

STONE GROWTH FUND

(formerly STONE & CO. FLAGSHIP STOCK FUND CANADA)

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 Avenue, 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 GROWTH FUND (formerly STONE & CO. FLAGSHIP STOCK FUND CANADA)

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

December 31 2017

INVESTMENT OBJECTIVES

The investment objective of the Stone Growth Fund (the “Fund”) is to provide investors exposure to North American equity securities seeking long-term capital appreciation.

INVESTMENT STRATEGIES

The Fund will invest primarily in North American equities. It is anticipated that the Fund will invest approximately 50% of the portfolio in Canadian securities and 50% in US securities with a collar of $\pm 20\%$. It will also have the flexibility to increase or decrease geographic exposure from time to time depending on market conditions.

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

The Fund manager maintained a bias toward US markets, significantly overweighting technology and healthcare sectors and conversely underweighting energy, materials, industrials, telecommunications, and utility sectors, relative to its benchmark. Weighting in the technology sector grew over 10% as our long-term holdings within the sector continued to outperform the broader market and the Fund manager added several other positions, including three semiconductor companies. Healthcare weighting in the portfolio decreased significantly over the period after selling out of positions in medical marijuana companies and US-based drug-makers and hospitals. The weighting in consumer staples remained flat despite adding two new holdings, Costco and Jamieson Wellness and exiting all of our positions in grocers in both Canada and the US. Weight in consumer discretionary also remained unchanged as the price performance in Amazon’s share price increased its weighting in the Fund and offset any sales. The weighting in industrials increased as auto parts producers were replaced by a company with a stronger growth profile, Maxar Technologies.

The US Federal Reserve raised interest rates during the period and the market is predicting several more rate hikes over the next two years, supporting the Fund’s exposure to the US financial services sector, which increased slightly over the period. The Fund continues to have a bias toward large-capitalization companies in the US with strong catalysts for growth. The Fund had maintained a higher-than-normal cash level but deployed the monies after our target prices were reached on certain securities. The Fund had a cash balance of 12.9% at the end of the period (down from 14.6% at the end of last year.)

Performance

The Fund underperformed its blended benchmark over the period, attributable to stock selection and negative currency impacts. The Canadian economy continued to surprise the market by leading the G7 in GDP growth and the Bank of Canada’s hawkish tone and back-to-back interest rate hikes helped drive the Canadian dollar up 6.5% versus the US dollar during the year. The Fund is weighted to the US market with 79.4% exposure to the US on a look-through basis, which is slightly up from last year. Please refer to “Past Performance” for details regarding the performance of the Fund. The calculation of the Fund’s 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 broad-based benchmark, the S&P/TSX Composite Index increased 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 50% of the S&P/TSX and 50% of the S&P 500 Index, provides a comparison to a benchmark that is more reflective of the Fund’s investment objective and strategy. The blended benchmark increased 11.4% over the same period.

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

Series						
A	B	F	L	T8A	T8B	T8C
3.8%	3.2%	5.2%	3.2%	3.8%	3.3%	3.3%

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

Change in Net asset value

Net Assets of the Fund decreased by 31.1% or \$6.9 million during the period, from \$22.2 million at December 31, 2016 to \$15.3 million at December 31, 2017. This change in Net Assets is attributed to net sales (redemptions) of (\$7.1) million, cash distributions of \$0.4 million and \$0.6 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 11, 2017 the security holders of the Fund approved changes to the Fund’s fundamental investment objectives. A summary of the new and old investment objectives are summarized below:

New:

To provide investors exposure to North American equity securities seeking long-term capital appreciation.

Old:

To provide superior investment returns through capital growth by investing primarily in Canadian equity securities. Current income is a secondary investment objective.

STONE GROWTH FUND (formerly STONE & CO. FLAGSHIP STOCK FUND CANADA)

MANAGEMENT DISCUSSION OF FUND PERFORMANCE (continued)

Along with the approval of the changes to the fundamental investment objectives, the performance benchmark was also revised as per below:

New:

50% of the percentage gain or loss of the S&P/TSX Composite Index; plus

50% of the percentage gain or loss of the S&P 500 Index.

Old:

80% of the percentage gain or loss of the S&P/TSX Composite Index; plus

20% of the percentage gain or loss of the S&P 500 Index.

On July 26, 2017, the Fund Manager announced changes to the Fund name from Stone & Co. Flagship Stock Fund Canada to Stone Growth Fund.

All changes 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.

In order to obtain foreign growth, the Fund is invested in Series A securities of Stone Global Growth Fund. The Manager ensures there is no duplication of management and performance fees, if the Fund invests in another Fund managed by the Manager.

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	F	L	T8A	T8B	T8C
Annual Fee (%)	2.0	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	F	L	T8A	T8B	T8C
Dealer Compensation (%)	50	20	-	20	50	20	30
Investment and Fund Management (%)	50	80	100	80	50	80	70
Total (%)	100	100	100	100	100	100	100

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 GROWTH FUND (formerly STONE & CO. FLAGSHIP STOCK FUND 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 (\$))				Distributions ^{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	Net investment income (excluding dividends)	Dividends	Capital gains		Return of capital	Total distributions ³
	Dec 2017	11.14	0.11	(0.37)	1.04	(0.40)	0.38	-	-	-	-	-	11.56
	Dec 2016	11.97	0.10	(0.35)	0.30	(0.99)	(0.94)	-	-	-	-	-	11.14
	Dec 2015	11.15	0.15	(0.36)	1.45	(0.45)	0.79	-	-	-	-	-	11.97
	Dec 2014	9.05	0.11	(0.28)	1.47	0.79	2.09	-	-	-	-	-	11.15
A	Dec 2013	7.01	0.10	(0.22)	(0.41)	2.57	2.04	-	-	-	-	-	9.05
	Dec 2017	10.20	0.09	(0.39)	0.99	(0.38)	0.31	-	-	-	-	-	10.53
	Dec 2016	11.02	0.09	(0.38)	0.22	(0.91)	(0.98)	-	-	-	-	-	10.20
	Dec 2015	10.32	0.14	(0.39)	1.31	(0.47)	0.59	-	-	-	-	-	11.02
	Dec 2014	8.41	0.10	(0.30)	1.36	0.74	1.90	-	-	-	-	-	10.32
B†	Dec 2013	6.54	0.09	(0.23)	(0.37)	2.37	1.86	-	-	-	-	-	8.41
	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	11.06	0.15	(0.40)	1.70	(0.53)	0.92	-	-	-	-	-	n/a
	Dec 2014	9.01	0.12	(0.32)	1.47	0.77	2.04	-	-	-	-	-	11.06
C‡	Dec 2013	7.01	0.09	(0.25)	(0.39)	2.50	1.95	-	-	-	-	-	9.01
	Dec 2017	13.49	0.12	(0.26)	1.32	(0.52)	0.66	-	-	-	-	-	14.19
	Dec 2016	14.35	0.12	(0.30)	0.52	(1.16)	(0.82)	-	-	-	-	-	13.49
	Dec 2015	13.25	0.18	(0.30)	1.70	(0.78)	0.80	-	-	-	-	-	14.35
	Dec 2014	10.67	0.13	(0.24)	1.75	0.95	2.59	-	-	-	-	-	13.25
F	Dec 2013	8.21	0.11	(0.18)	(0.46)	3.02	2.49	-	-	-	-	-	10.67
	Dec 2017	14.79	0.12	(0.56)	1.42	(0.56)	0.42	-	-	-	-	-	15.26
	Dec 2016	15.94	0.13	(0.54)	0.42	(1.46)	(1.45)	-	-	-	-	-	14.79
	Dec 2015	15.02	0.21	(0.63)	1.65	(0.84)	0.39	-	-	-	-	-	15.94
	Dec 2014	12.30	0.15	(0.51)	2.14	0.75	2.53	-	-	-	-	-	15.02
L*	Dec 2013	9.63	0.09	(0.36)	(0.63)	3.42	2.52	-	-	-	-	-	12.30
	Dec 2017	4.92	0.04	(0.15)	0.46	(0.23)	0.12	-	-	-	(0.39)	(0.39)	4.70
	Dec 2016	5.82	0.05	(0.16)	0.44	(0.43)	(0.10)	-	-	-	(0.48)	(0.48)	4.92
	Dec 2015	5.85	0.08	(0.18)	0.74	(0.28)	0.36	-	-	-	(0.47)	(0.47)	5.82
	Dec 2014	5.11	0.06	(0.15)	0.80	0.43	1.14	-	-	-	(0.41)	(0.41)	5.85
T8A	Dec 2013	4.26	0.05	(0.12)	(0.25)	1.47	1.15	-	-	-	(0.34)	(0.34)	5.11
	Dec 2017	4.70	0.04	(0.17)	0.44	(0.20)	0.11	-	-	-	(0.38)	(0.38)	4.46
	Dec 2016	5.58	0.05	(0.18)	(0.11)	(0.46)	(0.70)	-	-	-	(0.46)	(0.46)	4.70
	Dec 2015	5.64	0.07	(0.20)	0.74	(0.17)	0.44	-	-	-	(0.45)	(0.45)	5.58
	Dec 2014	4.95	0.06	(0.17)	0.77	0.42	1.08	-	-	-	(0.40)	(0.40)	5.64
T8B†	Dec 2013	4.15	0.06	(0.14)	(0.23)	1.45	1.14	-	-	-	(0.34)	(0.34)	4.95
	Dec 2017	4.70	0.04	(0.17)	0.45	(0.20)	0.12	-	-	-	(0.38)	(0.38)	4.47
	Dec 2016	5.58	0.05	(0.18)	0.13	(0.43)	(0.43)	-	-	-	(0.46)	(0.46)	4.70
	Dec 2015	5.64	0.07	(0.20)	0.73	(0.17)	0.43	-	-	-	(0.45)	(0.45)	5.58
	Dec 2014	4.95	0.06	(0.16)	0.77	0.43	1.10	-	-	-	(0.40)	(0.40)	5.64
T8C‡	Dec 2013	4.15	0.06	(0.15)	(0.23)	1.46	1.14	-	-	-	(0.34)	(0.34)	4.95

†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 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 GROWTH FUND (formerly STONE & CO. FLAGSHIP STOCK FUND 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	3,895	337,016	3.26	3.28	0.20	29	11.56
	Dec 2016	5,790	519,790	3.16	3.16	0.20	47	11.14
	Dec 2015	6,470	523,769	3.23	3.23	0.18	38	12.35
	Dec 2014	5,898	528,884	3.13	3.14	0.21	27	11.15
	Dec 2013	5,283	583,926	3.13	3.16	0.18	50	9.05
B‡	Dec 2017	4,999	474,797	3.81	3.83	0.20	29	10.53
	Dec 2016	6,997	685,833	3.71	3.71	0.20	47	10.20
	Dec 2015	9,449	830,535	3.74	3.74	0.18	38	11.38
	Dec 2014	7,644	740,502	3.58	3.59	0.21	27	10.32
	Dec 2013	7,823	930,054	3.57	3.60	0.18	50	8.41
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	322	29,069	3.56	3.57	0.21	27	11.06
	Dec 2013	299	33,181	3.58	3.61	0.18	50	9.01
F	Dec 2017	1,334	94,052	1.90	1.93	0.20	29	14.19
	Dec 2016	1,233	91,377	2.19	2.19	0.20	47	13.49
	Dec 2015	1,305	88,096	2.36	2.36	0.18	38	14.81
	Dec 2014	762	57,505	2.36	2.37	0.21	27	13.25
	Dec 2013	524	49,115	2.35	2.37	0.18	50	10.67
L*	Dec 2017	438	28,733	3.79	3.81	0.20	29	15.26
	Dec 2016	459	31,054	3.67	3.67	0.20	47	14.79
	Dec 2015	565	34,288	4.17	4.17	0.18	38	16.48
	Dec 2014	71	4,716	4.06	4.07	0.21	27	15.02
	Dec 2013	36	2,925	3.65	3.68	0.18	50	12.30
T8A	Dec 2017	2,041	434,132	3.21	3.24	0.20	29	4.70
	Dec 2016	4,125	838,842	3.17	3.17	0.20	47	4.92
	Dec 2015	2,422	403,275	3.22	3.22	0.18	38	6.01
	Dec 2014	1,917	327,583	3.12	3.13	0.21	27	5.85
	Dec 2013	1,451	283,704	3.04	3.06	0.18	50	5.11
T8B†	Dec 2017	2,137	478,642	3.75	3.78	0.20	29	4.46
	Dec 2016	3,115	663,267	3.60	3.60	0.20	47	4.70
	Dec 2015	6,937	1,204,035	3.65	3.65	0.18	38	5.76
	Dec 2014	8,074	1,431,657	3.51	3.52	0.21	27	5.64
	Dec 2013	8,289	1,675,074	3.51	3.54	0.18	50	4.95
T8C†	Dec 2017	458	102,435	3.66	3.69	0.20	29	4.47
	Dec 2016	524	111,490	3.55	3.55	0.20	47	4.70
	Dec 2015	710	123,210	3.61	3.61	0.18	38	5.76
	Dec 2014	778	137,866	3.51	3.52	0.21	27	5.64
	Dec 2013	856	173,007	3.65	3.67	0.18	50	4.95

†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), including the pro-rata share of expenses of any underlying Stone Funds, for the stated period and is expressed as an annualized percentage of daily average NAV during the period. The MER excluding performance fees for the period ending December 31, 2015 was 3.87% - Series L.
- The trading expense ratio represents total commissions and other portfolio transaction costs, of the Fund and the pro-rata share of any underlying Stone Funds 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 GROWTH FUND (formerly STONE & CO. FLAGSHIP STOCK FUND CANADA)

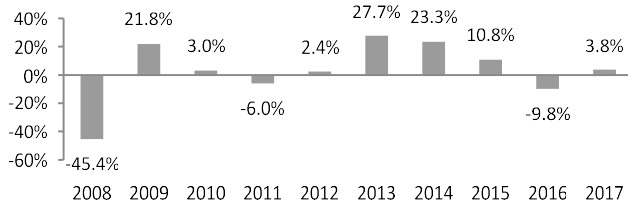
PAST PERFORMANCE

YEAR-BY-YEAR RETURNS

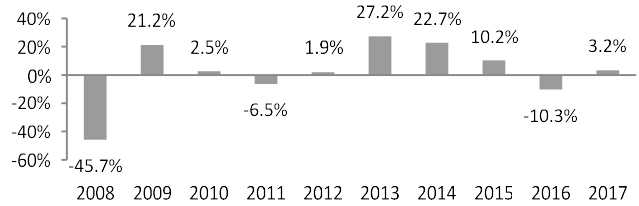
The performance information presented herein assumes all dividends of the Fund during the periods presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, or other charges that would have reduced returns or performance.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

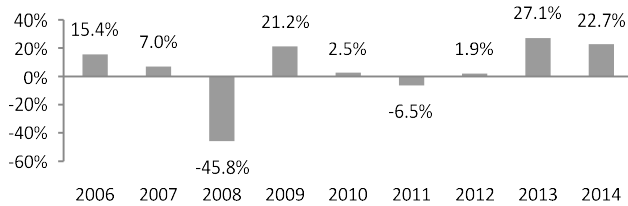
Series A



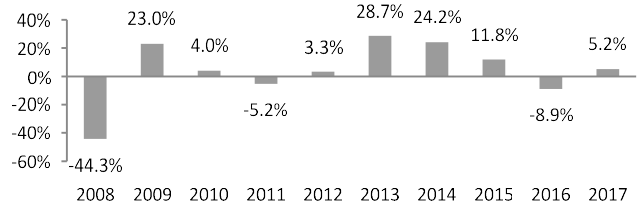
Series B



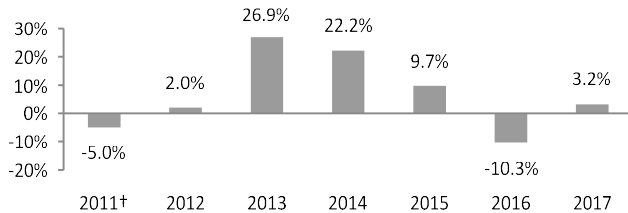
Series C ‡



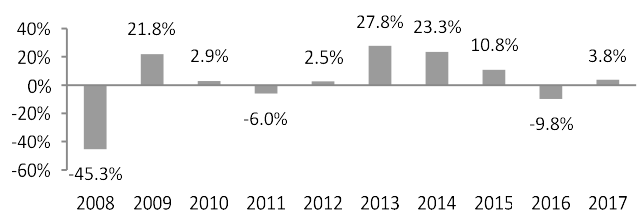
Series F



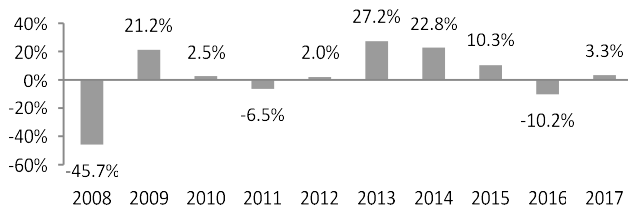
Series L



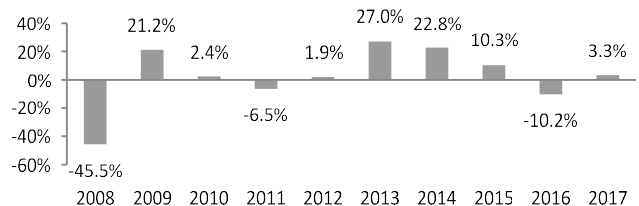
Series T8A



Series T8B



Series T8C



† From inception to December 31 of that year.

‡ Effective September 4, 2015, Series C units were redesignated as Series L. As this Series did not exist as of December 31, 2015, Year-by-Year returns for this Series are not presented for 2015 and onward.

STONE GROWTH FUND (formerly STONE & CO. FLAGSHIP STOCK FUND 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 an 50% weighting of the S&P/TSX Composite (Total Return) Index and 50% weighting of the S&P 500 (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 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 on 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	3.8	1.2	10.3	0.7	n/a	1995/10/31
Benchmark (new)	11.4	10.5	14.9	8.0	n/a	1995/10/31
Benchmark (old)	10.0	8.2	11.2	6.0	n/a	1995/10/31
Series B	3.2	0.7	9.7	0.2	n/a	1995/10/31
Benchmark (new)	11.4	10.5	14.9	8.0	n/a	1995/10/31
Benchmark (old)	10.0	8.2	11.2	6.0	n/a	1995/10/31
Series F	5.2	2.3	11.3	1.8	n/a	2001/09/30
Benchmark (new)	11.4	10.5	14.9	8.0	n/a	2001/09/30
Benchmark (old)	10.0	8.2	11.2	6.0	n/a	2001/09/30
Series L	3.2	0.5	9.5	n/a	6.9	2011/09/01
Benchmark (new)	11.4	10.5	14.9	n/a	13.6	2011/09/01
Benchmark (old)	10.0	8.2	11.2	n/a	9.6	2011/09/01
Series T8A	3.8	1.2	10.3	0.8	n/a	2007/09/01
Benchmark (new)	11.4	10.5	14.9	8.0	n/a	2007/09/01
Benchmark (old)	10.0	8.2	11.2	6.0	n/a	2007/09/01
Series T8B	3.3	0.8	9.8	0.3	n/a	2007/09/01
Benchmark (new)	11.4	10.5	14.9	8.0	n/a	2007/09/01
Benchmark (old)	10.0	8.2	11.2	6.0	n/a	2007/09/01
Series T8C	3.3	0.8	9.8	0.3	n/a	2007/09/01
Benchmark (new)	11.4	10.5	14.9	8.0	n/a	2007/09/01
Benchmark (old)	10.0	8.2	11.2	6.0	n/a	2007/09/01

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

STONE GROWTH FUND (formerly STONE & CO. FLAGSHIP STOCK FUND 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	14.1	Consumer Discretionary	9.2
Stone Global Growth Fund, Series	10.3	Consumer Staples	4.7
Amazon.com Inc.	6.7	Financials	8.9
UnitedHealth Group Inc.	6.3	Health Care	13.1
Microsoft Corp.	5.1	Industrials	4.4
MasterCard Inc., Class 'A'	4.4	Information Technology	40.4
Alphabet Inc., Class 'C'	4.3	Materials	3.4
Visa Inc., Class 'A'	3.5	Miscellaneous‡	1.9
JPMorgan Chase & Co.	3.4	Other net assets (liabilities)	-0.1
Accenture PLC, Class 'A'	3.3	Cash & cash equivalents	14.1
Orocobre Ltd.	3.1		
Kinaxis Inc.	3.0	Industry Allocation (%)†	
Bank of America Corp.	2.8	Aerospace & Defense	2.8
Allergan PLC	2.5	Banks	6.5
Cognizant Technology Solutions	2.5	Biotechnology	2.0
Vantiv Inc., Class 'A'	2.4	Capital Markets	1.2
Palo Alto Networks Inc.	2.2	Communications Equipment	2.2
Costco Wholesale Corp.	2.1	Diversified Financial Services	1.1
Analog Devices Inc.	1.9	Food & Staples Retailing	2.1
AES Corp.	1.9	Health Care Equipment & Supplies	1.5
BioMarin Pharmaceutical Inc.	1.8	Health Care Providers & Services	6.5
Jamieson Wellness Inc.	1.8	Independent Power and Renewable Electricity	1.9
Broadcom Ltd.	1.7	Internet & Direct Marketing Retail	7.0
Maxar Technologies Ltd.	1.6	Internet Software & Services	6.6
TJX Cos. Inc.	<u>1.5</u>	IT Services	17.4
	94.2	Metals & Mining	3.1
		Personal Products	1.8
		Pharmaceuticals	2.7
		Semiconductors & Semiconductor Equipment	4.8
		Software	9.2
		Specialty Retail	1.7
		Miscellaneous‡	3.9
		Other net assets (liabilities)	-0.1
		Cash & cash equivalents	14.1

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.

Prospectus and other information about the underlying Funds are available on the internet at www.sedar.com.

†Note: The Manager has done a look-through on Sector, Industry and Asset allocations for the Stone Funds that are held in the portfolio as underlying investment Funds.

‡Note: Sectors and Industries representing less than 3% and 1% respectively of the portfolio are included in "Miscellaneous".

STONE GROWTH FUND
(formerly STONE & CO. FLAGSHIP STOCK FUND CANADA)

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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