Q2 2025

Managed Portfolios

Mawer Total Equity

Quick facts

Inception date:
October 2, 2023

Asset class:
Equity

Minimum investment:
$150,000

Avg. number of holdings:
40-65

Investment manager:
Mawer Investment Management

Investment manager assets under management:
$84B

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

Asset class	Min	Target	Max
Canadian equities	30%	48.5%	70%
US equities	30%	48.5%	70%
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
- 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) %

1. Microsoft Corp 4.6
2. Verisk Analytics Inc 3.9
3. Marsh & Mclennan Cos Inc 3.9
4. Visa 3.8
5. Brookfield Corp 2.8
6. Toronto Dominion Bank 2.7
7. Constellation Software 2.6
8. Royal Bank Of Canada 2.6
9. Verizon Communications 2.3
10. Shopify Inc 2.3

Performance

	QTD	YTD	1 yr	3 yrs	5 yrs	Since inception (Annualized)
Portfolio	3.4%	4.9%	16.8%	-	-	18.8%
Benchmark	6.9%	5.4%	20.6%	-	-	24.7%

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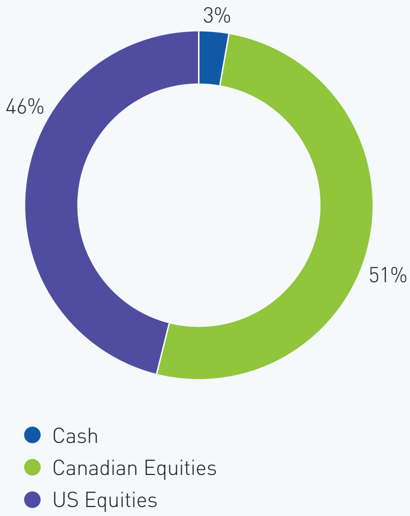
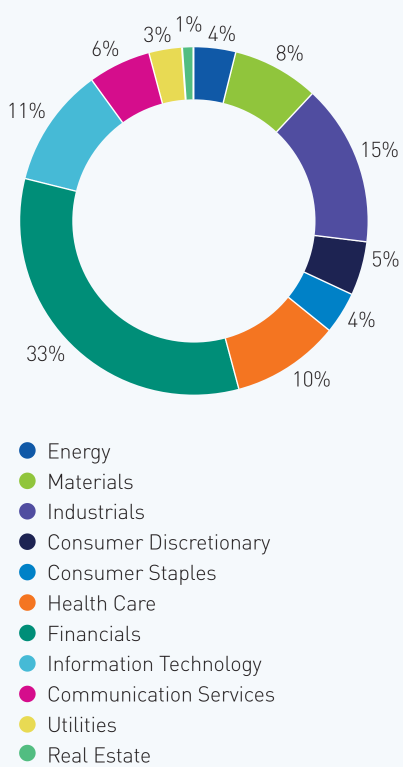
Q2 2025

Asset allocation[1]



Equities sector allocation[1,2]



Average market cap. $407.5B

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:

- **Alphabet:** Offset to Amazon initiation and to manage search threat.
- **Marsh & McLennan:** Trimmed to manage insurance broker weight.

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 Total Equity

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 6.9% 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. 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 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
Be Boring. Make Money.™

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

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

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

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	●	●	–	●

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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] Dividend Yield (Equities) 1.82%

Benchmark Index: 50% S&P/TSX Composite; 50% 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.

Benchmark Index: 50% S&P/TSX Composite /50% S&P 500 TR(CAD).

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