

# Mawer Global Credit Opportunities Fund

## Series A

### Q2 2025 | Performance Commentary

#### Market Overview

The second quarter of 2025 saw elevated volatility as markets were rocked by an escalation in global trade tensions, particularly after the “Liberation Day” tariff announcement by the U.S. on April 2. In response to the ensuing global tariff brinksmanship, risk assets sold off aggressively. Within a few weeks the U.S. administration tempered and partly deferred the initial barrage of tariffs and markets recovered.

Bond yields in major developed markets rose sharply in April and May, with the U.S. 10-year Treasury yield peaking at 4.6% before retracing in June. Credit spreads also widened sharply in early April however both global investment grade and high yield spreads were modestly tighter quarter over-quarter. Amidst all this, the U.S. Federal Reserve held rates steady throughout Q2, citing ongoing strength in the labor market and only gradual progress on inflation.

#### Performance Summary

The portfolio generated a positive return this quarter.

The portfolio benefitted from slightly lower government bond yields, the addition of select high yield positions which experienced spread compression, and healthy carry from coupon income. These gains were tempered by the portfolio’s defensive positioning in shorter-dated, higher quality securities. The yield and credit environment remains uncertain, in our opinion, warranting a defensive posture in the portfolio.

#### Looking Ahead

We saw a pocket of volatility this quarter triggered by tariffs and this provided an opportunity to augment the portfolio composition before markets resumed the medium-term pattern of tightening credit spreads. However, the risk from U.S. policy actions has not gone away; they remain front and centre for the second half of this year and perhaps beyond. The U.S. fiscal situation shows no signs of improving and long bond yields in the U.S. remain elevated with the risk of further increases.

Against this backdrop the team completed 15 triage reviews in the past month of public issuers with ratings ranging from BB1 to CCC1, none of which are currently in the portfolio but 5 of which made it onto our Watchlist. Geographically 13 companies were U.S.-based, 1 Canadian, and 1 French.

For Watchlist names, the businesses are interesting, but current valuations do not represent compelling investable opportunities. We will revisit these as time and markets warrant. This bottom-up work

reinforces what we see at the index level: spreads remain tight, with attractive opportunities in high yield limited.

While we can't predict when or what precisely will cause the next market dislocation, we can be confident that there will be future opportunities and that continuing to diligently turn over more stones in patient preparation is time well spent.

## Performance Summary<sup>1</sup> (%)

As of June 30, 2025

|           | YTD | 3 Mo. | 1 Yr. | 3 Yrs. | 5 Yrs. | 10 Yrs. | Since Inception <sup>2</sup> |
|-----------|-----|-------|-------|--------|--------|---------|------------------------------|
| FUND      | 1.8 | 1.2   | 5.0   | -      | -      | -       | 4.7                          |
| BENCHMARK | 3.0 | 1.6   | 6.2   | -      | -      | -       | 4.7                          |

<sup>1</sup>Performance figures are net of management fees and operating expenses. Periods greater than one year are annualized. Performance figures are in Canadian dollar terms.

<sup>2</sup>Mawer Global Credit Opportunities Fund Series A Inception: Jan 31, 2024.

## Selections from Mawer's Art of Boring blog and podcast:

### [Quarterly Update | Q2 2025 | EP 193](#)

In this episode Canadian bond portfolio manager, Crista Caughlin, and balanced portfolio manager, Steven Visscher discuss Q2's market and economic activity. Topics covered include "Liberation Day's" tariff shocks, central bank policies, inflation, and other themes.

### [Customizing the Last Mile: AI, Innovation, and Mawer's Tech Evolution | EP 192](#)

In this episode, Justin Anderson, Mawer's Chief Technology Officer, sits down to discuss the evolving "build-in vs. build-out" technology framework. Justin explains how Mawer approaches technology decisions—balancing vendor solutions with in-house customization—and shares practical examples from the firm, including proprietary solutions such as trade&MAWER and M42. The conversation explores how advances in AI and large language models are accelerating the shift toward more tailored, efficient solutions. He also offers insights for investors on what to look for in management teams as organizations adapt to rapid technological change.

### [Fixed Income Allocations for 2025 and Beyond: A Playbook for Investors](#)

Credit valuations appear elevated, global debt levels are high and rising quickly, and persistent fiscal imbalances risk undermining market confidence. In this piece, we discuss how investors should consider navigating the current uncertainty while improving the long-term prospects of their fixed income allocation.

# Disclaimer

## Opinions and Forecasts:

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## Benchmarks:

| FUND                                   | BENCHMARK   |
|--|---|
| Mawer Global Credit Opportunities Fund | ICE BofA Global Corporate & High Yield CAD Hedged 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

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