

STONE DIVIDEND GROWTH CLASS

A Class of Shares of Stone Corporate Funds Limited

2018 Annual Management Report of Fund Performance

For the period ended December 31, 2018



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

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

December 31 2018

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

The 2018 year was one of the most turbulent in the history of financial markets with plenty of ups and downs. After what followed to be a year of low volatility in 2017, investors have had a myriad of issues to deal with in 2018. The year began with a month for the ages in the stock markets. The MSCI World markets jumped 5.3% for January continuing the wicked streak of gains from 2017. Other markets went along for the ride led by the biggest markets of all in the US, the S&P 500 Index was up 5.7%.

The melt up in early January quickly evaporated as all major markets were down the following month. The US markets continued hitting new highs in the summer while other markets were struggling to stay in positive territory.

The final quarter of 2018 was one of the worst periods on record for the global markets. A confluence of negative headlines hit the markets at once. The negative quarter was enough to put major equity markets in negative territory for the year - the MSCI World Index dropped 0.5%, the Dow Jones Industrial Average down 4.8% and the TSX Composite Index down 8.9%.

The MSCI Europe Index was down 7.2% for the year. Most markets had corrected into bear market territory by the end of the year. The market selloff moved investors into the safety of US 10-year Treasuries as the yield plummeted to 2.50% (from highs of 3.25%). Investors found reasons to pile into these safer assets as the volatility in equities moved buyers into bonds.

The US Federal Reserve (the “Fed”) reached its target of tightening monetary policy through both higher interest rates and quantitative tightening of \$50B per month. Investors became uncomfortable with this level of tightening and the markets spoke up. The risk to the global economy of these two methods of tightening was real and the stock markets reflected this concern.

Other issues the market had to contend with included US-China trade impact on the global economy, year end tax loss selling and irrational government policy.

The near-absence of volatility throughout 2017 and the first month of 2018 ended in a violent move higher for the Volatility Index (the “VIX”) in February. The VIX had been trending back down to the 13 level over the summer but spiked up with in the final quarter to the 20 level as the market volatility came back.

Concerns about the Canadian government’s inability to get pipelines and infrastructure built to serve the energy industry is casting a black shadow on the sector. The differential in pricing on heavy oil Western Canadian Select (“WCS”) and West Texas Intermediate (“WTI”) spiked to \$50/barrel in the fall.

This precipitated drastic action by the Alberta government in the form of production curtailments to help ease the glut of oil that cannot leave the province. This uncertainty in the Canadian oil & gas business resulted in Canada’s Energy sector being one of the worst performers, down a staggering 18.3% for the year.

The Materials sector also had a terrible year, down 9.3% as gains made earlier in the year evaporated with the rest of the market on concerns about global growth. The Gold subindex was down 7.15% even in the face a market uncertainty. Copper producers dropped 29.0% for the year as the early year market euphoria gave way to uncertainties about global economic growth.

Consumer Discretionary, Health Care, Financials, and Utilities all faced significant decreases, down 16.0%, 15.9%, 9.3% and 8.3%, respectively, as neither the safety of Banking or Utility shares nor the excitement of cannabis shares could weather the late year market correction.

The only positive sector in Canada was the Information Technology space which recorded a 13.0% gain for the year.

The US markets (S&P 500), in Canadian Dollar terms, suffered similar drops as the TSX, with Energy down 24.7%, Materials down 20.0%, and Financials down 17.7%. The big difference between the US vs Canada is that the Health Care index was up 8.9% in the US with the stability of large cap pharma and biotech far outperforming Canada’s more cannabis-focused Health Care index.

The Fund was underweight in several interest-sensitive sectors such as Telecommunications and Real Estate relative to the blended benchmark. The Fund had a zero weight in Telecommunications (compared to the blended benchmark index of 6.8%), and zero weight in Real Estate (compared to the blended benchmark index of 3.2%).

STONE DIVIDEND GROWTH CLASS

MANAGEMENT DISCUSSION OF FUND PERFORMANCE (continued)

The weakness in the above sectors proved to be a profitable trade-off for the Fund in the first half but worked against the Fund in the final quarter as a flight to safety names outperformed to the end of year.

Utilities exposure of 6.4% (vs blended benchmark of 3.8%) was also a positive in that the selection of investments provided excellent returns compared to the index, with names such as AES Corp. continuing to outperform the sector, returning 51.0% over the year. Energy weight was below the index (6.9% compared to the blended benchmark of 16.0%), and although some of our strong first half returns came from the Energy sector, the individual Energy names worked against us in the second half.

The Manager's stock selection in the Consumer Staples sector also proved to be quite profitable. Stellar returns from Coca-Cola Co. and Costco Wholesale Corp. outperformed the index performance. The same can be said of our Industrials, where we had excellent returns from TFI International Inc., Cargojet Inc. and CP Rail.

The Fund's largest weight was in the Financials sector (42.6% compared to the blended benchmark of 28.6%) and despite negative returns across the sector, the Fund was able to outperform the benchmark. Names within the Technology sector also did well with companies such as Microsoft Corp.

The Fund held a larger than normal cash balance of 9.1% (in line with midpoint of the year and down from 12.5% at the end of last year) in order to take advantage of any opportunistic buying opportunities.

Performance

The Fund's Series outperformed its blended benchmark during the period. As mentioned above, both sector allocation and stock selection were the reasons for the Fund's outperformance vs the blended benchmark. In addition, US investments made up 35.4% of the portfolio and the 8.5% drop in the Canadian dollar had a positive effect on US Dollar holdings.

The Fund Manager's disciplined approach toward total return remains a core practice in managing the portfolio risk and this approach is paying off.

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

Series							
A	B	C	F	L	T8A	T8B	T8C
(2.5)%	(3.1)%	(3.0)%	(1.4)%	(3.1)%	(2.5)%	(3.1)%	(3.0)%

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 declined 8.9% 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 declined 6.3% over the same period.

Change in Net asset value

Net Assets of the Fund decreased by 16.2% or \$57.5 million during the period, \$354.8 million at December 31, 2017 to \$297.3 at December 31, 2018. This change in Net Assets is attributed to net sales (redemptions) of (\$45.7) million, cash distributions of \$5.5 million and \$(6.3) 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

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:

STONE DIVIDEND GROWTH CLASS

MANAGEMENT DISCUSSION OF FUND PERFORMANCE (continued)

<u>Series</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>F</u>	<u>L</u>	<u>T8A</u>	<u>T8B</u>	<u>T8C</u>
Annual Fee (%)	2.00	2.50	2.50	0.95	2.50	2.00	2.50	2.50

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

<u>Series</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>F</u>	<u>L</u>	<u>T8A</u>	<u>T8B</u>	<u>T8C</u>
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

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

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

		Increase (decrease) from operations ² (All figures in (\$))					Dividends ^{2,3}					
Series	As at	Net assets, beginning of period ²	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	Net assets, end of period
	Dec 2018	11.37	0.28	(0.33)	0.42	(0.60)	(0.23)	(0.24)	-	-	(0.24)	10.87
	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
A	Dec 2014	10.17	0.31	(0.29)	0.64	0.34	1.00	(0.24)	-	-	(0.24)	10.92
	Dec 2018	10.53	0.26	(0.36)	0.42	(0.49)	(0.17)	(0.21)	-	-	(0.21)	10.01
	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
B†	Dec 2014	9.58	0.29	(0.34)	0.60	0.34	0.89	(0.21)	-	-	(0.21)	10.24
	Dec 2018	10.56	0.26	(0.36)	0.40	(0.52)	(0.22)	(0.21)	-	-	(0.21)	10.04
	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
C‡	Dec 2014	9.59	0.29	(0.33)	0.61	0.37	0.94	(0.21)	-	-	(0.21)	10.26
	Dec 2018	13.76	0.35	(0.23)	0.47	(0.82)	(0.23)	(0.25)	-	-	(0.25)	13.33
	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
F	Dec 2014	11.66	0.36	(0.21)	0.73	0.33	1.21	(0.25)	-	-	(0.25)	12.67
	Dec 2018	13.79	0.34	(0.48)	0.54	(0.70)	(0.30)	(0.21)	-	-	(0.21)	13.17
	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
L*	Dec 2014	12.34	0.38	(0.44)	0.77	0.34	1.05	(0.21)	-	-	(0.21)	13.24
	Dec 2018	7.58	0.18	(0.21)	0.27	(0.39)	(0.15)	(0.08)	-	(0.53)	(0.61)	6.81
	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
T8A	Dec 2014	8.56	0.25	(0.24)	0.52	0.25	0.78	(0.21)	-	(0.48)	(0.69)	8.70
	Dec 2018	7.18	0.17	(0.24)	0.27	(0.33)	(0.13)	(0.08)	-	(0.49)	(0.57)	6.41
	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
T8B†	Dec 2014	8.30	0.24	(0.28)	0.52	0.32	0.80	(0.20)	-	(0.46)	(0.66)	8.38
	Dec 2018	7.21	0.17	(0.24)	0.26	(0.34)	(0.15)	(0.08)	-	(0.50)	(0.58)	6.45
	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
T8C†	Dec 2014	8.31	0.25	(0.27)	0.51	0.32	0.81	(0.20)	-	(0.46)	(0.66)	8.40

† 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:

1. This information is derived from the Fund's annual audited financial statements.
2. 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.
3. Dividends were paid in cash and/or reinvested in additional securities of the Fund.

STONE DIVIDEND GROWTH CLASS

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 2018	144,439	13,293,262	2.67	2.67	0.05	11	10.87
	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
B†	Dec 2018	24,195	2,416,692	3.26	3.26	0.05	11	10.01
	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
C‡	Dec 2018	6,775	674,676	3.24	3.24	0.05	11	10.04
	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
F	Dec 2018	52,820	3,961,063	1.51	1.51	0.05	11	13.33
	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
L*	Dec 2018	9,317	707,494	3.29	3.29	0.05	11	13.17
	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
T8A	Dec 2018	45,366	6,657,144	2.64	2.64	0.05	11	6.81
	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
T8B†	Dec 2018	12,468	1,943,790	3.28	3.28	0.05	11	6.41
	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
T8C‡	Dec 2018	1,897	293,998	3.16	3.16	0.05	11	6.45
	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

† 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.

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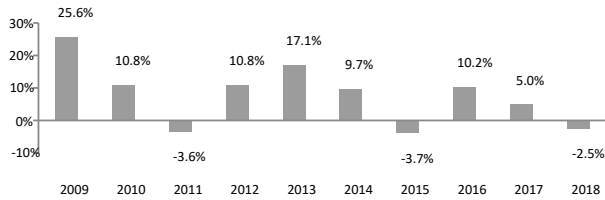
PAST PERFORMANCE

YEAR-BY-YEAR RETURNS

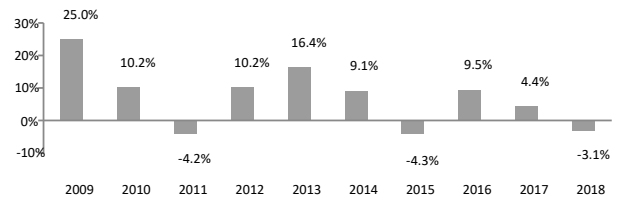
The performance information presented herein assumes all dividends of the Fund during the periods presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, or other charges that would have reduced returns or performance.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

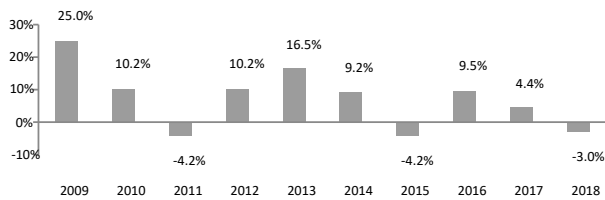
Series A



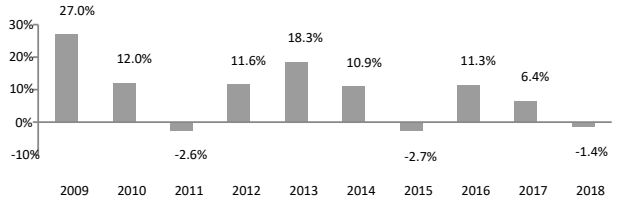
Series B



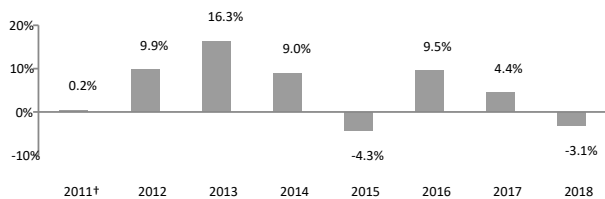
Series C



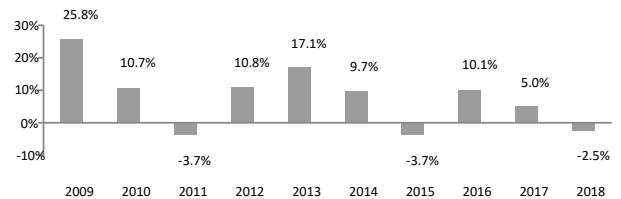
Series F



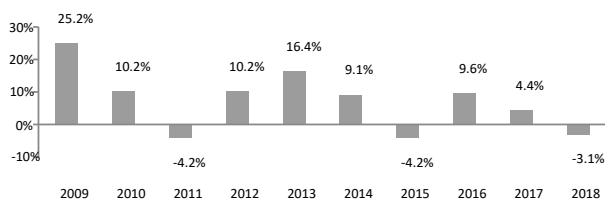
Series L



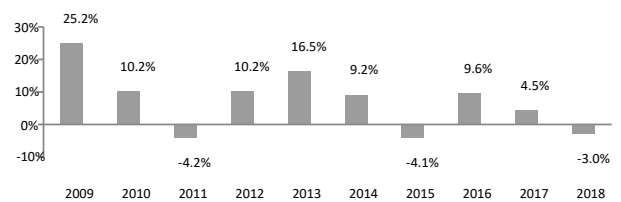
Series T8A



Series T8B



Series T8C



† From inception to December 31 of that year.

STONE DIVIDEND GROWTH CLASS

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 *	(2.5)	4.1	3.6	7.6	n/a	2002/09/30
Benchmark	(6.3)	6.9	6.1	9.3	n/a	2002/09/30
Series B *	(3.1)	3.5	3.0	7.0	n/a	2002/09/30
Benchmark	(6.3)	6.9	6.1	9.3	n/a	2002/09/30
Series C	(3.0)	3.5	3.0	7.0	n/a	2003/07/31
Benchmark	(6.3)	6.9	6.1	9.3	n/a	2003/07/31
Series F	(1.4)	5.3	4.7	8.7	n/a	2003/07/31
Benchmark	(6.3)	6.9	6.1	9.3	n/a	2003/07/31
Series L	(3.1)	3.5	2.9	n/a	5.5	2011/09/01
Benchmark	(6.3)	6.9	6.1	n/a	7.7	2011/09/01
Series T8A	(2.5)	4.1	3.6	7.6	n/a	2007/09/01
Benchmark	(6.3)	6.9	6.1	9.3	n/a	2007/09/01
Series T8B	(3.1)	3.5	3.0	7.0	n/a	2007/09/01
Benchmark	(6.3)	6.9	6.1	9.3	n/a	2007/09/01
Series T8C	(3.0)	3.6	3.1	7.0	n/a	2007/09/01
Benchmark	(6.3)	6.9	6.1	9.3	n/a	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 represented from September 30, 2002, the effective date of the change.

STONE DIVIDEND GROWTH CLASS

SUMMARY OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2018

TOP 25 HOLDINGS		PORTFOLIO COMPOSITION	
Name of Security	% of Total Net Asset Value	Sector Allocation (%)	
Bank of Nova Scotia	8.0	Energy	6.9
Royal Bank of Canada	7.1	Financials	42.5
Cash & cash equivalents	6.0	Health Care	12.1
Toronto-Dominion Bank	5.9	Industrials	7.7
Microsoft Corp.	4.4	Technology	7.5
Brookfield Asset Management Inc., Class 'A'	3.9	Utilities	6.4
Abbott Laboratories	3.5	Miscellaneous†	7.5
AES Corp.	3.4	Other net assets (liabilities)	3.4
Stryker Corp.	3.3	Cash & cash equivalents	6.0
Visa Inc., Class 'A'	3.0	Industry Allocation (%)	
TFI International Inc.	2.8	Asset Management	4.1
JPMorgan Chase & Co.	2.7	Banking	31.2
Power Financial Corp.	2.7	Biotech & Pharma	4.0
Bank of America Corp.	2.7	Medical Equipment & Devices	8.1
Bank of Montreal, Preferred, Class 'B', Series	2.4	Oil, Gas & Coal	6.9
Canadian Imperial Bank of Commerce	2.4	Software	7.5
Waste Connections Inc.	2.2	Specialty Finance	4.5
Costco Wholesale Corp.	2.1	Transportation & Logistics	4.3
Suncor Energy Inc.	1.9	Utilities	6.4
Oracle Corp.	1.8	Miscellaneous†	13.6
Canadian Natural Resources Ltd.	1.7	Other net assets (liabilities)	3.4
Ecolab Inc.	1.6	Cash & cash equivalents	6.0
Cargojet Inc.	1.5		
Jamieson Wellness Inc.	1.5		
Fidelity National Information Services Inc.	1.5		
	80.0		

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

A Class of Shares of Stone Corporate Funds Limited

2018 Annual Management Report of Fund Performance

For the period ended December 31, 2018

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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