

Mawer Global Credit Opportunities Fund

Series A

Q4 2025 | Performance Commentary

Market Overview

Central bank actions continued to underpin risk assets, with most major institutions either cutting rates or holding steady as inflation concerns receded, keeping financial conditions broadly supportive. In the United States, the Federal Reserve cut interest rates by 25 basis points at each of their October and December meetings, bringing the federal funds rate to 3.5-3.75%. After an extended U.S. government shutdown, market data showed a slowdown in labour demand.

The yield curve steepened, as the aforementioned Fed cuts lowered the front end while yields in longer maturities pushed higher. Global high yield and investment grade returns were positive in the quarter, with coupon income driving returns against a backdrop of relatively stable spreads.

AI remained the dominant market narrative. The year's shift from a focus on computing power to concerns about data centre profitability and power supply raised bubble concerns. History offers uncomfortable parallels with past technological booms from railroads and autos to the late 1990s dotcom bust, which developed over several years and were often amplified by retail participation, leverage, and easy credit. Today, an arms race between the United States and China, more permissive regulatory attitudes, and widespread corporate AI messaging have added further fuel to this expansion.

Performance Summary

The portfolio generated a positive return this quarter, benefitting from spread compression in the portfolio's select high yield positions and carry from coupon income.

Looking Ahead

Investment grade and high yield spreads remain at or near multi-decade tights despite the incessant onslaught of destabilizing policy announcements south of the border, slowing economic data, and late cycle investor behaviour.

In an environment tilted heavily in favour of borrowers over lenders, we caution investors against reaching for yield down the credit quality spectrum, from public to private markets, or further out the yield curve into longer dated securities. History demonstrates credit spreads can remain tight, and markets expensive, extending the normalization phase of the cycle for long periods.

We are unsure when the market will correct, but we are certain bad things will eventually happen. Planning in advance to mitigate the pain of the inevitable correction is not just good practice, it is imperative, as risk mitigation during a crisis is impossible. Mitigating risk in the Global Credit Opportunities strategy preserves capital in expensive markets and allows us to take advantage of the tremendous opportunities for capital appreciation that market dislocations provide.

Performance Summary¹ (%)

As of December 31, 2025

	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Since Inception ²
FUND	0.2	2.9	2.9	-	-	-	4.0
BENCHMARK	0.4	5.3	5.3	-	-	-	4.6

Calendar Year, as of December 31:

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

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

²Mawer Global Credit Opportunities Fund Series A 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.

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 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.

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%.