



**Balanced Income Fund (MFS)**  
**MFS Investment Management Canada Limited**

Lead Manager(s): Asset Mix Team

Performance Review Date: December 31, 2013

**Investment Objective:** To provide a competitive total return with below average volatility through an emphasis on fixed income and cash investments. The fund will also invest in a diversified portfolio of equities to achieve modest capital appreciation.

**Investment Style:** Target Date

**Annual Fund Performance (%)**

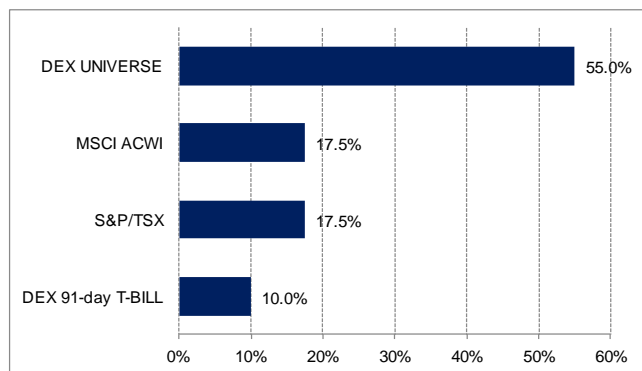
	2009	2010	2011	2012	2013	5 yrs
<b>Balanced Income Fund (MFS)</b>	11.95	7.12	0.85	6.80	9.33	7.15
Balanced Income Fund Benchmark (MFS)	11.11	8.17	3.34	5.87	6.63	6.99
Value Added (+) / Lost (-)	0.84	-1.05	-2.49	0.93	2.70	0.16

**Risk Characteristics**  
**(5 years ending December 31, 2013)**

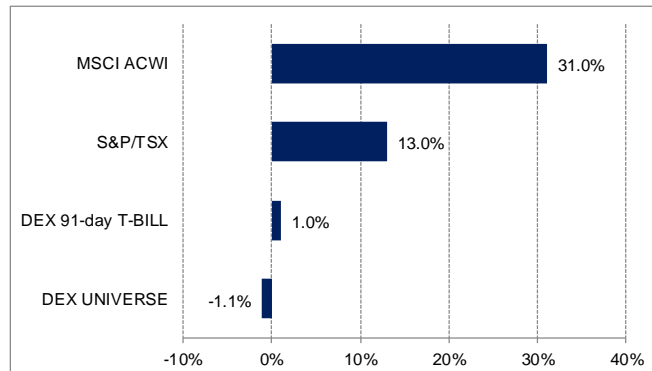
Downside Volatility	0.85%
Standard deviation	4.01%

**Portfolio Positioning**

**Benchmark**



**Year-to-date Index Sector Performance**



**Short-Term Performance Analysis**

- In 2013, the fund outperformed its benchmark.

## Long-Term Performance Analysis

- The fund outperformed its benchmark in three of the past five years and slightly added value on a five year annualized basis.

## Significant Corporate Events

### Corporate

- In August 2013, MFS McLean Budden Limited announced that the Canadian operations will be known as MFS Investment Management Canada Limited effective November 1, 2013. This move aligns MFS Investment Management Canadian operations with their global brand.

As a result of this announcement the names of the Standard Life funds will change from “MFS Mclean Budden” to “MFS” on November 1, 2013.

- In September 2011, Sun Life Financial announced that McLean Budden would become a wholly-owned subsidiary of MFS Investment Management, its sister company in the Sun Life organization. MFS is a U.S.-based global asset management company, with offices in 19 countries and a portfolio of US\$223 billion in assets under management. The 32.4% minority share, generally held by McLean Budden's investment professionals, was purchased for \$144 million. The transaction was completed in November 2011. Martin E. Beaulieu, a senior officer of MFS, became Chairman and Chief Executive Officer of McLean Budden, succeeding Roger J. Beauchemin.

### Fund Specific

- Further to the corporate announcement in September 2011, the people who were involved in equity research and portfolio management roles on Balanced fund portfolios, and who have left the firm, are as follows:

John Cushman – Equity Research: utilities, energy, telecom

Kumar Stenger – Global Equity Growth, US Equities, Equity Research: industrials, information technology, financials

Michael Hakes – Global Equity Growth, Equity Research: consumer discretionary, staples

Scott Connell – Canadian Equity Growth, Global Equity Growth, Equity research: consumer discretionary, information technology

Mary Mathers – US Equities, Equity Research: information technology, industrials

Eleanor Wang – Equity Research: materials, industrials

Miranda Hubbs – Canadian Equity Growth, Global Equity Core, US Equity

Brian Dawson – Global Equity Core, US Equity

Yoshiko Saba – Equity Research: consumer discretionary, information technology

## Quality & Choice Commentary

- The Balanced Income Fund (MFS) is a balanced core mandate where the key feature of this fund is the emphasis on fixed income holdings (approx. 2/3 of the fund is invested in bonds or money market instruments). Bonds are actively managed using conservative strategies with a bias towards higher quality issues, while the equity component of the fund focuses on larger capitalization stocks selected through a process driven by in-depth fundamental research.

**Conclusion:** The fund is No Longer Promoted as a Quality & Choice investment option as of July 2012, based on the analysis done at that time.

## Manager Outlook

- The manager has decided not to provide an investment outlook.

<sup>(1)</sup> Quartile rankings are based on the underlying fund's returns.

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