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## Mawer Balanced Fund

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### 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](http://www.mawer.com) or SEDAR at [www.sedarplus.com](http://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 Mawer Balanced Fund (the "Fund") aims to protect and grow investors' capital through capital appreciation and the receipt of dividend and interest income. The Fund invests in other Mawer Funds, which invest in equity and equity-related securities, and in fixed-income securities such as 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. Investment in underlying Mawer Canadian Bond Fund is 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. Since this Fund invests primarily in Series O units of other Mawer Mutual Funds there are two additional risks: multi-class risk and fund on fund risk.

The Manager limits the risk of investing in a single asset class by limiting the amount invested in equities in any one industry, and by limiting the percentage of the Fund that can be shifted in a single move from one asset class to another.

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

#### Results of Operations

The Fund's net assets decreased 6.0% to \$4,709.5 million from \$5,010.5 million at December 31, 2023. Of this change, \$475.5 million is attributable to positive investment performance and -\$776.5 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.

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## Mawer Balanced Fund

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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 between bonds and equities 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.

When assessing the performance of the fund on a look through basis Novo Nordisk was a top contributor over the year, as its blockbuster obesity treatment was shown to result in markedly lower risk of cardiovascular events. Our initial investment thesis was predicated on what a strong culture and a focused research and development approach might deliver with respect to innovation. This appears to be playing out and is responsible for breakthroughs in diabetes-adjacent areas such as obesity. Microsoft and Alphabet rounded out the top three performers in the Fund as technology focused companies moved higher on the prospect of discount rates falling 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.

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## Mawer Balanced Fund

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

SERIES A	2023	2022	2021	2020	2019
Net Assets, beginning of year	31.63	37.30	34.42	31.40	27.66
<b>Increase (decrease) from operations:</b>					
Total revenue	0.89	0.73	0.63	0.62	0.71
Total expenses	(0.29)	(0.29)	(0.32)	(0.29)	(0.27)
Realized gains (losses) for the year	1.31	1.36	1.10	0.91	0.27
Unrealized gains (losses) for the year	1.23	(6.70)	1.81	2.04	3.36
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>3.14</b>	<b>(4.90)</b>	<b>3.22</b>	<b>3.28</b>	<b>4.07</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	(0.48)	(0.31)	(0.20)	(0.20)	(0.29)
From dividends	(0.16)	(0.15)	(0.12)	(0.12)	(0.12)
From capital gains	(0.54)	(0.56)	-	-	-
Return of capital	-	-	-	-	-
Total Annual Distributions <sup>3</sup>	(1.18)	(1.02)	(0.32)	(0.32)	(0.41)
<b>Net Assets, end of year</b>	<b>33.64</b>	<b>31.63</b>	<b>37.30</b>	<b>34.42</b>	<b>31.40</b>

SERIES O	2023	2022	2021	2020	2019
Net Assets, beginning of year	30.77	36.57	33.74	30.79	27.15
<b>Increase (decrease) from operations:</b>					
Total revenue	0.89	0.74	0.62	0.59	0.67
Total expenses	-	-	-	-	-
Realized gains (losses) for the year	1.28	1.34	1.09	0.85	0.24
Unrealized gains (losses) for the year	1.20	(6.35)	1.76	2.09	3.49
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>3.37</b>	<b>(4.27)</b>	<b>3.47</b>	<b>3.53</b>	<b>4.40</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	(0.66)	(0.49)	(0.38)	(0.39)	(0.49)
From dividends	(0.23)	(0.24)	(0.23)	(0.21)	(0.20)
From capital gains	(0.50)	(0.80)	-	-	-
Return of capital	-	-	-	-	-
Total Annual Distributions <sup>3</sup>	(1.39)	(1.53)	(0.61)	(0.60)	(0.69)
<b>Net Assets, end of year</b>	<b>32.78</b>	<b>30.77</b>	<b>36.57</b>	<b>33.74</b>	<b>30.79</b>

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

<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 year.

<sup>(3)</sup> 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) <sup>1</sup>	3,775,037	4,082,649	5,251,768	4,481,091	3,682,104
Number of units outstanding (000's) <sup>1</sup>	112,208	129,075	140,795	130,190	117,247
Management expense ratio <sup>2</sup>	0.91%	0.91%	0.90%	0.92%	0.91%
Management expense ratio before waivers or absorptions	0.91%	0.91%	0.90%	0.92%	0.91%
Trading expense ratio <sup>3</sup>	0.02%	0.02%	0.02%	0.02%	0.02%
Portfolio turnover rate <sup>4</sup>	3.20%	3.17%	2.92%	0.11%	0.79%
<b>Net asset value per unit<sup>4</sup></b>	<b>33.64</b>	<b>31.63</b>	<b>37.30</b>	<b>34.42</b>	<b>31.40</b>

SERIES O	2023	2022	2021	2020	2019
Total net asset value (000's) <sup>1</sup>	934,438	927,851	1,088,401	943,933	838,875
Number of units outstanding (000's) <sup>1</sup>	28,507	30,152	29,761	27,976	27,242
Management expense ratio <sup>2</sup>	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 <sup>3</sup>	0.02%	0.02%	0.02%	0.02%	0.02%
Portfolio turnover rate <sup>4</sup>	3.20%	3.17%	2.92%	0.11%	0.79%
<b>Net asset value per unit<sup>4</sup></b>	<b>32.78</b>	<b>30.77</b>	<b>36.57</b>	<b>33.74</b>	<b>30.79</b>

<sup>(1)</sup> This information is provided as at December 31 of the year shown, as applicable.

<sup>(2)</sup> 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.

<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 year.

<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 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.

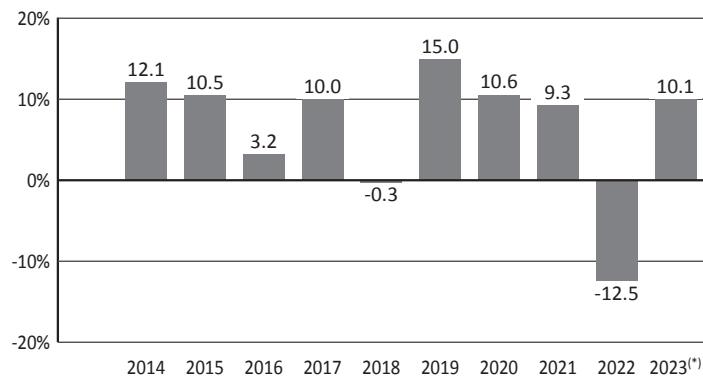
The past performance of the Fund is set out in the following charts.

## Mawer Balanced Fund

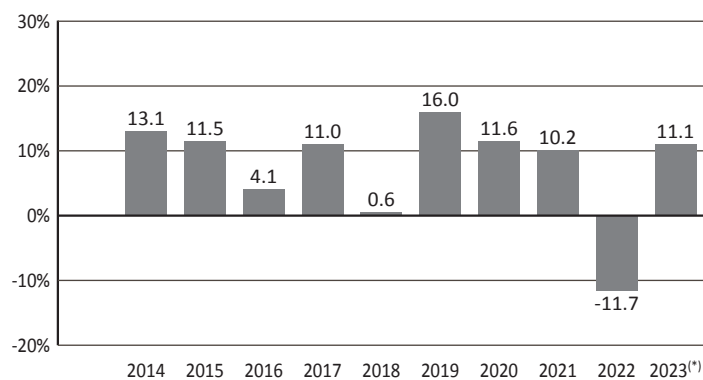
### Year-by-Year Returns

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



<sup>(\*)</sup> Series A start date was March 31, 1988; Series O start date was July 4, 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 Balanced Benchmark ("IB 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 <sup>(*)</sup>
Mawer Balanced Fund – Series A	10.1%	1.8%	6.0%	6.5%	7.9%
Internal Balanced Benchmark	11.2%	3.4%	6.9%	6.3%	7.6%
Mawer Balanced Fund – Series O	11.1%	2.7%	7.0%	7.5%	7.8%
Internal Balanced Benchmark	11.2%	3.4%	6.9%	6.3%	6.0%

<sup>(\*)</sup> Series A start date was March 31, 1988; Series O start date was July 4, 2006.

The IB Benchmark is a benchmark prepared by the Manager and is designed to reflect the average asset mix of a universe of balanced fund managers which consists 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 IB 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	3.9
<b>Total Short-Term Investments</b>	<b>3.9</b>
<b>Mutual Funds</b>	
Short Term Investments	0.1
Fixed Income	34.5
Equities	61.6
<b>Total Mutual Funds</b>	<b>96.2</b>
<b>Total Portfolio</b>	<b>100.0</b>

Totals may not add to 100% due to rounding.

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 Canadian Bond Fund Series O	34.5%
Mawer International Equity Fund Series O	17.0%
Mawer U.S. Equity Fund Series O	17.0%
Mawer Canadian Equity Fund Series O	15.3%
Mawer Global Small Cap Fund Series O	7.3%
Mawer New Canada Fund Series O	3.7%
Mawer Emerging Markets Equity Fund Series O	1.4%
Mawer Canadian Money Market Fund Series O	0.1%
<b>Total</b>	<b>96.2%</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.com](http://www.sedarplus.com) and [www.mawer.com](http://www.mawer.com).