

MFS® Canadian Long Plus Fixed Income (CAD)



Goal

Seeks to outperform the FTSE Canada Long Term Bond Index over full market cycles.

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

Robert Spector, CFA

- 19 years with MFS
- 31 years in industry

Assets under management (CAD)

MFS Investment Management® 847.2 billion

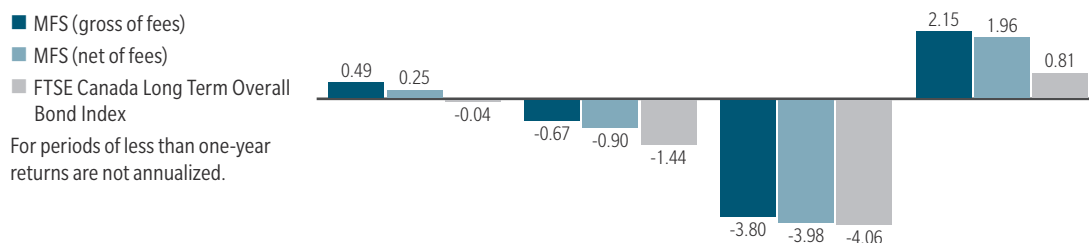
MFS® Canadian Long Plus Fixed Income Composite 250.8 million

Philosophy

We believe:

- An integrated approach to research allows us to exploit inefficiencies in global credit markets
- Active sector allocation and security selection are stable alpha generators over time
- Diversifying outside of Canada provides a broader set of alpha generating opportunities

Performance (%) total return



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

	Since Inception (01-Dec-17)	5 Years	3 Years	1 Year
Gross vs. FTSE Canada Long Term Overall Bond Index	0.53	0.77	0.26	1.34
Net vs. FTSE Canada Long Term Overall Bond Index	0.29	0.54	0.08	1.15

Annual performance (%)

	2018	2019	2020	2021	2022	2023	2024 YTD
MFS (gross of fees)	-1.25	14.79	13.14	-3.61	-22.39	10.95	-3.24
MFS (net of fees)	-1.54	14.45	12.83	-3.83	-22.53	10.75	-3.29
FTSE Canada Long Term Overall Bond Index	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)	3.74	4.67	-6.07	-7.20	2.15
MFS (net of fees)	3.43	4.39	-6.27	-7.37	1.96
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
Fundamentals		
Average effective duration	14.4yrs	14.4yrs
Yield to worst ¹	4.6%	4.3%
Average coupon	3.4%	3.8%
Average quality ^{2,c}	AA-	AA-
Average effective maturity	22.1yrs	22.6yrs
Diversification		
Number of Issues	107	—
Number of Issuers	70	—
Turnover		
Trailing 1 year turnover ³	35%	—
Risk/reward (5 year)		
	Gross/Net	
	1.74%/	—
Historical tracking error	1.74%	—
	1.04/	—
Beta	1.04	—
	12.91%/	12.30%
Standard deviation	12.91%	—
	0.88%/	—
Alpha	0.66%	—
	0.44/	—
Information ratio	0.31	—

CREDIT QUALITY (%) ^c	
AAA	29.7
AA	33.0
A	16.1
BBB	16.5
BB	3.3
B	0.7
Cash & Cash Equivalents	0.1
Other Not Rated	0.5

CURRENCIES (%)	
	MFS
Canadian Dollar	100.1
United States Dollar	-0.1

PORTFOLIO COMPOSITION (%)		
	MFS	FTSE Canada Long Term Overall Bond Index
Federal	30.7	20.5
Provincial	34.9	55.0
Municipal	0.7	3.0
Corporate	33.6	21.5
Cash & Cash Equivalents	0.7	—
Other [†]	-0.5	—
Foreign Pay	7.6	—

TERM STRUCTURE (%)		
	MFS	FTSE Canada Long Term Overall Bond Index
Less than 10 Years	6.6	—
10-15 Years	15.8	17.2
15-20 Years	5.8	18.4
20-25 Years	11.3	22.2
25+ Years	60.4	42.2

¹ 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.

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

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

^c 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.

[†] 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 Plus Fixed Income Composite

Benchmark: FTSE Canada Long Term Overall Bond Index

Creation Date: 08-Jan-2018

Inception Date: 01-Dec-2017

Composite Description: The MFS Canadian Long Plus Fixed Income Composite includes all discretionary portfolios managed to the MFS Canadian Long Plus Fixed Income strategy. The strategy seeks total return by investing primarily in long duration Canadian fixed income securities with tactical allocations to non-Canadian bonds, which may include, but are not limited to, global investment grade, high yield, and emerging markets debt. 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	25 bp
For Assets From 50 MM To 100 MM	22.50 bp
For Assets Over 100 MM	20 bp

Accounts are eligible for inclusion in the composite if they have assets greater than 25 MM USD (33 MM CAD). Accounts are included as of their second 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	10.95	10.75	9.51	n/a	<6	13.99	13.61	\$256.2	\$758,972.6
2022	-22.39	-22.53	-21.76	n/a	<6	13.69	12.76	\$224.6	\$714,369.6
2021	-3.61	-3.83	-4.52	n/a	<6	10.46	9.71	\$306.3	\$851,837.8
2020	13.14	12.83	11.90	n/a	<6	9.52	8.72	\$54.3	\$763,223.3
2019	14.79	14.45	12.71	n/a	<6	n/a	n/a	\$46.6	\$672,454.2
2018	-1.25	-1.54	0.31	n/a	<6	n/a	n/a	\$32.0	\$582,573.1
2017**	0.15	0.13	0.00	n/a	<6	n/a	n/a	\$18.8	\$615,214.6

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.

** Indicates partial period.

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 - is a market capitalization index used to measure the performance of Canadian bonds with remaining terms greater than 10 years.

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-Jul-2020, the maximum institutional separate account fee charged for this product was 30 bps.

The composite asset minimum changed from 15MM USD to 25MM USD effective 1-Nov-2022.

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.

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.



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.

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Limited Distribution Pooled Fund Fees and Expenses

Fund Name	Vehicle	Max Management Fee	Other Expense	Total Expenses
MFS Canadian Long Plus Fixed Income Fund	Canadian Trust	30	5	35

LONG EXPOSURE		SHORT EXPOSURE	
High	56.64%	High	-47.15%
Median	33.57%	Median	-33.17%
Low	27.95%	Low	-27.20%