

# Mawer Canadian Bond Fund, Series A

## Q3 2025 | Performance Commentary

### Market Overview

The FTSE Canadian Universe Index delivered 1.5% over the quarter as rates largely fell across the curve and investment grade credit tightened.

Canadian Q2 GDP contracted 1.6% annualized because of a large drag from a decline in exports. Q1 growth was also revised 0.2% lower from 2.2% to 2.0%. Household consumption remained solid but it was mostly driven by auto vehicle expenditure. The uncertainty from tariffs seems to have begun eroding confidence and delaying business investment.

Rates were cut 25 basis points to 2.5% in a unanimous decision by the Bank of Canada. Macklem cited three key factors: continued softening in employment, loss of upward inflation momentum, and reduced future inflation risks from Canada's removal of retaliatory tariffs. Underlying inflation (2.5%) remains above target, but there are signs of weakness spreading to less trade sensitive sectors, increasing downward price pressure and allowing the Bank to cut.

### Performance Summary

The portfolio performed in line with the benchmark over the quarter.

Our yield curve steepener position continued adding value this quarter (shorter bonds outperforming longer bonds). Duration positioning was neutral in the quarter so there was no relative performance impact.

Our credit related positions were a positive contributor as short corporate bonds outperformed thanks to the steepens of the front end of the credit and yield curve.

### Looking Ahead

The retail sales report in August was soft. In fact, the bigger spending picture shows no real growth in retail spending in 2025. Additionally, the anemic spending growth is playing out against the backdrop of slowing population growth and a souring job market. Canada still doesn't have a trade deal in place with the United States and there were additional tariffs imposed recently that will likely drag on Canadian growth in the coming quarters.

Although inflation has slowly started to edge down in Canada, it remains above target and the Bank of Canada still walks a delicate balance; at the margin, increasing downside growth risks while inflation is still not fully tamed.

Corporate credit valuations remain near cycle tight, as they have for some time now. When coupled with a potentially brewing economic growth slowdown, in our view, now's the time to be conservative with credit positioning, protecting capital so that it can be redeployed when valuations look more attractive.



**Performance Summary<sup>1</sup> (%)**  
**As of September 30, 2025**

	YTD	3 Mo.	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	Since Inception <sup>2</sup>
FUND	2.7	1.5	2.5	4.3	-0.5	1.5	4.9
BENCHMARK	3.0	1.5	2.9	4.7	-0.2	2.0	5.9

**Calendar Year, as of December 31:**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
FUND	4.0	6.3	-12.0	-3.0	8.7	6.4	0.8	1.3	0.9	3.1
BENCHMARK	4.2	6.7	-11.7	-2.5	8.7	6.9	1.4	2.5	1.7	3.5

<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 Canadian Bond Fund Series A 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.

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.



**Benchmarks:**

FUND	BENCHMARK
Mawer Canadian Bond Fund	FTSE Canada Universe Bond Index

London Stock Exchange Group plc and its group undertakings (collectively, the “LSE Group”). © LSE Group 2025. FTSE Russell is a trading name of certain of the LSE Group companies. FTSE® is a trademark(s) of the relevant LSE Group companies and is/are used by any other LSE Group company under license. “TMX®” is a trademark of TSX, Inc. and used by the LSE Group under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company’s express written consent. The LSE Group does not promote, sponsor, or endorse the content of this communication.

**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.

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.