



---

## University of Winnipeg Foundation Inc.

MFS Low Volatility Canadian Equity Fund

MFS Low Volatility Global Equity Fund

MFS Canadian Core Plus Fixed Income Fund

Second quarter 2023 investment report

As of June 30, 2023, this report has been expanded to include additional information on performance drivers for the portfolio. The additional performance drivers by fundamental rating, quantitative rating and quantitative themes help to demonstrate the portfolio's Blended Research investment process. Should you have any questions, please contact your MFS representative.

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

**FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.**

# Table of Contents



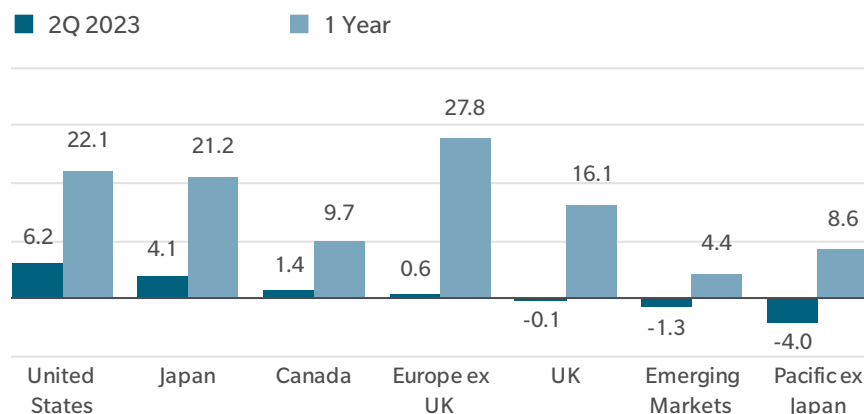
<b>Contents</b>	<b>Page</b>
Market Overview	1
Performance and Assets	3
MFS Low Volatility Canadian Equity Fund	7
MFS Low Volatility Global Equity Fund	25
MFS Canadian Core Plus Fixed Income Fund	57
Your Relationship Team	75
Global Capabilities	76
Additional Disclosures	77

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

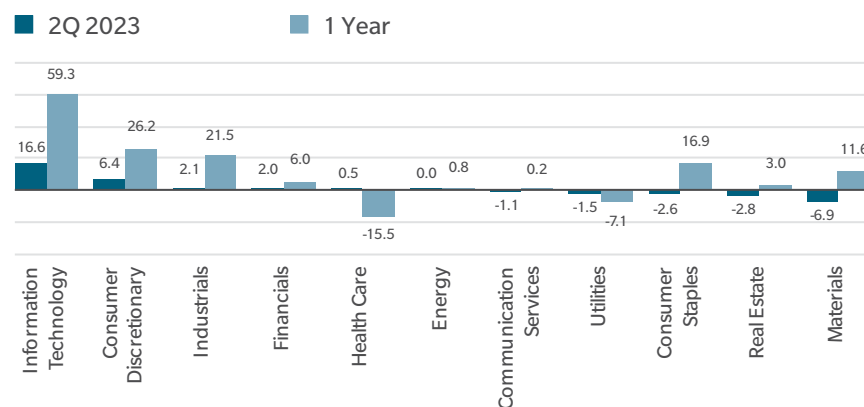


Global Equity performance (%) (CAD) as of 30-Jun-23



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

Canadian Equity performance (%) (CAD) as of 30-Jun-23



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

## Second quarter 2023 Global Equity market review

- Global equity markets advanced in the first half of 2023, dominated by US mega-cap technology stocks, which became highly correlated and led to extreme market narrowness, especially in the United States.
- Investors' optimism for a potential economic soft landing and recent enthusiasm in artificial intelligence were key drivers to the strong market performance.
- However, equity markets may face renewed challenges as profit margins weaken and the lagged effects of higher interest rates and tighter credit standards weigh on the economic and earnings outlook.
- Despite hopes for an end to interest rate hikes, which may benefit high-multiple stocks, persistent inflation may force most central banks to keep rates elevated. Diverging central bank policies could disrupt markets in the second half of the year.

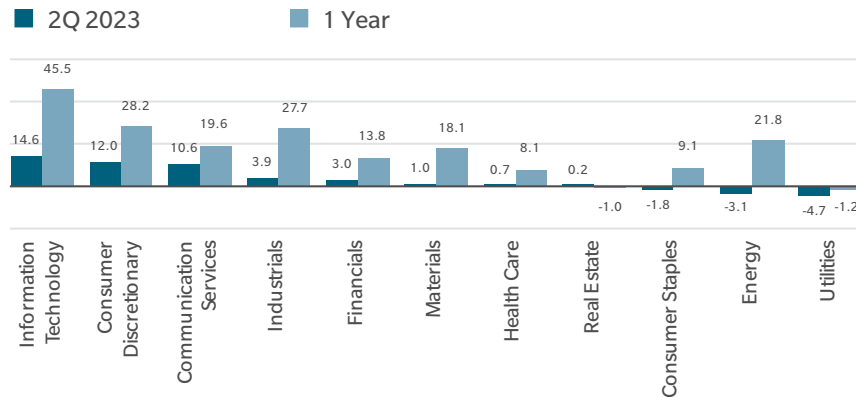
## Second quarter 2023 Canadian Equity market review

- Canadian equities edged up 1% in the second quarter (S&P/TSX Composite Index, total return basis, CAD). This mixed result lagged the 7% rebound in US markets (S&P 500 Index, total return basis, CAD) driven by technology-growth stocks as represented by the 11% gain in the Nasdaq Composite.
- Consistent with the US, the Canadian index was led by a 17% gain in the technology sector (now up 48% year-to-date), while consumer discretionary, industrials and financials also contributed to the upside with positive gains. The materials sector dropped 7%, driven by gold and base metals stocks, while four other sectors also registered negative returns.
- The S&P/TSX forward earnings consensus was revised downward for the third consecutive quarter. Aggregate 2023 EPS estimates fell 3%, down 11% from a year ago, while 2024 consensus dropped 4%. Declines were largely driven by financial and energy stocks (which account for roughly 65% of the S&P/TSX index operating earnings) although negative breadth was pervasive with 8 of 11 GIC sectors being revised lower. Only technology, communications and consumer discretionary stocks were revised positively, but only modestly in the 1% to 4% range.
- The 12-months forward price/earnings multiple for S&P/TSX composite remained around 13x during the quarter and remains 15% below the long-term average and 30% below the S&P 500.

# Market Overview

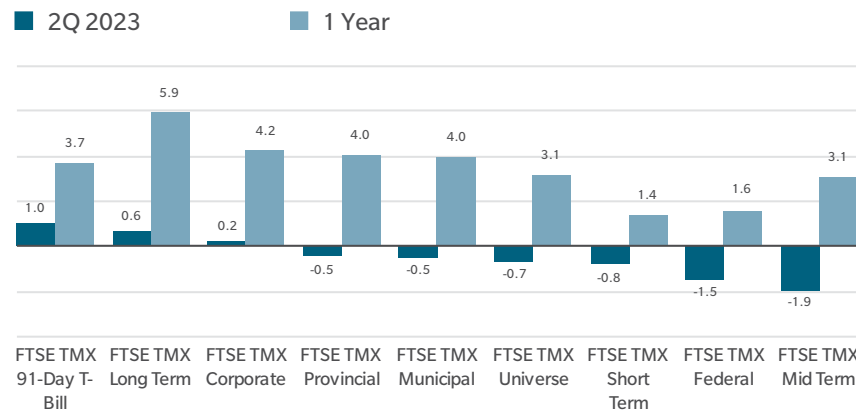


U.S. Equity performance (%) (CAD) as of 30-Jun-23



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

Canadian Fixed Income performance (%) (CAD) as of 30-Jun-23



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

## Second quarter 2023 U.S. Equity market review

- The US market, as measured by the S&P 500 Index, finished strongly higher in Q2 2023. This was a continuation of the solid start to the year and occurred on hopes that rising interest rates were near an end and that the US economy will avoid a recession.
- Economic growth in the United States expanded during Q1 2023, with GDP increasing 2.0%. While this was slightly lower than the previous quarter, an increase in consumer spending helped the economy continue to grow despite higher interest rates.
- For the quarter, growth continued to outperform value in the large-cap, midcap and small-cap spaces. Technology, consumer discretionary and communication services were the best-performing sectors and utilities, energy and consumer staples the worst.

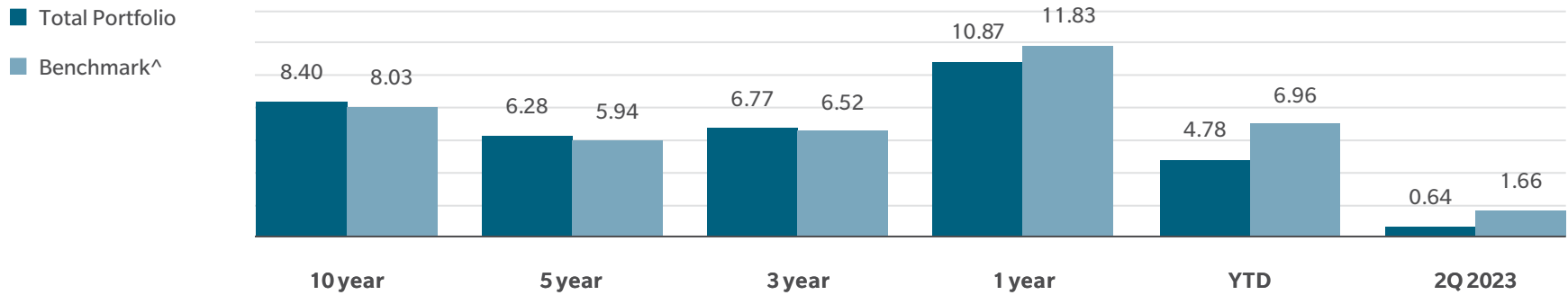
## Second quarter 2023 Canadian Fixed Income market review

- After a strong first quarter, the FTSE Canada Universe Bond Index was down 0.69% in Q2. The negative total return was driven by rising government bond yields, as credit spreads declined in the quarter.
- The Bank of Canada's 'conditional pause' on interest rates ended in June, with the BoC raising the overnight rate another 25 basis points to 4.75%. The hike came amid stronger than expected Q1 GDP, resilient inflation and a continued tight labour market. With this rise, the BoC has now increased the overnight rate by 450 bps since March 2022 in a bid to quell inflation. During the quarter the market increased its expectations for interest rates, with the terminal rate now expected to be 5%.
- Canadian government bond yields rose across the curve in the quarter. Short-term yields rose more than long-term ones as markets priced in additional rate hikes. These moves led to a more inverted yield curve, and the 2- to 10-year part of the curve remains the most inverted it has been since 1990.
- Canadian investment-grade spreads, as represented by the Bloomberg Canada Aggregate Corporate Index, tightened by 15 bps in Q2 after reaching year-to-date highs in March. This led to the outperformance of corporate bonds, which took their cue from encouraging economic momentum. Spreads finished the quarter at 150 bps, which is close to the average level for the year (YTD range: 141 to 171). Primary issuance was active in the quarter, with a significant rebound in nonfinancial corporate supply compared with last year. Flows into fixed income remained robust as investors pursued attractive yields.
- Within corporates, higher beta and cyclical sectors such as subordinated financials and autos outperformed while defensive sectors such as utilities, telecommunication and infrastructure underperformed.

# Performance



Total Performance (%) (CAD) as of 30-Jun-23



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-Jun-23	10 Years	5 Years	3 Years	1 Year	YTD	2Q 2023
<b>Total Portfolio</b>	<b>8.40</b>	<b>6.28</b>	<b>6.77</b>	<b>10.87</b>	<b>4.78</b>	<b>0.64</b>
<b>Benchmark<sup>^</sup></b>	<b>8.03</b>	<b>5.94</b>	<b>6.52</b>	<b>11.83</b>	<b>6.96</b>	<b>1.66</b>
MFS Low Volatility Canadian Equity Fund	—	8.04	12.04	10.79	5.19	0.20
S&P/TSX Capped Composite Index linked to previous benchmark	—	7.62	12.42	10.43	5.70	1.10
MFS Low Volatility Global Equity Fund	—	8.36	9.90	16.04	5.75	1.70
MSCI All Country World Index (net div)	—	8.23	9.93	19.54	11.27	3.82
MFS Canadian Core Plus Fixed Income Fund	—	1.04	-2.82	4.12	2.98	-0.30
FTSE Canada Universe Bond Index	—	0.65	-3.75	3.15	2.51	-0.69

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-June-2023

Global equities advanced for the third consecutive quarter driven by the AI theme, better-than-expected Q1 earnings reports and growing investor optimism for a potential soft economic landing. Very narrow US mega-cap cyclical growth leadership was a dominant theme early in the quarter while leadership broadened and rotated to cyclicals in June with investors mostly overlooking macro headwinds and geopolitical tensions. After improving in Q1, global leading indicators generally weakened in the second quarter with most countries we monitor reporting decreases in their manufacturing PMIs leaving only 29.4% in expansion. Regionally, economic data has been stronger outside the US however the lagged effects of aggressive monetary tightening cycle in Europe and the sputtering Chinese recovery will likely narrow the disparity. Q1 earnings reports were generally better than expected but analyst earnings revisions moved lower alongside the renewed weakness in the PMIs. Regionally, the US market, which accounts for 60% of the ACWI by weight, outperformed with the mega-cap, cyclical-growth sectors the primary driver. Emerging markets, UK and European markets underperformed. Factor leadership diverged significantly between US and non-US regions during the quarter with the outperformance of large caps a notable exception.

The Canadian economy proved to be more resilient than expected. First quarter GDP growth registered at 3.1% annualized, as household spending bounced back. Stronger than expected growth, combined with a small uptick in April CPI, a resilient housing market and a continued tight labour market led to a resumption of rate hikes by the Bank of Canada (BoC). The BoC's 'conditional pause' on interest rates ended after four months with the BoC raising the overnight rate 25 basis points in June to 4.75%, which is a 22-year high. During the quarter, the market increased its expectations for interest rates, with the terminal rate now expected to be over 5%. After a strong first quarter, the FTSE Canada Universe Bond Index was down 0.69% in Q2. The negative total return was driven by rising government bond yields, while Canadian investment-grade spreads tightened by 15 bps in Q2 after reaching year-to-date highs in March. This led to the outperformance of corporate bonds, which took their cue from the encouraging economic momentum.

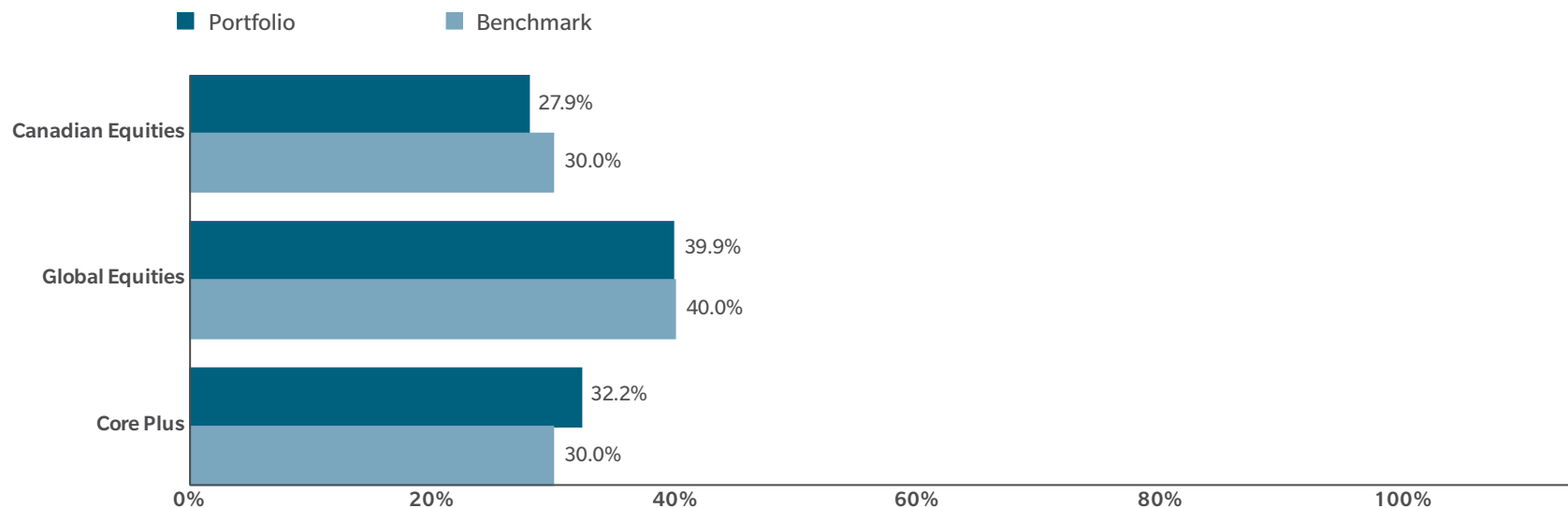
In June, the asset allocation was adjusted to reflect an improved outlook for fixed income versus equities. With bond yields rising sharply from early May, the overweight to bonds was increased at the expense of money markets, while the equity exposure remains underweight. As we appear to be in the late innings of the rate hiking cycle with growth and inflation expected to fall, we feel this provides a favourable backdrop for fixed income looking ahead.

51980.1

# Asset Summary



Asset allocation as of 30-Jun-23



Activity (CAD)	Beginning value as of 31-Mar-23	Contributions	Withdrawals	Intra-portfolio transfers	Change in market value	Ending value as of 30-Jun-23
<b>Total Portfolio</b>	<b>82,282,754</b>	<b>+257,429</b>	<b>-409,424</b>	<b>0</b>	<b>+527,458</b>	<b>82,658,217</b>
Cash	5,545	0	0	0	+61	5,606

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



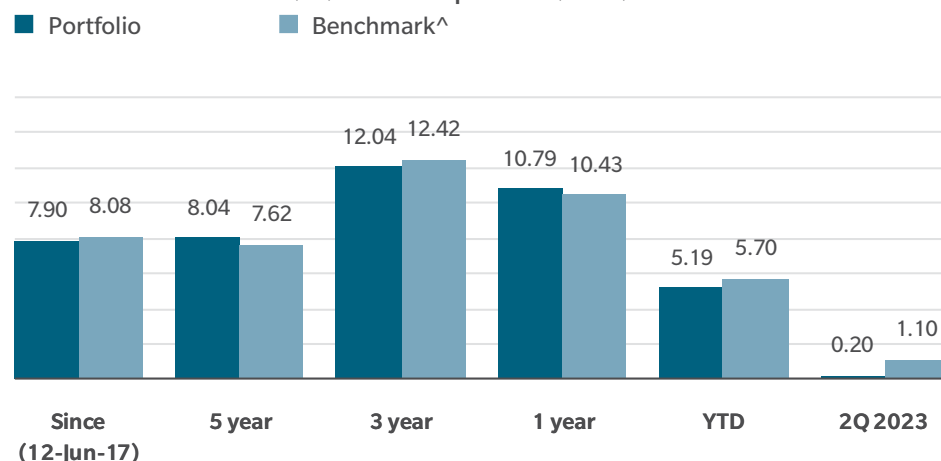


## MFS Low Volatility Canadian Equity Fund

# Executive Summary



## Performance results (%) net of expenses (CAD) as of 30-Jun-23



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 31-Mar-23	23,327,270
Contributions	+72,080
Withdrawals	-114,639
Intra-portfolio transfers	-282,607
Change in market value	+41,326
Ending value as of 30-Jun-23	23,043,430

## Position weights (%) as of 30-Jun-23

	Portfolio	Benchmark^^
<b>Top overweights</b>		
FAIRFAX FINANCIAL HOLDINGS LTD	3.5	0.8
PEMBINA PIPELINE CORP	3.4	0.8
LOBLAW COMPANIES LTD (EQ)	3.2	0.6
<b>Top underweights</b>		
SHOPIFY INC	-	3.6
BANK OF NOVA SCOTIA/THE	-	2.8
ROYAL BANK OF CANADA	3.6	6.1

^^ S&P/TSX Capped Composite Index

# Performance Results



Performance results (%) net of expenses (CAD) as of 30-Jun-23

Period	Portfolio	Benchmark <sup>^</sup>	Excess return vs benchmark
2Q 2023	0.20	1.10	-0.90
1Q 2023	4.98	4.55	0.43
4Q 2022	6.77	5.96	0.80
3Q 2022	-1.34	-1.41	0.07
2023 YTD	5.19	5.70	-0.51
2022	-2.68	-5.84	3.17
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)	7.90	8.08	-0.18
5 year	8.04	7.62	0.42
3 year	12.04	12.42	-0.38
1 year	10.79	10.43	0.37

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.

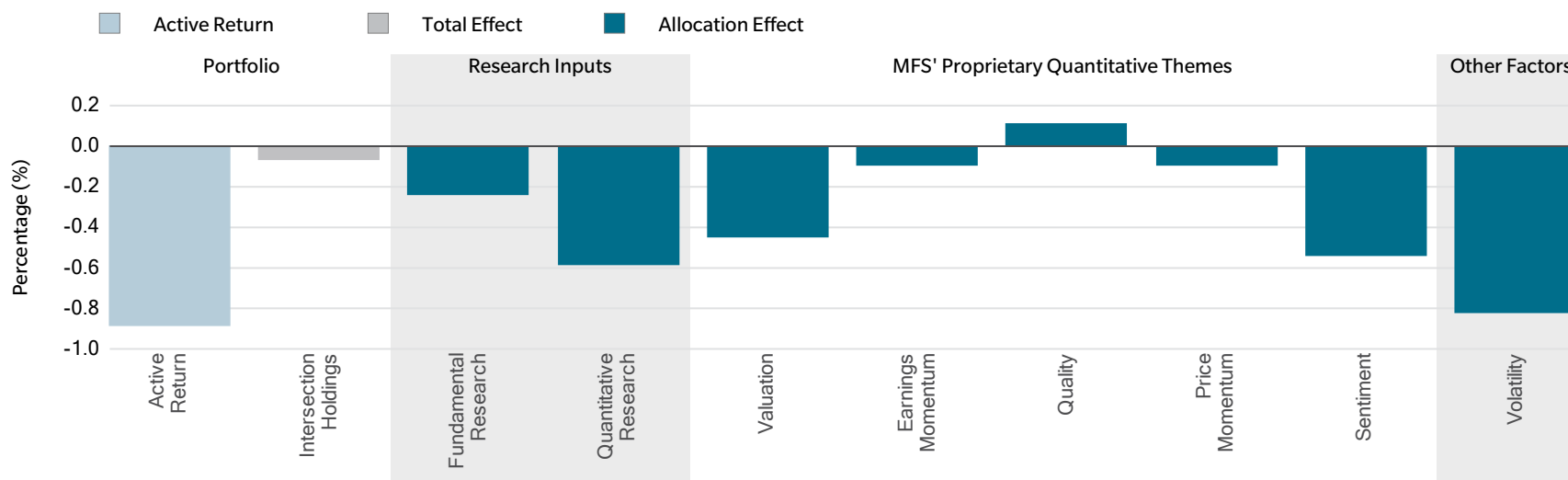
**Past performance is no guarantee of future results.**

<sup>^</sup> 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.

# Investment Process Performance Drivers

Relative to S&P/TSX Capped Composite Index linked to previous benchmark (CAD) - second quarter 2023



Please note that the figures provided above do not total to the active return.

Active return represents the difference between the portfolio return and the benchmark return over the time period examined. Active return not explained by the total effect of the intersection holdings will be captured by the total effect of non-intersection stocks, and is not shown in this summary. Intersection holdings represent stocks that are considered attractive from both fundamental and quantitative research sources.

Active return not captured by the allocation effects associated with each respective factor within Research Inputs and Quantitative Themes will be captured by selection and interaction effects, which are not included in this summary.

Results are calculated based on a Brinson Fachler-based performance attribution analysis, grouped by a single factor, generated utilizing Factset's Portfolio Analysis platform. Attributions attempt to decompose a portfolio's performance relative to a benchmark by grouping securities into discrete buckets and attributing returns across these groupings along three dimensions: the allocation effect, the selection effect, and the interaction effect. The groupings are based on beginning of period ratings and scores, rebalanced monthly. The groupings do not reflect intra-month ratings and score changes and may not align with the actual trade rebalance dates of the portfolio. Results are based upon daily holdings to generate individual security returns and do not include expenses, intra-day trading, or intra-day pricing impacts. As a result, portfolio and benchmark returns generated through attribution analysis will likely differ from actual returns.

Total effect represents the combination of allocation, selection and interaction effects associated with Intersection Holdings. MFS defines intersection holdings as stocks with a Fundamental buy rating that are scored within the most attractive tercile of MFS' overall Quantitative Model score. MFS Fundamental analysts rate stocks with a buy, hold or sell rating. Not all stocks are fundamentally rated and stocks without a fundamental rating are treated the same as hold rated stocks. MFS' proprietary quantitative stock selection model ranks stocks on a scale of 1-100.

Allocation Effect represents the contribution to relative performance associated with an overweight or underweight to a particular grouping of stocks from a single Brinson Fachler attribution (i.e., the contribution associated with investments in top quintile stocks based on valuation). It is calculated as the difference between the stock portfolio weight of a grouping and benchmark weight for that same grouping, multiplied by the difference between the benchmark's stock grouping return and overall benchmark return. The daily allocation effects geometrically linked over the reporting period.

## Performance Drivers - Sectors



Relative to S&P/TSX Capped Composite Index (CAD) - second quarter 2023		Average relative weighting (%)	Portfolio returns (%)	Benchmark returns (%)	Sector allocation <sup>1</sup> (%)	Stock selection <sup>2</sup> (%)	Relative contribution (%)
<b>Contributors</b>	Financials	-1.5	3.6	2.0	0.0	0.4	0.4
	Utilities	-1.4	-0.2	-1.5	0.1	0.1	0.1
	Industrials	0.2	2.1	2.1	0.0	0.0	0.1
	Consumer Staples	1.9	-0.6	-2.6	-0.1	0.1	0.0
	Real Estate	-0.5	-3.3	-2.8	0.0	-0.0	0.0
	Cash	1.0	1.1	-	0.0	-	0.0
	Health Care	-0.3	-	0.5	0.0	-	0.0
<b>Detractors</b>	Information Technology	1.1	2.0	16.6	0.2	-1.2	-1.0
	Energy	-1.3	-2.2	0.0	0.0	-0.4	-0.3
	Consumer Discretionary	2.4	2.4	6.4	0.1	-0.2	-0.1
	Materials	-0.5	-8.1	-6.9	0.1	-0.2	-0.1
	Communication Services	-1.1	-1.7	-1.1	0.0	-0.0	-0.0
<b>Total</b>		<b>0.2</b>	<b>1.1</b>	<b>1.1</b>	<b>0.5</b>	<b>-1.4</b>	<b>-0.9</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).

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.

# Performance Drivers - Stocks



Relative to S&P/TSX Capped Composite Index (CAD) - second quarter 2023		Average Weighting (%)		Returns (%)		Relative contribution(%)
		Portfolio	Benchmark	Portfolio <sup>1</sup>	Benchmark	
<b>Contributors</b>	Fairfax Financial Holdings Ltd	3.5	0.7	10.4	10.4	0.2
	Finning International Inc	1.1	0.2	21.8	21.8	0.2
	CI Financial Income Fund	1.0	0.1	19.1	19.1	0.2
	Constellation Software Inc/Canada	3.8	1.8	8.1	8.1	0.1
	Industrial Alliance Insurance & Fin Svcs Inc	2.7	0.3	6.3	6.3	0.1
<b>Detractors</b>	Shopify Inc	-	3.1	-	32.1	-0.8
	Enghouse Systems Ltd	1.6	0.1	-15.3	-15.3	-0.3
	Nutrien Ltd	2.3	1.5	-20.9	-20.9	-0.2
	Badger Infrastructure Solutions Ltd	0.8	0.0	-17.1	-17.1	-0.2
	Restaurant Brands International Inc	-	1.0	-	14.0	-0.1

<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-Apr-23 to 30-Jun-23		Transaction type	Trade (%)	Ending weight (%)
<b>Purchases</b>	BANK OF MONTREAL	Add	0.8	3.5
	INTACT FINANCIAL CORP	New position	0.7	0.7
	NATIONAL BANK OF CANADA	Add	0.6	1.6
	IMPERIAL OIL LTD	New position	0.6	0.6
	AIR CANADA	New position	0.5	0.7
<b>Sales</b>	EMERA INC	Eliminate position	-1.4	-
	CONSTELLATION SOFTWARE INC/CANADA	Trim	-0.6	3.6
	LOBLAW COMPANIES LTD (EQ)	Trim	-0.6	3.2
	MAGNA INTERNATIONAL INC	Trim	-0.5	2.1
	CANADIAN IMPERIAL BANK OF COMMERCE	Eliminate position	-0.4	-

## Sector Weights



As of 30-Jun-23	Portfolio (%)	Benchmark^ (%)	Underweight/overweight (%)
Industrials	13.1	10.4	2.7
Consumer Discretionary	6.2	3.9	2.3
Information Technology	8.0	7.8	0.2
Consumer Staples	7.5	7.6	-0.1
Health Care	-	0.3	-0.3
Real Estate	2.0	2.4	-0.4
Materials	11.0	11.6	-0.6
Financials	30.0	30.7	-0.7
Energy	15.8	16.7	-0.9
Communication Services	3.1	4.2	-1.1
Utilities	2.1	4.5	-2.4

^ S&P/TSX Capped Composite Index

1.2% Cash & cash equivalents

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.



# Top Overweight and Underweight Positions



As of 30-Jun-23		Portfolio (%)	Benchmark^ (%)
<b>Overweight</b>	FAIRFAX FINANCIAL HOLDINGS LTD	3.5	0.8
	PEMBINA PIPELINE CORP	3.4	0.8
	LOBLAW COMPANIES LTD (EQ)	3.2	0.6
	INDUSTRIAL ALLIANCE INSURANCE & FIN SVCS INC	2.8	0.3
	MANULIFE FINANCIAL CORP	3.7	1.6
<b>Underweight</b>	SHOPIFY INC	-	3.6
	BANK OF NOVA SCOTIA/THE	-	2.8
	ROYAL BANK OF CANADA	3.6	6.1
	BCE INC	-	1.9
	TC ENERGY CORP	-	1.9

^ S&P/TSX Capped Composite Index

# Characteristics



As of 30-Jun-23	Portfolio	Benchmark <sup>^</sup>
<b>Fundamentals - weighted average</b>		
Price/earnings (12 months forward)	12.5x	13.5x
Price/cash flow	8.0x	8.2x
Price/sales	1.2x	1.5x
PEG ratio	1.5x	1.4x
Dividend yield	3.3%	3.3%
Return on equity (3-year average)	15.6%	12.8%
Return on invested capital	9.1%	8.0%
IBES long-term EPS growth <sup>1</sup>	8.6%	4.9%
<b>Market capitalisation</b>		
Market capitalisation (CAD) <sup>2</sup>	47.2 bn	60.5 bn
<b>Diversification</b>		
Top ten holdings	35%	36%
Number of holdings	55	228
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	36%	—
<b>Risk profile (current)</b>		
Active share	49%	—
<b>Risk/reward (5 year)</b>		
Beta	0.87	—
Historical tracking error	3.94%	—
Standard deviation	14.36%	15.95%
Sharpe ratio	0.46	0.39
Downside capture	87.68%	—
Upside capture	92.79%	—

<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

## Top 10 Issuers



Top 10 issuers as of 30-Jun-23	Portfolio (%)	Benchmark^ (%)
MANULIFE FINANCIAL CORP	3.7	1.6
TORONTO-DOMINION BANK/THE	3.7	5.2
ENBRIDGE INC (EQ)	3.7	3.5
ROYAL BANK OF CANADA	3.6	6.1
CONSTELLATION SOFTWARE INC/CANADA	3.6	1.9
BANK OF MONTREAL	3.5	3.0
FAIRFAX FINANCIAL HOLDINGS LTD	3.5	0.8
PEMBINA PIPELINE CORP	3.4	0.8
LOBLAW COMPANIES LTD (EQ)	3.2	0.6
CANADIAN NATURAL RESOURCES LTD	3.1	2.8
<b>Total</b>	<b>34.9</b>	<b>26.4</b>

^ S&P/TSX Capped Composite Index

# Portfolio Outlook and Positioning



For the second quarter of 2023, the portfolio underperformed the 100% S&P/TSX Composite Index Capped 10% Index. Against the S&P/TSX Composite Low Volatility Index, the portfolio outperformed for the quarter. Relative to the market capitalization weighted 100% S&P/TSX Composite Index Capped 10% Index:

## **Detractors**

- Volatility allocation
- Quantitative models: sentiment and valuation
- Stock selection within information technology and energy

## **Contributors**

- Stock selection within financials

## **Market review**

Global equities advanced for the third consecutive quarter driven by the AI theme, better-than-expected Q1 earnings reports and growing investor optimism for a potential economic soft landing. Very narrow US mega-cap cyclical growth leadership was a dominant theme early in the quarter with the so-called Magnificent Seven, excluding Tesla, contributing 205 basis points to the MSCI ACWI Index (USD) performance in April and May, while the remaining stocks in aggregate subtracted 159 basis points. Leadership broadened and rotated to cyclicals in June with investors mostly overlooking macro headwinds and geopolitical tensions.

Inflation, particularly core inflation (excluding food and energy), remains sticky globally, which is a major challenge for central banks. The US Federal Reserve, which hiked 25 basis points in May, paused at the June meeting; however, Chair Powell subsequently indicated that a majority of Fed policymakers expect they will need to raise interest rates at least two more times. The ECB<sup>1</sup> raised rates 25 basis points at both the May and June meetings, while the BOE<sup>1</sup> hiked 25 basis points in May and a surprise 50 basis points in June; both indicated further rate hikes would be necessary. While a number of central banks have signaled a pause in rate hikes, both BoC<sup>1</sup> and RBA<sup>1</sup> had to

## Portfolio Outlook and Positioning



resume rate hikes after stronger inflation reports. At the other end of the spectrum, the BOJ<sup>1</sup> has indicated it is maintaining its ultra-easy yield curve control policy while the PBOC<sup>1</sup> responded to weaker growth by cutting its key policy rate for the first time in 10 months.

After improving in Q1, global leading indicators generally weakened in the second quarter, with most countries we monitor reporting decreases in their manufacturing PMIs, leaving only 29.4% in expansion. Regionally, economic data has been stronger outside the United States. However, the lagged effects of aggressive monetary tightening cycle in Europe and the sputtering Chinese recovery will likely narrow the disparity. While Japan's manufacturing PMI is right around the 50 level, it did increase during the quarter, and the June Tankan Survey showed business conditions improving in both the manufacturing and services sectors. Services sectors performance, based on the recent PMI reports, remains robust globally, but 13 of the 15 economies we monitor reported a decline in June.

Q1 earnings reports were generally better than expected, with beat rates (reported earnings higher than consensus expectations) globally back to the long-term average, and above the long-term average in all regions except emerging markets and Pacific ex-Japan. Analyst earnings revisions (outlook), which had been improving and briefly shifted positive in late April, have reversed lower alongside the renewed weakness in the PMIs. Regionally, earnings revisions over the past three months have been strongest in Europe and Japan and weakest in emerging markets and the Pacific ex-Japan region. At the sector level, information technology, industrials, materials and health care had more earnings upgrades than downgrades over the past three months, while financials and energy had more downgrades than upgrades. On a style basis, earnings revisions for price momentum, growth and quality were relatively stronger than value.

Shifting to the market impact, regionally in local currency, Japan outperformed significantly, benefiting from a weaker yen, the return of Chinese tourists, improving governance and accelerating share buybacks. The US market, which accounts for about 60% of the ACWI Index by weight, also outperformed and had the largest contribution to performance, with the mega-cap, cyclical growth sectors the primary driver. The UK and Pacific ex-Japan markets were the most prominent laggards, weighed down by sticky inflation, expectations for further rate hikes and a deteriorating growth outlook. Canadian markets responded negatively to renewed rate hikes and soft commodity markets and underperformed by a slightly smaller margin. The Europe ex-UK region also underperformed by a wide margin due to the faltering reopening recovery in China, waning fiscal stimulus, a hawkish ECB and a weakening growth outlook. In emerging markets, the modest outperformance in Latin America was more than offset by a slight underperformance in the EMEA region and

---

<sup>1</sup> ECB: European Central Bank; BOE: Bank of England; BoC: Bank of Canada; RBA: Reserve Bank of Australia; BOJ: Bank of Japan; PBOC: People's Bank of China

# Portfolio Outlook and Positioning



China-led weakness in Asia, where the stimulus response to the stumbling re-opening recovery underwhelmed, and tensions between the US and China were increasing.

In Canada, leadership was narrow with five stocks contributing 140 basis points to the S&P TSX performance while the remaining stocks in aggregate subtracted 25 bps and only four of eleven sectors outperforming. More specifically, the technology sector outperformed by a wide margin with very strong performance by ecommerce platform leader Shopify the primary driver. The consumer discretionary sector also outperformed with broad-based strength in the restaurant, retail and auto-related segments. Industrials and financials produced more moderate outperformance with the latter benefiting from strength in the insurance segment which more than offset weakness in banks. Defensive sectors including staples and utilities broadly underperformed as did commodity sectors.

Factor leadership (sector neutral) favored higher yielding stocks with strong momentum that were reporting positive earnings surprises. More specifically, stocks with the strongest performance over the past year coupled with those surprising with stronger-than-expected earnings reports or upward revisions to future earnings outperformed significantly in Q2. Higher dividend-yielding stocks with high payout ratios also outperformed by a sizeable margin. Value factor performance was mixed as stocks with attractive forward valuation metrics generally outperforming while those that were cheap on trailing multiples underperformed. Higher volatility growth stocks were among the weakest performers during the quarter while stocks with a lot of leverage underperformed by a smaller margin.

## **Portfolio performance review**

The portfolio underperformed the 100% S&P/TSX Composite Index Capped 10% Index in the second quarter. The volatility allocation within the strategy, which is overweight the lowest-risk stocks and underweight the highest-risk stocks, detracted from performance. The overall quantitative input underperformed during the quarter, with sentiment and valuation factors hurting relative performance.

At the sector level, the portfolio experienced negative contribution from stock selection within information technology and energy. Sectors which contributed to performance included stock selection within financials.

## **Outlook**

## Portfolio Outlook and Positioning



The global economy has been more resilient than many, including us, expected. That said, most of the typical indicators we monitor, such as monetary policy, inverted yield curves and leading economic indicators continue to suggest that the economic and earnings outlook will be challenged in the coming quarters. Many of the pillars that have supported economies are reversing or fading, including the excess savings from the massive COVID fiscal stimulus and China's re-opening recovery. Robust labor markets, which have supported consumer spending and have been a prominent driver of the sticky core inflation readings, have recently shown signs of weakening. Employment is a lagging indicator, which, based on history, remains strong until economies are already in recession. In summary, the lagged effects of higher interest rates and tighter credit standards are likely to weigh on the economic and earnings outlook.

Based on this outlook, we expect renewed weakness in equity markets as weakening profit margins, due to reduced pricing power, negatively impacts earnings. A deteriorating earnings outlook has historically been associated with defensive regional, sector and factor leadership. A durable market bottom and shift to more cyclical sector and factor leadership has historically required a shift in monetary policy and/or a trough in leading economic indicators; neither appears imminent.

For your Blended Research portfolio, despite the recent narrow mega-cap growth leadership, particularly in the US market, we continue to be encouraged by the broad, albeit frequently rotating, market and factor leadership. As we have communicated in the past, the most challenging market environment for our approach is one in which a single factor/style or a limited group of stocks dominates performance, as was evident in 2020 and again in May 2023. Based on our analysis of factor performance through the economic cycle, contracting leading economic indicators and earnings revisions typically coincide with sustained outperformance of price momentum factors coupled with a rotation in favor of profitability and defensive factors. The quality-focused fundamental research input to our process should also be favored in this environment. Volatility (high) factors have historically underperformed significantly in the later stages of the cycle, while value factor performance overall has historically been more modest and disperse, with dividend yield a notable positive outlier.

On a secular basis, value factor performance may be more persistent and analogous to the post tech-bubble period. That said, this trend is likely to be interrupted in a recession as stocks with attractive valuations tend to be more levered to the business cycle and under pressure as growth slows, while longer-duration growth stocks with more resilient earnings will be supported by a decline in bond yields.

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-Jun-23	Equivalent exposure (%)
<b>Cash &amp; Cash Equivalents</b>	<b>1.2</b>
Cash & Cash Equivalents	1.2
<b>Communication Services</b>	<b>3.1</b>
Quebecor Inc	2.2
TELUS Corp	1.0
<b>Consumer Discretionary</b>	<b>6.2</b>
Magna International Inc	2.1
Dollarama Inc	2.1
Gildan Activewear Inc	1.3
Aritzia Inc	0.6
<b>Consumer Staples</b>	<b>7.5</b>
Loblaw Cos Ltd	3.2
Alimentation Couche Tard Inc	2.8
Canadian National Railway Co	1.5
<b>Energy</b>	<b>15.8</b>
Enbridge Inc	3.7
Pembina Pipeline Corp	3.4
Canadian Natural Resources Ltd	3.1
Suncor Energy Inc	2.5
Gibson Energy Inc	2.2
Imperial Oil Ltd	0.6
Keyera Corp	0.4
<b>Financials</b>	<b>30.0</b>
Manulife Financial Corp	3.7
Toronto-Dominion Bank	3.7
Royal Bank of Canada	3.6
Bank of Montreal	3.5
Fairfax Financial Holdings Ltd	3.5
Brookfield Corp	3.1
Industrial Alliance Insurance & Financial Services Inc	2.8
Canadian Western Bank	2.1
National Bank of Canada	1.6
CI Financial Corp	1.1
Intact Financial Corp	0.7

As of 30-Jun-23	Equivalent exposure (%)
<b>Financials</b>	<b>30.0</b>
Laurentian Bank of Canada	0.7
<b>Industrials</b>	<b>13.1</b>
Toromont Industries Ltd	2.4
Canadian Pacific Kansas City Ltd	1.8
Waste Connections Inc	1.4
Finning International Inc	1.3
Thomson Reuters Corp	1.2
TFI International Inc	1.1
ATS Automation Tooling Systems Inc	1.1
GFL Environmental Inc	0.8
Badger Infrastructure Solutions Ltd	0.8
Air Canada	0.7
CAE Inc	0.7
<b>Information Technology</b>	<b>8.0</b>
Constellation Software Inc/Canada	3.6
CGI Inc	2.3
Enghouse Systems Ltd	1.4
Descartes Systems Group Inc	0.8
<b>Materials</b>	<b>11.0</b>
Franco-Nevada Corp	2.3
Agnico Eagle Mines Ltd	2.2
Nutrien Ltd	2.1
Barrick Gold Corp	1.7
Transcontinental Inc	1.7
Wheaton Precious Metals Corp	1.0
<b>Real Estate</b>	<b>2.0</b>
Granite Real Estate Investment Trust REIT	1.1
Allied Properties Real Estate Investment Trust REIT	0.4
Canadian Apartment Properties REIT REIT	0.4
<b>Utilities</b>	<b>2.1</b>
AltaGas Ltd	0.9
TransAlta Renewables Inc	0.8
Brookfield Infrastructure Partners LP	0.4



## Portfolio Holdings



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 Canadian Equity Fund**

To the best of my knowledge, for the quarter ending June 30, 2023, 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**

DATE: July 12, 2023

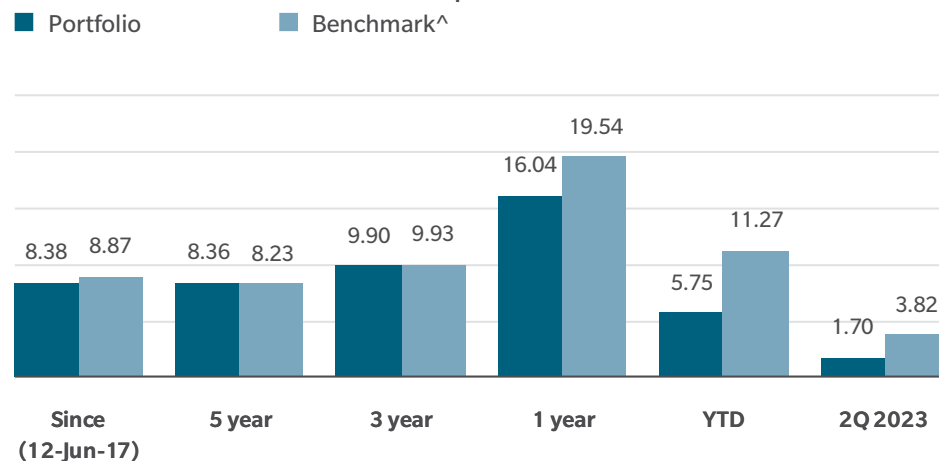


## MFS Low Volatility Global Equity Fund

# Executive Summary



## Performance results (%) net of expenses (CAD) as of 30-Jun-23



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 31-Mar-23	32,893,448
Contributions	+102,972
Withdrawals	-163,770
Intra-portfolio transfers	-382,473
Change in market value	+557,085
Ending value as of 30-Jun-23	33,007,262

## Position weights (%) as of 30-Jun-23

	Portfolio	Benchmark^^
<b>Top overweights</b>		
AMDOCS LTD	3.0	-
DBS GROUP HOLDINGS LTD	2.6	0.1
MCKESSON CORP	2.6	0.1
<b>Top underweights</b>		
APPLE INC	0.5	4.8
AMAZON.COM INC (EQ)	-	1.9
NVIDIA CORP	-	1.6

^^ MSCI All Country World Index

# Performance Results



Performance results (%) net of expenses (CAD) as of 30-Jun-23

Period	Portfolio	Benchmark <sup>^</sup>	Excess return vs benchmark
2Q 2023	1.70	3.82	-2.12
1Q 2023	3.98	7.18	-3.20
4Q 2022	9.17	8.24	0.93
3Q 2022	0.51	-0.74	1.26
2023 YTD	5.75	11.27	-5.52
2022	-1.10	-12.43	11.33
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)	8.38	8.87	-0.50
5 year	8.36	8.23	0.13
3 year	9.90	9.93	-0.03
1 year	16.04	19.54	-3.50

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.

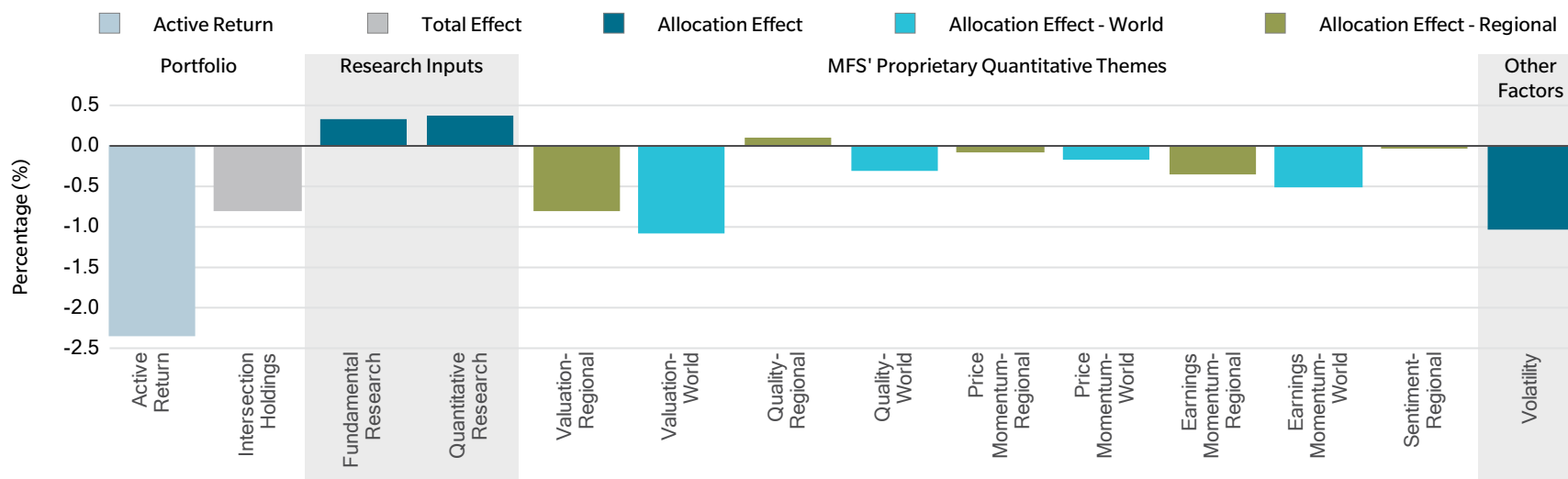
For periods of less than one-year returns are not annualized.

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

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

# Investment Process Performance Drivers

Relative to MSCI All Country World Index (CAD) - second quarter 2023



Please note that the figures provided above do not total to the active return.

Active return represents the difference between the portfolio return and the benchmark return over the time period examined. Active return not explained by the total effect of the intersection holdings will be captured by the total effect of non-intersection stocks, and is not shown in this summary. Intersection holdings represent stocks that are considered attractive from both fundamental and quantitative research sources.

Active return not captured by the allocation effects associated with each respective factor within Research Inputs and Quantitative Themes will be captured by selection and interaction effects, which are not included in this summary.

Results are calculated based on a Brinson Fachler-based performance attribution analysis, grouped by a single factor, generated utilizing Factset's Portfolio Analysis platform. Attributions attempt to decompose a portfolio's performance relative to a benchmark by grouping securities into discrete buckets and attributing returns across these groupings along three dimensions: the allocation effect, the selection effect, and the interaction effect. The groupings are based on beginning of period ratings and scores, rebalanced monthly. The groupings do not reflect intra-month ratings and score changes and may not align with the actual trade rebalance dates of the portfolio. Results are based upon daily holdings to generate individual security returns and do not include expenses, intra-day trading, or intra-day pricing impacts. As a result, portfolio and benchmark returns generated through attribution analysis will likely differ from actual returns.

Total effect represents the combination of allocation, selection and interaction effects associated with Intersection Holdings. MFS defines intersection holdings as stocks with a Fundamental buy rating that are scored within the most attractive tercile of MFS' overall Quantitative Model score. MFS Fundamental analysts rate stocks with a buy, hold or sell rating. Not all stocks are fundamentally rated and stocks without a fundamental rating are treated the same as hold rated stocks. MFS' proprietary quantitative stock selection model ranks stocks on a scale of 1-100.

MFS' overall global quantitative model comprise the world view model and five regional models - Emerging Markets, Europe, Japan, Asia Pacific ex Japan and North America. The world view model evaluates a company relative to its global sector peers, while a regional model evaluates a company relative to its regional sector counterparts. For each stock, the regional model ranking and world view model ranking are combined into a global composite quantitative ranking.

Allocation Effect represents the contribution to relative performance associated with an overweight or underweight to a particular grouping of stocks from a single Brinson Fachler attribution (i.e., the contribution associated with investments in top quintile stocks based on valuation). It is calculated as the difference between the stock portfolio weight of a grouping and benchmark weight for that same grouping, multiplied by the difference between the benchmark's stock grouping return and overall benchmark return. The daily allocation effects geometrically linked over the reporting period.

# Performance Drivers - Fundamental Research

Relative to MSCI All Country World Index  
(CAD) - second quarter 2023



Fundamental Research	Portfolio	Benchmark	Variation	Attribution Analysis		
	Total Return	Total Return	Average Weight Diff	Allocation Effect	Selection Effect <sup>1</sup>	Total Effect
Fundamental Buy	1.8	4.4	42.8	0.2	-2.2	-2.0
Fundamental Hold/unrated	0.0	3.4	-41.3	0.3	-0.4	-0.2
Fundamental Sell	-	6.9	-2.5	-0.1	-	-0.1
Cash	1.1	-	1.0	-0.0	-	-0.0
<b>Total</b>	<b>1.6</b>	<b>4.0</b>	<b>-</b>	<b>0.3</b>	<b>-2.7</b>	<b>-2.3</b>

<sup>1</sup> Stock selection includes 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. Stocks without a rating are treated the same as hold rated stocks for the purpose of creating a blended research score. Stocks without a fundamental rating accounted for 3.7% of the portfolio and 16.3% of the index.

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).

# Performance Drivers - Quantitative Research

Relative to MSCI All Country World Index  
(CAD) - second quarter 2023



Quantitative Research	Portfolio	Benchmark	Variation	Attribution Analysis		
	Total Return	Total Return	Average Weight Diff	Allocation Effect	Selection Effect <sup>1</sup>	Total Effect
Quant Q1 - Best	2.5	4.3	6.0	0.0	-0.5	-0.4
Quant Q2	2.6	5.5	-3.3	-0.0	-0.5	-0.6
Quant Q3	-0.2	5.8	6.8	0.2	-1.9	-1.8
Quant Q4	3.8	1.2	-5.3	0.1	0.3	0.5
Quant Q5 - Worst	-2.1	1.2	-5.2	0.1	-0.1	-0.0
Cash	1.1	-	1.0	-0.0	-	-0.0
Unassigned	-	1.6	-0.0	0.0	-	0.0
<b>Total</b>	<b>1.6</b>	<b>4.0</b>	<b>-</b>	<b>0.4</b>	<b>-2.7</b>	<b>-2.3</b>

<sup>1</sup> Stock selection includes 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).



# Performance Drivers - Valuation<sup>1</sup>

Relative to MSCI All Country World Index  
(CAD) - second quarter 2023



Valuation	Portfolio	Benchmark	Variation	Attribution Analysis		
	Total Return	Total Return	Average Weight Diff	Allocation Effect	Selection Effect <sup>2</sup>	Total Effect
Valuation Q1 - Best	1.9	1.5	12.1	-0.3	0.1	-0.2
Valuation Q2	3.5	7.1	-1.1	-0.0	-0.3	-0.3
Valuation Q3	-1.7	1.5	1.6	-0.1	-0.9	-1.0
Valuation Q4	2.8	3.4	-3.5	0.0	-0.1	-0.1
Valuation Q5 - Worst	2.8	5.9	-10.1	-0.3	-0.4	-0.6
Cash	1.1	-	1.0	-0.0	-	-0.0
Unassigned	-	1.6	-0.0	0.0	-	0.0
<b>Total</b>	<b>1.6</b>	<b>4.0</b>	<b>-</b>	<b>-0.8</b>	<b>-1.5</b>	<b>-2.3</b>

<sup>1</sup> Regional model sector-relative.

<sup>2</sup> Stock selection includes 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).

# Performance Drivers - Valuation<sup>1</sup>

Relative to MSCI All Country World Index  
(CAD) - second quarter 2023



Valuation	Portfolio	Benchmark	Variation	Attribution Analysis		
	Total Return	Total Return	Average Weight Diff	Allocation Effect	Selection Effect <sup>2</sup>	Total Effect
Valuation Q1 - Best	1.7	1.6	8.5	-0.2	-0.0	-0.2
Valuation Q2	3.2	0.5	4.2	-0.2	0.4	0.2
Valuation Q3	0.6	5.7	2.6	0.0	-1.3	-1.3
Valuation Q4	1.2	1.8	0.4	-0.0	-0.1	-0.1
Valuation Q5 - Worst	4.1	8.3	-16.7	-0.7	-0.2	-0.9
Cash	1.1	-	1.0	-0.0	-	-0.0
Unassigned	-	1.6	-0.0	0.0	-	0.0
<b>Total</b>	<b>1.6</b>	<b>4.0</b>	<b>-</b>	<b>-1.1</b>	<b>-1.3</b>	<b>-2.3</b>

<sup>1</sup> World model sector-relative.

<sup>2</sup> Stock selection includes 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).

# Performance Drivers - Quality<sup>1</sup>

Relative to MSCI All Country World Index  
(CAD) - second quarter 2023



Quality	Portfolio	Benchmark	Variation	Attribution Analysis		
	Total Return	Total Return	Average Weight Diff	Allocation Effect	Selection Effect <sup>2</sup>	Total Effect
Quality Q1 - Best	0.4	5.2	3.0	0.1	-1.5	-1.4
Quality Q2	5.9	5.5	-1.8	-0.0	0.2	0.2
Quality Q3	1.0	2.8	-1.0	0.0	-0.4	-0.4
Quality Q4	1.3	4.2	-0.0	0.0	-0.6	-0.6
Quality Q5 - Worst	-5.4	-1.0	-1.3	0.0	-0.1	-0.1
Cash	1.1	-	1.0	-0.0	-	-0.0
Unassigned	-	1.6	-0.0	0.0	-	0.0
<b>Total</b>	<b>1.6</b>	<b>4.0</b>	<b>-</b>	<b>0.1</b>	<b>-2.4</b>	<b>-2.3</b>

<sup>1</sup> Regional model sector-relative.

<sup>2</sup> Stock selection includes 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).

# Performance Drivers - Quality<sup>1</sup>

Relative to MSCI All Country World Index  
(CAD) - second quarter 2023



Quality	Portfolio	Benchmark	Variation	Attribution Analysis		
	Total Return	Total Return	Average Weight Diff	Allocation Effect	Selection Effect <sup>2</sup>	Total Effect
Quality Q1 - Best	3.6	7.4	-5.3	-0.2	-0.8	-1.0
Quality Q2	3.9	3.7	1.4	-0.0	-0.0	-0.0
Quality Q3	1.8	3.7	1.4	-0.0	-0.4	-0.4
Quality Q4	-2.2	1.6	4.1	-0.2	-0.6	-0.8
Quality Q5 - Worst	-3.9	0.1	-2.6	0.1	-0.2	-0.1
Cash	1.1	-	1.0	-0.0	-	-0.0
Unassigned	-	1.6	-0.0	0.0	-	0.0
<b>Total</b>	<b>1.6</b>	<b>4.0</b>	<b>-</b>	<b>-0.3</b>	<b>-2.1</b>	<b>-2.3</b>

<sup>1</sup> World model sector-relative.

<sup>2</sup> Stock selection includes 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).

# Performance Drivers - Price Momentum <sup>1</sup>

Relative to MSCI All Country World Index  
(CAD) - second quarter 2023



Price Momentum	Portfolio	Benchmark	Variation	Attribution Analysis		
	Total Return	Total Return	Average Weight Diff	Allocation Effect	Selection Effect <sup>2</sup>	Total Effect
Price Momentum Q1 - Best	0.5	5.3	0.0	0.0	-0.8	-0.8
Price Momentum Q2	2.4	2.2	-3.7	0.1	-0.1	-0.1
Price Momentum Q3	-0.8	2.8	2.1	-0.1	-1.1	-1.2
Price Momentum Q4	3.1	5.5	-0.9	-0.1	-0.3	-0.4
Price Momentum Q5 - Worst	3.0	4.0	1.5	0.0	0.1	0.1
Cash	1.1	-	1.0	-0.0	-	-0.0
Unassigned	-	1.6	-0.0	0.0	-	0.0
<b>Total</b>	<b>1.6</b>	<b>4.0</b>	<b>-</b>	<b>-0.1</b>	<b>-2.3</b>	<b>-2.3</b>

<sup>1</sup> Regional model sector-relative.

<sup>2</sup> Stock selection includes 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).

# Performance Drivers - Price Momentum <sup>1</sup>

Relative to MSCI All Country World Index  
(CAD) - second quarter 2023



Price Momentum	Portfolio	Benchmark	Variation	Attribution Analysis		
	Total Return	Total Return	Average Weight Diff	Allocation Effect	Selection Effect <sup>2</sup>	Total Effect
Price Momentum Q1 - Best	0.1	2.5	1.0	0.0	-0.3	-0.3
Price Momentum Q2	-0.2	3.2	2.4	0.0	-1.2	-1.1
Price Momentum Q3	1.8	5.3	-5.2	-0.1	-0.6	-0.7
Price Momentum Q4	4.0	3.2	3.8	-0.1	0.3	0.2
Price Momentum Q5 - Worst	-0.5	4.8	-2.8	-0.0	-0.4	-0.4
Cash	1.1	-	1.0	-0.0	-	-0.0
Unassigned	-	1.6	-0.0	0.0	-	0.0
<b>Total</b>	<b>1.6</b>	<b>4.0</b>	<b>-</b>	<b>-0.2</b>	<b>-2.2</b>	<b>-2.3</b>

<sup>1</sup> World model sector-relative.

<sup>2</sup> Stock selection includes 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).

# Performance Drivers - Earnings Momentum <sup>1</sup>

Relative to MSCI All Country World Index  
(CAD) - second quarter 2023



Earnings Momentum	Portfolio	Benchmark	Variation	Attribution Analysis		
	Total Return	Total Return	Average Weight Diff	Allocation Effect	Selection Effect <sup>2</sup>	Total Effect
Earnings Momentum Q1 - Best	5.8	8.5	-4.3	-0.2	-0.9	-1.1
Earnings Momentum Q2	2.2	1.9	5.6	-0.1	0.0	-0.1
Earnings Momentum Q3	-1.4	2.1	0.5	-0.0	-1.0	-1.1
Earnings Momentum Q4	2.9	2.5	-0.0	0.0	0.1	0.1
Earnings Momentum Q5 - Worst	1.8	4.0	-2.7	-0.0	-0.1	-0.1
Cash	1.1	-	1.0	-0.0	-	-0.0
Unassigned	-	1.6	-0.0	0.0	-	0.0
<b>Total</b>	<b>1.6</b>	<b>4.0</b>	<b>-</b>	<b>-0.3</b>	<b>-2.0</b>	<b>-2.3</b>

<sup>1</sup> Regional model sector-relative.

<sup>2</sup> Stock selection includes 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).

# Performance Drivers - Earnings Momentum<sup>1</sup>

Relative to MSCI All Country World Index  
(CAD) - second quarter 2023



Earnings Momentum	Portfolio	Benchmark	Variation	Attribution Analysis		
	Total Return	Total Return	Average Weight Diff	Allocation Effect	Selection Effect <sup>2</sup>	Total Effect
Earnings Momentum Q1 - Best	7.0	9.0	-3.6	-0.2	-0.8	-1.0
Earnings Momentum Q2	1.0	3.6	-1.6	-0.0	-0.4	-0.4
Earnings Momentum Q3	0.9	1.5	2.9	-0.2	-0.3	-0.5
Earnings Momentum Q4	-0.5	0.7	3.6	-0.0	-0.1	-0.2
Earnings Momentum Q5 - Worst	1.8	4.8	-2.2	-0.1	-0.2	-0.3
Cash	1.1	-	1.0	-0.0	-	-0.0
Unassigned	-	1.6	-0.0	0.0	-	0.0
<b>Total</b>	<b>1.6</b>	<b>4.0</b>	<b>-</b>	<b>-0.5</b>	<b>-1.8</b>	<b>-2.3</b>

<sup>1</sup> World model sector-relative.

<sup>2</sup> Stock selection includes 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).



# Performance Drivers - Sentiment

Relative to MSCI All Country World Index  
(CAD) - second quarter 2023



Sentiment	Portfolio	Benchmark	Variation	Attribution Analysis		
	Total Return	Total Return	Average Weight Diff	Allocation Effect	Selection Effect <sup>1</sup>	Total Effect
Sentiment Q1 - Best	-0.0	4.9	-7.2	-0.1	-0.6	-0.7
Sentiment Q2	4.9	3.2	-1.7	-0.0	0.4	0.4
Sentiment Q3	1.9	5.0	2.9	0.0	-1.1	-1.0
Sentiment Q4	-4.8	2.9	2.7	-0.1	-0.7	-0.8
Sentiment Q5 - Worst	3.0	-0.7	-2.6	0.1	0.0	0.2
Cash	1.1	-	1.0	-0.0	-	-0.0
Unassigned	0.1	4.0	4.9	0.0	-0.4	-0.4
<b>Total</b>	<b>1.6</b>	<b>4.0</b>	<b>-</b>	<b>-0.0</b>	<b>-2.3</b>	<b>-2.3</b>

<sup>1</sup> Stock selection includes 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).

## Performance Drivers - Volatility

Relative to MSCI All Country World Index  
(CAD) - second quarter 2023



Volatility	Portfolio	Benchmark	Variation	Attribution Analysis		
	Total Return	Total Return	Average Weight Diff	Allocation Effect	Selection Effect <sup>1</sup>	Total Effect
Absolute Volatility Cad Quintile 1	-	8.6	-9.7	-0.5	-	-0.5
Absolute Volatility Cad Quintile 2	-4.0	4.0	-11.7	0.0	-0.1	-0.1
Absolute Volatility Cad Quintile 3	0.5	4.5	-11.9	-0.1	-0.5	-0.5
Absolute Volatility Cad Quintile 4	1.3	4.0	3.6	0.0	-0.7	-0.6
Absolute Volatility Cad Quintile 5	1.8	2.1	29.0	-0.5	-0.1	-0.6
Cash	1.1	-	1.0	-0.0	-	-0.0
N/A	-	-2.9	-0.4	0.0	-	0.0
<b>Total</b>	<b>1.6</b>	<b>4.0</b>	<b>-</b>	<b>-1.0</b>	<b>-1.3</b>	<b>-2.3</b>

<sup>1</sup> Stock selection includes 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).

Absolute volatility is defined as the annualized standard deviation measured over the past 24 months at the stock level. The attribution groupings are rebalanced monthly, according to the standard deviation of the previous 24 months of monthly total returns. The groupings do not reflect intra month changes and may not align with the actual trade rebalance dates of the portfolio.

## Performance Drivers - Sectors



Relative to MSCI All Country World Index (CAD) - second quarter 2023		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	4.6	8.4	0.1	-0.2	1.3	0.1	1.2
	Energy	-4.3	-3.8	-1.2	0.3	-0.0	-0.0	0.2
	Materials	-2.1	-5.1	-2.9	0.2	-0.1	0.1	0.1
	Real Estate	-0.1	-0.1	-1.6	0.0	0.0	0.0	0.0
<b>Detractors</b>	Information Technology	-3.0	1.7	12.3	-0.3	-1.6	-0.2	-2.1
	Consumer Discretionary	-4.6	1.5	6.3	-0.1	-0.2	-0.1	-0.4
	Consumer Staples	4.8	-3.4	-2.0	-0.3	-0.1	0.0	-0.4
	Communication Services	2.4	1.1	4.8	0.0	-0.1	-0.2	-0.3
	Financials	-1.0	1.1	2.9	-0.0	-0.3	0.0	-0.3
	Utilities	4.4	-1.9	-2.0	-0.3	0.0	0.0	-0.3
	Industrials	-2.0	3.3	3.9	-0.0	0.1	-0.1	-0.0
	Cash	1.0	1.1	-	-0.1	-	0.0	-0.0
<b>Total</b>			<b>1.6</b>	<b>4.0</b>	<b>-0.8</b>	<b>-1.1</b>	<b>-0.4</b>	<b>-2.3</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).

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.

# Performance Drivers - Stocks



Relative to MSCI All Country World Index (CAD) - second quarter 2023		Average Weighting (%)		Returns (%)		Relative contribution(%)
		Portfolio	Benchmark	Portfolio <sup>1</sup>	Benchmark	
<b>Contributors</b>	Mckesson Corp	2.4	0.1	17.5	17.5	0.3
	Eli Lilly & Co	1.3	0.6	33.9	33.9	0.2
	Eaton Corporation PLC	1.1	0.1	15.3	15.3	0.1
	Tencent Holdings Limited	-	0.5	-	-15.2	0.1
	Abbvie Inc	-	0.4	-	-16.6	0.1
<b>Detractors</b>	Nvidia Corp	-	1.3	-	48.9	-0.5
	Apple Inc	0.4	4.5	15.1	15.2	-0.4
	Amazon.Com Inc (Eq)	-	1.7	-	23.4	-0.3
	General Mills Inc	1.9	0.1	-11.7	-11.7	-0.3
	Everest Reinsurance	2.3	0.0	-6.2	-6.2	-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-Apr-23 to 30-Jun-23		Transaction type	Trade (%)	Ending weight (%)
<b>Purchases</b>	PG&E CORP	New position	0.9	0.9
	JOLLIBEE FOODS CORP	Add	0.5	0.6
	BDO UNIBANK INC	New position	0.5	0.5
	SERCO GROUP PLC	New position	0.4	0.4
	APPLE INC	New position	0.4	0.5
<b>Sales</b>	LIFE STORAGE INC	Eliminate position	-0.9	-
	NOVO NORDISK A/S	Trim	-0.5	1.0
	MICROSOFT CORP	Trim	-0.4	2.4
	NESTLE SA	Trim	-0.3	0.9
	PLDT INC	Eliminate position	-0.3	-

# Sector Weights



As of 30-Jun-23	Portfolio (%)	Benchmark^ (%)	Underweight/overweight (%)
Health Care	17.0	11.8	5.2
Utilities	7.1	2.8	4.3
Consumer Staples	11.4	7.4	4.0
Communication Services	9.3	7.3	2.0
Financials	15.1	15.4	-0.3
Real Estate	1.9	2.3	-0.4
Industrials	8.6	10.5	-1.9
Materials	2.4	4.6	-2.2
Energy	0.5	4.6	-4.1
Information Technology	17.8	22.1	-4.3
Consumer Discretionary	6.3	11.3	-5.0

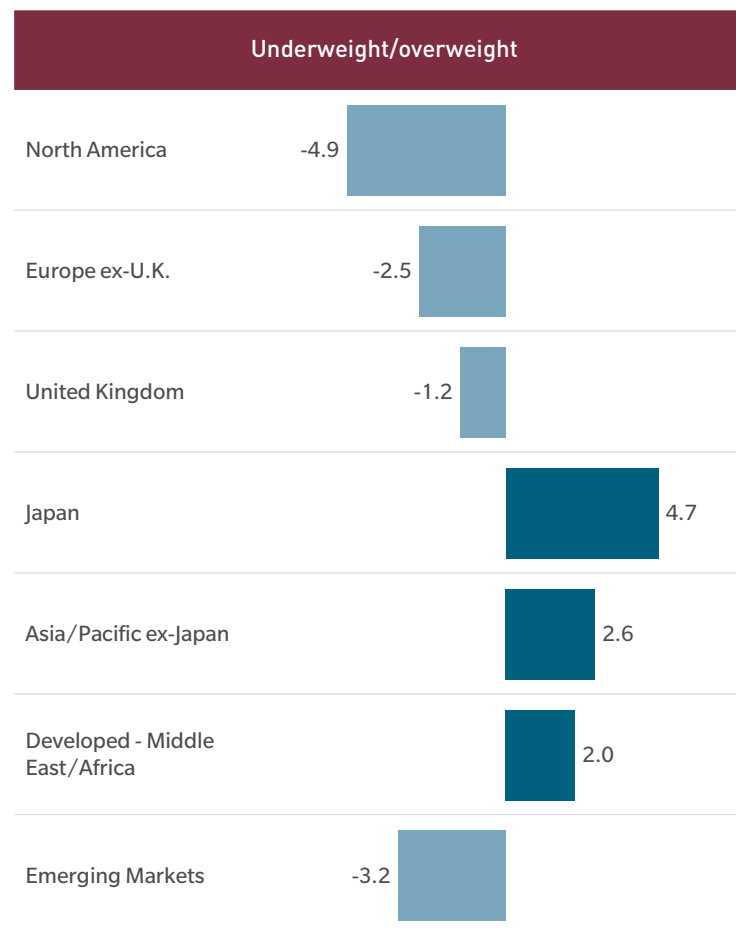
^ MSCI All Country World Index  
2.6% Cash & cash equivalents

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.

## Region and Country Weights



As of 30-Jun-23	Portfolio (%)	Benchmark^ (%)	Underweight/overweight(%)
<b>North America</b>	<b>60.0</b>	<b>64.9</b>	<b>-4.9</b>
Canada	6.3	2.9	3.4
United States	53.7	61.9	-8.2
<b>Europe ex-U.K.</b>	<b>10.0</b>	<b>12.5</b>	<b>-2.5</b>
Switzerland	4.4	2.5	1.9
Italy	1.2	0.6	0.6
Denmark	1.0	0.7	0.3
Netherlands	0.7	1.2	-0.5
Germany	1.1	2.1	-1.0
France	1.6	3.0	-1.4
Other countries <sup>1</sup>	0.0	2.3	-2.3
<b>United Kingdom</b>	<b>2.4</b>	<b>3.6</b>	<b>-1.2</b>
<b>Japan</b>	<b>10.2</b>	<b>5.5</b>	<b>4.7</b>
<b>Asia/Pacific ex-Japan</b>	<b>5.4</b>	<b>2.8</b>	<b>2.6</b>
Singapore	4.2	0.3	3.9
Hong Kong	1.2	0.6	0.6
Other countries <sup>1</sup>	0.0	1.8	-1.8
<b>Developed - Middle East/Africa</b>	<b>2.2</b>	<b>0.2</b>	<b>2.0</b>
Israel	2.2	0.2	2.0
<b>Emerging Markets</b>	<b>7.3</b>	<b>10.5</b>	<b>-3.2</b>
South Korea	3.2	1.3	1.9
Thailand	1.6	0.2	1.4
Philippines	1.0	0.1	0.9
Taiwan	1.5	1.6	-0.1
Other countries <sup>1</sup>	0.0	7.3	-7.3



^ MSCI All Country World Index

2.6% Cash & cash equivalents

<sup>1</sup> The portfolio does not own any securities in countries represented in the benchmark in the following percentages: China 3.1%; Australia 1.8%; India 1.5%; Sweden 0.8%; Brazil 0.6%; Spain 0.6% and 24 countries with weights less than 0.5% which totals to 3.0%.

# Top Overweight and Underweight Positions



As of 30-Jun-23		Portfolio (%)	Benchmark^ (%)
<b>Overweight</b>	AMDOCS LTD	3.0	-
	DBS GROUP HOLDINGS LTD	2.6	0.1
	MCKESSON CORP	2.6	0.1
	EVEREST RE GROUP LTD	2.1	0.0
	KDDI CORP	2.2	0.1
<b>Underweight</b>	APPLE INC	0.5	4.8
	AMAZON.COM INC (EQ)	-	1.9
	NVIDIA CORP	-	1.6
	MICROSOFT CORP	2.4	3.8
	TESLA INC	-	1.2

^ MSCI All Country World Index



# Characteristics



As of 30-Jun-23	Portfolio	Benchmark <sup>^</sup>
<b>Fundamentals - weighted average</b>		
Price/earnings (12 months forward)	14.6x	16.9x
Price/cash flow	11.5x	12.7x
Price/sales	1.4x	1.8x
PEG ratio	1.8x	1.9x
Dividend yield	2.4%	2.1%
Return on equity (3-year average)	20.3%	25.1%
Return on invested capital	13.2%	14.2%
IBES long-term EPS growth <sup>1</sup>	9.4%	10.6%
<b>Market capitalisation</b>		
Market capitalisation (CAD) <sup>2</sup>	274.1 bn	582.8 bn
<b>Diversification</b>		
Top ten holdings	24%	18%
Number of holdings	98	2,935
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	37%	—
<b>Risk profile (current)</b>		
Active share	83%	—
<b>Risk/reward (5 year)</b>		
Beta	0.63	—
Historical tracking error	6.53%	—
Standard deviation	9.34%	13.17%
Sharpe ratio	0.75	0.52
Downside capture	58.54%	—
Upside capture	72.94%	—

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

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

**No forecasts can be guaranteed.**

## Top 10 Issuers



Top 10 issuers as of 30-Jun-23	Portfolio (%)	Benchmark^ (%)
AMDOCS LTD	3.0	-
DBS GROUP HOLDINGS LTD	2.6	0.1
JOHNSON & JOHNSON	2.6	0.7
MCKESSON CORP	2.6	0.1
MERCK & CO INC	2.5	0.5
MICROSOFT CORP	2.4	3.8
KDDI CORP	2.2	0.1
EVEREST RE GROUP LTD	2.1	0.0
ROCHE HOLDING AG	2.1	0.4
FRANCO-NEVADA CORP	1.9	0.0
<b>Total</b>	<b>24.1</b>	<b>5.6</b>

^ MSCI All Country World Index

# Portfolio Outlook and Positioning



For the second quarter of 2023, the portfolio underperformed the MSCI All Country World Index. Against the MSCI AC World Minimum Volatility Index, the portfolio outperformed for the quarter. Relative to the market capitalization weighted MSCI All Country World Index:

## **Detractors**

- Volatility allocation
- Intersection holdings
- Quantitative models: valuation and earnings momentum
- Stock selection within information technology and consumer discretionary
- Stock selection across North America and Japan

## **Contributors**

- Fundamental research
- Stock selection within health care
- Underweight energy
- Stock selection and an underweight within emerging markets

## **Market review**

Global equities advanced for the third consecutive quarter driven by the AI theme, better-than-expected Q1 earnings reports and growing investor optimism for a potential economic soft landing. Very narrow US mega-cap cyclical growth leadership was a dominant theme early in the quarter with the so-called Magnificent Seven, excluding Tesla, contributing 205 basis points to the MSCI ACWI Index (USD) performance in April and May, while the remaining stocks in aggregate subtracted 159 basis points. Leadership broadened and rotated to cyclicals in June with investors mostly overlooking macro headwinds and geopolitical tensions.

## Portfolio Outlook and Positioning



Inflation, particularly core inflation (excluding food and energy), remains sticky globally, which is a major challenge for central banks. The US Federal Reserve, which hiked 25 basis points in May, paused at the June meeting; however, Chair Powell subsequently indicated that a majority of Fed policymakers expect they will need to raise interest rates at least two more times. The ECB<sup>1</sup> raised rates 25 basis points at both the May and June meetings, while the BOE<sup>1</sup> hiked 25 basis points in May and a surprise 50 basis points in June; both indicated further rate hikes would be necessary. While a number of central banks have signaled a pause in rate hikes, both BoC<sup>1</sup> and RBA<sup>1</sup> had to resume rate hikes after stronger inflation reports. At the other end of the spectrum, the BOJ<sup>1</sup> has indicated it is maintaining its ultra-easy yield curve control policy while the PBOC<sup>1</sup> responded to weaker growth by cutting its key policy rate for the first time in 10 months.

After improving in Q1, global leading indicators generally weakened in the second quarter, with most countries we monitor reporting decreases in their manufacturing PMIs, leaving only 29.4% in expansion. Regionally, economic data has been stronger outside the United States. However, the lagged effects of aggressive monetary tightening cycle in Europe and the sputtering Chinese recovery will likely narrow the disparity. While Japan's manufacturing PMI is right around the 50 level, it did increase during the quarter, and the June Tankan Survey showed business conditions improving in both the manufacturing and services sectors. Services sectors performance, based on the recent PMI reports, remains robust globally, but 13 of the 15 economies we monitor reported a decline in June.

Q1 earnings reports were generally better than expected, with beat rates (reported earnings higher than consensus expectations) globally back to the long-term average, and above the long-term average in all regions except emerging markets and Pacific ex-Japan. Analyst earnings revisions (outlook), which had been improving and briefly shifted positive in late April, have reversed lower alongside the renewed weakness in the PMIs. Regionally, earnings revisions over the past three months have been strongest in Europe and Japan and weakest in emerging markets and the Pacific ex-Japan region. At the sector level, information technology, industrials, materials and health care had more earnings upgrades than downgrades over the past three months, while financials and energy had more downgrades than upgrades. On a style basis, earnings revisions for price momentum, growth and quality were relatively stronger than value.

Shifting to the market impact, regionally in local currency, Japan outperformed significantly, benefiting from a weaker yen, the return of Chinese tourists, improving governance and accelerating share buybacks. The US market, which accounts for about 60% of the ACWI Index by weight, also outperformed and had the largest contribution to performance, with the mega-cap, cyclical growth sectors the

---

<sup>1</sup> ECB: European Central Bank; BOE: Bank of England; BoC: Bank of Canada; RBA: Reserve Bank of Australia; BOJ: Bank of Japan; PBOC: People's Bank of China

# Portfolio Outlook and Positioning



primary driver. The UK and Pacific ex-Japan markets were the most prominent laggards, weighed down by sticky inflation, expectations for further rate hikes and a deteriorating growth outlook. The Europe ex-UK region also underperformed by a wide margin due to the faltering reopening recovery in China, waning fiscal stimulus, a hawkish ECB and a weakening growth outlook. In emerging markets, the modest outperformance in Latin America was more than offset by a slight underperformance in the EMEA region and China-led weakness in Asia, where the stimulus response to the stumbling re-opening recovery underwhelmed, and tensions between the US and China were increasing.

Despite the late cycle broadening and rotation into cyclicals, sector leadership for the quarter overall was again narrow and dominated by the large cyclical growth sectors. Specifically, technology broadly outperformed by a wide margin benefiting from investor enthusiasm in AI. The consumer discretionary and communication services sectors also outperformed by a wide margin, with AI-linked sector heavyweights Amazon, Tesla, Meta Platforms and Alphabet the prominent drivers. With growing investor optimism about a soft landing, defensive sectors including consumer staples, utilities and health care underperformed throughout the quarter. The cyclical rotation in June benefited the industrials, financials and commodity sectors although they all underperformed for the quarter overall.

Factor leadership (sector neutral) diverged significantly between US and non-US regions during the quarter, with the outperformance of large-caps a notable exception. In the US, stocks with high sales and earnings growth produced very strong results. Those with strong price momentum and earnings revisions as well as those with strong profitability metrics such as ROE and ROIC also outperformed. Higher-volatility stocks with attractive valuations and poor earnings quality lagged significantly during the quarter. Outside the US, cheap stocks based on forward-looking valuation metrics and those returning capital to shareholders through dividends or buybacks produced the strongest results. Stocks that had positive earnings surprises and revisions also outperformed. The performance of stocks with strong growth and profitability metrics produced modestly negative results in Europe and the Pacific regions but underperformed significantly in emerging markets. Higher-volatility stocks also underperformed as did those with cheap trailing, or backward-looking, valuation attributes.

## **Portfolio performance review**

The portfolio underperformed the MSCI All Country World Index in the second quarter. Intersection holdings — stocks that are buy rated based on both our fundamental and our quantitative research — detracted from relative returns. Factor models which contributed

## Portfolio Outlook and Positioning



negatively to results for the quarter were valuation and earnings momentum. The overall quantitative input outperformed during the quarter.

At the sector level, the portfolio stock selection within information technology and consumer discretionary detracted from relative returns. Sectors which contributed to performance included stock selection within health care and an underweight energy. From a region perspective, the weakest contribution came from selection within North America and Japan. In other areas, outperformance came from stock selection and an underweight within Emerging Markets.

### Outlook

The global economy has been more resilient than many, including us, expected. That said, most of the typical indicators we monitor, such as monetary policy, inverted yield curves and leading economic indicators continue to suggest that the economic and earnings outlook will be challenged in the coming quarters. Many of the pillars that have supported economies are reversing or fading, including the excess savings from the massive COVID fiscal stimulus and China's re-opening recovery. Robust labor markets, which have supported consumer spending and have been a prominent driver of the sticky core inflation readings, have recently shown signs of weakening. Employment is a lagging indicator, which, based on history, remains strong until economies are already in recession. In summary, the lagged effects of higher interest rates and tighter credit standards are likely to weigh on the economic and earnings outlook.

Based on this outlook, we expect renewed weakness in equity markets as weakening profit margins, due to reduced pricing power, negatively impacts earnings. A deteriorating earnings outlook has historically been associated with defensive regional, sector and factor leadership. A durable market bottom and shift to more cyclical sector and factor leadership has historically required a shift in monetary policy and/or a trough in leading economic indicators; neither appears imminent.

For your Blended Research portfolio, despite the recent narrow mega-cap growth leadership, particularly in the US market, we continue to be encouraged by the broad, albeit frequently rotating, market and factor leadership. As we have communicated in the past, the most challenging market environment for our approach is one in which a single factor/style or a limited group of stocks dominates performance, as was evident in 2020 and again in May 2023. Based on our analysis of factor performance through the economic cycle, contracting leading economic indicators and earnings revisions typically coincide with sustained outperformance of price momentum factors coupled with a rotation in favor of profitability and defensive factors. The quality-focused fundamental research input to our

## Portfolio Outlook and Positioning



process should also be favored in this environment. Volatility (high) factors have historically underperformed significantly in the later stages of the cycle, while value factor performance overall has historically been more modest and disperse, with dividend yield a notable positive outlier.

On a secular basis, value factor performance may be more persistent and analogous to the post tech-bubble period. That said, this trend is likely to be interrupted in a recession as stocks with attractive valuations tend to be more levered to the business cycle and under pressure as growth slows, while longer-duration growth stocks with more resilient earnings will be supported by a decline in bond yields.

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-Jun-23	Country	Equivalent exposure (%)
<b>Cash &amp; Cash Equivalents</b>		<b>2.6</b>
Cash & Cash Equivalents		2.6
<b>Communication Services</b>		<b>9.3</b>
KDDI Corp	Japan	2.2
Electronic Arts Inc	United States	1.7
Advanced Info Service PCL	Thailand	1.6
Alphabet Inc Class A	United States	1.3
Comcast Corp	United States	0.8
Koninklijke KPN NV	Netherlands	0.7
Orange SA	France	0.6
T-Mobile US Inc	United States	0.4
<b>Consumer Discretionary</b>		<b>6.3</b>
Starbucks Corp	United States	1.2
McDonald's Corp	United States	1.1
Dollarama Inc	Canada	0.9
AutoZone Inc	United States	0.8
Sankyo Co Ltd	Japan	0.8
Jollibee Foods Corp	Philippines	0.6
Toyota Motor Corp	Japan	0.5
Bridgestone Corp	Japan	0.4
<b>Consumer Staples</b>		<b>11.4</b>
General Mills Inc	United States	1.7
PepsiCo Inc	United States	1.4
Kimberly-Clark Corp	United States	1.0
Colgate-Palmolive Co	United States	1.0
Nestle SA	Switzerland	0.9
Walmart Inc	United States	0.9
Mondelez International Inc	United States	0.8
J M Smucker Co	United States	0.7
Sundrug Co Ltd	Japan	0.7
Dollar General Corp	United States	0.7
Tesco PLC	United Kingdom	0.6
Procter & Gamble Co	United States	0.6
British American Tobacco PLC	United Kingdom	0.4

As of 30-Jun-23	Country	Equivalent exposure (%)
<b>Energy</b>		<b>0.5</b>
TotalEnergies SE	France	0.5
<b>Financials</b>		<b>15.1</b>
DBS Group Holdings Ltd	Singapore	2.6
Everest Re Group Ltd	United States	2.1
JPMorgan Chase & Co	United States	1.6
Fairfax Financial Holdings Ltd	Canada	1.4
Samsung Fire & Marine Insurance Co Ltd	South Korea	1.2
MetLife Inc	United States	0.9
Reinsurance Group of America Inc	United States	0.8
KB Financial Group Inc	South Korea	0.7
Zurich Insurance Group AG	Switzerland	0.7
Chubb Ltd	United States	0.5
Royal Bank of Canada	Canada	0.5
Fiserv Inc	United States	0.5
BDO Unibank Inc	Philippines	0.5
Mastercard Inc	United States	0.4
IG Group Holdings PLC	United Kingdom	0.4
Visa Inc	United States	0.4
<b>Health Care</b>		<b>17.0</b>
Johnson & Johnson	United States	2.6
McKesson Corp	United States	2.6
Merck & Co Inc	United States	2.5
Roche Holding AG	Switzerland	2.1
Eli Lilly & Co	United States	1.5
Vertex Pharmaceuticals Inc	United States	1.1
Novo Nordisk AS	Denmark	1.0
Medtronic PLC	United States	0.8
Novartis AG	Switzerland	0.7
Cigna Group	United States	0.6
Becton Dickinson & Co	United States	0.5
Sanofi	France	0.5
Bayer AG	Germany	0.5



## Portfolio Holdings



As of 30-Jun-23	Country	Equivalent exposure (%)
<b>Industrials</b>		<b>8.6</b>
Eaton Corp PLC	United States	1.2
Republic Services Inc	United States	1.2
Singapore Technologies Engineering Ltd	Singapore	1.2
Knight-Swift Transportation Holdings Inc	United States	0.9
Hitachi Ltd	Japan	0.7
Sankyu Inc	Japan	0.6
Secom Co Ltd	Japan	0.6
SS&C Technologies Holdings Inc	United States	0.6
General Dynamics Corp	United States	0.6
Sohgo Security Services Co Ltd	Japan	0.5
Serco Group PLC	United Kingdom	0.4
<b>Information Technology</b>		<b>17.8</b>
Amdocs Ltd	United States	3.0
Microsoft Corp	United States	2.4
Constellation Software Inc/Canada	Canada	1.7
Taiwan Semiconductor Manufacturing Co Ltd ADR	Taiwan	1.5
Samsung Electronics Co Ltd IPS	South Korea	1.3
Kyocera Corp	Japan	1.3
Nice Ltd ADR	Israel	1.1
Check Point Software Technologies Ltd	Israel	1.0
NS Solutions Corp	Japan	1.0
ACI Worldwide Inc	United States	0.9
Fujitsu Ltd	Japan	0.8
Accenture PLC	United States	0.8
Apple Inc	United States	0.5
Venture Corp Ltd	Singapore	0.4
<b>Materials</b>		<b>2.4</b>
Franco-Nevada Corp	Canada	1.9
Rio Tinto PLC	United Kingdom	0.6
<b>Real Estate</b>		<b>1.9</b>
Public Storage REIT	United States	0.8
AvalonBay Communities Inc REIT	United States	0.6
Extra Space Storage Inc REIT	United States	0.5

As of 30-Jun-23	Country	Equivalent exposure (%)
<b>Utilities</b>		<b>7.1</b>
Italgas SpA	Italy	1.2
CLP Holdings Ltd	Hong Kong	1.2
Xcel Energy Inc	United States	1.1
PG&E Corp	United States	0.9
American Electric Power Co Inc	United States	0.8
E.ON SE	Germany	0.6
Duke Energy Corp	United States	0.5
Edison International	United States	0.5
Eergy Inc	United States	0.4

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 June 30, 2023, 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**

DATE: July 12, 2023

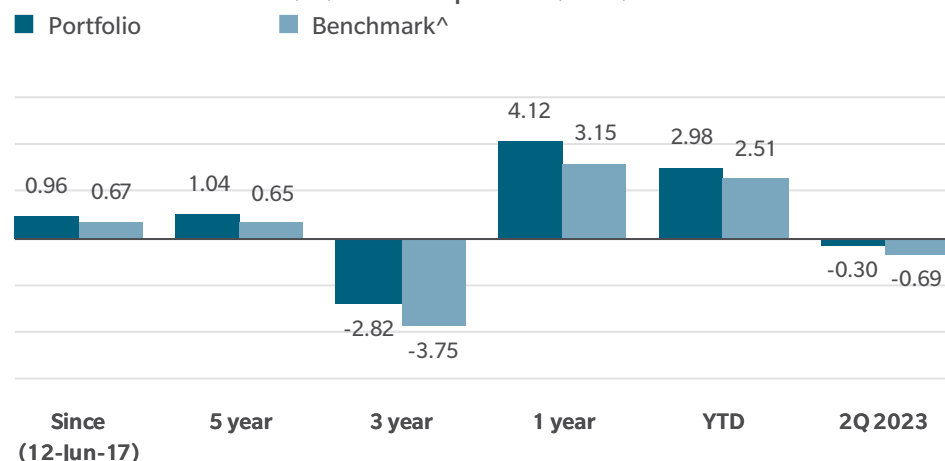


## MFS Canadian Core Plus Fixed Income Fund

# Executive Summary



## Performance results (%) net of expenses (CAD) as of 30-Jun-23



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 31-Mar-23	26,056,491
Contributions	+82,377
Withdrawals	-131,016
Intra-portfolio transfers	+665,080
Change in market value	-71,014
Ending value as of 30-Jun-23	26,601,919

## Key characteristics as of 30-Jun-23

	Portfolio	Benchmark ^^
Average effective duration	7.35yrs	7.32yrs
Yield to worst	5.01%	4.37%

## Portfolio composition (%)

	Portfolio	Benchmark ^^
Federal	33.43	37.97
Provincial	26.12	34.26
Municipal	0.80	1.99
Corporate	49.77	25.78
Cash & Cash Equivalents	0.78	0.00
Other	-10.91	0.00
Foreign Pay	10.08	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-Jun-23

Period	Portfolio	Benchmark <sup>^</sup>	Excess return vs benchmark
2Q 2023	-0.30	-0.69	0.39
1Q 2023	3.29	3.22	0.08
4Q 2022	0.45	0.10	0.34
3Q 2022	0.66	0.52	0.13
2023 YTD	2.98	2.51	0.47
2022	-12.19	-11.69	-0.50
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)	0.96	0.67	0.29
5 year	1.04	0.65	0.39
3 year	-2.82	-3.75	0.93
1 year	4.12	3.15	0.97

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 - second quarter 2023

<b>Contributors</b>	Asset allocation	The portfolio's underweight to federals and overweight to corporates was a primary driver of excess return as credit spreads compressed in the quarter. Within the corporate exposure, the portfolio's overweight to the energy sector was a notable contributor as it was one of the best performing sectors within the index. With encouraging economic momentum in the quarter, credit spreads compressed and the portfolio's bias to BBBs aided excess return.
	Security selection	Security selection was a key driver of outperformance in the period. Positive selection within financials and energy were notable contributors. Within financials, positive selection came from exposure to out-of-benchmark subordinated issues from CIBC, TD and RBC. Within energy, positive selection came from select utility and pipeline issuers, such as CU and Pembina.
	Exposure to US IG credit and High Yield	The portfolio's exposure to out-of-benchmark US IG issuers helped, with US IG credit spreads slightly outperforming their Canadian counterparts in the quarter. Relative return also benefited from strong performance from the portfolio's out-of-index allocation to CLOs. With credit spreads compressing and the risk-on tone in the quarter, the portfolio's exposure to HY, particularly BB rated issues, contributed to excess return.
	Duration	While portfolio duration remained very close to neutral over the quarter, a slight duration underweight helped relative performance as yields rose in response to better-than-expected economic data.
<b>Detractors</b>	None	There were no notable detractors.

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-Jun-23		Portfolio(%)	Benchmark^ (%)	Underweight/overweight (%)
<b>Portfolio composition</b>	Federal	33.43	37.97	-4.54
	Provincial	26.12	34.26	-8.14
	Municipal	0.80	1.99	-1.19
	Corporate	49.77	25.78	23.99
	Cash & Cash Equivalents	0.78	0.00	0.78
	Other	-10.91	0.00	-10.91
	Foreign Pay	10.08	0.00	10.08
<b>Corporate composition</b>	Communication	4.73	2.18	2.55
	Energy	11.51	5.58	5.93
	Financial	19.49	10.49	9.00
	Industrial	3.99	1.68	2.31
	Infrastructure	4.93	3.96	0.97
	Real Estate	2.20	1.56	0.64
	Securitization	2.91	0.33	2.58

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

^ FTSE Canada Universe Bond Index

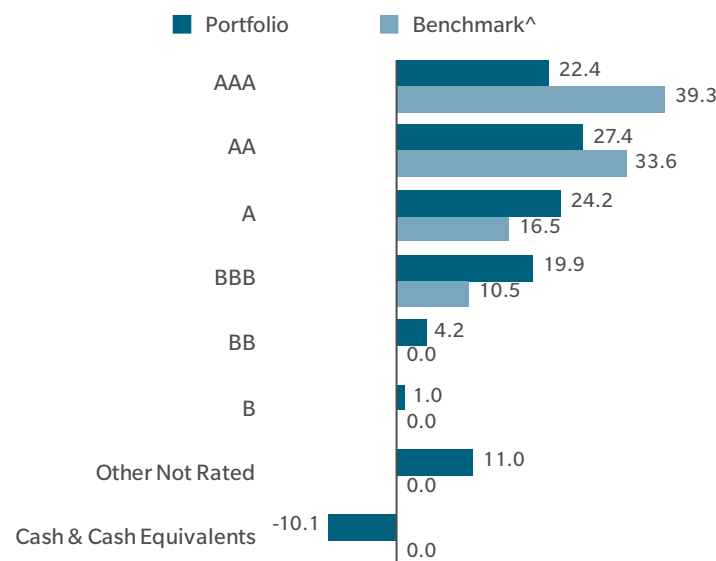
# Characteristics



As of 30-Jun-23	Portfolio	Benchmark <sup>^</sup>
<b>Fundamentals</b>		
Average effective duration	7.35yrs	7.32yrs
Yield to worst	5.01%	4.37%
Average coupon	3.51%	3.08%
Average quality <sup>1</sup>	A+	AA
Average effective maturity	10.72yrs	10.07yrs
<b>Diversification</b>		
Number of holdings	196	1,675
<b>Turnover</b>		
Trailing 1 year turnover <sup>2</sup>	33%	—
<b>Risk/reward (5 year)</b>		
Historical tracking error	2.08%	—
Beta	1.11	—
Standard deviation	6.81%	5.89%
Alpha	0.39%	—
Information ratio	0.20	—

Effective term structure as of 30-Jun-23	Portfolio (%)	Benchmark <sup>^</sup>
Less than 1 Year	7.7	0.0
1-3 Years	6.3	24.2
3-5 Years	11.0	18.5
5-10 Years	39.3	28.2
10-20 Years	7.0	9.5
20+ Years	28.6	19.6

Credit quality (% of total assets) as of 30-Jun-23 <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

The Canadian economy proved to be more resilient than expected. GDP growth in the first quarter came in ahead of expectations, at 3.1% annualised, fueled by a bounce-back in household spending. Meanwhile, growth for Q2 is tracking at a 1.4% annualised pace, which is ahead of the Bank of Canada's April Monetary Policy Report forecast. That said, this does mark a deceleration from the first quarter. Historically high immigration has undoubtedly led to some of the recent upside surprises, but this masks the fact that real per capita GDP growth has been stagnating. As we are now 15 months from the beginning of the rate-tightening cycle, the lagged effect of interest rate hikes should weaken economic growth during the second half of the year. A key factor in the stronger-than-expected start to the year has been a resilient labour market, which has led to robust wage growth of over 5% year-over-year. However, some cracks in the labour market did start to appear in May, with 17,000 job losses and the unemployment rate ticking up to 5.2%. Additionally, job vacancies continued to normalise, with the vacancy rate falling to its lowest level since May 2021, suggesting an improved balance between labour demand and supply. Ultimately the rapidly growing labour force and increased participation should continue to ease labour shortage concerns.

The Bank of Canada's 'conditional pause' on interest rates ended after four months, with the BoC raising rates another 25 bps in June to 4.75%, which is a 22-year high. The hike came amid stronger-than-expected economic growth, resilient inflation, a resurging housing market and a continued tight labour market. These developments led to a sharp rise in yields across the curve, particularly in the short end, where the two-year Canada bond yield rose 85 basis points in the quarter to reach new highs for this cycle. This resulted in further inversion of the yield curve, with the 2- to 10-year part of the curve now having been inverted for the past 12 months. With the June rate increase, the BoC has now increased the overnight rate by 450 bps since March 2022 in a bid to quell inflation, and the market has increased expectations for future hikes, with the terminal rate currently priced at just over 5%.

After unexpectedly rising by a tick in April, headline inflation fell in May to 3.4% year-over-year. This marked a sharp deceleration from 4.4% the prior month but was largely due to base effects from gasoline prices, with food and shelter prices remaining big contributors. Some good news came from softer core measures of inflation, with the three-month annualised rate for CPI excluding food, energy and mortgage interest costs decelerating to under 3%, which is in-line with the BoC's target inflation range. The breadth of inflation also decreased, with fewer CPI components running above target. Headline inflation is clearly approaching the upper bound of the BoC's target range, but the central bank remains concerned about a sustained return to the target midpoint. It appears that the policy rate has

## Portfolio Outlook and Positioning



not been restrictive enough for long enough, but with time today's level of rates should increasingly cut into consumer purchasing power, dampening demand. To that point, the *real* policy rate, as measured by the overnight rate less headline inflation, is the most restrictive it has been since 2009.

Against this macro backdrop, the FTSE Canada Universe Bond Index posted its first quarterly loss since 2Q22, returning -0.69%. The negative total return was driven entirely by rising government bond yields, as credit spreads declined in the quarter. Canadian government bond yields rose across the curve, with short-term yields rising more than long-term ones as markets priced in future rate hikes. Meanwhile, Canadian investment-grade spreads, as represented by the Bloomberg Canada Aggregate Corporate Index, tightened by 15 bps after reaching year-to-date highs in March. This led to the outperformance of corporate bonds, which took their cue from encouraging economic momentum. Spreads finished the quarter at 150 bps, which is close to the average level for the year (YTD range: 141 to 171 bps). Primary issuance was active in the quarter, with a rebound in nonfinancial corporate supply compared to last year. Flows into fixed income remain robust as investors are drawn to attractive yields. Within corporates, higher beta and cyclical sectors such as subordinated financials and autos outperformed, while more defensive sectors such as utilities, telecommunications and infrastructure underperformed.

### Portfolio positioning

After opportunistically adding corporate bonds at historically attractive spread levels in 4Q22, total credit risk in the fund has remained near the midpoint of our range, which is nevertheless overweight versus the index. With Canadian credit spreads finishing the quarter at 150 bps, which is near the average level for the year, we feel that valuations are near fair value for current fundamentals and technicals. We would characterize our current positioning as 'defensive, but in an athletic stance', with a yield and spread advantage over the benchmark but also liquidity — via federal bond exposure — sufficient to capitalise on any future credit event. This positioning is supported by our expectations of the continued slowing of economic activity, inflation that may prove relatively stickier due to a strong labour market and consequently policy rates that may need to stay higher for longer. While many macro indicators continue to signal recession, micro indicators from our analyst team point to resiliency, particularly within the higher income cohort of consumers, supporting our credit positioning.

## Portfolio Outlook and Positioning



From a sector standpoint, we are selectively overweight investment-grade corporates, specifically Canadian investment grade. Canadian investment-grade corporate valuations continue to look attractive relative to many other global fixed income sectors. While we added to our US investment-grade exposure in the quarter through an attractively priced new issue, our exposure here remains near the low end of our range, ending the quarter at 2.9%. Canadian investment grade valuations continue to look cheap versus their US counterparts, with Canadian credit spreads about 20 bps wider at the index level, which is near historic wides. Consequently, we are maintaining discipline and retaining capacity to add nonCanadian exposure.

Within Canadian IG, financials are the largest corporate overweight, with a focus on major Canadian banks and insurers. Relative value within both senior (bail-in) and subordinated (NVCC, LRCN) issues screen favourably relative to nonbank sectors. During the quarter OSFI increased capital requirements for the Big 6 Canadian banks, which is credit positive for bondholders as it allows more capacity to absorb losses in an adverse scenario. The energy sector is another overweight with notable exposure to regulated utilities and pipeline issuers (*e.g.*, Canadian Utilities, Enbridge, Inter Pipeline), which have performed well as investor sentiment has shifted to a defensive mindset. Our focus is on issuers with predictable and stable cash flows with manageable near-term capital expenditure requirements allowing for free cash flow generation and deleveraging opportunities. A number of these issuers also have favourable contracts with features such as inflation and cost escalators, allowing them to pass on higher costs and retain margins, which is particularly attractive in the current inflation environment.

Our high-yield exposure remains near the low end of our historical range as slowing growth should place pressure on spreads, especially given the current tightness to investment grade peers. Finally, we maintain modest exposure to securitized credit, typically CLO capital structures. The exposure fell slightly as existing holdings continue to pay down. We believe these securities offer attractive value relative to corporates and are mostly floating rate. In our view this area offers a diversified source of return with much less interest rate risk and attractive carry in the most senior tranches, which is where we focus.

Portfolio duration remained approximately neutral versus the index during the quarter. Interest rate volatility fell in the quarter but remains historically high, while momentum for further policy rate increases and higher yields across the curve continues. As we approach the end of the tightening cycle, our bias is to move to longer duration as economic weakness becomes more evident.

## Portfolio Outlook and Positioning



We continue to seek to balance carry and liquidity by keeping yield in the portfolio while preserving the ability to capitalise on any opportunities offered by dislocations in risk pricing. As the quarter ended, the portfolio's yield advantage over the index was approximately equal to our through-cycle excess return target. In our view, higher yields and more attractive valuations have set up fixed income for better total returns because long-term performance tends to correlate highly with starting yields, which are higher than they have been for most of the past decade.

51980.1

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-Jun-23	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Cash & Cash Equivalents (0.79%)	CASH & CASH EQUIVALENTS			0.79
Communication (4.73%)	BELL TELEPHONE CO OF CANADA OR BELL CANADA/THE	3.800	Aug 21 28	0.81
	CCO HOLDINGS LLC / CCO HOLDINGS CAPITAL CORP	5.000	Feb 01 28	0.33
	CHARTER COMMUNICATIONS OPERATING LLC CHA	5.250	Apr 01 53	0.27
	CSC HOLDINGS LLC	3.375	Feb 15 31	0.11
	PROSUS NV (NASPERS LTD)	3.680	Jan 21 30	0.08
	ROGERS COMMUNICATIONS INC	3.300	Dec 10 29	0.02
	ROGERS COMMUNICATIONS INC	2.900	Dec 09 30	0.01
	ROGERS COMMUNICATIONS INC	6.750	Nov 09 39	0.08
	ROGERS COMMUNICATIONS INC	6.560	Mar 22 41	0.13
	ROGERS COMMUNICATIONS INC	4.550	Mar 15 52	0.37
	ROGERS COMMUNICATIONS INC	5.250	Apr 15 52	0.17
	ROGERS COMMUNICATIONS INC	5.000	Dec 17 81	0.15
	SBA COMMUNICATIONS CORP	3.875	Feb 15 27	0.08
	SBA COMMUNICATIONS CORP	3.125	Feb 01 29	0.22
	SIRIUS XM RADIO INC	5.500	Jul 01 29	0.25
	TELUS CORP	2.350	Jan 27 28	0.26
	TELUS CORP	2.850	Nov 13 31	0.28
	TELUS CORP	4.400	Jan 29 46	0.24
	TELUS CORP	3.950	Feb 16 50	0.08
	VIDEOTRON LTD	5.625	Jun 15 25	0.19
	WARNERMEDIA HOLDINGS INC	5.141	Mar 15 52	0.41
	WMG ACQUISITION CORP	3.000	Feb 15 31	0.20
Energy (11.51%)	BRUCE POWER LP	4.010	Jun 21 29	0.12
	BRUCE POWER LP	4.000	Jun 21 30	1.20
	CENOVUS ENERGY INC	3.500	Feb 07 28	0.43
	CU INC	4.722	Sep 09 43	0.53
	CU INC	3.174	Sep 05 51	0.06
	CU INC	4.773	Sep 14 52	1.81
	ENBRIDGE GAS INC	2.900	Apr 01 30	0.82

# Portfolio Holdings



As of 30-Jun-23	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Energy (continued) (11.51%)	ENBRIDGE GAS INC	3.650	Apr 01 50	0.29
	ENBRIDGE GAS INC	3.200	Sep 15 51	0.84
	ENBRIDGE INC	4.240	Aug 27 42	0.26
	ENBRIDGE INC	4.570	Mar 11 44	0.21
	FIRSTENERGY CORP	3.400	Mar 01 50	0.17
	INTER PIPELINE LTD/AB	3.983	Nov 25 31	0.18
	INTER PIPELINE LTD/AB	6.380	Feb 17 33	0.61
	NEXTERA ENERGY OPERATING PARTNERS LP	4.500	Sep 15 27	0.13
	NORTHWEST REDWATER PARTNERSHIP NWR FINANCING CO LT	4.150	Jun 01 33	0.28
	NORTHWEST REDWATER PARTNERSHIP NWR FINANCING CO LT	3.650	Jun 01 35	0.84
	NORTHWEST REDWATER PARTNERSHIP NWR FINANCING CO LT	3.700	Feb 23 43	0.07
	NORTHWEST REDWATER PARTNERSHIP NWR FINANCING CO LT	4.050	Jul 22 44	0.27
	ONTARIO POWER GENERATION INC	3.215	Apr 08 30	0.97
	PARKLAND CORP/ALBERTA	4.625	May 01 30	0.23
	PEMBINA PIPELINE CORP	4.670	May 28 50	0.83
	TRANSCANADA PIPELINES LTD	3.800	Apr 05 27	0.36
	Federal (33.43%)	CANADIAN GOVERNMENT	0.000	Sep 20 23
CANADIAN GOVERNMENT		0.000	Sep 20 23	2.26
CANADIAN GOVERNMENT		0.000	Sep 20 23	15.47
CANADIAN GOVERNMENT BOND		2.000	Sep 01 23	4.78
CANADIAN GOVERNMENT BOND		3.750	Feb 01 25	1.34
CANADIAN GOVERNMENT BOND		3.250	Sep 01 28	2.04
CANADIAN GOVERNMENT BOND		1.500	Jun 01 31	2.73
CANADIAN GOVERNMENT BOND		2.750	Jun 01 33	5.92
CANADIAN GOVERNMENT BOND		3.500	Dec 01 45	2.50
CANADIAN GOVERNMENT BOND		1.750	Dec 01 53	2.38
DOMINICAN REPUBLIC		4.500	Jan 30 30	0.11
ELECTRICITE DE FRANCE SA	5.993	May 23 30	0.59	

# Portfolio Holdings



As of 30-Jun-23	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
<b>Federal (continued) (33.43%)</b>	UNITED STATES TREASURY NOTE/BOND	0.000	Sep 20 23	-3.24
	UNITED STATES TREASURY NOTE/BOND	0.000	Sep 20 23	-1.35
	UNITED STATES TREASURY NOTE/BOND	0.000	Sep 20 23	-0.95
	UNITED STATES TREASURY NOTE/BOND	0.000	Sep 20 23	0.65
	UNITED STATES TREASURY NOTE/BOND	0.000	Sep 29 23	-1.04
	UNITED STATES TREASURY NOTE/BOND	0.000	Sep 29 23	-0.89
<b>Financial (19.49%)</b>	AVIVA PLC	4.000	Oct 02 30	0.47
	AVOLON HOLDINGS FUNDING LTD	2.528	Nov 18 27	0.14
	BANK OF MONTREAL	2.370	Feb 03 25	0.16
	BANK OF MONTREAL	4.609	Sep 10 25	0.62
	BANK OF MONTREAL	3.190	Mar 01 28	0.38
	BANK OF MONTREAL	5.625	May 26 82	0.64
	BANK OF NOVA SCOTIA/THE	2.290	Jun 28 24	0.48
	BANK OF NOVA SCOTIA/THE	2.160	Feb 03 25	0.29
	BANK OF NOVA SCOTIA/THE	2.950	Mar 08 27	0.31
	BANK OF NOVA SCOTIA/THE	7.023	Jul 27 82	0.52
	CANADIAN IMPERIAL BANK OF COMMERCE	4.000	Jan 28 82	0.35
	CANADIAN IMPERIAL BANK OF COMMERCE	7.150	Jul 28 82	0.77
	CANADIAN WESTERN BANK	2.606	Jan 30 25	0.03
	CANADIAN WESTERN BANK	6.000	Apr 30 81	0.12
	CHARLES SCHWAB CORP/THE	5.643	May 19 29	0.71
	CO-OPERATORS FINANCIAL SERVICES LTD	3.327	May 13 30	0.35
	ELEMENT FLEET MANAGEMENT CORP	1.600	Apr 06 24	0.07
	EMPIRE LIFE INSURANCE CO/THE	2.024	Sep 24 31	0.06
	EMPIRE LIFE INSURANCE CO/THE	3.625	Apr 17 81	0.37
	FAIRFAX FINANCIAL HOLDINGS LTD	4.250	Dec 06 27	0.32
FAIRFAX FINANCIAL HOLDINGS LTD	3.950	Mar 03 31	0.69	
GREAT-WEST LIFECO INC	3.600	Dec 31 81	0.10	
HONDA CANADA FINANCE INC	1.646	Feb 25 28	0.78	
HYUNDAI CAPITAL CANADA INC	3.196	Feb 16 27	0.86	

# Portfolio Holdings



As of 30-Jun-23	Issuer	Coupon	Maturity Date	Equivalent exposure (%)	
Financial (continued) (19.49%)	IGM FINANCIAL INC	4.560	Jan 25 47	0.08	
	INTACT FINANCIAL CORP	1.928	Dec 16 30	0.06	
	INTACT FINANCIAL CORP	4.125	Mar 31 81	0.16	
	JOHN DEERE FINANCIAL INC	2.810	Jan 19 29	0.60	
	MANULIFE FINANCIAL CORP	2.818	May 13 35	0.39	
	MANULIFE FINANCIAL CORP	3.375	Jun 19 81	0.12	
	MANULIFE FINANCIAL CORP	4.100	Mar 19 82	0.18	
	NATIONAL BANK OF CANADA	2.983	Mar 04 24	1.15	
	NATIONAL BANK OF CANADA	2.237	Nov 04 26	0.39	
	NATIONAL BANK OF CANADA	5.219	Jun 14 28	0.89	
	NATIONAL BANK OF CANADA	4.050	Aug 15 81	0.17	
	PARK AEROSPACE HOLDINGS LTD	5.500	Feb 15 24	0.06	
	POWER CORP OF CANADA	4.810	Jan 31 47	0.33	
	ROYAL BANK OF CANADA	2.328	Jan 28 27	0.40	
	ROYAL BANK OF CANADA	4.500	Nov 24 80	0.19	
	ROYAL BANK OF CANADA	4.000	Feb 24 81	0.31	
	SAGEN MI CANADA INC	5.909	May 19 28	0.37	
	SAGEN MI CANADA INC	3.261	Mar 05 31	0.44	
	TMX GROUP LTD	2.997	Dec 11 24	0.10	
	TMX GROUP LTD	3.779	Jun 05 28	0.90	
	TORONTO-DOMINION BANK/THE	4.210	Jun 01 27	0.64	
	TORONTO-DOMINION BANK/THE	5.376	Oct 21 27	0.17	
	TORONTO-DOMINION BANK/THE	3.105	Apr 22 30	0.16	
	TORONTO-DOMINION BANK/THE	3.600	Oct 31 81	0.42	
	TORONTO-DOMINION BANK/THE	7.283	Oct 31 82	0.30	
	TOYOTA CREDIT CANADA INC	4.330	Jan 24 28	0.95	
	Industrial (3.99%)	AIR CANADA	4.625	Aug 15 29	0.23
		AXALTA COATING SYSTEMS LLC	3.375	Feb 15 29	0.18
		BAT CAPITAL CORP	5.650	Mar 16 52	0.29
		BROOKFIELD FINANCE II INC	5.431	Dec 14 32	0.38



## Portfolio Holdings



As of 30-Jun-23	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
<b>Industrial (continued) (3.99%)</b>	BWX TECHNOLOGIES INC	4.125	Jun 30 28	0.11
	CANWEL BUILDING MATERIALS GROUP LTD	5.250	May 15 26	0.14
	CHARLES RIVER LABORATORIES INTERNATIONAL INC	4.000	Mar 15 31	0.16
	ENERGEAN ISRAEL FINANCE LTD	4.875	Mar 30 26	0.09
	GLOBAL AIRCRAFT LEASING CO LTD	6.500	Sep 15 24	0.07
	INDOFOOD CBP SUKSES MAKMUR TBK PT	3.541	Apr 27 32	0.14
	IRON MOUNTAIN INC	4.500	Feb 15 31	0.19
	JAZZ SECURITIES DAC	4.375	Jan 15 29	0.14
	LEVIATHAN BOND LTD	6.750	Jun 30 30	0.12
	LOBLAW COS LTD	4.488	Dec 11 28	0.14
	MATCH GROUP HOLDINGS II LLC	3.625	Oct 01 31	0.14
	MATTAMY GROUP CORP	5.250	Dec 15 27	0.16
	MEITUAN	3.050	Oct 28 30	0.08
	METRO INC/CN	5.030	Dec 01 44	0.03
	REGAL REXNORD CORP	6.400	Apr 15 33	0.43
	STANDARD INDUSTRIES INC/NJ	4.750	Jan 15 28	0.11
	STANDARD INDUSTRIES INC/NJ	4.375	Jul 15 30	0.14
	TECK RESOURCES LTD	3.900	Jul 15 30	0.17
	TOLL ROAD INVESTORS PARTNERSHIP II LP	0.000	Feb 15 43	0.12
	TOROMONT INDUSTRIES LTD	3.842	Oct 27 27	0.04
TRANSDIGM INC	4.625	Jan 15 29	0.16	
<b>Infrastructure (4.93%)</b>	ALGONQUIN POWER & UTILITIES CORP	5.250	Jan 31 82	0.25
	ALTALINK LP	4.692	Nov 28 32	0.79
	ALTALINK LP	3.990	Jun 30 42	0.10
	BRITISH COLUMBIA FERRY SERVICES INC	2.794	Oct 15 49	0.13
	CALGARY AIRPORT AUTHORITY/THE	3.199	Oct 07 36	0.16
	EPCOR UTILITIES INC	2.899	May 19 50	0.08
	EPCOR UTILITIES INC	4.725	Sep 02 52	0.94
	HYDRO ONE INC	2.160	Feb 28 30	2.38
	NOVA SCOTIA POWER INC	3.307	Apr 25 50	0.09

# Portfolio Holdings



As of 30-Jun-23	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
<b>Municipal (0.80%)</b>	NEW JERSEY EDA STATE	7.425	Feb 15 29	0.17
	REGIONAL MUNICIPALITY OF YORK	2.350	Jun 09 27	0.45
	VILLAGE OF BRIDGEVIEW IL	5.140	Dec 01 36	0.18
<b>Other (-10.92%)</b>	OTHER			-10.92
<b>Provincial (26.12%)</b>	PROVINCE OF ALBERTA	2.350	Jun 01 25	1.23
	PROVINCE OF ALBERTA	2.900	Dec 01 28	0.74
	PROVINCE OF ALBERTA	3.450	Dec 01 43	2.66
	PROVINCE OF ALBERTA	2.950	Jun 01 52	0.74
	PROVINCE OF BRITISH COLUMBIA CANADA	2.200	Jun 18 30	0.95
	PROVINCE OF BRITISH COLUMBIA CANADA	2.800	Jun 18 48	0.55
	PROVINCE OF BRITISH COLUMBIA CANADA	2.950	Jun 18 50	1.05
	PROVINCE OF MANITOBA CANADA	4.650	Mar 05 40	0.46
	PROVINCE OF MANITOBA CANADA	4.100	Mar 05 41	0.52
	PROVINCE OF NOVA SCOTIA CANADA	2.100	Jun 01 27	0.73
	PROVINCE OF NOVA SCOTIA CANADA	4.400	Jun 01 42	0.39
	PROVINCE OF ONTARIO CANADA	3.500	Jun 02 24	1.12
	PROVINCE OF ONTARIO CANADA	2.600	Jun 02 25	1.99
	PROVINCE OF ONTARIO CANADA	1.350	Dec 02 30	1.85
	PROVINCE OF ONTARIO CANADA	3.750	Jun 02 32	4.53
	PROVINCE OF ONTARIO CANADA	4.700	Jun 02 37	0.94
	PROVINCE OF ONTARIO CANADA	2.650	Dec 02 50	2.28
	PROVINCE OF ONTARIO CANADA	1.900	Dec 02 51	1.51
	PROVINCE OF ONTARIO CANADA	3.750	Dec 02 53	0.64
	PROVINCE OF QUEBEC	1.900	Sep 01 30	0.63
	PROVINCE OF QUEBEC	3.500	Dec 01 45	0.18
	PROVINCE OF QUEBEC	3.100	Dec 01 51	0.21
	PROVINCE OF SASKATCHEWAN CANADA	4.750	Jun 01 40	0.20
<b>Real Estate (2.20%)</b>	ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST	3.117	Feb 21 30	0.86
	CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST	3.532	Jun 11 29	1.16
	CROMBIE REAL ESTATE INVESTMENT TRUST	5.244	Sep 28 29	0.09

## Portfolio Holdings



As of 30-Jun-23	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Real Estate (continued) (2.20%)	GRANITE REIT HOLDINGS LP	2.378	Dec 18 30	0.10
Securitization (2.91%)	ATRM 12A	6.623	Apr 22 27	0.12
	BSPRT 2021-FL7 ISSUER LTD	2.150	Dec 15 38	0.05
	CLNC 2019-FL1	7.605	Aug 20 35	0.22
	GMF CANADA LEASING TRUST	5.785	Aug 20 26	0.24
	KREF 2021-FL2 LTD	1.743	Feb 15 39	0.11
	LCCM 2021-FL2 TRUST	7.411	Dec 13 38	0.11
	LNCR2021-CRE5	7.543	Jul 15 36	0.22
	LNCR2021-CRE6	7.093	Nov 15 38	0.30
	MF1 2021-FL6 LTD	7.066	Jul 16 36	0.36
	MF1 2022-FL8 LTD	4.122	Feb 19 37	0.14
	NEUB 2013-15A	7.110	Oct 15 29	0.19
	NEUB 2015-20A	0.000	Jul 15 34	0.10
	OAKCL 2019-1A	7.623	Apr 22 30	0.30
	OCP 2015-10A	6.918	Jan 26 34	0.33
	PFP 2021-8 LTD	7.308	Aug 09 37	0.12

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 June 30, 2023, 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**

DATE: July 12, 2023

## Your MFS Relationship Team



**Darren Patrick, CFA**

**Managing Director - Institutional  
Relationship Management**  
Phone: 604-661-4648  
Email: dpatrick@mfs.com



**Cameron Davies**

**Client Service Manager**  
Phone: 416-642-8081  
Email: cdavies@mfs.com

---

**MFS Investment Management Canada Limited**  
77 King Street West, 35th Floor  
Toronto, ON M5K 1B7  
Canada  
Tel:+1 416-862-9800

**MFS Gestion de Placements Canada Limitée**  
1250 Boul. René-Lévesque Ouest, Bureau 3010  
Montréal, QC  
Canada H3B 4W8  
Tel:+1 514-933-0033

**MFS Investment Management Canada Limited**  
1021 West Hastings Street, 9th Floor  
Vancouver, BC  
Canada V6E 0C3  
Tel:+1 604-623-3430

---

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

# Global Capabilities

MFS Investment Strategies



## Fundamental Equity

### Global Equity

- Contrarian Value<sup>1</sup>/Capital
- Global/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
- Global Strategic
- Global Value

### International Equity

- International/International Concentrated
- International Diversification<sup>1</sup>
- International Growth/International Growth Concentrated
- International Intrinsic Value<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
- Canadian Research

#### Emerging Markets

- Emerging Markets
- Emerging Markets Research
- Latin American

#### European

- As of 30-Jun-23.

<sup>1</sup> Limited availability.

<sup>2</sup> Closed.

- 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>2</sup>

## 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
- Canada
- European
- Global

### 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

### U.S. Municipal

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

#### Canadian

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

#### U.S.

- U.S. Long Duration

## Multi-Asset/Specialty

### Multi-Asset

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

### Target Date

- Canadian Target Date
- U.S. Target Date

### Target Risk

- Canadian Target Risk
- U.S. Target Risk

### Specialty/Equity

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

30177.40

## Additional Disclosures



Source FTSE International Limited ("FTSE") © FTSE 2023. "FTSE®" a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under license. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data and no party may rely on any FTSE indices, ratings and/or data underlying data contained in this communication. No further distribution of FTSE Data is permitted without FTSE's express written consent. FTSE does not promote, sponsor or endorse the content of this communication.

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2023. FTSE Russell is a trading name of certain of the LSE companies. ~ "FTSE®"®, "FTSE Russell®", "MTS®", "FTSE4Good®", "ICB®", "Mergent®", "The Yield Book®," is/are a trade mark(s) of the relevant LSE Group companies and is/are used by any other LSE Group company under license. "TMX®" is a trade mark of TSX, Inc. and used by the LSE Group under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

Index data source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI.

"Standard & Poor's®" and S&P "S&P®" are registered trademarks of Standard & Poor's Financial Services LLC ("S&P") and Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones") and have been licensed for use by S&P Dow Jones Indices LLC and sublicensed for certain purposes by MFS. The S&P 500® is a product of S&P Dow Jones Indices LLC, and has been licensed for use by MFS. MFS's Products are not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, S&P, or their respective affiliates, and neither S&P Dow Jones Indices LLC, Dow Jones, S&P, their respective affiliates make any representation regarding the advisability of investing in such products.