# Mawer Canadian Bond Fund, Series F

## Q2 2026 | Performance Commentary

### Market Overview

The FTSE Canadian Universe Bond Index returned approximately 2.0% for the quarter, supported by earned income and spread compression. The 10-year Government of Canada bond yield edged lower over the period, while corporate credit spreads tightened modestly as investor appetite for quality improved amid economic uncertainty.

Hyperscalers Amazon and Google both tapped the Canadian market for investment grade debt issuance as part of broader capital raising programs to finance their data centre and infrastructure buildouts. Amazon, in particular, was a record-breaking C$14bn five-tranche deal. While the deals were well absorbed overall, the larger Amazon transaction was done at close to full fills for its order book, a sign that investor appetite for new issuance isn't boundless.

The geopolitical escalation in the Middle East pushed energy and commodity prices higher for much of the period, reinforcing upside inflation pressures and tempering earlier expectations for further rate cuts, though oil did fall significantly towards the end of the quarter as the odds improved around a peace agreement.

The Bank of Canada (BoC), meanwhile, held its overnight rate at 2.25% at both its April and June meetings as it weighed firmer headline inflation against still-soft economic activity. Canada technically entered recession with two consecutive quarters of GDP contraction. South of the border, the Federal Reserve now has a new chair, Kevin Warsh, and he signaled the Fed will remove explicit forward guidance and focus on a more data-dependent approach to monetary policy. The latest FOMC meeting in June came away with a dot plot that moved from a rate cut in 2026 to a rate hike as a result of a higher inflation outlook.

### Performance Summary

The portfolio performed in line with the benchmark during the quarter. Positive contributions were largely driven by our small overweight in corporates, particularly financials. There was also a positive impact from our tactical long duration positions offset by our curve steepener position, as the curve flattened in the period.

### Looking Ahead

While the inflation scares this spring made for volatile markets, inflation is coming back down and markets seem to be shifting back to an expectation of a pause in overnight rate movements in Canada and the U.S. It would likely take a renewed serious bout of realized inflation or unmooring of inflation expectations to warrant near-term hikes. This is a notable shift from where things stood at the end of last quarter, where hikes were expected in both markets.

What hasn't changed is tight credit spreads and our patient approach to dialling up our credit risk budget when spreads warrant it. In the meantime, hyperscaler capex needs provided an opportunity to high grade and diversify some of our existing credit exposure. Spread widening, when it comes will provide the opportunity to go on the offensive. For now, we patiently wait, clip our coupons, and remember that core fixed income is the ballast in a well constructed portfolio.

## Performance Summary[1] (%)

### As of June 30, 2026

| | 3-Mo | YTD | 1-Yr | 3-Yr | 5-Yr | 10-Yr | Since Inception[2] |
|---|---|---|---|---|---|---|---|
| FUND | **1.9** | **1.9** | **2.9** | **4.0** | **0.4** | **1.2** | **4.8** |
| BENCHMARK | 2.0 | 2.2 | 3.5 | 4.4 | 0.8 | 1.7 | 5.8 |

### Calendar Year, as of December 31:

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| FUND | **0.9** | **1.3** | **0.8** | **6.4** | **8.7** | **-3.0** | **-12.0** | **6.3** | **4.0** | **2.1** |
| BENCHMARK | 1.7 | 2.5 | 1.4 | 6.9 | 8.7 | -2.5 | -11.7 | 6.7 | 4.2 | 2.6 |

[1]Performance figures are net of management fees and operating expenses. Periods greater than one year are annualized. Performance figures are in Canadian dollar terms.

[2]Mawer Canadian Bond Fund Series F Inception: June 14, 1991

## Disclaimer

### Opinions and Forecasts:

This report 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.

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**Benchmarks:**

| FUND | BENCHMARK |
| --- | --- |
| Mawer Canadian Bond Fund | FTSE Canada Universe Bond Index |



**Performance Disclosure and Requirements:**

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund facts and 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 securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Mawer Funds are managed by Mawer Investment Management Ltd.

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