



---

## University of Winnipeg Foundation Inc.

MFS Low Volatility Canadian Equity Fund

MFS Low Volatility Global Equity Fund

MFS Canadian Core Plus Fixed Income Fund

Second quarter 2022 investment report

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

**FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.**

IRPMS-UF1-30-Jun-22

30816.5

# Table of Contents



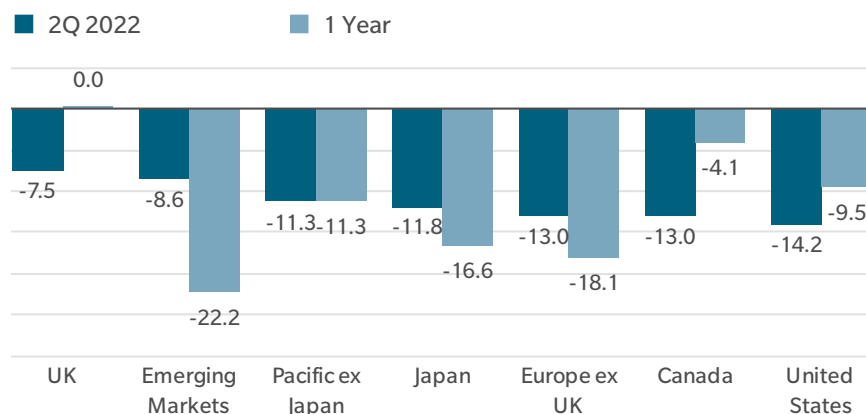
| <b>Contents</b>                          | <b>Page</b> |
|--|-------------|
| Market Overview                          | 1           |
| Performance and Assets                   | 3           |
| MFS Low Volatility Canadian Equity Fund  | 7           |
| MFS Low Volatility Global Equity Fund    | 23          |
| MFS Canadian Core Plus Fixed Income Fund | 41          |
| Your Relationship Team                   | 57          |
| Global Capabilities                      | 58          |
| Additional Disclosures                   | 59          |

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

# Market Overview



Global Equity performance (%) (CAD) as of 30-Jun-22

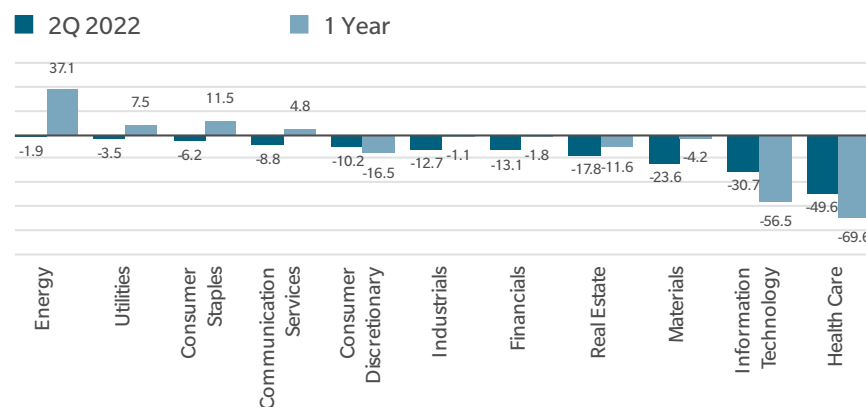


Source: FactSet. Region performance based on MSCI regional/country indexes.

## Second quarter 2022 Global Equity market review

- Global equities fell sharply in Q2 of 2022, with longer-duration, growth-oriented stocks and sectors hit particularly hard.
- The market has been whipsawed by persistent inflation, and more recently recession fears, as developed market central banks have been tightening monetary policies despite signs of slowing demand and easing commodities inflation.
- With higher inflation, rising interest rates and slowing growth, a “regime change” is underway after many years of stimulus policies that fueled high equity returns.
- While equity valuations have fallen from high levels, risks of downward earnings revisions and margin compression continue to weigh on investor sentiment.

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



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

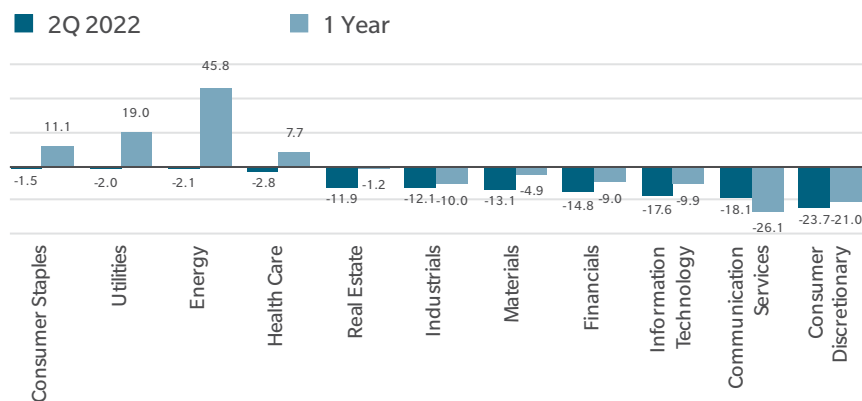
## Second quarter 2022 Canadian Equity market review

- Canadian equities posted a 13% decline (S&P/TSX Composite Index, total return basis, CAD), in line with major US and global indices for the second quarter. On a year-to-date basis, Canadian equities remain outperformers owing to relative strength in energy and materials stocks.
- Energy remained a solid outperformer in the second quarter, while materials, technology and industrials all fell, reflecting the persistent price inflation driving higher interest rates and tighter monetary conditions and raising concerns over slowing economic growth or recession.
- Despite this backdrop, one-year forward consensus earnings estimate revisions for the S&P/TSX remained positive, with 12-months forward EPS up about 8%, led by energy, financials and commodity-driven materials stocks.
- The S&P/TSX consensus 12-months forward price/earnings multiple has declined sharply to finish the quarter roughly 20% below its own long-term average and is testing the post-GFC valuation low.

# Market Overview



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

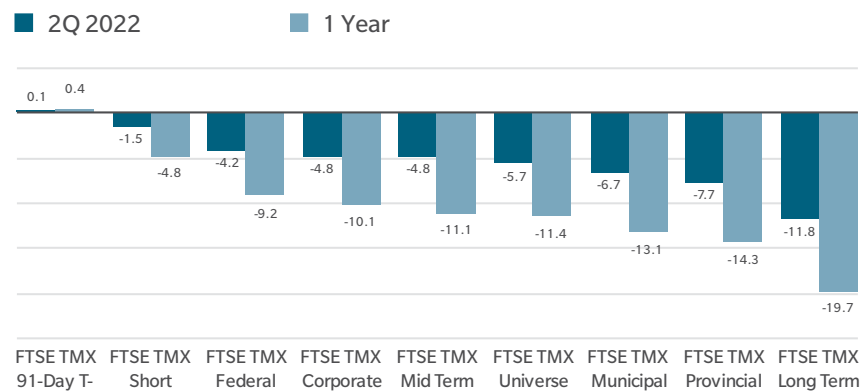


Source: FactSet. Sector performance based on MSCI sector classification. The analysis of S&P 500 Index constituents are broken out by MSCI defined sectors.

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

- The US market, as measured by the S&P 500 Index, ended much lower in Q2 2022. Investors' concerns about the Russia-Ukraine war, rising inflation and a possible recession increased over the past three months.
- Economic growth in the United States contracted during Q1 2022, posting a GDP of -1.6%. This reversal from the strong growth in Q4 was driven by a resurgence of COVID-19 cases due to the Omicron variant and decreases in government pandemic assistance payments. In addition, inflation cut into consumer spending and corporate profits and supply chain disruptions continue to exist at a time when the US Federal Reserve is aggressively raising interest rates to lower persistently high inflation.
- For the quarter, value continued to outperform growth in the large-, mid- and small-cap spaces. During Q2, consumer staples, utilities and energy were the best performing sectors, and consumer discretionary, communication services and technology the worst-performing.

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



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

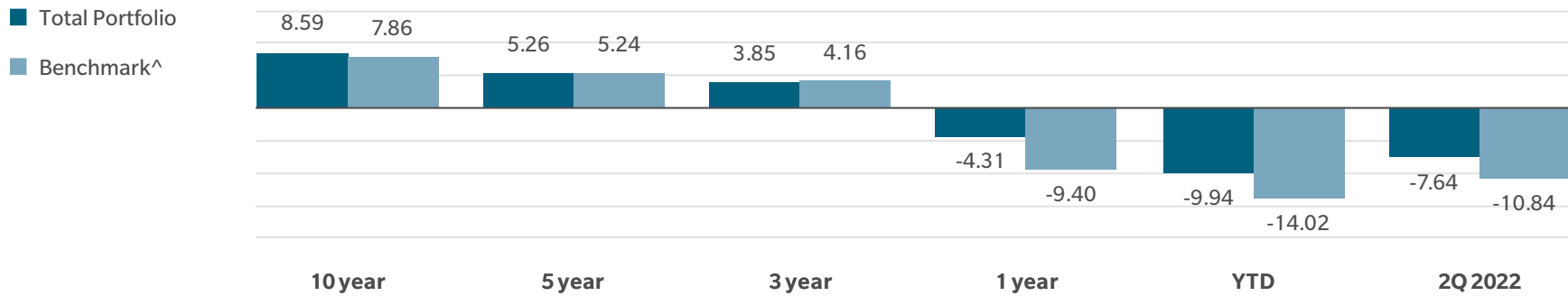
## Second quarter 2022 Canadian Fixed Income market review

- The FTSE Canada Universe Bond Index returned -5.66% in 2Q22. The trend from Q1 of higher sovereign yields and credit spreads continued, resulting in another quarter of negative absolute returns for most segments of the Canadian fixed income market.
- The Bank of Canada (BoC) aggressively raised rates in the quarter with two consecutive 50 basis point (bp) hikes, bringing the overnight rate to 1.50%. Forward guidance remained hawkish, and the market is currently pricing in a 75 bp rate increase in July and a terminal rate above 3% for this cycle.
- Canadian government bond yields rose sharply across the curve, with the largest move coming in the 3- and 6-month tenors as markets priced in a more front-loaded rate hike schedule. With these moves, most tenors of the yield curve are at their highest level in over 10 years.
- Canadian investment grade spreads, as represented by the Bloomberg Canada Aggregate Corporate Index, widened by 26 bps in Q2. At quarter end, the index level spread stood at 166 bps, representing a nearly 50% rise from the year's beginning level.
- On a duration-neutral basis, federal bonds outperformed corporates in the quarter. Within corporates, sectors such as oil & gas, transportation and regulated utilities outperformed.

# Performance



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



Source: Benchmark performance from SPAR, FactSet Research Systems Inc. For periods of less than one-year returns are not annualized.

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

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

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

# Performance



| Performance results (%) as of 30-Jun-22                     | 10 Years    | 5 Years     | 3 Years     | 1 Year       | YTD           | 2Q 2022       |
|---|-------------|-------------|-------------|--------------|---------------|---------------|
| <b>Total Portfolio</b>                                      | <b>8.59</b> | <b>5.26</b> | <b>3.85</b> | <b>-4.31</b> | <b>-9.94</b>  | <b>-7.64</b>  |
| <b>Benchmark<sup>^</sup></b>                                | <b>7.86</b> | <b>5.24</b> | <b>4.16</b> | <b>-9.40</b> | <b>-14.02</b> | <b>-10.84</b> |
| MFS Low Volatility Canadian Equity Fund                     | —           | 7.33        | 7.04        | -1.22        | -7.60         | -10.28        |
| S&P/TSX Capped Composite Index linked to previous benchmark | —           | 7.62        | 7.97        | -3.87        | -9.87         | -13.19        |
| MFS Low Volatility Global Equity Fund                       | —           | 6.91        | 5.22        | -1.58        | -9.87         | -6.28         |
| MSCI All Country World Index (net div)                      | —           | 6.86        | 5.75        | -12.24       | -18.49        | -12.90        |
| MFS Canadian Core Plus Fixed Income Fund                    | —           | 0.33        | -2.13       | -12.09       | -13.15        | -6.57         |
| FTSE Canada Universe Bond Index                             | —           | 0.18        | -2.30       | -11.39       | -12.23        | -5.66         |

Source: Benchmark performance from SPAR, FactSet Research Systems Inc. For periods of less than one-year returns are not annualized.

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

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

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

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

# Asset Summary



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

For the quarter, global equities declined entering bear market territory, while developed market interest rates rose and credit spreads widened, leading to negative fixed income returns. Persistently high inflation was met with aggressive monetary policy tightening by many developed market central banks, most notable by the US Federal Reserve and the Bank of Canada (BoC), with each implementing 50 basis point rate hikes for the first time since 2000. Most leading economic indicators continue to signal expansion, however, the June manufacturing PMI reports showed a sharp deceleration with building inventories and weak new orders indicating that the growth outlook is slowing. The earnings outlook, which is highly correlated with leading economic indicators (LEI), has been resilient but earnings upgrades continue to lag downgrades across most regions and sectors. Regional performance was impacted by multiple factors including high energy prices, a strong US dollar, the ongoing war in Ukraine and the deteriorating global economic outlook. Within developed markets, the US was the weakest performer, with its heavy weight in growth sectors the primary driver. From a sector perspective, energy continued to lead followed by traditionally defensive sectors, while technology, consumer discretionary and communication services lagged.

In Canada, economic growth continued to be robust. Excess demand and continued supply issues resulted in escalating inflationary pressures, with the latest CPI reading for May registering a gravity-defying 7.7% year-on-year increase. The BoC responded aggressively with two 50 basis point rate increases, bringing the overnight rate to 1.50%. The FTSE Canada Universe Bond Index returned -5.66% in Q2. Government bond yields rose across the curve, with the largest move coming in the 3- and 6-month tenors as markets priced in a more front-loaded rate hike schedule. With these moves, most tenors of the yield curve are at their highest level in over 10 years. Credit spreads, as represented by the Bloomberg Canada Aggregate Corporate Index, widened by 26 bps in Q2, and are now nearly 50% higher from the year's beginning level.

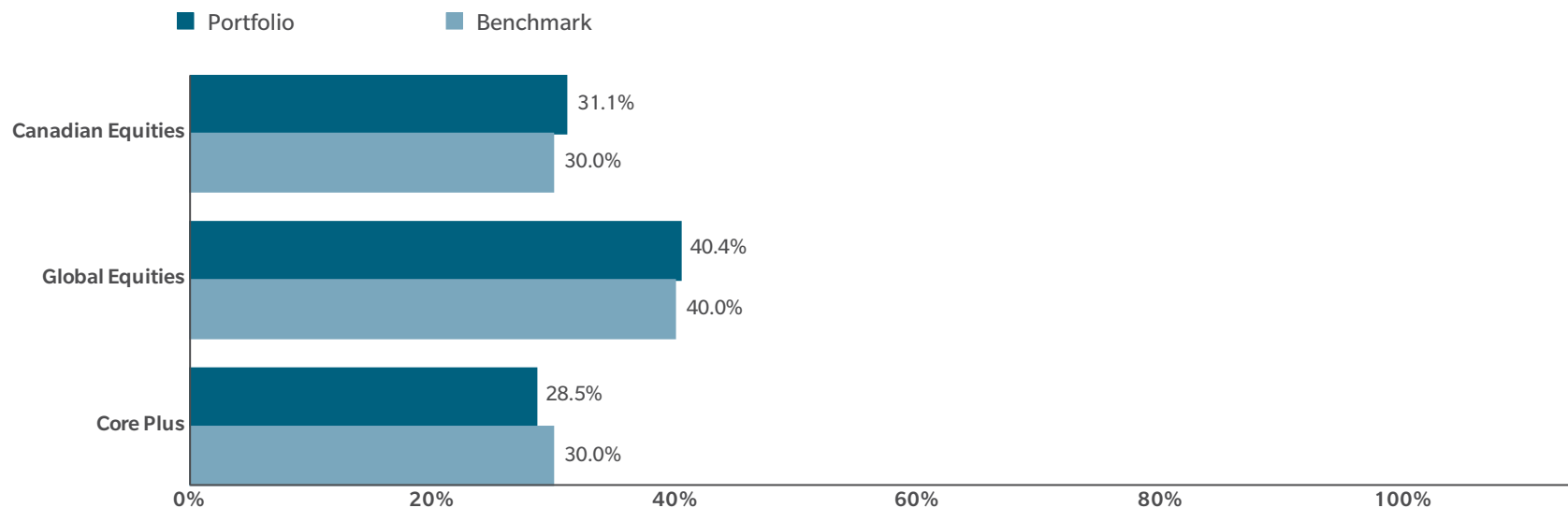
Tactical positioning remained modestly overweight equities, with a bias for Canadian exposure rather than global, and a slight underweight to bonds and cash. However, with market action, the portfolio ended the quarter with a relatively neutral allocation across the asset classes relative to our long-term strategic target. Although valuations have become more attractive, we believe the macro environment has become increasingly uncertain with recession risks growing. Central banks remain in tightening mode due to persistently high inflation and LEIs continue to deteriorate resulting in a weak earnings outlook.

51980.1

# Asset Summary



Asset allocation as of 30-Jun-22



| Activity (CAD)         | Beginning value as of 31-Mar-22 | Contributions   | Withdrawals     | Intra-portfolio transfers | Change in market value | Ending value as of 30-Jun-22 |
|------------------------|---------------------------------|-----------------|-----------------|---------------------------|------------------------|------------------------------|
| <b>Total Portfolio</b> | <b>82,709,591</b>               | <b>+194,232</b> | <b>-400,228</b> | <b>0</b>                  | <b>-6,311,327</b>      | <b>76,192,269</b>            |
| Cash                   | 5,046                           | 0               | 0               | 0                         | 0                      | 5,045                        |

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



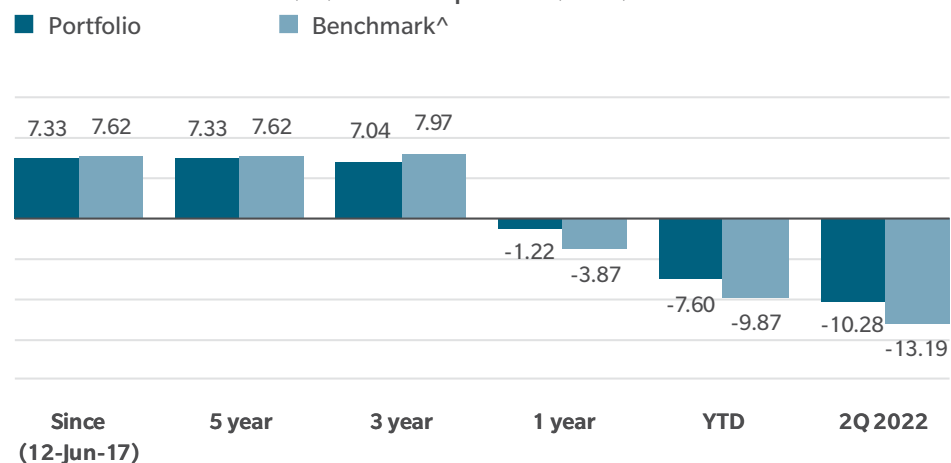


## MFS Low Volatility Canadian Equity Fund

# Executive Summary



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



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

Source for benchmark performance SPAR, FactSet Research Systems Inc.

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

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

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

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

## Asset summary (CAD)

|                                 |            |
|---------------------------------|------------|
| Beginning value as of 31-Mar-22 | 26,456,663 |
| Contributions                   | +62,154    |
| Withdrawals                     | -128,073   |
| Change in market value          | -2,715,159 |
| Ending value as of 30-Jun-22    | 23,675,585 |

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

|                                 | Portfolio | Benchmark^^ |
|---------------------------------|-----------|-------------|
| <b>Top overweights</b>          |           |             |
| FAIRFAX FINANCIAL HOLDINGS LTD  | 4.2       | 0.6         |
| LOBLAW COMPANIES LTD (EQ)       | 4.2       | 0.7         |
| PEMBINA PIPELINE CORP           | 4.0       | 0.9         |
| <b>Top underweights</b>         |           |             |
| CANADIAN NATURAL RESOURCES LTD  | -         | 2.9         |
| BROOKFIELD ASSET MANAGEMENT INC | 0.5       | 3.1         |
| CANADIAN NATIONAL RAILWAY CO    | 0.8       | 3.1         |

^^ S&P/TSX Capped Composite Index

# Performance Results



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

| Period                             | Portfolio (%) | Benchmark^ (%) | Excess return vs benchmark (%) |
|------------------------------------|---------------|----------------|--------------------------------|
| 2Q 2022                            | -10.28        | -13.19         | 2.91                           |
| 1Q 2022                            | 2.98          | 3.82           | -0.84                          |
| 4Q 2021                            | 6.41          | 6.47           | -0.07                          |
| 3Q 2021                            | 0.47          | 0.17           | 0.30                           |
| 2022 YTD                           | -7.60         | -9.87          | 2.27                           |
| 2021                               | 22.17         | 25.09          | -2.92                          |
| 2020                               | 2.45          | 5.60           | -3.15                          |
| 2019                               | 24.67         | 22.88          | 1.80                           |
| 2018                               | -5.66         | -8.89          | 3.23                           |
| Since client inception (12-Jun-17) | 7.33          | 7.62           | -0.29                          |
| 5 year                             | 7.33          | 7.62           | -0.29                          |
| 3 year                             | 7.04          | 7.97           | -0.93                          |
| 1 year                             | -1.22         | -3.87          | 2.65                           |

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

Source for benchmark performance SPAR, FactSet Research Systems Inc.

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

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

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

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

## Performance Drivers - Sectors



| Relative to S&P/TSX Capped Composite Index (CAD) - second quarter 2022 |                        | Average relative weighting (%) | Portfolio returns (%) | Benchmark returns (%) | Sector allocation <sup>1</sup> (%) | Stock selection <sup>2</sup> (%) | Relative contribution (%) |
|--|------------------------|--------------------------------|-----------------------|-----------------------|------------------------------------|----------------------------------|---------------------------|
| <b>Contributors</b>  | Information Technology | 2.8                            | -8.2                  | -30.7                 | -0.3                               | 2.0                              | 1.6                       |
|  | Materials              | -1.2                           | -20.1                 | -23.6                 | 0.1                                | 0.4                              | 0.5                       |
|  | Consumer Staples       | 4.3                            | -4.4                  | -6.2                  | 0.3                                | 0.1                              | 0.4                       |
|  | Industrials            | 0.4                            | -9.6                  | -12.7                 | 0.0                                | 0.3                              | 0.4                       |
|  | Financials             | -2.8                           | -12.0                 | -13.1                 | 0.0                                | 0.3                              | 0.4                       |
|  | Health Care            | -0.5                           | -                     | -49.6                 | 0.3                                | -                                | 0.3                       |
|  | Cash                   | 0.7                            | 0.4                   | -                     | 0.1                                | -                                | 0.1                       |
|  | Real Estate            | -0.5                           | -17.4                 | -17.8                 | 0.0                                | 0.1                              | 0.1                       |
|  | Consumer Discretionary | 3.6                            | -11.9                 | -10.2                 | 0.1                                | -0.1                             | 0.0                       |
| <b>Detractors</b>  | Energy                 | -4.9                           | -3.2                  | -1.9                  | -0.4                               | -0.2                             | -0.6                      |
|  | Utilities              | 0.1                            | -6.3                  | -3.5                  | 0.0                                | -0.1                             | -0.1                      |
|  | Communication Services | -1.9                           | -8.8                  | -8.8                  | -0.1                               | 0.0                              | -0.1                      |
| <b>Total</b>   |                        |                                | <b>-10.2</b>          | <b>-13.2</b>          | <b>0.2</b>                         | <b>2.8</b>                       | <b>3.0</b>                |

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

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

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

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

## Performance Drivers - Stocks



| Relative to S&P/TSX Capped Composite Index (CAD) - second quarter 2022 |                                | Average Weighting (%) |           | Returns (%)            |           | Relative contribution (%) |
|--|--------------------------------|-----------------------|-----------|------------------------|-----------|---------------------------|
|  |                                | Portfolio             | Benchmark | Portfolio <sup>1</sup> | Benchmark |                           |
| <b>Contributors</b>  | Shopify Inc                    | -                     | 2.1       | -                      | -52.4     | 1.2                       |
|  | Loblaw Companies Ltd (Eq)      | 4.1                   | 0.6       | 3.9                    | 3.9       | 0.6                       |
|  | Fairfax Financial Holdings Ltd | 3.9                   | 0.6       | 0.0                    | 0.0       | 0.4                       |
|  | Pembina Pipeline Corp          | 4.2                   | 0.9       | -1.8                   | -1.8      | 0.4                       |
|  | Thomson Reuters Corp Eq        | 3.4                   | 0.7       | -0.7                   | -0.7      | 0.3                       |
| <b>Detractors</b>  | Suncor Energy, Inc             | -                     | 2.2       | -                      | 12.0      | -0.5                      |
|  | Lundin Mining Corp             | 2.0                   | 0.2       | -35.1                  | -35.1     | -0.3                      |
|  | Cenovus Energy Inc             | -                     | 1.1       | -                      | 17.9      | -0.3                      |
|  | Canadian Western Bank          | 1.4                   | 0.1       | -27.6                  | -27.6     | -0.2                      |
|  | Tourmaline Oil Corp            | -                     | 0.7       | -                      | 19.1      | -0.2                      |

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

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

## Significant Transactions



| From 01-Apr-22 to 30-Jun-22 |                                      | Transaction type   | Trade (%) | Ending weight (%) |
|-----------------------------|--------------------------------------|--------------------|-----------|-------------------|
| <b>Purchases</b>            | CANADIAN WESTERN BANK                | Add                | 1.6       | 2.2               |
|                             | NUTRIEN LTD                          | Add                | 1.4       | 2.2               |
|                             | BANK OF MONTREAL                     | Add                | 1.2       | 2.2               |
|                             | DOLLARAMA INC                        | Add                | 0.9       | 2.1               |
|                             | ENGHOUSE SYSTEMS LTD                 | Add                | 0.8       | 1.3               |
| <b>Sales</b>                | THOMSON REUTERS CORP EQ              | Trim               | -1.2      | 2.6               |
|                             | LUNDIN MINING CORP                   | Trim               | -1.0      | 1.0               |
|                             | DESCARTES SYSTEMS GROUP INC/THE      | Trim               | -1.0      | 0.6               |
|                             | ERO COPPER CORP EQ                   | Eliminate position | -0.9      | -                 |
|                             | GRANITE REAL ESTATE INVESTMENT TRUST | Trim               | -0.9      | 1.7               |

## Sector Weights



| As of 30-Jun-22        | Portfolio (%) | Benchmark^ (%) | Underweight/overweight (%) |
|------------------------|---------------|----------------|----------------------------|
| Consumer Discretionary | 7.6           | 3.3            | 4.3                        |
| Consumer Staples       | 8.2           | 4.1            | 4.1                        |
| Information Technology | 8.3           | 5.4            | 2.9                        |
| Health Care            | -             | 0.4            | -0.4                       |
| Industrials            | 11.2          | 12.0           | -0.8                       |
| Utilities              | 4.4           | 5.2            | -0.8                       |
| Financials             | 30.9          | 31.8           | -0.9                       |
| Materials              | 10.6          | 11.6           | -1.0                       |
| Real Estate            | 1.7           | 2.7            | -1.0                       |
| Communication Services | 3.1           | 5.2            | -2.1                       |
| Energy                 | 13.3          | 18.4           | -5.1                       |

^ S&P/TSX Capped Composite Index

0.6% Cash & cash equivalents

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

# Top Overweight and Underweight Positions



| As of 30-Jun-22    |                                 | Portfolio (%) | Benchmark^ (%) |
|--------------------|---------------------------------|---------------|----------------|
| <b>Overweight</b>  | FAIRFAX FINANCIAL HOLDINGS LTD  | 4.2           | 0.6            |
|                    | LOBLAW COMPANIES LTD (EQ)       | 4.2           | 0.7            |
|                    | PEMBINA PIPELINE CORP           | 4.0           | 0.9            |
|                    | TOROMONT INDUSTRIES LTD (EQ)    | 2.9           | 0.3            |
|                    | MANULIFE FINANCIAL CORP         | 4.1           | 1.6            |
| <b>Underweight</b> | CANADIAN NATURAL RESOURCES LTD  | -             | 2.9            |
|                    | BROOKFIELD ASSET MANAGEMENT INC | 0.5           | 3.1            |
|                    | CANADIAN NATIONAL RAILWAY CO    | 0.8           | 3.1            |
|                    | SUNCOR ENERGY INC               | -             | 2.3            |
|                    | ROYAL BANK OF CANADA            | 4.2           | 6.4            |

^^ S&P/TSX Capped Composite Index



# Characteristics



| As of 30-Jun-22                                     | Portfolio | Benchmark <sup>^</sup> |
|---|-----------|------------------------|
| <b>Fundamentals - weighted average</b>              |           |                        |
| Price/earnings (12 months forward)                  | 12.0x     | 11.3x                  |
| Price/cash flow                                     | 7.7x      | 7.8x                   |
| Price/sales   | 1.3x      | 1.7x                   |
| PEG ratio   | 1.3x      | 1.2x                   |
| Dividend yield                                      | 3.3%      | 3.2%                   |
| Return on equity (3-year average)                   | 16.2%     | 12.1%                  |
| Return on invested capital                          | 9.3%      | 7.5%                   |
| IBES long-term EPS growth <sup>1</sup>              | 8.8%      | 8.0%                   |
| <b>Market capitalisation</b>                        |           |                        |
| Market capitalisation (CAD) <sup>2</sup>            | 45.2 bn   | 59.5 bn                |
| <b>Diversification</b>                              |           |                        |
| Top ten holdings                                    | 39%       | 37%                    |
| Number of holdings                                  | 51        | 239                    |
| <b>Turnover</b>                                     |           |                        |
| Trailing 1 year turnover <sup>3</sup>               | 31%       | –                      |
| <b>ESG</b>  |           |                        |
| Carbon Intensity (Scope 1 and Scope 2) <sup>4</sup> | 280.44    | 400.74                 |
| <b>Risk profile (current)</b>                       |           |                        |
| Active share  | 54%       | –                      |
| <b>Risk/reward (5 year)</b>                         |           |                        |
| Beta  | 0.86      | –                      |
| Historical tracking error                           | 3.93%     | –                      |
| Standard deviation                                  | 13.10%    | 14.72%                 |
| Sharpe ratio  | 0.49      | 0.46                   |
| Downside capture                                    | 86.59%    | –                      |
| Upside capture                                      | 89.74%    | –                      |

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

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

**No forecasts can be guaranteed.**

<sup>1</sup> Source: FactSet

<sup>2</sup> Weighted average.

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

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

## Top 10 Issuers



| Top 10 issuers as of 30-Jun-22    | Portfolio (%) | Benchmark^ (%) |
|-----------------------------------|---------------|----------------|
| LOBLAW COMPANIES LTD (EQ)         | 4.2           | 0.7            |
| FAIRFAX FINANCIAL HOLDINGS LTD    | 4.2           | 0.6            |
| ROYAL BANK OF CANADA              | 4.2           | 6.4            |
| MANULIFE FINANCIAL CORP           | 4.1           | 1.6            |
| BANK OF NOVA SCOTIA/THE           | 4.0           | 3.3            |
| PEMBINA PIPELINE CORP             | 4.0           | 0.9            |
| ENBRIDGE INC (EQ)                 | 3.7           | 4.0            |
| TC ENERGY CORP                    | 3.7           | 2.4            |
| TORONTO-DOMINION BANK/THE         | 3.6           | 5.6            |
| CONSTELLATION SOFTWARE INC/CANADA | 3.2           | 1.4            |
| <b>Total</b>                      | <b>39.0</b>   | <b>26.9</b>    |

^ S&P/TSX Capped Composite Index

# Portfolio Outlook and Positioning



## Performance Summary

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

## Detractors

- Volatility Allocation
- Quantitative models: valuation, earnings momentum, quality, sentiment
- Fundamental research
- Stock selection: information technology and materials

## Contributors

- Sector Allocation: energy
- Quantitative model: price momentum

## Market review

Global equities declined significantly in Q2, with many markets hitting bear market territory. Persistently high inflation was finally met with tighter monetary policy by developed market central banks. Most notable were the market-jolting rate hikes by the US Federal Reserve, the Swiss National Bank and Norway's Norges Bank. A brief late-May reprieve in the selloff was quickly truncated by a sharp

## Portfolio Outlook and Positioning



pullback in US bond yields and a pullback in commodity prices which stoked recession fears and spooked already fragile markets. Emerging market central banks continued their tightening bias with 12 more rate hikes in June.

Most leading economic indicators continue to signal expansion; however, the June manufacturing PMI reports showed a sharp deceleration in the United States and Europe, with building inventories and weak new orders indicating that the global supply/demand imbalance is quickly ending and the growth outlook is rapidly slowing. China, which is currently desynchronized from the global economy, saw its manufacturing PMI rebound strongly back into expansion territory in June. The earnings outlook, which is highly correlated with LEI's, has been resilient; however, earnings upgrades continue to lag downgrades across most regions and sectors.

Regional performance was impacted by multiple factors including high energy prices, a strong US dollar, the ongoing war in Ukraine and the deteriorating global economic outlook. Emerging markets (EM) outperformed developed markets, with China-led strength in Asian markets offsetting neutral performance in the EMEA region and broad-based weakness in Latin American markets, which was negatively impacted by the sharp retreat in commodity prices. Within developed markets, North America was the weakest region, with the US and its heavy weight in growth sectors and Canada with significant exposure to energy and financials the most significant drivers. EAFE markets were broadly strong with the UK and Europe benefitting from a relatively larger exposure to energy and defensive sectors. Japan was the second-best performing country/region which was positively impacted by the continued yield curve control policy of the Bank of Japan and investor optimism related to a proposed pro-growth policy shift announced by Prime Minister Kishida in May.

As indicated above, the large weights in commodities and financials weighed heavily on the S&P TSX as recession concerns caused a decline in commodities and flattening of the yield curve. From a style perspective, low volatility, dividend yield and value led while growth stocks continued to lag. Also signaling defense, was the outperformance of large caps while both small and midcap indexes underperformed.

Despite a late-quarter selloff, sector leadership reflected the underlying high inflation, slowing growth environment with energy continuing to lead, followed closely by the traditionally defensive staples, utilities and communication services sectors. The discretionary sector also outperformed, with strong performance by defensive retailers and consumer services stocks the primary drivers. Industrials and financials also modestly outperformed. The technology sector which, is dominated by ecommerce software leader Shopify, continued

# Portfolio Outlook and Positioning



to lag despite the pullback in bond yields. The deteriorating global economic outlook also weighed on the materials sector, particularly in June.

Factor leadership remained broad and shifted more defensively with companies with high capital return attributes, including dividend yield and share buyback yield, as well as those with high profitability outperforming significantly. Value factor performance was broadly strong, which is somewhat unusual in the latter stages of the business cycle. Companies with strong earnings revisions and price momentum also outperformed. Higher growth stocks and high volatility stocks underperformed significantly. Companies with accruals to assets, which is a measure of earnings quality, were also weak during the quarter.

## **Portfolio performance review**

The portfolio outperformed in the second quarter as overweight to the lowest volatility stocks was additive in a retracting market. The fundamental research input contributed significantly to results with the analyst's buy-rated stocks strongly outperforming. The quantitative models also produced strong results with the valuation component, benefitting from both relatively strong performance by the cheapest stocks, in which the portfolio is overweight by design, and very weak performance by the most expensive stocks.

The outcome of the research input performance described above was broad with positive stock selection in 8 of 11 sectors. Specifically, stock selection in the technology and material sectors contributed significantly to results. The most significant detractors were allocation and stock selection in the energy sector.

## **Outlook and portfolio positioning**

The macro environment remains challenging with recession risks growing as developed market central banks hike rates and remove liquidity in the face of a decelerating global economy. While there are emerging signs of peaking inflation, a reversal in policy is unlikely in the near-term with Fed Chair Powell telling Congress "we are strongly committed to bringing inflation back down." The ECB announced an early end to its asset purchase program and its intention to raise key ECB interest rates by 25 basis points at its July meeting and expects to raise rates again in September.

While valuations appear inexpensive and sentiment indicators are at levels that are contrarily supportive of positive forward market returns, historically, a shift in monetary policy or a trough in leading economic indicators is likely required for a market bottom and a shift

## Portfolio Outlook and Positioning



to more cyclical sector and factor leadership. Consensus earnings growth forecasts have been resilient; however, a drop below 50 on the manufacturing PMIs would put further downward pressure on earnings revisions, where eps downgrades continue to outnumber upgrades and are at levels, based on history, that have been followed by below-average 12 month forward returns for the market overall. While Emerging market revisions have led the decline and remain extremely weak, signs of easing policy and regulations in China, coupled with a more flexible COVID response could be a potential positive for EM's, given the extensive trade linkages.

For our Blended Research strategies, we continue to be encouraged by the broad, albeit constantly shifting, market and factor leadership. As we have communicated in the past, the most challenging market environment for our approach is one in which a single factor or style or a limited group of stocks dominates performance. Based on our analysis of factor performance through the economic cycle, decelerating leading economic indicators and earnings revisions typically coincide with sustained outperformance of momentum factors and a rotation in favor of growth and profitability factors which should also favor the quality-focused fundamental research input to our process. Value factor performance overall has historically been more modest and disperse in the later stages of the cycle, with dividend yield a notable positive outlier. Having said that, given the unique size and timing of policy responses to COVID, which produced bloated valuations in large cap growth stocks, value factor performance may be more persistent than in previous cycles. Volatility (high) factors have historically underperformed significantly in the later stages of the cycle, which benefits low-volatility strategies.

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

# Portfolio Holdings



| As of 30-Jun-22  | Equivalent exposure (%) |
|--|-------------------------|
| <b>Cash &amp; Cash Equivalents</b>                     | <b>0.6</b>              |
| Cash & Cash Equivalents                                | 0.6                     |
| <b>Communication Services</b>                          | <b>3.1</b>              |
| Quebecor Inc   | 1.7                     |
| TELUS Corp   | 1.4                     |
| <b>Consumer Discretionary</b>                          | <b>7.6</b>              |
| Magna International Inc                                | 2.7                     |
| Dollarama Inc  | 2.1                     |
| Gildan Activewear Inc                                  | 1.7                     |
| Aritzia Inc  | 0.6                     |
| Restaurant Brands International Inc                    | 0.5                     |
| <b>Consumer Staples</b>                                | <b>8.2</b>              |
| Loblaw Cos Ltd   | 4.2                     |
| Alimentation Couche Tard Inc                           | 2.7                     |
| Maple Leaf Foods Inc                                   | 0.6                     |
| Premium Brands Holdings Corp                           | 0.6                     |
| <b>Energy</b>  | <b>13.3</b>             |
| Pembina Pipeline Corp                                  | 4.0                     |
| Enbridge Inc   | 3.7                     |
| TC Energy Corp   | 3.7                     |
| Gibson Energy Inc                                      | 1.8                     |
| <b>Financials</b>                                      | <b>30.9</b>             |
| Fairfax Financial Holdings Ltd                         | 4.2                     |
| Royal Bank of Canada                                   | 4.2                     |
| Manulife Financial Corp                                | 4.1                     |
| Bank of Nova Scotia                                    | 4.0                     |
| Toronto-Dominion Bank                                  | 3.6                     |
| National Bank of Canada                                | 2.3                     |
| Industrial Alliance Insurance & Financial Services Inc | 2.2                     |
| Canadian Western Bank                                  | 2.2                     |
| Bank of Montreal                                       | 2.2                     |
| CI Financial Corp                                      | 0.9                     |
| Intact Financial Corp                                  | 0.6                     |
| Brookfield Asset Management Inc                        | 0.5                     |

| As of 30-Jun-22                           | Equivalent exposure (%) |
|---|-------------------------|
| <b>Industrials</b>                        | <b>11.2</b>             |
| Toromont Industries Ltd                   | 2.9                     |
| Thomson Reuters Corp                      | 2.6                     |
| Waste Connections Inc                     | 1.3                     |
| Canadian Pacific Railway Ltd              | 1.2                     |
| Badger Infrastructure Solutions Ltd       | 1.1                     |
| Canadian National Railway Co              | 0.8                     |
| TFI International Inc                     | 0.7                     |
| ATS Automation Tooling Systems Inc        | 0.7                     |
| <b>Information Technology</b>             | <b>8.3</b>              |
| Constellation Software Inc/Canada         | 3.2                     |
| CGI Inc                                   | 3.2                     |
| Enghouse Systems Ltd                      | 1.3                     |
| Descartes Systems Group Inc               | 0.6                     |
| <b>Materials</b>                          | <b>10.6</b>             |
| Franco-Nevada Corp                        | 2.9                     |
| Transcontinental Inc                      | 2.5                     |
| Nutrien Ltd                               | 2.2                     |
| Agnico Eagle Mines Ltd                    | 1.1                     |
| Lundin Mining Corp                        | 1.0                     |
| Wheaton Precious Metals Corp              | 0.9                     |
| <b>Real Estate</b>                        | <b>1.7</b>              |
| Granite Real Estate Investment Trust REIT | 1.7                     |
| <b>Utilities</b>                          | <b>4.4</b>              |
| Emera Inc                                 | 1.9                     |
| Brookfield Infrastructure Partners LP     | 0.8                     |
| Algonquin Power & Utilities Corp          | 0.7                     |
| AltaGas Ltd                               | 0.5                     |
| TransAlta Renewables Inc                  | 0.5                     |

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



## CERTIFICATE OF PORTFOLIO COMPLIANCE

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

To the best of my knowledge, for the quarter ending June 30, 2022, MFS Investment Management Canada Limited (“MFS”) complied in all material respects with the investment restrictions contained in the applicable Offering Memorandum or Offering Memoranda for the MFS Low Volatility Canadian Equity Fund. Such certification is subject to the following conditions: (i) MFS’ compliance testing is performed using portfolio valuation reports derived from its internal security inventory system and not the books and records of the Portfolio; and (ii) MFS is responsible for compliance with the investment restrictions as stated in the applicable Offering Memorandum or Offering Memoranda.

MFS Investment Management Canada Limited.

BY:   
\_\_\_\_\_  
**Jennifer Argiropoulos**  
**Chief Compliance Officer**

DATE: July 11, 2022



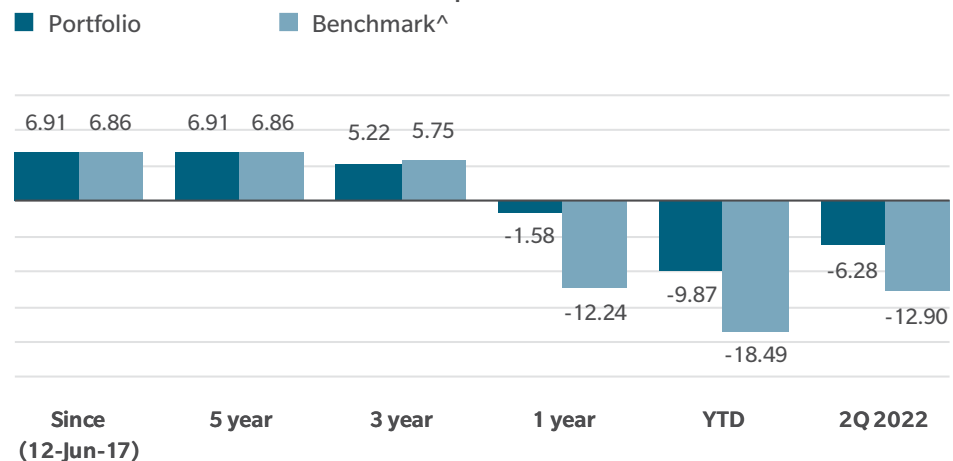


## MFS Low Volatility Global Equity Fund

# Executive Summary



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



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

Source for benchmark performance SPAR, FactSet Research Systems Inc.

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

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

^ MSCI All Country World Index (net div)

## Asset summary (CAD)

|                                 |            |
|---------------------------------|------------|
| Beginning value as of 31-Mar-22 | 32,963,852 |
| Contributions                   | +77,693    |
| Withdrawals                     | -160,091   |
| Change in market value          | -2,067,200 |
| Ending value as of 30-Jun-22    | 30,814,253 |

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

|                         | Portfolio | Benchmark^^ |
|-------------------------|-----------|-------------|
| <b>Top overweights</b>  |           |             |
| MCKESSON CORP           | 3.0       | 0.1         |
| KDDI CORP               | 2.8       | 0.1         |
| DBS GROUP HOLDINGS LTD  | 2.5       | 0.1         |
| <b>Top underweights</b> |           |             |
| APPLE INC               | -         | 4.0         |
| AMAZON.COM INC (EQ)     | -         | 1.7         |
| TESLA INC               | -         | 1.1         |

^^ MSCI All Country World Index

# Performance Results



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

| Period                             | Portfolio (%) | Benchmark^ (%) | Excess return vs benchmark (%) |
|------------------------------------|---------------|----------------|--------------------------------|
| 2Q 2022                            | -6.28         | -12.90         | 6.62                           |
| 1Q 2022                            | -3.84         | -6.42          | 2.58                           |
| 4Q 2021                            | 6.59          | 6.36           | 0.23                           |
| 3Q 2021                            | 2.45          | 1.23           | 1.22                           |
| 2022 YTD                           | -9.87         | -18.49         | 8.61                           |
| 2021                               | 16.91         | 17.53          | -0.62                          |
| 2020                               | 3.81          | 14.22          | -10.41                         |
| 2019                               | 15.26         | 20.20          | -4.94                          |
| 2018                               | 6.65          | -1.26          | 7.91                           |
| Since client inception (12-Jun-17) | 6.91          | 6.86           | 0.05                           |
| 5 year                             | 6.91          | 6.86           | 0.05                           |
| 3 year                             | 5.22          | 5.75           | -0.53                          |
| 1 year                             | -1.58         | -12.24         | 10.65                          |

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

Source for benchmark performance SPAR, FactSet Research Systems Inc.

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

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

^ MSCI All Country World Index (net div)

## Performance Drivers - Sectors



| Relative to MSCI All Country World Index (CAD) - second quarter 2022 |                        | Average relative weighting (%) | Portfolio returns (%) | Benchmark returns (%) | Sector allocation <sup>1</sup> (%) | + Stock selection <sup>2</sup> (%) | + Currency effect (%) | = Relative contribution (%) |
|--|------------------------|--------------------------------|-----------------------|-----------------------|------------------------------------|------------------------------------|-----------------------|-----------------------------|
| <b>Contributors</b>  | Information Technology | -4.3                           | -13.0                 | -19.0                 | 0.3                                | 1.4                                | -0.3                  | 1.4                         |
|  | Health Care            | 4.2                            | 2.4                   | -4.1                  | 0.3                                | 1.0                                | -0.0                  | 1.4                         |
|  | Consumer Discretionary | -3.2                           | -3.3                  | -17.5                 | 0.2                                | 1.2                                | -0.1                  | 1.3                         |
|  | Consumer Staples       | 4.0                            | 0.4                   | -3.0                  | 0.4                                | 0.3                                | 0.0                   | 0.8                         |
|  | Financials             | -2.5                           | -8.0                  | -12.9                 | -0.0                               | 0.5                                | 0.1                   | 0.6                         |
|  | Communication Services | 3.5                            | -9.5                  | -15.4                 | -0.1                               | 1.0                                | -0.3                  | 0.6                         |
|  | Industrials            | -2.8                           | -6.3                  | -13.4                 | -0.0                               | 0.5                                | 0.0                   | 0.5                         |
|  | Utilities              | 4.4                            | -4.7                  | -3.9                  | 0.4                                | -0.1                               | 0.1                   | 0.3                         |
|  | Materials              | -1.5                           | -13.6                 | -17.1                 | 0.0                                | 0.2                                | 0.0                   | 0.2                         |
|  | Cash                   | 1.1                            | 0.3                   | -                     | 0.1                                | -                                  | -0.0                  | 0.1                         |
| <b>Detractors</b>  | Energy                 | -4.9                           | -                     | -1.9                  | -0.5                               | -                                  | 0.0                   | -0.5                        |
|  | Real Estate            | 2.0                            | -16.7                 | -11.0                 | 0.0                                | -0.3                               | 0.0                   | -0.3                        |
| <b>Total</b>   |                        |                                | <b>-6.3</b>           | <b>-12.8</b>          | <b>1.3</b>                         | <b>5.6</b>                         | <b>-0.4</b>           | <b>6.5</b>                  |

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

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

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

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

# Performance Drivers - Stocks



| Relative to MSCI All Country World Index (CAD) - second quarter 2022 |                              | Average Weighting (%) |           | Returns (%)            |           | Relative contribution (%) |
|--|------------------------------|-----------------------|-----------|------------------------|-----------|---------------------------|
|  |                              | Portfolio             | Benchmark | Portfolio <sup>1</sup> | Benchmark |                           |
| <b>Contributors</b>  | Mckesson Corp                | 2.8                   | 0.1       | 10.2                   | 10.2      | 0.6                       |
|  | Amazon.Com Inc (Eq)          | -                     | 1.9       | -                      | -32.7     | 0.5                       |
|  | General Mills Inc            | 1.6                   | 0.1       | 15.9                   | 15.9      | 0.4                       |
|  | Johnson & Johnson            | 3.0                   | 0.8       | 4.1                    | 4.1       | 0.4                       |
|  | Novo Nordisk                 | 2.7                   | 0.3       | 2.0                    | 2.0       | 0.3                       |
| <b>Detractors</b>  | B&M European Value Retail Sa | 0.8                   | -         | -32.6                  | -         | -0.2                      |
|  | UnitedHealth Group Inc       | -                     | 0.8       | -                      | 4.4       | -0.1                      |
|  | Grand City Properties Sa     | 0.9                   | -         | -26.6                  | -         | -0.1                      |
|  | Exxon Mobil Corp             | -                     | 0.6       | -                      | 8.2       | -0.1                      |
|  | Advanced Info Service Pcl    | 1.7                   | 0.0       | -18.9                  | -18.9     | -0.1                      |

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

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

## Significant Transactions



| From 01-Apr-22 to 30-Jun-22 |                                | Transaction type   | Trade (%) | Ending weight (%) |
|-----------------------------|--------------------------------|--------------------|-----------|-------------------|
| <b>Purchases</b>            | AMDOCS LTD                     | Add                | 0.9       | 1.4               |
|                             | DBS GROUP HOLDINGS LTD         | Add                | 0.8       | 2.5               |
|                             | ACI WORLDWIDE INC              | New position       | 0.7       | 0.7               |
|                             | SANKYO CO LTD                  | New position       | 0.7       | 0.8               |
|                             | NS SOLUTIONS CORP              | New position       | 0.5       | 0.5               |
| <b>Sales</b>                | ADOBE INC                      | Eliminate position | -2.0      | -                 |
|                             | CLP HOLDINGS LTD               | Trim               | -0.7      | 1.4               |
|                             | BOC HONG KONG HOLDINGS LTD     | Trim               | -0.6      | 1.2               |
|                             | UNITED PARCEL SERVICE INC (EQ) | Eliminate position | -0.5      | -                 |
|                             | NOVARTIS AG                    | Eliminate position | -0.5      | -                 |

# Sector Weights



| As of 30-Jun-22        | Portfolio (%) | Benchmark^ (%) | Underweight/overweight (%) |
|------------------------|---------------|----------------|----------------------------|
| Health Care            | 17.1          | 13.0           | 4.1                        |
| Consumer Staples       | 11.4          | 7.6            | 3.8                        |
| Utilities              | 6.8           | 3.2            | 3.6                        |
| Communication Services | 10.9          | 7.9            | 3.0                        |
| Real Estate            | 4.2           | 2.8            | 1.4                        |
| Financials             | 13.6          | 14.5           | -0.9                       |
| Materials              | 3.4           | 4.8            | -1.4                       |
| Industrials            | 6.8           | 9.4            | -2.6                       |
| Consumer Discretionary | 8.3           | 11.1           | -2.8                       |
| Information Technology | 17.0          | 20.9           | -3.9                       |
| Energy                 | -             | 5.0            | -5.0                       |

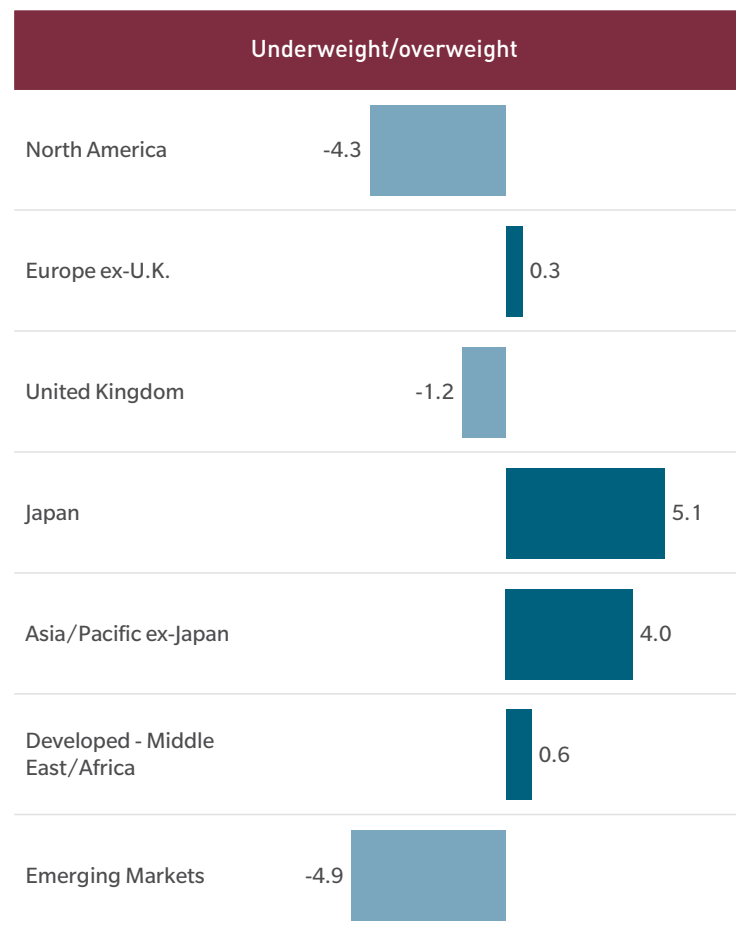
^ MSCI All Country World Index  
0.4% Cash & cash equivalents

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

## Region and Country Weights



| As of 30-Jun-22                       | Portfolio [%] | Benchmark^ [%] | Underweight/overweight [%] |
|---------------------------------------|---------------|----------------|----------------------------|
| <b>North America</b>                  | <b>59.4</b>   | <b>63.7</b>    | <b>-4.3</b>                |
| Canada                                | 6.7           | 3.2            | 3.5                        |
| United States                         | 52.7          | 60.5           | -7.8                       |
| <b>Europe ex-U.K.</b>                 | <b>12.2</b>   | <b>11.9</b>    | <b>0.3</b>                 |
| Switzerland                           | 4.9           | 2.6            | 2.3                        |
| Denmark                               | 2.7           | 0.7            | 2.0                        |
| Germany                               | 2.5           | 1.9            | 0.6                        |
| Italy                                 | 1.2           | 0.6            | 0.6                        |
| France                                | 0.9           | 2.7            | -1.8                       |
| Other countries <sup>1</sup>          | 0.0           | 3.4            | -3.4                       |
| <b>United Kingdom</b>                 | <b>2.7</b>    | <b>3.9</b>     | <b>-1.2</b>                |
| <b>Japan</b>                          | <b>10.5</b>   | <b>5.4</b>     | <b>5.1</b>                 |
| <b>Asia/Pacific ex-Japan</b>          | <b>7.2</b>    | <b>3.2</b>     | <b>4.0</b>                 |
| Singapore                             | 4.1           | 0.4            | 3.7                        |
| Hong Kong                             | 2.6           | 0.8            | 1.8                        |
| Australia                             | 0.5           | 1.9            | -1.4                       |
| Other countries <sup>1</sup>          | 0.0           | 0.1            | -0.1                       |
| <b>Developed - Middle East/Africa</b> | <b>0.8</b>    | <b>0.2</b>     | <b>0.6</b>                 |
| Israel                                | 0.8           | 0.2            | 0.6                        |
| <b>Emerging Markets</b>               | <b>6.8</b>    | <b>11.7</b>    | <b>-4.9</b>                |
| Thailand                              | 1.6           | 0.2            | 1.4                        |
| South Korea                           | 2.3           | 1.3            | 1.0                        |
| Philippines                           | 0.7           | 0.1            | 0.6                        |
| Taiwan                                | 2.2           | 1.7            | 0.5                        |
| Other countries <sup>1</sup>          | 0.0           | 8.4            | -8.4                       |



^ MSCI All Country World Index  
0.4% Cash & cash equivalents

<sup>1</sup> The portfolio does not own any securities in countries represented in the benchmark in the following percentages: China 4.1%; India 1.5%; Netherlands 1.1%; Sweden 0.8%; Brazil 0.6%; Spain 0.6%; Saudi Arabia 0.5% and 23 countries with weights less than 0.5% which totals to 2.7%.



# Top Overweight and Underweight Positions



| As of 30-Jun-22    |                             | Portfolio (%) | Benchmark^ (%) |
|--------------------|-----------------------------|---------------|----------------|
| <b>Overweight</b>  | MCKESSON CORP               | 3.0           | 0.1            |
|                    | KDDI CORP                   | 2.8           | 0.1            |
|                    | DBS GROUP HOLDINGS LTD      | 2.5           | 0.1            |
|                    | NOVO NORDISK A/S            | 2.7           | 0.3            |
|                    | JOHNSON & JOHNSON           | 3.1           | 0.8            |
| <b>Underweight</b> | APPLE INC                   | -             | 4.0            |
|                    | AMAZON.COM INC (EQ)         | -             | 1.7            |
|                    | TESLA INC                   | -             | 1.1            |
|                    | MICROSOFT CORP              | 2.4           | 3.3            |
|                    | UNITEDHEALTH GROUP INC (EQ) | -             | 0.9            |

^^ MSCI All Country World Index

# Characteristics



| As of 30-Jun-22                                     | Portfolio | Benchmark <sup>^</sup> |
|---|-----------|------------------------|
| <b>Fundamentals - weighted average</b>              |           |                        |
| Price/earnings (12 months forward)                  | 14.9x     | 14.2x                  |
| Price/cash flow                                     | 11.1x     | 10.7x                  |
| Price/sales   | 1.5x      | 1.8x                   |
| PEG ratio   | 1.6x      | 1.5x                   |
| Dividend yield                                      | 2.5%      | 2.3%                   |
| Return on equity (3-year average)                   | 22.0%     | 23.4%                  |
| Return on invested capital                          | 13.2%     | 13.0%                  |
| IBES long-term EPS growth <sup>1</sup>              | 9.8%      | 13.2%                  |
| <b>Market capitalisation</b>                        |           |                        |
| Market capitalisation (CAD) <sup>2</sup>            | 218.5 bn  | 403.1 bn               |
| <b>Diversification</b>                              |           |                        |
| Top ten holdings                                    | 25%       | 16%                    |
| Number of holdings                                  | 101       | 2,895                  |
| <b>Turnover</b>                                     |           |                        |
| Trailing 1 year turnover <sup>3</sup>               | 45%       | –                      |
| <b>ESG</b>  |           |                        |
| Carbon Intensity (Scope 1 and Scope 2) <sup>4</sup> | 244.97    | 182.64                 |
| <b>Risk profile (current)</b>                       |           |                        |
| Active share  | 83%       | –                      |
| <b>Risk/reward (5 year)</b>                         |           |                        |
| Beta  | 0.63      | –                      |
| Historical tracking error                           | 6.16%     | –                      |
| Standard deviation                                  | 8.73%     | 11.96%                 |
| Sharpe ratio  | 0.69      | 0.50                   |
| Downside capture                                    | 60.93%    | –                      |
| Upside capture                                      | 73.91%    | –                      |

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

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

**No forecasts can be guaranteed.**

<sup>1</sup> Source: FactSet

<sup>2</sup> Weighted average.

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

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

## Top 10 Issuers



| Top 10 issuers as of 30-Jun-22            | Portfolio (%) | Benchmark^ (%) |
|---|---------------|----------------|
| JOHNSON & JOHNSON                         | 3.1           | 0.8            |
| MCKESSON CORP                             | 3.0           | 0.1            |
| KDDI CORP                                 | 2.8           | 0.1            |
| NOVO NORDISK A/S                          | 2.7           | 0.3            |
| ROCHE HOLDING AG                          | 2.6           | 0.4            |
| DBS GROUP HOLDINGS LTD                    | 2.5           | 0.1            |
| MICROSOFT CORP                            | 2.4           | 3.3            |
| TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD | 2.2           | 0.7            |
| EVEREST RE GROUP LTD                      | 2.0           | 0.0            |
| ALPHABET INC                              | 1.9           | 2.3            |
| <b>Total</b>                              | <b>25.1</b>   | <b>8.2</b>     |

^ MSCI All Country World Index

# Portfolio Outlook and Positioning



## Performance summary

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

### Contributors

- Stock selection within information technology and consumer discretionary
- Stock selection within North America and Europe ex-UK
- Quantitative models: valuation and price momentum
- Volatility Allocation

### Detractors

- Allocation across energy and stock selection within real estate
- Stock selection within emerging markets and the United Kingdom

## Market review

Global equities declined significantly in Q2, with many markets hitting bear market territory. Persistently high inflation was finally met with tighter monetary policy by developed market central banks, most notably were the market jolting rate hikes by the US Federal Reserve, the Swiss National Bank and Norway's Norges Bank. A brief late-May reprieve in the selloff was quickly truncated by a sharp pullback in US bond yields and a pullback in commodity prices, which stoked recession fears and spooked already fragile markets. Emerging market central banks continued their tightening bias with 12 more rate hikes in June.

# Portfolio Outlook and Positioning



Most leading economic indicators continue to signal expansion; however, the June manufacturing PMI reports showed a sharp deceleration in the US and Europe, with building inventories and weak new orders indicating that the global supply/demand imbalance is quickly ending and the growth outlook is rapidly slowing. China, which is currently desynchronized from the global economy, saw its manufacturing PMI rebound back strongly into expansion territory in June. The earnings outlook, which is highly correlated with LEI's, has been resilient; however, earnings upgrades continue to lag downgrades across most regions and sectors.

Regional performance was impacted by multiple factors including high energy prices, a strong US dollar, the ongoing war in Ukraine and the deteriorating global economic outlook. Emerging markets outperformed developed markets with China-led strength in Asian markets offsetting neutral performance in the EMEA region and broad-based weakness in Latin American markets. Within developed markets, the US was the weakest performing region, with the heavy weight in growth sectors the primary driver. EAFE markets were broadly strong, with the UK and Europe benefitting from a relatively larger exposure to energy and defensive sectors. Japan was the second-best performing region which was positively impacted by the continued yield curve control policy of the Bank of Japan and investor optimism related to a proposed pro-growth policy shift announced by Prime Minister Kishida in May.

Factor leadership shifted defensively during the quarter as companies with high dividend yields or margins outperformed significantly. Accruals to assets, which is a measure of earnings quality, also produced strong results, as did a number of forward-looking valuation and growth metrics. Stocks with strong earnings revisions, earnings surprises or price momentum were among the weakest performers. High volatility, high leverage and trailing valuation factors also underperformed.

## Performance review

The portfolio outperformed the benchmark in the second Holding shares of semiconductor manufacturer Taiwan Semiconductor Manufacturing (Taiwan) detracted from relative returns. Although the company reported strong first-quarter revenue and margin results and raised its sales guidance, the stock price declined following a broader market sell-off of semiconductor-related stocks. quarter. Intersection holdings — stocks that are buy-rated based on both our fundamental and our quantitative research — added to results. The volatility allocation was also positive, especially during the first two months of the quarter as the market sold off, providing the downside

# Portfolio Outlook and Positioning



protection the strategy was designed to deliver. The quantitative models outperformed during the quarter, with valuation factors among the strongest performers.

The outcome of the research input performance described above was a notable contribution from

health care and communication services, where strong stock selection within lower-beta industries such as diversified telecommunication services and medical devices was rewarded. Also benefiting from these results was allocation within the utilities space. Prominently detracting from performance was an underweight allocation to energy, as oil continued to rally based on supply shocks from Russia as well as steady demand.

## **Portfolio outlook and positioning**

The macro environment remains challenging with recession risks growing as developed market central banks hike rates and remove liquidity in the face of a decelerating global economy. While there are emerging signs of peaking inflation, a reversal in policy is unlikely in the near-term with Fed Chair Powell telling Congress “we are strongly committed to bringing inflation back down.” Likewise, the ECB announced an early end to its asset purchase program and its intention to raise key ECB interest rates by 25 basis points at its July meeting and expects to raise rates again in September.

While valuations appear inexpensive, and sentiment indicators are at levels that are contrarily supportive of positive forward market returns, historically, a shift in monetary policy or a trough in leading economic indicators is likely required for a market bottom and a shift to more cyclical sector and factor leadership. Consensus earnings growth forecasts have been resilient; however, a drop below 50 on the manufacturing PMIs would put further downward pressure on earnings revisions where eps downgrades continue to outnumber upgrades and are at levels, based on history, that have produced below average 12-month forward returns than the market overall. While emerging market (EM) revisions have led the decline and remain extremely weak, signs of easing policy and regulations in China, coupled with a more flexible COVID response could be a potential positive for EM’s, given the extensive trade linkages.

For our Blended Research strategies, we continue to be encouraged by the broad, albeit constantly shifting, market and factor leadership. As we have communicated in the past, the most challenging market environment for our approach is one in which a

## Portfolio Outlook and Positioning



single factor, style or limited group of stocks dominates performance. Based on our analysis of factor performance through the economic cycle, decelerating leading economic indicators and earnings revisions typically coincide with sustained outperformance of momentum factors and a rotation in favor of growth and profitability factors, which should also favor the quality-focused fundamental research input to our process. Historically, value factor performance has been more modest and dispersed in the later stages of the cycle, with dividend yield a notable positive outlier. Having said that, given the unique size and timing of policy responses to COVID which produced bloated valuations in large cap growth stocks, value factor performance may be more persistent than in previous cycles. Volatility (high) factors have historically underperformed significantly in the later stages of the cycle, which benefits low-volatility strategies of the cycle, which benefits low-volatility strategies.

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

# Portfolio Holdings



| As of 30-Jun-22                    | Country        | Equivalent exposure (%) |
|------------------------------------|----------------|-------------------------|
| <b>Cash &amp; Cash Equivalents</b> |                | <b>0.4</b>              |
| Cash & Cash Equivalents            |                | 0.4                     |
| <b>Communication Services</b>      |                | <b>10.9</b>             |
| KDDI Corp                          | Japan          | 2.8                     |
| Alphabet Inc Class A               | United States  | 1.9                     |
| Electronic Arts Inc                | United States  | 1.8                     |
| Advanced Info Service PCL          | Thailand       | 1.6                     |
| Orange SA                          | France         | 0.9                     |
| PLDT Inc.                          | Philippines    | 0.7                     |
| Nintendo Co Ltd                    | Japan          | 0.5                     |
| Comcast Corp                       | United States  | 0.4                     |
| Charter Communications Inc         | United States  | 0.3                     |
| <b>Consumer Discretionary</b>      |                | <b>8.3</b>              |
| Dollar General Corp                | United States  | 1.6                     |
| Starbucks Corp                     | United States  | 1.4                     |
| McDonald's Corp                    | United States  | 1.3                     |
| Dollarama Inc                      | Canada         | 0.8                     |
| AutoZone Inc                       | United States  | 0.8                     |
| Sankyo Co Ltd                      | Japan          | 0.8                     |
| B&M European Value Retail SA       | United Kingdom | 0.6                     |
| Sega Sammy Holdings Inc            | Japan          | 0.6                     |
| Bridgestone Corp                   | Japan          | 0.4                     |
| <b>Consumer Staples</b>            |                | <b>11.4</b>             |
| General Mills Inc                  | United States  | 1.9                     |
| Nestle SA                          | Switzerland    | 1.6                     |
| PepsiCo Inc                        | United States  | 1.4                     |
| Colgate-Palmolive Co               | United States  | 0.9                     |
| Kimberly-Clark Corp                | United States  | 0.9                     |
| Mondelez International Inc         | United States  | 0.8                     |
| Walmart Inc                        | United States  | 0.8                     |
| Seven & i Holdings Co Ltd          | Japan          | 0.6                     |
| Procter & Gamble Co                | United States  | 0.6                     |
| British American Tobacco PLC       | United Kingdom | 0.5                     |
| J M Smucker Co                     | United States  | 0.5                     |

| As of 30-Jun-22                        | Country        | Equivalent exposure (%) |
|--|----------------|-------------------------|
| <b>Consumer Staples</b>                |                | <b>11.4</b>             |
| Tesco PLC                              | United Kingdom | 0.4                     |
| Sundrug Co Ltd                         | Japan          | 0.4                     |
| <b>Financials</b>                      |                | <b>13.6</b>             |
| DBS Group Holdings Ltd                 | Singapore      | 2.5                     |
| Everest Re Group Ltd                   | United States  | 2.0                     |
| US Bancorp                             | United States  | 1.3                     |
| BOC Hong Kong Holdings Ltd             | Hong Kong      | 1.2                     |
| JPMorgan Chase & Co                    | United States  | 1.0                     |
| Samsung Fire & Marine Insurance Co Ltd | South Korea    | 1.0                     |
| Fairfax Financial Holdings Ltd         | Canada         | 0.8                     |
| Zurich Insurance Group AG              | Switzerland    | 0.7                     |
| Royal Bank of Canada                   | Canada         | 0.6                     |
| ASX Ltd                                | Australia      | 0.5                     |
| Bank of Nova Scotia                    | Canada         | 0.5                     |
| IG Group Holdings PLC                  | United Kingdom | 0.5                     |
| MetLife Inc                            | United States  | 0.4                     |
| Chubb Ltd                              | United States  | 0.4                     |
| KB Financial Group Inc                 | South Korea    | 0.4                     |
| <b>Health Care</b>                     |                | <b>17.1</b>             |
| Johnson & Johnson                      | United States  | 3.1                     |
| McKesson Corp                          | United States  | 3.0                     |
| Novo Nordisk AS                        | Denmark        | 2.7                     |
| Roche Holding AG                       | Switzerland    | 2.6                     |
| Merck & Co Inc                         | United States  | 1.6                     |
| Eli Lilly & Co                         | United States  | 1.1                     |
| Vertex Pharmaceuticals Inc             | United States  | 1.0                     |
| Medtronic PLC                          | United States  | 0.6                     |
| Becton Dickinson and Co                | United States  | 0.6                     |
| Cigna Corp                             | United States  | 0.4                     |
| Bayer AG                               | Germany        | 0.4                     |
| <b>Industrials</b>                     |                | <b>6.8</b>              |
| Republic Services Inc                  | United States  | 1.1                     |
| Singapore Technologies Engineering Ltd | Singapore      | 1.1                     |



## Portfolio Holdings



| As of 30-Jun-22                               | Country        | Equivalent exposure (%) |
|---|----------------|-------------------------|
| <b>Industrials</b>                            |                | <b>6.8</b>              |
| Eaton Corp PLC                                | United States  | 0.9                     |
| Sankyu Inc                                    | Japan          | 0.8                     |
| Hitachi Ltd                                   | Japan          | 0.6                     |
| Knight-Swift Transportation Holdings Inc      | United States  | 0.6                     |
| Sohgo Security Services Co Ltd                | Japan          | 0.5                     |
| Canadian Pacific Railway Ltd                  | Canada         | 0.4                     |
| Otis Worldwide Corp                           | United States  | 0.4                     |
| General Dynamics Corp                         | United States  | 0.4                     |
| <b>Information Technology</b>                 |                | <b>17.0</b>             |
| Microsoft Corp                                | United States  | 2.4                     |
| Taiwan Semiconductor Manufacturing Co Ltd ADR | Taiwan         | 2.2                     |
| Constellation Software Inc/Canada             | Canada         | 1.8                     |
| Amdocs Ltd                                    | United States  | 1.4                     |
| Kyocera Corp                                  | Japan          | 1.2                     |
| Dropbox Inc                                   | United States  | 1.0                     |
| Gartner Inc                                   | United States  | 1.0                     |
| Samsung Electronics Co Ltd IPS                | South Korea    | 0.9                     |
| Fujitsu Ltd                                   | Japan          | 0.9                     |
| Nice Ltd ADR                                  | Israel         | 0.8                     |
| ACI Worldwide Inc                             | United States  | 0.7                     |
| Venture Corp Ltd                              | Singapore      | 0.5                     |
| NS Solutions Corp                             | Japan          | 0.5                     |
| SS&C Technologies Holdings Inc                | United States  | 0.4                     |
| Mastercard Inc                                | United States  | 0.4                     |
| Verint Systems Inc                            | United States  | 0.4                     |
| Fiserv Inc                                    | United States  | 0.4                     |
| <b>Materials</b>                              |                | <b>3.4</b>              |
| Franco-Nevada Corp                            | Canada         | 1.8                     |
| Symrise AG                                    | Germany        | 1.0                     |
| Rio Tinto PLC                                 | United Kingdom | 0.6                     |
| <b>Real Estate</b>                            |                | <b>4.2</b>              |
| Life Storage Inc REIT                         | United States  | 1.0                     |
| Public Storage REIT                           | United States  | 0.9                     |

| As of 30-Jun-22                | Country       | Equivalent exposure (%) |
|--------------------------------|---------------|-------------------------|
| <b>Real Estate</b>             |               | <b>4.2</b>              |
| AvalonBay Communities Inc REIT | United States | 0.7                     |
| Grand City Properties SA       | Germany       | 0.6                     |
| Sun Communities Inc REIT       | United States | 0.5                     |
| Extra Space Storage Inc REIT   | United States | 0.4                     |
| <b>Utilities</b>               |               | <b>6.8</b>              |
| CLP Holdings Ltd               | Hong Kong     | 1.4                     |
| Xcel Energy Inc                | United States | 1.3                     |
| Italgas SpA                    | Italy         | 1.2                     |
| American Electric Power Co Inc | United States | 1.0                     |
| Eergy Inc                      | United States | 0.5                     |
| E.ON SE                        | Germany       | 0.5                     |
| Edison International           | United States | 0.5                     |
| Duke Energy Corp               | United States | 0.5                     |

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



## CERTIFICATE OF PORTFOLIO COMPLIANCE

### MFS Low Volatility Global Equity Fund

To the best of my knowledge, for the quarter ending June 30, 2022, MFS Investment Management Canada Limited ("MFS") complied in all material respects with the investment restrictions contained in the applicable Offering Memorandum or Offering Memoranda for the MFS Low Volatility Global Equity Fund. Such certification is subject to the following conditions: (i) MFS' compliance testing is performed using portfolio valuation reports derived from its internal security inventory system and not the books and records of the Portfolio; and (ii) MFS is responsible for compliance with the investment restrictions as stated in the applicable Offering Memorandum or Offering Memoranda.

MFS Investment Management Canada Limited.

BY:

A handwritten signature in dark ink, appearing to read "J. Argiropoulos", is written above a horizontal line.

**Jennifer Argiropoulos**  
**Chief Compliance Officer**

DATE:

July 11, 2022

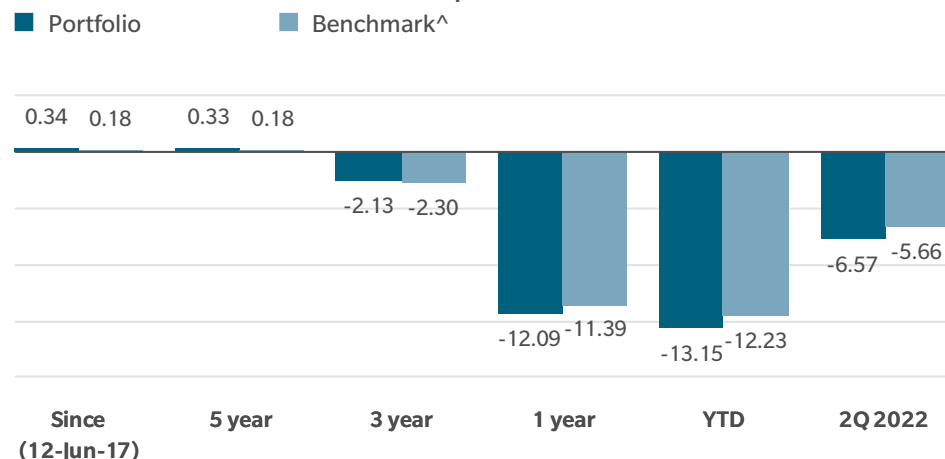


## MFS Canadian Core Plus Fixed Income Fund

# Executive Summary



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



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

Source for benchmark performance SPAR, FactSet Research Systems Inc.

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

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

^ FTSE Canada Universe Bond Index

## Asset summary (CAD)

|                                 |            |
|---------------------------------|------------|
| Beginning value as of 31-Mar-22 | 23,284,031 |
| Contributions                   | +54,385    |
| Withdrawals                     | -112,064   |
| Change in market value          | -1,528,967 |
| Ending value as of 30-Jun-22    | 21,697,385 |

## Key characteristics as of 30-Jun-22

|                            | Portfolio | Benchmark^^ |
|----------------------------|-----------|-------------|
| Average effective duration | 7.01yrs   | 7.37yrs     |
| Yield to worst             | 4.59%     | 3.92%       |

## Portfolio composition (%)

|                         | Portfolio | Benchmark^^ |
|-------------------------|-----------|-------------|
| Federal                 | 20.76     | 36.61       |
| Provincial              | 28.07     | 34.80       |
| Municipal               | 1.30      | 2.17        |
| Corporate               | 46.66     | 26.42       |
| Cash & Cash Equivalents | 3.17      | 0.00        |
| Other                   | 0.03      | 0.00        |
| Foreign Pay             | 13.71     | 0.00        |

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

^^ FTSE Canada Universe Bond Index

# Performance Results



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

| Period                             | Portfolio (%) | Benchmark <sup>^</sup> (%) | Excess return vs benchmark (%) |
|------------------------------------|---------------|----------------------------|--------------------------------|
| 2Q 2022                            | -6.57         | -5.66                      | -0.91                          |
| 1Q 2022                            | -7.03         | -6.97                      | -0.06                          |
| 4Q 2021                            | 1.51          | 1.47                       | 0.04                           |
| 3Q 2021                            | -0.29         | -0.51                      | 0.22                           |
| 2022 YTD                           | -13.15        | -12.23                     | -0.91                          |
| 2021                               | -1.75         | -2.54                      | 0.79                           |
| 2020                               | 9.34          | 8.68                       | 0.66                           |
| 2019                               | 8.04          | 6.87                       | 1.17                           |
| 2018                               | 0.34          | 1.41                       | -1.07                          |
| Since client inception (12-Jun-17) | 0.34          | 0.18                       | 0.16                           |
| 5 year                             | 0.33          | 0.18                       | 0.15                           |
| 3 year                             | -2.13         | -2.30                      | 0.17                           |
| 1 year                             | -12.09        | -11.39                     | -0.70                          |

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

Source for benchmark performance SPAR, FactSet Research Systems Inc.

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

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

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

# Significant Impacts on Performance



Relative to FTSE Canada Universe Bond Index - second quarter 2022

|                     |                    |   |
|---------------------|--------------------|---|
| <b>Contributors</b> | Duration           | The portfolio was modestly underweight duration relative to the index during the quarter, which was a source of excess return as yields rose across the curve in response to elevated inflation.  |
| <b>Detractors</b>   | Security selection | Negative selection within industrials and communications were key drags on excess return. Within these sectors, exposure to select lower quality US IG and HY names hurt as US spreads widened more than their Canadian counterpart.                                      |
|                     | Asset allocation   | The portfolio's underweight to federals and overweight to corporates was a notable detractor as credit spreads continued to widen. From a credit quality standpoint, the portfolio's overweight to BBBs and out of benchmark HY exposure, detracted from relative return. |

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

# Positioning



| As of 30-Jun-22              |                         | Portfolio (%) | Benchmark^ (%) | Underweight/overweight (%) |
|------------------------------|-------------------------|---------------|----------------|----------------------------|
| <b>Portfolio composition</b> | Federal                 | 20.76         | 36.61          | -15.85                     |
|                              | Provincial              | 28.07         | 34.80          | -6.73                      |
|                              | Municipal               | 1.30          | 2.17           | -0.87                      |
|                              | Corporate               | 46.66         | 26.42          | 20.24                      |
|                              | Cash & Cash Equivalents | 3.17          | 0.00           | 3.17                       |
|                              | Other                   | 0.03          | 0.00           | 0.03                       |
|                              | Foreign Pay             | 13.71         | 0.00           | 13.71                      |
| <b>Corporate composition</b> | Communication           | 5.78          | 2.39           | 3.39                       |
|                              | Energy                  | 7.61          | 5.72           | 1.89                       |
|                              | Financial               | 19.64         | 10.43          | 9.21                       |
|                              | Industrial              | 5.32          | 1.70           | 3.62                       |
|                              | Infrastructure          | 3.50          | 4.00           | -0.50                      |
|                              | Real Estate             | 0.16          | 1.79           | -1.63                      |
|                              | Securitization          | 4.67          | 0.39           | 4.28                       |

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

^ FTSE Canada Universe Bond Index

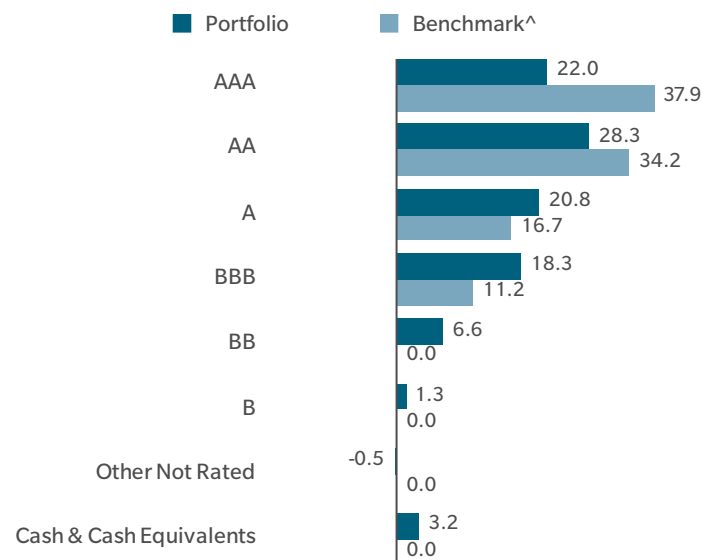
# Characteristics



| As of 30-Jun-22                       | Portfolio | Benchmark <sup>^</sup> |
|---------------------------------------|-----------|------------------------|
| <b>Fundamentals</b>                   |           |                        |
| Average effective duration            | 7.01yrs   | 7.37yrs                |
| Yield to worst                        | 4.59%     | 3.92%                  |
| Average coupon                        | 2.96%     | 2.84%                  |
| Average quality <sup>1</sup>          | A+        | AA                     |
| Average effective maturity            | 10.45yrs  | 10.08yrs               |
| <b>Diversification</b>                |           |                        |
| Number of holdings                    | 167       | 1,618                  |
| <b>Turnover</b>                       |           |                        |
| Trailing 1 year turnover <sup>2</sup> | 49%       | -                      |
| <b>Risk/reward (5 year)</b>           |           |                        |
| Historical tracking error             | 2.07%     | -                      |
| Beta                                  | 1.12      | -                      |
| Standard deviation                    | 6.04%     | 5.10%                  |
| Alpha                                 | 0.21%     | -                      |
| Information ratio                     | 0.09      | -                      |

| Effective term structure as of 30-Jun-22 | Portfolio (%) | Benchmark <sup>^</sup> |
|--|---------------|------------------------|
| Less than 1 Year                         | 0.0           | 0.0                    |
| 1-3 Years                                | 24.6          | 25.0                   |
| 3-5 Years                                | 6.2           | 19.2                   |
| 5-10 Years                               | 31.8          | 26.1                   |
| 10-20 Years                              | 8.7           | 10.2                   |
| 20+ Years                                | 28.7          | 19.6                   |

Credit quality (% of total assets) as of 30-Jun-22



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

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

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

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

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

For all securities other than those specifically described below, ratings are assigned to underlying securities utilizing ratings from Dominion Bond Rating Service (DBRS), Standard and Poor's, Moody's Investors Service, and Fitch rating agencies. In cases where the agencies do not agree on the credit rating, the rating is classified according to the following rules: If two agencies rate a security, and the ratings are not equal, use the lower of the two ratings; if three agencies rate a security, use the most common rating; In the rare event that all three agencies disagree, use the middle rating. If four agencies rate a security, use the most common rating; If four agencies rate a security with a two way split, use the lower rating. In the highly unlikely event that all four agencies disagree, consider the three lower ratings applying the three rating methodology rule. If none of the 4 rating agencies listed above rate the security, but the security is rated by the Kroll Bond Rating Agency (KBRA), then the KBRA rating is assigned. Ratings are shown in the S&P and DBRS scale (e.g., AAA). All ratings are subject to change. U.S. Government includes securities issued by the U.S. Department of the Treasury. Federal Agencies includes rated and unrated U.S. Agency fixed-income securities, U.S. Agency MBS, and CMOs of U.S. Agency MBS. Other Not Rated includes fixed income securities which have not been rated by any rating agency.



## Market review

In our view, Canadian economic growth remained robust and above potential, but there were some signs of cooling. Advanced estimates for May GDP growth pointed to a decline of 0.2% month-over-month, however, the causes appear to be tilted to continued supply issues rather than slowing demand. For Q2 as a whole, GDP growth is currently on track to be just shy of a 4% annualized rate, which compares to the Bank of Canada's projection of 6% from their April Monetary Policy Report. Overall domestic demand was strong, as evidenced by strengthening retail sales and a continued recovery in areas such as accommodation, food services and entertainment, but higher interest rates have started to take a toll on housing activity, with real estate acting as a drag on growth in recent months. Consumption has been buoyed by a strong labour market, with further rises in employment, an acceleration in wage growth and an unemployment rate that is at a post-Covid low of 5.1%.

The dual themes that dominated the quarter were the persistence of inflationary pressures and the aggressive policy response elicited from the Bank of Canada (BoC). With excess demand and continued global supply issues there was no reprieve from escalating inflationary pressures. Instead of peaking, inflation continued to surprise to the upside, with the latest CPI reading for May reaching a gravity-defying 7.7%; the highest yearly increase since 1983. There was also further evidence of inflation broadening beyond goods, energy and food and into core services. Responding to growing fears of losing the policy anchor for inflationary expectations, the Bank of Canada chose to prioritize inflation-fighting over growth preservation. The BoC aggressively raised rates in the quarter with two consecutive 50 basis point hikes, bringing the overnight rate to 1.50%. Forward guidance was increasingly hawkish with the BoC stating that it is prepared to act "more forcefully if needed" to bring inflation back to the target range. With another 75 basis points signaled for July, the path of tightening has become much more front-loaded than initial guidance had suggested. With quantitative tightening now also underway, how balance sheet roll-off will act in concert with rate hikes to dampen financial conditions remained an additional point of policy uncertainty.

Against this macro backdrop, the FTSE Canada Universe Bond Index returned -5.66% in Q2. Rate volatility remained elevated, with government bond yields rising across the curve, which pressured fixed income returns. The largest moves came in the 3- and 6-month tenors as markets priced in a more front-loaded rate hike schedule. With these moves, most tenors of the yield curve are at their highest level in over 10 years. Other major sovereign bond markets similarly experienced rate sell-offs, with the rise in bund yields eclipsing that of Treasuries. Risk assets experienced a turbulent quarter, adding to the tightening of financial conditions. Credit spreads, as represented by the Bloomberg Canada Aggregate Corporate Index, widened by 26 bps in Q2, and are now nearly 50% higher from the year's beginning level. In our view, at this level, valuations are looking more appealing compared to history, but less compelling when placed in the

## Portfolio Outlook and Positioning



context of a weakening growth environment. We believe this dynamic led to the outperformance of federal bonds over corporates on a duration-neutral basis. Within corporates, higher quality and more defensive sectors outperformed in the risk-off environment. US and European investment-grade and high-yield spreads widened, as did dollar EM credit spreads, with each market delivering negative excess returns. US investment-grade corporate bond spreads as represented by the Bloomberg US Aggregate Corporate index widened 39 bps to end the second quarter at 155 bps. Weakening risk sentiment and growing recessionary fears bolstered the US dollar, with CAD/USD finishing the quarter at 0.77. Meanwhile the price of oil continued to climb, with brent crude rising over 6% to finish the quarter at \$117/barrel, but other parts of the commodity complex suffered on worries over softer demand.

### Portfolio positioning

With a highly volatile macro environment, our probability weighted outlook would best be characterized as a relatively flat distribution with large tails. Our base case scenario is a slower growth environment with no deep recession and consequently manageable credit losses. It is true that the BoC is determined to maintain creditability and anchor inflation expectations by quickly raising rates, which in our opinion will pose a threat to economic activity. However, the consumer is still showing strength in the face of high inflation and rising rates. Certainly, consumers are spending down the excess savings built up over the course of the pandemic, but the consumer balance sheet is in relatively good shape, and they still have multiple pockets from which to spend. Perhaps most importantly though, the labour market remains strong. Theoretically, the persistence of the consumer's ability and willingness to spend should be supportive of the BoC's objective of engineering a soft landing. However, we think that it could also put more pressure on the BoC to hike aggressively to quell inflation. Right now, the bias is to lean toward the first outcome, but we acknowledge that the probability of recession has risen. Market technicals also remain a concern. The unwind of the BoC's balance sheet is a meaningful investor reallocation which brings into question the available liquidity if needed in the event of a big shift in investor preferences. As a result, we have kept portfolios positioned with what we view as sufficient liquidity to take advantage of perceived dislocations in the pricing of risk that might result from technicals.

Taking the above factors into consideration, the strategy is positioned with risk between the low to mid-point of our range, which is nevertheless overweight credit risk versus the index. We are positioned for volatility and have significant ability to add risk into any material back-up in spreads. We remain selectively overweight investment-grade issuers, specifically Canadian IG, with a focus on banks, insurance and communications. As Canadian IG credit spreads ended the quarter at 166 basis points, valuations have become more attractive, but balanced against growth risks, in our view are looking close to fair value. We felt spreads were not wide enough to add meaningfully, nor were they so tight as to reduce risk further. With the growth backdrop deteriorating over the quarter, we subsequently trimmed our exposure to US high yield.

## Portfolio Outlook and Positioning



The portfolio ended the quarter with duration that was slightly less than that of the index. The momentum has certainly been for higher yields as inflation continues to surprise to the upside. In our view, the bias may still be for yields to move higher, but it appears that the worst of the rate normalization is now behind us – a surprising outcome this early into a hiking cycle as the market has been quick to price a path for the BoC. As we look beyond the next quarter to the next year, we see a reasonable probability of encountering opportunities to add duration. For the near term, however, we still have a bias to be relatively neutral given the unpredictability of the current inflationary environment. We believe the sharp increase in rates is setting up the government bond market for better total returns, recognizing that long-term performance tends to correlate highly with starting yields, which are now significantly higher than they have been for most of the last decade.

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

**51980.1**

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

# Portfolio Holdings



| As of 30-Jun-22                 | Issuer   | Coupon | Maturity Date | Equivalent exposure (%) |
|---------------------------------|--|--------|---------------|-------------------------|
| Cash & Cash Equivalents (3.17%) | CASH & CASH EQUIVALENTS                        |        |               | 3.17                    |
| Communication (5.78%)           | BELL TELEPHONE CO OF CANADA OR BELL CANADA/THE | 3.800  | Aug 21 28     | 0.84                    |
|                                 | CCO HOLDINGS LLC / CCO HOLDINGS CAPITAL CORP   | 5.000  | Feb 01 28     | 0.52                    |
|                                 | CHARTER COMMUNICATIONS OPERATING LLC CHA       | 5.250  | Apr 01 53     | 0.45                    |
|                                 | CSC HOLDINGS LLC                               | 3.375  | Feb 15 31     | 0.19                    |
|                                 | MERCADOLIBRE INC                               | 3.125  | Jan 14 31     | 0.15                    |
|                                 | PROSUS NV (NASPERS LTD)                        | 3.680  | Jan 21 30     | 0.12                    |
|                                 | ROGERS COMMUNICATIONS INC                      | 3.650  | Mar 31 27     | 0.27                    |
|                                 | ROGERS COMMUNICATIONS INC                      | 6.560  | Mar 22 41     | 0.20                    |
|                                 | ROGERS COMMUNICATIONS INC                      | 5.250  | Apr 15 52     | 0.27                    |
|                                 | ROGERS COMMUNICATIONS INC                      | 5.000  | Dec 17 81     | 0.24                    |
|                                 | SBA COMMUNICATIONS CORP                        | 3.875  | Feb 15 27     | 0.12                    |
|                                 | SBA COMMUNICATIONS CORP                        | 3.125  | Feb 01 29     | 0.33                    |
|                                 | SHAW COMMUNICATIONS INC                        | 3.300  | Dec 10 29     | 0.03                    |
|                                 | SHAW COMMUNICATIONS INC                        | 2.900  | Dec 09 30     | 0.02                    |
|                                 | SHAW COMMUNICATIONS INC                        | 6.750  | Nov 09 39     | 0.13                    |
|                                 | SIRIUS XM RADIO INC                            | 5.500  | Jul 01 29     | 0.40                    |
|                                 | TELUS CORP                                     | 2.350  | Jan 27 28     | 0.41                    |
|                                 | TELUS CORP                                     | 4.400  | Jan 29 46     | 0.38                    |
|                                 | TELUS CORP                                     | 3.950  | Feb 16 50     | 0.12                    |
|                                 | VIDEOTRON LTD                                  | 5.625  | Jun 15 25     | 0.30                    |
|                                 | WMG ACQUISITION CORP                           | 3.000  | Feb 15 31     | 0.30                    |
| Energy (7.61%)                  | BRUCE POWER LP                                 | 4.010  | Jun 21 29     | 0.19                    |
|                                 | BRUCE POWER LP                                 | 4.000  | Jun 21 30     | 0.19                    |
|                                 | CENOVUS ENERGY INC                             | 3.500  | Feb 07 28     | 0.69                    |
|                                 | CU INC   | 4.722  | Sep 09 43     | 0.50                    |
|                                 | CU INC   | 3.174  | Sep 05 51     | 0.09                    |
|                                 | ENBRIDGE GAS INC                               | 2.900  | Apr 01 30     | 0.17                    |
|                                 | ENBRIDGE GAS INC                               | 3.650  | Apr 01 50     | 0.45                    |
|                                 | ENBRIDGE INC                                   | 4.240  | Aug 27 42     | 0.39                    |

# Portfolio Holdings



| As of 30-Jun-22            | Issuer   | Coupon              | Maturity Date | Equivalent exposure (%) |
|----------------------------|--|---------------------|---------------|-------------------------|
| Energy (continued) (7.61%) | ENBRIDGE INC                                       | 4.570               | Mar 11 44     | 0.32                    |
|                            | FIRSTENERGY CORP                                   | 3.400               | Mar 01 50     | 0.27                    |
|                            | INTER PIPELINE LTD/AB                              | 3.983               | Nov 25 31     | 0.29                    |
|                            | NEXTERA ENERGY OPERATING PARTNERS LP               | 4.500               | Sep 15 27     | 0.20                    |
|                            | NORTHWEST REDWATER PARTNERSHIP NWR FINANCING CO LT | 4.150               | Jun 01 33     | 0.05                    |
|                            | NORTHWEST REDWATER PARTNERSHIP NWR FINANCING CO LT | 3.650               | Jun 01 35     | 0.21                    |
|                            | NORTHWEST REDWATER PARTNERSHIP NWR FINANCING CO LT | 4.050               | Jul 22 44     | 0.30                    |
|                            | ONTARIO POWER GENERATION INC                       | 3.215               | Apr 08 30     | 1.14                    |
|                            | PARKLAND CORP                                      | 4.625               | May 01 30     | 0.33                    |
|                            | PEMBINA PIPELINE CORP                              | 4.670               | May 28 50     | 1.25                    |
|                            | TRANSCANADA PIPELINES LTD                          | 3.800               | Apr 05 27     | 0.58                    |
|                            | Federal (20.76%)                                   | CANADIAN GOVERNMENT | 0.000         | Sep 20 22               |
| CANADIAN GOVERNMENT        |  | 0.000               | Sep 20 22     | 6.17                    |
| CANADIAN GOVERNMENT BOND   |  | 0.750               | Feb 01 24     | 9.21                    |
| CANADIAN GOVERNMENT BOND   |  | 1.500               | Sep 01 24     | 1.70                    |
| CANADIAN GOVERNMENT BOND   |  | 1.500               | Jun 01 31     | 6.04                    |
| CANADIAN GOVERNMENT BOND   |  | 2.000               | Jun 01 32     | 1.24                    |
| CANADIAN GOVERNMENT BOND   |  | 3.500               | Dec 01 45     | 0.62                    |
| CANADIAN GOVERNMENT BOND   |  | 2.000               | Dec 01 51     | 2.29                    |
| DOMINICAN REPUBLIC         |  | 4.500               | Jan 30 30     | 0.15                    |
| US TREASURY NOTE/BOND      |  | 0.000               | Sep 21 22     | -5.35                   |
| US TREASURY NOTE/BOND      |  | 0.000               | Sep 21 22     | -1.64                   |
| US TREASURY NOTE/BOND      |  | 0.000               | Sep 21 22     | -1.58                   |
| US TREASURY NOTE/BOND      |  | 0.000               | Sep 21 22     | 0.89                    |
| US TREASURY NOTE/BOND      |  | 0.000               | Sep 30 22     | -2.23                   |
| US TREASURY NOTE/BOND      | 0.000  | Sep 30 22           | 0.34          |                         |
| Financial (19.64%)         | AVIVA PLC  | 4.000               | Oct 02 30     | 0.76                    |
|                            | AVOLON HOLDINGS FUNDING LTD                        | 2.528               | Nov 18 27     | 0.21                    |
|                            | BANK OF MONTREAL                                   | 2.370               | Feb 03 25     | 0.26                    |

# Portfolio Holdings



| As of 30-Jun-22                | Issuer                              | Coupon | Maturity Date | Equivalent exposure (%) |
|--------------------------------|-------------------------------------|--------|---------------|-------------------------|
| Financial (continued) (19.64%) | BANK OF MONTREAL                    | 4.609  | Sep 10 25     | 1.02                    |
|                                | BANK OF MONTREAL                    | 5.625  | May 26 82     | 1.08                    |
|                                | BANK OF NOVA SCOTIA/THE             | 2.290  | Jun 28 24     | 0.77                    |
|                                | BANK OF NOVA SCOTIA/THE             | 2.160  | Feb 03 25     | 0.46                    |
|                                | BANK OF NOVA SCOTIA/THE             | 2.950  | Mar 08 27     | 0.50                    |
|                                | CANADIAN IMPERIAL BANK OF COMMERCE  | 4.000  | Jan 28 82     | 0.62                    |
|                                | CANADIAN WESTERN BANK               | 2.606  | Jan 30 25     | 0.04                    |
|                                | CANADIAN WESTERN BANK               | 6.000  | Apr 30 81     | 0.22                    |
|                                | CO-OPERATORS FINANCIAL SERVICES LTD | 3.327  | May 13 30     | 0.58                    |
|                                | ELEMENT FLEET MANAGEMENT CORP       | 1.600  | Apr 06 24     | 0.11                    |
|                                | EMPIRE LIFE INSURANCE CO/THE        | 2.024  | Sep 24 31     | 0.09                    |
|                                | EMPIRE LIFE INSURANCE CO/THE        | 3.625  | Apr 17 81     | 0.67                    |
|                                | FAIRFAX FINANCIAL HOLDINGS LTD      | 4.250  | Dec 06 27     | 0.51                    |
|                                | FAIRFAX FINANCIAL HOLDINGS LTD      | 3.950  | Mar 03 31     | 0.23                    |
|                                | GREAT-WEST LIFECO INC               | 3.600  | Dec 31 81     | 0.19                    |
|                                | HONDA CANADA FINANCE INC            | 1.646  | Feb 25 28     | 0.94                    |
|                                | IGM FINANCIAL INC                   | 4.560  | Jan 25 47     | 0.13                    |
|                                | INTACT FINANCIAL CORP               | 1.928  | Dec 16 30     | 0.09                    |
|                                | INTACT FINANCIAL CORP               | 4.125  | Mar 31 81     | 0.26                    |
|                                | JOHN DEERE FINANCIAL INC            | 2.810  | Jan 19 29     | 0.95                    |
|                                | MANULIFE FINANCIAL CORP             | 2.818  | May 13 35     | 0.62                    |
|                                | MANULIFE FINANCIAL CORP             | 3.375  | Jun 19 81     | 0.22                    |
|                                | MANULIFE FINANCIAL CORP             | 4.100  | Mar 19 82     | 0.34                    |
|                                | NATIONAL BANK OF CANADA             | 2.983  | Mar 04 24     | 1.84                    |
|                                | NATIONAL BANK OF CANADA             | 4.050  | Aug 15 81     | 0.32                    |
|                                | PARK AEROSPACE HOLDINGS LTD         | 5.500  | Feb 15 24     | 0.09                    |
|                                | POWER CORP OF CANADA                | 4.810  | Jan 31 47     | 0.51                    |
|                                | ROYAL BANK OF CANADA                | 4.500  | Nov 24 80     | 0.31                    |
|                                | ROYAL BANK OF CANADA                | 4.000  | Feb 24 81     | 0.51                    |
|                                | SAGEN MI CANADA INC                 | 3.261  | Mar 05 31     | 0.73                    |

# Portfolio Holdings



| As of 30-Jun-22                | Issuer  | Coupon | Maturity Date | Equivalent exposure (%) |
|--------------------------------|---|--------|---------------|-------------------------|
| Financial (continued) (19.64%) | TMX GROUP LTD                                 | 2.997  | Dec 11 24     | 0.16                    |
|                                | TMX GROUP LTD                                 | 3.779  | Jun 05 28     | 0.85                    |
|                                | TORONTO-DOMINION BANK/THE                     | 2.496  | Dec 02 24     | 0.37                    |
|                                | TORONTO-DOMINION BANK/THE                     | 4.210  | Jun 01 27     | 1.04                    |
|                                | TORONTO-DOMINION BANK/THE                     | 3.105  | Apr 22 30     | 0.25                    |
|                                | TORONTO-DOMINION BANK/THE                     | 3.600  | Oct 31 81     | 0.78                    |
| Industrial (5.32%)             | AIR CANADA                                    | 4.625  | Aug 15 29     | 0.35                    |
|                                | AMERICAN BUILDERS & CONTRACTORS SUPPLY CO INC | 4.000  | Jan 15 28     | 0.20                    |
|                                | AXALTA COATING SYSTEMS LLC                    | 3.375  | Feb 15 29     | 0.27                    |
|                                | BAT CAPITAL CORP                              | 5.650  | Mar 16 52     | 0.45                    |
|                                | BWX TECHNOLOGIES INC                          | 4.125  | Jun 30 28     | 0.18                    |
|                                | CANWEL BUILDING MATERIALS GROUP LTD           | 5.250  | May 15 26     | 0.22                    |
|                                | CHARLES RIVER LABORATORIES INTERNATIONAL INC  | 4.000  | Mar 15 31     | 0.24                    |
|                                | ENERGEAN ISRAEL FINANCE LTD                   | 4.875  | Mar 30 26     | 0.14                    |
|                                | ENERGEAN ISRAEL FINANCE LTD                   | 5.375  | Mar 30 28     | 0.03                    |
|                                | GLOBAL AIRCRAFT LEASING CO LTD                | 6.500  | Sep 15 24     | 0.09                    |
|                                | INDOFOOD CBP SUKSES MAKMUR TBK PT             | 3.541  | Apr 27 32     | 0.20                    |
|                                | IRON MOUNTAIN INC                             | 4.500  | Feb 15 31     | 0.29                    |
|                                | JAZZ SECURITIES DAC                           | 4.375  | Jan 15 29     | 0.22                    |
|                                | LEVIATHAN BOND LTD                            | 6.750  | Jun 30 30     | 0.19                    |
|                                | LOBLAW COS LTD                                | 4.488  | Dec 11 28     | 0.23                    |
|                                | MAGALLANES INC                                | 5.141  | Mar 15 52     | 0.66                    |
|                                | MATTAMY GROUP CORP                            | 5.250  | Dec 15 27     | 0.22                    |
|                                | METRO INC/CN                                  | 5.030  | Dec 01 44     | 0.05                    |
|                                | STANDARD INDUSTRIES INC/NJ                    | 4.750  | Jan 15 28     | 0.16                    |
|                                | STANDARD INDUSTRIES INC/NJ                    | 4.375  | Jul 15 30     | 0.20                    |
|                                | TECK RESOURCES LTD                            | 3.900  | Jul 15 30     | 0.27                    |
|                                | TOLL ROAD INVESTORS PARTNERSHIP II LP         | 0.000  | Feb 15 43     | 0.16                    |
|                                | TOROMONT INDUSTRIES LTD                       | 3.842  | Oct 27 27     | 0.07                    |
|                                | TRANSDIGM INC                                 | 4.625  | Jan 15 29     | 0.23                    |

# Portfolio Holdings



| As of 30-Jun-22          | Issuer                              | Coupon    | Maturity Date | Equivalent exposure (%) |
|--------------------------|-------------------------------------|-----------|---------------|-------------------------|
| Infrastructure (3.50%)   | ALGONQUIN POWER & UTILITIES CORP    | 5.250     | Jan 31 82     | 0.43                    |
|                          | ALTALINK LP                         | 3.990     | Jun 30 42     | 0.16                    |
|                          | BRITISH COLUMBIA FERRY SERVICES INC | 2.794     | Oct 15 49     | 0.21                    |
|                          | CALGARY AIRPORT AUTHORITY/THE       | 3.199     | Oct 07 36     | 0.25                    |
|                          | EPCOR UTILITIES INC                 | 2.899     | May 19 50     | 0.13                    |
|                          | HYDRO ONE INC                       | 2.160     | Feb 28 30     | 2.18                    |
|                          | NOVA SCOTIA POWER INC               | 3.307     | Apr 25 50     | 0.14                    |
| Municipal (1.30%)        | NEW JERSEY EDA STATE                | 7.425     | Feb 15 29     | 0.28                    |
|                          | REGIONAL MUNICIPALITY OF YORK       | 2.350     | Jun 09 27     | 0.74                    |
|                          | VILLAGE OF BRIDGEVIEW IL            | 5.140     | Dec 01 36     | 0.28                    |
| Other (0.03%)            | OTHER                               |           |               | 0.03                    |
| Provincial (28.07%)      | PROVINCE OF ALBERTA                 | 2.350     | Jun 01 25     | 2.01                    |
|                          | PROVINCE OF ALBERTA                 | 3.450     | Dec 01 43     | 3.06                    |
|                          | PROVINCE OF BRITISH COLUMBIA        | 2.200     | Jun 18 30     | 0.86                    |
|                          | PROVINCE OF BRITISH COLUMBIA        | 2.800     | Jun 18 48     | 0.86                    |
|                          | PROVINCE OF BRITISH COLUMBIA        | 2.950     | Jun 18 50     | 1.05                    |
|                          | PROVINCE OF MANITOBA CANADA         | 4.650     | Mar 05 40     | 0.74                    |
|                          | PROVINCE OF MANITOBA CANADA         | 4.100     | Mar 05 41     | 0.84                    |
|                          | PROVINCE OF NOVA SCOTIA             | 2.100     | Jun 01 27     | 1.18                    |
|                          | PROVINCE OF NOVA SCOTIA             | 4.400     | Jun 01 42     | 0.63                    |
|                          | PROVINCE OF ONTARIO CANADA          | 3.500     | Jun 02 24     | 2.71                    |
|                          | PROVINCE OF ONTARIO CANADA          | 2.600     | Jun 02 25     | 3.26                    |
|                          | PROVINCE OF ONTARIO CANADA          | 1.350     | Dec 02 30     | 1.57                    |
|                          | PROVINCE OF ONTARIO CANADA          | 4.700     | Jun 02 37     | 1.50                    |
|                          | PROVINCE OF ONTARIO CANADA          | 2.650     | Dec 02 50     | 3.55                    |
|                          | PROVINCE OF ONTARIO CANADA          | 1.900     | Dec 02 51     | 2.33                    |
|                          | PROVINCE OF QUEBEC                  | 1.900     | Sep 01 30     | 1.00                    |
|                          | PROVINCE OF QUEBEC                  | 3.500     | Dec 01 45     | 0.29                    |
|                          | PROVINCE OF QUEBEC                  | 3.100     | Dec 01 51     | 0.33                    |
| PROVINCE OF SASKATCHEWAN | 4.750                               | Jun 01 40 | 0.32          |                         |



## Portfolio Holdings



| As of 30-Jun-22        | Issuer                   | Coupon | Maturity Date | Equivalent exposure (%) |
|------------------------|--------------------------|--------|---------------|-------------------------|
| Real Estate (0.16%)    | GRANITE REIT HOLDINGS LP | 2.378  | Dec 18 30     | 0.16                    |
| Securitization (4.67%) | ATRM 12A                 | 2.486  | Apr 22 27     | 0.18                    |
|                        | BABSN 2013-IA            | 2.313  | Jan 20 28     | 0.17                    |
|                        | BSPRT 2021-FL7           | 2.150  | Dec 15 38     | 0.07                    |
|                        | CLNC 2019-FL1            | 4.024  | Oct 19 38     | 0.34                    |
|                        | KREF 2021-FL2            | 1.743  | Feb 15 39     | 0.17                    |
|                        | LCCM 2021-FL2            | 3.474  | Dec 15 38     | 0.18                    |
|                        | LNCR2021-CRE5            | 3.674  | Jul 15 36     | 0.36                    |
|                        | LNCR2021-CRE6            | 3.224  | Nov 15 38     | 0.49                    |
|                        | MAGNE 2015-16A           | 2.244  | Jan 18 28     | 0.17                    |
|                        | MF1 2021-FL6             | 3.373  | Jun 16 25     | 0.55                    |
|                        | MF1 2022-FL8             | 2.700  | Feb 19 37     | 0.23                    |
|                        | NEUB 2013-15A            | 2.894  | Oct 15 29     | 0.29                    |
|                        | NEUB 2015-20A            | 0.000  | Jul 15 34     | 0.15                    |
|                        | OAKCL 2019-1A            | 3.486  | Apr 22 30     | 0.46                    |
|                        | OCP 2015-10A             | 2.864  | Jan 26 34     | 0.49                    |
|                        | PFP 2021-8               | 3.659  | Aug 09 37     | 0.18                    |
|                        | TICP 2018-IA             | 2.714  | Apr 26 28     | 0.17                    |

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



## CERTIFICATE OF PORTFOLIO COMPLIANCE

### MFS Canadian Core Plus Fixed Income Fund

To the best of my knowledge, for the quarter ending June 30, 2022, MFS Investment Management Canada Limited (“MFS”) complied in all material respects with the investment restrictions contained in the applicable Offering Memorandum or Offering Memoranda for the MFS Canadian Core Plus Fixed Income Fund. Such certification is subject to the following conditions: (i) MFS’ compliance testing is performed using portfolio valuation reports derived from its internal security inventory system and not the books and records of the Portfolio; and (ii) MFS is responsible for compliance with the investment restrictions as stated in the applicable Offering Memorandum or Offering Memoranda.

MFS Investment Management Canada Limited.

BY:

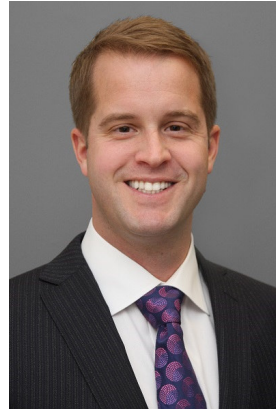
A handwritten signature in dark ink, appearing to read "J. Argiropoulos", is written above a horizontal line.

**Jennifer Argiropoulos**  
**Chief Compliance Officer**

DATE:

July 11, 2022

## Your MFS Relationship Team



**Darren Patrick, CFA**

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



**Cameron Davies**

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

---

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

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

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

---

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

# Global Capabilities

## MFS Investment Strategies



| Fundamental Equity   | Blended Research   | Fixed Income  | Multi-Asset/Specialty  |
|--|--|---|--|
| <p><b>Global Equity</b></p> <ul style="list-style-type: none"> <li>• Contrarian Value</li> <li>• Global Equity/Global Concentrated<sup>1</sup></li> <li>• Global Growth/Global Growth Concentrated</li> <li>• Global Intrinsic Value<sup>2</sup></li> <li>• Global Research/Global Research Focused</li> <li>• Global Strategic</li> <li>• Global Small-Mid Cap<sup>1</sup></li> <li>• Global Value<sup>1</sup></li> <li>• TransformativeCapital</li> </ul> <p><b>International Equity</b></p> <ul style="list-style-type: none"> <li>• International/International Concentrated</li> <li>• InternationalContrarian Value</li> <li>• InternationalDiversification<sup>1</sup></li> <li>• InternationalGrowth/International Growth Concentrated</li> <li>• International Intrinsic Value Equity<sup>2</sup></li> <li>• International Large Cap Value</li> <li>• International Research</li> <li>• InternationalSmall-Mid Cap<sup>1</sup></li> </ul> <p><b>Regional Equity</b></p> <p><b>Asia/Pacific</b></p> <ul style="list-style-type: none"> <li>• Asia Concentrated</li> <li>• Asia ex Japan</li> <li>• Asia Pacific ex Japan</li> <li>• Japan/Japan Concentrated</li> </ul> <p><b>Canadian</b></p> <ul style="list-style-type: none"> <li>• Canadian Equity</li> <li>• Canadian Research</li> </ul> <p><b>Emerging Markets</b></p> <ul style="list-style-type: none"> <li>• Emerging Markets</li> <li>• Emerging Markets Research</li> <li>• Latin American</li> </ul> <p><b>European</b></p> <ul style="list-style-type: none"> <li>• European ex-U.K.</li> <li>• European Research<sup>1</sup></li> <li>• European Small Cap<sup>1</sup></li> <li>• European Value<sup>2</sup></li> <li>• U.K.</li> </ul> <p><b>U.S.</b></p> <ul style="list-style-type: none"> <li>• Core/CoreConcentrated</li> <li>• Growth/Growth Concentrated</li> <li>• Intrinsic Value</li> <li>• LargeCap Growth/LargeCap Growth Concentrated</li> <li>• LargeCap Value<sup>1</sup>/LargeCap ValueConcentrated<sup>2</sup></li> <li>• Mid Cap Growth/Mid Cap Growth Focused</li> <li>• Mid Cap Value<sup>1</sup></li> <li>• Research</li> <li>• Research Industry Neutral</li> <li>• Small Cap Growth<sup>1</sup></li> <li>• Small Cap Value<sup>1</sup></li> </ul> | <p><b>Target Tracking Error</b></p> <p><b>Global/Regional Equity</b></p> <ul style="list-style-type: none"> <li>• Emerging Markets</li> <li>• European</li> <li>• Global</li> <li>• International</li> </ul> <p><b>U.S. Equity</b></p> <ul style="list-style-type: none"> <li>• Core</li> <li>• Large Cap Growth</li> <li>• Large Cap Value</li> <li>• Mid Cap</li> <li>• Small Cap</li> </ul> <p><b>Low Volatility</b></p> <ul style="list-style-type: none"> <li>• Canadian</li> <li>• Global</li> <li>• International</li> <li>• U.S.</li> </ul> <p><b>Income</b></p> <ul style="list-style-type: none"> <li>• Equity Income</li> <li>• Global High Dividend</li> </ul> | <p><b>Multi-Sector</b></p> <p><b>U.S.</b></p> <ul style="list-style-type: none"> <li>• Core</li> <li>• CorePlus</li> <li>• Opportunistic</li> <li>• Limited Maturity</li> </ul> <p><b>Global</b></p> <ul style="list-style-type: none"> <li>• Core</li> <li>• CorePlus</li> <li>• Opportunistic</li> </ul> <p><b>Credit</b></p> <ul style="list-style-type: none"> <li>• Buy &amp; Maintain</li> <li>• European</li> <li>• Global</li> <li>• U.S.</li> <li>• U.S. Long Duration</li> </ul> <p><b>High Yield</b></p> <ul style="list-style-type: none"> <li>• Global Core</li> <li>• U.S. Core</li> <li>• U.S. BB Corporate</li> </ul> <p><b>Emerging MarketsDebt</b></p> <ul style="list-style-type: none"> <li>• Hard Currency</li> <li>• Local Currency</li> <li>• Corporate</li> <li>• Opportunities</li> </ul> <p><b>Government</b></p> <p><b>Global</b></p> <ul style="list-style-type: none"> <li>• Inflation Adjusted</li> <li>• Sovereign</li> </ul> <p><b>U.S. Municipal</b></p> <ul style="list-style-type: none"> <li>• High Yield</li> <li>• Investment Grade</li> <li>• Limited Maturity</li> <li>• State-Specific</li> <li>• Taxable</li> </ul> <p><b>Canadian</b></p> <ul style="list-style-type: none"> <li>• Core</li> <li>• CorePlus</li> <li>• Long Term</li> <li>• Long Term Plus</li> <li>• Short Term</li> <li>• Money Market</li> </ul> <p><b>U.S.</b></p> <ul style="list-style-type: none"> <li>• Government</li> <li>• MBS</li> <li>• TIPS</li> </ul> | <p><b>Multi-Asset</b></p> <ul style="list-style-type: none"> <li>• Canadian Core</li> <li>• Canadian Growth</li> <li>• Canadian Value</li> <li>• Global Total Return</li> <li>• Managed Wealth<sup>1</sup></li> <li>• Prudent Capital<sup>1</sup></li> <li>• U.S. Total Return</li> </ul> <p><b>Income</b></p> <ul style="list-style-type: none"> <li>• Diversified Income</li> </ul> <p><b>Target Date</b></p> <ul style="list-style-type: none"> <li>• Canadian Target Date<sup>1</sup></li> <li>• U.S. Target Date<sup>1</sup></li> </ul> <p><b>Target Risk</b></p> <ul style="list-style-type: none"> <li>• Canadian Target Risk<sup>1</sup></li> <li>• U.S. Target Risk<sup>1</sup></li> </ul> <p><b>Specialty/Equity</b></p> <ul style="list-style-type: none"> <li>• Global Listed Infrastructure</li> <li>• Global REIT</li> <li>• Technology</li> <li>• U.S. REIT</li> <li>• Utilities</li> </ul> |
| <p>As of 31-Mar-22.<br/> <sup>1</sup> Limited availability.<br/> <sup>2</sup> Closed.</p>  |  |   | 30177.37   |

## Additional Disclosures



Source FTSE International Limited ("FTSE") © FTSE 2022. "FTSE®" a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under license. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data and no party may rely on any FTSE indices, ratings and/or data underlying data contained in this communication. No further distribution of FTSE Data is permitted without FTSE's express written consent. FTSE does not promote, sponsor or endorse the content of this communication.

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2022. FTSE Russell is a trading name of certain of the LSE companies. "FTSE®", "FTSE Russell®", "MTS®", "FTSE4Good®", "ICB®", "Mergent®", "The Yield Book®," is/are a trade mark(s) of the relevant LSE Group companies and is/are used by any other LSE Group company under license. "TMX®" is a trade mark of TSX, Inc. and used by the LSE Group under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

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

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