
Mawer Tax Effective Balanced 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 Tax Effective Balanced Fund (the "Fund") is to invest for above-average long-term, tax effective rates of return. We intend to achieve this objective by investing up to all of the assets of the Fund in other Mawer Funds as well as by investing directly in equity and equity-related securities and, when appropriate, treasury bills, short-term notes, debentures and bonds.

The Manager examines current market statistics and makes an assessment of future outcomes based upon a probability-based scenario analysis. Using these techniques the Manager constructs the asset mix. Bonds are used primarily to control risk and 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. In equities we search for wealth-creating companies whose equities can be purchased at a discount to their intrinsic value.

Risk

This Fund is suitable for investors seeking long-term growth and who have a low-to-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 risk by imposing several constraints. The Fund requires a minimum of 25% in fixed income, which reduces the exposure to equity risk. The Manager also has an internal constraint of no more than 20% of its net assets to any one industry (i.e., sub-sector) as classified by the GICS to reduce concentration risk.

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.

Given the difficulty in predicting interest rate moves, the Manager also limits exposure to this risk factor. In setting policy, the Canadian bond portfolio's duration is set within 1 year on either side of the index.

Results of Operations

The Fund's net assets decreased 0.5% to \$1,594.1 million from \$1,601.3 million at December 31, 2023. Of this change, \$157.1 million is attributable to positive investment performance and -\$164.3 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.

Mawer Tax Effective Balanced Fund

Over the twelve-month period, the Fund's series A units' return was 10.1% (after deducting fees and expenses paid by the series) in comparison to the blended benchmark return of 11.2%. The blended benchmark consists of 5% FTSE 91-day Treasury Bill Index; 35% FTSE Canada Universe Bond Index, 15% S&P/TSX Composite Index, 7.5% S&P/TSX SmallCap Index, 15% S&P 500 Index, 15% MSCI ACWI (ex. U.S., Net) and 7.5% MSCI ACWI Small Cap Index (Net). All performance values are in Canadian dollar terms.

2023 went out with a bang as global equity and fixed income markets posted strong 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. This shift in tone was spurred by a slew of economic data points showing inflation falling faster than expected across many developed markets.

From an asset mix perspective, the Fund began the year holding higher than normal levels of cash. As the year progressed, asset mix targets were updated to deploy some additional cash to bonds. With equities rallying into the end of the year, we were concerned about the lagging effect of higher interest rates, and we felt a larger allocation to bonds would provide more resilience against a potential recession or period of economic weakness. While the market has become increasingly optimistic, we believe the prudent approach is to stay balanced and not be overly exposed to any one outcome.

The top contributor to performance over the year was Microsoft, which participated in the tech upside that drove markets in 2023. It had the strongest cloud performance of the big 3 (Amazon and Alphabet) and artificial intelligence started to positively drive revenue as the company is ahead of peers in monetization. Alphabet (Google) had an outstanding year in its own right as the next highest contributor to the Fund. Technology focused companies in general moved higher on the prospect of falling discount rates and continued fundamental execution. Conversely, shares of outsourced digital customer service provider Telus International Inc. declined on lower-than-expected earnings outlook. Dollar General also saw its valuation depressed after reporting lower operating margins, suggesting that the company's ability to pass along additional price increases appears limited given the pressures facing its customers.

Now, a very simple model is that equity markets are driven in the short-term by four factors: earnings, rates, events, and investor sentiment. Looking ahead to 2024, we know that war, regulatory actions, geopolitics, and new technologies have the potential to move markets. 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.

Thankfully, our investment process doesn't rely on such broad-based macro assessments. Its focus is much longer-term and more bottom-up in nature. More precisely: identifying companies that can create wealth by generating returns on capital in excess of their cost of capital for many years by virtue of sustainable competitive advantages. When led by excellent management teams, the wealth-creating nature of these business models can be enhanced and extended. By focusing on companies whose goods and services provide genuine value to their customers, the risk (though can never eliminate) is reduced that events or shocks fatally impair their business models.

We remain wary of 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 played out yet. We continue to ensure an appropriate margin of safety in our discounted cash flow models and lean into our stochastic approach to prepare for a variety of scenarios. Regardless of how rates, events and sentiment evolve, over the long term, stock prices tend to follow genuine wealth-creation. As such, we continue to lean heavily into the durability of our philosophy and process in an effort to responsibly steward our 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 0.78% 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 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.

Mawer Tax Effective Balanced Fund

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

SERIES A	2023	2022	2021	2020	2019
Net Assets, beginning of year	39.41	45.62	42.20	38.70	34.16
Increase (decrease) from operations:					
Total revenue	1.16	0.95	0.83	0.77	0.86
Total expenses	(0.39)	(0.39)	(0.42)	(0.38)	(0.36)
Realized gains (losses) for the year	0.75	0.35	1.54	1.62	1.07
Unrealized gains (losses) for the year	2.38	(6.78)	1.92	1.94	3.44
Total increase (decrease) from operations²	3.90	(5.87)	3.87	3.95	5.01
Distributions:					
From net investment income (excluding dividends)	(0.59)	(0.39)	(0.27)	(0.27)	(0.36)
From dividends	(0.18)	(0.16)	(0.12)	(0.12)	(0.14)
From capital gains	-	-	(0.04)	(0.21)	(0.02)
Return of capital	-	-	-	-	-
Total Annual Distributions ³	(0.77)	(0.55)	(0.43)	(0.60)	(0.52)
Net Assets, end of year	42.58	39.41	45.62	42.20	38.70

SERIES O	2023	2022	2021	2020	2019
Net Assets, beginning of year	38.08	44.08	41.49	37.99	33.51
Increase (decrease) from operations:					
Total revenue	1.12	0.92	0.82	0.75	0.84
Total expenses	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Realized gains (losses) for the year	0.73	0.33	1.51	1.56	1.05
Unrealized gains (losses) for the year	2.31	(6.27)	1.91	1.91	3.41
Total increase (decrease) from operations²	4.12	(5.06)	4.20	4.18	5.26
Distributions:					
From net investment income (excluding dividends)	(0.83)	(0.62)	(0.52)	(0.50)	(0.56)
From dividends	(0.25)	(0.26)	(0.24)	(0.22)	(0.22)
From capital gains	-	-	(0.80)	(0.13)	(0.03)
Return of capital	-	-	-	-	-
Total Annual Distributions ³	(1.08)	(0.88)	(1.56)	(0.85)	(0.81)
Net Assets, end of year	41.15	38.08	44.08	41.49	37.99

⁽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	1,171,756	1,182,742	1,442,710	1,209,949	1,018,422
Number of units outstanding (000's) ¹	27,516	30,014	31,625	28,672	26,313
Management expense ratio ²	0.89%	0.89%	0.89%	0.89%	0.89%
Management expense ratio before waivers or absorptions	0.89%	0.89%	0.89%	0.89%	0.89%
Trading expense ratio ³	0.02%	0.03%	0.02%	0.02%	0.02%
Portfolio turnover rate ⁴	57.62%	64.17%	61.26%	43.41%	22.80%
Net asset value per unit⁴	42.58	39.41	45.62	42.20	38.70

SERIES O	2023	2022	2021	2020	2019
Total net asset value (000's) ¹	422,337	418,590	458,540	394,566	367,821
Number of units outstanding (000's) ¹	10,263	10,993	10,402	9,509	9,682
Management expense ratio ²	0.02%	0.02%	0.03%	0.03%	0.02%
Management expense ratio before waivers or absorptions	0.02%	0.02%	0.03%	0.03%	0.02%
Trading expense ratio ³	0.02%	0.03%	0.02%	0.02%	0.02%
Portfolio turnover rate ⁴	57.62%	64.17%	61.26%	43.41%	22.80%
Net asset value per unit⁴	41.15	38.08	44.08	41.49	37.99

⁽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 trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the year.

⁽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 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.

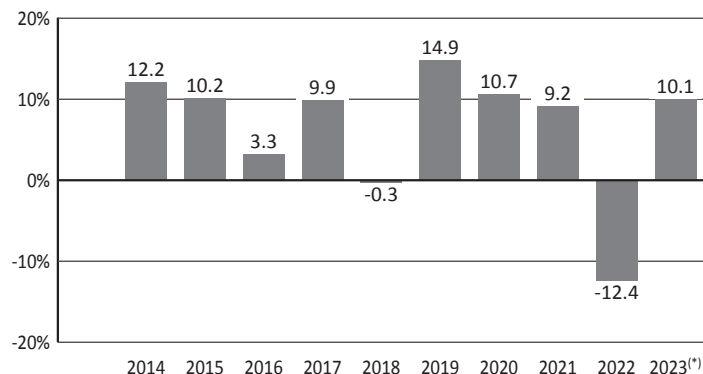
The past performance of the Fund is set out in the following charts.

Mawer Tax Effective Balanced Fund

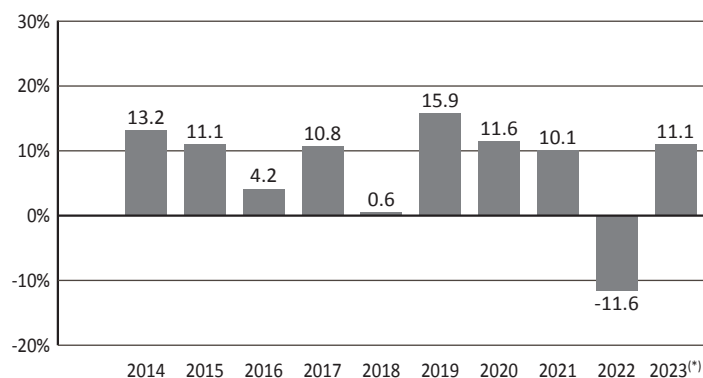
Year-by-Year Returns

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 A start date was February 26, 1988; Series O start date was July 31, 2006.

Annual Compound Returns

The following table shows the historical annual compound total return of the Fund for the periods shown ending on December 31, 2023. The annual compound total return is also compared to the Internal Tax Effective Benchmark ("TEB 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.

	1 Year	3 Year	5 Year	10 Year	Since Inception ^(*)
Mawer Tax Effective Balanced Fund – Series A	10.1%	1.7%	6.0%	6.5%	7.6%
Internal Tax Effective Balanced Benchmark	11.2%	3.4%	6.9%	6.3%	7.6%
Mawer Tax Effective Balanced Fund – Series O	11.1%	2.6%	6.9%	7.4%	7.8%
Internal Tax Effective Balanced Benchmark	11.2%	3.4%	6.9%	6.3%	6.0%

^(*) Series A start date was February 26, 1988; Series O start date was July 31, 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 benchmark is composed of the FTSE Canada 91 day T-Bill Index (5%); FTSE Canada Universe Bond Index (35%), designed to reflect the Canadian bond market; S&P/TSX Composite Index (15%), designed to represent the Canadian mid-large cap equity market; S&P/TSX Small Cap Index (7.5%), designed to represent the Canadian small cap equity market; S&P 500 Index (15%), designed to represent the US equity market; MSCI ACWI ex-USA Index (net) (15%), designed to reflect international stock markets; and MSCI ACWI Small Cap Index (net) (7.5%), designed to represent the global small cap equity market. Prior to May 31, 2021 the TEB Benchmark consisted of FTSE Canada 91 day T-Bill Index (5%); FTSE Canada Universe Bond Index (30%); FTSE World Government Bond Index (5%); S&P/TSX Composite Index (15%); S&P/TSX Small Cap Index (7.5%); S&P 500 Index (15%); MSCI ACWI ex-USA Index (net) (15%); and MSCI ACWI Small Cap Index (net) (7.5%).

Summary of Investment Portfolio

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

	% of Portfolio
Treasury Bills	5.4
Total Short-Term Investments	5.4
Fixed Income	
Federal	5.1
Provincial	12.6
Corporate	16.4
Total Fixed Income	34.1
Equities	
Canadian Equities	18.5
International Equities	16.9
U.S. Equities	16.5
Mutual Funds	8.6
Total Equities	60.5
Total Portfolio	100.0

Totals may not add to 100% due to rounding.

Mawer Tax Effective Balanced Fund

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
Mawer Global Small Cap Fund Series O	7.4%
Province of Ontario 3.60% Mar 08/28	2.8%
Province of Quebec 3.60% Sep 01/33	2.8%
Government of Canada 2.75% Dec 01/55	1.8%
Province of Ontario 4.65% Jun 02/41	1.4%
Mawer Emerging Markets Equity Fund Series O	1.2%
Canadian Pacific Railway Company 2.54% Feb 28/28	1.0%
Canada Housing Trust No. 1 4.25% Mar 15/34	1.0%
Thomson Reuters Corporation 2.24% May 14/25	0.9%
The Toronto-Dominion Bank 5.42% Jul 10/26	0.9%
Bank of Montreal 3.65% Apr 01/27	0.8%
Microsoft Corporation	0.8%
Royal Bank of Canada	0.8%
Government of Canada 3.25% Dec 01/33	0.8%
JPMorgan Chase & Co. 1.90% Mar 05/28	0.8%
Amphenol Corporation Cl. A	0.8%
Visa Inc. Cl. A	0.7%
The Toronto-Dominion Bank	0.7%
Aon PLC Cl. A	0.7%
Marsh & McLennan Companies, Inc.	0.7%
Wolters Kluwer NV	0.7%
Canadian Natural Resources Limited	0.7%
RELX PLC	0.7%
Hydro One Inc. 4.91% Jan 27/28	0.7%
Alphabet Inc. Cl. C	0.6%
Total	32.2%

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.