

Conflicts of Interest Brochure

Founded in 1974, Mawer Investment Management Ltd. (“we”, “our”, “us” or “Mawer”) is a privately owned, independent investment firm that provides discretionary investment management services to individual and institutional investors through a suite of proprietary mutual funds and pooled funds as well as segregated accounts. Mawer also provides non-discretionary investment management services as an exempt market dealer on a limited basis to allow qualified investors to invest in prospectus exempt proprietary funds.

Mawer is the investment fund manager and portfolio manager to the Mawer Mutual Funds, the Mawer Pooled Funds, and the Mawer Partners LP (collectively with other proprietary funds managed by Mawer from time to time referred to as the “Mawer Funds”). Mawer also offers investment management services for clients with segregated securities that meet our minimum requirements.

Canadian securities laws require Mawer to take reasonable steps to identify and respond to existing and reasonably foreseeable material conflicts of interest in its clients’ best interest and inform clients about them, including how the conflicts might impact clients and how Mawer plans to address them in the best interests of its clients. This document describes the material conflicts of interest that arise or may arise in Mawer’s capacity as a portfolio manager for our discretionary clients and as an exempt market dealer for clients that purchase securities of our prospectus exempt proprietary funds on a non-discretionary basis through Mawer.

What is a Conflict of Interest?

A conflict of interest may arise in circumstances where (i) Mawer’s interests or those of its representatives and the interests of a client may be inconsistent or different, (ii) Mawer or its representatives may be influenced to put its or their interests ahead of a client’s interests, or (iii) monetary or non-monetary benefits available to Mawer or its representatives, or potential negative consequences for Mawer or its representatives, may compromise the trust that a client has in Mawer or its representatives.

How do we address Conflicts of Interest?

Mawer and its representatives will seek to resolve all material conflicts of interest in a client’s best interest. Where it is determined that a material conflict of interest cannot be resolved in a client’s best interest, Mawer and its representatives will avoid that conflict. Mawer has adopted policies and procedures to assist in identifying and managing any conflicts of interest that Mawer and its representatives may face.

Material Conflicts of Interest

A description of the material conflicts of interest that Mawer has identified and manages, the potential impact and risk that each conflict of interest could pose, and how each conflict of interest has been or will be addressed, is set out below.

Limitation of Product Offering: Proprietary Products Only

The investment funds available through Mawer are limited exclusively to funds managed by us (referred to as “proprietary funds” or “proprietary products”). Given our relationship with these products, a conflict of interest arises when we make a decision to offer these products or our representatives make an investment decision or recommendation for our clients in relation to these products, including any decision or recommendation to purchase, redeem or continue to hold these products or to switch investments from one product to another product or investment.

This conflict of interest creates the risk that we are only providing clients with access to a proprietary product

because we receive direct or indirect compensation related to the product, and/or have direct or an indirect interest in the success of the product. In addition, our relationship with this type of product may cause us to follow a “know your product” process that is less robust than it otherwise would be for non-proprietary products. Our review of this type of product may also be conducted with a less independent view than would be done by an arm’s length party. Further, because we do not offer investments in third party products, any suitability determination conducted by Mawer and its representatives will not consider the larger market of non-proprietary products or whether those non-proprietary products would be better, worse, or equal in meeting the investment needs and objectives of our clients.

We manage these conflicts by ensuring that we do not receive any fees or other compensation for our services as an exempt market dealer and, as discussed under “Compensation Practices” below, our representatives do not receive any sales-based compensation or commissions or other compensation incentives for the sale of proprietary products including the Mawer Funds.

Unless a client is a “permitted client” and has requested that we not make suitability determinations for its account(s), we will conduct a suitability assessment to ensure that each investment is suitable for the client and in its best interests, having regard to their financial and other circumstances. We also carry out periodic assessments of the products we offer, including their performance, to ensure that they remain appropriate for the range of our clients and prospective clients. Despite the steps we take to manage these conflicts, you may wish to get independent advice from a trusted professional before you consider investing in the proprietary products we offer.

Fees and Valuation

Mawer receives a management fee based on the market value of assets held in our clients’ accounts. If you hold series O of the Mawer Mutual Funds, the Mawer Pooled Funds, or segregated assets, your investment management agreement, subscription agreement or other investment agreement sets out your fee rate. If you hold series F of the Mawer Mutual Funds or invest in the Mawer Partners LP the offering documents set out the management fee of each fund.

In limited circumstances, Mawer offers a performance-based fee to certain institutional clients with segregated accounts. Mawer may also charge a performance fee for the Mawer Partners LP in the future. This fee structure creates a conflict as Mawer could be incentivized to favour these accounts over others. We adhere to our fair allocation policy and procedures to manage this conflict.

Mawer is responsible for determining the market value of our clients’ accounts which is used to calculate the management fees payable by our clients and the Mawer Funds. If Mawer values a security higher than its current market value or above its fair value, Mawer would benefit by receiving an increased management fee. To manage this conflict, Mawer uses independent pricing sources and fair value methodology to value securities and fulfill our fiduciary obligation to our clients and the Mawer Funds by ensuring clients’ assets are valued in good faith and as accurately as possible.

Compensation Practices

Mawer does not provide any sales-based compensation or commissions or other compensation incentives for the sale of proprietary products including the Mawer Funds. A competitive compensation package, including profit sharing, is provided to Mawer personnel based on their role and responsibilities and is not tied directly to any sales targets.

Expenses paid by the Mawer Funds

Mawer acts as the investment fund manager and portfolio manager to the Mawer Funds which creates a conflict when we charge expenses to the Mawer Funds. To manage this conflict, expenses relating to the operations of Mawer are not eligible to be allocated to the Mawer Funds, expenses paid by the Mawer Funds are approved by our management team and are disclosed in the Mawer Funds' offering documents.

Referral Arrangements

Mawer may recommend third-party service providers such as accountants, lawyers, insurance consultants or tax advisors upon request from our clients. Mawer may also recommend the services of related service providers. Mawer and/or its related parties may provide or receive a referral fee when doing so. The referral fee can be any monetary or non-monetary benefit.

A conflict arises when Mawer and/or its related parties provide or receive referral fees. The potential impact or risk to a client is that we may be incentivized to participate in referral arrangements solely for the purpose of receiving a referral fee. To manage this conflict, we have established policies and procedures that referrals are only made when in the best interest of the client. Before a referral is made, Mawer will provide you with written disclosures regarding the referral arrangement in accordance with applicable securities regulations.

In limited circumstances, Mawer may pay a fee to a consultant for being awarded a mandate in an investment manager search. These fees are agreed upon and disclosed to prospective clients in advance of participating in the investment manager search process.

Cross Trades

A cross trade is when Mawer buys and sells the same security between two or more client or fund accounts. Mawer will only transact in cross trades when it is in the best interest of all parties involved and meets the investment objectives of our clients' and/or Mawer Funds.

Mawer is subject to certain exemptive relief obligations when engaging in cross trades for our Canadian clients and we have policies and procedures to manage this conflict.

Best Execution and Use of Client Brokerage Commissions

When executing security transactions, Mawer selects brokers/dealers from whom we reasonably expect to obtain best execution (after considering all transaction costs and research). Mawer is not affiliated with any broker/dealer.

Mawer uses client commissions to obtain research or other brokerage services. This is a conflict of interest because Mawer receives a benefit by not paying for these research products or services directly. Mawer has adopted policies and procedures for best execution and the use of client commissions to manage this conflict in the best interest of our clients and the Mawer Funds.

Fair Allocation

Mawer aggregates orders for multiple accounts for the purchase and sale of securities, where permitted. A conflict arises when the quantity available for purchase is insufficient to satisfy the requirements of our clients and/or the Mawer Funds purchasing the securities, or the quantity of securities to be sold is greater than the market demand at the same price.

Mawer has adopted policies and procedures to ensure fair allocation of securities among accounts and will allocate purchases and sales on a pro-rata basis in proportion to the total aggregate order.

Handling Errors

If you encounter an error in your account, Mawer will resolve trading and pricing errors in your best interest. For pricing or any other errors related to the Mawer Funds, Mawer has policies and procedures to consistently manage discrepancies in calculations of the net asset value of the Mawer Funds. To manage this risk, Mawer uses a third-party service provider to calculate net asset values of the Mawer Funds.

Proxy Voting and Other Corporate Actions

Mawer has discretion in voting securities held in the Mawer Funds and for certain clients. Mawer could be placed in a conflict of interest because it may have an incentive to vote these securities or agree to certain corporate actions, in a manner which advances Mawer's own interest (such as maintaining or obtaining issuers as clients), rather than acting in the best interest of our clients and the Mawer Funds. To manage this conflict, Mawer has adopted a proxy voting and related matters policy and retains a record of how we vote securities.

Mawer does not invest in securities of issuers for the purposes of exercising control over or participating in the management of issuers.

Personal Trading

Mawer personnel may find themselves in situations where their personal interests are in conflict with those of a client or the Mawer Funds. Mawer has adopted a policy and procedures to establish basic principles of conduct prohibiting personnel from conducting personal trades that are not in the best interest of our clients and the Mawer Funds.

Gifts and Entertainment

When Mawer personnel accept or give gifts or entertainment of more than a minimal value in connection with services provided to you or Mawer Funds, the personnel may be incentivized to act in a manner that is not in the best interest of our clients and Mawer Funds. Mawer has established a policy and procedures for providing or accepting gifts and entertainment to or from persons or entities with whom Mawer has an existing or potential business relationship to minimize this conflict.

Outside Activities

When Mawer personnel participate in activities, interests or associations outside of Mawer, such as volunteering, acting as a director or other employment, a conflict could arise between the individual's interests and those of our clients and the firm. Mawer has policies and procedures to ensure personnel participating in outside activities will not create a conflict with acting in the best interest of our clients and the firm.

Other Conflicts

From time to time, other conflicts may arise. Mawer will continue to take reasonable measures to monitor for additional conflicts and will respond in a fair and appropriate manner and in the best interest of our clients and the Mawer Funds.

You are encouraged to speak with your Investment Counsellor or Institutional Portfolio Manager if you have any questions, concerns, or would like a copy of our policies.