
Mawer U.S. Mid Cap Equity Fund

Interim Management Report of Fund Performance

For the Period Ended June 30, 2024

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 1-844-395-0747, 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.sedarplus.ca.

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, annual financial reports, proxy voting disclosure record, or quarterly portfolio disclosure.

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All opinions contained in forward looking information are subject to change without notice and are provided in good faith and are based on the estimates and opinions of the portfolio advisor at the time the information is presented. The portfolio advisor has no specific intention of updating any forward looking information whether as a result of new information, future events or otherwise, except as required by securities legislation. Certain information about specific holdings in the Fund, including any opinion, is based upon various sources believed to be reliable, but cannot be guaranteed to be current, accurate or complete and is subject to change without notice.

Management Discussion of Fund Performance

Investment Objectives and Strategies

The investment objective of the Mawer U.S. Mid Cap Equity Fund (the "Fund") is to provide above-average long-term, risk-adjusted returns by investing primarily in equities and equity-related securities of U.S. mid-capitalization entities. Treasury bills or short-term investments, not exceeding three years to maturity will also be used.

Risk

This Fund is suitable for investors seeking long-term growth and who have a medium 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 exposure to these risks by not concentrating more than 20% of the net assets of the Fund in a particular Industry as defined by the Global Industry Classification Standards (GICS). The Fund owns positions in U.S. companies and is generally fully invested (less than 5% in cash).

Results of Operations

The Fund's net assets increased 452.9% to \$324.0 million from \$58.6 million at June 30, 2024. Of this change, \$3.2 million is attributable to investment performance and \$262.2 million was due to net contributions to the Fund.

The Manager assesses the Fund's underlying securities for liquidity on a quarterly basis. During the period the Fund has remained in compliance with National Instrument 81-102 and has maintained an illiquid concentration of less than 10% of the Fund's Net Asset Value. During the period there were no notable redemptions to the Fund that affected its liquidity.

Over the six-month period, the Fund's Series A units' return was 5.2% (after deducting fees and expenses paid by the series) in comparison to the Russell Mid Cap Index return of 8.9%. All performance values provided are in Canadian dollar terms.

The Fund's underperformance was largely due to stock selection, while sector allocation was almost flat. In security selection, the largest detractor was Industrials, partially offset by the strong performance of the Fund's Technology holdings.

At the security level, the threat of AI impacted shares of customer service outsourcing company Concentrix Corporation. We are cognizant of the significant risk that AI might pose to Concentrix's business model; however, we believe the business is highly cash generative and trades at a valuation that appears very compelling under most scenarios other than complete obsolescence. XPEL Inc., was also negatively impacted as it offered more cautious forward guidance.

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On a positive note, household appliance designer SharkNinja Inc. gained on excellent execution and organic growth, and electronic interconnect producer Amphenol Corporation benefited from the strength seen across its broadly diversified end markets (e.g., data centers, military applications, mobile networks, automobiles) amid the electronification of the world. The position in KLA Corporation exposed to artificial intelligence also benefitted from the explosive growth in demand expectations.

Over the past six months, the most notable initiation was in XPEL Inc., a leading provider of protective films and coatings for automotive and architectural applications, as we believe the valuation is attractive and the recent company performance has allayed the concerns with respect to Tesla insourcing and other competitive worries. Another notable initiation was in dating app company Match Group Inc., whose two most important assets are the apps Tinder and Hinge. Both boast network effects given the high number of users and both benefit from operating leverage given the asset light nature of the business model. A recent slowdown in growth has provided an attractive entry point to a strong business at an undemanding valuation.

Meanwhile, there were some notable exits in the fund. The position in financial software company SS&C Technologies Holdings Inc. was exited given a combination of weak execution, a higher debt burden, and a valuation that is unattractive in our view in the context of current organic growth rates. The position was also exited in CSW Industrials Inc., a HVAC specialty component, and chemicals business as its stock price has run far ahead of the fundamental performance of the business in our view.

Thinking longer-term, we worry about the trend toward more protectionist policies, less globalization, more conflict, and a multi-polar world. In 1989, the fall of the Berlin Wall was an inflection point that served to catalyze more inclusive global economic growth, increased productivity, trade, and formidable stock market returns over the ensuing three decades. While global economic growth remains positive, it has slowed and we note that the word “deflation” has started to occasionally creep into conversations with company executives, a shift relative to the last few years. Current trends, along with a higher cost of capital, may imply lower real returns from equities moving forward.

As for the AI-related market darlings, the late Roy Amara once said, “We tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run.” Put differently, there’s a risk of over-exuberance in markets extrapolating today’s pace of AI-related demand, with many companies lacking the data or infrastructure to deploy generative AI widely within their organizations. Return on investment is also unknown. But the mismatch between the timing of investment and returns may create significant future opportunities, particularly where competitive advantages are strongest.

As always, valuation is the great equalizer and both axes of our Matrix—quality and valuation—are important. AI-related or not, companies with competitively advantaged revenue streams should benefit from continued economic growth while providing a measure of defensiveness should the macroeconomic environment deteriorate. Purchasing such securities at a discount to their intrinsic values should, in theory, offer greater upside in a bullish scenario yet better downside protection should markets correct. We aim to get the balance right. While not a formula for avoiding shorter-term negative returns, we believe this approach should minimize the probability of permanent impairment of capital while leading to long-term compounding of wealth.

Recent Developments

There are no recent developments to report related to the strategic positioning of the Fund, the Manager, or the policies of the Independent Review Committee.

Related Party Transactions – Management Fees

The Portfolio Advisor receives management fees, which are calculated for Series A Units as 1.30% 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 Manager of the Fund has 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, 2024 the Fund owes Mawer \$0 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 the period 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.

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The Fund's Net Asset Value (NAV) per Unit¹

SERIES A	2024	2023	2022	2021
Net Assets, beginning of period	10.39	8.83	10.32	10.00
Increase (decrease) from operations:				
Total revenue	0.05	0.09	0.07	0.04
Total expenses	(0.08)	(0.15)	(0.14)	(0.04)
Realized gains (losses) for the period	0.20	0.38	(0.51)	0.03
Unrealized gains (losses) for the period	0.19	1.23	(0.79)	0.41
Total increase (decrease) from operations²	0.36	1.55	(1.37)	0.44
Distributions:				
From net investment income (excluding dividends)	-	-	-	-
From dividends	-	-	-	-
From capital gains	-	-	-	-
Return of capital	-	-	-	-
Total Distributions for the period³	-	-	-	-
Net Assets, end of period	10.93	10.39	8.83	10.32

SERIES O	2024	2023	2022	2021
Net Assets, beginning of period	10.61	8.93	10.34	10.00
Increase (decrease) from operations:				
Total revenue	0.06	0.09	0.08	0.04
Total expenses	(0.01)	(0.02)	(0.02)	(0.01)
Realized gains (losses) for the period	0.24	0.38	(0.51)	(0.01)
Unrealized gains (losses) for the period	(0.11)	1.28	(0.62)	0.48
Total increase (decrease) from operations²	0.18	1.73	(1.07)	0.50
Distributions:				
From net investment income (excluding dividends)	-	(0.05)	(0.03)	(0.01)
From dividends	-	-	-	-
From capital gains	-	-	-	-
Return of capital	-	-	-	-
Total Distributions for the period³	-	(0.05)	(0.03)	(0.01)
Net Assets, end of period	11.23	10.61	8.93	10.34

⁽¹⁾ This information is derived from the Fund's interim financial statements for the period ended June 30, 2024 and audited financial statements for the December 31 of any other period(s) shown.

⁽²⁾ 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).

⁽³⁾ Distributions were reinvested in additional units of the Fund and/or paid in cash.

Ratios and Supplemental Data

SERIES A	2024	2023	2022	2021
Total net asset value (000's) ¹	22,623	12,130	10,060	9,961
Number of units outstanding (000's) ¹	2,070	1,167	1,139	965
Management expense ratio ²	1.45%	1.45%	1.45%	1.45%
Management expense ratio before waivers or absorptions	1.59%	1.77%	1.70%	1.53%
Trading expense ratio ³	0.05%	0.02%	0.03%	0.12%
Portfolio turnover rate ⁴	27.03%	50.42%	45.11%	7.97%
Net asset value per unit¹	10.93	10.39	8.83	10.32

SERIES O	2024	2023	2022	2021
Total net asset value (000's) ¹	301,407	46,510	36,036	29,310
Number of units outstanding (000's) ¹	26,833	4,384	4,033	2,834
Management expense ratio ²	0.08%	0.10%	0.10%	0.10%
Management expense ratio before waivers or absorptions	0.08%	0.24%	0.19%	0.10%
Trading expense ratio ³	0.05%	0.02%	0.03%	0.12%
Portfolio turnover rate ⁴	27.03%	50.42%	45.11%	7.97%
Net asset value per unit¹	11.23	10.61	8.93	10.34

⁽¹⁾ This information is for the period ended June 30, 2024 and December 31 of any other period(s) shown.

⁽²⁾ Management expense ratio is based on total expenses for the stated period 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 trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

⁽⁴⁾ The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Advisors manage 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.

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.

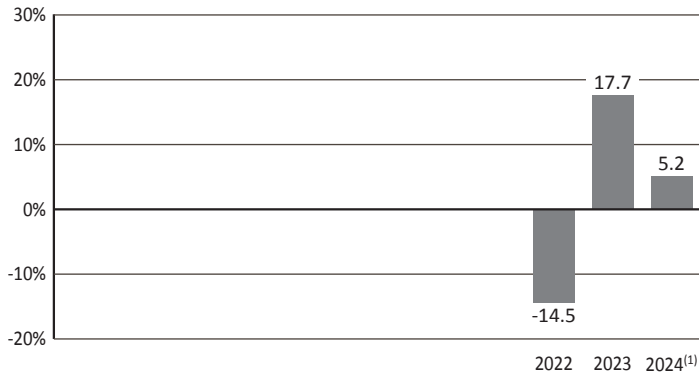
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The past performance of the Fund is set out in the following charts.

Year-by-Year Returns

The bar charts below show the Fund's annual performance in each of the past 10 years, if applicable, to December 31. 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⁾ This information is for the period ended June 30, 2024 and December 31 of any other period(s) shown.

^(*) Series A start date was September 27, 2021; Series O start date was September 27, 2021.

Annual Compound Returns

The following table shows the historical annual compound total return of the Fund for the periods shown ending on June 30, 2024. The annual compound total return is also compared to the Russell Midcap Index calculated on the same compound basis. The Russell Midcap Index measures the performance of the mid-cap segment of the US equity universe. The Russell Midcap Index is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Index represents approximately 27% of the total market capitalization of the Russell 1000 companies, as of the most recent reconstitution. All index returns are calculated in Canadian dollars on a total return basis, meaning that all distributions are reinvested.

	1 Year	Since Inception ^(*)
Mawer U.S. Mid Cap Equity Fund – Series A	14.6%	3.3%
Russell Midcap Index Gross	16.7%	4.8%
Mawer U.S. Mid Cap Equity Fund – Series O	16.2%	4.7%
Russell Midcap Index Gross	16.7%	4.8%

^(*) Series A start date was September 27, 2021; Series O start date was September 27, 2021.

Summary of Investment Portfolio

A summary of the Fund as at June 30, 2024 is as follows:

Portfolio Allocation	% of Net Asset Value
Communication Services	4.57%
Consumer Discretionary	16.60%
Consumer Staples	1.88%
Financials	25.53%
Healthcare	13.27%
Industrials	23.50%
Information Technology	10.45%
Cash and Cash Equivalents	4.16%
Other Net Assets (Liabilities)	0.04%
Total	100.00%

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The following table lists the 25 largest holdings of the Fund (or all holdings if the total number of holdings is less than 25) as at June 30, 2024.

Issuer	Percentage of Net Asset Value
SharkNinja, Inc.	4.96%
Corpay, Inc.	4.59%
Valvoline Inc.	4.11%
Cash and Cash Equivalents	4.16%
FTI Consulting, Inc. Cl. A	3.64%
First Citizens BancShares, Inc. Cl. A	3.57%
CDW Corporation	3.49%
Charles River Laboratories International, Inc.	3.40%
Donnelley Financial Solutions, Inc.	3.29%
Humana Inc.	3.22%
ResMed Inc.	3.18%
Insperty, Inc.	3.15%
Interactive Brokers Group, Inc. Cl. A	3.12%
Carlisle Companies Incorporated	3.10%
Ulta Beauty, Inc.	3.09%
Euronet Worldwide, Inc.	3.01%
Pathward Financial, Inc.	2.77%
XPEL, Inc.	2.69%
LPL Financial Holdings Inc.	2.61%
Tradeweb Markets Inc. Cl. A	2.57%
Match Group, Inc.	2.56%
VeriSign, Inc.	2.49%
Amphenol Corporation Cl. A	2.47%
Concentrix Corporation	2.41%
CACI International Inc. Cl. A	2.30%
Total	79.95%

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 the Manager toll-free at 1-844-395-0747 or by e-mail at info@mawer.com. The Prospectus and other information about the underlying mutual fund(s) are available online at www.sedarplus.ca and www.mawer.com.