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# Mawer Canadian Equity Fund

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## 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](http://www.mawer.com) or SEDAR+ at [www.sedarplus.ca](http://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.

This Interim 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 Equity Fund (the "Fund") is to invest for above average long-term returns in equity securities of Canadian companies, principally those with market capitalizations greater than \$500 million. This objective is to be achieved by focusing on companies that can translate a competitive advantage into a return on capital; and by purchasing these companies at a discount to intrinsic value, as measured by a discounted cash flow model.

### Risk

The Fund is suitable for investors seeking long-term growth and who have a medium tolerance for risk. General risks of investing in the Fund are outlined in the Prospectus and include the possibility of reduction in value of any given stock, liquidity risk, interest rate risk and currency risk, among 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 (i.e., sub-sector) as defined by the Global Industry Classification Standards (GICS). It is the Manager's policy to be fully invested (less than 5% in cash).

### Results of Operations

The Fund's net assets decreased 3.6% to \$3,570.8 million from \$3,704.0 million at June 30, 2024. Of this change, \$230.9 million is attributable to positive investment performance and -\$364.1 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 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 6.0% (after deducting fees and expenses paid by the series) in comparison to the S&P/TSX Composite Index (Gross) return of 6.1%. All performance values provided are in Canadian dollar terms.

When assessing relative performance, security selection was positive, aided by the strong performance of the holdings in Technology and Utilities. The sector allocation was, however, negative.

At the security level, there were several contributors. Loblaw Companies Limited continued to report solid earnings albeit with decelerating growth. Margin expansion through operating leverage and positive sales mix shift from Loblaw to Shoppers Drug Mart (a higher margin segment) continues to drive improved overall profitability.

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Integrated oil giant Canadian Natural Resources Limited was supported from strong oil prices. With the expansion of the Trans Mountain Pipeline, the company should benefit from improved crude oil pricing going forward. Dollarama Inc. reported strong but moderating growth in Canada, and beyond Canada, the company announced a deal to acquire an additional ten percent of Dollarcity and a new joint venture with the management team to enter Mexico in 2026. Adding Mexican operations may provide an additional long-term growth runway as Canada matures.

Meanwhile, after a strong finish to 2023, The Toronto-Dominion Bank shares traded lower. The bank continues to be one of the top two bank picks in the fund due to its scale and low funding costs, but recent turnover amongst the executive ranks does lower the management score's perception for the company at the margin. Bank of Montreal also traded lower as it noted higher than expected credit loss provisions as high interest rates continue to stretch borrowers.

Over the past six months, the position was initiated in Boyd Group Services Inc., a top two network of collision repair shops in the U.S. and Canada. The industry is highly fragmented but consolidating and Boyd has demonstrated a strong capital allocation track record. The company enjoys strong revenue growth and cost advantages from scale with prudent use of debt and strong underlying business execution. There were no eliminations during the period.

The period marked the start of the next phase of the cycle, one where the Bank of Canada now officially has a bias towards easing policy rates. The questions remain when and at what pace there will be further rate cuts. Our current view is that inflation may remain sticky, and as a result, cuts could be slower than market consensus. The interplay between growth, inflation, and interest rates will likely have a large effect on the Canadian equity market in the coming quarters.

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 non-Canadian AI-related market darlings which have surged ahead and caused the Canadian equity market to lag many regions globally, 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 1.00% 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 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.

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## Mawer Canadian Equity Fund

### The Fund's Net Asset Value (NAV) per Unit<sup>1</sup>

SERIES A	2024	2023	2022	2021	2020	2019
Net Assets, beginning of period	85.10	79.74	88.12	72.02	71.28	60.10
<b>Increase (decrease) from operations:</b>						
Total revenue	1.39	2.46	2.26	1.95	1.91	1.99
Total expenses	(0.51)	(0.96)	(0.97)	(0.94)	(0.79)	(0.80)
Realized gains (losses) for the period	3.38	4.18	5.56	3.34	2.90	0.87
Unrealized gains (losses) for the period	0.91	1.73	(11.95)	12.79	(2.92)	10.62
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>5.17</b>	<b>7.41</b>	<b>(5.10)</b>	<b>17.14</b>	<b>1.10</b>	<b>12.68</b>
<b>Distributions:</b>						
From net investment income (excluding dividends)	-	(0.02)	-	-	-	-
From dividends	-	(1.55)	(1.32)	(0.96)	(1.17)	(1.27)
From capital gains	-	(0.54)	(2.12)	-	-	-
Return of capital	-	-	-	-	-	-
<b>Total Distributions for the period<sup>3</sup></b>	<b>-</b>	<b>(2.11)</b>	<b>(3.44)</b>	<b>(0.96)</b>	<b>(1.17)</b>	<b>(1.27)</b>
<b>Net Assets, end of period</b>	<b>90.19</b>	<b>85.10</b>	<b>79.74</b>	<b>88.12</b>	<b>72.02</b>	<b>71.28</b>

SERIES O	2024	2023	2022	2021	2020	2019
Net Assets, beginning of period	81.15	76.19	86.02	71.30	72.36	60.91
<b>Increase (decrease) from operations:</b>						
Total revenue	1.33	2.36	2.22	1.94	1.95	2.03
Total expenses	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses) for the period	3.22	4.02	5.44	3.27	3.02	0.87
Unrealized gains (losses) for the period	0.92	1.47	(11.72)	12.67	(2.05)	10.53
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>5.47</b>	<b>7.84</b>	<b>(4.07)</b>	<b>17.87</b>	<b>2.91</b>	<b>13.42</b>
<b>Distributions:</b>						
From net investment income (excluding dividends)	-	(0.04)	-	-	-	-
From dividends	-	(2.53)	(2.28)	(1.84)	(1.89)	(2.01)
From capital gains	-	(0.56)	(3.64)	(1.26)	(2.00)	-
Return of capital	-	-	-	-	-	-
<b>Total Distributions for the period<sup>3</sup></b>	<b>-</b>	<b>(3.13)</b>	<b>(5.92)</b>	<b>(3.10)</b>	<b>(3.89)</b>	<b>(2.01)</b>
<b>Net Assets, end of period</b>	<b>86.49</b>	<b>81.15</b>	<b>76.19</b>	<b>86.02</b>	<b>71.30</b>	<b>72.36</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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).

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

### Ratios and Supplemental Data

SERIES A	2024	2023	2022	2021	2020	2019
Total net asset value (000's) <sup>1</sup>	757,587	784,450	810,199	922,281	773,261	853,148
Number of units outstanding (000's) <sup>1</sup>	8,400	9,218	10,161	10,466	10,737	11,970
Management expense ratio <sup>2</sup>	1.15%	1.15%	1.15%	1.14%	1.17%	1.16%
Management expense ratio before waivers or absorptions	1.15%	1.15%	1.15%	1.14%	1.17%	1.16%
Trading expense ratio <sup>3</sup>	0.01%	0.02%	0.02%	0.01%	0.02%	0.02%
Portfolio turnover rate <sup>4</sup>	8.70%	25.92%	24.79%	19.32%	23.47%	13.78%
<b>Net asset value per unit<sup>1</sup></b>	<b>90.19</b>	<b>85.10</b>	<b>79.74</b>	<b>88.12</b>	<b>72.02</b>	<b>71.28</b>

SERIES O	2024	2023	2022	2021	2020	2019
Total net asset value (000's) <sup>1</sup>	2,813,293	2,919,651	3,062,426	3,407,718	2,585,026	2,390,483
Number of units outstanding (000's) <sup>1</sup>	32,526	35,980	40,197	39,615	36,258	33,036
Management expense ratio <sup>2</sup>	0.01%	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%	0.01%
Trading expense ratio <sup>3</sup>	0.01%	0.02%	0.02%	0.01%	0.02%	0.02%
Portfolio turnover rate <sup>4</sup>	8.70%	25.92%	24.79%	19.32%	23.47%	13.78%
<b>Net asset value per unit<sup>1</sup></b>	<b>86.49</b>	<b>81.15</b>	<b>76.19</b>	<b>86.02</b>	<b>71.30</b>	<b>72.36</b>

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

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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.

## Mawer Canadian Equity Fund

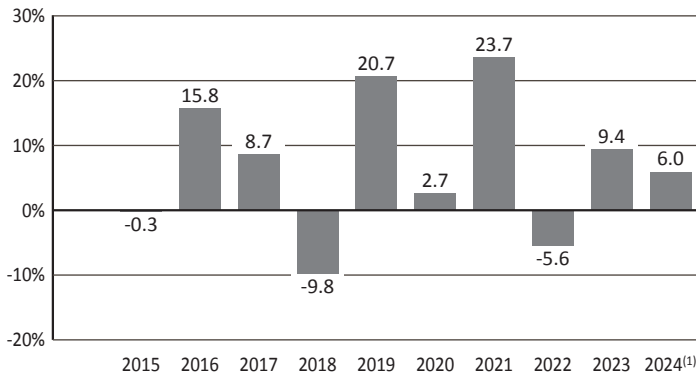
The Fund's performance numbers assume that all distributions are reinvested in additional units of the Fund. If you hold this Fund outside of a registered plan, income and capital gains distributions that are paid to you increase your income for tax purposes whether paid to you in cash or reinvested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

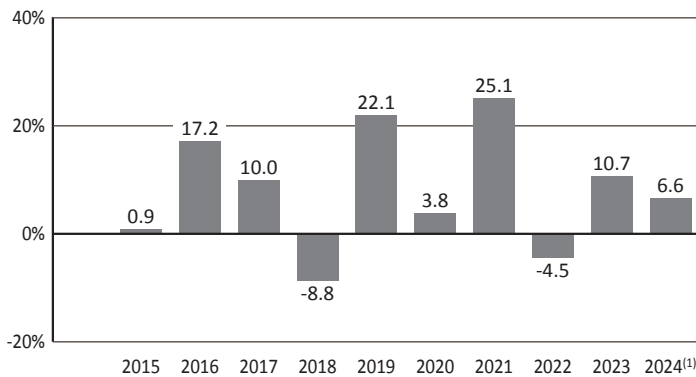
### Year-by-Year Returns

The bar charts below show the Fund's annual performance in each of the past 10 years, 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



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

<sup>(\*)</sup> Series A start date was June 21, 1991; Series O start date was December 1, 2004.

### 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 S&P/TSX Composite Index calculated on the same compound basis. This index is a capitalization-weighted index designed to measure the broad Canadian equity market. 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 <sup>(*)</sup>
Mawer Canadian Equity Fund – Series A	11.8%	5.8%	8.0%	7.1%	9.0%
S&P/TSX COMPOSITE INDEX Gross	12.1%	6.0%	9.3%	7.0%	8.4%
Mawer Canadian Equity Fund – Series O	13.1%	7.0%	9.2%	8.3%	10.1%
S&P/TSX COMPOSITE INDEX Gross	12.1%	6.0%	9.3%	7.0%	7.7%

<sup>(\*)</sup> Series A start date was June 21, 1991; Series O start date was December 1, 2004.

### 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	1.61%
Consumer Discretionary	4.83%
Consumer Staples	8.48%
Energy	7.57%
Financials	30.39%
Industrials	18.38%
Information Technology	9.12%
Materials	6.34%
Real Estate	3.24%
Utilities	6.31%
Cash and Cash Equivalents	3.81%
Other Net Assets (Liabilities)	(0.08)%
<b>Total</b>	<b>100.00%</b>

## Mawer Canadian Equity Fund

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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.

<b>Issuer</b>	<b>% of Net Asset Value</b>
Royal Bank of Canada	5.19%
Canadian Natural Resources Limited	4.64%
Cash and Cash Equivalents	3.81%
Loblaw Companies Limited	3.76%
Canadian Pacific Kansas City Limited	3.38%
AltaGas Ltd.	3.27%
Alimentation Couche-Tard Inc.	3.27%
Constellation Software Inc.	3.18%
TMX Group Limited	2.98%
CGI Inc.	2.95%
Suncor Energy Inc.	2.93%
iA Financial Corporation Inc.	2.88%
Brookfield Corporation Cl. A	2.81%
Manulife Financial Corporation	2.80%
Intact Financial Corporation	2.79%
CCL Industries Inc. Cl. B	2.74%
Finning International Inc.	2.71%
The Toronto-Dominion Bank	2.71%
The Bank of Nova Scotia	2.67%
Canadian National Railway Company	2.60%
Dollarama Inc.	2.55%
Bank of Montreal	2.54%
Hydro One Limited	2.09%
Stella-Jones Inc.	2.05%
RB Global, Inc.	2.01%
<b>Total</b>	<b>75.31%</b>

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](mailto:info@mawer.com). The Prospectus and other information about the underlying mutual fund(s) are available online at [www.sedarplus.ca](http://www.sedarplus.ca) and [www.mawer.com](http://www.mawer.com).