



## Goal

Seeks to outperform the FTSE Canada Long Term Overall Bond Index over a full market cycle.

## Investment team

### Portfolio Managers

**Soami Kohly, CFA, FCIA, FSA**

- 15 years with MFS
- 31 years in industry

**Joshua Marston**

- 24 years with MFS
- 32 years in industry

## Assets under management (CAD)

MFS Investment Management® 847.2 billion

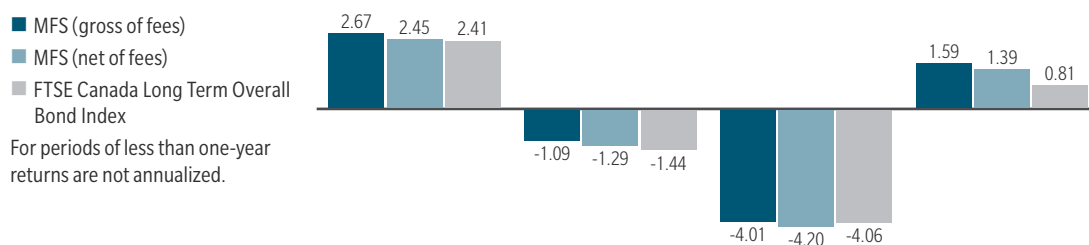
MFS® Canadian Long Term Fixed Income Composite 574.0 million

## Philosophy

We believe an active, fundamental approach to Canadian bond management within a strict risk management regimen offers the opportunity to deliver strong risk-adjusted returns over time. Our investment approach is based on two persistent opportunities that we believe represent a potential consistent source of alpha over time:

- Credit markets have underlying inefficiencies
- Multiple factors have the ability to influence the level of interest rates, spreads, and the shape of the yield curve to trade at levels inconsistent with an assessment of fair value

## Performance (%) total return



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

	10 Years	5 Years	3 Years	1 Year
Gross vs. FTSE Canada Long Term Overall Bond Index	0.26	0.35	0.05	0.78
Net vs. FTSE Canada Long Term Overall Bond Index	0.04	0.15	-0.14	0.58

## Annual performance (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
MFS (gross of fees)	17.82	3.19	3.68	7.19	0.19	13.23	12.60	-4.02	-21.99	9.86	-3.33
MFS (net of fees)	17.54	2.97	3.45	6.96	-0.02	12.99	12.38	-4.20	-22.14	9.64	-3.38
FTSE Canada Long Term Overall Bond Index	17.48	3.80	2.47	7.03	0.31	12.71	11.90	-4.52	-21.76	9.51	-3.61

## 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)	4.61	2.30	-5.88	-7.50	1.59
MFS (net of fees)	4.39	2.11	-6.06	-7.68	1.39
FTSE Canada Long Term Overall Bond Index	5.56	-0.23	-5.62	-7.17	0.81

**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.

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	FTSE Canada Long Term Overall Bond Index
<b>Fundamentals</b>		
Average effective duration	14.4yrs	14.4yrs
Yield to worst <sup>1</sup>	4.5%	4.3%
Average coupon	3.4%	3.8%
Average quality <sup>2,c</sup>	AA-	AA-
Average effective maturity	22.1yrs	22.6yrs
<b>Diversification</b>		
Number of Issues	64	—
Number of Issuers	37	—
<b>Turnover</b>		
Trailing 1 year turnover <sup>3</sup>	46%	—
<b>Risk/reward (5 year)</b>		
	<b>Gross/Net</b>	
Historical tracking error	1.14%/	—
	1.14%	—
Information ratio	0.30/	—
	0.13	—

CREDIT QUALITY (%) <sup>c</sup>	
AAA	18.8
AA	45.6
A	22.7
BBB	12.1
Other Not Rated	4.4
Cash & Cash Equivalents*	-3.5

PORTFOLIO COMPOSITION (%)		
	MFS	FTSE Canada Long Term Overall Bond Index
Federal	23.9	20.5
Provincial	52.4	55.0
Municipal	—	3.0
Corporate	27.2	21.5
Cash & Cash Equivalents	0.9	—
Other <sup>†</sup>	-4.4	—

TERM STRUCTURE (%)		
	MFS	FTSE Canada Long Term Overall Bond Index
Less than 15 Years	18.2	17.2
15-25 Years	24.8	40.6
25+ Years	57.0	42.2

\* Short positions, unlike long positions, lose value if the underlying asset gains value.

<sup>1</sup> Weighted average yield-to-worst of all portfolio holdings excluding cash & derivatives. Yield-to-worst is the annual estimate of the portfolio yield considering factors such as call provisions, prepayments, and other features that may affect a bond's cash flow; and assumes no default. It is an estimated characteristic at a point in time and is not a measure of portfolio performance.

<sup>2</sup> The Average Credit Quality (ACQR) is a market weighted average (using a linear scale) of securities included in the rating categories.

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

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

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

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.

MFS has not independently verified benchmark data provided by the vendor or the underlying methodology, which may be different than MFS.

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

Because the portfolio may invest a substantial amount of its assets in issuers located in a single country or in a limited number of countries, it may be more volatile than a portfolio that is more geographically diversified. ■ Investments in debt instruments may decline in value as the result of, or perception of, declines in the credit quality of the issuer, borrower, counterparty, or other entity responsible for payment, underlying collateral, or changes in economic, political, issuer-specific, or other conditions. Certain types of debt instruments can be more sensitive to these factors and therefore more volatile. In addition, debt instruments entail interest rate risk (as interest rates rise, prices usually fall). Therefore, the portfolio's value may decline during rising rates. ■ Portfolios that consist of debt instruments with longer durations are generally more sensitive to a rise in interest rates than those with shorter durations.

### 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 Canadian Long Term Fixed Income Composite

**Benchmark:** FTSE Canada Long Term Overall Bond Index

**Creation Date:** 01-May-2012

**Inception Date:** 01-Apr-2012

**Composite Description:** The MFS Canadian Long-Term Fixed Income Composite includes all discretionary portfolios managed to the MFS Canadian Long-Term Fixed Income strategy. The strategy seeks total returns by investing in a diversified portfolio of primarily Canadian dollar denominated fixed income securities and occasionally a limited allocation to non-Canadian dollar fixed income securities. The focus is generally on long duration securities. Because the portfolio may invest a substantial amount of its assets in issuers located in a single country or in a limited number of countries, it may be more volatile than a portfolio that is more geographically diversified. Investments in debt instruments may decline in value as the result of, or perception of, declines in the credit quality of the issuer, borrower, counterparty, or other entity responsible for payment, underlying collateral, or changes in economic, political, issuer-specific, or other conditions. Certain types of debt instruments can be more sensitive to these factors and therefore more volatile. In addition, debt instruments entail interest rate risk (as interest rates rise, prices usually fall). Therefore, the portfolio's value may decline during rising rates. Portfolios that consist of debt instruments with longer durations are generally more sensitive to a rise in interest rates than those with shorter durations.

**Institutional Separate Accounts Fee Schedule**

Asset Breakpoints (CAD)	Fee
For Assets Up To 50 MM	20 bp
For Assets From 50 MM To 100 MM	17.50 bp
For Assets Over 100 MM	15 bp

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Accounts are eligible for inclusion in the composite if they have assets greater than 20 MM USD (26.4 MM CAD). Accounts are included as of their second full month of performance.

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 <sup>^</sup>	Benchmark			Composite	Benchmark	Composite	Firm
2023	9.86	9.64	9.51	n/a	<6	13.65	13.61	\$599.3	\$758,972.6
2022	-21.99	-22.14	-21.76	n/a	<6	13.16	12.76	\$621.1	\$714,369.6
2021	-4.02	-4.20	-4.52	n/a	<6	10.16	9.71	\$959.2	\$851,837.8
2020	12.60	12.38	11.90	n/a	<6	9.36	8.72	\$1,199.9	\$763,223.3
2019	13.23	12.99	12.71	n/a	<6	7.40	7.13	\$1,176.5	\$672,454.2
2018	0.19	-0.02	0.31	n/a	<6	7.12	6.92	\$1,160.3	\$582,573.1
2017	7.19	6.96	7.03	n/a	<6	8.01	8.35	\$1,213.0	\$615,214.6
2016	3.68	3.45	2.47	n/a	<6	7.42	7.90	\$1,071.6	\$570,670.1
2015	3.19	2.97	3.80	n/a	<6	7.43	7.97	\$1,019.2	\$572,882.1
2014	17.82	17.54	17.48	n/a	<6	n/a	n/a	\$915.2	\$498,295.4

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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 ®.

FTSE Canada Long Term Overall Bond Index - a market capitalization index designed as a broad measure of the Canadian long-term fixed income market.

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.

Prior to 1-Jan-2015, the maximum institutional separate account fee charged for this product was 30 bps. From 1-Jan-2015 through 30-Jun-2020, the maximum institutional separate account fee charged for this product was 25 bps.

The composite asset minimum changed from 5MM USD to 20MM USD effective 1-Nov-2022.

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**Limited Distribution Pooled Fund Fees and Expenses**

<b>Fund Name</b>	<b>Vehicle</b>	<b>Max Management Fee</b>	<b>Other Expense</b>	<b>Total Expenses</b>
MFS Canadian Long Term Fixed Income Fund	Canadian Trust	20	5	25