

Invests in companies that generally combine both growth and value

Q4 December 31, 2000

Please see the back pocket of this booklet for important performance information

MORNINGSTAR CATEGORY

Large Blend

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

OBJECTIVE

Seeks reasonable current income and long-term growth of income and capital.

PORTFOLIO FACTS

Series Commencement

November 14, 1986

MFS/Sun Life Series Trust assets

\$2263.8 million

Number of holdings

150

Portfolio structure

Stocks	94.4%
Bonds	0.2%
Cash	5.5%

Five largest stock sectors

Financial Services	18.0%
Technology	14.2%
Health Care	14.0%
Industrial Goods & Svcs	11.0%
Energy	9.8%

Top ten stock holdings

UNITED TECHNOLOGIES	3.5%
GENERAL ELECTRIC	3.4%
PFIZER	3.2%
EXXONMOBIL	3.0%
SAFeway INC	2.8%
FREDDIE MAC	2.7%
BRISTOL-MYERS SQUIBB	2.4%
BP AMOCO	2.2%
CISCO SYSTEMS	2.2%
IBM	2.0%

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

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500 Boylston Street, Boston, MA 02116
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MANAGEMENT

Investment policies and considerations

The series invests primarily in quality stocks representing well-known companies across a wide range of industries. The series may invest up to but not including 20% in foreign markets. The series is permitted to invest in emerging markets. The series may engage in securities lending up to 30% of assets. Investments in foreign securities may be unfavorably affected by interest-rate and currency-exchange-rate changes as well as by 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. These risks may increase unit price volatility. Please see the prospectus for details. The series' investment strategy is subject to change, and future performance cannot be guaranteed.

Portfolio manager(s)

John D. Laupheimer, Jr., MFS Senior Vice President and Director of Equity Research, joined MFS in 1981 and has managed the series since 1992. He is the lead portfolio manager.

Mitchell D. Dynan, MFS Senior Vice President, joined MFS in 1986 and has managed the series since 1995.

Key points

- invests in large established companies that have a long, consistent history of earnings growth
- invests in companies with a strong management that have proven ability to lead through a variety of market conditions

A RICH HISTORY

About MFS Investment Management[®] (MFS[®])

- America's oldest mutual fund organization
- More than \$147 billion in assets
- Introduced the first combination variable and fixed annuity with no initial sales charge in 1979
- Over five and a half million investor accounts worldwide
- Offices in Boston, London, Singapore, Sydney, and Tokyo

About Sun Life of Canada (U.S.)

- Sun Life of Canada (U.S.) has consistently received high ratings from all the major rating agencies. Ratings apply to the fixed accounts only.
- Over \$22.5 billion in annuity assets as of September 30, 2000

MFS Regatta[®] Annuities are combination variable/fixed annuities. Annuities are long-term, tax-deferred investments intended for retirement planning.

Withdrawals of earnings or other taxable amounts are subject to income tax and, if made prior to age 59 1/2, may be subject to an additional 10% federal tax penalty. Early withdrawals reduce the death benefit.

MFS Regatta[®] Annuities are available only from investment professionals licensed and appointed with Sun Life Assurance Company of Canada (U.S.), which issues the contract. **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.**

No representation is made, and no assurance can be given, that any investment's results will be comparable to the investment results of any other product with similar investment objectives and policies, including products with the same investment professional or manager. Differences in portfolio size, investments held, contract and fund expenses, and other factors can be expected to affect performance.

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MANAGEMENT PERSPECTIVE

- Q** What makes a conservative growth and income portfolio like Massachusetts Investors Trust (MIT) attractive to investors?
- A** We believe a blue-chip stock portfolio like MIT gives investors the opportunity to participate in the growth of some of America's great companies. In addition, with this type of portfolio, we think investors get good balanced exposure across the market's various sectors and an investment approach that tries to lean into the wind, rather than getting pushed around by it. In other words, when the market becomes extremely weak and volatile as we've seen during the past year, our conservative approach to stock picking, which is focused on risk-adjusted returns and growth at the right price, could provide the stability some investors are looking for in their portfolio.
- Q** Against that backdrop, how would you describe the investment process for the portfolio?
- A** Bottom line, we're looking for companies that are experiencing accelerating growth and profits, that are trying to capture new opportunities, and that are responding to new competition. We then determine how much we want to spend for that growth opportunity. For us, this decision really comes down to how confident we are in a company's outlook. However, before you can put a fair price on a stock, you need to research a number of elements. Does the company have a dominant market share or the potential to significantly grow market share? Is it a low-cost producer, and does it possess valuable proprietary assets? In terms of determining the right price to pay for a stock, we try to buy stocks at meaningful discounts to their intrinsic value — the price we think a "smart investor" would pay to acquire the company.
- Q** Are there any other factors that influence your decision to buy a stock?
- A** We also try to look for companies with a positive catalyst that could drive up profits and growth. Typically, that catalyst could take a number of forms, such as new management, restructuring, acquisitions, divestiture, or a new product cycle. In a best-case scenario, the catalyst will strengthen business momentum, the earnings growth will surprise the market, and we'll be rewarded with a nice gain on a previously undervalued stock.
- Q** During the past several months you significantly reduced the technology holdings in the portfolio while increasing health care, financial services, and industrial goods and services. What were the reasons for these changes?
- A** In the early part of 2000 our technology weighting was close to that of the Standard & Poor's 500 Stock Index¹, with an emphasis on networking and telecommunications equipment. Around this time we began to see deteriorating fundamentals in the technology sector, while other sectors of the portfolio, such as industrial goods and services, aerospace, insurance companies, and pharmaceuticals, were exhibiting improving business fundamentals. As a result, we started to shift additional assets out of technology and into areas such as commercial aircraft manufacturing, pharmaceuticals, and commercial property and casualty insurance.
- Q** How are you positioning the portfolio for 2001?
- A** As volatility has increased in the market, we think investors will continue to migrate into areas that offer attractive valuations and earnings reliability. As a result, we've been chipping away at some of the financial services, energy, and utility stocks that have done well for the portfolio and have started to look closely at some of the companies that have been beaten down well below what we believe are reasonable prices. While we still have a high level of confidence in our top holdings, we think areas such as technology and telecommunications are beginning to look attractive again.



JOHN D. LAUPHEIMER, JR.

John D. Laupheimer, Jr., CFA, is Senior Vice President and Director of Equity Research of MFS Investment Management® (MFS®). He is lead portfolio manager of Massachusetts Investors Trust, America's oldest mutual fund.

As Director of Equity Research, he is responsible for the hiring, training, and industry assignments of our team of equity research analysts, as well as the overall strategic direction of our MFS Original Research® process.

John also manages the growth and income and core equity portfolios of our variable annuity, offshore, and institutional product lines.

He joined the MFS Research Department in 1981 as a research analyst. He was named portfolio manager in 1987, Senior Vice President in 1995, and Director of Equity Research in 1999.

John is a graduate of Boston University and MIT's Sloan School of Management. He holds the Chartered Financial Analyst (CFA) designation and is a member of The Boston Security Analysts Society, Inc.

All equity portfolio managers began their careers at MFS as research analysts. Our portfolio managers are supported by an investment staff of over 160 professionals utilizing MFS Original Research®, a global, company-oriented, bottom-up process of selecting securities.

¹ The Standard and Poor's 500 Stock Index (the S&P 500) is an unmanaged but commonly used measure of common stock total return performance. It is not possible to invest directly in an index.

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