

MFS® MeridianSM U.S. Emerging Growth Fund

January 31, 2002



FUND FACTS

Fund commencement

Class A1: 01/31/01 Class A2: 09/16/98
Class B1: 01/31/01 Class B2: 12/02/91

Portfolio manager(s)

Donald F. Pitcher

Net assets

\$875.1 million

NAV

Class A1: \$28.08 Class A2: \$28.07
Class B1: \$27.31 Class B2: \$27.30

Symbols: CUSIP/Bloomberg

Class A1: G6015J242/MFMUEAA
Class A2: G6015E607/MFMUEAI
Class B1: G6015J424/MFMUEBA
Class B2: G6015E151/MFMUEBI

Portfolio structure

| | |
|-------|-------|
| Stock | 87.7% |
| Bond | 0.0% |
| Cash | 12.3% |

Top ten equity holdings

| | |
|----------------------------|------|
| GLOBESPANVIRATA INC | 2.8% |
| ZARLINK SEMICONDUCTOR | 2.7% |
| DOLLAR TREE STORES INC | 2.6% |
| LABORATORY CORP AMER HLDGS | 2.1% |
| SCHOLASTIC CORP | 1.9% |
| BRINKER INTL | 1.8% |
| COST PLUS INC. | 1.8% |
| FAMILY DLR STORES INC | 1.8% |
| WESTWOOD ONE INC | 1.6% |
| QUEST DIAGNOSTICS | 1.6% |

Five largest stock sectors

| | |
|-----------------------------|-------|
| Technology | 30.7% |
| Health Care | 16.5% |
| Leisure | 16.4% |
| Retailing | 12.5% |
| Special Products & Services | 10.8% |

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

INVESTMENT OBJECTIVE

The fund seeks long-term growth of capital. Dividend and interest income are incidental to the fund's objective.

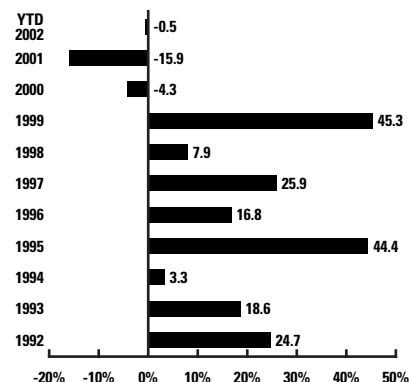
PERFORMANCE INFORMATION¹

NAV

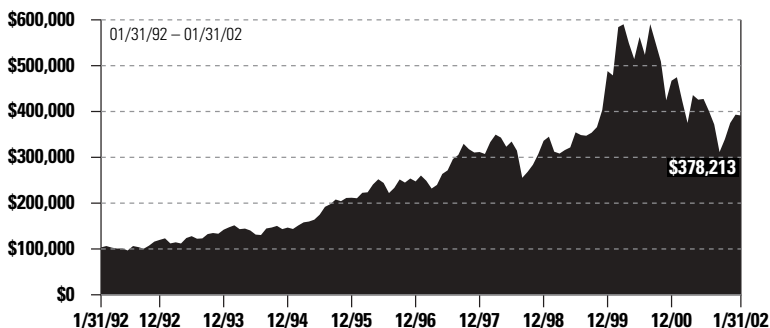
| | YTD | 1 Yr. | 3 Yr. | 5 Yr. | 10 Yr. |
|----------|-------|--------|-------|-------|--------|
| Class A1 | -0.4% | -16.7% | 4.7% | 8.7% | 14.4% |
| Class A2 | -0.4% | -16.8% | 5.2% | 9.1% | 14.5% |
| Class B1 | -0.5% | -17.6% | 4.3% | 8.5% | 14.2% |
| Class B2 | -0.5% | -17.6% | 4.3% | 8.5% | 14.2% |

Periods less than one year are actual not annualized.

CLASS B2 ANNUAL RATES OF RETURN¹



RESULTS OF A HYPOTHETICAL INVESTMENT OF \$100,000 SINCE THE INCEPTION OF CLASS B2¹



KEY POINTS

- Emerging growth companies, while offering greater risk than larger companies, have historically provided higher return.
- Fund seeks stocks which are growing at a rate of 20% or more which offer proprietary products or services.
- Fundamental analysis helps identify these companies early in their life cycles.

¹Fund performance calculations for newer share classes of an individual fund are based upon the performance of the oldest share class of that fund until the actual commencement date of the newer share class. As a result of expense differences, A1 and A2 performance calculated over classes B1 and B2 will generally be higher and B1 and B2 performance calculated over classes A1 and A2 would generally be lower. These results represent 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 and financial statements 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 the original cost. Past performance is no guarantee of future results. Market volatility can significantly affect short-term performance, and more recent returns may be different from those shown. Please contact your financial consultant for more current performance results.**

A prospectus containing more complete information, including charges and expenses, for any of the MFS International products can be obtained from your financial consultant. Read it carefully before you invest or send money. These funds are not for sale in the U.S. or to U.S. citizens or residents. Issued in the U.K. by MFS International (U.K.) Limited, regulated by the FSA in the conduct of investment business in the U.K. 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 investments are made. Investing in emerging growth companies is riskier than investing in more-established companies.

MANAGEMENT PERSPECTIVE

Q What is your investment philosophy?

A Our investment philosophy is based on the belief that earnings growth is the key variable that helps determine the future price of a stock. In other words, we feel earnings growth drives stock prices over time. We buy as early in a company's development as possible, trying to anticipate changes that will shape the earnings of the company and the industry in which it competes. We let our winners run as long as the growth factors and assumptions upon which the purchase decisions were based continue to be realized. We will add to positions if we believe the fundamentals remain intact.

Q Please discuss what has contributed to the fund's performance during the past quarter and what has detracted from performance.

A A large weighting in economically sensitive technology companies (computer software and semiconductors), specialty retailers, and restaurant stocks substantially outperformed the rising stock market in the fourth quarter as the market began to discount a recovery in the U.S. economy. On the negative side, the nearly 20% weighting in defensive health care stocks was a drag on performance in an up market led by cyclical stocks.

Q What is your outlook for 2002?

A In our view, the U.S. equity market will remain volatile with an upward bias as the U.S. economy and corporate earnings bottom. Because investors dislike uncertainty, it may be difficult to have a sustained rally in the stock market until it becomes apparent that corporate profits are not getting any worse. We feel once investors determine that the economy and earnings have bottomed, the stock market should begin to discount a recovery in the economy, which we believe will be led by the consumer. Also, we believe lower interest rates, taxes, and energy costs should result in a restimulation of consumer spending, which accounts for two-thirds of Gross Domestic Product growth.

When it becomes apparent that the economy and corporate earnings are picking up, consumer-related sectors could lead the recovery in the stock market. This would include the retail, restaurant, lodging, radio broadcasting, and semiconductor industries. Furthermore, whenever the U.S. economy comes out of a recession, part of the leadership in the stock market is usually found in small-cap growth stocks.



DONALD F. PITCHER

Donald F. Pitcher, Jr., is Senior Vice President of MFS Investment Management® (MFS®). He is portfolio manager of the emerging growth and global growth portfolios of our offshore investment products.

Mr. Pitcher joined MFS in 1971 as an Investment Officer. He was named Assistant Vice President in 1974, Vice President in 1977 and Senior Vice president in 1985.

He is a graduate of Harvard College and the Harvard Graduate School of Business Administration.

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.