Q2 2025

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:
$84B

Portfolio risk:

Medium

aviso wealth

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

Asset class	Min	Target	Max
Canadian equities	15%	30%	45%
US equities	15%	30%	45%
Fixed income	30%	37%	50%
Cash & cash equivalents	1%	3%	10%

- 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 holdings[1] (excluding cash and cash equivalents) %

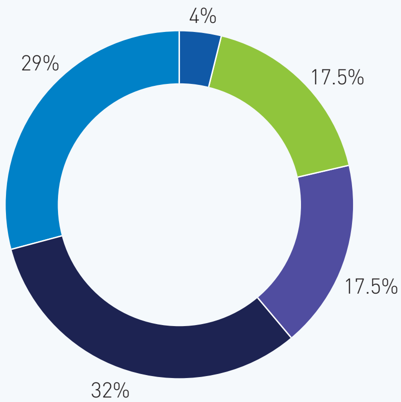
#	Holding	%
1.	Mawer Canadian Bond Fund Series S	17.4
2.	NEI Global Total Return Bond Series C	10.4
3.	NEI Global Impact Bond Series C	7.0
4.	Microsoft Corp	2.9
5.	Marsh & Mclennan Cos Inc	2.4
6.	Verisk Analytics Inc	2.4
7.	Visa	2.4
8.	Brookfield Corp	1.7
9.	Toronto Dominion Bank	1.7
10.	Royal Bank Of Canada	1.6

Performance

	QTD	YTD	1 yr	3 yrs	5 yrs	Since inception (Annualized)
Portfolio	2.1%	3.9%	12.7%	-	-	14.4%
Benchmark	4.3%	4.1%	14.5%	-	-	17.3%

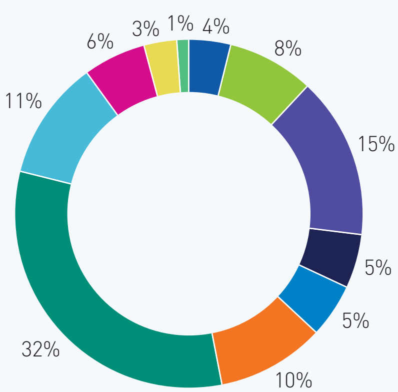
Q2 2025

Asset allocation[1]



- Cash
- Canadian Fixed Income
- Foreign Fixed Income
- Canadian Equities
- US Equities

Equities sector allocation[1,2]

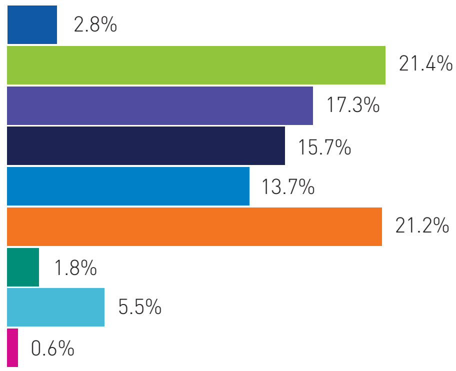


- Energy
- Materials
- Industrials
- Consumer Discretionary
- Consumer Staples
- Health Care
- Financials
- Information Technology
- Communication Services
- Utilities
- Real Estate

Average market cap. $254.8B

Fixed income allocation

Sector allocation



Credit quality	Portfolio (%)
AAA	23.0
AA	23.3
A	25.5
BBB	20.7
High Yield	4.3
Non Rated Securities	0.4
Cash and Money Market	2.8
	100.0

- Cash and Money Market
- Corporate Bonds – Canada
- Corporate Bonds – Foreign
- Provincial Bonds
- Federal Bonds
- Government Bonds – Foreign
- Supranational Bonds
- ABS+MBS
- Others

Current yield: 3.38%

Repositioning for Q3 2025

No change for Q3 2025

Rationale:

Sold:

- **Accenture:** Exited on AI risk.

Trimmed Positions:

- **Alphabet:** Offset to Amazon initiation and to manage search threat.

New:

- **FTI Consulting:** Initiated on a higher conviction weight vs. Accenture (which was exited). Where AI could be a headwind for Accenture, it could be a short-to-medium term benefit to FTI via bankruptcies and restructuring.

Increased:

- **Amazon:** Added after a small position initiated in April.
- **AptarGroup:** Added on good execution, defensive pharma sales and currency diversification.
- **Becton Dickinson & Co:** Added on attractive valuation and high hospital utilization.
- **Danaher Corp:** Added on attractive valuation.
- **JPMorgan Chase & Co:** Added on macro tailwinds as government works to create a great environment for banks.
- **Verizon Communications:** Added on attractive valuation and dividend yield.

Intra-quarter trades: (completed in June)

Sold:

- **Ametek:** Exited on weakening capital allocation and persistently subdued organic growth.
- **Telus:** Exited due to weak opportunities to reinvest capital at attractive rates of return in the core business, as well as balance sheet concerns.
- **TFI International:** Exited on management execution and excess capacity in trucking markets.

Trimmed Positions:

The following positions were trimmed due to valuation risk:

- **Dollarama**
- **Hydro One**
- **Intact Financial**
- **Loblaw Co.**
- **TMX Group**
- **Verisk Analytics**
- **Visa**.

New:

- **Amazon:** Initiation on a strong moat and attractive valuation following recent price weakness.
- **Fairfax Financial:** Initiation on strong underwriting track record, simplified investment portfolio generating substantial interest income, and attractive valuation.
- **Franco-Nevada:** Initiated on well-run, world leading gold-focused royalty and streaming company to diversify the portfolio given the macro backdrop.

Increased:

- **AptarGroup:** Added on good execution, defensive pharma sales and currency diversification.
- **Cencora:** Added to reduce cash weight in the Portfolio.
- **Martin Marietta Materials:** Added on attractive valuation.
- **Constellation Software:** Stock has come back a bit. Investment thesis is still intact with a long runway to deploy capital at decent returns.
- **Toromont Industries:** Added on expected benefit from higher infrastructure spending.

Quarterly commentary

Mawer Balanced

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; though within a few weeks the U.S. administration partly deferred the initial barrage of tariffs, causing markets to recover. Equity market leadership globally rotated back to the 2024 theme of U.S. large-cap technology stock outperformance after they collectively posted generally strong earnings results. Easing trade tensions also supported European and Asian equities. Despite the war between Israel and Iran, the energy sector was a laggard as OPEC announced increased production quotas which weighed on oil prices.

The Blended Benchmark returned 4.3% over the quarter. Canadian and U.S. equities saw positive performance, with the TSX and the S&P 500 returning 8.5% and 5.2%, respectively. Canadian fixed income saw negative performance with the FTSE returning -0.6%. All performance values are provided in Canadian dollar terms (unless otherwise stated).The Portfolio underperformed the benchmark due to security selection. Negative selection over the period was driven by the underperformance of U.S. equities relative to the S&P 500.

The Canadian fixed income component modestly outperformed the FTSE during the quarter. The yield curve steepener position continued to add value, with shorter bonds outperforming longer bonds. Credit-related positions also contributed positively, as there was a reversal in performance from last quarter with the higher quality, more liquid names in the Fund rebounding nicely. Security selection contributions were broad-based, with Province of Quebec, CPKC Rail, CN Rail, and North West Redwater bonds leading the way. The new issue market ramped up meaningfully in June, providing a good opportunity to purchase decently sized positions at attractive spread levels versus the secondary markets. New issues added to the Fund include CPKC Rail and CN Rail, Royal Bank, and NextEra Energy. Another major theme included trimming long British Columbia bonds while adding long New Brunswick bonds. Finally, Ontario 5-year bonds were added to the portfolio at an attractive new issue spread level.

On the global fixed income component, the NEI Global Impact Bond Fund (+1.3%) matched the performance of its benchmark over the quarter. Fixed income sectors generally outperformed government bonds as spreads tightened. The US dollar (USD) depreciated against most currencies.

The Fund maintained an underweight to investment grade corporate credit, with a bias to be overweight non-US and underweight US corporates. The Fund is positioned with out of benchmark allocations to emerging markets and high yield credit, which includes global green bonds. The underweight US investment grade
corporates detracted from relative performance. Emerging market corporates and high yield corporates each had a favorable impact on relative results.

Within the government related sector, the Fund is underweight traditional sovereign debt and overweight government related issuers such as international development banks and foreign local agencies. Overall, this positioning detracted modestly from relative performance.

The NEI Global Total Return Bond Fund (+2.2%) outperformed its benchmark (+1.1%) over the quarter. An overweight in duration contributed as interest rates have moved lower over the quarter. In terms of country allocation, an overweight duration in Australia, UK and New Zealand as well as tactical positioning in the US contributed. The steepening stance on the US and Euro curves was a strong contributor. Contribution from overweight Eurozone periphery over semi-core was a small positive as well.

Credit positions made a positive contribution to relative performance. Overweight credit and tactical trades around April's dislocation delivered positive performance during the quarter. Emerging market allocations were marginally positive overall. Currency positions were negative contributors to relative performance.

Going forward, the Fund maintains a moderate pro-risk approach, deploying just over half of the risk budget. Market visibility remains constrained by geopolitical uncertainties. Going forward, the manager believes fixed income is attractively valued and continues to run just over a year long in duration vs. its benchmark. Concerns over fiscal trajectories in the US and the EU lead to favouring yield curve steepeners in these markets. The largest overweight continues to be the UK given attractive valuations and room for more action from the BoE. In credit, a long in corporate spreads was maintained which continue to benefit from a soft landing scenario and support from accommodative monetary policies. In currency positioning, the Fund maintains a preference for select Latin American currencies on valuations.

The Canadian equity component outperformed the TSX over the quarter due to asset allocation. Allocation had a positive impact due to the portfolio's underweight to Energy and overweights to Information Technology and Financials. Negative security selection was driven by the relative underperformance of holdings in Information Technology, Financials, and Energy. Meanwhile, outperformance of holdings in Industrials and Consumer Discretionary helped offset the overall negative security selection. The top contributors for the quarter included Finning International, Dollarama, and Toronto-Dominion Bank, which were up 44.1%, 24.9%, and 17.5%, respectively. In contrast, the largest detractors were Suncor Energy Inc, Canadian Natural Resources Ltd, and Manulife Financial Corp, which were down -7.5%, -1.9%, and -1.9%, respectively. In terms of portfolio construction, Fairfax Financial Holdings Ltd and Franco-Nevada Corp were initiated, while TELUS Corp and TFI International were eliminated over the period.

The U.S. equity portfolio underperformed the S&P 500 over the quarter due to asset allocation and security selection. Asset allocation had an overall negative impact due to the portfolio's overweights to Health Care, Financials, and Materials, and underweight to Information Technology, while a zero weight to Energy offset an overall negative sector allocation. Negative security selection was driven by the relative underperformance of holdings in Financials, Communication Services and Industrials. Meanwhile, outperformance of holdings in Information Technology and Materials offset overall negative security selection. The top contributors for the quarter included Microsoft Corp, and Amazon.com, which were up 25.8% and 24.8%, respectively. In contrast, the largest detractors over the quarter included UnitedHealth Group Inc, Becton Dickinson & Co, and Marsh & McLennan Cos Inc, which were down -43.1%, -28.3%, and -14.7, respectively. In terms of portfolio construction, Amazon.com was initiated, while AMETEK Inc was eliminated over the period.

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

Engagement Activities (NEI)

Alphabet
Along with other investors, NEI sent an email to Alphabet requesting a meeting to discuss the company's digital rights policies following feedback from the annual general meeting.

Amazon
NEI wrote a letter to Amazon about the company's ongoing commitment to enhance the diversity of their workforce, noting changes they have made to legacy DEI initiatives and the winding down of related programs.

NEI signed a letter regarding freedom of association and collective bargaining.

Canadian Natural Resources
NEI met with Canadian Natural Resources as part of the CA100+ initiative to discuss methane emission measurement, disclosure improvements, and climate lobbying, particularly as it relates to the Pathways Initiative.

Loblaw
NEI co-led a meeting with Loblaw to discuss human rights risks in the supply chain following publication of the company's human rights impact assessment. We covered grievance mechanisms, traceability, audits, and commodity assessments.

Nutrien
As part of a small group of investors, NEI engaged Nutrien to tackle challenges in climate-related disclosures and build consensus toward expectations for mandatory reporting.

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 ASSET MANAGEMENT

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 ownrship

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.

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[1] As of July 15, 2025

[2] Excludes cash

[3] Bond component yield to maturity 3.79%; Dividend Yield (Equities) 1.82%

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, June 30, 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.

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