

Annual Management Report of Fund Performance

For the Year Ended December 31, 2016

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You may obtain a copy of the annual financial statements at no cost, by calling 1-888-549-6248, by writing us at Suite 600, 517 – 10th Avenue SW, Calgary, Alberta T2R 0A8, or by visiting our website at www.mawer.com or SEDAR at www.sedar.com.

Unitholders may also contact us using one of the above noted methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

The investment objective of the Mawer Canadian Equity Fund (the "Fund") is to invest for above average long-term returns in equity securities of Canadian companies, principally those with market capitalizations greater than \$500 million. This objective is to be achieved by focusing on companies that can translate a competitive advantage into a superior return on capital; and by purchasing these companies at a discount to intrinsic value, as measured by a discounted cash flow model.

Risk

The Fund is suitable for investors seeking long-term growth and who have a moderate to high tolerance for risk. General risks of investing in the Fund are outlined in the Prospectus and include the possibility of reduction in value of any given stock, liquidity risk, interest rate risk and currency risk, among others.

The Manager reduces the exposure to these risks by not concentrating more than 20% of the net assets of the Fund in a particular industry (i.e., sub-sector) as defined by the Global Industry Classification Standards (GICS). It is also the Manager's policy to have no more than 10% of the net assets in any one common share of a corporation, at the time of purchase.

The Fund was invested in 10 of the 11 Global Industry Classification (GICS) sectors at December 31, 2016. The Fund's largest sector weightings were in Financials (36%), Industrials (15%), and Energy (12%). Combined, the weight in the three largest sectors represented 63% of the portfolio which is in line with this value at the end of 2015. In aggregate, the ten largest individual holdings accounted for 37% of the portfolio at the end of 2016 which is a decrease from 41% as of December 31, 2015.

Results of Operations

The Fund's net assets increased 29.0% to \$2,529.7 million from \$1,961.3 million at the end of 2015. Of this change, \$351.2 million is attributable to positive investment performance, while \$217.2 million was due to net contributions to the Fund.

Over the past 12 months, the Fund's Series A units posted a 15.8% return versus 21.1% for the S&P/TSX Composite Index. The Fund's return is after management fees.

The Fund's underperformance was due to security selection and cash drag over the period. Negative security selection was largely a function of the Fund's underperformance in the Materials, Industrials, Financials, and Energy sectors. The most significant factor in the Fund's underperformance in Materials was that it did not participate in the appreciation of Gold companies over the year. Meanwhile, 6 out of 8 of the Fund's investments in Industrials lagged the benchmark sector with MacDonald, Dettwiler and Associates standing out as the biggest detractor in the sector. Within Financials, the Fund was underweight strong performing Diversified Banks (up 30%) resulting in negative selection in the sector. Despite advancing 25% as a group, the Fund's Energy holdings trailed the benchmark sector due to strength in Pipeline companies as well as Exploration & Production stock, areas of the market to which the Fund has limited exposure. In all the Fund added value in 4 out of 10 sectors in which it invests.

The Fund initiated 2 new positions in 2016, including:

- Agrium Inc.
- Hydro One Ltd.

The Fund exited 5 positions in 2016, including:

- Aimia Inc.
- Brookfield Business Partners LP
- Canadian Energy Services & Technology Corp.
- Enerflex Ltd.
- Valeant Pharmaceuticals International Inc.

Recent Developments

The market's optimistic reaction to Trump's victory has been well documented in the media. However, details regarding the Trump administration's policy changes are, to a large degree, still forthcoming. We have noted that populism has emerged as a global theme, highlighted most prominently by the Trump campaign and Brexit referendum results. This is a factor that we are monitoring closely as more protectionist and anti-immigration policies would be a negative for Canadian businesses with significant trade exposure to the U.S.

Canada signed the Comprehensive Economic and Trade Agreement (CETA) with the European Union. Pre-CETA, 75% of Canadian products exported to the EU were subject to tariffs, following the implementation of the agreement this will decrease to 2%. Other measures in the agreement aimed at facilitating the efficient flow of goods and services across the Atlantic include streamlined customs procedures and increased regulatory cooperation. The European Commission estimates the agreement to generate as much as a 22.9% increase in bilateral trade in goods and services. Domestically, various levels of government in Canada enacted policies to cool down the real estate market. At the provincial level, the 15% tax on foreign buyers imposed by the

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BC government took effect in August. Meanwhile, the Federal government tightened lending rules which effectively reduces the total mortgage a given borrower qualifies for. In general, we view the goal of stabilizing the housing markets as positive.

OPEC reached a long-awaited agreement to cut oil production. The agreement reduces global output to 32.5 million barrels per day while giving Iran room to raise production. Non-OPEC countries were also asked to cut production by approximately 600,000 barrels per day. The agreement was an incremental positive for oil producers and may contribute to boosting inflation in countries such as Canada (at the margin).

The Trudeau Government reached decisions on proposed pipeline projects in November. Kinder Morgan secured an approval for the expansion of their Trans Mountain pipeline. This will nearly triple the volume of crude being transported from Edmonton, AB to Burnaby, BC. Although Enbridge's higher profile Northern Gateway pipeline was rejected, the Liberals did approve the upgrade of Enbridge's Line 3 system which almost doubles the pipeline's capacity to move oil from Hardisty, AB to Wisconsin in the U.S. Midwest. Given these developments, prospects for better market access have improved for Canadian Energy producers.

While the Bank of Canada held rates steady through 2016, central banks in Japan, Europe, the U.K. and China continued to loosen monetary policy over the course of the year (despite many leaders publicly acknowledging that the effectiveness of accommodative policies may be reaching its limit). The U.S. Fed remained the only major central bank contemplating rate increases in 2016 and did so in December. Rising interest rates and inflation have increasingly become consensus expectations over 2016, if these expectations materialize, growth expectations underpinning equity valuations will need to be adjusted.

Economic uncertainty in China remains a global concern going forward. The critical factors continue to be elevated levels of unrealized potential losses on bad debt in the financial system and industrial overcapacity. While these conditions don't necessitate a banking crisis, they increase the probability of a negative event.

In this environment, we will continue to focus our equity investment approach on understanding the business models and valuations of current and potential investments. Patience and discipline with trading will also be of particular importance given the level of uncertainty in the market.

Related Party Transactions – Management Fees

As Portfolio Advisors to the Fund, Mawer Investment Management Ltd. ("Mawer") receives management fees which are calculated for Series A Units as 1.0% per annum of the net asset value of the Fund calculated on a daily basis. Management fees for Series O Units are payable directly to the Manager by Series O investors and not by the Fund.

The terms of the Management Agreement were amended January 4, 1994, to grant the Manager of the Fund the ability, at their discretion, to reduce the management fees for large

investors. This reduction is effected by means of a management fee distribution and will be automatically reinvested in additional units of the Fund at the net asset value of the Fund on the date of distribution. Mawer also receives fees for performing administrative services. As at December 31, 2016 the Fund owes Mawer \$22,669 related to these administrative services.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements which are prepared in accordance with IFRS for years commencing January 1, 2013. The financial statements for the year ended December 31, 2012 were prepared in accordance with previous Canadian GAAP which resulted in a difference between transactional NAV and GAAP NAV as disclosed in the 2012 audited financial statements.

The Fund's Net Asset Value (NAV) per Unit

SERIES A	2016	2015	2014	2013	2012
Net Assets, beginning of year	55.00	58.32	50.90	41.14	36.86
Increase (decrease) from operations:					
Total revenue	1.59	1.51	1.34	1.27	1.13
Total expenses	(0.69)	(0.73)	(0.68)	(0.56)	(0.48)
Realized gains (losses) for the year	1.23	4.31	1.85	1.58	0.48
Unrealized gains (losses) for the year	6.84	(5.58)	5.49	8.18	3.56
Total increase (decrease) from operations¹	8.97	(0.49)	8.00	10.47	4.69
Distributions:					
From income (excluding dividends)	-	-	(0.63)	(0.68)	(0.43)
From dividends	(0.73)	(0.68)	-	-	-
From capital gains	-	(2.51)	-	-	(0.08)
Return of capital	-	-	-	-	-
Total Distributions²	(0.73)	(3.19)	(0.63)	(0.68)	(0.51)
Net Assets, end of year	62.94	55.00	58.32	50.90	41.03
SERIES O	2016	2015	2014	2013	2012
Net Assets, beginning of year	55.80	58.60	51.10	41.26	36.93
Increase (decrease) from operations:					
Total revenue	1.61	1.51	1.34	1.26	1.14
Total expenses	(0.01)	(0.01)	(0.03)	(0.02)	(0.02)
Realized gains (losses) for the year	1.26	4.19	1.83	1.55	0.48
Unrealized gains (losses) for the year	6.73	(4.88)	5.61	8.35	3.73
Total increase (decrease) from operations¹	9.59	0.81	8.75	11.14	5.33
Distributions:					
From income (excluding dividends)	-	-	(1.23)	(1.16)	(0.87)
From dividends	(1.47)	(1.44)	-	-	-
From capital gains	-	(1.91)	-	-	(0.08)
Return of capital	-	-	-	-	-
Total Distributions²	(1.47)	(3.35)	(1.23)	(1.16)	(0.95)
Net Assets, end of year	63.89	55.80	58.60	51.10	41.15

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- (1) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial year.
- (2) Distributions were reinvested in additional units of the Fund.

Ratios and Supplemental Data

SERIES A	2016	2015	2014	2013	2012
Net Assets (000's) ¹	747,283	506,128	430,196	315,141	206,478
Number of units outstanding (000's) ¹	11,872	9,203	7,376	6,192	5,019
Management expense ratio ²	1.19%	1.22%	1.21%	1.21%	1.25%
Management expense ratio before waivers or absorptions	1.19%	1.22%	1.21%	1.21%	1.25%
Portfolio turnover rate ³	11.63%	14.28%	11.73%	12.00%	7.76%
Trading expense ratio ⁴	0.02%	0.01%	0.02%	0.01%	0.04%
Closing market price or pricing NAV, (if applicable)	62.94	55.00	58.32	50.90	41.12

SERIES O	2016	2015	2014	2013	2012
Net Assets (000's) ¹	1,782,381	1,455,148	1,600,914	1,330,689	1,059,483
Number of units outstanding (000's) ¹	27,896	26,078	27,321	26,042	25,679
Management expense ratio ²	0.01%	0.02%	0.03%	0.04%	0.04%
Management expense ratio before waivers or absorptions	0.01%	0.02%	0.03%	0.04%	0.04%
Portfolio turnover rate ³	11.63%	14.28%	11.73%	12.00%	7.76%
Trading expense ratio ⁴	0.02%	0.01%	0.02%	0.01%	0.04%
Closing market price or pricing NAV, (if applicable)	63.89	55.80	58.60	51.10	41.24

- (1) This information is provided as at December 31 of the year shown, as applicable.
- (2) Management expense ratio is based on total expenses for the stated year and is expressed as an annualized percentage of daily average net assets during the year.
- (3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
- (4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the year.

Past Performance

Sales commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the Prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any investor that would have reduced returns. Mutual funds are not guaranteed. Their value changes frequently and past performance may not be repeated.

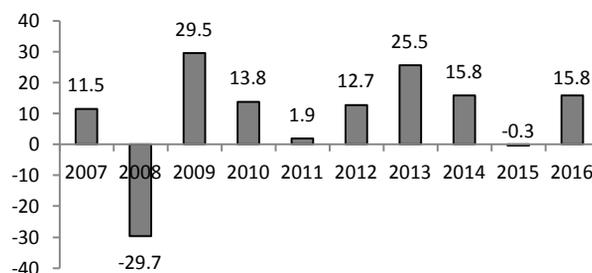
The Fund's performance numbers assume that all distributions are reinvested in additional units of the Fund. If you hold this Fund outside of a registered plan, income and capital gains distributions that are paid to you increase your income for tax purposes whether paid to you in cash or reinvested in additional units. The amount of the reinvested taxable distributions is added to the adjusted cost base of the units that you own. This would decrease your capital gains or increase your capital loss when you later redeem from the Fund, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation.

The past performance of the Fund is set out in the following charts.

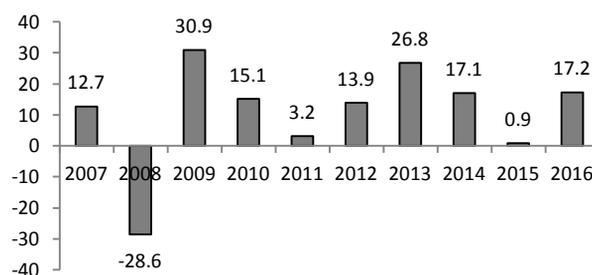
Year-by-Year Returns

The bar charts below show the Fund's annual performance in each of the past 10 years to December 31, 2016. The charts show in percentage terms how an investment made on January 1 would have increased or decreased by December 31 of the fiscal year.

Series A



Series O



Series O start date was December 1, 2004.

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Annual Compound Returns

The following table shows the historical annual compound total return of the Fund for the periods shown ending on December 31, 2016. The annual compound total return is also compared to the S&P/TSX Composite Index calculated on the same compound basis. This index is a benchmark used to measure the price performance of the broad Canadian equity market. All index returns are calculated in Canadian dollars on a total return basis, meaning that all distributions are reinvested.

	Series A units (%)	Series O units (%)	S&P/TSX Composite Index (%)
One Year	15.8	17.2	21.1
Three Years	10.2	11.5	7.1
Five Years	13.6	14.9	8.2
Ten Years	8.3	9.6	4.7

Summary of Investment Portfolio

A summary of the Fund as at December 31, 2016 is as follows:

	%
Cash	0.0
Total Cash	0.0
Treasury bills	5.1
Total Short-Term	5.1
Canadian Equities	
Consumer discretionary	5.9
Consumer staples	5.7
Energy	11.6
Financials	35.8
Industrials	15.4
Information technology	3.3
Materials	4.9
Real Estate	3.6
Telecommunication services	6.9
Utilities	1.8
Total Equities	94.9
Total Portfolio	100.0

Totals may not add to 100% due to rounding.

The following table lists the 25 largest holdings of the Fund as at December 31, 2016.

Issuer	Percentage of Transactional Net Asset Value
The Toronto-Dominion Bank	4.9%
Royal Bank of Canada	4.7%
The Bank of Nova Scotia	3.9%
Brookfield Asset Management Inc. Cl. A	3.7%
Canadian National Railway Company	3.7%
CCL Industries Inc. Cl. B	3.6%
Bank of Montreal	3.3%
Constellation Software Inc.	3.3%
Manulife Financial Corporation	3.1%
Saputo Inc.	2.9%
Rogers Communications Inc. Cl. B	2.9%
Toromont Industries, Ltd.	2.8%
Loblaw Companies Limited	2.8%
TELUS Corporation	2.8%
Shaw Communications Inc. Cl. B	2.7%
First Capital Realty Inc.	2.6%
Onex Corporation	2.6%
CI Financial Corp.	2.6%
Industrial Alliance Insurance and Financial Services Inc.	2.2%
Canadian Pacific Railway Company	2.2%
Richelieu Hardware, Ltd.	1.9%
ATS Automation Tooling Systems Inc.	1.9%
Suncor Energy Inc.	1.9%
Canadian Natural Resources, Ltd.	1.8%
Hydro One Limited	1.8%

The investments and percentages may have changed by the time you purchase units of this fund. The top 25 holdings are made available quarterly, 60 days after quarter-end and may be obtained by contacting your registered representative or by contacting Mawer toll-free at 1-888-549-6248 or by e-mail at info@mawer.com.