
Mawer U.S. 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.

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 Mawer U.S. Equity Fund (the "Fund") seeks to increase investors' capital by investing primarily in equities and equity-related securities of U.S. corporations. The Fund seeks to invest in companies that earn attractive returns on capital, are in strong financial position and have a demonstrable record of delivering strong operational and financial results. Shares are generally purchased at discounts to intrinsic value. Emphasis within the portfolio is placed upon holdings that are believed to exhibit superior risk-return characteristics.

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 (i.e., sub-sector) as defined by the Global Industry Classification Standards (GICS). The Fund owns positions in US corporations and is generally fully invested (less than 5% in cash).

Results of Operations

The Fund's net assets decreased 0.8% to \$4,296.4 million from \$4,329.6 million at June 30, 2024. Of this change, \$444.0 million is attributable to positive investment performance and -\$477.2 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 10.0% (after deducting fees and expenses paid by the series) in comparison to the S&P 500 Index return of 19.6%. All performance values provided are in Canadian dollar terms.

The Fund's underperformance was due to both stock selection and sector allocation. In Sector allocation, the largest detractor was the underweight to Information Technology which was a strong performing sector over the period. In Security Selection, the largest detractor was Health Care.

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At the security level, sales from China have continued seeing weakness, and headwinds from the region have also been felt at Nike Inc. The leading athletic footwear company Nike noticed lower demand from consumers, and increased competition from indie running brands. Management has reiterated its key focus towards cost cutting—which has already led to margin expansion—along with product innovation. The healthcare conglomerate CVS Health Corporation was impacted by higher-than-expected medical costs in its Medicare insurance business and also had to deal with some product recalls.

On the positive side, technology focused stocks were the big winners in the Fund. Microsoft Corporation and Alphabet Inc. both saw excellent growth in their cloud computing businesses and for Alphabet, the main concern from the past year that generative AI will materially impair Google's search business, appears to be waning as the company integrates AI technology into its search product. On the same theme, global manufacturer of connectors Amphenol Corporation has continued seeing strong demand for its products in AI data centers, its fastest growing business segment.

Over the past six months, some of the notable initiations included CVS Health Corporation and ITT Inc. CVS Health is a healthcare conglomerate with three distinct businesses - pharmacy benefit management, managed care, and the namesake drugstore chain - all of which are amongst leaders in their own market. While the drugstore industry has recently faced some challenges, we believe expectations appear too pessimistic for the business as a whole, suggesting an unappreciated growth runway at the current share price. ITT is the global manufacturing leader of brake pads and highly engineered solutions for the transportation, industrial, and energy markets. Over the last decade, management has successfully streamlined operations, leading to substantial cost advantages over competitors, most of which are only breaking even. This has allowed ITT to invest more heavily in innovation and customer service, which has in turn led to significant market share gains notably in the electric vehicles market.

Meanwhile, some of the notable exits included Linde plc and Adobe Inc. Linde's stock price has rebounded sharply over the last two years, but growth continues to slowdown; there are probabilistically few scenarios in which the current valuation can be justified in our view. Adobe's value proposition of its suite of professional software—especially those in the creative space such as Photoshop and Illustrator—appears to be at risk by impressive features shown from software of new entrants such as AI-focused competitors. And recent strong stock appreciation gave us an opportunity to reallocate capital towards what we believe to be companies with better risk-adjusted return potential.

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 1.00% 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.

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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.

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

SERIES A	2024	2023	2022	2021	2020	2019
Net Assets, beginning of period	83.00	72.78	87.58	70.87	61.84	49.26
Increase (decrease) from operations:						
Total revenue	0.66	1.26	1.15	0.82	0.82	0.80
Total expenses	(0.60)	(1.05)	(1.02)	(1.00)	(0.87)	(0.77)
Realized gains (losses) for the period	7.52	6.70	6.55	5.91	3.53	2.75
Unrealized gains (losses) for the period	0.89	3.56	(17.62)	10.98	5.25	9.76
Total increase (decrease) from operations²	8.47	10.47	(10.94)	16.71	8.73	12.54
Distributions:						
From net investment income (excluding dividends)	-	(0.25)	-	-	(0.04)	(0.09)
From dividends	-	-	-	-	-	-
From capital gains	-	-	(4.16)	-	-	-
Return of capital	-	-	-	-	-	-
Total Distributions for the period³	-	(0.25)	(4.16)	-	(0.04)	(0.09)
Net Assets, end of period	91.28	83.00	72.78	87.58	70.87	61.84

SERIES O	2024	2023	2022	2021	2020	2019
Net Assets, beginning of period	83.13	72.92	83.24	67.54	58.86	46.86
Increase (decrease) from operations:						
Total revenue	0.66	1.28	1.10	0.78	0.78	0.80
Total expenses	(0.10)	(0.17)	(0.15)	(0.12)	(0.13)	(0.11)
Realized gains (losses) for the period	7.48	6.73	6.33	5.64	3.37	2.62
Unrealized gains (losses) for the period	1.09	3.57	(17.47)	10.51	5.36	9.43
Total increase (decrease) from operations²	9.13	11.41	(10.19)	16.81	9.38	12.74
Distributions:						
From net investment income (excluding dividends)	-	(1.22)	(0.90)	(0.68)	(0.73)	(0.71)
From dividends	-	-	-	-	-	-
From capital gains	-	-	(0.17)	(0.47)	-	-
Return of capital	-	-	-	-	-	-
Total Distributions for the period³	-	(1.22)	(1.07)	(1.15)	(0.73)	(0.71)
Net Assets, end of period	91.94	83.13	72.92	83.24	67.54	58.86

⁽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	2020	2019
Total net asset value (000's) ¹	661,648	652,755	656,257	782,994	623,511	538,454
Number of units outstanding (000's) ¹	7,248	7,865	9,016	8,941	8,798	8,708
Management expense ratio ²	1.14%	1.14%	1.14%	1.13%	1.15%	1.14%
Management expense ratio before waivers or absorptions	1.14%	1.14%	1.14%	1.13%	1.15%	1.14%
Trading expense ratio ³	-	0.01%	0.01%	0.01%	0.01%	0.01%
Portfolio turnover rate ⁴	7.42%	11.92%	9.41%	18.02%	18.66%	12.98%
Net asset value per unit¹	91.28	83.00	72.78	87.58	70.87	61.84

SERIES O	2024	2023	2022	2021	2020	2019
Total net asset value (000's) ¹	3,634,780	3,676,840	3,685,453	4,864,154	3,999,211	3,446,371
Number of units outstanding (000's) ¹	39,534	44,231	50,541	58,437	59,211	58,552
Management expense ratio ²	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 ³	-	0.01%	0.01%	0.01%	0.01%	0.01%
Portfolio turnover rate ⁴	7.42%	11.92%	9.41%	18.02%	18.66%	12.98%
Net asset value per unit¹	91.94	83.13	72.92	83.24	67.54	58.86

⁽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.

⁽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.

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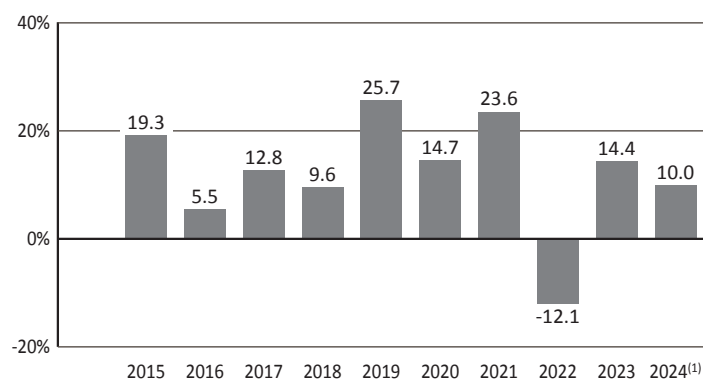
The Fund's performance numbers assume that all distributions are reinvested in additional units of the Fund. If you hold this Fund outside of a registered plan, income and capital gains distributions that are paid to you increase your income for tax purposes whether paid to you in cash or reinvested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

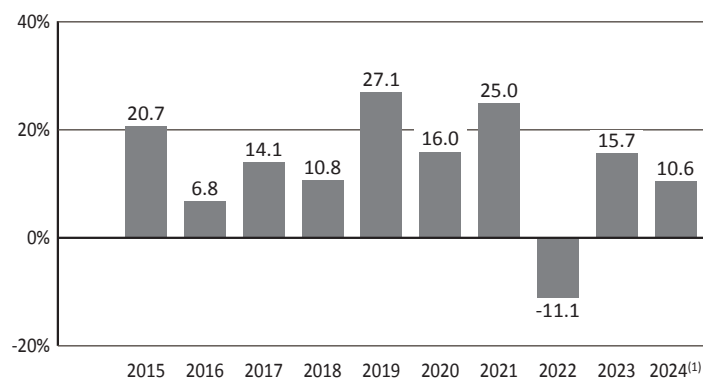
Year-by-Year Returns

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



⁽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 December 18, 1992; 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 500 Index calculated on the same compound basis. Widely regarded as the standard for measuring large cap US stock market performance, this index includes a representative sample of established companies in the major economic sectors of the US. 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 U.S. Equity Fund – Series A	16.8%	8.5%	11.2%	13.6%	8.7%
S&P 500 Index Gross	28.8%	13.8%	16.1%	15.7%	10.7%
Mawer U.S. Equity Fund – Series O	18.1%	9.7%	12.5%	14.8%	10.9%
S&P 500 Index Gross	28.8%	13.8%	16.1%	15.7%	11.1%

^(*) Series A start date was December 18, 1992; 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	7.27%
Consumer Discretionary	5.87%
Consumer Staples	7.16%
Financials	26.29%
Healthcare	17.94%
Industrial	10.27%
Information Technology	15.03%
Materials	6.38%
Utilities	2.47%
Cash and Cash Equivalents	1.13%
Other Net Assets (Liabilities)	0.19%
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	% of Net Asset Value
Microsoft Corporation	5.56%
Amphenol Corporation Cl. A	5.33%
Alphabet Inc. Cl. C	4.58%
Visa Inc. Cl. A	4.47%
Marsh & McLennan Companies, Inc.	4.13%
Arthur J. Gallagher & Co.	3.46%
Amazon.com, Inc.	3.44%
The Procter & Gamble Company	3.25%
UnitedHealth Group Incorporated	3.12%
CME Group Inc. Cl. A	2.84%
Verizon Communications Inc.	2.70%
Cencora Inc.	2.68%
MasterCard Incorporated Cl. A	2.45%
AptarGroup, Inc.	2.45%
Intercontinental Exchange, Inc.	2.40%
Abbott Laboratories	2.36%
Martin Marietta Materials, Inc.	2.34%
Waters Corporation	2.33%
Verisk Analytics, Inc. Cl. A	2.04%
Becton, Dickinson and Company	2.01%
Paychex, Inc.	1.99%
Danaher Corporation	1.84%
NIKE, Inc. Cl. B	1.80%
FTI Consulting, Inc. Cl. A	1.64%
Accenture PLC Cl. A	1.64%
Total	72.85%

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.
