Each day we see mounting evidence that the economy is slowing down and at a rate much faster than many observers had expected. That said, we don't believe slowing growth will push the economy into a recession. In our view, stable, albeit slower, economic growth, coupled with falling interest rates, will provide a more favorable backdrop for high-quality corporate, Treasury, and mortgage securities.

GEOFFREY L. KURINSKY

Geoffrey L. Kurinsky is Senior Vice President of MFS Investment Management® (MFS®). He manages the investment-grade bond portfolios of our mutual funds and variable annuities.

Geoff joined the MFS Fixed Income Department in 1987 and was named portfolio manager in 1989, Vice President in 1989, and Senior Vice President in 1993.

He is a graduate of the University of Massachusetts and earned an M.B.A. degree in finance from Boston University.

All portfolio managers at MFS are supported by an investment staff of over 160 professionals utilizing MFS Original Research®, a global, issuer-oriented, bottom-up process of selecting securities.

The opinions expressed in this interview are those of MFS, and no forecasts can be guaranteed.

BENCHMARK DEFINITIONS

Lehman Brothers Government/Credit Bond Index is an unmanaged, market-value-weighted index of all debt obligations of the U.S. Treasury and U.S. government agencies (excluding mortgage-backed securities) and of all publicly issued fixed-rate, nonconvertible, investment-grade domestic corporate debt. It is not possible to invest directly in an index.