

We are pleased to publish the Independent Review Committee's ("IRC") Annual Report to Securityholders relating to the year ended December 31, 2014 of mutual funds managed by Stone Asset Management Limited ("Stone"), listed in Appendix A.

The role of the IRC is to review and to provide approval or recommendation in respect of conflicts of interest that arise between Stone's own interests and Stone's duty to manage the Funds in the best interests of the Funds. Stone is responsible for referring to the IRC any matters in which a reasonable person could view Stone as having an interest that may conflict with its ability to act in the best interests of the Funds. The IRC reviews each matter and provides its approval or recommendation as to whether the proposed course of actions will achieve a fair and reasonable result for the Funds. The IRC has adopted a written charter that includes its mandate, responsibilities and functions, and the policies and procedures it will follow when performing its functions.

THE IRC

Members

Ross MacKinnon (Chair)

John R. Anderson

David Crowe

Each of the members of the IRC was appointed effective July 1, 2011. Mr. MacKinnon and Mr. Anderson are currently members of the IRC for Arrow Capital Management Inc. Mr. Anderson also serves as a member of the IRC for Marquest Asset Management Inc.

Holding of Securities

As of December 31, 2014 the members of the IRC collectively beneficially owned, directly or indirectly, less than 10% of the securities of any of the Funds. As of December 31, 2014, no member of the IRC beneficially owned, directly or indirectly, any securities of Stone or a company that provides services to the Funds.

IRC APPROVALS AND RECOMMENDATIONS

The IRC has approved certain Standing Instructions which permit Stone to proceed with the specific action set out in the Standing Instructions on an ongoing basis, without having to refer the Conflict of Interest Matters or its proposed action to the IRC, provided that Stone complies with its terms and conditions. Stone provided written reports to the IRC describing its reliance and compliance with any terms and conditions on any Standing Instructions.

Matters for which the IRC gave Stone and standing instructions regarding its Conflict of Interest Matters policies and procedures include:

1. Fund Operating Expense Allocation;
2. Trade Allocation;
3. Personal Trading by Employees;
4. Brokerage Policies (best execution and soft dollar arrangements);
5. Portfolio Valuation;
6. Correction of Errors;
7. Proxy Voting;
8. Short-Term Trading and Market Timing;
9. Appointment and Changes in sub-advisors; and
10. Complaints.

During the year, Stone relied on the positive recommendation of the IRC to terminate the Stone & Co. Flagship Money Market Fund Canada.

The IRC is not aware of any instance in which the Manager acted in a conflict of interest matters referred to the IRC for which the IRC did not give a positive recommendation or did not meet a condition imposed by the IRC in its recommendation.

ANNUAL ASSESSMENTS

The IRC conducted a self assessment review during the financial year. As a result of the self-assessment review, the IRC prepared a report to Stone which set out the results of the IRC's self assessment review.

In accordance with the IRC's written charter, the IRC conducted an annual review of the following:

- the adequacy and effectiveness of Stone's written policies and procedures concerning conflicts of interest;
- the adequacy and effectiveness of the Standing Instructions provided to Stone; and
- Compliance with any conditions imposed by the IRC in a recommendation or approval provided.

IRC COMPENSATION

The IRC reviewed its compensation giving consideration to the best interests of the Funds; the general and specific benefits accruing to the Funds and the number, nature and complexity of the Funds for which the IRC acts. The compensation paid to the IRC members, for the calendar year ended December 31, 2014, was \$47,500, plus HST. The IRC compensation was allocated between the Funds in accordance with Stone's expense allocation policy, which has been reviewed by the IRC. No indemnities were paid to the IRC Members by the Funds or Stone during the financial year.

This report is available on Stone's website at www.stoneco.com or you may request a copy, at no cost to you, by contacting the Manager at 1 800 795 1142.

APPENDIX A

List of Stone Funds

Open-end Mutual Funds

Stone & Co. Dividend Growth Class Canada
Stone & Co. Flagship Growth & Income Fund Canada
Stone & Co. Flagship Stock Fund Canada
Stone & Co. Flagship Global Growth Fund
Stone & Co. Growth Industries Fund
Stone & Co. Resource Plus Class
Stone & Co. EuroPlus Dividend Growth Fund
Stone & Co. Flagship Money Market Fund Canada *

Closed-end Fund

Stone Agribusiness Fund

Flow-Through Limited Partnerships

Stone 2013 Flow-Through Limited Partnership

**Terminated November 7, 2014*

CONTACT

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