Interim Management Report of Fund Performance

For the period ended June 30, 2017

This interim management report of fund performance contains financial highlights but does not contain either interim or annual financial statements of the investment fund. You may obtain a copy of the interim or annual financial statements at no cost, by calling 1-888-889-6248, 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 Mawer Tax Effective Balanced Fund (the "Fund") aims to achieve a long-term, value-added total fund return on both a pre-tax and after-tax basis through capital appreciation and the receipt of dividend and interest income. The Fund invests in treasury bills and commercial paper, corporate and government bonds, Canadian, U.S. and International large and small capitalization equities, and other Mawer Funds. The Manager maximizes pre-tax returns through application of a "growth at the right price" strategy and minimizes taxes through the application of tax-effective trading strategies and portfolio construction techniques.

Bonds are used primarily to mitigate risk. Bonds are chosen with a view to the appropriate term, credit quality, and issuer depending upon the expected direction of interest rates, the interest rate spreads between different sectors of bonds, and the expected state of financial conditions for the issuer. Bonds trading near par or at a discount are preferred, all else being equal, given their better tax efficiency versus premium bonds.

In equities we search for wealth-creating companies whose equities can be purchased at a discount to their intrinsic value. We then apply a tax overlay strategy, with the objective to minimize taxable capital gain distributions. The philosophy of the Fund is that the security will not be sold to harvest a capital loss unless it can be replaced with a highly-correlated substitute (such as other names in the same industry and sector exchange-traded funds). If a capital loss is harvested, these trades are normally reversed after 30 days (to avoid wash sale rules).

We typically make asset mix adjustments in a gradual fashion, believing that abrupt moves run the risk of market timing, an area in which we believe value cannot be added. Our starting point is 60% equities and 40% fixed income. Within a narrow band, variations from long-term strategic allocations are permitted. These are executed on a cyclical basis when irrationality is observed in a given asset class, or when a long-term structural advantage is noted on a secular basis. The criteria we use to analyze capital markets on an ongoing basis for possible cyclical adjustments are the factors that we believe most affect security prices. These are: interest rates, earnings, valuation and psychology. Wherever possible, asset mix changes are implemented using cash flows in order to minimize the tax implications from trading.

Risk

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

The Manager reduces the risk by imposing a number of constraints. The Fund requires a minimum of 30% in fixed income, which reduces the exposure to equity risk. The Fund has an upper limit on foreign equities of 70%, which reduces the currency risk. The Manager has an internal constraint of no more than 20% of its net assets in a particular industry (i.e., sub-sector) as classified by the GICS to reduce concentration risk. The Manager limits the magnitude of any one asset mix shift to 5% a quarter to reduce timing risk.

Given the difficulty in consistently predicting interest rate moves, we limit exposure to this risk factor. In setting policy, the Canadian bond portfolio's duration is set within 0.5 years on either side of the index, while the duration for the global bond portfolio has a maximum limit of 8 years. As of June 30, 2017, the duration of the Canadian fixed income allocation was 7.32 years compared to the FTSE TMX Canada Universe Bond Index duration of 7.56 years. The duration of the Mawer Global Bond Fund held within the Mawer Tax Effective Balanced Fund was 3.82 years as of June 30, 2017. From an exposure perspective, the weight of the Canadian fixed income portfolio within the Mawer Tax Effective Balanced Fund, decreased modestly from 38.4% at the start of the year, to 38.1% as of June 30, 2017 (these figures include the Canadian treasury-bills held in other Mawer Funds). The weight of the global fixed income allocation within the Mawer Tax Effective Balanced Fund decreased to 1.9% from 2.6% over the period (these figures include the US treasury-bills held in other Mawer Funds).

The Fund's exposure to foreign equities (outside of Canada) decreased slightly to 42.6% from 43.2 % (this number excludes the cash and Canadian equities portion of units held of the Mawer Global Small Cap Fund, which is classified as a foreign security). The Fund's equity holdings are in all 11 GICS sectors and are most heavily weighted to Financials (23.6% of the equity weight), Industrials (16.6%) and Information Technology (14.8%). The combined exposure of 55.0% to the top three sectors as of June 30th is up from 52.8% at the end of 2016.

In addition the pre-tax performance of the Fund may be affected by tax-effective trading. While this risk is minimized through our correlation analysis that attempts to harvest capital losses by switching into a highly-correlated substitute, the correlation between securities can shift through time due to security-specific risk.

Results of Operations

The Fund's net assets increased 10.78% to $960.9 million at the end of June 2017, up from $867.4 million at the end of 2016. Of this change, $52 million was attributable to positive investment performance and $48.0 million was due to net contributions to the Fund.

The Fund's Series A units gained 5.9% (CAD, after management fees) through the first six months of 2017 versus 3.5% for a blended benchmark that consisted of 5% FTSE TMX 91-day Treasury Bill Index; 30% FTSE TMX Canada Universe Bond Index; 5% Citi WGBI; 15% S&P/TSX Composite Index; 7.5% S&P/TSX Small Cap Index; 15% S&P 500 Index (CAD); 15% MSCI AWCI ex. USA Index (net, CAD); and 7.5% MSCI AWCI Small Cap Total Return Index (CAD).

From an absolute return perspective, for the first six months of 2017, all asset classes, excluding Canadian Small Cap equities, posted positive returns. The Fund's total return was primarily driven by foreign equities, with International Equities and U.S. equities being particularly beneficial.

The Fund's relative return is attributable mainly to security selection. Specifically, all equity asset classes outperformed their corresponding benchmarks with the largest relative outperformances coming in Global Small Cap equities and International equities. For Global Small Cap equities, security selection in Consumer Staples, Financials, and Industrials drove relative performance with Amsterdam Commodities, Cembra Money Bank and XP Power being the top contributors in their respective sectors. Security selection also drove relative performance in International equities, most notably in Financials and Materials. However, International equities also benefitted from having no exposure to Energy, which was the weakest performing sector in the MSCI AWCI ex. USA (Net) Index.

The Fund's distribution across asset classes relative to the blended benchmark also contributed to relative performance over the period, but to a lesser degree. The Fund benefitted from its overweight exposure to International equities, which was the top performing asset class in the blended benchmark. Additionally, the Fund's underweight exposure to Canadian Small Cap equities was beneficial over the period as this was the weakest performing sector in the benchmark.

Recent Developments

From an asset mix perspective, the Fund has maintained a fairly neutral weight across cash, bonds and equities. Currently, the largest deviations from a neutral asset mix include an overweight exposure to Cash and underweight exposure to Global Fixed Income. Within equities, the Fund has been trimming U.S. exposure in favour of International and Canadian Mid-Large Cap exposure.

Over the period, the Fund initiated and eliminated a number of positions. In Canadian Fixed Income, the Fund introduced a number of new issuers including CPPIB Capital, Glacier Credit Card Trust, BMW Canada Inc. and Manulife Bank. The Fund also re-initiated a position in Inter Pipeline Ltd. In contrast, the Fund eliminated the Province of Manitoba as an issuer.

From an equity perspective, some of the more significant initiations include HDFC Bank, ALD SA, Paychex Inc. and Interpublic Group of Companies, Inc. HDFC Bank is the largest private sector bank in India with a nationwide presence of over four thousand branches. ALD Automotive is the largest auto leasing company in Europe with a direct presence in over forty (primarily European) countries. The company is a fully owned subsidiary of French bank Société Générale. The Fund re-initiated a position in Paychex Inc., a US company, which provides payroll, human resource and benefits outsourcing services to small and medium-sized businesses. Finally, US based, Interpublic Group of Companies, Inc. is one of the top four global advertising and marketing agencies, operating over ninety branded agencies under its umbrella.

Some of the more significant equity eliminations over the period include Nestlé SA, Lawson Inc. and Cetip S.A. The Fund eliminated Nestlé given business headwinds due rising competition from local consumer-staple companies. The new strategy focusing on Health seems to have upside risks on costs while the Health-focused products may not be highly appealing to emerging markets. The Fund eliminated Lawson mainly due to the Mitsubishi tender offer, minority shareholder risk following the increased ownership of Mitsubishi, and price appreciation following the tender offer. Cetip S.A, a securities clearing house, is merging with BM&F Bovespa, a Brazilian stock exchange. The Fund held shares in both companies; however, Cetip will be delisted, so the Fund will continue to hold our shares in BM&F Bovespa, which will become the merged company.

Related Party Transactions – Management Fees

As Portfolio Advisor to the Fund, Mawer Investment Management Ltd. ("Mawer") receives management fees which are calculated for Series A Units as 0.78% 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 June 30, 2017 the Fund owes Mawer $2,520 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 six-month period ended June 30, and for each of the past five years ended December 31 as applicable. This information is derived from the Fund's unaudited interim financial statements and 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	2017	2016	2015	2014	2013	2012
Net Assets, beginning of period	32.19	31.51	29.26	26.64	22.49	20.47
Increase (decrease) from operations:						
Total revenue	0.36	0.70	0.70	0.68	0.61	0.59
Total expenses	(0.17)	(0.32)	(0.32)	(0.31)	(0.27)	(0.21)
Realized gains (losses) for the period	0.43	0.67	0.86	0.92	0.53	0.21
Unrealized gains (losses) for the period	1.24	0.02	1.56	1.95	3.68	1.78
Total increase (decrease) from operations[1]	1.86	1.07	2.80	3.24	4.55	2.37
Distributions:						
From income (excluding dividends)	(0.19)	(0.26)	(0.26)	(0.36)	(0.34)	(0.35)
From dividends	-	(0.10)	(0.07)	-	-	-
From capital gains	-	-	(0.39)	(0.27)	-	-
Return of capital	-	-	-	-	-	-
Total Distributions[2]	(0.19)	(0.36)	(0.72)	(0.63)	(0.34)	(0.35)
Net Assets, end of period	33.88	32.19	31.51	29.26	26.64	22.46

SERIES O	2017	2016	2015	2014	2013	2012
Net Assets, beginning of period	31.78	31.11	29.14	26.54	22.39	20.37
Increase (decrease) from operations:						
Total revenue	0.36	0.69	0.70	0.67	0.60	0.58
Total expenses	(0.02)	(0.04)	(0.06)	(0.07)	(0.05)	(0.02)
Realized gains (losses) for the period	0.42	0.66	0.87	0.91	0.51	0.22
Unrealized gains (losses) for the period	1.21	0.06	1.55	1.95	3.66	1.76
Total increase (decrease) from operations[1]	1.97	1.37	3.06	3.46	4.72	2.54
Distributions:						
From income (excluding dividends)	(0.35)	(0.46)	(0.44)	(0.60)	(0.55)	(0.54)
From dividends	-	(0.17)	(0.12)	-	-	-
From capital gains	-	-	(0.71)	(0.27)	-	-
Return of capital	-	-	-	-	-	-
Total Distributions[2]	(0.35)	(0.63)	(1.27)	(0.87)	(0.55)	(0.54)
Net Assets, end of period	33.45	31.78	31.11	29.14	26.54	22.36

(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 period (June 30th).*

(2) *Distributions were reinvested in additional units of the Fund.*

Ratios and Supplemental Data

SERIES A	2017	2016	2015	2014	2013	2012
Net Assets (000's)[1]	703,968	636,394	538,726	370,409	258,768	155,092
Number of units outstanding (000's)[1]	20,776	19,773	17,098	12,659	9,712	6,895
Management expense ratio[2]	0.90%	0.92%	0.93%	0.98%	0.98%	0.99%
Management expense ratio before waivers or absorptions	0.90%	0.92%	0.93%	0.98%	0.98%	0.99%
Portfolio turnover rate[3]	9.60%	23.37%	21.12%	25.10%	22.47%	31.11%
Trading expense ratio[4]	0.03%	0.03%	0.04%	0.03%	0.03%	0.06%
Closing market price or pricing NAV, (if applicable)	33.88	32.19	31.51	29.26	26.65	22.49

SERIES O	2017	2016	2015	2014	2013	2012
Net Assets (000's)[1]	256,931	231,030	192,931	152,474	119,077	84,889
Number of units outstanding (000's)[1]	7,682	7,269	6,202	5,232	4,487	3,791
Management expense ratio[2]	0.02%	0.03%	0.06%	0.10%	0.10%	0.10%
Management expense ratio before waivers or absorptions	0.02%	0.03%	0.06%	0.10%	0.10%	0.10%
Portfolio turnover rate[3]	9.60%	23.37%	21.12%	25.10%	22.47%	31.11%
Trading expense ratio[4]	0.03%	0.03%	0.04%	0.03%	0.03%	0.06%
Closing market price or pricing NAV, (if applicable)	33.45	31.78	31.11	29.14	26.54	22.39

(1) *This information is for the period ended June 30, 2017 and December 31 of any other period(s) shown.*

(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 period. The Manager, at its discretion, absorbed certain expenses otherwise payable by each Series. The Manager may change the amount absorbed or discontinue absorbing these expenses at any time without notice.*

(3) *The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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 period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. 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 period.*

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.

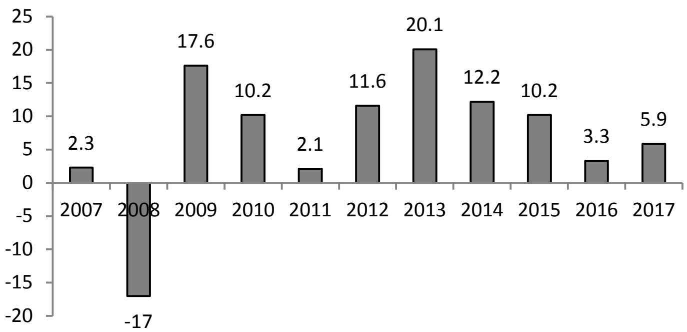
The Fund's performance numbers assume that all distributions are reinvested in additional units of the Fund. If you hold this Fund outside of a registered plan, income and capital gains distributions that are paid to you increase your income for tax purposes whether paid to you in cash or reinvested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

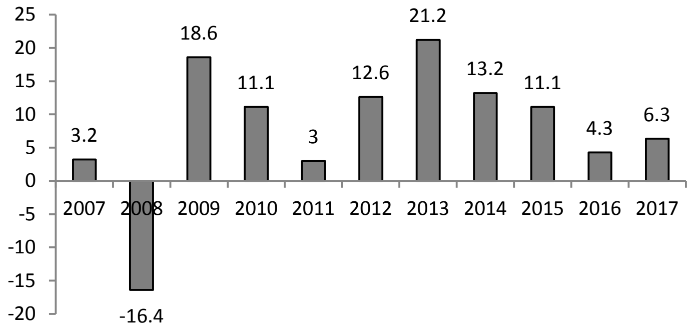
Year-by-Year Returns

The bar charts below show the Fund's annual performance in each of the past 10 years to June 30, 2017. 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



(1) Series O start date was July 4, 2006.

(2) This information is for the period ended June 30, 2017 and December 31 of any other period(s) shown.

Annual Compound Returns

The following table shows the historical annual compound total return of the Fund for the periods shown ending on June 30, 2017. The annual compound total return is also compared to the Internal Diversified Benchmark (ID Benchmark) calculated on the same compound basis. 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 (%)	Internal Tax Effective Balanced Benchmark (%)
One Year	8.5	9.4	9.0
Three Years	8.3	9.2	6.4
Five Years	11.8	12.7	9.3
Ten Years	7.1	8.1	5.5

* *Series O start date was July 4, 2006.*

The Internal Tax Effective Balanced Benchmark (TEB Benchmark), formulated by the Manager, reflects the unique nature of the Fund in that it has no foreign content restrictions. The formula comprises the FTSE TMX 91-day T-Bill Index (5%); FTSE TMX Canada Universe Bond Index (30%), index designed to reflect the Canadian bond market; Citi World Government Bond Index (5%), index designed to reflect the global bond market; S&P/TSX Composite Index (15%), index designed to represent the Canadian mid-large cap equity market; S&P/TSX Small Cap Index (7.5%), index designed to represent the Canadian small cap equity market; S&P 500 Index (15%), index designed to represent the U.S. equity market; Morgan Stanley Capital International All Country World ex. USA (Net) (15%), index designed to reflect international stock markets; and Morgan Stanley Capital International Small Cap Index (7.5%), index designed to reflect the global small cap equity market.

Summary of Investment Portfolio

A summary of the Fund as at June 30, 2017 is as follows:

	%
Cash	0.1
Total cash	0.1
Treasury bills	7.7
Total short-term	7.7
Mutual Funds	2.7
Federal	10.4
Provincial	8.0
Corporate	11.4
Total fixed income	32.5
Equities	
Canadian equities	16.4
U.S. equities	20.2
International equities	16.7
Global equities (small cap)	6.4
Total equities	59.7
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 June 30, 2017.

Issuer	**Percentage of Transactional Net Asset Value**
Mawer Global Small Cap Fund 'O'	6.4%
Mawer Global Bond Fund 'O'	2.7%
Government of Canada 1.50% Jun 01/23	1.4%
Government of Canada 1.00% Jun 01/27	1.4%
Province of Quebec 3.00% Sep 01/23	1.3%
Canada Housing Trust No. 1 1.08% Sep 15/21	1.1%
Alphabet Inc.	1.1%
Province of Ontario 3.45% Jun 02/45	1.0%
Province of British Columbia 2.85% Jun 18/25	1.0%
Becton, Dickinson and Company	0.9%
Government of Canada 4.00% Jun 01/41	0.9%
Aon PLC Cl. A	0.9%
Canada Housing Trust No. 1 2.55% Mar 15/25	0.9%
Intertek Group PLC	0.9%
Government of Canada 3.50% Dec 01/45	0.8%
Government of Canada 2.50% Jun 01/24	0.8%
Marsh & McLennan Companies, Inc.	0.8%
Comcast Corporation Cl. A	0.8%
Verisk Analytics, Inc. Cl. A	0.7%
Province of Quebec 3.50% Dec 01/45	0.7%
MasterCard Incorporated Cl. A	0.6%
Royal Bank of Canada	0.6%
Ansys Inc.	0.6%
The Toronto-Dominion Bank	0.6%
Canada Housing Trust No. 1 2.40% Dec 15/22	0.6%

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 1-888-889-6248 or by e-mail at *info@mawer.com*.