



# University of Winnipeg Foundation Inc.

MFS Canadian Equity Core Fund

MFS U.S. Equity Core Fund

MFS International Equity Fund

MFS Canadian Fixed Income Fund

MFS Canadian Money Market Fund

Fourth quarter 2014 investment report

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# TABLE OF CONTENTS



## Page

1	Market Overview
3	Performance and Assets
6	MFS Canadian Equity Core Fund
22	MFS U.S. Equity Core Fund
38	MFS International Equity Fund
55	MFS Canadian Fixed Income Fund
66	MFS Canadian Money Market Fund
75	Your Relationship Team
76	Global Capabilities

Sectors in this report are based on MFS sector classification.

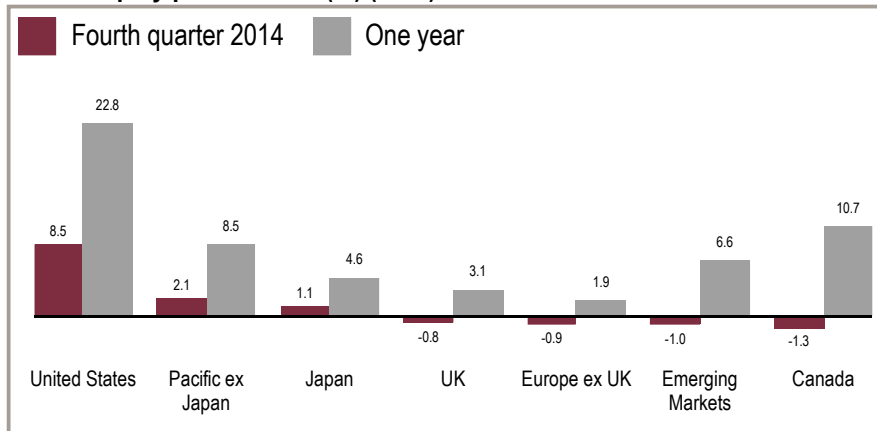
Country and region information contained in this report is based upon MFS classification methodology which may differ from the methodology used by individual benchmark providers.

University of Winnipeg Foundation Inc.

# MARKET OVERVIEW

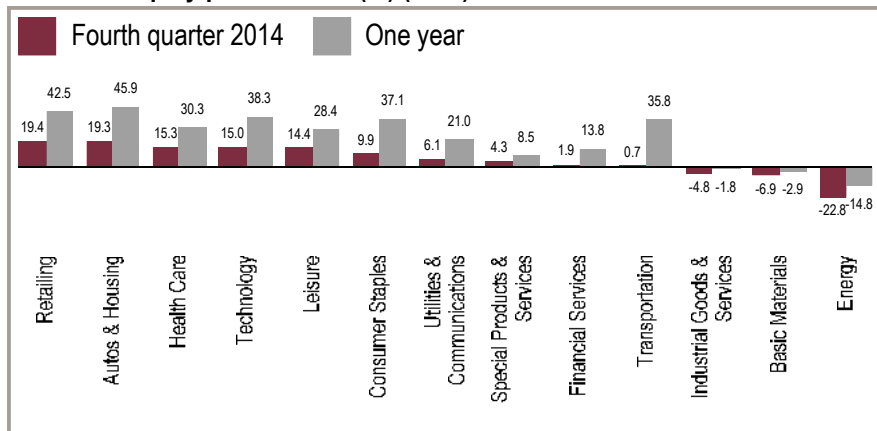


## Global Equity performance (%) (CAD) as of 31-Dec-14



Source for benchmark performance: SPAR, FactSet Research Systems Inc.

## Canadian Equity performance (%) (CAD) as of 31-Dec-14



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

## Fourth quarter 2014 Global Equity market review

- The global economic expansion has continued into 2015, thanks mainly to the strength of the US economy. Nevertheless, the expansion has remained far from normal, as growth has been unsynchronized across regions and still dependent on easy monetary policies, and there remain blockages in the credit system.
- The United States is expected to move toward a gradual normalization of interest rates amidst stronger GDP growth, a strengthening labor market and improving consumer spending, whereas Europe and Japan continue to rely on monetary and fiscal stimulus policies to combat growth and disinflationary challenges.
- Equity market valuations have risen and are now fair to fully valued. We anticipate higher equity market volatility as diverging global growth and potential rate hikes in the US may not be fully reflected by the global market.
- Emerging economies face a subdued growth outlook given some difficulty in transitioning from fixed-asset investment to consumption-led growth, the rising US dollar and declining commodity prices. We believe structural changes are needed to correct imbalances, which should lead to a long-term improvement of returns in emerging markets.

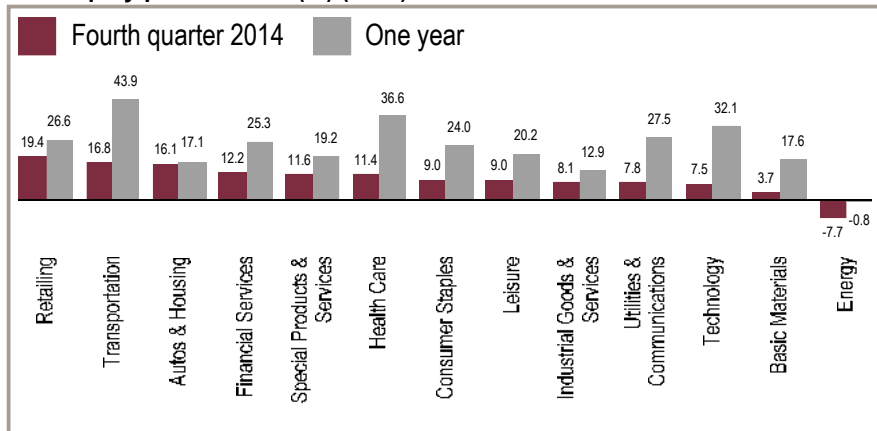
## Fourth quarter 2014 Canadian Equity market review

- Canadian equities registered a second consecutive quarter of negative price return amid higher volatility, reflecting the impact of decelerating Global economic growth, increased geopolitical risks and sharply lower commodity prices. For the third consecutive year the Canadian equity market finished in positive territory.
- Sector leadership trends that emerged in the third quarter intensified with a significant decline in the energy sector being largely offset by strength in consumer staples, information technology, healthcare and consumer discretionary sectors.
- The valuation and earnings profile of global markets generally reflect the divergent economic performance. The best values are predominately in EM and European markets with North America relatively expensive. With the exception of Japan, the trend of earnings expectations has been weakening globally.
- Canadian equities remain relatively fully valued in global context however the recent underperformance has the S&PTSX trading at the lower end of its recent range vs. the S&P 500. While a stabilization and recovery in commodity prices is likely at some point in 2015, the overriding supply/demand dynamics aren't likely supportive of a return to commodity super-cycle conditions that prevailed over the past 15 years. Monetary policy remains supportive however a precarious consumer and provincial debt profile coupled with an export profile which is less leveraged to the US than in previous economic expansions provides a less than attractive earnings and valuation outlook. Having said that, a number of companies and sectors within the Canadian market are well positioned for the current macro backdrop; particularly those exposed to lower commodity prices, a strong US economy and a lower for longer interest rate environment.

# MARKET OVERVIEW



## U.S. Equity performance (%) (CAD) as of 31-Dec-14

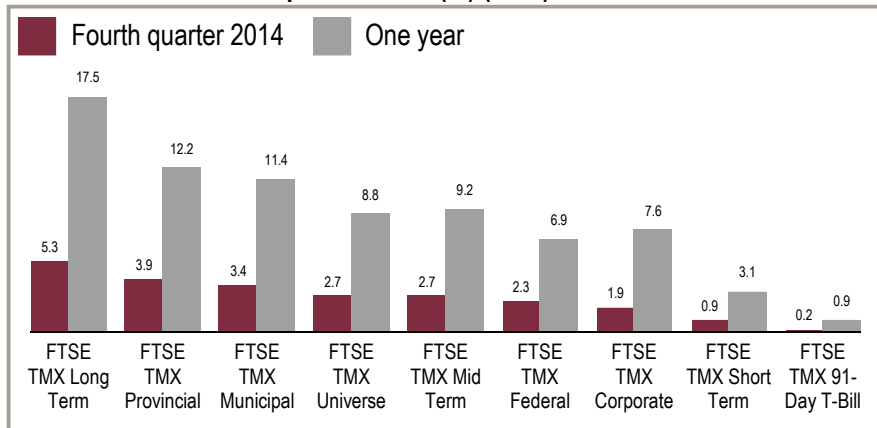


Source: FactSet. Sector performance based on MFS sector classification. The analysis of S&P 500 Index constituents are broken out by MFS defined sectors.

## Fourth quarter 2014 U.S. Equity market review

- The U.S. market, as measured by the S&P 500 Index, was resilient during Q4 after falling in early October and enduring a small pullback in December, which was mainly driven by the accelerated fall in the price of oil.
- In general, the U.S. economy picked up the pace of growth during the 4th quarter and back half of the year after posting slower growth during the beginning of 2014. Global growth remains unsynchronized as the U.S. is the growth leader among the major economies. While the Federal Reserve has ended its quantitative easing and is guiding the market toward a midyear rate tightening cycle, other monetary policymakers (i.e. ECB, BOJ and potentially the People's Bank of China) will most likely continue "super easy" monetary conditions.
- In addition, investors bid up the price of defensive, higher yielding stocks such as REITs and electric power companies in Q4, continuing a theme which persisted throughout 2014. In contrast, most companies related to energy had a very difficult quarter as the falling price of oil and natural gas was accelerated when OPEC decided not to cut production during their November meeting.

## Canadian Fixed Income performance (%) (CAD) as of 31-Dec-14



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

## Fourth quarter 2014 Canadian Fixed Income market review

- All sectors of the Canadian bond market posted strong returns in the fourth quarter with yields edging lower across the curve. Plummeting oil prices, global disinflationary pressures, and diverging global growth trends should continue to contribute to the ongoing low yield environment.
- The Bank of Canada maintained its dovish policy bias. With the collapsing price of oil, the Bank of Canada will likely be more hesitant to raise rates and should lag any Fed tightening in 2015.
- Following a global trend, Canadian corporate spreads widened considerably – especially in the energy sector – due to risk aversion, management decisions benefitting shareholders, and concerns about slowing global economic growth. This may result in long-term investment opportunities in credits exhibiting strong fundamentals throughout the cycle.

# PERFORMANCE



<b>Total annual gross performance (%) as of 31-Dec-14</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Total Portfolio	13.21	19.57	10.52	-1.96	7.73	15.38	-13.89	0.50	13.02	9.36
Benchmark <sup>^</sup>	12.22	16.83	8.16	1.04	9.46	14.06	-15.42	0.80	12.71	10.08
<b>Excess return</b>	<b>0.99</b>	<b>2.74</b>	<b>2.36</b>	<b>-3.00</b>	<b>-1.73</b>	<b>1.32</b>	<b>1.53</b>	<b>-0.30</b>	<b>0.31</b>	<b>-0.72</b>

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

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

<sup>^</sup> 5% FTSE TMX Canada 91 Day T-Bill, 25% FTSE TMX Canada Universe Bond, 14% MSCI EAFE, 29% BMO/TSX CAP 10%, 27% S&P 500

# PERFORMANCE



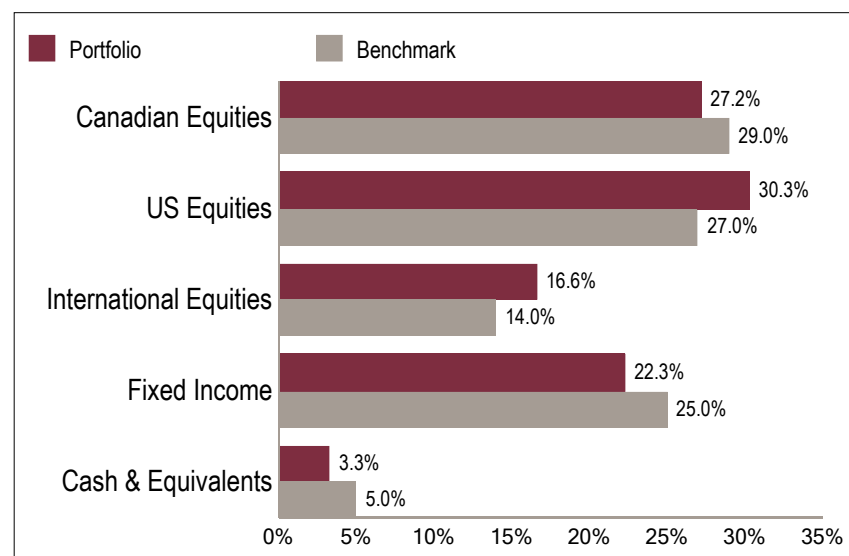
<b>Performance results (%) as of 31-Dec-14</b>	<b>4Q 2014</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
<b>Total Portfolio</b>	<b>4.06</b>	<b>13.21</b>	<b>14.37</b>	<b>9.58</b>	<b>6.91</b>
<b>Benchmark^</b>	<b>2.58</b>	<b>12.22</b>	<b>12.35</b>	<b>9.42</b>	<b>6.58</b>
MFS Canadian Equity Core Fund	1.47	14.24	14.73	8.41	7.97
S&P/TSX Capped Composite Index linked to previous benchmark	-1.47	10.55	10.22	7.53	7.60
MFS U.S. Equity Core Fund	9.62	21.51	–	–	–
Standard & Poor's 500 Stock Index (net div)	8.59	23.18	–	–	–
MFS International Equity Fund	0.78	3.48	15.93	7.50	4.96
MSCI EAFE (Europe, Australasia, Far East) Index (net div)	-0.06	3.67	15.93	7.46	4.08
MFS Canadian Fixed Income Fund	2.62	9.41	4.30	5.73	5.47
FTSE TMX Canada Universe Bond Index	2.70	8.79	3.65	5.45	5.32
MFS Canadian Money Market Fund	0.25	1.03	1.07	1.04	2.09
FTSE TMX Canada 91 Day T-Bill	0.22	0.91	0.98	0.89	1.93

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.

# ASSET SUMMARY



## Asset allocation as of 31-Dec-14



## MFS' asset mix view

We continue to characterise the macro environment as one of modest global economic growth with minimal inflation pressures. However, the plunge in energy prices is creating downside risk to inflation but modest upside risks to growth. Global monetary policy is likely to remain highly stimulative and long term interest rates low. This supports equities versus fixed income and we remain overweight stocks versus bonds and cash despite the increase in equity valuations over the past few years. We continue to expect global growth to be unsynchronised, with the U.S. economy a growth leader, Europe lagging, and China and other emerging economies continuing to slow. This divergence has led to a breakout in the U.S. dollar against all major currencies including the Canadian dollar as well as a sharp drop in commodity prices. We expect the commodity weakness to weigh on the earnings and performance of the relatively resource-heavy Canadian equity market and as a result we remain positioned underweight Canadian equities versus global equities. As bond yields rallied in the fourth quarter, we reduced exposure and are now underweight versus the benchmark.

Activity (CAD)	Beginning value as of 30-Sep-14	Contributions	Withdrawals	Intra-portfolio transfers	Change in market value	Ending value as of 31-Dec-14
<b>Total Portfolio</b>	<b>51,820,693</b>	<b>+256,810</b>	<b>-262,509</b>	<b>0</b>	<b>+2,099,877</b>	<b>53,914,871</b>
Cash	4,949	0	0	0	+0	4,949

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



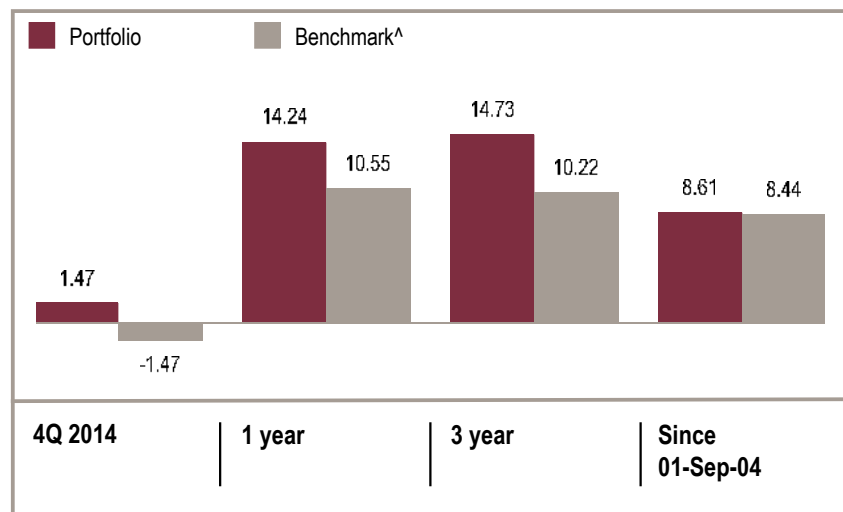
# MFS Canadian Equity Core Fund



# EXECUTIVE SUMMARY



## Performance results (%) net of expenses (CAD) as of 31-Dec-14



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

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

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

## Asset summary (CAD)

Beginning value as of 30-Sep-14	14,327,685
Contributions	+68,815
Withdrawals	-71,315
Intra-portfolio transfers	+114,369
Change in market value	+231,476
Ending value as of 31-Dec-14	14,671,030

## Sector weights (%) as of 31-Dec-14

	Portfolio	Benchmark^^
<b>Top overweights</b>		
Retailing	8.1	4.6
Transportation	8.8	6.0
Autos & Housing	4.1	1.7
<b>Top underweights</b>		
Utilities & Communications	8.5	14.0
Financial Services	31.6	35.7
Special Products & Services	0.0	1.5

^^ S&P/TSX Capped Composite Index

The MFS Canadian Equity Core Fund outperformed the S&P/TSX Capped Composite Index in the fourth quarter of 2014.

### Contributors

- Energy – Stock selection
- Retailing – Overweight position
- Basic Materials – Stock selection
- Industrial Goods & Services – Stock selection
- Individual stocks:
  - Magna Intl Inc
  - Quebecor Inc

### Detractors

- Financial Services – Stock selection
- Individual stocks:
  - BCE Inc (not held)
  - Canadian Natural Resources Ltd
  - Legacy Oil & Gas Inc
  - Cenovus Energy Inc

# PERFORMANCE RESULTS



## Performance results (%) net of expenses (CAD) as of 31-Dec-14

Period	Portfolio net (%)	Benchmark <sup>^</sup> (%)	Excess return net vs benchmark (%)
4Q 2014	1.47	-1.47	2.94
3Q 2014	0.13	-0.59	0.72
2Q 2014	6.32	6.41	-0.09
1Q 2014	5.75	6.06	-0.31
2014	14.24	10.55	3.69
2013	19.51	12.99	6.52
2012	10.60	7.19	3.41
2011	-14.56	-8.71	-5.85
2010	16.07	17.61	-1.54
1 year	14.24	10.55	3.69
3 year	14.73	10.22	4.51
5 year	8.41	7.53	0.88
10 year	7.97	7.60	0.37
Since client inception (01-Sep-04)	8.61	8.44	0.17

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

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

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

# PERFORMANCE DRIVERS - SECTORS



Relative to S&P/TSX Capped Composite Index (CAD) - fourth quarter 2014

		Benchmark returns (%)	Average relative weighting (%)	Sector allocation (%)	+	Stock selection (%)	+	Currency effect (%)	=	Relative contribution (%)
<b>Contributors</b>	Energy	-22.8	-1.0	0.2		0.7		-		0.9
	Retailing	19.4	3.3	0.6		0.0		-		0.6
	Basic Materials	-6.9	0.2	0.1		0.5		-		0.6
	Industrial Goods & Services	-4.8	1.5	-0.0		0.5		-		0.5
	Autos & Housing	19.3	2.3	0.4		0.0		-		0.4
	Transportation	0.7	2.7	0.0		0.3		-		0.4
	Health Care	15.3	0.8	0.1		-0.0		-		0.1
<b>Detractors</b>	Financial Services	1.9	-3.5	-0.1		-0.3		-		-0.3
	Special Products & Services	4.3	-1.2	-0.1		-0.0		-		-0.1
	Consumer Staples	9.9	-0.5	-0.1		-0.0		-		-0.1
	Utilities & Communications	6.1	-5.7	-0.4		0.4		-		-0.0
	Leisure	14.4	-0.1	-0.0		0.0		-		-0.0
	Cash	-	0.9	-0.0		-		-		-0.0
	Technology	15.0	0.4	0.1		-0.1		-		-0.0
<b>Total</b>		<b>-1.5</b>		<b>0.9</b>		<b>2.1</b>		<b>-</b>		<b>2.9</b>

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

# PERFORMANCE DRIVERS - STOCKS



Relative to S&P/TSX Capped Composite Index (CAD) - fourth quarter 2014

		Average Weighting		Returns		Relative contribution (%)
		Portfolio (%)	Benchmark (%)	Portfolio (%) <sup>1</sup>	Benchmark (%)	
<b>Contributors</b>	Alimentation Couche	2.5	0.9	36.1	36.1	0.5
	Magna Intl Inc	3.4	1.3	18.8	18.8	0.4
	Progressive Waste Solutions Ltd	1.7	0.2	21.8	21.8	0.3
	EnCana Corp	0.1	0.8	-13.2	-31.6	0.3
	Quebecor Inc	2.0	0.1	13.6	13.6	0.3
<b>Detractors</b>	BCE Inc	-	2.4	-	12.6	-0.3
	Canadian Natural Resources Ltd	4.0	2.3	-16.9	-16.9	-0.3
	Brookfield Asset Mgt	-	1.7	-	16.2	-0.3
	Legacy Oil & Gas Inc	0.3	0.0	-64.8	-64.8	-0.2
	Genovus Energy Inc	2.2	1.1	-19.4	-19.4	-0.2

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

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

# SIGNIFICANT IMPACTS ON PERFORMANCE – CONTRIBUTORS



		Relative contribution (%)
<b>Energy</b>		<b>0.9</b>
	Stock selection within this sector contributed to relative performance.	
	EnCana Corp	0.3
	Timing in the ownership of independent energy company Encana (Canada) supported relative returns. The shares declined in correlation with the drop in oil prices during the period, as was the case for many energy-related companies.	
	Canadian Oil Sands Trust	0.3
	Not holding Canadian Oil Sands Trust (Canada) aided relative returns. Falling oil prices during the period drove shares of many energy companies, including Canadian Oil Sands Trust, lower. Management also reduced the firm's quarterly dividend by 43%.	
<b>Retailing</b>		<b>0.6</b>
	An overweight position in Retailing contributed to relative performance as the sector outperformed the wider market over the quarter.	
	Alimentation Couche	0.5
	An overweight position in Canada-based convenience store operator Alimentation Couche contributed to relative performance. The share price spiked late in the period as the company reported positive earnings and the highly-anticipated acquisition of The Pantry during the quarter.	
	Loblaw Companies	0.3
	An overweight position in Canadian food retailer Loblaw Companies aided relative results as the shares outpaced the benchmark during the quarter. The company released results that were ahead of consensus estimates on the back of lower-than-anticipated interest expense and strong same-store sales growth in Loblaw attributable to retail inflation.	
<b>Basic Materials</b>		<b>0.6</b>
	Stock selection within this sector contributed to relative performance. However, there were no individual shares within this sector that were among the portfolio's top relative contributors for the reporting period.	
<b>Industrial Goods &amp; Services</b>		<b>0.5</b>
	Stock selection within this sector contributed to relative performance.	
	Progressive Waste Solutions Ltd	0.3
	An overweight position in non-hazardous solid waste disposal service provider Progressive Waste Solutions (Canada) bolstered relative performance after the company disclosed a change in taxation regarding debt refinancing, which appeared to have been viewed as a positive for the stock.	
<b>Individual stocks</b>		
	Magna Intl Inc	0.4
	Canadian car parts maker and contract vehicle manufacturer Magna International contributed positively to returns. The company announced better-than-expected profit in the third quarter that beat analyst expectations, boosted by strong demand in North America.	
	Quebecor Inc	0.3
	An overweight position in telecommunications, entertainment and news media services provider Quebecor (Canada) strengthened relative returns as the company released results slightly ahead of consensus estimates, driven by better-than-expected wireless subscriber loading and an increase in average revenue per user.	

# SIGNIFICANT IMPACTS ON PERFORMANCE – DETRACTORS



		Relative contribution (%)
<b>Financial Services</b>		
	Stock selection within this sector detracted from relative performance.	-0.3
	Brookfield Asset Mgt Not holding shares of diversified asset manager Brookfield Asset Management (United States) held back relative performance. The shares rose steadily as the company reported positive earnings due to growth in its property assets and increased fees.	-0.3
<b>Individual stocks</b>		
	BCE Inc Not holding shares of diversified communications company BCE (Canada) held back relative performance. The shares rose steadily due to increased earnings on the back of growth in the company's Wireless and Data segments. Management's decision to increase guidance also helped.	-0.3
	Canadian Natural Resources Ltd Shares of crude oil and natural gas exploration company Canadian Natural Resources (Canada) traded lower during the period despite announcing better-than-expected earnings as profits weakened year over year. CNR was impacted by declining oil prices, as were several other oil companies, and higher expenses.	-0.3
	Legacy Oil & Gas Inc An overweight position in intermediate oil and natural gas company Legacy Oil + Gas (Canada) dampened relative results as lower-than-anticipated price realisations and higher-than-expected operating costs weakened profits. The company also increased its borrowing base by an additional \$100 million (£66 million) during the quarter.	-0.2
	Cenovus Energy Inc Holdings of Cenovus Energy (Canada) declined during the period along with many other energy companies, as the price of oil fell.	-0.2

# SIGNIFICANT TRANSACTIONS



From 01-Oct-14 to 31-Dec-14

	Security	Sector	Transaction type	Trade (%)	Ending weight (%)
<b>Purchases</b>	ENBRIDGE INC	Utilities & Communications	Add	0.9	3.9
	CANADIAN TIRE CORP	Retailing	Add	0.6	1.3
	CAE INC	Industrial Goods & Services	Add	0.5	0.9
	STANTEC INC	Industrial Goods & Services	New position	0.4	0.4
	FAIRFAX FINANCIAL HOLDINGS	Financial Services	New position	0.4	0.4
<b>Sales</b>	GOLDCORP INC	Basic Materials	Trim	-0.7	0.8
	CANADIAN NATIONAL RAILWAY CO	Transportation	Trim	-0.6	5.4
	INTACT FINANCIAL CORP	Financial Services	Trim	-0.5	1.7
	MAGNA INTL INC	Autos & Housing	Trim	-0.5	3.6
	CANADIAN PACIFIC RAILWAY LTD	Transportation	Trim	-0.3	1.2

# SECTOR WEIGHTS



As of 31-Dec-14	Portfolio (%)	Benchmark^ (%)	Underweight/overweight (%)	Top holdings
Retailing	8.1	4.6	3.5	Alimentation Couche-Tard Inc, Loblaw Cos Ltd, Canadian Tire Corp Ltd
Transportation	8.8	6.0	2.8	Canadian National Railway Co, Canadian Pacific Railway Ltd
Autos & Housing	4.1	1.7	2.4	Magna International Inc
Industrial Goods & Services	4.2	2.2	2.0	Progressive Waste Solutions Ltd
Health Care	4.5	3.5	1.0	Valeant Pharmaceuticals International Inc
Technology	1.9	1.6	0.3	Open Text Corp
Basic Materials	11.1	11.1	0.0	Agrium Inc, CCL Industries Inc, Eldorado Gold Corp
Leisure	2.7	2.8	-0.1	Thomson Reuters Corp
Consumer Staples	0.0	0.6	-0.6	
Energy	13.6	14.6	-1.0	Suncor Energy Inc, Canadian Natural Resources Ltd, Cenovus Energy Inc
Special Products & Services	0.0	1.5	-1.5	
Financial Services	31.6	35.7	-4.1	Toronto-Dominion Bank, Royal Bank of Canada, Bank of Nova Scotia
Utilities & Communications	8.5	14.0	-5.5	Enbridge Inc, Quebecor Inc, TELUS Corp

^ S&P/TSX Capped Composite Index  
0.9% cash and other assets less liabilities.



# CHARACTERISTICS



As of 31-Dec-14	Portfolio	Benchmark <sup>^</sup>
<b>Fundamentals - weighted average</b>		
IBES long-term EPS growth <sup>1</sup>	13.4%	11.8%
Price/earnings (12 months forward)	14.8x	16.0x
Free cash flow yield (12 months trailing)	2.9%	0.1%
Return on equity (3-year average)	12.0%	12.1%
Return on invested capital	9.0%	8.1%
<b>Market capitalisation</b>		
Market capitalisation (CAD) <sup>2</sup>	41.5 bn	37.9 bn
<b>Diversification</b>		
Number of holdings	78	250
<b>Risk/reward (5 year)</b>		
Beta vs benchmark	1.07	–
Information ratio	0.27	–
Standard deviation	11.35%	10.23%
Historical tracking error	3.27%	–

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

<sup>1</sup> Source: Thomson Reuters

<sup>2</sup> Weighted average.

**Past performance is no guarantee of future results. No forecasts can be guaranteed.**

Top 10 issuers As of 31-Dec-14	Portfolio (%)	Benchmark <sup>^</sup> (%)
TORONTO DOMINION HOLDINGS INC	7.2	5.6
ROYAL BANK OF CANADA	7.1	6.3
BANK OF NOVA SCOTIA	6.2	4.4
CANADIAN NATIONAL RAILWAY CO	5.4	3.6
SUNCOR ENERGY, INC	4.8	2.9
ENBRIDGE INC	3.9	2.8
VALEANT PHARMACEUTICALS INTL INC	3.9	2.8
CANADIAN NATURAL RESOURCES LTD	3.7	2.1
MAGNA INTL INC	3.6	1.4
MANULIFE FINANCIAL CORP	3.5	2.3
<b>Total</b>	<b>49.3</b>	<b>34.3</b>

# PORTFOLIO OUTLOOK AND POSITIONING



The Canadian Equity Core strategy is focused on investing in shares of high quality businesses that either offer above-average growth opportunities or trade at attractive relative valuation levels versus their peers and the market. Portfolio sector positioning is a product of our stock selection-driven portfolio construction approach.

The strategy's sector exposure profile has not changed materially through the quarter. We continue to favour the transportation and industrials areas, which encompass the railroads, airlines, machinery, and pollution control industries. A combination of best-in-class operators, high barriers to entry due to pricing power and market position, coupled with attractive valuations are amongst the main reasons underlying our preference. Auto parts manufacturers continues to be another area we like, where our holding represents an attractive value supported by a strong balance sheet and an opportunity to further increase its operating margins and returns generated. Finally, within the retailing sector, we prefer food and drug store names, where we own shares of companies with strong market positions and attractive valuations.

Conversely, we continue to see a limited number of opportunities in utilities & communications companies. The theme of fully valued securities, in our opinion, is the dominant presence through most of the companies in this sector. Telecommunications companies are facing their own set of challenges, from structural business shifts in landline to wireless businesses, to senior management transition and increased government scrutiny of the competitive landscape. Additionally, high capital intensity typically associated with these types of businesses is an additional hurdle in our assessment of the opportunities.

During the quarter we have repositioned certain holdings in order to better reflect the relative opportunity set. Key trades for the quarter included:

- Continuing to build a position in Enbridge, energy transportation and distribution company, as the pipeline operator offers less political risk, and has a better growth profile while trading at the same level as its, in our opinion relatively riskier, competitor – TransCanada.
- Paring back our overall exposure to railways by downsizing CP Rail and Canadian National in order to better reflect the valuation prospects. After recording very strong gains in 2014, both stocks trade at more demanding valuation levels, although still attractive based on strong underlying business fundamentals.
- Establishing a new position in Fairfax Financial, as the property & casualty insurer and reinsurer currently trades at attractive valuations relative to its peers, and is being funded by a trim in our holdings of Intact Financial where relative valuation profile is not as attractive.

# PORTFOLIO OUTLOOK AND POSITIONING



- Increasing our position in Canadian Tire, as the Canadian retailer looks attractively valued versus its competitors. Key parts of our investment thesis focus on the available cost reductions, favourable operating leverage dynamics and increasing return on invested capital profile. Management continues to pay down debt, buy back shares and grow the dividend, all the factors we typically tend to look for. On the opposite side of spectrum, we have further reduced our position in Magna, as the auto sales cycle recovery matures and potential margin pressures start to build. We continue to like the stock's business fundamentals relative to valuations, but are managing the position size to reflect some of the industry-level concerns.
- Adding to our industrials holdings – CAE and Stantec. Shares of CAE, a flight simulation and integrated training services provider, could benefit from an increase in sustainable earnings growth brought upon by a combination of a continuing strength in the simulation segment and an increase in utilization on the training side of business. Stantec, in our opinion represents a very attractive opportunity within the engineering and construction segment with its diversified business profile spanning from resources to environmental engineering and urban development, and mainly focused on the design and engineering parts of the process with minimal construction exposure. With a pretty significant opportunity in the US market, we find the stock attractive based on valuations relative to the growth prospects

Canadian equities remain relatively fully valued in global context however the recent underperformance has the S&P/TSX trading at the lower end of its recent range vs. the S&P 500. While a stabilization and recovery in commodity prices is likely at some point in 2015, the overriding supply/demand dynamics aren't likely supportive of a return to commodity super-cycle conditions that prevailed over the past 15 years. Monetary policy remains supportive, however a precarious consumer and provincial debt profile coupled with an export profile which is less leveraged to the US than in previous economic expansions provides a less than attractive earnings and valuation outlook. Having said that, a number of companies and sectors within the Canadian market are well positioned for the current macro backdrop; particularly those exposed to lower commodity prices, a strong US economy and a lower for longer interest rate environment. Through our exposure to high quality companies that are able to withstand potential adverse conditions, we believe the portfolio remains well positioned to perform favourably relative to the market over the long term, regardless of particular stages of the economic cycle.

The positioning commentary included in this report was based on a representative fully discretionary portfolio for this product style; and, as such, your portfolio may differ.

# PORTFOLIO HOLDINGS



As of 31-Dec-14	Holding	Equivalent exposure (%)
<b>Autos &amp; Housing (4.1%)</b>	Magna International Inc	3.6
	Linamar Corp	0.5
<b>Basic Materials (11.1%)</b>	Agrium Inc	1.9
	CCL Industries Inc	1.6
	Eldorado Gold Corp	1.1
	Potash Corp of Saskatchewan Inc	1.0
	Goldcorp Inc	0.8
	Agnico Eagle Mines Ltd	0.8
	Teck Resources Ltd	0.6
	Lundin Mining Corp	0.5
	Centerra Gold Inc	0.5
	Cameco Corp	0.5
	Uranium Participation Corp	0.5
	First Quantum Minerals Ltd	0.4
	Methanex Corp	0.3
	Stella-Jones Inc	0.3
	Intertape Polymer Group Inc	0.3
<b>Cash &amp; Other (0.9%)</b>	Cash & Other	0.9
<b>Energy (13.6%)</b>	Suncor Energy Inc	4.8
	Canadian Natural Resources Ltd	3.7
	Genovus Energy Inc	2.0
	Keyera Corp	0.5
	Gran Tierra Energy Inc	0.5
	Tourmaline Oil Corp	0.3
	DeeThree Exploration Ltd	0.3
	MEG Energy Corp	0.3
	TORC Oil & Gas Ltd	0.3
	Trinidad Drilling Ltd	0.3
	PrairieSky Royalty Ltd	0.2
	Seven Generations Energy Ltd	0.2
	Legacy Oil + Gas Inc	0.2

# PORTFOLIO HOLDINGS



As of 31-Dec-14	Holding	Equivalent exposure (%)
<b>Energy (continued) (13.6%)</b>	Crescent Point Energy Corp	0.1
<b>Financial Services (31.6%)</b>	Toronto-Dominion Bank	7.2
	Royal Bank of Canada	7.1
	Bank of Nova Scotia	6.2
	Manulife Financial Corp	3.5
	IGM Financial Inc	1.8
	Intact Financial Corp	1.7
	Allied Properties Real Estate Investment Trust REIT	0.7
	Bank of Montreal	0.7
	Great-West Lifeco Inc	0.5
	CI Financial Corp	0.5
	Element Financial Corp	0.4
	Canadian Apartment Properties REIT REIT	0.4
	Canadian Western Bank	0.4
	Fairfax Financial Holdings Ltd	0.4
<b>Health Care (4.5%)</b>	Valeant Pharmaceuticals International Inc	3.9
	Catamaran Corp	0.5
	Concordia Healthcare Corp	0.1
<b>Industrial Goods &amp; Services (4.2%)</b>	Progressive Waste Solutions Ltd	1.7
	CAE Inc	0.9
	Bombardier Inc	0.6
	Stantec Inc	0.4
	Finning International Inc	0.4
	ZCL Composites Inc	0.1
	McCoy Global Inc	0.1
<b>Leisure (2.7%)</b>	Thomson Reuters Corp	1.0
	Performance Sports Group Ltd	0.7
	Transcontinental Inc	0.3
	MDC Partners Inc	0.3
	DHX Media Ltd	0.3
	BRP Inc/CA	0.2

# PORTFOLIO HOLDINGS



As of 31-Dec-14	Holding	Equivalent exposure (%)
<b>Retailing (8.1%)</b>	Alimentation Couche-Tard Inc	3.0
	Loblaw Cos Ltd	2.9
	Canadian Tire Corp Ltd	1.3
	Dollarama Inc	0.6
	Empire Co Ltd	0.4
<b>Technology (1.9%)</b>	Open Text Corp	1.6
	Kinaxis Inc	0.3
<b>Transportation (8.8%)</b>	Canadian National Railway Co	5.4
	Canadian Pacific Railway Ltd	1.2
	Air Canada	0.9
	WestJet Airlines Ltd	0.7
	TransForce Inc	0.5
<b>Utilities &amp; Communications (8.5%)</b>	Enbridge Inc	3.9
	Quebecor Inc	2.2
	TELUS Corp	1.4
	Canadian Utilities Ltd	0.8
	TransCanada Corp	0.2

Cash and other assets less liabilities.



**CERTIFICATE OF PORTFOLIO COMPLIANCE**

**To the Unit Holders of the MFS Canadian Equity Core Fund**

To the best of my knowledge, for the quarter ending December 31, 2014 MFS Investment Management Canada Limited ("MFS") complied in all material respects with the investment restrictions contained in the Offering Memorandum dated July 10, 2014 for the MFS Canadian Equity Core 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 Offering Memorandum.

MFS Investment Management Canada Limited.

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

Dated: January 15, 2015



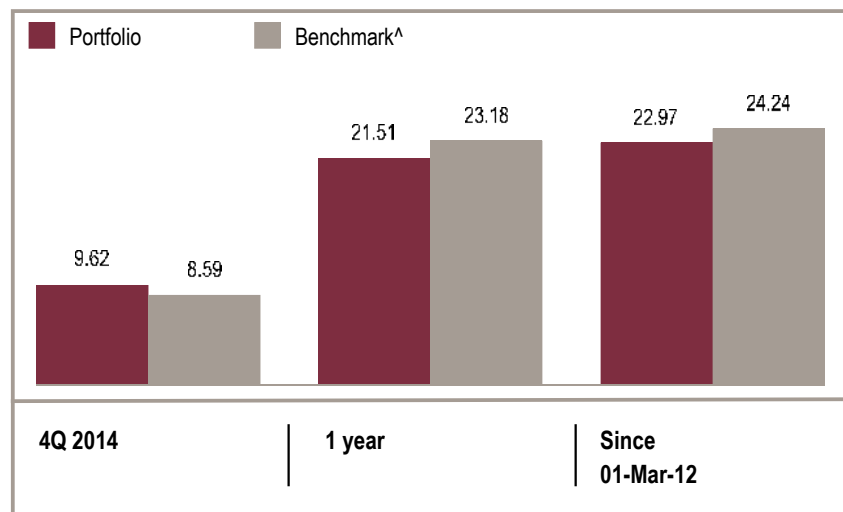
## MFS U.S. Equity Core Fund



# EXECUTIVE SUMMARY



## Performance results (%) net of expenses (CAD) as of 31-Dec-14



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

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

^ Standard & Poor's 500 Stock Index (net div)

## Asset summary (CAD)

Beginning value as of 30-Sep-14	15,539,006
Contributions	+76,663
Withdrawals	-77,878
Intra-portfolio transfers	-656,318
Change in market value	+1,484,268
Ending value as of 31-Dec-14	16,365,741

## Sector weights (%) as of 31-Dec-14

	Portfolio	Benchmark^^
<b>Top overweights</b>		
Special Products & Services	4.4	1.9
Financial Services	19.4	17.2
Industrial Goods & Services	9.5	7.3
<b>Top underweights</b>		
Technology	10.5	17.0
Utilities & Communications	3.6	6.6
Energy	5.9	7.7

^^ Standard & Poor's 500 Stock Index

The MFS U.S. Equity Core Fund outperformed the Standard & Poor's 500 Stock Index in the fourth quarter of 2014.

### Contributors

- Financial Services – Stock selection
- Special Products & Services – Stock selection
- Utilities & Communications – Stock selection
- Leisure – Stock selection
- Individual stocks:
  - IBM Corp (not held)
  - Danaher Corp
  - Limited Brands Inc

### Detractors

- Technology – Stock selection
- Transportation – Stock selection
- Individual stocks:
  - Noble Energy Inc
  - Cameron International Corp
  - Schlumberger Ltd

# PERFORMANCE RESULTS



## Performance results (%) net of expenses (CAD) as of 31-Dec-14

Period	Portfolio net (%)	Benchmark <sup>^</sup> (%)	Excess return net vs benchmark (%)
4Q 2014	9.62	8.59	1.03
3Q 2014	5.07	5.94	-0.87
2Q 2014	0.04	1.40	-1.36
1Q 2014	5.45	5.60	-0.15
2014	21.51	23.18	-1.67
2013	41.63	40.37	1.26
1 year	21.51	23.18	-1.67
Since client inception (01-Mar-12)	22.97	24.24	-1.27

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

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

<sup>^</sup> Standard & Poor's 500 Stock Index (net div)

# PERFORMANCE DRIVERS - SECTORS



Relative to Standard & Poor's 500 Stock Index (CAD) - fourth quarter 2014

		Benchmark returns (%)	Average relative weighting (%)	Sector allocation (%)	+	Stock selection (%)	+	Currency effect (%)	=	Relative contribution (%)
<b>Contributors</b>	Financial Services	12.2	2.2	0.1		0.3		0.0		0.4
	Special Products & Services	11.6	2.4	0.1		0.2		0.0		0.3
	Utilities & Communications	7.8	-2.9	0.0		0.3		0.0		0.3
	Leisure	9.0	1.9	0.0		0.2		0.0		0.3
	Industrial Goods & Services	8.1	1.9	-0.0		0.2		0.0		0.2
	Basic Materials	3.7	0.3	-0.0		0.2		-0.0		0.2
	Autos & Housing	16.1	-0.2	-0.0		0.1		0.0		0.1
	Retailing	19.4	0.6	0.1		0.1		-0.0		0.1
	Health Care	11.4	-0.3	-0.0		0.0		0.0		0.0
<b>Detractors</b>	Technology	7.5	-6.0	0.1		-0.5		0.0		-0.4
	Transportation	16.8	0.0	-0.0		-0.2		0.0		-0.2
	Energy	-7.7	-1.8	0.3		-0.5		0.0		-0.2
	Cash	-	1.3	-0.1		-		0.0		-0.1
	Consumer Staples	9.0	0.6	0.0		0.1		-0.1		-0.0
<b>Total</b>		<b>8.8</b>		<b>0.4</b>		<b>0.6</b>		<b>-0.2</b>		<b>0.9</b>

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

# PERFORMANCE DRIVERS - STOCKS



Relative to Standard & Poor's 500 Stock Index (CAD) - fourth quarter 2014

		Average Weighting		Returns		Relative contribution (%)
		Portfolio (%)	Benchmark (%)	Portfolio (%) <sup>1</sup>	Benchmark (%)	
<b>Contributors</b>	Visa Inc	2.4	0.7	27.6	27.6	0.3
	IBM Corp	-	0.9	-	-11.8	0.2
	Danaher Corp	2.7	0.3	17.0	17.0	0.2
	Limited Brands Inc	0.8	0.1	34.5	34.5	0.2
	Ross Stores Inc	0.9	0.1	29.5	29.5	0.2
<b>Detractors</b>	Noble Energy Inc	1.1	0.1	-27.9	-27.9	-0.5
	Cameron International Corp	0.9	0.1	-22.0	-22.0	-0.3
	Google Inc	3.0	1.7	-6.1	-6.0	-0.2
	Schlumberger Ltd	1.4	0.7	-12.5	-12.5	-0.2
	Microchip Technology	1.4	0.0	-0.2	-0.2	-0.1

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

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

# SIGNIFICANT IMPACTS ON PERFORMANCE – CONTRIBUTORS



			Relative contribution (%)
<b>Financial Services</b>		Stock selection within this sector contributed to relative performance.	0.4
	Visa Inc	An overweight position in global payments technology company Visa (United States) boosted relative performance, after the company reported better-than-expected revenue and lower operating expenses for the quarter. Additionally, management announced solid earnings guidance for the full year 2015, reflecting a robust margin outlook that supported its share price during the quarter.	0.3
<b>Special Products &amp; Services</b>		Stock selection within this sector contributed to relative performance. However, there were no individual shares within this sector that were among the portfolio's top relative contributors for the reporting period.	0.3
<b>Utilities &amp; Communications</b>		Stock selection within this sector contributed to relative performance. However, there were no individual shares within this sector that were among the portfolio's top relative contributors for the reporting period.	0.3
<b>Leisure</b>		Stock selection within this sector contributed to relative performance. However, there were no individual shares within this sector that were among the portfolio's top relative contributors for the reporting period.	0.3
<b>Individual stocks</b>	IBM Corp	Not owning diversified technology products and services company IBM (United States) benefited relative performance. Shares declined after the tech giant reported sharply lower third-quarter earnings as sales declined across most of its segments. It also cut guidance for 2014 FY operating earnings per share and free cash flow as well as pulling its long-standing \$20 (£13) EPS target for 2015.	0.2
	Danaher Corp	The portfolio's overweight position in industrial and consumer products manufacturer Danaher (United States) contributed to relative performance. Shares traded higher as investors appeared to react positively to the new CEO reiterating that mergers and acquisition will remain the focal point from a capital allocation standpoint and highlighting their substantial M&A capacity.	0.2
	Limited Brands Inc	Speciality retailer Limited Brands (United States) aided relative performance as the company released strong results due, in part, to robust sales growth and both the Victoria's Secret and Bath & Body Works segments showing strong top-line and EBIT growth on merchandise margin rate improvement. The company's international business also showed gains as it continued to expand both company-owned and franchise units.	0.2

# SIGNIFICANT IMPACTS ON PERFORMANCE – DETRACTORS



		Relative contribution (%)
<b>Technology</b>		<b>-0.4</b>
	Stock selection within this sector detracted from relative performance.	
	Google Inc	-0.2
	Shares of internet giant Google (United States) detracted from relative results. The company missed analysts' estimates for both revenue and income, making this the fourth consecutive quarter in which the company has fallen short on earnings expectations. The company continued to face headwinds from a maturing internet search market, challenges with monetising mobile search, and regulatory anti-trust rulings in the EU.	
<b>Transportation</b>		<b>-0.2</b>
	Stock selection within this sector detracted from relative performance. However, there were no individual stocks within this sector that were among the portfolio's top relative detractors for the reporting period.	
<b>Individual stocks</b>		
	Noble Energy Inc	-0.5
	An overweight position in oil and natural gas exploration and production company Noble Energy (United States) detracted from relative performance after the company posted below-consensus earnings. The recent decline in the price of oil has also caused negative investor sentiment towards most oil and energy-producing companies.	
	Cameron International Corp	-0.3
	An overweight allocation to oil and gas equipment manufacturer Cameron International (United States) detracted from relative performance. Shares traded lower, along with many other energy companies, as oil prices declined through the period. Management also reduced 2015 and 2016 earnings estimates.	
	Schlumberger Ltd	-0.2
	Shares of oil field services company Schlumberger (United States) weighed on relative performance, as shares were down during the period following lower anticipated growth in exploration and production, driven by a decline in oil prices.	

# SIGNIFICANT TRANSACTIONS



From 01-Oct-14 to 31-Dec-14

	Security	Sector	Transaction type	Trade (%)	Ending weight (%)
<b>Purchases</b>	ABBVIE INC	Health Care	New position	0.9	1.0
	ACTAVIS PLC	Health Care	New position	0.6	0.6
	LILLY ELI & CO	Health Care	New position	0.5	0.5
	EOG RESOURCES INC	Energy	Add	0.2	1.4
	MCKESSON CORP	Health Care	Add	0.2	0.9
<b>Sales</b>	PFIZER INC	Health Care	Trim	-1.3	0.5
	ORACLE CORPORATION	Technology	Trim	-0.6	0.4
	WALT DISNEY COMPANY	Leisure	Trim	-0.2	2.1
	COVIDIEN PLC	Health Care	Trim	-0.2	1.0
	GOLDMAN SACHS GROUP INC	Financial Services	Trim	-0.2	1.8

# SECTOR WEIGHTS



As of 31-Dec-14	Portfolio (%)	Benchmark^ (%)	Underweight/overweight (%)	Top holdings
Special Products & Services	4.4	1.9	2.5	Accenture PLC, Cognizant Technology Solutions Corp, Fidelity National Information Services Inc
Financial Services	19.4	17.2	2.2	JPMorgan Chase & Co, Visa Inc, Wells Fargo & Co
Industrial Goods & Services	9.5	7.3	2.2	Danaher Corp, United Technologies Corp, Honeywell International Inc
Leisure	8.0	5.9	2.1	Walt Disney Co, Comcast Corp, Time Warner Inc
Consumer Staples	8.0	7.4	0.6	Procter & Gamble Co, Mondelez International Inc, Pernod Ricard SA
Retailing	7.7	7.1	0.6	Bed Bath & Beyond Inc, Target Corp, Ross Stores Inc
Basic Materials	3.7	3.5	0.2	Crown Holdings Inc
Transportation	2.2	2.2	0.0	Canadian National Railway Co
Health Care	14.2	14.3	-0.1	Johnson & Johnson, Thermo Fisher Scientific Inc, Valeant Pharmaceuticals International
Autos & Housing	1.6	1.8	-0.2	Sherwin-Williams Co
Energy	5.9	7.7	-1.8	EOG Resources Inc, Schlumberger Ltd
Utilities & Communications	3.6	6.6	-3.0	American Tower Corp REIT
Technology	10.5	17.0	-6.5	EMC Corp, Google Inc Class A, Microchip Technology Inc

^ Standard & Poor's 500 Stock Index  
1.3% cash and other assets less liabilities.



# CHARACTERISTICS



As of 31-Dec-14	Portfolio	Benchmark <sup>^</sup>
<b>Fundamentals - weighted average</b>		
IBES long-term EPS growth <sup>1</sup>	11.2%	11.0%
Price/earnings (12 months forward)	17.3x	17.0x
Price/book	2.9x	2.7x
Dividend yield	1.6%	2.0%
Return on equity (3-year average)	18.9%	20.5%
<b>Market capitalisation</b>		
Market capitalisation (CAD) <sup>2</sup>	95.4 bn	132.2 bn
<b>Diversification</b>		
Top ten holdings	23%	18%
Number of holdings	86	502
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	31%	–

<sup>^</sup> Standard & Poor's 500 Stock Index

<sup>1</sup> Source: Thomson Reuters

<sup>2</sup> Weighted average.

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

**No forecasts can be guaranteed.**

Top 10 issuers As of 31-Dec-14	Portfolio (%)	Benchmark <sup>^</sup> (%)
JPMORGAN CHASE & CO	3.0	1.3
GOOGLE INC	2.8	1.7
DANAHER CORP	2.8	0.3
VISA INC	2.5	0.7
EMC CORP	2.2	0.3
JOHNSON & JOHNSON	2.1	1.6
PROCTER & GAMBLE COMPANY	2.1	1.3
WELLS FARGO & COMPANY	2.1	1.4
WALT DISNEY COMPANY	2.1	0.8
UNITED TECHNOLOGIES	2.0	0.5
<b>Total</b>	<b>23.6</b>	<b>10.0</b>

# PORTFOLIO OUTLOOK AND POSITIONING



The portfolio is focused on large-cap, higher-quality companies with sound, above average earnings/cash flow growth trading at reasonable valuations. More specifically, key attributes that we look for in an investment include sustainable, durable franchises with real barriers to entry, above average returns that are in excess of the cost of capital, balance sheets that can withstand adverse market conditions, and solid management teams that aim to allocate capital prudently and create long term value.

Looking at current positioning, we continue to find a number of compelling investment opportunities in major banks, business services, broadcasting, and medical equipment. Among major banks, attractive valuations, a modestly improving environment, the scope for further expense reductions (for example, the shift from teller deposits to online deposits), and solid capital return make several large cap banks attractive. Within business services we are essentially gaining exposure to technology with positions in technology consulting and outsourcing companies Accenture and Cognizant. Specifically, our global technology team believes cloud computing will have a profound impact on technology spending for years to come. However, many of the companies likely to directly benefit from cloud computing trade at excessive valuations while some of the more established companies in technology are threatened by cloud computing, making investing in the sector challenging. Investing in Accenture and Cognizant help solve this issue as both are high quality companies that benefit from the move to the cloud regardless of which technology wins and trade at attractive valuations.

In broadcasting we favour the content owning media business models where trends remain stable. Specifically, we own Walt Disney, Time Warner and Twenty-First Century Fox which are well positioned to grow, driven by affiliate fees, and are least exposed to advertising risks among media companies. In addition, as viewing gets less linear and more on-demand, the best content becomes more valuable and the names we own have enough scale and differentiated content to be successful. In medical equipment we have found a mix of medical equipment and supplies companies that offer a combination of growth (driven by favourable long-term demographic trends that should drive volumes, favourable mix shift, new product launches and a focus on innovation, and penetration in faster growing markets), high or improving relative market share, expanding margins, strong free cash flow generation, prudent capital deployment and stock prices trading at attractive valuations.

Conversely, we have no exposure to integrated energy, biotechnology, telephone services, and REITs, and we are not finding many compelling opportunities in insurance, especially life insurance. Our concerns with the integrated energy companies are that return on invested capital will be lower given increased capital expenditures have not translated into increased production growth and valuations seem full. We have no exposure to biotechnology companies as valuation concerns have outweighed the prospect of higher earnings. In addition, we are gaining exposure to biologics through more attractively valued names classified as pharmaceuticals, including Bristol-Myers Squibb and a new position in AbbVie.

# PORTFOLIO OUTLOOK AND POSITIONING



Not owning telephone services companies is due to concerns around increased competition in wireless that is having a negative impact on pricing, the likelihood that capital intensity will remain relatively high as they continue to build out their networks, and valuations that are not compelling. We continue to have no exposure to REITs which look expensive relative to other financials and are once again trading at the high end of their historic trading range. Finally, within insurance, while life insurance stocks are likely to benefit should we see a rising interest rate environment, we believe the businesses are still challenged long term and prefer other investments within financial services. In addition, not owning large benchmark constituent Berkshire Hathaway on valuation concerns increases our underweight.

Key trades for the quarter included:

- Initiating a position in pharmaceutical company AbbVie. We believe the company should benefit from its hepatitis C drugs, an opportunity we believe the market is undervaluing given that AbbVie will likely take market share from Gilead Sciences given payer pushback on the high cost of curing HCV. In addition, we believe the expected fade in Humira growth shouldn't be too dramatic, providing downside support for the company's stock price.
- Initiating a position in pharmaceutical company Actavis. We like the speciality pharma space and the Allergan deal now locks Actavis into managing the business and paying down debt, both areas where we have a lot of confidence. In addition, we believe the company be an above average grower for at least the next 4-5 years and that the stock traded at a level that undervalues its growth profile.
- Initiating a position Eli Lilly which also operates in the pharmacy space. Eli Lilly offers a number of pipeline assets across its diabetes, neurology and oncology platforms that could be transformative and drive significant earnings growth, and increased optionality in their lead candidate for Alzheimer's, Solanezumab. In addition, the Novartis animal health acquisition made Lilly the second largest animal health company and increases their duration of growth.
- Trimming shares of pharmaceutical stock Pfizer into recent share price strength, the proceeds of which were largely used to fund the health care sector purchases described above.

2014 has been a challenging year from a relative performance perspective driven partly by an unfavourable market environment. One of the more notable headwinds during 2014 was the strong performance of high dividend yield stocks with utilities and REIT's notable outperformers helped by the 10-year Treasury yield's 86bp decline. We have been underexposed to higher yielding equities due to valuation concerns and this positioning hurt relative performance during the course of the year. And while much of the year we experienced a more challenging stock picking stretch, we were encouraged with the improved performance as we moved into year end. The combination of the end of QE, a modest market correction in October, a major pullback in oil prices and a rise in high yield bond spreads appears to have changed the market dynamic. As a result, our relative performance picked up significantly during November and December. Whether these trends persist into 2015 time will tell, but we will continue to seek out investment opportunities that can drive strong risk-adjusted performance over the long term.

The positioning commentary included in this report was based on a representative fully discretionary portfolio for this product style; and, as such, your portfolio may differ.

# PORTFOLIO HOLDINGS



As of 31-Dec-14	Holding	Equivalent exposure (%)
<b>Autos &amp; Housing (1.6%)</b>	Sherwin-Williams Co	1.1
	Delphi Automotive PLC	0.5
<b>Basic Materials (3.7%)</b>	Crown Holdings Inc	1.1
	WR Grace & Co	1.0
	Praxair Inc	0.8
	Linde AG	0.7
	FMC Corp	0.1
<b>Cash &amp; Other (1.3%)</b>	Cash & Other	1.3
<b>Consumer Staples (8.0%)</b>	Procter & Gamble Co	2.1
	Mondelez International Inc	1.1
	Pernod Ricard SA	1.0
	Danone SA	1.0
	Newell Rubbermaid Inc	0.9
	Colgate-Palmolive Co	0.8
	Diageo PLC	0.7
	General Mills Inc	0.4
<b>Energy (5.9%)</b>	EOG Resources Inc	1.4
	Schlumberger Ltd	1.3
	Noble Energy Inc	0.9
	Cameron International Corp	0.8
	Occidental Petroleum Corp	0.8
	National Oilwell Varco Inc	0.7
<b>Financial Services (19.4%)</b>	JPMorgan Chase & Co	3.0
	Visa Inc	2.5
	Wells Fargo & Co	2.1
	American Express Co	1.9
	Goldman Sachs Group Inc	1.8
	BlackRock Inc	1.6
	MasterCard Inc	1.5
	Bank of America Corp	1.3
	NASDAQ OMX Group Inc	1.0

# PORTFOLIO HOLDINGS



As of 31-Dec-14	Holding	Equivalent exposure (%)
<b>Financial Services (continued) (19.4%)</b>	Morgan Stanley	0.9
	ACE Ltd	0.8
	State Street Corp	0.6
	Franklin Resources Inc	0.3
<b>Health Care (14.2%)</b>	Johnson & Johnson	2.1
	Thermo Fisher Scientific Inc	1.7
	Valeant Pharmaceuticals International	1.5
	Covidien PLC	1.0
	Endo Health Solutions Inc	1.0
	AbbVie Inc	1.0
	McKesson Corp	0.9
	Stryker Corp	0.9
	Bristol-Myers Squibb Co	0.9
	Abbott Laboratories	0.9
	St Jude Medical Inc	0.7
	Actavis plc	0.6
	Pfizer Inc	0.5
	Eli Lilly & Co	0.5
<b>Industrial Goods &amp; Services (9.5%)</b>	Danaher Corp	2.8
	United Technologies Corp	2.0
	Honeywell International Inc	1.7
	Precision Castparts Corp	1.3
	WW Grainger Inc	1.1
	Fluor Corp	0.6
<b>Leisure (8.0%)</b>	Walt Disney Co	2.1
	Comcast Corp	1.8
	Time Warner Inc	1.7
	Twenty-First Century Fox Inc	1.3
	McDonald's Corp	1.1
<b>Retailing (7.7%)</b>	Bed Bath & Beyond Inc	1.3
	Target Corp	1.1

# PORTFOLIO HOLDINGS



As of 31-Dec-14	Holding	Equivalent exposure (%)
<b>Retailing (continued) (7.7%)</b>	Ross Stores Inc	1.0
	Kohl's Corp	1.0
	VF Corp	1.0
	L Brands Inc	0.9
	LVMH Moet Hennessy Louis Vuitton SA	0.8
	NIKE Inc	0.6
	Hermes International	0.0
<b>Special Products &amp; Services (4.4%)</b>	Accenture PLC	1.5
	Cognizant Technology Solutions Corp	1.5
	Fidelity National Information Services Inc	1.4
<b>Technology (10.5%)</b>	EMC Corp	2.2
	Google Inc Class A	1.6
	Microchip Technology Inc	1.3
	Google Inc Class C	1.2
	Altera Corp	1.1
	Apple Inc	1.0
	Hewlett-Packard Co	1.0
	Citrix Systems Inc	0.7
	Oracle Corp	0.4
<b>Transportation (2.2%)</b>	Canadian National Railway Co	1.3
	United Parcel Service Inc	0.8
<b>Utilities &amp; Communications (3.6%)</b>	American Tower Corp REIT	1.8
	CMS Energy Corp	0.9
	American Electric Power Co Inc	0.7
	Exelon Corp 0.000 JUN 01 17	0.3

Cash and other assets less liabilities.



**CERTIFICATE OF PORTFOLIO COMPLIANCE**

**To the Unit Holders of the MFS U.S. Equity Core Fund**

To the best of my knowledge, for the quarter ending December 31, 2014, MFS Investment Management Canada Limited ("MFS") complied in all material respects with the investment restrictions contained in the Offering Memorandum dated July 10, 2014 for the MFS U.S. Equity Core 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 Offering Memorandum.

MFS Investment Management Canada Limited.

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

Dated: January 15, 2015



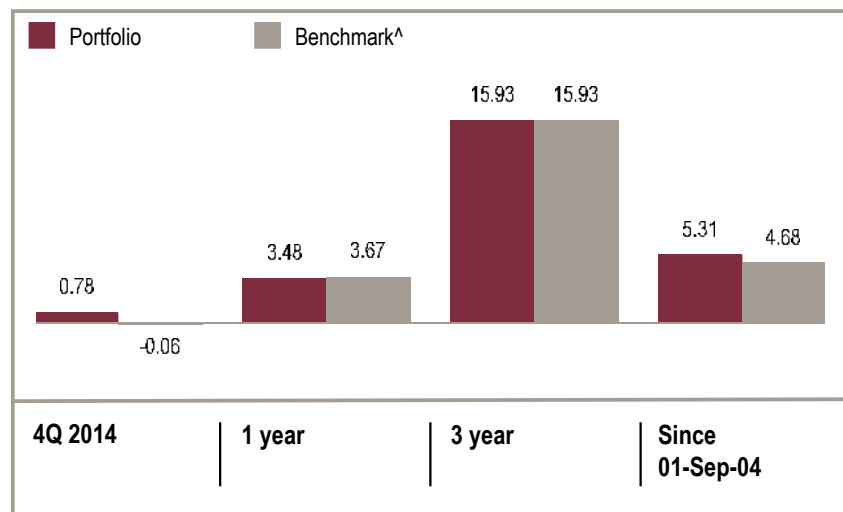
## MFS International Equity Fund



# EXECUTIVE SUMMARY



## Performance results (%) net of expenses (CAD) as of 31-Dec-14



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

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

^ MSCI EAFE (Europe, Australasia, Far East) Index (net div)

## Asset summary (CAD)

Beginning value as of 30-Sep-14	7,930,830
Contributions	+42,517
Withdrawals	-42,002
Intra-portfolio transfers	+995,065
Change in market value	+61,687
Ending value as of 31-Dec-14	8,988,098

## Sector weights (%) as of 31-Dec-14

	Portfolio	Benchmark^^
<b>Top overweights</b>		
Consumer Staples	15.8	9.4
Technology	10.4	5.3
Special Products & Services	8.3	3.5
<b>Top underweights</b>		
Financial Services	16.7	25.5
Utilities & Communications	1.9	8.8
Energy	2.3	5.7

^^ MSCI EAFE Index

The MFS International Equity Fund outperformed the MSCI EAFE Index in the fourth quarter of 2014.

### Contributors

- Health Care – Stock selection
- Special Products & Services – Stock selection and an overweight position
- Basic Materials – Stock selection
- Currency
- Individual stocks:
  - Taiwan Semiconductor
  - LVMH Moet Hennessy Louis Vuitton SA
  - WPP Group PLC
  - DBS Group Holdings

### Detractors

- Autos & Housing – Stock selection
- Consumer Staples – Stock selection
- Individual stocks:
  - BG Group PLC
  - Standard Chartered
  - Inpex Corporation
  - Sberbank
  - Saipem
  - Li & Fung

# PERFORMANCE RESULTS



## Performance results (%) net of expenses (CAD) as of 31-Dec-14

Period	Portfolio net (%)	Benchmark <sup>^</sup> (%)	Excess return net vs benchmark (%)
4Q 2014	0.78	-0.06	0.84
3Q 2014	-0.48	-1.25	0.77
2Q 2014	0.28	0.45	-0.17
1Q 2014	2.89	4.57	-1.68
2014	3.48	3.67	-0.19
2013	27.73	31.02	-3.29
2012	17.89	14.72	3.17
2011	-8.05	-9.97	1.92
2010	0.22	2.13	-1.91
1 year	3.48	3.67	-0.19
3 year	15.93	15.93	0.00
5 year	7.50	7.46	0.04
10 year	4.96	4.08	0.88
Since client inception (01-Sep-04)	5.31	4.68	0.63

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

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

<sup>^</sup> MSCI EAFE (Europe, Australasia, Far East) Index (net div)

# PERFORMANCE DRIVERS - SECTORS



Relative to MSCI EAFE Index (CAD) - fourth quarter 2014

		Benchmark returns (%)	Average relative weighting (%)	Sector allocation (%)	+	Stock selection (%)	+	Currency effect (%)	=	Relative contribution (%)
<b>Contributors</b>	Health Care	-1.9	0.3	0.0		0.4		0.1		0.5
	Special Products & Services	2.9	4.5	0.1		0.2		0.1		0.4
	Basic Materials	-2.2	1.4	-0.0		0.4		0.0		0.4
	Technology	2.5	5.1	0.2		0.0		0.1		0.4
	Leisure	5.2	3.8	0.1		-0.0		0.2		0.3
	Energy	-15.9	-3.2	0.6		-0.3		-0.0		0.2
	Cash	-	0.7	0.0		-		0.0		0.0
<b>Detractors</b>	Autos & Housing	5.8	-1.3	-0.1		-0.2		-0.0		-0.3
	Consumer Staples	2.8	6.4	0.1		-0.4		0.1		-0.2
	Utilities & Communications	1.3	-6.9	-0.1		-0.0		0.0		-0.1
	Financial Services	0.3	-8.5	0.0		-0.2		0.1		-0.1
	Retailing	4.2	0.8	0.0		-0.2		0.1		-0.1
	Transportation	5.5	-2.0	-0.1		0.0		0.0		-0.1
	Industrial Goods & Services	-1.4	-1.2	0.0		-0.1		0.1		-0.0
<b>Total</b>		<b>-0.0</b>		<b>1.0</b>		<b>-0.5</b>		<b>0.8</b>		<b>1.3</b>

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

# PERFORMANCE DRIVERS - STOCKS



## Relative to MSCI EAFE Index (CAD) - fourth quarter 2014

		Average Weighting		Returns		Relative contribution (%)
		Portfolio (%)	Benchmark (%)	Portfolio (%) <sup>1</sup>	Benchmark (%)	
<b>Contributors</b>	Taiwan Semiconductor	2.3	-	14.9	-	0.3
	Compass Group	3.2	0.2	10.1	10.1	0.3
	LVMH Moet Hennessy Louis Vuitton SA	2.2	0.4	15.1	15.1	0.3
	WPP Group PLC	2.8	0.2	8.5	9.2	0.2
	BHP Billiton PLC	-	1.1	-	-17.2	0.2
<b>Detractors</b>	BG Group PLC	1.4	0.4	-24.4	-24.4	-0.3
	Standard Chartered	1.4	0.3	-15.8	-15.8	-0.3
	Honda Motor Co Ltd	2.2	0.4	-11.5	-11.5	-0.2
	Inpex Corporation	1.1	0.1	-17.7	-17.7	-0.2
	Sberbank	0.4	-	-47.0	-	-0.2

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

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

# SIGNIFICANT IMPACTS ON PERFORMANCE – CONTRIBUTORS



		Relative contribution (%)
<b>Health Care</b>	Stock selection within this sector contributed to relative performance. However, there were no individual shares within this sector that were among the portfolio's top relative contributors for the reporting period.	0.5
<b>Special Products &amp; Services</b>	An overweight position in Special Products & Services contributed to relative performance as the sector outperformed the broad market over the quarter.	0.4
	Compass Group Holdings of food services provider Compass Group (United Kingdom) contributed to relative performance. Shares rose as the company revealed a jump in profits due to strong demand in North America and emerging markets.	0.3
<b>Basic Materials</b>	Stock selection within this sector contributed to relative performance.	0.4
	BHP Billiton PLC The portfolio's avoidance of poor-performing Australian mining company BHP Billiton benefited relative performance. Lower oil and iron ore prices drove the decline in the shares during the reporting period.	0.2
<b>Individual stocks</b>	Taiwan Semiconductor Holdings in semiconductor manufacturer Taiwan Semiconductor (Taiwan) boosted relative performance due to strong orders of Apple's 20nm application processor and healthy levels of inventory.	0.3
	LVMH Moet Hennessy Louis Vuitton SA French luxury retailer LVMH gained for the quarter and contributed to relative returns. Investors appeared to react favourably to news that LVMH had agreed to distribute a portion of its shares in handbag-maker Hermès to shareholders.	0.3
	WPP Group PLC An overweight position in advertising and marketing firm WPP Group (United Kingdom) boosted relative performance. The company's quarterly results and future guidance were in line with market consensus. Earnings growth is expected to strengthen, reflecting foreign exchange movements, lower interest on debt refinancing and share buybacks.	0.2
	DBS Group Holdings The portfolio's position in DBS Group (Singapore), Southeast Asia's largest bank, contributed to relative performance. The bank posted a third consecutive quarter of profit growth, as higher fees from wealth management and investment banking offset slower loan growth.	0.2

# SIGNIFICANT IMPACTS ON PERFORMANCE – DETRACTORS



		Relative contribution (%)
<b>Autos &amp; Housing</b>		<b>-0.3</b>
	Stock selection within this sector detracted from relative performance.	
	Honda Motor Co Ltd	-0.2
	Shares of Honda Motor (Japan) negatively impacted relative performance during the quarter. The automaker trimmed its full-year sales forecast, citing competition in Japan and China as well as the impact of recalls on new-model development.	
<b>Consumer Staples</b>		<b>-0.2</b>
	Stock selection within this sector detracted from relative performance. However, there were no individual stocks within this sector that were among the portfolio's top relative detractors for the reporting period.	
<b>Individual stocks</b>		
	BG Group PLC	-0.3
	The portfolio's overweight position in shares of oil and gas company BG Group (United Kingdom) held back relative performance. Shares declined due to falling oil prices and OPEC's (Organization of Petroleum Exporting Countries) decision to not intervene by reducing output during the reporting period.	
	Standard Chartered	-0.3
	An overweight position in banking group Standard Chartered (United Kingdom) detracted from relative performance as the shares fell during the period, following disappointing third quarter results due to weaker revenue, higher loan losses and a lack of capital generation.	
	Inpex Corporation	-0.2
	Holdings of oil & gas exploration company Inpex (Japan) detracted from relative returns. The company released results that were negatively impacted by lower overall production and a higher realised tax rate. Additionally, management lowered future guidance to reflect lower oil prices and a weaker yen.	
	Sberbank	-0.2
	Shares of financial services company Sberbank (Russia) detracted from relative performance as the Russian banking sector faced headwinds from the devaluation in the Russian rouble, rapid rate hikes and a macro recession. Additionally, Western sanctions put further pressure on the sector with regard to the refinancing of foreign obligations.	
	Saipem	-0.2
	The timing of the portfolio's ownership in oil and gas turnkey contractor Saipem (Italy) weakened relative performance as shares were down following the suspension notice received for its marine activities on the South Stream pipeline project and uncertainties surrounding the final economic impact this would have on the company. Additionally, investors bid down many energy stocks during this period due to what appeared to have been concerns over falling oil prices resulting from slowing demand and increasing supply.	
	Li & Fung	-0.2
	Holdings of Li & Fung (Hong Kong), a leading supplier to global retailers, detracted from relative performance on concerns about weak US and European retail environments, declining margins and the company missing its three-year targets for the third consecutive time.	

# SIGNIFICANT TRANSACTIONS



From 01-Oct-14 to 31-Dec-14

	Security	Sector	Transaction type	Trade (%)	Ending weight (%)
<b>Purchases</b>	SKY PLC	Leisure	Add	1.1	1.2
	BUREAU VERITAS SA	Special Products & Services	New position	0.4	0.4
	PROSIEBEN SAT.1 MEDIA AG	Leisure	Add	0.3	1.2
	CARLSBERG A/S	Consumer Staples	Add	0.2	0.6
	ROLLS-ROYCE HOLDINGS PLC	Industrial Goods & Services	Add	0.1	0.9
<b>Sales</b>	SAIPEM	Energy	Eliminate position	-0.5	–
	STANDARD CHARTERED PLC	Financial Services	Trim	-0.5	1.1
	BM&F BOVESPA SA	Financial Services	Eliminate position	-0.2	–
	HEINEKEN NV	Consumer Staples	Trim	-0.2	0.7
	NCR CORP	Technology	Trim	-0.2	0.3

# SECTOR WEIGHTS

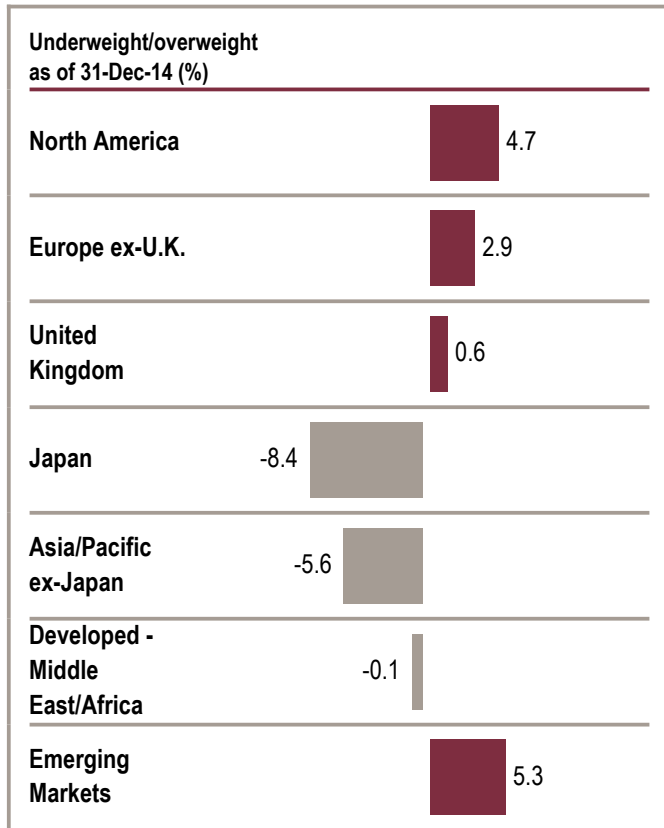


As of 31-Dec-14	Portfolio (%)	Benchmark^ (%)	Underweight/overweight (%)	Top holdings
Consumer Staples	15.8	9.4	6.4	Nestle SA ADR, Danone SA, Pernod Ricard SA
Technology	10.4	5.3	5.1	Taiwan Semiconductor Manufacturing Co Ltd ADR, Hoya Corp, SAP SE ADR
Special Products & Services	8.3	3.5	4.8	Compass Group PLC, Randstad Holding NV, Amadeus IT Holding SA
Leisure	7.3	3.0	4.3	WPP PLC ADR, Yum! Brands Inc, British Sky Broadcasting Group PLC
Basic Materials	8.6	7.0	1.6	Air Liquide SA ADR, Linde AG, Akzo Nobel NV
Retailing	5.2	4.6	0.6	LVMH Moet Hennessy Louis Vuitton SA, Hennes & Mauritz AB, Li & Fung Ltd
Health Care	11.4	11.0	0.4	Bayer AG, Merck KGaA, Valeant Pharmaceuticals International
Industrial Goods & Services	5.6	6.7	-1.1	Schneider Electric SE, FANUC Corp
Autos & Housing	5.4	6.8	-1.4	Denso Corp, Honda Motor Co Ltd
Transportation	0.6	2.7	-2.1	Kuehne + Nagel International AG
Energy	2.3	5.7	-3.4	BG Group PLC ADR, Inpex Corp
Utilities & Communications	1.9	8.8	-6.9	GDF Suez
Financial Services	16.7	25.5	-8.8	HSBC Holdings PLC ADR, UBS Group AG, DBS Group Holdings Ltd

^ MSCI EAFE Index  
0.5% cash and other assets less liabilities.



# REGION AND COUNTRY WEIGHTS



	Portfolio (%)	Benchmark <sup>^</sup> (%)	Underweight/overweight (%)
<b>North America</b>	<b>4.7</b>	<b>0.0</b>	<b>4.7</b>
United States	3.2	0.0	3.2
Canada	1.6	0.0	1.6
<b>Europe ex-U.K.</b>	<b>47.7</b>	<b>44.8</b>	<b>2.9</b>
France	14.5	9.7	4.8
Germany	13.6	9.2	4.4
Netherlands	6.3	2.8	3.5
Switzerland	10.3	9.3	1.0
Denmark	0.6	1.5	-0.9
Sweden	1.3	3.0	-1.7
Spain	1.1	3.5	-2.4
Other <sup>1</sup>	0.0	5.8	-5.8
<b>United Kingdom</b>	<b>21.7</b>	<b>21.1</b>	<b>0.6</b>
<b>Japan</b>	<b>12.8</b>	<b>21.2</b>	<b>-8.4</b>
<b>Asia/Pacific ex-Japan</b>	<b>6.7</b>	<b>12.3</b>	<b>-5.6</b>
Singapore	2.6	1.6	1.0
Hong Kong	3.6	3.1	0.5
Australia	0.5	7.5	-7.0
Other <sup>1</sup>	0.0	0.2	-0.2
<b>Developed - Middle East/Africa</b>	<b>0.5</b>	<b>0.6</b>	<b>-0.1</b>
Israel	0.5	0.6	-0.1
<b>Emerging Markets</b>	<b>5.3</b>	<b>0.0</b>	<b>5.3</b>
Taiwan	3.0	0.0	3.0
Brazil	0.9	0.0	0.9
South Korea	0.9	0.0	0.9
Thailand	0.3	0.0	0.3
Russia	0.2	0.0	0.2

0.5% cash and other assets less liabilities.

<sup>1</sup> The portfolio does not own any securities in countries represented in the benchmark in the following percentages: Italy 2.3%; Belgium 1.3%; Finland 0.9%; Norway 0.7% and 5 countries with weights less than 0.5% which totals to 0.9%.

<sup>^</sup> MSCI EAFE Index

# CHARACTERISTICS



As of 31-Dec-14	Portfolio	Benchmark <sup>^</sup>
<b>Fundamentals - weighted average</b>		
IBES long-term EPS growth <sup>1</sup>	9.7%	9.1%
Price/earnings (12 months forward)	15.5x	14.3x
Return on equity (3-year average)	16.7%	15.1%
<b>Market capitalisation</b>		
Market capitalisation (CAD) <sup>2</sup>	68.0 bn	70.8 bn
<b>Diversification</b>		
Top ten holdings	29%	13%
Number of holdings	71	910
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	27%	–
<b>Risk profile (current)</b>		
Barra predicted tracking error <sup>4</sup>	2.69%	–

<sup>^</sup> MSCI EAFE Index

<sup>1</sup> Source: Thomson Reuters

<sup>2</sup> Weighted average.

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

<sup>4</sup> Source: Barra

**No forecasts can be guaranteed.**

Top 10 issuers As of 31-Dec-14	Portfolio (%)	Benchmark <sup>^</sup> (%)
BAYER AG	4.7	0.9
NESTLE SA	4.0	1.9
COMPASS GROUP EQUITY	3.4	0.2
WPP GROUP PLC	3.0	0.2
HSBC HOLDINGS PLC	2.7	1.5
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	2.4	–
SCHNEIDER ELECTRIC	2.3	0.3
AIR LIQUIDE	2.3	0.3
DENSO CORP	2.3	0.2
DANONE	2.3	0.3
<b>Total</b>	<b>29.2</b>	<b>5.9</b>

# PORTFOLIO OUTLOOK AND POSITIONING



The International Equity strategy is focused on high-quality companies with sustainable above-average growth and returns, whose prospects are not reflected in their valuation.

We continue to favour consumer staples, speciality chemicals, and technology companies. Our investments in consumer staples companies, in general, have strong brands and diverse geographical footprints that we believe should enable them to grow at above-average rates; these companies generally have strong balance sheets, good cash flow generation and attractive valuations. We believe our holdings in speciality chemicals companies generally display more stable returns through the cycle relative to other resource-related industries. Finally, within technology, we own several companies that we believe should benefit from an increased penetration of smartphones, and the adoption of tablets, on a global basis.

Conversely, many companies that are sensitive to energy and commodity prices do not meet our sustainable growth investment criteria. This includes most integrated energy companies, which are facing declining free cash flow, and metals & mining companies. There are also limited opportunities to invest in electric power and telecommunication companies, particularly in developed markets. We believe returns and growth rates for telecommunication companies are low because competitive pressures and technological changes generally keep capital intensity relatively high. The regulatory environment for electric utilities remains a headwind due to the fiscal stress of governments globally.

While the financial sector is still the strategy's largest sector in absolute terms, we remain cautious due to our belief that most developed market commercial banks and insurance companies cannot grow faster than global GDP through a full economic cycle. We are also concerned about the increased risks for these companies given the political issues facing many developed market countries' financial systems, and the near-term uncertainty regarding possible outcomes.

Key trades during the quarter included:

- Increasing our position in British Sky Broadcasting, an entertainment and communications provider. We believe the acquisition of Sky Germany and Sky Italia should enable the company to increase its eps growth rate from mid-single digits to mid-high teens, increases the duration of the company's growth, and should result in shareholders receiving a 4% dividend yield. A valuation of less than 12x 2016 earnings provided an attractive entry point.
- Starting a position in Bureau Veritas. BV is a France-based company primarily engaged in the business support sector. It offers a range of services, including asset management, certification, classification services, consulting, inspections and audits, testing and analysis, and training. We believe the company has lower capital intensity versus peers as it has more exposure to certification businesses that are conducted by inspectors onsite. Slowing global trade provided an attractive entry point.

# PORTFOLIO OUTLOOK AND POSITIONING



- Continuing to build a position in ProSiebenSat.1 Media AG. We believe ProSieben is a well-run, innovative German broadcasting company which should benefit from advertising growth, and growth in its digital operations.
- Increasing our weighting in Danish brewer Carlsberg. We believe the company is capable of generating sustainable above-average growth and returns, driven by its significant exposure to Eastern Europe and potential for margin improvement through cost savings. To fund this transaction we trimmed our position in Dutch brewing company Heineken.
- Trimming global financial services company, Standard Chartered due to concerns regarding the company's future growth potential and increased competitive pressures. We also eliminated our position in financial services company BM&F Bovespa following strong performance post the elections in Brazil.
- Eliminating our holding in Italian-based oil services company Saipem following another profit warning in the third quarter and concerns that the company's debt could become expensive or impractical to refinance given the poor environment for energy prices.

Global equity markets continued to be supported by modest economic growth and accommodative monetary policies in 2014, despite divergence of regional economies and some geopolitical uncertainties. Outside the US market, which regained its footing in 2014, other regions are still suffering from low consumer confidence, limited capital spending and deflationary pressures, leading to negative earnings revisions and equity market underperformance. Japan has been the only exception, primarily because of the weak yen. While Prime Minister Abe's "three arrows" were initially well received by markets and generally regarded as defining moments for policy, the Japanese economy continued to show minimal evidence of cooperation with its central bankers. Similar to Japan, the reform and growth picture in Europe is not much brighter, which is why the ECB may eventually be forced to resort to aggressive quantitative easing along the lines of the Fed and Bank of Japan programs. Over the course of next year, however, we do expect financial conditions to ease, with less fiscal drag and a weaker euro also helping to provide some support for eurozone earnings. We believe emerging markets face a subdued growth outlook given some difficulty in transitioning from fixed-asset investment to consumption-led growth. With the global recovery remaining far from normal, we expect the environment of low inflation and interest rates to persist. Through our exposure to high-quality companies, we believe the portfolio remains well positioned to outperform the market over the long term, regardless of particular stages of the economic cycle.

The positioning commentary included in this report was based on a representative fully discretionary portfolio for this product style; and, as such, your portfolio may differ.

# PORTFOLIO HOLDINGS



As of 31-Dec-14	Holding	Country	Equivalent exposure (%)
<b>Autos &amp; Housing (5.4%)</b>	Denso Corp	Japan	2.3
	Honda Motor Co Ltd	Japan	2.1
	Delphi Automotive PLC	United States	1.0
<b>Basic Materials (8.6%)</b>	Air Liquide SA ADR	France	2.3
	Linde AG	Germany	1.8
	Akzo Nobel NV	Netherlands	1.7
	Rio Tinto PLC ADR	United Kingdom	1.3
	Shin-Etsu Chemical Co Ltd	Japan	1.0
	Orica Ltd	Australia	0.5
<b>Cash &amp; Other (0.5%)</b>	Cash & Other		0.5
<b>Consumer Staples (15.8%)</b>	Nestle SA ADR	Switzerland	4.0
	Danone SA	France	2.3
	Pernod Ricard SA	France	2.2
	Reckitt Benckiser Group PLC	United Kingdom	2.1
	Beiersdorf AG	Germany	1.7
	Diageo PLC ADR	United Kingdom	1.3
	Japan Tobacco Inc	Japan	1.0
	Heineken NV	Netherlands	0.7
	Carlsberg AS	Denmark	0.6
<b>Energy (2.3%)</b>	BG Group PLC ADR	United Kingdom	1.3
	Inpex Corp	Japan	1.1
<b>Financial Services (16.7%)</b>	HSBC Holdings PLC ADR	United Kingdom	2.7
	UBS Group AG	Switzerland	2.3
	DBS Group Holdings Ltd	Singapore	2.1
	AIA Group Ltd	Hong Kong	2.0
	ING Groep NV	Netherlands	2.0
	Barclays PLC	United Kingdom	1.2
	Julius Baer Group Ltd	Switzerland	1.1
	Standard Chartered PLC	United Kingdom	1.1
	Itau Unibanco Holding SA ADR	Brazil	0.9
	Prudential PLC	United Kingdom	0.8

# PORTFOLIO HOLDINGS



As of 31-Dec-14	Holding	Country	Equivalent exposure (%)
<b>Financial Services (continued) (16.7%)</b>	Kasikornbank PCL	Thailand	0.3
	Sberbank of Russia ADR	Russia	0.2
<b>Health Care (11.4%)</b>	Bayer AG	Germany	4.7
	Merck KGaA	Germany	1.9
	Valeant Pharmaceuticals International	Canada	1.6
	Roche Holding AG ADR	Switzerland	1.4
	Sonova Holding AG	Switzerland	0.9
	Terumo Corp	Japan	0.9
	Indivior PLC	United Kingdom	0.1
<b>Industrial Goods &amp; Services (5.6%)</b>	Schneider Electric SE	France	2.3
	FANUC Corp	Japan	1.2
	Rolls-Royce Holdings PLC	United Kingdom	0.9
	Legrand SA	France	0.8
	MTU Aero Engines AG	Germany	0.4
<b>Leisure (7.3%)</b>	WPP PLC ADR	United Kingdom	3.0
	Yum! Brands Inc	United States	1.9
	British Sky Broadcasting Group PLC	United Kingdom	1.2
	ProSiebenSat.1 Media AG Pfd	Germany	1.2
<b>Retailing (5.2%)</b>	LVMH Moet Hennessy Louis Vuitton SA	France	2.1
	Hennes & Mauritz AB	Sweden	1.3
	Li & Fung Ltd	Hong Kong	1.1
	Global Brands Group Holding Ltd	Hong Kong	0.5
	Hermes International	France	0.2
<b>Special Products &amp; Services (8.3%)</b>	Compass Group PLC	United Kingdom	3.4
	Randstad Holding NV	Netherlands	1.8
	Amadeus IT Holding SA	Spain	1.1
	Smiths Group PLC	United Kingdom	1.1
	Hays PLC	United Kingdom	0.4
	Bureau Veritas SA	France	0.4
<b>Technology (10.4%)</b>	Taiwan Semiconductor Manufacturing Co Ltd ADR	Taiwan	2.4

# PORTFOLIO HOLDINGS



As of 31-Dec-14	Holding	Country	Equivalent exposure (%)
<b>Technology (continued) (10.4%)</b>	Hoya Corp	Japan	2.2
	SAP SE ADR	Germany	1.9
	Kyocera Corp	Japan	1.1
	Samsung Electronics Co Ltd GDR	South Korea	0.9
	Hon Hai Precision Industry Co Ltd	Taiwan	0.6
	Dassault Systemes	France	0.6
	Check Point Software Technologies Ltd	Israel	0.5
	NCR Corp	United States	0.3
<b>Transportation (0.6%)</b>	Kuehne + Nagel International AG	Switzerland	0.6
<b>Utilities &amp; Communications (1.9%)</b>	GDF Suez	France	1.4
	Singapore Telecommunications Ltd	Singapore	0.5

Cash and other assets less liabilities.



**CERTIFICATE OF PORTFOLIO COMPLIANCE**

**To the Unit Holders of the MFS International Equity Fund**

To the best of my knowledge, for the quarter ending December 31, 2014, MFS Investment Management Canada Limited ("MFS") complied in all material respects with the investment restrictions contained in the Offering Memorandum dated July 10, 2014 for the MFS International 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 Offering Memorandum.

MFS Investment Management Canada Limited.

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

Dated: January 15, 2015



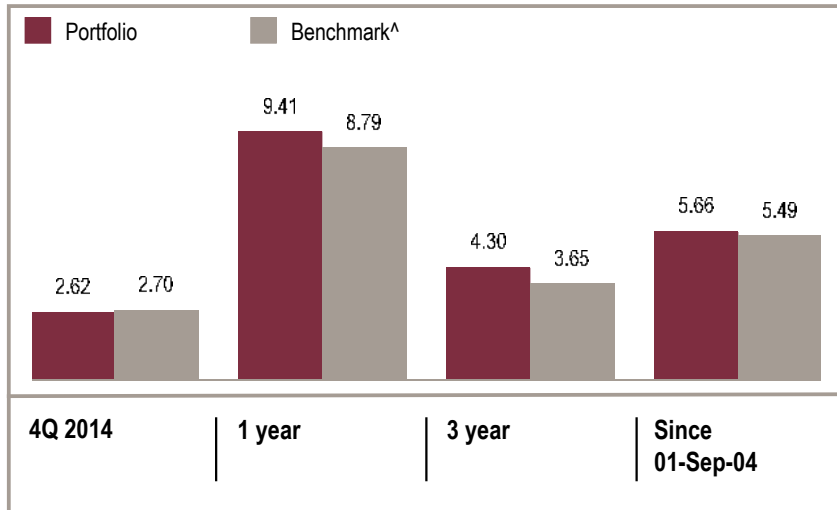


## MFS Canadian Fixed Income Fund

# EXECUTIVE SUMMARY



## Performance results (%) net of expenses (CAD) as of 31-Dec-14



Source for benchmark performance: SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualized.

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

^ FTSE TMX Canada Universe Bond Index

## Asset summary (CAD)

Beginning value as of 30-Sep-14	12,808,184
Contributions	+59,827
Withdrawals	-62,127
Intra-portfolio transfers	-1,068,998
Change in market value	+318,248
Ending value as of 31-Dec-14	12,055,133

## Key portfolio characteristics as of 31-Dec-14

	Portfolio	Benchmark^^
Average effective duration	6.97yrs	7.37yrs
Yield to worst	2.39%	2.23%

^^ FTSE TMX Canada Bond Universe Index

## Portfolio composition (%)

Federal	27.92	37.15
Provincial	27.13	31.83
Municipal	2.09	1.88
Corporate	42.27	29.14
Cash	0.60	0.00

Cash and other assets less liabilities.

# PERFORMANCE RESULTS



Performance results (%) net of expenses (CAD) as of 31-Dec-14

Period	Portfolio net (%)	FTSE TMX Canada Universe Bond Index (%)	Excess return net vs benchmark (%)
4Q 2014	2.62	2.70	-0.08
3Q 2014	1.21	1.06	0.15
2Q 2014	2.14	1.99	0.15
1Q 2014	3.14	2.77	0.37
2014	9.41	8.79	0.62
2013	-0.71	-1.19	0.48
2012	4.46	3.60	0.86
2011	8.88	9.67	-0.79
2010	6.92	6.74	0.18
1 year	9.41	8.79	0.62
3 year	4.30	3.65	0.65
5 year	5.73	5.45	0.28
10 year	5.47	5.32	0.15
Since client inception (01-Sep-04)	5.66	5.49	0.17

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

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

# PORTFOLIO COMMENTARY



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<b>Performance commentary</b>	Underperformance was a result of a shorter relative duration stance	The portfolio underperformed its benchmark for the period. A shorter relative duration was a primary detractor from relative performance and outweighed positive bond selection within financials and provincial issues.
<b>Strategy and positioning</b>	Duration and maturity profile	We continue to expect the current environment of modest global economic growth and low inflation to persist. Yet despite little change to our macro outlook, we reduced the portfolio's duration and adopted a modestly short duration posture relative to the benchmark given the strength of the bond market rally and change in valuation. This was achieved primarily by selling mid- and long-term federal government bonds in favour of shorter-dated issues. As a result, the portfolio's exposure to mid-term bonds was reduced but remains overweight given low risk of Bank of Canada tightening.
	Sector profile	As spreads widened throughout the quarter, we selectively added to our corporate overweight by participating in higher-yielding new issues within the financials sector. Though we maintained our modest underweight in provincials, we re-allocated our Western holdings by reducing Alberta in favour of Manitoba, which offers less exposure to oil prices.

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# POSITIONING



As of 31-Dec-14		Portfolio (%)	Benchmark <sup>^</sup> (%)	Underweight/overweight (%)
<b>Portfolio composition</b>	Federal	27.92	37.15	-9.23
	Provincial	27.13	31.83	-4.70
	Municipal	2.09	1.88	0.21
	Corporate	42.27	29.14	13.13
	Cash	0.60	0.00	0.60
<b>Corporate composition</b>	Communication	1.43	2.96	-1.53
	Energy	5.23	4.29	0.94
	Financial	26.28	13.39	12.89
	Industrial	5.96	2.03	3.93
	Infrastructure	2.64	4.16	-1.52
	Real Estate	0.48	1.49	-1.01
	Securitization	0.25	0.82	-0.57

Cash and other assets less liabilities.

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

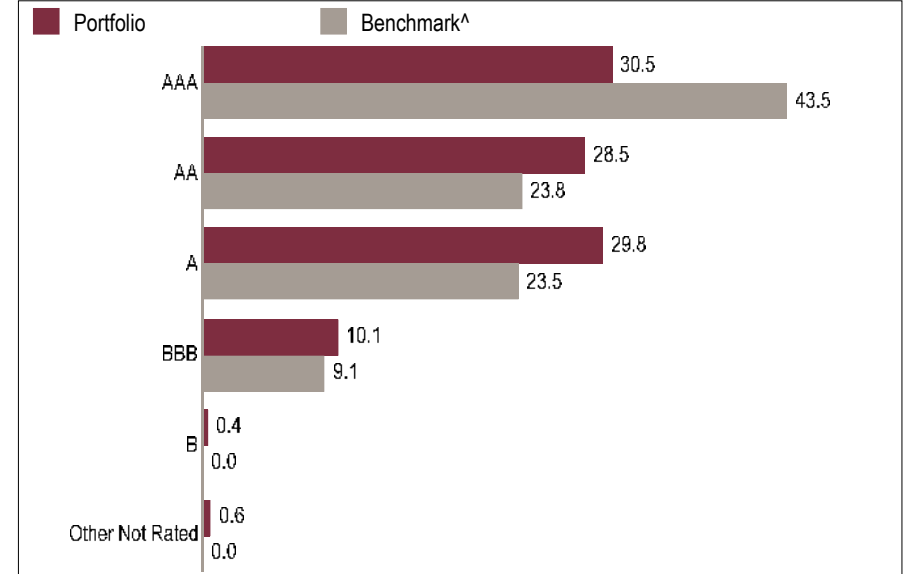
# CHARACTERISTICS



As of 31-Dec-14	Portfolio	Benchmark <sup>^</sup>
<b>Fundamentals</b>		
Average effective duration	6.97yrs	7.37yrs
Average coupon	3.63%	3.89%
Average quality <sup>1</sup>	AA-	AA
Average effective maturity	9.50yrs	10.43yrs
Yield to worst	2.39%	2.23%
<b>Diversification</b>		
Number of holdings	110	1,331
<b>Turnover</b>		
Trailing 1 year turnover <sup>2</sup>	61%	-
<b>Risk/reward (5 year)</b>		
Historical tracking error	0.62%	-
Information ratio	0.45	-

Effective term structure as of 31-Dec-14	Portfolio (%)	Benchmark <sup>^</sup>
Less than 1 Year	10.7	0.0
1-5 Years	35.3	43.3
5-10 Years	26.5	24.9
10+ Years	27.5	31.8
Mid-Term (3-10 Years)	50.7	45.2

**Credit quality (% of total assets) as of 31-Dec-14**



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

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

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

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

The MFS portfolio's quality breakdown is based on MFS' own methodology, which is different from that used by the benchmark provider. MFS has not independently verified the benchmark data. For all securities other than those specifically described below, ratings are assigned to underlying securities utilizing ratings from Moody's, Dominion Bond Rating Service (DBRS), and Standard & Poor's rating agencies and applying the following hierarchy: If all three agencies provide a rating, the middle rating (after dropping the highest and lowest ratings) is assigned; if two of the three agencies rate a security, the lower of the two 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, and cash.

# PORTFOLIO HOLDINGS



As of 31-Dec-14	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Cash & Other (0.60%)	CASH & OTHER			0.60
Communication (1.43%)	MANITOBA TELECOM SERVICES	5.625	Dec 16 19	0.20
	TELUS CORP	5.050	Jul 23 20	0.27
	TELUS CORP	3.350	Apr 01 24	0.44
	THOMSON REUTERS CORP	4.350	Sep 30 20	0.52
Energy (5.23%)	BP CAPITAL MARKETS PLC	3.497	Nov 09 20	0.99
	CU INC	6.145	Nov 22 17	0.42
	CU INC	3.805	Sep 10 42	0.67
	ENBRIDGE	3.940	Jun 30 23	0.74
	ENBRIDGE	4.240	Aug 27 42	0.49
	ENBRIDGE GAS DIST	5.210	Feb 25 36	0.51
	TRANSCANADA PIPELINES LTD	5.100	Jan 11 17	0.40
	WESTCOAST ENERGY INC	4.570	Jul 02 20	0.65
	WESTCOAST ENERGY INC	3.430	Sep 12 24	0.37
Federal (27.92%)	CANADA	1.500	Aug 01 15	7.69
	CANADA	1.750	Sep 01 19	0.29
	CANADA	2.750	Jun 01 22	0.63
	CANADA	5.750	Jun 01 29	1.08
	CANADA	3.500	Dec 01 45	0.34
	CANADA	2.750	Dec 01 48	3.41
	CANADA HOUSING TRUST	2.950	Mar 15 15	2.16
	CANADA HOUSING TRUST	1.700	Dec 15 17	0.74
	CANADA HOUSING TRUST	1.750	Jun 15 18	3.61
	CANADA HOUSING TRUST	1.950	Jun 15 19	2.69
	CANADA HOUSING TRUST	3.750	Mar 15 20	3.93
	CANADA HOUSING TRUST	2.400	Dec 15 22	0.99
	PSP CAPITAL INC.	3.290	Apr 04 24	0.36
Financial (26.28%)	BANK OF AMERICA CORP	1.878	Jun 01 16	0.88
	BANK OF MONTREAL	6.020	May 02 18	0.49
	BANK OF MONTREAL	2.840	Jun 04 20	1.00

# PORTFOLIO HOLDINGS



As of 31-Dec-14	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Financial (continued) (26.28%)	BANK OF MONTREAL	3.400	Apr 23 21	0.63
	BANK OF MONTREAL	3.979	Jul 08 21	0.44
	BANK OF NOVA SCOTIA	2.750	Aug 13 18	0.76
	BANK OF NOVA SCOTIA	3.270	Jan 11 21	0.62
	BANK OF NOVA SCOTIA	2.898	Aug 03 22	1.17
	CANADIAN IMPERIAL BANK OF COMMERCE	1.750	Jun 01 16	0.09
	CANADIAN IMPERIAL BANK OF COMMERCE	3.950	Jul 14 17	0.28
	CANADIAN IMPERIAL BANK OF COMMERCE	2.220	Mar 07 18	0.34
	CANADIAN WESTERN BANK	3.049	Jan 18 17	0.61
	CANADIAN WESTERN BANK	2.104	Jun 26 17	0.15
	CATERPILLAR FINANCIAL SERVICES LTD	2.290	Jun 01 18	0.51
	CITIGROUP INC	3.390	Nov 18 21	0.89
	DAIMLER CANADA FINANCE INC	2.270	Mar 26 18	0.16
	GEN ELEC CAP CAN	4.400	Feb 08 18	1.25
	GOLDMAN SACHS GROUP INC	5.200	Apr 19 22	1.01
	HONDA CANADA FINANCE INC	2.350	Jun 04 18	0.23
	HSBC BANK CANADA	2.938	Jan 14 20	0.49
	JOHN DEERE CANADA FUNDING INC	2.650	Jul 16 18	0.30
	JPMORGAN CHASE & CO	5.058	Feb 22 21	0.55
	JPMORGAN CHASE & CO	3.190	Mar 05 21	0.85
	MANUFACTURERS LIFE INSURANCE CO/THE	2.819	Feb 26 23	0.12
	MANULIFE FINANCIAL CORP	4.079	Aug 20 15	0.76
	MERRILL LYNCH & CO	5.290	May 30 22	0.62
	METROPOLITAN LIFE GLOBAL FUNDING I	3.027	Jun 11 20	0.87
	MORGAN STANLEY	4.900	Feb 23 17	0.66
	MORGAN STANLEY	3.125	Aug 05 21	1.00
	NATIONAL BANK OF CANADA	2.404	Oct 28 19	0.66
	POWER FINANCIAL GROUP	6.900	Mar 11 33	0.76
	RBC CAPITAL TRUST	4.870	Dec 31 15	0.51
	ROYAL BANK OF CANADA	3.660	Jan 25 17	0.75
	ROYAL BANK OF CANADA	4.930	Jul 16 25	0.76



# PORTFOLIO HOLDINGS



As of 31-Dec-14	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Financial (continued) (26.28%)	TMX GROUP INC	4.461	Oct 03 23	0.63
	TORONTO DOMINION BANK	2.447	Apr 02 19	1.16
	TORONTO DOMINION BANK	2.563	Jun 24 20	0.44
	TORONTO DOMINION BANK	3.226	Jul 24 24	0.33
	TORONTO DOMINION BANK	5.763	Dec 18 06	0.63
	TOYOTA CREDIT CANADA	2.450	Feb 27 17	0.65
	VW CREDIT CANADA	2.500	Oct 01 19	0.30
	WELLS FARGO CANADA	2.944	Jul 25 19	0.59
	WELLS FARGO CANADA	3.460	Jan 24 23	0.40
Industrial (5.96%)	ALIMENTATION COUCHE-TARD INC	4.214	Aug 21 20	0.23
	ALIMENTATION COUCHE-TARD INC	3.899	Nov 01 22	0.29
	BHP BILLITON FINANCE LTD	3.230	May 15 23	0.70
	BMW CANADA INC.	2.330	Sep 26 18	0.19
	CAMECO CORP	5.670	Sep 02 19	0.57
	CAMECO CORP	4.190	Jun 24 24	0.54
	CANADIAN PACIFIC RAILWAY CO	6.450	Nov 17 39	0.60
	DOLLARAMA INC	3.095	Nov 05 18	0.49
	KELLOGG CANADA INC	2.050	May 23 17	0.49
	LOBLAW CO LTD	5.220	Jun 18 20	0.48
	LOBLAW CO LTD	5.900	Jan 18 36	0.42
	SOBEYS INC	4.700	Aug 08 23	0.54
	TIM HORTONS INC	4.520	Dec 01 23	0.42
Infrastructure (2.64%)	407 INTL INC	6.470	Jul 27 29	0.98
	HEATHROW FUNDING LTD	3.000	Jun 17 21	0.34
	HYDRO ONE INC	6.930	Jun 01 32	0.58
	HYDRO ONE INC	5.000	Oct 19 46	0.38
	TORONTO HYDRO CORP	2.910	Apr 10 23	0.36
Municipal (2.09%)	CITY OF TORONTO	3.400	May 21 24	0.97
	CITY OF VANCOUVER	3.050	Oct 16 24	0.40
	REGIONAL MUNI OF YORK	4.000	May 31 32	0.71

# PORTFOLIO HOLDINGS



As of 31-Dec-14	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Provincial (27.13%)	55 SCHOOL BRD	5.900	Jun 02 33	1.55
	PROVINCE OF ALBERTA	2.900	Sep 20 29	0.49
	PROVINCE OF ALBERTA	4.500	Dec 01 40	0.81
	PROVINCE OF MANITOBA	4.650	Mar 05 40	0.67
	PROVINCE OF MANITOBA	4.050	Sep 05 45	1.41
	PROVINCE OF NEW BRUNSWICK	3.650	Jun 03 24	1.80
	PROVINCE OF ONTARIO	4.200	Mar 08 18	2.80
	PROVINCE OF ONTARIO	2.100	Sep 08 19	2.86
	PROVINCE OF ONTARIO	4.000	Jun 02 21	0.22
	PROVINCE OF ONTARIO	6.500	Mar 08 29	0.29
	PROVINCE OF ONTARIO	5.600	Jun 02 35	3.38
	PROVINCE OF ONTARIO	4.700	Jun 02 37	3.96
	PROVINCE OF QUEBEC	4.500	Dec 01 18	1.11
	PROVINCE OF QUEBEC	4.500	Dec 01 19	1.70
	PROVINCE OF QUEBEC	3.500	Dec 01 22	1.00
	PROVINCE OF QUEBEC	5.000	Dec 01 38	2.43
	PROVINCE OF SASKATCHEWAN	4.750	Jun 01 40	0.64
Real Estate (0.48%)	SP & SP1 LIMITED PARTNERSHIP	3.210	Jun 15 19	0.48
Securitization (0.25%)	GLACIER CREDIT CARD TRUST	2.568	Sep 20 19	0.25

Cash and other assets less liabilities.



## **CERTIFICATE OF PORTFOLIO COMPLIANCE**

### **To the Unit Holders of the MFS Canadian Fixed Income Fund**

To the best of my knowledge, for the quarter ending December 31, 2014, MFS Investment Management Canada Limited ("MFS") complied in all material respects with the investment restrictions contained in the Offering Memorandum dated July 10, 2014 for the MFS Canadian 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 Offering Memorandum.

MFS Investment Management Canada Limited.

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

Dated: January 15, 2015

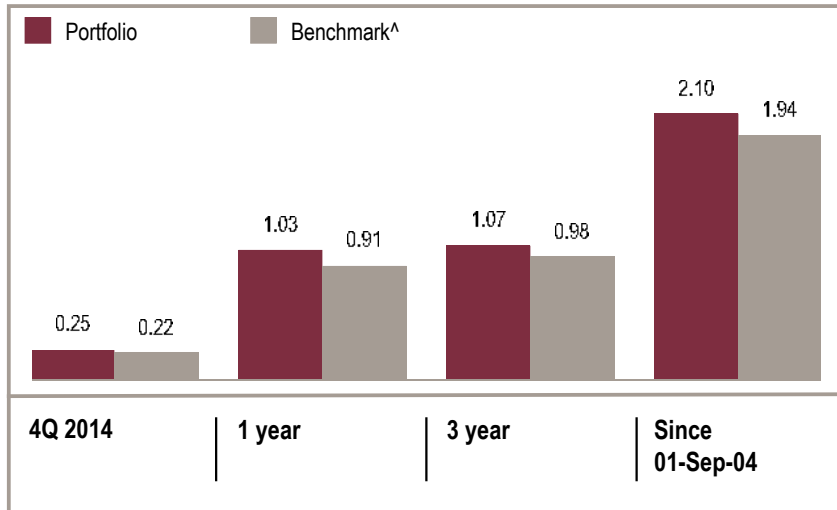


## MFS Canadian Money Market Fund

# EXECUTIVE SUMMARY



## Performance results (%) net of expenses (CAD) as of 31-Dec-14



Source for benchmark performance: SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualized.

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

^ FTSE TMX Canada 91 Day T-Bill

## Asset summary (CAD)

Beginning value as of 30-Sep-14	1,210,039
Contributions	+8,988
Withdrawals	-9,188
Intra-portfolio transfers	+615,882
Change in market value	+4,197
Ending value as of 31-Dec-14	1,829,919

## Key portfolio characteristics as of 31-Dec-14

	Portfolio	Benchmark^^
7-day yield	1.03%	-

^^ FTSE TMX Canada 91-day Treasury Bills Index  
Figure shown reflects Class A 7-Day Yield.

## Portfolio composition (%)

Federal	36.15	100.00
Provincial	19.40	0.00
Corporate	44.10	0.00
Cash	0.36	0.00

Cash and other assets less liabilities.

# PERFORMANCE RESULTS



## Performance results (%) net of expenses (CAD) as of 31-Dec-14

Period	Portfolio net (%)	FTSE TMX Canada 91 Day T-Bill (%)	Excess return net vs benchmark (%)
4Q 2014	0.25	0.22	0.03
3Q 2014	0.26	0.24	0.02
2Q 2014	0.26	0.22	0.04
1Q 2014	0.26	0.22	0.04
2014	1.03	0.91	0.12
2013	1.07	1.01	0.06
2012	1.11	1.01	0.10
2011	1.22	1.00	0.22
2010	0.75	0.54	0.21
1 year	1.03	0.91	0.12
3 year	1.07	0.98	0.09
5 year	1.04	0.89	0.15
10 year	2.09	1.93	0.16
Since client inception (01-Sep-04)	2.10	1.94	0.16

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

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

# POSITIONING



As of 31-Dec-14		Portfolio (%)	Benchmark^ (%)	Underweight/overweight (%)
<b>Portfolio composition</b>	Federal	36.15	100.00	-63.85
	Provincial	19.40	0.00	19.40
	Corporate	44.10	0.00	44.10
	Cash	0.36	0.00	0.36
<b>Corporate composition</b>	Energy	3.92	0.00	3.92
	Financial	37.31	0.00	37.31
	Industrial	2.86	0.00	2.86

Cash and other assets less liabilities.

^ FTSE TMX Canada 91-day Treasury Bills Index

# CHARACTERISTICS



As of 31-Dec-14	Portfolio	Benchmark <sup>^</sup>
<b>Fundamentals</b>		
Average quality <sup>1</sup>	R-1(H)	R-1(H)
Average term to maturity	71days	–
7-day yield	1.03%	–
<b>Diversification</b>		
Number of holdings	39	1
<b>Risk/reward (3 year)</b>		
Historical tracking error	0.05%	–
Information ratio	2.16	–

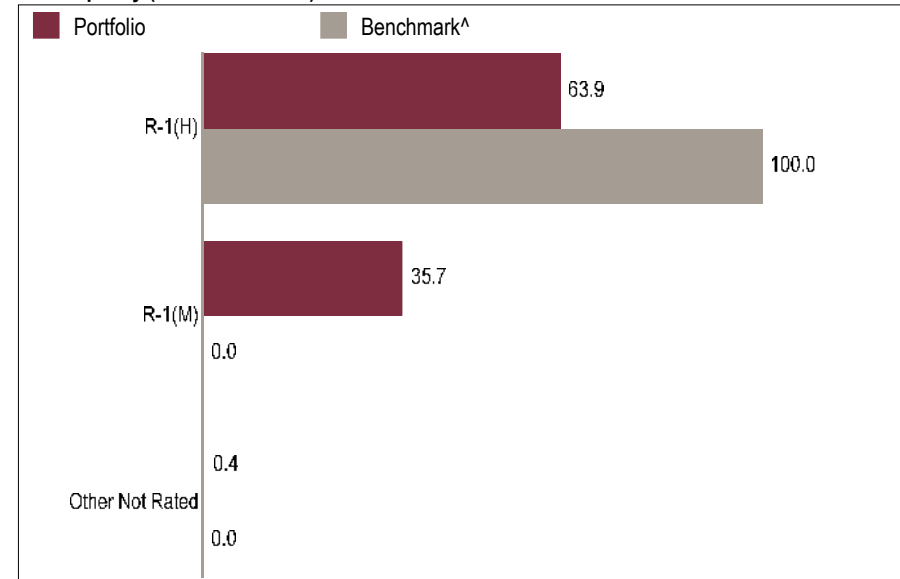
<sup>^</sup> FTSE TMX Canada 91-day Treasury Bills Index

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

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

Figure shown reflects Class A 7-Day Yield.

Credit quality (% of total assets) as of 31-Dec-14



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. The Credit Quality table shows the percentage of portfolio assets falling within each rating category. Included in each rating category are short-term debt securities, the ratings of which are based on the short-term credit quality ratings of the securities' issuers. For repurchase agreements, the credit quality is based on the short-term rating of the counterparty with which MFS trades the repurchase agreement. Short term securities utilize the rating assigned to them by the Dominion Bond Rating Service (DBRS). Ratings are subject to change.



# PORTFOLIO HOLDINGS



As of 31-Dec-14	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Cash (0.36%)	CASH & OTHER	0.000		-0.10
	CASH & OTHER	0.000		0.46
Energy (3.92%)	IMPERIAL OIL LTD	0.000	Jan 15 15	3.29
	IMPERIAL OIL LTD	0.000	Jan 20 15	0.63
Federal (36.15%)	CANADIAN GOVERNMENT T BILLS	0.000	Jan 08 15	2.15
	CANADIAN GOVERNMENT T BILLS	0.000	Jan 15 15	13.55
	CANADIAN GOVERNMENT T BILLS	0.000	Feb 12 15	2.57
	CANADIAN GOVERNMENT T BILLS	0.000	Mar 26 15	6.56
	CANADIAN GOVERNMENT T BILLS	0.000	Apr 09 15	9.21
	CANADIAN WHEAT BOARD AGENCY	0.000	Jan 07 15	2.11
Financial (37.31%)	BANK OF MONTREAL	0.000	Jan 05 15	0.76
	BANK OF MONTREAL	0.000	Jan 26 15	2.91
	BANK OF NOVA SCOTIA	0.000	Feb 02 15	1.22
	BANK OF NOVA SCOTIA	0.000	May 15 15	1.55
	CANADIAN IMPERIAL BANK OF COMMERCE	0.000	Jan 19 15	3.83
	HONDA CANADA FINANCE INC	0.000	Feb 05 15	2.86
	HONDA CANADA FINANCE INC	0.000	Apr 16 15	1.05
	JPM CHASE BANK TORONTO BRANCH	0.000	Apr 22 15	1.13
	JPM CHASE BANK TORONTO BRANCH	0.000	May 19 15	1.17
	JPM CHASE BANK TORONTO BRANCH	0.000	Jun 08 15	1.30
	MANULIFE BANK	0.000	Apr 27 15	3.02
	NATIONAL BANK OF CANADA	0.000	Jan 20 15	3.96
	ROYAL BANK OF CANADA	0.000	Jan 06 15	0.63
	ROYAL BANK OF CANADA	0.000	Jan 07 15	2.57
	ROYAL BANK OF CANADA	0.000	Feb 03 15	0.42
	TORONTO DOMINION HOLDINGS INC	0.000	Jan 21 15	1.77
	TOYOTA CRED CANADA TCCI	0.000	Mar 19 15	0.76
	TOYOTA CRED CANADA TCCI	0.000	Apr 27 15	3.11
	WELLS FARGO CANADA	0.000	Feb 02 15	2.11
	WELLS FARGO CANADA	0.000	Aug 07 15	0.75

# PORTFOLIO HOLDINGS



As of 31-Dec-14	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Financial (continued) (37.31%)	WELLS FARGO CANADA	0.000	Nov 16 15	0.42
Industrial (2.86%)	NESTLE CAPITAL CANADA LTD	0.000	Feb 05 15	2.44
	NESTLE CAPITAL CANADA LTD	0.000	Feb 17 15	0.42
Provincial (19.40%)	PROVINCE OF BRITISH COLUMBIA	0.000	Jan 05 15	1.60
	PROVINCE OF BRITISH COLUMBIA	0.000	Feb 04 15	0.84
	PROVINCE OF BRITISH COLUMBIA	0.000	May 25 15	1.55
	PROVINCE OF BRITISH COLUMBIA	0.000	Sep 16 15	4.19
	PROVINCE OF ONTARIO	0.000	Jun 03 15	2.10
	PROVINCE OF ONTARIO	0.000	Jul 22 15	4.36
	PROVINCE OF QUEBEC	0.000	Feb 23 15	3.37
	PROVINCE OF QUEBEC TBILLS	0.000	Mar 13 15	1.39

Cash and other assets less liabilities.



**CERTIFICATE OF PORTFOLIO COMPLIANCE**

**To the Unit Holders of the MFS Canadian Money Market Fund**

To the best of my knowledge, for the quarter ending December 31, 2014, MFS Investment Management Canada Limited ("MFS") complied in all material respects with the investment restrictions contained in the Offering Memorandum dated July 10, 2014 for the MFS Canadian Money Market 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 Offering Memorandum.

MFS Investment Management Canada Limited.

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

Dated: January 15, 2015

# FIXED INCOME OUTLOOK



The Canadian bond market continued its streak of solid performance in the fourth quarter, as medium and long-term bond yields declined sharply. The FTSE TMX Canada Universe Bond Index returned 2.7% in Q4, bringing the year-to-date gain to 8.8%. This result was surprising not only because it occurred amid a low interest rate environment but because the bond rally confounded expectations as the consensus has consistently predicted a return to rising yields and poor bond returns.

As we noted last quarter, the 2014 direction of bond yields did not surprise us. It has been the magnitude of the rally – especially at the long end of the yield curve – which posted nearly 20% total returns. Our long-held macro view has remained rather static. We have viewed the global economic recovery as anything but normal – one which has struggled to maintain consistent above-trend growth even with extraordinary monetary stimulus, ongoing de-leveraging, excess capacity, and few inflation pressures. Despite this subdued outlook, we continue to view the macro backdrop as inconsistent with a global or U.S. recession – a view that we feel more strongly about in light of the excess supply-driven plunge in crude oil prices which we believe is a net positive for U.S. and global growth in 2015. We continue to expect easy money policies to persist, with the Federal Reserve likely to push off rate hikes as long as it can, the Bank of Canada likely to lag any Fed tightening, and ongoing policy easing in Europe and Japan.

In our view, however, what *has* changed is valuation in the Canadian fixed income market. The market rally has taken government bond yields significantly below our fair-value ranges, to the point where yields appear to be discounting a much weaker economic outlook than we expect. As a result, we reduced the duration exposure of our portfolios. After being positioned with a longer-than-benchmark duration for the past year, universe and long-term mandates ended Q4 moderately short versus the benchmark. Short bond mandates' durations were reduced from long to neutral, reflecting better relative value in the short end of the yield curve. Overall, we maintain a preference for 3-10 year bonds, though exposure to this segment was trimmed during the quarter.

Within credit sectors, corporate bonds continued to struggle and spreads widened further in the fourth quarter while provincial bonds outperformed. We expect corporates to regain their footing soon as valuations have improved and recession odds remain low. On the quarter, exposure to financial bonds was raised at the expense of communications, energy and real estate. Within provincials, exposure to Alberta was reduced and funds re-deployed in provinces less sensitive to lower energy prices.

The positioning commentary included in this report was based on a representative fully discretionary portfolio for this product style; and, as such, your portfolio may differ.

# YOUR MFS RELATIONSHIP TEAM



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# GLOBAL CAPABILITIES

## MFS INVESTMENT STRATEGIES



	Global Equity	Regional Equity			International Equity	Specialty/Multi-Asset	
Fundamental Equity	<ul style="list-style-type: none"> <li>Global/ Global Concentrated<sup>1</sup></li> <li>Global Research</li> <li>Global Value</li> <li>Global Growth</li> <li>Global Small Cap<sup>3</sup></li> </ul>	<b>US</b> <ul style="list-style-type: none"> <li>Core</li> <li>Research</li> <li>Value<sup>2</sup></li> <li>Growth/ Growth Concentrated</li> <li>Large Cap Growth/ Large Cap Growth Concentrated</li> <li>Mid Cap Growth</li> <li>Mid Cap Value</li> <li>Small Cap Growth</li> </ul>	<b>Canadian</b> <ul style="list-style-type: none"> <li>Core</li> <li>Value</li> <li>Growth</li> <li>Dividend Income</li> </ul>	<b>European</b> <ul style="list-style-type: none"> <li>European Research<sup>2</sup></li> <li>European Value<sup>2</sup></li> <li>European Small Cap<sup>2</sup></li> <li>UK</li> <li>European ex UK</li> </ul> <b>Asia/Pacific</b> <ul style="list-style-type: none"> <li>Asia Pacific ex Japan</li> <li>Asia ex Japan</li> <li>Japan</li> <li>Japan Concentrated</li> </ul>	<ul style="list-style-type: none"> <li>International/International Concentrated</li> <li>International Research</li> <li>International Value<sup>2</sup></li> <li>International Growth</li> <li>International Small Cap<sup>2</sup></li> <li>International Diversification<sup>3</sup></li> </ul>	<b>Equities</b> <ul style="list-style-type: none"> <li>Global Real Estate</li> <li>Utilities</li> </ul> <b>Balanced</b> <ul style="list-style-type: none"> <li>Canadian Value</li> <li>Canadian Core</li> <li>Canadian Growth</li> <li>Global Total Return</li> <li>US Total Return</li> </ul>	
Quantitative	<ul style="list-style-type: none"> <li>Blended Research Global</li> <li>Blended Research – AC Global Extension</li> <li>Blended Research Global High Dividend Equity</li> <li>Global Low Volatility</li> </ul>	<b>Regional Equity</b> <ul style="list-style-type: none"> <li>Blended Research Emerging Markets</li> <li>Blended Research US Equity                             <ul style="list-style-type: none"> <li>US Core</li> <li>US Value</li> <li>US Growth</li> </ul> </li> <li>Blended Research US Small Cap</li> </ul>			<ul style="list-style-type: none"> <li>Blended Research – Focused US Core</li> <li>Blended Research – US Core Extension</li> <li>US Low Volatility</li> <li>US Equity Income</li> </ul>	<ul style="list-style-type: none"> <li>Blended Research International</li> </ul>	<b>Target Date</b> <ul style="list-style-type: none"> <li>US Target Date<sup>3</sup></li> <li>Canadian Target Date<sup>3</sup></li> </ul> <b>Target Risk</b> <ul style="list-style-type: none"> <li>US Target Risk<sup>3</sup></li> <li>Canadian Target Risk<sup>3</sup></li> </ul>
Fixed Income	<b>Government/Municipal</b> <ul style="list-style-type: none"> <li>Global                             <ul style="list-style-type: none"> <li>Sovereign</li> </ul> </li> <li>US                             <ul style="list-style-type: none"> <li>Government/TIPS</li> <li>Mortgage-Backed Securities</li> <li>Municipal/High Yield/Limited Duration</li> </ul> </li> </ul>	<b>Core/Aggregate</b> <ul style="list-style-type: none"> <li>Global                             <ul style="list-style-type: none"> <li>Aggregate Core</li> <li>Aggregate Core Plus</li> <li>Aggregate Opportunistic</li> </ul> </li> <li>US                             <ul style="list-style-type: none"> <li>Limited Maturity</li> <li>Core</li> <li>Core Plus Research</li> </ul> </li> </ul>	<b>Canadian</b> <ul style="list-style-type: none"> <li>Universe</li> <li>Money Market</li> <li>Long Term</li> <li>Short Term</li> </ul>	<b>Corporate</b> <ul style="list-style-type: none"> <li>Global                             <ul style="list-style-type: none"> <li>Investment-Grade Credit</li> <li>Credit</li> <li>High Yield</li> </ul> </li> <li>US                             <ul style="list-style-type: none"> <li>Investment-Grade Credit</li> <li>Credit</li> <li>Corporate BB</li> <li>Core High Yield</li> </ul> </li> </ul>	<b>Emerging Markets</b> <ul style="list-style-type: none"> <li>Emerging Markets Debt</li> <li>Emerging Markets Local Currency Debt</li> </ul>	<b>Income</b> <ul style="list-style-type: none"> <li>Diversified Income</li> </ul>	

<sup>1</sup> Closed. <sup>2</sup> Soft closed. <sup>3</sup> Limited vehicle availability.