

STONE MUTUAL FUNDS

2019 Annual Audited Financial Statements

For the periods ended December 31, 2019 and 2018

STONE MUTUAL FUNDS

TABLE OF CONTENTS

CORPORATE OVERVIEW	1
MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING AND INDEPENDENT AUDITOR'S REPORT	2
STONE DIVIDEND GROWTH CLASS	4
Statements of Financial Position	
Statements of Comprehensive Income (Loss)	
Statements of Changes in Net Assets Attributable to Holders of Redeemable Securities	
Statements of Cash Flows	
Schedule of Investment Portfolio	
Fund Specific Notes	
STONE COVERED CALL CANADIAN BANKS PLUS FUND	14
Statements of Financial Position	
Statements of Comprehensive Income (Loss)	
Statements of Changes in Net Assets Attributable to Holders of Redeemable Securities	
Statements of Cash Flows	
Schedule of Investment Portfolio	
Fund Specific Notes	
STONE DIVIDEND YIELD HOG FUND (FORMERLY STONE MONTHLY PAY FUND)	21
Statements of Financial Position	
Statements of Comprehensive Income (Loss)	
Statements of Changes in Net Assets Attributable to Holders of Redeemable Securities	
Statements of Cash Flows	
Schedule of Investment Portfolio	
Fund Specific Notes	
STONE GROWTH FUND	29
Statements of Financial Position	
Statements of Comprehensive Income (Loss)	
Statements of Changes in Net Assets Attributable to Holders of Redeemable Securities	
Statements of Cash Flows	
Schedule of Investment Portfolio	
Fund Specific Notes	
STONE AMERICAN DIVIDEND GROWTH FUND	41
Statements of Financial Position	
Statements of Comprehensive Income (Loss)	
Statements of Changes in Net Assets Attributable to Holders of Redeemable Securities	
Statements of Cash Flows	
Schedule of Investment Portfolio	
Fund Specific Notes	
STONE GLOBAL BALANCED FUND	50
Statements of Financial Position	
Statements of Comprehensive Income (Loss)	
Statements of Changes in Net Assets Attributable to Holders of Redeemable Securities	
Statements of Cash Flows	
Schedule of Investment Portfolio	
Fund Specific Notes	
STONE GLOBAL STRATEGY FUND	65
Statements of Financial Position	
Statements of Comprehensive Income (Loss)	
Statements of Changes in Net Assets Attributable to Holders of Redeemable Securities	
Statements of Cash Flows	
Schedule of Investment Portfolio	
Fund Specific Notes	

STONE MUTUAL FUNDS

STONE GLOBAL GROWTH FUND

73

Statements of Financial Position
Statements of Comprehensive Income (Loss)
Statements of Changes in Net Assets Attributable to Holders of Redeemable Securities
Statements of Cash Flows
Schedule of Investment Portfolio
Fund Specific Notes

STONE EUROPLUS FUND

84

Statements of Financial Position
Statements of Comprehensive Income (Loss)
Statements of Changes in Net Assets Attributable to Holders of Redeemable Securities
Statements of Cash Flows
Schedule of Investment Portfolio
Fund Specific Notes

NOTES TO THE FINANCIAL STATEMENTS

93

STONE MUTUAL FUNDS

CORPORATE OVERVIEW

The Stone Mutual Funds (the “Funds”) were originally established by Richard G. Stone in 1995.

Stone Mutual Funds are offered by Stone Asset Management Limited (“SAM”) and are available through registered financial advisors in all provinces and territories of Canada. SAM, as the investment fund manager and the portfolio manager for all Stone Mutual Funds, is responsible for hiring and managing the relationships with our sub-advisors, and provides investment management services for these funds.

SAM has engaged its affiliate, Stone Investment Group Limited (“SIG”) as administrator of the Funds and fund distributor. SAM and SIG are headquartered in Toronto.

SAM is a wholly owned subsidiary of SIG, an independent, 100% Canadian-owned wealth management company. Collectively we refer to the companies as “Stone”.

OUR INVESTMENT PRODUCTS

SAM provides investment management services via distinctive investment mandates, overseen daily by the disciplined execution of a proprietary investment process and investment philosophy. Access to SAM investment mandates can be achieved via a family of nine open-end mutual funds, a pooled fund, and private wealth management services. SAM’s expertise ranges from servicing Canada’s retail investors working with their financial advisors to the complexities of working directly with family offices, endowments and foundations. At Stone, we want our investors to sleep well knowing they’ll have the financial resources to live well.

Should you require any additional information on any of these products, please contact your financial advisor, review our information at www.stoneco.com or on SEDAR at www.sedar.com, or call us at 800 795 1142.

OUR CORPORATE GOVERNANCE

As part of our ongoing commitment, we would like to advise you of our dedication to our corporate governance policies; the way we acknowledge trust. Corporate governance means having the appropriate policies, procedures and structures in place to ensure the independence of the board of directors of a corporation from its management to ensure that the corporation is appropriately managed and directed. The objective of good corporate governance is to ensure that companies are not only well run and profitably managed, but also adhere to high standards of legal and ethical principles as well as conduct.

In the mutual fund industry, good corporate governance is an important consideration for portfolio advisors in selecting the right companies in which to invest. The equivalent concept for mutual fund investors themselves is fiduciary responsibility: the obligation fund managers have to their securityholders to manage fund assets in a prudent fashion.

STONE MUTUAL FUNDS
Stone Dividend Growth Class (a class of shares of Stone Corporate Funds Limited)
Stone Covered Call Canadian Banks Plus Fund
Stone Dividend Yield Hog Fund (formerly Stone Monthly Pay Fund)
Stone Growth Fund
Stone American Dividend Growth Fund
Stone Global Balanced Fund
Stone Global Strategy Fund
Stone Global Growth Fund
Stone EuroPlus Fund

At Stone, we are committed to our responsibilities on behalf of all those who invest with us. In particular, we are committed to ensuring:

1. Preservation of investor capital through long-term growth exceeding the rate of inflation with an acceptable level of risk as defined by each Fund’s investment objective and strategy.

2. That each individual investment within the Fund portfolios reflects proper corporate governance standards, while still allowing management to maximize securityholder value.

Stone has established an Independent Review Committee whose primary role is to review conflicts of interest as they relate to investment fund management.

In everything we do at Stone, our goal is to provide investors with clarity, comfort and commitment by:

1. Protecting fund assets.
2. Ensuring that all regulatory requirements are satisfied.
3. Ensuring that the investment process and each fund’s Investment Mandate are adhered to.
4. Overseeing fund administration systems.
5. Ensuring that Stone’s Code of Business Conduct and Ethics is adhered to and that all staff go about their work with the interests of our investors first.

STONE MUTUAL FUNDS

MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by Stone Asset Management Limited in its capacity as Manager of the Funds and approved by the Board of Directors of the Manager. The Funds' Manager is responsible for the information and representation contained in these financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments made by the Manager. The significant accounting policies, which the Manager believes are appropriate, are described in Note 2 to the financial statements.

Ernst & Young LLP is the external auditor of the Funds, appointed by the Manager. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the securityholders their opinion on each of the financial statements. Their report is set out opposite.



Richard G. Stone

President & CEO

Stone Asset Management Limited

March 18, 2020

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of
Stone Dividend Growth Class*
Stone Covered Call Canadian Banks Plus Fund
Stone Dividend Yield Hog Fund (formerly Stone Monthly Pay Fund)
Stone Growth Fund
Stone American Dividend Growth Fund
Stone Global Balanced Fund
Stone Global Strategy Fund
Stone Global Growth Fund
Stone EuroPlus Fund

(*a class of mutual fund shares of Stone Corporate Funds Limited)

(collectively, the "Funds")

Opinion

We have audited the financial statements of the Funds, which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of comprehensive income (loss), statements of changes in net assets attributable to holders of redeemable securities and statements of cash flows for the periods then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2019 and 2018, and their financial performance and their cash flows for the periods then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance of the Funds. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance of the Funds prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

STONE MUTUAL FUNDS

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 18, 2020

STONE DIVIDEND GROWTH CLASS

STATEMENTS OF FINANCIAL POSITION

AS AT

(in thousands of dollars; per security amounts are expressed in whole dollars)	December 31, 2019		December 31, 2018	
Assets				
Current assets				
Investments (Note 2)	\$	303,198	\$	269,357
Cash		5,485		17,734
Dividends receivable		443		746
Interest receivable		2		8
Receivable for investments sold		-		9,662
Subscriptions receivable		112		54
		309,240		297,561
Liabilities				
Current liabilities				
Redemption payable		425		281
Dividend payable		3		3
		428		284
Net assets attributable to holders of redeemable securities (Note 3)	\$	308,812	\$	297,277
Net assets attributable to holders of redeemable securities per series				
Series A	\$	148,280	\$	144,439
Series B		19,589		24,195
Series C		6,134		6,775
Series F		66,071		52,820
Series L		8,751		9,317
Series O		-		N/A
Series PTF		4		N/A
Series T8A		48,093		45,366
Series T8B		10,162		12,468
Series T8C		1,728		1,897
	\$	308,812	\$	297,277
Net assets attributable to holders of redeemable securities per security				
Series A	\$	12.63	\$	10.87
Series B		11.58		10.01
Series C		11.62		10.04
Series F		15.73		13.33
Series L		15.30		13.17
Series O		10.00		N/A
Series PTF		10.29		N/A
Series T8A		7.51		6.81
Series T8B		7.02		6.41
Series T8C		7.07		6.45

Approved on behalf of Stone Asset Management Limited:



Richard G. Stone
Director



James Elliott
Director



STONE DIVIDEND GROWTH CLASS

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

(in thousands of dollars; per security amounts are expressed in whole dollars)	2019	2018
Income (Note 2):		
Dividends	\$ 7,771	\$ 8,114
Interest for distribution purposes	73	86
Net realized gains (losses) on sale of investments and derivatives	(4,176)	12,056
Change in unrealized appreciation (depreciation) of investments and derivatives	57,709	(18,400)
Net gains (losses) on investments and derivatives	61,377	1,856
Foreign exchange gains (losses) on cash	(553)	968
Total income (loss)	60,824	2,824
Expenses (Note 4):		
Management fees (Note 8)	6,331	7,008
Securityholder reporting costs	614	643
Transfer agency fees	341	784
Custodian fees	95	100
Filing fees	27	26
Independent Review Committee fees	5	11
Audit fees	63	58
Legal fees	25	22
Transaction costs (Note 2)	42	157
Foreign withholding taxes	360	334
Total expenses	7,903	9,143
Expenses waived/absorbed by the Manager	-	-
Total expenses (net)	7,903	9,143
Increase (decrease) in net assets attributable to holders of redeemable securities	\$ 52,921	\$ (6,319)
Increase (decrease) in net assets attributable to holders of redeemable securities per series		
Series A	\$ 25,705	\$ (3,185)
Series B	3,816	(505)
Series C	1,104	(167)
Series F	10,520	(883)
Series L	1,499	(239)
Series O*	-	-
Series PTF**	-	-
Series T8A	8,008	(1,027)
Series T8B	1,962	(269)
Series T8C	307	(44)
	\$ 52,921	\$ (6,319)
Increase (decrease) in net assets attributable to holders of redeemable securities per security		
Series A	\$ 2.03	\$ (0.23)
Series B	1.87	(0.17)
Series C	1.86	(0.22)
Series F	2.63	(0.23)
Series L	2.42	(0.30)
Series O*	-	-
Series PTF**	0.52	-
Series T8A	1.25	(0.15)
Series T8B	1.18	(0.13)
Series T8C	1.20	(0.15)

*Inception date August 1, 2019

**Inception date September 3, 2019



STONE DIVIDEND GROWTH CLASS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SECURITIES

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

2019 (in thousands)	Series				
	A	B	C	F	L
Net assets attributable to holders of redeemable securities, beginning of period	\$ 144,439	24,195	6,775	52,820	9,317
Increase (decrease) in net assets attributable to holders of redeemable securities	25,705	3,816	1,104	10,520	1,499
Redeemable securityholder transactions					
Proceeds from issue of redeemable securities	9,623	-	-	12,739	217
Reinvestment of dividends to holders of redeemable securities	2,818	380	111	789	113
Redemption of redeemable securities	(31,284)	(8,379)	(1,732)	(9,784)	(2,266)
Net securityholder transactions	(18,843)	(7,999)	(1,621)	3,744	(1,936)
Dividends to securityholders of redeemable securities					
Dividends	(3,021)	(423)	(124)	(1,013)	(129)
Capital gains dividends	-	-	-	-	-
Return of capital	-	-	-	-	-
Total dividends to securityholders of redeemable securities	(3,021)	(423)	(124)	(1,013)	(129)
Net assets attributable to holders of redeemable securities, end of period	\$ 148,280	19,589	6,134	66,071	8,751

Securities issued and outstanding

	A	B	C	F	L
Securities, beginning of period	13,293	2,417	675	3,961	707
Securities issued for cash	809	-	-	848	15
Securities issued on reinvestment of dividends	234	34	10	53	8
Securities redeemed	(2,596)	(760)	(157)	(661)	(158)
Securities, end of period	11,740	1,691	528	4,201	572

2019 (continued)... (in thousands)	Series					2019 Total
	O*	PTF**	T8A	T8B	T8C	
Net assets attributable to holders of redeemable securities, beginning of period	\$ -	-	45,366	12,468	1,897	\$ 297,277
Increase (decrease) in net assets attributable to holders of redeemable securities	-	-	8,008	1,962	307	52,921
Redeemable securityholder transactions						
Proceeds from issue of redeemable securities	-	4	3,502	-	-	26,085
Reinvestment of dividends to holders of redeemable securities	-	-	239	181	47	4,678
Redemption of redeemable securities	-	-	(5,528)	(3,610)	(391)	(62,974)
Net securityholder transactions	-	4	(1,787)	(3,429)	(344)	(32,211)
Dividends to securityholders of redeemable securities						
Dividends	-	-	(719)	(172)	(27)	(5,628)
Capital gains dividends	-	-	-	-	-	-
Return of capital	-	-	(2,775)	(667)	(105)	(3,547)
Total dividends to securityholders of redeemable securities	-	-	(3,494)	(839)	(132)	(9,175)
Net assets attributable to holders of redeemable securities, end of period	\$ -	4	48,093	10,162	1,728	\$ 308,812

Securities issued and outstanding

	O*	PTF**	T8A	T8B	T8C
Securities, beginning of period	-	-	6,657	1,944	294
Securities issued for cash	-	-	473	-	-
Securities issued on reinvestment of dividends	-	-	32	26	7
Securities redeemed	-	-	(756)	(523)	(56)
Securities, end of period	-	-	6,406	1,447	245

*Inception date August 1, 2019

**Inception date September 3, 2019



STONE DIVIDEND GROWTH CLASS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SECURITIES

FOR THE PERIODS ENDED DECEMBER 31 (Note 1) (continued)

2018 (in thousands)	Series								2018 Total
	A	B	C	F	L	T8A	T8B	T8C	
Net assets attributable to holders of redeemable securities, beginning of period	\$ 170,738	36,811	9,648	52,375	13,250	52,306	17,369	2,311	\$ 354,808
Increase (decrease) in net assets attributable to holders of redeemable securities	(3,185)	(505)	(167)	(883)	(239)	(1,027)	(269)	(44)	(6,319)
Redeemable securityholder transactions									
Proceeds from issue of redeemable securities	17,203	943	440	20,740	1,149	4,096	22	-	44,593
Reinvestment of dividends to holders of redeemable securities	3,103	529	143	797	146	302	204	48	5,272
Redemption of redeemable securities	(40,083)	(12,993)	(3,129)	(19,230)	(4,824)	(6,202)	(3,635)	(242)	(90,338)
Net securityholder transactions	(19,777)	(11,521)	(2,546)	2,307	(3,529)	(1,804)	(3,409)	(194)	(40,473)
Dividends to securityholders of redeemable securities									
Net investment income	-	-	-	-	-	-	-	-	-
Dividends	(3,337)	(590)	(160)	(979)	(165)	(547)	(163)	(23)	(5,964)
Capital gains dividends	-	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	(3,562)	(1,060)	(153)	(4,775)
Total dividends to securityholders of redeemable securities	(3,337)	(590)	(160)	(979)	(165)	(4,109)	(1,223)	(176)	(10,739)
Net assets attributable to holders of redeemable securities, end of period	\$ 144,439	24,195	6,775	52,820	9,317	45,366	12,468	1,897	\$ 297,277

Securities issued and outstanding

Securities, beginning of period	15,010	3,495	914	3,805	961	6,903	2,419	320
Securities issued for cash	1,490	90	42	1,477	82	542	4	-
Securities issued on reinvestment of dividends	269	50	13	57	10	41	29	7
Securities redeemed	(3,476)	(1,218)	(294)	(1,378)	(346)	(829)	(508)	(33)
Securities, end of period	13,293	2,417	675	3,961	707	6,657	1,944	294



STONE DIVIDEND GROWTH CLASS

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

(in thousands)	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable securities	\$ 52,921	\$ (6,319)
Adjustments for:		
Foreign exchange losses (gains) on cash	553	(764)
Net realized losses (gains) on sale of investments and derivatives	4,176	(12,056)
Change in unrealized depreciation (appreciation) of investments and derivatives	(57,709)	18,400
Purchases of investments and derivatives	-	(31,782)
Proceeds from sale and/or maturity of investments and derivatives	19,692	66,113
Dividends receivable	303	(19)
Interest receivable	6	(2)
Receivable for investments sold	9,662	(9,662)
Net cash from operating activities	29,604	23,909
Cash flows from financing activities:		
Proceeds from issue of redeemable securities	26,027	44,917
Amount paid on redemptions of redeemable securities	(62,830)	(90,547)
Dividends paid to holders of redeemable securities, net of reinvested dividends	(4,497)	(5,464)
Net cash from financing activities	(41,300)	(51,094)
Foreign exchange gains (losses) on cash	(553)	764
Net increase (decrease) in cash and cash equivalents during the period	(11,696)	(27,185)
Cash and cash equivalents, beginning of period	17,734	44,155
Cash and cash equivalents at the end of period	\$ 5,485	\$ 17,734
Supplemental disclosure of cash flow information*:		
Interest received	\$ 79	\$ 84
Dividends received, net of foreign withholding taxes	7,714	7,761
Cash and cash equivalents are comprised of:		
Cash	\$ 5,485	\$ 17,734
Cash equivalents	-	-
	\$ 5,485	\$ 17,734

*Included as part of cash flows from operating activities.



STONE DIVIDEND GROWTH CLASS

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019

Number of Shares or Par Value	Security	Average Cost (000's)	Carrying Value (000's)	%
Consumer Discretionary (1.7%)				
180,000	Park Lawn Corp.	\$ 3,068	\$ 5,272	
		3,068	5,272	1.7%
Consumer Staples (4.3%)				
65,000	Coca-Cola Co.	2,321	4,665	
22,446	Costco Wholesale Corp.	4,380	8,555	
		6,701	13,220	4.3%
Energy (3.6%)				
100,000	Pembina Pipeline Corp.	4,227	4,813	
150,000	Suncor Energy Inc.	7,131	6,384	
		11,358	11,197	3.6%
Financials (48.6%)				
235,000	Bank of America Corp.	6,624	10,733	
312,400	Bank of Montreal, Preferred, Class 'B', Series '25', Variable Rate, Callable, Perpetual	6,107	7,576	
230,000	Bank of Nova Scotia	14,084	16,871	
40,100	Bank of Nova Scotia, Series '30', Callable	778	996	
313,600	Bank of Nova Scotia, Series '32', Variable Rate, Callable, Perpetual	6,123	7,743	
220,000	Brookfield Asset Management Inc., Class 'A'	3,387	16,507	
69,000	Canadian Imperial Bank of Commerce	7,851	7,456	
168,500	Decisive Dividend Corp.	674	623	
31,000	Fidelity National Information Services Inc.	2,706	5,591	
61,000	JPMorgan Chase & Co.	6,602	11,027	
310,000	Power Financial Corp.	9,306	10,831	
225,000	Royal Bank of Canada	15,740	23,119	
260,000	Toronto-Dominion Bank	11,661	18,936	
50,000	Visa Inc., Class 'A'	6,147	12,183	
		97,790	150,192	48.6%
Health Care (12.0%)				
105,000	Abbott Laboratories	4,968	11,827	
13,000	Becton, Dickinson & Co.	2,542	4,585	
203,765	Jamieson Wellness Inc.	3,562	5,247	
58,123	Pfizer Inc.	2,495	2,953	
45,600	Stryker Corp.	4,981	12,414	
		18,548	37,026	12.0%
Industrials (7.9%)				
61,560	Cargojet Inc.	2,835	6,361	
238,800	TFI International Inc.	5,465	10,452	
65,000	Waste Connections Inc.	5,333	7,667	
		13,633	24,480	7.9%
Materials (1.9%)				
23,000	Ecolab Inc.	1,098	5,756	
		1,098	5,756	1.9%
Technology (9.8%)				
95,000	Microsoft Corp.	7,723	19,427	
85,000	Open Text Corp.	3,404	4,864	
88,000	Oracle Corp.	2,704	6,046	
		13,831	30,337	9.8%



STONE DIVIDEND GROWTH CLASS

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019 (continued)

Number of Shares or Par Value	Security	Average Cost (000's)	Carrying Value (000's)	%
	Utilities (8.3%)			
517,000	AES Corp.	7,707	13,341	
143,600	Boralex Inc., Class 'A'	3,025	3,512	
75,000	Brookfield Infrastructure Partners L.P.	3,552	4,865	
115,000	Pattern Energy Group Inc., Class 'A'	3,094	4,000	
		17,378	25,718	8.3%
	Transaction Costs	(367)		
	Total Investment Portfolio	\$ 183,038	\$ 303,198	98.1%
	Cash & Other Net Assets (Liabilities) (1.9%)		5,614	1.9%
	Total Net Assets (100.0%)		\$ 308,812	100.0%

Percentages shown relate to investments at carrying value to total net assets of the Fund.



STONE DIVIDEND GROWTH CLASS

FUND SPECIFIC NOTES

AS AT DECEMBER 31, 2019 AND 2018

(in thousands of dollars; per security amounts are expressed in whole dollars)

Risk management

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.

The Fund’s investments may be exposed to a variety of financial instruments risks: market risk (comprised of other market price risk, foreign currency risk and interest rate risk), liquidity risk, credit risk and concentration risk.

The Manager of the Fund, Stone Asset Management Limited (“SAM”), aims to manage risk as part of its investment process through the thorough analysis and careful selection of securities and diversification across asset classes and industry sectors.

SAM also manages risk by ensuring the portfolio management activities of the Fund comply with its investment objectives and strategies and applicable securities legislation.

Market price risk

The value of securities in the Fund’s investment portfolio may be affected by factors specific to the individual securities. Market price fluctuations may also be caused by general economic and financial conditions or industry-specific matters. Political, social and environmental factors can also affect the value of any investment. The value of equity-related securities, such as warrants, options, and convertible securities, is also affected by market price risk.

The most significant exposure to market price risk for the Fund arises from its investment in equity securities. If equity prices on the respective stock exchanges had increased or decreased by 5%, as at December 31, 2019, with all other factors remaining constant, net assets would have increased or decreased by approximately \$14,614 (2018 – \$12,241). This change is estimated using the weighted average beta of the Fund’s equity portfolio, which is calculated based on an historical correlation against respective stock exchanges. In practice, actual trading results may differ and the difference could be material.

Foreign currency risk

Foreign currency risk arises when financial instruments are denominated in a currency other than the Canadian dollar, the functional currency of the Fund. When a Fund buys an investment priced in a foreign currency and the exchange rate between the Canadian dollar and the foreign currency changes unfavourably, it could reduce the value of the Fund’s investment.

The Fund had exposure to the foreign currency shown below in Canadian dollar terms. Also shown below is the potential impact to the Fund’s net assets, all other variables held constant, as a result of a 5% change in this currency relative to the Canadian dollar. In practice, actual trading results may differ and the difference could be material.

December 31, 2019					
Currency	Investments	Cash	Total	% of net assets	Impact on net assets
U.S. Dollar	129,103	4,874	133,977	43.4	6,699
Total	129,103	4,874	133,977	43.4	6,699

December 31, 2018					
Currency	Investments	Cash	Total	% of net assets	Impact on net assets
U.S. Dollar	105,029	11,949	116,978	39.3	5,849
Total	105,029	11,949	116,978	39.3	5,849

Interest rate risk

A Fund that invests in fixed income securities, such as bonds and money market instruments, is sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments is falling; when interest rates are falling, the value of these investments is rising. Moreover, fixed income securities with longer terms to maturity are usually more sensitive to changes in interest rates.

There is minimal sensitivity to changes in interest rates for money market securities since these are usually held to maturity and tend to be short-term in nature.

As at December 31, 2019 and 2018, the Fund did not have significant exposure to interest rate risk.

STONE DIVIDEND GROWTH CLASS

FUND SPECIFIC NOTES (continued)

Liquidity risk

Liquidity risk is defined as the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price.

The Fund is exposed to daily cash redemptions of redeemable securities. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity. The Fund primarily invests in securities that are actively traded in public markets and can be readily disposed of to increase liquidity. The Schedule of Investment Portfolio identifies any securities that are not traded on an active market, being nil of total net assets as at December 31, 2019 (2018 – nil).

As at December 31, 2019 and 2018, all existing liabilities of the Fund are to be settled within three months.

Credit risk

When a company or government issues a fixed income or debt security, it has an obligation to pay interest and repay a specific amount on the maturity date. Credit risk is the risk that the company or government will not meet that obligation. Credit risk is lower among issuers that have good credit ratings from recognized credit rating agencies and higher among issuers with a low credit rating or no credit rating at all. These securities usually offer high interest rates to compensate for the increased risk. Changes in the credit risk of a security can affect its liquidity making it more difficult to sell.

As at December 31, 2019 and 2018, the Fund did not have significant exposure to credit risk.

Concentration risk

The following table summarizes the portfolio investments as a % of net assets held by the Fund for the periods ended December 31:

Sector	2019	2018
Consumer Discretionary	1.7	3.9
Consumer Staples	4.3	3.5
Energy	3.6	6.9
Financials	48.6	42.6
Health Care	12.0	12.1
Industrials	7.9	7.7
Materials	1.9	-
Technology	9.8	7.5
Utilities	8.3	6.4
Cash & Other Net Assets (Liabilities)	1.9	9.4
Total net assets	100.0	100.0

Fair Value disclosure

The Fund classifies fair value measurements within a hierarchy that gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs for the asset or liability that is not based on observable market data.

The following fair value hierarchy table presents information about the Fund's assets measured at fair value on a recurring basis as at December 31, 2019 and 2018. There were no transfers between Level 1 and Level 2.

December 31, 2019	Level 1	Level 2	Level 3	Total
Equities	\$ 303,198	\$ -	\$ -	\$ 303,198
Total Investment Portfolio	\$ 303,198	\$ -	\$ -	\$ 303,198

STONE DIVIDEND GROWTH CLASS

FUND SPECIFIC NOTES (continued)

December 31, 2018		Level 1		Level 2		Level 3		Total
Equities	\$	269,357	\$	-	\$	-	\$	269,357
Total Investment Portfolio	\$	269,357	\$	-	\$	-	\$	269,357

Weighted average number of securities (000's)

The following table illustrates the weighted average number of securities outstanding for the periods ended December 31:

Series	2019	2018
A	12,604	13,931
B	2,037	2,841
C	594	769
F	4,003	3,863
L	618	793
O	-	-
PTF	-	-
T8A	6,416	6,790
T8B	1,655	2,148
T8C	257	307

STONE COVERED CALL CANADIAN BANKS PLUS FUND

STATEMENTS OF FINANCIAL POSITION

AS AT

(in thousands of dollars; per security amounts are expressed in whole dollars)	December 31, 2019		December 31, 2018	
Assets				
Current assets				
Investments (Note 2)	\$	15,915	\$	7,033
Cash		539		935
Dividends receivable		62		39
Income tax receivable		111		-
Prepaid fees		-		7
		16,627		8,014
Liabilities				
Current liabilities				
Management fees payable		1		3
Redemption payable		30		-
Accounts payable and accrued expenses (Note 8)		-		30
		31		33
Net assets attributable to holders of redeemable securities (Note 3)	\$	16,596	\$	7,981
Net assets attributable to holders of redeemable securities per series				
Series A	\$	11,708	\$	7,295
Series F		4,888		686
Series O		-		N/A
	\$	16,596	\$	7,981
Net assets attributable to holders of redeemable securities per security				
Series A	\$	9.62	\$	7.99
Series F		9.99		8.27
Series O		10.00		N/A



STONE COVERED CALL CANADIAN BANKS PLUS FUND

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

(in thousands of dollars; per security amounts are expressed in whole dollars)	2019	2018
Income (Note 2):		
Dividends	\$ 377	\$ 359
Income tax receivable	111	-
Interest for distribution purposes	1	2
Net realized gains (losses) on sale of investments and derivatives	174	307
Change in unrealized appreciation (depreciation) of investments	1,626	(1,766)
Net gains (losses) on investments and derivatives	2,289	(1,098)
Total income (loss)	2,289	(1,098)
Expenses (Note 4):		
Management fees (Note 8)	167	165
Securityholder reporting costs	98	89
Transfer agency fees	12	-
Custodian fees	11	37
Filing fees	16	12
Independent Review Committee fees	6	2
Audit fees	12	17
Legal fees	1	6
Transaction costs (Note 2)	15	7
Total expenses	338	335
Expenses waived/absorbed by the Manager	-	-
Total expenses (net)	338	335
Increase (decrease) in net assets attributable to holders of redeemable securities	\$ 1,951	\$ (1,433)
Increase (decrease) in net assets attributable to holders of redeemable securities per series		
Series A	\$ 1,614	\$ (1,322)
Series F	337	(111)
Series O*	-	-
	\$ 1,951	\$ (1,433)
Increase (decrease) in net assets attributable to holders of redeemable securities per security		
Series A	\$ 1.81	\$ (1.37)
Series F	1.76	(1.29)
Series O*	-	-

*Inception date August 1, 2019



STONE COVERED CALL CANADIAN BANKS PLUS FUND

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SECURITIES

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

2019 (in thousands)	Series			2019 Total
	A	F	O*	
Net assets attributable to holders of redeemable securities, beginning of period	\$ 7,295	686	-	\$ 7,981
Increase (decrease) in net assets attributable to holders of redeemable securities	1,614	337	-	1,951
Redeemable securityholder transactions				
Proceeds from issue of redeemable securities	8,260	4,202	-	12,462
Reinvestment of distributions to holders of redeemable securities	25	25	-	50
Redemption of redeemable securities	(5,459)	(330)	-	(5,789)
Net securityholder transactions	2,826	3,897	-	6,723
Distributions to securityholders of redeemable securities				
Net investment income	-	-	-	-
Dividends	(1)	(1)	-	(2)
Capital gains	-	(27)	-	(27)
Return of capital	(26)	(4)	-	(30)
Total distributions to security holders of redeemable securities	(27)	(32)	-	(59)
Net assets attributable to holders of redeemable securities, end of period	\$ 11,708	4,888	-	\$ 16,596

Securities issued and outstanding

Securities, beginning of period	913	83	-
Securities issued for cash	898	439	-
Securities issued on reinvestment of distributions	3	2	-
Securities redeemed	(596)	(35)	-
Securities, end of period	1,218	489	-

*Inception date August 1, 2019

2018 (in thousands)	Series		2018 Total
	A	F	
Net assets attributable to holders of redeemable securities, beginning of period	\$ 9,619	850	\$ 10,469
Increase (decrease) in net assets attributable to holders of redeemable securities	(1,322)	(111)	(1,433)
Redeemable securityholder transactions			
Proceeds from issue of redeemable securities	1,500	244	1,744
Reinvestment of distributions to holders of redeemable securities	317	26	343
Redemption of redeemable securities	(2,477)	(293)	(2,770)
Net securityholder transactions	(660)	(23)	(683)
Distributions to securityholders of redeemable securities			
Net investment income	-	-	-
Dividends	-	-	-
Capital gains	(298)	(26)	(324)
Return of capital	(44)	(4)	(48)
Total distributions to securityholders of redeemable securities	(342)	(30)	(372)
Net assets attributable to holders of redeemable securities, end of period	\$ 7,295	686	\$ 7,981

Securities issued and outstanding

Securities, beginning of period	984	85
Securities issued for cash	159	25
Securities issued on reinvestment of distributions	36	3
Securities redeemed	(266)	(30)
Securities, end of period	913	83



STONE COVERED CALL CANADIAN BANKS PLUS FUND

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

(in thousands)	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable securities	\$ 1,951	\$ (1,433)
Adjustments for:		
Net realized losses (gains) on sale of investments and derivatives	(174)	(127)
Change in unrealized depreciation (appreciation) of investments and derivatives	(1,626)	1,756
Purchases of investments and derivatives	(17,337)	(5,801)
Proceeds from sale and/or maturity of investments and derivatives	10,255	7,202
Dividends receivable	(23)	-
Income tax receivable	(111)	-
Prepaid fees	7	(1)
Management fees payable	-	1
Accounts payable and accrued expenses	(32)	30
Net cash from operating activities	(7,090)	1,627
Cash flows from financing activities:		
Proceeds from issue of redeemable securities	12,462	1,744
Amount paid on redemptions of redeemable securities	(5,759)	(2,770)
Distributions paid to holders of redeemable securities, net of reinvested distributions	(9)	(29)
Net cash from financing activities	6,694	(1,055)
Net increase (decrease) in cash and cash equivalents during the period	(396)	572
Cash and cash equivalents, beginning of period	935	363
Cash and cash equivalents, end of period	\$ 539	\$ 935
Supplemental disclosure of cash flow information*:		
Interest received	\$ 1	\$ 2
Dividends received, net of foreign withholding taxes	354	359
Cash and cash equivalents are comprised of:		
Cash	\$ 539	\$ 935
Cash equivalents	-	-
	\$ 539	\$ 935

* Included as part of cash flows from operating activities.

STONE COVERED CALL CANADIAN BANKS PLUS FUND

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019

Number of Shares or Par Value	Security	Average Cost (000's)	Carrying Value (000's)	%
	Equities			
	Financials (95.9%)			
13,946	Bank of Montreal	\$ 1,376	\$ 1,403	
18,610	Bank of Nova Scotia	1,423	1,365	
11,079	Brookfield Asset Management Inc., Class 'A'	762	831	
12,361	Canadian Imperial Bank of Commerce	1,386	1,336	
12,409	Canadian Western Bank	397	396	
4,410	Genworth MI Canada Inc.	226	250	
26,123	Great-West Lifeco Inc.	827	869	
6,743	iA Financial Corp. Inc.	388	481	
11,745	IGM Financial Inc.	421	438	
2,958	Intact Financial Corp.	390	415	
15,085	Laurentian Bank of Canada	699	670	
33,294	Manulife Financial Corp.	777	878	
19,990	National Bank of Canada	1,274	1,441	
5,474	Onex Corp.	428	450	
21,087	Power Financial Corp.	645	737	
12,532	Royal Bank of Canada	1,331	1,288	
14,311	Sun Life Financial Inc.	816	847	
3,668	TMX Group Ltd.	378	412	
19,328	Toronto-Dominion Bank	1,447	1,408	
		15,391	15,915	95.9%
	Transaction Costs	(7)		
	Total Investment Portfolio	\$ 15,384	15,915	95.9%
	Cash & Other Net Assets (Liabilities) (4.1%)		681	4.1%
	Total Net Assets (100.0%)		\$ 16,596	100.0%

Percentages shown relate to investments at carrying value to total net assets of the Fund.



STONE COVERED CALL CANADIAN BANKS PLUS FUND

FUND SPECIFIC NOTES

AS AT DECEMBER 31, 2019 AND 2018

Risk management

The investment objective of the Stone Covered Call Canadian Banks Plus Fund (the “Fund”) is to provide investors with dividend and option premium income and seek long term capital appreciation by investing in dividend paying securities in the Canadian financial sector and employing a covered call option writing strategy on certain of those securities.

The Fund’s investments may be exposed to a variety of financial instruments risks: market risk (comprised of other market price risk, foreign currency risk and interest rate risk), liquidity risk, credit risk and concentration risk.

The Manager of the Fund, Stone Asset Management Limited (“SAM”), aims to manage risk as part of its investment process through the thorough analysis and careful selection of securities and diversification across asset classes and industry sectors.

SAM also manages risk by ensuring the portfolio management activities of the Fund comply with its investment objectives and strategies and applicable securities legislation.

Market price risk

The value of securities in the Fund’s investment portfolio may be affected by factors specific to the individual securities. Market price fluctuations may also be caused by general economic and financial conditions or industry-specific matters. Political, social and environmental factors can also affect the value of any investment. The value of equity-related securities, such as warrants, options, and convertible securities, is also affected by market price risk.

The most significant exposure to market price risk for the Fund arises from its investment in equity securities. The Fund moderates this risk through a careful selection of securities within the parameters of the investment strategy. If equity prices on the respective stock exchanges had increased or decreased by 5%, as at December 31, 2019, with all other factors remaining constant, net assets would have increased or decreased by approximately \$821 (2018 – \$311). This change is estimated using the weighted average beta of the Fund’s equity portfolio, which is calculated based on an historical correlation against respective stock exchanges.

In practice, actual trading results may differ and the difference could be material.

Foreign currency risk

Foreign currency risk arises when financial instruments are denominated in a currency other than the Canadian dollar, the functional currency of the Fund. When a Fund buys an investment priced in a foreign currency and the exchange rate between the Canadian dollar and the foreign currency changes unfavourably, it could reduce the value of the Fund’s investment.

As at December 31, 2019 and 2018, the Fund did not have significant exposure to foreign currency risk.

Interest rate risk

A Fund that invests in fixed income securities, such as bonds and money market instruments, is sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments is falling; when interest rates are falling, the value of these investments is rising. Moreover, fixed income securities with longer terms to maturity are usually more sensitive to changes in interest rates.

There is minimal sensitivity to changes in interest rates for money market securities since these are usually held to maturity and tend to be short-term in nature.

As at December 31, 2019 and 2018, the Fund did not have significant exposure to interest rate risk.

Liquidity risk

Liquidity risk is defined as the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price.

The Fund is exposed to daily cash redemptions of redeemable securities. The Fund retains sufficient cash positions to maintain adequate liquidity. The Fund invests in securities that are actively traded in public markets and can be readily disposed of to increase liquidity. The Schedule of Investment Portfolio identifies any securities that are not traded on an active market, being nil as at December 31, 2019 (2018 – nil).

As at December 31, 2019 and 2018, all existing liabilities of the Fund are to be settled within three months.

Credit risk

When a company or government issues a fixed income or debt security, it has an obligation to pay interest and repay a specific amount on the maturity date. Credit risk is the risk that the company or government will not meet that obligation. Credit risk is lower among issuers that have good credit ratings from recognized credit rating agencies and higher among issuers with a low credit rating or no credit rating at all. These securities usually offer high interest rates to compensate for the increased risk. Changes in the credit risk of a security can affect its liquidity making it more difficult to sell.

STONE COVERED CALL CANADIAN BANKS PLUS FUND

FUND SPECIFIC NOTES (continued)

As at December 31, 2019 and 2018, the Fund did not have significant exposure to credit risk.

Concentration risk

The following table summarizes the portfolio investments as a % of net assets held by the Fund for the periods ended December 31:

Sector	2019	2018
Financials	95.9	88.1
Cash & Other Net Assets (Liabilities)	4.1	11.9
Total net assets	100.0	100.0

Fair value disclosure

The Fund classifies fair value measurements within a hierarchy that gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs for the asset or liability that is not based on observable market data.

The following fair value hierarchy table presents information about the Fund's assets measured at fair value on a recurring basis as at December 31. There were no transfers between Level 1 and Level 2.

December 31, 2019	Level 1	Level 2	Level 3	Total
Equities	\$ 15,915	\$ -	\$ -	\$ 15,915
Total Investment Portfolio	\$ 15,915	\$ -	\$ -	\$ 15,915

December 31, 2018	Level 1	Level 2	Level 3	Total
Equities	\$ 7,033	\$ -	\$ -	\$ 7,033
Total Investment Portfolio	\$ 7,033	\$ -	\$ -	\$ 7,033

Weighted average number of securities (000's)

The following table illustrates the weighted average number of securities outstanding for the periods ended December 31:

Series	2019	2018
A	893	964
F	191	85
O	-	-

STONE DIVIDEND YIELD HOG FUND (formerly STONE MONTHLY PAY FUND)

STATEMENTS OF FINANCIAL POSITION

AS AT

(in thousands of dollars; per security amounts are expressed in whole dollars)	December 31, 2019		December 31, 2018	
Assets				
Current assets				
Investments (Note 2)	\$	10,087	\$	13,458
Cash		183		1,434
Dividends receivable		42		68
Subscriptions receivable		9		-
Prepaid fees		-		7
		10,321		14,967
Liabilities				
Current liabilities				
Management fees payable		-		11
Redemption payable		61		16
Accounts payable and accrued expenses (Note 8)		-		68
		61		95
Net assets attributable to holders of redeemable securities (Note 3)	\$	10,260	\$	14,872
Net assets attributable to holders of redeemable securities per series				
Series A	\$	9,910	\$	14,615
Series F		348		257
Series O		-		N/A
Series T5A		2		N/A
Series T5F		-		N/A
	\$	10,260	\$	14,872
Net assets attributable to holders of redeemable securities per security				
Series A	\$	1.66	\$	1.56
Series F		2.65		2.40
Series O		10.00		N/A
Series T5A		9.97		N/A
Series T5F		10.00		N/A



STONE DIVIDEND YIELD HOG FUND (formerly STONE MONTHLY PAY FUND)

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

FOR THE PERIODS ENDED DECEMBER 31

(in thousands of dollars; per security amounts are expressed in whole dollars)	2019	2018
Income (Note 2):		
Dividends	\$ 584	\$ 629
Interest for distribution purposes	83	17
Securities lending income (Note 9)	-	33
Distributions from investment trusts	-	80
Net realized gains (losses) on sale of investments and derivatives	(870)	259
Change in unrealized appreciation (depreciation) of investments	2,813	(3,828)
Net gains (losses) on investments and derivatives	2,610	(2,810)
Foreign exchange gains (losses) on cash	(17)	96
Total income (loss)	2,593	(2,714)
Expenses (Note 4):		
Management fees (Note 8)	308	445
Securityholder reporting costs	60	271
Transfer agency fees	43	-
Custodian fees	3	32
Filing fees	15	12
Independent Review Committee fees	6	4
Interest expense	-	1
Audit fees	13	35
Legal fees	1	11
Transaction costs (Note 2)	51	75
Foreign withholding taxes	14	8
Total expenses	514	894
Expenses waived/absorbed by the Manager	(2)	-
Total expenses (net)	512	894
Increase (decrease) in net assets attributable to holders of redeemable securities	\$ 2,081	\$ (3,608)
Increase (decrease) in net assets attributable to holders of redeemable securities per series		
Series A	\$ 2,037	\$ (3,551)
Series F	44	(57)
Series O*	-	-
Series T5A*	-	-
Series T5F*	-	-
	\$ 2,081	\$ (3,608)
Increase (decrease) in net assets attributable to holders of redeemable securities per security		
Series A	\$ 0.25	\$ (0.34)
Series F	0.39	(0.44)
Series O*	-	-
Series T5A*	0.22	-
Series T5F*	-	-

*Inception date August 1, 2019



STONE DIVIDEND YIELD HOG FUND (formerly STONE MONTHLY PAY FUND)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SECURITIES

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

2019 (in thousands)	Series					2019 Total
	A	F	O*	T5A*	T5F*	
Net assets attributable to holders of redeemable securities, beginning of period	\$ 14,615	257	-	-	-	\$ 14,872
Increase (decrease) in net assets attributable to holders of redeemable securities	2,037	44	-	-	-	2,081
Redeemable securityholder transactions						
Proceeds from issue of redeemable securities	191	192	-	2	-	385
Reinvestment of distributions to holders of redeemable securities	830	8	-	-	-	838
Redemption of redeemable securities	(6,519)	(136)	-	-	-	(6,655)
Net securityholder transactions	(5,498)	64	-	2	-	(5,432)
Distributions to securityholders of redeemable securities						
Net investment income	-	-	-	-	-	-
Dividends	(91)	(4)	-	-	-	(95)
Capital gains	-	-	-	-	-	-
Return of capital	(1,153)	(13)	-	-	-	(1,166)
Total distributions to security holders of redeemable securities	(1,244)	(17)	-	-	-	(1,261)
Net assets attributable to holders of redeemable securities, end of period	\$ 9,910	348	-	2	-	\$ 10,260

Securities issued and outstanding

Securities, beginning of period	9,383	107	-	-	-
Securities issued for cash	116	74	-	-	-
Securities issued on reinvestment of distributions	513	3	-	-	-
Securities redeemed	(4,031)	(53)	-	-	-
Securities, end of period	5,981	131	-	-	-

*Inception date August 1, 2019

2018 (in thousands)	Series		2018 Total
	A	F	
Net assets attributable to holders of redeemable securities, beginning of period	\$ 25,085	539	\$ 25,624
Increase (decrease) in net assets attributable to holders of redeemable securities	(3,551)	(57)	(3,608)
Redeemable securityholder transactions			
Proceeds from issue of redeemable securities	1,066	8	1,074
Reinvestment of distributions to holders of redeemable securities	1,567	16	1,583
Redemption of redeemable securities	(7,119)	(219)	(7,338)
Net securityholder transactions	(4,486)	(195)	(4,681)
Distributions to securityholders of redeemable securities			
Net investment income	-	-	-
Dividends	-	-	-
Capital gains	(304)	(4)	(308)
Return of capital	(2,129)	(26)	(2,155)
Total distributions to securityholders of redeemable securities	(2,433)	(30)	(2,463)
Net assets attributable to holders of redeemable securities, end of period	\$ 14,615	257	\$ 14,872

Securities issued and outstanding

Securities, beginning of period	11,646	173
Securities issued for cash	547	3
Securities issued on reinvestment of distributions	827	5
Securities redeemed	(3,637)	(74)
Securities, end of period	9,383	107



STONE DIVIDEND YIELD HOG FUND (formerly STONE MONTHLY PAY FUND)

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

(in thousands)	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable securities	\$ 2,081	\$ (3,608)
Adjustments for:		
Foreign exchange losses (gains) on cash	17	(96)
Net realized losses (gains) on sale of investments and derivatives	870	(256)
Change in unrealized depreciation (appreciation) of investments and derivatives	(2,813)	3,828
Purchases of investments and derivatives	(10,914)	(33,042)
Proceeds from sale and/or maturity of investments and derivatives	16,228	37,694
Dividends receivable	26	(16)
Interest receivable	-	24
Prepaid fees	7	(1)
Management fees payable	-	9
Accounts payable and accrued expenses	(79)	66
Net cash from operating activities	5,423	4,602
Cash flows from financing activities:		
Proceeds from issue of redeemable securities	376	1,106
Amount paid on redemptions of redeemable securities	(6,610)	(7,342)
Distributions paid to holders of redeemable securities, net of reinvested distributions	(423)	(882)
Net cash from financing activities	(6,657)	(7,118)
Foreign exchange gains (losses) on cash	(17)	96
Net increase (decrease) in cash and cash equivalents during the period	(1,234)	(2,516)
Cash and cash equivalents, beginning of period	1,434	3,854
Cash and cash equivalents, end of period	\$ 183	\$ 1,434
Supplemental disclosure of cash flow information*:		
Interest received (paid)	\$ 83	\$ 40
Dividends received, net of foreign withholding taxes	596	685
Cash and cash equivalents are comprised of:		
Cash	\$ 183	\$ 1,434
Cash equivalents	-	-
	\$ 183	\$ 1,434

* Included as part of cash flows from operating activities.



STONE DIVIDEND YIELD HOG FUND (formerly STONE MONTHLY PAY FUND)

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019

Number of Shares or Par Value	Security	Average Cost (000's)	Carrying Value (000's)	%
Equities				
Communications (14.3%)				
5,888	BCE Inc.	\$ 324	\$ 354	
5,501	Rogers Communications Inc., Class 'B'	385	355	
13,673	Shaw Communications Inc., Class 'B'	348	360	
8,013	TELUS Corp.	359	403	
		1,416	1,472	14.3%
Consumer Discretionary (0.0%)				
6,891	Cool Holdings Inc.	149	1	
		149	1	0.0%
Consumer Staples (2.9%)				
1,806	Procter & Gamble Co.	222	293	
		222	293	2.9%
Energy (15.0%)				
6,256	Enbridge Inc.	293	323	
12,696	Inter Pipeline Ltd.	289	286	
6,394	Pembina Pipeline Corp.	271	308	
3,618	Royal Dutch Shell PLC, ADR, Class 'B'	300	281	
5,020	TC Energy Corp.	262	347	
		1,415	1,545	15.0%
Financials (42.3%)				
4,305	Bank of Montreal	400	433	
6,000	Bank of Nova Scotia	443	440	
3,600	Canadian Imperial Bank of Commerce	395	389	
22,107	Chemtrade Logistics Income Fund	238	244	
13,500	H&R REIT	288	285	
11,900	Manulife Financial Corp.	252	314	
5,164	National Bank of Canada	307	372	
9,299	Power Financial Corp.	249	325	
11,800	RioCan REIT	287	316	
4,123	Royal Bank of Canada	404	424	
5,700	Sun Life Financial Inc.	277	337	
6,300	Toronto-Dominion Bank	406	459	
		3,946	4,338	42.3%
Industrials (4.2%)				
28,127	Bird Construction Inc.	191	201	
2,535	WSP Global Inc.	145	225	
		336	426	4.2%
Utilities (19.6%)				
16,708	AES Corp.	329	431	
4,685	Brookfield Infrastructure Partners L.P.	169	304	
5,959	Emera Inc.	257	332	
7,037	Fortis Inc.	312	379	
13,125	Northland Power Inc.	287	357	
6,023	Pattern Energy Group Inc., Class 'A'	157	209	
		1,511	2,012	19.6%
Transaction Costs		(14)		
Total Investment Portfolio		\$ 8,981	\$ 10,087	98.3%
Cash & Other Net Assets (Liabilities) (1.7%)			173	1.7%
Total Net Assets (100.0%)			\$ 10,260	100.0%

Percentages shown relate to investments at carrying value to total net assets of the Fund.



STONE DIVIDEND YIELD HOG FUND (formerly STONE MONTHLY PAY FUND)

FUND SPECIFIC NOTES

AS AT DECEMBER 31, 2019 AND 2018

Risk management

The investment objective of the Stone Dividend Yield Hog Fund (the “Fund”) is to provide investors with high investment returns by investing primarily in income producing securities such as income trusts, bonds, common and preferred shares.

The Fund’s investments may be exposed to a variety of financial instruments risks: market risk (comprised of other market price risk, foreign currency risk and interest rate risk), liquidity risk, credit risk and concentration risk.

The Manager of the Fund, Stone Asset Management Limited (“SAM”), aims to manage risk as part of its investment process through the thorough analysis and careful selection of securities and diversification across asset classes and industry sectors.

SAM also manages risk by ensuring the portfolio management activities of the Fund comply with its investment objectives and strategies and applicable securities legislation.

Market price risk

The value of securities in the Fund’s investment portfolio may be affected by factors specific to the individual securities. Market price fluctuations may also be caused by general economic and financial conditions or industry-specific matters. Political, social and environmental factors can also affect the value of any investment. The value of equity-related securities, such as warrants, options, and convertible securities, is also affected by market price risk.

The most significant exposure to market price risk for the Fund arises from its investment in equity securities. The Fund moderates this risk through a careful selection of securities within the parameters of the investment strategy. If equity prices on the respective stock exchanges had increased or decreased by 5%, as at December 31, 2019, with all other factors remaining constant, net assets would have increased or decreased by approximately \$428 (2018 – \$526). This change is estimated using the weighted average beta of the Fund’s equity portfolio, which is calculated based on an historical correlation against respective stock exchanges.

In practice, actual trading results may differ and the difference could be material.

Foreign currency risk

Foreign currency risk arises when financial instruments are denominated in a currency other than the Canadian dollar, the functional currency of the Fund. When a Fund buys an investment priced in a foreign currency and the exchange rate between the Canadian dollar and the foreign currency changes unfavourably, it could reduce the value of the Fund’s investment.

The Fund had exposure to the foreign currencies shown below in Canadian dollar terms. Also shown below is the potential impact to the Fund’s net assets, all other variables held constant, as a result of a 5% change in these currencies relative to the Canadian dollar. In practice, actual trading results may differ and the difference could be material.

December 31, 2019					
Currency	Investments	Cash	Total	% of net assets	Impact on net assets
U.S. Dollar	1,005	17	1,022	10.0	51
Total	1,005	17	1,022	10.0	51

December 31, 2018					
Currency	Investments	Cash	Total	% of net assets	Impact on net assets
U.S. Dollar	-	926	926	6.2	46
Total	-	926	926	6.2	46

Interest rate risk

A Fund that invests in fixed income securities, such as bonds and money market instruments, is sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments is falling; when interest rates are falling, the value of these investments is rising. Moreover, fixed income securities with longer terms to maturity are usually more sensitive to changes in interest rates.

There is minimal sensitivity to changes in interest rates for money market securities since these are usually held to maturity and tend to be short-term in nature.

As at December 31, 2019 and 2018, the Fund did not have significant exposure to interest rate risk.

STONE DIVIDEND YIELD HOG FUND (formerly STONE MONTHLY PAY FUND)

FUND SPECIFIC NOTES (continued)

Liquidity risk

Liquidity risk is defined as the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price.

The Fund is exposed to daily cash redemptions of redeemable securities. The Fund retains sufficient cash positions to maintain adequate liquidity. The Fund invests in securities that are actively traded in public markets and can be readily disposed of to increase liquidity. The Schedule of Investment Portfolio identifies any securities that are not traded on an active market, being nil as at December 31, 2019 (2018 – nil).

As at December 31, 2019 and 2018, all existing liabilities of the Fund are to be settled within three months.

Credit risk

When a company or government issues a fixed income or debt security, it has an obligation to pay interest and repay a specific amount on the maturity date. Credit risk is the risk that the company or government will not meet that obligation. Credit risk is lower among issuers that have good credit ratings from recognized credit rating agencies and higher among issuers with a low credit rating or no credit rating at all. These securities usually offer high interest rates to compensate for the increased risk. Changes in the credit risk of a security can affect its liquidity making it more difficult to sell. As at December 31, 2019 and 2018, the Fund did not have significant exposure to credit risk.

Concentration risk

The following table summarizes the portfolio investments as a % of net assets held by the Fund for the periods ended December 31:

Sector	2019	2018
Communications	14.3	3.3
Consumer Discretionary	-	9.5
Consumer Staples	2.9	4.1
Energy	15.0	11.7
Financials	42.3	17.3
Health Care	-	7.9
Industrials	4.2	11.4
Materials	-	5.8
Utilities	19.6	19.5
Cash & Other Net Assets (Liabilities)	1.7	9.5
Total net assets	100.0	100.0

Fair value disclosure

The Fund classifies fair value measurements within a hierarchy that gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs for the asset or liability that is not based on observable market data.

The following fair value hierarchy table presents information about the Fund's assets measured at fair value on a recurring basis as at December 31. There were no transfers between Level 1 and Level 2.

December 31, 2019	Level 1	Level 2	Level 3	Total
Equities	\$ 10,087	\$ -	\$ -	\$ 10,087
Total Investment Portfolio	\$ 10,087	\$ -	\$ -	\$ 10,087

STONE DIVIDEND YIELD HOG FUND (formerly STONE MONTHLY PAY FUND)

FUND SPECIFIC NOTES (continued)

December 31, 2018	Level 1		Level 2		Level 3		Total
Equities	\$	13,458	\$	-	\$	-	\$ 13,458
Total Investment Portfolio	\$	13,458	\$	-	\$	-	\$ 13,458
Level 3 Reconciliation						2019	2018
Beginning Balance				\$	-	\$	110
Purchases					-		-
Sales					-		-
Transfers in to Level 3					-		-
Transfers out to Level 3					-		-
Realized gains (losses)					-		-
Change in unrealized appreciation (depreciation)					-		(110)
Ending Balance				\$	-	\$	-
Total change in unrealized appreciation (depreciation) during the period for assets held as at December 31:						-	(110)

Weighted average number of securities (000's)

The following table illustrates the weighted average number of securities outstanding for the periods ended December 31:

Series	2019	2018
A	7,988	10,275
F	113	128
O	-	-
T5A	-	-
T5F	-	-

STONE GROWTH FUND

STATEMENTS OF FINANCIAL POSITION

AS AT

(in thousands of dollars; per security amounts are expressed in whole dollars)	December 31, 2019		December 31, 2018	
Assets				
Current assets				
Investments (Note 2)	\$	14,328	\$	11,100
Cash		752		1,865
Dividends receivable		3		2
Interest receivable		1		1
Receivable for investments sold		-		202
Subscriptions receivable		3		1
		15,087		13,171
Liabilities				
Current liabilities				
Redemption payable		5		65
Accounts payable and accrued expenses (Note 8)		-		49
Derivative liabilities:				
Written options (Note 2)		1		-
		6		114
Net assets attributable to holders of redeemable securities (Note 3)	\$	15,081	\$	13,057
Net assets attributable to holders of redeemable securities per series				
Series A	\$	5,733	\$	3,792
Series B		3,225		3,433
Series F		2,136		1,550
Series L		460		389
Series O		-		N/A
Series T8A		1,501		1,667
Series T8B		1,617		1,821
Series T8C		409		405
	\$	15,081	\$	13,057
Net assets attributable to holders of redeemable securities per security				
Series A	\$	14.44	\$	12.38
Series B		13.02		11.22
Series F		18.08		15.34
Series L		18.88		16.26
Series O		10.00		N/A
Series T8A		5.06		4.68
Series T8B		4.76		4.42
Series T8C		4.77		4.43



STONE GROWTH FUND

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

(in thousands of dollars; per security amounts are expressed in whole dollars)	2019	2018
Income (Note 2):		
Dividends	\$ 126	\$ 128
Interest for distribution purposes	10	4
Net realized gains (losses) on sale of investments and derivatives	906	2,120
Change in unrealized appreciation (depreciation) of investments and derivatives	1,669	(634)
Net gains (losses) on investments and derivatives	2,711	1,618
Foreign exchange gains (losses) on cash	(77)	90
Total income (loss)	2,634	1,708
Expenses (Note 4):		
Management fees (Note 8)	285	303
Securityholder reporting costs	82	85
Transfer agency fees	22	31
Custodian fees	4	5
Filing fees	25	24
Independent Review Committee fees	6	11
Audit fees	17	16
Legal fees	1	1
Performance fees (Note 4)	-	49
Transaction costs (Note 2)	6	10
Foreign withholding taxes	15	15
Total expenses	463	550
Expenses waived/absorbed by the Manager	-	(3)
Total expenses (net)	463	547
Increase (decrease) in net assets attributable to holders of redeemable securities	\$ 2,171	\$ 1,161
Increase (decrease) in net assets attributable to holders of redeemable securities per series		
Series A	\$ 743	\$ 281
Series B	501	386
Series F	287	98
Series L	67	28
Series O*	-	-
Series T8A	250	172
Series T8B	262	163
Series T8C	61	33
	\$ 2,171	\$ 1,161
Increase (decrease) in net assets attributable to holders of redeemable securities per security		
Series A	\$ 1.97	\$ 0.91
Series B	1.82	1.07
Series F	2.73	1.07
Series L	2.51	1.11
Series O*	-	-
Series T8A	0.81	0.42
Series T8B	0.69	0.37
Series T8C	0.71	0.35

*Inception date August 1, 2019



STONE GROWTH FUND

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SECURITIES

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

2019 (in thousands)	Series								2019 Total
	A	B	F	L	O*	T8A	T8B	T8C	
Net assets attributable to holders of redeemable securities, beginning of period	\$ 3,792	3,433	1,550	389	-	1,667	1,821	405	\$ 13,057
Increase (decrease) in net assets attributable to holders of redeemable securities	743	501	287	67	-	250	262	61	2,171
Redeemable securityholder transactions									
Proceeds from issue of redeemable securities	1,938	-	518	67	-	234	-	-	2,757
Reinvestment of distributions to holders of redeemable securities	-	-	-	-	-	14	41	25	80
Redemption of redeemable securities	(740)	(709)	(219)	(63)	-	(549)	(377)	(52)	(2,709)
Net securityholder transactions	1,198	(709)	299	4	-	(301)	(336)	(27)	128
Distributions to securityholders of redeemable securities									
Net investment income	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Capital gains	-	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	(115)	(130)	(30)	(275)
Total distributions to securityholders of redeemable securities	-	-	-	-	-	(115)	(130)	(30)	(275)
Net assets attributable to holders of redeemable securities, end of period	\$ 5,733	3,225	2,136	460	-	1,501	1,617	409	\$ 15,081

Securities issued and outstanding

Securities, beginning of period	306	306	101	24	-	357	412	91
Securities issued for cash	146	-	30	4	-	47	-	-
Securities issued on reinvestment of distributions	-	-	-	-	-	2	9	6
Securities redeemed	(55)	(58)	(13)	(4)	-	(110)	(81)	(11)
Securities, end of period	397	248	118	24	-	296	340	86

*Inception date August 1, 2019



STONE GROWTH FUND

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SECURITIES

FOR THE PERIODS ENDED DECEMBER 31 (Note 1) (continued)

2018 (in thousands)	Series							2018 Total
	A	B	F	L	T8A	T8B	T8C	
Net assets attributable to holders of redeemable securities, beginning of period	\$ 3,895	4,999	1,334	438	2,041	2,137	458	\$ 15,302
Increase (decrease) in net assets attributable to holders of redeemable securities	281	386	98	28	172	163	33	1,161
Redeemable securityholder transactions								
Proceeds from issue of redeemable securities	283	114	642	67	46	-	-	1,152
Reinvestment of distributions to holders of redeemable securities	-	-	-	-	28	46	28	102
Redemption of redeemable securities	(667)	(2,066)	(524)	(144)	(466)	(369)	(80)	(4,316)
Net securityholder transactions	(384)	(1,952)	118	(77)	(392)	(323)	(52)	(3,062)
Distributions to securityholders of redeemable securities								
Net investment income	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Capital gains	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	(154)	(156)	(34)	(344)
Total distributions to securityholders of redeemable securities	-	-	-	-	(154)	(156)	(34)	(344)
Net assets attributable to holders of redeemable securities, end of period	\$ 3,792	3,433	1,550	389	1,667	1,821	405	\$ 13,057
Securities issued and outstanding								
Securities, beginning of period	337	474	94	29	434	479	102	
Securities issued for cash	22	11	41	4	9	-	-	
Securities issued on reinvestment of distributions	-	-	-	-	6	9	6	
Securities redeemed	(53)	(179)	(34)	(9)	(92)	(76)	(17)	
Securities, end of period	306	306	101	24	357	412	91	



STONE GROWTH FUND

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

(in thousands)	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable securities	\$ 2,171	\$ 1,161
Adjustments for:		
Foreign exchange losses (gains) on cash	77	(75)
Net realized losses (gains) on sale of investments and derivatives	(906)	(2,120)
Change in unrealized depreciation (appreciation) of investments and derivatives	(1,669)	634
Purchases of investments and derivatives	(4,822)	(2,580)
Proceeds from sale and/or maturity of investments and derivatives	4,170	6,294
Dividends receivable	(1)	(2)
Interest receivable	-	(1)
Receivable for investments sold	202	(202)
Accounts payable and accrued expenses	(49)	49
Net cash from operating activities	(827)	3,158
Cash flows from financing activities:		
Proceeds from issue of redeemable securities	2,755	1,157
Amount paid on redemptions of redeemable securities	(2,769)	(4,265)
Distributions paid to holders of redeemable securities, net of reinvested distributions	(195)	(242)
Net cash from financing activities	(209)	(3,350)
Foreign exchange gains (losses) on cash	(77)	75
Net increase (decrease) in cash and cash equivalents during the period	(1,036)	(192)
Cash and cash equivalents, beginning of period	1,865	1,982
Cash and cash equivalents, end of period	\$ 752	\$ 1,865
Supplemental disclosure of cash flow information*:		
Interest received	\$ 10	\$ 3
Dividends received, net of foreign withholding taxes	110	111
Cash and cash equivalents are comprised of		
Cash	\$ 752	\$ 1,865
Cash equivalents	-	-
	\$ 752	\$ 1,865

* Included as part of cash flows from operating activities.



STONE GROWTH FUND

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019

Number of Shares or Par Value	Security	Average Cost (000's)	Carrying Value (000's)	%
Communications (5.8%)				
503	Alphabet Inc., Class 'C'	\$ 338	\$ 872	
		338	872	5.8%
Consumer Discretionary (8.4%)				
400	Amazon.com Inc.	328	958	
3,865	TJX Cos. Inc.	306	306	
		634	1,264	8.4%
Consumer Staples (2.8%)				
1,122	Costco Wholesale Corp.	219	428	
		219	428	2.8%
Financials (20.1%)				
9,885	Bank of America Corp.	264	452	
465	BlackRock Inc.	307	303	
2,320	JPMorgan Chase & Co.	239	420	
6,800	KKR & Co. Inc.	216	257	
1,630	MasterCard Inc., Class 'A'	123	631	
2,755	Onex Corp.	222	226	
12	Panton Equity Partners L.P., Class 'A' *	1,362	183	
1,500	Prudential Financial Inc.	219	182	
1,540	Visa Inc., Class 'A'	381	375	
		3,333	3,029	20.1%
Health Care (20.7%)				
1,585	Alexion Pharmaceuticals Inc.	231	222	
955	Amgen Inc.	305	299	
2,250	BioMarin Pharmaceutical Inc.	231	247	
5,110	Boston Scientific Corp.	258	300	
70,865	CHX Technologies Inc. *	800	-	
1,415	Cigna Corp.	384	375	
1,570	HCA Healthcare Inc.	285	301	
295	Intuitive Surgical Inc.	219	226	
8,891	Jamieson Wellness Inc.	156	229	
1,565	STERIS PLC	299	309	
1,600	UnitedHealth Group Inc.	91	610	
		3,259	3,118	20.7%
Industrials (3.5%)				
16,835	Aecon Group Inc.	303	295	
286,000	Drone Delivery Canada Corp.	114	237	
		417	532	3.5%
Investment Funds (10.7%)				
130,881	Stone Global Growth Fund, Series 'A'	690	1,608	
		690	1,608	10.7%
Materials (1.3%)				
86,161	Orocobre Ltd.	260	206	
		260	206	1.3%



STONE GROWTH FUND

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019 (continued)

Number of Shares or Par Value	Security	Average Cost (000's)	Carrying Value (000's)	%
Technology (18.1%)				
1,510	Accenture PLC, Class 'A'	159	413	
755	Broadcom Inc.	289	309	
4,400	Kinaxis Inc.	300	440	
4,700	Microsoft Corp.	150	961	
666,666	Obsidian Strategies Inc. *	750	-	
1,010	Palo Alto Networks Inc.	304	303	
3,810	SS&C Technologies Holdings Inc.	263	303	
		2,215	2,729	18.1%
Utilities (3.6%)				
21,000	AES Corp.	325	542	
		325	542	3.6%
Transaction Costs		(7)		
Total Investment Portfolio		\$ 11,683	\$ 14,328	95.0%
Written Options (0.0%)			(1)	0.0%
Cash & Other Net Assets (Liabilities) (5.0%)			754	5.0%
Total Net Assets (100.0%)			\$ 15,081	100.0%

Percentages shown relate to investments at carrying value to total net assets of the Fund.

* Denotes securities that are restricted and/or not traded on an active market.

Schedule of Written Options

Underlying Security	Option Type	Number of Options	Number of Shares	Expiration Date	Strike Price	Premium Received (000's)	Current Value (000's)
SS&C Technologies Holdings Inc.	Call	(32)	(3,200)	2020/01/17	\$ 65 USD	\$ (2)	\$ (1)
						\$ (2)	\$ (1)



STONE GROWTH FUND

FUND SPECIFIC NOTES

AS AT DECEMBER 31, 2019 AND 2018

(in thousands of dollars; per security amounts are expressed in whole dollars)

Risk management

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. The Fund may invest in other Investment Funds where the other Investment Funds are managed by Stone Asset Management Limited (“Underlying Investment Funds”).

The Fund’s investments may be exposed to a variety of financial instruments risks: market risk (comprised of other market price risk, foreign currency risk and interest rate risk), liquidity risk, credit risk and concentration risk.

The Manager of the Fund, Stone Asset Management Limited (“SAM”), aims to manage risk as part of its investment process through the thorough analysis and careful selection of securities and diversification across asset classes and industry sectors. 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.

SAM also manages risk by ensuring the portfolio management activities of the Fund comply with its investment objectives and strategies and applicable securities legislation.

Market price risk

The value of securities in the Fund’s investment portfolio may be affected by factors specific to the individual securities. Market price fluctuations may also be caused by general economic and financial conditions or industry-specific matters. Political, social and environmental factors can also affect the value of any investment. The value of equity-related securities, such as warrants, options, and convertible securities, is also affected by market price risk.

The most significant exposure to market price risk for the Fund arises from its investment in equity securities. The Fund and the Underlying Investment Fund moderate this risk through a careful selection of securities within the parameters of the investment strategy. The Fund may be exposed to indirect market price risk through its pro-rata investment in the Underlying Investment Fund. If equity prices on the respective stock exchanges had increased or decreased by 5%, as at December 31, 2019, with all other factors remaining constant, net assets would have increased or decreased by approximately \$762 (2018 – \$528). This change is estimated using the weighted average beta of the Fund’s equity portfolio, which is calculated based on an historical correlation against respective stock exchanges.

In practice, actual trading results may differ and the difference could be material.

Foreign currency risk

Foreign currency risk arises when financial instruments are denominated in a currency other than the Canadian dollar, the functional currency of the Fund. When a Fund buys an investment priced in a foreign currency and the exchange rate between the Canadian dollar and the foreign currency changes unfavourably, it could reduce the value of the Fund’s investment.

The Fund had foreign currency risk from direct investments as well as indirect foreign currency risk in its investment in the Underlying Investment Fund. The Fund’s exposure of currency risk is based on its direct investments and on the Fund’s pro-rata share of the Underlying Investment Fund at period end, which are shown below in Canadian dollar terms. Also shown below is the potential impact to the Fund’s net assets, all other variables held constant, as a result of a 5% change in these currencies relative to the Canadian dollar. In practice, actual trading results may differ and the difference could be material.

December 31, 2019					
Currency	Investments	Cash	Total	% of net assets	Impact on net assets
British Pound	69	-	69	0.5	3
Euro	407	-	407	2.7	20
Hong Kong Dollar	31	-	31	0.2	2
Swiss Franc	53	-	53	0.4	3
U.S. Dollar	12,103	605	12,708	84.2	635
Total	12,663	605	13,268	88.0	663

STONE GROWTH FUND

FUND SPECIFIC NOTES (continued)

December 31, 2018						
Currency	Investments	Cash	Total	% of net assets	Impact on net assets	
British Pound	118	-	118	0.9	6	
Danish Krone	26	-	26	0.2	1	
Euro	344	-	344	2.6	17	
Hong Kong Dollar	35	-	35	0.3	2	
Swiss Franc	48	-	48	0.4	2	
U.S. Dollar	8,996	1,734	10,730	82.2	537	
Total	9,567	1,734	11,301	86.6	565	

Interest rate risk

A Fund that invests in fixed income securities, such as bonds and money market instruments, is sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments is falling; when interest rates are falling, the value of these investments is rising. Moreover, fixed income securities with longer terms to maturity are usually more sensitive to changes in interest rates.

There is minimal sensitivity to changes in interest rates for money market securities since these are usually held to maturity and tend to be short-term in nature.

As at December 31, 2019 and 2018, the Fund and the Underlying Investment Fund did not have significant exposure to interest rate risk.

Liquidity risk

Liquidity risk is defined as the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price.

The Fund is exposed to daily cash redemptions of redeemable securities. The Fund and the Underlying Investment Fund retain sufficient cash and cash equivalent positions to maintain adequate liquidity. The Fund and the Underlying Investment Fund primarily invest in securities that are actively traded in public markets and can be readily disposed of to increase liquidity. The Schedule of Investment Portfolio identifies any securities that are not traded on an active market, being 1.2% of total net assets as at December 31, 2019 (2018 – 1.3%).

As at December 31, 2019 and 2018, all existing liabilities of the Fund and the Underlying Investment Fund are to be settled within three months.

Credit risk

When a company or government issues a fixed income or debt security, it has an obligation to pay interest and repay a specific amount on the maturity date. Credit risk is the risk that the company or government will not meet that obligation. Credit risk is lower among issuers that have good credit ratings from recognized credit rating agencies and higher among issuers with a low credit rating or no credit rating at all. These securities usually offer high interest rates to compensate for the increased risk. Changes in the credit risk of a security can affect its liquidity making it more difficult to sell.

As at December 31, 2019 and 2018, the Fund and the Underlying Investment Fund did not have significant exposure to credit risk.

STONE GROWTH FUND

FUND SPECIFIC NOTES (continued)

Concentration risk

The following table summarizes the portfolio investments as a % of net assets held by the Fund for the periods ended December 31:

Sector	2019	2018
Communications	5.8	5.4
Consumer Discretionary	8.4	6.3
Consumer Staples	2.8	2.4
Energy	-	2.8
Financials	20.1	18.4
Health Care	20.7	12.8
Industrials	3.5	3.1
Investment Funds	10.7	13.4
Materials	1.3	2.0
Technology	18.1	15.2
Utilities	3.6	3.2
Written Options*	-	-
Cash & Other Net Assets (Liabilities)	5.0	15.0
Total net assets	100.0	100.0

*Less than 0.5% of the Portfolio.

Fair Value disclosure

The Fund classifies fair value measurements within a hierarchy that gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs for the asset or liability that is not based on observable market data.

The following fair value hierarchy table presents information about the Fund's assets measured at fair value on a recurring basis as at December 31. There were no transfers between Level 1 and Level 2.

December 31, 2019	Level 1	Level 2	Level 3	Total
Equities	\$ 12,537	\$ -	\$ 183	\$ 12,720
Investment Funds	1,608	-	-	1,608
Total Investment Portfolio	\$ 14,145	\$ -	\$ 183	\$ 14,328
Written Options	\$ (1)	\$ -	\$ -	\$ (1)

December 31, 2018	Level 1	Level 2	Level 3	Total
Equities	\$ 9,180	\$ -	\$ 165	\$ 9,345
Investment Funds	1,755	-	-	1,755
Total Investment Portfolio	\$ 10,935	\$ -	\$ 165	\$ 11,100

STONE GROWTH FUND

FUND SPECIFIC NOTES (continued)

Level 3 Reconciliation	2019	2018
Beginning Balance	\$ 165	\$ 233
Purchases	-	-
Sales	-	-
Transfers in to Level 3	-	-
Transfers out of Level 3	-	(64)
Realized gains (losses)	(1,000)	-
Change in unrealized appreciation (depreciation)	1,018	(4)
Ending Balance	183	165
Total change in unrealized appreciation (depreciation) during the period for assets held as at December 31:	\$ 18	\$ (4)

The Portfolio Manager of the Fund is responsible for performing the valuation of fair value measurements included in the financial statements, including Level 3 fair values. The valuation processes and results for recurring measurements are reviewed and approved by the Portfolio Manager of the Fund and the Chief Investment Officer quarterly, and together with the Manager annually.

The Portfolio Manager maintains policies for the determination of fair value of portfolio holdings of restricted shares and restricted warrants in publicly listed entities.

The International Private Equity and Venture Capital ("IPEV") Valuation Guidelines are reviewed for both appropriate valuation methodologies and consistency of the determination of fair value for investments in private companies. The accessibility of information available is also a factor in the determination of appropriate valuation methodologies and, if determined, is reviewed by third parties.

As at December 31, 2019 and 2018, the fair value of Level 3 securities held by the Fund consist of the following securities including the unobservable inputs used in their fair value measurement:

Description	Fair Value	Valuation Technique	Unobservable Inputs
December 31, 2019			
Panton Equity Partners L.P., Class 'A' Units in private equity limited partnership with significant ownership in investee companies	\$ 183*	Discounted cash flow based on the fair value of limited partnership units.	Discount rate. Estimated fair value of investee companies held by the limited partnership.

If the unobservable inputs are decreased or increased by 5%, the fair value of the investment ranges from \$158 to \$212.

* The investment is not redeemable for 2 years. Should the Fund dispose of the investment within the four-year period, a discount may be applicable.

The information for Level 3 sensitivity analysis has been assessed based on quarterly updates from the general partner.

Description	Fair Value	Valuation Technique	Unobservable Inputs
December 31, 2018			
Panton Equity Partners L.P., Class 'A' Units in private equity limited partnership with significant ownership in investee companies	\$ 165*	Discounted cash flow based on the fair value of limited partnership units.	Discount rate. Estimated fair value of investee companies held by the limited partnership.

If the unobservable inputs are decreased or increased by 5%, the fair value of the investment ranges from \$129 to \$207.

* The investment is not redeemable for 3 years. Should the Fund dispose of the investment within the four-year period, a discount may be applicable.

The information for Level 3 sensitivity analysis has been assessed based on quarterly updates from the general partner.

STONE GROWTH FUND

FUND SPECIFIC NOTES (continued)

Weighted average number of securities (000's)

The following table illustrates the weighted average number of securities outstanding for the periods ended December 31:

Series	2019	2018
A	377	312
B	276	360
F	105	92
L	27	26
O	-	-
T8A	312	412
T8B	372	439
T8C	86	94

STONE AMERICAN DIVIDEND GROWTH FUND

STATEMENTS OF FINANCIAL POSITION

AS AT

(in thousands of dollars; per security amounts are expressed in whole dollars)	December 31, 2019		December 31, 2018	
Assets				
Current assets				
Investments (Note 2)	\$	6,667	\$	14,137
Cash		-		617
Dividends receivable		37		49
Income tax receivable		18		-
Due from broker		479		328
Prepaid fees		-		7
		7,201		15,138
Liabilities				
Current liabilities				
Bank indebtedness (overdrafts)		66		-
Management fees payable		-		21
Redemption payable		198		-
Accounts payable and accrued expenses (Note 8)		-		65
Derivative liabilities:				
Unrealized loss on futures		-		135
		264		221
Net assets attributable to holders of redeemable securities (Note 3)	\$	6,937	\$	14,917
Net assets attributable to holders of redeemable securities per series				
Series A	\$	4,432	\$	14,534
Series F		790		383
Series O		-		N/A
Series T5A		1,715		N/A
Series T5F		-		N/A
	\$	6,937	\$	14,917
Net assets attributable to holders of redeemable securities per series				
Series A	\$	8.84	\$	8.70
Series F		9.34		9.23
Series O		10.00		N/A
Series T5A		10.71		N/A
Series T5F		10.00		N/A



STONE AMERICAN DIVIDEND GROWTH FUND

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

(in thousands of dollars; per security amounts are expressed in whole dollars)	2019	2018
Income (Note 2):		
Dividends	\$ 404	\$ 628
Interest for distribution purposes	5	7
Income tax receivable	18	-
Securities lending income (Note 9)	-	4
Net realized gains (losses) on sale of investments and derivatives	882	1,031
Change in unrealized appreciation (depreciation) on investments and derivatives	315	(1,972)
Net gains (losses) on investments and derivatives	1,624	(302)
Foreign exchange gains (losses) on cash	(29)	(22)
Total income (loss)	1,595	(324)
Expenses (Note 4):		
Management fees (Note 8)	268	474
Securityholder reporting costs	59	192
Transfer agency fees	18	-
Custodian fees	2	39
Filing fees	17	12
Independent Review Committee fees	6	4
Interest expense	-	4
Audit fees	13	37
Legal fees	1	12
Transaction costs (Note 2)	17	10
Foreign withholding taxes	77	135
Total expenses	478	919
Expenses waived/absorbed by the Manager	-	-
Total expenses (net)	478	919
Increase (decrease) in net assets attributable to holders of redeemable securities	\$ 1,117	\$ (1,243)
Increase (decrease) in net assets attributable to holders of redeemable securities per series		
Series A	\$ 934	\$ (1,218)
Series F	83	(25)
Series O*	-	-
Series T5A*	100	-
Series T5F*	-	-
	\$ 1,117	\$ (1,243)
Increase (decrease) in net assets attributable to holders of redeemable securities per security		
Series A	\$ 0.75	\$ (0.59)
Series F	1.60	(0.52)
Series O*	-	-
Series T5A*	1.07	-
Series T5F*	-	-

*Inception date August 1, 2019



STONE AMERICAN DIVIDEND GROWTH FUND

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SECURITIES

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

2019 (in thousands)	Series					2019 Total
	A	F	O*	T5A*	T5F*	
Net assets attributable to holders of redeemable securities, beginning of period	\$ 14,534	383	-	-	-	\$ 14,917
Increase (decrease) in net assets attributable to holders of redeemable securities	934	83	-	100	-	1,117
Redeemable securityholder transactions						
Proceeds from issue of redeemable securities	2,399	480	-	1,812	-	4,691
Reinvestment of distributions to holders of redeemable securities	155	51	-	-	-	206
Redemption of redeemable securities	(12,660)	(146)	-	(110)	-	(12,916)
Net securityholder transactions	(10,106)	385	-	1,702	-	(8,019)
Distributions to securityholders of redeemable securities						
Net investment income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Capital gains	(138)	(39)	-	(83)	-	(260)
Return of capital	(792)	(22)	-	(4)	-	(818)
Total distributions to security holders of redeemable securities	(930)	(61)	-	(87)	-	(1,078)
Net assets attributable to holders of redeemable securities, end of period	\$ 4,432	790	-	1,715	-	\$ 6,937

Securities issued and outstanding

Securities, beginning of period	1,671	41	-	-	-
Securities issued for cash	278	53	-	170	-
Securities issued on reinvestment of distributions	18	6	-	-	-
Securities redeemed	(1,466)	(15)	-	(10)	-
Securities, end of period	501	85	-	160	-

*Inception date August 1, 2019

2018 (in thousands)	Series		2018 Total
	A	F	
Net assets attributable to holders of redeemable securities, beginning of period	\$ 24,404	583	\$ 24,987
Increase (decrease) in net assets attributable to holders of redeemable securities	(1,218)	(25)	(1,243)
Redeemable securityholder transactions			
Proceeds from issue of redeemable securities	589	33	622
Reinvestment of distributions to holders of redeemable securities	218	43	261
Redemption of redeemable securities	(7,614)	(209)	(7,823)
Net securityholder transactions	(6,807)	(133)	(6,940)
Distributions to securityholders of redeemable securities			
Net investment income	-	-	-
Dividends	-	-	-
Capital gains	(304)	(7)	(311)
Return of capital	(1,541)	(35)	(1,576)
Total distributions to securityholders of redeemable securities	(1,845)	(42)	(1,887)
Net assets attributable to holders of redeemable securities, end of period	\$ 14,534	383	\$ 14,917

Securities issued and outstanding

Securities, beginning of period	2,353	54
Securities issued for cash	59	3
Securities issued on reinvestment of distributions	22	4
Securities redeemed	(763)	(20)
Securities, end of period	1,671	41



STONE AMERICAN DIVIDEND GROWTH FUND

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

(in thousands)	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable securities	\$ 1,117	\$ (1,243)
Adjustments for:		
Foreign exchange losses (gains) on cash	29	22
Net realized losses (gains) on sale of investments	(867)	(1,468)
Net change in unrealized depreciation (appreciation) of investments and derivatives	(315)	2,436
Purchases of investments and derivatives	(6,569)	(5,544)
Proceeds from sale and/or maturity of investments and derivatives	15,086	13,542
Dividends receivable	12	(4)
Income tax receivable	(18)	-
Due from broker	(151)	-
Prepaid fees	7	(1)
Management fees payable	-	19
Accounts payable and accrued expenses	(86)	65
Net cash from operating activities	8,245	7,824
Cash flows from financing activities:		
Proceeds from issue of redeemable securities	4,691	622
Amount paid on redemptions of redeemable securities	(12,718)	(7,823)
Distributions paid to holders of redeemable securities, net of reinvested distributions	(872)	(1,626)
Net cash from financing activities	(8,899)	(8,827)
Foreign exchange gains (losses) on cash	(29)	(22)
Net increase (decrease) in cash and cash equivalents during the period	(654)	(1,003)
Cash and cash equivalents, beginning of period	617	1,642
Cash and cash equivalents, end of period	\$ (66)	\$ 617
Supplemental disclosure of cash flow information*:		
Interest received (paid)	\$ 5	\$ 3
Dividends received, net of withholding taxes	339	489
Cash and cash equivalents are comprised of:		
Cash	\$ (66)	\$ 617
Cash equivalents	-	-
	\$ (66)	\$ 617

* Included as part of cash flows from operating activities.



STONE AMERICAN DIVIDEND GROWTH FUND

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019

Number of Shares or Par Value	Security	Average Cost (000's)	Carrying Value (000's)	%
Equities				
Communications (5.4%)				
2,080	Verizon Communications Inc.	\$ 140	\$ 166	
1,110	The Walt Disney Co.	147	208	
		287	374	5.4%
Consumer Discretionary (4.4%)				
510	Home Depot Inc.	157	144	
2,035	TJX Cos. Inc.	160	161	
		317	305	4.4%
Consumer Staples (11.3%)				
2,830	Coca-Cola Co.	197	203	
495	Costco Wholesale Corp.	198	189	
1,425	Ingredion Inc.	152	172	
1,430	Walmart Inc.	228	220	
		775	784	11.3%
Energy (5.0%)				
750	Chevron Corp.	105	117	
1,255	Exxon Mobil Corp.	133	114	
1,485	Royal Dutch Shell PLC, ADR, Class 'B'	106	115	
		344	346	5.0%
Financials (22.6%)				
1,120	Allstate Corp.	160	163	
4,465	Bank of America Corp.	114	204	
245	BlackRock Inc.	158	160	
3,155	Citizens Financial Group Inc.	159	166	
915	Fidelity National Information Services Inc.	160	165	
3,940	Fifth Third Bancorp	159	157	
1,145	JPMorgan Chase & Co.	121	207	
1,685	State Street Corp.	148	173	
705	Visa Inc., Class 'A'	167	172	
		1,346	1,567	22.6%
Health Care (13.3%)				
1,645	Abbott Laboratories	182	185	
1,230	AbbVie Inc.	138	141	
410	Becton, Dickinson & Co.	133	145	
1,170	Merck & Co. Inc.	106	138	
3,345	Pfizer Inc.	145	170	
530	Stryker Corp.	141	144	
		845	923	13.3%
Industrials (10.9%)				
5,525	ABB Ltd., ADR	151	173	
660	Honeywell International Inc.	101	151	
555	Raytheon Co.	156	158	
920	United Parcel Service Inc., Class 'B'	128	140	
705	United Technologies Corp.	138	137	
		674	759	10.9%
Materials (2.2%)				
620	Ecolab Inc.	157	155	
		157	155	2.2%



STONE AMERICAN DIVIDEND GROWTH FUND

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019 (continued)

Number of Shares or Par Value	Security	Average Cost (000's)	Carrying Value (000's)	%
Technology (16.2%)				
545	Apple Inc.	97	208	
1,870	Applied Materials Inc.	105	148	
2,480	Cisco Systems Inc.	104	154	
695	KLA Corp.	103	161	
830	Microsoft Corp.	158	170	
2,150	Oracle Corp.	159	148	
1,175	QUALCOMM Inc.	107	134	
		833	1,123	16.2%
Utilities (4.8%)				
7,485	AES Corp.	173	193	
2,125	Brookfield Infrastructure Partners L.P.	143	138	
		316	331	4.8%
	Transaction Costs	(4)		
	Total Investment Portfolio	\$ 5,890	\$ 6,667	96.1%
	Cash & Other Net Assets (Liabilities) (3.9%)		270	3.9%
	Total Net Assets (100.0%)		\$ 6,937	100.0%

Percentages shown relate to investments at carrying value to total net assets of the Fund.



STONE AMERICAN DIVIDEND GROWTH FUND

FUND SPECIFIC NOTES

AS AT DECEMBER 31, 2019 AND 2018

Risk management

The investment objective of the Stone American Dividend Growth Fund (the “Fund”) is to provide investors with long term capital appreciation, by investing primarily in a portfolio of large cap, dividend paying equity securities listed on a U.S. stock exchange.

The Fund’s investments may be exposed to a variety of financial instruments risks: market risk (comprised of other market price risk, foreign currency risk and interest rate risk), liquidity risk, credit risk and concentration risk.

The Manager of the Fund, Stone Asset Management Limited (“SAM”), aims to manage risk as part of its investment process through the thorough analysis and careful selection of securities and diversification across asset classes and industry sectors.

SAM also manages risk by ensuring the portfolio management activities of the Fund comply with its investment objectives and strategies and applicable securities legislation.

Market price risk

The value of securities in the Fund’s investment portfolio may be affected by factors specific to the individual securities. Market price fluctuations may also be caused by general economic and financial conditions or industry-specific matters. Political, social and environmental factors can also affect the value of any investment. The value of equity-related securities, such as warrants, options, and convertible securities, is also affected by market price risk.

The most significant exposure to market price risk for the Fund arises from its investment in equity securities. The Fund moderates this risk through a careful selection of securities within the parameters of the investment strategy. If equity prices on the respective stock exchanges had increased or decreased by 5%, as at December 31, 2019, with all other factors remaining constant, net assets would have increased or decreased by approximately \$319 (2018 – \$646). This change is estimated using the weighted average beta of the Fund’s equity portfolio, which is calculated based on an historical correlation against respective stock exchanges.

In practice, actual trading results may differ and the difference could be material.

Foreign currency risk

Foreign currency risk arises when financial instruments are denominated in a currency other than the Canadian dollar, the functional currency of the Fund. When a Fund buys an investment priced in a foreign currency and the exchange rate between the Canadian dollar and the foreign currency changes unfavourably, it could reduce the value of the Fund’s investment.

The Fund had exposure to the foreign currencies shown below in Canadian dollar terms. Also shown below is the potential impact to the Fund’s net assets, all other variables held constant, as a result of a 5% change in these currencies relative to the Canadian dollar. In practice, actual trading results may differ and the difference could be material.

December 31, 2019					
Currency	Investments	Cash	Total	% of net assets	Impact on net assets
U.S. Dollar	6,667	481	7,148	103.1	357
Total	6,667	481	7,148	103.1	357

December 31, 2018					
Currency	Investments	Cash	Total	% of net assets	Impact on net assets
U.S. Dollar	14,137	796	14,933	100.1	747
Total	14,137	796	14,933	100.1	747

Interest rate risk

A Fund that invests in fixed income securities, such as bonds and money market instruments, is sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments is falling; when interest rates are falling, the value of these investments is rising. Moreover, fixed income securities with longer terms to maturity are usually more sensitive to changes in interest rates.

There is minimal sensitivity to changes in interest rates for money market securities since these are usually held to maturity and tend to be short-term in nature.

As at December 31, 2019 and 2018, the Fund did not have significant exposure to interest rate risk.

STONE AMERICAN DIVIDEND GROWTH FUND

FUND SPECIFIC NOTES (continued)

Liquidity risk

Liquidity risk is defined as the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price.

The Fund is exposed to daily cash redemptions of redeemable securities. The Fund retains sufficient cash positions to maintain adequate liquidity. The Fund invests in securities that are actively traded in public markets and can be readily disposed of to increase liquidity. The Schedule of Investment Portfolio identifies any securities that are not traded on an active market, being nil as at December 31, 2019 (2018 – nil).

As at December 31, 2019 and 2018, all existing liabilities of the Fund are to be settled within three months.

Credit risk

When a company or government issues a fixed income or debt security, it has an obligation to pay interest and repay a specific amount on the maturity date. Credit risk is the risk that the company or government will not meet that obligation. Credit risk is lower among issuers that have good credit ratings from recognized credit rating agencies and higher among issuers with a low credit rating or no credit rating at all. These securities usually offer high interest rates to compensate for the increased risk. Changes in the credit risk of a security can affect its liquidity making it more difficult to sell.

As at December 31, 2019 and 2018, the Fund did not have significant exposure to credit risk.

Concentration risk

The following table summarizes the portfolio investments as a % of net assets held by the Fund for the periods ended December 31:

Sector	2019	2018
Communications	5.4	10.2
Consumer Discretionary	4.4	-
Consumer Staples	11.3	17.5
Energy	5.0	8.4
Financials	22.6	15.8
Health Care	13.3	16.3
Industrials	10.9	10.0
Materials	2.2	7.0
Technology	16.2	9.6
Utilities	4.8	-
Futures Contracts	-	1.3
Cash & Other Net Assets (Liabilities)	3.9	3.9
Total net assets	100.0	100.0

Fair value disclosure

The Fund classifies fair value measurements within a hierarchy that gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs for the asset or liability that is not based on observable market data.

The following fair value hierarchy table presents information about the Fund's assets measured at fair value on a recurring basis as at December 31. There were no transfers between Level 1 and Level 2.

December 31, 2019	Level 1	Level 2	Level 3	Total
Equities	\$ 6,667	\$ -	\$ -	\$ 6,667
Total Investment Portfolio	\$ 6,667	\$ -	\$ -	\$ 6,667

STONE AMERICAN DIVIDEND GROWTH FUND

FUND SPECIFIC NOTES (continued)

December 31, 2018	Level 1		Level 2		Level 3		Total
Equities	\$	13,750	\$	387	\$	-	\$ 14,137
Total Investment Portfolio	\$	13,750	\$	387	\$	-	\$ 14,137
Derivative Asset:							
Futures Contracts	\$	193	\$	-	\$	-	\$ 193

Weighted average number of securities (000's)

The following table illustrates the weighted average number of securities outstanding for the periods ended December 31:

Series	2019	2018
A	1,239	2,076
F	52	48
O	-	-
T5A	94	-
T5F	-	-

STONE GLOBAL BALANCED FUND

STATEMENTS OF FINANCIAL POSITION

AS AT

(in thousands of dollars; per security amounts are expressed in whole dollars)	December 31, 2019		December 31, 2018	
Assets				
Current assets				
Investments (Note 2)	\$	65,487	\$	69,072
Cash		258		54
Margin		-		49
Dividends receivable		10		15
Interest receivable		169		162
Receivable for investments sold		-		319
Subscriptions receivable		3		12
Derivative assets:				
Unrealized gain on futures contracts		18		48
Unrealized gain on forward foreign currency contracts		28		-
		65,973		69,731
Liabilities				
Current liabilities				
Margin		18		-
Redemption payable		117		33
Distributions payable		6		10
Derivative liabilities:				
Unrealized loss on futures contracts		8		108
Unrealized loss on currency forward contracts		-		118
		149		269
Net assets attributable to holders of redeemable securities (Note 3)	\$	65,824	\$	69,462
Net assets attributable to holders of redeemable securities per series				
Series AA	\$	12,447	\$	11,260
Series BB		694		940
Series FF		7,842		7,949
Series L		2,365		2,976
Series O		-		N/A
Series T8A		18,793		18,504
Series T8B		21,195		25,054
Series T8C		2,488		2,779
	\$	65,824	\$	69,462
Net assets attributable to holders of redeemable securities per security				
Series AA	\$	21.77	\$	19.42
Series BB		20.78		18.59
Series FF		23.54		20.88
Series L		16.29		14.58
Series O		10.00		N/A
Series T8A		7.02		6.75
Series T8B		6.74		6.50
Series T8C		6.72		6.48



STONE GLOBAL BALANCED FUND

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

(in thousands of dollars; per security amounts are expressed in whole dollars)	2019	2018
Income (Note 2):		
Dividends	\$ 147	\$ 241
Distribution from Underlying Fund	2	-
Interest for distribution purposes	793	887
Net realized gains (losses) on sale of investments and derivatives	5,910	2,588
Change in unrealized appreciation (depreciation) of investments and derivatives	2,220	(4,068)
Net gains (losses) on investments and derivatives	9,072	(352)
Foreign exchange gains (losses) on cash	(11)	13
Total income (loss)	9,061	(339)
Expenses (Note 4):		
Management fees (Note 8)	764	893
Securityholder reporting costs	150	137
Transfer agency fees	76	92
Custodian fees	25	30
Filing fees	25	24
Independent Review Committee fees	6	11
Audit fees	17	17
Legal fees	3	3
Transaction costs (Note 2)	3	9
Foreign withholding taxes	9	13
Total expenses	1,078	1,229
Expenses waived/absorbed by the Manager	(9)	(6)
Total expenses (net)	1,069	1,223
Increase (decrease) in net assets attributable to holders of redeemable securities	\$ 7,992	\$ (1,562)
Increase (decrease) in net assets attributable to holders of redeemable securities per series		
Series AA	\$ 1,372	\$ (283)
Series BB	101	(15)
Series FF	945	(157)
Series L	319	(65)
Series O*	-	-
Series T8A	2,176	(414)
Series T8B	2,760	(561)
Series T8C	319	(67)
	\$ 7,992	\$ (1,562)
Increase (decrease) in net assets attributable to holders of redeemable securities per security		
Series AA	\$ 2.40	\$ (0.49)
Series BB	2.45	(0.26)
Series FF	2.71	(0.40)
Series L	1.88	(0.28)
Series O*	-	-
Series T8A	0.81	(0.15)
Series T8B	0.80	(0.14)
Series T8C	0.78	(0.16)

*Inception August 1, 2019



STONE GLOBAL BALANCED FUND

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SECURITIES

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

2019 (in thousands)	AA	BB	FF	L	O*	T8A	T8B	T8C	2019 Total
Net assets attributable to holders of redeemable securities, beginning of period	\$ 11,260	940	7,949	2,976	-	18,504	25,054	2,779	\$ 69,462
Increase (decrease) in net assets attributable to holders of redeemable securities	1,372	101	945	319	-	2,176	2,760	319	7,992
Redeemable securityholder transactions									
Proceeds from issue of redeemable securities	1,907	-	1,185	55	-	1,208	1	-	4,356
Reinvestment of dividends to holders of redeemable securities	14	1	7	3	-	528	803	97	1,453
Redemption of redeemable securities	(2,092)	(347)	(2,236)	(985)	-	(2,168)	(5,656)	(497)	(13,981)
Net securityholder transactions	(171)	(346)	(1,044)	(927)	-	(432)	(4,852)	(400)	(8,172)
Distributions to securityholders of redeemable securities									
Net investment income	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Capital gains dividends	(14)	(1)	(8)	(3)	-	(930)	(1,129)	(134)	(2,219)
Return of capital	-	-	-	-	-	(525)	(638)	(76)	(1,239)
Total distributions to security holders of redeemable securities	(14)	(1)	(8)	(3)	-	(1,455)	(1,767)	(210)	(3,458)
Net assets attributable to holders of redeemable securities, end of period	\$ 12,447	694	7,842	2,365	-	18,793	21,195	2,488	\$ 65,824

Securities issued and outstanding

Securities, beginning of period	580	50	381	205	-	2,741	3,857	428
Securities issued for cash	91	-	52	3	-	169	-	-
Securities issued on reinvestment of dividends	1	-	-	-	-	75	118	15
Securities redeemed	(100)	(17)	(100)	(63)	-	(308)	(829)	(73)
Securities, end of period	572	33	333	145	-	2,677	3,146	370

*Inception August 1, 2019



STONE GLOBAL BALANCED FUND

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SECURITIES

FOR THE PERIODS ENDED DECEMBER 31 (Note 1) (continued)

2018 (in thousands)	AA	BB	FF	L	T8A	T8B	T8C	2018 Total
Net assets attributable to holders of redeemable securities, beginning of period	\$ 12,017	1,509	7,963	4,075	21,160	32,622	3,270	\$ 82,616
Increase (decrease) in net assets attributable to holders of redeemable securities	(283)	(15)	(157)	(65)	(414)	(561)	(67)	(1,562)
Redeemable securityholder transactions								
Proceeds from issue of redeemable securities	2,421	28	4,338	238	1,382	103	180	8,690
Reinvestment of distributions to holders of redeemable securities	13	1	8	4	526	968	112	1,632
Redemption of redeemable securities	(2,894)	(582)	(4,194)	(1,272)	(2,516)	(5,647)	(461)	(17,566)
Net securityholder transactions	(460)	(553)	152	(1,030)	(608)	(4,576)	(169)	(7,244)
Distributions to securityholders of redeemable securities								
Net investment income	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Capital gains	-	-	-	-	-	-	-	-
Return of capital	(14)	(1)	(9)	(4)	(1,634)	(2,431)	(255)	(4,348)
Total distributions to securityholders of redeemable securities	(14)	(1)	(9)	(4)	(1,634)	(2,431)	(255)	(4,348)
Net assets attributable to holders of redeemable securities, end of period	\$ 11,260	940	7,949	2,976	18,504	25,054	2,779	\$ 69,462
Securities issued and outstanding								
Securities, beginning of period	603	79	374	272	2,818	4,501	452	
Securities issued for cash	119	1	201	16	189	14	24	
Securities issued on reinvestment of distributions	1	-	-	-	72	138	16	
Securities redeemed	(143)	(30)	(194)	(83)	(338)	(796)	(64)	
Securities, end of period	580	50	381	205	2,741	3,857	428	



STONE GLOBAL BALANCED FUND

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

(in thousands)	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable securities	\$ 7,992	\$ (1,562)
Adjustments for:		
Foreign exchange losses (gains) on cash	11	(73)
Net realized losses (gains) on sale of investments and derivatives	(6,103)	(2,676)
Change in unrealized depreciation (appreciation) of investments and derivatives	(2,220)	4,068
Purchases of investments and derivatives	(24,660)	(39,198)
Proceeds from sale and/or maturity of investments and derivatives	36,352	51,238
Margin	67	(49)
Dividends receivable	5	14
Interest receivable	(7)	6
Receivable for investments sold	319	(319)
Net cash from operating activities	11,756	11,449
Cash flows from financing activities:		
Proceeds from issue of redeemable securities	4,365	8,692
Amount paid on redemptions of redeemable securities	(13,897)	(17,597)
Distributions paid to holders of redeemable securities, net of reinvested distributions	(2,009)	(2,705)
Net cash from financing activities	(11,541)	(11,610)
Foreign exchange gains (losses) on cash	(11)	73
Net increase (decrease) in cash and cash equivalents during the period	215	(161)
Cash and cash equivalents, beginning of period	54	142
Cash and cash equivalents, end of period	\$ 258	\$ 54
Supplemental disclosure of cash flow information*:		
Interest received	\$ 786	\$ 893
Dividends received, net of withholding taxes	143	242
Cash and cash equivalents are comprised of:		
Cash	\$ 258	\$ 54
Cash equivalents	-	-
	\$ 258	\$ 54

* Included as part of cash flows from operating activities.



STONE GLOBAL BALANCED FUND

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019

Number of Shares or Par Value	Security	Average Cost (000's)	Carrying Value (000's)	%
Equities & Investment Funds				
Consumer Discretionary (0.2%)				
4,800	Park Lawn Corp.	\$ 78	\$ 141	
		78	141	0.2%
Consumer Staples (0.6%)				
3,000	Coca-Cola Co.	90	215	
481	Costco Wholesale Corp.	94	183	
		184	398	0.6%
Energy (0.2%)				
3,000	Pembina Pipeline Corp.	127	144	
		127	144	0.2%
Financials (3.4%)				
4,600	Bank of America Corp.	129	210	
7,800	Bank of Montreal, Preferred, Class 'B', Series '25', Variable Rate, Callable, Perpetual	152	189	
2,400	Bank of Nova Scotia	128	176	
1,900	Bank of Nova Scotia, Series '30', Callable	37	47	
7,200	Bank of Nova Scotia, Series '32', Variable Rate, Callable, Perpetual	140	178	
2,580	Brookfield Asset Management Inc., Class 'A'	79	194	
1,600	Canadian Imperial Bank of Commerce	180	173	
1,100	Fidelity National Information Services Inc.	99	198	
1,300	JPMorgan Chase & Co.	142	235	
4,415	Power Financial Corp.	142	154	
1,470	Royal Bank of Canada	87	151	
2,080	Toronto-Dominion Bank	93	152	
750	Visa Inc., Class 'A'	92	183	
		1,500	2,240	3.4%
Health Care (1.2%)				
1,400	Abbott Laboratories	63	158	
480	Becton, Dickinson & Co.	98	169	
4,964	Jamieson Wellness Inc.	87	128	
2,362	Pfizer Inc.	101	120	
690	Stryker Corp.	85	188	
		434	763	1.2%
Industrials (0.6%)				
1,505	Cargojet Inc.	69	155	
2,900	TFI International Inc.	73	127	
1,100	Waste Connections Inc.	90	130	
		232	412	0.6%
Investment Funds (50.5%)				
1,008,485	Stone EuroPlus Fund, Series 'A'	10,345	13,748	
1,588,379	Stone Global Growth Fund, Series 'A'	7,554	19,510	
		17,899	33,258	50.5%
Materials (0.3%)				
700	Ecolab Inc.	52	175	
		52	175	0.3%
Technology (0.8%)				
1,090	Microsoft Corp.	88	223	
2,740	Open Text Corp.	110	157	
2,230	Oracle Corp.	77	153	
		275	533	0.8%



STONE GLOBAL BALANCED FUND

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019 (continued)

Number of Shares or Par Value	Security	Average Cost (000's)	Carrying Value (000's)	%
	Utilities (1.1%)			
8,040	AES Corp.	119	208	
6,900	Boralex Inc., Class 'A'	145	169	
2,800	Brookfield Infrastructure Partners L.P.	30	182	
4,900	Pattern Energy Group Inc., Class 'A'	132	170	
		426	729	1.1%



STONE GLOBAL BALANCED FUND

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019 (continued)

Number of Shares or Par Value	Security	Average Cost (000's)	Carrying Value (000's)	%
Bonds				
Corporate Bonds (23.9%)				
61,000	Alectra Inc., 5.297%, 2041/04/29	76	83	
228,000	Algonquin Power Co., 4.600%, 2029/01/29	228	249	
80,000	Alimentation Couche-Tard Inc., 3.899%, 2022/11/01	84	83	
423,000	Anheuser-Busch InBev Finance Inc., 2.600%, 2024/05/15	418	423	
330,000	AT&T Inc., 4.000%, 2025/11/25	329	348	
417,000	Bank of America Corp., 2.604%, 2023/03/15	414	419	
220,000	Bank of America Corp., 2.932%, 2025/04/25	220	222	
155,000	Bank of America Corp., 3.407%, 2025/09/20	159	160	
379,000	Bank of Montreal, 1.880%, 2021/03/31	370	378	
318,000	Bank of Montreal, 2.120%, 2022/03/16	317	318	
236,000	Bank of Montreal, 3.320%, 2026/06/01	236	239	
500,000	Bell Canada, 3.350%, 2025/03/12	501	516	
200,000	British Columbia Ferry Services Inc., 2.794%, 2049/10/15	200	195	
331,000	Capital Power Corp., 4.284%, 2024/09/18	338	346	
169,000	Capital Power Corp., 4.424%, 2030/02/08	170	172	
128,000	Capital Power Corp., 5.276%, 2020/11/16	134	131	
222,000	Choice Properties REIT, 3.556%, 2024/09/09	227	229	
198,000	Citigroup Inc., 3.390%, 2021/11/18	198	202	
430,000	Enbridge Inc., 3.950%, 2024/11/19	448	454	
243,000	Enbridge Inc., 5.375%, 2077/09/27	236	244	
153,000	EPCOR Utilities Inc., 3.554%, 2047/11/27	147	167	
186,000	First Capital Realty Inc., 4.323%, 2025/07/31	194	196	
213,000	First Capital Realty Inc., 4.500%, 2021/03/01	221	218	
136,000	Ford Credit Canada Co., 3.349%, 2022/09/19	136	136	
272,000	Ford Credit Canada Ltd., 4.460%, 2024/11/13	272	274	
59,000	GE Capital Canada Funding Co., 5.730%, 2037/10/22	73	67	
645,000	General Motors Financial of Canada Ltd., 3.000%, 2021/02/26	646	648	
201,000	Genesis Energy L.P. / Genesis Energy Finance Corp., 6.500%, 2025/10/01	264	252	
277,000	Gibson Energy Inc., 3.600%, 2029/09/17	276	278	
460,000	Goldman Sachs Group Inc., 2.433%, 2023/04/26	454	459	
325,000	Greater Toronto Airports Authority, 2.750%, 2039/10/17	325	323	
213,000	Hydro One Inc., 3.200%, 2022/01/13	216	218	
125,000	Hydro One Inc., 3.630%, 2049/06/25	136	139	
159,000	Hydro One Inc., 3.640%, 2050/04/05	159	177	
198,000	Lower Mattagami Energy L.P., 4.331%, 2021/05/18	222	204	
253,000	McDonald's Corp., 3.125%, 2025/03/04	252	259	
349,000	Morgan Stanley, 3.000%, 2024/02/07	347	354	
360,000	Morgan Stanley, 3.125%, 2021/08/05	365	365	
426,000	National Bank of Canada, 1.957%, 2022/06/30	422	424	
400,000	Pembina Pipeline Corp., 2.990%, 2024/01/22	408	405	
290,000	Pembina Pipeline Corp., 3.540%, 2025/02/03	298	299	
277,000	RioCan REIT, 2.194%, 2021/04/09	271	277	
138,000	RioCan REIT, 2.576%, 2025/02/12	138	136	
206,000	Rogers Communications Inc., 4.000%, 2024/03/13	216	218	
700,000	Royal Bank of Canada, 1.968%, 2022/03/02	691	698	
512,000	Royal Bank of Canada, 2.860%, 2021/03/04	513	517	
328,000	Sun Life Financial Inc., 3.050%, 2028/09/19	334	334	
180,000	Sunoco Logistics Partners Operations L.P., 5.400%, 2047/10/01	230	254	
400,000	TELUS Corp., 2.350%, 2022/03/28	389	401	
384,000	TELUS Corp., 2.750%, 2026/07/08	384	382	
90,000	Toronto Hydro Corp., 2.990%, 2049/12/10	90	90	



STONE GLOBAL BALANCED FUND

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019 (continued)

Number of Shares or Par Value	Security	Average Cost (000's)	Carrying Value (000's)	%
299,000	Toronto-Dominion Bank, 2.045%, 2021/03/08	294	299	
110,000	Toronto-Dominion Bank, 3.005%, 2023/05/30	113	113	
140,000	Toyota Credit Canada Inc., 2.620%, 2022/10/11	142	141	
250,000	Transurban Finance Co. Pty. Ltd., 4.555%, 2028/11/14	250	273	
250,000	Videotron Ltd., 5.625%, 2025/06/15	267	269	
50,000	VW Credit Canada Inc., 3.250%, 2023/03/29	50	51	
		15,508	15,726	23.9%
	Federal Bonds (5.6%)			
84,000	Government of Canada, 0.750%, 2021/03/01	82	83	
1,883,000	Government of Canada, 2.750%, 2048/12/01	2,156	2,303	
508,000	Government of Canada, 2.750%, 2064/12/01	628	667	
170,000	United States Treasury Bond, 2.250%, 2049/08/15	235	215	
270,000	United States Treasury Bond, 2.625%, 2029/02/15	389	371	
		3,490	3,639	5.6%
	Provincial Bonds (11.1%)			
181,000	Province of Alberta, 3.050%, 2048/12/01	199	197	
1,033,000	Province of British Columbia, 2.550%, 2027/06/18	1,053	1,059	
196,000	Province of British Columbia, 2.800%, 2048/06/18	186	211	
74,000	Province of British Columbia, 3.200%, 2044/06/18	75	84	
557,000	Province of Ontario, 2.400%, 2026/06/02	562	565	
868,000	Province of Ontario, 2.700%, 2029/06/02	911	897	
140,000	Province of Ontario, 2.800%, 2048/06/02	134	148	
390,000	Province of Ontario, 2.900%, 2028/06/02	417	408	
497,000	Province of Ontario, 2.900%, 2049/06/02	536	538	
637,000	Province of Quebec, 2.300%, 2029/09/01	635	639	
578,000	Province of Quebec, 2.500%, 2026/09/01	588	591	
1,025,000	Province of Quebec, 2.750%, 2027/09/01	1,058	1,063	
247,000	Province of Quebec, 3.500%, 2045/12/01	260	294	
340,000	Province of Quebec, 4.250%, 2043/12/01	386	447	
152,000	Province of Saskatchewan, 3.900%, 2045/06/02	171	188	
		7,171	7,329	11.1%
	Transaction Costs	(1)		
	Total Investment Portfolio	\$ 47,375	65,487	99.5%
	Unrealized Gain (Loss) on Forward Currency Contracts (0.0%)		28	0.0%
	Unrealized Gain (Loss) on Futures Currency Contracts (0.0%)		10	0.0%
	Margin (0.0%)		(18)	0.0%
	Cash & Other Net Assets (Liabilities) (0.5%)		317	0.5%
	Total Net Assets (100.0%)		\$ 65,824	100.0%

Percentages shown relate to investments at carrying value to total net assets of the Fund.

Schedule of derivative assets (liabilities) - currency forward contracts

Settlement Date	Counterparty	Credit Rating	Currency to be delivered		Currency to be received		Contract Price	CAD Appreciation (Depreciation)
			Fair value (local)	Fair value as at December 31, 2019	Fair value (local)	Fair value as at December 31, 2019		
2020/01/31	Royal Bank of Canada, London	A-1+	\$ 850	USD \$ 1,102	\$ 1,130	CAD \$ 1,130	0.77 \$	28
							\$	28



STONE GLOBAL BALANCED FUND

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019 (continued)

Schedule of derivative assets (liabilities) - futures contracts							
Futures Contracts	Number of Contracts	Currency	Contracted Price	Expiration Date	Contracted Value	Fair value	Unrealized Gain (Loss)
Ten-Year Government of Canada Bond	3	CAD	\$ 139.97	2020/03/20	\$ 420	\$ 412	\$ (8)
United States 10 Year Treasury Note	(3)	USD	129.46	2020/03/20	(504)	(500)	4
United States Treasury Bond	(3)	USD	159.40	2020/03/20	(620)	(606)	14
					(704)	(694)	10



STONE GLOBAL BALANCED FUND

FUND SPECIFIC NOTES

AS AT DECEMBER 31, 2019 AND 2018

(in thousands of dollars; per security amounts are expressed in whole dollars)

Risk management

The investment objective of the Stone Global Balanced Fund (the “Fund”) is to provide investors access to a global balanced fund seeking capital appreciation and a steady stream of current income. The Fund may invest in other Investment Funds where the other Investment Funds are managed by Stone Asset Management Limited (the “Underlying Investment Funds”).

The Fund’s investments may be exposed to a variety of financial instruments risks: market risk (comprised of other market price risk, foreign currency risk and interest rate risk), liquidity risk, credit risk and concentration risk.

The Manager of the Fund, Stone Asset Management Limited (“SAM”), aims to manage risk as part of its investment process through the thorough analysis and careful selection of securities and diversification across asset classes and industry sectors. The fixed income component of the Fund is managed by a Portfolio Sub-advisor, Aviva Investors Canada Inc.

SAM also manages risk by ensuring the portfolio management activities of the Fund comply with its investment objectives and strategies and applicable securities legislation.

Market price risk

The value of securities in the Fund’s investment portfolio may be affected by factors specific to the individual securities. Market price fluctuations may also be caused by general economic and financial conditions or industry-specific matters. Political, social and environmental factors can also affect the value of any investment. The value of equity-related securities, such as warrants, options, and convertible securities, is also affected by market price risk.

The most significant exposure to market price risk for the Fund arises from its investment in equity securities. The Fund and the Underlying Investment Funds moderate this risk through a careful selection of securities within the parameters of the investment strategy. The Fund may be exposed to indirect market price through its pro-rata investment in the Underlying Investment Funds. If equity prices on the respective stock exchanges had increased or decreased by 5%, as at December 31, 2019, with all other factors remaining constant, net assets would have increased or decreased by approximately \$1,527 (2018 – \$1,809). This change is estimated using the weighted average beta of the Fund’s equity portfolio, which is calculated based on an historical correlation against respective stock exchanges.

In practice, actual trading results may differ and the difference could be material.

Foreign currency risk

Foreign currency risk arises when financial instruments are denominated in a currency other than the Canadian dollar, the functional currency of the Fund. When a Fund buys an investment priced in a foreign currency and the exchange rate between the Canadian dollar and the foreign currency changes unfavourably, it could reduce the value of the Fund’s investment.

The Fund had foreign currency risk from direct investments as well as indirect foreign currency risk in its investments in the Underlying Investment Funds. The Fund’s exposure to currency risk is based on its direct investment and on the Fund’s pro-rata share of the Underlying Investment Funds at period end, which are shown below in Canadian dollar terms. Also shown below is the potential impact to the Fund’s net assets, all other variables held constant, as a result of a 5% change in these currencies relative to the Canadian dollar. In practice, actual trading results may differ and the difference could be material.

December 31, 2019					
Currency	Investments	Cash *	Total	% of net assets	Impact on net assets
British Pound	5,571	-	5,571	8.5	279
Danish Krone	486	-	486	0.7	24
Euro	10,926	-	10,926	16.6	546
Hong Kong Dollar	379	-	379	0.6	19
Swedish Krona	511	-	511	0.8	26
Swiss Franc	1,842	-	1,842	2.8	92
U.S. Dollar	16,050	(870)	15,180	23.1	759
Total	35,765	(870)	34,895	53.1	1,745

* Includes U.S. Dollar short exposure in currency forward contract.

STONE GLOBAL BALANCED FUND

FUND SPECIFIC NOTES (continued)

December 31, 2018						
Currency	Investments	Cash*	Total	% of net assets	Impact on net assets	
British Pound	6,282	-	6,282	9.0	314	
Danish Krone	851	-	851	1.2	43	
Euro	11,141	-	11,141	16.0	557	
Hong Kong Dollar	462	-	462	0.7	23	
Swiss Franc	1,863	-	1,863	2.7	93	
U.S. Dollar	20,030	(3,497)	16,533	23.8	827	
Total	40,629	(3,497)	37,132	53.4	1,857	

* Includes U.S. Dollar short exposure in currency forward contract.

Interest rate risk

A Fund that invests in fixed income securities, such as bonds and money market instruments, is sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments is falling; when interest rates are falling, the value of these investments is rising. Moreover, fixed income securities with longer terms to maturity are usually more sensitive to changes in interest rates.

An increase or decrease of 1% in interest rates would increase or decrease fair value for the period ended December 31, 2019 by \$2,331(2018 – \$2,218). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bonds. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Term of Bonds					
Bonds	1 year	1-3 years	3-5 years	5 years	Total
December 31, 2019	131	5,610	3,745	17,208	26,694
December 31, 2018	-	5,598	4,143	16,607	26,348

Liquidity risk

Liquidity risk is defined as the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price.

The Fund is exposed to daily cash redemptions of redeemable securities. The Fund and the Underlying Investment Funds retain sufficient cash positions to maintain adequate liquidity. The Fund and the Underlying Investment Funds primarily invest in securities that are actively traded in public markets and can be readily disposed of to increase liquidity. The Schedule of Investment Portfolio identifies any securities that are not traded on an active market, being nil as at December 31, 2019 (2018 – nil).

As at December 31, 2019 and 2018, all existing liabilities of the Fund and the Underlying Investment Funds are to be settled within three months.

Credit risk

When a company or government issues a fixed income or debt security, it has an obligation to pay interest and repay a specific amount on the maturity date. Credit risk is the risk that the company or government will not meet that obligation. Credit risk is lower among issuers that have good credit ratings from recognized credit rating agencies and higher among issuers with a low credit rating or no credit rating at all. These securities usually offer high interest rates to compensate for the increased risk. Changes in the credit risk of a security can affect its liquidity making it more difficult to sell.

The Fund is also exposed to counterparty credit risk on currency forward contracts. The counterparty credit risk for currency forward contracts is managed by using counterparties with minimum credit ratings of A and limiting the term of currency forward contracts to 30 days. The credit rating of the counterparty to the Fund's currency forward contract was AA- as at December 31, 2019 (2018 – AA-).

STONE GLOBAL BALANCED FUND

FUND SPECIFIC NOTES (continued)

The Fund and Underlying Investment Funds were invested in debt securities as a % of net assets with the following credit ratings as at December 31:

Rating *	2019	2018
AAA	5.5	12.4
AA	15.6	5.5
A	6.7	4.9
BBB	9.4	14.2
Below BBB	3.4	0.9
Total	40.6	37.9

* Credit ratings obtained from Morningstar Credit Ratings, LLC.

Concentration risk

The following table summarizes the portfolio investments as a % of net assets held by the Fund for the periods ended December 31:

Sector	2019	2018
Consumer Discretionary	0.2	0.6
Consumer Staples	0.6	0.5
Corporate Bonds	23.9	22.9
Energy	0.2	0.3
Federal Bonds	5.6	11.4
Financials	3.4	3.2
Health Care	1.2	1.4
Industrials	0.6	0.9
Investment Funds	50.5	53.1
Materials	0.3	-
Provincial Bonds	11.1	3.6
Technology	0.8	0.7
Utilities	1.1	0.9
Cash & Other Net Assets (Liabilities)	0.5	0.5
Total net assets	100.0	100.0

The following table summarizes the portfolio investments as a % of net assets by asset type, which are held by the Fund for the periods ended December 31:

Asset Type	2019	2018
Equities & Investment Funds	58.9	61.6
Bonds	40.6	37.9
Cash & Other Net Assets (Liabilities)	0.5	0.5
Total net assets	100.0	100.0

STONE GLOBAL BALANCED FUND

FUND SPECIFIC NOTES (continued)

Fair value disclosure

The Fund classifies fair value measurements within a hierarchy that gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs for the asset or liability that is not based on observable market data.

The following fair value hierarchy table presents information about the Fund's assets measured at fair value on a recurring basis as at December 31. There were no transfers between Level 1 and Level 2.

December 31, 2019	Level 1		Level 2		Level 3		Total
Equities	\$	5,535	\$	-	\$	-	\$ 5,535
Bonds		-		26,694		-	26,694
Investment Funds		33,258		-		-	33,258
Total Investment Portfolio	\$	38,793	\$	26,694	\$	-	\$ 65,487
Derivative Asset:							
Currency Forward Contracts	\$	-	\$	28	\$	-	\$ 28
Futures Contracts	\$	18	\$	-	\$	-	\$ 18
Derivative Liability:							
Futures Contracts	\$	(8)	\$	-	\$	-	\$ (8)

As at December 31, 2019, there was one currency forward contract outstanding and no amounts were offset.

December 31, 2018	Level 1		Level 2		Level 3		Total
Equities	\$	5,833	\$	-	\$	-	\$ 5,833
Bonds		-		26,348		-	26,348
Investment Funds		36,891		-		-	36,891
Total Investment Portfolio	\$	42,724	\$	26,348	\$	-	\$ 69,072
Derivative Asset:							
Futures Contracts	\$	48	\$	-	\$	-	\$ 48
Derivative Liability:							
Currency Forward Contracts	\$	-	\$	(118)	\$	-	\$ (118)
Futures Contracts	\$	(108)	\$	-	\$	-	\$ (108)

As at December 31, 2018, there was one currency forward contract outstanding and no amounts were offset.

STONE GLOBAL BALANCED FUND

FUND SPECIFIC NOTES (continued)

Weighted average number of securities (000's)

The following table illustrates the weighted average number of securities outstanding for the periods ended December 31:

Series	2019	2018
AA	573	594
BB	41	60
FF	348	392
L	169	232
O	-	-
T8A	2,696	2,727
T8B	3,427	4,220
T8C	407	443

STONE GLOBAL STRATEGY FUND

STATEMENTS OF FINANCIAL POSITION

AS AT

(in thousands of dollars; per security amounts are expressed in whole dollars)	December 31, 2019		December 31, 2018	
Assets				
Current assets				
Investments (Note 2)	\$	6,214	\$	8,132
Cash		428		230
Dividends receivable		16		20
Interest receivable		9		50
Prepaid fees		3		7
		6,670		8,439
Liabilities				
Current liabilities				
Management fees payable		-		5
Margin		-		12
Redemption payable		6		7
Accounts payable and accrued expenses (Note 8)		1		35
		7		59
Net assets attributable to holders of redeemable securities (Note 3)	\$	6,663	\$	8,380
Net assets attributable to holders of redeemable securities per series				
Series A	\$	4,023	\$	5,844
Series F		2,640		2,536
Series O		-		N/A
	\$	6,663	\$	8,380
Net assets attributable to holders of redeemable securities per security				
Series A	\$	15.15	\$	14.89
Series F		19.00		18.18
Series O		10.00		N/A



STONE GLOBAL STRATEGY FUND

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

(in thousands of dollars; per security amounts are expressed in whole dollars)	2019	2018
Income (Note 2):		
Dividends	\$ 172	\$ 207
Interest for distribution purposes	33	97
Securities lending income (Note 9)	-	1
Net realized gains (losses) on sale of investments and derivatives	649	121
Change in unrealized appreciation (depreciation) of investments and derivatives	157	(306)
Net gains (losses) on investments and derivatives	1,011	120
Foreign exchange gains (losses) on cash	(12)	(4)
Total income (loss)	999	116
Expenses (Note 4):		
Management fees (Note 8)	152	208
Securityholder reporting costs	62	115
Transfer agency fees	15	-
Custodian fees	5	31
Filing fees	13	12
Independent Review Committee fees	6	2
Audit fees	12	17
Legal fees	-	6
Transaction costs (Note 2)	1	5
Foreign withholding taxes	25	31
Total expenses	291	427
Expenses waived/absorbed by the Manager	-	-
Total expenses (net)	291	427
Increase (decrease) in net assets attributable to holders of redeemable securities	\$ 708	\$ (311)
Increase (decrease) in net assets attributable to holders of redeemable securities per series		
Series A	\$ 444	\$ (240)
Series F	264	(71)
Series O*	-	-
	\$ 708	\$ (311)
Increase (decrease) in net assets attributable to holders of redeemable securities per security		
Series A	\$ 1.39	\$ (0.53)
Series F	1.88	(0.48)
Series O*	-	-

*Inception August 1, 2019



STONE GLOBAL STRATEGY FUND

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SECURITIES

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

2019 (in thousands)	Series			2019 Total
	A	F	O*	
Net assets attributable to holders of redeemable securities, beginning of period	\$ 5,844	2,536	-	\$ 8,380
Increase (decrease) in net assets attributable to holders of redeemable securities	444	264	-	708
Redeemable securityholder transactions				
Proceeds from issue of redeemable securities	76	99	-	175
Reinvestment of distributions to holders of redeemable securities	214	74	-	288
Redemption of redeemable securities	(2,215)	(182)	-	(2,397)
Net securityholder transactions	(1,925)	(9)	-	(1,934)
Distributions to securityholders of redeemable securities				
Net investment income	-	-	-	-
Dividends	-	-	-	-
Capital gains	-	-	-	-
Return of capital	(340)	(151)	-	(491)
Total distributions to security holders of redeemable securities	(340)	(151)	-	(491)
Net assets attributable to holders of redeemable securities, end of period	\$ 4,023	2,640	-	\$ 6,663

Securities issued and outstanding

Securities, beginning of period	392	140	-
Securities issued for cash	5	5	-
Securities issued on reinvestment of distributions	14	4	-
Securities redeemed	(146)	(10)	-
Securities, end of period	265	139	-

*Inception date August 1, 2019

2018 (in thousands)	Series		2018 Total
	A	F	
Net assets attributable to holders of redeemable securities, beginning of period	\$ 8,866	3,000	\$ 11,866
Increase (decrease) in net assets attributable to holders of redeemable securities	(240)	(71)	(311)
Redeemable securityholder transactions			
Proceeds from issue of redeemable securities	472	165	637
Reinvestment of distributions to holders of redeemable securities	306	76	382
Redemption of redeemable securities	(3,077)	(474)	(3,551)
Net securityholder transactions	(2,299)	(233)	(2,532)
Distributions to securityholders of redeemable securities			
Net investment income	-	-	-
Dividends	-	-	-
Capital gains	(8)	(3)	(11)
Return of capital	(475)	(157)	(632)
Total distributions to securityholders of redeemable securities	(483)	(160)	(643)
Net assets attributable to holders of redeemable securities, end of period	\$ 5,844	2,536	\$ 8,380

Securities issued and outstanding

Securities, beginning of period	530	151
Securities issued for cash	29	9
Securities issued on reinvestment of distributions	19	4
Securities redeemed	(186)	(24)
Securities, end of period	392	140



STONE GLOBAL STRATEGY FUND

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

(in thousands)	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable securities	\$ 708	\$ (311)
Adjustments for:		
Foreign exchange losses (gains) on cash	(12)	4
Net realized losses (gains) on sale of investments and derivatives	(649)	(219)
Change in unrealized depreciation (appreciation) of investments and derivatives	(157)	386
Purchases of investments and derivatives	(3)	(2,111)
Proceeds from sale and/or maturity of investments and derivatives	2,727	5,135
Margins	(12)	-
Dividends receivable	4	(2)
Interest receivable	41	11
Prepaid fees	4	(1)
Management fees payable	-	5
Accounts payable and accrued expenses	(39)	34
Net cash from operating activities	2,612	2,931
Cash flows from financing activities:		
Proceeds from issue of redeemable securities	175	637
Amount paid on redemptions of redeemable securities	(2,398)	(3,545)
Distributions paid to holders of redeemable securities, net of reinvested distributions	(203)	(261)
Net cash from financing activities	(2,426)	(3,169)
Foreign exchange gains (losses) on cash	12	(4)
Net increase (decrease) in cash and cash equivalents during the period	186	(238)
Cash and cash equivalents, beginning of period	230	472
Cash and cash equivalents, end of period	\$ 428	\$ 230
Supplemental disclosure of cash flow information*:		
Interest received (paid)	\$ 74	\$ 108
Dividends received, net of withholding taxes	151	174
Cash and cash equivalents are comprised of:		
Cash	\$ 428	\$ 230
Cash equivalents	-	-
	\$ 428	\$ 230

* Included as part of cash flows from operating activities.

STONE GLOBAL STRATEGY FUND

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019

Number of Shares or Par Value	Security	Average Cost (000's)	Carrying Value (000's)	%
Equities				
Communications (10.9%)				
200	Alphabet Inc.	\$ 192	\$ 347	
2,000	Walt Disney Co.	258	375	
		450	722	10.9%
Consumer Discretionary (4.7%)				
1,110	Home Depot Inc.	101	314	
		101	314	4.7%
Consumer Staples (5.9%)				
1,800	Diageo PLC	253	393	
		253	393	5.9%
Energy (10.5%)				
9,000	Canadian Natural Resources Ltd.	336	378	
5,058	Keyera Corp.	143	172	
7,000	Vermilion Energy Inc.	307	149	
		786	699	10.5%
Financials (25.5%)				
9,000	Bank of America Corp.	266	411	
2,000	JPMorgan Chase & Co.	170	362	
1,500	PayPal Holdings Inc.	159	210	
3,725	Royal Bank of Canada	281	383	
4,595	Toronto-Dominion Bank	259	335	
		1,135	1,701	25.5%
Health Care (18.8%)				
2,400	HCA Healthcare Inc.	226	459	
8,000	Pfizer Inc.	275	406	
1,010	UnitedHealth Group Inc.	169	385	
		670	1,250	18.8%
Industrials (5.5%)				
3,100	Canadian National Railway Co.	232	364	
		232	364	5.5%
Materials (2.0%)				
2,180	Nutrien Ltd.	116	136	
		116	136	2.0%
Bonds				
Corporate Bonds (9.5%)				
200,000	Crown Cork & Seal Co. Inc., Callable, 7.375%, 2026/12/15	267	309	
250,000	MEG Energy Corp., Callable, 6.375%, 2023/01/30	281	326	
		548	635	9.5%
Transaction Costs				
		-		
Total Investment Portfolio		\$ 4,291	\$ 6,214	93.3%
Cash & Other Net Assets (Liabilities) (6.7%)			449	6.7%
Total Net Assets (100.0%)			\$ 6,663	100.0%

Percentages shown relate to investments at carrying value to total net assets of the Fund.



STONE GLOBAL STRATEGY FUND

FUND SPECIFIC NOTES

AS AT DECEMBER 31, 2019 AND 2018

Risk management

The investment objective of the Stone Global Strategy Fund (the “Fund”) is to provide investors with a stream of monthly cash distributions; and to preserve and enhance the net asset value of the Fund against inflation through capital appreciation, primarily through the purchase a diversified pool of global large capitalization dividend-yielding equity securities and fixed income securities.

The Fund’s investments may be exposed to a variety of financial instruments risks: market risk (comprised of other market price risk, foreign currency risk and interest rate risk), liquidity risk, credit risk and concentration risk.

The Manager of the Fund, Stone Asset Management Limited (“SAM”), aims to manage risk as part of its investment process through the thorough analysis and careful selection of securities and diversification across asset classes and industry sectors.

SAM also manages risk by ensuring the portfolio management activities of the Fund comply with its investment objectives and strategies and applicable securities legislation.

Market price risk

The value of securities in the Fund’s investment portfolio may be affected by factors specific to the individual securities. Market price fluctuations may also be caused by general economic and financial conditions or industry-specific matters. Political, social and environmental factors can also affect the value of any investment. The value of equity-related securities, such as warrants, options, and convertible securities, is also affected by market price risk.

The most significant exposure to market price risk for the Fund arises from its investment in equity securities. The Fund moderates this risk through a careful selection of securities within the parameters of the investment strategy. If equity prices on the respective stock exchanges had increased or decreased by 5%, as at December 31, 2019, with all other factors remaining constant, net assets would have increased or decreased by approximately \$320 (2018 – \$398). This change is estimated using the weighted average beta of the Fund’s equity portfolio, which is calculated based on an historical correlation against respective stock exchanges.

In practice, actual trading results may differ and the difference could be material.

Foreign currency risk

Foreign currency risk arises when financial instruments are denominated in a currency other than the Canadian dollar, the functional currency of the Fund. When a Fund buys an investment priced in a foreign currency and the exchange rate between the Canadian dollar and the foreign currency changes unfavourably, it could reduce the value of the Fund’s investment.

The Fund had exposure to the foreign currencies shown below in Canadian dollar terms. Also shown below is the potential impact to the Fund’s net assets, all other variables held constant, as a result of a 5% change in these currencies relative to the Canadian dollar. In practice, actual trading results may differ and the difference could be material.

December 31, 2019					
Currency	Investments	Cash	Total	% of net assets	Impact on net assets
U.S. Dollar	4,298	408	4,706	70.6	236
Total	4,298	408	4,706	70.6	236

December 31, 2018					
Currency	Investments	Cash	Total	% of net assets	Impact on net assets
U.S. Dollar	5,896	19	5,915	70.6	296
Total	5,896	19	5,915	70.6	296

Interest rate risk

A Fund that invests in fixed income securities, such as bonds and money market instruments, is sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments is falling; when interest rates are falling, the value of these investments is rising. Moreover, fixed income securities with longer terms to maturity are usually more sensitive to changes in interest rates.

An increase or decrease of 1% in interest rates would increase or decrease fair value for the period ended December 31, 2019 by \$27 (2018 – \$41). The Fund’s sensitivity to interest rate changes was estimated using the weighted average duration of the bonds. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

STONE GLOBAL STRATEGY FUND

FUND SPECIFIC NOTES (continued)

Term of Bonds					
Bonds	Less than 1 year	1-5 years	6-10 years	Greater than 10 years	Total
December 31, 2019	-	326	309	-	635
December 31, 2018	-	877	292	-	1,169

Liquidity risk

Liquidity risk is defined as the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price.

The Fund is exposed to daily cash redemptions of redeemable securities. The Fund retains sufficient cash positions to maintain adequate liquidity. The Fund invests in securities that are actively traded in public markets and can be readily disposed of to increase liquidity. The Schedule of Investment Portfolio identifies any securities that are not traded on an active market, being nil as at December 31, 2019 (2018 – nil).

As at December 31, 2019 and 2018, all existing liabilities of the Fund are to be settled within three months.

Credit risk

When a company or government issues a fixed income or debt security, it has an obligation to pay interest and repay a specific amount on the maturity date. Credit risk is the risk that the company or government will not meet that obligation. Credit risk is lower among issuers that have good credit ratings from recognized credit rating agencies and higher among issuers with a low credit rating or no credit rating at all. These securities usually offer high interest rates to compensate for the increased risk. Changes in the credit risk of a security can affect its liquidity making it more difficult to sell.

The Fund was invested in debt securities as a % of net assets with the following credit ratings as at December 31:

Rating *	2019	2018
BB	-	8.6
B	-	3.5
Unrated	9.5	1.8
Total	9.5	13.9

* Credit ratings obtained from Morningstar Credit Ratings, LLC.

Concentration risk

The following table summarizes the portfolio investments as a % of net assets held by the Fund for the periods ended December 31:

Sector	2019	2018
Communications	10.9	6.9
Consumer Discretionary	4.7	4.5
Consumer Staples	5.9	4.2
Corporate Bonds	9.5	13.9
Energy	10.5	7.5
Financials	25.5	26.4
Health Care	18.8	21.6
Industrials	5.5	7.4
Materials	2.0	3.1
Technology	-	1.6
Cash & Other Net Assets (Liabilities)	6.7	3.0
Total net assets	100.0	100.0

STONE GLOBAL STRATEGY FUND

FUND SPECIFIC NOTES (continued)

The following table summarizes the portfolio investments as a % of net assets by asset type, which are held by the Fund for the periods ended December 31:

Asset Type	2019	2018
Equities	83.8	83.2
Bonds	9.5	13.9
Cash & Other Net Assets (Liabilities)	6.7	2.9
Total net assets	100.0	100.0

Fair value disclosure

The Fund classifies fair value measurements within a hierarchy that gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs for the asset or liability that is not based on observable market data.

The following fair value hierarchy table presents information about the Fund's assets measured at fair value on a recurring basis as at December 31. There were no transfers between Level 1 and Level 2.

December 31, 2019	Level 1	Level 2	Level 3	Total
Equities	\$ 5,579	\$ -	\$ -	\$ 5,579
Bonds	-	635	-	635
Total Investment Portfolio	\$ 5,579	\$ 635	\$ -	\$ 6,214

December 31, 2018	Level 1	Level 2	Level 3	Total
Equities	\$ 6,657	\$ 306	\$ -	\$ 6,963
Bonds	-	1,169	-	1,169
Total Investment Portfolio	\$ 6,657	\$ 1,475	\$ -	\$ 8,132

Weighted average number of securities (000's)

The following table illustrates the weighted average number of securities outstanding for the periods ended December 31:

Series	2019	2018
A	319	455
F	141	149
O	-	-

STONE GLOBAL GROWTH FUND

STATEMENTS OF FINANCIAL POSITION

AS AT

(in thousands of dollars; per security amounts are expressed in whole dollars)	December 31, 2019		December 31, 2018	
Assets				
Current assets				
Investments (Note 2)	\$	101,514	\$	81,670
Cash		2,665		6,350
Dividends receivable		130		113
Interest receivable		-		2
Receivable for investments sold		1,753		-
Subscriptions receivable		48		143
		106,110		88,278
Liabilities				
Current liabilities				
Payable for investments purchased		2,469		-
Redemption payable		64		24
Accounts payable and accrued expenses (Note 8)		71		9
		2,604		33
Net assets attributable to holders of redeemable securities (Note 3)	\$	103,506	\$	88,245
Net assets attributable to holders of redeemable securities per series				
Series A	\$	48,099	\$	46,938
Series B		1,126		1,405
Series F		43,832		30,396
Series L		8,013		6,906
Series O		-		N/A
Series T8A		2,436		2,582
Series T8B*		-		18
	\$	103,506	\$	88,245
Net assets attributable to holders of redeemable securities per security				
Series A	\$	12.28	\$	10.15
Series B		11.27		9.37
Series F		14.68		12.02
Series L		29.16		24.23
Series O		10.00		N/A
Series T8A		9.72		8.64
Series T8B*		-		8.11

*Effective May 1, 2019, Series T8B securities were liquidated.



STONE GLOBAL GROWTH FUND

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

(in thousands of dollars; per security amounts are expressed in whole dollars)	2019	2018
Income (Note 2):		
Dividends	\$ 884	\$ 889
Interest for distribution purposes	10	27
Net realized gains (losses) on sale of investments and derivatives	5,912	1,842
Change in unrealized appreciation (depreciation) of investments and derivatives	14,375	(1,072)
Net gains (losses) on investments and derivatives	21,181	1,686
Foreign exchange gains (losses) on cash	(101)	(118)
Total income (loss)	21,080	1,568
Expenses (Note 4):		
Management fees (Note 8)	1,757	1,657
Securityholder reporting costs	262	212
Transfer agency fees	110	194
Custodian fees	35	29
Filing fees	24	23
Independent Review Committee fees	6	12
Audit fees	25	18
Legal fees	8	6
Performance fees	71	9
Transaction costs (Note 2)	55	69
Foreign withholding taxes	127	141
Total expenses	2,480	2,370
Expenses waived/absorbed by the Manager	-	-
Total expenses (net)	2,480	2,370
Increase (decrease) in net assets attributable to holders of redeemable securities	\$ 18,600	\$ (802)
Increase (decrease) in net assets attributable to holders of redeemable securities per series		
Series A	\$ 9,364	\$ (84)
Series B	241	117
Series F	7,108	(800)
Series L	1,368	(56)
Series O*	-	-
Series T8A	516	21
Series T8B	3	-
	\$ 18,600	\$ (802)
Increase (decrease) in net assets attributable to holders of redeemable securities per security		
Series A	\$ 2.23	\$ (0.02)
Series B	2.15	0.56
Series F	2.57	(0.38)
Series L	4.89	(0.19)
Series O*	-	-
Series T8A	1.80	0.08
Series T8B	1.46	0.08

*Inception date August 1, 2019



STONE GLOBAL GROWTH FUND

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SECURITIES

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

2019 (in thousands)	Series							2019 Total
	A	B	F	L	O**	T8A	T8B*	
Net assets attributable to holders of redeemable securities, beginning of period	\$ 46,938	1,405	30,396	6,906	-	2,582	18	\$ 88,245
Increase (decrease) in net assets attributable to holders of redeemable securities	9,364	241	7,108	1,368	-	516	3	18,600
Redeemable securityholder transactions								
Proceeds from issue of redeemable securities	5,892	-	11,802	694	-	183	-	18,571
Reinvestment of distributions to holders of redeemable securities	-	-	-	-	-	58	-	58
Redemption of redeemable securities	(14,095)	(520)	(5,474)	(955)	-	(705)	(20)	(21,769)
Net securityholder transactions	(8,203)	(520)	6,328	(261)	-	(464)	(20)	(3,140)
Distributions to securityholders of redeemable securities								
Net investment income	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Capital gains	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	(198)	(1)	(199)
Total distributions to securityholders of redeemable securities	-	-	-	-	-	(198)	(1)	(199)
Net assets attributable to holders of redeemable securities, end of period	\$ 48,099	1,126	43,832	8,013	-	2,436	-	\$ 103,506

Securities issued and outstanding

Securities, beginning of period	4,626	150	2,528	285	-	299	2
Securities issued for cash	511	-	856	26	-	19	-
Securities issued on reinvestment of distributions	-	-	-	-	-	6	-
Securities redeemed	(1,221)	(50)	(398)	(36)	-	(74)	(2)
Securities, end of period	3,916	100	2,986	275	-	250	-

*Effective May 1, 2019, Series T8B securities were liquidated.

**Inception date August 1, 2019



STONE GLOBAL GROWTH FUND

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SECURITIES

FOR THE PERIODS ENDED DECEMBER 31 (Note 1) (continued)

2018 (in thousands)	Series						2018 Total
	A	B	F	L	T8A	T8B	
Net assets attributable to holders of redeemable securities, beginning of period	\$ 42,183	2,695	17,400	6,273	2,367	19	\$ 70,937
Increase (decrease) in net assets attributable to holders of redeemable securities	(84)	117	(800)	(56)	21	-	(802)
Redeemable securityholder transactions							
Proceeds from issue of redeemable securities	11,049	402	24,654	2,017	1,002	-	39,124
Reinvestment of distributions to holders of redeemable securities	-	-	-	-	73	-	73
Redemption of redeemable securities	(6,210)	(1,809)	(10,858)	(1,328)	(664)	-	(20,869)
Net securityholder transactions	4,839	(1,407)	13,796	689	411	-	18,328
Distributions to securityholders of redeemable securities							
Net investment income	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Capital gains	-	-	-	-	-	-	-
Return of capital	-	-	-	-	(217)	(1)	(218)
Total distributions to security holders of redeemable securities	-	-	-	-	(217)	(1)	(218)
Net assets attributable to holders of redeemable securities, end of period	\$ 46,938	1,405	30,396	6,906	2,582	18	\$ 88,245

Securities issued and outstanding

Securities, beginning of period	4,194	288	1,474	260	256	2
Securities issued for cash	1,007	41	1,932	76	101	-
Securities issued on reinvestment of distributions	-	-	-	-	8	-
Securities redeemed	(575)	(179)	(878)	(51)	(66)	-
Securities, end of period	4,626	150	2,528	285	299	2



STONE GLOBAL GROWTH FUND

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

(in thousands)	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable securities	\$ 18,600	\$ (802)
Adjustments for:		
Foreign exchange losses (gains) on cash	101	(3)
Net realized losses (gains) on sale of investments and derivatives	(5,912)	(1,842)
Change in unrealized depreciation (appreciation) of investments and derivatives	(14,375)	1,072
Purchases of investments and derivatives	(27,620)	(33,404)
Proceeds from sale and/or maturity of investments and derivatives	28,063	16,886
Dividends receivable	(17)	(32)
Interest receivable	2	(1)
Receivable for securities sold	(1,753)	-
Accounts payable and accrued expenses	62	9
Payable for investments purchased	2,469	(373)
Net cash from operating activities	(380)	(18,490)
Cash flows from financing activities:		
Proceeds from issue of redeemable securities	18,666	39,060
Amount paid on redemptions of redeemable securities	(21,729)	(20,958)
Distributions paid to holders of redeemable securities, net of reinvested distributions	(141)	(145)
Net cash from financing activities	(3,204)	17,957
Foreign exchange gains (losses) on cash	(101)	3
Net increase (decrease) in cash and cash equivalents during the period	(3,584)	(533)
Cash and cash equivalents, beginning of period	6,350	6,880
Cash and cash equivalents, end of period	\$ 2,665	\$ 6,350
Supplemental disclosure of cash flow information*:		
Interest received	\$ 12	\$ 26
Dividends received, net of foreign withholding taxes	740	716
Cash and cash equivalents are comprised of:		
Cash	\$ 2,665	\$ 6,350
Cash equivalents	-	-
	\$ 2,665	\$ 6,350

* Included as part of cash flows from operating activities.

STONE GLOBAL GROWTH FUND

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019

Number of Shares or Par Value	Security	Average Cost (000's)	Carrying Value (000's)	%
France (9.7%)				
1,800	Hermes International	\$ 1,585	\$ 1,746	
2,000	Kering	1,235	1,704	
4,400	L'Oréal SA	1,604	1,691	
8,700	ORPEA	1,197	1,447	
9,200	Sartorius Stedim Biotech	997	1,978	
40,000	Vivendi SA	1,421	1,503	
		8,039	10,069	9.7%
Germany (5.5%)				
19,500	AURELIUS Equity Opportunities SE & Co. KGaA	646	1,107	
277	Hypoport AG	125	127	
1,800	Rational AG	558	1,879	
7,000	SAP AG	1,251	1,226	
30,000	TeamViewer AG	1,024	1,392	
		3,604	5,731	5.5%
Hong Kong (1.9%)				
32,200	Tencent Holdings Ltd.	288	2,013	
		288	2,013	1.9%
Ireland (1.5%)				
9,700	Kerry Group PLC, Class 'A'	1,163	1,569	
		1,163	1,569	1.5%
Italy (2.9%)				
135,000	Davide Campari - Milano SPA	1,332	1,599	
24,000	Moncler SPA	1,263	1,400	
		2,595	2,999	2.9%
Netherlands (1.5%)				
11,300	Heineken NV	1,499	1,561	
		1,499	1,561	1.5%
Spain (1.5%)				
15,000	Amadeus IT Group SA	816	1,589	
		816	1,589	1.5%
Switzerland (4.6%)				
3,400	Lonza Group AG, Registered	1,052	1,608	
1,500	Partners Group Holding AG	1,022	1,782	
38,600	STMicroelectronics NV	1,213	1,347	
		3,287	4,737	4.6%
United Kingdom (7.2%)				
6,200	Aon PLC	1,149	1,675	
4,800	Linde PLC	1,322	1,333	
10,000	Next PLC	1,230	1,205	
73,000	Ocado Group PLC	1,295	1,604	
150,000	Rightmove PLC	307	1,633	
		5,303	7,450	7.2%



STONE GLOBAL GROWTH FUND

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019 (continued)

Number of Shares or Par Value	Security	Average Cost (000's)	Carrying Value (000's)	%
	United States (61.7%)			
6,750	Adobe Inc.	894	2,887	
1,000	Alphabet Inc., Class 'C'	1,205	1,734	
1,200	Amazon.com Inc.	625	2,875	
12,500	Amphenol Corp., Class 'A'	1,055	1,754	
8,400	Autodesk Inc.	1,584	1,998	
4,100	Becton, Dickinson & Co.	1,153	1,446	
25,000	Boston Scientific Corp.	1,394	1,466	
10,400	Broadridge Financial Solutions Inc.	1,007	1,666	
2,400	CoStar Group Inc.	1,346	1,862	
4,000	Costco Wholesale Corp.	1,226	1,525	
7,100	Estée Lauder Cos. Inc., Class 'A'	1,334	1,902	
12,000	FirstCash Inc.	1,402	1,255	
10,100	Global Payments Inc.	1,170	2,391	
6,100	Home Depot Inc.	1,259	1,727	
4,200	IDEXX Laboratories Inc.	1,389	1,422	
6,000	Intuit Inc.	1,104	2,038	
2,200	Intuitive Surgical Inc.	1,195	1,686	
15,000	Lamb Weston Holdings Inc.	1,193	1,673	
4,000	Lululemon Athletica Inc.	1,220	1,202	
3,700	Martin Marietta Materials Inc.	1,315	1,342	
6,400	MasterCard Inc., Class 'A'	362	2,478	
22,000	Match Group Inc.	822	2,343	
7,400	McCormick & Co. Inc.	487	1,629	
9,000	Microsoft Corp.	1,259	1,841	
2,700	Netflix Inc.	1,285	1,133	
6,100	NVIDIA Corp.	1,465	1,861	
16,800	PayPal Holdings Inc.	820	2,357	
7,800	RingCentral Inc.	1,112	1,706	
37,400	Rollins Inc.	895	1,608	
6,000	S&P Global Inc.	973	2,124	
8,900	salesforce.com Inc.	992	1,877	
2,000	Sherwin-Williams Co.	1,355	1,513	
9,000	Texas Instruments Inc.	1,221	1,497	
9,800	Visa Inc., Class 'A'	338	2,388	
13,500	Waste Connections Inc.	1,341	1,590	
		38,797	63,796	61.7%
	Transaction Costs	(88)		
	Total Investment Portfolio	\$ 65,303	\$ 101,514	98.0%
	Cash & Other Net Assets (Liabilities) (2.0%)		1,992	2.0%
	Total Net Assets (100.0%)		103,506	100.0%

Percentages shown relate to investments at carrying value to total net assets of the Fund.



STONE GLOBAL GROWTH FUND

FUND SPECIFIC NOTES

AS AT DECEMBER 31, 2019 AND 2018

(in thousands of dollars; per security amounts are expressed in whole dollars)

Risk management

The investment objective of the Stone Global Growth Fund (the “Fund”) is to provide superior long-term investment returns through capital growth. To achieve this objective, the Fund will invest primarily in common shares and debt obligations anywhere in the world other than Canada. The portfolio will predominately consist of large capitalized growth companies anywhere in the world other than Canada.

The Fund’s investments may be exposed to a variety of financial instruments risks: market risk (comprised of other market price risk, foreign currency risk and interest rate risk), liquidity risk, credit risk and concentration risk.

The Portfolio Sub-Advisor, Rathbone Unit Trust Management Limited, aims to manage risk as part of its investment process through the thorough analysis and careful selection of securities and diversification across asset classes and industry sectors.

The Manager of the Fund, Stone Asset Management Limited (“SAM”), aims to manage risk by ensuring the portfolio management activities of the Fund comply with its investment objectives and strategies and applicable securities legislation.

Market price risk

The value of securities in the Fund’s investment portfolio may be affected by factors specific to the individual securities. Market price fluctuations may also be caused by general economic and financial conditions or industry-specific matters. Political, social and environmental factors can also affect the value of any investment. The value of equity-related securities, such as warrants, options, and convertible securities, is also affected by market price risk.

The most significant exposure to market price risk for the Fund arises from its investment in equity securities. If equity prices on the respective stock exchanges had increased or decreased by 5%, as at December 31, 2019, with all other factors remaining constant, net assets would have increased or decreased by approximately \$4,520 (2018 – \$4,020). This change is estimated using the weighted average beta of the Fund’s equity portfolio, which is calculated based on an historical correlation against respective stock exchanges. In practice, actual trading results may differ and the difference could be material.

Foreign currency risk

Foreign currency risk arises when financial instruments are denominated in a currency other than the Canadian dollar, the functional currency of the Fund. When a Fund buys an investment priced in a foreign currency and the exchange rate between the Canadian dollar and the foreign currency changes unfavourably, it could reduce the value of the Fund’s investment.

The Fund had exposure to the foreign currency shown below in Canadian dollar terms. Also shown below is the potential impact to the Fund’s net assets, all other variables held constant, as a result of a 5% change in this currency relative to the Canadian dollar. In practice, actual trading results may differ and the difference could be material.

December 31, 2019						
Currency	Investments	Cash	Total	% of net assets	Impact on net assets	
British Pound	4,442	-	4,442	4.3	222	
Euro	26,198	-	26,198	25.3	1,310	
Hong Kong Dollar	2,013	-	2,013	1.9	101	
Swiss Franc	3,391	-	3,391	3.3	169	
U.S. Dollar	65,470	6	65,476	63.3	3,274	
Total	101,514	6	101,520	98.1	5,076	

STONE GLOBAL GROWTH FUND

FUND SPECIFIC NOTES (continued)

December 31, 2018						
Currency	Investments	Cash	Total	% of net assets	Impact on net assets	
British Pound	5,918	-	5,918	6.7	296	
Danish Krone	1,330	-	1,330	1.5	67	
Euro	17,289	-	17,289	19.6	864	
Hong Kong Dollar	1,753	-	1,753	2.0	88	
Swiss Franc	2,438	-	2,438	2.8	122	
U.S. Dollar	52,942	4	52,946	60.0	2,647	
Total	81,670	4	81,674	92.6	4,084	

Interest rate risk

A Fund that invests in fixed income securities, such as bonds and money market instruments, is sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments is falling; when interest rates are falling, the value of these investments is rising. Moreover, fixed income securities with longer terms to maturity are usually more sensitive to changes in interest rates.

There is minimal sensitivity to changes in interest rates for money market securities since these are usually held to maturity and tend to be short-term in nature.

As at December 31, 2019 and 2018, the Fund did not have significant exposure to interest rate risk.

Liquidity risk

Liquidity risk is defined as the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price.

The Fund is exposed to daily cash redemptions of redeemable securities. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity. The Fund primarily invests in securities that are actively traded in public markets and can be readily disposed of to increase liquidity. The Schedule of Investment Portfolio identifies any securities that are not traded on an active market, being nil as at December 31, 2019 (2018 – nil).

As at December 31, 2019 and 2018, all existing liabilities of the Fund are to be settled within three months.

Credit risk

When a company or government issues a fixed income or debt security, it has an obligation to pay interest and repay a specific amount on the maturity date. Credit risk is the risk that the company or government will not meet that obligation. Credit risk is lower among issuers that have good credit ratings from recognized credit rating agencies and higher among issuers with a low credit rating or no credit rating at all. These securities usually offer high interest rates to compensate for the increased risk. Changes in the credit risk of a security can affect its liquidity making it more difficult to sell.

As at December 31, 2019 and 2018, the Fund did not have significant exposure to credit risk.

STONE GLOBAL GROWTH FUND

FUND SPECIFIC NOTES (continued)

Concentration risk

The following table summarizes the portfolio investments as a % of net assets held by the Fund for the periods ended December 31:

Country	2019	2018
Denmark	-	1.5
France	9.7	5.9
Germany	5.5	5.1
Hong Kong	1.9	2.0
Ireland	1.5	1.5
Italy	2.9	1.8
Luxembourg	-	1.9
Netherlands	1.5	1.6
Spain	1.5	1.7
Switzerland	4.6	2.8
United Arab Emirates	-	1.1
United Kingdom	7.2	8.0
United States	61.7	57.6
Cash & Other Net Assets (Liabilities)	2.0	7.5
Total net assets	100.0	100.0

Fair value disclosure

The Fund classifies fair value measurements within a hierarchy that gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs for the asset or liability that is not based on observable market data.

The following fair value hierarchy table presents information about the Fund's assets measured at fair value on a recurring basis as at December 31. There were no transfers between Level 1 and Level 2.

December 31, 2019	Level 1	Level 2	Level 3	Total
Equities	\$ 101,514	\$ -	\$ -	\$ 101,514
Total Investment Portfolio	\$ 101,514	\$ -	\$ -	\$ 101,514

December 31, 2018	Level 1	Level 2	Level 3	Total
Equities	\$ 81,670	\$ -	\$ -	\$ 81,670
Total Investment Portfolio	\$ 81,670	\$ -	\$ -	\$ 81,670

STONE GLOBAL GROWTH FUND

FUND SPECIFIC NOTES (continued)

Weighted average number of securities (000's)

The following table illustrates the weighted average number of securities outstanding for the periods ended December 31:

Series	2019	2018
A	4,194	4,443
B	112	207
F	2,760	2,071
L	280	275
O	-	-
T8A	288	292
T8B	2	2

STONE EUROPLUS FUND

STATEMENTS OF FINANCIAL POSITION

AS AT

(in thousands of dollars; per security amounts are expressed in whole dollars)	December 31, 2019		December 31, 2018	
Assets				
Current assets				
Investments (Note 2)	\$	19,190	\$	21,980
Cash		1,106		909
Dividends receivable		122		145
Interest receivable		1		1
Subscriptions receivable		11		1
		20,430		23,036
Liabilities				
Current liabilities				
Redemption payable		11		8
		11		8
Net assets attributable to holders of redeemable securities (Note 3)	\$	20,419	\$	23,028
Net assets attributable to holders of redeemable securities per series				
Series A	\$	15,635	\$	16,090
Series B		181		181
Series F		2,419		3,024
Series L		2,106		3,628
Series O		-		N/A
Series T8A		78		105
	\$	20,419	\$	23,028
Net assets attributable to holders of redeemable securities per security				
Series A	\$	13.63	\$	12.23
Series B		12.80		11.55
Series F		15.35		13.65
Series L		17.07		15.40
Series O		10.00		N/A
Series T8A		5.22		5.06



STONE EUROPLUS FUND

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

(in thousands of dollars; per security amounts are expressed in whole dollars)	2019	2018
Income (Note 2):		
Dividends	\$ 827	\$ 900
Interest for distribution purposes	4	4
Net realized gains (losses) on sale of investments and derivatives	2,040	1,872
Change in unrealized appreciation (depreciation) of investments and derivatives	294	(4,412)
Net gains (losses) on investments and derivatives	3,165	(1,636)
Foreign exchange gains (losses) on cash	(46)	(15)
Total income (loss)	3,119	(1,651)
Expenses (Note 4):		
Management fees (Note 8)	463	576
Securityholder reporting costs	97	101
Transfer agency fees	23	66
Custodian fees	8	10
Filing fees	22	21
Independent Review Committee fees	6	11
Audit fees	15	14
Legal fees	2	2
Transaction costs (Note 2)	11	11
Foreign withholding taxes	97	150
Total expenses	744	962
Expenses waived/absorbed by the Manager	(4)	(7)
Total expenses (net)	740	955
Increase (decrease) in net assets attributable to holders of redeemable securities	\$ 2,379	\$ (2,606)
Increase (decrease) in net assets attributable to holders of redeemable securities per series		
Series A	\$ 1,726	\$ (1,755)
Series B	19	(22)
Series F	323	(327)
Series L	301	(484)
Series O*	-	-
Series T8A	10	(18)
	\$ 2,379	\$ (2,606)
Increase (decrease) in net assets attributable to holders of redeemable securities per security		
Series A	\$ 1.39	\$ (1.28)
Series B	1.33	(1.25)
Series F	1.79	(1.21)
Series L	1.74	(1.60)
Series O*	-	-
Series T8A	0.57	(0.46)

*Inception date August 1, 2019



STONE EUROPLUS FUND

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SECURITIES

FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

2019 (in thousands)	Series						2019 Total
	A	B	F	L	O*	T8A	
Net assets attributable to holders of redeemable securities, beginning of period	\$ 16,090	181	3,024	3,628	-	105	\$ 23,028
Increase (decrease) in net assets attributable to holders of redeemable securities	1,726	19	323	301	-	10	2,379
Redeemable securityholder transactions							
Proceeds from issue of redeemable securities	177	-	426	-	-	-	603
Reinvestment of distributions to holders of redeemable securities	3	-	4	-	-	-	7
Redemption of redeemable securities	(2,358)	(19)	(1,353)	(1,823)	-	(30)	(5,583)
Net securityholder transactions	(2,178)	(19)	(923)	(1,823)	-	(30)	(4,973)
Distributions to securityholders of redeemable securities							
Net investment income	(3)	-	(5)	-	-	-	(8)
Dividends	-	-	-	-	-	-	-
Capital gains	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	(7)	(7)
Total distributions to securityholders of redeemable securities	(3)	-	(5)	-	-	(7)	(15)
Net assets attributable to holders of redeemable securities, end of period	\$ 15,635	181	2,419	2,106	-	78	20,419

Securities issued and outstanding

Securities, beginning of period	1,315	16	221	236	-	21
Securities issued for cash	13	-	29	-	-	-
Securities issued on reinvestment of distributions	1	-	-	-	-	-
Securities redeemed	(182)	(2)	(92)	(113)	-	(6)
Securities, end of period	1,147	14	158	123	-	15

*Inception date August 1, 2019

2018 (in thousands)	Series						2018 Total
	A	B	F	L	T8A		
Net assets attributable to holders of redeemable securities, beginning of period	\$ 19,383	256	5,361	6,504	418	\$ 31,922	
Increase (decrease) in net assets attributable to holders of redeemable securities	(1,755)	(22)	(327)	(484)	(18)	(2,606)	
Redeemable securityholder transactions							
Proceeds from issue of redeemable securities	546	-	454	120	-	1,120	
Reinvestment of distributions to holders of redeemable securities	-	-	-	-	2	2	
Redemption of redeemable securities	(2,084)	(53)	(2,464)	(2,512)	(281)	(7,394)	
Net securityholder transactions	(1,538)	(53)	(2,010)	(2,392)	(279)	(6,272)	
Distributions to securityholders of redeemable securities							
Net investment income	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	
Capital gains	-	-	-	-	-	-	
Return of capital	-	-	-	-	(16)	(16)	
Total distributions to securityholders of redeemable securities	-	-	-	-	(16)	(16)	
Net assets attributable to holders of redeemable securities, end of period	\$ 16,090	181	3,024	3,628	105	23,028	

Securities issued and outstanding

Securities, beginning of period	1,432	20	358	380	69
Securities issued for cash	41	-	31	7	-
Securities issued on reinvestment of distributions	-	-	-	-	-
Securities redeemed	(158)	(4)	(168)	(151)	(48)
Securities, end of period	1,315	16	221	236	21



STONE EUROPLUS FUND

STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED DECEMBER 31 (Note 1)

(in thousands)		2019		2018
Cash flows from operating activities:				
Increase (decrease) in net assets attributable to holders of redeemable securities	\$	2,379	\$	(2,606)
Adjustments for:				
Foreign exchange losses (gains) on cash		46		(4)
Net realized losses (gains) on sale of investments and derivatives		(2,040)		(1,872)
Change in unrealized depreciation (appreciation) of investments and derivatives		(294)		4,412
Purchases of investments and derivatives		(2,065)		(2,904)
Proceeds from sale and/or maturity of investments and derivatives		7,189		9,400
Dividends receivable		23		17
Interest receivable		-		(1)
Net cash from operating activities		5,238		6,442
Cash flows from financing activities:				
Proceeds from issue of redeemable securities		593		1,174
Amount paid on redemptions of redeemable securities		(5,580)		(7,426)
Distributions paid to holders of redeemable securities, net of reinvested distributions		(8)		(14)
Net cash from financing activities		(4,995)		(6,266)
Foreign exchange gains (losses) on cash		(46)		4
Net increase (decrease) in cash and cash equivalents during the period		243		176
Cash and cash equivalents, beginning of period		909		729
Cash and cash equivalents, end of period	\$	1,106	\$	909
Supplemental disclosure of cash flow information*:				
Interest received	\$	4	\$	3
Dividends received, net of foreign withholding taxes		753		767
Cash and cash equivalents are comprised of:				
Cash	\$	1,106	\$	909
Cash equivalents		-		-
	\$	1,106	\$	909

*Included as part of cash flows from operating activities.



STONE EUROPLUS FUND

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019

Number of Shares or Par Value	Security	Average Cost (000's)	Carrying Value (000's)	%
Belgium (7.9%)				
8,000	Anheuser-Busch InBev SA/NV	\$ 745	\$ 847	
9,000	Kinopolis	131	775	
		876	1,622	7.9%
Denmark (3.5%)				
7,000	Christian Hansen Holdings AS	815	722	
		815	722	3.5%
Finland (4.2%)				
15,000	Sampo OYJ, Series 'A'	830	850	
		830	850	4.2%
France (3.5%)				
9,000	Rubis SCA	477	717	
		477	717	3.5%
Germany (5.6%)				
10,000	CTS Eventim AG & Co KGaA	545	816	
6,000	Norma Group SE	509	332	
		1,054	1,148	5.6%
Italy (8.5%)				
40,000	Cerved Group SPA	432	506	
53,000	Davide Campari - Milano SPA	220	628	
22,000	De'Longhi SPA	789	604	
		1,441	1,738	8.5%
Netherlands (6.0%)				
2,000	ASML Holding NV	524	768	
14,000	Koninklijke Ahold Delhaize NV	226	454	
		750	1,222	6.0%
Sweden (3.7%)				
25,000	Assa Abloy AB, Class 'B'	747	758	
		747	758	3.7%
Switzerland (8.8%)				
7,000	Novartis AG, Registered	521	861	
2,200	Roche Holding AG Genusscheine	476	925	
		997	1,786	8.8%

STONE EUROPLUS FUND

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2019 (continued)

Number of Shares or Par Value	Security	Average Cost (000's)	Carrying Value (000's)	%
	United Kingdom (42.3%)			
43,230	Big Yellow Group PLC	523	891	
23,000	Bunzl PLC	722	816	
30,000	Close Brothers Group PLC	717	824	
32,000	GlaxoSmithKline PLC	765	978	
100,000	Halfords Group PLC	511	291	
80,000	Jupiter Fund Management PLC	576	563	
170,000	Legal & General Group PLC	616	885	
550,000	Lloyds Banking Group PLC	580	590	
19,211	Micro Focus International PLC	887	351	
8,000	Reckitt Benckiser Group PLC	675	842	
26,000	RELX PLC	389	850	
10,000	Unilever NV	353	746	
		7,314	8,627	42.3%
	Transaction Costs	(52)		
	Total Investment Portfolio	\$ 15,249	\$ 19,190	94.0%
	Cash & Other Net Assets (Liabilities) (6.0%)		1,229	6.0%
	Total Net Assets (100.0%)		\$ 20,419	100.0%

Percentages shown relate to investments at carrying value to total net assets of the Fund.



STONE EUROPLUS FUND

FUND SPECIFIC NOTES

AS AT DECEMBER 31, 2019 AND 2018

(in thousands of dollars; per security amounts are expressed in whole dollars)

Risk management

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 investments in European markets. There is no restriction on the economic sectors or geographic areas in which the Fund may invest.

The Fund’s investments may be exposed to a variety of financial instruments risks: market risk (comprised of other market price risk, foreign currency risk and interest rate risk), liquidity risk, credit risk and concentration risk.

The Portfolio Sub-advisor, Rathbone Unit Trust Management Limited, aims to manage risk as part of its investment process through the thorough analysis and careful selection of securities and diversification across asset classes and industry sectors.

The Manager of the Fund, Stone Asset Management Limited (“SAM”), aims to manage risk by ensuring the portfolio management activities of the Fund comply with its investment objectives and strategies and applicable securities legislation.

Market price risk

The value of securities in the Fund’s investment portfolio may be affected by factors specific to the individual securities. Market price fluctuations may also be caused by general economic and financial conditions or industry-specific matters. Political, social and environmental factors can also affect the value of any investment. The value of equity-related securities, such as warrants, options, and convertible securities, is also affected by market price risk.

The most significant exposure to market price risk for the Fund arises from its investment in equity securities. If equity prices on the respective stock exchanges had increased or decreased by 5%, as at December 31, 2019, with all other factors remaining constant, net assets would have increased or decreased by approximately \$758 (2018 – \$925). This change is estimated using the weighted average beta of the Fund’s equity portfolio, which is calculated based on an historical correlation against respective stock exchanges. In practice, actual trading results may differ and the difference could be material.

Foreign currency risk

Foreign currency risk arises when financial instruments are denominated in a currency other than the Canadian dollar, the functional currency of the Fund. When a Fund buys an investment priced in a foreign currency and the exchange rate between the Canadian dollar and the foreign currency changes unfavourably, it could reduce the value of the Fund’s investment.

The Fund had exposure to the foreign currencies shown below in Canadian dollar terms. Also shown below is the potential impact to the Fund’s net assets, all other variables held constant, as a result of a 5% change in these currencies relative to the Canadian dollar. In practice, actual trading results may differ and the difference could be material.

December 31, 2019					
Currency	Investments	Cash	Total	% of net assets	Impact on net assets
British Pound	7,031	-	7,031	34.4	352
Danish Krone	722	-	722	3.5	36
Euro	8,892	-	8,892	43.6	445
Swedish Krona	758	-	758	3.7	38
Swiss Franc	1,787	-	1,787	8.8	89
Total	19,190	-	19,190	94.0	960

December 31, 2018					
Currency	Investments	Cash	Total	% of net assets	Impact on net assets
British Pound	7,966	-	7,966	34.6	398
Danish Krone	844	-	844	3.7	42
Euro	11,110	-	11,110	48.2	556
Swiss Franc	2,060	-	2,060	8.9	103
Total	21,980	-	21,980	95.4	1,099

STONE EUROPLUS FUND

FUND SPECIFIC NOTES (continued)

Interest rate risk

A Fund that invests in fixed income securities, such as bonds and money market instruments, is sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments is falling; when interest rates are falling, the value of these investments is rising. Moreover, fixed income securities with longer terms to maturity are usually more sensitive to changes in interest rates.

There is minimal sensitivity to changes in interest rates for money market securities since these are usually held to maturity and tend to be short-term in nature.

As at December 31, 2019 and 2018, the Fund did not have significant exposure to interest rate risk.

Liquidity risk

Liquidity risk is defined as the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price.

The Fund is exposed to daily cash redemptions of redeemable securities. The Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity. The Fund primarily invests in securities that are actively traded in public markets and can be readily disposed of to increase liquidity. The Schedule of Investment Portfolio identifies any securities that are not traded on an active market, being nil as at December 31, 2019 (2018 – nil).

As at December 31, 2019 and 2018, all existing liabilities of the Fund are to be settled within three months.

Credit risk

When a company or government issues a fixed income or debt security, it has an obligation to pay interest and repay a specific amount on the maturity date. Credit risk is the risk that the company or government will not meet that obligation. Credit risk is lower among issuers that have good credit ratings from recognized credit rating agencies and higher among issuers with a low credit rating or no credit rating at all. These securities usually offer high interest rates to compensate for the increased risk. Changes in the credit risk of a security can affect its liquidity making it more difficult to sell.

As at December 31, 2019 and 2018, the Fund did not have significant exposure to credit risk.

Concentration risk

The following table summarizes the portfolio investments as a % of net assets held by the Fund for the periods ended December 31:

Country	2019	2018
Belgium	7.9	7.4
Denmark	3.5	3.7
Finland	4.2	4.7
France	3.5	3.5
Germany	5.6	5.5
Italy	8.5	10.7
Luxembourg	-	2.6
Netherlands	6.0	4.9
Sweden	3.7	-
Switzerland	8.8	8.9
United Kingdom	42.3	43.6
Cash & Other Net Assets (Liabilities)	6.0	4.5
Total net assets	100.0	100.0

STONE EUROPLUS FUND

FUND SPECIFIC NOTES (continued)

Fair value disclosure

The Fund classifies fair value measurements within a hierarchy that gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs for the asset or liability that is not based on observable market data.

The following fair value hierarchy table presents information about the Fund's assets measured at fair value on a recurring basis as at December 31. There were no transfers between Level 1 and Level 2.

December 31, 2019	Level 1		Level 2		Level 3		Total
Equities	\$	19,190	\$	-	\$	-	\$ 19,190
Total Investment Portfolio	\$	19,190	\$	-	\$	-	\$ 19,190

December 31, 2018	Level 1		Level 2		Level 3		Total
Equities	\$	21,980	\$	-	\$	-	\$ 21,980
Total Investment Portfolio	\$	21,980	\$	-	\$	-	\$ 21,980

Weighted average number of securities (000's)

The following table illustrates the weighted average number of securities outstanding for the periods ended December 31:

Series	2019	2018
A	1,238	1,369
B	14	18
F	179	270
L	173	303
O	-	-
T8A	18	39

STONE MUTUAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS

1. THE FUNDS

The Funds are comprised of eight open-ended mutual fund trusts (the “Trusts”) and Stone Corporate Funds Limited, a mutual fund corporation with one class of shares (“SCFL” or the “Corporation”). The Trusts and the class of the Corporation are collectively referred to as the “Funds” and individually, a “Fund”. The Trusts were established under the laws of the Province of Ontario pursuant to a Declaration of Trust and are authorized for each series to issue an unlimited number of securities without par value. SCFL is a corporation continuing under the laws of Canada, having authorized capital consisting of an unlimited number of common securities and twenty-five classes of special securities; currently, only one class has been established. Each class of special securities may, in turn, issue an unlimited number of securities.

The Funds’ registered office is located at 40 University Ave., Suite 901, Toronto, Ontario.

The Funds were established on the following dates:

Fund	Series	Inception date
Stone Dividend Growth Class	A	November 14, 1957
	B, C, F	August 1, 2003
	T8A, T8B, T8C	September 1, 2007
	L	September 1, 2011
	O	August 1, 2019
	PTF	September 3, 2019
Stone Covered Call Canadian Banks Plus Fund	A	July 17, 2014
	F	July 17, 2014
	O	August 1, 2019
Stone Dividend Yield Hog Fund (formerly Stone Monthly Pay Fund)	A	June 24, 2003
	F	February 7, 2006
	O, T5A, T5F	August 1, 2019
Stone Growth Fund	A	November 1, 1995
	B, F	August 1, 2003
	T8A, T8B, T8C	September 1, 2007
	L	September 1, 2011
	O	August 1, 2019
Stone American Dividend Growth Fund	A	July 17, 2014
	F	July 17, 2014
	O, T5A, T5F	August 1, 2019
Stone Global Balanced Fund	T8A, T8B, T8C	September 1, 2007
	AA, BB, FF	January 5, 2009
	L	September 1, 2011
	O	August 1, 2019
Stone Global Strategy Fund	A	October 31, 2006
	F	September 7, 2006
	O	August 1, 2019
Stone Global Growth Fund	A	December 31, 1998
	B, F	August 1, 2003
	T8A	September 1, 2007
	L	September 1, 2011
	O	August 1, 2019
Stone EuroPlus Fund	A, B, F	May 2, 2008
	T8A	May 2, 2008
	L	September 1, 2011
	O	August 1, 2019

Series A, Series AA, Series T8A, Series B, Series BB, Series T8B, Series C, Series T8C and Series L securities are available to retail investors. Series F and Series FF securities are offered to investors enrolled in a dealer sponsored fee-for-service or wrap program.

Effective December 4, 2009, Series T8B and T8C securities are no longer available for purchase; however, existing Series T8B and T8C securities of a Stone Fund may be exchanged into Series T8B or T8C securities of another Stone Fund.

STONE MUTUAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Effective August 31, 2011, Series B, BB, and C securities are no longer available for purchase; however, existing Series B, BB, and C securities of a Stone Fund may be exchanged into Series B, BB or C securities of another Stone Fund.

On September 7, 2012, all issued Series F securities of the Stone Global Balanced Fund were re-designated to Series FF securities.

On March 7, 2013, all issued Series T8C securities of the Stone EuroPlus Fund were liquidated.

On January 15, 2015 and May 7, 2015, all issued Series T8B and Series C securities of the Stone EuroPlus Fund were liquidated, respectively.

On May 25, 2015, all issued Series C securities of the Stone Select Growth Class were liquidated.

On September 4, 2015, all issued Series C securities of the Stone Growth Fund, Stone Global Growth Fund, and Stone EuroPlus Fund were re-designated to Series L securities.

On September 4, 2015, all issued Series CC securities of the Stone Global Balanced Fund were re-designated to Series L securities.

On September 1, 2016, all issued Series T8C securities of the Stone Global Growth Fund were liquidated.

On May 1, 2019, all issued Series T8B securities of the Stone Global Growth Fund were liquidated.

Effective as of close of business on October 4, 2019, the following “Merging Corporate Funds” merged with other Funds of similar investment objectives (“Continuing Trust Funds”):

Merging Corporate Funds	Continuing Trust Funds	Net Assets Acquired (000s)	Securities Issued
Stone American Dividend Growth Fund (Corporate Class)	Stone American Dividend Growth Fund	\$ 1,692	196,750
Stone Covered Call Canadian Banks Plus Fund (Corporate Class)	Stone Covered Call Canadian Banks Plus Fund	\$ 10,685	1,151,030

Pursuant to each of the mergers, the Continuing Trust Funds acquired all of the assets and assumed all of the liabilities of the corresponding Merging Corporate Funds in exchange for securities in the Continuing Trust Fund. Securityholders of the Merging Corporate Funds exchanged their securities for securities of the same Series of the Continuing Trust Funds. The value of the securities of the Continuing Fund issued in connection with this merger, were equal to the net assets transferred from the Terminating Fund. The acquisition method was used to account for these mergers and the Continuing Trust Funds was identified as the acquiring Funds for accounting purposes. The cost associated with the Fund Mergers was borne by the Manager.

The Terminating Funds’ results are not included in these Financial Statements.

As at December 31, 2019, the Funds’ investment activities are managed by Stone Asset Management Limited (“SAM”), the Investment Fund Manager. The Funds’ custodian is CIBC Mellon, the Funds’ transfer agent is CIBC Mellon Global Securities Company and the Funds’ administrator is Stone Investment Group Limited.

Effective December 6, 2018, SIG, the parent company, acquired the management contracts of Stone Covered Call Canadian Banks Plus Fund, Stone Dividend Yield Hog Fund, Stone American Dividend Growth Fund and Stone Global Strategy Fund from Marquest Asset Management Inc. SIG assigned the investment fund management and portfolio management to SAM. SAM also assumed the position as Trustee of the Funds concurrent with the resignation of Marquest Asset Management Inc. Effective April 22, 2019, the four above mentioned Funds’ custodian is CIBC Mellon, the Funds’ transfer agent is CIBC Mellon Global Securities Company and the Funds’ administrator is Stone Investment Group Limited.

The Schedule of Investment Portfolio of each of the Funds is as at December 31, 2019. The Statements of Financial Position are as at December 31, 2019 and 2018. The Statements of Comprehensive Income (Loss), Changes in Net Assets Attributable to Holders of Redeemable Securities, and Cash Flows are for the years ended December 31, 2019 and 2018. For Funds or series that started during either period, the information presented is for the period from the Fund or series inception date, respectively, to December 31, 2019 and 2018, as applicable. Throughout these financial statements, reference to the reporting period refers to the reporting period described above.

These financial statements were authorized for issue by the Board of Directors of Stone Asset Management Limited on March 18, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

STONE MUTUAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

(b) Basis of presentation

These financial statements are presented in accordance with IFRS and have been prepared on a historical-cost basis, except for financial instruments that have been measured at fair value.

The financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand dollars (\$000), except where otherwise indicated.

(c) Financial instruments

i) Classification

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives, and cash and other receivables and payables. The Funds classify and measure financial instruments upon initial recognition in accordance with IFRS 9, "Financial Instruments" ("IFRS 9"). Based on the Funds' business model and the contractual cash flow characteristics of the investments and derivatives, the Funds classify and measure their investments and derivatives at fair value through profit or loss ("FVTPL").

The Funds' outstanding redeemable securities' entitlements include a contractual obligation to distribute any net income and net realized capital gains annually in cash (at the request of the securityholder) and therefore the ongoing redemption feature is not the securities' only contractual obligation. Consequently, the Funds' outstanding redeemable securities are classified as financial liabilities in accordance with the requirements of IAS 32, "Financial Instruments: Presentation". The Funds' obligations for net assets attributable to holders of redeemable securities are presented at their redemption amounts. All other financial assets and liabilities are classified as other receivables and payables and are measured at amortized cost.

ii) Recognition, derecognition and measurement

The Funds recognize a financial asset or a financial liability when they become a party to the contractual provisions of the instrument.

Purchases and sales of investments are recognized on the trade date, which is the date on which the Fund commits to purchase or sell the investment.

Financial assets and financial liabilities are initially recognized at fair value. Transaction costs related to financial instruments are expensed as incurred on the Statements of Comprehensive Income (Loss).

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation under the liability is discharged, cancelled or expires.

After initial measurement the Funds measure financial instruments that are classified at FVTPL, at fair value. Gains and losses arising from changes in the fair value of the financial instruments classified at FVTPL are presented in the Statements of Comprehensive Income (Loss). Interest for distribution purposes and dividends earned on financial assets are recorded separately in the Statements of Comprehensive Income (Loss). Interest for distribution purposes is recognized as income at the debt instruments' coupon rates of interest on an accrual basis. Dividends are recognized as income on the ex-dividend date. Distributions received from investment trusts and Underlying Investment Funds are recorded as income for distribution purposes, dividends, capital gains or a return of capital as the case may be. Distributions treated as a return of capital reduce the average cost of the underlying investment.

Other receivables and payables are measured at amortized cost, which approximates their value. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, where appropriate, at the effective rate of interest.

The value of investments in a Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, market and economic conditions and factors specific to individual securities within the Fund. The level of risk depends on the Fund's investment objectives and the type of securities it invests in. See the individual Fund Specific Notes on Financial Risk Management and Financial Instruments for each Fund for consideration of the financial instrument risks inherent in the financial instruments held by each Fund.

(d) Valuation of investments

Fair value is the price at which an orderly transaction to sell an asset or paid to transfer a liability would take place between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. The fair value of financial assets and liabilities that are not traded in an active market, including over-the-counter derivatives, is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and other techniques commonly used by market participants and that make the maximum use of observable inputs.

The fair value of investments as at the financial reporting date is determined as follows:

i) Equities and Exchange-Traded Funds

Each listed investment security is valued at the latest close price reported by the principal securities exchange on which the investment is traded. Securities that are traded over-the-counter are priced at the close price quoted by a major dealer in such securities.

STONE MUTUAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

ii) Investments in Underlying Investment Funds

Investments in Underlying Investment Funds are valued at the closing Net Asset Value per security (“NAVPS”) of the units owned as calculated by the administrator of the Underlying Investment Funds at the valuation date.

iii) Unlisted warrants

Unlisted warrants are valued based on a pricing model that considers factors such as the market value of the underlying security, strike price, volatility and terms of the warrant.

iv) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a pre-determined price. The seller (writer) receives a premium from the purchaser in consideration for the assumption of a market price risk.

Purchased options that are exchange traded are valued at the latest close price reported by the principal securities exchange on which the investment is traded; any purchased options that are over-the-counter are valued at the close price as quoted by a major dealer. The premium paid for purchased options is included in the average costs on the Schedule of Investment Portfolio. When a purchased option expires without being exercised, the premium paid will be treated as a loss and included in the Statements of Comprehensive Income (Loss) as “Net realized gains (losses) on sale of investments and derivatives”. If the purchased option is exercised, the Fund will realize a gain or loss depending on whether the proceeds are greater or less than the premium paid at the time of purchase. When a purchased option is exercised, the cost of the underlying security purchased is increased by the premium paid at the time of purchase. As long as the options are outstanding at period end, written option premiums received by the Funds are reflected in the Statements of Financial Position as “Written Options”. The liability for written options gets revalued at an amount equal to the current fair value of an option that would have the effect of closing the position. Written options that are exchange traded are valued at the latest close price reported by the principal securities exchange on which the investment was traded; any written options that are over-the-counter are valued at the ask price as quoted by a major dealer. If the option expires without being exercised, the premium received will be treated as a gain and will be included in the Statements of Comprehensive Income (Loss) as “Net realized gains (losses) on sale of investments and derivatives”. If the option is exercised, in the case of a call option, the premium received will be added to the proceeds of disposition of the underlying security and included in the Statements of Comprehensive Income (Loss) as “Net realized gains (losses) on sale of investments and derivatives”. If the option is exercised, in the case of a put option, the cost of the underlying security will be reduced by the amount of premium received and included in the Schedule of Investment Portfolio.

v) Bonds

Bonds are valued based on the latest close prices obtained from recognized independent brokers.

The difference between the total fair value and the total cost of securities in i) to v) is included in the “Change in unrealized appreciation (depreciation) of investments and derivatives” on the Statements of Comprehensive Income (Loss).

vi) Short-term investments

Short-term investments are accounted for at amortized cost, which generally approximates fair value.

vii) Forward currency contracts

A forward currency contract is an agreement between two parties (the Fund and the counterparty) to purchase or sell a currency against another currency at a set price on a future date.

Open forward currency contracts are valued at the gain or loss that would arise as a result of closing the position on the valuation date. The unrealized gain or loss on forward currency contracts is reflected in the Statements of Financial Position as “Unrealized gain on forward currency contracts” or “Unrealized loss on forward currency contracts”. The change in unrealized gains or losses for the period is reflected in the Statements of Comprehensive Income (Loss) as “Change in unrealized appreciation (depreciation) of investments and derivatives”. The realized gain or loss on forward currency contracts arises as a result of closing the position on the settlement date. The realized gains or losses are reflected in the Statements of Comprehensive Income (Loss) as “Net realized gains (losses) on sale of investments and derivatives”.

viii) Futures contracts

Futures contracts are valued at the gain or loss that would be realized upon closure of the contract. The values for such contracts fluctuate and are best determined at the settlement price established each day by the board of trade or exchange on which the contracts are traded.

Margin accounts represent margin deposits held with brokers in respect of open futures contracts. Any change in the variation margin requirement is settled daily. Margin paid or deposited in respect of futures contracts is reflected as a receivable at fair value in the Statements of Financial Position.

STONE MUTUAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

ix) Other investments

The value of any security for which, in the opinion of the Investment Manager, the published market quotations are not readily available shall be the fair value as determined by the Investment Manager in accordance with IFRS 13 Fair Value Measurement (“IFRS 13”) methodologies. The fair values of certain securities are determined using valuation models that are based, in part, on assumptions that are not supported by observable market inputs. These methods and procedures may include, but are not limited to, performing comparisons with prices of comparable or similar securities, obtaining valuation related information from issuers, significant market or security-specific events, and/or other analytical data relating to the investment and using other available indication of value. The fair values of such securities are also affected by the credit risks of the issuer, predictability of cash flows and length of time to maturity.

These values are independently assessed internally to ensure that they are reasonable. However, because of the inherent uncertainty of valuation, the estimated fair values for the aforementioned securities may be materially different from the values that would be used had a ready market for the security existed. The frequency with which these procedures are used is unpredictable and may be utilized to a significant extent. The value of securities used for net asset value (“NAV”) calculations under fair value pricing may differ from published prices for the same securities.

(e) Cost of investments

The cost of investments represents the amount paid for each security, excluding transaction costs, and is determined on an average cost basis.

(f) Cash and cash equivalents

Cash is comprised of cash on deposit with financial institutions and bank overdrafts. Cash equivalents are comprised of highly liquid investments having terms to maturity of 90 days or less.

(g) Foreign currency translation

The reporting currency for the Funds is the Canadian dollar, which is also the functional currency given the Funds are domiciled in Canada with subscriptions and redemptions, as well as performance returns, denominated in Canadian dollar.

Foreign currency transactions are translated into Canadian dollars at the rate of exchange prevailing at the date of transaction. Realized foreign currency gains (losses) on investments are included in the Statements of Comprehensive Income (Loss) in “Net realized gains (losses) on sale of investments and derivatives”. Unrealized foreign currency gains (losses) on investments are included in the Statements of Comprehensive Income (Loss) in “Change in unrealized appreciation (depreciation) of investments and derivatives”. Realized and unrealized exchange gains (losses) on assets and liabilities other than investments and derivatives denominated in foreign currencies are included in “Foreign exchange gains (losses) on cash” in the Statements of Comprehensive Income (Loss).

Foreign currency assets and liabilities are translated into Canadian dollars at the prevailing exchange rate at the measurement date.

(h) Securities valuation

The series of securities of the Funds are offered for sale on a continuous basis and may be purchased or redeemed on any business day at the NAVPS. A business day is any day the Toronto Stock Exchange (“TSX”) is open for trading. A valuation date is each business day at the close of trading (4 P.M. Toronto time). The NAV of each series of a Fund is the value of the series’ proportionate share of the assets of the Fund less proportionate share of common liabilities and specifically allocated liabilities. The NAVPS of a series of securities of a Fund is calculated by dividing the NAV of the series of the Fund by the total number of securities outstanding in that series.

(i) Increase (decrease) in net assets attributable to holders of redeemable securities per security

“Increase (decrease) in net assets attributable to holders of redeemable securities per security” is disclosed in the Statements of Comprehensive Income (Loss) and represents, for each series of securities, the increase or decrease in net assets for the period attributable to that series divided by the weighted average number of securities of the series outstanding during the period, which is disclosed in the Fund Specific Notes.

(j) Use of judgments

Classification and measurement of financial instruments

In classifying and measuring financial instruments held by the Funds, SAM is required to make significant judgments in determining the most appropriate classification in accordance with IFRS 9. SAM has assessed the Funds’ business model, the manner in which all financial assets and liabilities are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Funds’ financial assets and financial liabilities.

3. REDEEMABLE SECURITIES

Securities issued and outstanding represent the redeemable securities of the Funds. Redeemable securities of the Funds are issued and redeemed at the then current NAVPS at the option of the securityholder. Securityholders are entitled to dividends/distributions when declared. Dividends/distributions on securities of the Funds are reinvested in additional securities or at the option of the securityholders, paid in cash, or both.

The Funds’ redeemable securities are classified as financial liabilities due to its ongoing obligation to pay redemptions at the securityholders request and also distribute in cash, if requested, net income and net realized capital gains annually.

STONE MUTUAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

The Statements of Changes in Net Assets Attributable to Holders of Redeemable Securities identify changes in the Funds' capital during the period. The capital of each Fund is managed in accordance with each Fund's investment objectives, including managing the liquidity in order to be able to meet redemptions as discussed in the respective Fund Specific Notes.

4. EXPENSES

Management fees

The Manager is paid a management fee for managing the Funds' overall business and day-to-day operational services.

The management fee for each series is an annualized fee plus applicable taxes based on the Net Asset Value of the respective series of the Fund and is accrued daily and paid monthly. There is no duplication of fees if a Fund invests in an Underlying Stone Investment Fund.

The series of securities issued by the Funds have the following annual management fees:

Fund	Annual Management Fee (%)								
	A, AA, T8A	B, BB, T8B	C, T8C	Series *					
				F, FF	L	O	PTF	T5A	T5F
Stone Dividend Growth Class	2.00	2.50	2.50	0.95	2.50	-	0.65	n/a	n/a
Stone Covered Call Canadian Banks Plus Fund	1.65	n/a	n/a	0.65	n/a	-	0.65	n/a	n/a
Stone Dividend Yield Hog Fund	2.00	n/a	n/a	0.75	n/a	-	n/a	2.00	0.75
Stone Growth Fund	2.00	2.50	2.50	0.95	2.50	-	0.65	n/a	n/a
Stone American Dividend Growth Fund	2.00	n/a	n/a	0.95	n/a	-	n/a	2.00	0.95
Stone Global Balanced Fund	2.00	2.50	2.50	0.95	2.50	-	n/a	n/a	n/a
Stone Global Strategy Fund	2.10	n/a	n/a	0.98	n/a	-	n/a	n/a	n/a
Stone Global Growth Fund	2.00	2.50	2.50	0.98	2.50	-	0.68	n/a	n/a
Stone EuroPlus Fund	2.00	2.50	2.50	0.98	2.50	-	n/a	n/a	n/a

*If applicable

Operating fees

The Funds pay 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 Funds. Operating fees incurred by the Funds are allocated among the Series on a reasonable basis as determined by SAM.

At its sole discretion, SAM may waive or absorb expenses otherwise payable by the Funds. The amount of waivers and absorptions can fluctuate from time to time and may be terminated at any time. Amounts absorbed or waived are reported in the Statements of Comprehensive Income (Loss).

The comparative financial statements for the Stone Covered Call Canadian Banks Plus Fund, Stone Dividend Yield Hog Fund (formerly Stone Monthly Pay Fund), Stone American Dividend Growth Fund, and Stone Global Strategy Fund have been reclassified from statements previously presented to conform to the presentation of the 2019 financial statements. As a result, certain line items have been disaggregated in the Statements of Comprehensive Income (Loss) in order to conform to the current year's classification of financial statement items. The Operating expenses in 2018 were broken down into filing fees and securityholder reporting costs for the Funds previously mentioned.

Performance fees

Under the terms of the Investment Management Agreement, the Portfolio Manager for the below list of Funds 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 each Fund's established benchmark since the last time a Performance fee was paid multiplied by the Fund's average Series NAV during the calendar year. There is no duplication of fees if a Fund invests in an Underlying Stone Investment Fund. Performance fees, inclusive of HST, are reported on the Statements of Comprehensive Income (Loss).

The Funds' established benchmarks are disclosed in the following table. For all Funds other than the Stone EuroPlus Fund, performance fees are limited to a maximum of 0.30 percent (plus applicable taxes) of the Funds' Series average NAV during the calendar year. Such fees are accrued monthly, if applicable, and paid annually.

Effective August 31, 2019, the Portfolio Manager amended the benchmarks for the Funds that are subject to a Performance Fee. The Portfolio Manager has determined that there will be no impact to the Performance Fee as the new benchmarks have a 1:1 correlation with the old benchmarks.

STONE MUTUAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Fund	Performance Fee Benchmark
Stone Dividend Growth Class	(i) 80% of the percentage gain or loss of the Morningstar® Canada Index; plus (ii) 20% of the percentage gain or loss of the Morningstar® US Large Cap Index.
Stone Growth Fund	(i) 50% of the percentage gain or loss of the Morningstar® Canada Index; plus (ii) 50% of the percentage gain or loss of the Morningstar® US Large Cap Index.
Stone Global Balanced Fund	(i) 15% of the percentage gain or loss of the Morningstar® Canada Index; plus (ii) 15% of the percentage gain or loss of the Morningstar® US Large Cap Index; plus (iii) 40% of the percentage gain or loss of the Morningstar® Canada Liquid Bond Index; plus (iv) 30% of the percentage gain or loss of the Morningstar® Developed Markets Large-Mid Cap Index.
Stone Global Growth Fund	Morningstar® Developed Markets Large-Mid Cap Index.
Stone EuroPlus Fund	Morningstar® Developed Markets Europe Index.

5. SOFT DOLLAR COMMISSIONS

Brokerage commissions paid to certain brokers may, in addition to paying for the cost of brokerage services in respect of security transactions, also provide for the cost of investment research goods and services and order execution goods and services provided to the investment manager.

The value of such research services included in commissions paid to brokers for the periods ended December 31 is as follows:

Fund	Soft Dollar 2019	Commissions 2018
Stone Dividend Growth Class	\$ 29	\$ 19
Stone Covered Call Canadian Banks Plus Fund	2	-
Stone Dividend Yield Hog Fund	36	-
Stone Growth Fund	-	1
Stone American Dividend Growth Fund	3	-
Stone Global Balanced Fund	1	1
Stone Global Strategy Fund	-	-
Stone Global Growth Fund	-	-
Stone EuroPlus Fund	-	-

6. TAXATION

(a) Trusts

The Trusts qualify as mutual fund trusts under the Income Tax Act (Canada). All of the Trusts' net income for tax purposes and realized net capital gains in any taxation year are required to be distributed to securityholders such that no income tax is payable by the Trusts. Since the Trusts do not record income tax expense, deferred tax assets associated with the tax benefits of capital and non-capital losses will not be recognized on the Statements of Financial Position.

Withholding taxes imposed by certain countries on investment income and capital gains are recorded as a separate expense item on the Statements of Comprehensive Income (Loss).

The Trusts' capital losses realized by the Trust may be carried forward indefinitely to reduce future realized capital gains. Non-capital losses may be carried forward up to twenty years and applied against net taxable capital gains and net income in future years.

As at December 31, 2019, the Funds had the following capital and non-capital losses for income tax purposes, as applicable:

STONE MUTUAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Fund	Capital Losses	Total Non-Capital Losses	Non-Capital Losses that Expire In:												
			2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	
Stone Covered Call Canadian Banks Plus Fund	\$ –	\$ –	–	–	–	–	–	–	–	–	–	–	–	–	
Stone Dividend Yield Hog Fund (formerly Stone Monthly Pay Fund)	943	–	–	–	–	–	–	–	–	–	–	–	–		
Stone Growth Fund	38,740	1,579	–	320	–	–	359	380	–	–	150	–	–	370	
Stone American Dividend Growth Fund	–	–	–	–	–	–	–	–	–	–	64	–	–		
Stone Global Balanced Fund	–	–	–	–	–	–	–	–	–	–	–	–	–		
Stone Global Strategy Fund	3,165	461	181	197	–	83	–	–	–	–	–	–	–		
Stone Global Growth Fund	20,961	855	–	–	–	–	241	–	–	–	–	–	614		
Stone EuroPlus Fund	615	–	–	–	–	–	–	–	–	–	–	–	–		

(b) The Corporation

The Corporation qualifies as a Mutual Fund Corporation under the Income Tax Act (Canada). The Corporation computes its net income and net realized gains/losses for income tax purposes as a single entity. The Corporation is subject to a tax of 38 1/3% under Part IV of the Act on the amount of taxable dividends received from taxable Canadian corporations in the year. This tax is refundable to the Corporation upon the payment of taxable dividends to its securityholders at the rate of \$1.00 of tax for every \$2.61 of dividend paid. Interest and foreign dividends received are taxed at normal corporate rates subject to permitted deductions for expenses of the Corporation and applicable credits or deductions of foreign taxes paid.

Income taxes (if any) are allocated to each class of special shares of the Corporation, as applicable, on a reasonable basis.

The Corporation's capital losses realized by the Corporation may be carried forward indefinitely to reduce future realized capital gains. Non-capital losses may be carried forward up to twenty years and applied against net taxable capital gains and net income in future years.

As at December 31, 2019, the Corporation had available tax losses as presented below:

Fund	Capital Losses	Total Non-Capital Losses	Non-Capital Losses that Expire In:										
			2031	2032	2033	2034	2035	2036	2037	2038	2039		
SCFL	\$ 5,638	\$ 11,039	1,091	4,159	684	–	–	–	–	–	–	–	5,105

7. INVESTMENTS IN OTHER INVESTMENT ENTITIES

The Funds can invest in other investment funds (“underlying funds”). Each underlying fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for its securityholders. Each underlying fund finances its operations primarily through the issuance of redeemable securities, which are puttable at the securityholder’s option and entitle the securityholder to a proportionate share of the underlying fund’s net assets. The Fund’s interest in the underlying funds, held in the form of redeemable securities, are reported in its Schedule of Investments Portfolio at fair value, which represent the Fund’s maximum exposure on these investments.

As at December 31, 2019 and 2018, Stone Global Balanced Fund held securities of Stone Global Growth Fund Series ‘A’ and Stone EuroPlus Fund Series ‘A’. The total fair value of the underlying funds held by the Fund are included in “Investments” on the Statements of Financial Position are \$19,510 and \$13,748, respectively (2018 – \$23,236 and \$13,655). These amounts relating to the underlying funds account for 29.6% and 20.9% of the Fund’s net assets as at December 31, 2019 (2018 – 33.5% and 19.6%). The underlying funds’ NAVs range from \$88,245 to \$103,506 and \$23,028 to \$20,419 as at December 31, 2019 (2018 – \$70,937 to \$88,245 and \$31,922 to \$23,028). Distributions earned from underlying funds are included in “Dividends” on the Statements of Comprehensive Income (Loss). The total realized and change in unrealized gains (losses) arising from underlying funds included in the Statements of Comprehensive Income (Loss) for the period ended December 31, 2019 are \$4,373 and \$1,492, respectively (2018 – \$258 and \$(1,467)). The Fund does not provide any additional significant financial or other support to the underlying funds.

As at December 31, 2019 and 2018, Stone Growth Fund held securities of Stone Global Growth Fund Series ‘A’ and Panton Equity Partners L.P. Class ‘A’. The total fair value of the Underlying Investment Funds held by the Fund, included in “Investments” on the Statements of Financial Position, are \$1,608 and \$183, respectively (2018 – \$1,755 and \$165). These amounts relating to the Underlying Investment Funds account for 10.7% and 1.2% of the Fund’s net assets as at December 31, 2019 (2018 – 13.4% and 1.3%). The Underlying Investment Funds’ NAVs range from \$88,245 to \$103,506 and \$2,961 to \$3,306 as at December 31, 2019, respectively (2018 – \$70,937 to \$88,245 and \$3,036 to \$2,961). Distributions earned from Underlying Investment Funds are included in “Dividends” on the Statements of Comprehensive Income (Loss). The total realized and change in unrealized gains (losses) arising from Underlying Investment Funds, included in the Statements of Comprehensive Income (Loss), for the period ended December 31, 2019 are \$353 and \$18, respectively (2018 – \$15 and \$(4)). The Fund does not provide any additional significant financial or other support to the Underlying Investment Funds.

The table below presents additional information on the Fund’s investments in underlying funds where the ownership exceeds 20% of the underlying fund:

STONE MUTUAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Fund	Underlying Fund	Country of establishment and principal place of business	Ownership % as at December 31, 2019	Ownership % as at December 31, 2018
Stone Global Balanced Fund	Stone Global Growth Fund, Series 'A'	Canada	18.8	33.5
Stone Global Balanced Fund	Stone EuroPlus Fund, Series 'A'	Canada	67.3	19.6

8. RELATED PARTY TRANSACTIONS

(a) Management fees including HST

SAM provides investment management services to each fund and is remunerated based on the NAV of each Fund. The fees are accrued daily and paid monthly to SAM.

Fund	Management Fees Paid for the period ended December 31, 2019	Management Fees Paid for the period ended December 31, 2018	Management Fees Payable as at December 31, 2019	Management Fees Payable as at December 31, 2018
Stone Dividend Growth Class	\$ 6,331	\$ 7,008	\$ -	\$ -
Stone Covered Call Canadian Banks Plus Fund	170	164	-	3
Stone Dividend Yield Hog Fund (formerly Stone Monthly Pay Fund)	319	437	-	11
Stone Growth Fund	285	303	-	-
Stone American Dividend Growth Fund	289	456	-	21
Stone Global Balanced Fund	764	893	-	-
Stone Global Strategy Fund	157	203	-	5
Stone Global Growth Fund	1,757	1,657	-	-
Stone EuroPlus Fund	463	576	-	-

(b) Operating fees including HST

SAM provides fund operations and administration services for each Fund. SAM is paid operating fees from each Fund to cover third-party fund expenses and SAM's fund administration costs. The fees are accrued daily and paid monthly to SAM.

Fund	Operating Fees Paid for the period ended December 31, 2019	Operating Fees Paid for the period ended December 31, 2018	Operating Fees Payable as at December 31, 2019	Operating Fees Payable as at December 31, 2018
Stone Dividend Growth Class	\$ 1,170	\$ 1,644	\$ -	\$ -
Stone Covered Call Canadian Banks Plus Fund	155	132	-	30
Stone Dividend Yield Hog Fund	139	299	-	68
Stone Growth Fund	157	170	-	-
Stone American Dividend Growth Fund	116	231	-	65
Stone Global Balanced Fund	293	308	-	-
Stone Global Strategy Fund	114	150	-	35
Stone Global Growth Fund	470	494	-	-
Stone EuroPlus Fund	169	218	-	-

(c) Performance fees including HST

See Note 4.

Fund	Performance Fees Paid for the period ended December 31, 2019	Performance Fees Paid for the period ended December 31, 2018	Performance Fees Payable as at December 31, 2019	Performance Fees Payable as at December 31, 2018
Stone Dividend Growth Class	\$ -	\$ -	\$ -	\$ -
Stone Growth Fund	49	-	-	49
Stone Global Balanced Fund	-	-	-	-
Stone Global Growth Fund	9	-	71	9
Stone EuroPlus Fund	-	-	-	-

(d) Expenses absorbed by the Manager

Expenses waived by the Manager are included in "Expenses waived/absorbed by the Manager" on the Statements of Comprehensive Income (Loss).

STONE MUTUAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

(e) Independent Review Committee fees

The total remuneration paid to members of the Independent Review Committee during period ended December 31, 2019 was \$55 (2018 - \$52).

(f) Manager holdings

As at December 31, 2019 and 2018, the Manager did not hold any units/shares of the Stone Funds.

The Manager's executive staff held units/shares of the Stone Funds as set out in the table below:

Fund	Fair Value of Investments	
	December 31, 2019	December 31, 2018
Stone Dividend Growth Class	\$ 210	\$ 183
Stone Covered Call Canadian Banks Plus Fund	12	2
Stone Dividend Yield Hog Fund	6	2
Stone Growth Fund	576	485
Stone American Dividend Growth Fund	6	2
Stone Global Balanced Fund	93	80
Stone Global Strategy Fund	-	-
Stone Global Growth Fund	302	209
Stone EuroPlus Fund	204	175

9. SECURITIES LENDING INCOME

The Funds have entered into a securities lending program with its former custodian, RBC Investor and Treasury Services. The aggregate fair value of all securities loaned by a Fund cannot exceed 50% of assets of the Fund. The Funds received collateral of at least 102% of the value of the securities on loan. Collateral held is generally comprised of cash and securities of, or guaranteed by, the Government of Canada or a province thereof.

As at December 31, 2019 and 2018, no securities were on loan.

Fund	Gross securities lending income (\$)	Securities lending charge (\$)	Withholding taxes (\$)	Net income received (\$)
Stone American Dividend Growth Fund	4	-	-	4
Stone Dividend Yield Hog Fund	69	34	2	33
Stone Global Strategy Fund	2	1	-	1

10. FUND VALUATION ADJUSTMENT

Subsequent to December 31, 2018, SAM identified a privately held debenture which was valued at an amount in excess of fair value in the Stone Dividend Yield Hog Fund (the "Fund"). This resulted in a NAV differential whereby the NAV did not accurately reflect the actual NAV at the time of computation for transactional purposes. The financial statements of the Fund reflect the Net Assets Attributable to Holders of Redeemable Securities as it should have been calculated for December 31, 2018. Adjustments had been made in accordance with the SAM's NAV error handling procedures.

The following table illustrates the adjustment made to the NAV to reflect the correction in valuation of the privately held debenture:

Series	Net asset value per security as at December 31, 2018	Adjustment to reflect the effects of over valuation	Net assets attributable to holders of redeemable securities per security as at December 31, 2018
A	\$ 1.57	\$ (0.01)	\$ 1.56
F	2.41	(0.01)	2.40

11. SUBSEQUENT EVENTS

After a special meeting held in November 2019, the securityholders of Stone EuroPlus Fund approved changes to the Fund's fundamental investment objectives and the accompanying amendments including revising the performance benchmark to reflect the changes effective January 1, 2020. The former performance benchmark no longer applies to the new fundamental investment objective and any performance deficit of the Fund against the former performance benchmark pursuant to the former fundamental investment objective shall be extinguished.

STONE MUTUAL FUNDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

A summary of the changes are as follows:

Former fundamental investment objective	Former performance benchmark	New Fund name	New fundamental Investment objective	New performance benchmark
The investment objective of 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.	Morningstar Developed Markets Europe Index	Stone Global Sustainability Fund	To provide a “total return” by investing in a portfolio of global stocks which meet ethical and sustainability criteria.	Morningstar Global Markets Index

After a special meeting held in December 2019, the securityholders of Stone Global Strategy Fund approved changes to the Fund’s fundamental investment objectives and accompanying amendments effective January 1, 2020. A summary of the changes are as follows:

Former fundamental investment objective	New Fund name	New fundamental investment objective
The investment objective of the Fund is to provide investors with monthly cash distributions and to preserve and enhance the net asset value of the Fund against inflation through appreciation, primarily through the purchase of a diversified pool of global large capitalization dividend-yielding equity securities and fixed income securities.	Stone Global ESG Strategy Fund	The investment objective is to provide investors with a global balanced fund that will provide a total return by investing in a portfolio of global stocks and fixed income securities which meet the ESG criteria. This means the Fund will seek to invest in companies whose activities or ways of operating are aligned with sustainable development and therefore support the achievement of the UN Sustainable Development Goals.

NOTES

STONE MUTUAL FUNDS

2019 Annual Audited Financial Statements

For the periods ended December 31, 2019 and 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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