
Mawer Canadian Bond Fund

Annual Management Report of Fund Performance

For the Year Ended December 31, 2023

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 1-844-395-0747, 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.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, interim financial reports, proxy voting disclosure record, or quarterly portfolio disclosure.

This Annual Management Report of Fund Performance includes certain statements that are "forward looking information" or "forward looking statements" (collectively, "forward looking information") within the meaning of applicable securities legislation. All statements, other than statements of historical fact, included in this report that address activities, events or developments that the portfolio advisor, Mawer Investment Management Ltd., expects or anticipates will or may occur in the future, including such things as anticipated financial performance, beliefs, plans, goals, objectives, assumptions, information and statements about possible future events, conditions, results of operations, are forward looking information. The words "may", "could", "would", "should", "believe", "plan", "anticipate", "expect", "intend", "forecast", "objective", "will" and similar expressions are intended to identify forward looking information. Undue reliance should not be placed on forward looking information. Forward looking information is subject to various risks described in the Simplified Prospectus, uncertainties, and assumptions about the Fund, capital markets and economic factors, which could cause actual results to vary and in some instances to differ materially from those anticipated by the portfolio advisor and expressed in this report. Material risk factors include, but are not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events. The foregoing list of risk factors is not exhaustive.

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 Canadian Bond Fund (the "Fund") is to invest for interest income and capital returns primarily from bonds and debentures of Canadian government and corporate issuers. The Fund is primarily invested in a diversified portfolio of high-quality Canadian government and corporate bonds. The Fund may also invest in mortgage-backed securities, asset-backed securities or foreign securities. The Manager focuses on security, sector, credit and curve analysis in making investment decisions. Investment considerations may include interest rates, yield spreads, exchange rates, structures, credit spread and fundamental analysis of sovereign, government, corporate and structured finance issuers. For consistency of style, risk and return, only Canadian dollar securities are held with a minimum of 40% in government bonds. To limit the risk associated with unexpected movements in interest rates, the duration of the portfolio is limited to within 1 year of our benchmark, the FTSE Canada Universe Bond Index.

Risk

The risks of investing in the Fund remain as discussed in the Prospectus. The Fund is suitable for investors seeking income returns with low risk. The major risks for the Fund are interest rate risk and credit risk. To reduce interest rate risk we constrain the duration of the portfolio within narrow limits versus our benchmark. To reduce credit risk in the portfolio, the Fund only holds investment grade securities and diversifies corporate holdings by issuer and sector. We perform in-depth credit analysis and place a 5% limit on individual corporate issuer exposure.

Results of Operations

The Fund's net assets increased 0.8% to \$3,792.2 million from \$3,760.9 million at December 31, 2023. Of this change, \$246.4 million is attributable to positive investment performance and -\$215.1 million was due to net redemptions 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.

Over the twelve-month period, the Fund's series A units' return was 6.3% (after deducting fees and expenses paid by the series) in comparison to the FTSE Canada Universe Bond Index return of 6.7%. All performance values are in Canadian dollar terms. The duration effect was neutral, the curve lost relative value as the steeper trade detracted value earlier in the year, and both sector and security selection added value, largely for the following reasons: spread tightening, being in attractive parts of the credit curve, and owning credits with strong fundamentals.

2023 went out with a bang as fixed income and equity markets both posted stellar returns. Markets particularly surged in the final two months of the year as investor sentiment shifted dramatically towards the view that central banks are not only done with interest rate hikes this cycle but are also on the verge of meaningful easing starting in early 2024.

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This shift in tone was spurred by a slew of economic data points showing inflation falling faster than expected across many developed markets, leading to a sharp fall in bond yields. Canadian 10Y rates fell over 100bps, peaking at 4.20% before ending the year at 3.1% while markets priced in almost 5 interest rate cuts by the BOC in 2024. Lower bond yields created a positive backdrop for risk assets as spreads tightened and equities rebounded.

Looking ahead to 2024, investors seem hyper-focused on how central banks will manage rates and whether economic demand will remain as resilient as it has so far. Seven of the world's ten most populous countries are headed to the polls in 2024. And to borrow from Benjamin Graham, Mr. Market's notoriously fickle sentiment can change quickly.

We remain wary of credit valuation levels; though market expectations are pointing to a soft landing, history suggests this is not the only, nor the most probable, scenario that can play out. Monetary policy often works with a substantial delay and the full effects of this tightening cycle may not have been felt yet. We continue to ensure an appropriate margin of safety with our credit exposures and lean into our stochastic approach to prepare for a variety of scenarios. Regardless of how the economy evolves, by adopting a systematic and repeatable approach to portfolio construction, we believe we can identify attractive risk/reward opportunities in an effort to responsibly steward clients' investments through uncertainty.

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 0.60% per annum of the net asset value of the Fund calculated on a daily basis. Management fees for Series O and Series S Units are payable directly to the Manager by Series O and Series S 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 December 31, 2023 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 past five years. This information is derived from the Fund's audited annual financial statements which are prepared in accordance with IFRS.

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

SERIES A	2023	2022	2021	2020	2019
Net Assets, beginning of year	11.28	13.11	13.77	13.19	12.67
Increase (decrease) from operations:					
Total revenue	0.39	0.34	0.33	0.35	0.38
Total expenses	(0.08)	(0.08)	(0.09)	(0.09)	(0.09)
Realized gains (losses) for the year	(0.60)	(0.65)	(0.15)	0.46	0.12
Unrealized gains (losses) for the year	0.97	(1.23)	(0.54)	0.37	0.38
Total increase (decrease) from operations²	0.68	(1.62)	(0.45)	1.09	0.79
Distributions:					
From net investment income (excluding dividends)	(0.31)	(0.26)	(0.24)	(0.26)	(0.29)
From dividends	-	-	-	-	-
From capital gains	-	-	-	(0.29)	-
Return of capital	-	-	-	-	-
Total Annual Distributions ³	(0.31)	(0.26)	(0.24)	(0.55)	(0.29)
Net Assets, end of year	11.66	11.28	13.11	13.77	13.19

SERIES O	2023	2022	2021	2020	2019
Net Assets, beginning of year	10.50	12.21	12.82	12.38	11.92
Increase (decrease) from operations:					
Total revenue	0.36	0.31	0.30	0.33	0.36
Total expenses	-	-	-	-	-
Realized gains (losses) for the year	(0.56)	(0.61)	(0.14)	0.43	0.11
Unrealized gains (losses) for the year	0.88	(1.09)	(0.42)	0.36	0.34
Total increase (decrease) from operations²	0.68	(1.39)	(0.26)	1.12	0.81
Distributions:					
From net investment income (excluding dividends)	(0.36)	(0.32)	(0.30)	(0.33)	(0.35)
From dividends	-	-	-	-	-
From capital gains	-	-	-	(0.39)	(0.03)
Return of capital	-	-	-	-	-
Total Annual Distributions ³	(0.36)	(0.32)	(0.30)	(0.72)	(0.38)
Net Assets, end of year	10.86	10.50	12.21	12.82	12.38

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SERIES S	2023	2022	2021		
Net Assets, beginning of year	10.25	11.90	12.00		
Increase (decrease) from operations:					
Total revenue	0.35	0.31	0.16		
Total expenses	-	-	-		
Realized gains (losses) for the year	(0.55)	(0.60)	(0.06)		
Unrealized gains (losses) for the year	0.87	(0.73)	0.01		
Total increase (decrease) from operations²	0.67	(1.02)	0.11		
Distributions:					
From net investment income (excluding dividends)	(0.34)	(0.30)	(0.25)		
From dividends	-	-	-		
From capital gains	-	-	-		
Return of capital	-	-	-		
Total Annual Distributions ³	(0.34)	(0.30)	(0.25)		
Net Assets, end of year	10.60	10.25	11.90		

⁽¹⁾ This information is derived from the Fund's audited financial statements.

⁽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 year.

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

Ratios and Supplemental Data

SERIES A	2023	2022	2021	2020	2019
Total net asset value (000's) ¹	122,871	120,982	152,041	175,169	151,086
Number of units outstanding (000's) ¹	10,534	10,727	11,595	12,722	11,456
Management expense ratio ²	0.68%	0.68%	0.67%	0.68%	0.67%
Management expense ratio before waivers or absorptions	0.68%	0.68%	0.67%	0.68%	0.67%
Portfolio turnover rate ³	140.61%	108.86%	132.10%	90.07%	41.18%
Net asset value per unit⁴	11.66	11.28	13.11	13.77	13.19

SERIES O	2023	2022	2021	2020	2019
Total net asset value (000's) ¹	3,372,099	3,375,867	3,987,541	3,553,378	2,879,500
Number of units outstanding (000's) ¹	310,544	321,487	326,639	277,265	232,543
Management expense ratio ²	0.01%	0.01%	0.01%	0.01%	0.01%
Management expense ratio before waivers or absorptions	0.01%	0.01%	0.01%	0.01%	0.01%
Portfolio turnover rate ³	140.61%	108.86%	132.10%	90.07%	41.18%
Net asset value per unit⁴	10.86	10.50	12.21	12.82	12.38

SERIES S	2023	2022	2021		
Total net asset value (000's) ¹	297,290	264,078	134,750		
Number of units outstanding (000's) ¹	28,039	25,761	11,320		
Management expense ratio ²	0.02%	0.02%	0.02%		
Management expense ratio before waivers or absorptions	0.02%	0.02%	0.02%		
Portfolio turnover rate ³	140.61%	108.86%	132.10%		
Net asset value per unit⁴	10.60	10.25	11.90		

⁽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 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 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.

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.

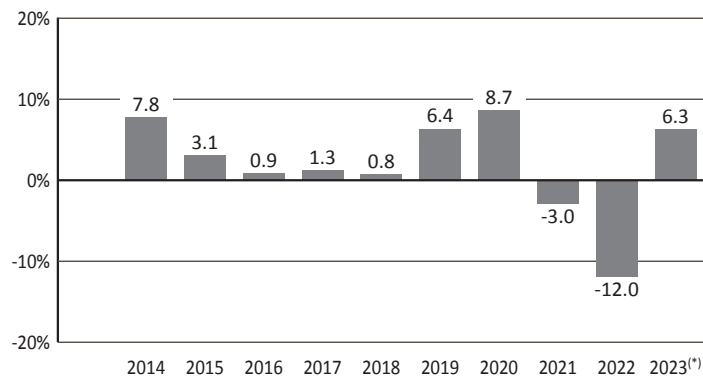
The past performance of the Fund is set out in the following charts.

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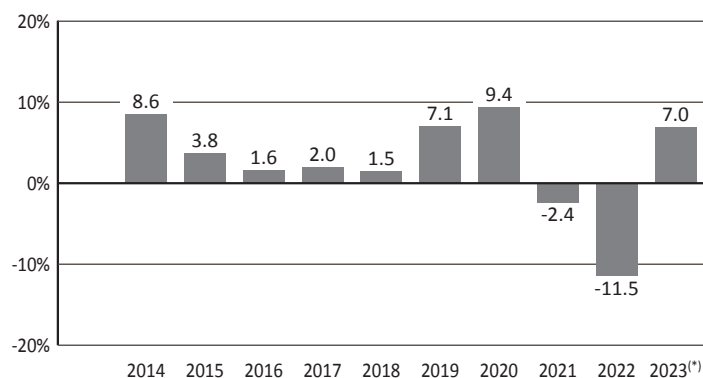
Year-by-Year Returns

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



Series S



^(*) Series A start date was June 21, 1991; Series O start date was December 1, 2004; Series S start date was June 14, 2021.

Annual Compound Returns

The following table shows the historical annual compound total return of units of the Fund for the periods shown ending on December 31, 2023. The annual compound total return is also compared to the FTSE Canada Universe Bond Index 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.

	1 Year	3 Year	5 Year	10 Year	Since Inception ^(*)
Mawer Canadian Bond Fund – Series A	6.3%	(3.2)%	0.9%	1.8%	5.0%
FTSE CANADA UNIVERSE OVERALL BOND INDEX TR CAD	6.7%	(2.8)%	1.3%	2.4%	6.0%
Mawer Canadian Bond Fund – Series O	7.0%	(2.6)%	1.6%	2.5%	3.7%
FTSE CANADA UNIVERSE OVERALL BOND INDEX TR CAD	6.7%	(2.8)%	1.3%	2.4%	3.6%
Mawer Canadian Bond Fund – Series S	7.0%	-	-	-	(1.6)%
FTSE CANADA UNIVERSE OVERALL BOND INDEX TR CAD	6.7%	-	-	-	(1.8)%

^(*) Series A start date was June 21, 1991; Series O start date was December 1, 2004; Series S start date was June 14, 2021.

The FTSE Canada Universe Bond Index is designed to be a broad measure of the performance of the Canadian investment-grade fixed income market, covering bonds with term to maturity of more than one year. The purpose of this index is to reflect performance of the broad Canadian bond market.

Summary of Investment Portfolio

A summary of the Fund as at December 31, 2023 is as follows:

	% of Portfolio
Treasury Bills	0.2
Total Short-Term Investments	0.2
Fixed Income	
Federal	13.5
Provincial	38.2
Corporate	48.1
Total Fixed Income	99.8
Total Portfolio	100.0

Totals may not add to 100% due to rounding.

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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 December 31, 2023.

Issuer	Percentage of Net Asset Value
Province of Quebec 3.60% Sep 01/33	8.8%
Province of Ontario 3.60% Mar 08/28	8.6%
Government of Canada 2.75% Dec 01/55	4.0%
Province of Ontario 4.65% Jun 02/41	3.8%
Canadian Pacific Railway Company 2.54% Feb 28/28	3.2%
Canada Housing Trust No. 1 4.25% Mar 15/34	2.9%
Province of Ontario 3.65% Jun 02/33	2.6%
The Toronto-Dominion Bank 5.42% Jul 10/26	2.6%
JPMorgan Chase & Co. 1.90% Mar 05/28	2.4%
Thomson Reuters Corporation 2.24% May 14/25	2.3%
Bank of Montreal 3.65% Apr 01/27	2.3%
Hydro One Inc. 4.91% Jan 27/28	2.1%
Royal Bank of Canada 3.37% Sep 29/25	1.8%
Province of Quebec 1.50% Sep 01/31	1.5%
Suncor Energy Inc. 5.60% Nov 17/25	1.3%
Canada Housing Trust No. 1 3.65% Jun 15/33	1.3%
Government of Canada 2.00% Dec 01/51	1.2%
Loblaw Companies Limited 4.49% Dec 11/28	1.2%
North West Redwater Partnership / NWR Financing Company Ltd. 2.00% Dec 01/26	1.1%
Loblaw Companies Limited 5.01% Sep 13/32	1.1%
Canada Housing Trust No. 1 2.65% Dec 15/28	1.0%
North West Redwater Partnership / NWR Financing Company Ltd. 2.80% Jun 01/27	1.0%
North West Redwater Partnership / NWR Financing Company Ltd. 2.80% Jun 01/31	1.0%
Pembina Pipeline Corporation 3.62% Apr 03/29	0.9%
Pembina Pipeline Corporation 3.71% Aug 11/26	0.9%
Total	60.9%

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 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.com and www.mawer.com.