

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 objective of the Mawer New Canada Fund (the "Fund") is to invest for above average long-term returns in securities of smaller Canadian companies. This is done by choosing companies that we believe will be wealth-creating in the long-term and are trading at a discount to their intrinsic value. We prefer companies with enduring competitive advantages that will allow them to earn a return greater than their cost of capital over the long-term. The Fund has a long-term buy-and-hold strategy and seeks to keep turnover low.

Risk

The risks of investing in the Fund remain as discussed in the Prospectus.

The Manager has not changed the overall risk exposure of this Fund in the last twelve months. The major risks for the Fund are stock market risk, specific issuer risk, and liquidity risk. In general, this Fund is suitable for investors seeking long-term above-average growth who can tolerate significant volatility. Although the Manager does take measures to mitigate and manage risk, this Fund should be considered a higher risk fund due to its focus on a higher-risk asset class.

Results of Operations

The Fund's net assets increased 13.0% to \$1,227.8 million from \$1,086.2 million at the end of 2015. Of this change, \$215.3 million was attributable to positive investment performance and -\$73.8 million was due to net redemptions from the Fund.

Over the past 12 months, the Fund's Series A units' return was 19.3% versus 35.5% for the New Canada Fund Benchmark (BMO Small Cap Index (Blended, Weighted) from inception to September 30, 2016; S&P/TSX Small Cap Index as of September 30, 2016). Unlike the benchmark, the Fund's return is net of the deduction of fees and expenses paid by the Fund.

The relative performance of the Fund's equity holdings versus the New Canada Fund Benchmark can be attributed to (i) sector allocation, and (ii) security selection. A residual (or unallocated

performance contribution) may occur as a result of cash flow and timing issues.

Over the year, the Fund's Materials holdings accounted for the majority of the Fund's underperformance relative to the benchmark as a large underweight and no direct metals & mining exposure caused our materials holdings to lag. In addition, railway tie and utility pole pressure-treater Stella-Jones Inc. (one of the Fund's top holdings) suffered from lower demand for its products.

Our Energy underweight detracted given the strength of crude oil, as did our relative lack of exposure to companies that are more leveraged to the oil price. Though our energy holdings gained 49% over the period, not all of them followed the path of crude prices; shares of Newalta Corporation continued to languish as the company struggles with execution and a heavy debt load. Financials were another area of relative weakness. Our overweight in the sector – and particularly in mortgage lenders and originators such as Home Capital Group Inc. and Equitable Group Inc. lagged the broader market due to stricter mortgage rules and a rising short interest as some speculators bet on a Canadian housing crash.

Helping to offset some of this relative weakness was strong stock selection in Consumer Discretionary due to positions in Sleep Country Canada Holdings Inc., up 71% due to strong results, and MTY Food Group Inc., due to an attractive transformative acquisition. The Health Care sector, globally, lagged in 2016 and experienced negative returns in Canada. But our two holdings delivered positive returns. Other securities that had a significant positive contribution to the portfolio's return included Canadian Energy Services & Technology Corp, which benefitted from rising rig counts and more drilling activity; Altus Group Ltd., which continued to enjoy growth and margin expansion across their business lines; and bus manufacturer New Flyer Industries Inc., whose core business saw much improved margins.

The Fund's largest weighted sectors at the end of December, 2016 were the Financials, Industrials and Energy sectors, respectively. In the TSX SCI, the Energy, Materials, and Industrials sectors, respectively, carried the largest weights. Overall, the Fund had exposure to nine of the eleven GICS sectors, with no exposure to the Consumer Staples or Telecom Services sectors.

Additions to the portfolio over the past twelve months were:

- 1Q: AirBoss of America Corp., Computer Modelling Group Ltd., QHR Corporation
- 2Q: Absolute Software Corporation, Birchcliff Energy Ltd., Boyd Group Income Fund, Imvescor Restaurant Group Inc.
- 3Q: Innergex Renewable Energy Inc., Kinaxis Inc.
- 4Q: CRH Medical, Cara Operations Limited

Deletions from the portfolio over the past twelve months were:

- 1Q: Allied Properties Real Estate Investment Trust, Constellation Software Inc., Lassonde Industries Inc., Paramount Resources Ltd., Russel Metals Inc.

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- 2Q: High Liner Foods Incorporated, RIFCO Inc., Total Energy Services Inc.
- 3Q: Chesswood Group Limited
- 4Q: Delphi Energy Corp., QHR Corp.

Recent Developments

Donald Trump's election as President of the United States caused large gyrations in many different asset markets. Equities, especially cyclicals, and infrastructure-linked commodities rallied as market participants anticipated the implementation of right-wing policies in the United States such as lower corporate taxes, fiscal stimulus, and reduced regulations will bolster growth in the world's largest economy. This rotation into equities was at the expense of bonds and other yield-sensitive equities which sold off heavily. The US risk-free yield rose 0.75% in only a few weeks following the election, a historic move in percentage terms. Relevant to the relative performance of this portfolio, gold performed poorly following Trump's victory as investors rotated out of this safe haven in a search for growth.

Looking forward, we express cautious optimism toward further economic growth in Canada and the United States. Underlying economic data in both Canada and its largest trading partner continue to point to economic expansion. However, valuations have risen quickly, with the portfolio's return in 2016 outpacing our expectations not only for 2016, but for 2017 as well. Although this optimism may well be justified and asset values may continue to expand through 2017, our modelling work suggests that for many companies, valuations are assuming that the growth-friendly policies being talked about by President Trump will actually be fully implemented, while pricing in little of his protectionist rhetoric.

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 1.2% 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 \$11,280 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	64.50	73.42	69.92	47.98	42.07
Increase (decrease) from operations:					
Total revenue	1.58	1.78	1.68	1.29	1.23
Total expenses	(0.96)	(1.09)	(1.13)	(0.83)	(0.67)
Realized gains (losses) for the year	3.89	10.88	11.00	4.77	0.89
Unrealized gains (losses) for the year	7.86	(10.09)	(2.87)	18.31	5.46
Total increase (decrease) from operations¹	12.37	1.48	8.68	23.54	6.91
Distributions:					
From income (excluding dividends)	-	-	(0.58)	(0.38)	(0.34)
From dividends	(0.58)	(0.69)	-	-	-
From capital gains	(2.09)	(9.53)	(4.34)	(1.38)	(0.97)
Return of capital	-	-	-	-	-
Total Distributions²	(2.67)	(10.22)	(4.92)	(1.76)	(1.31)
Net Assets, end of year	74.21	64.50	73.42	69.92	47.69

SERIES O	2016	2015	2014	2013	2012
Net Assets, beginning of year	65.40	73.06	69.60	47.77	41.90
Increase (decrease) from operations:					
Total revenue	1.61	1.78	1.67	1.28	1.23
Total expenses	(0.01)	(0.03)	(0.07)	(0.04)	(0.02)
Realized gains (losses) for the year	3.92	10.97	11.19	4.83	0.84
Unrealized gains (losses) for the year	8.06	(10.33)	(2.66)	18.25	5.56
Total increase (decrease) from operations¹	13.58	2.39	10.13	24.32	7.61
Distributions:					
From income (excluding dividends)	-	-	(1.66)	(1.16)	(0.99)
From dividends	(1.61)	(1.71)	-	-	-
From capital gains	(0.95)	(8.28)	(4.32)	(1.37)	(0.96)
Return of capital	-	-	-	-	-
Total Distributions²	(2.56)	(9.99)	(5.98)	(2.53)	(1.95)
Net Assets, end of year	76.50	65.40	73.06	69.60	47.49

(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.

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Ratios and Supplemental Data

SERIES A	2016	2015	2014	2013	2012
Net Assets (000's) ¹	236,058	207,201	223,054	211,780	148,981
Number of units outstanding (000's) ¹	3,181	3,212	3,038	3,029	3,105
Management expense ratio ²	1.40%	1.45%	1.40%	1.41%	1.47%
Management expense ratio before waivers or absorptions	1.40%	1.45%	1.40%	1.41%	1.47%
Portfolio turnover rate ³	25.46%	17.97%	15.13%	18.23%	13.71%
Trading expense ratio ⁴	0.05%	0.04%	0.05%	0.04%	0.06%
Closing market price or pricing NAV, (if applicable)	74.21	64.50	73.42	69.92	47.98

SERIES O	2016	2015	2014	2013	2012
Net Assets (000's) ¹	991,719	879,029	932,950	1,014,909	686,596
Number of units outstanding (000's) ¹	12,964	13,440	12,770	14,582	14,371
Management expense ratio ²	0.02%	0.03%	0.04%	0.03%	0.05%
Management expense ratio before waivers or absorptions	0.02%	0.03%	0.04%	0.03%	0.05%
Portfolio turnover rate ³	25.46%	17.97%	15.13%	18.23%	13.71%
Trading expense ratio ⁴	0.05%	0.04%	0.05%	0.04%	0.06%
Closing market price or pricing NAV, (if applicable)	76.50	65.40	73.06	69.60	47.78

- (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.

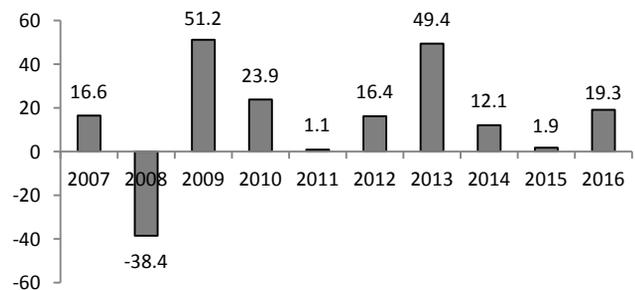
The Fund's performance numbers assume that all distributions are reinvested in additional units of the Fund. If you hold this Fund outside of a registered plan, income and capital gains distributions that are paid to you increase your income for tax purposes whether paid to you in cash or reinvested 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.

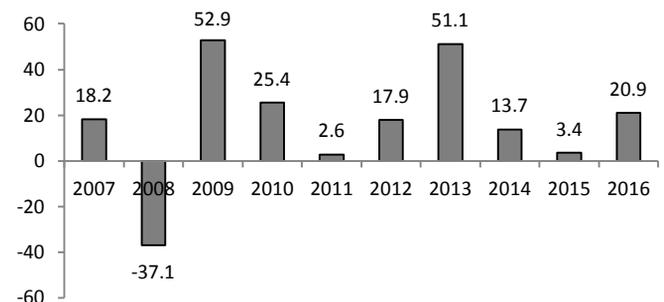
Year-by-Year Returns

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



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Annual Compound Returns

The following table shows the historical annual compound total return of Fund for the periods shown ending on December 31, 2016. The annual compound total return is benchmarked to the Mawer New Canada Benchmark (NC Benchmark) and calculated on the same compound basis. The NC Benchmark is a composite return stream consisting of the BMO Small Cap Index (Blended, Weighted) from inception to September 30, 2016 and the S&P/TSX Small Cap Index, as of September 30, 2016. 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 (%)	New Canada Benchmark (%)
One Year	19.3	20.9	35.5
Three Years	10.9	12.4	5.3
Five Years	18.8	20.4	5.2
Ten Years	12.4	14.0	3.9

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	0.8
Total Short-Term	0.8
Canadian Equities	
Consumer discretionary	7.6
Energy	14.1
Financials	21.4
Health care	0.3
Industrials	20.4
Information technology	10.7
Materials	12.3
Real Estate	11.2
Utilities	1.2
Total Equities	99.2
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
New Flyer Industries Inc.	5.1%
Altus Group, Ltd.	4.9%
Winpak, Ltd.	4.6%
Equitable Group Inc.	4.6%
Canada Energy Services & Technology Corporation	4.5%
Home Capital Group Inc. Cl. B Sub. Voting	4.2%
Stantec Inc.	4.0%
Stella-Jones Inc.	3.9%
Morneau Shepell, Inc.	3.7%
AltaGas, Ltd.	3.7%
Element Fleet Management, Corp.	3.6%
Boyd Group Income Fund	3.1%
Intertape Polymer Group Inc.	3.1%
Alaris Royalty Corp.	3.1%
Enghouse Systems Limited	2.9%
Richelieu Hardware, Ltd.	2.7%
Canadian Western Bank	2.6%
The Descartes Systems Group Inc.	2.4%
Parkland Fuel Corporation	2.2%
MTY Food Group Inc.	2.2%
Solium Capital Inc.	2.1%
Enercare, Inc.	2.0%
Sleep Country Canada Holdings Inc.	1.9%
First National Financial Corporation	1.9%
InterRent Real Estate Investment Trust	1.9%

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.