
Mawer Canadian Bond Fund

Interim Management Report of Fund Performance

For the Period Ended June 30, 2023

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.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, 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 Bond Fund (the "Fund") is to invest for interest income and capital returns primarily from bonds and debentures of Canadian government and corporate issuers. The Fund is primarily invested in a diversified portfolio of high-quality Canadian government and corporate bonds. The Fund may also invest in mortgage-backed securities, asset-backed securities or foreign securities. 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. For consistency of style, risk and return, only Canadian dollar securities are held with a minimum of 40% in government bonds. To limit the risk associated with unexpected movements in interest rates, the duration of the portfolio is limited to within 1 year of our benchmark, the FTSE Canada Universe Bond Index.

Risk

The risks of investing in the Fund remain as discussed in the Prospectus. The Fund is suitable for investors seeking income returns with low risk. The major risks for the Fund are interest rate risk and credit risk. To reduce interest rate risk we constrain the duration of the portfolio within narrow limits versus our benchmark. To reduce credit risk in the portfolio, the Fund only holds investment grade securities and diversifies corporate holdings by issuer and sector. We perform in-depth credit analysis and place a 5% limit on individual corporate issuer exposure.

Results of Operations

The Fund's net assets increased 4.3% to \$3,922.9 million from \$3,760.9 million at June 30, 2023. Of this change, \$92.5 million is attributable to positive investment performance and \$69.5 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 Fund's Net Asset Value. During the period there were no notable redemptions to the Fund that affected its liquidity.

The Fund's A series returned 2.15% (after management fees) in comparison to the FTSE Canada Universe Bond Index return of 2.51% for six months ended June 30, 2023. All performance values provided are in Canadian dollar terms. The Fund's relative performance was a result of a combination of the duration, yield curve, sector positioning and security selection decisions throughout the six-month period. All sectors had positive performance and longer-term securities performed better as longer-term rates came down over the period. Investment grade credit spreads tightened on average and bonds with higher spread exposure performed better over the period.

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We sold duration with overall rates moving lower in April, and this positioning helped contribute to positive relative performance. With inflation remaining elevated and better than expected economic data, the Bank of Canada continued to hike overnight rates and yield curves flattened. This resulted in a negative contribution from our yield curve positioning as the Fund was positioned for a steeper rather than a flattener. Our sector exposure contributed favorably to relative performance driven by our positioning within spread products. Our trimming of corporate exposure and adding to the steeper part of the provincial curve provided more efficient portfolio carry. Overall, from a security selection perspective, our exposure in the government space, specifically our reduced exposure within in Canada Housing Trust, detracted from relative performance, however, corporate security selection offset the negatives, driven positively by the Fund's Industrial, Banks and Energy investments. Canadian Pacific Railway and North West Redwater were among the top contributing issuers within corporate security selection.

We moved from a short duration bias to neutral in June and positioned for a curve steepener. We reduced overall corporate exposure and increased provincial exposure over the period and continued to improve the potential return through risk-consciously implementing portfolio construction opportunities. We favour issuers that have conservative leverage and strong credit fundamentals. We initiated Canadian National Railway based on the issuer's stable demand and cashflow generation and attractive valuation. We reduced exposure within insurance by exiting Sun Life Financial given our credit analysis on the security call features. We exited TransCanada Pipelines given concern of the higher expected leverage and longer-term capital expenditure plan. We also exited Manulife Bank as we favour larger systematic important banks in the current environment. With respect to additions, we increased exposure to high quality issuers such as Bank of Montreal, Bell Canada, and Pembina Pipeline.

The combination of historically inverted yield curves, strong year-to-date gains in equity prices, benign credit spreads, and well-anchored longer-term breakeven inflation expectations are all consistent with the consensus outlook for a soft landing. The risks lie on both sides of this consensus: either that the impact of recent monetary policy impairs demand more substantially than expected (a hard landing), or that inflation persists longer than projected, emboldening policymakers to hike even further than currently expected. Both would likely be negative for risk assets.

Recession has been our base case, and over this quarter, the portfolio manager has seen more rate hikes from central banks to curb inflation with every additional hike further increasing the probability of a future recession as the cumulative interest rate increases continue to work their way through the economy. The aggressive tightening of financial conditions should bring forward a slowdown in growth and central bank easing. The portfolio manager thinks the yield curves can remain inverted in the short run—they have reached levels only last seen in the 1990s—but the risk/reward for a steepener is attractive given many of the headwinds that the economy currently faces, and eventually the central bank will need to react when the economy weakens. The portfolio manager closely monitors key economic indicators and gains deeper insights into how economic milestones are evolving.

We continue to play the plan: our macro process remains focused on studying the interaction between economic growth and monetary policy through a top-down lens. The Fund is conservatively positioned in spread products overall, which provides us with more flexibility to respond to a potential widening of credit spreads. Our credit process leads us to businesses with more stable demand given the criticality of the products and services they provide to their customers, and always have an eye on our companies' balance sheets as lower debt provides resilience in times of crisis. By adopting a systematic and repeatable approach to portfolio construction, we can identify risk/reward opportunities that allow us to prudently manage our clients' capital and add value in the long term.

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 0.60% per annum of the net asset value of the Fund calculated on a daily basis. Management fees for Series O and Series S Units are payable directly to the Manager by Series O and Series S 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 June 30, 2023 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, 2023 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 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Net Assets, beginning of period | 11.28 | 13.11 | 13.77 | 13.19 | 12.67 | 12.83 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.18 | 0.34 | 0.33 | 0.35 | 0.38 | 0.35 |
| Total expenses | (0.04) | (0.08) | (0.09) | (0.09) | (0.09) | (0.09) |
| Realized gains (losses) for the period | (0.30) | (0.65) | (0.15) | 0.46 | 0.12 | (0.07) |
| Unrealized gains (losses) for the period | 0.40 | (1.23) | (0.54) | 0.37 | 0.38 | (0.08) |
| Total increase (decrease) from operations² | 0.24 | (1.62) | (0.45) | 1.09 | 0.79 | 0.11 |
| Distributions: | | | | | | |
| From net investment income (excluding dividends) | (0.15) | (0.26) | (0.24) | (0.26) | (0.29) | (0.26) |
| From dividends | - | - | - | - | - | - |
| From capital gains | - | - | - | (0.29) | - | - |
| Return of capital | - | - | - | - | - | - |
| Total Distributions for the period³ | (0.15) | (0.26) | (0.24) | (0.55) | (0.29) | (0.26) |
| Net Assets, end of period | 11.37 | 11.28 | 13.11 | 13.77 | 13.19 | 12.67 |

| SERIES O | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Net Assets, beginning of period | 10.50 | 12.21 | 12.82 | 12.38 | 11.92 | 12.07 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.17 | 0.31 | 0.30 | 0.33 | 0.36 | 0.33 |
| Total expenses | - | - | - | - | - | - |
| Realized gains (losses) for the period | (0.28) | (0.61) | (0.14) | 0.43 | 0.11 | (0.06) |
| Unrealized gains (losses) for the period | 0.37 | (1.09) | (0.42) | 0.36 | 0.34 | (0.08) |
| Total increase (decrease) from operations² | 0.26 | (1.39) | (0.26) | 1.12 | 0.81 | 0.19 |
| Distributions: | | | | | | |
| From net investment income (excluding dividends) | (0.18) | (0.32) | (0.30) | (0.33) | (0.35) | (0.32) |
| From dividends | - | - | - | - | - | - |
| From capital gains | - | - | - | (0.39) | (0.03) | - |
| Return of capital | - | - | - | - | - | - |
| Total Distributions for the period³ | (0.18) | (0.32) | (0.30) | (0.72) | (0.38) | (0.32) |
| Net Assets, end of period | 10.58 | 10.50 | 12.21 | 12.82 | 12.38 | 11.92 |

| SERIES S | 2023 | 2022 | 2021 | | | |
|--|---------------|---------------|---------------|--|--|--|
| Net Assets, beginning of period | 10.25 | 11.90 | 12.00 | | | |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.16 | 0.31 | 0.16 | | | |
| Total expenses | - | - | - | | | |
| Realized gains (losses) for the period | (0.28) | (0.60) | (0.06) | | | |
| Unrealized gains (losses) for the period | 0.34 | (0.73) | 0.01 | | | |
| Total increase (decrease) from operations² | 0.22 | (1.02) | 0.11 | | | |
| Distributions: | | | | | | |
| From net investment income (excluding dividends) | (0.18) | (0.30) | (0.25) | | | |
| From dividends | - | - | - | | | |
| From capital gains | - | - | - | | | |
| Return of capital | - | - | - | | | |
| Total Distributions for the period³ | (0.18) | (0.30) | (0.25) | | | |
| Net Assets, end of period | 10.33 | 10.25 | 11.90 | | | |

⁽¹⁾ This information is derived from the Fund's interim 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 period (June 30th).

⁽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 | 2018 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Total net asset value (000's) ¹ | 121,987 | 120,982 | 152,041 | 175,169 | 151,086 | 138,641 |
| Number of units outstanding (000's) ¹ | 10,728 | 10,727 | 11,595 | 12,722 | 11,456 | 10,941 |
| Management expense ratio ² | 0.68% | 0.68% | 0.67% | 0.68% | 0.67% | 0.68% |
| Management expense ratio before waivers or absorptions | 0.68% | 0.68% | 0.67% | 0.68% | 0.67% | 0.68% |
| Portfolio turnover rate ³ | 94.05% | 108.86% | 132.10% | 90.07% | 41.18% | 23.87% |
| Net asset value per unit¹ | 11.37 | 11.28 | 13.11 | 13.77 | 13.19 | 12.67 |

| SERIES O | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Total net asset value (000's) ¹ | 3,502,755 | 3,375,867 | 3,987,541 | 3,553,378 | 2,879,500 | 2,378,132 |
| Number of units outstanding (000's) ¹ | 331,049 | 321,487 | 326,639 | 277,265 | 232,543 | 199,503 |
| 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% |
| Portfolio turnover rate ³ | 94.05% | 108.86% | 132.10% | 90.07% | 41.18% | 23.87% |
| Net asset value per unit¹ | 10.58 | 10.50 | 12.21 | 12.82 | 12.38 | 11.92 |

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| SERIES S | 2023 | 2022 | 2021 | | | |
|--|---------|---------|---------|--|--|--|
| Total net asset value (000's) ¹ | 298,142 | 264,078 | 134,750 | | | |
| Number of units outstanding (000's) ¹ | 28,863 | 25,761 | 11,320 | | | |
| Management expense ratio ² | 0.02% | 0.02% | 0.02% | | | |
| Management expense ratio before waivers or absorptions | 0.02% | 0.02% | 0.02% | | | |
| Portfolio turnover rate ³ | 94.05% | 108.86% | 132.10% | | | |
| Net asset value per unit ⁴ | 10.33 | 10.25 | 11.90 | | | |

⁽¹⁾ This information is for the period ended June 30, 2023 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 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.

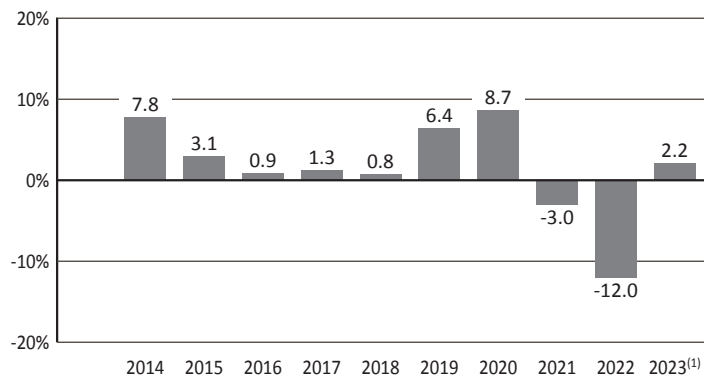
The Fund's performance numbers assume that all distributions are reinvested in additional units of the Fund. If you hold this Fund outside of a registered plan, income and capital gains distributions that are paid to you increase your income for tax purposes whether paid to you in cash or reinvested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

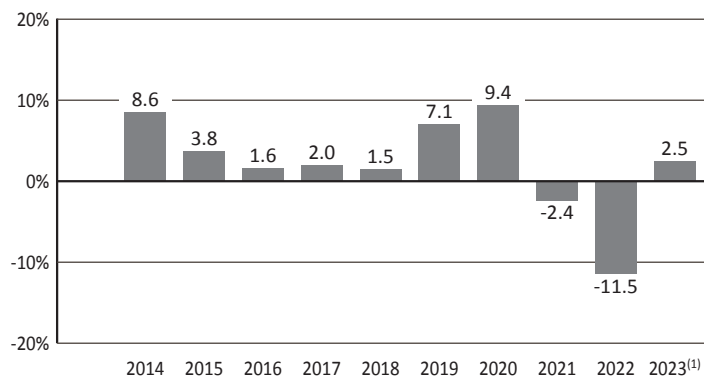
Year-by-Year Returns

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.

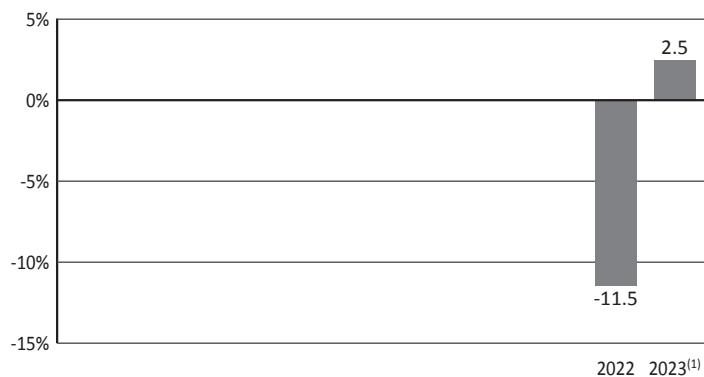
Series A



Series O



Series S



⁽¹⁾ This information is for the period ended June 30, 2023 and December 31 of any other period(s) shown.

^(*) Series A start date was June 21, 1991; Series O start date was December 1, 2004; Series S start date was June 14, 2021.

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Annual Compound Returns

The following table shows the historical annual compound total return of units of the Fund for the periods shown ending on June 30, 2023. The annual compound total return is also compared to the FTSE Canada Universe Bond Index 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 Canadian Bond Fund – Series A | 2.9% | (4.2)% | 0.3% | 1.5% | 4.9% |
| FTSE Canada Universe Bond Index | 3.2% | (3.8)% | 0.7% | 2.1% | 5.9% |
| Mawer Canadian Bond Fund – Series O | 3.6% | (3.5)% | 0.9% | 2.1% | 3.6% |
| FTSE Canada Universe Bond Index | 3.2% | (3.8)% | 0.7% | 2.1% | 3.5% |
| Mawer Canadian Bond Fund – Series S | 3.5% | | | | (4.0)% |
| FTSE Canada Universe Bond Index | 3.2% | | | | (4.1)% |

^(*) Series A start date was June 21, 1991; Series O start date was December 1, 2004; Series S start date was June 14, 2021.

The FTSE Canada Universe Bond Index is designed to be a broad measure of the performance of the Canadian investment-grade fixed income market, covering bonds with term to maturity of more than one year. The purpose of this index is to reflect performance of the broad Canadian bond market.

Summary of Investment Portfolio

A summary of the Fund as at June 30, 2023 is as follows:

| | % of Portfolio |
|-------------------------------------|----------------|
| Treasury Bills | 0.7 |
| Total Short-Term Investments | 0.7 |
| Fixed Income | |
| Federal | 17.1 |
| Provincial | 37.4 |
| Corporate | 44.8 |
| Total Fixed Income | 99.3 |
| Total Portfolio | 100.0 |

Totals may not add to 100% due to rounding.

The following table lists the 25 largest holdings of the Fund as at June 30, 2023.

| Issuer | Percentage of Net Asset Value |
|--|-------------------------------|
| Province of Ontario 3.60% Mar 08/28 | 8.6% |
| Government of Canada 2.75% Jun 01/33 | 7.1% |
| Province of Quebec 3.60% Sep 01/33 | 4.7% |
| Province of Ontario 4.65% Jun 02/41 | 4.3% |
| Government of Canada 2.00% Dec 01/51 | 3.5% |
| Canadian Pacific Railway Company 2.54% Feb 28/28 | 3.1% |
| The Toronto-Dominion Bank 2.67% Sep 09/25 | 2.8% |
| Government of Canada 3.50% Mar 01/28 | 2.5% |
| Thomson Reuters Corporation 2.24% May 14/25 | 2.4% |
| JPMorgan Chase & Co. 1.90% Mar 05/28 | 2.2% |
| Bank of Montreal 3.65% Apr 01/27 | 2.2% |
| Hydro One Inc. 4.91% Jan 27/28 | 2.0% |
| Province of Quebec 3.10% Dec 01/51 | 1.8% |
| Royal Bank of Canada 3.37% Sep 29/25 | 1.7% |
| Province of Quebec 2.75% Sep 01/28 | 1.5% |
| Province of Quebec 1.50% Sep 01/31 | 1.5% |
| Province of Ontario 2.90% Dec 02/46 | 1.4% |
| Province of Ontario 4.60% Jun 02/39 | 1.2% |
| North West Redwater Partnership / NWR Financing Company Ltd. 2.80% Jun 01/27 | 1.2% |
| Province of Alberta 1.65% Jun 01/31 | 1.1% |
| Loblaw Companies Limited 4.49% Dec 11/28 | 1.1% |
| North West Redwater Partnership / NWR Financing Company Ltd. 2.00% Dec 01/26 | 1.1% |
| Bank of Montreal 2.37% Feb 03/25 | 1.0% |
| North West Redwater Partnership / NWR Financing Company Ltd. 2.80% Jun 01/31 | 1.0% |
| Pembina Pipeline Corporation 3.62% Apr 03/29 | 0.9% |
| Total | 61.9% |

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.