

STONE GLOBAL BALANCED FUND

2020 Annual Management Report of Fund Performance

For the period ended December 31, 2020



This annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1 800 336 9528; by writing to us at Stone Asset Management Limited, 276 King Street West, Suite 203, Toronto, Ontario, M5V 1J2; or by visiting our website at www.stoneco.com; or SEDAR at www.sedar.com.

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

STONE GLOBAL BALANCED FUND

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

December 31, 2020

INVESTMENT OBJECTIVES

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.

INVESTMENT STRATEGIES

The Fund will generally invest approximately 60% of its assets in equity securities and 40% of its assets in fixed income securities, which weightings may vary from time to time.

The equity portion of the Fund’s assets will be allocated amongst the following three segments to achieve a diversified portfolio of common stocks:

- total-return stocks that seek to deliver a combination of capital appreciation and dividend income that trade on stock exchanges in North America.
- total-return stocks that seek to deliver a combination of capital appreciation and dividend income that trade on primary stock exchanges worldwide.
- growth-oriented stocks that primarily seek to deliver capital appreciation that trade on primary stock exchanges worldwide.

The fixed income segment will be invested in a diversified portfolio of sovereign debt securities and corporate obligations, which may include convertible securities. The fixed income portfolio will have the flexibility to allocate between developed markets in North American, European, Pacific and Emerging Market fixed-income securities.

RISK

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

RESULTS OF OPERATIONS

Market Overview and Impact on the Fund

The year 2020 has experienced some of the most volatile periods in the history of the stock market. We really must break down this period into two halves to analyse how the markets behaved in 2020. The 1st half, especially Q1, suffered massive losses on the fear of the potential economic impact of COVID-19 on companies and profitability.

This was then followed by the 2nd half which recovered dramatically on the hopes for the re-opening and resumption of economic activity as central banks and government authorities provided massive stimulus spending plans.

By the end of the 1st quarter, the markets received the full-fledged details of the potential economic and corporate toll from the COVID-19 pandemic and it was not pretty. The talk was no longer about whether we were going to enter a recession but how deep of a slowdown we would experience. With roughly 80% of the national population told to stay home, we witnessed a historic collapse in economic activity.

Airplanes were grounded, streets were empty, and factories shut. At least one-quarter of the US economy had suddenly gone idle amidst the coronavirus pandemic. This was an unprecedented shutdown of commerce that has never occurred on such a grand scale. Estimates for a GDP contraction of 25% for Q2 (after a 5% retrenchment in Q1 GDP) had markets on edge for the entire month of March.

The global store and business closures and lockdowns resulted in a wave of job losses. The main act came from the US employment figures which showed a staggering rise in the initial unemployment claims number of 6.65 million. Most people will agree that the data would get worse before it got better, so we were bracing for more negative economic news in subsequent months.

Forecasts were for an unemployment rate that would exceed 10%. This was an extraordinary hit to the economy.

The second half of 2020 was the total opposite story for the stock market. Even though the economic data was not impressive, the markets looked forward to a recovering economy and boost to corporate profits and resulted in one of the best periods in decades. Hopes for a potential opening of economies, coupled with select corporate earnings that were not as bad as originally feared, were cause for investors to plow back into the markets.

This market recovery comes only months after investors were lamenting the end of the bull markets as equities had plunged 35% in less than 6 weeks. The subsequent rebound has been just as brisk.

Stock markets in the US hit all-time highs once again by the end of the year as investors piled into everything from domestic equities, bitcoin to emerging markets. Expectations are high that multiple vaccines will be effective, and stimulus will keep liquidity flowing. This everything rally accelerated late in the year.

Morningstar® Developed Markets Large-Mid Cap Index was up 14.3% for the year, as investors bet that central banks and governments would continue to prop up the world economy. US markets were strong as they posted a gain of 19.6% for the year. The big winner for the year was the technology-focused jumping an eye-popping 43.6% for the year.

The Morningstar® Canada Index participated in the euphoria squeaking out a 5.8% gain for the year. The heavyweight financials sector was a big disappointment in 2020 and with its drop of 2.9% for the year.

Technology was the top performing sector with a gain of 54.6% for the year. Stocks like Shopify Inc was a big winner in this sector. Other strong sectors included Basic Materials, up 19.4% for the year, and Consumer Cyclical, up 15.9% for 2020. Basic Materials were strong due to the jump in copper and gold prices.

STONE GLOBAL BALANCED FUND

MANAGEMENT DISCUSSION OF FUND PERFORMANCE (continued)

Another sign of the economic recovery is the activity of Dr. Copper, as copper prices hit a seven-year high of \$3.52, up 47% for the year. Copper is widely seen as one of the most economically sensitive commodities as it is widely used in a variety of products from computers and toasters to large construction projects and electric vehicle batteries.

The strength of the Chinese economy, which is the largest consumer of copper, is leading the surge in copper prices and could be a sign of better economic times ahead.

Gold had a stellar year jumping 24.5% to \$1,893/oz after hitting a record of \$2,069 in August. This is its best annual performance in a decade. The weak US dollar and surging COVID-19 cases are muddling the outlook for a swift economic recovery and investors boosting the appeal of havens such as gold.

The worst performing subindex was energy. The beaten-up energy stocks were down a remarkable 37.6% for the year. This is even as oil prices recovered to near \$50/barrel after dropping below \$0 for the first time ever. Oil prices closed the year at \$48.52/b, down 20.5% for the year. Other losing sectors were the cannabis-heavy healthcare sector down 21.3% for the year and real estate down 13.8% in 2020.

Bonds fluctuated in throughout the year but for 2020, the Morningstar® Canada Liquid Bond Index was up 8.8% for the year reflecting the deep rate cuts by central banks around the world. From a Canadian investor perspective, it was better having money in bonds than equities in 2020.

The global manufacturing numbers continue to gain traction. Consumers continue to flock to physical products, such as cars, equipment and technology, while shunning services requiring face-to-face contact. All these numbers are fine but going forward, it comes down to whether the economy can remain open and functioning in the face of rising virus numbers.

COVID-19 impact

During the period, the Fund did not face any large redemptions that would have materially affected the performance of the Fund (see change in Net Asset Value for net sales).

To preserve our investors' capital, in the first half of the year, the Portfolio Manager increased cash levels by about 5-10%. The monies were deployed throughout the year as we became more comfortable with the reopening of the economy and recovery in corporate profits. Within our pure total return and income mandates, companies that were either highly leveraged or at risk of cutting their dividends were sold.

Within our growth mandates, we eliminated companies that will have a hard time growing in this challenged environment. All the portfolios have been structured as more defensive compared to their benchmark index. We believe the best way to invest in markets as these is to have a total return focus. Investors should be rewarded by buying companies with a strong growth profile and growing dividend stream.

Under an economic contraction scenario, companies that can sustain their dividends are attractive investments. All the public equity holdings are liquid positions and can be sold within a day.

We remain invested and are committed to companies that provide revenue growth, improving free cash flow and higher earnings per share. We are active portfolio managers with a disciplined investment process including the implementation of various risk management tools to benefit our investors.

Performance

Within asset allocation, outperformance was attributed to the fact that the Fund had a higher proportional weight assigned to Stone Global Growth Fund and Stone Global Sustainability Fund (formerly Stone EuroPlus Fund). The Stone Global Growth Fund, Series 'A' had a stellar 31.8% return for 2020 while the Stone Global Sustainability Fund, Series 'A' returned 22.2%.

The Fund was underweight interest-sensitive sectors such as Technology and Real Estate. We had a 0.8% weight in Technology at the end of 2019 but added exposure to the sector during the period. The Fund's greater exposure to Utilities versus the blended benchmark made up for some of our underweight exposure in other sectors, and was a positive in that the selection of investments provided excellent returns compared to the index with the Fund's focus on renewable energy companies such as Boralex Inc. significantly outperforming the benchmark.

Even though our Energy weight began the period well below the index, our Energy weight was reduced further after exiting Suncor Energy Inc. during the period. This gross sector underweight was the most significant contributor to performance as the Energy benchmark tumbled 30.5% during the period.

Our stock selection in the Consumer Non-Cyclicals sector was another positive despite being only slightly above weight than the benchmark. Strong returns from Canadian vitamin company Jamieson Wellness Inc. allowed the Fund to outperform the sector benchmark.

The Fund's Industrials weight was below the benchmark but despite the underweight position, stock selection resulted in the Fund outperforming the sector benchmark. Strong performance came from holdings in CargoJet Inc. and TFI International Inc., up 109.3% and 53.2%, respectively.

The Fund's largest weight was in the Financials sector, where despite being well overweight, the holdings performed in line with the benchmark. We exited positions in the US banks JP Morgan Chase & Co. and Bank of America during the period. Our Basic Materials sector weight increased as holdings in gold producers were added during the period, including Wheaton Precious Metals Corp.

Our equal weight position in the Technology sector also did well with companies such as Microsoft Corp., Visa Inc. and Open Text Corp., but significantly underperformed the benchmark due to zero weighting in Canada's largest company by market capitalization, Shopify Inc, and several other technology companies that do not pay a dividend, including another Canadian technology company, Kinaxis.

We were slightly negatively impacted by our weight and holdings in the Consumer Cyclical sector as the rebound following the March selloff was led by strong gains in Canadian Consumer Cyclical names that benefit from vaccine news and a reopening economy.

The Fund held a low cash balance of 0%, similar to the end of last year.

STONE GLOBAL BALANCED FUND

MANAGEMENT DISCUSSION OF FUND PERFORMANCE (continued)

The Fund's Series outperformed its blended benchmark during the period. As mentioned above, both sector allocation and stock selection were the reasons for our outperformance vs. the benchmark. Our disciplined approach toward total return remains a core practice in managing the portfolio risk and this approach is paying off.

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

| Series | | | | | | | |
|--------|-------|-------|-------|------|-------|-------|-------|
| AA | BB | FF | L | O | T8A | T8B | T8C |
| 14.1% | 13.5% | 14.8% | 13.6% | 0.0% | 14.0% | 13.6% | 13.6% |

Any differences in performance returns between Series are primarily due to different management, operating and performance fees that are applicable to a particular Series. Please refer to "Past Performance" for details regarding the performance of the Fund's Series. The calculation of the Fund's Series performance takes into consideration all fees and expenses of the Fund, which are not applicable in the calculation of the benchmark's performance.

The comparison to this broad-based index is provided to enable you to compare the Fund's performance relative to that of the general market. A comparison to the Fund's blended benchmark, which is composed of 15% of the Morningstar® Canada Index, 15% of the Morningstar® US Large Cap Index, 40% of the Morningstar® Canada Liquid Bond Index and 30% Morningstar® Developed Markets Large-Mid Cap Index, provides a comparison to a benchmark that is more reflective of the Fund's investment objective and strategy. The blended benchmark returned 11.6% over the same period.

Change in Net asset value

Net Assets of the Fund decreased by 2.1% or \$1.4 million during the period, from \$65.8 million at December 31, 2019 to \$64.4 million at December 31, 2020. This change in Net Assets is attributed to net sales (redemptions) of (\$6.5) million, cash distributions of \$3.4 million and \$8.5 million to investment operations, including market appreciation (depreciation), income and expenses.

RECENT DEVELOPMENTS

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

Statement of Compliance

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

RELATED PARTY TRANSACTIONS

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

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

Fund Manager

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

Portfolio Manager

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

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

Performance fees are limited to a maximum of 0.30 percent (plus applicable taxes) of the Funds' Series average Net Asset Value during the calendar year. Such fees are accrued monthly, if applicable, and paid annually.

Management fees

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

| Series | AA | BB | FF | L | O | T8A | T8B | T8C |
|----------------|------|------|------|------|---|------|------|------|
| Annual Fee (%) | 2.00 | 2.50 | 0.95 | 2.50 | - | 2.00 | 2.50 | 2.50 |

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

| Series | AA | BB | FF | L | O | T8A | T8B | T8C |
|------------------------------------|-----|-----|-----|-----|---|-----|-----|-----|
| Dealer Compensation (%) | 50 | 20 | - | 20 | - | 50 | 20 | 30 |
| Investment and Fund Management (%) | 50 | 80 | 100 | 80 | - | 50 | 80 | 70 |
| Total (%) | 100 | 100 | 100 | 100 | - | 100 | 100 | 100 |

Operating fees

The Fund pays operating fees (the "Operating Fees") to SAM for the day-to-day operational services. The Operating Fees include, but are not limited to: legal and audit fees, transfer agency costs, custodian costs, filing fees, administrative and overhead costs charged by SAM, and the Independent Review Committee of the Fund.

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

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MANAGEMENT DISCUSSION OF FUND PERFORMANCE (continued)

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

Independent Review Committee

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

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

STONE GLOBAL BALANCED FUND

FINANCIAL HIGHLIGHTS

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

THE FUND'S NET ASSETS PER SECURITY¹

| Series | As at | Net assets, beginning of period ² | Increase (decrease) from operations ² (All figures in (\$)) | | | | | Distributions ^{2 3} | | | | Net assets, end of period | |
|-------------|----------|--|--|---|---|---|---|---|-----------|------------------|----------------------|------------------------------|-------------------------------------|
| | | | Total revenue | Total expenses (excluding distributions) | Realized gains (losses) for the period | Unrealized gains (losses) for the period | Total increase (decrease) from operations ² | Net investment income (excluding dividends) | Dividends | Capital gains | Return of capital | | Total distributions ³ |
| | Dec 2020 | 21.77 | 0.37 | (0.43) | 3.64 | (0.41) | 3.17 | - | - | (1.38) | - | (1.38) | 23.45 |
| | Dec 2019 | 19.42 | 0.29 | (0.32) | 1.80 | 0.63 | 2.40 | - | - | (0.02) | - | (0.02) | 21.77 |
| | Dec 2018 | 19.93 | 0.29 | (0.31) | 0.67 | (1.14) | (0.49) | - | - | - | (0.02) | (0.02) | 19.42 |
| | Dec 2017 | 18.47 | 0.32 | (0.34) | 0.73 | 0.78 | 1.49 | - | - | - | (0.02) | (0.02) | 19.93 |
| AA | Dec 2016 | 18.56 | 0.34 | (0.34) | 1.08 | (1.11) | (0.03) | - | - | (0.02) | - | (0.02) | 18.47 |
| | Dec 2020 | 20.78 | 0.35 | (0.49) | 3.64 | (0.85) | 2.65 | - | - | (0.02) | - | (0.02) | 23.57 |
| | Dec 2019 | 18.59 | 0.27 | (0.36) | 1.77 | 0.77 | 2.45 | - | - | (0.02) | - | (0.02) | 20.78 |
| | Dec 2018 | 19.13 | 0.28 | (0.35) | 0.64 | (0.83) | (0.26) | - | - | - | (0.02) | (0.02) | 18.59 |
| | Dec 2017 | 17.79 | 0.31 | (0.39) | 0.75 | 0.78 | 1.45 | - | - | - | (0.02) | (0.02) | 19.13 |
| BB† | Dec 2016 | 17.94 | 0.33 | (0.39) | 1.04 | (1.19) | (0.21) | - | - | (0.02) | - | (0.02) | 17.79 |
| | Dec 2020 | 23.54 | 0.40 | (0.29) | 4.07 | (0.91) | 3.27 | - | - | (0.61) | - | (0.61) | 26.42 |
| | Dec 2019 | 20.88 | 0.31 | (0.22) | 1.95 | 0.67 | 2.71 | - | - | (0.02) | - | (0.02) | 23.54 |
| | Dec 2018 | 21.31 | 0.31 | (0.20) | 0.72 | (1.23) | (0.40) | - | - | - | (0.02) | (0.02) | 20.88 |
| | Dec 2017 | 19.59 | 0.34 | (0.20) | 0.73 | 0.77 | 1.64 | - | - | - | (0.02) | (0.02) | 21.31 |
| FF | Dec 2016 | 19.55 | 0.36 | (0.22) | 1.12 | (1.02) | 0.24 | - | - | (0.02) | - | (0.02) | 19.59 |
| | Dec 2020 | 16.29 | 0.28 | (0.38) | 2.77 | (0.54) | 2.13 | - | - | (1.03) | - | (1.03) | 17.47 |
| | Dec 2019 | 14.58 | 0.22 | (0.29) | 1.36 | 0.59 | 1.88 | - | - | (0.02) | - | (0.02) | 16.29 |
| | Dec 2018 | 15.01 | 0.22 | (0.27) | 0.50 | (0.73) | (0.28) | - | - | - | (0.02) | (0.02) | 14.58 |
| | Dec 2017 | 13.96 | 0.24 | (0.31) | 0.55 | 0.58 | 1.06 | - | - | - | (0.02) | (0.02) | 15.01 |
| L | Dec 2016 | 14.08 | 0.26 | (0.31) | 0.81 | (0.83) | (0.07) | - | - | (0.02) | - | (0.02) | 13.96 |
| | Dec 2020 | 10.00 | - | - | - | - | - | - | - | - | - | - | 10.00 |
| O* | Dec 2019 | 10.00 | - | - | - | - | - | - | - | - | - | - | 10.00 |
| | Dec 2020 | 7.02 | 0.11 | (0.13) | 1.16 | (0.21) | 0.93 | - | - | (1.10) | - | (1.10) | 6.86 |
| | Dec 2019 | 6.75 | 0.10 | (0.11) | 0.61 | 0.21 | 0.81 | - | - | (0.35) | (0.19) | (0.54) | 7.02 |
| | Dec 2018 | 7.51 | 0.11 | (0.11) | 0.24 | (0.39) | (0.15) | - | - | - | (0.60) | (0.60) | 6.75 |
| | Dec 2017 | 7.52 | 0.12 | (0.13) | 0.28 | 0.32 | 0.59 | - | - | - | (0.60) | (0.60) | 7.51 |
| T8A | Dec 2016 | 8.21 | 0.15 | (0.14) | 0.46 | (0.46) | 0.01 | - | - | (0.31) | (0.35) | (0.66) | 7.52 |
| | Dec 2020 | 6.74 | 0.11 | (0.15) | 1.11 | (0.22) | 0.85 | - | - | (1.04) | - | (1.04) | 6.57 |
| | Dec 2019 | 6.50 | 0.09 | (0.12) | 0.59 | 0.24 | 0.80 | - | - | (0.33) | (0.19) | (0.52) | 6.74 |
| | Dec 2018 | 7.25 | 0.10 | (0.13) | 0.23 | (0.34) | (0.14) | - | - | - | (0.58) | (0.58) | 6.50 |
| | Dec 2017 | 7.28 | 0.12 | (0.15) | 0.28 | 0.32 | 0.57 | - | - | - | (0.58) | (0.58) | 7.25 |
| T8B† | Dec 2016 | 7.98 | 0.14 | (0.17) | 0.45 | (0.52) | (0.10) | - | - | (0.30) | (0.34) | (0.64) | 7.28 |
| | Dec 2020 | 6.72 | 0.11 | (0.15) | 1.10 | (0.19) | 0.87 | - | - | (1.15) | - | (1.15) | 6.44 |
| | Dec 2019 | 6.48 | 0.09 | (0.12) | 0.59 | 0.22 | 0.78 | - | - | (0.33) | (0.19) | (0.52) | 6.72 |
| | Dec 2018 | 7.23 | 0.10 | (0.12) | 0.23 | (0.37) | (0.16) | - | - | - | (0.58) | (0.58) | 6.48 |
| | Dec 2017 | 7.26 | 0.12 | (0.15) | 0.28 | 0.30 | 0.55 | - | - | - | (0.58) | (0.58) | 7.23 |
| T8C† | Dec 2016 | 7.96 | 0.14 | (0.16) | 0.45 | (0.51) | (0.08) | - | - | (0.30) | (0.34) | (0.64) | 7.26 |

† Series closed to new purchases on December 4, 2009

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

* Series O was seeded on August 1, 2019 at \$10.00.

Explanatory Notes:

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

STONE GLOBAL BALANCED FUND

FINANCIAL HIGHLIGHTS (continued)

RATIOS AND SUPPLEMENTAL DATA

| Series | As at | Total net asset value (\$000's) ¹ | Number of securities outstanding ¹ | Management expense ratio ("MER") (%) ² | MER before waivers or absorptions (%) ² | Trading expense ratio (%) ³ | Portfolio turnover rate (%) ⁴ | Net asset value per security (\$) |
|--------|----------|--|---|---|--|--|--|-----------------------------------|
| AA | Dec 2020 | 16,044 | 684,244 | 3.13 | 3.13 | 0.06 | 88 | 23.45 |
| | Dec 2019 | 12,447 | 571,823 | 2.95 | 2.96 | 0.03 | 36 | 21.77 |
| | Dec 2018 | 11,260 | 579,792 | 2.94 | 2.95 | 0.06 | 50 | 19.42 |
| | Dec 2017 | 12,017 | 602,895 | 2.94 | 2.94 | 0.10 | 47 | 19.93 |
| | Dec 2016 | 13,219 | 715,687 | 2.80 | 2.80 | 0.09 | 81 | 18.47 |
| BB‡ | Dec 2020 | 544 | 23,066 | 3.49 | 3.49 | 0.06 | 88 | 23.57 |
| | Dec 2019 | 694 | 33,411 | 3.19 | 3.21 | 0.03 | 36 | 20.78 |
| | Dec 2018 | 940 | 50,542 | 3.21 | 3.21 | 0.06 | 50 | 18.59 |
| | Dec 2017 | 1,509 | 78,896 | 3.27 | 3.27 | 0.10 | 47 | 19.13 |
| | Dec 2016 | 2,471 | 138,944 | 3.17 | 3.17 | 0.09 | 81 | 17.79 |
| FF | Dec 2020 | 6,856 | 259,551 | 2.40 | 2.40 | 0.06 | 88 | 26.42 |
| | Dec 2019 | 7,842 | 333,071 | 2.37 | 2.38 | 0.03 | 36 | 23.54 |
| | Dec 2018 | 7,949 | 380,627 | 2.36 | 2.37 | 0.06 | 50 | 20.88 |
| | Dec 2017 | 7,963 | 373,720 | 2.14 | 2.15 | 0.10 | 47 | 21.31 |
| | Dec 2016 | 6,062 | 309,494 | 2.10 | 2.10 | 0.09 | 81 | 19.59 |
| L | Dec 2020 | 2,156 | 123,394 | 3.48 | 3.48 | 0.06 | 88 | 17.47 |
| | Dec 2019 | 2,365 | 145,119 | 3.23 | 3.24 | 0.03 | 36 | 16.29 |
| | Dec 2018 | 2,976 | 204,082 | 3.23 | 3.24 | 0.06 | 50 | 14.58 |
| | Dec 2017 | 4,075 | 271,530 | 3.29 | 3.29 | 0.10 | 47 | 15.01 |
| | Dec 2016 | 4,662 | 333,994 | 3.19 | 3.19 | 0.09 | 81 | 13.96 |
| O* | Dec 2020 | - | 1 | - | - | - | - | 10.00 |
| | Dec 2019 | - | 1 | - | - | - | - | 10.00 |
| T8A | Dec 2020 | 17,348 | 2,530,515 | 3.09 | 3.09 | 0.06 | 88 | 6.86 |
| | Dec 2019 | 18,793 | 2,676,546 | 2.91 | 2.93 | 0.03 | 36 | 7.02 |
| | Dec 2018 | 18,504 | 2,740,798 | 2.91 | 2.92 | 0.06 | 50 | 6.75 |
| | Dec 2017 | 21,160 | 2,817,671 | 2.91 | 2.92 | 0.10 | 47 | 7.51 |
| | Dec 2016 | 21,001 | 2,793,414 | 2.80 | 2.80 | 0.09 | 81 | 7.52 |
| T8B† | Dec 2020 | 19,077 | 2,903,033 | 3.46 | 3.46 | 0.06 | 88 | 6.57 |
| | Dec 2019 | 21,195 | 3,146,235 | 3.19 | 3.20 | 0.03 | 36 | 6.74 |
| | Dec 2018 | 25,054 | 3,856,421 | 3.19 | 3.20 | 0.06 | 50 | 6.50 |
| | Dec 2017 | 32,622 | 4,500,870 | 3.24 | 3.24 | 0.10 | 47 | 7.25 |
| | Dec 2016 | 40,265 | 5,530,213 | 3.14 | 3.14 | 0.09 | 81 | 7.28 |
| T8C† | Dec 2020 | 2,369 | 367,622 | 3.41 | 3.41 | 0.06 | 88 | 6.44 |
| | Dec 2019 | 2,488 | 369,942 | 3.16 | 3.18 | 0.03 | 36 | 6.72 |
| | Dec 2018 | 2,779 | 428,609 | 3.16 | 3.17 | 0.06 | 50 | 6.48 |
| | Dec 2017 | 3,270 | 452,223 | 3.22 | 3.22 | 0.10 | 47 | 7.23 |
| | Dec 2016 | 3,753 | 516,842 | 3.13 | 3.13 | 0.09 | 81 | 7.26 |

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

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

*Series opened on August 1, 2019.

Explanatory Notes:

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

STONE GLOBAL BALANCED FUND

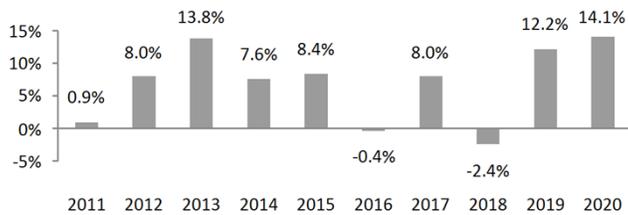
PAST PERFORMANCE

YEAR-BY-YEAR RETURNS

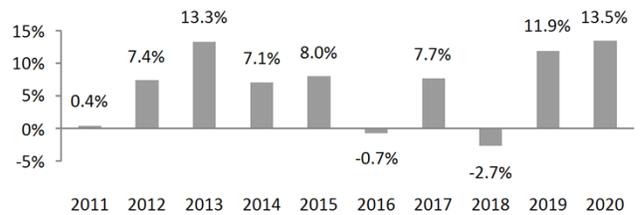
The performance information presented herein assumes all dividends of the Fund during the periods presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, or other charges that would have reduced returns or performance.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

The following charts present the Fund's performance for each of the periods shown and illustrate how the Fund's performance varied from year to year. The charts show, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year, except where noted. Returns are not disclosed for series of the Fund that have been in existence for less than one year.

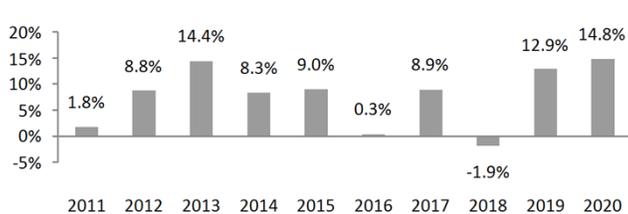
Series AA



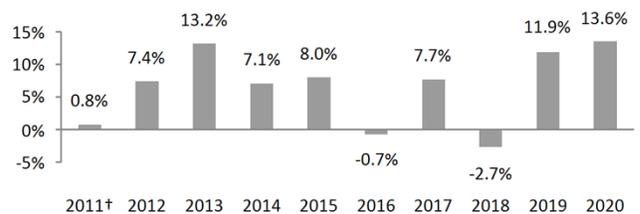
Series BB



Series FF



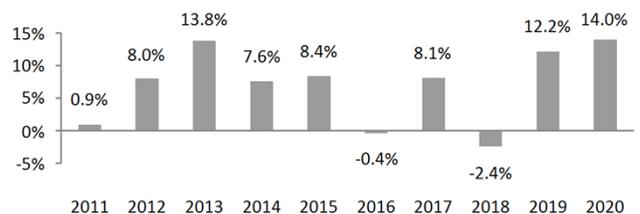
Series L



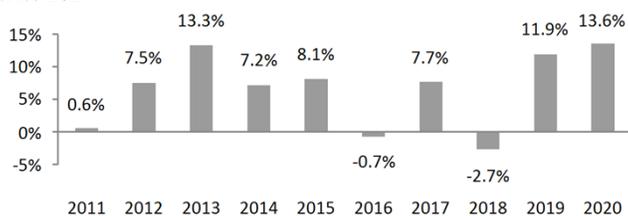
Series O



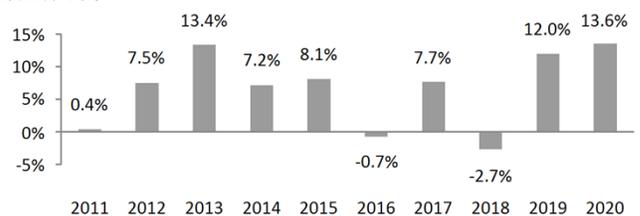
Series T8A



Series T8B



Series T8C



† From inception to December 31 of that year.

STONE GLOBAL BALANCED FUND

PAST PERFORMANCE (continued)

ANNUAL COMPOUND RETURNS

The following table shows the annual compound returns for each series of the Fund compared to the blended benchmark consisting of a 15% weighting of the Morningstar® Canada Index, a 15% weighting of the Morningstar® US Large Cap Index, a 40% weighting of the Morningstar® Canada Liquid Bond Index, and a 30% weighting of the Morningstar® Developed Markets Large-Mid Cap Index, and is expressed in Canadian dollars. The Fund performance is net of management fees, performance fees, administrative expenses ("MER") and portfolio transaction costs whereas the benchmark performance does not incorporate such costs.

The Morningstar® Canada IndexSM is a rule-based, float market capitalization weighted index designed to cover 97% of the equity market capitalization of the Canada market. The Morningstar® US Large Cap IndexSM is a rule-based, float market capitalization weighted index designed to cover 70% of the equity market capitalization of the United States market. The Morningstar® Canada Liquid Bond IndexSM is a rule-based, market-capitalization weighted index designed to measure the performance of CAD-denominated federal, provincial, government-guaranteed, and corporate bonds with a maturity greater than one year, and an emphasis on liquidity. The Morningstar® Developed Markets Large-Mid Cap IndexSM is a rule-based, float market capitalization weighted index designed to cover 90% of the equity market capitalization of the Developed markets.

| | 1 YEAR (%) | 3 YEARS (%) | 5 YEARS (%) | 10 YEAR (%) | SINCE INCEPTION (%) | INCEPTION DATE |
|------------|------------|-------------|-------------|-------------|---------------------|----------------|
| Series AA | 14.1 | 7.7 | 6.1 | 6.9 | n/a | 2008/12/31 |
| Benchmark | 11.6 | 9.1 | 8.6 | 9.3 | n/a | 2008/12/31 |
| Series BB | 13.5 | 7.3 | 5.7 | 6.4 | n/a | 2009/01/05 |
| Benchmark | 11.6 | 9.1 | 8.6 | 9.3 | n/a | 2009/01/05 |
| Series FF | 14.8 | 8.3 | 6.8 | 7.6 | n/a | 2009/01/05 |
| Benchmark | 11.6 | 9.1 | 8.6 | 9.3 | n/a | 2009/01/05 |
| Series L | 13.6 | 7.3 | 5.7 | n/a | 6.9 | 2011/09/01 |
| Benchmark | 11.6 | 9.1 | 8.6 | n/a | 10.1 | 2011/09/01 |
| Series O | 0.0 | n/a | n/a | n/a | 0.0 | 2019/08/01 |
| Benchmark | 11.6 | n/a | n/a | n/a | 11.3 | 2019/08/01 |
| Series T8A | 14.0 | 7.7 | 6.1 | 6.9 | n/a | 2007/09/01 |
| Benchmark | 11.6 | 9.1 | 8.6 | 9.3 | n/a | 2007/09/01 |
| Series T8B | 13.6 | 7.3 | 5.8 | 6.5 | n/a | 2007/09/01 |
| Benchmark | 11.6 | 9.1 | 8.6 | 9.3 | n/a | 2007/09/01 |
| Series T8C | 13.6 | 7.4 | 5.8 | 6.5 | n/a | 2007/09/01 |
| Benchmark | 11.6 | 9.1 | 8.6 | 9.3 | n/a | 2007/09/01 |

STONE GLOBAL BALANCED FUND

SUMMARY OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2020

| TOP 25 HOLDINGS | | PORTFOLIO COMPOSITION | |
|--|----------------------------|--|-------|
| Name of Security | % of Total Net Asset Value | Sector Allocation (%)† | |
| Stone Global Growth Fund, Series 'A' | 18.7 | Consumer Cyclical | 5.2 |
| Stone Global Sustainability Fund, Series 'A' | 16.9 | Corporate Bonds | 20.9 |
| Government of Canada, 2.000%, 2051/12/01 | 2.7 | Federal Bonds & Guarantees | 4.8 |
| Province of Ontario, 3.150%, 2022/06/02 | 2.3 | Financials | 7.5 |
| Province of Quebec, 3.500%, 2022/12/01 | 2.3 | Healthcare | 5.1 |
| Cash & cash equivalents | 1.8 | Industrials | 7.7 |
| Royal Bank of Canada | 1.4 | Provincial Bonds & Guarantees | 19.9 |
| Province of Quebec, 3.500%, 2048/12/01 | 1.3 | Technology | 16.9 |
| Bank of Nova Scotia | 1.3 | Miscellaneous‡ | 12.4 |
| Canada Housing Trust No. 1, 1.750%, 2030/06/15 | 1.1 | Other net assets (liabilities) | (2.2) |
| Toronto-Dominion Bank | 1.1 | Cash & cash equivalents | 1.8 |
| Province of Ontario, 2.650%, 2050/12/02 | 1.0 | Industry Allocation (%)† | |
| Province of Ontario, 1.750%, 2025/09/08 | 1.0 | Advanced Medical Equipment & Technology | 1.2 |
| Microsoft Corp. | 0.9 | Banks | 5.0 |
| TFI International Inc. | 0.9 | Business Support Services | 1.3 |
| Province of Quebec, 2.750%, 2027/09/01 | 0.9 | Commodity Chemicals | 1.0 |
| Toronto-Dominion Bank, 1.909%, 2023/07/18 | 0.9 | Construction Supplies & Fixtures | 1.0 |
| JPMorgan Chase & Co., 2.750%, 2023/02/01 | 0.9 | Corporate Bonds | 20.9 |
| Brookfield Asset Management Inc., Class 'A' | 0.8 | Discount Stores | 1.6 |
| Visa Inc., Class 'A' | 0.8 | Electric Utilities | 1.5 |
| Province of Ontario, 3.500%, 2024/06/02 | 0.8 | Environmental Services & Equipment | 1.2 |
| Province of Quebec, 2.500%, 2026/09/01 | 0.8 | Federal Bonds & Guarantees | 4.8 |
| Abbott Laboratories | 0.8 | Financial Technology (Fintech) | 1.3 |
| Province of Ontario, 2.400%, 2026/06/02 | 0.8 | Food Processing | 1.7 |
| Province of Ontario, 2.050%, 2030/06/02 | 0.8 | Gold | 1.0 |
| | 63.0 | Independent Power Producers | 1.3 |
| | | Investment Management & Fund Operators | 1.4 |
| | | Life & Health Insurance | 1.0 |
| | | Medical Equipment, Supplies & Distribution | 3.1 |
| | | Online Services | 6.2 |
| | | Provincial Bonds & Guarantees | 19.9 |
| | | Software | 6.2 |
| | | Specialty Chemicals | 1.1 |
| | | Miscellaneous‡ | 16.7 |
| | | Other net assets (liabilities) | (2.2) |
| | | Cash & cash equivalents | 1.8 |
| | | Asset Allocation (%) † | |
| | | Bonds | 45.6 |
| | | Equities | 54.8 |
| | | Other net assets (liabilities) | (2.2) |
| | | Cash & cash equivalents | 1.8 |

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

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

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

‡Note: Sectors and Industries representing less than 5% and 1%, respectively, of the portfolio are included in "Miscellaneous".

NOTES

STONE GLOBAL BALANCED FUND

2020 Annual Management Report of Fund Performance

For the period ended December 31, 2020

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 respects 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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