

# MFS® Low Volatility - Global Equity (CAD)



## Goal

The Low Volatility - Global Equity strategy seeks to outperform the MSCI All Country World Index (net div) over the long term at less volatility than the index.

## Investment team

### Lead Portfolio Manager

Jim Fallon

- 25 years with MFS
- 25 years in industry

### Portfolio Managers

Matt Krummell, CFA

- 23 years with MFS
- 31 years in industry

Jonathan Sage, CFA

- 24 years with MFS
- 28 years in industry

Jed Stocks, CFA

- 24 years with MFS
- 25 years in industry

### Institutional Portfolio Manager

Christopher Zani, CFA

- 4 years with MFS
- 23 years in industry

## Assets under management (CAD)

MFS Investment Management® 847.2 billion

MFS® Low Volatility - Global Equity Composite 2.1 billion

## Philosophy

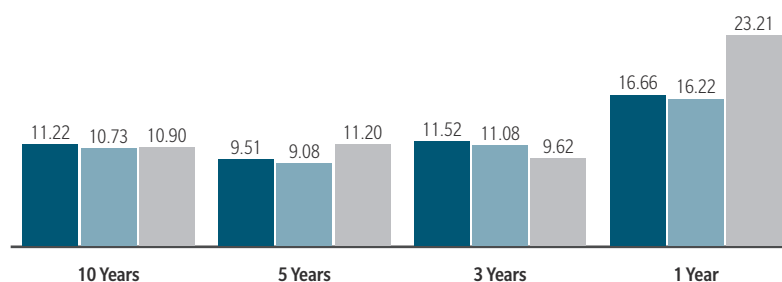
We believe that downside market exposure may be reduced by seeking to avoid highly volatile stocks and building a properly diversified portfolio based on research from a blend of quantitative and fundamental inputs. We also believe that the combination of these two independent research views helps to identify relatively attractive investment ideas that may generate strong returns over a full market cycle. Our disciplined, actively managed investment approach:

- Seeks to construct a viable, defensively-positioned portfolio that meets long-term diversification parameters and is weighted toward attractive, investable and less volatile securities
- Blends fundamental and quantitative research to determine whether a stock's valuation properly reflects a company's growth and return prospects, as well as its risk
- Targets a volatility profile lower than the index

## Performance (%) total return

- MFS (gross of fees)
- MFS (net of fees)
- MSCI All Country World Index (net div)

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



	10 Years	5 Years	3 Years	1 Year
Gross vs. MSCI All Country World Index (net div)	0.32	-1.69	1.90	-6.55
Net vs. MSCI All Country World Index (net div)	-0.17	-2.12	1.46	-6.99

## Annual performance (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
MFS (gross of fees)	21.97	23.25	3.25	11.70	6.80	15.12	4.00	16.87	-0.89	11.60	8.75
MFS (net of fees)	21.25	22.58	2.75	11.21	6.34	14.65	3.59	16.41	-1.28	11.17	8.65
MSCI All Country World Index (net div)	13.55	17.10	4.13	15.83	-1.26	20.20	14.22	17.53	-12.43	18.92	11.04

## MIFID II performance standard – 12-month rates of total return (%) as of the period ended

	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24
MFS (gross of fees)	-3.14	17.27	11.05	7.05	16.66
MFS (net of fees)	-3.54	16.81	10.61	6.63	16.22
MSCI All Country World Index (net div)	-5.45	36.52	6.61	0.29	23.21

**Past performance is not a reliable indicator for future results. All financial investments involve an element of risk. The value of investments may rise and fall so you may get back less than originally invested.** Investors should consider the risks, including lower returns, related to currency movements between their investing currency and the portfolio's base currency, if different.

Historical performance results may have differed had the composite included assets of client accounts during these time periods for various reasons including the impact of cash flows.

See the GIPS Composite Report at the end of this presentation for performance methodology and other information.

The Markets in Financial Instruments Directive (MIFID) is the EU legislation that regulates firms who provide services to clients linked to financial instruments.

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

It is not possible to invest directly in an index. Index performance will differ from our actively managed strategies, which may involve a higher degree of risk.

Total gross of fee returns include both capital appreciation and reinvestment of income but exclude custody fees.

## CHARACTERISTICS

	MFS	MSCI All Country World Index
<b>Fundamentals - weighted average</b>		
Price/earnings (12 months forward)	16.0x	18.3x
Price/cash flow	13.4x	14.6x
Price/sales	1.6x	2.1x
PEG ratio	1.7x	1.9x
Dividend yield	2.4%	1.9%
Return on equity (3-year average)	21.3%	26.9%
Return on invested capital	13.0%	15.6%
IBES long-term EPS growth <sup>1</sup>	11.7%	13.5%
<b>Market capitalization</b>		
Market capitalization (CAD) <sup>2</sup>	321.2 bn	712.3 bn
<b>Diversification</b>		
Top ten issues	23%	19%
Number of Issues	101	2,841
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	35%	—
<b>Risk profile (current)</b>		
Active share	83%	—
<b>Risk/reward (10 year)</b>		
	<b>Gross/Net</b>	
Beta	0.68/0.68	—
Historical tracking error	5.93%/5.92%	—
Standard deviation	9.09%/9.09%	11.52%
Sharpe ratio	1.08/1.02	0.82
Downside capture	59.24%/60.65%	—
Upside capture	79.71%/78.39%	—

## TOP 10 HOLDINGS (%)

Security	MFS	MSCI All Country World Index
MCKESSON CORP	3.0	0.1
MICROSOFT CORP	2.5	4.1
DBS GROUP HOLDINGS LTD	2.5	0.1
MERCK & CO INC	2.3	0.5
CONSTELLATION SOFTWARE INC/CANADA	2.3	0.1
JOHNSON & JOHNSON	2.3	0.5
COLGATE-PALMOLIVE CO	2.2	0.1
ELI LILLY & CO	2.0	0.9
JPMORGAN CHASE & CO	2.0	0.8
KDDI CORP	1.9	0.1

SECTOR WEIGHTS UNDERWEIGHT/OVERWEIGHT (%)<sup>†,‡</sup>

	MSCI All Country World Index
Health Care	4.9
Utilities	4.4
Consumer Staples	4.3
Communication Services	2.2
Financials	0.7
Industrials	0.2
Real Estate	-1.0
Materials	-2.1
Consumer Discretionary	-3.1
Energy	-4.0
Information Technology	-7.2

REGION WEIGHTS (%)<sup>†,‡</sup>

	MFS	MSCI All Country World Index
North America	63.2	66.5
Japan	10.3	5.5
Europe ex-U.K.	8.5	12.1
Emerging Markets	8.3	9.9
Asia/Pacific ex-Japan	6.1	2.5
United Kingdom	2.5	3.3
Developed - Middle East/Africa	0.4	0.2

<sup>1</sup> Source: FactSet<sup>2</sup> Weighted average.<sup>3</sup> US Turnover Methodology: (Lesser of Purchase or Sales)/Average Month End Market Value<sup>†</sup> 0.7% Cash & Cash Equivalents.<sup>‡</sup> 0.0% Other. Other consists of: (i) currency derivatives and/or (ii) any derivative offsets.

The information presented is based on an account determined to be representative of the composite's strategy. The representative account's performance is available upon request.

Any mention of specific companies, securities and/or sectors are for information purposes only and should not be construed as investment advice or a recommendation of any nature.

## Important risk considerations

MFS' investment analysis, development and use of quantitative models, and selection of investments may not produce the intended results and/or can lead to an investment focus that results in underperforming portfolios with similar investment strategies and/or the markets in which the portfolio invests. The proprietary and third party quantitative models used by MFS may not produce the intended results for a variety of reasons, including the factors used, the weight placed on each factor, changing sources of market return, and technical issues in the development, application, and maintenance of the models (e.g., incomplete or inaccurate data, programming/software issues, coding errors and technology failures).

■ Investments in certain markets can involve greater risk and volatility because of adverse market, currency, economic, industry, political, regulatory, geopolitical, or other conditions.

■ Stock markets and investments in individual stocks are volatile and can decline significantly in response to or investor perception of, issuer, market, economic, industry, political, regulatory, geopolitical, and other conditions.

## Benchmark and vendor disclosures

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The GIPS Composite Report is attached to provide additional information about the strategy, composite, and performance methodology. The funds or other investment vehicles mentioned should not be construed as an offer or solicitation.

**Composite:** MFS Low Volatility - Global Equity Composite in CAD

**Benchmark:** MSCI AC World Index - Net Return

**Creation Date:** 06-Nov-2011

**Inception Date:** 01-Nov-2011

**Composite Description:** The MFS Low Volatility - Global Equity Composite includes all discretionary portfolios managed to the MFS Low Volatility Global Equity strategy that seek to outperform the MSCI All Country World Index, with lower volatility, over a full market cycle through investments in global securities, including emerging markets, selected through a blend of fundamental and quantitative research. Fundamental research focuses on quality and valuation with a long-term investment horizon. Quantitative research, which utilizes multi-factor models, provides an objective appraisal that complements the qualitative perspective of fundamental research. MFS' investment analysis, development and use of quantitative models, and selection of investments may not produce the intended results and/or can lead to an investment focus that results in underperforming portfolios with similar investment strategies and/or the markets in which the portfolio invests. The proprietary and third party quantitative models used by MFS may not produce the intended results for a variety of reasons, including the factors used, the weight placed on each factor, changing sources of market return, changes from the market factors' historical trends, and technical issues in the development, application, and maintenance of the models (e.g., incomplete or inaccurate data, programming/software issues, coding errors and technology failures). Investments in certain markets can involve greater risk and volatility because of adverse market, currency, economic, industry, political, regulatory, geopolitical, or other conditions. Stock markets and investments in individual stocks are volatile and can decline significantly in response to or investor perception of, issuer, market, economic, industry, political, regulatory, geopolitical, and other conditions.

#### Institutional Separate Accounts Fee Schedule

Asset Breakpoints (CAD)	Fee
For Assets Up To 50 MM	40 bp
For Assets From 50 MM To 100 MM	35 bp
For Assets Over 100 MM	30 bp

Accounts are eligible for inclusion in the composite if they have assets greater than 1 MM USD (1.3 MM CAD). Accounts are included as of their first full month of performance.

#### Derivative Exposure Disclosure

Period	Composite and Benchmark Return %			Composite Dispersion	Accounts in Composite at End of Period	Annualized 3-Year Standard Deviation		Assets (CAD million)	
	Gross of fees	Net of fees^	Benchmark			Composite	Benchmark	Composite	Firm
2023	11.60	11.17	18.92	0.28	10	8.91	12.44	\$1,967.1	\$758,972.6
2022	-0.89	-1.28	-12.43	0.29	11	10.90	14.90	\$1,790.4	\$714,369.6
2021	16.87	16.41	17.53	0.26	10	9.10	12.13	\$1,754.3	\$851,837.8
2020	4.00	3.59	14.22	0.31	9	8.58	12.86	\$1,583.7	\$763,223.3
2019	15.12	14.65	20.20	0.33	9	6.64	9.30	\$1,400.6	\$672,454.2
2018	6.80	6.34	-1.26	0.47	8	8.05	9.59	\$1,029.4	\$582,573.1
2017	11.70	11.21	15.83	0.24	8	10.76	10.79	\$834.7	\$615,214.6
2016	3.25	2.75	4.13	n/a	7	10.07	9.94	\$477.1	\$570,670.1
2015	23.25	22.58	17.10	n/a	<6	9.10	8.78	\$168.9	\$572,882.1
2014	21.97	21.25	13.55	n/a	<6	5.75	6.86	\$82.0	\$498,295.4

MFS Investment Management® claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. MFS Investment Management has been independently verified for the periods 1-Jan-1988 through 31-Dec-2022. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Past performance is no guarantee of future results.

Performance for periods less than one year are not annualized.

Total Gross of fee returns in CAD (includes both capital appreciation and reinvestment of income) are net of transaction costs, withholding taxes and direct expenses, but before management fees, custody and other indirect expenses. Certain institutional accounts hold Canadian trusts subject to custody and other indirect expenses. Typical separate accounts utilize 4:00 PM (London Time) foreign exchange rates; retail products will use rates deemed most appropriate for daily NAV per share calculations. The possibility exists for performance dispersion between otherwise similarly managed accounts and also with the benchmark.

Net of fee returns presented in this table are gross of fee returns reduced by management fees and performance fees if applicable (actual fees). For certain accounts where the actual fees are unavailable, the maximum applicable annual institutional separate account fees were applied.

Total returns of the benchmark are provided for each period depicted, expressed in CAD. Source of Benchmark Performance: FACTSET ®.

MSCI AC World Index - Net Return - a market capitalization-weighted index that is designed to measure equity market performance in the global developed and emerging markets.

Composite Dispersion is measured by the asset-weighted standard deviation of gross of fees account returns for all accounts in the composite for the full period. For composites containing less than six accounts for the full period, dispersion is deemed not meaningful and is not presented. The three-year annualized ex post standard deviation measures the variability of the gross of fees composite returns and the benchmark returns over the preceding 36-month period.

Historical performance results may have differed had the composite included assets of client accounts during these time periods for various reasons including the impact of cash flows.

The MFS Low Volatility - Global Equity composite is a US Dollar based composite available globally. The regional composite depicted here was created on 18-Jun-2013 for presentation in the Canadian market. Where appropriate, data has been converted to Canadian Dollar and the fees and breakpoints depicted are applicable to clients in this market.

For purposes of GIPS compliance, the firm is defined as MFS Investment Management (MFS), which is comprised of Massachusetts Financial Services Company and MFS Institutional Advisors, Inc. (MFSI), each of which is a registered investment advisor, MFS Heritage Trust Company, a New Hampshire Trust company, and MFS Investment Management Canada Limited. Total firm assets include assets managed by Massachusetts Financial Services Company, MFSI, MFS Heritage Trust Company and MFS Investment Management Canada Limited as well as assets managed by Massachusetts Financial Services Company and MFSI in a sub-advisory capacity on behalf of affiliated investment advisors that may or may not be registered under the United States Investment Advisers Act of 1940, such as MFS International (U.K.), Ltd. (MIL UK) and MFS Investment Management K.K. (MIMKK), MFS International Singapore Pte. Ltd, MFS International Australia Pty Ltd, and MFS Investment Management Company (Lux) S.à r.l as well as assets managed by Massachusetts Financial Services Company and MFSI on behalf of unaffiliated investment advisors that are not registered under the United States Investment Advisers Act of 1940.



Certain accounts in this composite utilize derivatives for hedging, investment exposure, implementation efficiency, and transaction cost mitigation purposes. Derivative exposures can be volatile, used to take long or short positions, involve leverage (which can magnify gains or losses), and involve counterparty and liquidity risk. The table below displays the high, median, and low month-end derivative exposures over the last three years, when available or since inception if the composite is less than three years old. Derivative exposure of the account is calculated as the gross equivalent exposure of total net assets. The derivative exposures, displayed below, are the average exposures of the accounts that held derivatives.

LONG EXPOSURE		SHORT EXPOSURE	
High	17.31%	High	-17.46%
Median	11.23%	Median	-11.88%
Low	1.06%	Low	-8.74%

The firm's list of composite descriptions, list of pooled fund descriptions for limited distribution pooled funds, and list of broad distribution pooled funds are available upon request. Additionally, policies for valuing investment, calculating performance, and preparing GIPS Reports are available upon request. 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.

Limited Distribution Pooled Fund Fees and Expenses				
Fund Name	Vehicle	Max Management Fee	Other Expense	Total Expenses
MFS Heritage Trust Company Collective Investment Trust - MFS Low Volatility Global Equity	Collective Investment Trust	34	6	40
MFS Low Volatility Global Equity Fund	Canadian Trust	40	5	45