

Managed Portfolios

Mawer Balanced

Quick facts

Inception date:
October 2, 2023

Asset class:
Balanced

Minimum investment:
\$150,000

Avg. number of holdings:
40-65

Investment manager:
Mawer Investment Management

Investment manager assets under management:
\$89B

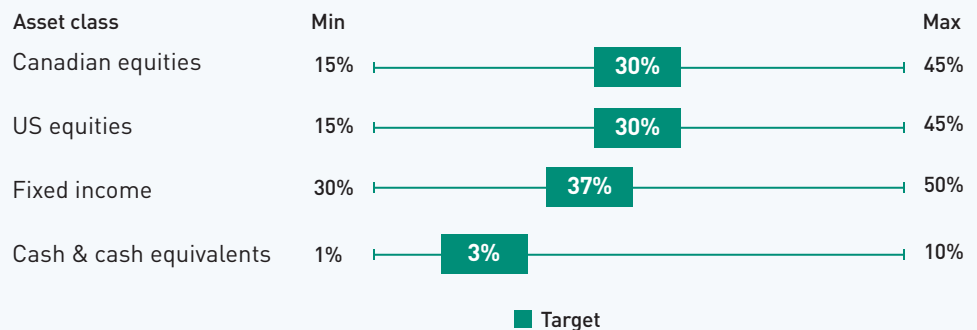
Portfolio risk:

Medium

What does the Portfolio invest in?

The portfolio invests in a diversified mix of Canadian and US equity securities, fixed-income securities, exchange traded funds (ETFs), as well as money market instruments and/or cash equivalents.

Asset allocations



- Equities: Publicly listed individual equity securities invested in at least six out of 11 GICS (Global Industry Classification Standard) sectors. Responsible investing strategies are applied by NEI Investments to this component.
 - Canadian equities: Target 25 to 35 securities
 - US equities: Target 15 to 30 securities
- Fixed income: 30% to 50% in a combination in units of the Mawer Canadian Bond Fund, NEI Global Impact Bond Fund, and NEI Global Total Return Bond Fund.
- Other Mawer funds, NEI funds and ETFs may be used.

Suitable for investors whose objective is to achieve long-term capital growth and is not intended for investors with a short-term investment horizon.

Top ten holdings¹ (excluding cash and cash equivalents) %

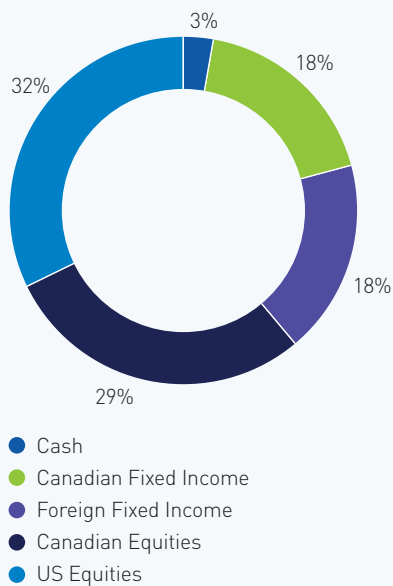
1.	Mawer Canadian Bond Fund Series S	18.0	6.	Visa Inc	2.7
2.	NEI Global Total Return Bond Series C	10.7	7.	Microsoft Corp	2.4
3.	NEI Global Impact Bond Series C	7.1	8.	Brookfield Corp	1.5
4.	Marsh & McLennan Cos Inc	3.3	9.	Abbott Labs	1.5
5.	Verisk Analytics Inc	2.8	10.	Royal Bank Of Canada	1.5

Performance

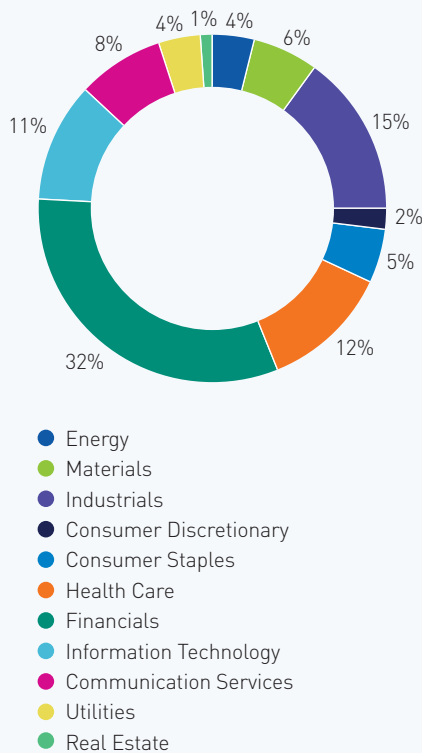
	QTD	YTD	1 yr	2 yr	3 yr	Since inception (Annualized)
Portfolio	1.7%	1.7%	10.9%	-	-	15.4%
Benchmark	-0.2%	-0.2%	11.6%	-	-	17.1%



Asset allocation¹



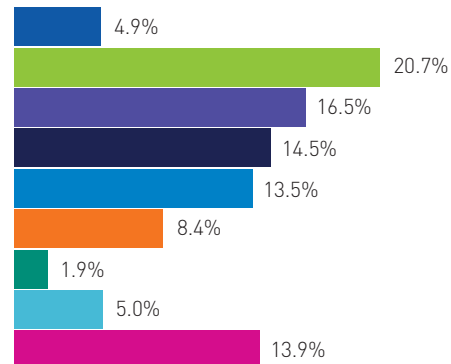
Equities sector allocation^{1,2}



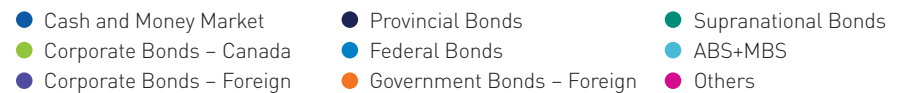
Average market cap. \$182.2B

Fixed income allocation

Sector allocation



Credit quality	Portfolio (%)
AAA	23.1
AA	22.3
A	24.7
BBB	20.0
High Yield	4.5
Non Rated Securities	0.4
Cash and Money Market	4.9
	100.0



Current yield: 3.55%

Repositioning for Q2 2025

No change for Q2 2025



Rationale:

Intra-quarter trades: (completed in mid-February)

Sold:

- **Granite REIT:** Eliminated due to organic growth headwinds given higher interest rates and excess supply. We see better opportunities elsewhere.

Trimmed Positions:

- **Alimentation Couche-Tard:** Trimmed on concerns regarding the ability to drive in-store purchases in the face of headwinds from inflation and quick service food competition.
- **Scotiabank:** Concerned that competitive intensity is heating up in Canada and reducing weight to fund higher TD exposure.
- **Dollarama:** Reduced due to lower growth and return potential going forward following strong share appreciation.
- **Loblaws:** Trimmed due to increasing capital intensity and lower growth. Stock also trading at the higher end of our fair value range.
- **Royal Bank:** Concerned that competitive intensity is heating up in Canada paired with an elevated valuation.

New:

- **TFI International:** Initiated a position in TFI International, a founder run trucking company focused on attractive market segments (e.g., less than truckload, specialized trucking, package freight, etc.). Management has historically added significant value by purchasing underperforming assets and improving them. Valuation appears attractive at current levels.

Increased:

- **Brookfield Corp:** Added on green shoots in real estate, executing well on insurance, and increasing odds of realizing carried interest through asset monetization.
- **CCL Industries:** Execution continues to be strong, balance sheet is healthy, and trading at a reasonable valuation.
- **Constellation Software:** Added on solid management execution and business model.
- **iA Financial: Continued to see strong execution and capital generation.**
- **Intact Financial:** Added on hard insurance markets and strong recent results from Intact.
- **Nutrien:** Increased due to some improvement in agriculture fundamentals with higher crop prices and the valuation appears attractive.
- **Shopify:** Continued to see steady execution and increasingly optimistic on Shopify Plus being adopted by larger merchants.
- **Suncor:** Management execution continues to be very strong, improving throughput and lowering costs.
- **TD Bank:** Added on positive outlook from board refresh and incoming CEO.



Quarterly commentary

Mawer Balanced

The first quarter of 2025 witnessed significant shifts in global economic momentum as escalating tariff threats and trade tensions cloud the economic outlook and intensify inflationary pressures. This has created a challenging environment for global central banks tasked with managing inflation while countering slowing growth. Enthusiasm for U.S. equities waned amid weaker economic data, a drop in consumer sentiment, trade policy, and scrutiny over the pace of AI adoption. Notably, last year's narrow group of U.S. technology companies that had an outsized influence on overall market gains reversed in Q1. On the other hand, European equities have risen driven by expectations for increased fiscal spending tied to defense and infrastructure commitments, decent corporate earnings, and lower valuations compared to the U.S.

The Blended Benchmark returned -0.2% over the quarter. Performance for the benchmark saw Canadian equities and fixed income up, with the TSX and FTSE returning 1.5% and 2.0%, respectively. Global fixed income benchmark returned 0.8%. US equities were down as the S&P 500 returned -4.2%. All performance values provided are in Canadian dollar terms (unless otherwise stated).

The portfolio outperformed the benchmark due to security selection. Positive selection over the period was driven by the outperformance of U.S. equities relative to the S&P 500. Asset allocation had a negative impact to relative return due to the portfolio's overweight to U.S. equities and underweight to fixed income.

The Canadian fixed income exposure via the Mawer Canadian Bond Fund slightly outperformed the benchmark during the quarter. During the quarter, declining yields led to a modest value loss from the Fund's short duration position (which was closed intra-quarter), offset by gains from a curve steepening trade favoring shorter bonds. Credit positions slightly dragged due to security selection, with liquid, higher-quality names underperforming early in the selloff. Ford Credit Canada negatively impacted results as spreads widened from weaker results and increasing auto tariff risks, prompting an exit by the manager after S&P's outlook turned negative. Telecommunications holdings Telus and Bell also detracted from relative performance; Telus due to weak results, and Bell because it performed well while the portfolio had a lower relative stake in it. The Fund's underweight in REITS and overweight in banks, especially JPMorgan and Bank of America maple bonds, contributed to relative performance.

On the global fixed income component, the NEI Global Impact Bond Fund (+1.0%) slightly outperformed its benchmark (+0.8%) over the quarter. The Fund maintained an underweight to investment grade corporate credit, with a bias to be overweight non-US and underweight US corporates and was positioned with out of benchmark allocations to emerging markets and high yield credit,

which includes global green bonds. The underweight to US investment grade corporates contributed favorably to relative performance. Emerging market corporates also benefitted relative results, while high yield corporates had a modestly negative impact. Within the government-related sector, the Fund was underweight in traditional sovereign debt and overweight in government related issuers such as international development banks and foreign local agencies. Overall, this positioning had a positive impact on relative performance.

The Fund was positioned to overweight US agency mortgages relative to the benchmark. The allocation continues to support the Affordable Housing theme. The Fund also continued to hold senior tranches of single-borrower commercial mortgage-backed securities (CMBS) where the underlying collateral consists of LEED certified office buildings, aligned with the Resource Efficiency impact theme. MBS positioning had a negative effect on relative returns while CMBS positioning had a small positive impact. Within the US taxable municipal sector, exposure was maintained in securities that finance public school construction, not-for-profit hospitals, and select environmental projects, supporting the Education & Training, Health, Clean Water & Sanitation, and Resource Stewardship impact themes. The overweight in this sector had a negative impact on relative performance over the period.

The return of the NEI Global Total Return Bond Fund (+2.0%) outperformed its benchmark (+0.8%) over the quarter. Sovereign bond positions made a positive contribution, with favourable duration positioning. Country allocation contributed with an underweight in Japan performing particularly strongly in January. The steepening stance on US and Euro yield curves was positive, especially in March. Overweight in periphery over France and Germany and currency positions also contributed positively. However, the overweight to credit delivered a negative. Going forward, the Fund maintains a moderate pro-risk approach, deploying around half of the risk budget. Market visibility remains constrained by geopolitical uncertainties. The manager continues to increase the overweight in portfolio duration. The main underweights are Japan given the economic regime change there, the US on upward risks to inflation as well as the tariff uncertainty impacting China and Canada. In credit, a long in corporate spreads will be maintained based on a soft-landing scenario and support from accommodative monetary policies.

The Canadian equity portfolio underperformed the TSX over the quarter due to allocation. Sector allocation had an overall negative impact due to the portfolio's underweight to Materials and Energy, and overweights to Information Technology and Industrials. Security selection was positive, driven by the relative outperformance of holdings in Financials, and Utilities. Meanwhile, underperformance of holdings in Materials offset overall positive security selection.



Quarterly commentary continued

The top contributors for the quarter included TMX Group Ltd, AltaGas Ltd, and Toronto-Dominion Bank, which were up 19.1%, 18.8%, and 14.2%, respectively. In contrast, the largest detractors over the quarter included TFI International Inc, Shopify Inc, and Brookfield Corp which were down -39.5%, -9.5%, and -8.7%, respectively. In terms of portfolio construction, TFI International was initiated, while Granite Real Estate Investment Trust was eliminated over the period.

The U.S. equity portfolio outperformed the S&P 500 over the quarter due to selection and allocation. Positive security selection was driven by the relative outperformance of holdings in Financials, Information Technology, Industrials, and Health Care. Meanwhile, underperformance of holdings in Materials and Communication Services offset overall positive security selection. Sector allocation had an overall positive impact due to the portfolio's overweights to Health Care, Financials, and Materials, and underweights to Information Technology, and Consumer Discretionary, while a zero weight to Energy offset an overall positive sector allocation. The top contributors for the quarter included Cencora Inc, Marsh & McLennan Cos Inc, and Visa Inc, which were up 24.1%, 15.4%, and 11.2%, respectively. In contrast, the largest detractors over the quarter included Alphabet Inc and Microsoft Corp which were down -17.8% and -10.7% respectively.

The equity approach to investing is unchanged; driven primarily by bottom-up fundamental analysis, coupled with the objective of being broadly diversified.

Engagement Activities (NEI)

Bank of Montreal

NEI wrote a letter to Bank of Montreal following its decision to withdraw from the Net Zero Banking Alliance. Given the material risks that climate change poses to the bank and overall financial stability, NEI stressed how critical it is for the bank to maintain efforts in effectively addressing climate-related risks and opportunities in its lending, financing, and investing activities.

NEI met with Bank of Montreal as a follow-up to a letter sent regarding their withdrawal from the Net Zero Banking Alliance. NEI is not as concerned about their withdrawal from the alliance but wants to understand the implications for the bank's climate strategy. The company confirmed they are not removing targets or pulling back from their strategy.

Bank of Nova Scotia

NEI wrote a letter to Scotiabank following its decision to withdraw from the Net Zero Banking Alliance. Given the material risks that climate change poses to the bank and overall financial stability, NEI stressed how critical it is for the bank to maintain efforts in effectively addressing climate-related risks and opportunities in its

lending, financing, and investing activities.

JPMorgan Chase & Co

NEI wrote a letter to JPMorgan Chase following its decision to withdraw from the Net Zero Banking Alliance. Given the material risks that climate change poses to the bank and overall financial stability, NEI stressed how critical it is for the bank to maintain efforts in effectively addressing climate-related risks and opportunities in its lending, financing, and investing activities.

NEI met with JPMorgan Chase as a follow-up to a letter we sent regarding their withdrawal from the Net Zero Banking Alliance. NEI is not as concerned about their withdrawal from the alliance but wants to understand the implications for the bank's climate strategy. The company confirmed they are not removing targets or pulling back from their strategy.

Nutrien

NEI met with Nutrien to discuss their exposure to hazardous chemicals in their production processes and use cases. Nutrien was responsive and provided a good overview of their due diligence and supplier engagements, as well as governance. They said they intend to enhance disclosure in their sustainability reporting.

Royal Bank

NEI wrote a letter to Royal Bank of Canada following its decision to withdraw from the Net Zero Banking Alliance. Given the material risks that climate change poses to the bank and overall financial stability, we stressed how critical it is for the bank to maintain efforts in effectively addressing climate-related risks and opportunities in its lending, financing, and investing activities.

NEI met with Royal Bank of Canada as a follow-up to a letter we sent regarding their withdrawal from the Net Zero Banking Alliance. NEI is not as concerned about their withdrawal from the alliance but wants to understand the implications for the bank's climate strategy. The company confirmed they are not removing targets or pulling back from their strategy.

Suncor Energy Inc.

NEI met with Suncor to discuss agenda items for an upcoming dialogue for Climate Action 100+ and to confirm that NEI will be the new lead for the engagement.

TD Bank

NEI wrote a letter to Toronto Dominion Bank following its decision to withdraw from the Net Zero Banking Alliance. Given the material risks that climate change poses to the bank and overall financial stability, NEI stressed how critical it is for the bank to maintain efforts in effectively addressing climate-related risks and opportunities in its lending, financing, and investing activities.

Investment manager overview

Mawer Investment Management was established in Calgary in 1974 by Charles Mawer to provide independent investment counselling services to private and institutional investors.

Management style: Quality at a reasonable price

Canadian Equities

US Equities

Fixed Income (Core)

Investment philosophy

- Mawer employs a disciplined, team-based, research-driven process and long-term view in the management of portfolios. The team seeks to add value through prudent security selection and portfolio mix based on fundamental analysis of securities
- Mawer's primary objective is to maximize long-term, risk adjusted returns for clients. To accomplish this, Mawer uses a fundamental bottom-up investment approach, investing in companies that are wealth-creating, have excellent management teams, and are priced at a discount to intrinsic value
- Mawer's approach to fixed income investing looks to add value by systematically creating broadly diversified portfolios of investment grade bonds. The team uses both a top-down and bottom-up approach focusing on interest rate strategies, sector allocation and security selection within a constrained duration framework

Investment process and risk controls

Mawer's intensive investment process includes interviewing management, collecting scuttlebutt, performing forensic accounting, evaluating ESG considerations, building Monte Carlo DCF models, and writing investment reports.

Mawer continually assesses and manages risk by maintaining and improving culture, ensuring adherence to investment philosophy, ensuring appropriate portfolio diversification, and reviewing portfolios for systemic risks and themes.

Key strengths

- Independence – being 100% independent and broadly employee-owned frees the manager to make decisions in the best long-term interest of their clients
- Focus – a single, well-defined investment philosophy and process that is firm-wide
- Culture – built on candour, curiosity and trust. Diversity of thought within a team is meaningless unless individuals have the humility to hold their stories lightly and to engage in respectful debate
- Embrace uncertainty and think probabilistically – the discounted cash flow models produce probability distributions – not price targets – via Monte Carlo simulation
- The manager is benchmark agnostic

NEI Global Total Return Bond Fund

Amundi is a Paris-based institutional asset manager, with six management teams operating in major financial centers in the U.S., Europe and Asia. They invest in all asset classes and major currencies with extensive investment expertise in Euro fixed income, global fixed income and active equity management. Responsible investing is a founding pillar of Amundi and they integrate environmental, social and governance (ESG) factors into their investment decision making process.

Management style: Active / Top-down / Macro driven

Investment philosophy

- Amundi employ a high conviction, team-based approach to global fixed income with the goal of superior and positive risk-adjusted returns, while fully integrating ESG considerations
- A flexible and active style combines long-term macro-views with short-term tactical management
- Rigorous diversification across asset classes, risk factors, investment horizons and regions is employed to avoid style bias and actively rotate risk to attractive market segments

Investment process and risk controls

- Amundi's investment process is based on a global top-down approach that determines the overall macro-economic outlook on most developed and developing government and corporate bond and currency markets
- Risk is actively allocated across several investment tools, including duration management, country and yield curve positioning, sovereign bonds and credit allocations
- The investment team conducts a bottom-up analysis for bond selection to further align risk control with expected returns
- Portfolio positions are implemented through cash, bonds or derivatives, with the portfolio management team managing the allocation tactically and tapping into value wherever it exists

Key strengths

- Unconstrained and not limited by benchmark and able to access fixed income opportunities across the broad investment universe
- Investment grade portfolio with focus on quality, liquidity and highly rated ESG issuers
- Diversified across geography, credit rating, currency and maturity to actively manage risk
- Total return strategy with focus on both income and capital growth drivers that can add value over the full market cycle
- Responsible investing underpinning throughout the Fund

NEI Global Impact Bond Fund

WELLINGTON
MANAGEMENT®

Wellington Management is one of the world's largest independent investment management firms. With more than \$1 trillion in client assets under management, they serve as a trusted adviser to clients in more than 60 countries. In addition to integrating ESG factors into their research and portfolio management processes, Wellington also manages a variety of impact investing strategies that have explicit sustainability objectives that align with UN Sustainable Development Goals and produce Key Performance Indicator (KPI) reporting.

Management style: Impact / Core

Investment philosophy

- Wellington employ deep global resources and a focused team approach to global fixed income that seeks to address some of the world's major social and environmental challenges while providing competitive returns
- The portfolio intentionally targets high impact issuers within a risk/return profile of core fixed income

Investment process and risk controls

- Wellington's investment process begins with a proprietary impact framework focused on three broad impact categories (Life Essentials, Human Empowerment, and Environment) and 11 investable impact themes
- An Impact Committee team meets regularly to identify issuers that can be classified within this framework and meet strict impact criteria, such as alignment with impact themes and the quantifiability of their impact
- Impact bonds are selected by combining a top-down strategy for portfolio positioning with bottom-up fundamental credit research that includes quantitative analysis of a company's historical financial data and qualitative analysis of a company's prospects
- The Fund is diversified by sector, impact theme, and issuer
- Each issuer's impact is measured against key performance indicators (KPIs)

Key strengths

- Portfolio consistent with a core fixed income risk/return profile
- High quality issuer focus that is primarily investment grade
- Inclusion of companies and entities whose core businesses and projects address critical social and environmental issues
- Exposure to issuers and secular themes that tend to be less-represented in traditional strategies
- Responsible investing underpinning throughout the Fund

Responsible investing strategies included in the Portfolio

NEI

Responsible investing enhances the investment decision-making process through consideration of environmental, social and governance factors alongside traditional financial metrics. The aim is to achieve financial objectives by reducing risk, finding opportunities and generating long-term sustainable value for investors, while helping them make a positive impact.

Exclusionary screens

NEI excludes investments in companies if they believe there are irreconcilable risks of societal or environmental harm that outweigh any potential benefits of investing. Examples include the manufacture of cluster munitions and nuclear weapons. They may also exclude companies that meet certain criteria in the tobacco and weapons industries.

Evaluations

Companies are evaluated based on environmental, social, and other non-financial risks specific to their industries. They are monitored regularly for headline risks, management breaches, and other relevant risks such as controversial or misaligned business practices. If a company fails to meet expectations, it may be excluded from the Portfolios.

Active ownership

An umbrella term that encompasses three key activities:

- Corporate dialogues: Encourage companies to improve their performance by alerting them to risks and proposing solutions
- Proxy voting: Vote at companies' annual and special meetings on governance issues, shareholder proposals and other business matters
- Shareholder proposals: File or co-file proposals that are submitted to a vote at a company's annual general meeting with the goal of driving change

Impact & thematic investing

A focus on measurable environmental and social impacts as well as thematic investing strategies and specific themes related to structural shifts and long-term trends.

	Exclusionary screens	Evaluations	Impact & thematic	Stewardship
Mawer – Canadian equity	●	●	–	●
Mawer – US equity	●	●	–	●
Mawer Canadian Bond Fund	–	–	–	–
NEI Global Total Return Bond Fund	●	●	–	–
NEI Global Impact Bond Fund	●	●	●	–

About Aviso Wealth

Aviso Wealth is part of Aviso, one of Canada's largest independent wealth management firms. Owned by the credit unions, we serve hundreds of thousands of investors at credit unions across Canada.

With approximately \$130 billion of assets under administration and management, Aviso has the resources to bring the best products and services to credit unions and their members. Invest with confidence, with your credit union and Aviso.

- Nearly 30 years as the wealth management provider to credit unions across Canada.
- One of Canada's largest independent wealth management firms.
- Parent company of Aviso Wealth, NEI Investments, and Qtrade.
- Owned by Canada's credit unions and Desjardins.





¹ As of March 31, 2025

² Excludes cash

³ Bond component yield to maturity 3.72%; Dividend Yield (Equities) 2.04%

Benchmark Index: 20% FTSE Canada Universe Bond Index; 20% Bloomberg Global Aggregated TR (\$C hedged); 30% S&P/TSX Composite; 30% S&P500 TR CAD

Indicated rates of return are calculated using the time-weighted rate of return methodology for the period ended, March 31, 2025, and do not take into account management expenses, custodial fees, account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns.

Please be advised that the information contained herein does not constitute investment advice and it should not be relied on as such. Past performance is no guarantee of future results. The information contained in this report was obtained from sources believed to be reliable; however, we cannot guarantee that it is accurate or complete.

Managed Portfolios are distributed by Aviso Wealth. Mutual Funds and other securities are offered through Aviso Wealth, a division of Aviso Financial Inc. Referral fees, commissions, management fees, and expenses all may be associated with managed accounts or the investments therein. Managed accounts, and the investments therein, are not insured nor guaranteed, their values change frequently, and past performance may not be repeated. Activities performed by Aviso Wealth are conducted through Aviso Financial Inc. Aviso Wealth Inc. ('Aviso') is a wholly owned subsidiary of Aviso Wealth LP, which in turn is owned 50% by Desjardins Financial Holding Inc. and 50% by a limited partnership owned by the five Provincial Credit Union Centrals and The CUMIS Group Limited. The following entities are subsidiaries of Aviso: Aviso Financial Inc. (including divisions Aviso Wealth, Qtrade Direct Investing, Qtrade Guided Portfolios, Aviso Correspondent Partners), Aviso Insurance Inc., Credential Insurance Services Inc. and Northwest & Ethical Investments L.P.

NDG0078E_3 04/25