

STONE DIVIDEND GROWTH CLASS
(formerly STONE & CO. DIVIDEND GROWTH CLASS CANADA)

A Class of Shares of Stone Corporate Funds Limited

2017 Annual Management Report of Fund Performance
For the period ended December 31, 2017



This annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1 800 336 9528; by writing to us at Stone Asset Management Limited, 40 University Ave., Suite 901, Toronto, Ontario, M5J 1T1; or by visiting our website at www.stoneco.com; or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

STONE DIVIDEND GROWTH CLASS (formerly STONE & CO. DIVIDEND GROWTH CLASS CANADA)

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

December 31 2017

INVESTMENT OBJECTIVES

The investment objective of the Stone Dividend Growth Class (the “Fund”) is to achieve above-average long-term capital growth that is consistent with a conservative investment philosophy encompassing a diversified portfolio approach. The Fund invests primarily in equity securities of Canadian companies that demonstrate financial strength and good growth potential.

INVESTMENT STRATEGIES

The Fund will invest in companies that offer potential for strong growth and have the ability to provide stable dividend payments. When evaluating the investment potential of a particular company, the Portfolio Manager (as defined below) may assess the financial condition and management of the company, analyze financial data and other information sources to compare revenue acceleration, earnings and cash flows and conduct company interviews. Investment selections are broadly diversified among all market segments; the Portfolio Manager does not have a bias towards any particular sector. A portion of the assets of the Fund may also be invested in foreign securities. Under normal market conditions, it is anticipated that the Fund will invest approximately 30% of its assets in foreign securities in accordance with its performance benchmark, although the Fund’s investments in foreign securities may be above this level from time to time.

RISK

The overall long-term risk of the Fund is as described in the most recent simplified prospectus. No material changes occurred that would significantly increase the risk associated with an investment in the Fund during the period.

RESULTS OF OPERATIONS

Market Overview and Impact on the Fund

During the period, the Fund manager enhanced a bias toward stable-growth and non deep-cyclical areas within North American markets overweighting technology, industrials and healthcare sectors and conversely underweighting energy, telecommunications and consumer sectors. Remaining underweight in the telecommunications and utilities sectors were a drag on performance even with the underweight exposure to utilities being reversed in the back half of the period to go overweight with an emphasis on secular growth from alternative and renewable energies. Remaining underweight energy was a positive contributor in the first half of the period, but by the second half, crude oil rose dramatically as a result of better-choreographed supply cuts and demand increases. An increasingly meaningful exposure to financials was the largest positive contributor to Fund performance. This was followed by positive contributions from the industrials and the healthcare sectors. While holding overweight allocations to these areas was a benefit, the most positive impact was a result of stock selection in both financials and healthcare and the weightings of these sectors increased slightly during the period. The largest detractors from a stock-selection standpoint resided in the consumer, energy and information technology sectors. Worst-performing businesses were expunged from these areas to be replaced with leading peers in their respective investment themes.

The beta of the Fund decreased from 0.97 to 0.80 as the Fund ramped up cash balances as underperformers were sold and profits were harvested from winning stocks bringing the weights back in line to target levels.

The Fund manager acknowledged the need to have late cycle exposure and within base metal companies, Teck Resources met the minimum requirements of a dividend-growth mandate. Cash was deployed to cyclical exposure to ensure that the portfolio participates more meaningfully in a risk-adjusted manner. The geography of the Fund remained tilted toward the US as opportunities in some of our key secular themes were more compelling south of the border. This was a significant detractor from a currency perspective once the Bank of Canada changed its tune on the path of interest rates at the midpoint of the period. This later reversed moderately nearing the end of the period, but the net result was a negative contribution from currency. While there have been no material changes with regards to composition of the Fund, the cash balance of the Fund increased from 4.4% to 12.5% during the period as proceeds from underperforming energy, financial and technology businesses were retrieved.

STONE DIVIDEND GROWTH CLASS (formerly STONE & CO. DIVIDEND GROWTH CLASS CANADA)

MANAGEMENT DISCUSSION OF FUND PERFORMANCE (continued)

Performance

The Fund's Series trailed its blended benchmark during the period; this was attributed primarily to a negative currency impact and asset allocation factors in addition to some stock selections that also were detractors. As the Fund was nearly maximized with respect to its U.S. exposure, 70.9% of the portfolio was invested in Canadian dollars. Within asset allocation, underperformance was attributed to the fact that the Fund cannot invest in non dividend-paying and/or highly volatile stocks and hence the portfolio did not participate in the relative benefit experienced by growth-oriented technology, base metals and commodity companies during the period. While this resolve has resulted in underperformance during the period, the bias toward total return remains a core practice in managing the portfolio risk. Stock selection and asset allocation toward healthcare, financials, industrials and technology sectors were positive contributors to performance.

As a result the Fund's Series generated the following returns for the period.

A	B	C	Series				
			F	L	T8A	T8B	T8C
5.0%	4.4%	4.4%	6.4%	4.4%	5.0%	4.4%	4.5%

Any differences in performance returns between Series are primarily due to different management and operating fees that are applicable to a particular Series.

Please refer to "Past Performance" for details regarding the performance of the Fund's Series. The calculation of the Fund's Series performance takes into consideration all fees and expenses of the Fund, which are not applicable in the calculation of the benchmarks performance. The Fund's broad-based benchmark, the S&P/TSX Composite Index gained 9.1% over the same period.

The comparison to this broad-based index is provided to enable you to compare the Fund's performance relative to that of the general market. A comparison to the Fund's blended benchmark, which is composed of 80% of the S&P/TSX Composite (Total Return) Index and 20% of the S&P 500 (Total Return) Index, provides a comparison to a benchmark that is more reflective of the Fund's investment objective and strategy. The blended benchmark gained 10.0% over the same period.

Change in Net asset value

Net Assets of the Fund decreased by 10.5% or \$41.6 million during the period, from \$396.4 million at December 31, 2016 to \$354.8 million at December 31, 2017. This change in Net Assets is attributed to net sales (redemptions) of (\$53.6) million, cash distributions of \$6.1 million and \$18.1 million to investment operations, including market appreciation (depreciation), income and expenses.

RECENT DEVELOPMENTS

Please see "Results of Operations" for market-related developments. There are no known changes at this time to the manager, portfolio manager or the composition of the Independent Review Committee

On July 26, 2017, the Fund Manager announced changes to the Fund name from Stone & Co. Dividend Growth Class Canada to Stone Dividend Growth Class. This change came into effect on August 22, 2017.

Statement of Compliance

The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board ("IASB").

RELATED PARTY TRANSACTIONS

Stone Asset Management Limited ("SAM") is the manager and portfolio manager of the Fund. SAM is a wholly owned subsidiary of Stone Investment Group Limited.

Fund Manager

As Fund Manager, SAM is responsible for managing the Fund's overall business and day-to-day operational services, as described under the headings "Management Fees" and "Operating Fees".

Portfolio Manager

As Portfolio Manager, SAM is responsible for providing portfolio management services to the Fund.

Under the terms of the Investment Management Agreement, the Portfolio Manager is entitled to receive a performance fee (plus applicable taxes) from each Series of securities of the Fund equal to 10 percent of the amount by which the Fund's Series rate of return exceeds the return of the Fund's established benchmark since the last time a Performance fee was paid, multiplied by the Fund's average series Net Asset Value ("NAV") during the calendar year. Performance fees are limited to a maximum of 0.30 percent (plus applicable taxes) of the Funds' Series average Net Asset Value during the calendar year. Such fees are accrued monthly, if applicable, and paid annually.

Management fees

The Fund pays a management fee, calculated daily and paid monthly, based on the following schedule:

Series	A	B	C	F	L	T8A	T8B	T8C
Annual Fee (%)	2.0	2.5	2.5	0.95	2.5	2.0	2.5	2.5

The following table lists the major services received by the Fund, as a percentage of the Management Fee:

Series	A	B	C	F	L	T8A	T8B	T8C
Dealer Compensation (%)	50	20	30	-	20	50	20	30
Investment and Fund Management (%)	50	80	70	100	80	50	80	70
Total (%)	100	100	100	100	100	100	100	100

STONE DIVIDEND GROWTH CLASS (formerly STONE & CO. DIVIDEND GROWTH CLASS CANADA)

MANAGEMENT DISCUSSION OF FUND PERFORMANCE (continued)

Operating fees

The Fund pays operating fees (the “Operating Fees”) to SAM for the day-to-day operational services. The Operating Fees include, but are not limited to: legal and audit fees, transfer agency costs, custodian costs, filing fees, administrative and overhead costs charged by SAM, and the Independent Review Committee of the Fund. Operating fees incurred by the Fund are allocated among the Series on a reasonable basis as determined by SAM.

At its sole discretion, the manager may waive management fees or absorb expenses of the Fund. The management expense ratios of each of the series of units of the Fund with and without the waivers and absorptions are reported in the Ratios and Supplemental Data table.

Independent Review Committee

SAM has established the Independent Review Committee (the “IRC”) for the Fund in accordance with the requirements of National Instrument 81-107 – Independent Review Committee for Investment Funds in order to review conflicts of interest as they relate to investment fund management.

The compensation and other reasonable expenses of the IRC are paid pro rata out of the assets of the Fund for which the independent review committee acts. The main component of compensation is an annual retainer. The Chair of the IRC is entitled to an additional fee.

STONE DIVIDEND GROWTH CLASS (formerly STONE & CO. DIVIDEND GROWTH CLASS CANADA)

FINANCIAL HIGHLIGHTS

The following tables present selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the periods indicated.

THE FUND'S NET ASSETS PER SECURITY¹

Series	As at	Net assets, beginning of period ²	Increase (decrease) from operations ² (All figures in \$)					Dividends ^{2,3}			Net assets, end of period	
			Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period	Unrealized gains (losses) for the period	Total increase (decrease) from operations ²	Dividends	Capital gains	Return of capital		Total dividends ³
	Dec 2017	11.07	0.28	(0.33)	1.23	(0.64)	0.54	(0.24)	-	-	(0.24)	11.37
	Dec 2016	10.28	0.29	(0.30)	1.77	(0.76)	1.00	(0.24)	-	-	(0.24)	11.07
	Dec 2015	10.92	0.33	(0.29)	1.00	(1.41)	(0.37)	(0.24)	-	-	(0.24)	10.28
	Dec 2014	10.17	0.31	(0.29)	0.64	0.34	1.00	(0.24)	-	-	(0.24)	10.92
A	Dec 2013	8.89	0.28	(0.26)	0.39	1.08	1.49	(0.24)	-	-	(0.24)	10.17
	Dec 2017	10.30	0.25	(0.37)	1.16	(0.60)	0.44	(0.21)	-	-	(0.21)	10.53
	Dec 2016	9.61	0.27	(0.33)	1.65	(0.76)	0.83	(0.21)	-	-	(0.21)	10.30
	Dec 2015	10.24	0.31	(0.33)	0.95	(1.30)	(0.37)	(0.21)	-	-	(0.21)	9.61
	Dec 2014	9.58	0.29	(0.34)	0.60	0.34	0.89	(0.21)	-	-	(0.21)	10.24
B†	Dec 2013	8.41	0.26	(0.30)	0.36	1.01	1.34	(0.21)	-	-	(0.21)	9.58
	Dec 2017	10.32	0.26	(0.37)	1.15	(0.59)	0.45	(0.21)	-	-	(0.21)	10.56
	Dec 2016	9.63	0.27	(0.33)	1.64	(0.78)	0.80	(0.21)	-	-	(0.21)	10.32
	Dec 2015	10.26	0.31	(0.33)	0.97	(1.29)	(0.34)	(0.21)	-	-	(0.21)	9.63
	Dec 2014	9.59	0.29	(0.33)	0.61	0.37	0.94	(0.21)	-	-	(0.21)	10.26
C‡	Dec 2013	8.41	0.27	(0.29)	0.36	0.98	1.33	(0.21)	-	-	(0.21)	9.59
	Dec 2017	13.18	0.33	(0.23)	1.42	(0.69)	0.83	(0.25)	-	-	(0.25)	13.76
	Dec 2016	12.08	0.35	(0.22)	2.09	(0.84)	1.38	(0.25)	-	-	(0.25)	13.18
	Dec 2015	12.67	0.39	(0.21)	1.09	(1.64)	(0.37)	(0.25)	-	-	(0.25)	12.08
	Dec 2014	11.66	0.36	(0.21)	0.73	0.33	1.21	(0.25)	-	-	(0.25)	12.67
F	Dec 2013	10.07	0.31	(0.19)	0.45	1.30	1.87	(0.25)	-	-	(0.25)	11.66
	Dec 2017	13.42	0.33	(0.49)	1.49	(0.75)	0.58	(0.21)	-	-	(0.21)	13.79
	Dec 2016	12.47	0.35	(0.44)	2.16	(0.95)	1.12	(0.21)	-	-	(0.21)	13.42
	Dec 2015	13.24	0.40	(0.44)	1.19	(1.72)	(0.57)	(0.21)	-	-	(0.21)	12.47
	Dec 2014	12.34	0.38	(0.44)	0.77	0.34	1.05	(0.21)	-	-	(0.21)	13.24
L*	Dec 2013	10.79	0.32	(0.39)	0.49	1.35	1.77	(0.21)	-	-	(0.21)	12.34
	Dec 2017	7.83	0.19	(0.23)	0.84	(0.44)	0.36	(0.06)	-	(0.57)	(0.63)	7.58
	Dec 2016	7.71	0.22	(0.22)	1.28	(0.48)	0.80	(0.06)	-	(0.56)	(0.62)	7.83
	Dec 2015	8.70	0.26	(0.23)	0.75	(1.09)	(0.31)	(0.23)	-	(0.47)	(0.70)	7.71
	Dec 2014	8.56	0.25	(0.24)	0.52	0.25	0.78	(0.21)	-	(0.48)	(0.69)	8.70
T8A	Dec 2013	7.89	0.23	(0.23)	0.34	0.94	1.29	(0.19)	-	(0.44)	(0.63)	8.56
	Dec 2017	7.46	0.18	(0.26)	0.82	(0.41)	0.33	(0.05)	-	(0.55)	(0.60)	7.18
	Dec 2016	7.39	0.20	(0.25)	1.25	(0.66)	0.54	(0.05)	-	(0.54)	(0.59)	7.46
	Dec 2015	8.38	0.25	(0.26)	0.77	(1.01)	(0.25)	(0.22)	-	(0.45)	(0.67)	7.39
	Dec 2014	8.30	0.24	(0.28)	0.52	0.32	0.80	(0.20)	-	(0.46)	(0.66)	8.38
T8B†	Dec 2013	7.69	0.23	(0.27)	0.32	0.91	1.20	(0.19)	-	(0.43)	(0.62)	8.30
	Dec 2017	7.49	0.18	(0.26)	0.81	(0.43)	0.30	(0.05)	-	(0.55)	(0.60)	7.21
	Dec 2016	7.41	0.20	(0.25)	1.24	(0.54)	0.65	(0.05)	-	(0.54)	(0.59)	7.49
	Dec 2015	8.40	0.25	(0.26)	0.77	(1.03)	(0.27)	(0.22)	-	(0.45)	(0.67)	7.41
	Dec 2014	8.31	0.25	(0.27)	0.51	0.32	0.81	(0.20)	-	(0.46)	(0.66)	8.40
T8C‡	Dec 2013	7.70	0.23	(0.27)	0.32	0.93	1.22	(0.19)	-	(0.43)	(0.62)	8.31

† Series closed to new purchases on December 4, 2009.

‡ Series closed to new purchases on August 31, 2011.

* Series opened on September 1, 2011.

Explanatory Notes:

- This information is derived from the Fund's annual audited financial statements.
- Net assets and dividends are based on the actual number of securities outstanding at the relevant time. The increase/(decrease) from operations is based on the weighted average number of securities outstanding over the financial period. It is not intended that the Fund's net asset per security table act as a continuity of opening and closing net assets per security.
- Dividends were paid in cash and/or reinvested in additional securities of the Fund.

STONE DIVIDEND GROWTH CLASS (formerly STONE & CO. DIVIDEND GROWTH CLASS CANADA)

FINANCIAL HIGHLIGHTS (continued)

RATIOS AND SUPPLEMENTAL DATA

Series	As at	Total net asset value (\$000's) ¹	Number of securities outstanding ¹	Management expense ratio ("MER") (%) ²	MER before waivers or absorptions (%) ²	Trading expense ratio (%) ³	Portfolio turnover rate (%) ⁴	Net asset value per security (\$)
A	Dec 2017	170,738	15,010,522	2.67	2.67	0.22	63	11.37
	Dec 2016	195,308	17,646,561	2.58	2.58	0.19	59	11.07
	Dec 2015	201,391	19,588,484	2.51	2.51	0.09	26	10.28
	Dec 2014	237,174	21,728,892	2.60	2.60	0.05	12	10.92
	Dec 2013	229,087	22,528,798	2.66	2.66	0.03	12	10.17
B [‡]	Dec 2017	36,811	3,495,081	3.26	3.26	0.22	63	10.53
	Dec 2016	51,402	4,992,721	3.16	3.16	0.19	59	10.30
	Dec 2015	64,539	6,718,917	3.09	3.09	0.09	26	9.61
	Dec 2014	88,763	8,666,270	3.19	3.19	0.05	12	10.24
	Dec 2013	98,634	10,291,753	3.25	3.25	0.03	12	9.58
C [‡]	Dec 2017	9,648	913,058	3.23	3.23	0.22	63	10.56
	Dec 2016	12,740	1,234,459	3.14	3.14	0.19	59	10.32
	Dec 2015	17,382	1,805,642	3.04	3.04	0.09	26	9.63
	Dec 2014	24,553	2,393,470	3.12	3.12	0.05	12	10.26
	Dec 2013	29,719	3,098,784	3.21	3.21	0.03	12	9.59
F	Dec 2017	52,375	3,805,496	1.37	1.37	0.22	63	13.76
	Dec 2016	41,302	3,133,052	1.50	1.50	0.19	59	13.18
	Dec 2015	36,350	3,008,109	1.45	1.45	0.09	26	12.08
	Dec 2014	35,114	2,771,847	1.56	1.56	0.05	12	12.67
	Dec 2013	27,455	2,355,341	1.64	1.64	0.03	12	11.66
L*	Dec 2017	13,250	960,531	3.29	3.29	0.22	63	13.79
	Dec 2016	16,056	1,196,032	3.19	3.19	0.19	59	13.42
	Dec 2015	17,532	1,406,247	3.15	3.15	0.09	26	12.47
	Dec 2014	19,240	1,453,150	3.26	3.26	0.05	12	13.24
	Dec 2013	13,856	1,122,923	3.33	3.33	0.03	12	12.34
T8A	Dec 2017	52,306	6,902,724	2.66	2.66	0.22	63	7.58
	Dec 2016	52,281	6,677,881	2.60	2.60	0.19	59	7.83
	Dec 2015	35,948	4,664,648	2.54	2.54	0.09	26	7.71
	Dec 2014	39,593	4,552,103	2.62	2.62	0.05	12	8.70
	Dec 2013	33,713	3,937,038	2.70	2.70	0.03	12	8.56
T8B [†]	Dec 2017	17,369	2,419,367	3.25	3.25	0.22	63	7.18
	Dec 2016	24,629	3,299,776	3.11	3.11	0.19	59	7.46
	Dec 2015	46,148	6,247,515	3.04	3.04	0.09	26	7.39
	Dec 2014	68,877	8,219,837	3.16	3.16	0.05	12	8.38
	Dec 2013	90,988	10,969,076	3.25	3.25	0.03	12	8.30
T8C [†]	Dec 2017	2,311	320,410	3.16	3.16	0.22	63	7.21
	Dec 2016	2,679	357,533	3.08	3.08	0.19	59	7.49
	Dec 2015	2,843	383,542	2.97	2.97	0.09	26	7.41
	Dec 2014	3,723	442,785	3.07	3.07	0.05	12	8.40
	Dec 2013	4,509	542,481	3.22	3.22	0.03	12	8.31

[†] Series closed to new purchases on December 4, 2009

[‡] Series closed to new purchases on August 31, 2011.

* Series opened on September 1, 2011.

Explanatory Notes:

- This information is provided as at each period shown.
- Management expense ratio ("MER") for each series is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average NAV during the period.
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

STONE DIVIDEND GROWTH CLASS (formerly STONE & CO. DIVIDEND GROWTH CLASS CANADA)

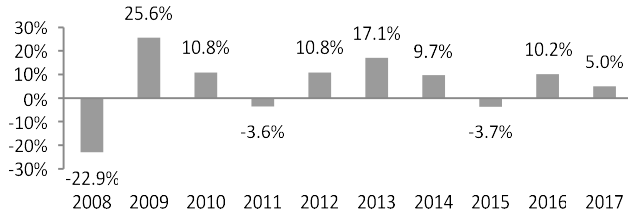
PAST PERFORMANCE

YEAR-BY-YEAR RETURNS

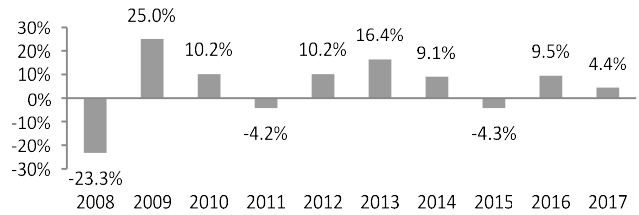
The performance information presented herein assumes all dividends of the Fund during the periods presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, or other charges that would have reduced returns or performance. Past performance of the Fund is not necessarily indicative of how it will perform in the future.

The following charts present the Fund's performance for each of the periods shown and illustrate how the Fund's performance varied from year to year. The charts show, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year, except where noted.

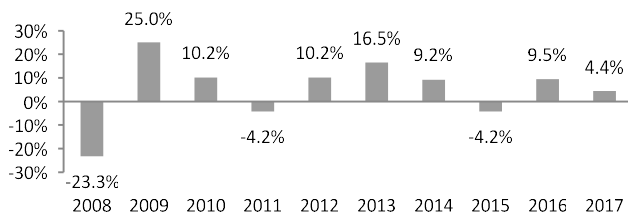
Series A



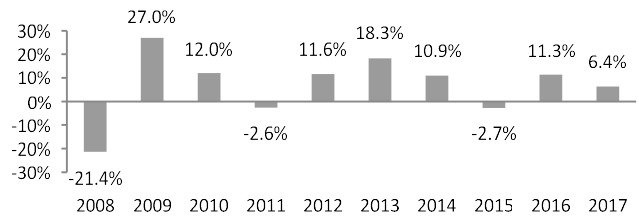
Series B



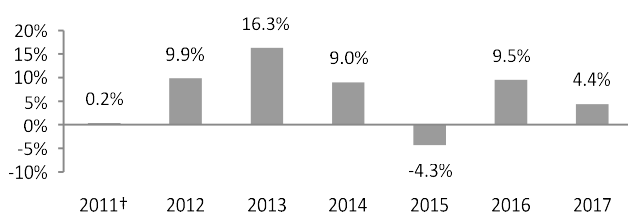
Series C



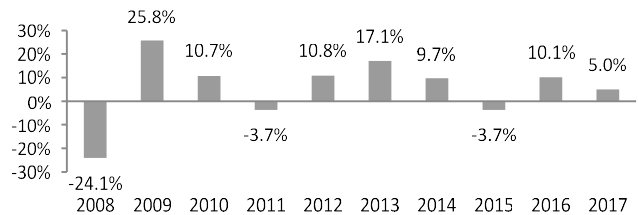
Series F



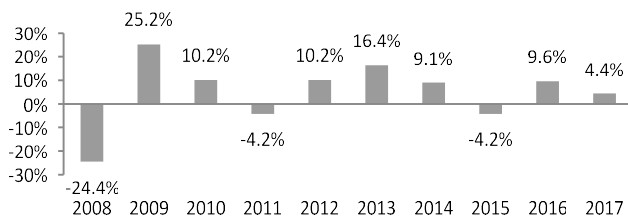
Series L



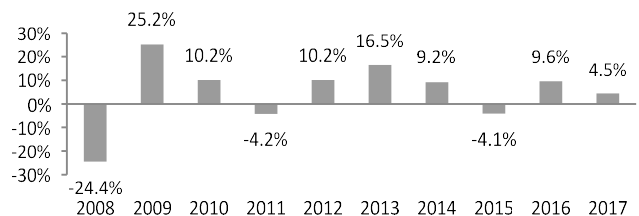
Series T8A



Series T8B



Series T8C



† From inception to December 31 of that year.

STONE DIVIDEND GROWTH CLASS (formerly STONE & CO. DIVIDEND GROWTH CLASS CANADA)

PAST PERFORMANCE (continued)

ANNUAL COMPOUND RETURNS

The following table shows the annual compound returns for each series of the Fund compared to the blended benchmark consisting of a 80% weighting of the S&P/TSX Composite (Total Return) Index; 20% weighting of the S&P500 (Total Return) Index, and is expressed in Canadian dollars. The Fund performance is net of management fees, performance fees, administrative expenses ("MER") and portfolio transaction costs whereas the benchmark performance does not incorporate such costs.

The S&P/TSX Composite Index is a broad economic sector index comprising approximately 70% of the market capitalization for Canadian-based, Toronto Stock Exchange listed companies. The S&P 500 Index is a float-weighted index including 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities.

	1 YEAR (%)	3 YEARS (%)	5 YEARS (%)	10 YEAR (%)	SINCE INCEPTION (%)	INCEPTION DATE
Series A *	5.0	3.7	7.4	5.1	n/a	2002/09/30
Benchmark	10.0	8.2	11.2	6.0	n/a	2002/09/30
Series B *	4.4	3.1	6.8	4.5	n/a	2002/09/30
Benchmark	10.0	8.2	11.2	6.0	n/a	2002/09/30
Series C	4.4	3.1	6.9	4.5	n/a	2003/07/31
Benchmark	10.0	8.2	11.2	6.0	n/a	2003/07/31
Series F	6.4	4.8	8.6	6.3	n/a	2003/07/31
Benchmark	10.0	8.2	11.2	6.0	n/a	2003/07/31
Series L	4.4	3.0	6.7	n/a	6.9	2011/09/01
Benchmark	10.0	8.2	11.2	n/a	9.6	2011/09/01
Series T8A	5.0	3.7	7.4	n/a	5.3	2007/09/01
Benchmark	10.0	8.2	11.2	n/a	6.5	2007/09/01
Series T8B	4.4	3.1	6.8	n/a	4.7	2007/09/01
Benchmark	10.0	8.2	11.2	n/a	6.5	2007/09/01
Series T8C	4.5	3.2	6.9	n/a	4.7	2007/09/01
Benchmark	10.0	8.2	11.2	n/a	6.5	2007/09/01

* The investment objective of the Fund was changed following an amendment to its articles on July 22, 2002. Past performance data is presented from September 30, 2002, the effective date of the change.

STONE DIVIDEND GROWTH CLASS (formerly STONE & CO. DIVIDEND GROWTH CLASS CANADA)

SUMMARY OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2017

TOP 25 HOLDINGS		PORTFOLIO COMPOSITION	
Name of Security	% of Total Net Asset Value	Sector Allocation (%)	
Cash & cash equivalents	12.4	Financials	35.0
Bank of Nova Scotia	7.6	Health Care	7.9
Royal Bank of Canada	6.5	Industrials	13.9
Toronto-Dominion Bank	5.4	Information Technology	8.5
Brookfield Asset Management Inc.,	3.4	Utilities	7.0
AltaGas Ltd.	3.2	Miscellaneous†	15.1
Power Financial Corp.	3.0	Other net assets (liabilities)	0.2
Microsoft Corp.	2.9	Cash & cash equivalents	12.4
Stryker Corp.	2.5		
Bank of America Corp.	2.4	Industry Allocation (%)	
Canadian Imperial Bank of	2.4	Banks	28.6
JPMorgan Chase & Co.	2.3	Capital Markets	3.4
TFI International Inc.	2.2	Commercial Services & Supplies	3.6
Abbott Laboratories	2.1	Electric Utilities	3.2
Maxar Technologies Ltd.	2.1	Health Care Equipment & Supplies	5.6
Canadian National Railway Co.	2.0	Independent Power and Renewable Electricity	3.8
Transcontinental Inc., Class 'A'	2.0	Insurance	3.0
Fortis Inc.	2.0	IT Services	3.0
Visa Inc., Class 'A'	2.0	Oil, Gas & Consumable Fuels	4.5
Bank of Montreal, Preferred, Class	2.0	Road & Rail	5.7
AES Corp.	2.0	Software	5.4
Teck Resources Ltd., Class 'B'	1.9	Miscellaneous†	17.6
Costco Wholesale Corp.	1.8	Other net assets (liabilities)	0.2
Jamieson Wellness Inc.	1.7	Cash & cash equivalents	12.4
Waste Connections Inc.	<u>1.6</u>		
	79.4		

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. Quarterly updates of the Fund's investment portfolio are available from the Manager at www.stoneco.com.

† Note: Sectors and Industries representing less than 5% and 3% respectively of the portfolio are included in "Miscellaneous".

NOTES

NOTES

STONE DIVIDEND GROWTH CLASS
(formerly STONE & CO. DIVIDEND GROWTH CLASS CANADA)

A Class of Shares of Stone Corporate Funds Limited

2017 Annual Management Report of Fund Performance

For the period ended December 31, 2017

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to: market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest and the risks detailed from time to time in the Fund's simplified prospectus. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, the Fund does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.



STONE ASSET MANAGEMENT LIMITED

40 University Ave., Suite 901 | Toronto, Ontario M5J 1T1 | T: 416 364 9188 or 800 336 9528
F: 416 364 8456 | info@stoneco.com | www.stoneco.com

