

STONE GROWTH 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 GROWTH FUND

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

December 31, 2020

INVESTMENT OBJECTIVES

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

INVESTMENT STRATEGIES

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

RISK

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

RESULTS OF OPERATIONS

Market Overview and Impact on the Fund

The 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.

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.

STONE GROWTH FUND

MANAGEMENT DISCUSSION OF FUND PERFORMANCE (continued)

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

The Portfolio Manager maintained a bias toward US markets as the Fund had a 76.4% exposure in US markets, with a significant overweight in US Technology and Health Care and underweighting in Energy, Industrials and Basic Materials relative to its benchmark.

The Energy weight slightly increased to 1.1% after the inclusion of Ballard Power Systems Inc., during the period, however the Fund is under weight by 5.7% versus the benchmark.

Weighting in the Technology sector increased to 33.6% from 20.7% as the sector outperformed most other sectors and several new holdings were added. Portfolio return for the sector holdings over the period was 45.9%, slightly lower than the benchmark at 49.7%, but the Fund benefited from being significantly overweight in this sector.

The best performing holdings in technology during the period was Canadian technology company Kinaxis Inc., and cybersecurity company Palo Alto Networks Inc., which were up 80.3% and 50.6%, respectively, during the period.

Health Care weighting in the portfolio increased slightly over the period from 21.8% to 25.6% as the several new holdings were added to the Fund. Health Care was another sector the Fund was overweight relative to the benchmark at over triple the benchmark weight by focusing on US-listed securities. The Fund held no positions in the cannabis sub-sector of Health Care, which was a negative contributor to sector performance versus the benchmark.

The best performing Fund holding in the sector was Alexion Pharmaceuticals Inc., which was up 41.7% due to it being an acquisition target by AstraZeneca.

Weight in Consumer Cyclical decreased due to a reduction in the Fund's holding of Amazon.com Inc., which returned 72.8% in the period. The weighting in Industrials increased nearly threefold to the benchmark weight with the addition of several new holdings, including ATS Automation Tooling Systems Inc. Global Payments Inc., Hubbell Inc. and MKS Instruments Inc.

Long-term secular themes of aging populations and US health care system reforms merit continued exposure to the Health Care sector, including health care providers and prescription drug manufacturers. The Fund's position in Financials remained well below the benchmark at only 6.9% versus the benchmark weight of 20.4% but was a positive contributor to performance due to strong returns in holdings in the Fund holdings, including KKR & Co. Inc., which returned 38.3% versus the Financials benchmark return of 0.1% over the same period.

The Fund continues to have a bias toward large-capitalization companies in the US with strong catalysts for growth.

The Fund outperformed its benchmark over the period, this is attributable to strong performance from holdings versus the benchmark.

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

Series								
A	B	F	L	O	R*	T8A	T8B	T8C
19.8%	19.3%	21.0%	19.3%	0.0%	n/a	19.8%	19.3%	19.4%

*Returns are not disclosed for series of the Fund that have been in existence for less than one year.

Any differences in performance returns between Series are primarily due to different management operating and performance fees. Please refer to "Past Performance" for details regarding the performance of the Fund. The calculation of the Fund's performance takes into consideration all fees and expenses of the Fund, which are not applicable in the calculation of the benchmarks performance. The Fund's broad-based benchmark, the Morningstar® Canada Index returned 5.8% over the same period. The comparison to this broad-based index is provided to enable you to compare the Fund's performance relative to that of the general market. A comparison to the Fund's blended benchmark, which is composed of 50% of the Morningstar® Canada Index and 50% of the Morningstar® US Large Cap Index, provides a comparison to a benchmark that is more reflective of the Fund's investment objective and strategy. The benchmark returned 12.7% over the same period.

STONE GROWTH FUND

MANAGEMENT DISCUSSION OF FUND PERFORMANCE (continued)

Change in Net asset value

Net Assets of the Fund increased by 146.4% or \$22.1 million during the period, from \$15.1 million at December 31, 2019 to \$37.2 million at December 31, 2020. This change in Net Assets is attributed to net sales (redemptions) of \$18.3 million, cash distributions of \$0.2 million and \$4.0 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, the Fund is invested in Series A securities of Stone Global Growth Fund. The Manager ensures there is no duplication of management and performance fees, if the Fund invests in another Fund managed by the Manager.

Fund Manager

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

Portfolio Manager

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

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

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

Management fees

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

Series	A	B	F	L	O	R	T8A	T8B	T8C
Annual Fee (%)	2.00	2.50	0.95	2.50	-	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	A	B	F	L	O	R	T8A	T8B	T8C
Dealer Compensation (%)	50	20	-	20	-	20	50	20	30
Investment and Fund Management (%)	50	80	100	80	-	80	50	80	70
Total (%)	100	100	100	100	-	100	100	100	100

Operating fees

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

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

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

Independent Review Committee

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

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

STONE GROWTH FUND

FINANCIAL HIGHLIGHTS

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

THE FUND'S NET ASSETS PER 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	14.44	0.14	(0.55)	1.50	1.69	2.78	-	-	-	-	-	17.29
	Dec 2019	12.38	0.13	(0.43)	0.97	1.30	1.97	-	-	-	-	-	14.44
	Dec 2018	11.56	0.12	(0.46)	1.85	(0.60)	0.91	-	-	-	-	-	12.38
	Dec 2017	11.14	0.11	(0.37)	1.04	(0.40)	0.38	-	-	-	-	-	11.56
A	Dec 2016	11.97	0.10	(0.35)	0.30	(0.99)	(0.94)	-	-	-	-	-	11.14
	Dec 2020	13.02	0.13	(0.55)	1.37	1.50	2.45	-	-	-	-	-	15.53
	Dec 2019	11.22	0.12	(0.45)	0.63	1.52	1.82	-	-	-	-	-	13.02
	Dec 2018	10.53	0.10	(0.48)	1.65	(0.20)	1.07	-	-	-	-	-	11.22
	Dec 2017	10.20	0.09	(0.39)	0.99	(0.38)	0.31	-	-	-	-	-	10.53
B‡	Dec 2016	11.02	0.09	(0.38)	0.22	(0.91)	(0.98)	-	-	-	-	-	10.20
	Dec 2020	18.08	0.18	(0.49)	1.80	2.41	3.90	-	-	-	-	-	21.87
	Dec 2019	15.34	0.16	(0.36)	1.47	1.46	2.73	-	-	-	-	-	18.08
	Dec 2018	14.19	0.15	(0.41)	2.29	(0.96)	1.07	-	-	-	-	-	15.34
	Dec 2017	13.49	0.12	(0.26)	1.32	(0.52)	0.66	-	-	-	-	-	14.19
F	Dec 2016	14.35	0.12	(0.30)	0.52	(1.16)	(0.82)	-	-	-	-	-	13.49
	Dec 2020	18.88	0.19	(0.80)	1.95	2.23	3.57	-	-	-	-	-	22.51
	Dec 2019	16.26	0.17	(0.65)	0.89	2.10	2.51	-	-	-	-	-	18.88
	Dec 2018	15.26	0.16	(0.70)	2.46	(0.81)	1.11	-	-	-	-	-	16.26
	Dec 2017	14.79	0.12	(0.56)	1.42	(0.56)	0.42	-	-	-	-	-	15.26
L	Dec 2016	15.94	0.13	(0.54)	0.42	(1.46)	(1.45)	-	-	-	-	-	14.79
	Dec 2020	10.00	-	-	-	-	-	-	-	-	-	-	10.00
O*	Dec 2019	10.00	-	-	-	-	-	-	-	-	-	-	10.00
R**	Dec 2020	10.00	0.02	(0.08)	(0.01)	0.68	0.61	-	-	-	-	-	10.63
	Dec 2020	5.06	0.05	(0.18)	0.52	0.51	0.90	-	-	-	(0.40)	(0.40)	5.61
	Dec 2019	4.68	0.05	(0.15)	0.28	0.63	0.81	-	-	-	(0.37)	(0.37)	5.06
	Dec 2018	4.70	0.05	(0.18)	0.72	(0.17)	0.42	-	-	-	(0.38)	(0.38)	4.68
	Dec 2017	4.92	0.04	(0.15)	0.46	(0.23)	0.12	-	-	-	(0.39)	(0.39)	4.70
T8A	Dec 2016	5.82	0.05	(0.16)	0.44	(0.43)	(0.10)	-	-	-	(0.48)	(0.48)	4.92
	Dec 2020	4.76	0.05	(0.19)	0.47	0.57	0.90	-	-	-	(0.38)	(0.38)	5.25
	Dec 2019	4.42	0.04	(0.17)	0.22	0.60	0.69	-	-	-	(0.35)	(0.35)	4.76
	Dec 2018	4.46	0.04	(0.19)	0.69	(0.17)	0.37	-	-	-	(0.36)	(0.36)	4.42
	Dec 2017	4.70	0.04	(0.17)	0.44	(0.20)	0.11	-	-	-	(0.38)	(0.38)	4.46
T8B†	Dec 2016	5.58	0.05	(0.18)	(0.11)	(0.46)	(0.70)	-	-	-	(0.46)	(0.46)	4.70
	Dec 2020	4.77	0.05	(0.19)	0.47	0.56	0.89	-	-	-	(0.38)	(0.38)	5.27
	Dec 2019	4.43	0.04	(0.16)	0.29	0.54	0.71	-	-	-	(0.35)	(0.35)	4.77
	Dec 2018	4.47	0.04	(0.19)	0.69	(0.19)	0.35	-	-	-	(0.36)	(0.36)	4.43
	Dec 2017	4.70	0.04	(0.17)	0.45	(0.20)	0.12	-	-	-	(0.38)	(0.38)	4.47
T8C†	Dec 2016	5.58	0.05	(0.18)	0.13	(0.43)	(0.43)	-	-	-	(0.46)	(0.46)	4.70

†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.

**Series opened on July 30, 2020.

Explanatory Notes:

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

STONE GROWTH 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 (\$)
A	Dec 2020	5,800	335,403	3.67	3.67	0.04	22	17.29
	Dec 2019	5,733	397,104	3.35	3.35	0.05	33	14.44
	Dec 2018	3,792	306,386	3.75	3.77	0.08	19	12.38
	Dec 2017	3,895	337,016	3.26	3.28	0.20	29	11.56
	Dec 2016	5,790	519,790	3.16	3.16	0.20	47	11.14
B‡	Dec 2020	3,084	198,540	4.02	4.03	0.04	22	15.53
	Dec 2019	3,225	247,705	3.87	3.87	0.05	33	13.02
	Dec 2018	3,433	306,015	4.28	4.30	0.08	19	11.22
	Dec 2017	4,999	474,797	3.81	3.83	0.20	29	10.53
	Dec 2016	6,997	685,833	3.71	3.71	0.20	47	10.20
F	Dec 2020	2,815	128,727	2.61	2.61	0.04	22	21.87
	Dec 2019	2,136	118,197	2.35	2.35	0.05	33	18.08
	Dec 2018	1,550	101,052	2.77	2.79	0.08	19	15.34
	Dec 2017	1,334	94,052	1.90	1.93	0.20	29	14.19
	Dec 2016	1,233	91,377	2.19	2.19	0.20	47	13.49
L	Dec 2020	471	20,893	4.04	4.04	0.04	22	22.51
	Dec 2019	460	24,348	3.86	3.86	0.05	33	18.88
	Dec 2018	389	23,956	4.27	4.29	0.08	19	16.26
	Dec 2017	438	28,733	3.79	3.81	0.20	29	15.26
	Dec 2016	459	31,054	3.67	3.67	0.20	47	14.79
O*	Dec 2020	-	1	-	-	-	-	10.00
	Dec 2019	-	1	-	-	-	-	10.00
R**	Dec 2020	21,730	2,044,267	3.70	3.70	0.04	22	10.63
T8A	Dec 2020	1,257	224,015	3.62	3.62	0.04	22	5.61
	Dec 2019	1,501	296,475	3.30	3.30	0.05	33	5.06
	Dec 2018	1,667	356,524	3.70	3.72	0.08	19	4.68
	Dec 2017	2,041	434,132	3.21	3.24	0.20	29	4.70
	Dec 2016	4,125	838,842	3.17	3.17	0.20	47	4.92
T8B†	Dec 2020	1,564	297,702	3.99	3.99	0.04	22	5.25
	Dec 2019	1,617	339,794	3.78	3.78	0.05	33	4.76
	Dec 2018	1,821	411,904	4.18	4.20	0.08	19	4.42
	Dec 2017	2,137	478,642	3.75	3.78	0.20	29	4.46
	Dec 2016	3,115	663,267	3.60	3.60	0.20	47	4.70
T8C‡	Dec 2020	460	87,256	3.94	3.94	0.04	22	5.27
	Dec 2019	409	85,653	3.72	3.72	0.05	33	4.77
	Dec 2018	405	91,343	4.12	4.14	0.08	19	4.43
	Dec 2017	458	102,435	3.66	3.69	0.20	29	4.47
	Dec 2016	524	111,490	3.55	3.55	0.20	47	4.70

†Series closed to new purchases on December 4, 2009

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

*Series opened on August 1, 2019.

**Series opened on July 30, 2020.

Explanatory Notes:

- This information is provided as at each period shown.
- Management expense ratio ("MER") for each series is based on total expenses (excluding distributions, commissions and other portfolio transaction costs), including the pro-rata share of expenses of any underlying Stone Funds, for the stated period and is expressed as an annualized percentage of daily average NAV during the period. The MER excluding performance fees for the period ending December 31, 2020 was 3.35% - Series A, 3.85% - Series B, 2.29% - Series F, 3.86% - Series L, 3.30% - Series T8A, 3.80% - Series T8B and 3.73% - Series T8C. The MER excluding performance fees for the period ending December 31, 2018 was 3.42% - Series A, 3.94% - Series B, 2.43% - Series F, 3.94% Series L, 3.37% - Series T8A, 3.85% - Series T8B, 3.80% - Series T8C.
- The trading expense ratio represents total commissions and other portfolio transaction costs, of the Fund and the pro-rata share of any underlying Stone Funds expressed as an annualized percentage of daily average net asset value during the period.
- The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

STONE GROWTH FUND

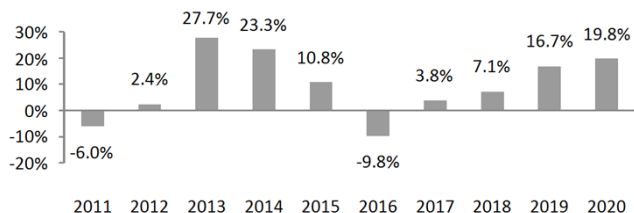
PAST PERFORMANCE

YEAR-BY-YEAR RETURNS

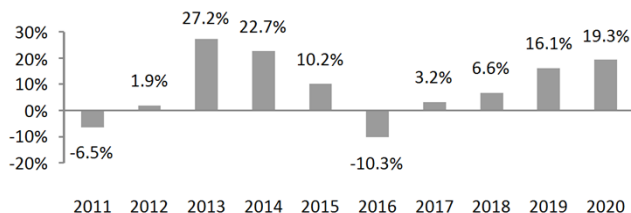
The performance information presented herein assumes all dividends of the Fund during the periods presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, or other charges that would have reduced returns or performance.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

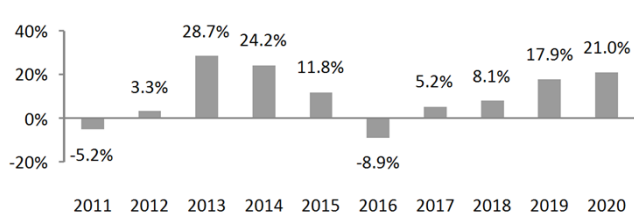
Series A



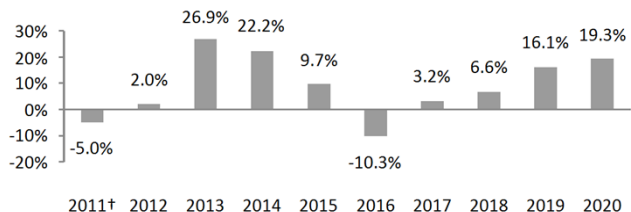
Series B



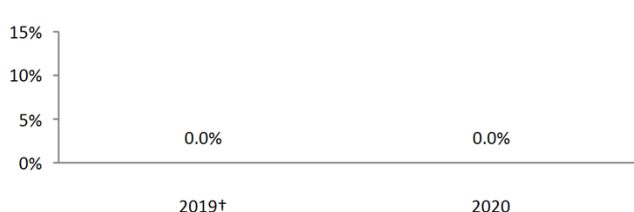
Series F



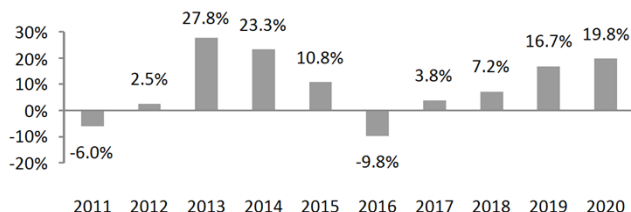
Series L



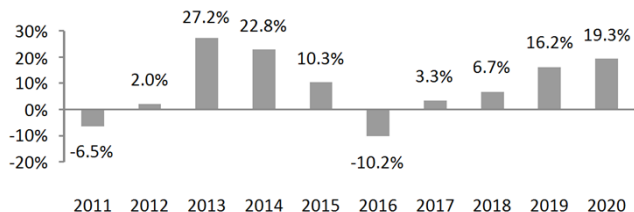
Series O



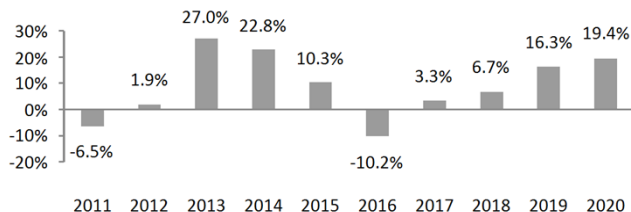
Series T8A



Series T8B



Series T8C



† From inception to December 31 of that year.

STONE GROWTH FUND

PAST PERFORMANCE (continued)

ANNUAL COMPOUND RETURNS

The following table shows the annual compound returns for each series of the Fund compared to the blended benchmark consisting of a 50% weighting of the Morningstar® Canada Index and a 50% weighting of the Morningstar® US Large Cap Index, and is expressed in Canadian dollars. The Fund performance is net of management fees, administrative expenses ("MER") and portfolio transaction costs whereas the benchmark performance does not incorporate such costs.

The 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.

	1 YEAR (%)	3 YEARS (%)	5 YEARS (%)	10 YEAR (%)	SINCE INCEPTION (%)	INCEPTION DATE
Series A	19.8	14.4	7.0	8.9	n/a	1995/10/31
Benchmark	12.7	11.0	11.8	11.4	n/a	1995/10/31
Series B	19.3	13.8	6.4	8.4	n/a	1995/10/31
Benchmark	12.7	11.0	11.8	11.4	n/a	1995/10/31
Series F	21.0	15.5	8.1	10.0	n/a	2001/09/30
Benchmark	12.7	11.0	11.8	11.4	n/a	2001/09/30
Series L	19.3	13.8	6.4	n/a	9.1	2011/09/01
Benchmark	12.7	11.0	11.8	n/a	12.8	2011/09/01
Series O	0.0	n/a	n/a	n/a	0.0	2019/08/01
Benchmark	12.7	n/a	n/a	n/a	14.2	2019/08/01
Series R*	n/a	n/a	n/a	n/a	n/a	2020/07/30
Benchmark	n/a	n/a	n/a	n/a	n/a	2020/07/30
Series T&A	19.8	14.5	7.0	9.0	n/a	2007/09/01
Benchmark	12.7	11.0	11.8	11.4	n/a	2007/09/01
Series T&B	19.3	13.9	6.5	8.5	n/a	2007/09/01
Benchmark	12.7	11.0	11.8	11.4	n/a	2007/09/01
Series T&C	19.4	14.0	6.6	8.5	n/a	2007/09/01
Benchmark	12.7	11.0	11.8	11.4	n/a	2007/09/01

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

*Series R has not been in existence for one year, therefore, performance data is not disclosed.

STONE GROWTH 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'	3.5	Basic Materials	7.5
Palo Alto Networks Inc.	2.8	Consumer Cyclical	7.0
Amazon.com Inc.	2.7	Financials	6.9
Kinaxis Inc.	2.6	Healthcare	25.6
Alexion Pharmaceuticals Inc.	2.5	Industrials	10.5
Cash & cash equivalents	2.5	Technology	33.6
BlackRock Inc.	2.4	Miscellaneous‡	6.8
Microsoft Corp.	2.4	Other net assets (liabilities)	(0.4)
HCA Healthcare Inc.	2.4	Cash & cash equivalents	2.5
Cigna Corp.	2.3	Industry Allocation (%)†	
UnitedHealth Group Inc.	2.3	Advanced Medical Equipment & Technology	6.6
Fortinet Inc.	2.3	Discount Stores	3.8
Broadcom Inc.	2.3	Electric Utilities	3.5
Mastercard Inc., Class 'A'	2.2	Electronic Equipment & Parts	3.6
SS&C Technologies Holdings Inc.	2.2	Gold	4.6
Alphabet Inc., Class 'C'	2.2	Healthcare Facilities & Services	4.1
Intuitive Surgical Inc.	2.2	Industrial Machinery & Equipment	3.8
Visa Inc., Class 'A'	2.2	Investment Management & Fund Operators	6.9
KKR & Co. Inc.	2.1	IT Services & Consulting	4.4
Accenture PLC, Class 'A'	2.1	Managed Healthcare	4.7
Medtronic PLC	2.0	Medical Equipment, Supplies & Distribution	4.2
Aecon Group Inc.	2.0	Online Services	10.1
STERIS PLC	2.0	Pharmaceuticals	6.1
Electronic Arts Inc.	2.0	Software	9.5
TJX Cos. Inc.	1.9	Miscellaneous‡	22.0
	58.1	Other net assets (liabilities)	(0.4)
		Cash & cash equivalents	2.5

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 and Industry allocations for the Stone Fund that is held in the portfolio as an Underlying Investment Fund.

‡Note: Sectors and Industries representing less than 5% and 3%, respectively, of the portfolio are included in "Miscellaneous".

NOTES

NOTES

STONE GROWTH 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 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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