

# **STONE GLOBAL BALANCED 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](http://www.stoneco.com); or SEDAR at [www.sedar.com](http://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

June 30, 2021

### 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

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.

# STONE GLOBAL BALANCED FUND

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE (continued)

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

Within asset allocation, outperformance was attributed to the fact that the Fund had a higher proportional weight assigned to Stone Global Growth Fund, Series 'A' and Stone Global Sustainability Fund, Series 'A'. The Stone Global Growth Fund had a 6.5% return for the first half of 2021 while the Stone Global Sustainability Fund had a modest gain of 2.8%.

The Fund finished the period with a 43.2% weighting in Fixed Income as bonds outperformed equities over the period.

The Fund was underweighted in several interest-sensitive sectors such as Technology and Real Estate. The weakness in the above sectors proved to be a contributor for the Fund as bond yields plummeted, and interest-sensitive sectors failed to bounce back following the March correction.

Our Utilities exposure versus benchmark made up for some of our underweight exposure in other interest-sensitive sectors and was neutral in that the selection of investments provided slightly less downside returns compared to the index with returns from such names as Boralex Inc. being offset by losses of TransAlta Corp. falling 27%.

Even though our Energy weight began the period well below the index, our Energy weight was reduced to 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 which 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 55.5% and 11.7% respectively.

The Fund's large weight in the Financials sector was neutral to performance since the holdings performed slightly better than the sector benchmark. We exited positions in the US banks JP Morgan Chase & Co. and Bank of America Corp. during the period.

Our overweight position in the Technology sector also did well with companies such as Microsoft Corp., Visa Inc. and Open Text Corp., but we underperformed the benchmark due to no weighting in two of Canada's largest technology companies, Shopify Inc or Kinaxis, neither of which pay a dividend.

The Fund's Series underperformed its benchmark during the period. As mentioned above, both sector allocation and stock selection were the reasons for our outperformance versus the benchmark. In addition, our US investments made up 40.6% of the portfolio, inclusive of US dollar cash, and the 4.5% fall in the Canadian dollar had a positive effect on our US dollar holdings.

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
1.5%	1.3%	1.9%	1.3%	0.0%	1.5%	1.3%	1.3%

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 broad-based benchmark, the Morningstar® Canada Index returned 17.2% 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 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 benchmark returned 6.0% over the same period.

### Change in Net asset value

Net Assets of the Fund decreased by 5.1% or \$3.3 million during the period, from \$64.4 million at December 31, 2020 to \$61.1 million at June 30, 2021. This change in Net Assets is attributed to net sales (redemptions) of (\$3.4) million, cash distributions of \$0.8 million and \$0.9 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.

# STONE GLOBAL BALANCED FUND

## MANAGEMENT DISCUSSION OF FUND

### PERFORMANCE (continued)

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. 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.

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 SECURITY<sup>1</sup>

Series	As at	Net assets, beginning of period <sup>2</sup>	Increase (decrease) from operations <sup>2</sup> (All figures in (\$))					Distributions <sup>2,3</sup>				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 <sup>2</sup>	Net investment income (excluding dividends)	Dividends	Capital gains	Return of capital		Total distributions <sup>3</sup>
	Jun 2021	23.45	0.21	(0.23)	1.23	(0.87)	0.34	-	(0.01)	-	(0.01)	(0.01)	23.79
	Dec 2020	21.77	0.37	(0.43)	3.64	(0.41)	3.17	-	(1.38)	-	(1.38)	(1.38)	23.45
	Dec 2019	19.42	0.29	(0.32)	1.80	0.63	2.40	-	(0.02)	-	(0.02)	(0.02)	21.77
	Dec 2018	19.93	0.29	(0.31)	0.67	(1.14)	(0.49)	-	-	(0.02)	(0.02)	(0.02)	19.42
	Dec 2017	18.47	0.32	(0.34)	0.73	0.78	1.49	-	-	(0.02)	(0.02)	(0.02)	19.93
<b>AA</b>	Dec 2016	18.56	0.34	(0.34)	1.08	(1.11)	(0.03)	-	(0.02)	-	(0.02)	(0.02)	18.47
	Jun 2021	23.57	0.21	(0.28)	1.28	(0.97)	0.24	-	(0.01)	-	(0.01)	(0.01)	23.87
	Dec 2020	20.78	0.35	(0.49)	3.64	(0.85)	2.65	-	(0.02)	-	(0.02)	(0.02)	23.57
	Dec 2019	18.59	0.27	(0.36)	1.77	0.77	2.45	-	(0.02)	-	(0.02)	(0.02)	20.78
	Dec 2018	19.13	0.28	(0.35)	0.64	(0.83)	(0.26)	-	-	(0.02)	(0.02)	(0.02)	18.59
	Dec 2017	17.79	0.31	(0.39)	0.75	0.78	1.45	-	-	(0.02)	(0.02)	(0.02)	19.13
<b>BB†</b>	Dec 2016	17.94	0.33	(0.39)	1.04	(1.19)	(0.21)	-	(0.02)	-	(0.02)	(0.02)	17.79
	Jun 2021	26.42	0.23	(0.16)	1.38	(0.93)	0.52	-	(0.01)	-	(0.01)	(0.01)	26.91
	Dec 2020	23.54	0.40	(0.29)	4.07	(0.91)	3.27	-	(0.61)	-	(0.61)	(0.61)	26.42
	Dec 2019	20.88	0.31	(0.22)	1.95	0.67	2.71	-	(0.02)	-	(0.02)	(0.02)	23.54
	Dec 2018	21.31	0.31	(0.20)	0.72	(1.23)	(0.40)	-	-	(0.02)	(0.02)	(0.02)	20.88
	Dec 2017	19.59	0.34	(0.20)	0.73	0.77	1.64	-	-	(0.02)	(0.02)	(0.02)	21.31
<b>FF</b>	Dec 2016	19.55	0.36	(0.22)	1.12	(1.02)	0.24	-	(0.02)	-	(0.02)	(0.02)	19.59
	Jun 2021	17.47	0.15	(0.21)	0.94	(0.69)	0.19	-	(0.01)	-	(0.01)	(0.01)	17.69
	Dec 2020	16.29	0.28	(0.38)	2.77	(0.54)	2.13	-	(1.03)	-	(1.03)	(1.03)	17.47
	Dec 2019	14.58	0.22	(0.29)	1.36	0.59	1.88	-	(0.02)	-	(0.02)	(0.02)	16.29
	Dec 2018	15.01	0.22	(0.27)	0.50	(0.73)	(0.28)	-	-	(0.02)	(0.02)	(0.02)	14.58
	Dec 2017	13.96	0.24	(0.31)	0.55	0.58	1.06	-	-	(0.02)	(0.02)	(0.02)	15.01
<b>L</b>	Dec 2016	14.08	0.26	(0.31)	0.81	(0.83)	(0.07)	-	(0.02)	-	(0.02)	(0.02)	13.96
	Jun 2021	10.00	-	-	-	-	-	-	-	-	-	-	10.00
	Dec 2020	10.00	-	-	-	-	-	-	-	-	-	-	10.00
<b>O*</b>	Dec 2019	10.00	-	-	-	-	-	-	-	-	-	-	10.00
	Jun 2021	6.86	0.06	(0.07)	0.36	(0.25)	0.10	-	(0.27)	-	(0.27)	(0.27)	6.68
	Dec 2020	7.02	0.11	(0.13)	1.16	(0.21)	0.93	-	(1.10)	-	(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)	(0.54)	7.02
	Dec 2018	7.51	0.11	(0.11)	0.24	(0.39)	(0.15)	-	-	(0.60)	(0.60)	(0.60)	6.75
	Dec 2017	7.52	0.12	(0.13)	0.28	0.32	0.59	-	-	(0.60)	(0.60)	(0.60)	7.51
<b>T8A</b>	Dec 2016	8.21	0.15	(0.14)	0.46	(0.46)	0.01	-	(0.31)	(0.35)	(0.66)	(0.66)	7.52
	Jun 2021	6.57	0.06	(0.08)	0.35	(0.25)	0.08	-	(0.26)	-	(0.26)	(0.26)	6.39
	Dec 2020	6.74	0.11	(0.15)	1.11	(0.22)	0.85	-	(1.04)	-	(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)	(0.52)	6.74
	Dec 2018	7.25	0.10	(0.13)	0.23	(0.34)	(0.14)	-	-	(0.58)	(0.58)	(0.58)	6.50
	Dec 2017	7.28	0.12	(0.15)	0.28	0.32	0.57	-	-	(0.58)	(0.58)	(0.58)	7.25
<b>T8B†</b>	Dec 2016	7.98	0.14	(0.17)	0.45	(0.52)	(0.10)	-	(0.30)	(0.34)	(0.64)	(0.64)	7.28
	Jun 2021	6.44	0.06	(0.07)	0.37	(0.28)	0.08	-	(0.26)	-	(0.26)	(0.26)	6.27
	Dec 2020	6.72	0.11	(0.15)	1.10	(0.19)	0.87	-	(1.15)	-	(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)	(0.52)	6.72
	Dec 2018	7.23	0.10	(0.12)	0.23	(0.37)	(0.16)	-	-	(0.58)	(0.58)	(0.58)	6.48
	Dec 2017	7.26	0.12	(0.15)	0.28	0.30	0.55	-	-	(0.58)	(0.58)	(0.58)	7.23
<b>T8C†</b>	Dec 2016	7.96	0.14	(0.16)	0.45	(0.51)	(0.08)	-	(0.30)	(0.34)	(0.64)	(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 unaudited interim financial report and 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) <sup>1</sup>	Number of securities outstanding <sup>1</sup>	Management expense ratio ("MER") (%) <sup>2</sup>	MER before waivers or absorptions (%) <sup>2</sup>	Trading expense ratio (%) <sup>3</sup>	Portfolio turnover rate (%) <sup>4</sup>	Net asset value per security (\$)
	Jun 2021	15,922	669,349	2.86	2.88	0.03	31	23.79
	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
AA	Jun 2021	479	20,049	3.23	3.25	0.03	31	23.87
	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
BB‡	Jun 2021	7,042	261,708	2.07	2.09	0.03	31	26.91
	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
FF	Jun 2021	1,960	110,794	3.25	3.27	0.03	31	17.69
	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
L	Jun 2021	-	1	-	-	-	-	10.00
	Dec 2020	-	1	-	-	-	-	10.00
	Dec 2019	-	1	-	-	-	-	10.00
	Jun 2021	16,703	2,500,563	2.82	2.84	0.03	31	6.68
	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
T8A	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
	Jun 2021	17,350	2,715,243	3.22	3.24	0.03	31	6.39
	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
T8B†	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
	Jun 2021	1,629	260,007	3.16	3.18	0.03	31	6.27
	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
T8C†	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

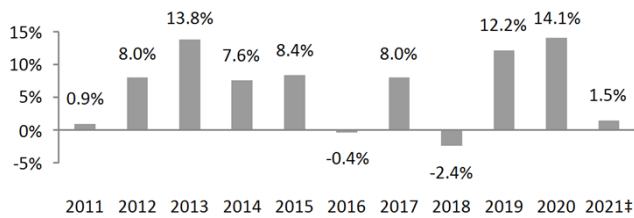
## PAST PERFORMANCE

### YEAR-BY-YEAR RETURNS

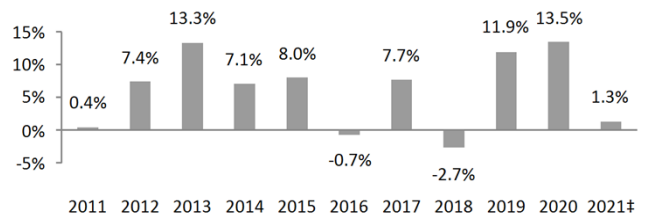
The performance information presented herein assumes all dividends of the Fund during the periods presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, or other charges that would have reduced returns or performance.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

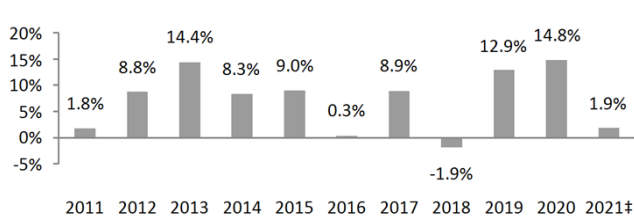
**Series AA**



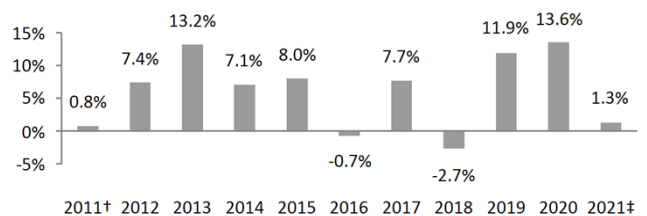
**Series BB**



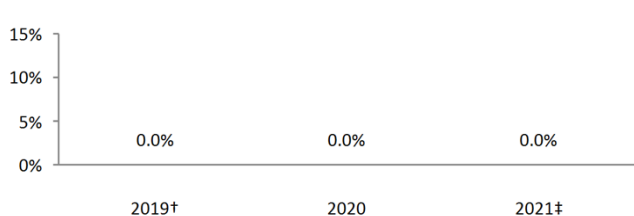
**Series FF**



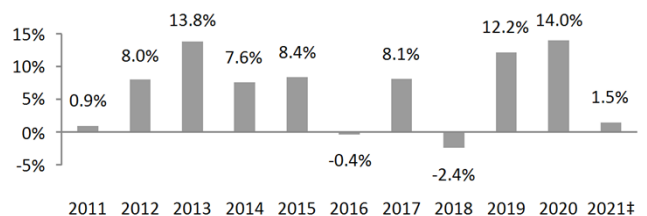
**Series L**



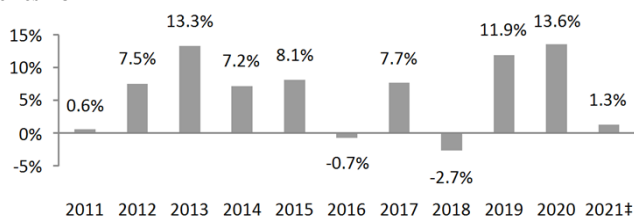
**Series O**



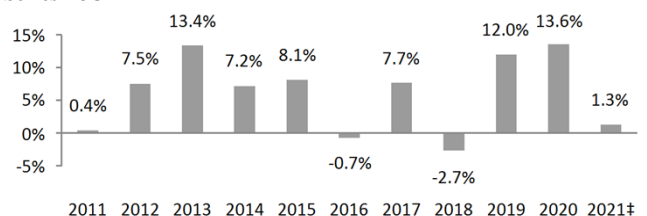
**Series T8A**



**Series T8B**



**Series T8C**



† From inception to December 31 of that year.

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

# STONE GLOBAL BALANCED 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 (%)†	
Stone Global Sustainability Fund, Series 'A'	18.0	Corporate Bonds	25.1
Stone Global Growth Fund, Series 'A'	13.7	Federal Bonds & Guarantees	6.5
Government of Canada, 2.000%, 2051/12/01	2.7	Financials	10.6
Royal Bank of Canada	1.7	Healthcare	5.5
Toronto-Dominion Bank	1.6	Industrials	9.0
Province of Ontario, 1.750%, 2025/09/08	1.6	Provincial Bonds & Guarantees	11.6
Canada Housing Trust No. 1, 1.750%, 2030/06/15	1.4	Technology	15.2
Brookfield Asset Management Inc., Class 'A'	1.3	Miscellaneous‡	15.6
Bank of Nova Scotia	1.3	Other net assets (liabilities)	(0.2)
Province of Quebec, 3.500%, 2048/12/01	1.3	Cash & cash equivalents	1.1
Cash & cash equivalents	1.1	<b>Industry Allocation (%)†</b>	
Microsoft Corp.	1.1	Advanced Medical Equipment & Technology	1.6
TFI International Inc.	1.1	Banks	6.9
Visa Inc., Class 'A'	0.9	Commercial REITs	1.6
Province of Quebec, 3.500%, 2022/12/01	0.9	Construction Supplies & Fixtures	1.3
Province of Ontario, 3.150%, 2022/06/02	0.9	Corporate Bonds	25.1
Province of Ontario, 2.900%, 2049/06/02	0.8	Courier, Postal, Air Freight & Land-based Logistics	1.0
Province of Ontario, 3.500%, 2024/06/02	0.8	Discount Stores	1.3
Abbott Laboratories	0.8	Electric Utilities	1.0
Cenovus Energy Inc., Callable, 3.500%, 2028/02/07	0.8	Electrical Components & Equipment	1.3
Province of Quebec, 4.250%, 2043/12/01	0.7	Environmental Services & Equipment	1.5
Power Corp. of Canada	0.7	Federal Bonds & Guarantees	6.5
Canada Housing Trust No. 1, 2.900%, 2024/06/15	0.7	Financial Technology (Fintech)	1.2
Canada Housing Trust No. 1, 2.350%, 2023/06/15	0.7	Food Processing	1.1
Canadian Imperial Bank of Commerce	0.7	Ground Freight & Logistics	1.3
	<b>57.3</b>	Independent Power Producers	1.1
		Integrated Telecommunications Services	1.1
		Investment Management & Fund Operators	2.0
		Life & Health Insurance	1.6
		Medical Equipment, Supplies & Distribution	3.2
		Online Services	5.0
		Provincial Bonds & Guarantees	11.6
		Semiconductors	1.1
		Software	5.4
		Specialty Chemicals	1.0
		Miscellaneous‡	13.3
		Other net assets (liabilities)	(0.2)
		Cash & cash equivalents	1.1
		<b>Asset Allocation (%) †</b>	
		Bonds	43.2
		Equities	55.9
		Other net assets (liabilities)	(0.2)
		Cash & cash equivalents	1.1

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](http://www.stoneco.com).

Prospectus and other information about the underlying Funds are available on the internet at [www.sedar.com](http://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

## NOTES

## NOTES

# STONE GLOBAL BALANCED FUND

## Interim Management Report of Fund Performance

June 30, 2021

### 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.



### STONE ASSET MANAGEMENT LIMITED

276 King Street West, Suite 203 | Toronto, Ontario M5V 1J2 | T: 416 364 9188 or 800 336 9528  
F: 416 364 8456 | [info@stoneco.com](mailto:info@stoneco.com) | [www.stoneco.com](http://www.stoneco.com)

