

Annual Management Report of Fund Performance

For the Year Ended December 31, 2020

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.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, 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 statements". 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. (the "Manager"), expects or anticipates will or may occur in the future, including such things as anticipated financial performance, are forward looking statements. The words "may", "could", "would", "should", "believe", "plan", "anticipate", "expect", "intend", "forecast", "objective" and similar expressions are intended to identify forward looking statements. These forward looking statements are subject to various risks and uncertainties, including the risks described in the Simplified Prospectus of the Fund, uncertainties and assumptions about the Fund, capital markets and economic factors, which could cause actual financial performance and expectations to differ materially from the anticipated performance or other expectations expressed. Economic 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.

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

Management Discussion of Fund Performance

Investment Objectives 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, US 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 control 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.

Mawer Tax Effective Balanced Fund

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 to any one industry (i.e., sub-sector) as classified by the GICS to reduce concentration risk. The Manager limits the magnitude of any single asset mix shift to 5% a quarter to reduce timing 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 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 December 31, 2020, the duration of the Canadian fixed income allocation was 8.38 years compared to the FTSE Canada Universe Bond Index duration of 8.41 years. The duration of the Mawer Global Bond Fund was 3.44 years as of December 31, 2020. From an exposure perspective, the weight of the Canadian fixed income portfolio within the Mawer Tax Effective Balanced Fund, increased from 30.1% at the start of the year, to 31.2% as of December 31, 2020. The weight of the global fixed income allocation within the Mawer Tax Effective Balanced Fund decreased from 2.0% to 1.3%.

The Fund's exposure to foreign equities (outside of Canada) increased from 43.6% to 46.9%. The Fund's equity holdings are in all 11 GICS sectors and are most heavily weighted to Industrials (22.3% of the equity weight), Information Technology (19.4%) and Financials (17.3%). The combined exposure of 59.0% to the top three sectors as of December 31, 2020.

Results of Operations

The Fund's net assets increased 15.8% to \$1,604.5 million from \$1,386.2 million at December 31, 2020. Of this change, \$146.2 million is attributable to positive investment performance and \$72.1 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 funds Net Asset Value. During the period there were no notable redemptions to the fund that affected its liquidity.

The Fund's Series A units returned 10.7% (CAD, after management fees) in 2020 versus a 10.7% return for a blended benchmark that consisted of 5% FTSE Canada 91-day Treasury Bill Index; 30% FTSE 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 ACWI ex. US Index (net, CAD), and 7.5% MSCI ACWI Small Cap Total Return Index (CAD).

Equities drove the Fund's absolute performance with international and U.S. equities contributing the most over the period. From a fixed income perspective, Canadian fixed income significantly contributed to the Fund's absolute performance, while global fixed income also provided additional upside.

Security selection drove the Fund's relative performance over the period. Positive security selection was prevalent in all equity classes. The Fund's holdings in International and Global small caps equities substantially outperformed their respective benchmarks. The impact from asset mix was also slightly positive due to the Fund's overweight in U.S. equities, and underweight position in both global fixed income and Canadian large cap equities.

Recent Developments

Looking back on a year beset by the coronavirus pandemic, the market's performance stands out for its incredible comeback from the virus-induced crash in March. The pandemic has left economies reeling as lockdowns have dealt some businesses a severe blow with uncertain prospects for recovery, and millions of people are still relying on government support to make it through a precarious employment period. Yet despite targeted restrictions that could be in place for months to come and many countries grappling with surging COVID-19 infections, investors propelled global stock markets to record highs in the fourth quarter.

At first glance, the case for the market's exuberance is compelling. Positive vaccine developments have the potential to restore a resemblance of normality to daily life and allow for economic reopening. Central banks have vowed to maintain ultralow interest rates for the foreseeable future. And households, sitting on billions in excess cash due to reduced spending and government support programs, have the potential to unleash pent-up demand as restrictions are gradually lifted. This reopening rally caused global markets to rise materially in the fourth quarter as investors flocked to economically sensitive stocks on hopes of a recovery.

In asset mix perspectives, we have introduced the Emerging Markets Fund to our Balanced strategy as well as modestly increased our allocation to Canadian Bonds and Canadian Large Cap Equity.

We feel that the emergence of promising Covid-19 vaccines has shifted the probabilities, with a higher likelihood of a reflationary scenario and less likelihood of deflation. We have already observed a steepening of the yield curve as longer-term inflation expectations rise while administered rates remain anchored near 0%. While our asset class teams have already executed modest adjustments to their portfolios, and will likely continue to do so, we felt that this was an opportunity to add to both Emerging Markets and Canadian large cap to better position for a reflationary scenario. We also feel this improves the diversification and valuation characteristics of the overall strategy. We would also note that this reflation outcome is by no means a certainty, so the addition to Canadian bonds may help counter the resulting higher equity weight should the economic recovery falter.

Mawer Tax Effective Balanced Fund

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 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, 2020 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	2020	2019	2018	2017	2016
Net Assets, beginning of year	38.70	34.16	34.96	32.19	31.51
Increase (decrease) from operations:					
Total revenue	0.77	0.86	0.79	0.72	0.70
Total expenses	(0.38)	(0.36)	(0.34)	(0.33)	(0.32)
Realized gains (losses) for the year	1.62	1.07	0.86	0.80	0.67
Unrealized gains (losses) for the year	1.94	3.44	(1.46)	1.94	0.02
Total increase (decrease) from operations²	3.95	5.01	(0.15)	3.13	1.07
Distributions:					
From net investment income (excluding dividends)	(0.27)	(0.36)	(0.30)	(0.28)	(0.26)
From dividends	(0.12)	(0.14)	(0.12)	(0.11)	(0.10)
From capital gains	(0.21)	(0.02)	(0.29)	-	-
Total Annual Distributions ³	(0.60)	(0.52)	(0.71)	(0.39)	(0.36)
Net Assets, end of year	42.20	38.70	34.16	34.96	32.19

SERIES O	2020	2019	2018	2017	2016
Net Assets, beginning of year	37.99	33.51	34.53	31.78	31.11
Increase (decrease) from operations:					
Total revenue	0.75	0.84	0.78	0.71	0.69
Total expenses	(0.04)	(0.04)	(0.04)	(0.03)	(0.04)
Realized gains (losses) for the year	1.56	1.05	0.85	0.79	0.66
Unrealized gains (losses) for the year	1.91	3.41	(1.49)	1.90	0.06
Total increase (decrease) from operations²	4.18	5.26	0.10	3.37	1.37
Distributions:					
From net investment income (excluding dividends)	(0.50)	(0.56)	(0.51)	(0.47)	(0.46)
From dividends	(0.22)	(0.22)	(0.21)	(0.19)	(0.17)
From capital gains	(0.13)	(0.03)	(0.52)	-	-
Total Annual Distributions ³	(0.85)	(0.81)	(1.24)	(0.66)	(0.63)
Net Assets, end of year	41.49	37.99	33.51	34.53	31.78

⁽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 paid in cash.

Ratios and Supplemental Data

SERIES A	2020	2019	2018	2017	2016
Total net asset value (000's) ¹	1,209,949	1,018,422	810,505	749,859	636,394
Number of units outstanding (000's) ¹	28,672	26,313	23,730	21,452	19,773
Management expense ratio ²	0.89%	0.89%	0.89%	0.90%	0.92%
Management expense ratio before waivers or absorptions	0.89%	0.89%	0.89%	0.90%	0.92%
Trading expense ratio ³	0.02%	0.02%	0.03%	0.03%	0.03%
Portfolio turnover rate ⁴	43.41%	22.80%	21.67%	20.38%	20.97%
Net asset value per unit¹	42.20	38.70	34.16	34.96	32.19

SERIES O	2020	2019	2018	2017	2016
Total net asset value (000's) ¹	394,566	367,821	306,439	276,254	231,030
Number of units outstanding (000's) ¹	9,509	9,682	9,145	8,001	7,269
Management expense ratio ²	0.03%	0.02%	0.03%	0.03%	0.03%
Management expense ratio before waivers or absorptions	0.03%	0.02%	0.03%	0.03%	0.03%
Trading expense ratio ³	0.02%	0.02%	0.03%	0.03%	0.03%
Portfolio turnover rate ⁴	43.41%	22.80%	21.67%	20.38%	20.97%
Net asset value per unit¹	41.49	37.99	33.51	34.53	31.78

⁽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 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.

Mawer Tax Effective Balanced 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.

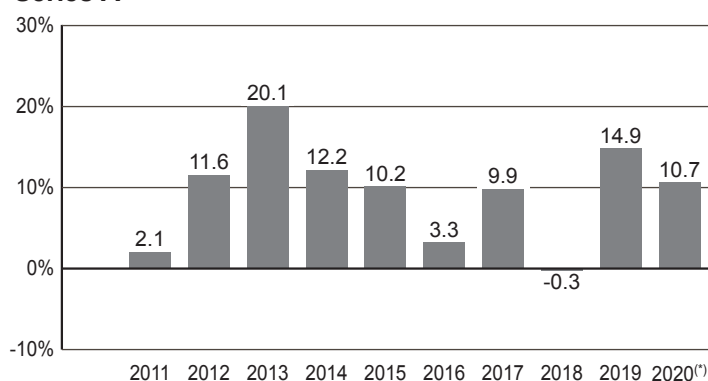
The Fund's performance numbers assume that all distributions are reinvested in additional units of the Fund. If you hold this Fund outside of a registered plan, income and capital gains distributions that are paid to you increase your income for tax purposes whether paid to you in cash or reinvested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

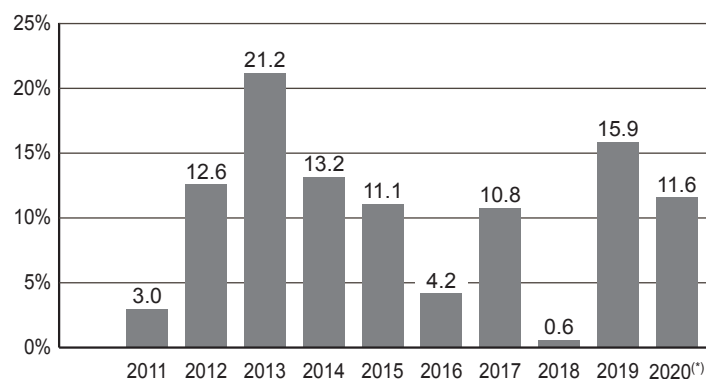
Year-by-Year Returns

The bar charts below show the Fund's annual performance in each of the past 10 years to December 31, 2020. 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, 2020. 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	10.7%	8.3%	7.6%	9.3%	8.1%
Internal Tax Effective Benchmark	10.7%	7.2%	7.4%	7.6%	8.0%
Mawer Tax Effective Balanced Fund – Series O	11.6%	9.2%	8.5%	10.3%	8.8%
Internal Tax Effective Benchmark	10.7%	7.2%	7.4%	7.6%	6.4%

^(*) 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 (30%), designed to reflect the Canadian bond market; FTSE World Government Bond Index (5%), designed to reflect the global 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 reflect the global small cap equity market.

Mawer Tax Effective Balanced Fund

Summary of Investment Portfolio

A summary of the Fund as at December 31, 2020 is as follows:

	% of Portfolio
Cash	0.0
Total Cash	0.0
Treasury Bills	4.3
Total Short-Term Reserves	4.3
Fixed Income	
Mutual Funds	1.4
Federal	10.4
Provincial	9.8
Corporate	11.0
Total Fixed Income	32.6
Equities	
Canadian Equities	16.2
U.S. Equities	19.2
Emerging Markets Equities	1.1
International Equities	18.6
Global Equities (small cap)	8.0
Total Equities	63.1
Total Portfolio	100.0

Totals may not add to 100% due to rounding.

The following table list the 25 largest holdings of the Fund as at December 31, 2020.

Issuer	Percentage of Net Asset Value
Mawer Global Small Cap Fund 'O'	8.0%
Government of Canada 1.25% Mar 01/25	2.1%
Canada Housing Trust No. 1 1.90% Sep 15/26	1.8%
Mawer Global Bond Fund 'O'	1.3%
Canada Housing Trust No. 1 1.95% Dec 15/25	1.3%
Province of Ontario 4.65% Jun 02/41	1.2%
Province of Ontario 2.60% Jun 02/27	1.2%
Province of Quebec 3.10% Dec 01/51	1.1%
Mawer Emerging Markets Equity Fund 'O'	1.0%
Province of Ontario 2.80% Jun 02/48	1.0%
Canada Housing Trust No. 1 2.25% Dec 15/25	0.9%
Thomson Reuters Corp. 2.24% May 14/25	0.9%
Alphabet Inc.	0.9%
Province of Ontario 2.60% Jun 02/25	0.8%
Wolters Kluwer NV	0.8%
Microsoft Corporation	0.8%
Visa Inc. Cl. A	0.7%
Marsh & McLennan Companies, Inc.	0.7%
Aon PLC Cl. A	0.7%
LVMH Moët Hennessy Louis Vuitton SE	0.7%
Canada Housing Trust No. 1 1.80% Dec 15/24	0.7%
Government of Canada 1.50% Jun 01/23	0.7%
Bunzl PLC	0.7%
Verisk Analytics, Inc. Cl. A	0.7%
Canadian Pacific Railway Limited	0.7%
Total	31.4%

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 on the internet at sedar.com.