

STONE DIVIDEND YIELD HOG FUND

2021 Annual Management Report of Fund Performance

For the period ended December 31, 2021



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 DIVIDEND YIELD HOG FUND

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

December 31, 2021

INVESTMENT OBJECTIVES

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

INVESTMENT STRATEGIES

In order to achieve the Fund's objective, in respect of the equity component of the Fund's portfolio, investments are made based on an analysis of financial information of each potential investment to identify undervalued companies with improving fundamentals and high potential for price appreciation.

Other factors, including economic data, are used to identify business cycle trends. The Fund may invest up to 49% of net assets in foreign securities, may write covered calls and puts (secured by cash) to enhance income and may use derivatives and invest in other mutual funds. In respect of the fixed income component of the Fund's portfolio, investments are made based on an analysis of the yield curve to identify securities offering good relative value.

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 2021 with double-digit gains led by the economic recovery, continued fiscal stimulus, successful vaccine deployment and strong corporate earnings. US companies ended the year with a record \$3.88 trillion in cash on their balance sheets and this led to a record \$234 billion in share buybacks in Q3 of this year. Data on everything from consumer spending to hiring to small business confidence had bounced back and stayed above the pandemic lows. These strong data points offset the risk of the spike in COVID-19 cases brought on by the Omicron variant and higher inflation torpedoing the economy back into another malaise.

The Morningstar Global Markets index was up 17.3% for the year. The Morningstar US Large cap index was up 26.1% this year closing at a record, scoring its 70th record close of the year. Asian markets performed horribly with the Hang Seng down 14.1%. China's crackdown on technology companies, coupled with the massive real estate debt on companies such as Evergrande, have caused investors to sell the market.

Even with this strong rally, stocks are cheaper now than they were at the beginning of the year. US companies are trading at 21x analysts' projected earnings for the next year, compared to 22.8 times at the end of 2020. This was due to the blowout year of corporate earnings as the US companies' profit rose 45.0%, the most since 2008. Profit growth for next year is still expected to grow by 9.0% for 2022.

Domestically, the Morningstar Canada index posted a strong gain for 2021 with a 24.7% return. The best performing sectors were Energy and Financials as they have benefited from the global economic reopening after the pandemic-driven downturn. Domestically, the Morningstar Canada index posted a strong gain for 2021 with a 24.7% return. 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 45.3% of the entire market and these sectors benefited from the move to cyclical and value names. The Energy sector was up 79.9% for the year while Financials were up 31.6%. Oil prices topped \$85 per 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 a deep freeze in Texas, record-setting heat temperatures on the North American west coast, and skyrocketing gas prices in Europe. Oil eased back to \$75 per barrel at the end of 2021 after the Omicron variant threat hit demand but this was still up 55.0% for the year. The Financial sector was helped by rising bond yields as this helps these companies with higher net interest margin spreads. The weakest sector was the Basic Materials group up 2.4% as the price of gold remained depressed for the year. The precious metal has suffered since its record close of \$2069/oz in August 2020 and is now down 15.0% from that high point at \$1800/oz (and down 3.5% for the year). Silver prices were down 11.4% in 2021.

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% mid-year (tripling from its low last summer) before falling back to the 1.6% level at year end. 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 join the US Federal Reserve and "taper" its rate of buying government bonds and raising rates. Economists and investment managers believe the bond market is moving on faster-than-expected economic growth as the COVID-19 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 year equity markets continued to gain, 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.

STONE DIVIDEND YIELD HOG FUND

MANAGEMENT DISCUSSION OF FUND PERFORMANCE (continued)

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 had no exposure to Basic Materials for the period end as we exited our gold positions. This contributed positively as the sector underperformed the benchmark by over 20.0%. Similarly, the Fund did not have any exposure to Consumer Cyclical which contributed to the overall performance as this sector also underperformed the benchmark. Lastly, we stayed away from the Health Care sector as well due to companies generally paying either no dividend or having low dividend yields to Fund growth, including the Canadian cannabis companies that drove the Health Care sector down over 17.0% during the period which positively contributed to the relative performance.

The Fund was underweighted in several sectors including Industrials, Technology Energy and Consumer Non-Cyclicals. The slight underweight position in Energy was a detractor due to no exposure to exploration and production companies and instead focusing on more stable and dividend paying pipelines.

Being overweight to the benchmark, the Fund's Financials sector performance was among the highest contributors to return with 5 out 10 top performers coming from this sector.

The Fund held overweight positions in Technology which was a positive contributor to overall performance. Shaw Communications Inc. which was subject to an acquisition by Rogers Communications Inc. greatly impacted the performance in this sector as it was the top performer by 78.4% positive performance over the period.

Slight overweight in outperforming the Real Estate sector (relative to the benchmark up 37.9% vs up 25.0%) also, positively contributed to the performance.

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

	Series				
A	F	O	T5A	T5F	
23.8%	25.5%	0.0%	23.7%	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 benchmark (the Morningstar® Canada Index) returned 24.7% over the same period.

Change in Net asset value

Net Assets of the Fund decreased by 1.3% or \$0.1 million during the period, from \$7.5 million at December 31, 2020 to \$7.4 million at December 31, 2021. This change in Net Assets is attributed to net sales (redemptions) of (\$1.8) million and \$1.7 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.

Subsequent to December 31, 2021, the escalating conflict between Ukraine and the Russian Federation has resulted in significant volatility and uncertainty in financial markets. NATO, EU and G7 member countries, including Canada, have imposed severe and coordinated sanctions against Russia. Restrictive measures have also been imposed by Russia and some securities have materially declined in value and/or may no longer be tradable. These actions have resulted in significant disruptions to investing activities and businesses with operations in Russia. The longer-term impact to geopolitical norms, supply chains and investment valuations is uncertain.

As at December 31, 2021, the Funds did not have any exposure to Russian or Ukrainian securities. It is unclear what further actions may be taken by governments and the resulting impact on global economies, businesses and financial markets. While the situation remains fluid, SAM will continue to monitor ongoing developments and the impact to investment strategies.

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	0.75	-	2.00	0.75

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 DIVIDEND YIELD HOG 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 DIVIDEND YIELD HOG 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	Increase (decrease) from operations ² (All figures in (\$))					Distributions ^{2,7}					Net assets, end of period ²	
		Net assets, beginning of period ²	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 2021	1.49	0.07	(0.06)	0.18	0.19	0.38	—	—	—	—	—	1.85
	Dec 2020	1.66	0.06	(0.06)	(0.15)	(0.05)	(0.20)	—	—	—	—	—	1.49
	Dec 2019	1.56	0.08	(0.06)	(0.10)	0.33	0.25	—	(0.01)	—	(0.13)	(0.14)	1.66
	Dec 2018	2.15	0.07	(0.09)	0.02	(0.34)	(0.34)	—	—	(0.03)	(0.21)	(0.24)	1.56
A	Dec 2017	2.41	0.05	(0.09)	0.23	(0.24)	(0.05)	—	—	—	(0.24)	(0.24)	2.15
	Dec 2021	2.43	0.12	(0.07)	0.29	0.28	0.62	—	—	—	—	—	3.05
	Dec 2020	2.65	0.10	(0.06)	(0.24)	(0.08)	(0.28)	—	—	—	—	—	2.43
	Dec 2019	2.40	0.13	(0.06)	(0.12)	0.44	0.39	—	(0.04)	—	(0.11)	(0.15)	2.65
	Dec 2018	3.13	0.11	(0.08)	0.04	(0.51)	(0.44)	—	—	(0.03)	(0.21)	(0.24)	2.40
F	Dec 2017	3.35	0.08	(0.07)	0.31	(0.35)	(0.03)	—	—	—	(0.24)	(0.24)	3.13
	Dec 2021	10.00	—	—	—	—	—	—	—	—	—	—	10.00
	Dec 2020	10.00	—	—	—	—	—	—	—	—	—	—	10.00
O†	Dec 2019	10.00	—	—	—	—	—	—	—	—	—	—	10.00
	Dec 2021	8.47	0.39	(0.36)	0.97	0.96	1.96	—	—	—	(0.42)	(0.42)	10.03
	Dec 2020	9.97	0.37	(0.33)	(0.84)	(0.16)	(0.96)	—	—	—	(0.50)	(0.50)	8.47
T5A†	Dec 2019	10.00	0.12	(0.13)	0.27	(0.04)	0.22	—	—	—	(0.17)	(0.17)	9.97
	Dec 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:

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 DIVIDEND YIELD HOG 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 (\$)
	Dec 2021	6,992	3,779,754	3.68	3.96	0.05	13	1.85
	Dec 2020	7,240	4,844,068	3.74	3.98	0.07	26	1.49
	Dec 2019	9,910	5,981,196	3.40	3.40	0.38	84	1.66
	Dec 2018	14,615	9,383,131	3.96	3.96	0.37	181	1.56
A	Dec 2017	25,085	11,645,862	3.30	3.59	0.69	196	2.15
	Dec 2021	416	136,322	2.29	2.57	0.05	13	3.05
	Dec 2020	296	121,936	2.37	2.61	0.07	26	2.43
	Dec 2019	348	131,174	1.95	1.95	0.38	84	2.65
	Dec 2018	257	107,302	2.55	2.55	0.37	181	2.40
F	Dec 2017	539	172,499	1.91	2.08	0.69	196	3.13
	Dec 2021	–	1	–	–	–	–	10.00
	Dec 2020	–	1	–	–	–	–	10.00
O†	Dec 2019	–	1	–	–	–	–	10.00
	Dec 2021	2	244	3.71	3.99	0.05	13	10.03
	Dec 2020	2	234	3.77	4.01	0.07	26	8.47
T5A†	Dec 2019	2	220	3.50	3.50	0.38	84	9.97
	Dec 2021	–	1	–	–	–	–	10.00
	Dec 2020	–	1	–	–	–	–	10.00
T5F†	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 DIVIDEND YIELD HOG FUND

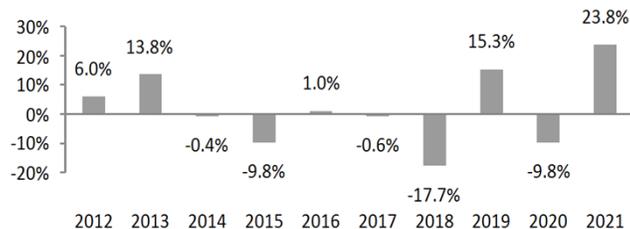
PAST PERFORMANCE

YEAR-BY-YEAR RETURNS

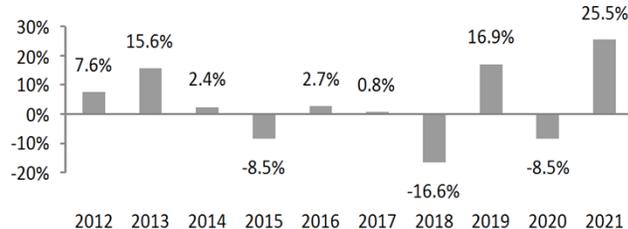
The performance information presented herein assumes all dividends of the Fund during the periods presented were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, or other charges that would have reduced returns or performance.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

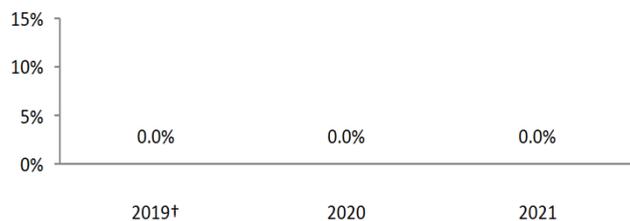
Series A



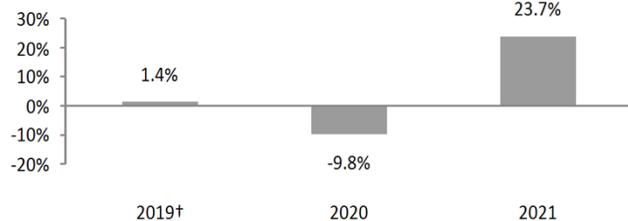
Series F



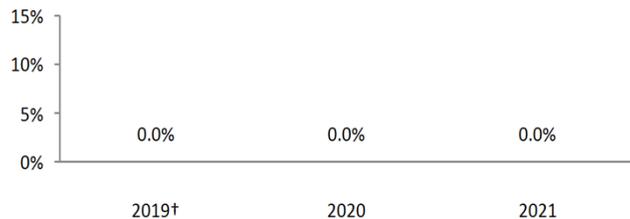
Series O



Series T5A



Series T5F



†From inception to December 31 of that year.

STONE DIVIDEND YIELD HOG FUND

PAST PERFORMANCE (continued)

ANNUAL COMPOUND RETURNS

The following table shows the annual compound returns for each Series of the Fund compared to the benchmark, the Morningstar® Canada Index, and is expressed in Canadian dollars. The Fund performance is net of management fees and 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.

	1 YEAR (%)	3 YEARS (%)	5 YEARS (%)	10 YEARS (%)	SINCE INCEPTION (%)	INCEPTION DATE
Series A	23.8	8.8	1.2	1.7	n/a	2003/06/24
Benchmark	24.7	17.4	10.0	9.1	n/a	2003/06/24
Series F	25.5	10.3	2.4	3.0	n/a	2006/02/07
Benchmark	24.7	17.4	10.0	9.1	n/a	2006/02/07
Series O	0.0	n/a	n/a	n/a	0.0	2019/08/01
Benchmark	24.7	n/a	n/a	n/a	14.6	2019/08/01
Series T5A	23.7	n/a	n/a	n/a	5.2	2019/08/01
Benchmark	24.7	n/a	n/a	n/a	14.6	2019/08/01
Series T5F	0.0	n/a	n/a	n/a	0.0	2019/08/01
Benchmark	24.7	n/a	n/a	n/a	14.6	2019/08/01

STONE DIVIDEND YIELD HOG FUND

SUMMARY OF INVESTMENT PORTFOLIO

AS AT DECEMBER 31, 2021

TOP 25 HOLDINGS	% of Total Net Asset Value	PORTFOLIO COMPOSITION	% of Total Net Asset Value
Name of Security		Sector Allocation	
Canadian Imperial Bank of Commerce	5.7	Consumer Non-Cyclicals	4.9
Toronto-Dominion Bank	5.4	Energy	10.0
Fortis Inc.	5.0	Financials	43.9
Manulife Financial Corp.	4.5	Industrials	2.1
Bank of Nova Scotia	4.4	Real Estate	6.7
Royal Bank of Canada	4.4	Technology	14.1
Power Corp. of Canada	4.2	Utilities	17.6
Bank of Montreal	4.2	Other net assets (liabilities)	0.7
Enbridge Inc.	3.9		
TELUS Corp.	3.8	Industry Allocation	
Emera Inc.	3.8	Banks	29.3
Rogers Communications Inc., Class 'B'	3.7	Commercial REITs	6.7
National Bank of Canada	3.7	Consumer Goods Conglomerates	3.5
BCE Inc.	3.6	Electric Utilities	11.4
Sun Life Financial Inc.	3.6	Integrated Telecommunications Services	10.3
Brookfield Infrastructure Partners L.P.	3.5	Life & Health Insurance	12.3
TC Energy Corp.	3.2	Multiline Utilities	3.2
Northland Power Inc.	2.9	Oil & Gas Transportation Services	10.0
Pembina Pipeline Corp.	2.9	Wireless Telecommunications Services	3.7
Shaw Communications Inc., Class 'B'	2.8	Miscellaneous†	8.9
Summit Industrial Income REIT	2.7	Other net assets (liabilities)	0.7
Hydro One Ltd.	2.6		
Algonquin Power & Utilities Corp.	2.5		
CI Financial Corp.	2.2		
Aecon Group Inc.	2.2		
	91.4		

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: Industries representing less than 3% of the portfolio are included in "Miscellaneous".

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STONE DIVIDEND YIELD HOG FUND

2021 Annual Management Report of Fund Performance

For the period ended December 31, 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 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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