



## 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 2018 investment report

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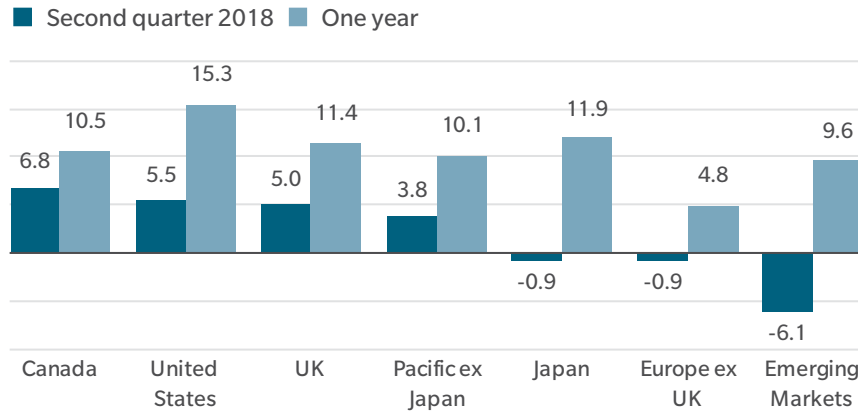
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Country and region information contained in this report is based upon MFS classification methodology which may differ from the methodology used by individual benchmark providers. Portfolio characteristics are based on equivalent exposure, which measures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

# Market Overview



Global Equity performance (%) (CAD) as of 30-Jun-18

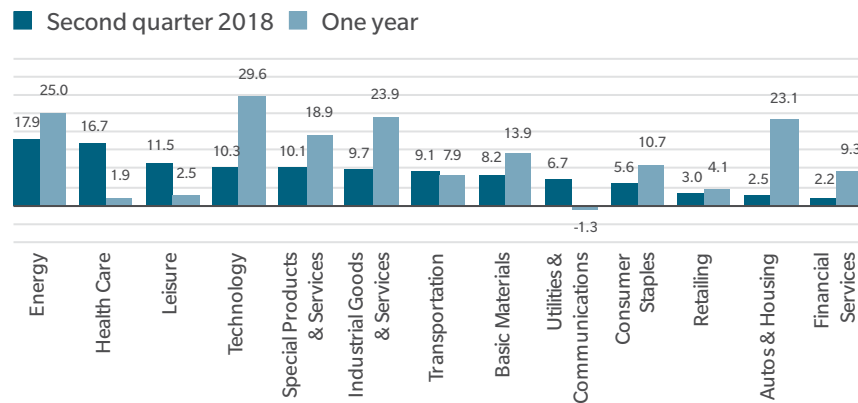


Source: FactSet. Region performance based on MSCI regional/country indexes.

## Second quarter 2018 Global Equity market review

- With the equity bull market entering the 10th year, valuations remain rich by historical measures and volatility has increased from the subdued levels in 2017.
- However, leading economic indicators, while losing momentum, are not yet signaling the end of the prolonged business cycle.
- The global economic expansion has continued, led by tax-cut-driven growth and consumer spending in the United States. However, growth momentum outside the US has decelerated, impacted by trade tensions, falling global liquidity and higher energy prices. Emerging markets weakened in recent months amidst increasing trade tensions between the US and China and a strengthening US dollar.
- While earnings growth has been strong, profit margins may weaken going forward due to retreating globalization, rising labor costs, increasing capital investment and higher interest rates.

Canadian Equity performance (%) (CAD) as of 30-Jun-18



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

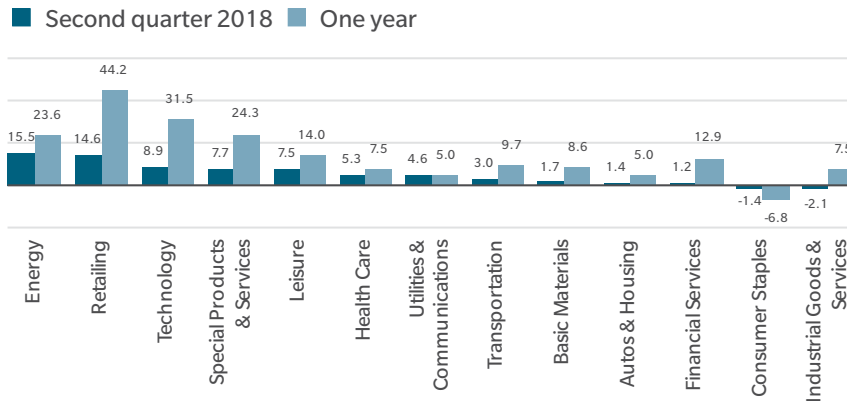
## Second quarter 2018 Canadian Equity market review

- The Canadian equity market posted a 6.8% gain for the quarter, propelling it to the top of the rankings table across both developed and emerging markets. In World Cup terms – Canada has topped its group, and we are off to the knock-out stage.
- Earnings kept pace, with forward estimates advancing in the quarter. Accordingly, valuation remained in line with the prior quarter and at or slightly below the 3, 5 and 10-yr averages.
- From a sector perspective, the quarterly advance was driven by cyclical sectors, from information technology to energy, materials and consumer discretionary names. On the other hand, the more defensive sectors – consumer staples, utilities and telecom – all underperformed. This was a first quarter in quite some time that saw such a clear demarcation between cyclical and defensive names.

# Market Overview



## U.S. Equity performance (%) (CAD) as of 30-Jun-18

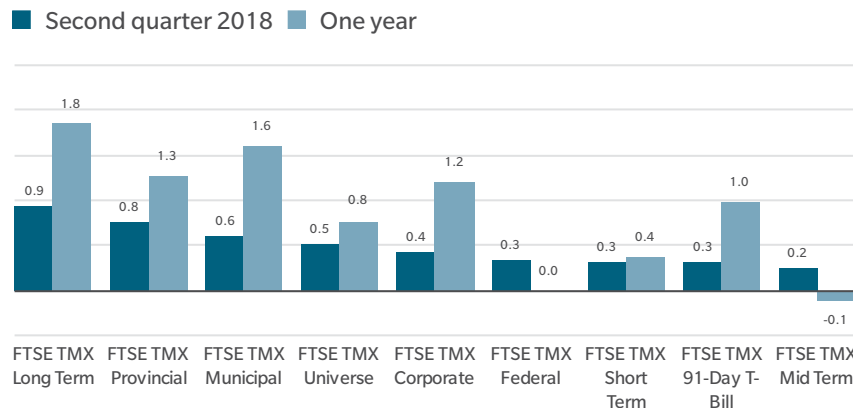


Source: FactSet. Sector performance based on MFS sector classification. The analysis of S&P 500 Index constituents are broken out by MFS defined sectors.

## Second quarter 2018 U.S. Equity market review

- The US market, as measured by the S&P 500 Index, grinded higher throughout the second quarter and ended the period above where it started. The market looked to balance the positive impact over recent tax cuts with concerns over higher interest rates and retaliation from foreign countries for recently imposed US tariffs.
- US economic growth (GDP) decreased from last quarter, with a final reading of 2.0% for Q1. Consumer spending slowed during what is typically a weaker period. As expected, the US Federal Reserve raised interest rates for the second time this year and signaled two more rate increases for 2018.
- Except for small cap stocks, the growth style of investing continued to outperform the value style during Q2. While consumer discretionary and the technology sectors continued to outperform the broad market, sectors such as energy and REITs helped value investors. In addition, small cap stocks outperformed mid and large cap stocks with the belief that they would see less impact from a possible trade war than larger multinational companies.

## Canadian Fixed Income performance (%) (CAD) as of 30-Jun-18



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

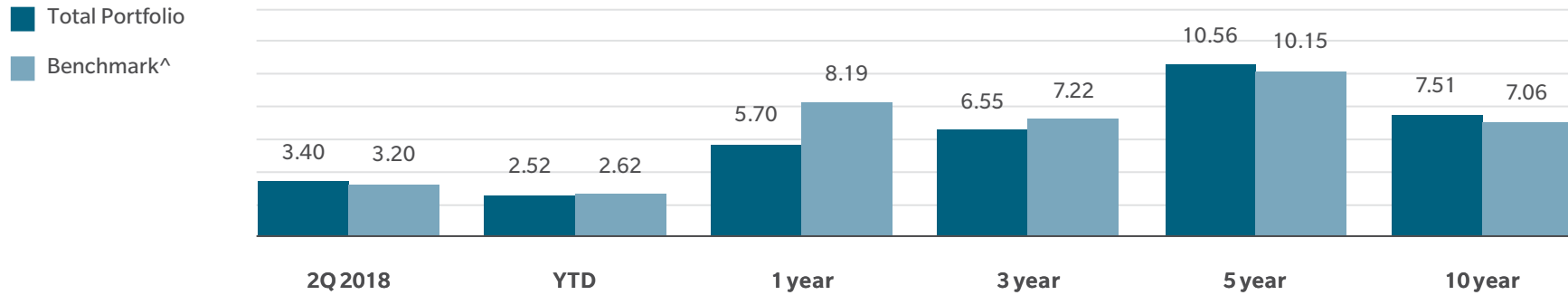
## Second quarter 2018 Canadian Fixed Income market review

- Government of Canada yields were on the rise to begin the quarter, partly pulled higher by rising rates south of the border and partly due to better than expected economic data flow. This reversed course in the latter half of May and through to quarter end. Investors demonstrated a flight-to-quality, first over concerns for Italy's elected government and their commitment to European Union membership. Secondly, rising global trade tensions stemming from the US Administration against China, as well as European and North American allies.
- Canadian provincial spreads were relatively unchanged, benefitting from the flight-to-quality as well as their longer maturity profile as yields moved lower in the second half of the quarter. Corporate bond spreads were wider on the quarter, as sentiment moved to risk-off resulting in an underperformance versus government bonds over the period.
- The Bank of Canada policy rate was unchanged on the quarter, however the market continues to expect further rate hikes in the second half of 2018. The Bank will have to weigh steady modest economic growth and core-inflation currently at the mid-point of its target range against the impact of rising rates on indebted households, uncertainty around unresolved NAFTA negotiations and escalating global trade tensions.

# Performance



Total Performance (%) (CAD) as of 30-Jun-18



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

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

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

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

# Performance



Performance results (%) as of 30-Jun-18	2Q 2018	YTD	1 Year	3 Years	5 Years	10 Years
<b>Total Portfolio</b>	<b>3.40</b>	<b>2.52</b>	<b>5.70</b>	<b>6.55</b>	<b>10.56</b>	<b>7.51</b>
<b>Benchmark<sup>^</sup></b>	<b>3.20</b>	<b>2.62</b>	<b>8.19</b>	<b>7.22</b>	<b>10.15</b>	<b>7.06</b>
MFS Low Volatility Canadian Equity Fund	7.00	2.38	7.21	–	–	–
S&P/TSX Capped Composite Index linked to previous benchmark	6.77	1.95	10.41	–	–	–
MFS Low Volatility Global Equity Fund	3.23	4.44	8.48	–	–	–
MSCI All Country World Index (net div)	2.58	4.53	12.16	–	–	–
MFS Canadian Core Plus Fixed Income Fund	0.34	0.00	0.53	–	–	–
FTSE TMX Canada Universe Bond Index	0.51	0.61	0.76	–	–	–

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

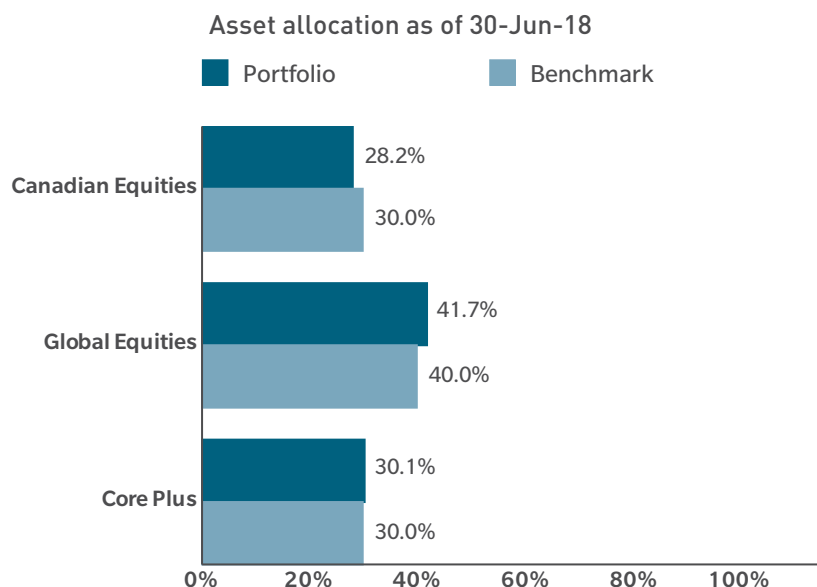
**Past performance is no guarantee of future results.**

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

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

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

# Asset Summary



## MFS' asset mix view

The global economy continues to exhibit solid growth but appears less broad-based than late-2017 and Q1 2018. Moreover, there are some signs that growth momentum has peaked and trade frictions are increasingly clouding the growth backdrop. Global inflation is not expected to accelerate significantly despite diminished excess capacity. However, we are closely monitoring any pass-through from both higher energy prices as well higher tariffs. Overall, we continue to expect non-recessionary global growth with moderate inflation but the potential for market volatility as global monetary policy becomes less accommodative and financial conditions tighten.

We remain broadly neutral on equities within our balanced portfolios with the positive impulse of non-recessionary economic and earnings growth largely offset, in our view, by full valuations and tighter liquidity conditions as policy rates rise and global central bank balance sheet expansion moderates. Regionally, we remain modestly underweight Canadian equities versus global equities given the both exogenous and endogenous headwinds for the Canadian economy. The former is driven by a lack of clarity on how NAFTA negotiations and increasingly hostile trade rhetoric will affect exports. Knock-on effects may have negative implications on business investment in Canada. The latter relates to high household debt, housing moderation and the impact of higher rates on debt carrying costs. Within fixed income, we continue to believe that bonds will outperform cash. While corporate bonds are expensive, we don't see an outsized widening in spreads so carry remains attractive. At the same time, the recent rise in Canadian government bond yields looks excessive, as we believe the BoC will be hard pressed to deliver more rate hikes than are already priced into the market given our expectation of moderating growth in Canada.

Activity (CAD)	Beginning value as of 31-Mar-18	Contributions	Withdrawals	Intra-portfolio transfers	Change in market value	Ending value as of 30-Jun-18
Total Portfolio	64,585,870	+144,263	-303,323	0	+2,192,342	66,619,152
Cash	4,951	0	0	0	+5	4,957

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



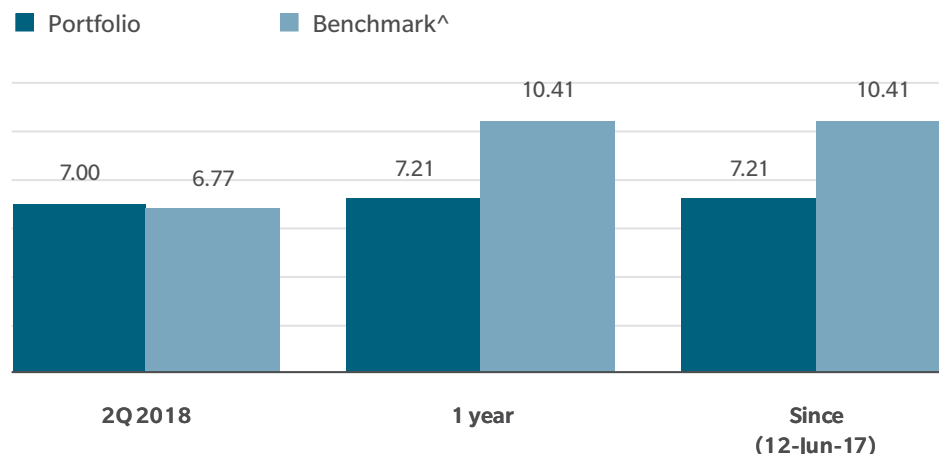
## MFS Low Volatility Canadian Equity Fund



# Executive Summary



## Performance results (%) net of expenses (CAD) as of 30-Jun-18



Source for benchmark performance SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualised.

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

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

## Asset summary (CAD)

Beginning value as of 31-Mar-18	17,842,321
Contributions	+40,394
Withdrawals	-84,930
Intra-portfolio transfers	-247,843
Change in market value	+1,244,700
Ending value as of 30-Jun-18	18,794,642

## Sector weights (%) as of 30-Jun-18

	Portfolio	Benchmark^^
<b>Top overweights</b>		
Utilities & Communications	23.5	15.7
Special Products & Services	5.8	2.0
Retailing	8.0	4.4
<b>Top underweights</b>		
Financial Services	26.8	35.7
Basic Materials	6.4	12.4
Transportation	1.9	5.7

^^ S&P/TSX Capped Composite Index

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

The MFS Low Volatility Canadian Equity Fund outperformed the S&P/TSX Capped Composite Index in the second quarter of 2018.

## Contributors

- Financial Services – Underweight position
- Technology – Stock selection
- Individual stocks:
  - Imperial Oil Ltd
  - Quebecor Inc

## Detractors

- Retailing – Stock selection and an overweight position
- Energy – Stock selection and an underweight position
- Individual stocks:
  - Just Energy Group Inc
  - Intact Financial Corp
  - Valeant Pharmaceuticals International In (not held)
  - Canadian National Railway
  - Bombardier Inc (not held)

# Performance Results



Performance results (%) net of expenses (CAD) as of 30-Jun-18

Period	Portfolio (%)	Benchmark^ (%)	Excess return vs benchmark (%)
2Q 2018	7.00	6.77	0.23
1Q 2018	-4.31	-4.52	0.21
4Q 2017	1.80	4.45	-2.65
3Q 2017	2.86	3.68	-0.82
2018 YTD	2.38	1.95	0.43
1 year	7.21	10.41	-3.20
Since client inception (12-Jun-17)	7.21	10.41	-3.20

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

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

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

## Performance Drivers - Sectors



Relative to S&P/TSX Capped Composite Index (CAD) - second quarter 2018		Average relative weighting (%)	Portfolio returns (%)	Benchmark returns (%)	Sector allocation (%) +	Stock selection (%) +	Currency effect (%) =	Relative contribution (%)
<b>Contributors</b>	Financial Services	-10.0	2.3	2.2	0.5	0.0	-	0.5
	Technology	1.7	16.2	10.3	0.1	0.3	-0.0	0.3
	Consumer Staples	1.6	6.3	5.6	-0.0	0.1	-	0.1
	Special Products & Services	3.7	9.1	10.1	0.1	-0.1	-	0.1
	Leisure	1.4	11.5	11.5	0.0	-0.0	-	0.0
	Autos & Housing	-1.4	-2.0	2.5	0.0	-0.0	-	0.0
	Transportation	-3.9	14.7	9.1	-0.1	0.1	-	0.0
<b>Detractors</b>	Retailing	3.7	1.8	3.0	-0.2	-0.1	-	-0.3
	Energy	-1.0	17.3	17.9	-0.1	-0.1	-	-0.1
	Industrial Goods & Services	1.2	6.3	9.7	0.0	-0.2	-	-0.1
	Basic Materials	-4.8	8.0	8.2	-0.1	-0.0	-	-0.1
	Utilities & Communications	7.2	6.2	6.7	0.0	-0.1	-	-0.1
	Cash	1.6	0.3	-	-0.1	-	-	-0.1
	Health Care	-0.8	-	16.7	-0.1	-	-	-0.1
<b>Total</b>			<b>6.9</b>	<b>6.8</b>	<b>0.3</b>	<b>-0.1</b>	<b>-0.0</b>	<b>0.2</b>

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

## Performance Drivers - Stocks



Relative to S&P/TSX Capped Composite Index (CAD) - second quarter 2018		Average Weighting (%)		Returns (%)		Relative contribution (%)
		Portfolio	Benchmark	Portfolio <sup>1</sup>	Benchmark	
<b>Contributors</b>	Constellation Software Inc/Canada	3.5	0.9	16.8	16.8	0.2
	Bank Of Nova Scotia	2.3	4.3	-4.2	-4.2	0.2
	Imperial Oil Ltd	1.2	0.5	28.7	28.7	0.2
	Royal Bank of Canada	3.8	6.5	0.4	0.4	0.2
	Quebecor Inc	2.9	0.2	9.5	9.5	0.1
<b>Detractors</b>	Just Energy Group Inc	1.4	-	-14.5	-	-0.3
	Intact Financial Corp	2.1	0.6	-3.0	-3.0	-0.2
	Valeant Pharmaceuticals International In	-	0.4	-	49.2	-0.1
	Canadian National Railway	1.9	3.5	14.7	14.7	-0.1
	Bombardier Inc	-	0.4	-	38.7	-0.1

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

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

## Significant Impacts on Performance - Contributors



Relative to S&P/TSX Capped Composite Index (CAD) - second quarter 2018			Relative contribution [%]
<b>Financial Services</b>		An underweight position in Financial Services contributed to relative performance as the sector underperformed the broad market over the quarter.	0.5
	Bank Of Nova Scotia	An underweight position in financial services provider Bank of Nova Scotia (Canada) benefited relative performance. The company reported a lacklustre quarter, which was also a bit softer than its peer results, with earnings per share growing only 5% year-over-year. The main detractors were Capital Markets, which was down 13% over the prior year, and Global Wealth, which was down 1%, partly due to divestments.	0.2
	Royal Bank of Canada	An underweight position in shares of Canadian financial services company Royal Bank of Canada contributed to relative performance. While reported second-quarter earnings were ahead of consensus estimates, it was a low-quality beat buoyed by lower-than-expected provisions and a lower tax rate.	0.2
<b>Technology</b>		Stock selection within this sector contributed to relative performance.	0.3
	Constellation Software Inc/Canada	An overweight position in software holding company Constellation Software (Canada) aided relative performance. The company posted solid quarterly earnings results with revenues up 29% year over year, driven by strong acquisition activity.	0.2
<b>Individual stocks</b>	Imperial Oil Ltd	Overweighting integrated oil company Imperial Oil (Canada) benefited relative performance. Shares advanced after the firm reported solid first-quarter earnings results and raised its dividend by 19%. The positive results were driven by downstream refining and chemical operations, where margins were strong, which offset the weakness in upstream oil production volumes.	0.2
	Quebecor Inc	An overweight position in Canadian regional telecommunications company Quebecor boosted relative performance. The stock advanced as the company posted quarterly earnings that exceeded consensus expectations. Management announced a dividend increase and bought back a minority interest held by the Quebec pension fund, which further supported the stock.	0.1

## Significant Impacts on Performance - Detractors



Relative to S&P/TSX Capped Composite Index (CAD) - second quarter 2018			Relative contribution [%]
<b>Retailing</b>		An overweight position in Retailing detracted from relative performance as the sector underperformed the broad market over the quarter.	-0.3
<b>Energy</b>		An underweight position in Energy detracted from relative performance as the sector outperformed the broad market over the quarter.	-0.1
<b>Individual stocks</b>	Just Energy Group Inc	Portfolio holdings of Canadian energy commodities provider Just Energy Group weighed on relative returns as the stock underperformed the benchmark during the quarter. Quarterly results came in below consensus estimates, likely having inadvertently extrapolated unrealized investment gains from prior periods, which did not repeat. Further, adjusted cash flow from operations was negatively impacted by the extremely cold weather experienced in Texas, as well as a large severance package for the departing Co-CEO. Lastly, earnings guidance for fiscal year 2019 was lowered more than anticipated.	-0.3
	Intact Financial Corp	Overweighting shares of insurance company Intact Financial Group (Canada) dampened relative returns as the company pre-announced first-quarter losses that were higher than expectations, due to severe winter weather. Despite the larger losses, management reiterated that its full-year guidance was still intact.	-0.2
	Valeant Pharmaceuticals International Inc	Not owning shares of pharmaceutical company Valeant Pharmaceuticals (Canada) held back relative results after the company reported revenues ahead of projections. Much of the earnings surprise was driven by higher prescription brand revenues and modestly lower operating expenses. Management surprised by raising financial guidance, and sooner than anticipated, which provided additional stock price upside.	-0.1
	Canadian National Railway	The portfolio's underweight position in railroad company Canadian National Railway (Canada) detracted from relative results after the company reported quarterly earnings results that were ahead of consensus estimates. While revenues were softer than expected, lower operating expenses helped drive earnings per share outperformance.	-0.1
	Bombardier Inc	Not owning shares of planes and trains manufacturer Bombardier (Canada) hurt relative returns during the period. Shares advanced throughout the period as strong order growth, notably for business jets, fuelled first-quarter earnings results, which came in ahead of consensus expectations. The company also announced the sale of its Downsview property for \$635 million, which further supported the stock.	-0.1

## Significant Transactions



From 01-Apr-18 to 30-Jun-18		Sector	Transaction type	Trade (%)	Ending weight (%)
<b>Purchases</b>	GREAT-WEST LIFECO	Financial Services	Add	1.0	2.0
	MAGNA INTERNATIONAL INC	Autos & Housing	New position	0.9	0.8
	SUPERIOR PLUS CORP	Special Products & Services	Add	0.7	2.1
	QUEBECOR INC	Utilities & Communications	Add	0.7	3.4
	MAPLE LEAF FOODS INC	Consumer Staples	Add	0.6	2.8
<b>Sales</b>	NUTRIEN LTD	Basic Materials	Trim	-2.0	0.9
	SHAW COMMUNICATIONS INC	Leisure	Eliminate position	-1.4	-
	IMPERIAL OIL LTD	Energy	Trim	-0.5	1.1
	SUNCOR ENERGY INC	Energy	Trim	-0.5	3.6
	RUSSEL METALS INC	Special Products & Services	Eliminate position	-0.4	-

# Sector Weights



As of 30-Jun-18	Portfolio (%)	Benchmark^ (%)	Underweight/ overweight (%)	Top holdings
Utilities & Communications	23.5	15.7	7.8	TELUS Corp, Enbridge Inc, Quebecor Inc
Special Products & Services	5.8	2.0	3.8	CGI Group Inc, Superior Plus Corp, Boyd Group Income Fund IEU
Retailing	8.0	4.4	3.6	Loblaw Cos Ltd, Alimentation Couche-Tard Inc, Dollarama Inc
Consumer Staples	2.8	0.8	2.0	Maple Leaf Foods Inc
Technology	4.9	3.3	1.6	Constellation Software Inc/Canada
Leisure	4.3	2.8	1.5	Thomson Reuters Corp
Industrial Goods & Services	4.4	3.6	0.8	Waste Connections Inc
Autos & Housing	0.8	1.3	-0.5	Magna International Inc
Health Care	-	0.8	-0.8	
Energy	9.5	11.5	-2.0	Suncor Energy Inc, Canadian Natural Resources Ltd, Tourmaline Oil Corp
Transportation	1.9	5.7	-3.8	Canadian National Railway Co
Basic Materials	6.4	12.4	-6.0	Goldcorp Inc, Stella-Jones Inc, Franco-Nevada Corp
Financial Services	26.8	35.7	-8.9	Toronto-Dominion Bank, Royal Bank of Canada, Canadian Imperial Bank of Commerce

^ S&P/TSX Capped Composite Index

0.6% Cash & cash equivalents

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



# Characteristics



As of 30-Jun-18	Portfolio	Benchmark <sup>^</sup>
<b>Fundamentals - weighted average</b>		
IBES long-term EPS growth	12.1%	11.1%
Price/earnings (12 months forward ex-negative earnings)	15.6x	15.0x
PEG ratio	1.4x	1.4x
Price/book	2.0x	1.8x
Price/sales	1.5x	1.7x
Dividend yield	3.0%	2.9%
Return on equity (3-year average)	14.6%	10.5%
<b>Market capitalisation</b>		
Market capitalisation (CAD) <sup>1</sup>	39.3 bn	47.9 bn
<b>Diversification</b>		
Top ten holdings	35%	37%
Number of holdings	55	246
<b>Turnover</b>		
Trailing 1 year turnover <sup>2</sup>	75%	–
<b>Risk profile (current)</b>		
Active share	49%	–
Barra predicted tracking error <sup>3</sup>	3.33%	–

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

<sup>1</sup> Weighted average.

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

<sup>3</sup> Source: Barra

**No forecasts can be guaranteed.**

Top 10 issuers as of 30-Jun-18	Portfolio (%)	Benchmark <sup>^</sup> (%)
TORONTO-DOMINION BANK/THE	3.7	6.2
ROYAL BANK OF CANADA	3.7	6.3
SUNCOR ENERGY INC	3.6	3.9
CONSTELLATION SOFTWARE INC/CANADA	3.6	0.9
TELUS CORP	3.4	1.2
ENBRIDGE INC (EQ)	3.4	3.6
QUEBECOR INC	3.4	0.2
WASTE CONNECTIONS INC	3.3	1.2
CANADIAN IMPERIAL BANK OF COMMERCE	3.2	2.3
TRANSCANADA CORP	3.1	2.3
<b>Total</b>	<b>34.6</b>	<b>28.0</b>

# Portfolio Outlook and Positioning



Canadian equities, as measured by the S&P TSX Composite Index, produced very strong results during the second quarter and are now in positive territory year to date. Leading economic indicators remain supportive, though off the highs set earlier in the year. NAFTA negotiations remain an overhang, and while a case can be made for the Bank of Canada to raise rates further, the uncertainty surrounding the US trade relationship may hold back rate increases. Mortgage borrowing restrictions that went into effect in January have cooled overheated housing markets and reduced the risks of a debt-fueled housing boom. Still, elevated household debt levels will continue to put downward pressure on consumption. The outlook for earnings is positive, evidenced by positive earnings revisions in Canada being well above global averages.

Sector leadership had a more cyclical bent than in the first quarter, as the energy, materials, technology and industrials sectors contributed significantly to the benchmark gains. Bond proxies like utilities and telecom services continued to lag, as did consumer sectors impacted by trade concerns and slowing consumption. Financials were also laggards, with banks reversing first-quarter outperformance as the yield curve flattened.

From a style perspective, lower-quality stocks outperformed high-quality stocks during the quarter, which was a notable reversal from last quarter and the previous year. Growth stocks continued to outperform value stocks, but the delta between the two was narrow. Small stocks were the strongest performers during the period, followed by mid-caps and large caps.

At the factor level, valuation, earnings momentum and profitability metrics produced strong results while price momentum and earnings quality metrics generally lagged. As would be expected in a low-quality, cyclical-driven market, volatility was a very strong factor during the period.

While the current environment isn't favorable to low-volatility investing, the MFS® Blended Research® Canadian Low Volatility strategy outperformed the S&PTSX in the second quarter. Strong performance by our fundamental team offset middling results for our quantitative model, with the valuation and earnings momentum components producing disappointing results while the price momentum and quality factors produced more mixed performance.

Intersection holdings, or stocks deemed attractive by both of our research sources, were notably strong, exemplified by integrated cable, wireless and media company Quebecor, which significantly outperformed after reporting strong earnings, increasing the dividend and buying back the Quebec pension fund's minority interest at a reasonable price. Historically, intersection holdings have been a contributor to Blended Research strategies' alpha.

Another prominent contributor to performance during the quarter was the portfolio's underweight position in the financial services sector, which benefited from the underperformance of a couple of larger banks, including Royal Bank of Canada. Stock selection in the

# Portfolio Outlook and Positioning



technology sector also added significantly to results, driven largely by an overweight position in Constellation Software, which outperformed significantly due to strong revenue growth and robust acquisition activity.

Strong stock selection in the communications sector (Quebecor) was offset by the portfolio's overweight in the sector, which was weighed down by the weak performance of bond proxies in general. The overweight position in retailing combined with mediocre stock selection was also a significant detractor from performance for the quarter. Finally, stock selection in the utilities sector weighed heavily on results, as leading energy marketer Just Energy reported weak results and continued to face challenges repositioning the business from being a retail energy provider to a consumer company focused on value-added products and services.

## **Key trades for the quarter included the following:**

During the period, we initiated a new position in **Magna International** while adding to existing holdings in **Great-West Lifeco**, **Superior Plus** and **Quebecor**.

- A position in integrated auto parts company **Magna International** was originated. Magna International prides itself on a highly entrepreneurial culture and a corporate constitution that outlines distribution of profits to various stakeholders. This automotive supplier's product groups include exteriors, interiors, power train, vision and electronic systems and contracted vehicle assembly, among other products. From a fundamental perspective, we like the company's diversified product mix, cost-efficiency enhancing scale and conservative balance sheet, leading to a high return on assets relative to peers. From a quantitative view, the stock scores well across most themes (*valuation, earnings quality, price and earnings momentum, sentiment*).
- We added to our existing position in **Great-West Lifeco**. Great-West Lifeco, majority-owned by Power Financial, is one of Canada's big three life insurance firms. Great-West primarily operates in its home market of Canada but has been expanding its operations in the United States and Europe. On the fundamental side, the company has experienced improving margins and earnings growth due to recent cost restructuring. Quantitatively, the stock appears favorable on valuation and earnings quality.
- We increased our position in **Superior Plus**, a company that engages in propane distribution, energy distribution and the manufacture of specialty chemicals. We believe the company holds a competitive advantage in supplying chemicals to pulp/paper producers in North America while also experiencing strong tailwinds from a recent acquisition and pricing. Quantitatively, the stock appears favorable on valuation and earnings quality.
- Additionally, we added to our existing holdings in **Quebecor**, a communication holding company that offers telecom services mainly through its subsidiary Videotron. Our fundamental analyst views this company as having the best brand, execution and network in Canadian telecom. Quantitatively, valuation and sentiment appeared most attractive.

# Portfolio Outlook and Positioning



On the sell side, we eliminated a number of positions, including **Shaw Communications** and **Russel Metals**, while paring our exposure to **Nutrien**.

- **Shaw Communications** is a cable TV company in western Canada, serving as one of the biggest providers of Internet, television and landline telephone services in British Columbia, Alberta, Saskatchewan, Manitoba and northern Ontario. Recent results revealed that Shaw is struggling versus its peers, losing market share and experiencing one of the weaker returns in Canadian telecom. As such, we sold our position in favor of Quebecor. Quantitatively, the stock appeared weak on valuation and earnings quality.
- We exited our position in natural gas firm **Russel Metals**, a Canada-based metals distribution company, on a point of strength, as it has been a strong performer over the past 12 months. Quantitatively, it appeared weak on earnings quality, earnings momentum and price momentum.
- **Nutrien**, the world's largest fertilizer producer by capacity, was trimmed on recent strength and the addition of new shares received after the merger of Potash and Agrium. From a quantitative view, the stock appears weak across themes (*valuation, earnings quality, price and earnings momentum, sentiment*).

Looking forward, economic and earnings data coupled with style and factor leadership suggest we are in the later stages of the market and economic cycle. Potential headwinds to the Canadian market include the ongoing NAFTA negotiations and an escalation of trade tensions globally, a chaotic unwinding of the housing bubble and the highly indebted consumer. Declining economic momentum and a flattening yield curve will likely result in the VIX trending higher in the upcoming quarters. Canadian low-volatility stocks, using the S&P TSX Low Volatility index as a proxy, trade at a discount to the broader benchmark on various multiples; however, given the significant weight of bond proxies, like utilities, REITs and telecoms, it may be too early for broad-based outperformance by the low-volatility market segment. We expect the Blended Research Canadian Low Volatility Equity strategy to benefit from the quality focus of our fundamental research analysts and the quality metrics in our quantitative model while minimizing risk by maintaining our valuation discipline and employing our disciplined portfolio construction process.

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-18	Equivalent exposure (%)
<b>Autos &amp; Housing</b>	<b>0.8</b>
Magna International Inc	0.8
<b>Basic Materials</b>	<b>6.4</b>
Goldcorp Inc	1.9
Stella-Jones Inc	1.8
Franco-Nevada Corp	1.4
Nutrien Ltd	0.9
Agnico Eagle Mines Ltd	0.4
<b>Cash &amp; Cash Equivalents</b>	<b>0.6</b>
Cash & Cash Equivalents	0.6
<b>Consumer Staples</b>	<b>2.8</b>
Maple Leaf Foods Inc	2.8
<b>Energy</b>	<b>9.5</b>
Suncor Energy Inc	3.6
Canadian Natural Resources Ltd	1.6
Tourmaline Oil Corp	1.6
Imperial Oil Ltd	1.1
Husky Energy Inc	1.0
Advantage Oil & Gas Ltd	0.6
<b>Financial Services</b>	<b>26.8</b>
Toronto-Dominion Bank	3.7
Royal Bank of Canada	3.7
Canadian Imperial Bank of Commerce	3.2
Bank of Montreal	2.8
National Bank of Canada	2.4
Intact Financial Corp	2.2
Bank of Nova Scotia	2.2
Great-West Lifeco Inc	2.0
Choice Properties Real Estate Investment Trust REIT	2.0
Manulife Financial Corp	1.5
TMX Group Inc	0.9
Industrial Alliance Insurance & Financial Services Inc	0.2

As of 30-Jun-18	Equivalent exposure (%)
<b>Industrial Goods &amp; Services</b>	<b>4.4</b>
Waste Connections Inc	3.3
SNC-Lavalin Group Inc	0.6
Stantec Inc	0.5
<b>Leisure</b>	<b>4.3</b>
Thomson Reuters Corp	2.7
Great Canadian Gaming Corp	0.6
Transcontinental Inc	0.5
Restaurant Brands International Inc	0.5
<b>Retailing</b>	<b>8.0</b>
Loblaw Cos Ltd	3.1
Alimentation Couche-Tard Inc	2.1
Dollarama Inc	1.1
Metro Inc	0.7
Canadian Tire Corp Ltd	0.5
Gildan Activewear Inc	0.4
<b>Special Products &amp; Services</b>	<b>5.8</b>
CGI Group Inc	2.1
Superior Plus Corp	2.1
Boyd Group Income Fund IEU	1.6
<b>Technology</b>	<b>4.9</b>
Constellation Software Inc/Canada	3.6
Descartes Systems Group Inc	0.7
Enghouse Systems Ltd	0.6
<b>Transportation</b>	<b>1.9</b>
Canadian National Railway Co	1.9
<b>Utilities &amp; Communications</b>	<b>23.5</b>
TELUS Corp	3.4
Enbridge Inc	3.4
Quebecor Inc	3.4
TransCanada Corp	3.1
Emera Inc	3.1

## Portfolio Holdings



As of 30-Jun-18	Equivalent exposure (%)
<b>Utilities &amp; Communications</b>	<b>23.5</b>
Rogers Communications Inc	2.6
BCE Inc	1.9
Just Energy Group Inc	1.3
Fortis Inc/Canada	0.8
TransAlta Renewables Inc	0.5



## CERTIFICATE OF PORTFOLIO COMPLIANCE

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

To the best of my knowledge, for the quarter ending June 30, 2018, 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:   
**Christina Forster Pazienza, CPA, CA**  
Vice President & Chief Compliance Officer

DATE: **July 11, 2018**



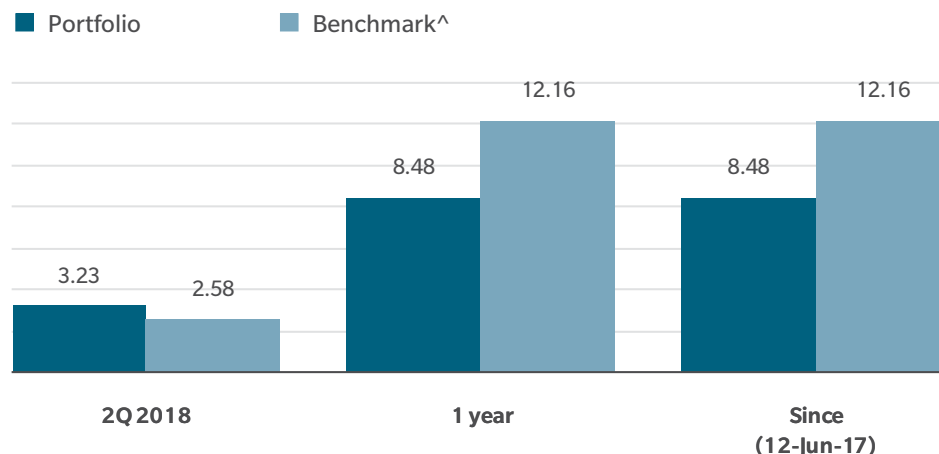
## MFS Low Volatility Global Equity Fund



# Executive Summary



## Performance results (%) net of expenses (CAD) as of 30-Jun-18



Source for benchmark performance SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualised.

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

^ MSCI All Country World Index (net div)

## Asset summary (CAD)

Beginning value as of 31-Mar-18	27,334,229
Contributions	+60,591
Withdrawals	-127,396
Intra-portfolio transfers	-360,782
Change in market value	+883,925
Ending value as of 30-Jun-18	27,790,568

## Sector weights (%) as of 30-Jun-18

	Portfolio	Benchmark^^
<b>Top overweights</b>		
Utilities & Communications	15.4	6.7
Consumer Staples	13.2	6.6
Health Care	16.8	11.0
<b>Top underweights</b>		
Technology	11.8	17.1
Financial Services	17.2	20.7
Energy	3.4	6.3

^^ MSCI All Country World Index

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

The MFS Low Volatility Global Equity Fund outperformed the MSCI All Country World Index in the second quarter of 2018.

## Contributors

- Financial Services – Stock selection
- Individual stocks:
  - Terumo Corp
  - Adobe Systems Inc
  - Occidental Petroleum Corp

## Detractors

- Retailing – Stock selection
- Individual stocks:
  - Taiwan Semiconductor
  - PTT Global Chemical
  - Lockheed Martin Corp

# Performance Results



Performance results (%) net of expenses (CAD) as of 30-Jun-18

Period	Portfolio (%)	Benchmark^ (%)	Excess return vs benchmark (%)
2Q 2018	3.23	2.58	0.65
1Q 2018	1.18	1.91	-0.73
4Q 2017	5.57	5.92	-0.35
3Q 2017	-1.62	1.29	-2.91
2018 YTD	4.44	4.53	-0.09
1 year	8.48	12.16	-3.68
Since client inception (12-Jun-17)	8.48	12.16	-3.68

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

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

^ MSCI All Country World Index (net div)

## Performance Drivers - Sectors



Relative to MSCI All Country World Index (CAD) - second quarter 2018		Average relative weighting (%)	Portfolio returns (%)	Benchmark returns (%)	Sector allocation (%) +	Stock selection (%) +	Currency effect (%) =	Relative contribution (%)
<b>Contributors</b>	Financial Services	-4.8	4.2	-2.1	0.2	1.0	0.1	1.3
	Utilities & Communications	8.0	6.0	2.0	-0.0	0.4	0.2	0.5
	Health Care	5.4	5.7	4.7	0.1	0.3	-0.1	0.3
	Industrial Goods & Services	-1.5	-1.1	-1.8	0.1	-0.0	0.1	0.1
	Transportation	-1.4	14.5	2.1	0.0	0.1	0.0	0.1
<b>Detractors</b>	Retailing	2.6	1.0	10.3	0.2	-0.8	0.0	-0.6
	Technology	-5.2	3.8	5.6	-0.1	-0.1	-0.2	-0.4
	Basic Materials	-1.7	-4.3	1.7	-0.0	-0.2	0.0	-0.2
	Leisure	-2.6	2.3	6.6	-0.1	-0.1	0.0	-0.2
	Cash	0.9	0.3	-	-0.1	-	-0.0	-0.1
	Consumer Staples	6.5	0.7	-0.1	-0.2	-0.0	0.1	-0.1
	Special Products & Services	-2.3	2.9	5.2	-0.1	-0.1	0.0	-0.1
	Energy	-2.9	19.6	12.5	-0.3	0.2	0.0	-0.1
	Autos & Housing	-0.9	-6.7	-4.0	0.1	-0.1	0.0	-0.0
<b>Total</b>		<b>3.4</b>	<b>2.8</b>	<b>-0.2</b>	<b>0.5</b>	<b>0.3</b>	<b>0.6</b>	

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

## Performance Drivers - Stocks



Relative to MSCI All Country World Index (CAD) - second quarter 2018		Average Weighting (%)		Returns (%)		Relative contribution (%)
		Portfolio	Benchmark	Portfolio <sup>1</sup>	Benchmark	
<b>Contributors</b>	Terumo Corp	2.9	0.0	11.4	11.4	0.2
	Grand City Properties Sa	1.8	-	14.7	-	0.2
	Adobe Systems Inc	2.0	0.3	15.1	15.1	0.2
	Occidental Petroleum Corp	0.9	0.1	32.6	32.6	0.2
	Nice Ltd	2.0	0.0	12.7	13.5	0.2
<b>Detractors</b>	Taiwan Semiconductor	2.9	0.4	-12.3	-11.0	-0.4
	Abc-Mart Inc	2.2	0.0	-15.2	-15.2	-0.4
	PTT Global Chemical	1.4	0.0	-25.6	-25.6	-0.4
	Lockheed Martin Corp	1.9	0.2	-10.2	-10.2	-0.2
	Amazon.Com Inc	-	1.4	-	19.8	-0.2

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

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

## Significant Impacts on Performance - Contributors



Relative to MSCI All Country World Index (CAD) - second quarter 2018			Relative contribution [%]
<b>Financial Services</b>		Stock selection within this sector contributed to relative performance.	1.3
	Grand City Properties Sa	Holding shares of real estate developer Grand City Properties (Luxembourg) contributed positively to relative returns. Shares advanced as the company reported solid first-quarter financial results, marked by strong growth in rental and occupancy income, and management guided to a favourable full-year outlook.	0.2
<b>Individual stocks</b>	Terumo Corp	An overweight position in medical products and equipment manufacturer Terumo (Japan) boosted relative performance. The company reported strong sales growth during the period that more-than-offset management's cautious guidance update. Additionally, Terumo adopted International Financial Reporting Standards (IFRS), which had a positive impact on profit levels.	0.2
	Adobe Systems Inc	An overweight position in software company Adobe Systems (United States) benefited relative performance. Shares outpaced the benchmark as the company delivered strong third-quarter earnings that beat guidance. The results were driven by healthy revenue growth in the company's Creative Cloud, Document Cloud and Experience Cloud services divisions. A lower-than-expected effective tax rate also helped the results.	0.2
	Occidental Petroleum Corp	A portfolio overweight to US oil and natural gas exploration and production firm Occidental Petroleum contributed to relative returns as the stock outperformed the benchmark during the quarter. Commensurate with a rebound in energy commodity prices, shares of most energy companies outperformed the market during the period, including Occidental Petroleum. In addition, the company's earnings and cash flow generation beat consensus estimates, driven by strong results across the board. As a result, its management team increased its 2018 earnings guidance and announced it would be resuming its share buyback program.	0.2

## Significant Impacts on Performance - Detractors



Relative to MSCI All Country World Index (CAD) - second quarter 2018			Relative contribution [%]
<b>Retailing</b>		Stock selection within this sector detracted from relative performance.	-0.6
	Abc-Mart Inc	The portfolio's overweight position in shares of apparel and footwear producer ABC-Mart (Japan) weighed on relative returns during the quarter. The stock declined after the company released disappointing May 2018 sales results in which same-store sales fell 5.4% year-over-year.	-0.4
<b>Individual stocks</b>	Taiwan Semiconductor	The timing of ownership in shares of Taiwanese semiconductor products manufacturer Taiwan Semiconductor Manufacturing held back relative returns. Although the company reported in-line second-quarter earnings results, the stock price declined after management delivered disappointing revenue guidance, due to weak order demand in the high-end smartphone market.	-0.4
	PTT Global Chemical	An overweight position in petrochemical manufacturer PTT Global Chemical (Thailand) detracted from relative performance. The company reported quarterly earnings results that beat consensus estimates due to strong results in the olefins segment and positive performance from affiliates. However, the stock came under pressure as the company's aromatics division posted weak performance for the quarter. Additionally, late in the period, Green Global Chemical, which is a 72% owned subsidiary of PTT Global, reported a significant shortfall of previously reported inventory of crude palm oil and palm kernel to the Thailand stock exchange.	-0.4
	Lockheed Martin Corp	An overweight position in defence contractor Lockheed Martin (United States) negatively impacted relative performance. After strongly outperforming the market coming into the period, shares of Lockheed Martin sold off during the second quarter, despite reporting strong quarterly earnings results.	-0.2

## Significant Transactions



From 01-Apr-18 to 30-Jun-18		Sector	Transaction type	Trade (%)	Ending weight (%)
<b>Purchases</b>	STORE CAPITAL CORP	Financial Services	Add	0.6	2.0
	MARINE HARVEST ASA	Consumer Staples	Add	0.6	1.4
	US BANCORP	Financial Services	New position	0.6	0.6
	CEZ AS EQ	Utilities & Communications	New position	0.4	0.4
	ELI LILLY & CO	Health Care	New position	0.4	0.5
<b>Sales</b>	INTACT FINANCIAL CORP	Financial Services	Eliminate position	-1.0	-
	HSBC HOLDINGS PLC	Financial Services	Eliminate position	-0.9	-
	OSAKA GAS CO LTD	Utilities & Communications	Eliminate position	-0.5	-
	EZAKI GLICO CO LTD	Consumer Staples	Eliminate position	-0.5	-
	REMY COINTREAU SA	Consumer Staples	Eliminate position	-0.5	-

# Sector Weights



As of 30-Jun-18	Portfolio (%)	Benchmark^ (%)	Underweight/ overweight (%)	Top holdings
Utilities & Communications	15.4	6.7	8.7	CLP Holdings Ltd, KDDI Corp, TELUS Corp
Consumer Staples	13.2	6.6	6.6	PepsiCo Inc, Nestle SA, Marine Harvest ASA
Health Care	16.8	11.0	5.8	Terumo Corp, Johnson & Johnson, Pfizer Inc
Retailing	8.6	6.3	2.3	Ross Stores Inc, ABC-Mart Inc, Lawson Inc
Autos & Housing	2.7	3.5	-0.8	Kia Motors Corp
Industrial Goods & Services	5.2	6.4	-1.2	Lockheed Martin Corp, Waste Connections Inc, Boeing Co
Transportation	0.9	2.2	-1.3	Canadian National Railway Co
Basic Materials	3.3	5.0	-1.7	Franco-Nevada Corp, PTT Global Chemical PCL
Special Products & Services	1.5	3.5	-2.0	Forrester Research Inc
Leisure	2.0	4.7	-2.7	McDonald's Corp
Energy	3.4	6.3	-2.9	Exxon Mobil Corp, Royal Dutch Shell PLC, Occidental Petroleum Corp
Financial Services	17.2	20.7	-3.5	STORE Capital Corp REIT, Grand City Properties SA, AvalonBay Communities Inc REIT
Technology	11.8	17.1	-5.3	Taiwan Semiconductor Manufacturing Co Ltd ADR, Nice Ltd ADR, Adobe Systems Inc

^ MSCI All Country World Index  
-2.0% Cash & cash equivalents

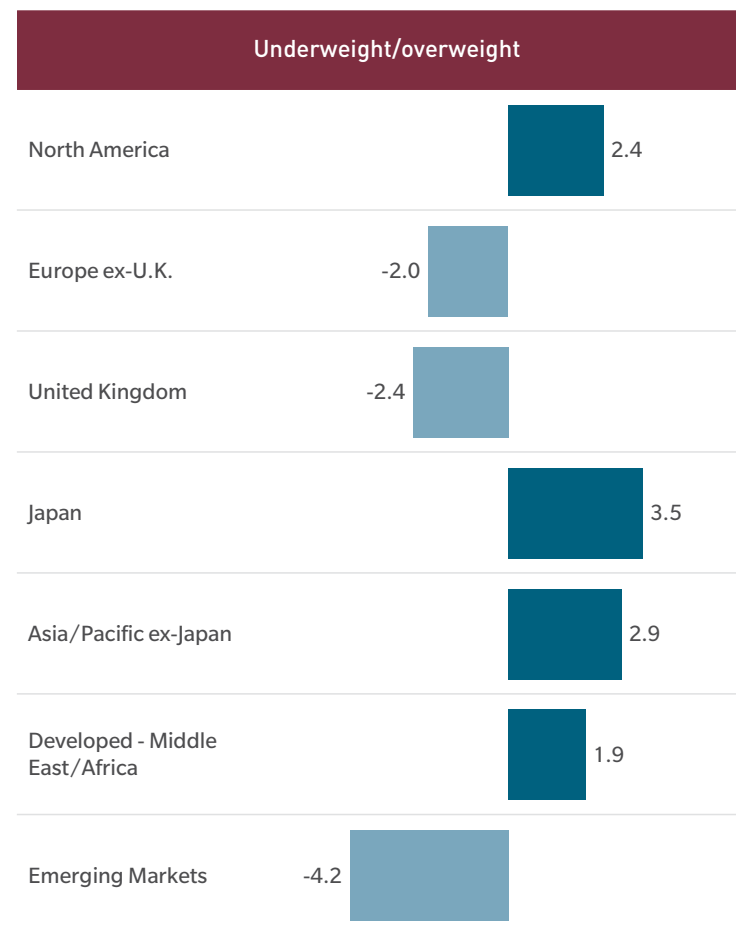
Portfolio and benchmark data shown is based on MFS' sector/industry classification methodology, which differs from the benchmark's.



## Region and Country Weights



As of 30-Jun-18	Portfolio (%)	Benchmark^ (%)	Underweight/overweight (%)
<b>North America</b>	<b>59.1</b>	<b>56.7</b>	<b>2.4</b>
Canada	8.7	3.1	5.6
United States	50.3	53.6	-3.3
<b>Europe ex-U.K.</b>	<b>12.4</b>	<b>14.4</b>	<b>-2.0</b>
Switzerland	6.4	2.5	3.9
Norway	1.4	0.2	1.2
Denmark	0.5	0.5	0.0
Germany	2.9	3.0	-0.1
Netherlands	0.6	1.1	-0.5
France	0.5	3.5	-3.0
Other countries <sup>1</sup>	0.0	3.5	-3.5
<b>United Kingdom</b>	<b>3.3</b>	<b>5.7</b>	<b>-2.4</b>
<b>Japan</b>	<b>11.1</b>	<b>7.6</b>	<b>3.5</b>
<b>Asia/Pacific ex-Japan</b>	<b>6.7</b>	<b>3.8</b>	<b>2.9</b>
Hong Kong	4.7	1.1	3.6
New Zealand	1.9	0.1	1.8
Other countries <sup>1</sup>	0.0	2.6	-2.6
<b>Developed - Middle East/Africa</b>	<b>2.1</b>	<b>0.2</b>	<b>1.9</b>
Israel	2.1	0.2	1.9
<b>Emerging Markets</b>	<b>7.4</b>	<b>11.6</b>	<b>-4.2</b>
Taiwan	2.9	1.3	1.6
Thailand	1.4	0.3	1.1
Peru	1.1	0.0	1.1
Czech Republic	0.4	0.0	0.4
Malaysia	0.6	0.3	0.3
South Korea	1.1	1.7	-0.6
Other countries <sup>1</sup>	0.0	8.0	-8.0



^ MSCI All Country World Index  
-2.0% Cash & cash equivalents

<sup>1</sup> The portfolio does not own any securities in countries represented in the benchmark in the following percentages: China 3.8%; Australia 2.2%; India 1.0%; Spain 1.0%; Italy 0.8%; South Africa 0.8%; Sweden 0.8%; Brazil 0.7% and 20 countries with weights less than 0.5% which totals to 3.1%.

# Characteristics



As of 30-Jun-18	Portfolio	Benchmark <sup>^</sup>
<b>Fundamentals - weighted average</b>		
IBES long-term EPS growth	11.6%	13.8%
Price/earnings (12 months forward ex-negative earnings)	17.0x	14.9x
Return on equity (3-year average)	20.4%	17.7%
Price/book	2.5x	2.2x
Price/sales	1.9x	1.6x
Dividend yield	3.1%	2.4%
<b>Fundamentals - weighted median</b>		
Return on invested capital	10.7%	9.4%
<b>Market capitalisation</b>		
Market capitalisation (CAD) <sup>1</sup>	114.8 bn	187.8 bn
<b>Diversification</b>		
Top ten holdings	23%	11%
Number of holdings	93	2,781
<b>Turnover</b>		
Trailing 1 year turnover <sup>2</sup>	23%	-
<b>Risk profile (current)</b>		
Active share	88%	-
Barra predicted tracking error <sup>3</sup>	3.89%	-

Top 10 issuers as of 30-Jun-18	Portfolio (%)	Benchmark <sup>^</sup> (%)
TERUMO CORP	2.9	0.0
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	2.9	0.4
JOHNSON & JOHNSON	2.6	0.7
ROSS STORES INC	2.5	0.1
NICE LTD	2.1	0.0
PFIZER INC	2.1	0.5
ROCHE HOLDING AG	2.1	0.3
ADOBE SYSTEMS INC	2.1	0.3
STORE CAPITAL CORP	2.0	-
GRAND CITY PROPERTIES SA	2.0	-
<b>Total</b>	<b>23.2</b>	<b>2.3</b>

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

<sup>1</sup> Weighted average.

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

<sup>3</sup> Source: Barra

**No forecasts can be guaranteed.**

# Portfolio Outlook and Positioning



Global equities, as measured by the MSCI ACWI Local Index, ended the second quarter close to where they began the year but well above the March low. Global leading economic indicators continued to signal economic expansion; however, momentum since the beginning of the year has clearly decelerated, particularly in Europe. Key drivers of the more subdued economic outlook include trade tensions, diverging global monetary policies and higher energy prices. The outlook for earnings, which have historically been correlated with leading economic indicators, is also moderating from the extremely elevated levels seen late last year. While the VIX retreated from the February highs, it remains well above last year's subdued levels, with investor concerns about trade and ongoing political uncertainties driving it higher in late March and again in recent weeks.

Geographically emerging markets, the Q1 performance leaders, broadly lagged as countries with high dollar-denominated debt retreated in concert with a strengthening US dollar while countries with supply chains tied to China reacted to the increasing trade tensions between the United States and China. Late-cycle strength in commodities, particularly oil, benefited commodity-sensitive markets like New Zealand, Canada and Norway, which all outperformed significantly during the quarter. European equities outperformed overall, with strong performance from France, Ireland and the UK offsetting weaker results from Germany, Italy and Spain, which were impacted by political challenges during the quarter. US equities, which have historically been considered defensive by regional allocators, moderately outperformed during the quarter.

From a style perspective, using MSCI definitions, defensive sectors broadly outperformed cyclical sectors, while growth stocks continued to overwhelmingly outperform value stocks. Assessing quality, higher-quality stocks with minor exceptions outperformed lower-quality stocks, continuing a shift that began last quarter. Market cap performance was mixed globally, with small-cap stocks generally outperforming large- and mid-cap stocks in developed markets while mid-caps were generally the strongest performers in emerging markets.

At the factor level, valuation metrics continue to be a significant headwind to performance, while balance sheet and shorter-term price momentum metrics continue to produce strong results. Profitability, growth and longer-term price momentum factor performance moderated over the quarter from previously strong results.

MFS® Blended Research® Low Volatility Global Equity strategy produced strong results, as the volatility factor headwind of recent quarters subsided, and strong performance from our fundamental team, with its emphasis on quality, offset mediocre results from our quantitative model. The valuation component of the quantitative models was most challenged, as the most expensive stocks in the global universe were the strongest performers. Intersection holdings, or companies deemed attractive by both research sources, also produced disappointing results; historically this cohort of holdings has been a significant contributor to the portfolio's overall alpha.

From a geographic perspective, stock selection in the Europe ex UK and Asia Pacific ex Japan regions added significantly to performance. Weak stock selection in emerging markets was offset by the portfolio's underweight in the regions.

# Portfolio Outlook and Positioning



At the sector level, good stock selection and an underweight position in financial services were key contributors to performance, as were stock selection and overweight positions in the health care and utilities sectors. Stock selection in the communications sector was also very strong; however, this was somewhat offset by the overweight position, as the sector overall was one of the weakest performers. Weak stock selection in the retail sector was the most significant detractor from performance, while stock selection in both the technology and basic materials sectors also weighed on results.

Notable individual stock contributors to performance included Japanese medical device manufacturer Terumo, which benefited from an in-line earnings report and the launch of new drug-eluting stent in Europe. German real estate developer Grand City Properties also contributed significantly to relative returns during the period, as solid first-quarter financial results reflected strong growth in rental and occupancy income. Canadian pipeline company Enbridge, classified as a utility, also contributed to performance during the quarter, as the Line 3 Replacement, their largest project, was approved with only minor conditions despite a majority Democratic Minnesota Public Utilities Commission.

As mentioned previously, stock selection in emerging markets was weak, with Taiwan Semiconductor detracting significantly from results as company management reduced revenue guidance due to weak order demand in the high-end smartphone market. Additionally, Thailand-based integrated petrochemical company PTT Global reacted negatively to concerns about weakness in the refinery business that could be a drag on earnings in the coming months, with higher crude oil costs and weak seasonal demand for diesel. Outside of emerging markets, weakness in the retail sector was largely driven by the portfolio's overweight position in shares of Japanese apparel and footwear producer ABC-Mart, as the stock declined after the company released disappointing May sales results.

During the period, we initiated several new holdings, including **U.S. Bancorp** and **Eli Lilly**, while adding to existing positions in **Store Capital** and **Marine Harvest**.

## Key trades for the quarter include the following:

- We established a position in **U.S. Bancorp** during the period. As a diversified financial services provider, U.S. Bancorp is the nation's fifth-largest bank, with branches in 25 states in the western and northern United States. It is primarily funded by low-cost core deposits from the communities it serves. The company operates four segments: wholesale and commercial real estate banking; consumer and small-business banking; wealth management and securities services; and payment services. We feel the bank may benefit from a more supportive environment for US banks on higher interest rates, recent tax cuts, strong asset quality performance and resilient post-Global Financial Crisis balance sheets.
- During the period, we also initiated a position in **Eli Lilly**. Eli Lilly is a pharmaceutical company with a focus on neuroscience, endocrinology, oncology and immunology. Lilly's key products include Alimta for cancer; Forteo for osteoporosis; Jardiance, Trulicity, Humalog, and Humulin for diabetes; and Cialis for erectile dysfunction. Also, Lilly holds a strong position in the animal

## Portfolio Outlook and Positioning



pharmaceutical market. We purchased the stock given the company's continued execution on top-line revenue guidance, healthy margin expansion and new-product launches. Quantitatively, we view the stock favorably across earnings momentum, valuation, earnings quality and sentiment.

- Additionally, we added to existing holdings in the US-based real estate investment trust **Store Capital** and high-quality farmed salmon producer **Marine Harvest**. We added to our position in Store Capital after a recent report affirmed our original thesis that the company was continuing on its pace of steady acquisitions, maintaining a strong balance sheet as well as its dividend yield. Quantitatively, we view the stock favorably across earnings momentum, price momentum and earnings quality. With Marine Harvest, we believe the company continues to outperform compared with peers and offers more consistent profitability with less leverage. From a quantitative perspective we view the stock favorably on price momentum, earnings momentum, valuation and earnings quality.
- On the sell side, we eliminated a number of positions, including **Intact Financial**, **HSBC** and **Osaka Gas**.
- **Intact Financial**, the property and casualty insurance company, was sold during the quarter. The main catalyst for the sale of the stock was a weakening earnings outlook, along with declining return on equity, due in part to a waning personal auto loan segment. Quantitatively, we view the stock unfavorably across most themes (valuation, earnings quality, momentum, sentiment).
- We exited our position in global banking company **HSBC**. Fundamentally, we became concerned about our position in HSBC following a recent downgrade from "buy" to "hold" from our fundamental analyst. From a quantitative perspective, the stock appeared weak on earnings quality.
- **Osaka Gas**, the Japan-based utility company involved in the production and supply of natural gas and electricity, was sold as our fundamental opinion weakened on the company due to increased global ambitions coupled with valuation. Quantitatively, we view the stock unfavorably across earnings quality, price momentum and earnings momentum.

Looking forward, economic and earnings data coupled with style and factor leadership suggest we are in the later stages of the market and economic cycle. Potential headwinds to global markets include an escalation of trade tensions or an all-out trade war, US Federal Reserve rate increases, the winding down of quantitative easing by the European Central Bank, narrowing market leadership and, finally, complacency around the level and sustainability of growth for technology leaders, which are vulnerable to restrictions on trade and investment.

Declining economic momentum, the flattening yield curve and late-cycle corporate spread profile will likely result in the VIX trending higher in the upcoming quarters; signs of an escalating trade war, rising risks to the technology leadership or the upcoming midterm US elections are all potential issues that could cause a more rapid rise. Low-volatility stocks, despite underperforming the broader markets in recent years, arguably remain neutral to fully valued, depending on the metric or geography. Crowding in the low-volatility market segment has retreated from the 2016 highs, based on analysis by Bernstein, and is currently neutral in most regions.

## Portfolio Outlook and Positioning



With this macro backdrop, expectations should be for continued strength in stocks that exhibit defensive or quality attributes, despite their elevated valuations. At the factor level, earnings and business quality factors historically have performed best at this part of the cycle. Given the significant weight of bond proxies, like utilities and staples, it may be too early for broad-based outperformance by the low-volatility market segment; however, the leadership shift to quality should result in a less hostile macro environment. We expect the Blended Research Global Low Volatility Equity strategy to benefit from the quality focus of our fundamental research analysts and the quality metrics in our quantitative model while minimizing risk by maintaining our valuation discipline and employing our disciplined portfolio construction process.

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-18	Country	Equivalent exposure (%)
<b>Autos &amp; Housing</b>		<b>2.7</b>
Kia Motors Corp	South Korea	1.1
USS Co Ltd	Japan	1.0
Owens Corning	United States	0.7
<b>Basic Materials</b>		<b>3.3</b>
Franco-Nevada Corp	Canada	1.3
PTT Global Chemical PCL	Thailand	1.0
Symrise AG	Germany	1.0
<b>Cash &amp; Cash Equivalents</b>		<b>-2.0</b>
Cash & Cash Equivalents		-2.0
<b>Consumer Staples</b>		<b>13.2</b>
PepsiCo Inc	United States	1.9
Nestle SA	Switzerland	1.6
Marine Harvest ASA	Norway	1.4
Altria Group Inc	United States	1.1
Toyo Suisan Kaisha Ltd	Japan	1.1
General Mills Inc	United States	1.1
Procter & Gamble Co	United States	1.0
Tyson Foods Inc	United States	1.0
Kimberly-Clark Corp	United States	0.9
Sligro Food Group NV	Netherlands	0.6
Mondelez International Inc	United States	0.6
L'Oreal SA	France	0.5
Philip Morris International Inc	United States	0.4
<b>Energy</b>		<b>3.4</b>
Exxon Mobil Corp	United States	1.4
Royal Dutch Shell PLC	United Kingdom	1.0
Occidental Petroleum Corp	United States	1.0
<b>Financial Services</b>		<b>17.2</b>
STORE Capital Corp REIT	United States	2.0
Grand City Properties SA	Germany	2.0
AvalonBay Communities Inc REIT	United States	1.4

As of 30-Jun-18	Country	Equivalent exposure (%)
<b>Financial Services</b>		<b>17.2</b>
Sun Communities Inc REIT	United States	1.4
Credicorp Ltd	Peru	1.1
Beazley PLC	United Kingdom	1.1
Royal Bank of Canada	Canada	1.0
Public Storage REIT	United States	0.8
Swiss Life Holding AG	Switzerland	0.8
Zurich Insurance Group AG	Switzerland	0.7
Starwood Property Trust Inc REIT	United States	0.6
US Bancorp	United States	0.6
Public Bank Bhd	Malaysia	0.6
Bank of Nova Scotia	Canada	0.6
Sydbank AS	Denmark	0.5
Discover Financial Services	United States	0.5
Everest Re Group Ltd	United States	0.4
Travelers Cos Inc	United States	0.4
PNC Financial Services Group Inc	United States	0.4
Bangkok Bank PCL	Thailand	0.4
<b>Health Care</b>		<b>16.8</b>
Terumo Corp	Japan	2.9
Johnson & Johnson	United States	2.6
Pfizer Inc	United States	2.1
Roche Holding AG	Switzerland	2.1
Fisher & Paykel Healthcare Corp Ltd	New Zealand	1.9
Merck & Co Inc	United States	1.5
Express Scripts Holding Co	United States	0.8
Cigna Corp	United States	0.8
Humana Inc	United States	0.6
Novartis AG	Switzerland	0.5
Eli Lilly & Co	United States	0.5
Abbott Laboratories	United States	0.4

## Portfolio Holdings



As of 30-Jun-18	Country	Equivalent exposure (%)
<b>Industrial Goods &amp; Services</b>		<b>5.2</b>
Lockheed Martin Corp	United States	1.8
Waste Connections Inc	Canada	1.4
Boeing Co	United States	1.3
Schindler Holding AG	Switzerland	0.5
Schindler Holding AG	Switzerland	0.2
<b>Leisure</b>		<b>2.0</b>
McDonald's Corp	United States	1.7
Comcast Corp	United States	0.3
<b>Retailing</b>		<b>8.6</b>
Ross Stores Inc	United States	2.5
ABC-Mart Inc	Japan	1.9
Lawson Inc	Japan	1.1
Dairy Farm International Holdings Ltd	Hong Kong	1.0
Home Depot Inc	United States	1.0
Metro Inc	Canada	0.6
Gildan Activewear Inc	Canada	0.5
<b>Special Products &amp; Services</b>		<b>1.5</b>
Forrester Research Inc	United States	1.1
DXC Technology Co	United States	0.4
<b>Technology</b>		<b>11.8</b>
Taiwan Semiconductor Manufacturing Co Ltd ADR	Taiwan	2.9
Nice Ltd ADR	Israel	2.1
Adobe Systems Inc	United States	2.1
Kyocera Corp	Japan	1.5
Facebook Inc	United States	1.3
VTech Holdings Ltd	Hong Kong	1.0
Alphabet Inc Class A	United States	0.9
<b>Transportation</b>		<b>0.9</b>
Canadian National Railway Co	Canada	0.9

As of 30-Jun-18	Country	Equivalent exposure (%)
<b>Utilities &amp; Communications</b>		<b>15.4</b>
CLP Holdings Ltd	Hong Kong	1.6
KDDI Corp	Japan	1.5
TELUS Corp	Canada	1.5
Alliant Energy Corp	United States	1.3
Xcel Energy Inc	United States	1.2
Vodafone Group PLC	United Kingdom	1.2
HKT Trust & HKT Ltd	Hong Kong	1.1
Enbridge Inc	Canada	1.1
Verizon Communications Inc	United States	1.0
WEC Energy Group Inc	United States	0.9
American Electric Power Co Inc	United States	0.8
Avangrid Inc	United States	0.8
SBA Communications Corp REIT	United States	0.5
Duke Energy Corp	United States	0.4
CEZ AS	Czech Republic	0.4





## CERTIFICATE OF PORTFOLIO COMPLIANCE

### MFS Low Volatility Global Equity Fund

To the best of my knowledge, for the quarter ending June 30, 2018, 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:   
**Christina Forster Pazienza, CPA, CA**  
Vice President & Chief Compliance Officer

DATE: **July 11, 2018**

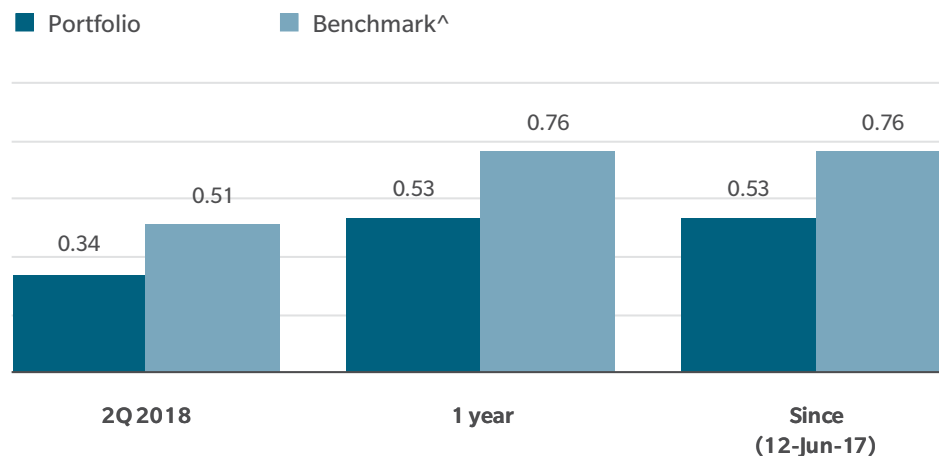


## MFS Canadian Core Plus Fixed Income Fund

# Executive Summary



## Performance results (%) net of expenses (CAD) as of 30-Jun-18



Source for benchmark performance SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualised.

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

^ FTSE TMX Canada Universe Bond Index

## Asset summary (CAD)

Beginning value as of 31-Mar-18	19,404,368
Contributions	+43,279
Withdrawals	-90,997
Intra-portfolio transfers	+608,625
Change in market value	+63,711
Ending value as of 30-Jun-18	20,028,986

## Key characteristics as of 30-Jun-18

	Portfolio	Benchmark^^
Average effective duration	7.65yrs	7.57yrs
Yield to worst	3.28%	2.67%

^^ FTSE TMX Canada Universe Bond Index

## Portfolio composition (%)

Federal	6.54	35.58
Provincial	35.97	34.03
Municipal	1.09	1.85
Corporate	48.79	28.54
Cash & Cash Equivalents	0.37	0.00
Other	7.26	0.00
Foreign Pay	28.56	0.00

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

# Performance Results



Performance results (%) net of expenses (CAD) as of 30-Jun-18

Period	Portfolio (%)	Benchmark^ (%)	Excess return vs benchmark (%)
2Q 2018	0.34	0.51	-0.17
1Q 2018	-0.34	0.10	-0.44
4Q 2017	2.26	2.02	0.24
3Q 2017	-1.69	-1.84	0.15
2018 YTD	0.00	0.61	-0.61
1 year	0.53	0.76	-0.23
Since client inception (12-Jun-17)	0.53	0.76	-0.23

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

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

^ FTSE TMX Canada Universe Bond Index

# Significant Impacts on Performance



Relative to FTSE TMX Canada Universe Bond Index - second quarter 2018

<b>Contributors</b>	Selection in provincials	A preference for mid-and long-dated Alberta bonds added value, as their spreads tightened more than peers and shorter-dated alternatives on improved oil market dynamics.
<b>Detractors</b>	Allocation to US bonds	The portfolio's holdings of US investment grade and high yield corporate bonds, mainly in the industrial and financial sectors, held back relative returns. Spreads of US corporates widened more than Canadian corporates this quarter in a general risk-off environment.
	Yield curve positioning	As a result of further yield curve flattening where short term yields rose while longer term yields fell slightly, the combination of the portfolio's overweight exposure to the 5 year key rate duration and an underweight exposure to the 30 year key rate duration detracted from results.

# Positioning



As of 30-Jun-18		Portfolio (%)	Benchmark^ (%)	Underweight/overweight (%)
<b>Portfolio composition</b>	Federal	6.54	35.58	-29.04
	Provincial	35.97	34.03	1.94
	Municipal	1.09	1.85	-0.76
	Corporate	48.79	28.54	20.25
	Cash & Cash Equivalents	0.37	0.00	0.37
	Other	7.26	0.00	7.26
	Foreign Pay	28.56	0.00	28.56
<b>Corporate composition</b>	Communication	2.76	2.48	0.28
	Energy	4.92	5.51	-0.59
	Financial	18.42	12.18	6.24
	Industrial	14.45	1.79	12.66
	Infrastructure	2.35	4.40	-2.05
	Real Estate	1.65	1.70	-0.05
	Securitization	4.23	0.48	3.75

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

^ FTSE TMX Canada Universe Bond Index

# Characteristics



As of 30-Jun-18	Portfolio	Benchmark <sup>^</sup>
<b>Fundamentals</b>		
Average effective duration	7.65yrs	7.57yrs
Average coupon	3.69%	3.34%
Yield to worst	3.28%	2.67%
Average quality <sup>1</sup>	A+	AA
<b>Diversification</b>		
Number of holdings	116	1,473
<b>Turnover</b>		
Trailing 1 year turnover <sup>2</sup>	56%	-

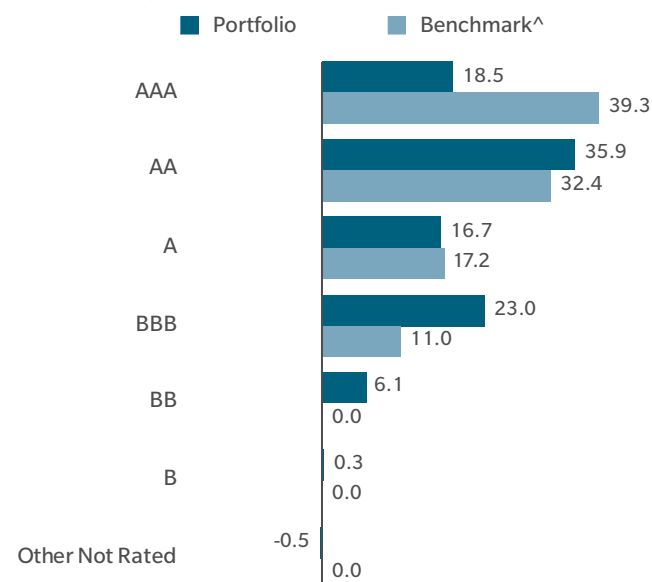
Effective term structure as of 30-Jun-18	Portfolio (%)	Benchmark <sup>^</sup>
Less than 1 Year	0.2	0.0
1-3 Years	9.3	25.4
3-5 Years	15.1	19.8
5-10 Years	45.5	22.1
10-20 Years	6.3	11.2
20+ Years	23.6	21.4

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

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

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

Credit quality (% of total assets) as of 30-Jun-18



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

For all securities other than those specifically described below, ratings are assigned to underlying securities utilizing ratings from Dominion Bond Rating Service (DBRS), Standard and Poor's, Moody's Investors Service, and Fitch rating agencies. In cases where the agencies do not agree on the credit rating, the rating is classified according to the following rules: If two agencies rate a security, and the ratings are not equal, use the lower of the two ratings; if three agencies rate a security, use the most common rating; in the rare event that all three agencies disagree, use the middle rating. If four agencies rate a security, use the most common rating; if four agencies rate a security with a two way split, use the lower rating. In the highly unlikely event that all four agencies disagree, consider the three lower ratings applying the three rating methodology rule. Ratings are shown in the S&P and DBRS scale (e.g., AAA). All ratings are subject to change. U.S. Government includes securities issued by the U.S. Department of the Treasury. Federal Agencies includes rated and unrated U.S. Agency fixed-income securities, U.S. Agency MBS, and CMOs of U.S. Agency MBS. Other Not Rated includes fixed income securities which have not been rated by any rating agency, and cash.

## Portfolio Outlook and Positioning



The Canadian bond market returned 0.51% in the second quarter, as measured by the FTSE TMX Canada Universe Bond Index, bringing the year-to-date total return to 0.61%. Canadian fixed income returns were challenged at the onset of the quarter as Government of Canada yields were on the rise—they were partly pulled higher by rising rates south of the border and partly due to better than expected economic data flow—before expectations for further rate hikes took hold. This, however, reversed course in the latter half of May through to quarter-end. A risk-off tone began to mount and invoked a flight to quality to the benefit of Canadian bonds. First, over concerns regarding Italy's elected government and its perceived Eurosceptic stance. Second, rising global trade tensions stemming from the US administration targeting China as well as European and North American allies further soured the tone of the markets. Canadian corporate bond spreads were caught in the cross-hairs, as spreads widened on the risk-off move in addition to a heavy new issuance market in June. The move resulted in corporate bonds underperforming their government counterparts, provincial bonds in particular.

Looking forward, we continue to expect moderate non-recessionary global growth with contained inflation; however, higher financial market volatility continues to be an important theme for 2018. Global central bankers are biased toward becoming less accommodative, with additional hikes from the US Federal Reserve and the European Central Bank signaling an end to their quantitative easing program by year-end. The Bank of Canada has indicated its desire to normalize policy rates. Taking this all into consideration, it has become less likely that central banks will step in to stabilize markets during periods of potential uncertainty. The Canadian economy faces both exogenous and endogenous headwinds. The former is driven by a lack of clarity on how NAFTA negotiations and increasingly hostile trade rhetoric will affect exports. Knock-on effects may have negative implications on business investment in Canada. The latter relates to high household debt, housing moderation and the impact of higher rates on debt carrying costs. We expect Canadian growth to moderate in 2018. We are therefore maintaining a long duration position as we believe the BoC will be hard pressed to deliver more rate hikes than are already priced into the market.

We continue to be constructive on credit over the course of the cycle and expect the sector will outperform government bonds. High valuations bring asymmetric risk, which leads us to be cautious on the sector. At present, we are maintaining our modest overweight in credit as the incremental yield relative to government bonds remains a source of value add and security selection helps identify compensated risk across the sector. Our preference has been to improve credit quality within the sector and pull lower-quality issuers towards shorter maturities where we believe the risk/reward tradeoff is more favourable. US investment grade corporate bonds remain a key focus of the strategy given the fixed income asset class diversification benefits, however valuations have been pressured with higher quality underperforming lower quality year-to-date south of the border. Volatility has picked up with the threat of higher rates and trade wars—pressuring spreads wider which has restored some value to the sector. We have maintained a modest exposure to US high yield bonds as well with a similar focus on the higher quality tier within the sector. While we don't anticipate a recession or a major default cycle, which would lead to a significant widening in spreads, it is difficult to see a material spread narrowing from current levels. We will look for more opportune valuations over the course of the year that may result in a repricing of corporate bonds from elevated volatility and are focused on issuers with strong cross-cycle fundamentals.

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-18	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Cash & Cash Equivalents (0.37%)	CASH & CASH EQUIVALENTS			0.37
Communication (2.76%)	AT&T INC	3.800	Mar 01 24	0.62
	AT&T INC	4.500	May 15 35	0.35
	AT&T INC	4.850	May 25 47	0.72
	CHARTER COMMUNICATIONS OPERATING LLC CHA	4.908	Jul 23 25	0.85
	SHAW COMMUNICATIONS INC	6.750	Nov 09 39	0.22
Energy (4.92%)	BRUCE POWER LP	2.844	Jun 23 21	0.80
	BRUCE POWER LP	4.010	Jun 21 29	0.31
	CU INC	3.964	Jul 27 45	0.90
	ENBRIDGE ENERGY PARTNERS LP	7.375	Oct 15 45	0.23
	ENBRIDGE INC	3.940	Jun 30 23	0.19
	ENBRIDGE INC	3.200	Jun 08 27	0.53
	ENBRIDGE INC	4.240	Aug 27 42	0.44
	NORTH WEST REDWATER PARTNERSHIP	3.650	Jun 01 35	0.25
	PEMBINA PIPELINE CORP	4.810	Mar 25 44	0.45
	SABINE PASS LIQUEFACTION LLC	5.625	Mar 01 25	0.84
Federal (6.54%)	CANADA HOUSING TRUST	1.950	Jun 15 19	0.19
	CANADA-GOV'T REAL RETURN	2.000	Jun 01 28	0.74
	CANADIAN GOVERNMENT	0.000	Sep 19 18	5.87
	CANADIAN GOVERNMENT	0.000	Sep 19 18	10.82
	CANADIAN GOVERNMENT	0.750	Sep 01 20	0.46
	CANADIAN GOVERNMENT	0.750	Sep 01 21	2.26

# Portfolio Holdings



As of 30-Jun-18	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Federal (continued) (6.54%)	CANADIAN GOVERNMENT	1.500	Jun 01 23	1.91
	CANADIAN GOVERNMENT	1.000	Jun 01 27	3.40
	CANADIAN GOVERNMENT	5.750	Jun 01 33	0.87
	CANADIAN GOVERNMENT	3.500	Dec 01 45	0.93
	CANADIAN GOVERNMENT	2.750	Dec 01 48	3.23
	CANADIAN GOVERNMENT	2.750	Dec 01 64	0.64
	US TREASURY N/B	0.000	Sep 19 18	-20.07
	US TREASURY N/B	0.000	Sep 19 18	-2.48
	US TREASURY N/B	0.000	Sep 19 18	-1.93
	US TREASURY N/B	0.000	Sep 19 18	-0.53
	US TREASURY N/B	0.000	Sep 28 18	-4.87
	US TREASURY N/B	0.000	Sep 28 18	5.09
	Financial (18.42%)	AMERICAN INTERNATIONAL GROUP INC	3.750	Jul 10 25
BANK OF AMERICA CORP		3.950	Apr 21 25	2.18
BANK OF MONTREAL		4.609	Sep 10 25	1.61
BANK OF NOVA SCOTIA		3.270	Jan 11 21	0.19
CANADIAN WESTERN BANK		2.751	Jun 29 20	0.36
CANADIAN WESTERN BANK		2.788	Sep 13 21	0.38
CANADIAN WESTERN BANK		2.924	Dec 15 22	1.62
FAIRFAX FINANCIAL HOLDINGS LTD		4.250	Dec 06 27	0.78
GENERAL MOTORS FINANCIAL OF CANADA LTD		3.080	May 22 20	0.43
IGM FINANCIAL INC		4.560	Jan 25 47	0.23

# Portfolio Holdings



As of 30-Jun-18	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
<b>Financial (continued) (18.42%)</b>	ING BANK NV	5.800	Sep 25 23	0.52
	JPMORGAN CHASE & CO	2.950	Oct 01 26	0.93
	LIBERTY MUTUAL GROUP INC	4.250	Jun 15 23	0.41
	MORGAN STANLEY	3.950	Apr 23 27	1.72
	POWER CORP OF CANADA	4.810	Jan 31 47	0.89
	ROYAL BANK OF CANADA	4.930	Jul 16 25	1.78
	TICP 2018-IA	3.862	Apr 26 28	0.55
	TMX GROUP LTD	2.997	Dec 11 24	0.23
	TORONTO DOMINION BANK	3.226	Jul 24 24	1.73
	UBS GROUP AG	3.000	Apr 15 21	0.34
	WELLS FARGO & CO	4.100	Jun 03 26	0.75
<b>Industrial (14.45%)</b>	ALIBABA GROUP HOLDING LTD	3.400	Dec 06 27	0.43
	ANHEUSER-BUSCH INBEV FINANCE INC	3.700	Feb 01 24	0.86
	ANHEUSER-BUSCH INBEV FINANCE INC	4.900	Feb 01 46	0.59
	BECTON DICKINSON AND CO	4.669	Jun 06 47	0.43
	BERRY GLOBAL INC	5.125	Jul 15 23	0.31
	BOOKING HOLDINGS INC	3.650	Mar 15 25	0.72
	CAMECO CORP	4.190	Jun 24 24	0.38
	CONSTELLATION BRANDS INC	4.250	May 01 23	0.50
	CVS HEALTH CORP	4.780	Mar 25 38	0.36
	ENERCARE SOLUTIONS INC	3.380	Feb 21 22	0.31
	EQUINIX INC	5.375	Apr 01 23	0.83

## Portfolio Holdings



As of 30-Jun-18	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
<b>Industrial (continued) (14.45%)</b>	FREEMPORT MCMORAN INC	5.400	Nov 14 34	0.36
	GENERAL MOTORS CO	4.200	Oct 01 27	0.59
	HANESBRANDS INC	4.875	May 15 26	0.35
	HCA INC	5.250	Jun 15 26	0.46
	LEAR CORP	5.250	Jan 15 25	0.23
	LOBLAW COS LTD	4.860	Sep 12 23	1.00
	MASCO CORP	4.375	Apr 01 26	0.46
	METRO INC	3.200	Dec 01 21	0.23
	ONEOK INC	4.000	Jul 13 27	0.78
	REYNOLDS AMERICAN INC	4.450	Jun 12 25	0.69
	SEALED AIR CORP	5.125	Dec 01 24	0.78
	SIRIUS XM RADIO INC	5.375	Apr 15 25	0.76
	STANDARD INDUSTRIES INC/NJ	5.375	Nov 15 24	0.36
	STANDARD INDUSTRIES INC/NJ	4.750	Jan 15 28	0.54
	TECK RESOURCES LTD	6.250	Jul 15 41	0.50
	TOROMONT INDUSTRIES LTD	3.842	Oct 27 27	0.22
VIDEOTRON LTD	5.625	Jun 15 25	0.43	
<b>Infrastructure (2.35%)</b>	ALECTRA INC	3.958	Jul 30 42	0.51
	ALTALINK LP	3.990	Jun 30 42	0.29
	EMERA INC	4.750	Jun 15 46	0.49
	FIRSTENERGY CORP	3.900	Jul 15 27	1.08
<b>Municipal (1.09%)</b>	REGIONAL MUNICIPALITY OF YORK	2.350	Jun 09 27	1.09

# Portfolio Holdings



As of 30-Jun-18	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Other (7.26%)	OTHER			7.26
Provincial (35.97%)	MANITOBA (PROVINCE OF)	4.650	Mar 05 40	1.29
	MANITOBA (PROVINCE OF)	4.100	Mar 05 41	1.46
	PROVINCE OF ALBERTA	4.000	Dec 01 19	2.77
	PROVINCE OF ALBERTA	3.450	Dec 01 43	5.89
	PROVINCE OF BRITISH COLUMBIA	3.250	Dec 18 21	1.83
	PROVINCE OF BRITISH COLUMBIA	4.950	Jun 18 40	0.64
	PROVINCE OF BRITISH COLUMBIA	2.800	Jun 18 48	1.14
	PROVINCE OF NOVA SCOTIA	2.100	Jun 01 27	1.75
	PROVINCE OF NOVA SCOTIA	4.400	Jun 01 42	1.11
	PROVINCE OF ONTARIO CANADA	4.000	Jun 02 21	3.78
	PROVINCE OF ONTARIO CANADA	3.150	Jun 02 22	1.96
	PROVINCE OF ONTARIO CANADA	3.500	Jun 02 24	4.31
	PROVINCE OF ONTARIO CANADA	4.700	Jun 02 37	3.84
	PROVINCE OF QUEBEC	4.250	Dec 01 21	2.20
	PROVINCE OF QUEBEC	2.750	Sep 01 27	1.45
PROVINCE OF SASKATCHEWAN	4.750	Jun 01 40	0.57	
Real Estate (1.65%)	CHOICE PROPERTIES REIT	3.546	Jan 10 25	0.57
	COMINAR REIT	4.164	Jun 01 22	0.69
	CT REIT	3.527	Jun 09 25	0.39
Securitization (4.23%)	AIMCO 2015-AA	3.648	Jan 15 28	0.57
	ATRM 12A	3.712	Apr 22 27	0.60

## Portfolio Holdings



As of 30-Jun-18	Issuer	Coupon	Maturity Date	Equivalent exposure (%)
Securitization (continued) (4.23%)	BABSN 2013-IA	3.612	Jan 20 28	0.57
	GLACIER CREDIT CARD TRUST	2.568	Sep 20 19	0.23
	MAGNE 2015-16A	3.555	Jan 18 28	0.57
	NEUB 2015-20A	3.598	Jan 15 28	0.51
	OCP 2015-10	3.662	Oct 26 27	0.58
	OCP 2015-9A	3.698	Jul 15 27	0.60

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, 2018, 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:   
**Christina Forster Pazienza, CPA, CA**  
Vice President & Chief Compliance Officer

DATE: **July 11, 2018**

## Your MFS Relationship Team



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# Global Capabilities

## MFS Investment Strategies



Fundamental Equity		Blended Research	Fixed Income		Multi-Asset/Specialty
<b>Global Equity</b>		<b>Target Tracking Error</b>	<b>Multi-Sector</b>		<b>Multi-Asset</b>
Global <sup>1</sup> / Global Concentrated <sup>2</sup>		<b>GlobalEquity</b>	<b>Global</b>	<b>Canadian</b>	Canadian Core
Global Research / Global Research Focused		Global	Core	Core	Canadian Growth
Global Growth / Global Growth Concentrated		Global Extension	Core Plus	Core Plus	Canadian Value
Global Small Cap <sup>4</sup>		<b>RegionalEquity</b>	Opportunistic	Long Term	Global Total Return
Global Value <sup>3</sup>		Emerging Markets	<b>US</b>	Long Term Plus	US Total Return
<b>International Equity</b>		European	Limited Maturity	Short Term	Managed Wealth <sup>4</sup>
International / International Concentrated		International	Core	Money Market	Prudent Capital
International Research		<b>U.S.Equity</b>	Core Plus		<b>Income</b>
International Diversification <sup>4</sup>		Core	Opportunistic		Diversified Income
International Growth		Core ESG	<b>Credit</b>		<b>Target Date</b>
International Small-Mid Cap <sup>3</sup>		Growth	<b>Global</b>	<b>US</b>	Canadian Target Date <sup>4</sup>
International Value <sup>2</sup>		Value	IG Credit	IG Credit	US Target Date <sup>4</sup>
<b>Regional Equity</b>		Small Cap	Credit	Credit	<b>Target Risk</b>
<b>Asia/Pacific</b>	<b>European</b>	<b>Low Volatility</b>	High Yield	Long Duration Credit	Canadian Target Risk <sup>4</sup>
Asia Pacific ex Japan	European Research <sup>3</sup>	Canadian		Corporate BB	US Target Risk <sup>4</sup>
Asia ex Japan	European Small Cap <sup>3</sup>	Global		High Yield	<b>Specialty/Equity</b>
Japan	European Value <sup>2</sup>	International	<b>Emerging Markets</b>		Global Infrastructure
Japan Concentrated	UK	US	Emerging Markets Debt (hard currency)		Global REIT
	European ex UK	<b>Income</b>	Emerging Markets Local Currency Debt		Technology
<b>Canadian</b>	<b>US</b>	Equity Income	<b>Government/Municipal</b>		US REIT
Canadian Equity	Core	Global High Dividend	<b>Global</b>	<b>US</b>	Utilities
Canadian Research	Research		Sovereign	Government	
	Growth/Growth Concentrated		TIPS	TIPS	
<b>Emerging Markets</b>	Large Cap Growth/Large Cap Growth Concentrated			Mortgage-Backed Securities	
Emerging Markets	Mid Cap Growth/Mid Cap Growth Focused			Municipal (Investment Grade, High Yield, Limited Maturity, State-Specific)	
Latin American	Small Cap Growth				
	Large Cap Value <sup>3</sup>				
	Mid Cap Value				

As of 31-Dec-17.

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

<sup>2</sup> Closed.

<sup>3</sup> Soft closed.

<sup>4</sup> Select vehicle availability.