

**STONE EUROPLUS FUND**  
(formerly STONE & CO. EUROPLUS DIVIDEND GROWTH FUND)

**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](http://www.stoneco.com); or SEDAR at [www.sedar.com](http://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 EUROPLUS FUND (formerly STONE & CO. EUROPLUS DIVIDEND GROWTH FUND)

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

December 31 2017

### INVESTMENT OBJECTIVES

The investment objective of the Stone Europlus Fund (the “Fund”) is two-fold: (i) to provide a sustainable stream of income; and (ii) to provide long-term capital growth. The Fund will invest primarily in equity securities of companies in Europe and other developed countries around the world. The Fund will generally have significant investment in European markets. There is no restriction on the economic sectors or geographic areas in which the Fund may invest.

### INVESTMENT STRATEGIES

The Portfolio sub-advisor of the Fund will invest primarily in equity securities that provide an above-average dividend yield. The Portfolio sub-advisor invests in companies that have a strong competitive position, first-class management, and scope for cost savings and cash generation to support the dividend yield. The Portfolio sub-advisor aims to invest in businesses that generate strong earnings, and in so doing, seeks to provide increasing distributions and capital appreciation.

### RISK

The overall long-term risk of the Fund is as described in the most recent simplified prospectus. As an unhedged European equity fund, currency and market risk are inherent. However, no specific changes occurred that have increased or decreased the Fund’s exposure to risk.

### RESULTS OF OPERATIONS

#### Market Overview and Impact on the Fund

The MSCI Europe Index (in Canadian dollar terms) rose 17.2% in 2017. A combination of euro currency strength and early signs that the region’s economy is stirring from its decade-long slumber helped deliver an excellent market return. While the economy’s recent strength has surpassed expectations, it remains reliant on significant support from the European Central Bank. Key questions for 2018 are how quickly this support will be withdrawn if the economic momentum continues and to what extent this is priced into the market.

Economic buoyancy on both sides of the Atlantic boosted cyclical and some financial sectors at the expense of more defensive areas of the market. The best performers included airlines, miners and technology. In contrast, several sectors including telecoms, healthcare and those related to the consumer, struggled to make much headway in a ‘risk-on’ market. This backdrop was unhelpful for relative Fund performance, as our defensive stance, including minimal exposure to commodities and cyclical stocks, contributed to the Fund underperforming its benchmark.

In addition to out-of-favour positioning, the Fund also suffered a significant loss via its large weighting in UK specialist lender, Provident Financial. In mid-August, the company delivered a major profit warning based on a worsening of previously known issues in its consumer credit division and the revelation that its credit card division was being investigated by the UK’s financial regulator. As a consequence, the company’s chief executive resigned with immediate effect and the dividend was suspended. Unsurprisingly, this combination of events led to a large and rapid share price fall. While this type of share price movement can represent an opportunity for patient investors, in this case the binary nature of the regulatory investigation and its potential to severely impact firm profitability meant that we could no longer justify holding the stock. We sold it in late August.

More positively, several holdings posted an excellent performance in 2017. Italian credit information and management business Cerved was among them. The company has been a key beneficiary of attempts to clean up the troubled Italian banking system and it has been making hay while the sun shines. Brussels-listed cinema operator Kinopolis was another strong performer in 2017. We have held the stock for several years and enjoyed watching profits benefit from operational improvements and savvy dealmaking. At the other end of the market-cap spectrum the share price of consumer goods giant Unilever was driven higher in the early part of the year by an unexpected bid from US peer KraftHeinz. While ultimately unsuccessful, the bid prompted management to accelerate plans to improve shareholder value and led to significant share price appreciation.

We made a few changes to the portfolio composition over the year. In addition to the aforementioned sale of Provident Financial, we exited positions in SAP, ITV, Tarsus, Brenntag, Kone, The Restaurant Group, Takkt and Henkel. We bought new holdings in German mid-caps CTS Eventim and Stabilus. Another new purchase was UK-based infrastructure software firm Micro Focus. Also, for the first time in many years, we initiated two new positions in the banking sector: Close Brothers and Danske Bank.

Heading into 2018, our outlook, first communicated in early 2017, has not changed. A combination of expensive asset markets, unfavourable demographic trends and high debt levels in many developed and (some) developing markets have created fragile markets prone to shock. That said, while expensive markets and some long-term macro concerns are typically necessary conditions for a downturn, they are rarely sufficient to trigger one. As a result, markets may well continue to advance for a while longer.

Despite this possibility, we continue to focus on the disciplined application of our long-term, valuation-focused approach. This means the Fund is positioned cautiously, with limited cyclical exposure, zero exposure to commodities and a preference for high-quality, conservatively financed, well-managed businesses trading at attractive prices. While this approach is not designed to produce short-term outperformance, we are confident that it will be rewarded over the fullness of the cycle.

# STONE EUROPLUS FUND (formerly STONE & CO. EUROPLUS DIVIDEND GROWTH FUND)

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE (continued)

### Performance

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

Series				
A	B	F	L	T8A
11.9%	11.1%	13.4%	11.1%	11.7%

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 all the series of the Fund. 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 benchmark's performance. The Fund's benchmark, the MSCI Europe (Total Return) Index (in Canadian dollar terms), returned 17.2% over the same period. The comparison to this index is provided to enable you to compare the Fund's performance with that of the general market.

### Change in Net asset value

Net Assets of the Fund decreased by 0.3% or \$0.1 million during the period, from \$32.0 million at December 31, 2016 to \$31.9 million at December 31, 2017. This change in Net Assets is attributed to net sales (redemptions) of (\$3.6) million and \$3.5 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. EuroPlus Dividend Growth Fund to Stone EuroPlus Fund. 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. 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	F	L	T8A
Annual Fee (%)	2.0	2.5	0.98	2.5	2.0

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

Series	A	B	F	L	T8A
Dealer Compensation (%)	50	20	-	20	50
Investment and Fund Management (%)	50	80	100	80	50
<b>Total (%)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

### 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 EUROPLUS FUND (formerly STONE & CO. EUROPLUS DIVIDEND GROWTH FUND)

## 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 SECURITY<sup>1</sup>

Series	As at	Net assets, beginning of period <sup>2</sup>	Increase (decrease) from operations <sup>2</sup> (All figures in (\$))				Distributions <sup>2,3</sup>					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 <sup>2</sup>	Net investment income (excluding dividends)	Dividends	Capital gains	Return of capital		Total distributions <sup>3</sup>
A	Dec 2017	12.10	0.40	(0.44)	0.14	1.28	1.38	-	-	-	-	-	13.53
	Dec 2016	13.51	0.39	(0.39)	(0.06)	(1.29)	(1.35)	-	-	-	-	-	12.10
	Dec 2015	11.47	0.40	(0.43)	0.25	1.77	1.99	-	-	-	-	-	13.51
	Dec 2014	11.11	0.36	(0.40)	0.01	0.37	0.34	-	-	-	-	-	11.47
	Dec 2013	8.73	0.34	(0.36)	0.04	2.36	2.38	-	-	-	-	-	11.11
B	Dec 2017	11.56	0.40	(0.49)	0.16	1.46	1.53	-	-	-	-	-	12.85
	Dec 2016	12.99	0.40	(0.46)	(0.05)	(1.35)	(1.46)	-	-	-	-	-	11.56
	Dec 2015	11.10	0.41	(0.50)	0.11	2.03	2.05	-	-	-	-	-	12.99
	Dec 2014	10.80	0.34	(0.45)	0.01	0.40	0.30	-	-	-	-	-	11.10
	Dec 2013	8.54	0.30	(0.40)	(0.03)	2.48	2.35	-	-	-	-	-	10.80
C	Dec 2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2015	11.10	0.18	(0.18)	(0.07)	1.29	1.22	-	-	-	-	-	n/a
	Dec 2014	10.80	0.34	(0.45)	0.01	0.46	0.36	-	-	-	-	-	11.10
	Dec 2013	8.53	0.27	(0.40)	(0.10)	2.62	2.39	-	-	-	-	-	10.80
F	Dec 2017	13.18	0.44	(0.28)	0.17	1.42	1.75	-	-	-	-	-	14.94
	Dec 2016	14.57	0.43	(0.29)	(0.07)	(1.64)	(1.57)	-	-	-	-	-	13.18
	Dec 2015	12.25	0.42	(0.33)	0.31	1.71	2.11	-	-	-	-	-	14.57
	Dec 2014	11.73	0.38	(0.29)	0.01	0.26	0.36	-	-	-	-	-	12.25
	Dec 2013	9.12	0.29	(0.26)	(0.08)	2.94	2.88	-	-	-	-	-	11.73
L*	Dec 2017	15.42	0.52	(0.65)	0.14	1.71	1.72	-	-	-	-	-	17.14
	Dec 2016	17.32	0.52	(0.60)	(0.07)	(1.82)	(1.97)	-	-	-	-	-	15.42
	Dec 2015	14.78	0.51	(0.64)	0.36	2.10	2.33	-	-	-	-	-	17.32
	Dec 2014	14.38	0.45	(0.59)	0.01	0.28	0.15	-	-	-	-	-	14.78
	Dec 2013	11.35	0.28	(0.53)	(0.23)	4.09	3.61	-	-	-	-	-	14.38
T8A	Dec 2017	5.90	0.18	(0.21)	0.05	0.46	0.48	-	-	-	-	-	6.11
	Dec 2016	7.23	0.20	(0.21)	(0.11)	(0.72)	(0.84)	-	-	-	(0.58)	(0.58)	5.90
	Dec 2015	6.61	0.23	(0.24)	0.14	0.98	1.11	-	-	-	(0.53)	(0.53)	7.23
	Dec 2014	6.94	0.21	(0.25)	0.01	0.21	0.18	-	-	-	(0.55)	(0.55)	6.61
	Dec 2013	5.86	0.22	(0.24)	0.02	1.56	1.56	-	-	-	(0.47)	(0.47)	6.94
T8B†	Dec 2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2015	6.46	-	(0.01)	(0.07)	0.19	0.11	-	-	-	-	-	n/a
	Dec 2014	6.81	0.22	(0.27)	(0.02)	0.20	0.13	-	-	-	(0.54)	(0.54)	6.46
	Dec 2013	5.77	0.23	(0.25)	0.02	1.39	1.39	-	-	-	(0.46)	(0.46)	6.81
T8C**	Dec 2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2015	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2013	5.74	0.16	(0.18)	-	2.52	2.50	-	-	-	-	-	n/a

† Series closed to new purchases on December 4, 2009. Series T8B was liquidated on January 15, 2015.

‡ Series closed to new purchases on August 31, 2011. Series C was liquidated on May 8, 2015.

\* Series opened on September 1, 2011.

\*\* Series liquidated on March 8, 2013

#### Explanatory Notes:

- This information is derived from the Fund's annual audited financial statements.
- Net assets and distributions 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.
- Distributions were paid in cash and/or reinvested in additional securities of the Fund.

# STONE EUROPLUS FUND (formerly STONE & CO. EUROPLUS DIVIDEND GROWTH FUND)

## FINANCIAL HIGHLIGHTS (continued)

### RATIOS AND SUPPLEMENTAL DATA

Series	As at	Total net asset value (\$000's) <sup>1</sup>	Number of securities outstanding <sup>1</sup>	Management expense ratio ("MER") (%) <sup>2</sup>	MER before waivers or absorptions (%) <sup>2</sup>	Trading expense ratio (%) <sup>3</sup>	Portfolio turnover rate (%) <sup>4</sup>	Net asset value per security (\$)
A	Dec 2017	19,383	1,432,120	2.93	2.93	0.09	19	13.53
	Dec 2016	18,107	1,496,345	2.81	2.81	0.08	25	12.10
	Dec 2015	19,040	1,409,591	2.90	2.90	0.12	13	13.51
	Dec 2014	15,387	1,341,346	3.02	3.09	0.14	10	11.47
	Dec 2013	13,364	1,203,164	2.98	3.31	0.16	15	11.11
B‡	Dec 2017	256	19,889	3.55	3.55	0.09	19	12.85
	Dec 2016	310	26,799	3.46	3.46	0.08	25	11.56
	Dec 2015	450	34,616	3.52	3.52	0.12	13	12.99
	Dec 2014	927	83,484	3.54	3.61	0.14	10	11.10
	Dec 2013	949	87,834	3.49	3.81	0.16	15	10.80
C‡	Dec 2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2015	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2014	38	3,447	3.53	3.60	0.14	10	11.10
	Dec 2013	42	3,869	3.56	3.89	0.16	15	10.80
F	Dec 2017	5,361	358,730	1.56	1.56	0.09	19	14.94
	Dec 2016	4,692	355,951	1.79	1.79	0.08	25	13.18
	Dec 2015	5,936	407,549	1.92	1.92	0.12	13	14.57
	Dec 2014	3,385	276,356	1.91	1.98	0.14	10	12.25
	Dec 2013	1,497	127,643	1.90	2.23	0.16	15	11.73
L*	Dec 2017	6,504	379,547	3.53	3.53	0.09	19	17.14
	Dec 2016	8,491	550,560	3.40	3.40	0.08	25	15.42
	Dec 2015	10,861	627,059	3.38	3.38	0.12	13	17.32
	Dec 2014	6,921	468,215	3.49	3.56	0.14	10	14.78
	Dec 2013	3,229	224,545	3.34	3.67	0.16	15	14.38
T8A	Dec 2017	418	68,416	3.02	3.02	0.09	19	6.11
	Dec 2016	436	73,914	2.95	2.96	0.08	25	5.90
	Dec 2015	345	47,734	2.86	2.86	0.12	13	7.23
	Dec 2014	283	42,850	3.05	3.12	0.14	10	6.61
	Dec 2013	211	30,388	3.05	3.38	0.16	15	6.94
T8B†	Dec 2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2015	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2014	6	882	3.43	3.50	0.14	10	6.46
	Dec 2013	28	4,118	3.39	3.71	0.16	15	6.81
T8C**	Dec 2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2015	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Dec 2013	n/a	n/a	3.02	3.35	0.16	15	n/a

† Series closed to new purchases on December 4, 2009. Series T8B was liquidated on January 15, 2015.

‡ Series closed to new purchases on August 31, 2011. Series C was liquidated on May 8, 2015.

\* Series opened on September 1, 2011.

\*\* Series liquidated on March 8, 2013.

#### 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 MER excluding performance fee for the period ending December 31, 2015 was 1.81% - Series F.
- 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 EUROPLUS FUND (formerly STONE & CO. EUROPLUS DIVIDEND GROWTH FUND)

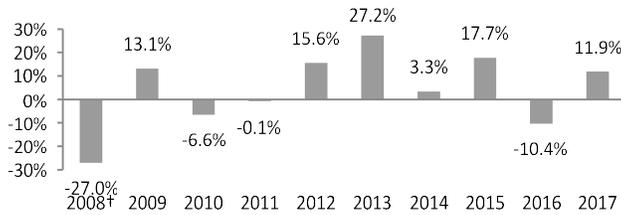
## PAST PERFORMANCE

### YEAR-BY-YEAR RETURNS

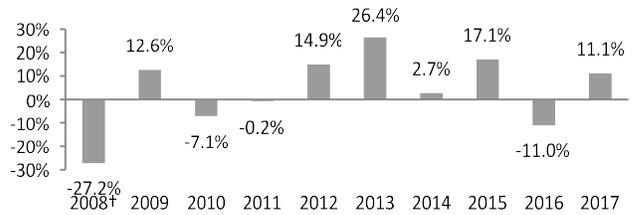
The performance information presented herein assumes all dividends of the Fund during the periods presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, or other charges that would have reduced returns or performance. 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.

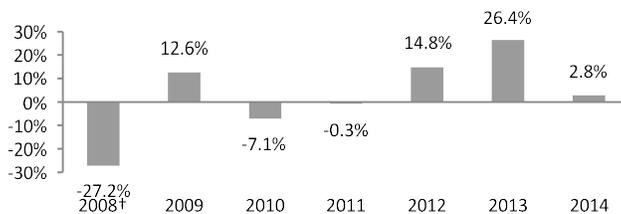
Series A



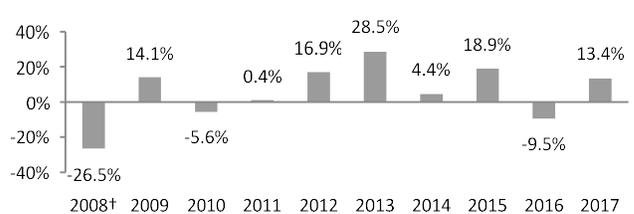
Series B



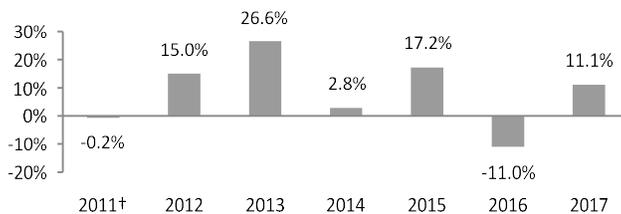
Series C\*\*



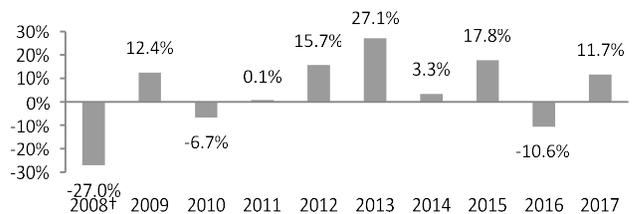
Series F



Series L

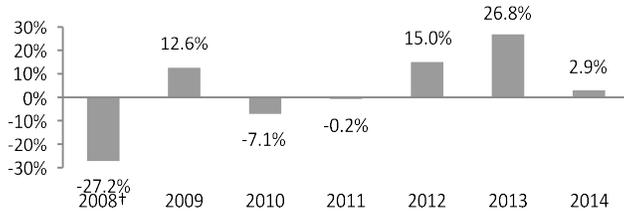


Series T8A

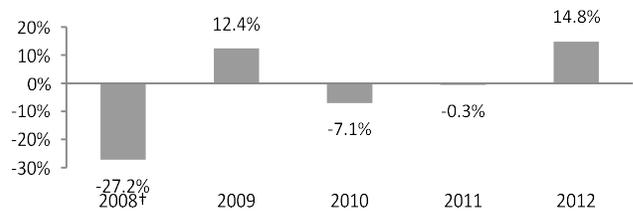


# STONE EUROPLUS FUND (formerly STONE & CO. EUROPLUS DIVIDEND GROWTH FUND)

Series T8B\*



Series T8C



† From inception to December 31 of that year.

‡ Effective March 8, 2013, Series T8C was liquidated. As this Series did not exist as of December 31, 2013, Year-by-Year returns for this Series are not presented for 2013 onward.

\* Effective January 15, 2015, Series T8B was liquidated. As this Series did not exist as of December 31, 2015, Year-by-Year returns for this Series are not presented for 2015 onward.

\*\* Effective May 8, 2015, Series C was liquidated. As this Series did not exist as of December 31, 2015, Year-by-Year returns for this Series are not presented for 2015 onward.

# STONE EUROPLUS FUND (formerly STONE & CO. EUROPLUS DIVIDEND GROWTH FUND)

## PAST PERFORMANCE (continued)

### ANNUAL COMPOUND RETURNS

The following table shows the annual compound returns for each series of the Fund compared to the benchmark consisting of a 100% weighting of the MSCI Europe Total Return Index and is expressed in Canadian dollars. The Fund performance is net of management fees, administrative expenses ("MER") and portfolio transaction costs whereas the benchmark performance does not incorporate such costs.

The MSCI Europe Index is float-adjusted market-cap weighted index made up of equities from developed markets in Europe.

	1 YEAR (%)	3 YEARS (%)	5 YEARS (%)	10 YEAR (%)	SINCE INCEPTION (%)	INCEPTION DATE
Series A	11.9	5.7	9.2	n/a	3.4	2008/05/02
Benchmark	17.2	9.4	12.4	n/a	4.2	2008/05/02
Series B	11.1	5.0	8.5	n/a	2.8	2008/05/02
Benchmark	17.2	9.4	12.4	n/a	4.2	2008/05/02
Series F	13.4	6.9	10.4	n/a	4.5	2008/05/02
Benchmark	17.2	9.4	12.4	n/a	4.2	2008/05/02
Series L	11.1	5.1	8.6	n/a	9.1	2011/09/01
Benchmark	17.2	9.4	12.4	n/a	12.0	2011/09/01
Series T&A	11.7	5.6	9.1	n/a	3.3	2008/05/02
Benchmark	17.2	9.4	12.4	n/a	4.2	2008/05/02

A discussion of the Fund as compared to the Benchmark is found in "Results of Operations".

# STONE EUROPLUS FUND (formerly STONE & CO. EUROPLUS DIVIDEND GROWTH FUND)

## SUMMARY OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2017

TOP 25 HOLDINGS		PORTFOLIO COMPOSITION	
Name of Security	% of Total Net Asset Value	Sector Allocation (%)	
Novartis AG, Registered	5.0	Consumer Discretionary	12.2
Reckitt Benckiser Group PLC	5.0	Consumer Staples	19.6
Sampo OYJ, Series 'A'	4.5	Financials	17.7
RELX NV	4.4	Health Care	15.1
Anheuser-Busch InBev NV	4.2	Industrials	14.3
Givaudan SA, Registered	4.1	Information Technology	6.5
AstraZeneca PLC	4.1	Miscellaneous†	11.8
Cerved Information Solutions SpA	4.0	Other net assets (liabilities)	0.6
Kinopolis	3.9	Cash & cash equivalents	2.2
Rubis SCA	3.9	<b>Industry Allocation (%)</b>	
Big Yellow Group PLC	3.7	Banks	3.1
CTS Eventim AG & Co KGaA	3.7	Beverages	7.8
Davide Campari-Milano SPA	3.6	Building Products	3.3
Unilever NV	3.5	Capital Markets	6.1
Stabilus SA	3.5	Chemicals	4.1
Roche Holding AG Genussscheine	3.5	Diversified Financial Services	4.0
Close Brothers Group PLC	3.5	Equity Real Estate Investment	3.7
Sage Group PLC	3.4	Food & Staples Retailing	3.3
dormakaba Holding AG	3.3	Gas Utilities	3.9
Koninklijke Ahold Delhaize NV	3.3	Household Durables	4.6
Micro Focus International PLC	3.1	Household Products	5.0
Bunzl PLC	3.1	Insurance	4.5
Danske Bank AS	3.1	Machinery	3.5
De'Longhi SPA	3.0	Media	7.6
Jupiter Fund Management PLC	<u>2.7</u>	Personal Products	3.5
	<b>93.1</b>	Pharmaceuticals	15.2
		Professional Services	4.4
		Software	6.5
		Trading Companies & Distributors	3.1
		Other net assets (liabilities)	0.6
		Cash & cash equivalents	2.2
		<b>Country Allocation (%)</b>	
		Belgium	8.1
		Denmark	3.1
		Finland	4.5
		France	3.9
		Germany	3.7
		Italy	10.6
		Luxembourg	3.5
		Netherlands	11.3
		Switzerland	15.8
		United Kingdom	32.7
		Other net assets (liabilities)	0.6
		Cash & cash equivalents	2.2

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](http://www.stoneco.com).

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





**STONE EUROPLUS FUND**  
(formerly STONE & CO. EUROPLUS DIVIDEND GROWTH FUND)

**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.



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