

STONE AMERICAN DIVIDEND GROWTH FUND

Interim Management Report of Fund Performance

June 30, 2021



This interim Management Report of Fund Performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You can get a copy of the interim financial reports or 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 AMERICAN DIVIDEND GROWTH FUND

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

June 30, 2021

INVESTMENT OBJECTIVES

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.

INVESTMENT STRATEGIES

In order to achieve the Fund’s objective, investments will be made in a portfolio of securities whose returns, over time, are expected to exceed the Morningstar® US Large Cap Index on a total return basis, primarily in large cap equity securities listed on a U.S. stock exchange selected based on a bottom-up, fundamental approach for selection of issuers with durable growth prospects. Investments will be made in companies when their current market price represents value relative to their long-term potential, and so long as it continues to offer attractive return potential.

The Fund may, from time to time, hold part of its assets in cash reserves or short-term fixed income investments as a result of a lack of attractive investment opportunities or to facilitate cash flows.

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

Stocks closed out the first half of 2021 with double-digit gains led by the economic recovery, continued fiscal stimulus and strong corporate earnings. Data on everything from consumer spending to hiring to small business confidence has bounced back and stayed above the pandemic lows. The Morningstar® Developed Markets Large-Mid Cap Index was up 9.9% for the period. The Morningstar® US Large Cap Index was up 11.3% for the period.

The Canadian markets was one of the best performing global markets for 2021 with the Morningstar® Canada Index posting a 17.2% return for the period. The best performing sectors were energy and financials as they have benefited from the global economic reopening after the pandemic-driven downturn. Energy and financials make up a significant portion of the Canadian markets and these sectors benefited from the move to cyclical and value names. Oil prices topped \$75/barrel for the first time since 2018 as the reopening economy caused surging demand for oil in the industrialized economies.

Energy demand was also boosted by domestic consumption as the extreme weather events in the year saw both a deep freeze in Texas as well as record-setting heat temperatures on the North American west coast. The weakest sector on the Canadian markets was the materials group as the price of gold remained depressed for the period.

The precious metal has suffered since its record close of \$2,069/oz in August 2020 and is now down 14.0% from that high point. Forecasts of a solid economic recovery from vaccinations and stimulus spending have tarnished gold’s allure as a safety haven in times of uncertainty.

The steady rise in bond yields accelerated earlier in the year roiling markets and questioning central banks’ ability of controlling the pace of economic recovery. Government bond yields soared globally popping the US 10-year Treasury yields to 1.7% in April (tripling from its low last summer) before falling back to the 1.5% level.

This was a level not seen since February 2020. Even though the economic data does not suggest a return to solid economic recovery any time soon, the markets have begun to price in much faster growth. Canadian bond yields also moved in tandem with their US counterparts with yields on the 10-year Canadian jumping to 1.6% before settling at 1.4%.

Expectations are that the Bank of Canada will “taper” its rate of buying government bonds and raise rates sooner than the US Federal Reserve.

Economists and investment managers believe the bond market is moving on faster-than-expected economic growth as the Coronavirus vaccine rollout boosts GDP forecasts. However, the move in yields could also signal hotter inflation ahead, which weighed on equity valuations in certain periods throughout the year.

COVID-19 impact

During the period equity markets continued to move higher, after recovering most if not all the losses incurred in the COVID-19 related bear market earlier in calendar year of 2020. Cash levels were deployed throughout the period as we became more comfortable with the reopening of the economy and recovery in corporate profits.

In addition, 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).

Within our pure total return and income mandates, companies that are either highly leveraged or at risk of cutting their dividends have been 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. All the public equity holdings are liquid positions and can be sold within a day.

We use our proprietary investment process daily and in volatile market conditions, we seek to ensure that we can manage downside risk and adjust the portfolios accordingly while seeking to achieve our long-term investment goals for our clients.

Performance

The Fund was underweighted in interest-sensitive sectors such as Technology and Real Estate. We were 6.0% below the benchmark weight in Telecommunications and a zero weight in Real Estate vs. the index of 2.5%. Being overweight in underperforming Verizon Communications Inc. and no exposure to Alphabet Inc. has hurt the performance the most.

STONE AMERICAN DIVIDEND GROWTH FUND

MANAGEMENT DISCUSSION OF FUND PERFORMANCE (continued)

Real Estate sector performed positively over the period, however, the Fund did not miss by much considering the low weight in the entire benchmark

The Fund's Utilities exposure was above the benchmark and security selection boosted the performance due to the Fund's exposure in AES Corp which was up 9.1% over the 6-month period. Energy was another detractor to the overall performance as the Fund had no exposure to the sector while the sector rose 41.6 % over the 1st half of 2021.

The Fund's Basic Materials sector weight was negatively impacted by being overweight the under performing gold players. The Manager sold the names in February 2021 as the condition was changed to the detriment of precious metal.

Being slightly overweight in the Financials sector together with security selection positively contributed to the performance with Fifth Third Bancorp up 36.7% and Citizen Financial Group Inc. up 27.0% among the top 10 performers. The Fund's slight overweight position in the Technology sector also contributed to performance as the Fund's holdings averaged 12.8% return over the period versus the sector benchmark increasing 10.7%.

Health Care was also a significant contributor to performance almost equal weight but helped by superior security selection with CVS Health Corp. up 20.3% and 1.8% overweight. Industrials was another shining sector and contributed positively being slightly overweight and great contribution from security selection with ABB Ltd. and United Parcel Service Inc. both up over 21.0%.

The Fund's underweight position in the Consumer Cyclical sector was compensated for by higher returns in the Fund's holdings most notably Home Depot Inc., which was up 18.0%. Consumer Non-Cyclicals was neutral in its impact on overall relative performance.

The Fund held higher than normal cash balance of 4.4%, up from 1.7% at the end of last year.

The Fund's Series underperformed its blended benchmark during the period. As mentioned above, both sector allocation and stock selection were the reasons for our underperformance vs. the benchmark. In addition, the Canadian dollar increase relative to US dollar intensified the gap. 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				
A	F	O	T5A	T5F
6.9%	7.6%	0.0%	6.9%	0.0%

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

The Fund's main benchmark, which is Morningstar® U.S. Large Cap Index, provides a comparison to a benchmark that is more reflective of the Fund's investment objective and strategy. The main benchmark returned 11.3% over the same period.

Change in Net asset value

Net Assets of the Fund decreased by 8.0% or \$0.4 million during the period, from \$5.0 million at December 31, 2020 to \$4.6 million at June 30, 2021. This change in Net Assets is attributed to net sales (redemptions) of (\$0.7) million and \$0.3 million to investment operations, including market appreciation (depreciation), income and expenses.

RECENT DEVELOPMENTS

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

Statement of Compliance

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

RELATED PARTY TRANSACTIONS

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

Fund Manager

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

Portfolio Manager

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

Management fees

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

Series	A	F	O	T5A	T5F
Annual Fee (%)	2.00	0.95	-	2.00	0.95

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

Series	A	F	O	T5A	T5F
Dealer Compensation (%)	50	-	-	50	-
Investment and Fund Management (%)	50	100	-	50	100
Total (%)	100	100	-	100	100

STONE AMERICAN DIVIDEND GROWTH FUND

MANAGEMENT DISCUSSION OF FUND

PERFORMANCE (continued)

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 AMERICAN DIVIDEND 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	From net investment income (excluding dividends)	Dividends	Capital gains	Return of capital	Total distributions ³	
	Jun 2021	9.31	0.11	(0.22)	0.58	0.18	0.65	-	-	-	-	-	9.96
	Dec 2020	8.84	0.26	(0.44)	0.31	0.10	0.23	-	-	-	-	-	9.31
	Dec 2019	8.70	0.32	(0.36)	0.52	0.27	0.75	-	-	(0.28)	(0.53)	(0.81)	8.84
	Dec 2018	10.37	0.30	(0.43)	0.46	(0.92)	(0.59)	-	-	(0.15)	(0.74)	(0.89)	8.70
	Dec 2017	10.84	0.28	(0.32)	0.16	0.30	0.42	-	-	-	(0.90)	(0.90)	10.37
A	Dec 2016	11.05	0.26	(0.34)	0.20	1.40	1.52	-	-	(0.22)	(0.68)	(0.90)	10.84
	Jun 2021	9.96	0.12	(0.17)	0.59	0.21	0.75	-	-	-	-	-	10.71
	Dec 2020	9.34	0.27	(0.35)	0.29	0.27	0.48	-	-	-	-	-	9.96
	Dec 2019	9.23	0.33	(0.28)	1.53	0.02	1.60	-	-	(0.49)	(0.54)	(1.03)	9.34
	Dec 2018	10.82	0.32	(0.33)	0.50	(1.01)	(0.52)	-	-	(0.14)	(0.74)	(0.88)	9.23
	Dec 2017	11.16	0.29	(0.21)	0.14	0.38	0.60	-	-	-	(0.90)	(0.90)	10.82
F	Dec 2016	11.23	0.28	(0.21)	0.32	0.62	1.01	-	-	(0.22)	(0.68)	(0.90)	11.16
	Jun 2021	10.00	-	-	-	-	-	-	-	-	-	-	10.00
	Dec 2020	10.00	-	-	-	-	-	-	-	-	-	-	10.00
O†	Dec 2019	10.00	-	-	-	-	-	-	-	-	-	-	10.00
	Jun 2021	10.70	0.13	(0.25)	0.65	0.20	0.73	-	-	-	(0.27)	(0.27)	11.16
	Dec 2020	10.71	0.30	(0.52)	0.34	0.33	0.45	-	-	-	(0.54)	(0.54)	10.70
T5A†	Dec 2019	10.00	0.15	(0.18)	1.49	(0.39)	1.07	-	-	(0.54)	(0.08)	(0.62)	10.71
	Jun 2021	10.00	-	-	-	-	-	-	-	-	-	-	10.00
	Dec 2020	10.00	-	-	-	-	-	-	-	-	-	-	10.00
T5F†	Dec 2019	10.00	-	-	-	-	-	-	-	-	-	-	10.00

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

Explanatory Notes:

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

STONE AMERICAN DIVIDEND 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	Jun 2021	2,550	256,070	4.02	4.94	0.07	13	9.96
	Dec 2020	2,744	294,643	4.41	4.72	0.06	13	9.31
	Dec 2019	4,432	501,105	3.32	3.32	0.13	59	8.84
	Dec 2018	14,534	1,670,842	3.62	3.62	0.04	25	8.70
	Dec 2017	24,404	2,353,073	2.70	3.24	0.03	19	10.37
	Dec 2016	29,729	2,742,159	2.78	3.70	0.12	16	10.84
F	Jun 2021	804	75,028	2.83	3.75	0.07	13	10.71
	Dec 2020	764	76,720	3.17	3.48	0.06	13	9.96
	Dec 2019	790	84,535	2.19	2.19	0.13	59	9.34
	Dec 2018	383	41,467	2.47	2.47	0.04	25	9.23
	Dec 2017	583	53,896	1.67	2.01	0.03	19	10.82
	Dec 2016	622	55,676	1.64	2.19	0.12	16	11.16
O†	Jun 2021	-	1	-	-	-	-	10.00
	Dec 2020	-	1	-	-	-	-	10.00
	Dec 2019	-	1	-	-	-	-	10.00
T5A†	Jun 2021	1,264	113,216	4.04	4.95	0.07	13	11.16
	Dec 2020	1,458	136,278	4.40	4.71	0.06	13	10.70
	Dec 2019	1,715	160,078	3.31	3.31	0.13	59	10.71
T5F†	Jun 2021	-	1	-	-	-	-	10.00
	Dec 2020	-	1	-	-	-	-	10.00
	Dec 2019	-	1	-	-	-	-	10.00

† 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) for the stated period and is expressed as an annualized percentage of daily average NAV during the period.
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

STONE AMERICAN DIVIDEND GROWTH FUND

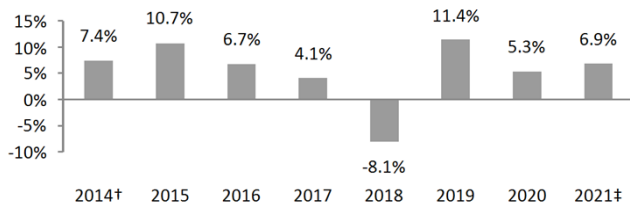
PAST PERFORMANCE

YEAR-BY-YEAR RETURNS

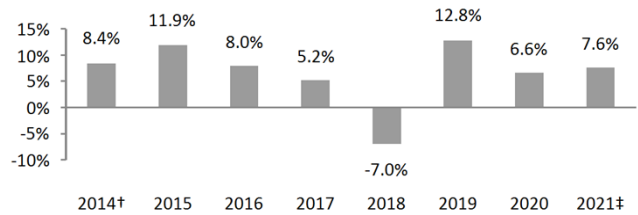
The performance information presented herein assumes all dividends of the Fund during the periods presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, or other charges that would have reduced returns or performance.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

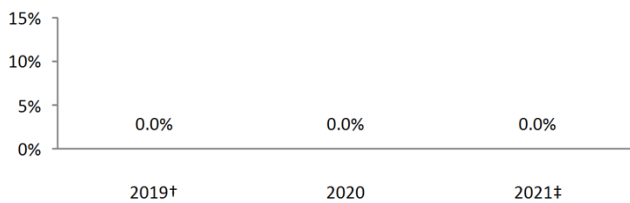
Series A



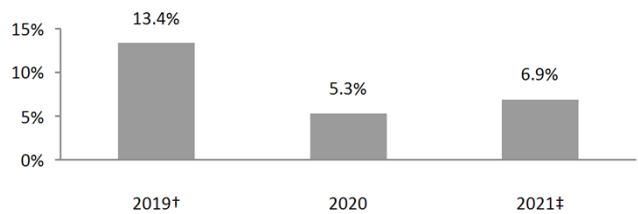
Series F



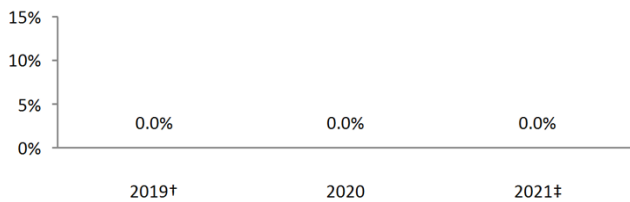
Series O



Series T5A



Series T5F



† From inception to December 31 of that year.

‡ For the six-month period ended June 30, 2021.

STONE AMERICAN DIVIDEND GROWTH FUND

SUMMARY OF INVESTMENT PORTFOLIO

AS AT JUNE 30, 2021

TOP 25 HOLDINGS		PORTFOLIO COMPOSITION	
Name of Security	% of Total Net Asset Value	Sector Allocation (%)	
Cash & cash equivalents	4.4	Consumer Cyclical	7.4
BlackRock Inc.	3.6	Consumer Non-Cyclicals	13.9
Microsoft Corp.	3.4	Financials	15.8
Raytheon Technologies Corp.	3.3	Healthcare	12.6
Allstate Corp.	3.2	Industrials	8.7
Fifth Third Bancorp	3.1	Technology	32.0
ABB Ltd., ADR	3.1	Miscellaneous†	4.8
Citizens Financial Group Inc.	3.0	Other net assets (liabilities)	0.4
Oracle Corp.	3.0	Cash & cash equivalents	4.4
KLA Corp.	2.9	Industry Allocation (%)	
Applied Materials Inc.	2.8	Aerospace & Defense	3.3
Accenture PLC, Class 'A'	2.8	Banks	6.2
Stryker Corp.	2.8	Broadcasting	2.1
3M Co.	2.8	Communications & Networking	2.1
Abbott Laboratories	2.8	Consumer Goods Conglomerates	7.5
Home Depot Inc.	2.7	Courier, Postal, Air Freight & Land-based Logistics	2.3
State Street Corp.	2.7	Discount Stores	2.5
Ingredion Inc.	2.6	Electric Utilities	2.5
Honeywell International Inc.	2.6	Financial Technology (Fintech)	2.5
Costco Wholesale Corp.	2.5	Food Processing	2.6
Visa Inc., Class 'A'	2.5	Food Retail & Distribution	2.5
Ecolab Inc.	2.5	Healthcare Facilities & Services	2.2
Fidelity National Information Services Inc.	2.5	Heavy Electrical Equipment	3.1
Walmart Inc.	2.5	Home Improvement Products & Services Retailers	2.7
AES Corp.	2.5	Investment Management & Fund Operators	6.4
	72.6	IT Services & Consulting	2.8
		Medical Equipment, Supplies & Distribution	5.6
		Online Services	3.9
		Pharmaceuticals	4.8
		Phones & Handheld Devices	2.4
		Property & Casualty Insurance	3.2
		Semiconductor Equipment & Testing	5.8
		Semiconductors	4.5
		Software	6.3
		Specialty Chemicals	2.5
		Miscellaneous†	2.9
		Other net assets (liabilities)	0.4
		Cash & cash equivalents	4.4

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

†Note: Sector and Industries representing less than 5% and 2%, respectively, of the portfolio are included in "Miscellaneous".

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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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