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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

Third quarter 2022 investment report

Issued in Canada by MFS Investment Management Canada Limited. No securities commission or similar regulatory authority in Canada has reviewed this communication.

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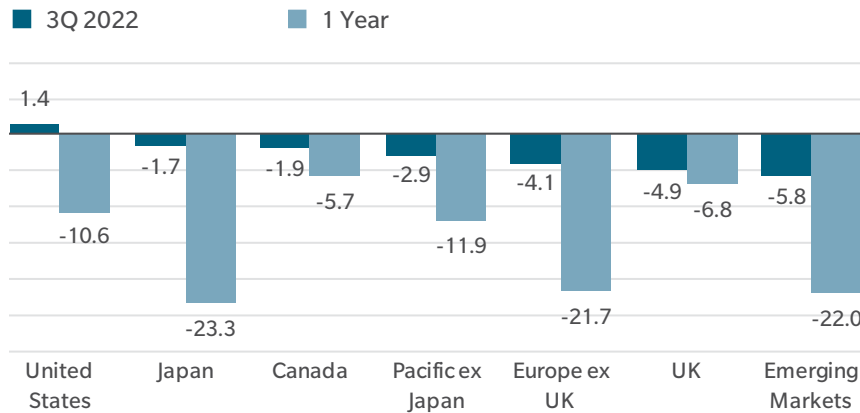
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Country and region information contained in this report is based upon MFS classification methodology which may differ from the methodology used by individual benchmark providers. Portfolio characteristics are based on equivalent exposure, which measures 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 30-Sep-22

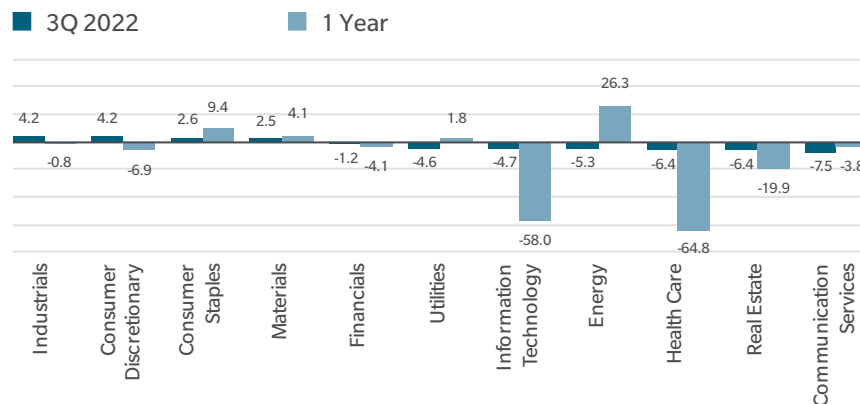


Source: FactSet. Region performance based on MSCI regional/country indexes.

## Third quarter 2022 Global Equity market review

- Following a rebound in the earlier part of Q3, global equity markets resumed their decline as most central banks reinforced their determination to fight inflation despite growing recession risks.
- While there have been signs of peaking inflation in some markets, global inflation remains elevated, keeping most central banks in rate-hike mode.
- Equity markets have fallen sharply year to date largely driven by multiple compression particularly in growth-oriented stocks. The risk now is downward earnings revisions as companies are challenged by falling demand and higher input costs.

Canadian Equity performance (%) (CAD) as of 30-Sep-22



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

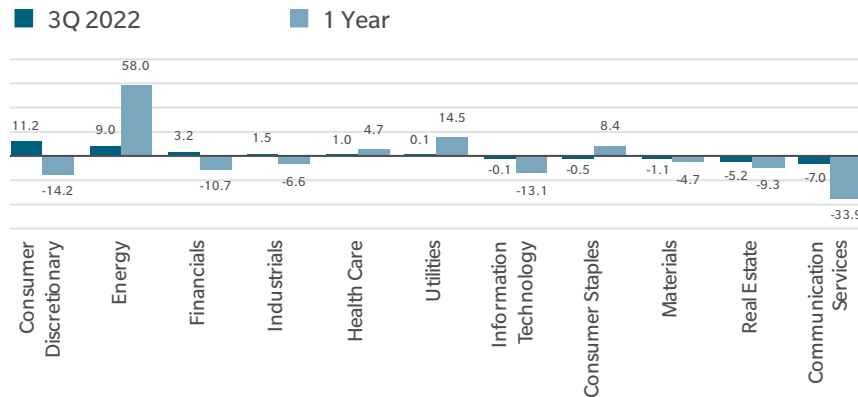
## Third quarter 2022 Canadian Equity market review

- Canadian equities posted a modest 1.4% decline in the third quarter (S&P/TSX Composite Index, total return basis, CAD). Compared to the harsher global selloff, the Canadian benchmark outperformed both in the third quarter and for the year-to-date period, owing to its heavier weight within energy and materials.
- However, during the third quarter, outperformance broadened out to include industrials, consumer discretionary and staples, each leading to the upside, while the interest rate-sensitive utilities, integrated oil and pipelines stocks were laggards, reflecting persistent price inflation and higher interest rates.
- While consensus S&P/TSX forward consensus earnings revisions showed as positive 2% in the quarter, this was carried entirely by a 20% upward revision for the energy sector (up 100% now for the year). For all other sectors, earnings revisions were negative in the quarter reflecting a broad-based deceleration in the earnings outlook.
- While the S&P/TSX consensus 12-months forward price/earnings multiple had declined sharply during the first half, it stabilized to remain roughly 20% below its own long-term average, roughly in line with the post-GFC valuation low.

# Market Overview



## U.S. Equity performance (%) (CAD) as of 30-Sep-22

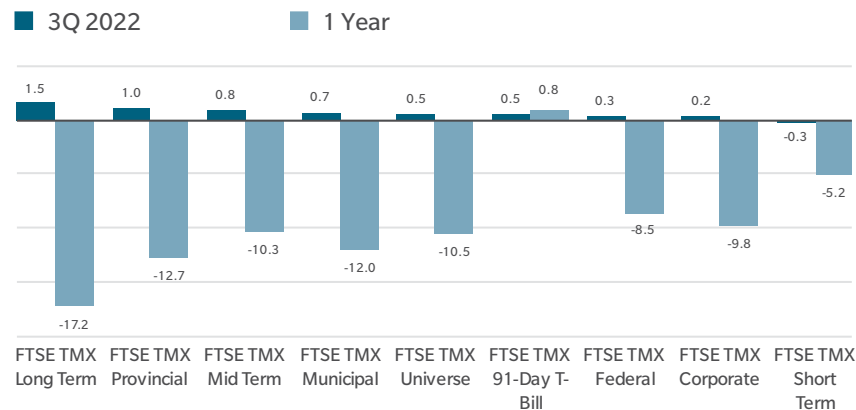


Source: FactSet. Sector performance based on MSCI sector classification. The analysis of S&P 500 Index constituents are broken out by MSCI defined sectors.

## Third quarter 2022 U.S. Equity market review

- The US market, as measured by the S&P 500 Index, ended lower in Q3 2022. This was a continuation of the selloff during Q2 and was driven by several concerns in the market, including the ongoing war in Ukraine, high inflation and whether rising interest rates will tip the economy into a recession.
- Economic growth in the United States contracted during Q2 2022, posting a GDP of -0.6%. This is the second quarter of negative growth and meets the informal definition of a recession. The Federal Reserve has said that raising interest rates is necessary to lower four-decade high inflation, even though a recession is possible.
- For the quarter, growth outperformed value in the large-, mid and small-cap spaces. This is a reversal from the two previous quarters this year and has been driven mostly by the market's short but strong move higher in July. During Q3, consumer discretionary, energy and financials were the best performing sectors, and communication services, real estate and materials were the worst performing.

## Canadian Fixed Income performance (%) (CAD) as of 30-Sep-22



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

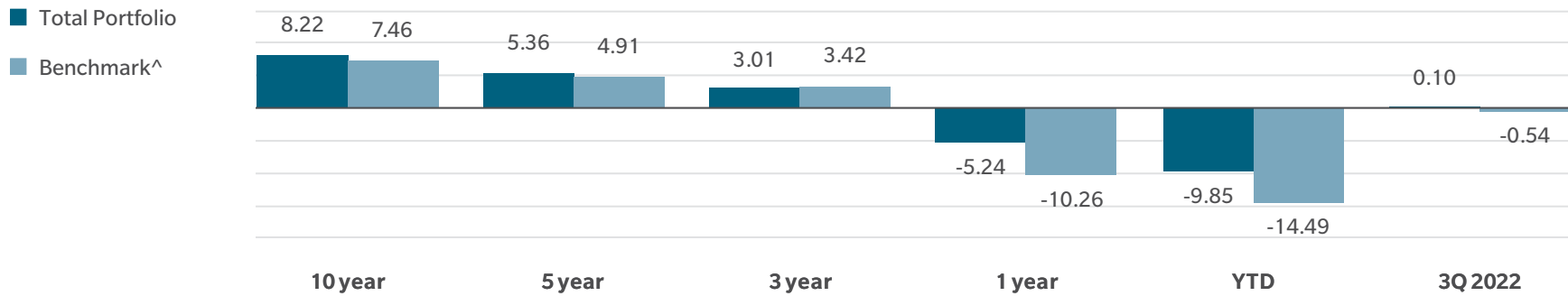
## Third quarter 2022 Canadian Fixed Income market review

- After two quarters of negative returns, the FTSE Canada Universe Bond Index returned 0.52%. Short-term yields rose and the curve flattened, leading to outperformance of the long end of the curve.
- The Bank of Canada (BoC) continued to aggressively raise rates in the quarter, with a surprise 100 basis point hike in July followed by a 75 bp hike in September, bringing the overnight rate into 'restrictive' territory at 3.25%. The BoC appears resolute in its commitment to bringing inflation back to target, suggesting that the policy interest rate will need to rise further.
- The Canadian government yield curve flattened in the quarter, with many parts of the curve becoming inverted. Yields out to the eight-year tenor rose as expectations of tighter monetary policy continued while yields beyond the eight-year mark finished the quarter broadly flat. The entire yield curve is above 3%, with current market expectations of a 4% terminal rate in 1Q23.
- Canadian investment-grade spreads, as represented by the Bloomberg Canada Aggregate Corporate Index, initially narrowed but ended up wider on the quarter by 8 bps, and the credit curve flattened. At quarter-end, the index level spread stood at 174 bps, which is over 60 bps wider year to date.
- Within corporates, sectors such as oil & gas, transportation and regulated utilities continued to outperform while LRCNs and corporate hybrids underperformed in the risk-off environment.

# Performance



Total Performance (%) (CAD) as of 30-Sep-22



Source: Benchmark performance from SPAR, FactSet Research Systems Inc.

For periods of less than one-year returns are not annualized.

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

^ 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 30-Sep-22	10 Years	5 Years	3 Years	1 Year	YTD	3Q 2022
<b>Total Portfolio</b>	<b>8.22</b>	<b>5.36</b>	<b>3.01</b>	<b>-5.24</b>	<b>-9.85</b>	<b>0.10</b>
<b>Benchmark<sup>^</sup></b>	<b>7.46</b>	<b>4.91</b>	<b>3.42</b>	<b>-10.26</b>	<b>-14.49</b>	<b>-0.54</b>
MFS Low Volatility Canadian Equity Fund	—	6.44	5.56	-3.00	-8.84	-1.34
S&P/TSX Capped Composite Index linked to previous benchmark	—	6.54	6.59	-5.39	-11.14	-1.41
MFS Low Volatility Global Equity Fund	—	7.37	4.21	-3.44	-9.41	0.51
MSCI All Country World Index (net div)	—	6.43	5.04	-13.95	-19.10	-0.74
MFS Canadian Core Plus Fixed Income Fund	—	0.81	-2.29	-11.26	-12.58	0.66
FTSE Canada Universe Bond Index	—	0.66	-2.51	-10.48	-11.78	0.52

Source: Benchmark performance from SPAR, FactSet Research Systems Inc.

For periods of less than one-year returns are not annualized.

**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.

<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.

# Asset Summary



## MFS' asset mix view as of 30-Sept-2022

Global equity markets finished the quarter at the lows for the year. The US-led summer rally abruptly reversed in mid-August after US Fed Chairman Powell communicated a willingness to risk recession to tame inflation at the Jackson Hole symposium. The bond market response was a back-up in yields and a further flattening of yield curves. While multiple indicators, including commodity prices and global supply chains, suggest global inflation may be peaking, it remains elevated, keeping almost all central banks in rate-hike mode. Leading indicators for the global economy continued to deteriorate over the summer. The breadth of PMI's increasing on a month-over-month and year-over-year basis is now below 50% and continues to weaken. The earnings outlook, which is correlated with LEI's, has also worsened with earnings downgrades outnumbering upgrades in all regions, except Japan, and in 8 of 11 GICS sectors. Regionally within developed markets, the UK, Canadian and Pacific region markets outperformed, while US equities lagged pressured by more hawkish Fed guidance and back-up in interest rates.

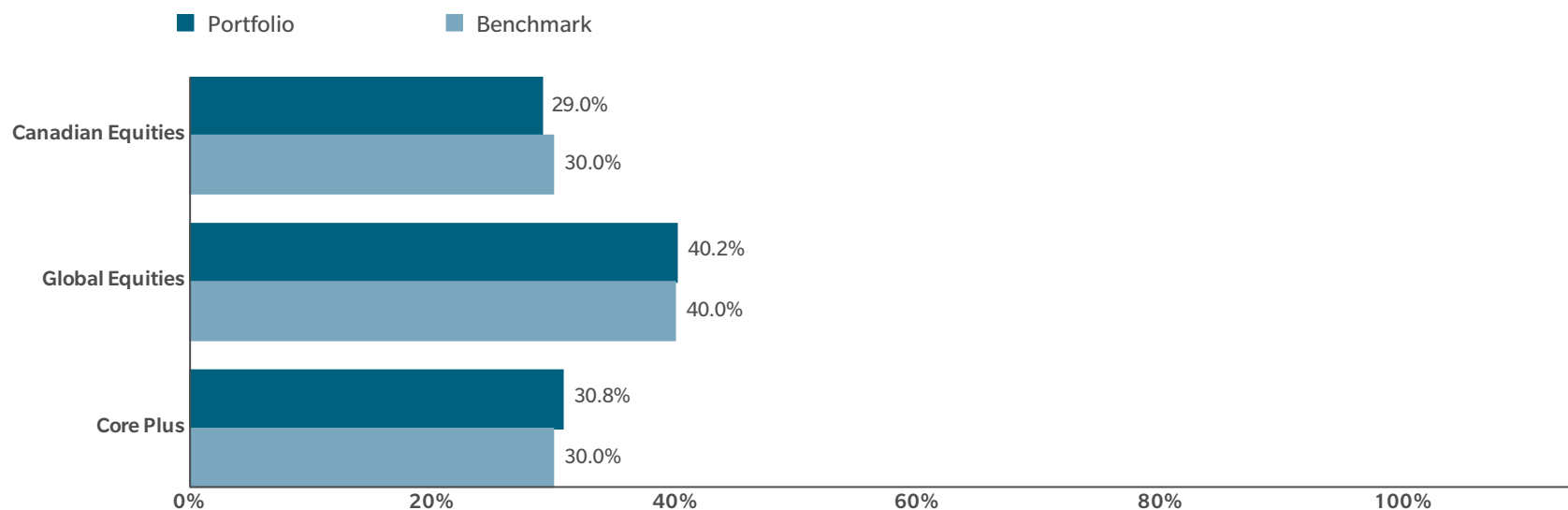
In Canada, after a strong start to the year, economic growth has begun to slow. The rapid tightening of monetary policy was already impacting rate sensitive sectors of the economy, such as housing. But domestic demand, buoyed by a strong labour market, has started to show signs of weakness. Three consecutive months of jobs losses resulted in rising unemployment, and retail sales declined in July. Headline inflation showed signs of peaking, but core inflation measures have not, leading the Bank of Canada to continue with aggressive rate hikes. The FTSE Canada Universe Bond Index returned 0.52% in Q3. The Canadian government yield curve flattened in the quarter, with many parts of the curve becoming inverted. Short-term yields rose as expectations of tighter monetary policy continued, while long-term yields were broadly flat. Canadian IG credit spreads, as represented by the Bloomberg Canada Aggregate Corporate Index, widened by 8bps and are now 57% higher on the year.

In late August, tactical positioning was adjusted to reflect a deteriorating growth backdrop, more aggressive central banks, and to capitalize on a strong bounce in equity markets during the summer. The overall equity weighting was reduced to a neutral weighting, with proceeds largely moving to cash. Geographically, the reduction came from Canadian equities, which had been overweight, while global equities remained unchanged. Fixed income remains slightly underweight. The macro environment remains challenging as we move into Q4 with high inflation, restrictive central bank policies and growing recession risks dominating the outlook.

# Asset Summary



Asset allocation as of 30-Sep-22



Activity (CAD)	Beginning value as of 30-Jun-22	Contributions	Withdrawals	Intra-portfolio transfers	Change in market value	Ending value as of 30-Sep-22
<b>Total Portfolio</b>	<b>76,192,269</b>	<b>+497,716</b>	<b>-408,043</b>	<b>0</b>	<b>+75,921</b>	<b>76,357,864</b>
Cash	5,045	0	0	0	+106	5,151

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



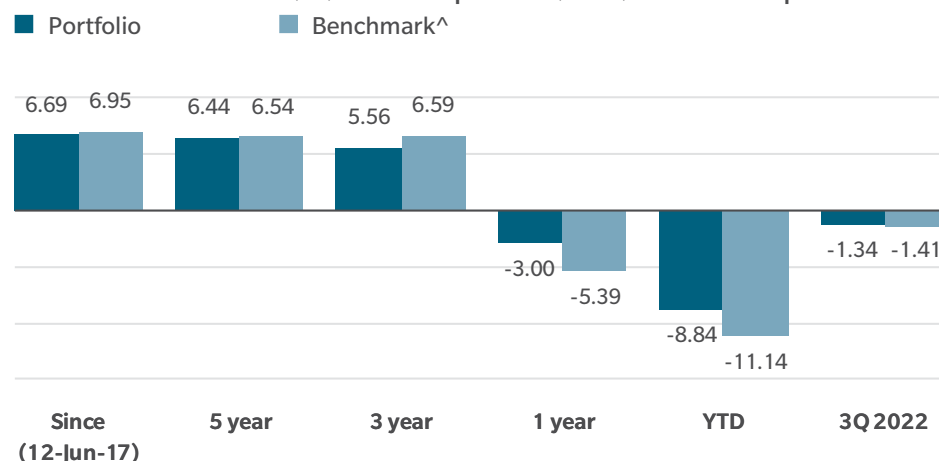


## MFS Low Volatility Canadian Equity Fund

# Executive Summary



## Performance results (%) net of expenses (CAD) as of 30-Sep-22



Fund returns are net of fund expenses, and do not reflect any management fees. Had management fees been reflected, the performance shown would be lower. Performance data shown represents past performance and is no guarantee of future results.

Source for benchmark performance SPAR, FactSet Research Systems Inc.

For periods of less than one-year returns are not annualized.

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

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

Effective October 1, 2017, the MFS Canadian Equity Value Fund was renamed MFS Low Volatility Canadian Equity Fund, and transitioned to a Low Volatility Canadian Equity strategy.

## Asset summary (CAD)

Beginning value as of 30-Jun-22	23,675,585
Contributions	+155,539
Withdrawals	-128,323
Intra-portfolio transfers	-1,326,054
Change in market value	-215,260
Ending value as of 30-Sep-22	22,161,487

## Position weights (%) as of 30-Sep-22

	Portfolio	Benchmark^^
<b>Top overweights</b>		
FAIRFAX FINANCIAL HOLDINGS LTD	4.1	0.5
LOBLAW COMPANIES LTD (EQ)	4.1	0.6
PEMBINA PIPELINE CORP	3.8	0.9
<b>Top underweights</b>		
BROOKFIELD ASSET MANAGEMENT INC	-	3.0
CANADIAN NATURAL RESOURCES LTD	-	2.7
CANADIAN NATIONAL RAILWAY CO	0.8	3.4

^^ S&P/TSX Capped Composite Index

# Performance Results



Performance results (%) net of expenses (CAD) as of 30-Sep-22

Period	Portfolio	Benchmark <sup>^</sup>	Excess return vs benchmark
3Q 2022	-1.34	-1.41	0.07
2Q 2022	-10.28	-13.19	2.91
1Q 2022	2.98	3.82	-0.84
4Q 2021	6.41	6.47	-0.07
2022 YTD	-8.84	-11.14	2.30
2021	22.17	25.09	-2.92
2020	2.45	5.60	-3.15
2019	24.67	22.88	1.80
2018	-5.66	-8.89	3.23
Since client inception (12-Jun-17)	6.69	6.95	-0.26
5 year	6.44	6.54	-0.10
3 year	5.56	6.59	-1.03
1 year	-3.00	-5.39	2.39

Fund returns are net of fund expenses, and do not reflect any management fees. Had management fees been reflected, the performance shown would be lower. Performance data shown represents past performance and is no guarantee of future results.

Source for benchmark performance SPAR, FactSet Research Systems Inc.

For periods of less than one-year returns are not annualized.

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

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## Performance Drivers - Sectors



Relative to S&P/TSX Capped Composite Index (CAD) - third quarter 2022		Average relative weighting (%)	Portfolio returns (%)	Benchmark returns (%)	Sector allocation <sup>1</sup> (%)	Stock selection <sup>2</sup> (%)	Relative contribution (%)
<b>Contributors</b>	Information Technology	3.1	1.8	-4.7	-0.0	0.5	0.5
	Consumer Discretionary	4.4	4.2	4.2	0.2	0.0	0.2
	Communication Services	-1.9	-5.3	-7.5	0.1	0.1	0.2
	Utilities	-0.9	-3.6	-4.6	0.0	0.0	0.1
	Materials	-0.4	2.8	2.5	0.1	0.0	0.1
	Cash	0.9	0.7	-	0.0	-	0.0
	Health Care	-0.4	-	-6.4	0.0	-	0.0
<b>Detractors</b>	Financials	-1.6	-2.4	-1.2	-0.0	-0.4	-0.4
	Energy	-4.7	-8.4	-5.3	0.2	-0.5	-0.2
	Industrials	-1.0	2.6	4.2	-0.1	-0.2	-0.2
	Real Estate	-1.2	-14.7	-6.4	0.1	-0.1	-0.1
	Consumer Staples	3.9	-0.2	2.6	0.2	-0.2	-0.1
<b>Total</b>			<b>-1.3</b>	<b>-1.4</b>	<b>0.9</b>	<b>-0.8</b>	<b>0.1</b>

1 Sector allocation is calculated based upon each security's price in local currency.

2 Stock selection is calculated based upon each security's price in local currency and included interaction effect. Interaction effect is the portion of the portfolio's relative performance attributable to combining allocation decisions with stock selection decisions. This effect measures the relative strength of the manager's convictions. The interaction effect is the weight differential times the return differential.

Attribution results are generated by the FactSet application utilizing a methodology that 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 fees or expenses. As such, attribution results are essentially estimates and do not aggregate to the total return of the portfolio, which can be found elsewhere in this presentation. Recent geopolitical events may have impacted or disrupted the pricing of specific securities including the use of fair valuation approaches. Fair valuation practices across pricing sources index providers, pricing vendors, MFS - may not align due to security specific considerations or timing of fair valuation parameters. For instance, decisions to use stale prices vs fair value or on the level of haircut when fair valuing securities are typical sources of discrepancy between pricing sources observed during the events. This may further compound differences between attribution results and actual performance. To obtain the contribution calculation methodology and a complete list of every holding's contribution to the overall portfolio's performance during the measurement period, please email [DLAttributionGrp@MFS.com](mailto:DLAttributionGrp@MFS.com).

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## Performance Drivers - Stocks



Relative to S&P/TSX Capped Composite Index (CAD) - third quarter 2022		Average Weighting (%)		Returns (%)		Relative contribution (%)
		Portfolio	Benchmark	Portfolio <sup>1</sup>	Benchmark	
<b>Contributors</b>	Suncor Energy, Inc	-	2.1	-	-12.9	0.3
	Transcontinental Inc	2.6	0.0	8.2	8.2	0.2
	Ia Financial Corp Inc	2.3	0.3	10.7	10.7	0.2
	Dollarama Inc	2.6	0.8	7.1	7.1	0.2
	Aritzia Inc	0.7	0.1	30.2	30.2	0.2
<b>Detractors</b>	Canadian Western Bank	2.1	0.1	-12.5	-12.5	-0.2
	Fairfax Financial Holdings Ltd	4.0	0.5	-7.5	-7.5	-0.2
	Lundin Mining Corp	0.3	0.2	-16.4	-13.3	-0.2
	Toromont Industries Ltd (Eq)	3.1	0.3	-7.3	-7.3	-0.2
	Granite Real Estate Investment Trust	1.4	0.2	-14.7	-14.7	-0.2

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

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## Significant Transactions



From 01-Jul-22 to 30-Sep-22		Transaction type	Trade (%)	Ending weight (%)
<b>Purchases</b>	GIBSON ENERGY INC	Add	0.9	2.6
	AGNICO EAGLE MINES LTD	Add	0.8	2.1
	BROOKFIELD INFRASTRUCTURE PARTNERS LP	Add	0.8	1.7
	DOLLARAMA INC	Add	0.8	3.2
	FINNING INTERNATIONAL INC	New position	0.5	0.5
<b>Sales</b>	THOMSON REUTERS CORP EQ	Trim	-0.8	1.9
	LUNDIN MINING CORP	Eliminate position	-0.8	-
	ALGONQUIN POWER & UTILITIES CORP	Eliminate position	-0.7	-
	INTACT FINANCIAL CORP	Eliminate position	-0.6	-
	PREMIUM BRANDS HOLDINGS CORP	Eliminate position	-0.6	-

## Sector Weights



As of 30-Sep-22	Portfolio (%)	Benchmark^ (%)	Underweight/overweight (%)
Consumer Discretionary	8.0	3.5	4.5
Consumer Staples	8.0	4.1	3.9
Information Technology	9.0	5.3	3.7
Materials	11.8	12.0	-0.2
Health Care	-	0.4	-0.4
Utilities	4.3	5.0	-0.7
Industrials	11.9	13.0	-1.1
Real Estate	1.0	2.5	-1.5
Communication Services	3.0	4.9	-1.9
Financials	29.6	31.5	-1.9
Energy	12.6	17.7	-5.1

^ S&P/TSX Capped Composite Index

0.8% Cash & cash equivalents

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# Top Overweight and Underweight Positions



As of 30-Sep-22		Portfolio (%)	Benchmark^ (%)
<b>Overweight</b>	FAIRFAX FINANCIAL HOLDINGS LTD	4.1	0.5
	LOBLAW COMPANIES LTD (EQ)	4.1	0.6
	PEMBINA PIPELINE CORP	3.8	0.9
	TOROMONT INDUSTRIES LTD (EQ)	3.2	0.3
	TRANSCONTINENTAL INC	2.7	0.0
<b>Underweight</b>	BROOKFIELD ASSET MANAGEMENT INC	-	3.0
	CANADIAN NATURAL RESOURCES LTD	-	2.7
	CANADIAN NATIONAL RAILWAY CO	0.8	3.4
	CANADIAN PACIFIC RAILWAY LTD	0.7	3.2
	ROYAL BANK OF CANADA	4.3	6.5

^ S&P/TSX Capped Composite Index



# Characteristics



As of 30-Sep-22	Portfolio	Benchmark <sup>^</sup>
<b>Fundamentals - weighted average</b>		
Price/earnings (12 months forward)	10.8x	11.0x
Price/cash flow	7.7x	7.7x
Price/sales	1.3x	1.7x
PEG ratio	1.4x	1.2x
Dividend yield	3.4%	3.3%
Return on equity (3-year average)	16.9%	12.2%
Return on invested capital	9.4%	7.5%
IBES long-term EPS growth <sup>1</sup>	8.6%	7.7%
<b>Market capitalization</b>		
Market capitalisation (CAD) <sup>2</sup>	43.8 bn	58.3 bn
<b>Diversification</b>		
Top ten holdings	38%	37%
Number of holdings	47	236
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	36%	–
<b>ESG</b>		
Carbon Intensity (Scope 1 and Scope 2) <sup>4</sup>	245.08	390.44
<b>Risk profile (current)</b>		
Active share	56%	–
<b>Risk/reward (5 year)</b>		
Beta	0.87	–
Historical tracking error	3.93%	–
Standard deviation	13.48%	14.99%
Sharpe ratio	0.41	0.37
Downside capture	88.50%	–
Upside capture	91.26%	–

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

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

**No forecasts can be guaranteed.**

<sup>1</sup> Source: FactSet

<sup>2</sup> Weighted average.

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

<sup>4</sup> Source: TruCost; TruCost data coverage is at least 70% at portfolio level. The portfolio's weighted average Carbon Intensity is displayed based on most recent year end emission estimates available from individual company reported data. Each company's Carbon Intensity is calculated as its carbon dioxide equivalents (CO<sub>2</sub>e) from Scope 1 and Scope 2 emissions divided by its revenue (tonnes of CO<sub>2</sub>e / \$1M). Scope 1 emissions includes greenhouse gas (GHG) generated from burning fossil fuels and production processes which are directly owned or controlled by the company; and Scope 2 emissions includes consumption of purchased electricity, heat or steam by the company. The calculations include the six GHGs covered by the Kyoto Protocol on climate change and are converted into tonnes of CO<sub>2</sub>e on the basis of their global warming potentials. The lower the score, the lower the company's Carbon Intensity.

## Top 10 Issuers



Top 10 issuers as of 30-Sep-22	Portfolio (%)	Benchmark^ (%)
ROYAL BANK OF CANADA	4.3	6.5
LOBLAW COMPANIES LTD (EQ)	4.1	0.6
MANULIFE FINANCIAL CORP	4.1	1.5
TORONTO-DOMINION BANK/THE	4.1	5.7
FAIRFAX FINANCIAL HOLDINGS LTD	4.1	0.5
PEMBINA PIPELINE CORP	3.8	0.9
BANK OF NOVA SCOTIA/THE	3.6	2.9
ALIMENTATION COUCHE-TARD INC - EQ	3.4	1.6
CONSTELLATION SOFTWARE INC/CANADA	3.3	1.4
CGI INC	3.3	0.8
<b>Total</b>	<b>38.0</b>	<b>22.6</b>

^ S&P/TSX Capped Composite Index

# Portfolio Outlook and Positioning



## Performance Summary

The portfolio outperformed the cap-weighted benchmark as well as the minimum volatility benchmark in the third quarter of 2022.

### Contributors

- Volatility allocation
- Intersection holdings
- Fundamental research
- Quantitative models: price momentum and valuation
- Stock selection within information technology and allocation across energy

### Detractors

- Quantitative models: quality
- Stock selection within energy and financials

### Market review

Canadian equities ended the quarter modestly lower, down 1.4% (S&P/TSX Composite, CAD, total return basis), which was better than most global and other regional benchmarks. On a year-to-date basis, Canada continues to rank as one of the strongest regional equity markets, buoyed by strong year-to-date gains in the influential energy sector, representing approximately 20% of the Canadian index weight.

It was, however, a more interesting quarter than the modest price decline would suggest. Stocks rose in the first half of the period as economic readings softened and investors calculated that the US Federal Reserve and central banks around the world might slow their pace of interest rate hikes. The rally was cut short in August and reversed sharply when Fed Chair Jerome Powell reiterated his 'do whatever it takes' stance in the fight against inflation. Interest rates shot up and stock markets declined, giving back all the quarter's gains and more.

## Portfolio Outlook and Positioning



The narrative will continue to be dominated by the seesaw of inflation and recession concerns. The five aggressive Bank of Canada interest rate hikes implemented so far in 2022 are aimed at taming rising prices before manifesting in wage inflation, an even greater problem. The underlying tenet is this surge in prices is a more deeply entrenched challenge than suggested by quelling pandemic-related hand-outs, greasing constrained supply chains or by waiting out the knock-on impact of energy and commodity shortages driven by the Russian invasion of Ukraine. None of these factors have been helpful, but it has been the years of record-low interest rates and ultra-easy monetary policy in not only creating a stock market bubble, especially in valuations of long-duration growth companies, but also in entrenching excess consumer demand for goods and services relative to sustainable or normalized levels. Of course, all this points to an economic slowdown at best and a recession at worse — the medicine required for an inflation remedy.

In what is perhaps a glimmer of hope, inflation in Canada receded from 8% reported earlier in the quarter (July) to 7% for the month of August. Conventional wisdom suggests it can take 12 to 18 months for higher interest rates to impact economic growth and inflation, so it does beg the question — is this reading anomalous and too early? For example, the sharp price decline we cited last quarter across a variety of commodity prices, from copper to oil, has stalled in the third quarter, remaining range bound and at the still-elevated levels. Herein lies the challenge. Will the Bank of Canada (and central banks around the world) overplay their hand before seeing the lagged impact and create an even greater challenge — recession — or will they ‘blink’ and slow their interest rate hike cycle before finishing the job of taming inflation.

In equity markets, negative earnings revisions accelerated and broadened this quarter. Within Canada, this was the case for all sectors except energy, and revisions were led to the downside by materials, technology and health care (cannabis) stocks.

The Canadian dollar continued to weaken this quarter, pointing to the broader global challenge of the strong and rising US dollar, which can exacerbate localized inflation and create a higher interest rate hurdle necessary to cure regional inflation. Broadly, we are concerned the negative impacts of both rising interest rates and the deteriorating economy in Europe (war and inflation related) outweigh any benefit of an improving outlook for China (re-opening after the COVID lock down).

### **Portfolio performance review**

# Portfolio Outlook and Positioning



The portfolio outperformed the 100% S&P/TSX Composite Index Capped 10% Index in the third quarter. Intersection holdings — stocks that are buy rated based on both our fundamental and our quantitative research — contributed to relative returns. The overall quantitative input underperformed during the quarter, with quality detracting to model performance. Price momentum and valuation subsequently added to performance over the quarter.

The outcome of the research input performance described above was positive contribution from stock selection within information technology and allocation within energy. The strategy experienced underperformance from stock selection within energy and financials.

## **Outlook and portfolio positioning**

We have no clarity on whether all this price action signals the potential for an orderly taming of inflation and a soft economic landing, or for an outright recession, but we do believe there will be continued equity market volatility while the economy works through all this. In our view, sound stock selection with a quality growth-at-reasonable valuation will be an effective tool to navigate the choppy market.

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 30-Sep-22	Equivalent exposure (%)
<b>Cash &amp; Cash Equivalents</b>	<b>0.8</b>
Cash & Cash Equivalents	0.8
<b>Communication Services</b>	<b>3.0</b>
Quebecor Inc	1.9
TELUS Corp	1.1
<b>Consumer Discretionary</b>	<b>8.0</b>
Dollarama Inc	3.2
Magna International Inc	2.6
Gildan Activewear Inc	1.4
Aritzia Inc	0.9
<b>Consumer Staples</b>	<b>8.0</b>
Loblaw Cos Ltd	4.1
Alimentation Couche Tard Inc	3.4
Maple Leaf Foods Inc	0.5
<b>Energy</b>	<b>12.6</b>
Pembina Pipeline Corp	3.8
Enbridge Inc	3.3
TC Energy Corp	2.9
Gibson Energy Inc	2.6
<b>Financials</b>	<b>29.6</b>
Royal Bank of Canada	4.3
Manulife Financial Corp	4.1
Toronto-Dominion Bank	4.1
Fairfax Financial Holdings Ltd	4.1
Bank of Nova Scotia	3.6
Industrial Alliance Insurance & Financial Services Inc	2.5
National Bank of Canada	2.1
Canadian Western Bank	1.9
Bank of Montreal	1.9
CI Financial Corp	1.1
<b>Industrials</b>	<b>11.9</b>
Toromont Industries Ltd	3.2
Thomson Reuters Corp	1.9
Waste Connections Inc	1.6

As of 30-Sep-22	Equivalent exposure (%)
<b>Industrials</b>	<b>11.9</b>
Badger Infrastructure Solutions Ltd	1.1
Canadian National Railway Co	0.8
TFI International Inc	0.8
ATS Automation Tooling Systems Inc	0.7
Canadian Pacific Railway Ltd	0.7
GFL Environmental Inc	0.5
Finning International Inc	0.5
<b>Information Technology</b>	<b>9.0</b>
Constellation Software Inc/Canada	3.3
CGI Inc	3.3
Enghouse Systems Ltd	1.6
Descartes Systems Group Inc	0.7
<b>Materials</b>	<b>11.8</b>
Nutrien Ltd	3.2
Franco-Nevada Corp	3.0
Transcontinental Inc	2.7
Agnico Eagle Mines Ltd	2.1
Wheaton Precious Metals Corp	0.9
<b>Real Estate</b>	<b>1.0</b>
Granite Real Estate Investment Trust REIT	1.0
<b>Utilities</b>	<b>4.3</b>
Brookfield Infrastructure Partners LP	1.7
Emera Inc	1.6
AltaGas Ltd	0.5
TransAlta Renewables Inc	0.5

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## CERTIFICATE OF PORTFOLIO COMPLIANCE

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

To the best of my knowledge, for the quarter ending September 30, 2022, 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: *Jennifer Argiropoulos*  
**Jennifer Argiropoulos**  
**Chief Compliance Officer**

DATE: October 10, 2022



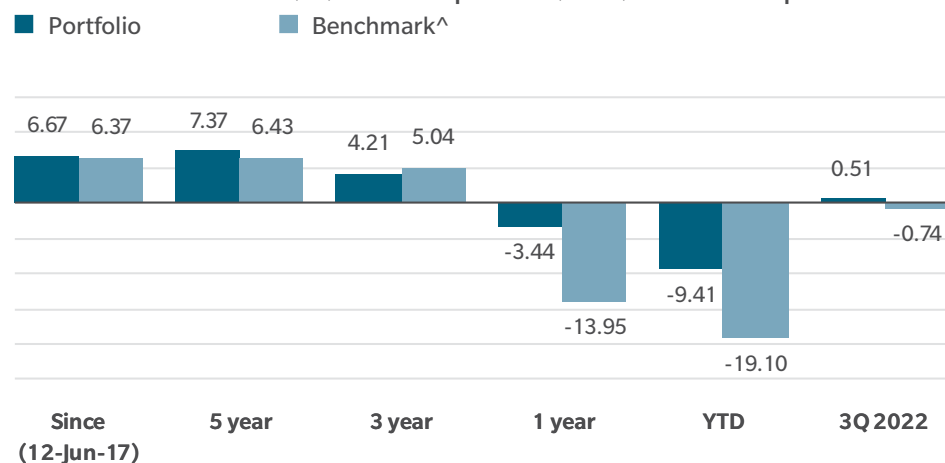
## MFS Low Volatility Global Equity Fund



# Executive Summary



## Performance results (%) net of expenses (CAD) as of 30-Sep-22



Fund returns are net of fund expenses, and do not reflect any management fees. Had management fees been reflected, the performance shown would be lower. Performance data shown represents past performance and is no guarantee of future results.

Source for benchmark performance SPAR, FactSet Research Systems Inc.

For periods of less than one-year returns are not annualized.

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

^ MSCI All Country World Index (net div)

## Asset summary (CAD)

Beginning value as of 30-Jun-22	30,814,253
Contributions	+199,129
Withdrawals	-163,243
Intra-portfolio transfers	-364,970
Change in market value	+174,369
Ending value as of 30-Sep-22	30,659,539

## Position weights (%) as of 30-Sep-22

	Portfolio	Benchmark^^
<b>Top overweights</b>		
MCKESSON CORP	3.5	0.1
AMDOCS LTD	3.3	-
DBS GROUP HOLDINGS LTD	2.9	0.1
<b>Top underweights</b>		
APPLE INC	-	4.3
AMAZON.COM INC (EQ)	-	2.0
TESLA INC	-	1.4

^^ MSCI All Country World Index

# Performance Results



Performance results (%) net of expenses (CAD) as of 30-Sep-22

Period	Portfolio	Benchmark <sup>^</sup>	Excess return vs benchmark
3Q 2022	0.51	-0.74	1.26
2Q 2022	-6.28	-12.90	6.62
1Q 2022	-3.84	-6.42	2.58
4Q 2021	6.59	6.36	0.23
2022 YTD	-9.41	-19.10	9.68
2021	16.91	17.53	-0.62
2020	3.81	14.22	-10.41
2019	15.26	20.20	-4.94
2018	6.65	-1.26	7.91
Since client inception (12-Jun-17)	6.67	6.37	0.30
5 year	7.37	6.43	0.94
3 year	4.21	5.04	-0.83
1 year	-3.44	-13.95	10.50

Fund returns are net of fund expenses, and do not reflect any management fees. Had management fees been reflected, the performance shown would be lower. Performance data shown represents past performance and is no guarantee of future results.

Source for benchmark performance SPAR, FactSet Research Systems Inc.

For periods of less than one-year returns are not annualized.

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

<sup>^</sup> MSCI All Country World Index (net div)

## Performance Drivers - Sectors



Relative to MSCI All Country World Index (CAD) - third quarter 2022		Average relative weighting (%)	Portfolio returns (%)	Benchmark returns (%)	Sector allocation <sup>1</sup> (%)	+ Stock selection <sup>2</sup> (%)	+ Currency effect (%)	= Relative contribution (%)
<b>Contributors</b>	Health Care	4.0	2.9	-0.9	-0.0	0.6	0.0	0.6
	Real Estate	0.9	2.7	-6.5	-0.1	0.3	0.0	0.3
	Consumer Staples	4.0	1.4	-0.4	0.1	0.1	0.1	0.2
	Industrials	-2.4	3.5	0.2	-0.0	0.2	0.1	0.2
	Communication Services	3.4	-5.1	-8.0	-0.3	0.6	-0.2	0.1
	Materials	-1.5	-1.4	-1.5	-0.0	0.1	-0.1	0.0
	Cash	0.9	0.7	-	0.0	-	-0.0	0.0
<b>Detractors</b>	Energy	-5.0	-	5.2	-0.3	-	0.0	-0.3
	Utilities	3.6	-4.8	-1.8	-0.0	-0.3	0.0	-0.2
	Consumer Discretionary	-3.4	3.7	3.7	-0.1	0.0	-0.1	-0.1
	Financials	-0.8	-0.3	0.4	-0.0	-0.1	0.0	-0.1
	Information Technology	-3.7	-1.2	-1.2	0.0	0.3	-0.3	-0.0
<b>Total</b>			<b>0.1</b>	<b>-0.6</b>	<b>-0.7</b>	<b>1.8</b>	<b>-0.4</b>	<b>0.7</b>

1 Sector allocation is calculated based upon each security's price in local currency.

2 Stock selection is calculated based upon each security's price in local currency and included interaction effect. Interaction effect is the portion of the portfolio's relative performance attributable to combining allocation decisions with stock selection decisions. This effect measures the relative strength of the manager's convictions. The interaction effect is the weight differential times the return differential.

Attribution results are generated by the FactSet application utilizing a methodology that 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 fees or expenses. As such, attribution results are essentially estimates and do not aggregate to the total return of the portfolio, which can be found elsewhere in this presentation. Recent geopolitical events may have impacted or disrupted the pricing of specific securities including the use of fair valuation approaches. Fair valuation practices across pricing sources index providers, pricing vendors, MFS - may not align due to security specific considerations or timing of fair valuation parameters. For instance, decisions to use stale prices vs fair value or on the level of haircut when fair valuing securities are typical sources of discrepancy between pricing sources observed during the events. This may further compound differences between attribution results and actual performance. To obtain the contribution calculation methodology and a complete list of every holding's contribution to the overall portfolio's performance during the measurement period, please email [DLAttributionGrp@MFS.com](mailto:DLAttributionGrp@MFS.com).

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# Performance Drivers - Stocks



Relative to MSCI All Country World Index (CAD) - third quarter 2022		Average Weighting (%)		Returns (%)		Relative contribution (%)
		Portfolio	Benchmark	Portfolio <sup>1</sup>	Benchmark	
<b>Contributors</b>	DBS Group Holdings	2.6	0.1	17.5	17.5	0.4
	Mckesson Corp	3.1	0.1	11.1	11.1	0.3
	Starbucks Corp	1.4	0.2	18.2	18.2	0.2
	Gartner Inc	0.9	0.0	27.3	21.9	0.2
	General Mills Inc	1.9	0.1	8.9	8.9	0.2
<b>Detractors</b>	Apple Inc	-	4.5	-	7.8	-0.3
	Tesla Inc	-	1.3	-	25.9	-0.3
	Amazon.Com Inc (Eq)	-	2.0	-	13.3	-0.2
	Italgas Spa	1.1	-	-14.2	-	-0.2
	BOC Hong Kong Holdings	0.9	0.0	-9.5	-6.5	-0.2

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

Attribution results are generated by the FactSet application utilizing a methodology that 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 fees or expenses. As such, attribution results are essentially estimates and do not aggregate to the total return of the portfolio, which can be found elsewhere in this presentation. Recent geopolitical events may have impacted or disrupted the pricing of specific securities including the use of fair valuation approaches. Fair valuation practices across pricing sources index providers, pricing vendors, MFS - may not align due to security specific considerations or timing of fair valuation parameters. For instance, decisions to use stale prices vs fair value or on the level of haircut when fair valuing securities are typical sources of discrepancy between pricing sources observed during the events. This may further compound differences between attribution results and actual performance. To obtain the contribution calculation methodology and a complete list of every holding's contribution to the overall portfolio's performance during the measurement period, please email [DLAttributionGrp@MFS.com](mailto:DLAttributionGrp@MFS.com).

## Significant Transactions



From 01-Jul-22 to 30-Sep-22		Transaction type	Trade (%)	Ending weight (%)
Purchases	AMDOCS LTD	Add	1.6	3.3
	CHECK POINT SOFTWARE TECHNOLOGIES LTD	New position	1.1	1.2
	KONINKLIJKE KPN NV	New position	0.7	0.7
	REINSURANCE GROUP OF AMERICA INC	New position	0.5	0.6
	TOYOTA MOTOR CORP	New position	0.5	0.4
Sales	GARTNER INC	Eliminate position	-1.3	-
	DROPBOX INC	Eliminate position	-1.1	-
	BOC HONG KONG HOLDINGS LTD	Eliminate position	-1.0	-
	SEGA SAMMY HOLDINGS INC	Eliminate position	-0.6	-
	GRAND CITY PROPERTIES SA	Eliminate position	-0.6	-

## Sector Weights



As of 30-Sep-22	Portfolio (%)	Benchmark^ (%)	Underweight/overweight (%)
Health Care	18.0	12.9	5.1
Consumer Staples	12.3	7.7	4.6
Communication Services	11.6	7.3	4.3
Utilities	6.7	3.1	3.6
Real Estate	3.4	2.7	0.7
Financials	13.7	14.6	-0.9
Materials	3.2	4.7	-1.5
Industrials	7.6	9.5	-1.9
Information Technology	18.3	20.8	-2.5
Consumer Discretionary	8.4	11.6	-3.2
Energy	-	5.2	-5.2

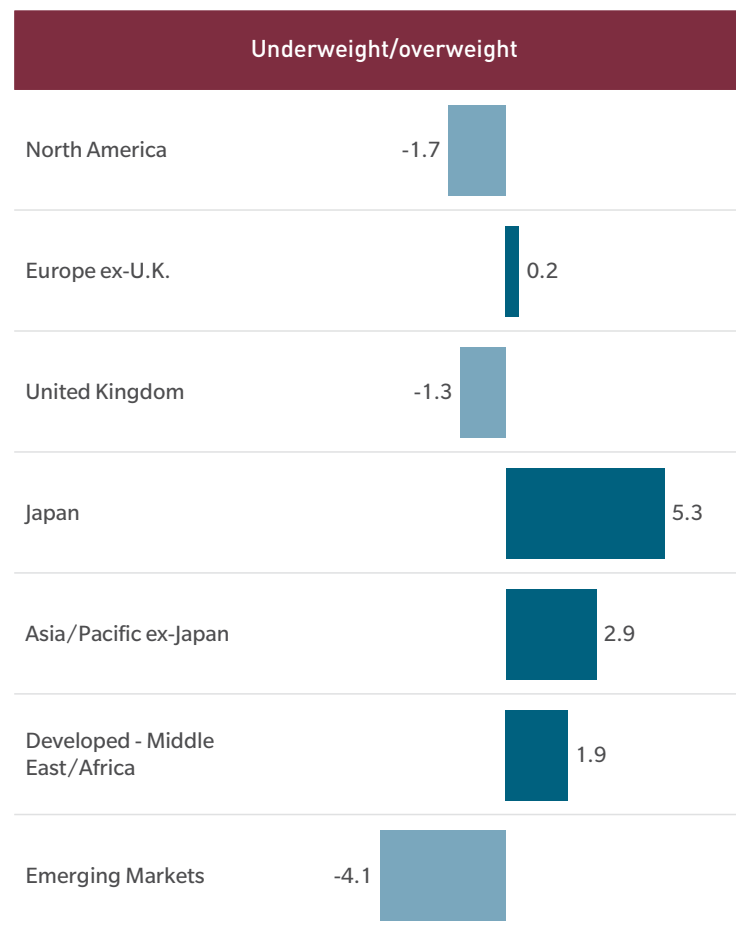
^ MSCI All Country World Index  
-3.2% Cash & cash equivalents

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## Region and Country Weights



As of 30-Sep-22	Portfolio [%]	Benchmark^ [%]	Underweight/overweight [%]
<b>North America</b>	<b>63.3</b>	<b>65.0</b>	<b>-1.7</b>
Canada	6.6	3.2	3.4
United States	56.7	61.8	-5.1
<b>Europe ex-U.K.</b>	<b>11.7</b>	<b>11.5</b>	<b>0.2</b>
Switzerland	5.0	2.6	2.4
Denmark	2.4	0.6	1.8
Italy	1.0	0.5	0.5
Germany	1.6	1.8	-0.2
Netherlands	0.7	1.0	-0.3
France	0.9	2.7	-1.8
Other countries <sup>1</sup>	0.0	2.3	-2.3
<b>United Kingdom</b>	<b>2.4</b>	<b>3.7</b>	<b>-1.3</b>
<b>Japan</b>	<b>10.7</b>	<b>5.4</b>	<b>5.3</b>
<b>Asia/Pacific ex-Japan</b>	<b>6.0</b>	<b>3.1</b>	<b>2.9</b>
Singapore	4.6	0.4	4.2
Hong Kong	1.3	0.7	0.6
Other countries <sup>1</sup>	0.0	1.9	-1.9
<b>Developed - Middle East/Africa</b>	<b>2.1</b>	<b>0.2</b>	<b>1.9</b>
Israel	2.1	0.2	1.9
<b>Emerging Markets</b>	<b>7.0</b>	<b>11.1</b>	<b>-4.1</b>
South Korea	2.8	1.2	1.6
Thailand	1.8	0.2	1.6
Taiwan	1.9	1.5	0.4
Philippines	0.4	0.1	0.3
Other countries <sup>1</sup>	0.0	8.1	-8.1



^ MSCI All Country World Index  
-3.2% Cash & cash equivalents

<sup>1</sup> The portfolio does not own any securities in countries represented in the benchmark in the following percentages: China 3.5%; Australia 1.9%; India 1.7%; Sweden 0.8%; Brazil 0.6%; Spain 0.6%; Saudi Arabia 0.5% and 23 countries with weights less than 0.5% which totals to 2.7%.

# Top Overweight and Underweight Positions



As of 30-Sep-22		Portfolio (%)	Benchmark^ (%)
<b>Overweight</b>	MCKESSON CORP	3.5	0.1
	AMDOCS LTD	3.3	-
	DBS GROUP HOLDINGS LTD	2.9	0.1
	JOHNSON & JOHNSON	3.3	0.8
	KDDI CORP	2.5	0.1
<b>Underweight</b>	APPLE INC	-	4.3
	AMAZON.COM INC (EQ)	-	2.0
	TESLA INC	-	1.4
	UNITEDHEALTH GROUP INC (EQ)	-	0.9
	EXXON MOBIL CORP	-	0.7

^ MSCI All Country World Index



# Characteristics



As of 30-Sep-22	Portfolio	Benchmark <sup>^</sup>
<b>Fundamentals - weighted average</b>		
Price/earnings (12 months forward)	13.7x	13.5x
Price/cash flow	10.3x	10.1x
Price/sales	1.4x	1.7x
PEG ratio	1.7x	1.5x
Dividend yield	2.7%	2.4%
Return on equity (3-year average)	21.0%	23.6%
Return on invested capital	13.6%	13.2%
IBES long-term EPS growth <sup>1</sup>	9.2%	12.5%
<b>Market capitalization</b>		
Market capitalisation (CAD) <sup>2</sup>	213.1 bn	422.7 bn
<b>Diversification</b>		
Top ten holdings	27%	16%
Number of holdings	97	2,900
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	36%	–
<b>ESG</b>		
Carbon Intensity (Scope 1 and Scope 2) <sup>4</sup>	246.19	183.89
<b>Risk profile (current)</b>		
Active share	86%	–
<b>Risk/reward (5 year)</b>		
Beta	0.62	–
Historical tracking error	6.36%	–
Standard deviation	8.79%	12.51%
Sharpe ratio	0.73	0.44
Downside capture	56.03%	–
Upside capture	73.21%	–

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

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

**No forecasts can be guaranteed.**

<sup>1</sup> Source: FactSet

<sup>2</sup> Weighted average.

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

<sup>4</sup> Source: TruCost; TruCost data coverage is at least 70% at portfolio level. The portfolio's weighted average Carbon Intensity is displayed based on most recent year end emission estimates available from individual company reported data. Each company's Carbon Intensity is calculated as its carbon dioxide equivalents (CO<sub>2</sub>e) from Scope 1 and Scope 2 emissions divided by its revenue (tonnes of CO<sub>2</sub>e / \$1M). Scope 1 emissions includes greenhouse gas (GHG) generated from burning fossil fuels and production processes which are directly owned or controlled by the company; and Scope 2 emissions includes consumption of purchased electricity, heat or steam by the company. The calculations include the six GHGs covered by the Kyoto Protocol on climate change and are converted into tonnes of CO<sub>2</sub>e on the basis of their global warming potentials. The lower the score, the lower the company's Carbon Intensity.

## Top 10 Issuers



Top 10 issuers as of 30-Sep-22	Portfolio (%)	Benchmark^ (%)
MCKESSON CORP	3.5	0.1
AMDOCS LTD	3.3	-
JOHNSON & JOHNSON	3.3	0.8
DBS GROUP HOLDINGS LTD	2.9	0.1
ROCHE HOLDING AG	2.7	0.5
MICROSOFT CORP	2.5	3.2
KDDI CORP	2.5	0.1
NOVO NORDISK A/S	2.4	0.3
GENERAL MILLS INC	2.2	0.1
EVEREST RE GROUP LTD	2.1	0.0
<b>Total</b>	<b>27.4</b>	<b>5.2</b>

^ MSCI All Country World Index

# Portfolio Outlook and Positioning



## Performance summary

The Low Volatility Global Equity strategy outperformed the MSCI ACWI Index and underperformed the MSCI ACWI World Minimum Volatility Index in the third quarter of 2022. Relative to the market capitalization weighted MSCI ACWI Index:

### Contributors

- Intersection holdings
- Quantitative models: price momentum and earnings momentum
- Stock selection within health care and real estate
- Stock selection within Asia/Pacific ex-Japan and Japan

### Detractors

- Volatility allocation
- Allocation across energy and communication services
- Stock selection within emerging markets

## Market review

Global equity markets finished Q3 at year to date lows, breaking below significant technical support levels in the final two weeks. The US-led summer rally, that began in late Q2, abruptly reversed in mid-August after US Fed Chairman Powell communicated a willingness to risk a recession to tame inflation at the Jackson Hole symposium. Yields backed up and yield curves further flattened in response to the speech and subsequent economic data. While multiple indicators, including commodity prices and global supply chains, suggest global inflation may be peaking it remains elevated which is keeping almost all central banks in rate-hike mode.

Leading indicators for the global economy continued to deteriorate over the summer with S&P Global reporting that the global manufacturing PMI dipped below 50 in September, signaling a contraction. The percentage of countries with new orders exceeding inventories dropped to 32% in September. Both data points suggest that the risk of a global recession continues to increase. The earnings outlook, which is correlated with leading economic indicators, has also worsened with earnings downgrades outnumbering

# Portfolio Outlook and Positioning



upgrades in all regions, except Japan, and in 8 of 11 GICS sectors.

Regional and sector performance rotated significantly around the Jackson Hole meeting. The summer rally in global equities was very narrow and dominated by US equities which benefitted from the retreat in bond yields and corresponding rally in long duration growth stocks. All other regions lagged with significant underperformance in the emerging market regions. Following the Jackson Hole meeting, leadership broadened significantly and completely reversed with emerging markets, led by Latin America, outperforming developed markets. Within developed markets the UK, Canadian and Pacific region markets outperformed significantly, while the Europe ex-UK region also produced strong results. Unsurprisingly US equities lagged with the more hawkish Fed guidance and back up in interest rates.

## **Performance review**

The portfolio outperformed the MSCI All Country World Index in the third quarter. Volatility allocation within the strategy — being overweight the lowest risk stocks and underweight the highest risk stocks — subtracted from performance. Intersection holdings — stocks that are buy rated based on both our fundamental and our quantitative research — contributed to relative returns. The overall quantitative input outperformed during the quarter, with price momentum and earnings momentum contributing to model performance.

The outcome of the research input performance described above was positive contribution from stock selection within health care and real estate. The strategy underperformed due to an allocation within energy and communication services. From a regional perspective, the strongest contribution came from stock selection within Asia/Pacific ex-Japan and Japan. In other areas, there was underperformance from stock selection within emerging markets.

## **Portfolio outlook and positioning**

The macro environment remains challenging for global equities as we move into Q4 with high inflation, restrictive central bank policies and growing recession risks dominating the outlook. Despite repairing supply chains and reduced commodity prices, inflation remains elevated and sticky which will make it difficult for central banks to shift policy anytime soon, which based on history is a significant headwind to equities (see Chart 1 below). While US economic data has remained more resilient than most expected, continued Fed rate hikes in the face of decelerating leading economic indicators point to growing recession risks. In Europe, despite a pullback in oil and gas

## Portfolio Outlook and Positioning



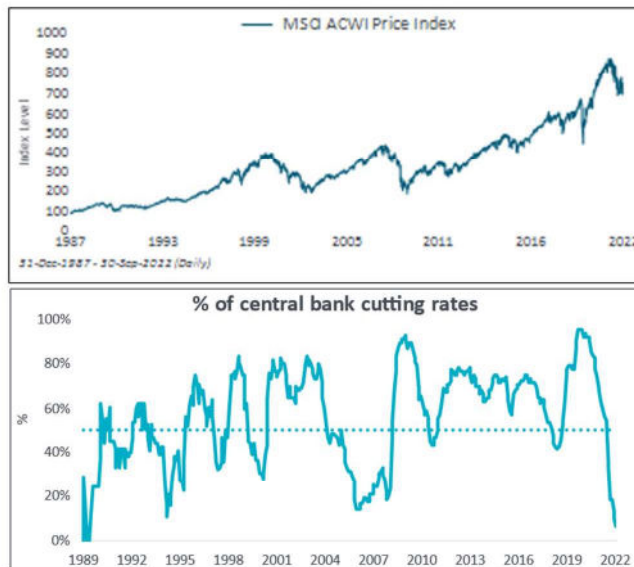
prices, the energy crisis remains a significant risk and headwind for economies despite the varied policy responses across the region. The minibudget released by the new UK government triggered a significant selloff in UK bonds and the Pound which prompted the Bank of England (BOE) to intervene to prevent collateral damage to UK pension funds. In emerging markets, central banks continue to tighten policy, with another 13 rate hikes announced in September, while zero-COVID policies and a meltdown in the real estate market are constraining the influential Chinese economy and its significant trade linkages to other emerging economies.

# Portfolio Outlook and Positioning



Chart 1:

## Pace of Central Bank Rate Hikes Has Picked -up MSCI ACWI & Central Bank rate changes



MSCI ACWI Performance		
% of Central Banks Cutting Rates	Average Annualized Performance (%)	% of Time
Above 50.0	7.76	60.4
Below 50.0	-2.54	39.6
Buy/Hold = 4.35% Annualized		

Source: Top chart FactSet. Bottom chart FactSet, FactSet SPAR. Monthly data as of 31 July 1989 to 30 September 2022 based on 63 major central banks around the world. Average annualized performance is calculated as the average of annualized returns for % of central banks cutting rates. Buy/Hold annualized return is calculated for the time frame where % of central banks cutting rates is within the range/bucket specified consecutively (of central banks cutting rates is above 50% for 5 months straight before declining below 50%, then the annualized return is calculated for that 5 month period). Buy/Hold period is the annualized for the entire time frame. Returns are price returns and in USD. Based on Ned Davis research.



Don't fight the Fed

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## Portfolio Outlook and Positioning



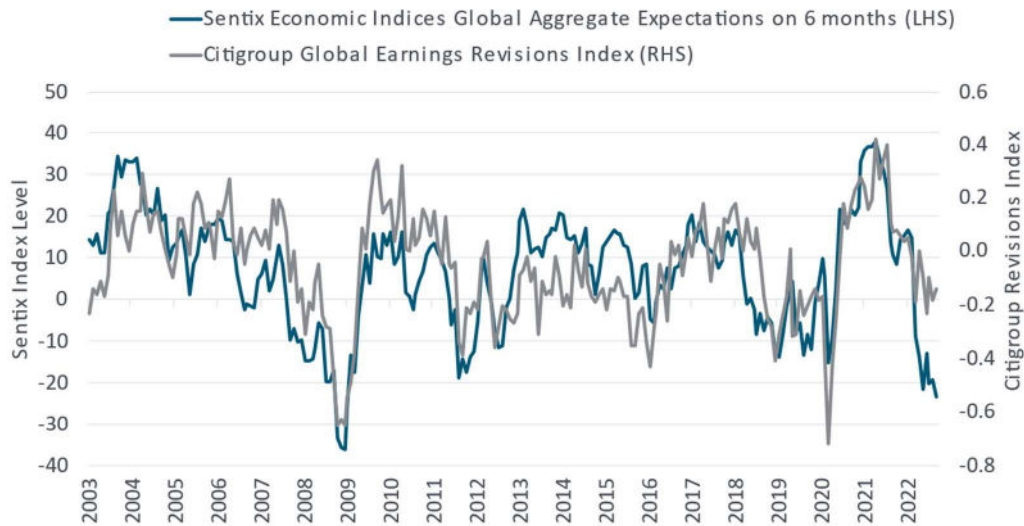
Market declines to this point have largely been driven by interest rate related multiple contractions. As mentioned above, leading economic indicators and the earnings outlook continued to soften in September suggesting the next phase of the bear market is likely to be earnings driven (see Chart 2 below). Historically, based on analysis by BofA Global Research when the three-month revision ratio is at current levels and falling the subsequent 12-month MSCI ACWI performance was only 0.4% on average.

# Portfolio Outlook and Positioning



Chart 2:

## Leading Economic Indicators Point to Further Earnings Weakness



Source: Bloomberg as of 30 September 2022.

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## Portfolio Outlook and Positioning



Despite the challenging outlook, markets are very oversold, investor sentiment is extremely pessimistic and historical seasonal tendencies suggests markets could be poised for a rally in Q4. However, as we indicated last quarter, a market bottom and shift to more cyclical sectors and factor leadership has historically required a shift in monetary policy and/or a trough in leading economic indicators; neither of which appears imminent. A risk to this outlook would be a premature shift in monetary policy in response to a market crisis; however, the lagged impact of rate increases and inflation would still be a significant headwind to earnings.

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 30-Sep-22	Country	Equivalent exposure (%)
<b>Cash &amp; Cash Equivalents</b>		<b>-3.2</b>
Cash & Cash Equivalents		-3.2
<b>Communication Services</b>		<b>11.6</b>
KDDI Corp	Japan	2.5
Electronic Arts Inc	United States	1.9
Alphabet Inc Class A	United States	1.9
Advanced Info Service PCL	Thailand	1.8
Orange SA	France	0.9
Koninklijke KPN NV	Netherlands	0.7
Charter Communications Inc	United States	0.5
Nintendo Co Ltd	Japan	0.5
PLDT Inc.	Philippines	0.4
Comcast Corp	United States	0.4
<b>Consumer Discretionary</b>		<b>8.4</b>
Dollar General Corp	United States	1.8
Starbucks Corp	United States	1.6
McDonald's Corp	United States	1.1
Dollarama Inc	Canada	0.9
AutoZone Inc	United States	0.9
Sankyo Co Ltd	Japan	0.7
B&M European Value Retail SA	United Kingdom	0.5
Toyota Motor Corp	Japan	0.4
Bridgestone Corp	Japan	0.4
<b>Consumer Staples</b>		<b>12.3</b>
General Mills Inc	United States	2.2
PepsiCo Inc	United States	1.6
Nestle SA	Switzerland	1.6
Colgate-Palmolive Co	United States	1.1
Kimberly-Clark Corp	United States	1.0
Walmart Inc	United States	0.9
Mondelez International Inc	United States	0.8
Procter & Gamble Co	United States	0.6
J M Smucker Co	United States	0.6
Seven & i Holdings Co Ltd	Japan	0.5

As of 30-Sep-22	Country	Equivalent exposure (%)
<b>Consumer Staples</b>		<b>12.3</b>
British American Tobacco PLC	United Kingdom	0.5
Sundrug Co Ltd	Japan	0.5
Tesco PLC	United Kingdom	0.4
<b>Financials</b>		<b>13.7</b>
DBS Group Holdings Ltd	Singapore	2.9
Everest Re Group Ltd	United States	2.1
US Bancorp	United States	1.3
JPMorgan Chase & Co	United States	1.1
Samsung Fire & Marine Insurance Co Ltd	South Korea	1.0
Fairfax Financial Holdings Ltd	Canada	0.8
Zurich Insurance Group AG	Switzerland	0.7
KB Financial Group Inc	South Korea	0.7
Chubb Ltd	United States	0.7
Royal Bank of Canada	Canada	0.6
Reinsurance Group of America Inc	United States	0.6
IG Group Holdings PLC	United Kingdom	0.5
MetLife Inc	United States	0.5
Bank of Nova Scotia	Canada	0.4
<b>Health Care</b>		<b>18.0</b>
McKesson Corp	United States	3.5
Johnson & Johnson	United States	3.3
Roche Holding AG	Switzerland	2.7
Novo Nordisk AS	Denmark	2.4
Merck & Co Inc	United States	1.5
Eli Lilly & Co	United States	1.3
Vertex Pharmaceuticals Inc	United States	1.2
Medtronic PLC	United States	0.6
Becton Dickinson and Co	United States	0.6
Cigna Corp	United States	0.5
Bayer AG	Germany	0.4
<b>Industrials</b>		<b>7.6</b>
Republic Services Inc	United States	1.3
Singapore Technologies Engineering Ltd	Singapore	1.2

## Portfolio Holdings



As of 30-Sep-22	Country	Equivalent exposure (%)
<b>Industrials</b>		<b>7.6</b>
Eaton Corp PLC	United States	1.1
Sankyu Inc	Japan	0.9
Knight-Swift Transportation Holdings Inc	United States	0.7
Hitachi Ltd	Japan	0.6
Sohgo Security Services Co Ltd	Japan	0.5
General Dynamics Corp	United States	0.5
Otis Worldwide Corp	United States	0.4
Secom Co Ltd	Japan	0.4
<b>Information Technology</b>		<b>18.3</b>
Amdocs Ltd	United States	3.3
Microsoft Corp	United States	2.5
Constellation Software Inc/Canada	Canada	2.0
Taiwan Semiconductor Manufacturing Co Ltd ADR	Taiwan	1.9
Check Point Software Technologies Ltd	Israel	1.2
Kyocera Corp	Japan	1.2
Samsung Electronics Co Ltd IPS	South Korea	1.1
Nice Ltd ADR	Israel	0.9
NS Solutions Corp	Japan	0.9
Fujitsu Ltd	Japan	0.8
ACI Worldwide Inc	United States	0.6
Venture Corp Ltd	Singapore	0.5
Fiserv Inc	United States	0.4
Mastercard Inc	United States	0.4
SS&C Technologies Holdings Inc	United States	0.4
<b>Materials</b>		<b>3.2</b>
Franco-Nevada Corp	Canada	1.9
Symrise AG	Germany	0.8
Rio Tinto PLC	United Kingdom	0.6
<b>Real Estate</b>		<b>3.4</b>
Life Storage Inc REIT	United States	1.1
Public Storage REIT	United States	1.0
AvalonBay Communities Inc REIT	United States	0.8
Extra Space Storage Inc REIT	United States	0.5

As of 30-Sep-22	Country	Equivalent exposure (%)
<b>Utilities</b>		<b>6.7</b>
Xcel Energy Inc	United States	1.4
CLP Holdings Ltd	Hong Kong	1.3
Italgas SpA	Italy	1.0
American Electric Power Co Inc	United States	1.0
Energy Inc	United States	0.6
E.ON SE	Germany	0.5
Edison International	United States	0.5
Duke Energy Corp	United States	0.5

The Global Industry Classification Standard (GICS®) was developed by and/or is the exclusive property of MSCI, Inc. and S&P Global Market Intelligence Inc. ("S&P Global Market Intelligence"). GICS is a service mark of MSCI and S&P Global Market Intelligence and has been licensed for use by MFS. MFS has applied its own internal sector/industry classification methodology for equity securities and non-equity securities that are unclassified by GICS.



## CERTIFICATE OF PORTFOLIO COMPLIANCE

### **MFS Low Volatility Global Equity Fund**

To the best of my knowledge, for the quarter ending September 30, 2022, 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: *Jennifer Argiropoulos*  
**Jennifer Argiropoulos**  
**Chief Compliance Officer**

DATE: October 10, 2022

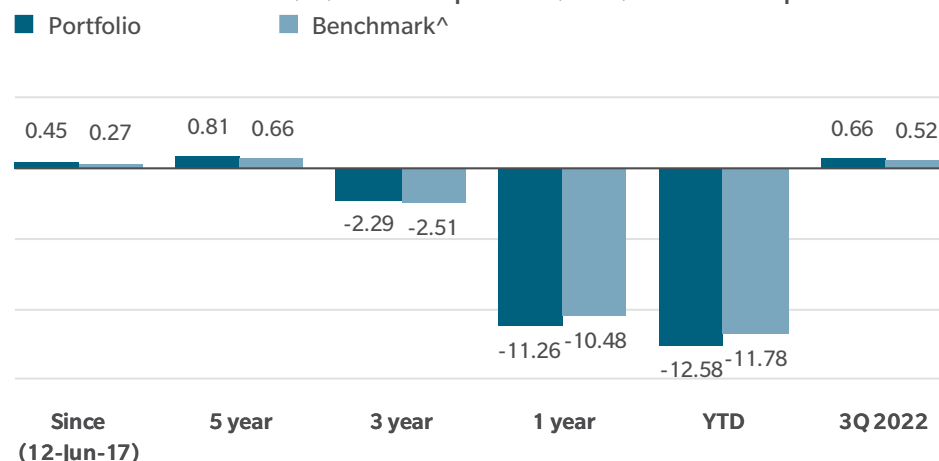


## MFS Canadian Core Plus Fixed Income Fund

# Executive Summary



## Performance results (%) net of expenses (CAD) as of 30-Sep-22



Fund returns are net of fund expenses, and do not reflect any management fees. Had management fees been reflected, the performance shown would be lower. Performance data shown represents past performance and is no guarantee of future results.

Source for benchmark performance SPAR, FactSet Research Systems Inc.

For periods of less than one-year returns are not annualized.

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

^ FTSE Canada Universe Bond Index

## Asset summary (CAD)

Beginning value as of 30-Jun-22	21,697,385
Contributions	+143,047
Withdrawals	-116,477
Intra-portfolio transfers	+1,691,023
Change in market value	+116,706
Ending value as of 30-Sep-22	23,531,686

## Key characteristics as of 30-Sep-22

	Portfolio	Benchmark^^
Average effective duration	7.08yrs	7.43yrs
Yield to worst	4.86%	4.14%

## Portfolio composition (%)

	Portfolio	Benchmark^^
Federal	33.16	37.15
Provincial	29.14	34.78
Municipal	1.07	2.12
Corporate	44.41	25.95
Cash & Cash Equivalents	0.74	0.00
Other	-8.52	0.00
Foreign Pay	12.24	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 30-Sep-22

Period	Portfolio	Benchmark <sup>^</sup>	Excess return vs benchmark
3Q 2022	0.66	0.52	0.13
2Q 2022	-6.57	-5.66	-0.91
1Q 2022	-7.03	-6.97	-0.06
4Q 2021	1.51	1.47	0.04
2022 YTD	-12.58	-11.78	-0.80
2021	-1.75	-2.54	0.79
2020	9.34	8.68	0.66
2019	8.04	6.87	1.17
2018	0.34	1.41	-1.07
Since client inception (12-Jun-17)	0.45	0.27	0.17
5 year	0.81	0.66	0.15
3 year	-2.29	-2.51	0.22
1 year	-11.26	-10.48	-0.78

Fund returns are net of fund expenses, and do not reflect any management fees. Had management fees been reflected, the performance shown would be lower. Performance data shown represents past performance and is no guarantee of future results.

Source for benchmark performance SPAR, FactSet Research Systems Inc.

For periods of less than one-year returns are not annualized.

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

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

# Significant Impacts on Performance



Relative to FTSE Canada Universe Bond Index - third quarter 2022

<b>Contributors</b>	Duration/Yield curve	The portfolio was modestly underweight duration relative to the index during the quarter, which was a source of excess return as yields rose in anticipation of more aggressive rate hikes to quell inflation. An underweight in the 2-year key rate also aided relative return as short-term yields rose the most in the period.
	Security selection	Positive selection within energy, industrials and communication were notable contributors to excess return. Within these sectors, positive selection largely came from out-of-benchmark exposure to US HY issuers where spreads compressed, particularly in the first half of the quarter. This offset negative selection within financials.
<b>Detractors</b>	Financials allocation/selection	The portfolio's overweight to financials was a drag on relative return, as the sector was one of the worst performing in the index. Record supply has been a technical headwind for banks spreads all year and have therefore underperformed corporates. Additionally, negative selection within financials was a notable detractor, where exposure to out-of-benchmark subordinated hybrid issues from select Banking and Insurance issuers, such as TD and Manulife, hurt as spreads widened on macro headwinds.

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 30-Sep-22		Portfolio (%)	Benchmark^ (%)	Underweight/overweight (%)
<b>Portfolio composition</b>	Federal	33.16	37.15	-3.99
	Provincial	29.14	34.78	-5.64
	Municipal	1.07	2.12	-1.05
	Corporate	44.41	25.95	18.46
	Cash & Cash Equivalents	0.74	0.00	0.74
	Other	-8.52	0.00	-8.52
	Foreign Pay	12.24	0.00	12.24
<b>Corporate composition</b>	Communication	4.98	2.44	2.54
	Energy	7.17	5.67	1.50
	Financial	18.89	10.00	8.89
	Industrial	4.35	1.69	2.66
	Infrastructure	3.33	4.05	-0.72
	Real Estate	1.63	1.72	-0.09
	Securitization	4.06	0.38	3.68

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

^ FTSE Canada Universe Bond Index

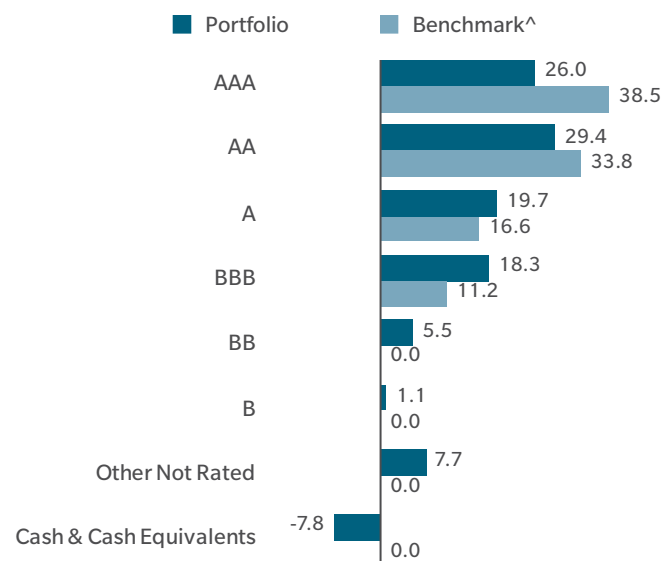
# Characteristics



As of 30-Sep-22	Portfolio	Benchmark <sup>^</sup>
<b>Fundamentals</b>		
Average effective duration	7.08yrs	7.43yrs
Yield to worst	4.86%	4.14%
Average coupon	3.21%	2.88%
Average quality <sup>1</sup>	A+	AA
Average effective maturity	10.56yrs	10.24yrs
<b>Diversification</b>		
Number of holdings	176	1,611
<b>Turnover</b>		
Trailing 1 year turnover <sup>2</sup>	53%	-
<b>Risk/reward (5 year)</b>		
Historical tracking error	2.08%	-
Beta	1.12	-
Standard deviation	6.35%	5.40%
Alpha	0.15%	-
Information ratio	0.09	-

Effective term structure as of 30-Sep-22	Portfolio (%)	Benchmark <sup>^</sup>
Less than 1 Year	11.5	0.0
1-3 Years	12.1	24.5
3-5 Years	5.2	18.4
5-10 Years	33.1	26.5
10-20 Years	7.5	10.6
20+ Years	30.6	20.1

Credit quality (% of total assets) as of 30-Sep-22 <sup>^^</sup>



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

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

<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> US Turnover Methodology: (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.

<sup>^^</sup> 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. If none of the 4 rating agencies listed above rate the security, but the security is rated by the Kroll Bond Rating Agency (KBRA), then the KBRA rating is assigned. 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.

# Portfolio Outlook and Positioning



## Market review

After a strong start to the year, Canadian economic growth has begun to slow down. With the rapid tightening of monetary policy, signs of weakness have been most evident in interest rate-sensitive sectors of the economy, such as housing. Domestic demand has so far been buoyed by a strong labour market, but there have been some signs of weakness here too. Three consecutive months of job losses resulted in the unemployment rate rising by 0.5% to 5.4%, while retail sales declined in July. Total job vacancies remain elevated but have also declined sharply. High inflation combined with falling stock and housing markets led to a 10% drop in consumers' real net worth in 1H22, bringing consumer confidence to near-record lows. Headline inflation finally showed signs of peaking, with the year-over-year rate falling from a peak of 8.1% to 7.0%, led lower by falling gasoline prices. The WTI oil price finished the quarter at \$79 a barrel, down over \$25 in the quarter and over \$40 since hitting a peak in June. However, core inflation measures have yet to show meaningful signs of peaking, and in fact there continued to be a broadening of price pressures, particularly in service sectors. With inflation that has been well above target for a sustained period, one of the key concerns for the Bank of Canada is inflation expectations, where recent survey data suggests that short-term inflation expectations are high. For these reasons, the BoC continued to aggressively raise rates in the quarter, bringing the overnight rate into 'restrictive' territory at 3.25%, a 14-year high and one of the highest rates among major advanced economies. Looking ahead, current market pricing implies another 50 basis point hike in October, followed by a 25 bp hike in December, bringing the overnight rate to 4% by year-end. With quantitative tightening also underway, how balance sheet roll-off will act in concert with rate hikes to dampen financial conditions remains an additional point of policy uncertainty.

Against this macro backdrop, the FTSE Canada Universe Bond Index returned 0.52% in Q3, reversing the trend of negative returns seen in the previous two quarters. Rate volatility remained elevated as it has all year given macro uncertainties. The Canadian government yield curve flattened in the quarter, with many parts of the curve becoming inverted. Yields out to the eight-year tenor rose as expectations of tighter monetary policy continued while yields beyond the eight-year mark finished the quarter broadly flat. At the end of the quarter, the entire yield curve was above the 3% level. Canadian investment-grade spreads, as represented by the Bloomberg Canada Aggregate Corporate Index, initially narrowed but ended up wider on the quarter by 8 bps, and the credit curve flattened. At quarter-end, the index level spread stood at 174 bps, which is over 60 bps wider year to date. At this level, valuations are looking more appealing compared to history but less compelling when placed in the context of a weakening growth environment. Within corporates, sectors such as oil & gas, transportation and regulated utilities continued to outperform while LRCNs and corporate hybrids. Corporate bond issuance picked up in September but remains below prior year levels and has largely been dominated by bank issuance. Weakening risk sentiment and growing recessionary fears bolstered the US dollar, with CAD/USD finishing the quarter at 0.72, down nearly 7%.

# Portfolio Outlook and Positioning



## Portfolio positioning

The macro environment continues to be highly volatile, with our probability weighted outlook best characterized as a relatively flat distribution with large tails. Our base case scenario is a slower growth environment, but the probability of recession has risen. For the first time in nearly 30 years, central banks are focused on inflation over growth. The BoC is determined to maintain creditability and anchor inflation expectations by quickly raising rates, which will pose a threat to economic activity. However, the consumer has proven to be resilient. To be sure, consumers are spending down the excess savings built up over the course of the pandemic, but the consumer balance sheet is in relatively good shape, and consumers still have multiple pockets from which to spend. Perhaps most important, though, is that the labour market, although showing some signs of weakness, remains tight. Interestingly, our credit analyst team has noted that an increasing number of companies appear reluctant to shed workers despite the slowing growth environment as company management have expressed concerns about reducing their labour force after their experience of the last 12 to 18 months, wherein many firms struggled to find and attract appropriately skilled labour — e.g., much of the economic recovery from COVID has come with persistent labour shortages. This dynamic suggests that the current cycle could be prolonged longer and soften the effect from the economic slowdown, providing support for our relative positioning.

Overall risk positioning did not materially change in the quarter; the strategy is positioned with risk between the low- to mid-point of our range, which is nevertheless overweight credit risk versus the index. We are positioned for volatility and retain significant ability to add risk into any material back up in spreads. Recall that during the sharp spread widening in March, we opportunistically added corporate exposure and have largely maintained that level of credit risk through Q3. With Canadian IG credit spreads ending the quarter at 174 basis points, they have become more attractive at over one standard deviation above their 5-year average, but balanced against growth risks, are closer to fair value. Historically whenever spreads are at their current levels, the subsequent 2-year period has almost always resulted in spread compression and the outperformance of credit. This supports our slight overweight. Fundamentals remain relatively strong, but inflation has the potential to pressure margins. Meanwhile, market technicals remain a concern. From a sector standpoint, we are selectively overweight Canadian IG, with limited exposure to US IG. Historically during times of extreme risk-off, US IG spreads tend to be higher beta and widen more than their Canadian counterpart, however US IG spreads have remained tighter. Should US IG begin to underperform, this would be one signal for us to potentially add exposure. Additionally, a potentially sell-off in the US IG market is likely to bring other global credit markets with it, and that is a key technical indicator we are watching to inform changes to our overall credit exposure. For now we are maintaining discipline and retaining capacity to add non-Canadian exposure. Financials continue to be

## Portfolio Outlook and Positioning



the largest corporate overweight, with a focus on major banks and insurers. Record bond issuance from banks has been a technical headwind for the sector year-to-date, which has underperformed corporates. But current relative value now compares favorably.

The portfolio ended the quarter with duration that was three-tenths of a year short relative to the index. The momentum has certainly been for higher yields as inflation continues to surprise to the upside, but it appears that the worst of the rate normalization is now behind us. Interest rate volatility has been elevated at historically high levels for most of the year, which has created a difficult environment for duration management. With the high correlation between yields and spreads this year, our slight short duration positioning has helped to act as a hedge against our credit exposure. Looking out beyond the next quarter to next year, we see a reasonable probability of encountering opportunities to add duration. The sharp increase in rates is setting up the government bond market for better total returns, recognizing that long-term performance tends to correlate highly with starting yields, which are now significantly higher than they have been for most of the last decade.

The portfolio has a yield and spread advantage relative to the benchmark while maintaining the flexibility to add to risk during episodes of volatility.

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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 30-Sep-22	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Cash & Cash Equivalents (0.73%)	CASH & CASH EQUIVALENTS			0.73
Communication (4.98%)	BELL TELEPHONE CO OF CANADA OR BELL CANADA/THE	3.800	Aug 21 28	0.67
	CCO HOLDINGS LLC / CCO HOLDINGS CAPITAL CORP	5.000	Feb 01 28	0.42
	CHARTER COMMUNICATIONS OPERATING LLC CHA	5.250	Apr 01 53	0.36
	CSC HOLDINGS LLC	3.375	Feb 15 31	0.16
	MERCADOLIBRE INC	3.125	Jan 14 31	0.13
	PROSUS NV (NASPERS LTD)	3.680	Jan 21 30	0.10
	ROGERS COMMUNICATIONS INC	6.560	Mar 22 41	0.16
	ROGERS COMMUNICATIONS INC	4.550	Mar 15 52	0.49
	ROGERS COMMUNICATIONS INC	5.250	Apr 15 52	0.22
	ROGERS COMMUNICATIONS INC	5.000	Dec 17 81	0.20
	SBA COMMUNICATIONS CORP	3.875	Feb 15 27	0.10
	SBA COMMUNICATIONS CORP	3.125	Feb 01 29	0.28
	SHAW COMMUNICATIONS INC	3.300	Dec 10 29	0.02
	SHAW COMMUNICATIONS INC	2.900	Dec 09 30	0.01
	SHAW COMMUNICATIONS INC	6.750	Nov 09 39	0.11
	SIRIUS XM RADIO INC	5.500	Jul 01 29	0.34
	TELUS CORP	2.350	Jan 27 28	0.33
	TELUS CORP	4.400	Jan 29 46	0.30
	TELUS CORP	3.950	Feb 16 50	0.10
	VIDEOTRON LTD	5.625	Jun 15 25	0.25
	WMG ACQUISITION CORP	3.000	Feb 15 31	0.25
Energy (7.17%)	BRUCE POWER LP	4.010	Jun 21 29	0.16
	BRUCE POWER LP	4.000	Jun 21 30	0.15
	CENOVUS ENERGY INC	3.500	Feb 07 28	0.55
	CU INC	4.722	Sep 09 43	0.40
	CU INC	3.174	Sep 05 51	0.07
	CU INC	4.773	Sep 14 52	0.94
	ENBRIDGE GAS INC	2.900	Apr 01 30	0.14
	ENBRIDGE GAS INC	3.650	Apr 01 50	0.37

# Portfolio Holdings



As of 30-Sep-22	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Energy (continued) (7.17%)	ENBRIDGE INC	4.240	Aug 27 42	0.31
	ENBRIDGE INC	4.570	Mar 11 44	0.26
	FIRSTENERGY CORP	3.400	Mar 01 50	0.22
	INTER PIPELINE LTD/AB	3.983	Nov 25 31	0.24
	NEXTERA ENERGY OPERATING PARTNERS LP	4.500	Sep 15 27	0.17
	NORTHWEST REDWATER PARTNERSHIP NWR FINANCING CO LT	4.150	Jun 01 33	0.04
	NORTHWEST REDWATER PARTNERSHIP NWR FINANCING CO LT	3.650	Jun 01 35	0.17
	NORTHWEST REDWATER PARTNERSHIP NWR FINANCING CO LT	4.050	Jul 22 44	0.24
	ONTARIO POWER GENERATION INC	3.215	Apr 08 30	0.93
	PARKLAND CORP	4.625	May 01 30	0.29
	PEMBINA PIPELINE CORP	4.670	May 28 50	1.03
	TRANSCANADA PIPELINES LTD	3.800	Apr 05 27	0.47
	Federal (33.16%)	CANADIAN GOVERNMENT	0.000	Dec 19 22
CANADIAN GOVERNMENT		0.000	Dec 19 22	4.49
CANADIAN GOVERNMENT BOND		0.000	Dec 19 22	11.15
CANADIAN GOVERNMENT BOND		2.000	Sep 01 23	11.47
CANADIAN GOVERNMENT BOND		1.500	Sep 01 24	0.92
CANADIAN GOVERNMENT BOND		1.000	Jun 01 27	0.72
CANADIAN GOVERNMENT BOND		1.500	Jun 01 31	5.53
CANADIAN GOVERNMENT BOND		2.000	Jun 01 32	1.42
CANADIAN GOVERNMENT BOND		3.500	Dec 01 45	2.62
CANADIAN GOVERNMENT BOND		2.000	Dec 01 51	2.61
DOMINICAN REPUBLIC		4.500	Jan 30 30	0.13
UNITED STATES TREASURY NOTE/BOND		0.000	Dec 20 22	-4.41
UNITED STATES TREASURY NOTE/BOND		0.000	Dec 20 22	-1.81
UNITED STATES TREASURY NOTE/BOND		0.000	Dec 20 22	-1.49
UNITED STATES TREASURY NOTE/BOND		0.000	Dec 20 22	1.25
UNITED STATES TREASURY NOTE/BOND		0.000	Dec 30 22	-1.70
UNITED STATES TREASURY NOTE/BOND		0.000	Dec 30 22	0.28

# Portfolio Holdings



As of 30-Sep-22	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Financial (18.89%)	AVIVA PLC	4.000	Oct 02 30	0.64
	AVOLON HOLDINGS FUNDING LTD	2.528	Nov 18 27	0.18
	BANK OF MONTREAL	2.370	Feb 03 25	0.21
	BANK OF MONTREAL	4.609	Sep 10 25	0.80
	BANK OF MONTREAL	5.625	May 26 82	0.87
	BANK OF NOVA SCOTIA/THE	2.290	Jun 28 24	0.62
	BANK OF NOVA SCOTIA/THE	2.160	Feb 03 25	0.37
	BANK OF NOVA SCOTIA/THE	2.950	Mar 08 27	0.40
	BANK OF NOVA SCOTIA/THE	7.023	Jul 27 82	0.71
	CANADIAN IMPERIAL BANK OF COMMERCE	4.000	Jan 28 82	0.48
	CANADIAN IMPERIAL BANK OF COMMERCE	7.150	Jul 28 82	1.01
	CANADIAN WESTERN BANK	2.606	Jan 30 25	0.03
	CANADIAN WESTERN BANK	6.000	Apr 30 81	0.17
	CO-OPERATORS FINANCIAL SERVICES LTD	3.327	May 13 30	0.47
	ELEMENT FLEET MANAGEMENT CORP	1.600	Apr 06 24	0.10
	EMPIRE LIFE INSURANCE CO/THE	2.024	Sep 24 31	0.07
	EMPIRE LIFE INSURANCE CO/THE	3.625	Apr 17 81	0.53
	FAIRFAX FINANCIAL HOLDINGS LTD	4.250	Dec 06 27	0.42
	FAIRFAX FINANCIAL HOLDINGS LTD	3.950	Mar 03 31	0.18
	GREAT-WEST LIFECO INC	3.600	Dec 31 81	0.15
	HONDA CANADA FINANCE INC	1.646	Feb 25 28	0.76
	IGM FINANCIAL INC	4.560	Jan 25 47	0.11
	INTACT FINANCIAL CORP	1.928	Dec 16 30	0.07
	INTACT FINANCIAL CORP	4.125	Mar 31 81	0.21
	JOHN DEERE FINANCIAL INC	2.810	Jan 19 29	0.76
	MANULIFE FINANCIAL CORP	2.818	May 13 35	0.50
	MANULIFE FINANCIAL CORP	3.375	Jun 19 81	0.17
	MANULIFE FINANCIAL CORP	4.100	Mar 19 82	0.26
	NATIONAL BANK OF CANADA	2.983	Mar 04 24	1.48
	NATIONAL BANK OF CANADA	2.237	Nov 04 26	0.50



# Portfolio Holdings



As of 30-Sep-22	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Financial (continued) (18.89%)	NATIONAL BANK OF CANADA	4.050	Aug 15 81	0.24
	PARK AEROSPACE HOLDINGS LTD	5.500	Feb 15 24	0.08
	POWER CORP OF CANADA	4.810	Jan 31 47	0.42
	ROYAL BANK OF CANADA	4.500	Nov 24 80	0.25
	ROYAL BANK OF CANADA	4.000	Feb 24 81	0.40
	SAGEN MI CANADA INC	3.261	Mar 05 31	0.58
	TMX GROUP LTD	2.997	Dec 11 24	0.13
	TMX GROUP LTD	3.779	Jun 05 28	1.19
	TORONTO-DOMINION BANK/THE	2.496	Dec 02 24	0.30
	TORONTO-DOMINION BANK/THE	4.210	Jun 01 27	0.85
	TORONTO-DOMINION BANK/THE	3.105	Apr 22 30	0.21
	TORONTO-DOMINION BANK/THE	3.600	Oct 31 81	0.61
	TORONTO-DOMINION BANK/THE	7.283	Oct 31 82	0.40
Industrial (4.35%)	AIR CANADA	4.625	Aug 15 29	0.28
	AMERICAN BUILDERS & CONTRACTORS SUPPLY CO INC	4.000	Jan 15 28	0.18
	AXALTA COATING SYSTEMS LLC	3.375	Feb 15 29	0.22
	BAT CAPITAL CORP	5.650	Mar 16 52	0.34
	BWX TECHNOLOGIES INC	4.125	Jun 30 28	0.15
	CANWEL BUILDING MATERIALS GROUP LTD	5.250	May 15 26	0.18
	CHARLES RIVER LABORATORIES INTERNATIONAL INC	4.000	Mar 15 31	0.20
	ENERGEAN ISRAEL FINANCE LTD	4.875	Mar 30 26	0.12
	ENERGEAN ISRAEL FINANCE LTD	5.375	Mar 30 28	0.03
	GLOBAL AIRCRAFT LEASING CO LTD	6.500	Sep 15 24	0.08
	INDOFOOD CBP SUKSES MAKMUR TBK PT	3.541	Apr 27 32	0.17
	IRON MOUNTAIN INC	4.500	Feb 15 31	0.23
	JAZZ SECURITIES DAC	4.375	Jan 15 29	0.19
	LEVIATHAN BOND LTD	6.750	Jun 30 30	0.17
	LOBLAW COS LTD	4.488	Dec 11 28	0.18
	MAGALLANES INC	5.141	Mar 15 52	0.49
	MATTAMY GROUP CORP	5.250	Dec 15 27	0.20

# Portfolio Holdings



As of 30-Sep-22	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
<b>Industrial (continued) (4.35%)</b>	METRO INC/CN	5.030	Dec 01 44	0.04
	STANDARD INDUSTRIES INC/NJ	4.750	Jan 15 28	0.13
	STANDARD INDUSTRIES INC/NJ	4.375	Jul 15 30	0.17
	TECK RESOURCES LTD	3.900	Jul 15 30	0.22
	TOLL ROAD INVESTORS PARTNERSHIP II LP	0.000	Feb 15 43	0.13
	TOROMONT INDUSTRIES LTD	3.842	Oct 27 27	0.05
	TRANSDIGM INC	4.625	Jan 15 29	0.20
<b>Infrastructure (3.33%)</b>	ALGONQUIN POWER & UTILITIES CORP	5.250	Jan 31 82	0.34
	ALTALINK LP	3.990	Jun 30 42	0.13
	BRITISH COLUMBIA FERRY SERVICES INC	2.794	Oct 15 49	0.17
	CALGARY AIRPORT AUTHORITY/THE	3.199	Oct 07 36	0.20
	EPCOR UTILITIES INC	2.899	May 19 50	0.11
	HYDRO ONE INC	2.160	Feb 28 30	2.26
	NOVA SCOTIA POWER INC	3.307	Apr 25 50	0.12
<b>Municipal (1.07%)</b>	NEW JERSEY EDA STATE	7.425	Feb 15 29	0.23
	REGIONAL MUNICIPALITY OF YORK	2.350	Jun 09 27	0.60
	VILLAGE OF BRIDGEVIEW IL	5.140	Dec 01 36	0.24
<b>Other (-8.51%)</b>	OTHER			-8.51
<b>Provincial (29.14%)</b>	PROVINCE OF ALBERTA	2.350	Jun 01 25	1.63
	PROVINCE OF ALBERTA	3.450	Dec 01 43	3.50
	PROVINCE OF ALBERTA	2.950	Jun 01 52	0.98
	PROVINCE OF BRITISH COLUMBIA CANADA	2.200	Jun 18 30	0.71
	PROVINCE OF BRITISH COLUMBIA CANADA	2.800	Jun 18 48	0.71
	PROVINCE OF BRITISH COLUMBIA CANADA	2.950	Jun 18 50	0.87
	PROVINCE OF MANITOBA CANADA	4.650	Mar 05 40	0.59
	PROVINCE OF MANITOBA CANADA	4.100	Mar 05 41	0.67
	PROVINCE OF NOVA SCOTIA CANADA	2.100	Jun 01 27	0.96
	PROVINCE OF NOVA SCOTIA CANADA	4.400	Jun 01 42	0.51
	PROVINCE OF ONTARIO CANADA	3.500	Jun 02 24	1.99
	PROVINCE OF ONTARIO CANADA	2.600	Jun 02 25	2.64

# Portfolio Holdings



As of 30-Sep-22	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Provincial (continued) (29.14%)	PROVINCE OF ONTARIO CANADA	1.350	Dec 02 30	1.29
	PROVINCE OF ONTARIO CANADA	3.750	Jun 02 32	4.38
	PROVINCE OF ONTARIO CANADA	4.700	Jun 02 37	1.23
	PROVINCE OF ONTARIO CANADA	2.650	Dec 02 50	2.95
	PROVINCE OF ONTARIO CANADA	1.900	Dec 02 51	1.94
	PROVINCE OF QUEBEC	1.900	Sep 01 30	0.81
	PROVINCE OF QUEBEC	3.500	Dec 01 45	0.24
	PROVINCE OF QUEBEC	3.100	Dec 01 51	0.28
	PROVINCE OF SASKATCHEWAN CANADA	4.750	Jun 01 40	0.26
Real Estate (1.63%)	CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST	3.532	Jun 11 29	1.50
	GRANITE REIT HOLDINGS LP	2.378	Dec 18 30	0.13
Securitization (4.06%)	ATRM 12A	4.109	Apr 22 27	0.16
	BABSN 2013-IA	3.960	Jan 20 28	0.15
	BSPT 2021-FL7	2.150	Dec 15 38	0.07
	CLNC 2019-FL1	5.533	Oct 19 38	0.30
	KREF 2021-FL2	1.743	Feb 15 39	0.15
	LCCM 2021-FL2	4.968	Dec 15 38	0.16
	LNCR2021-CRE5	5.168	Jul 15 36	0.32
	LNCR2021-CRE6	4.718	Nov 15 38	0.42
	MAGNE 2015-16A	3.940	Jan 18 28	0.15
	MF1 2021-FL6	4.789	Jun 16 25	0.48
	MF1 2022-FL8	4.122	Feb 19 37	0.20
	NEUB 2013-15A	4.362	Oct 15 29	0.25
	NEUB 2015-20A	0.000	Jul 15 34	0.13
	OAKCL 2019-1A	5.109	Apr 22 30	0.39
	OCP 2015-10A	4.416	Jan 26 34	0.43
	PFP 2021-8	5.089	Aug 09 37	0.16
	TICP 2018-IA	4.266	Apr 26 28	0.15

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 September 30, 2022, 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: *Jennifer Argiropoulos*  
**Jennifer Argiropoulos**  
**Chief Compliance Officer**

DATE: October 10, 2022

## Your MFS Relationship Team



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# Global Capabilities

## MFS Investment Strategies



### Fundamental Equity

#### Global Equity

- Contrarian Value<sup>1</sup>
- Global Equity/Global Concentrated<sup>1</sup>
- Global Growth/Global Growth Concentrated
- Global Intrinsic Value<sup>1</sup>
- Global Research/Global Research Focused
- Global Small-Mid Cap<sup>1</sup>
- Global Strategic
- Global Value<sup>1</sup>
- Transformative Capital

#### International Equity

- International/International Concentrated
- International Diversification<sup>1</sup>
- International Growth/International Growth Concentrated
- International Intrinsic Value Equity<sup>2</sup>
- International Large Cap Value
- International Research
- International Small-Mid Cap<sup>1</sup>

#### Regional Equity

##### Asia/Pacific

- Asia Concentrated
- Asia ex Japan
- Asia Pacific ex Japan
- Japan/Japan Concentrated

##### Canadian

- Canadian Equity
- Canadian Research

##### Emerging Markets

- Emerging Markets
- Emerging Markets Research
- Latin American

##### European

- European ex-U.K.
- European Research<sup>1</sup>
- European Small Cap<sup>1</sup>
- European Value<sup>2</sup>
- U.K.

##### U.S.

- Core/Core Concentrated
- Growth/Growth Concentrated
- Intrinsic Value
- Large Cap Growth/Large Cap Growth Concentrated
- Large Cap Value<sup>1</sup>/Large Cap Value Concentrated<sup>1</sup>
- Mid Cap Growth/Mid Cap Growth Focused
- Mid Cap Value<sup>1</sup>
- Research
- Research – Industry Neutral
- Small Cap Growth<sup>1</sup>
- Small Cap Value<sup>1</sup>

As of 30-Jun-22.

<sup>1</sup> Limited availability.

<sup>2</sup> Closed.

### Blended Research

#### Target Tracking Error

##### Global/Regional Equity

- Emerging Markets
- European
- Global
- International

##### U.S. Equity

- Core
- Large Cap Growth
- Large Cap Value
- Mid Cap
- Small Cap

#### Low Volatility

- Canadian
- Global
- International
- U.S.

#### Income

- Equity Income
- Global High Dividend

### Fixed Income

#### Multi-Sector

##### U.S.

- Core
- Core Plus
- Opportunistic
- Limited Maturity

##### Global

- Core
- Core Plus
- Opportunistic

#### Credit

- Buy & Maintain
- European
- Global
- U.S.
- U.S. Long Duration

#### High Yield

- Global Core
- U.S. Core
- U.S. BB Corporate

#### Emerging Markets Debt

- Hard Currency
- Local Currency
- Corporate
- Opportunities

#### Government

- Global
- Inflation Adjusted
- Sovereign

##### Canadian

- Core
- Core Plus
- Long Term
- Long Term Plus
- Short Term
- Money Market

##### U.S.

- Government
- MBS
- TIPS

#### U.S. Municipal

- High Yield
- Investment Grade
- Limited Maturity
- State-Specific
- Taxable

### Multi-Asset/Specialty

#### Multi-Asset

- Canadian Core
- Canadian Growth
- Canadian Value
- Global Total Return
- Managed Wealth<sup>1</sup>
- Prudent Capital<sup>1</sup>
- U.S. Total Return

#### Income

- Diversified Income

#### Target Date

- Canadian Target Date<sup>1</sup>
- U.S. Target Date<sup>1</sup>

#### Target Risk

- Canadian Target Risk<sup>1</sup>
- U.S. Target Risk<sup>1</sup>

#### Specialty/Equity

- Global Listed Infrastructure
- Global Real Estate<sup>1</sup>
- Technology
- U.S. Real Estate
- Utilities

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