Mawer Global Credit Opportunities Fund Series F

Q2 2026 | Performance Commentary

Market Overview

Investment grade and high yield credit spreads tightened as corporate fundamentals remained intact, despite the intra-quarter market volatility caused by the war in the Middle East.

Hyperscalers Amazon and Google both tapped the Canadian market for investment grade debt issuance as part of broader, global capital raising programs to finance massive data centre and infrastructure buildouts. Amazon raised a record-breaking C$14bn in a five-tranche deal. While the deal was absorbed higher fill rates on orders would seem to indicate investor appetite for new issuance is not boundless.

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

At the U.S. Federal Reserve, Kevin Warsh became the new chair and 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 generated a positive return this quarter, benefitting from spread compression in the portfolio's high yield positions, most notably **Algoma Steel**, **Coreweave**, and **INEOS Finance**, as well as carry from coupon income, partially offset by rising benchmark bond yields. Bonds of **FMC Corporation** and **Whirlpool** purchased at new issue also performed well.

Looking Ahead

While the inflation scares this spring made for volatile markets, inflation expectations appear to be receding 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 search for idiosyncratic credit opportunities like Burford Capital and Virgin Media and focus on capital preservation.

Performance Summary[1] (%)
As of June 30, 2026

	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Since Inception[2]
FUND	**1.1**	**1.9**	**2.9**				**4.0**
BENCHMARK	1.6	0.7	3.0				4.0

Calendar Year, as of December 31:

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
FUND	-	-	-	-	-	-	-	-	-	**2.9**
BENCHMARK	-	-	-	-	-	-	-	-	-	5.3

[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 Global Credit Opportunities Fund Series F Inception: Jan 31, 2024.

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 Global Credit Opportunities Fund	ICE BofA Global Corporate & High Yield 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.

Mawer Mutual Funds do not have trailing commissions. If you purchased units of the Mawer Mutual Funds through a third-party dealer, you may be subject to commissions or additional sales charges. Please contact your dealer for more information.

The Funds mentioned in this document are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

The Fund's MER is made up of the management fee and operating expenses. The Fund's annual management fee is 0.75% of the Fund's value. Because this fund is new, its operating expenses are relatively large in comparison to the fund's assets. Mawer Investment Management Ltd. has committed to subsidize the operating expenses of the Fund from its inception so that the MER is no more than 0.95%; without the subsidy the MER may be higher. Mawer Investment Management Ltd. reserves the right to terminate the subsidy at any time. Management plans to review the subsidy periodically with the intent to remove the subsidy once the MER of the Fund has stabilized. After the subsidized period ends, the actual MER for the Fund may be higher than 0.95%.