



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 2017 investment report

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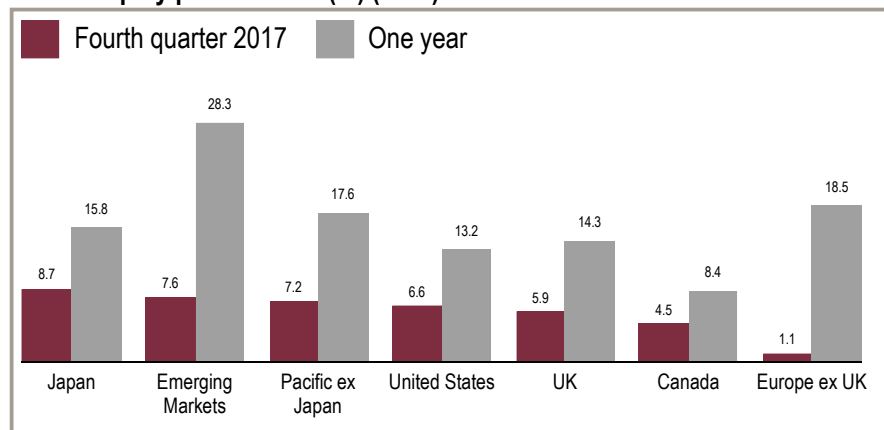
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Country and region information contained in this report is based upon MFS classification methodology which may differ from the methodology used by individual benchmark providers. Portfolio characteristics are based on equivalent exposure, which measures 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.

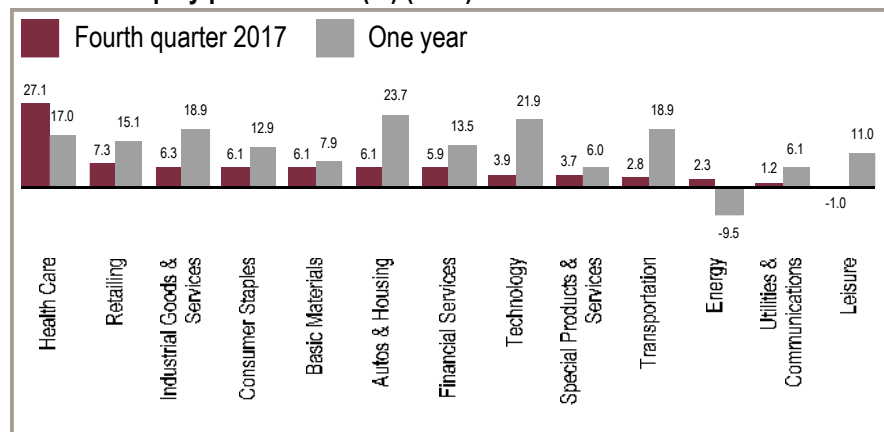
Market overview

Global Equity performance (%) (CAD) as of 31-Dec-17



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

Canadian Equity performance (%) (CAD) as of 31-Dec-17



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

Fourth quarter 2017 Global Equity market review

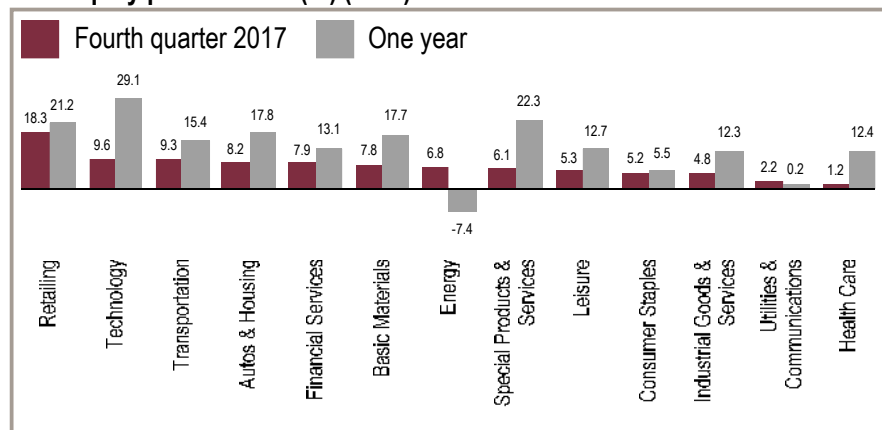
- Global equity markets generated strong returns with low volatility in 2017, helped by synchronized global growth, improved earnings, and still-accommodative monetary policies. Cyclical sectors generally outperformed defensive sectors, growth outperformed value, and emerging markets outperformed developed markets.
- As global central banks gradually remove liquidity from the system, interest rates may face upward pressures. However, we continue to believe that long rates will likely be contained in a lower range relative to history, given our views of subdued long-term growth and inflation.
- Late-cycle signs in the US, coupled with elevated valuations by historical measures, may warrant a more cautious equity market outlook for 2018 and judicious security selection.

Fourth quarter 2017 Canadian Equity market review

- Canadian equities gained 4.5% (S&P/TSX Capped Composite) for the final quarter of 2017, midrange among global markets (measured in local currency terms). For the year overall, Canadian equities lagged most global counterparts.
- Financial stocks were among the strongest, closely followed by materials and consumer-related securities. Energy was the weakest, flat for the period and negative for the year, and largely responsible for Canada's relative underperformance versus global peers.
- Notably, energy share prices diverged from the underlying commodity price: The price of oil rallied from low US\$50s at the beginning of the quarter, finishing the year at US\$60/bbl (WTI).
- Observed from the market capitalization perspective, during the fourth quarter large- and small-cap stocks advanced similarly, whereas for the year as a whole, large-cap stocks were decidedly stronger.

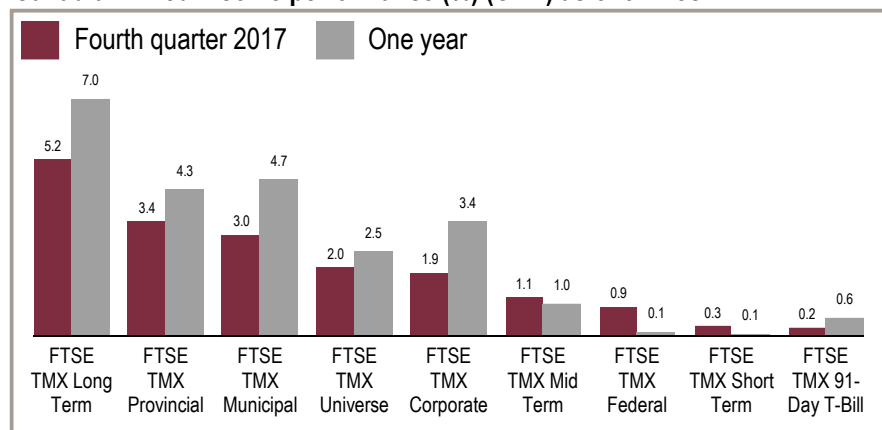
Market overview

U.S. Equity performance (%) (CAD) as of 31-Dec-17



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

Canadian Fixed Income performance (%) (CAD) as of 31-Dec-17



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

Fourth quarter 2017 U.S. Equity market review

- The US market, as measured by the S&P 500 Index, continued to move higher throughout the fourth quarter, accelerating from its pace during Q3. Investors pushed the S&P 500 to near an all-time high on excitement over upcoming tax changes after the tax reform bill was passed by Congress and signed by the president at the end of December. However, a strong probability of higher interest rates, the unwinding of the US Federal Reserve's balance sheet and ongoing geopolitical concerns bear watching.
- US economic growth (GDP) increased slightly from last quarter, with a final reading of 3.2% for Q3. Robust business spending was the key driver of growth during the period. As expected, the Fed raised interest rates in December and signaled that it expected three rate increases in 2018.
- The growth style of investing outperformed the value style of investing during Q4, which continued a yearlong trend. Growth's outperformance for the quarter was driven mostly by the technology sector, which has led throughout 2017, as well as the consumer discretionary sector. Weaker relative returns from the utilities and real estate sectors held back value. In addition, small caps were weaker on a relative basis than large and mid-caps during the quarter, which was consistent with how they had performed for most of the year.

Fourth quarter 2017 Canadian Fixed Income market review

- Canadian yields were mixed over the quarter, as longer term yields moved lower and shorter term yields rose. The Government of Canada yield curve flattened – resulting in a lower differential between long and short term yields. This had positive consequences on Canadian bonds over the quarter.
- Canadian corporate and provincial spreads ended the quarter narrower – corporate bonds outperformed in shorter maturities, while provincial bonds were the best performer as investors moved out the maturity spectrum. We continue to prefer credit given the current backdrop of improving global growth and low inflation. We are increasingly selective as the credit cycle continues to mature and many credit spreads appear fully valued.
- The Bank of Canada took a pause in the fourth quarter despite strong Canadian employment data to close out the year. The BoC has seemingly maintained its data dependency, while raising a cautious tone on several fronts. Despite this, market expectations have priced in three additional rate hikes over the course of 2018.

Performance

Total annual gross performance (%) as of 31-Dec-17	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Portfolio	9.11	6.05	9.14	13.21	19.57	10.52	-1.96	7.73	15.38	-13.89
Benchmark [^]	9.55	8.33	6.61	12.22	16.83	8.16	1.04	9.46	14.06	-15.42
Excess return	-0.44	-2.28	2.53	0.99	2.74	2.36	-3.00	-1.73	1.32	1.53

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.

[^] 30% FTSE TMX 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 TMX Canada 91 Day T-Bill, 25% FTSE TMX 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-17	4Q 2017	1 Year	3 Years	5 Years	10 Years
Total Portfolio	3.48	9.11	8.09	11.32	7.08
Benchmark[^]	4.32	9.55	8.16	10.65	6.71
MFS Low Volatility Canadian Equity Fund	1.80	–	–	–	–
S&P/TSX Capped Composite Index linked to previous benchmark	4.45	–	–	–	–
MFS Low Volatility Global Equity Fund	5.57	–	–	–	–
MSCI All Country World Index (net div)	5.92	–	–	–	–
MFS Canadian Core Plus Fixed Income Fund	2.26	–	–	–	–
FTSE TMX Canada Universe Bond Index	2.02	–	–	–	–

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.

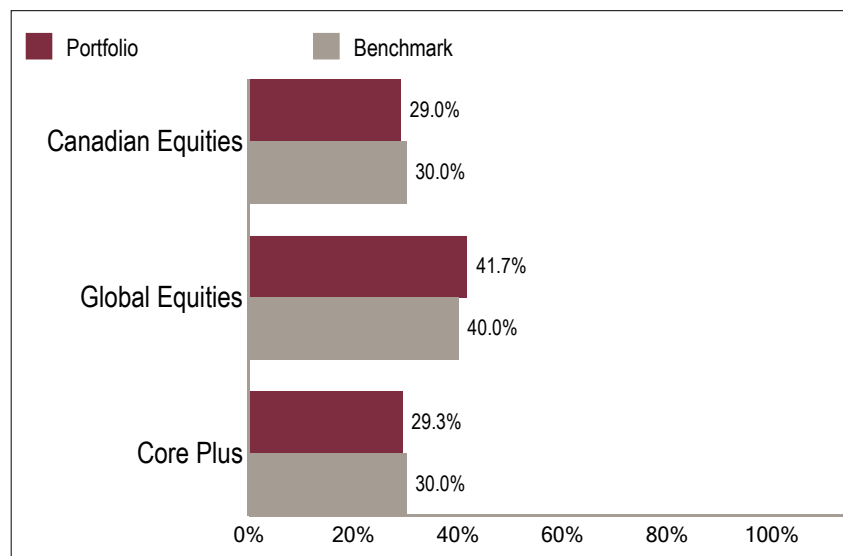
Total portfolio performance is calculated on a gross of management fee basis and is impacted by timing of client flows along with asset mix changes and rebalancing.

[^] 30% FTSE TMX 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 TMX Canada 91 Day T-Bill, 25% FTSE TMX Canada Universe Bond, 14% MSCI EAFE, 29% BMO/TSX CAP 10%, 27% S&P 500. Index performance is a blend of the two indices.

Asset summary

Asset allocation as of 31-Dec-17



MFS' asset mix view

The global economy continues to exhibit solid growth that remains broad based across regions. Inflation pressures are showing some signs of life as commodity prices advance, but remain low from a historical context. Global inflation is not expected to accelerate significantly despite diminished, though lingering, excess capacity. As a result, ultra-easy global monetary policies are being tightened ever so gradually. In this environment, global equity markets have continued to advance amid historically low volatility and global long term interest rates remain low. Leading indicators point to continued moderate global growth with few threats of imminent recession. However, valuations in risky assets such as equities and credit sectors in fixed income have moved higher suggesting lower risk premia and the prospect of lower future returns. The flattening yield curve also points a late-cycle expansionary environment.

We remain broadly neutral on equities within our balanced portfolios with the positive impulse of ongoing solid economic and earnings growth largely offset, in our view, by full valuations and tighter liquidity conditions as policy rates rise and global central bank balance sheet expansion moderates. Yet, solid market internals don't point to an imminent correction. Regionally, we remain modestly underweight Canadian equities versus global equities given uncertainty around NAFTA, macro trends suggest the Canadian credit cycle is in its late stages and an overshoot of recent Canadian dollar strength which we see reversing. Within fixed income, we continue to believe that bonds will outperform cash. While corporate bonds are expensive, we don't see an imminent widening in spreads so carry remains attractive. At the same time, the recent rise in Canadian bond yields looks excessive. Though yields are unlikely to fall significantly anytime soon, BoC tightening expectations look excessively priced and as a result value has been restored to Canadian government bonds.

Activity (CAD)	Beginning value as of 30-Sep-17	Contributions	Withdrawals	Intra-portfolio transfers	Change in market value	Ending value as of 31-Dec-17
Total Portfolio	63,059,893	+693,079	-342,815	0	+2,201,591	65,611,748
Cash	4,949	0	0	0	0	4,949

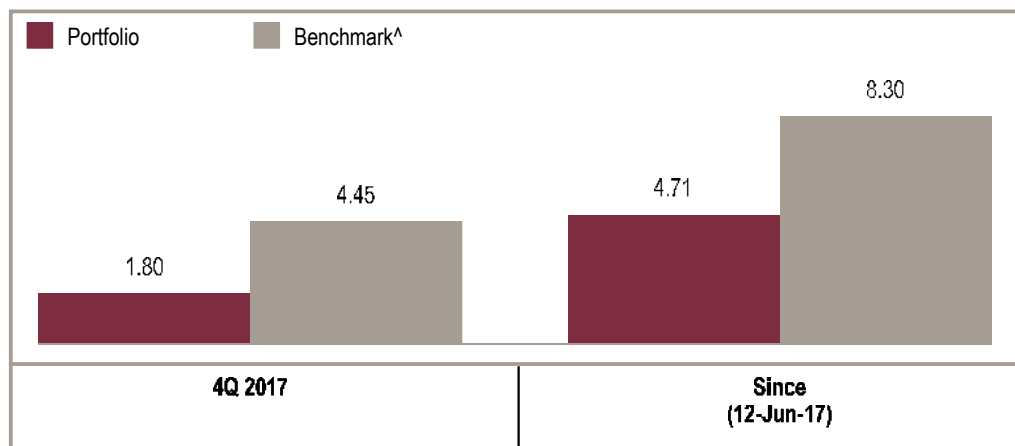
Cash shown above may include residual amounts from client directed transactions. These amounts may be reinvested or withdrawn upon client instruction.



MFS Low Volatility Canadian Equity Fund

Executive summary

Performance results (%) net of expenses (CAD) as of 31-Dec-17



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-17	18,579,092
Contributions	+194,062
Withdrawals	-95,988
Change in market value	+336,173
Ending value as of 31-Dec-17	19,013,339

Sector weights (%) as of 31-Dec-17

	Portfolio	Benchmark ^{AA}
Top overweights		
Utilities & Communications	22.9	16.4
Retailing	8.1	4.5
Special Products & Services	3.7	1.7
Top underweights		
Financial Services	28.7	37.1
Basic Materials	7.9	12.1
Transportation	1.9	5.7

^{AA} S&P/TSX Capped Composite Index

Portfolio and benchmark data shown is based on MFS' sector/industry classification methodology, which differs from the benchmark's.

The MFS Low Volatility Canadian Equity Fund underperformed the S&P/TSX Capped Composite Index in the fourth quarter of 2017.

Contributors

- Individual stocks:
 - Barrick Gold Corp (not held)
 - Alimentation Couche
 - Agrium Inc
 - Shopify Inc (not held)

Detractors

- Energy – Stock selection
- Utilities & Communications – Stock selection
- Financial Services – Stock selection
- Individual stocks:
 - Thomson Reuters Corp
 - Canopy Growth Corp (not held)
 - Teck Resources (not held)

Performance results

Performance results (%) net of expenses (CAD) as of 31-Dec-17

Period	Portfolio (%)	Benchmark [^] (%)	Excess return vs benchmark (%)
4Q 2017	1.80	4.45	-2.65
3Q 2017	2.86	3.68	-0.82
Since client inception (12-Jun-17)	4.71	8.30	-3.59

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 2017

		Average relative weighting (%)	Portfolio returns (%)	Benchmark returns (%)	Sector allocation (%)	+	Stock selection (%)	+	Currency effect (%)	=	Relative contribution (%)
Contributors	Technology	1.2	9.6	3.9	0.0		0.2		0.0		0.2
	Transportation	-3.8	0.7	2.8	0.1		-0.0		-		0.0
	Retailing	3.4	6.4	7.3	0.1		-0.1		-		0.0
	Consumer Staples	1.4	5.6	6.1	0.0		-0.0		-		0.0
Detractors	Energy	0.1	-6.5	2.3	-0.0		-1.0		-		-1.0
	Utilities & Communications	6.2	-1.0	1.2	-0.2		-0.5		-		-0.7
	Financial Services	-9.1	4.7	5.9	-0.1		-0.3		-		-0.5
	Industrial Goods & Services	1.9	1.0	6.3	0.0		-0.3		-		-0.2
	Leisure	1.8	-2.0	-1.0	-0.1		-0.0		-		-0.1
	Basic Materials	-3.6	5.2	6.1	-0.1		-0.1		-		-0.1
	Health Care	-0.5	-	27.1	-0.1		-		-		-0.1
	Cash	0.6	0.2	-	-0.1		-		-		-0.1
	Special Products & Services	1.6	3.3	3.7	-0.0		-0.0		-		-0.0
	Autos & Housing	-1.3	-	6.1	-0.0		-		-		-0.0
Total			1.8	4.5	-0.5		-2.2		0.0		-2.7

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 2017

		Average Weighting		Returns		Relative contribution (%)
		Portfolio (%)	Benchmark (%)	Portfolio (%) ¹	Benchmark (%)	
Contributors	Barrick Gold Corp	-	1.0	-	-9.3	0.1
	Alimentation Couche	2.4	1.2	15.4	15.4	0.1
	Agrium Inc	3.3	0.9	8.9	8.9	0.1
	Shopify Inc	-	0.5	-	-12.4	0.1
	Cenovus Energy Inc	-	0.6	-	-7.8	0.1
Detractors	Advantage Oil & Gas Ltd	1.9	0.1	-30.9	-30.9	-0.8
	Just Energy Group Inc	1.7	0.0	-23.5	-24.4	-0.5
	Laurentian Bank Of Canada	2.0	0.1	-5.2	-5.2	-0.2
	Thomson Reuters Corp	2.6	0.7	-3.5	-3.5	-0.2
	Canopy Growth Corp	-	0.1	-	177.4	-0.1

¹ 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 – detractors

Relative to S&P/TSX Capped Composite Index (CAD) - fourth quarter 2017

		Relative contribution (%)
Energy	Stock selection within this sector detracted from relative performance.	-1.0
	Advantage Oil & Gas Ltd An overweight position in oil and gas producer Advantage Oil & Gas (Canada) held back relative results. While financial results were solid, the firm reduced guidance in its 2018 budget midway through the period. The budget calls for only a lesser-than-expected increase in production, due to low natural gas prices, and reduced planned capital expenditures from \$210 million to \$175 million.	-0.8
	Arc Resources Ltd An overweight position in oil exploration and production company ARC Resources (Canada) detracted from relative performance. The stock traded lower during the period, despite beating consensus earnings estimates, as management lowered capital expenditure and production guidance.	-0.1
Utilities & Communications	Stock selection within this sector detracted from relative performance.	-0.7
	Just Energy Group Inc The portfolio's overweight position in natural gas and electricity provider Just Energy Group (Canada) dampened relative performance. Shares declined, mid-period, on disappointing second-quarter earnings and a reduced full-year outlook from management. Cooler-than-expected weather, that weakened energy demand, and losses from Hurricane Harvey, hurt the results. On the positive side, net customer additions grew nicely during the reported quarter.	-0.5
Financial Services	Stock selection within this sector detracted from relative performance.	-0.5
	Laurentian Bank Of Canada An overweight position in Canadian banking services provider Laurentian Bank of Canada hindered relative results. Mortgage underwriting concerns appeared to have outweighed fourth-quarter earnings results that beat market expectations. The mortgage underwriting issues include documentation errors, application misrepresentation and other insurance coverage issues, which impact approximately one percent of the bank's loans that were previously sold to third parties.	-0.2
Individual stocks	Thomson Reuters Corp The portfolio's overweight position in US professional markets' news and information publisher Thomson Reuters Corp weighed on relative returns as the stock underperformed the benchmark during the period. Third-quarter adjusted earnings and revenues came in below consensus estimates, as both the Financial and Risk and Tax and Accounting segments grew slower than expected.	-0.2
	Canopy Growth Corp Not owning shares of medical marijuana company Canopy Growth (Canada) hurt relative performance. The stock traded higher in late October after beer company, Constellation Brands, announced it was investing a 9.9% stake in the company.	-0.1
	Teck Resources Not holding shares of Canadian mining and mineral development firm Teck Resources Limited detracted from relative returns as the stock outperformed the benchmark during the period. Investors appeared to have responded positively to the news that the company would repurchase shares and distribute a supplemental dividend, in addition to their regular dividend. The stock also benefited from robust pricing in met coal and zinc, driven by Chinese policy restrictions and strong demand from India.	-0.1

Significant impacts on performance – contributors

Relative to S&P/TSX Capped Composite Index (CAD) - fourth quarter 2017

			Relative contribution (%)
Individual stocks	Barrick Gold Corp	Avoiding shares of Canadian gold miner Barrick Gold supported relative performance. The stock declined as the company reported third-quarter earnings results that showed some weakness in production and costs. Additionally, the company reduced its guidance slightly due to issues at its Acadia Mining and Tanzania joint ventures.	0.1
	Alimentation Couche	An overweight position in convenience stores operator Alimentation Couche (Canada) lifted relative performance. Shares rose during the period, buoyed by stronger-than-expected results from the recently completed acquisition of competitor CST Brands. The outlook for 2018 was also positive, with FTC approval for a merger with rival, Holiday Stationstores, looking increasingly likely.	0.1
	Agrium Inc	A portfolio overweight to Canadian agricultural products and services provider Agrium contributed to relative returns as the stock outperformed the benchmark during the period. The company received regulatory approvals in Brazil, Canada, China, India, Russia and the United States for its merger with competitor, Potash, subject to specified equity divestments. The closing date for the merger was set at January 1, 2018, and subsequently closed.	0.1
	Shopify Inc	Not owning shares of cloud-based commerce platform operator Shopify (Canada) contributed to relative results. The stock price decreased early in the quarter after a negative research report was published and distributed aggressively by a short seller.	0.1

Significant transactions

From 01-Oct-17 to 31-Dec-17

	Security	Sector	Transaction type	Trade (%)	Ending weight (%)
Purchases	TOURMALINE OIL CORP	Energy	Add	0.8	1.5
	BCE INC	Utilities & Communications	Add	0.5	2.0
	CANADIAN NATURAL RESOURCES LTD	Energy	Add	0.4	1.4
	INTACT FINANCIAL CORP	Financial Services	Add	0.4	1.9
	RUSSEL METALS INC	Special Products & Services	New position	0.3	0.3
Sales	FRANCO-NEVADA CORP	Basic Materials	Trim	-0.9	1.5
	ARC RESOURCES LTD	Energy	Eliminate position	-0.9	–
	RITCHIE BROS AUCTIONEERS	Industrial Goods & Services	Eliminate position	-0.7	–
	TMX GROUP LTD	Financial Services	Trim	-0.6	0.6
	ADVANTAGE OIL & GAS LTD	Energy	Trim	-0.4	1.3

Sector weights

As of 31-Dec-17	Portfolio (%)	Benchmark^ (%)	Underweight/overweight (%)	Top holdings
Utilities & Communications	22.9	16.4	6.5	TELUS Corp, Emera Inc, TransCanada Corp
Retailing	8.1	4.5	3.6	Loblaw Cos Ltd, Alimentation Couche-Tard Inc
Special Products & Services	3.7	1.7	2.0	CGI Group Inc, Superior Plus Corp
Leisure	4.5	2.7	1.8	Thomson Reuters Corp, Shaw Communications Inc
Consumer Staples	2.3	0.8	1.5	Maple Leaf Foods Inc
Industrial Goods & Services	4.5	3.2	1.3	Waste Connections Inc, SNC-Lavalin Group Inc
Technology	4.0	2.7	1.3	Constellation Software Inc/Canada, Open Text Corp, Descartes Systems Group Inc
Energy	10.9	11.0	-0.1	Suncor Energy Inc, Imperial Oil Ltd, Tourmaline Oil Corp
Health Care	0.0	0.7	-0.7	
Autos & Housing	0.0	1.3	-1.3	
Transportation	1.9	5.7	-3.8	Canadian National Railway Co
Basic Materials	7.9	12.1	-4.2	Agrium Inc, Goldcorp Inc, Franco-Nevada Corp
Financial Services	28.7	37.1	-8.4	Toronto-Dominion Bank, Royal Bank of Canada, Canadian Real Estate Investment Trust REIT

^ S&P/TSX Capped Composite Index
0.6% Cash & cash equivalents

Portfolio and benchmark data shown is based on MFS' sector/industry classification methodology, which differs from the benchmark's.

Characteristics

As of 31-Dec-17	Portfolio	Benchmark [^]
Fundamentals - weighted average		
Price/earnings (12 months forward ex-negative earnings)	16.4x	16.4x
Price/cash flow	10.9x	11.4x
Price/book	2.0x	1.9x
Price/sales	1.7x	1.8x
Dividend yield	2.9%	2.8%
Return on invested capital	7.2%	6.4%
PEG ratio	1.5x	1.5x
Market capitalisation		
Market capitalisation (CAD) ¹	16.9 bn	3.4 bn
Diversification		
Number of holdings	56	251
Turnover		
Trailing 1 year turnover ²	67%	–
Risk profile (current)		
Barra predicted tracking error ³	3.02%	–

[^] S&P/TSX Capped Composite Index

¹ Median.

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

³ Source: Barra

No forecasts can be guaranteed.

As of 31-Dec-17	Portfolio (%)	Benchmark [^] (%)
Top 10 issuers		
TORONTO DOMINION HOLDINGS INC	3.6	6.1
SUNCOR ENERGY INC	3.6	3.4
AGRIUM INC	3.5	0.9
TELUS CORP	3.5	1.3
ROYAL BANK OF CANADA	3.5	6.7
EMERA INC	3.3	0.4
TRANSCANADA CORP	3.3	2.4
LOBLAW COMPANIES LTD (EQ)	3.2	0.6
ENBRIDGE INC	3.1	3.7
CANADIAN REAL ESTATE INVESTMENT TRUST	3.1	0.2
Total	33.7	25.6

Portfolio outlook and positioning

Global equities, as measured by the MSCI ACWI local index, finished 2017 on a high note with a 12th consecutive month of positive performance. Strong earnings coupled with supportive monetary policy and robust economic indicators offset elevated valuations, ongoing geopolitical concerns and arguably euphoric investor sentiment.

During the same period, Canadian equities lagged global counterparts. Weakness in oil stocks was a big factor holding down Canadian market performance. Despite the late 2016 OPEC agreement to curb production, market cynicism regarding cartel compliance and aggressive production increases by US shale producers combined to depress the price of oil from US\$55 to US\$42 in the first half of 2017. While energy commodity prices ultimately recovered to finish the year in positive territory, the Canadian energy sector declined. This was in part owing to major pipeline challenges, as repair, maintenance and capacity issues held back delivery.

Strength in the Canadian dollar also presented an earnings headwind for the Canadian equity market. The stronger-than-expected Canadian economy prompted the Bank of Canada to unexpectedly raise its benchmark rate twice, pushing the Canadian dollar upward. Foreign exchange translation weighed on the earnings of Canadian companies, particularly with the majority of their earnings sourced abroad.

Broadly, Canadian insurers and bank stocks fared better; however, again, those with higher proportionate offshore exposure fought a modest earnings headwind. However, domestic financials specializing in residential mortgages were weak.

To this end, provincial governments in Canada have continued on their path of tightening mortgage qualification rules to contain surging residential real estate values, and housing transaction volumes have shown signs of cooling. We recognize the Bank of Canada's challenge as it seeks to manage the level of interest rates while balancing the dangers of inflation on the one hand and Canada's elevated debt load on the other. The potential for slower growth as Canada addresses high debt now seems even more imminent. So, while we may be witnessing improvement in the short term, we are monitoring risks over the medium and long term.

Canadian equity valuations finished the year above their historical average. Fortuitously, stock correlations have started to widen, as it appears the equity market is transitioning to one being driven by company fundamentals. Individual stock selection is an increasingly important factor to consider.

Turning to volatility, as noted previously, while the current prolonged period of a subdued VIX is not unusual, there are growing signs of a possible pickup in volatility in 2018. Recent historical analysis on the S&P 500 Index by Strategas shows that since 1945 volatility has increased meaningfully on average in years directly following years in which the intra-year drawdown was less than 6% (2017 was 3%). Further, research by Alliance Bernstein and Cornerstone Macro both point to a negative relationship between geographic consistency and strength of economic growth on the one hand and volatility on the other, suggesting any signs of weaker economic growth or divergences in economic strength could put upward pressure on volatility.

Despite lagging global markets, the persistent strength in Canadian equity markets over the past year and accompanying record low volatility has resulted in an extremely challenging environment for the MFS Low Volatility Canadian Equity portfolio, particularly in the most recent quarter. With this challenging environment, the

Portfolio outlook and positioning

portfolio underperformed the broader S&P TSX Composite index during the fourth quarter of 2017. During the period stock selection within energy, utilities, financial services and industrial goods and services, coupled with an underweight to the financial services sector, weighed on results versus the broader index. Partially offsetting this negative impact was good stock selection in the technology sector.

Examining the Blended Research stock selection process for the strategy shows that in the fourth quarter intersection holdings, which are stocks deemed attractive by both of our proprietary research sources, modestly detracted from performance. The fundamental research input to the process generally worked during the period, with stocks rated buy by our analysts outperforming the benchmark while stocks rated sell underperformed. However, this was more than offset by negative stock selection among the buy rated names. The quantitative research input also generally performed as intended with the stocks deemed most attractive by the model outperforming. However, as was the case with the fundamental input, stock selection across the quantitative model constrained results. Evaluating the components of the model shows valuation was somewhat of a mixed bag with both the most expensive stocks, as well as the least expensive, producing the strongest performance results. The themes of price momentum, earnings momentum and earnings quality also produced somewhat mixed results, while our sentiment theme, which includes net share buybacks as a key component, worked quite well in the Canadian market.

Key trades for the quarter included:

During the period, we initiated a new holding in **Russel Metals**. We also took the opportunity to add to existing holdings in **Tourmaline Oil**, **BCE**, **Canadian Natural Resources** and **Intact Financial**.

- We established a position in steel distributor **Russel Metals** during the period. We view Russel Metals as a compelling investment opportunity as the company has witnessed increasing revenues and improving profit due to rising demand for steel, while oil prices are stabilizing. This strong demand resulted in a reduction of inventory overhang. Quantitatively, the stock benefits from attractive valuation and earnings momentum.
- We added to the independent oil company **Tourmaline Oil** during the period. We view the company favourably as it continues working towards a more disciplined strategy, focusing on cost controls and free cash flow improvement. We also feel the company has a strong management team. From a valuation perspective the stock appeared attractive following a recent selloff in the share price due to a near-term production miss.
- A position in Canadian-based **Canadian Natural Resources** was added to during the quarter. Our take on the largest oil producer in Western Canada is that the integration of the Athabasca Oil Sands Project along with the completion of the Horizon oil sands project should improve free cash flow going forward. This, coupled with low maintenance capital requirements and a management team committed to returning cash to shareholders as it reduces leverage, should benefit future share prices in our opinion. Quantitatively, the stock appears attractive on price momentum and earnings quality.

Portfolio outlook and positioning

- We added to insurance provider **Intact Financial** during the period. The company, we believe, is a leading property and casualty insurance operator with a strong operational track record. Management has historically been a strong capital allocator and demonstrated an ability to achieve strong returns on acquisitions. Quantitatively, the stock appears attractive on price momentum.

On the sell side, we eliminated several positions including **ARC Resources** and **Ritchie Brothers Auctioneers**, while trimming existing holdings in **Franco-Nevada Corporation**, **TMX Group** and **Advantage Oil & Gas**.

- **ARC Resources**, the independent energy company, was sold during the quarter. Our decision to sell the stock was driven primarily by heightened volatility, as industry itself has recently experienced higher relative volatility. Quantitatively the stock appears weak on price and earnings momentum.
- We exited our position in machinery and tool company **Ritchie Brothers Auctioneers**. Higher volatility on the back of a recent reported earnings miss drove our decision to exit the stock. The report indicated production proceeds declined meaningfully over the period and a high fixed-cost structure led to a decline in earnings before interest, tax, depreciation and amortization (EBITDA). Quantitatively, the stock appears weak on both earnings momentum and valuation.
- Our exposure to precious metals company **Franco-Nevada Corporation** was decreased during the period. While the company remains attractive from a fundamental perspective given its more defensive business model when compared to other metals and mining companies, we took the opportunity to realign some basis points into Agnico Eagle Mines and Russel Metals in order to better diversify what was becoming a concentrated position in the metals and mining industry in the portfolio. From a quantitative perspective recent deterioration in valuation, sentiment and earnings momentum also drove our decision to trim the stock.
- **TMX Group**, the operator of exchanges, markets and clearing houses primarily for capital markets in Canada, was trimmed during the quarter. Here we witnessed volatility increase due to short-term headwinds, including declining revenue, a recent acquisition announcement and other investments which may constrain free cash flow over the next several years.
- We trimmed our position in low-cost natural gas producer **Advantage Oil & Gas**. While the company continues in our view to offer relatively steady growth and a well-hedged portfolio, higher volatility, as industry itself has had higher relative volatility, led to our decision to decrease our position size. Quantitatively, the stock appears weak on earnings momentum.

Portfolio outlook and positioning

While our investment approach has been challenged relative to the broader S&P/TSX benchmark over the past quarter, the strategy still produced double-digit returns on absolute basis since its inception on July 1, 2017, and outperformed the MSCI Canadian Minimum Volatility index over that six-month period. We still firmly believe an approach which avoids the most volatile stocks, has a longer-term focus and identifies high quality companies trading at attractive valuations, using both MFS' proprietary fundamental research and quantitative research insights, remains prudent. Past periods where investors have ignored valuations and fundamentals have not ended well and while the current macro environment could be described as nirvana, peaking economic and earnings momentum, coupled with further normalization of monetary policy, unresolved geopolitical issues and upcoming mid-term elections may cause investors to focus on how much they are paying for a dollar of earnings and how good the quality of those earnings is. In such an environment, volatility is likely to awaken from its slumber, which should result in a more conducive environment for investments in the quality and low- volatility market segments in general and the MFS Low Volatility Canadian Equity portfolio in particular.

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-17	Holding	Equivalent exposure (%)
Basic Materials (7.9%)	Agrium Inc	3.5
	Goldcorp Inc	1.7
	Franco-Nevada Corp	1.5
	Stella-Jones Inc	0.9
	Agnico Eagle Mines Ltd	0.3
Cash & Cash Equivalents (0.6%)	Cash & Cash Equivalents	0.6
Consumer Staples (2.3%)	Maple Leaf Foods Inc	2.3
Energy (10.9%)	Suncor Energy Inc	3.6
	Imperial Oil Ltd	2.3
	Tourmaline Oil Corp	1.5
	Canadian Natural Resources Ltd	1.4
	Advantage Oil & Gas Ltd	1.3
	Keyera Corp	0.9
Financial Services (28.7%)	Toronto-Dominion Bank	3.6
	Royal Bank of Canada	3.5
	Canadian Real Estate Investment Trust REIT	3.1
	Canadian Imperial Bank of Commerce	3.0
	Bank of Montreal	2.7
	National Bank of Canada	2.5
	Laurentian Bank of Canada	1.9
	Intact Financial Corp	1.9
	Bank of Nova Scotia	1.8
	Manulife Financial Corp	1.4
	Killam Apartment Real Estate Investment Trust REIT	1.3
	Great-West Lifeco Inc	1.2
	TMX Group Inc	0.6
	Fairfax Financial Holdings Ltd	0.2
Industrial Goods & Services (4.5%)	Waste Connections Inc	2.9
	SNC-Lavalin Group Inc	1.0
	Stantec Inc	0.5

Portfolio holdings

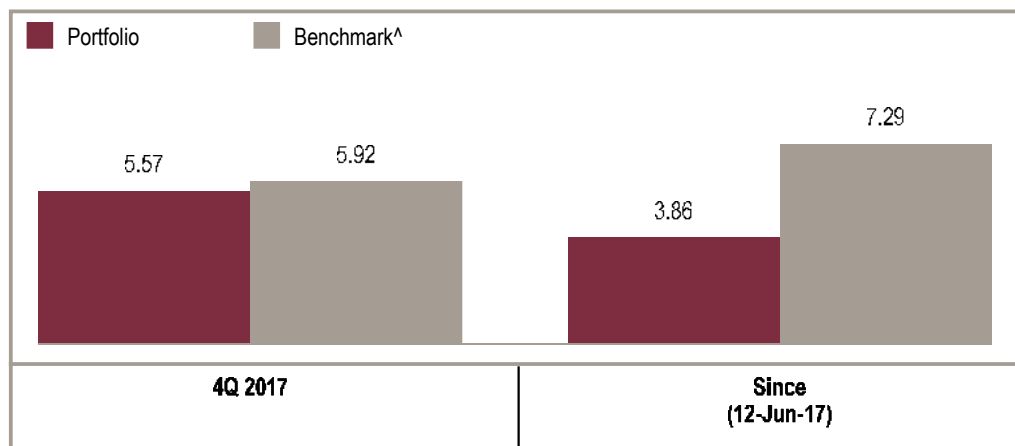
As of 31-Dec-17	Holding	Equivalent exposure (%)
Leisure (4.5%)	Thomson Reuters Corp	2.5
	Shaw Communications Inc	1.6
	Restaurant Brands International Inc	0.5
Retailing (8.1%)	Loblaw Cos Ltd	3.2
	Alimentation Couche-Tard Inc	2.5
	Dollarama Inc	0.9
	Metro Inc	0.6
	Canadian Tire Corp Ltd	0.5
	Gildan Activewear Inc	0.5
Special Products & Services (3.7%)	CGI Group Inc	1.5
	Superior Plus Corp	1.1
	Boyd Group Income Fund IEU	0.9
	Russel Metals INC	0.3
Technology (4.0%)	Constellation Software Inc/Canada	1.5
	Open Text Corp	1.3
	Descartes Systems Group Inc	1.2
Transportation (1.9%)	Canadian National Railway Co	1.9
Utilities & Communications (22.9%)	TELUS Corp	3.5
	Emera Inc	3.3
	TransCanada Corp	3.3
	Enbridge Inc	3.1
	Rogers Communications Inc	2.7
	Quebecor Inc	2.3
	BCE Inc	2.0
	Just Energy Group Inc	1.5
	Fortis Inc/Canada	0.8
	TransAlta Renewables Inc	0.4



MFS Low Volatility Global Equity Fund

Executive summary

Performance results (%) net of expenses (CAD) as of 31-Dec-17



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-17	25,766,890
Contributions	+291,093
Withdrawals	-143,982
Change in market value	+1,440,799
Ending value as of 31-Dec-17	27,354,799

Sector weights (%) as of 31-Dec-17

	Portfolio	Benchmark ^{^^}
Top overweights		
Utilities & Communications	15.8	6.8
Consumer Staples	13.4	7.1
Health Care	15.7	10.8
Top underweights		
Financial Services	16.0	21.9
Technology	11.5	15.8
Industrial Goods & Services	3.2	6.7

^{^^} MSCI All Country World Index

Portfolio and benchmark data shown is based on MFS' sector/industry classification methodology, which differs from the benchmark's.

The MFS Low Volatility Global Equity Fund underperformed the MSCI All Country World Index in the fourth quarter of 2017.

Contributors

- Health Care – Stock selection
- Autos & Housing – Stock selection
- Individual stocks:
 - Ross Stores Inc
 - Adobe Systems Inc
 - General Electric Co (not held)

Detractors

- Utilities & Communications – Overweight position
- Technology – Stock selection
- Currency
- Individual stocks:
 - Integra Lifesciences Holdings Corp
 - Merck & Co Inc

Performance results

Performance results (%) net of expenses (CAD) as of 31-Dec-17

Period	Portfolio (%)	Benchmark [^] (%)	Excess return vs benchmark (%)
4Q 2017	5.57	5.92	-0.35
3Q 2017	-1.62	1.29	-2.91
Since client inception (12-Jun-17)	3.86	7.29	-3.43

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 2017

		Average relative weighting (%)	Portfolio returns (%)	Benchmark returns (%)	Sector allocation (%)	+	Stock selection (%)	+	Currency effect (%)	=	Relative contribution (%)
Contributors	Health Care	4.8	4.6	1.3	-0.2		0.6		-0.1		0.3
	Autos & Housing	-1.1	13.3	5.8	0.0		0.1		0.1		0.2
	Consumer Staples	6.4	6.4	5.3	-0.0		0.2		-0.1		0.1
	Industrial Goods & Services	-3.8	3.9	4.4	0.1		0.0		-0.0		0.1
	Special Products & Services	-2.1	6.3	6.1	-0.0		0.0		-0.0		0.0
Detractors	Utilities & Communications	9.2	1.7	1.4	-0.4		0.1		-0.0		-0.4
	Technology	-3.9	6.7	8.4	-0.0		-0.1		-0.1		-0.3
	Financial Services	-5.4	5.1	6.1	-0.0		-0.2		0.0		-0.2
	Basic Materials	-1.9	6.2	8.7	-0.0		-0.2		0.0		-0.2
	Transportation	-1.4	0.2	7.0	-0.0		-0.1		-0.0		-0.1
	Leisure	-1.3	4.1	6.0	0.0		-0.0		-0.0		-0.1
	Cash	0.8	0.2	-	-0.0		-		-0.0		-0.0
	Retailing	2.6	10.4	13.3	0.2		-0.2		-0.0		-0.0
	Energy	-2.9	8.7	8.0	-0.1		0.0		0.0		-0.0
Total			5.5	6.0	-0.7		0.3		-0.2		-0.6

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 2017

		Average Weighting		Returns		Relative contribution (%)
		Portfolio (%)	Benchmark (%)	Portfolio (%) ¹	Benchmark (%)	
Contributors	Ross Stores Inc	2.2	0.1	24.8	24.8	0.4
	Terumo Corp	2.4	0.0	20.8	20.8	0.3
	Adobe Systems Inc	1.8	0.2	17.7	17.7	0.2
	General Electric Co	–	0.4	–	-27.2	0.2
	Toyo Suisan Kaisha Ltd	1.2	0.0	16.6	16.6	0.1
Detractors	PG&E Corporation	0.9	0.1	-22.8	-34.0	-0.4
	Vtech Hldgs	1.3	–	-8.8	–	-0.2
	Integra Lifesciences Holdings Corp	1.5	–	-5.0	–	-0.2
	Merck & Co Inc	1.3	0.4	-11.2	-11.2	-0.2
	Marine Harvest Asa	0.8	0.0	-12.0	-12.0	-0.2

¹ 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 – detractors

Relative to MSCI All Country World Index (CAD) - fourth quarter 2017

		Relative contribution (%)
Utilities & Communications		An overweight position in Utilities & Communications detracted from relative performance as the sector underperformed the broad market over the quarter.
	PG&E Corporation	The timing of the portfolio's ownership in shares of PG&E (United States) held back relative performance. The stock suffered, early in the quarter, after several media reports inconclusively linked the company's downed power lines as a potential cause of igniting some of the most destructive wildfires experienced in California.
Technology		Stock selection within this sector detracted from relative performance.
	Vtech Hldgs	Holdings of Hong Kong consumer electronics products manufacturer VTech Holdings held back relative returns. Despite the company reporting strong net profit results, lower-than-expected residential phone sales and a fall in revenue in its Electronic Learning Products segment, following the Toys R Us filing for bankruptcy, weighed on the stock.
Individual stocks	Integra Lifesciences Holdings Corp	Owning shares of medical instruments manufacturer Integra Lifesciences (United States) hindered relative performance. The stock lagged the benchmark during the period after third-quarter revenues came in lower than expected and the company reduced its fourth-quarter revenue outlook due to a recent acquisition, storm-related activities and slower growth in its base business.
	Merck & Co Inc	The portfolio's overweight position in pharmaceutical company Merck (United States) hurt relative returns. The company's disappointing third-quarter earnings, driven by weaker-than-expected sales of Gardasil, Zepatier and Keytruda, appeared to have weighed on investor sentiment. Additionally, Merck announced a delay in the development of KN-189, its non-small cell lung cancer treatment, until February 2019.

Significant impacts on performance – contributors

Relative to MSCI All Country World Index (CAD) - fourth quarter 2017

		Relative contribution (%)
Health Care		0.3
	Stock selection within this sector contributed to relative performance.	
	Terumo Corp	0.3
	An overweight position in medical products and equipment manufacturer Terumo (Japan) supported relative performance. The stock rose after the company reported quarterly earnings that exceeded expectations due to higher-than-expected sales of vascular closure devices.	
Autos & Housing		0.2
	Stock selection within this sector contributed to relative performance. However, there were no individual shares within this sector that were among the portfolio's top relative contributors for the reporting period.	
Individual stocks		
	Ross Stores Inc	0.4
	The portfolio's overweight position in apparel retailer Ross Stores (United States) supported relative results as the company reported earnings per share results ahead of market expectations. Growth in earnings was represented by an increase in quarterly same-store sales and gross margin expansion. The sales strength was broad-based across categories and regions and relatively steady throughout the quarter, despite the hurricanes in the company's relatively more important areas.	
	Adobe Systems Inc	0.2
	An overweight position in software company Adobe Systems (United States) boosted relative returns. Shares rose on strong guidance for the coming year and continued success of the Creative Cloud product.	
	General Electric Co	0.2
	Not holding shares of diversified industrial conglomerate General Electric (United States) benefited relative returns. Shares declined after its new management team significantly reduced its expectations for earnings and cash flow and cut its dividend in half. Weakness in the Power and Oil & Gas divisions, along with other impairment charges, weighed on the firm's operating results.	

Significant transactions

From 01-Oct-17 to 31-Dec-17

	Security	Sector	Transaction type	Trade (%)	Ending weight (%)
Purchases	FRANCO-NEVADA CORP	Basic Materials	New position	1.4	1.3
	PFIZER INC	Health Care	Add	1.0	1.6
	SUN COMMUNITIES INC	Financial Services	New position	0.7	0.7
	WASTE CONNECTIONS INC	Industrial Goods & Services	New position	0.6	0.6
	AVANGRID INC	Utilities & Communications	New position	0.5	0.5
Sales	VALIDUS HOLDINGS LTD	Financial Services	Eliminate position	-1.9	–
	PG&E CORP	Utilities & Communications	Eliminate position	-0.9	–
	CVS HEALTH CORP	Health Care	Eliminate position	-0.7	–
	TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	Technology	Trim	-0.6	2.9
	INTEGRA LIFESCIENCES HOLDINGS CORP	Health Care	Trim	-0.6	1.2

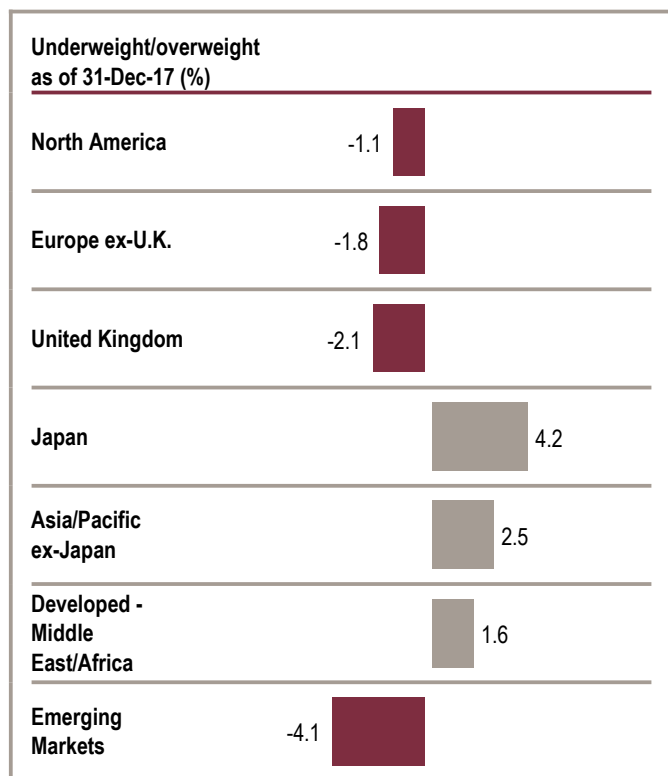
Sector weights

As of 31-Dec-17	Portfolio (%)	Benchmark^ (%)	Underweight/overweight (%)	Top holdings
Utilities & Communications	15.8	6.8	9.0	TELUS Corp, KDDI Corp, Alliant Energy Corp
Consumer Staples	13.4	7.1	6.3	Nestle SA, PepsiCo Inc, General Mills Inc
Health Care	15.7	10.8	4.9	Johnson & Johnson, Terumo Corp, Roche Holding AG
Retailing	8.2	5.5	2.7	Ross Stores Inc, ABC-Mart Inc, Lawson Inc
Autos & Housing	2.9	4.0	-1.1	Kia Motors Corp, USS Co Ltd
Basic Materials	4.2	5.3	-1.1	Franco-Nevada Corp, PTT Global Chemical PCL
Leisure	3.3	4.7	-1.4	McDonald's Corp
Transportation	0.8	2.3	-1.5	Canadian National Railway Co
Special Products & Services	1.1	3.3	-2.2	Forrester Research Inc
Energy	2.9	5.8	-2.9	Exxon Mobil Corp
Industrial Goods & Services	3.2	6.7	-3.5	Lockheed Martin Corp
Technology	11.5	15.8	-4.3	Taiwan Semiconductor Manufacturing Co Ltd ADR, Nice Ltd ADR, Adobe Systems Inc
Financial Services	16.0	21.9	-5.9	Grand City Properties SA, AvalonBay Communities Inc REIT, Intact Financial Corp

^ MSCI All Country World Index
0.8% Cash & cash equivalents

Portfolio and benchmark data shown is based on MFS' sector/industry classification methodology, which differs from the benchmark's.

Region and country weights



0.8% Cash & cash equivalents

¹ The portfolio does not own any securities in countries represented in the benchmark in the following percentages: China 3.5%; Australia 2.3%; Spain 1.1%; India 1.0%; Sweden 0.9%; Brazil 0.8%; Italy 0.8%; South Africa 0.8% and 21 countries with weights less than 0.5% which totals to 3.2%.

	Portfolio (%)	Benchmark [^] (%)	Underweight/overweight (%)
North America	54.2	55.3	-1.1
Canada	9.4	3.2	6.2
United States	44.8	52.2	-7.4
Europe ex-U.K.	13.2	15.0	-1.8
Switzerland	6.9	2.6	4.3
Denmark	1.3	0.6	0.7
Norway	0.8	0.2	0.6
Germany	2.7	3.2	-0.5
Netherlands	0.7	1.2	-0.5
France	0.9	3.5	-2.6
Other countries ¹	0.0	3.7	-3.7
United Kingdom	3.8	5.9	-2.1
Japan	12.1	7.9	4.2
Asia/Pacific ex-Japan	6.4	3.9	2.5
Hong Kong	4.3	1.2	3.1
New Zealand	2.0	0.1	1.9
Other countries ¹	0.0	2.7	-2.7
Developed - Middle East/Africa	1.8	0.2	1.6
Israel	1.8	0.2	1.6
Emerging Markets	7.7	11.8	-4.1
Taiwan	2.9	1.3	1.6
Thailand	1.2	0.3	0.9
Peru	0.9	0.0	0.9
Malaysia	1.0	0.3	0.7
Philippines	0.5	0.1	0.4
South Korea	1.2	1.8	-0.6
Other countries ¹	0.0	7.9	-7.9

[^] MSCI All Country World Index

Characteristics

As of 31-Dec-17	Portfolio	Benchmark [^]
Fundamentals - weighted average		
IBES long-term EPS growth ¹	9.9%	13.2%
Price/earnings (12 months forward ex-negative earnings)	18.9x	16.5x
PEG ratio	2.1x	1.6x
Price/book	2.7x	2.3x
Price/sales	2.0x	1.7x
Dividend yield	2.8%	2.3%
Return on equity (3-year average)	20.0%	17.5%
Market capitalisation		
Market capitalisation (CAD) ²	113.6 bn	165.5 bn
Diversification		
Top ten holdings	22%	10%
Number of holdings	95	2,499
Turnover		
Trailing 1 year turnover ³	22%	–
Risk profile (current)		
Active share	86%	–
Barra predicted tracking error ⁴	3.99%	–

[^] MSCI All Country World Index

¹ Source: Thomson Reuters

² Weighted average.

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

⁴ Source: Barra

No forecasts can be guaranteed.

As of 31-Dec-17	Portfolio (%)	Benchmark [^] (%)
Top 10 issuers		
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2.9	0.4
JOHNSON & JOHNSON	2.9	0.8
TERUMO CORP	2.5	0.0
ROCHE HOLDING AG	2.3	0.4
ROSS STORES INC	2.2	0.1
FISHER & PAYKEL HEALTHCARE C	2.0	0.0
ABC-MART INC	2.0	0.0
MCDONALD'S CORP	1.9	0.3
LOCKHEED MARTIN CORP	1.9	0.2
NICE LTD	1.8	0.0
Total	22.5	2.2

Portfolio outlook and positioning

Global equities, as measured by the MSCI ACWI local index, finished 2017 on a high note with a 12th consecutive month of positive performance. Strong earnings coupled with supportive monetary policy and robust economic indicators offset elevated valuations, ongoing geopolitical concerns and arguably euphoric investor sentiment.

Market leadership was persistently cyclical throughout the year, and in Q4, with the technology, materials and consumer discretionary stocks outperforming over both time periods. Defensive sectors such as consumer staples and health care, including bond proxies such as utilities or telecommunications, generally lagged throughout the year and in the final quarter. One notable exception was energy, which lagged in line with oil prices in the first half of the year but outperformed in the second half, playing catch-up with much stronger energy prices.

On a region/country basis strong performance by emerging market indices also reflected a more cyclical bias. The technology-heavy US market was a strong performer both in the fourth quarter and on a year-to-date basis. Japanese equities, driven by attractive relative valuations, strong earnings, improved governance and a weak yen, had a strong finish to the year but performed only in line with the broader ACWI benchmark for 2017. European equities were generally laggards during the quarter and throughout 2017.

Style leadership shifted back to growth in 2017, continuing the back and forth rotation we have experienced in recent years. From a size perspective mega caps were the strongest market cap segment during the year.

Valuation metrics for the broad MSCI ACWI benchmark hovered around their long-term averages with price-to-cash flow a notable outlier to the upside. Having said that, relative valuations, using forward P/E ratios as a proxy, showed US equities to be expensive versus history while equities in the Pacific region, including Japan and emerging markets are more reasonably valued. On a style basis, global growth stocks are expensive relative to value stocks.

We believe the earnings outlook remains generally supportive, with earnings estimate revisions strong overall, evidenced by more upward revisions than downward on a global basis. Particular strength is evident in Japan, the United States, the Pacific ex Japan region and emerging markets. European earnings revisions, while holding steady above long term averages, lag other geographies.

Turning to volatility, as noted previously, while the current prolonged period of a subdued VIX is not unusual, there are growing signs of a possible pickup in volatility in 2018. Recent historical analysis on the S&P 500 Index by Strategas shows that since 1945 volatility has increased meaningfully on average in years directly following years in which the intra-year drawdown was less than 6% (2017 was 3%). Further, research by Alliance Bernstein and Cornerstone Macro points to a

Portfolio outlook and positioning

negative relationship between geographic consistency and strength of economic growth on the one hand and volatility on the other, suggesting any signs of weaker economic growth or divergences in economic strength could put upward pressure on volatility.

The persistent strength in the global equity markets over the past year and accompanying record low volatility has resulted in an extremely challenging environment for the MFS Low Volatility Global Equity portfolio both in the fourth quarter and for 2017 as a whole. While we did experience some reprieve on the volatility performance front in the fourth quarter, with the highest volatility stocks underperforming, the lowest volatility segment of the market, where the portfolio is significantly overweight, unfortunately continued to underperform the broader benchmark, as it has in three out of four quarters this year.

Despite strong stock selection in the lower volatility segments of the market, such as health care, consumer staples and communications, the portfolio's underweight and weaker stock selection in what would be considered the higher volatility segments like the technology, basic materials and financial services sectors weighed heavily on results in the fourth quarter; these results, with few exceptions, were consistent throughout the year.

Examining the Blended Research stock selection process for the strategy shows that in the fourth quarter intersection holdings, which are stocks deemed attractive by both of our proprietary research sources, performed essentially in line with the benchmark. The fundamental research input to the process struggled during the period, with stocks rated sell by our analysts significantly outperforming the benchmark while stocks rated buy were essentially market performers. The quantitative research input generally performed as intended with the stocks deemed most attractive by the model outperforming while lower ranked stocks underperformed. Evaluating the components of the model shows valuation was generally ignored by investors, with the most expensive stocks producing the strongest performance while the cheapest stocks were the worst performers. Earnings momentum and earnings quality metrics produced strong results and generally performed as intended. The price momentum and sentiment themes within the model produced more mixed results.

Key trades for the quarter included the following:

During the period, we initiated several new holdings, including **Franco-Nevada Corporation**, **Sun Communities**, **Waste Connections** and **Avangrid**.

- We established a position in Canadian-based **Franco-Nevada Corporation** during the period. The company offers exposure to the precious metals industry, but at higher margins, as the firm provides cash to miners in exchange for buying precious metals at substantial discounts compared to spot prices. We feel Franco-Nevada offers a more defensive business model when compared to other metals and mining companies in the space.
- We initiated a position in US-based REIT **Sun Communities**. Sun Communities is primarily focused on manufactured housing in southern United States. We believe the company will experience continued growth beyond 2018 in properties, rent, and occupancy. The firm offers a strong balance sheet and a

Portfolio outlook and positioning

management team that has produced a good track record of acquisitions. Quantitatively, the stock appears attractive on earnings momentum, price momentum and sentiment.

- A position in Canadian-based **Waste Connections** was originated during the quarter. The company, which provides waste collection, transfer, disposal and recycling services in the US and Canada, should, we believe, continue to benefit from higher revenue and cash flow growth, synergies from a recent acquisition (Groot) and ongoing share repurchase plan, as well as a debt reduction strategy.
- We bought a stake in US electric and gas utility **Avangrid** during the period. The company, which operates in the northeast US, has benefited from recently executing efficient cost controls during a weaker-than-usual wind period, as well as overcoming negative press regarding price manipulation. Quantitatively, the stock appears inexpensive (valuation) with strong price momentum.

On the sell side, we eliminated a number of positions including **Validus Holdings**, **PG&E Corporation**, and **CVS Health**.

- **Validus Holdings**, the US-based insurer, was sold during the quarter. The main catalyst for the sale of the stock was higher volatility due to market reaction to the most recent hurricane season, which was expected to include a "1 in 100 year" hurricane affecting Florida. Quantitatively, the stock is experiencing weakening earnings momentum, price momentum, earnings quality and sentiment.
- We exited our position in US electric power company **PG&E**. The stock's fundamental rating was downgraded after a California regulator denied PG&E the ability to raise prices in order to recover recent wildfire damages that exceeded the company's underlying insurance. Quantitatively the stock appears weak on both earnings and price momentum. as well as earnings quality.
- **CVS Health**, the US-based retail pharmacy giant, was sold due to the increased pricing pressure facing the industry, weakening margins and decreased ability to enhance product mix to offset this pricing pressure. Quantitatively the stock is experiencing weakening earning momentum, sentiment, and earnings quality.

Portfolio outlook and positioning

While our investment approach has been challenged, relative to the broader MSCI ACWI benchmark this past year and in the most recent quarter the strategy was up over 19% on absolute basis in 2017 and outperformed MSCI ACWI Minimum Volatility index. We still firmly believe that the prudent approach avoids the most volatile stocks, has a longer-term focus and identifies high-quality companies trading at attractive valuations, using both MFS' proprietary fundamental research and quantitative research insights. Past periods in which investors have ignored valuations and fundamentals have not ended well, and while the current macro environment could be described as nirvana, peaking economic and earnings momentum coupled with further normalization of monetary policy, unresolved geopolitical issues and upcoming midterm elections may cause investors to focus on how much they are paying for a dollar of earnings and how good the quality of those earnings is. In such an environment, we think volatility is likely to awaken from its slumber, which should result in a more conducive environment for investments in the quality and low-volatility market segments in general and the MFS Global Low Volatility Equity portfolio in particular.

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-17	Holding	Country	Equivalent exposure (%)
Autos & Housing (2.9%)	Kia Motors Corp	South Korea	1.2
	USS Co Ltd	Japan	1.0
	Owens Corning	United States	0.7
Basic Materials (4.2%)	Franco-Nevada Corp	Canada	1.3
	PTT Global Chemical PCL	Thailand	1.2
	Symrise AG	Germany	0.9
	Monsanto Co	United States	0.8
Cash & Cash Equivalents (0.8%)	Cash & Cash Equivalents		0.8
Consumer Staples (13.4%)	Nestle SA	Switzerland	1.8
	PepsiCo Inc	United States	1.7
	General Mills Inc	United States	1.4
	Altria Group Inc	United States	1.3
	Toyo Suisan Kaisha Ltd	Japan	1.3
	Procter & Gamble Co	United States	1.1
	Kimberly-Clark Corp	United States	0.9
	Marine Harvest ASA	Norway	0.8
	Sligro Food Group NV	Netherlands	0.7
	Mondelez International Inc	United States	0.6
	Ezaki Glico Co Ltd	Japan	0.5
	Remy Cointreau SA	France	0.5
	British American Tobacco Malaysia Bhd	Malaysia	0.4
	L'Oreal SA	France	0.4
Energy (2.9%)	Exxon Mobil Corp	United States	1.3
	Royal Dutch Shell PLC	United Kingdom	1.0
	Occidental Petroleum Corp	United States	0.7
Financial Services (16.0%)	Grand City Properties SA	Germany	1.7
	AvalonBay Communities Inc REIT	United States	1.4
	Intact Financial Corp	Canada	1.1
	Royal Bank of Canada	Canada	1.0
	Beazley PLC	United Kingdom	1.0
	Credicorp Ltd	Peru	0.9

Portfolio holdings

As of 31-Dec-17	Holding	Country	Equivalent exposure (%)
Financial Services (continued) (16.0%)	HSBC Holdings PLC ADR	United Kingdom	0.9
	Swiss Life Holding AG	Switzerland	0.8
	Zurich Insurance Group AG	Switzerland	0.7
	Public Storage REIT	United States	0.7
	Sun Communities Inc REIT	United States	0.7
	Sydbank AS	Denmark	0.6
	Bank of Nova Scotia	Canada	0.6
	Travelers Cos Inc	United States	0.6
	Discover Financial Services	United States	0.6
	BDO Unibank Inc	Philippines	0.5
	STORE Capital Corp REIT	United States	0.5
	Public Bank Bhd	Malaysia	0.5
	XL Group Ltd	United States	0.4
	Starwood Property Trust Inc REIT	United States	0.4
	Everest Re Group Ltd	United States	0.4
Health Care (15.7%)	Johnson & Johnson	United States	2.9
	Terumo Corp	Japan	2.5
	Roche Holding AG	Switzerland	2.3
	Fisher & Paykel Healthcare Corp Ltd	New Zealand	2.0
	Pfizer Inc	United States	1.6
	Merck & Co Inc	United States	1.3
	Integra LifeSciences Holdings Corp	United States	1.2
	Express Scripts Holding Co	United States	0.8
	Novartis AG	Switzerland	0.6
	Abbott Laboratories	United States	0.6
	Industrial Goods & Services (3.2%)	Lockheed Martin Corp	United States
Waste Connections Inc		Canada	0.6
Schindler Holding AG		Switzerland	0.5
Schindler Holding AG		Switzerland	0.2
Leisure (3.3%)	McDonald's Corp	United States	1.9
	Charter Communications Inc	United States	1.0

Portfolio holdings

As of 31-Dec-17	Holding	Country	Equivalent exposure (%)
Leisure (continued) (3.3%)	Comcast Corp	United States	0.4
Retailing (8.2%)	Ross Stores Inc	United States	2.2
	ABC-Mart Inc	Japan	2.0
	Lawson Inc	Japan	1.2
	Dairy Farm International Holdings Ltd	Hong Kong	0.9
	Home Depot Inc	United States	0.9
	Metro Inc	Canada	0.5
	Gildan Activewear Inc	Canada	0.5
Special Products & Services (1.1%)	Forrester Research Inc	United States	1.1
Technology (11.5%)	Taiwan Semiconductor Manufacturing Co Ltd ADR	Taiwan	2.9
	Nice Ltd ADR	Israel	1.8
	Adobe Systems Inc	United States	1.8
	Kyocera Corp	Japan	1.7
	Facebook Inc	United States	1.4
	VTech Holdings Ltd	Hong Kong	1.2
	Alphabet Inc Class A	United States	0.8
Transportation (0.8%)	Canadian National Railway Co	Canada	0.8
Utilities & Communications (15.8%)	TELUS Corp	Canada	1.5
	KDDI Corp	Japan	1.4
	Alliant Energy Corp	United States	1.3
	CLP Holdings Ltd	Hong Kong	1.2
	Xcel Energy Inc	United States	1.2
	SBA Communications Corp REIT	United States	1.2
	HKT Trust & HKT Ltd	Hong Kong	1.1
	Enbridge Inc	Canada	1.1
	Verizon Communications Inc	United States	1.0
	Vodafone Group PLC	United Kingdom	0.9
	WEC Energy Group Inc	United States	0.9
	American Electric Power Co Inc	United States	0.8
	TDC AS	Denmark	0.6
	Avangrid Inc	United States	0.5

Portfolio holdings

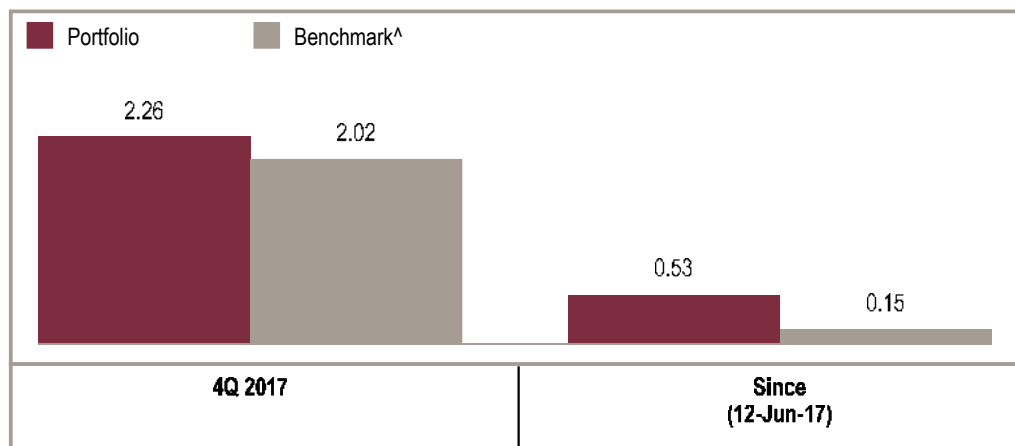
As of 31-Dec-17	Holding	Country	Equivalent exposure (%)
Utilities & Communications (continued) (15.8%)	Osaka Gas Co Ltd	Japan	0.5
	Duke Energy Corp	United States	0.4
	BCE Inc	Canada	0.4



MFS Canadian Core Plus Fixed Income Fund

Executive summary

Performance results (%) net of expenses (CAD) as of 31-Dec-17



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 TMX Canada Universe Bond Index

Asset summary (CAD)

Beginning value as of 30-Sep-17	18,708,962
Contributions	+207,924
Withdrawals	-102,845
Intra-portfolio transfers	0
Change in market value	+424,619
Ending value as of 31-Dec-17	19,238,661

Key portfolio characteristics as of 31-Dec-17

	Portfolio	Benchmark^^
Average effective duration	7.74yrs	7.59yrs
Yield to worst	2.85%	2.47%

^^ FTSE TMX Canada Bond Universe Index

Portfolio composition (%)

Federal	12.48	36.74
Provincial	35.85	34.01
Municipal	1.33	1.89
Corporate	46.08	27.36
Cash & Cash Equivalents	0.06	0.00
Other	4.19	0.00
Foreign Pay	27.03	0.00

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

Performance results

Performance results (%) net of expenses (CAD) as of 31-Dec-17

Period	Portfolio (%)	Benchmark [^] (%)	Excess return vs benchmark (%)
4Q 2017	2.26	2.02	0.24
3Q 2017	-1.69	-1.84	0.15
Since client inception (12-Jun-17)	0.53	0.15	0.38

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 TMX Canada Universe Bond Index

Significant impacts on performance

Relative to FTSE TMX Canada Bond Universe Index - fourth quarter 2017

Contributors	Sector allocation	A preference for corporate bonds bolstered performance as corporate spreads tightened over the course of the quarter in response to improving underlying sector dynamics and sentiment.
	Security selection in provincials and financials	Strong credit selection in both provincial and financial bonds also added value, particularly the portfolio's holdings of long-dated Alberta and Manitoba bonds as well as US bank bonds which outperformed Canadian peers.
Detractors	Security selection in industrials	Selection in industrial bonds was hampered by US industrial spreads lagging the tightening of their Canadian counterparts caused by the market increasing growth expectations for the Canadian economy.

Positioning

As of 31-Dec-17		Portfolio (%)	Benchmark [^] (%)	Underweight/overweight (%)
Portfolio composition	Federal	12.48	36.74	-24.26 
	Provincial	35.85	34.01	 1.84
	Municipal	1.33	1.89	-0.56 
	Corporate	46.08	27.36	 18.72
	Cash & Cash Equivalents	0.06	0.00	 0.06
	Other	4.19	0.00	 4.19
	Foreign Pay	27.03	0.00	 27.03
	Corporate composition	Communication	2.87	2.64
Energy		4.92	5.58	-0.66 
Financial		18.99	10.81	 8.18
Industrial		12.90	1.86	 11.04
Infrastructure		2.20	4.35	-2.15 
Real Estate		0.99	1.59	-0.60 
Securitization		3.21	0.53	 2.68

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

[^] FTSE TMX Canada Bond Universe Index

Characteristics

As of 31-Dec-17	Portfolio	Benchmark [^]
Fundamentals		
Average effective duration	7.74yrs	7.59yrs
Average coupon	3.56%	3.36%
Yield to worst	2.85%	2.47%
Average quality ¹	A+	AA
Diversification		
Number of holdings	119	1,440
Turnover		
Trailing 1 year turnover ²	66%	-

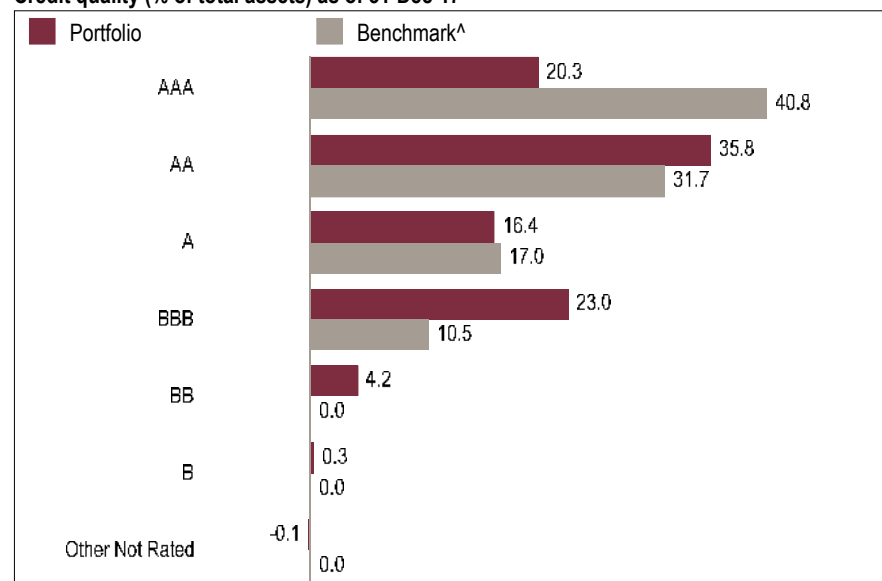
[^] FTSE TMX Canada Bond Universe Index

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

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

Effective term structure as of 31-Dec-17	Portfolio (%)	Benchmark [^]
Less than 1 Year	0.0	0.0
1-3 Years	7.1	24.6
3-5 Years	19.7	20.5
5-10 Years	43.4	22.3
10-20 Years	9.3	11.5
20+ Years	20.5	21.1

Credit quality (% of total assets) as of 31-Dec-17



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

The Canadian bond market, as represented by the FTSE TMX Canada Overall Bond Index, returned 2.02% in the fourth quarter, with a full year total return of 2.52%. The positive full-year performance comes after a rebound from a decisively negative third quarter in which the Bank of Canada (BoC) raised the overnight policy rate twice in consecutive meetings. The overnight rate now stands 50 basis points higher at 1.00%. The Canadian economy has performed strongly, and has grown at a faster rate than its developed market peers even as economic growth has accelerated globally. The improving global macroeconomic backdrop has provided the impetus for global central banks to pivot from highly accommodative monetary policies to a discussion on slowing or removing stimulus. Canada has now followed the path of the US Federal Reserve, beginning the tightening cycle by hiking rates. This proved to be a challenge for the Canadian bond market in 2017.

Looking forward, we continue to expect moderate non-recessionary global growth with low inflation. The Canadian economy has continued to exceed expectations and ended the year with some of the strongest full-year employment growth experienced over the past two decades. However, we believe there are ongoing headwinds that will challenge the Canadian growth story in 2018, namely high levels of household debt and the potential for an unfavourable outcome of NAFTA negotiations.

We continue to expect credit to outperform over the course of the cycle, though many credits are looking fully valued. While we don't anticipate a recession or a major default cycle, which would lead to a widening in spreads, it is difficult to see a material spread narrowing from current levels — the risks are looking increasingly asymmetric. As a result, we have trimmed the corporate allocation, mostly domestic financials, given outperformance as the credit cycle has matured with proceeds deployed into provincials and federals. Nevertheless, we remain overweight credit given the incremental yield and are focused on bonds where there is a margin of safety and on issuers with strong cross-cycle fundamentals. Right now we see opportunities in US industrials and financials.

Canadian yields ended the year higher. The Government of Canada yield curve has flattened, as shorter-term yields have risen more than longer-term yields, resulting in a lower yield differential between the pair. The flattening of the Canadian curve will be a development we will continue to monitor over the coming year, as a flat or inverted yield curve (short-term rates are greater than long-term rates) has historically preceded recessions. Given the low level of inflation, high level of consumer debt and recent softening of housing activity, we are concerned about the potential negative impact of rising interest rates on the Canadian economy. We are therefore maintaining a duration position of neutral to slightly long as we believe the BoC will be hard pressed to deliver more rate hikes than are already priced in. Currently, the market has three additional rate increases priced in to the end of 2018.

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-17	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Cash & Cash Equivalents (0.15%)	CASH & CASH EQUIVALENTS			0.15
Communication (2.87%)	AT&T INC	3.800	Mar 01 24	0.57
	AT&T INC	4.500	May 15 35	0.64
	AT&T INC	4.850	May 25 47	0.67
	CHARTER COMMUNICATIONS OPERATING LLC	4.908	Jul 23 25	0.78
	SHAW COMMUNICATIONS INC	6.750	Nov 09 39	0.21
Energy (4.92%)	BRUCE POWER LP	2.844	Jun 23 21	0.74
	BRUCE POWER LP	4.010	Jun 21 29	0.29
	CU INC	3.964	Jul 27 45	0.84
	ENBRIDGE INC	3.940	Jun 30 23	0.18
	ENBRIDGE INC	3.200	Jun 08 27	0.49
	ENBRIDGE INC	4.240	Aug 27 42	0.41
	ENBRIDGE INC	4.500	Jun 10 44	0.22
	ENEL FINANCE INTERNATIONAL NV	3.625	May 25 27	0.37
	NORTH WEST REDWATER PARTNERSHIP	3.650	Jun 01 35	0.23
	PEMBINA PIPELINE CORP	4.810	Mar 25 44	0.40
	SABINE PASS LIQUEFACTION LLC	5.625	Mar 01 25	0.76
	Federal (12.48%)	CANADA HOUSING TRUST	1.950	Jun 15 19
CANADIAN GOVERNMENT		0.000	Mar 20 18	8.36
CANADIAN GOVERNMENT		0.000	Mar 20 18	9.66
CANADIAN GOVERNMENT		1.750	Sep 01 19	0.55
CANADIAN GOVERNMENT		0.750	Sep 01 20	1.92
CANADIAN GOVERNMENT		0.750	Sep 01 21	2.07
CANADIAN GOVERNMENT		0.500	Mar 01 22	1.82
CANADIAN GOVERNMENT		1.500	Jun 01 23	0.93
CANADIAN GOVERNMENT		2.500	Jun 01 24	0.59
CANADIAN GOVERNMENT		1.000	Jun 01 27	4.47
CANADIAN GOVERNMENT		5.750	Jun 01 33	0.81
CANADIAN GOVERNMENT		3.500	Dec 01 45	1.62
CANADIAN GOVERNMENT		2.750	Dec 01 48	1.24

Portfolio holdings

As of 31-Dec-17	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Federal (continued) (12.48%)	CANADIAN GOVERNMENT	2.750	Dec 01 64	0.58
	US TREASURY N/B	0.000	Mar 20 18	-18.15
	US TREASURY N/B	0.000	Mar 20 18	-3.12
	US TREASURY N/B	0.000	Mar 20 18	-1.96
	US TREASURY N/B	0.000	Mar 20 18	0.32
	US TREASURY N/B	0.000	Mar 29 18	-5.22
	US TREASURY N/B	0.000	Mar 29 18	5.79
Financial (18.99%)	AMERICAN INTERNATIONAL GROUP INC	3.750	Jul 10 25	0.74
	BANK OF AMERICA CORP	3.950	Apr 21 25	2.02
	BANK OF MONTREAL	4.609	Sep 10 25	1.51
	BANK OF NOVA SCOTIA	3.270	Jan 11 21	0.18
	CANADIAN WESTERN BANK	2.751	Jun 29 20	0.33
	CANADIAN WESTERN BANK	2.788	Sep 13 21	0.35
	CANADIAN WESTERN BANK	2.924	Dec 15 22	1.49
	FAIRFAX FINANCIAL HOLDINGS	4.250	Dec 06 27	0.72
	GENERAL MOTORS FINANCIAL OF CANADA LTD	3.080	May 22 20	0.39
	GOLDMAN SACHS GROUP INC	2.625	Apr 25 21	0.40
	GOLDMAN SACHS GROUP INC	3.625	Jan 22 23	0.55
	IGM FINANCIAL INC	4.560	Jan 25 47	0.21
	ING BANK NV	5.800	Sep 25 23	0.48
	JPMORGAN CHASE & CO	2.950	Oct 01 26	0.87
	LIBERTY MUTUAL GROUP INC	4.250	Jun 15 23	0.37
	METROPOLITAN LIFE GLOBAL FUNDING I	3.107	Apr 16 21	0.88
	MORGAN STANLEY	3.950	Apr 23 27	1.60
	POWER CORP OF CANADA	4.810	Jan 31 47	0.82
	ROYAL BANK OF CANADA	4.930	Jul 16 25	1.66
	SUNTRUST BANK INC	3.300	May 15 26	0.59
	TMX GROUP LTD	2.997	Dec 11 24	0.21
	TORONTO DOMINION BANK	3.226	Jul 24 24	1.61
	UBS GROUP AG	3.000	Apr 15 21	0.31
WELLS FARGO & CO	4.100	Jun 03 26	0.70	

Portfolio holdings

As of 31-Dec-17	Issuer	Coupon	Maturity Date	Equivalent exposure (%)	
Industrial (12.90%)	ALIBABA GROUP HOLDING LTD	3.400	Dec 06 27	0.40	
	ANHEUSER-BUSCH INBEV FINANCE INC	3.700	Feb 01 24	0.78	
	ANHEUSER-BUSCH INBEV FINANCE INC	4.900	Feb 01 46	0.58	
	BECTON DICKINSON AND CO	4.669	Jun 06 47	0.42	
	BERRY GLOBAL CORP INC	5.125	Jul 15 23	0.28	
	BEST BUY CO INC	5.500	Mar 15 21	0.53	
	CAMECO CORP	4.190	Jun 24 24	0.34	
	CONSTELLATION BRANDS INC	4.250	May 01 23	0.45	
	ENERCARE SOLUTIONS INC	3.380	Feb 21 22	0.28	
	EQUINIX INC	5.375	Apr 01 23	0.74	
	FIDELITY NATIONAL INFORMATION SERVICES I	5.000	Oct 15 25	0.13	
	GENERAL MOTORS CO	4.200	Oct 01 27	0.56	
	HANESBRANDS INC	4.875	May 15 26	0.33	
	HCA INC	5.250	Jun 15 26	0.43	
	LEAR CORP	5.250	Jan 15 25	0.21	
	LIFE TECHNOLOGIES CORP	5.000	Jan 15 21	0.57	
	LOBLAW COS LTD	4.860	Sep 12 23	0.94	
	MASCO CORP	4.375	Apr 01 26	0.43	
	METRO INC	3.200	Dec 01 21	0.22	
	ONEOK INC	4.000	Jul 13 27	0.72	
	PRICELINE GROUP	3.650	Mar 15 25	0.65	
	REYNOLDS AMERICAN INC	4.450	Jun 12 25	0.64	
	SEALED AIR CORP	5.125	Dec 01 24	0.73	
	SIRIUS XM RADIO INC	5.375	Apr 15 25	0.70	
	STANDARD INDUSTRIES INC/NJ	5.375	Nov 15 24	0.33	
	TOROMONT INDUSTRIES LTD	3.842	Oct 27 27	0.20	
	VIDEOTRON LTD	5.625	Jun 15 25	0.29	
	Infrastructure (2.20%)	ALECTRA INC	3.958	Jul 30 42	0.46
		ALTALINK LP	3.990	Jun 30 42	0.26
		EMERA INC	4.750	Jun 15 46	0.48
FIRSTENERGY CORP		3.900	Jul 15 27	1.00	

Portfolio holdings

As of 31-Dec-17	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Municipal (1.33%)	CITY OF MONTREAL	4.250	Dec 01 32	0.32
	REGIONAL MUNI OF YORK	2.350	Jun 09 27	1.01
Other (4.10%)	OTHER			4.10
Provincial (35.85%)	MANITOBA (PROVINCE OF)	4.650	Mar 05 40	1.19
	MANITOBA (PROVINCE OF)	4.100	Mar 05 41	1.35
	PROVINCE OF ALBERTA	4.000	Dec 01 19	3.53
	PROVINCE OF ALBERTA	3.450	Dec 01 43	5.39
	PROVINCE OF BRITISH COLUMBIA	3.250	Dec 18 21	1.70
	PROVINCE OF BRITISH COLUMBIA	4.950	Jun 18 40	0.59
	PROVINCE OF BRITISH COLUMBIA	2.800	Jun 18 48	1.05
	PROVINCE OF NOVA SCOTIA	2.100	Jun 01 27	1.62
	PROVINCE OF NOVA SCOTIA	4.400	Jun 01 42	1.03
	PROVINCE OF ONTARIO CANADA	4.200	Mar 08 18	0.00
	PROVINCE OF ONTARIO CANADA	4.000	Jun 02 21	5.45
	PROVINCE OF ONTARIO CANADA	3.500	Jun 02 24	4.01
	PROVINCE OF ONTARIO CANADA	4.700	Jun 02 37	5.54
	PROVINCE OF QUEBEC	4.250	Dec 01 21	2.05
	PROVINCE OF QUEBEC	2.750	Sep 01 27	0.83
PROVINCE OF SASKATCHEWAN	4.750	Jun 01 40	0.52	
Real Estate (0.99%)	COMINAR REIT	4.164	Jun 01 22	0.63
	CT REIT	3.527	Jun 09 25	0.36
Securitization (3.21%)	AIMCO 2015-AA	0.000	Jan 15 28	0.50
	ATRM 12A	2.723	Apr 22 27	0.52
	BABSN 2013-IA	2.670	Jan 20 28	0.50
	GLACIER CREDIT CARD TRUST	2.568	Sep 20 19	0.21
	NEUB 2015-20A	0.000	Jan 15 28	0.45
	OCP 2015-10	2.671	Oct 26 27	0.51
	OCP 2015-9A	2.709	Jul 15 27	0.52

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

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Global capabilities

MFS investment strategies

Fundamental Equity	Blended Research	Fixed Income	Multi-Asset/Specialty
<p>GLOBAL EQUITY</p> <ul style="list-style-type: none"> • Global¹ / Global Concentrated² • Global Research / Global Research Focused • Global Growth / Global Growth Concentrated • Global Small Cap⁴ • Global Value³ <p>INTERNATIONAL EQUITY</p> <ul style="list-style-type: none"> • International / International Concentrated • International Research • International Diversification⁴ • International Growth • International Small-Mid Cap³ • International Value² <p>REGIONAL EQUITY</p> <p>Asia/Pacific</p> <ul style="list-style-type: none"> • Asia Pacific ex Japan • Asia ex Japan • Japan • Japan Concentrated <p>European</p> <ul style="list-style-type: none"> • European Research³ • European Small Cap² • European Value² • UK • European ex UK <p>Canadian</p> <ul style="list-style-type: none"> • Canadian Equity • Canadian Research <p>Emerging Markets</p> <ul style="list-style-type: none"> • Emerging Markets • Latin American 	<p>TARGET TRACKING ERROR</p> <p>Global Equity</p> <ul style="list-style-type: none"> • Global • Global Extension <p>Regional Equity</p> <ul style="list-style-type: none"> • Emerging Markets • European • International <p>US Equity</p> <ul style="list-style-type: none"> • Core • Core ESG • Growth • Value • Small Cap <p>LOW VOLATILITY</p> <ul style="list-style-type: none"> • Canadian • Global • International • US <p>INCOME</p> <ul style="list-style-type: none"> • Equity Income • Global High Dividend 	<p>MULTI-SECTOR</p> <p>Global</p> <ul style="list-style-type: none"> • Core • Core Plus • Opportunistic <p>Canadian</p> <ul style="list-style-type: none"> • Core • Core Plus • Long Term • Long Term Plus • Short Term • Money Market <p>US</p> <ul style="list-style-type: none"> • Limited Maturity • Core • Core Plus • Opportunistic <p>CREDIT</p> <p>Global</p> <ul style="list-style-type: none"> • IG Credit • Credit • High Yield <p>US</p> <ul style="list-style-type: none"> • IG Credit • Credit • Long Duration Credit • Corporate BB • High Yield <p>EMERGING MARKETS</p> <ul style="list-style-type: none"> • Emerging Market Debt (hard currency) • Emerging Markets Local Currency Debt <p>GOVERNMENT/MUNICIPAL</p> <p>Global</p> <ul style="list-style-type: none"> • Sovereign • TIPS <p>US</p> <ul style="list-style-type: none"> • Government • TIPS • Mortgage-Backed Securities • Municipal (Investment Grade, High Yield, Limited Maturity, State-Specific) 	<p>MULTI-ASSET</p> <ul style="list-style-type: none"> • Canadian Core • Canadian Growth • Canadian Value • Global Total Return • US Total Return • Managed Wealth⁴ • Prudent Capital <p>INCOME</p> <ul style="list-style-type: none"> • Diversified Income <p>TARGET DATE</p> <ul style="list-style-type: none"> • Canadian Target Date⁴ • US Target Date⁴ <p>TARGET RISK</p> <ul style="list-style-type: none"> • Canadian Target Risk⁴ • US Target Risk⁴ <p>SPECIALTY / EQUITY</p> <ul style="list-style-type: none"> • Global Infrastructure • Global REIT • Technology • US REIT • Utilities

As of 31-Dec-17.

¹ Separate accounts closed to new investors; contributions accepted from existing clients on a limited basis. Institutional pooled vehicles closed to new investors.

² Closed. ³ Soft closed. ⁴ Select vehicle availability.