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## University of Winnipeg Foundation Inc.

MFS Low Volatility Canadian Equity Fund

MFS Low Volatility Global Equity Fund

MFS Canadian Core Plus Fixed Income Fund

Fourth quarter 2018 investment report

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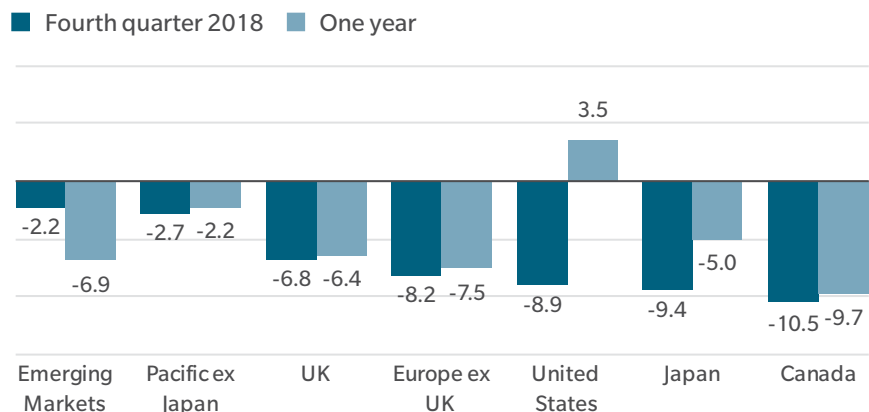
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Country and region information contained in this report is based upon MFS classification methodology which may differ from the methodology used by individual benchmark providers. Portfolio characteristics are based on equivalent exposure, which measures how a portfolio's value would change due to price changes in an asset held either directly or, in the case of a derivative contract, indirectly. The market value of the holding may differ.

# Market Overview

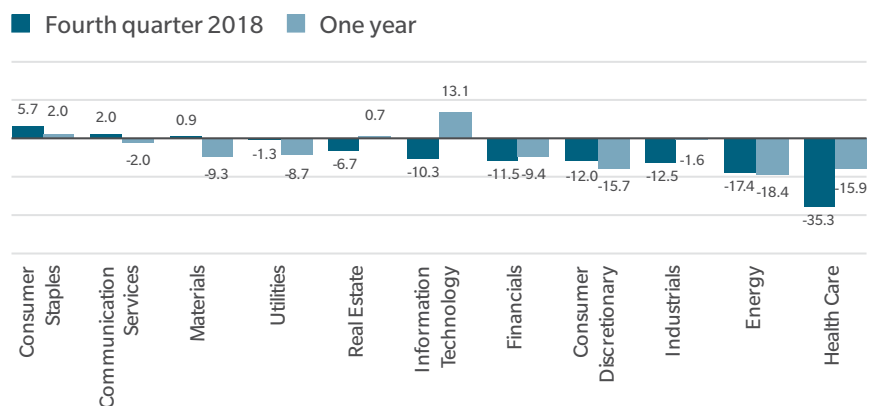


Global Equity performance (%) (CAD) as of 31-Dec-18



Source: FactSet. Region performance based on MSCI regional/country indexes.

Canadian Equity performance (%) (CAD) as of 31-Dec-18



Source: FactSet. Sector performance based on MSCI sector classification. The analysis of TSX Composite Index constituents are broken out by MSCI defined sectors.

## Fourth quarter 2018 Global Equity market review

- Global equities sold off in 4Q18, driven by a variety of factors including worries about less accommodative monetary policies, uncertainty in the US-China trade war and global trade frictions, and concerns around global growth slowdown, Brexit, etc.
- The equity market experienced a significant shift to defensives globally, growth stocks underperformed value stocks, and technology-related stocks were among the worst performers during the sell-off, a reversal of the trends in 2017 and much of 2018.
- Higher US short-term interest rates, global quantitative tightening, a strong US dollar and lower equity prices have tightened financial conditions. However, a renewed emphasis on data dependence has lowered the expectations for US Federal Reserve rate hikes in 2019.

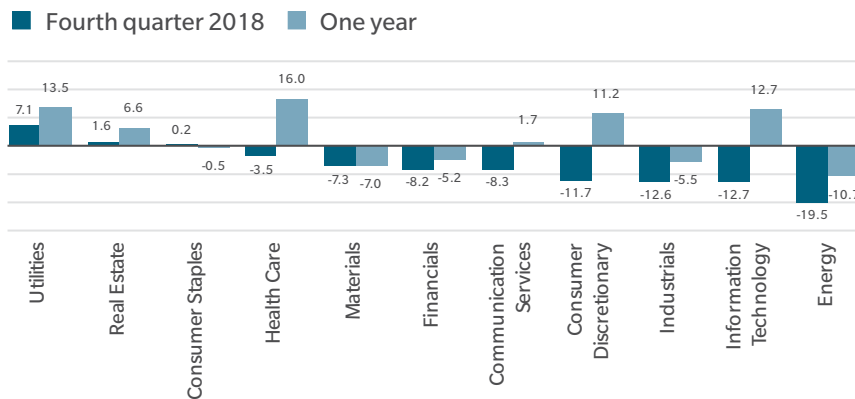
## Fourth quarter 2018 Canadian Equity market review

- The Canadian equity market sold off roughly 10% during the quarter, in tandem with the broad-based global equity selloff. The fourth quarter capped off a very turbulent 2018, which saw global equity market losses approach 10% in aggregate in local currency terms
- Sharply negative returns for integrated and exploration and development energy heavyweights pressured Canada's energy-heavy benchmark. Pipelines were spared, outperforming the sector and benchmark by a wide margin
- Energy-led weakness in Canada, coupled with broader global currency safe-haven flows, contributed to the CAD weakness, down 9% relative to the USD, during 2018
- While one-year forward earnings estimates for the S&P/TSX were unchanged from beginning of the quarter, the forward price-earnings multiple contracted, ending the quarter at roughly 13x, well below the 16x recorded at the start of 2018. Factoring in the post-Great Financial Crisis (GFC) 10-year average, the current forward P/E valuation is 13% below that average and is just 10% above the post-GFC low.

# Market Overview



## U.S. Equity performance (%) (CAD) as of 31-Dec-18

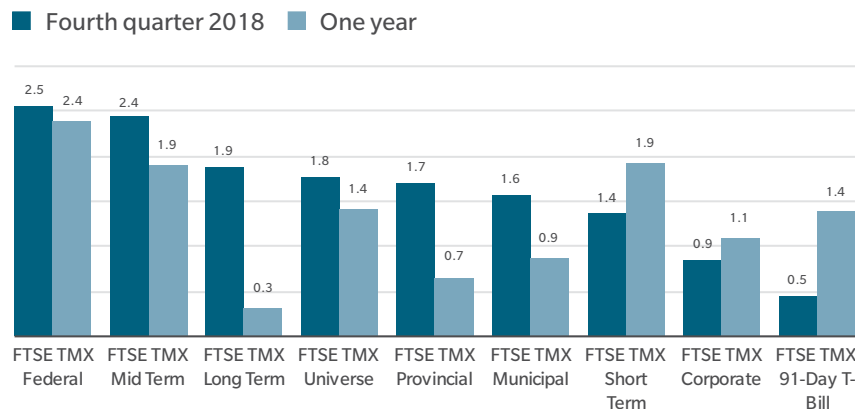


Source: FactSet. Sector performance based on MSCI sector classification. The analysis of S&P 500 Index constituents are broken out by MSCI defined sectors.

### Fourth quarter 2018 U.S. Equity market review

- The US market, as measured by the S&P 500 Index, was significantly lower during Q4, with the deepest losses coming in December. The market was weighed down by, rising interest rates, the potential for a larger trade war with China and a partial shutdown of the US government.
- While the US is still posting solid economic growth — GDP of 3.4% during Q3, investors are starting to anticipate slowing growth in 2019 and beyond. The Federal Reserve raised interest rates in December and signaled two more rate increases in 2019. The markets have been more volatile recently due to a flattening yield curve and its impact on the economy.
- In all three market caps (large, mid and small), value investing outperformed growth investing during the period. In Q4, the best performing sectors included utilities, real estate and consumer staples. In contrast, the worst performing sectors for the period included energy, technology and industrials. In addition, large-cap stocks outperformed both small- and mid-cap stocks during the quarter.

## Canadian Fixed Income performance (%) (CAD) as of 31-Dec-18



Source for benchmark performance SPAR, FactSet Research Systems Inc. All indices represent total return unless otherwise noted.

### Fourth quarter 2018 Canadian Fixed Income market review

- Government of Canada yields fell during the fourth quarter in response to growing concerns over global growth, as well as moderating growth in Canada and a seemingly more dovish Bank of Canada (BoC). This coincided with sharp moves lower in riskier assets as known headwinds, such as trade wars, Italian budget deficits and slowing economic growth, resulted in investors reconsidering their expectations for the future trajectory of economic growth and financial assets.
- Canadian provincial and corporate spreads moved wider, underperforming federal bonds, in the wake of the declining risk-sentiment that engulfed the fourth quarter. Canadian provincial and corporate spreads end the year wider by 26- and 43-basis-points, respectively.
- The BoC raised its policy rate 0.25% in October. The bite of higher interest rates on consumers has already emerged in interest rate sensitive sectors, such as housing and auto sales, as the rising cost of debt may continue to hinder consumption. The BoC may find it difficult to justify further rate hikes in 2019.

# Performance



Total annual gross performance (%) as of 31-Dec-18	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Portfolio	1.26	9.11	6.05	9.14	13.21	19.57	10.52	-1.96	7.73	15.38
Benchmark <sup>^</sup>	-2.70	9.55	8.33	6.61	12.22	16.83	8.16	1.04	9.46	14.06
Excess return	3.96	-0.44	-2.28	2.53	0.99	2.74	2.36	-3.00	-1.72	1.32

Source for benchmark performance SPAR, FactSet Research Systems Inc. All periods greater than one year are annualised.

**Past performance is no guarantee of future results.**

<sup>^</sup> 30% FTSE Canada Universe Bond Index, 40% MSCI All Country World Index (net div), 30% S&P/TSX Capped Composite linked to previous benchmark

Previous to June 2017 the benchmark blend was 5% FTSE Canada 91 Day T-Bill, 25% FTSE Canada Universe Bond, 14% MSCI EAFE, 29% BMO/TSX CAP 10%, 27% S&P 500. Index performance is a blend of the two indices.

# Performance



Performance results (%) as of 31-Dec-18	4Q 2018	1 Year	3 Years	5 Years	10 Years
<b>Total Portfolio</b>	<b>-2.44</b>	<b>1.26</b>	<b>5.42</b>	<b>7.68</b>	<b>8.83</b>
<b>Benchmark<sup>^</sup></b>	<b>-5.68</b>	<b>-2.70</b>	<b>4.91</b>	<b>6.68</b>	<b>8.21</b>
MFS Low Volatility Canadian Equity Fund	-6.82	-5.66	-	-	-
S&P/TSX Capped Composite Index linked to previous benchmark	-10.11	-8.89	-	-	-
MFS Low Volatility Global Equity Fund	-1.89	6.65	-	-	-
MSCI All Country World Index (net div)	-7.81	-1.26	-	-	-
MFS Canadian Core Plus Fixed Income Fund	0.85	0.34	-	-	-
FTSE Canada Universe Bond Index	1.76	1.41	-	-	-

Source: Benchmark performance from SPAR, FactSet Research Systems Inc. All periods greater than one year are annualised.

**Past performance is no guarantee of future results.**

Segregated fund performance is calculated on a gross of management fee basis. Pooled fund performance is calculated on a gross of management fee basis, net of the administrative fee expense calculation. Total portfolio performance is calculated on a gross of management fee basis and is impacted by timing of client flows along with asset mix changes and rebalancing.

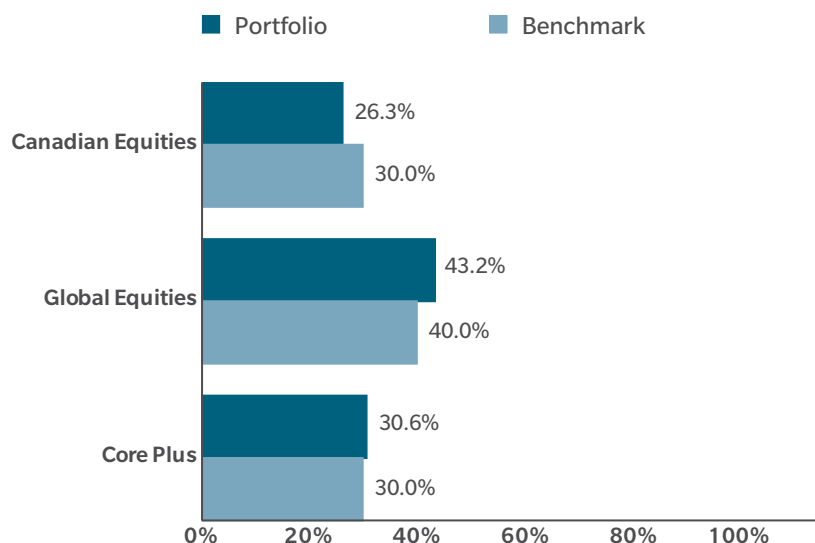
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# Asset Summary



Asset allocation as of 31-Dec-18



## MFS' asset mix view as of 31-Dec-2018

The combination of weakening global growth, tighter global monetary conditions and full risky asset valuations led to a meaningful adjustment in financial markets in the fourth quarter. For example, global equity markets had their worst three months since September 2011 and volatility spiked. Adding to the uncertainty was the ongoing US–China trade war, the standoff regarding Italian fiscal plans and the lack of progress on Brexit. Not surprisingly, high-quality government bonds caught a tailwind in the flight to safety. This left global central banks — who remain committed to normalizing monetary policy — facing the difficulty of tilting their communication to be dovish. With global inflation remaining modest, central bankers will have to adapt to an economic backdrop increasingly vulnerable to global shocks and a desire to normalize rates. The risk of a policy mistake has risen.

Overall, we continue to expect softer non-recessionary global growth with moderate inflation, but the risks remain to the downside. While the sell-off in risky assets has restored some value to equities, the dovish shift in central bank tone may support asset prices in the short-term, we remain cautious on the medium-term outlook.

We remain broadly neutral on equities within our balanced portfolios, not yet finding the conviction to overweight risk, with the lingering uncertainties. Regionally, we remain modestly underweight Canadian equities versus global equities. Within fixed income, we continue to believe that bonds will outperform cash.

Activity (CAD)	Beginning value as of 30-Sep-18	Contributions	Withdrawals	Intra-portfolio transfers	Change in market value	Ending value as of 31-Dec-18
Total Portfolio	67,686,756	+145,520	-2,005,478	0	-1,654,327	64,172,470
Cash	4,954	0	0	0	+4	4,958

Cash shown above may include residual amounts from client directed transactions. These amounts may be reinvested or withdrawn upon client instruction.



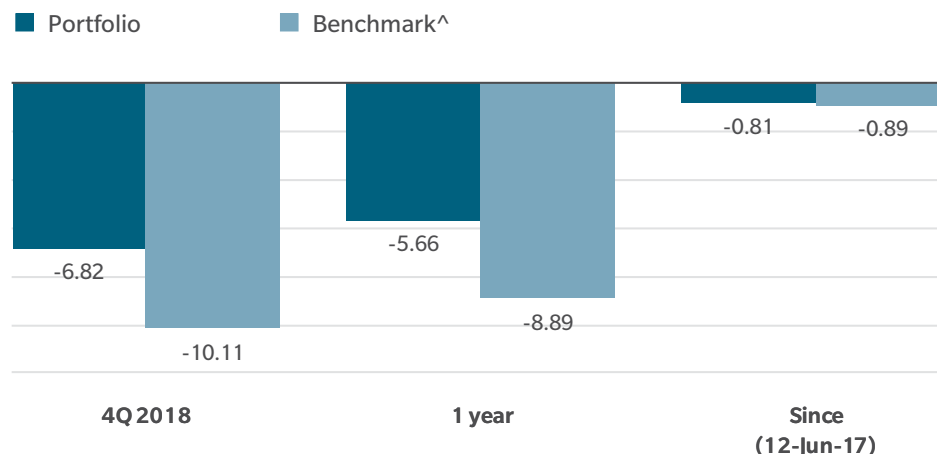
## MFS Low Volatility Canadian Equity Fund



# Executive Summary



## Performance results (%) net of expenses (CAD) as of 31-Dec-18



Source for benchmark performance SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualised.

**Past performance is no guarantee of future results.**

^ S&P/TSX Capped Composite Index linked to previous benchmark

## Asset summary (CAD)

Beginning value as of 30-Sep-18	18,653,614
Contributions	+40,746
Withdrawals	-561,534
Intra-portfolio transfers	+5
Change in market value	-1,258,241
Ending value as of 31-Dec-18	16,874,589

## Position weights (%) as of 31-Dec-18

	Portfolio	Benchmark^^
<b>Top overweights</b>		
QUEBECOR INC	4.2	0.3
THOMSON REUTERS CORP EQ	3.5	0.6
LOBLAW COMPANIES LTD (EQ)	3.1	0.5
<b>Top underweights</b>		
ROYAL BANK OF CANADA	3.9	6.7
TORONTO-DOMINION BANK/THE	3.7	6.2
BCE INC	-	2.4

## ^^ S&P/TSX Capped Composite Index

The MFS Low Volatility Canadian Equity Fund outperformed the S&P/TSX Capped Composite Index in the fourth quarter of 2018.

### Contributors

- Quebecor Inc
- Thomson Reuters Corp Eq
- Loblaw Companies Ltd (Eq)
- Emera Inc
- EnCana Corp (not held)
- Just Energy Group Inc

### Detractors

- BCE Inc (not held)
- Barrick Gold Corp (not held)
- Superior Plus Corp
- Methanex Corp
- Tourmaline Oil Corp
- Husky Energy Inc (Eq)

# Performance Results



Performance results (%) net of expenses (CAD) as of 31-Dec-18

Period	Portfolio (%)	Benchmark^ (%)	Excess return vs benchmark (%)
4Q 2018	-6.82	-10.11	3.29
3Q 2018	-1.11	-0.57	-0.53
2Q 2018	7.00	6.77	0.22
1Q 2018	-4.31	-4.52	0.21
2018	-5.66	-8.89	3.23
1 year	-5.66	-8.89	3.23
Since client inception (12-Jun-17)	-0.81	-0.89	0.08

Source for benchmark performance SPAR, FactSet Research Systems Inc. All periods greater than one year are annualised.

**Past performance is no guarantee of future results.**

^ S&P/TSX Capped Composite Index linked to previous benchmark

## Performance Drivers - Sectors



Relative to S&P/TSX Capped Composite Index (CAD) - fourth quarter 2018		Average relative weighting (%)	Portfolio returns (%)	Benchmark returns (%)	Sector allocation (%)	+ Stock selection (%)	= Relative contribution (%)
<b>Contributors</b>	Energy	-1.8	-24.9	-27.7	0.4	0.3	0.7
	Utilities	1.2	2.8	-1.4	0.1	0.5	0.6
	Retailing	3.3	4.0	1.0	0.4	0.2	0.6
	Special Products & Services	7.4	-3.6	-4.2	0.4	0.1	0.5
	Industrial Goods & Services	1.3	-3.2	-13.9	-0.0	0.5	0.5
	Communications	2.5	3.6	2.8	0.3	0.1	0.4
	Health Care	-1.1	-	-35.7	0.3	-	0.3
	Technology	0.7	-10.1	-15.4	-0.0	0.2	0.2
	Transportation	-3.3	-11.1	-12.2	0.1	0.0	0.1
	Cash	0.7	0.4	-	0.0	-	0.0
	Autos & Housing	0.8	-8.1	-10.3	-0.0	0.0	0.0
	Leisure	-0.6	-8.4	-10.9	-0.0	0.0	0.0
	<b>Detractors</b>	Basic Materials	-5.2	-2.9	-1.8	-0.4	-0.1
Consumer Staples		1.9	-11.6	-5.3	0.1	-0.2	-0.1
Financial Services		-7.7	-11.4	-11.1	0.1	-0.1	-0.0
<b>Total</b>			<b>-6.8</b>	<b>-10.1</b>	<b>1.7</b>	<b>1.5</b>	<b>3.3</b>

Attribution results are generated by the FactSet application utilising a methodology which is widely accepted in the investment industry. Results are based upon daily holdings using a buy and hold methodology to generate individual security returns and do not include expenses. As such, attribution results are essentially estimates and may not aggregate to the total return of the portfolio or of the benchmark which can be found elsewhere in this presentation.

## Performance Drivers - Stocks



Relative to S&P/TSX Capped Composite Index (CAD) - fourth quarter 2018		Average Weighting (%)		Returns (%)		Relative contribution (%)
		Portfolio	Benchmark	Portfolio <sup>1</sup>	Benchmark	
<b>Contributors</b>	Quebecor Inc	3.9	0.2	11.2	11.2	0.7
	Thomson Reuters Corp Eq	3.4	0.6	12.5	12.5	0.6
	Loblaw Companies Ltd (Eq)	3.0	0.5	14.2	14.2	0.5
	Emera Inc	3.1	0.5	10.4	10.4	0.5
	EnCana Corp	-	0.5	-	-53.3	0.3
<b>Detractors</b>	BCE Inc	-	2.3	-	4.4	-0.3
	Barrick Gold Corp	-	1.0	-	29.9	-0.3
	Superior Plus Corp	2.0	0.1	-22.3	-22.3	-0.3
	Methanex Corp	1.1	0.3	-35.2	-35.2	-0.2
	Tourmaline Oil Corp	1.4	0.2	-24.9	-24.9	-0.2

<sup>1</sup> Represents performance for the time period stock was held in portfolio.

Attribution results are generated by the FactSet application utilising a methodology which is widely accepted in the investment industry. Results are based upon daily holdings using a buy and hold methodology to generate individual security returns and do not include expenses. As such, attribution results are essentially estimates and may not aggregate to the total return of the portfolio or of the benchmark which can be found elsewhere in this presentation.

## Significant Impacts on Performance - Contributors



Relative to S&P/TSX Capped Composite Index (CAD) - fourth quarter 2018		Relative contribution (%)
<b>Quebecor Inc</b>	An overweight position in Canadian regional communications company Quebecor contributed to relative performance. The company's earnings results came in ahead of market consensus, driven by better-than-expected telecommunications margins and lower corporate expenses.	0.7
<b>Thomson Reuters Corp Eq</b>	Overweighting shares of financial market news and information publisher Thomson Reuters (Canada) aided relative performance. During the reporting period, the company completed a significant share repurchase, buying back approximately \$6.5 billion in outstanding shares, for \$47 per share. Later in the period, the company reported solid third-quarter earnings results which were highlighted by healthy organic revenue growth, notably in its legal segment.	0.6
<b>Loblaw Companies Ltd (Eq)</b>	The portfolio's overweight position in Canadian food retailer Loblaw Companies supported relative performance. The stock was boosted by a successful shareholder vote to spin-off Choice REIT to George Weston Limited (the majority shareholder of Loblaw). Loblaw will now re-focus on retail operations as opposed to real estate management.	0.5
<b>Emera Inc</b>	Overweighting shares of electricity and gas distributor Emera (Canada) contributed to relative returns. The stock's price appreciated after the company delivered solid quarterly results that came in above expectations, driven by strength in all operating segments and a tax benefit within the company's corporate division.	0.5
<b>EnCana Corp</b>	Avoiding shares of natural gas company EnCana (Canada) contributed to relative performance. Although the company reported third-quarter earnings that beat market expectations, the stock declined after management's announcement that it would be merging with US-based Newfield Exploration Company; purchasing the company in an all-stock deal valued at \$7.7 billion.	0.3
<b>Just Energy Group Inc</b>	Portfolio holdings of Canadian natural gas and electricity retailer Just Energy Group contributed to relative returns. Quarterly EBITDA exceeded consensus estimates, driven by better-than-expected realized gross margins, as last quarter's price increases began contributing to returns. Company management reiterated their full-year 2019 guidance, which further supported the stock.	0.3

## Significant Impacts on Performance - Detractors



Relative to S&P/TSX Capped Composite Index (CAD) - fourth quarter 2018		Relative contribution [%]
<b>BCE Inc</b>	Not owning shares of telecommunications and media company BCE (Canada) held back relative performance. Shares traded higher as the company reported third-quarter earnings ahead of estimates, driven by strong wireless revenue results.	-0.3
<b>Barrick Gold Corp</b>	Not holding gold producer Barrick Gold (Canada) hurt relative performance over the reporting period. The stock advanced, notably early in the period, as the company announced preliminary third-quarter operating results and guidance that largely met expectations. Gold and copper production volumes were slightly below estimates, but sales of the two metals were strong as the company sold from inventory. Management reiterated its full-year production guidance, but investors' attention appeared to have been focused on the upcoming merger with Randgold, which is expected to close in the first quarter of 2019. Broadly, Canadian gold stocks, as a group, benefited from a significant defensive shift in investor sentiment as global economic data continued to soften.	-0.3
<b>Superior Plus Corp</b>	A portfolio overweight to Canadian energy distribution and specialty chemicals provider Superior Plus weighed on relative returns for the period. Adjusted EBITDA for the quarter came in lower than consensus estimates, driven by weak wholesale natural gas liquids fundamentals and a larger-than-expected impact from the divestment of US wholesale assets. Management reiterated its expectations to come in at the low end of its full-year 2018 guidance, which further pressured the stock.	-0.3
<b>Methanex Corp</b>	The portfolio's overweight position in methanol producer Methanex (Canada) weighed on relative results. Although the company reported in-line third-quarter earnings results, its shares declined following volatile oil prices and what appeared to have been investor concerns around a global slowdown, particularly in China.	-0.2
<b>Tourmaline Oil Corp</b>	An overweight position in petroleum and natural gas producer Tourmaline Oil (Canada) held back relative performance. The stock price declined as the company reported a muted quarter, with production impacted by a number of third-party outages and wet field conditions. Lower absolute volumes led to higher-than-anticipated per-unit operating, transportation and general and administrative costs.	-0.2
<b>Husky Energy Inc (Eq)</b>	A portfolio overweight to Canadian integrated energy company Husky Energy weighed on relative returns. Company management reduced forward guidance for full-year 2018 production by 4%, while increasing their capital budget by 5-10%. The company's stock followed the price of crude oil downward during the quarter.	-0.2

## Significant Transactions



From 01-Oct-18 to 31-Dec-18		Transaction type	Trade (%)	Ending weight (%)
<b>Purchases</b>	BOARDWALK REAL ESTATE INVESTMENT TRUST	New position	1.6	1.5
	PEMBINA PIPELINE CORP	New position	1.3	1.2
	MORNEAU SHEPELL INC	New position	1.0	1.0
	NFI GROUP INC	New position	1.0	1.0
	KEYERA CORP (EQ)	New position	0.8	0.8
<b>Sales</b>	JUST ENERGY GROUP INC	Eliminate position	-1.4	-
	AIR CANADA	Eliminate position	-1.3	-
	CHOICE PROPERTIES REIT (EQ)	Trim	-1.2	1.0
	EMERA INC	Trim	-0.9	2.7
	GREAT CANADIAN GAMING CORP	Eliminate position	-0.7	-

# Sector Weights



As of 31-Dec-18	Portfolio (%)	Benchmark^ (%)	Underweight/overweight (%)
Consumer Staples	8.5	4.0	4.5
Leisure	9.3	5.7	3.6
Technology	6.4	4.2	2.2
Industrial Goods & Services	11.8	10.6	1.2
Utilities	8.0	6.8	1.2
Communications	3.7	4.7	-1.0
Energy	13.8	15.3	-1.5
Health Care	-	1.5	-1.5
Basic Materials	7.2	10.8	-3.6
Financial Services	30.6	36.3	-5.7

^ S&P/TSX Capped Composite Index

0.8% Cash & cash equivalents

Source: Barra industry data shown using MFS' sector classification methodology.



# Top Overweight and Underweight Positions



As of 31-Dec-18		Portfolio (%)	Benchmark^ (%)
<b>Overweight</b>	QUEBECOR INC	4.2	0.3
	THOMSON REUTERS CORP EQ	3.5	0.6
	LOBLAW COMPANIES LTD (EQ)	3.1	0.5
	MAPLE LEAF FOODS INC	2.6	0.1
	WASTE CONNECTIONS INC (EQ)	3.7	1.3
<b>Underweight</b>	ROYAL BANK OF CANADA	3.9	6.7
	TORONTO-DOMINION BANK/THE	3.7	6.2
	BCE INC	-	2.4
	BROOKFIELD ASSET MANAGEMENT INC	-	2.3
	BANK OF NOVA SCOTIA	2.2	4.2

^ S&P/TSX Capped Composite Index

# Characteristics



As of 31-Dec-18	Portfolio	Benchmark <sup>^</sup>
<b>Fundamentals - weighted average</b>		
Price/earnings (12 months forward ex-negative earnings)	13.1x	12.7x
Price/sales	1.3x	1.4x
Price/cash flow	8.8x	8.4x
Free cash flow yield (12 months trailing)	7.6%	5.3%
Price/book	1.7x	1.6x
Dividend yield	3.3%	3.4%
PEG ratio	1.3x	1.1x
IBES long-term EPS growth <sup>1</sup>	11.7%	11.3%
Return on equity (3-year average)	13.5%	10.9%
Return on invested capital	7.5%	6.7%
<b>Market capitalisation</b>		
Market capitalisation (CAD) <sup>2</sup>	34.6 bn	44.3 bn
<b>Diversification</b>		
Top ten holdings	36%	38%
Number of holdings	53	241
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	32%	-
<b>Risk profile (current)</b>		
Active share	51%	-

Top 10 issuers as of 31-Dec-18	Portfolio (%)	Benchmark <sup>^</sup> (%)
QUEBECOR INC	4.2	0.3
ROYAL BANK OF CANADA	3.9	6.7
WASTE CONNECTIONS INC (EQ)	3.7	1.3
TORONTO-DOMINION BANK/THE	3.7	6.2
TELUS CORP	3.7	1.4
ENBRIDGE INC (EQ)	3.5	4.3
THOMSON REUTERS CORP EQ	3.5	0.6
TRANSCANADA CORP	3.4	2.2
SUNCOR ENERGY INC	3.3	3.1
CONSTELLATION SOFTWARE INC/CANADA	3.1	0.9
<b>Total</b>	<b>36.0</b>	<b>26.9</b>

<sup>^</sup> S&P/TSX Capped Composite Index

**No forecasts can be guaranteed.**

<sup>1</sup> Source: Ibbotson

<sup>2</sup> Weighted average.

<sup>3</sup> (Lesser of Purchase or Sales)/Average Month End Market Value

## Portfolio Outlook and Positioning



Canadian equities, as measured by the S&P TSX Composite Index, while participating in the fourth-quarter global sell-off, outperformed the broader global benchmarks. Leading economic indicators continue to soften, and unsurprisingly, earnings revisions ratios have collapsed, with particular weakness in the more cyclical sectors such as industrials and consumer discretionary. Expectations for further rate hikes from the Bank of Canada have largely been reined in given declining energy prices, global growth concerns, a more balanced housing market and weakening consumer fundamentals. Trade also remains an unresolved issue as a new, divided US Congress still needs to pass an agreement while steel and aluminum tariffs remain in place. Finally, record-level light-heavy oil differentials with Western Canadian Select Crude Oil narrowed during the quarter in response to the Alberta government's directed production cuts and an end to the temporary shutdowns of key US refineries.

Sector leadership shifted during the quarter, with the cannabis-driven health care sector giving back much of the gains made in the third quarter. Beyond this seemingly event driven shift, sector leadership swung defensive with consumer staples, telecoms, utilities and materials posting strong relative returns, the latter driven by the defensive gold stocks. Cyclical sectors broadly lagged as the future growth outlook waned.

From a style and size perspective, market leadership reflected the significant shift in risk appetite. High-quality stocks significantly outperformed low-quality while growth slightly outperformed value stocks. Large-cap stocks were again the strongest performers during the period, followed by small caps and midcaps.

At the factor level, earnings quality metrics were generally strong; however, operational quality metrics such as ROE and ROIC were notably weak, a divergent profile from other global markets. Earnings momentum factors were extremely weak while price momentum and sentiment factors also lagged. Valuation metrics were mixed; however, dividend yield, a more defensive value factor, produced strong results. Lastly, the deterioration of the beta factor intensified.

The volatility environment continued to be favorable for low-volatility investing during the quarter, and this was reflected by strong relative performance by the MFS Low Volatility Canadian Equity strategy. Strong performance from the fundamental input offset more middling performance by the quantitative models.

Intersection holdings, which are stocks rated buy by our fundamental and quantitative research inputs, benefited performance during the period. Utility company **Emera**, a significant detractor last quarter, was a leading intersection holding in the fourth quarter.

## Portfolio Outlook and Positioning



Our fundamental research team, which emphasizes quality and takes a long-term perspective when evaluating companies, produced very strong results with buy-rated stocks significantly outperforming. Buy-rated Quebec-based cable and mobile telecom company **Quebecor**, national grocery chain **Loblaw** and global information services leader **Thomson Reuters** all posted strong relative performance and more than offset the weakness of buy-rated propane distributor **Superior Plus**.

The quantitative input to our process, which emphasizes attractively valued, above-average-quality companies with a catalyst, produced mixed results during the period as higher valuation, lower momentum and low-quality stocks all outperformed. This inconsistent performance profile suggests the interaction between the factors and the fundamental research input had a significant positive impact on performance.

At the sector level, stock selection and an underweight allocation in the energy sector coupled with stocks selection and an overweight in the retailing sector were significant contributors to relative performance. Additionally, stock selection in the utilities and industrial goods and services sectors benefited results. Finally, overweight allocations in the communications and special products and services sectors coupled with an underweight in the health care sector also added significantly to relative returns. The portfolio's underweight position in the basic materials sector was the most significant detractor.

Given the near trade risks, coupled with the weakening economic data and earnings outlook, market leadership is likely to maintain a more defensive profile. Potential headwinds to the Canadian market include global trade tensions, a highly indebted consumer and pipeline approvals. Declining economic momentum and a flattening yield curve will likely result in volatility continuing to trend higher in the upcoming quarters. A shift from growth to value leadership is not uncommon in this advanced part of the cycle as investors look to more defensive characteristics like lower beta and higher-yielding stocks.. Within a quantitative framework we expect quality factors, such as ROE and ROIC, to support relative performance while valuation metrics will be less of a headwind.

In this transitioning environment, we expect the MFS Low Volatility Canadian Equity strategy to benefit from the quality focus of our fundamental research analysts and quality factors in our quantitative model while minimizing relative risk by maintaining our valuation discipline and employing our disciplined portfolio construction process, which seeks to avoid the most volatile stocks in the global universe.

**Key trades for the quarter included the following:**

## Portfolio Outlook and Positioning



- We added energy midstream services company **Pembina Pipeline Corp** in the quarter to partially reduce an underweight to Energy. The stock is very attractive from a quantitative perspective, with strong earnings momentum and cheap valuation versus peers. The company delivered strong earnings and began to realize synergies from their recent acquisition of Veresen.
- We bought transportation manufacturer **NFI Group** during the period following recent weakness. The analyst believes the market overreacted to certain non-recurring factors that had an impact on earnings. Price momentum, valuation and quality are attractive in our quantitative research.
- We established a position in **Morneau Shepell** as the HR services company continues to benefit from the recent acquisition of Lifeworks and has an opportunity to gain share long term. Quantitatively, price momentum and quality exhibited strength.
- We sold **Air Canada** from the portfolio as the stock experienced a significant increase in volatility over the quarter.
- We sold **Great Canadian Gaming Corp** as the gaming, entertainment and hospitality company's stock experienced an uptick in volatility following a strong earnings report.

The commentary included in this report was based on a representative fully discretionary portfolio for this product style; as such the commentary may include securities not held in your portfolio due to account, fund, or other limits.

## Portfolio Holdings



As of 31-Dec-18	Equivalent exposure (%)
<b>Autos &amp; Housing</b>	<b>1.9</b>
Magna International Inc	1.9
<b>Basic Materials</b>	<b>6.5</b>
Stella-Jones Inc	1.6
Franco-Nevada Corp	1.6
Goldcorp Inc	1.6
Methanex Corp	0.9
Agnico Eagle Mines Ltd	0.8
<b>Cash &amp; Cash Equivalents</b>	<b>0.8</b>
Cash & Cash Equivalents	0.8
<b>Communications</b>	<b>7.9</b>
Quebecor Inc	4.2
TELUS Corp	3.7
<b>Consumer Staples</b>	<b>2.6</b>
Maple Leaf Foods Inc	2.6
<b>Energy</b>	<b>7.8</b>
Suncor Energy Inc	3.3
Canadian Natural Resources Ltd	1.6
Tourmaline Oil Corp	1.2
Imperial Oil Ltd	0.9
Husky Energy Inc	0.7
<b>Financial Services</b>	<b>28.5</b>
Royal Bank of Canada	3.9
Toronto-Dominion Bank	3.7
Bank of Montreal	2.8
Intact Financial Corp	2.7
National Bank of Canada	2.4
Canadian Imperial Bank of Commerce	2.4
Manulife Financial Corp	2.3
Bank of Nova Scotia	2.2
Great-West Lifeco Inc	1.9
Boardwalk Real Estate Investment Trust REIT	1.5
Choice Properties Real Estate Investment Trust REIT	1.0

As of 31-Dec-18	Equivalent exposure (%)
<b>Financial Services</b>	<b>28.5</b>
Industrial Alliance Insurance & Financial Services Inc	0.9
TMX Group Inc	0.9
<b>Industrial Goods &amp; Services</b>	<b>5.7</b>
Waste Connections Inc	3.7
NFI Group Inc	1.0
SNC-Lavalin Group Inc	0.5
Stantec Inc	0.5
<b>Leisure</b>	<b>0.9</b>
Transcontinental Inc	0.9
<b>Retailing</b>	<b>7.9</b>
Loblaw Cos Ltd	3.1
Alimentation Couche-Tard Inc	2.4
Dollarama Inc	0.8
George Weston Ltd	0.6
Gildan Activewear Inc	0.5
Canadian Tire Corp Ltd	0.5
<b>Special Products &amp; Services</b>	<b>10.6</b>
Thomson Reuters Corp	3.5
CGI Group Inc	2.6
Boyd Group Income Fund IEU	2.1
Superior Plus Corp	1.4
Morneau Shepell Inc	1.0
<b>Technology</b>	<b>3.8</b>
Constellation Software Inc/Canada	3.1
Enghouse Systems Ltd	0.7
<b>Transportation</b>	<b>2.0</b>
Canadian National Railway Co	2.0
<b>Utilities</b>	<b>13.2</b>
Enbridge Inc	3.5
TransCanada Corp	3.4
Emera Inc	2.7
Pembina Pipeline Corp	1.2

# Portfolio Holdings



As of 31-Dec-18	Equivalent exposure (%)
<b>Utilities</b>	<b>13.2</b>
Fortis Inc/Canada	0.9
Keyera Corp	0.8
TransAlta Renewables Inc	0.6



## CERTIFICATE OF PORTFOLIO COMPLIANCE

### **MFS Low Volatility Canadian Equity Fund**

To the best of my knowledge, for the quarter ending December 31, 2018, MFS Investment Management Canada Limited (“MFS”) complied in all material respects with the investment restrictions contained in the applicable Offering Memorandum or Offering Memoranda for the MFS Low Volatility Canadian Equity Fund. Such certification is subject to the following conditions: (i) MFS' compliance testing is performed using portfolio valuation reports derived from its internal security inventory system and not the books and records of the Portfolio; and (ii) MFS is responsible for compliance with the investment restrictions as stated in the applicable Offering Memorandum or Offering Memoranda.

MFS Investment Management Canada Limited

BY:   
**Christina Forster Paziienza, CPA, CA**  
**Vice President & Chief Compliance Officer**

DATE: January 10, 2019



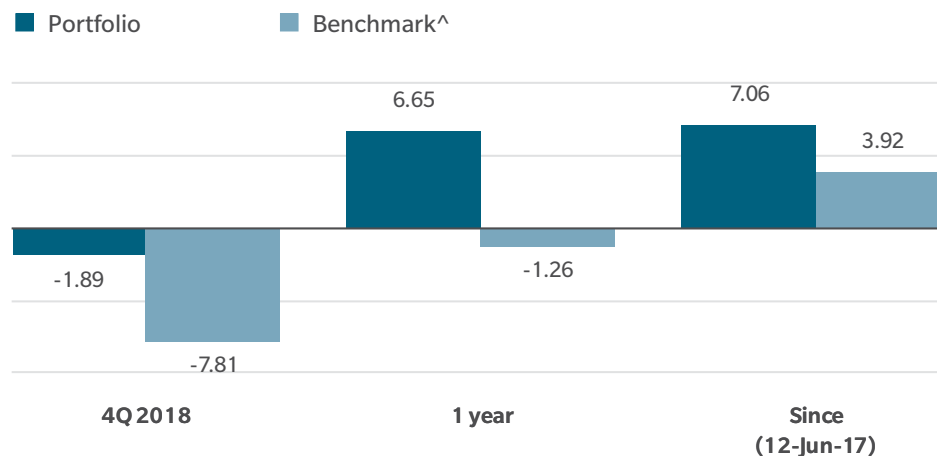


## MFS Low Volatility Global Equity Fund

# Executive Summary



## Performance results (%) net of expenses (CAD) as of 31-Dec-18



Source for benchmark performance SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualised.

**Past performance is no guarantee of future results.**

^ MSCI All Country World Index (net div)

## Asset summary (CAD)

Beginning value as of 30-Sep-18	29,029,450
Contributions	+61,118
Withdrawals	-842,301
Intra-portfolio transfers	-10
Change in market value	-558,663
Ending value as of 31-Dec-18	27,689,594

## Position weights (%) as of 31-Dec-18

	Portfolio	Benchmark^^
<b>Top overweights</b>		
TERUMO CORP	2.9	0.0
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	2.8	0.4
NICE LTD	2.2	0.0
<b>Top underweights</b>		
APPLE INC	-	1.9
MICROSOFT CORP	-	1.8
AMAZON.COM INC	-	1.5

^^ MSCI All Country World Index

The MFS Low Volatility Global Equity Fund outperformed the MSCI All Country World Index in the fourth quarter of 2018.

### Contributors

- Apple Inc (not held)
- Store Capital Corp
- Roche Holding Ltd
- Franco-Nevada Corp
- Terumo Corp
- Abc-Mart Inc

### Detractors

- Lockheed Martin Corp
- Vtech Holdings Ltd
- Kia Motors Corp
- Taiwan Semiconductor
- Dxc Technology Co

# Performance Results



Performance results (%) net of expenses (CAD) as of 31-Dec-18

Period	Portfolio (%)	Benchmark^ (%)	Excess return vs benchmark (%)
4Q 2018	-1.89	-7.81	5.92
3Q 2018	4.08	2.47	1.62
2Q 2018	3.23	2.58	0.65
1Q 2018	1.18	1.91	-0.73
2018	6.65	-1.26	7.91
1 year	6.65	-1.26	7.91
Since client inception (12-Jun-17)	7.06	3.92	3.13

Source for benchmark performance SPAR, FactSet Research Systems Inc. All periods greater than one year are annualised.

**Past performance is no guarantee of future results.**

^ MSCI All Country World Index (net div)

## Performance Drivers - Sectors



Relative to MSCI All Country World Index (CAD) - fourth quarter 2018		Average relative weighting (%)	Portfolio returns (%)	Benchmark returns (%)	Sector allocation (%) +	Stock selection (%) +	Currency effect (%) =	Relative contribution (%)
<b>Contributors</b>	Health Care	4.3	2.7	-4.2	0.2	1.0	0.1	1.3
	Utilities	5.0	8.0	4.6	0.6	0.2	0.1	0.9
	Financial Services	-3.3	-0.9	-5.9	-0.1	0.8	0.0	0.8
	Retailing	0.3	0.5	-11.1	-0.0	0.6	0.1	0.8
	Consumer Staples	6.1	0.1	-1.3	0.4	0.2	0.0	0.6
	Technology	-6.1	-10.4	-12.3	0.3	0.2	-0.0	0.5
	Energy	-3.2	-13.8	-16.4	0.3	0.1	0.1	0.4
	Communications	4.1	-1.2	0.5	0.3	-0.1	0.1	0.2
	Leisure	-0.5	2.5	-6.0	-0.0	0.3	-0.0	0.2
	Basic Materials	-2.8	2.3	-7.7	-0.0	0.2	-0.0	0.2
	Special Products & Services	-1.3	-4.7	-8.8	0.0	0.1	0.0	0.2
	Industrial Goods & Services	-0.8	-11.2	-12.5	0.0	0.1	0.0	0.1
	Cash	0.7	0.4	-	0.1	-	-0.0	0.1
	Transportation	-0.9	-7.7	-8.2	-0.0	-0.0	0.0	0.0
<b>Detractors</b>	Autos & Housing	-1.6	-12.9	-8.3	-0.0	-0.1	0.0	-0.1
<b>Total</b>			-1.7	-7.7	2.0	3.5	0.5	6.0

Attribution results are generated by the FactSet application utilising a methodology which is widely accepted in the investment industry. Results are based upon daily holdings using a buy and hold methodology to generate individual security returns and do not include expenses. As such, attribution results are essentially estimates and may not aggregate to the total return of the portfolio or of the benchmark which can be found elsewhere in this presentation.

## Performance Drivers - Stocks



Relative to MSCI All Country World Index (CAD) - fourth quarter 2018		Average Weighting (%)		Returns (%)		Relative contribution (%)
		Portfolio	Benchmark	Portfolio <sup>1</sup>	Benchmark	
<b>Contributors</b>	Apple Inc	-	2.2	-	-25.9	0.4
	Store Capital Corp	2.0	-	8.9	-	0.3
	Roche Holding Ltd	2.4	0.4	7.2	7.2	0.3
	Franco-Nevada Corp	1.1	0.0	18.9	18.9	0.3
	Terumo Corp	2.8	0.0	1.2	1.2	0.3
<b>Detractors</b>	Lockheed Martin Corp	1.8	0.2	-19.4	-19.4	-0.2
	Vtech Holdings Ltd	0.9	-	-22.9	-	-0.1
	Kia Motors Corp	0.2	0.0	-16.4	3.3	-0.1
	Taiwan Semiconductor	2.8	0.4	-11.7	-9.8	-0.1
	Dxc Technology Co	0.2	0.0	-33.4	-39.7	-0.1

<sup>1</sup> Represents performance for the time period stock was held in portfolio.

Attribution results are generated by the FactSet application utilising a methodology which is widely accepted in the investment industry. Results are based upon daily holdings using a buy and hold methodology to generate individual security returns and do not include expenses. As such, attribution results are essentially estimates and may not aggregate to the total return of the portfolio or of the benchmark which can be found elsewhere in this presentation.

## Significant Impacts on Performance - Contributors



Relative to MSCI All Country World Index (CAD) - fourth quarter 2018		Relative contribution [%]
<b>Apple Inc</b>	Not owning shares of computer and personal electronics maker Apple (United States) contributed to relative returns, following softer-than-anticipated iPhone demand, lower revenue from the company's Services segment and a potential new 10% tariff on iPhones, imposed by the US administration.	0.4
<b>Store Capital Corp</b>	Holdings of real estate investment trust Store Capital (United States) bolstered relative returns. The company reported stronger-than-expected results, driven by higher net operating income from more robust acquisition volume. The company also raised its 2018 AFFO guidance, which further supported the stock.	0.3
<b>Roche Holding Ltd</b>	A portfolio overweight to Swiss research healthcare company Roche Holding contributed to relative returns. The stock advanced as the company reported 7% local-currency group sales growth, driven by strength in Ocrevus, Hemlibra and Tecentriq pharmaceutical sales. Company management also reiterated their forward guidance, which further supported the stock.	0.3
<b>Franco-Nevada Corp</b>	An overweight position in gold-focused royalty and stream company Franco-Nevada (Canada) positively impacted relative performance. The company reported quarterly earnings that were above consensus estimates, due to higher-than-anticipated oil and gas revenues. Management also increased its guidance for oil and gas revenues, which further supported the stock.	0.3
<b>Terumo Corp</b>	An overweight position in medical products and equipment manufacturer Terumo (Japan) supported relative returns. Shares advanced, although they remained relatively flat over the period, as the company reported first-half financial results that were in line with prior guidance.	0.3
<b>Abc-Mart Inc</b>	The portfolio's overweight position in apparel and footwear producer ABC-Mart (Japan) contributed to relative returns. The stock rose as the company's quarterly sales and operating profit came in ahead of expectations, driven by a better product mix and reduced discounts for sales.	0.2

## Significant Impacts on Performance - Detractors



Relative to MSCI All Country World Index (CAD) - fourth quarter 2018		Relative contribution [%]
<b>Lockheed Martin Corp</b>	Overweighting shares of defence company Lockheed Martin (United States) detracted from relative performance. Although the company reported decent third-quarter earnings results, which beat consensus estimates, the stock traded lower following the unexpected announcement that their CFO would be retiring.	-0.2
<b>Vtech Holdings Ltd</b>	The portfolio's holdings of Hong Kong consumer electronics products manufacturer VTech Holdings held back relative returns as revenues declined in the first half of the year, owing to higher costs and weaker sales in telecommunications and electronic learning products.	-0.1
<b>Kia Motors Corp</b>	The timing of the portfolio's ownership in shares of motor vehicle manufacturer Kia Motors (South Korea) held back relative returns. The stock declined as the company reported quarterly earnings that were lower than consensus expectations, primarily driven by higher-than-expected quality control costs related to its engines and faulty airbags.	-0.1
<b>Taiwan Semiconductor</b>	The timing of the portfolio's ownership in shares of semiconductor manufacturer Taiwan Semiconductor Manufacturing (Taiwan) detracted from relative results. Although the company's outlook for new products in its 7 nanometre segment was positive, with AMD and QCOM increasing allocation to TSMC, its shares fell as the firm reported a revenue decline, driven by weaker demand and a prolonged inventory correction, as well as subdued sales figures, which followed the rest of the semiconductor industry.	-0.1
<b>Dxc Technology Co</b>	The timing of the portfolio's ownership in shares of information technology company DXC Technology (United States) detracted from relative performance. The stock declined after the company missed, and lowered revenue expectations, driven by execution challenges in its Digital business, and foreign exchange headwinds.	-0.1

## Significant Transactions



From 01-Oct-18 to 31-Dec-18		Transaction type	Trade (%)	Ending weight (%)
<b>Purchases</b>	INFOSYS LTD	New position	1.4	1.5
	GENTING BHD	New position	1.3	1.2
	WESFARMERS LTD	New position	1.1	0.8
	CROWN RESORTS LTD	New position	1.0	1.0
	EVEREST RE GROUP LTD	Add	1.0	1.5
<b>Sales</b>	ROSS STORES INC	Eliminate position	-1.1	-
	KIA MOTORS CORP	Eliminate position	-1.0	-
	FACEBOOK INC	Eliminate position	-0.9	-
	STARWOOD PROPERTY TRUST INC	Eliminate position	-0.6	-
	PUBLIC BANK BHD	Eliminate position	-0.6	-



# Sector Weights



As of 31-Dec-18	Portfolio (%)	Benchmark^ (%)	Underweight/overweight (%)
Consumer Staples	12.1	6.8	5.3
Utilities	8.0	3.4	4.6
Communications	7.3	3.1	4.2
Health Care	16.4	12.2	4.2
Special Products & Services	2.8	1.1	1.7
Leisure	4.9	4.0	0.9
Retailing	7.6	8.1	-0.5
Transportation	1.3	2.2	-0.9
Basic Materials	2.0	4.2	-2.2
Financial Services	17.7	20.4	-2.7
Industrial Goods & Services	4.3	7.0	-2.7
Autos & Housing	-	2.9	-2.9
Energy	3.2	6.2	-3.0
Technology	11.5	18.5	-7.0

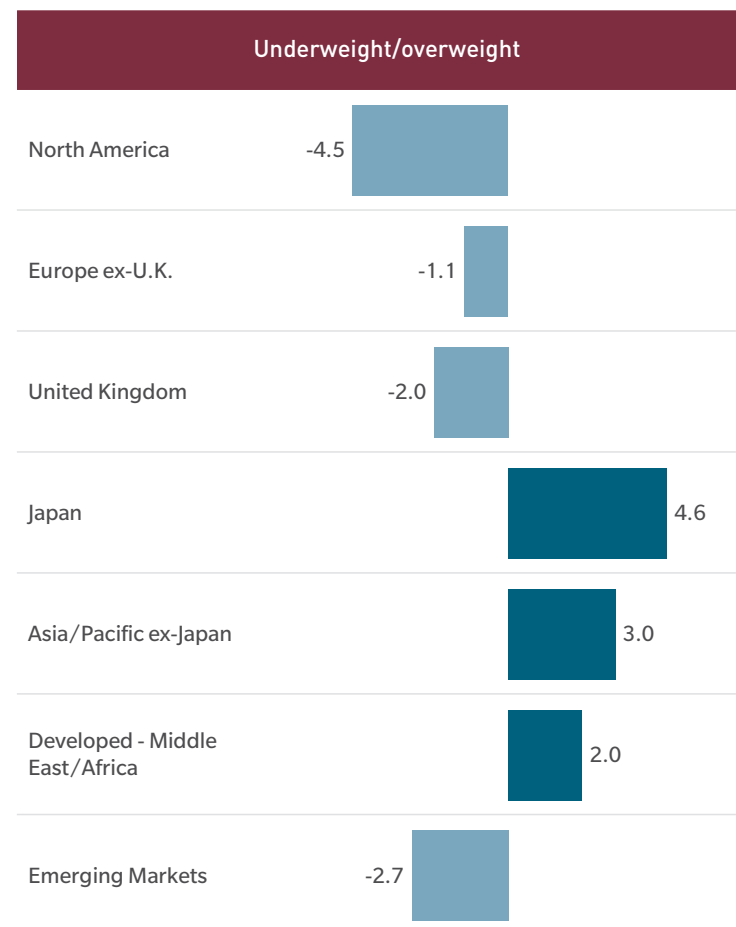
^ MSCI All Country World Index  
0.7% Cash & cash equivalents

Source: Barra industry data shown using MFS' sector classification methodology.

## Region and Country Weights



As of 31-Dec-18	Portfolio (%)	Benchmark^ (%)	Underweight/overweight (%)
<b>North America</b>	<b>52.9</b>	<b>57.4</b>	<b>-4.5</b>
Canada	7.9	3.0	4.9
United States	44.9	54.4	-9.5
<b>Europe ex-U.K.</b>	<b>12.9</b>	<b>14.0</b>	<b>-1.1</b>
Switzerland	7.1	2.7	4.4
Norway	1.0	0.2	0.8
Germany	2.5	2.7	-0.2
Netherlands	0.5	1.0	-0.5
France	1.8	3.4	-1.6
Other countries <sup>1</sup>	0.0	3.9	-3.9
<b>United Kingdom</b>	<b>3.2</b>	<b>5.2</b>	<b>-2.0</b>
<b>Japan</b>	<b>12.2</b>	<b>7.6</b>	<b>4.6</b>
<b>Asia/Pacific ex-Japan</b>	<b>6.8</b>	<b>3.8</b>	<b>3.0</b>
Hong Kong	5.0	1.2	3.8
Australia	1.8	2.1	-0.3
Other countries <sup>1</sup>	0.0	0.5	-0.5
<b>Developed - Middle East/Africa</b>	<b>2.2</b>	<b>0.2</b>	<b>2.0</b>
Israel	2.2	0.2	2.0
<b>Emerging Markets</b>	<b>9.2</b>	<b>11.9</b>	<b>-2.7</b>
Taiwan	2.8	1.3	1.5
Malaysia	1.7	0.3	1.4
Czech Republic	1.1	0.0	1.1
Peru	1.0	0.1	0.9
Thailand	1.0	0.3	0.7
India	1.5	1.1	0.4
Other countries <sup>1</sup>	0.0	8.8	-8.8



^ MSCI All Country World Index  
0.7% Cash & cash equivalents

<sup>1</sup> The portfolio does not own any securities in countries represented in the benchmark in the following percentages: China 3.6%; South Korea 1.6%; Spain 1.0%; Brazil 0.9%; Sweden 0.8%; Italy 0.7%; South Africa 0.7%; Denmark 0.5% and 21 countries with weights less than 0.5% which totals to 3.3%.

# Top Overweight and Underweight Positions



As of 31-Dec-18

		Portfolio (%)	Benchmark^ (%)
<b>Overweight</b>	TERUMO CORP	2.9	0.0
	TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	2.8	0.4
	NICE LTD	2.2	0.0
	ROCHE HOLDING AG	2.5	0.4
	STORE CAPITAL CORP	2.0	-
<b>Underweight</b>	APPLE INC	-	1.9
	MICROSOFT CORP	-	1.8
	AMAZON.COM INC	-	1.5
	JPMORGAN CHASE & CO	-	0.8
	ALPHABET INC	0.8	1.6

^ MSCI All Country World Index

# Characteristics



As of 31-Dec-18	Portfolio	Benchmark <sup>^</sup>
<b>Fundamentals - weighted average</b>		
Price/earnings (12 months forward ex-negative earnings)	16.3x	13.3x
Price/sales	1.8x	1.4x
Price/cash flow	11.5x	10.7x
Free cash flow yield (12 months trailing)	2.5%	3.9%
Price/book	2.3x	2.0x
Dividend yield	3.4%	2.8%
PEG ratio	1.7x	1.3x
IBES long-term EPS growth <sup>1</sup>	10.5%	12.9%
Return on equity (3-year average)	19.3%	18.0%
Return on invested capital	11.4%	10.6%
<b>Market capitalisation</b>		
Market capitalisation (CAD) <sup>2</sup>	112.7 bn	180.2 bn
<b>Diversification</b>		
Top ten holdings	24%	11%
Number of holdings	93	2,758
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	34%	-
<b>Risk profile (current)</b>		
Active share	86%	-

Top 10 issuers as of 31-Dec-18	Portfolio (%)	Benchmark <sup>^</sup> (%)
TERUMO CORP	2.9	0.0
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	2.8	0.4
JOHNSON & JOHNSON	2.8	0.9
ROCHE HOLDING AG	2.5	0.4
PFIZER INC	2.4	0.6
NICE LTD	2.2	0.0
ADOBE INC	2.1	0.3
STORE CAPITAL CORP	2.0	-
ABC-MART INC	2.0	0.0
PEPSICO INC	1.9	0.4
<b>Total</b>	<b>23.6</b>	<b>3.1</b>

<sup>^</sup> MSCI All Country World Index

**No forecasts can be guaranteed.**

<sup>1</sup> Source: Ibbotson

<sup>2</sup> Weighted average.

<sup>3</sup> (Lesser of Purchase or Sales)/Average Month End Market Value

# Portfolio Outlook and Positioning



The MSCI ACWI Local Index experienced a significant drawdown in the fourth quarter and ended 2018 with its worst annual performance since the 2008 Global Financial Crisis. Increasingly restrictive global monetary policy, coupled with ongoing trade tensions, weighed heavily on the outlook for global growth. A report by Ned Davis Research indicated that more than 50% of the world's central banks are tightening monetary policy and that since 1990 global equities have typically produced negative returns in such environments. Many issues remain outstanding on the trade front, including the ratification by a new, divided US Congress of the renegotiated NAFTA deal, the US threat of auto tariffs on Europe and, most significantly, the ongoing negotiations between China and the US to avert a tariff rate increase on \$200 billion of Chinese imports by the March 1 deadline. The outlook for global growth is dimming; earnings estimate revisions collapsed in December, with earnings downgrades outnumbering upgrades in all regions and sectors.

Geographically, developed markets significantly underperformed emerging markets, led down by US equities, which finally succumbed to the mounting macro pressures. The relative strength in emerging markets may have reflected a number of issues, including a technical bounce from the significant declines earlier in the year, US dollar-driven improvement in balance sheets and better relative valuations. Despite weaker trade fundamentals, which particularly impact Germany, European equities outperformed, led by strong performance in the UK and Nordic markets. Japan equities also suffered from weaker growth associated with exports to China and the lingering impacts of Q3 natural disasters.

From a style perspective, using MSCI definitions, defensive sectors significantly outperformed cyclical ones in most regions; the two exceptions were Japan and emerging markets, where there was minimal differentiation. Traditionally defensive sectors such as utilities, REITs, telecoms and staples dominated while technology, industrials and consumer discretionary stocks underperformed significantly. The energy sector performed worst, falling in line with the collapse in energy prices during the quarter. The growth leadership evident in most markets in recent quarters reversed dramatically, led by the significant sell-off in technology, which resulted in value leadership in most regions. On a capitalization basis, large caps dominated in developed markets while mid and small caps led in emerging markets.

At the factor level, valuation metrics were generally mixed across regions; however, dividend yield, a more defensive value factor, was persistently effective in developed markets. Both price and earnings momentum factors produced negative results while, not surprisingly, quality factors produced strong returns across all major regions. Similarly, a shift to low-volatility stocks, which tend to possess higher-quality attributes, intensified during the quarter.

## Portfolio Outlook and Positioning



The MFS Low Volatility Global Equity strategy produced strong results during the quarter as the defensive market leadership that emerged in Q3 intensified and provided a significant boost to low-volatility stocks. Intersection holdings, which are stocks rated buy by our fundamental and quantitative research inputs, produced very strong performance during the quarter evidenced by the significant contribution to stock selection by the portfolio's holdings in Japanese shoe retailer **ABC-Mart** and Switzerland-based pharmaceutical company **Roche Holding**.

The individual research components of our investment process produced divergent results during the period. Our fundamental research team, which emphasizes quality and takes a long-term view when evaluating companies, produced marginally weak results, with buy-rated stocks slightly underperforming the benchmark while hold-rated stocks slightly outperformed.

The quantitative input to our process, which emphasizes attractively valued, above-average quality companies with a catalyst, marginally aided relative performance in Q4. Unlike last quarter, when the performance of the overall models was strong and the underlying model components were inconsistent, this quarter all model components contributed to performance while the performance of the overall models was muted. This inconsistent performance profile suggests the interaction between the factors and the fundamental research input — coupled with the elimination of the most volatile stocks as a beginning universe and the normalized sector and geographic weighting approach — had a significant positive impact on performance. US-based multinational pharmaceutical company **Merck**, which was deemed attractive by our quantitative models, was again an important contributor to the strong stock selection within the health care sector during the period.

From a geographical perspective, strong stock selection in North America and particularly in the US added significantly to relative performance. The portfolio was underweight or had no holdings in many of the technology, media and consumer discretionary stocks that were punished most in the market sell-off. For example, not owning **Apple**, **Amazon** or **NVIDIA** had a significant positive impact on results. Stock selection was also quite strong in Japan and the Europe ex-UK region while more challenged in emerging markets.

At the sector level, both stock selection and allocation benefited relative performance. Stock selection in the health care, financial services and retailing sectors was particularly strong. Stock selection was also good in the leisure sector and the utilities sectors. Sector over weights in utilities, staples and communications coupled with underweights in the technology and energy sectors were also important contributors to relative performance.

# Portfolio Outlook and Positioning



Given the near-term policy and trade risks, coupled with the weakening economic data and earnings outlook, market leadership is likely to maintain a more defensive profile. The shift from growth to value leadership is not unusual in this advanced part of the cycle as investors look to more defensive characteristics like lower beta and higher-yielding stocks. Within a quantitative framework we expect the headwinds experienced in value metrics over the past 18 months, particularly in the US market, to subside and quality factors, such as ROE and ROIC, to support relative performance.

In this transitioning environment, we expect the strategy to benefit from the quality focus of our fundamental research analysts and the quality factors in our quantitative model while minimizing relative risk by maintaining our valuation discipline and employing our disciplined portfolio construction process, which seeks to avoid the most volatile stocks in the global universe.

## Key trades for the quarter include the following:

- We initiated a position in Indian IT Services company **Infosys LTD** following short-term weakness. The short-term pressure coincided with an executive departure, but the analyst has confidence in management and is encouraged by the fundamentals. Quantitatively, the stock is attractive on a price momentum and quality basis.
- We purchased emerging market casino operator **Genting BHD** during the quarter. Attractive, based on valuation from a quantitative perspective, it is also the fundamental analyst's preferred name in the space.
- We bought Australian and New Zealand supermarket chain **Wesfarmers LTD**. In addition to being defensively positioned and dominant in the home improvement space, the name showed strong earnings and price momentum and quality from a quantitative standpoint.
- We sold **Ross Stores** as the discount retailer saw an uptick in volatility after management lowered 2019 guidance. The quantitative assessment of the stock was negative from multiple perspectives.
- We sold **Kia Motors** during the quarter. The fundamental analyst had previously downgraded the stock to a hold due to earnings and cash flow headwinds. The stock saw increased volatility and weak quantitative metrics, notably weak price momentum, expensive valuation and poor quality.

## Portfolio Outlook and Positioning



- Social media company **Facebook** was sold from the portfolio as it has exhibited higher volatility following lowered earnings guidance. The stock also showed weakness with regard to earnings and price momentum.

The commentary included in this report was based on a representative fully discretionary portfolio for this product style; as such the commentary may include securities not held in your portfolio due to account, fund, or other limits.



## Portfolio Holdings



As of 31-Dec-18	Country	Equivalent exposure (%)
<b>Autos &amp; Housing</b>		<b>1.3</b>
USS Co Ltd	Japan	0.9
Owens Corning	United States	0.5
<b>Basic Materials</b>		<b>2.0</b>
Franco-Nevada Corp	Canada	1.2
Symrise AG	Germany	0.8
<b>Cash &amp; Cash Equivalents</b>		<b>0.7</b>
Cash & Cash Equivalents		0.7
<b>Communications</b>		<b>7.3</b>
TELUS Corp	Canada	1.6
KDDI Corp	Japan	1.5
HKT Trust & HKT Ltd	Hong Kong	1.4
Vodafone Group PLC	United Kingdom	1.1
Verizon Communications Inc	United States	1.1
Advanced Info Service PCL	Thailand	0.6
<b>Consumer Staples</b>		<b>12.6</b>
PepsiCo Inc	United States	1.9
Nestle SA	Switzerland	1.7
Procter & Gamble Co	United States	1.2
Toyo Suisan Kaisha Ltd	Japan	1.1
Mowi ASA	Norway	1.0
Altria Group Inc	United States	1.0
General Mills Inc	United States	0.9
Kimberly-Clark Corp	United States	0.9
Japan Tobacco Inc	Japan	0.6
Mondelez International Inc	United States	0.6
Sligro Food Group NV	Netherlands	0.5
Archer-Daniels-Midland Co	United States	0.5
L'Oreal SA	France	0.4
Philip Morris International Inc	United States	0.3
<b>Energy</b>		<b>2.3</b>
Royal Dutch Shell PLC	United Kingdom	0.9
Occidental Petroleum Corp	United States	0.7

As of 31-Dec-18	Country	Equivalent exposure (%)
<b>Energy</b>		<b>2.3</b>
Exxon Mobil Corp	United States	0.7
<b>Financial Services</b>		<b>17.8</b>
STORE Capital Corp REIT	United States	2.0
Grand City Properties SA	Germany	1.7
Everest Re Group Ltd	United States	1.5
AvalonBay Communities Inc REIT	United States	1.4
Sun Communities Inc REIT	United States	1.4
Credicorp Ltd	Peru	1.0
US Bancorp	United States	1.0
Beazley PLC	United Kingdom	0.9
Swiss Life Holding AG	Switzerland	0.9
Royal Bank of Canada	Canada	0.9
Life Storage Inc REIT	United States	0.7
Zurich Insurance Group AG	Switzerland	0.7
Public Storage REIT	United States	0.7
Komerční banka as	Czech Republic	0.7
PNC Financial Services Group Inc	United States	0.5
Bank of Nova Scotia	Canada	0.5
Discover Financial Services	United States	0.4
Bangkok Bank PCL	Thailand	0.4
Travelers Cos Inc	United States	0.4
<b>Health Care</b>		<b>16.4</b>
Terumo Corp	Japan	2.9
Johnson & Johnson	United States	2.8
Roche Holding AG	Switzerland	2.5
Pfizer Inc	United States	2.4
Merck & Co Inc	United States	1.5
Humana Inc	United States	1.1
Cigna Corp	United States	1.1
Eli Lilly & Co	United States	1.0
Novartis AG	Switzerland	0.6
EssilorLuxottica SA	France	0.5

## Portfolio Holdings



As of 31-Dec-18	Country	Equivalent exposure (%)
<b>Industrial Goods &amp; Services</b>		<b>5.5</b>
Lockheed Martin Corp	United States	1.6
Boeing Co	United States	1.6
Waste Connections Inc	Canada	1.6
Schindler Holding AG	Switzerland	0.5
Schindler Holding AG	Switzerland	0.2
<b>Leisure</b>		<b>4.9</b>
McDonald's Corp	United States	1.6
Genting Bhd	Malaysia	1.2
Crown Resorts Ltd	Australia	1.0
Publicis Groupe SA	France	0.8
Comcast Corp	United States	0.3
<b>Retailing</b>		<b>6.3</b>
ABC-Mart Inc	Japan	2.0
Lawson Inc	Japan	1.2
Dairy Farm International Holdings Ltd	Hong Kong	1.1
Wesfarmers Ltd	Australia	0.8
Gildan Activewear Inc	Canada	0.5
Home Depot Inc	United States	0.4
Tesco PLC	United Kingdom	0.3
<b>Special Products &amp; Services</b>		<b>2.6</b>
Infosys Ltd ADR	India	1.5
Forrester Research Inc	United States	1.2
<b>Technology</b>		<b>10.0</b>
Taiwan Semiconductor Manufacturing Co Ltd ADR	Taiwan	2.8
Nice Ltd ADR	Israel	2.2
Adobe Inc	United States	2.1
Kyocera Corp	Japan	1.4
Alphabet Inc Class A	United States	0.8
VTech Holdings Ltd	Hong Kong	0.8
<b>Transportation</b>		<b>1.3</b>
Canadian National Railway Co	Canada	0.8
Malaysia Airports Holdings Bhd	Malaysia	0.6

As of 31-Dec-18	Country	Equivalent exposure (%)
<b>Utilities</b>		<b>8.9</b>
CLP Holdings Ltd	Hong Kong	1.8
Xcel Energy Inc	United States	1.1
Evergy Inc	United States	1.1
WEC Energy Group Inc	United States	0.9
Enbridge Inc	Canada	0.9
American Electric Power Co Inc	United States	0.9
Avangrid Inc	United States	0.8
Tokyo Gas Co Ltd	Japan	0.5
Duke Energy Corp	United States	0.4
CEZ AS	Czech Republic	0.4



## CERTIFICATE OF PORTFOLIO COMPLIANCE

### MFS Low Volatility Global Equity Fund

To the best of my knowledge, for the quarter ending December 31, 2018, MFS Investment Management Canada Limited (“MFS”) complied in all material respects with the investment restrictions contained in the applicable Offering Memorandum or Offering Memoranda for the MFS Low Volatility Global Equity Fund . Such certification is subject to the following conditions: (i) MFS' compliance testing is performed using portfolio valuation reports derived from its internal security inventory system and not the books and records of the Portfolio; and (ii) MFS is responsible for compliance with the investment restrictions as stated in the applicable Offering Memorandum or Offering Memoranda.

MFS Investment Management Canada Limited

BY:   
**Christina Forster Paziienza, CPA, CA**  
**Vice President & Chief Compliance Officer**

DATE: January 10, 2019

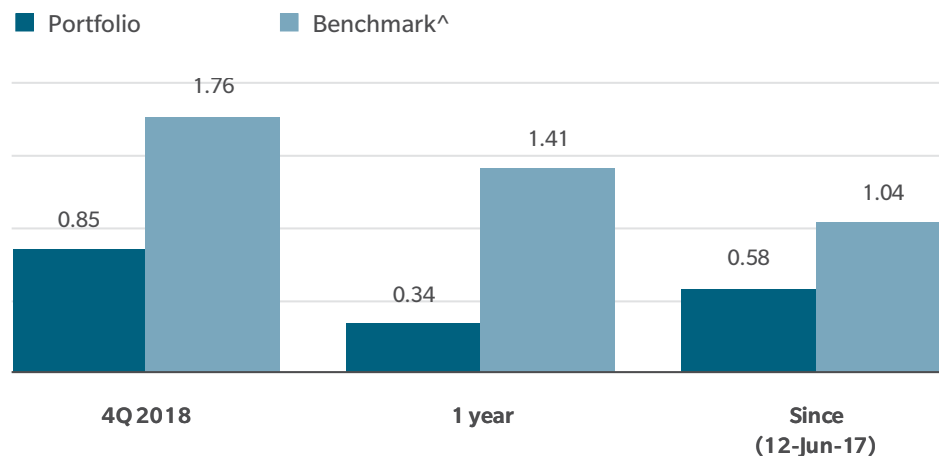


## MFS Canadian Core Plus Fixed Income Fund

# Executive Summary



## Performance results (%) net of expenses (CAD) as of 31-Dec-18



Source for benchmark performance SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualised.

**Past performance is no guarantee of future results.**

^ FTSE Canada Universe Bond Index

## Asset summary (CAD)

Beginning value as of 30-Sep-18	19,998,739
Contributions	+43,656
Withdrawals	-601,644
Intra-portfolio transfers	+5
Change in market value	+162,574
Ending value as of 31-Dec-18	19,603,330

## Key characteristics as of 31-Dec-18

	Portfolio	Benchmark^^
Average effective duration	7.45yrs	7.46yrs
Yield to worst	3.29%	2.72%

## Portfolio composition (%)

	Portfolio	Benchmark^^
Federal	9.56	36.33
Provincial	37.19	34.04
Municipal	1.18	1.91
Corporate	45.79	27.72
Cash & Cash Equivalents	0.66	0.00
Other	5.61	0.00
Foreign Pay	21.28	0.00

Other consists of: (i) currency derivatives and/or (ii) any derivative offsets.

^^ FTSE Canada Universe Bond Index

# Performance Results



Performance results (%) net of expenses (CAD) as of 31-Dec-18

Period	Portfolio (%)	Benchmark^ (%)	Excess return vs benchmark (%)
4Q 2018	0.85	1.76	-0.91
3Q 2018	-0.51	-0.96	0.44
2Q 2018	0.34	0.51	-0.17
1Q 2018	-0.34	0.10	-0.44
2018	0.34	1.41	-1.07
1 year	0.34	1.41	-1.07
Since client inception (12-Jun-17)	0.58	1.04	-0.46

Source for benchmark performance SPAR, FactSet Research Systems Inc. All periods greater than one year are annualised.

**Past performance is no guarantee of future results.**

^ FTSE Canada Universe Bond Index

# Significant Impacts on Performance



Relative to FTSE Canada Universe Bond Index - fourth quarter 2018

<b>Contributors</b>	Yield curve positioning	Relative overweight exposures to the 5 and 10 year key rate durations boosted returns during the quarter. Government of Canada yields fell most in the 5-10yr part of the curve as expectations for future rate hikes decreased.
<b>Detractors</b>	Sector allocation	An overweight allocation to corporate bonds hampered relative returns as federal government bonds outperformed the broader index as corporate and provincial spreads widened significantly during the quarter.
	Allocation to US corporate bonds	The portfolio's exposure to US corporates also negatively affected performance, as US bond spreads widened more than their Canadian counterparts during the quarter's risk-off environment. The spread underperformance was more pronounced in lower-quality bonds, particularly in the portfolio's high yield holdings.
	Selection in financials	Security selection within financials detracted from performance during the quarter. The portfolio's holdings of long-dated bank deposit notes and insurance bonds underperformed shorter-dated alternatives in the sector.

The commentary included in this report was based on a representative fully discretionary portfolio for this product style; as such the commentary may include securities not held in your portfolio due to account, fund, or other limits.

# Positioning



As of 31-Dec-18		Portfolio (%)	Benchmark^ (%)	Underweight/overweight (%)
<b>Portfolio composition</b>	Federal	9.56	36.33	-26.77
	Provincial	37.19	34.04	3.15
	Municipal	1.18	1.91	-0.73
	Corporate	45.79	27.72	18.07
	Cash & Cash Equivalents	0.66	0.00	0.66
	Other	5.61	0.00	5.61
	Foreign Pay	21.28	0.00	21.28
<b>Corporate composition</b>	Communication	2.94	2.31	0.63
	Energy	5.54	5.40	0.14
	Financial	18.09	11.69	6.40
	Industrial	10.19	1.81	8.38
	Infrastructure	2.02	4.30	-2.28
	Real Estate	1.76	1.71	0.05
	Securitization	5.25	0.50	4.75

Other consists of: (i) currency derivatives and/or (ii) any derivative offsets.

^ FTSE Canada Universe Bond Index



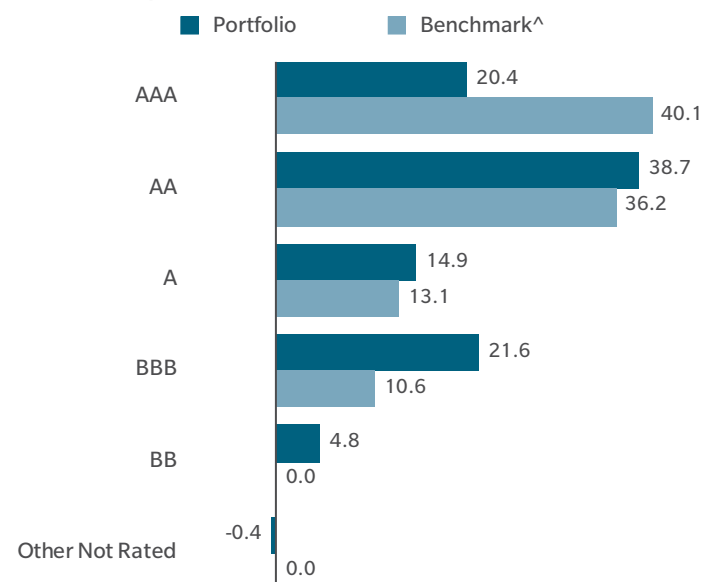
# Characteristics



As of 31-Dec-18	Portfolio	Benchmark <sup>^</sup>
<b>Fundamentals</b>		
Average effective duration	7.45yrs	7.46yrs
Average coupon	3.64%	3.32%
Yield to worst	3.29%	2.72%
Average quality <sup>1</sup>	A+	AA
<b>Diversification</b>		
Number of holdings	107	1,469
<b>Turnover</b>		
Trailing 1 year turnover <sup>2</sup>	23%	-

Effective term structure as of 31-Dec-18	Portfolio (%)	Benchmark <sup>^</sup>
Less than 1 Year	2.9	0.0
1-3 Years	14.3	25.4
3-5 Years	8.8	20.0
5-10 Years	45.4	21.8
10-20 Years	5.6	11.5
20+ Years	23.0	21.3

Credit quality (% of total assets) as of 31-Dec-18



<sup>^</sup> FTSE Canada Universe Bond Index

<sup>1</sup> The Average Credit Quality (ACQR) is a market weighted average (using a linear scale) of securities included in the rating categories.

<sup>2</sup> (Lesser of Purchase or Sales)/Average Month End Market Value

The MFS portfolio's quality breakdown is based on MFS' own methodology, which is different from that used by the benchmark provider. MFS has not independently verified the benchmark data.

For all securities other than those specifically described below, ratings are assigned to underlying securities utilizing ratings from Dominion Bond Rating Service (DBRS), Standard and Poor's, Moody's Investors Service, and Fitch rating agencies. In cases where the agencies do not agree on the credit rating, the rating is classified according to the following rules: If two agencies rate a security, and the ratings are not equal, use the lower of the two ratings; if three agencies rate a security, use the most common rating; in the rare event that all three agencies disagree, use the middle rating. If four agencies rate a security, use the most common rating; if four agencies rate a security with a two way split, use the lower rating. In the highly unlikely event that all four agencies disagree, consider the three lower ratings applying the three rating methodology rule. Ratings are shown in the S&P and DBRS scale (e.g., AAA). All ratings are subject to change. U.S. Government includes securities issued by the U.S. Department of the Treasury. Federal Agencies includes rated and unrated U.S. Agency fixed-income securities, U.S. Agency MBS, and CMOs of U.S. Agency MBS. Other Not Rated includes fixed income securities which have not been rated by any rating agency, and cash.

## Portfolio Outlook and Positioning



Canadian bond market, as measured by the FTSE Canada Universe Bond Index, rebounded in the fourth quarter with a return of 1.76%. The final quarter pulled the full-year performance back into positive territory, resulting in a return of 1.41% for 2018. The primary driver of returns was falling Government of Canada yields in response to growing concerns over global growth, as well as moderating growth in Canada and a seemingly more dovish Bank of Canada (BoC). Canadian 10-year yields fell 63 basis point (bps) from their peak of 2.60%, which was reached in the first week of the quarter. From that point on, there were sharp moves lower in riskier assets as known headwinds, such as trade wars, Italian budget deficits and slowing economic growth, resulted in investors reconsidering their expectations for the future trajectory of economic growth and financial assets. Canadian corporate bonds were among the asset classes impacted. Although total returns were positive, they underperformed Government of Canada bonds. On average, Canadian corporate spreads were wider by 35 bps over the final quarter of the year. The magnitude of US investment grade and high yield spread widening was larger relative to its Canadian counterparts.

Looking forward, we continue to expect a moderation in Canadian economic growth, globally as well, as tighter financial conditions take effect. More specifically in Canada, uncertainty remains although there have been some positive developments for businesses over the course of 2018, such as the signing of USMCA (formerly NAFTA) and new federal tax measures aimed at stimulating investment. The USMCA is yet to be ratified by a now Democrat-controlled House, and oil production curtailments in Alberta may offset the benefits of the business tax credits. Additionally, the bite of higher interest rates on consumers has already emerged in interest-rate-sensitive sectors, such as housing and auto sales. We believe the full effect of previous rate hikes has not entirely filtered through to borrowers. A recent BoC research report concludes it takes up to six-quarters for the full impact of each subsequent hike to work through the economy. We are only about six quarters removed from the first BoC hike in July 2017 and there have been five hikes in total. We expect a non-recessionary moderation in Canadian growth and believe it will result in a more gradual path of rate hikes in Canada. However, given the current backdrop, we believe the BoC will find it difficult to justify additional rate hikes in 2019.

We continue to be at the lower end of risk in our Canadian fixed income strategies. This view was implemented in Q4 2017 where we reduced absolute corporate exposure and migrated to higher quality. Corporate bond spreads have widened and have restored some value. However, the dampening global backdrop and flat yield curve leads us to err on the side of caution for our investors. At present, we are maintaining our modest overweight in credit as the incremental yield relative to government bonds remains a source of value add and security selection helps identify compensated risk across the sector. We will look for more opportune valuations over the course of 2019 but do not believe we have reached that inflection point as of yet.

The commentary included in this report was based on a representative fully discretionary portfolio for this product style; as such the commentary may include securities not held in your portfolio due to account, fund, or other limits.

# Portfolio Holdings



As of 31-Dec-18	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
<b>Cash &amp; Cash Equivalents (0.66%)</b>	CASH & CASH EQUIVALENTS			0.66
<b>Communication (2.94%)</b>	AT&T INC	4.850	May 25 47	0.73
	ROGERS COMMUNICATIONS INC	4.000	Mar 13 24	0.67
	ROGERS COMMUNICATIONS INC	6.560	Mar 22 41	0.36
	SHAW COMMUNICATIONS INC	3.800	Nov 02 23	0.95
	SHAW COMMUNICATIONS INC	6.750	Nov 09 39	0.23
<b>Energy (5.54%)</b>	ALTAGAS CANADA INC	4.260	Dec 05 28	0.07
	BRUCE POWER LP	2.844	Jun 23 21	0.86
	BRUCE POWER LP	4.010	Jun 21 29	0.33
	CU INC	3.964	Jul 27 45	0.93
	ENBRIDGE ENERGY PARTNERS LP	7.375	Oct 15 45	0.25
	ENBRIDGE INC	3.940	Jun 30 23	0.20
	ENBRIDGE INC	3.200	Jun 08 27	0.57
	ENBRIDGE INC	4.240	Aug 27 42	0.47
	NORTH WEST REDWATER PARTNERSHIP	3.650	Jun 01 35	0.26
	PARKLAND FUEL CORP	6.500	Jan 21 27	0.69
	SABINE PASS LIQUEFACTION LLC	5.625	Mar 01 25	0.92
<b>Federal (9.56%)</b>	CANADA HOUSING TRUST	1.950	Jun 15 19	0.21
	CANADA-GOV'T REAL RETURN	2.000	Jun 01 28	0.82
	CANADIAN GOVERNMENT	0.000	Mar 20 19	0.83
	CANADIAN GOVERNMENT	0.000	Mar 20 19	9.53
	CANADIAN GOVERNMENT	0.750	Sep 01 20	0.50
	CANADIAN GOVERNMENT	0.750	Sep 01 21	2.47

# Portfolio Holdings



As of 31-Dec-18	Issuer	Coupon	Maturity Date	Equivalent exposure (%)	
Federal (continued) (9.56%)	CANADIAN GOVERNMENT	1.500	Jun 01 23	0.42	
	CANADIAN GOVERNMENT	2.500	Jun 01 24	2.59	
	CANADIAN GOVERNMENT	1.000	Jun 01 27	3.09	
	CANADIAN GOVERNMENT	5.750	Jun 01 33	0.95	
	CANADIAN GOVERNMENT	3.500	Dec 01 45	1.01	
	CANADIAN GOVERNMENT	2.750	Dec 01 48	3.51	
	CANADIAN GOVERNMENT	2.750	Dec 01 64	0.70	
	US TREASURY N/B	0.000	Mar 20 19	-21.23	
	US TREASURY N/B	0.000	Mar 20 19	-0.87	
	US TREASURY N/B	0.000	Mar 20 19	0.71	
	US TREASURY N/B	0.000	Mar 29 19	-5.48	
	US TREASURY N/B	0.000	Mar 29 19	9.82	
	Financial (18.09%)	AMERICAN INTERNATIONAL GROUP INC	3.750	Jul 10 25	0.88
		BANK OF AMERICA CORP	3.950	Apr 21 25	2.43
		BANK OF MONTREAL	4.609	Sep 10 25	1.74
BANK OF NOVA SCOTIA		3.270	Jan 11 21	0.20	
CANADIAN WESTERN BANK		2.751	Jun 29 20	0.39	
CANADIAN WESTERN BANK		2.788	Sep 13 21	0.41	
CANADIAN WESTERN BANK		2.924	Dec 15 22	1.75	
FAIRFAX FINANCIAL HOLDINGS LTD		4.250	Dec 06 27	0.84	
GENERAL MOTORS FINANCIAL OF CANADA LTD		3.080	May 22 20	0.46	
IGM FINANCIAL INC		4.560	Jan 25 47	0.23	
JPMORGAN CHASE & CO		2.950	Oct 01 26	1.04	

# Portfolio Holdings



As of 31-Dec-18	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
<b>Financial (continued) (18.09%)</b>	LIBERTY MUTUAL GROUP INC	4.250	Jun 15 23	0.46
	MORGAN STANLEY	3.950	Apr 23 27	0.80
	POWER CORP OF CANADA	4.810	Jan 31 47	0.90
	ROYAL BANK OF CANADA	4.930	Jul 16 25	1.91
	TMX GROUP LTD	2.997	Dec 11 24	0.25
	TORONTO DOMINION BANK	3.226	Jul 24 24	1.87
	UBS GROUP FUNDING SWITZERLAND AG	3.000	Apr 15 21	0.39
	VW CREDIT CANADA INC	3.700	Nov 14 22	0.30
	WELLS FARGO & CO	4.100	Jun 03 26	0.84
<b>Industrial (10.19%)</b>	ALIBABA GROUP HOLDING LTD	3.400	Dec 06 27	0.48
	BECTON DICKINSON AND CO	4.669	Jun 06 47	0.47
	BOOKING HOLDINGS INC	3.650	Mar 15 25	0.80
	CAMECO CORP	4.190	Jun 24 24	0.41
	CONSTELLATION BRANDS INC	4.250	May 01 23	0.55
	ENERCARE SOLUTIONS INC	3.380	Feb 21 22	0.33
	EQUINIX INC	5.375	May 15 27	0.90
	GENERAL MOTORS CO	4.200	Oct 01 27	0.62
	HCA INC	5.250	Jun 15 26	0.52
	LEAR CORP	5.250	Jan 15 25	0.26
	LOBLAW COS LTD	4.860	Sep 12 23	1.07
	MASCO CORP	4.375	Apr 01 26	0.52
	METRO INC	3.200	Dec 01 21	0.25
	ONEOK INC	4.000	Jul 13 27	0.87

# Portfolio Holdings



As of 31-Dec-18	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
<b>Industrial (continued) (10.19%)</b>	STANDARD INDUSTRIES INC/NJ	5.375	Nov 15 24	0.39
	STANDARD INDUSTRIES INC/NJ	4.750	Jan 15 28	0.55
	TECK RESOURCES LTD	6.250	Jul 15 41	0.53
	TOROMONT INDUSTRIES LTD	3.842	Oct 27 27	0.24
	VIDEOTRON LTD	5.625	Jun 15 25	0.45
<b>Infrastructure (2.02%)</b>	ALECTRA INC	3.958	Jul 30 42	0.52
	ALTALINK LP	3.990	Jun 30 42	0.29
	FIRSTENERGY CORP	3.900	Jul 15 27	1.21
<b>Municipal (1.18%)</b>	REGIONAL MUNICIPALITY OF YORK	2.350	Jun 09 27	1.18
<b>Other (5.61%)</b>	OTHER			5.61
<b>Provincial (37.19%)</b>	MANITOBA (PROVINCE OF)	4.650	Mar 05 40	1.34
	MANITOBA (PROVINCE OF)	4.100	Mar 05 41	1.52
	PROVINCE OF ALBERTA	4.000	Dec 01 19	2.47
	PROVINCE OF ALBERTA	3.450	Dec 01 43	5.53
	PROVINCE OF BRITISH COLUMBIA	3.250	Dec 18 21	1.98
	PROVINCE OF BRITISH COLUMBIA	4.950	Jun 18 40	0.67
	PROVINCE OF BRITISH COLUMBIA	2.800	Jun 18 48	1.19
	PROVINCE OF NOVA SCOTIA	2.100	Jun 01 27	1.90
	PROVINCE OF NOVA SCOTIA	4.400	Jun 01 42	1.16
	PROVINCE OF ONTARIO CANADA	4.000	Jun 02 21	4.07
	PROVINCE OF ONTARIO CANADA	3.150	Jun 02 22	2.12
	PROVINCE OF ONTARIO CANADA	3.500	Jun 02 24	4.66
	PROVINCE OF ONTARIO CANADA	4.700	Jun 02 37	4.05

## Portfolio Holdings



As of 31-Dec-18	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Provincial (continued) (37.19%)	PROVINCE OF QUEBEC	4.250	Dec 01 21	2.37
	PROVINCE OF QUEBEC	2.750	Sep 01 27	1.57
	PROVINCE OF SASKATCHEWAN	4.750	Jun 01 40	0.59
Real Estate (1.76%)	CHOICE PROPERTIES REIT	3.546	Jan 10 25	0.61
	COMINAR REAL ESTATE INVESTMENT TRUST	4.164	Jun 01 22	0.73
	CT REAL ESTATE INVESTMENT TRUST	3.527	Jun 09 25	0.42
Securitization (5.25%)	AIMCO 2015-AA	3.736	Jan 15 28	0.63
	ATRM 12A	3.819	Apr 22 27	0.66
	BABSN 2013-IA	3.719	Jan 20 28	0.62
	GLACIER CREDIT CARD TRUST	2.568	Sep 20 19	0.25
	MAGNE 2015-16A	3.645	Jan 18 28	0.63
	NEUB 2015-20A	3.686	Jan 15 28	0.56
	OCP 2015-10	3.808	Oct 26 27	0.64
	OCP 2015-9A	3.786	Jul 15 27	0.66
TICP 2018-IA	4.008	Apr 26 28	0.61	

Other consists of: (i) currency derivatives and/or (ii) any derivative offsets.



## CERTIFICATE OF PORTFOLIO COMPLIANCE

### MFS Canadian Core Plus Fixed Income Fund

To the best of my knowledge, for the quarter ending December 31, 2018, MFS Investment Management Canada Limited (“MFS”) complied in all material respects with the investment restrictions contained in the applicable Offering Memorandum or Offering Memoranda for the MFS Canadian Core Plus Fixed Income Fund . Such certification is subject to the following conditions: (i) MFS' compliance testing is performed using portfolio valuation reports derived from its internal security inventory system and not the books and records of the Portfolio; and (ii) MFS is responsible for compliance with the investment restrictions as stated in the applicable Offering Memorandum or Offering Memoranda.

MFS Investment Management Canada Limited

BY:   
**Christina Forster Paziienza, CPA, CA**  
**Vice President & Chief Compliance Officer**

DATE: January 10, 2019



## Your MFS Relationship Team



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Boston | Hong Kong | London | Mexico City | São Paulo | Singapore | Sydney | Tokyo | Toronto

# Global Capabilities

## MFS Investment Strategies



Fundamental Equity	Blended Research	Fixed Income	Multi-Asset/Specialty
<p><b>Global Equity</b></p> <ul style="list-style-type: none"> <li>Global<sup>1</sup>/Global Concentrated<sup>2</sup></li> <li>Global Research/Global Research Focused</li> <li>Global Growth/Global Growth Concentrated</li> <li>Global SMID Cap<sup>1</sup></li> <li>Global Value<sup>3</sup></li> <li>Global Intrinsic Value</li> <li>Contrarian Value</li> </ul> <p><b>International Equity</b></p> <ul style="list-style-type: none"> <li>International/International Concentrated</li> <li>International Research</li> <li>International Diversification<sup>4</sup></li> <li>International Growth/International Growth Concentrated</li> <li>International Small-Mid Cap<sup>3</sup></li> <li>International Value<sup>2</sup></li> </ul> <p><b>Regional Equity</b></p> <p><b>Asia/Pacific</b></p> <ul style="list-style-type: none"> <li>Asia Pacificex-Japan</li> <li>Asia ex-Japan</li> <li>Japan</li> <li>Japan Concentrated</li> </ul> <p><b>Canadian</b></p> <ul style="list-style-type: none"> <li>Canadian Equity</li> <li>Canadian Research</li> </ul> <p><b>Emerging Markets</b></p> <ul style="list-style-type: none"> <li>Emerging Markets</li> <li>Latin American</li> </ul> <p><b>European</b></p> <ul style="list-style-type: none"> <li>European Research<sup>3</sup></li> <li>European Small Cap<sup>3</sup></li> <li>European Value<sup>2</sup></li> <li>U.K.</li> <li>European ex-U.K.</li> </ul> <p><b>U.S.</b></p> <ul style="list-style-type: none"> <li>Core</li> <li>Research</li> <li>Research – Industry Neutral</li> <li>Growth/Growth Concentrated</li> <li>Large Cap Growth/ Large Cap Growth Concentrated</li> <li>Mid Cap Growth/ Mid Cap Growth Focused</li> <li>Small Cap Growth<sup>4</sup></li> <li>Large Cap Value<sup>3</sup></li> <li>Mid Cap Value</li> </ul>	<p><b>Target Tracking Error</b></p> <p><b>Global Equity</b></p> <ul style="list-style-type: none"> <li>Global</li> <li>Global Extension</li> </ul> <p><b>Regional Equity</b></p> <ul style="list-style-type: none"> <li>Emerging Markets</li> <li>European</li> <li>International</li> </ul> <p><b>U.S. Equity</b></p> <ul style="list-style-type: none"> <li>Core</li> <li>Core ESG</li> <li>Large Cap Growth</li> <li>Large Cap Value</li> <li>Mid Cap</li> <li>Small Cap</li> </ul> <p><b>Low Volatility</b></p> <ul style="list-style-type: none"> <li>Canadian</li> <li>Global</li> <li>International</li> <li>U.S.</li> </ul> <p><b>Income</b></p> <ul style="list-style-type: none"> <li>Equity Income</li> <li>Global High Dividend</li> </ul>	<p><b>Multi-Sector</b></p> <p><b>Global</b></p> <ul style="list-style-type: none"> <li>Core</li> <li>Core Plus</li> <li>Opportunistic</li> </ul> <p><b>Canadian</b></p> <ul style="list-style-type: none"> <li>Core</li> <li>Core Plus</li> <li>Long Term</li> <li>Long Term Plus</li> <li>Short Term</li> <li>Money Market</li> </ul> <p><b>Credit</b></p> <p><b>Global</b></p> <ul style="list-style-type: none"> <li>IG Credit</li> <li>Credit</li> <li>High Yield</li> </ul> <p><b>European</b></p> <ul style="list-style-type: none"> <li>European Credit</li> </ul> <p><b>Buy &amp; Maintain</b></p> <p><b>Emerging Markets</b></p> <ul style="list-style-type: none"> <li>Emerging Markets Debt</li> <li>Emerging Markets Local Currency Debt</li> <li>EMD Opportunities</li> </ul> <p><b>Government</b></p> <p><b>Global</b></p> <ul style="list-style-type: none"> <li>Sovereign</li> <li>TIPS</li> </ul> <p><b>U.S. Municipal</b></p> <ul style="list-style-type: none"> <li>Investment Grade</li> <li>High Yield</li> <li>Limited Maturity</li> <li>State-Specific</li> <li>Taxable</li> </ul> <p><b>U.S.</b></p> <ul style="list-style-type: none"> <li>Core</li> <li>Core Plus</li> <li>Opportunistic</li> <li>Limited Maturity</li> </ul> <p><b>U.S.</b></p> <ul style="list-style-type: none"> <li>IG Credit</li> <li>Credit</li> <li>Long Duration Credit</li> <li>Corporate BB</li> <li>High Yield</li> </ul>	<p><b>Multi-Asset</b></p> <ul style="list-style-type: none"> <li>Canadian Core</li> <li>Canadian Growth</li> <li>Canadian Value</li> <li>Global Total Return</li> <li>U.S. Total Return</li> <li>Managed Wealth<sup>4</sup></li> <li>Prudent Capital</li> </ul> <p><b>Income</b></p> <ul style="list-style-type: none"> <li>Diversified Income</li> </ul> <p><b>Target Date</b></p> <ul style="list-style-type: none"> <li>Canadian Target Date<sup>4</sup></li> <li>U.S. Target Date<sup>4</sup></li> </ul> <p><b>Target Risk</b></p> <ul style="list-style-type: none"> <li>Canadian Target Risk<sup>4</sup></li> <li>U.S. Target Risk<sup>4</sup></li> </ul> <p><b>Specialty/Equity</b></p> <ul style="list-style-type: none"> <li>Global Infrastructure</li> <li>Global REIT</li> <li>Technology</li> <li>U.S. REIT</li> <li>Utilities</li> </ul>
<p>As of 31-Dec-18. <sup>1</sup> Limited availability in separate accounts. <sup>2</sup> Closed. <sup>3</sup> Soft closed. <sup>4</sup> Select vehicle availability.</p>			