



# The Road to Better Outcomes

## 2024 MFS Global Retirement Survey Canadian Results

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# Survey Methodology

AUDIENCE		METHODOLOGY
Members	Retirees	
<ul style="list-style-type: none"><li>▪ Ages 18+, employed at least part-time</li><li>▪ Active workplace retirement plan members in the US, Canada, UK, and Australia.*</li><li>▪ Data weighted to mirror the age / gender distribution of the workforce in each country.</li></ul>	<ul style="list-style-type: none"><li>▪ Fully or partially retired (<i>if 73+ must have retired within last 6 years</i>)</li><li>▪ Must have had a workplace DC or DB retirement plan</li></ul>	<ul style="list-style-type: none"><li>▪ Mode: 15 min. online survey</li><li>▪ MFS not revealed as the sponsor</li><li>▪ Field period: March 28 – April 13, 2024</li></ul>



\*To qualify in each region:  
**US Members:** actively contributing to a 401(k), 403(b), 457, or 401(a) | **US Retirees:** had a 401(k), 403(b), 457, or 401(a), DB plan, or SEP/Simple IRA.  
**Canada Members:** actively contributing to DC Pension Plan, Group Registered Retirement Savings Plan, Deferred Profit Sharing Plan, Non-Registered Group Savings Plan, or Simplified Employee Pension Plan | **Canada Retirees:** had a DC Pension Plan, Group Registered Retirement Savings Plan, Deferred Profit Sharing Plan, Non-Registered Group Savings Plan, or Simplified Employee Pension Plan, or DB plan.  
**UK Members:** actively contributing to a Defined Contribution Scheme or Master Trust | **UK Retirees:** had a Defined Contribution Scheme, Master Trust, or DB plan  
**Australia Members:** actively contributing to an industry, retail, corporate or public sector super fund or a self-managed super fund | **Australia Retirees:** had an industry, retail, corporate or public sector super fund, a self-managed super fund, or a DB plan.

# MFS 2024 Global Retirement Survey

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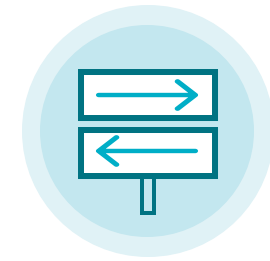
### MEMBER CONCERNS & RETIREMENT READINESS

- Leading financial concerns and areas of focus
- Who is responsible for retirement planning?
- Outlook on retirement savings
- Competing financial priorities
- Steps taken to prepare for retirement



### MEMBER BEHAVIOR & INVESTMENT SELECTION

- Understanding of TDFs and glidepaths
- Reasons for investing in TDFs
- Sources of retirement advice
- Understanding of long-term investing
- Demand for sustainability



### RETIREMENT EXPECTATIONS VS. REALITY

- Retirement confidence
- What will retirement look like?
- Expenses in retirement
- The role of Canada Pension Plan (CPP)
- Desire for predictability, flexibility and the value of advice

### GLOBAL RETIREMENT VIEWS

Comparison of viewpoints across respondents from the United States, Canada, UK and Australia

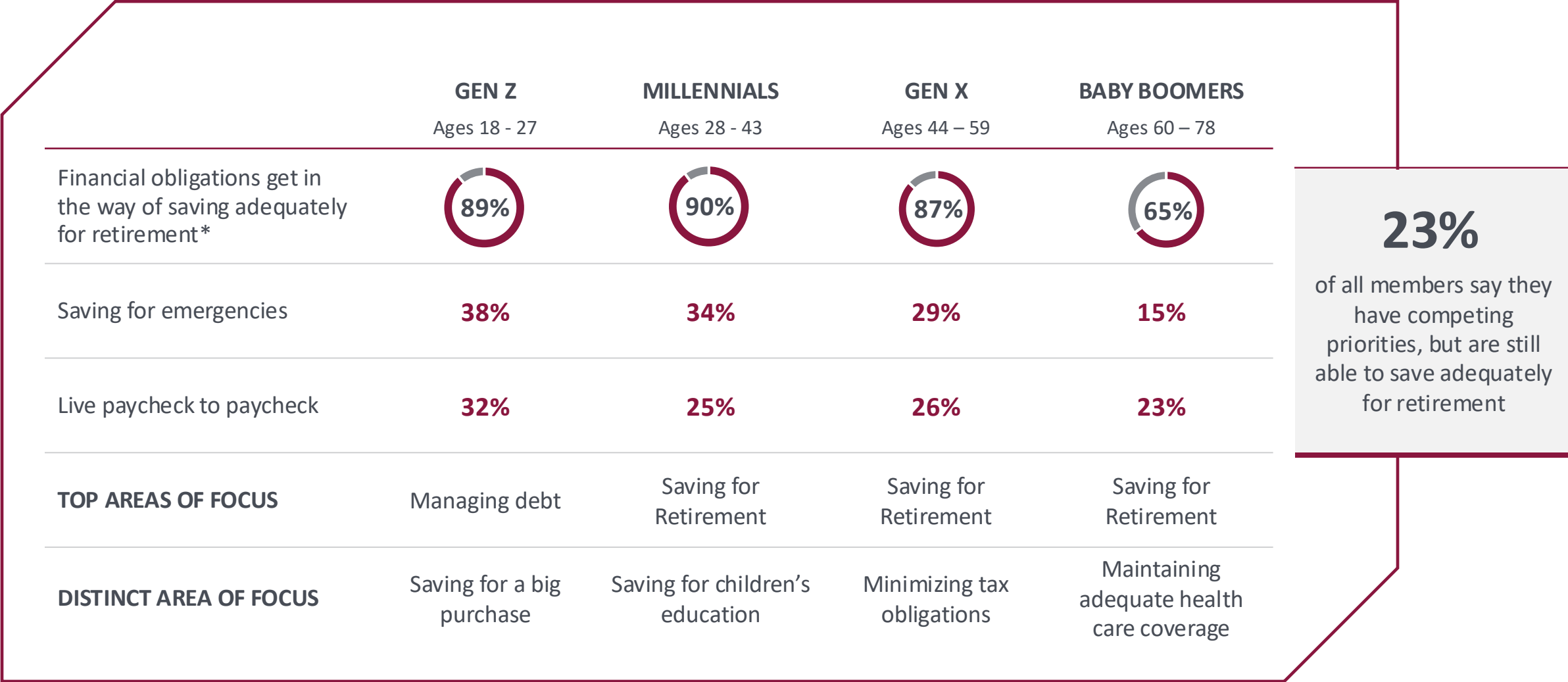


# Member Concerns and Retirement Readiness



# Competing Financial Priorities Remain an Issue

Financial Obligations Can Get In the Way of Saving Adequately for Retirement



Source: MFS 2024 Global Retirement Survey, Canadian members. Q: What, if any, competing financial priorities do you have that are preventing you from adequately saving for retirement? Percentages represent the sum of respondents who selected each option. \*Percentage of respondents who did not select “I do not have competing financial priorities.” Gen Z: Ages 18 – 27. Millennials: Ages 28 – 43. Gen X: Ages 44 – 59. Boomers: Ages 60 – 78

# Outlook on Retirement Saving Over Past Year

## OUTLOOK ON RETIREMENT SAVING



# Leading Financial Concerns Among DC Participants

## CONCERN WITH FINANCIAL MATTERS

		US	Canada	UK	Australia
RETIREMENT	Saving enough money for my retirement	59%	56%	54%	50%
	The cost of housing	55%	63%	46%	57%
PERSONAL SAVINGS	Saving for an emergency or unexpected event	47%	49%	39%	44%
	Creating income from savings/investments for living expenses	39%	41%	34%	40%
PERSONAL EXPENSES	Managing debt	37%	39%	30%	35%
	Managing day-to-day financial obligations	37%	42%	31%	41%
	Minimizing my tax obligations	35%	36%	24%	26%
	Financially supporting family members or other dependents	35%	35%	33%	33%
FAMILY & CHILDREN	Saving for child(ren)'s education	30%	29%	25%	24%
	Paying for childcare	18%	19%	19%	16%
	Maintaining adequate healthcare coverage	27%	24%	17%	23%

Source: MFS 2024 Global Retirement Survey, US participants. Q: How concerned are you with the following financial matters to day? Percentages represent the sum of respondents who are extremely or very concerned with each statement. Not applicable included in the base.



# Member Behavior & Investment Selection

## Target Date Funds



# Member Understanding of TDFs

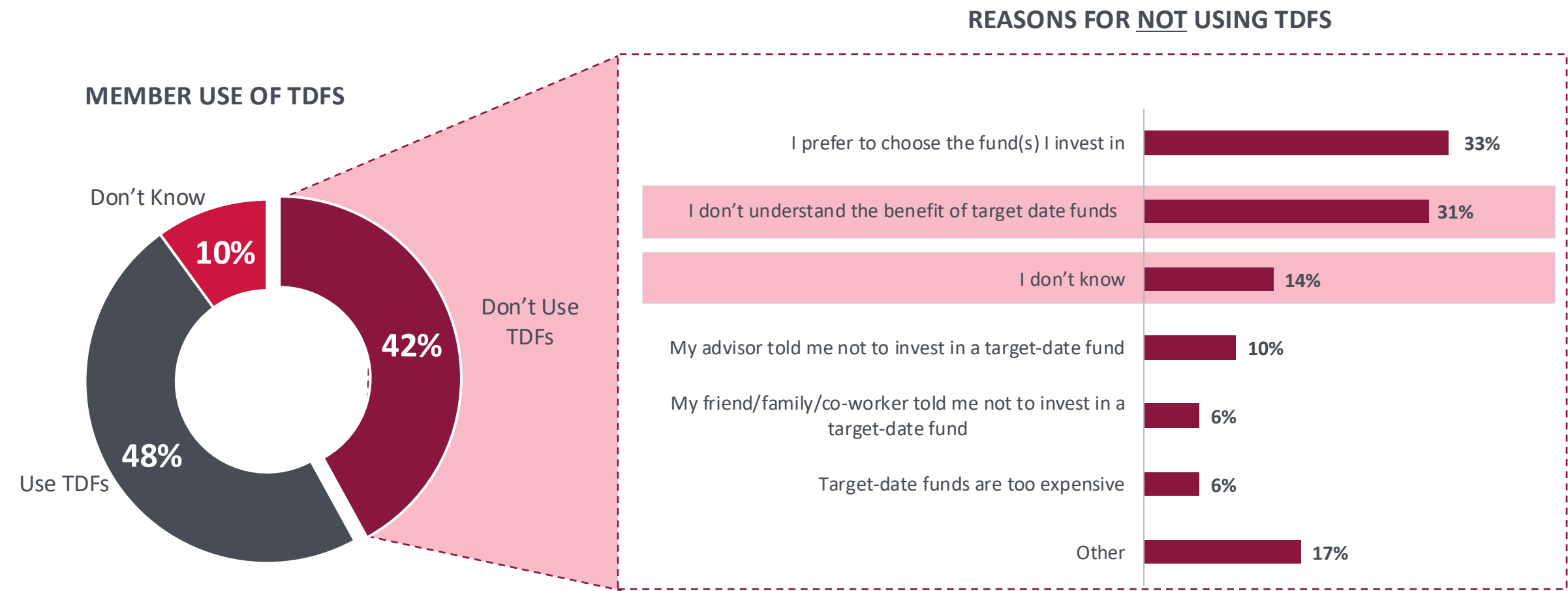
Confusion Emerges Around the Decumulation Phase

THE GOOD NEWS					THE NOT-SO-GOOD NEWS				
	GEN Z	MILLENIALS	GEN X	BOOMERS		GEN Z	MILLENIALS	GEN X	BOOMERS
They get more conservative as I get closer to retirement	59%	66%	77%	73%	They provide a <b>guaranteed stream of income</b> in retirement	58%	74%	69%	70%
At retirement, their allocation will be at its most conservative	55%	68%	64%	64%	They provide a <b>guaranteed rate of return</b>	59%	67%	70%	77%
They are an easy way for me to diversify with one investment	63%	69%	74%	64%	They invest <b>entirely in cash or other low risk investments</b> in retirement	64%	64%	64%	58%

Source: MFS 2024 Global Retirement Survey, Canadian members. Q: Please indicate the extent to which you agree with each of the statements below about TDFs. Percentages represent the sum of respondents that chose strongly agree or agree with each statement. This question was posed to respondents that answered they are invested in a TDF. A target date fund is a fund whose allocation to stocks and bonds is designed to become more conservative as you near retirement or reach a certain age. TDFs = target date funds. Gen Z: Ages 18 – 27. Millennials: Ages 28 – 43. Gen X: Ages 44 – 59. Boomers: Ages 60 – 78.

# Why Don't Members Choose TDFs?

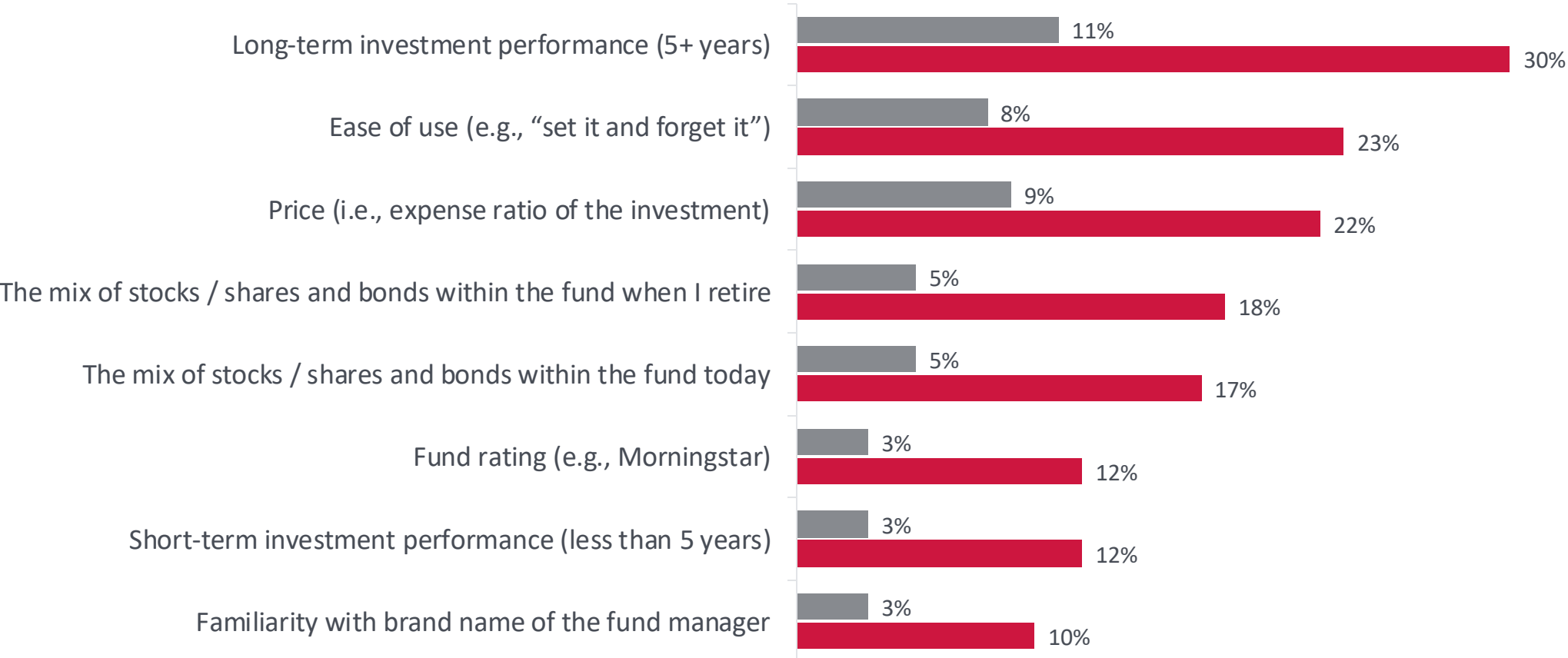
Barriers to TDF Usage Do Not Vary by Age



# Long-Term Performance is a Key Factor for TDFs

## MOST IMPORTANT CHARACTERISTICS OF A TDF

■ Ranked #1 Most Important   ■ Ranked Top 3



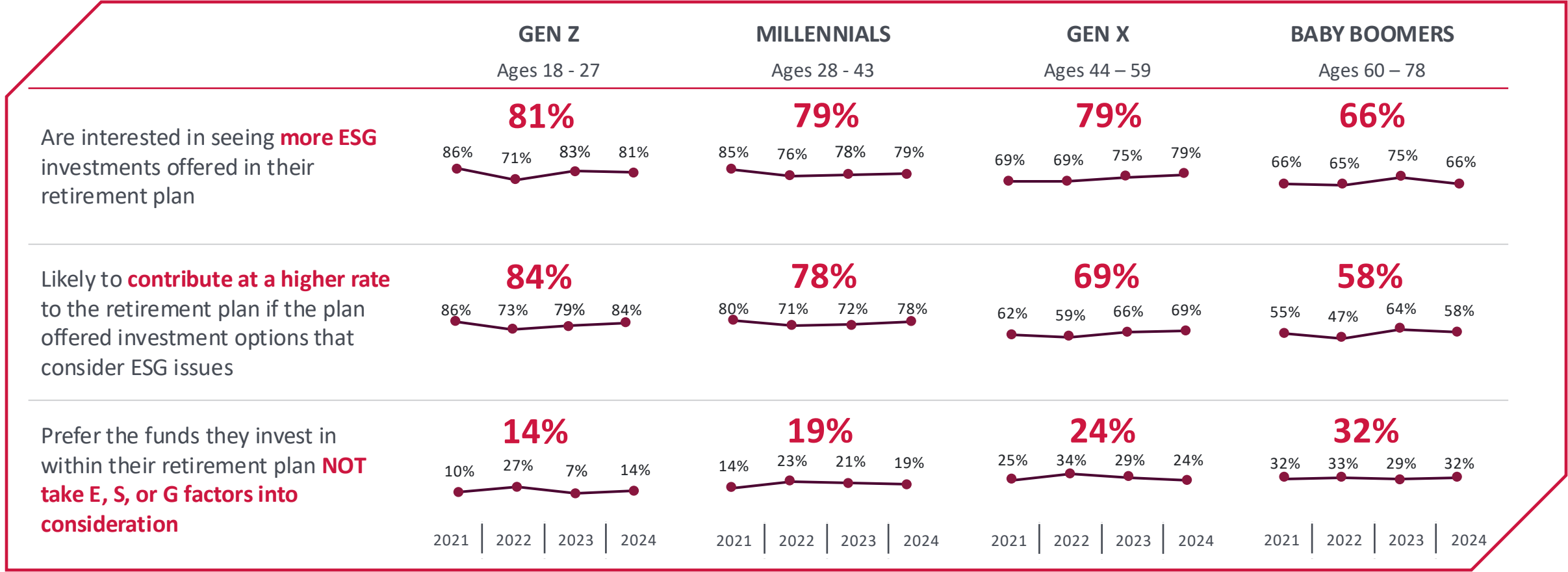
Source: MFS 2024 Global Retirement Survey, Canadian members. Q: What are the most important characteristics of a target-date fund? Please rank order the top 3 characteristics that are most important to you.



# Member Behavior & Investment Selection

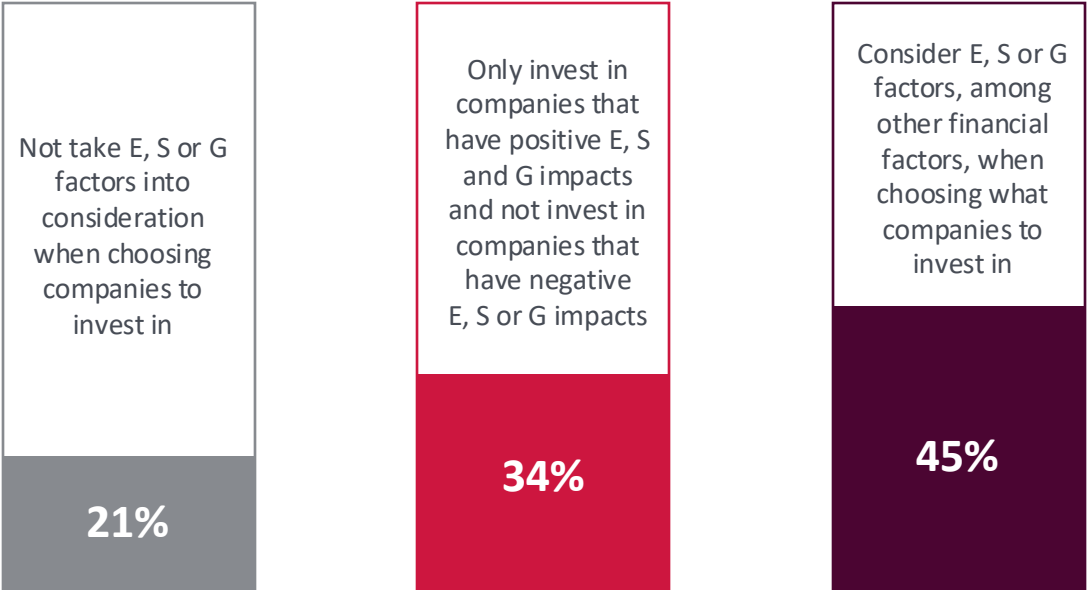
## Integration of Environmental, Social and Governance Factors

# Continued Demand for ESG Investments

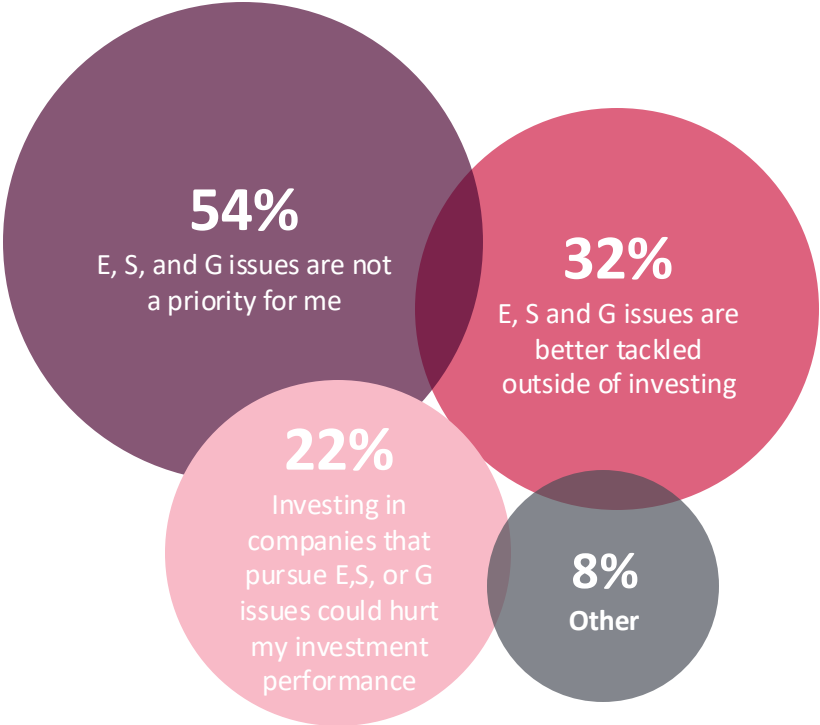


Source: MFS 2024 Global Retirement Survey, Canadian members. Q: How interested are you in seeing sustainable or ESG investments offered in your employer-sponsored retirement plan? Percentages represent the sum of somewhat interested, very interested and extremely interested. Q: How likely would you be to contribute at a higher rate to your workplace retirement fund if your plan offered or included investment options that consider sustainability or ESG issues? Percentages represent the sum of somewhat likely, very likely, and extremely likely. Q: How likely would you be to contribute at a higher rate to your workplace retirement plan if your plan offered or included investment options that consider sustainability or ESG issues?

# ESG Preferences



## REASONS FOR **NOT** CONSIDERING E, S, AND G FACTORS



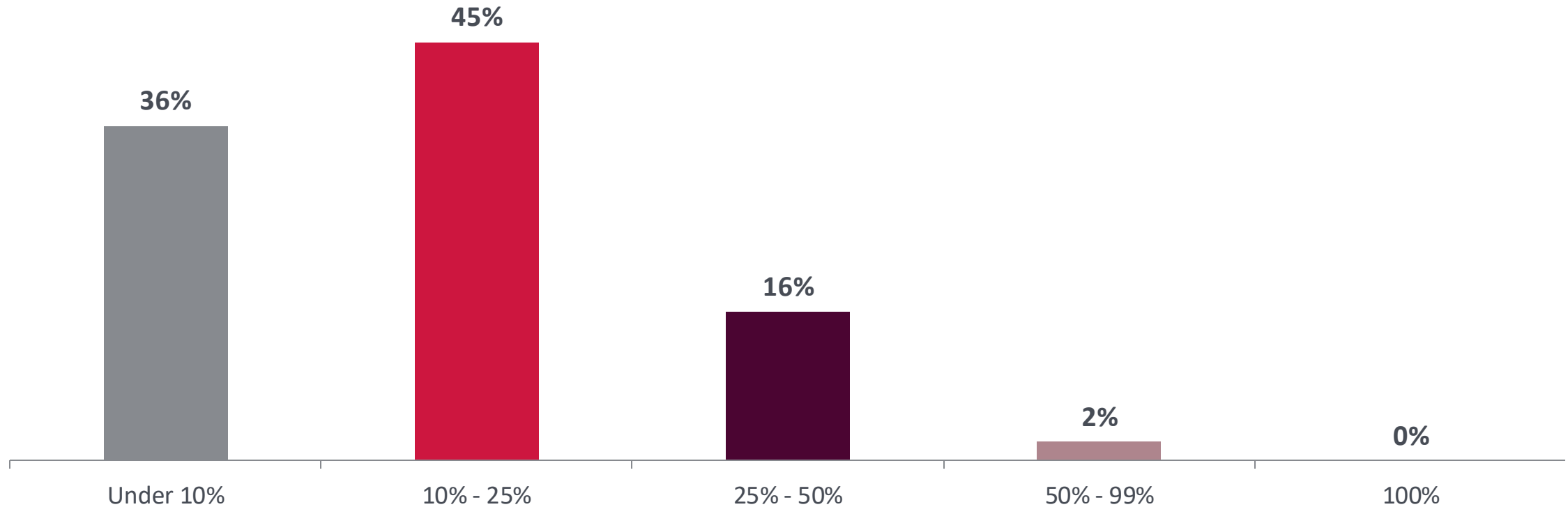
Source: MFS 2024 Global Retirement Survey, Canadian members. Q: Would you prefer the funds you invest in within your retirement plan / super fund / pension scheme to...? Q: Why would you prefer the funds invested within your retirement plan / super fund / pension scheme not take E, S and G factors into consideration?



# Those who are interested in ESG objectives are willing to invest...

...but only in small amounts

## RETIREMENT ASSETS MEMBERS ARE WILLING TO PUT TOWARDS ESG OBJECTIVES



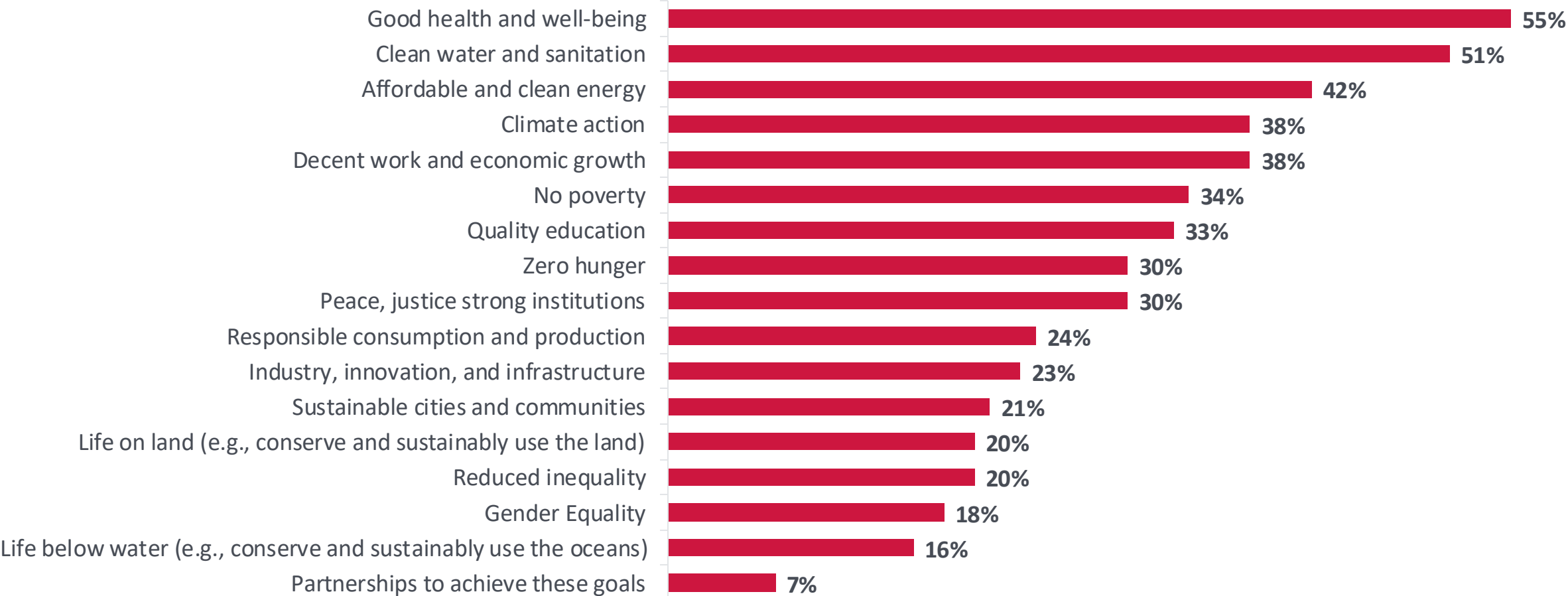
Source: MFS 2024 Global Retirement Survey, Canadian members. Q: If you are interested in ESG how much of your retirement assets would you be willing to put toward ESG objectives? Question was asked of respondents who answered that they are willing to give up “some” or “significant” return potential to invest in funds that reflect their personal values.

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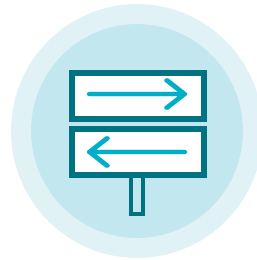
# Sponsors May Have Difficulty Finding One “ESG Option”

*Given Broad Array of Member Criteria*

## UN’s 17 SUSTAINABLE DEVELOPMENT GOALS: GOALS BY IMPORTANCE



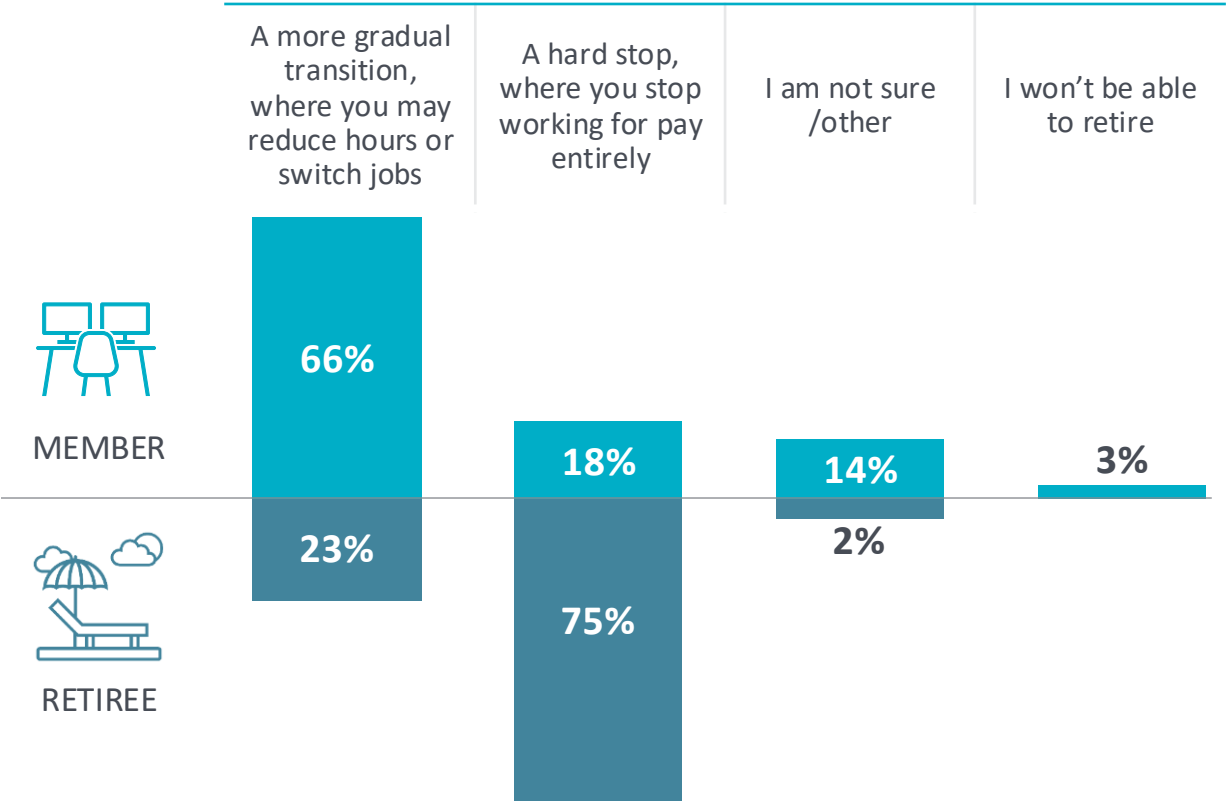
Source: MFS 2024 Global Retirement Survey, Canadian members. Q: In 2015, the United Nations developed 17 Sustainable Development Goals (known as the "UN SDGs") to meet by 2030. Which goals are of most importance to you? Please select your top 5 areas of interest. MFS may incorporate environmental, social, or governance (ESG) factors into its fundamental investment analysis and engagement activities when communicating with issuers. See slide 44 for additional information.



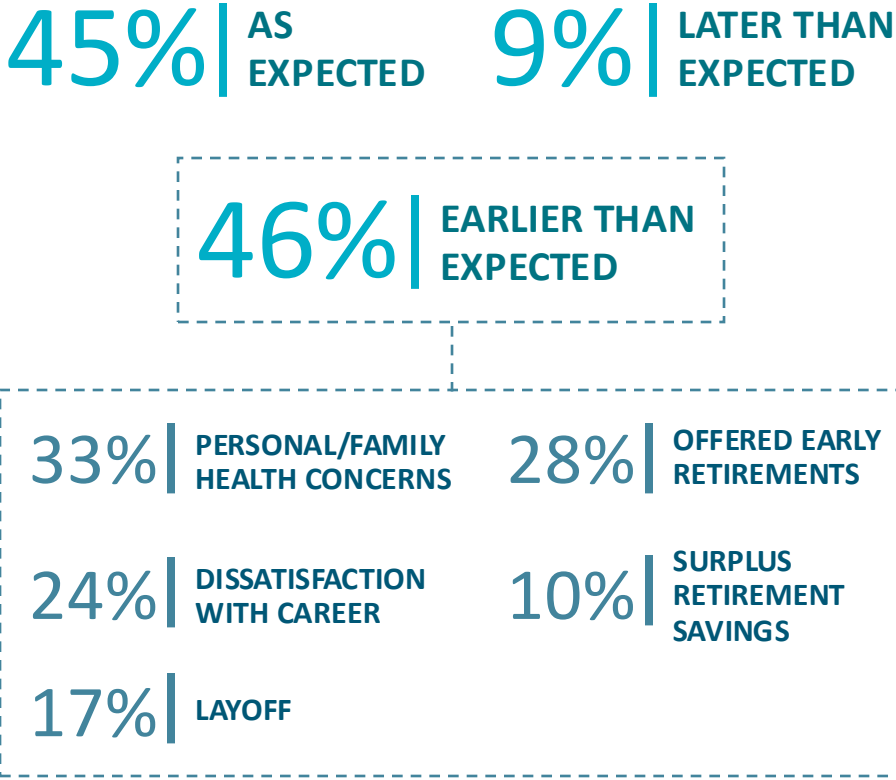
# Retirement Expectations vs. Reality

# What Will Retirement Look Like?

## RETIREMENT EXPECTATIONS

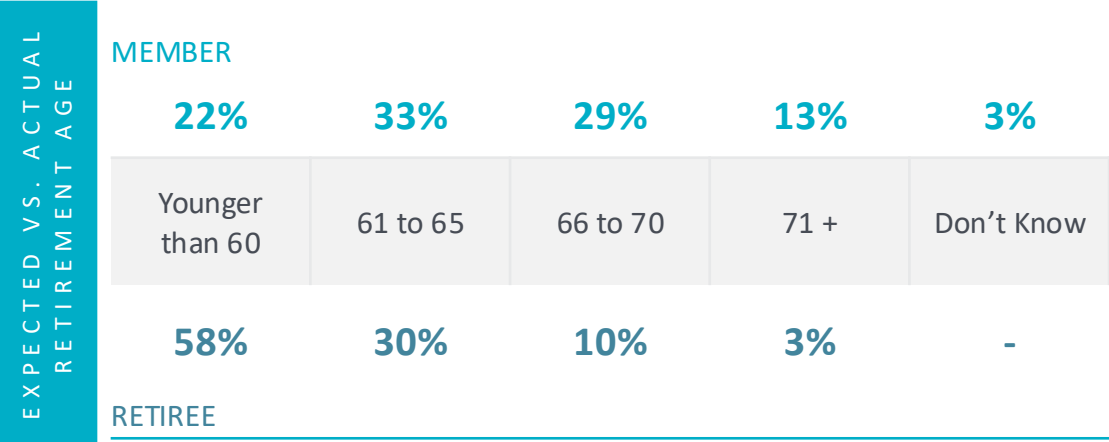


## RETIREMENT DATE TIMING

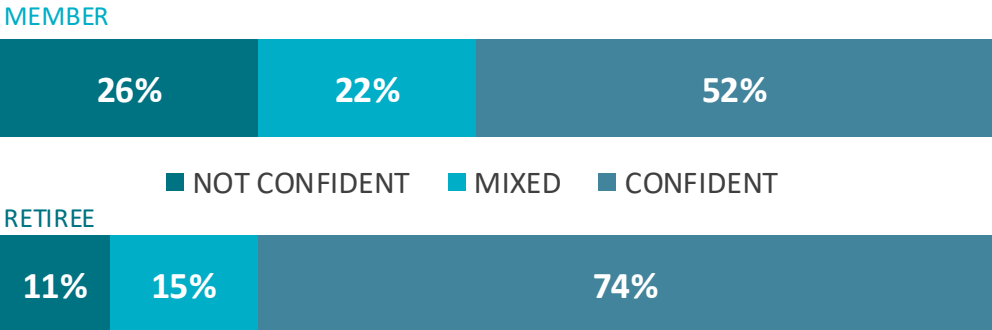


Source: MFS 2024 Global Retirement Survey, Canadian member & retiree respondents Q: (Member) Do you expect your retirement to be... Q: (Retiree) When you retired, was it... Q: (Retiree) Was your retirement date...? Q: (Retiree) Why was your retirement date earlier than expected? Q: (Retiree) Why was your retirement date later than expected?

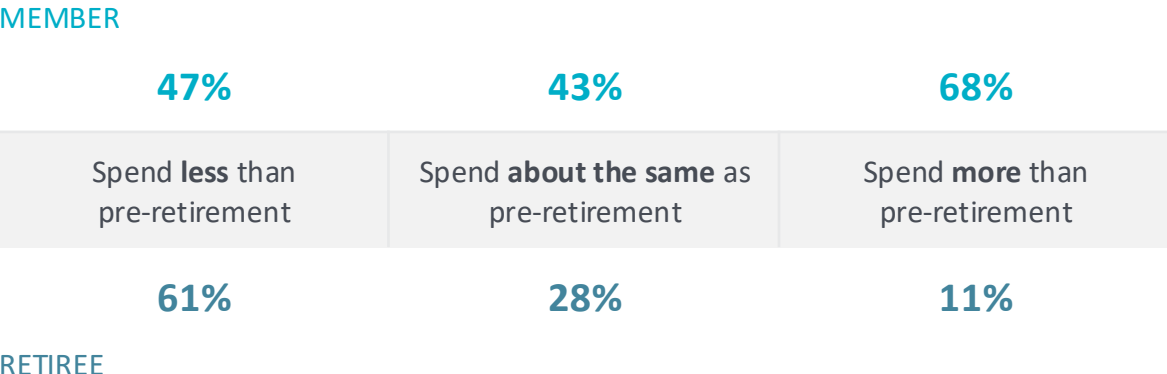
# Retirement Expectations vs. Reality



## ABILITY TO FINANCIALLY SUPPORT A 30 YEAR RETIREMENT



## IDEAL LIFESTYLE IN EARLY RETIREMENT YEARS




## ACTUAL SPENDING IN RETIREMENT COMPARED TO WORKING YEARS

Source: MFS 2024 Global Retirement Survey, Canadian members & retirees. Top left Q: (Pre-Retiree) At what age do you plan to fully retire? Q: (Retiree) At what age did you fully retire? Top Right Q: In total, how many years are you planning for your retirement to last? Bottom Left Q: I am able to / will be able to financially support a 30-year retirement. Bottom right Q: (Pre-Retiree) What is your ideal lifestyle for the early years of your retirement (the first 10 years)?

# Predictability is Key in Retirement

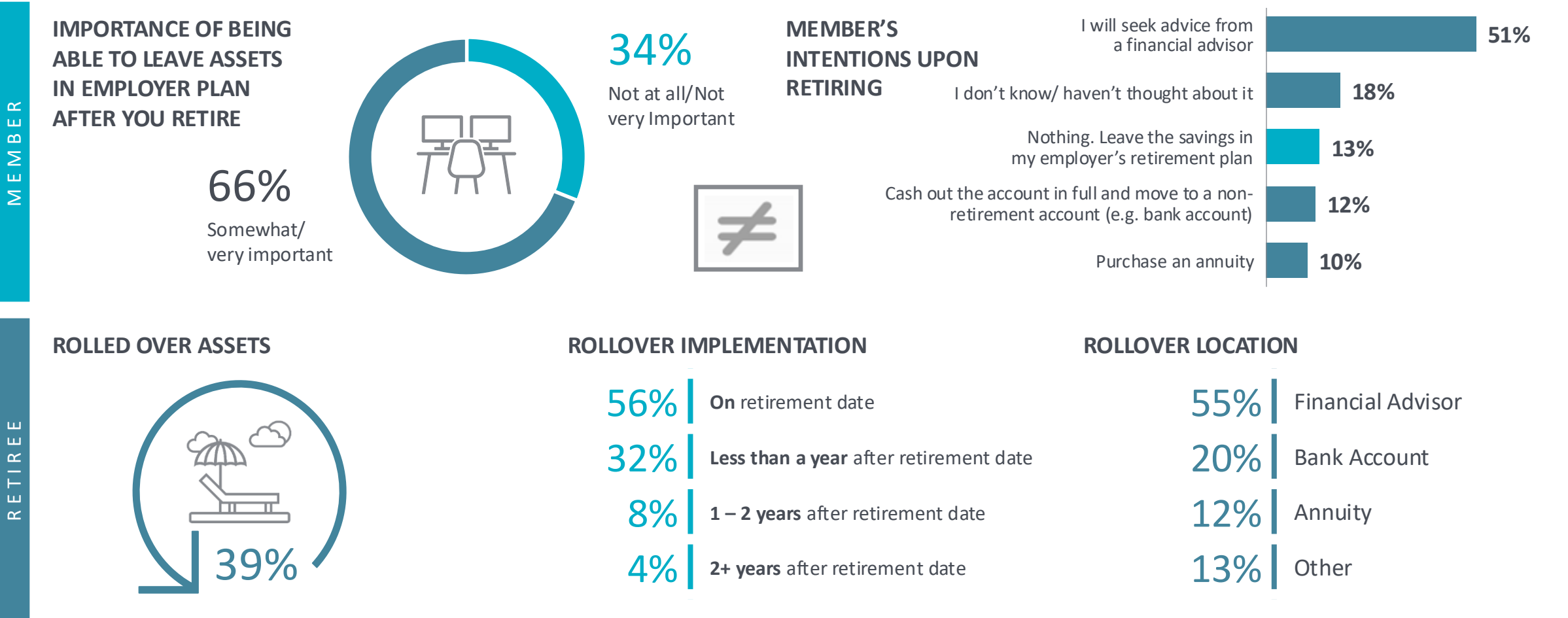
And Coveted by Both Members and Retirees

## IMPORTANCE OF RETIREMENT PORTFOLIO PRIORITIES (% RANKED TOP 3)

MEMBER	%		RETIREE	%
1 Predictable payments	78%		1 Predictable payments	90%
2 Inflation adjusted payments	73%		2 Inflation adjusted payments	78%
3 Withdrawal flexibility	59%		3 Withdrawal flexibility	61%
4 Insurance protection	42%		4 Tax minimization	56%
5 Tax minimization	48%		5 Insurance protection	16%



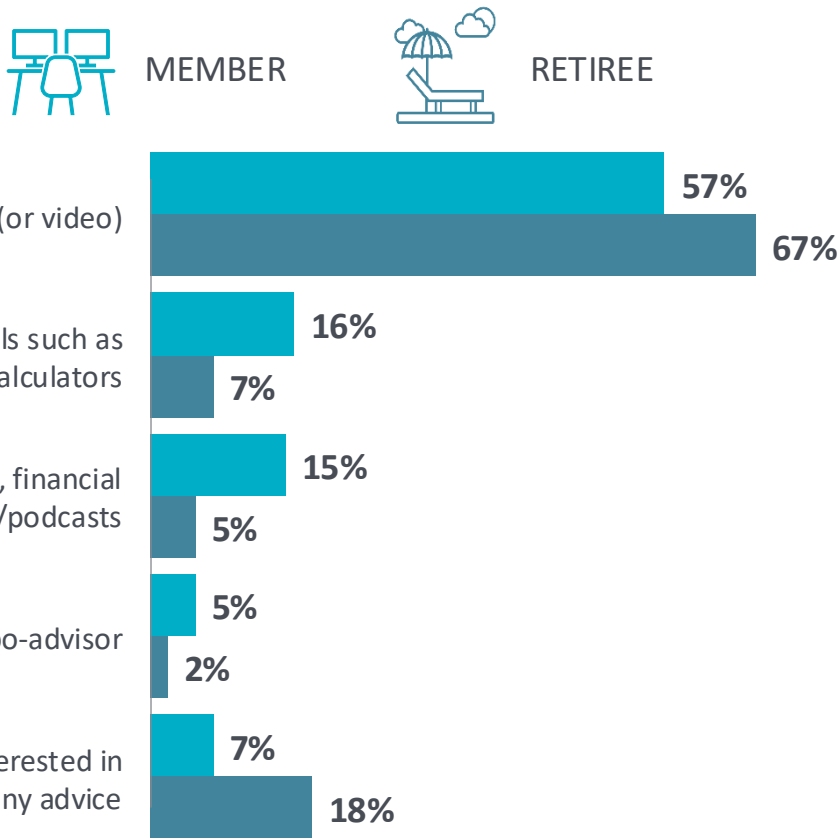
# Flexibility is Also Key in Retirement



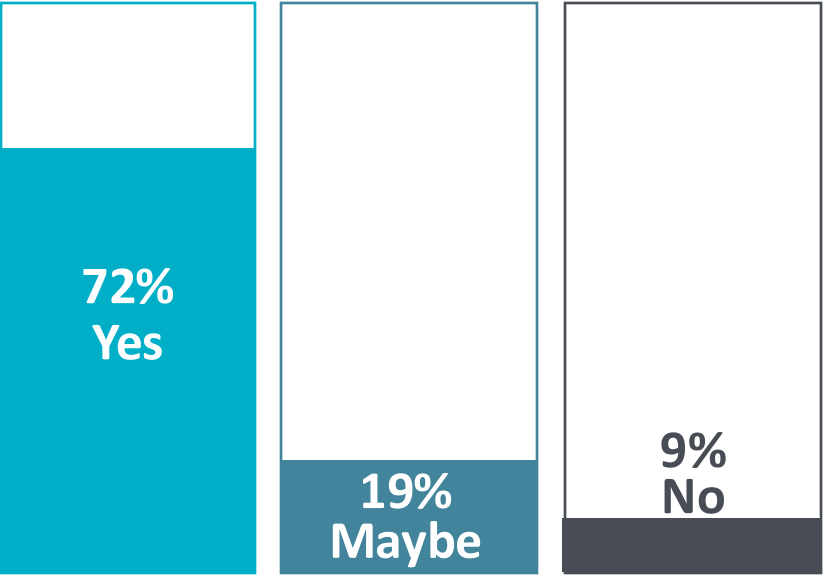
# Advice is Paramount in Retirement

Members and Retirees are Overwhelmingly Looking for In-Person Advice

## PREFERENCE FOR RECEIVING ADVICE



If your workplace retirement plan **offered access to an advisor**, would you use this resource?



Source: MFS 2024 Global Retirement Survey, Canadian members & retirees. Left Q: How do you prefer to receive advice related to retirement saving and planning? "In-person" can be a video call. Right Q: (Members) If your workplace retirement plan offered access to an advisor/planner to help with planning for retirement, would you use this resource?

# Takeaways for Plan Sponsors

Questions to ask your members

# Takeaways for Plan Sponsors

Members want to do the right thing when it comes to retirement readiness but have competing priorities.

Not all members have a full understanding of how target date funds work.

Both members and retirees demonstrate a desire for predictability, flexibility and the value of advice.

You can be a key ally in helping your members prioritize their retirement planning.

Demand for ESG integration remains high, though members don't want to allocate more than a small percentage to dedicated funds

Plan design choices can help provide predictability, flexibility and access to advice. Having a retirement income roadmap can help improve your member's outcomes.

There remains an opportunity to help educate and empower plan members, despite engagement hurdles.

Thank you

MFS may consider environmental, social, and governance (ESG) factors in its fundamental investment analysis alongside more traditional economic actors where MFS believes such ESG factors could materially impact the economic value of an issuer. The extent to which any ESG factors are considered and whether they impact returns will depend on a number of variables, such as investment strategy, the types of asset classes, regional and geographic exposures, and an investment professional's views and analysis of a specific ESG issue. ESG factors alone do not determine any investment decision. MFS may incorporate ESG factors into its engagement activities when communicating with issuers but these engagement activities will not necessarily result in changes to any issuer's ESG-related practices.

The example provided on slide 16 illustrates certain ways that MFS has historically incorporated ESG factors when analyzing or engaging with certain issuers but they are not intended to imply that favorable investment or engagement outcomes are guaranteed in all situations or in any individual situation. Engagements typically consist of a series of communications that are ongoing and often protracted, and may not necessarily result in changes to any issuer's ESG-related practices. Issuer outcomes are based on many factors and favorable investment or engagement outcomes, including those described above, may be unrelated to MFS analysis or activities. The degree to which MFS incorporates ESG factors into investment analysis and engagement activities will vary by strategy, product, and asset class, and may also vary over time. Consequently, the examples above may not be representative of ESG factors used in the management of any investor's portfolio. The information included above, as well as individual companies and/or securities mentioned, should not be construed as investment advice, a recommendation to buy or sell or an indication of trading intent on behalf of any MFS product.