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2023 Interim Management Report  
of Fund Performance

GQG Partners U.S. Quality Equity Fund



## GQG PARTNERS U.S. QUALITY EQUITY FUND

*This interim management report of fund performance contains financial highlights but does not contain the complete interim or annual financial statements of the Fund. The interim or annual financial statements are in a separate booklet. You may obtain a copy of the interim or annual financial statements at your request, and at no cost, by calling toll-free 1.888.861.9998, by writing to us at Bridgehouse Asset Managers, 6 Adelaide Street East, Suite 900, Toronto, ON, M5C 1H6, or by visiting our website: [www.bridgehousecanada.com](http://www.bridgehousecanada.com) or the SEDAR website: [www.sedar.com](http://www.sedar.com).*

*You may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure relating to the Fund.*

### MANAGEMENT DISCUSSION OF FUND PERFORMANCE

GQG Partners U.S. Quality Equity Fund (the "Fund") is managed and advised by Brandes Investments Partners & Co., operating as Bridgehouse Asset Managers ("Bridgehouse" or the "Manager"). Bridgehouse has retained GQG Partners LLC ("GQG Partners") as the portfolio sub-advisor in respect of the Fund.

#### Results of Operations from January 1, 2023 to June 30, 2023

##### **Markets & Effect**

The U.S. market, as measured by the S&P 500, ended the first half of 2023 up 13.9%. Performance has been primarily driven by meaningful price appreciation of a handful of large-cap technology companies domiciled in the U.S.

Central banks are dominating the headlines, which is not surprising given the increase in interest rates from zero, or below, during the last 15 months. Macroeconomic analysis remains a useful risk management tool, in our view, but recently there have been mixed signals, with as many arguments for the bear (downward trend in commodity prices, rising vacancy rates in US commercial real estate, and negative GDP growth in Germany) as for the bull (US housing market, low unemployment, and a generally healthy banking system). During the most recent quarter, GQG Partners made more evolutionary, rather than revolutionary, changes in the portfolio.

The first quarter of 2023 was characterized by a dramatic performance reversal from 2022. Many of last year's winners, sectors like health care and energy, underperformed, while last year's laggards, areas like technology, consumer discretionary, and communication services, outperformed. Amongst U.S. equities, January 2023 was a month where high volatility stocks outperformed low volatility stocks. GQG Partners increased exposure to the technology sector early in the year due to declining valuations for several technology franchises and earnings expectations normalizing to pre-COVID trends. GQG Partners believes that earnings are like gravity, and this should be a more durable driver of stock price performance over time, rather than changes in sentiment.

GQG Partners remains optimistic on US technology and technology-like sectors. Regarding artificial intelligence, the specific applications are computationally intensive. To use an analogy from the 19th century, GQG Partners' approach has been to focus on companies selling picks and shovels to the gold exploring community, rather than betting on any individual miner. GQG Partners believes that it is less important to find the next "AI winner" in terms of specific applications because future profitability from such an enterprise is highly uncertain at this time.

In parlay with a diligent bottom-up investment philosophy, GQG Partners continues to identify macroeconomic challenges for risk management purposes.

##### **Performance**

The Fund's Series A units trailed its benchmark, gaining 5.1% versus a gain of 13.9% for the S&P 500 Index (the "Index").

The Fund returns are after the deduction of fees and expenses while the benchmark returns do not include any costs of investing. See the "Past Performance" section for the returns of the other series, which may vary because of differences in management fees and expenses or timing of series introduction.

Holdings in technology hardware, storage & peripherals made a positive contribution to overall performance. Holdings in health care providers & services detracted from performance for the period.

##### **Asset Mix**

At June 30, 2023, equities made up 98.6% of the Fund, and approximately 1.4% was in cash and other net assets.

The Fund's most significant industry exposure change was an increase in holdings in technology hardware, storage & peripherals to 14.7% from nil at December 31, 2022.

The Manager confirms that the Fund did not borrow money during the period.

### **Flows & Fees**

The Fund's Net Asset Value decreased to \$6.5 million at June 30, 2023, from \$12.6 million at December 31, 2022. Of this change, an increase of \$0.2 million was due to positive investment performance (net of investment income), and a decrease of \$6.3 million was due to net outflows.

For Series A units, the annualized management expense ratio ("MER") at June 30, 2023 is 2.06%, compared to 2.10% at December 31, 2022.

### **Recent Developments**

There are no known changes at this time to the strategic positioning of the Fund, the manager, or portfolio sub-advisor.

The invasion of Ukraine by Russia on February 24, 2022 has resulted in western economic sanctions being imposed on Russia, notably barring Russian banks from the SWIFT financial messaging system, a key piece of banking infrastructure. In response to sanctions, Russian markets have been closed to all foreign investors. This has caused material volatility in Russian financial markets and impacted liquidity, market access and reliability of security prices. In addition, export embargoes may lead to increased volatility in commodity prices and global supply chain disruptions. It is uncertain how long the conflict, economic sanctions and market instability will continue and whether they will escalate further. The Fund manager and portfolio sub-advisor(s) continue to actively monitor the situation for any impacts on the Fund's existing as well as potential new holdings.

### **Related Party Transactions**

#### ***Manager and Portfolio Sub-Advisor***

Bridgehouse provides (or arranges for) investment management, distribution, marketing and promotion of the Fund. Bridgehouse receives a monthly management fee based on the daily average net assets of each series of the Fund. In addition, Bridgehouse is entitled to be reimbursed by the Fund for certain operating expenses.

Bridgehouse pays GQG Partners an investment management fee to provide the Fund with investment management services.

#### ***Forward-Looking Statements***

This document may contain forward-looking statements relating to anticipated future events, results, performance, decisions, circumstances, opportunities, risks or other matters. Forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as "may", "will", "should", "could", "expect", "anticipate", "intend", "plan", "believe", or "estimate" or other similar expressions. These statements require us to make assumptions and are subject to inherent risks and uncertainties. Our predictions and

other forward-looking statements may not prove to be accurate, or a number of factors could cause actual events, results, performance, etc. to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. These factors could include, among others, 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. Forward-looking statements are not guarantees of future performance. For these reasons, it is important that readers do not place undue reliance on our forward-looking statements and should be aware that the Fund may not update any forward-looking statements whether as a result of new information, future events or otherwise.

### **Benchmark Index**

**S&P 500 Index:** This index consists of 500 large-capitalization stocks and is designed to be a representative sample of the U.S. stock market.

## FINANCIAL HIGHLIGHTS

FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND PERIODS ENDED DECEMBER 31, 2018 TO 2022

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the six months ended June 30, 2023 and for the past five periods ended December 31, as applicable. In the year a fund or series is established, 'period' represents inception to December 31 of that year. In all other cases, 'period' represents year ended December 31. Inception date for Series A, F and I is June 1, 2022.

### The Fund's Net Assets per Unit (\$) (note 1)

		Net assets, beginning of period (\$)	Increase (decrease) from operations					Distributions					Net assets, end of period (\$)
			Total revenue (\$)	Total expenses (\$)	Realized gains (losses) for the period (\$)	Unrealized gains (losses) for the period (\$)	Total increase (decrease) from operations (\$) (note 2)	From net investment income excluding dividends (\$)	From dividends (\$)	From capital gains (\$)	Return of capital (\$)	Total annual distribution (\$) (note 3)	
Series A	2023	9.57	0.06	(0.10)	0.27	0.54	0.77	-	-	-	-	-	10.06
	2022	-	0.11	(0.11)	(0.63)	0.71	0.08	-	-	-	-	-	9.57
Series F	2023	9.61	0.07	(0.05)	-	0.09	0.11	-	-	-	-	-	10.15
	2022	-	0.14	(0.05)	(0.41)	1.00	0.68	(0.02)	-	-	-	(0.02)	9.61
Series I	2023	9.60	0.01	-	(0.03)	(1.22)	(1.24)	-	-	-	-	-	10.18
	2022	-	0.11	-	(0.74)	0.31	(0.32)	(0.08)	-	-	-	(0.08)	9.60

- The financial information presented in the Net Assets per Unit table is derived from the Fund's audited financial statements.
- Net Assets and distributions are per Unit of a series are based on the actual number of units outstanding for that series at the relevant time. The Increase (Decrease) from Operations per Unit of a series is based on the weighted average number of units outstanding for that series during the financial period.
- Distributions per Unit of a series are based on the number of units outstanding for the series on the record dates for the distributions. Distributions were paid in cash/reinvested in additional units of the Fund or both.

## Ratios and Supplemental Data

		Net asset value (\$000) (note 4)	Number of units outstanding (000) (note 4)	Management expense ratio (MER) (%) (note 5)	MER before waivers or absorption (%) (note 5)	Portfolio turnover rate (%) (note 6)	Trading expense ratio (%) (note 7)	Net asset value per unit (\$)
Series A	2023	1,372	136	2.06	2.87	126.33	0.09	10.06
	2022	488	51	2.10	2.82	90.09	0.08	9.57
Series F	2023	5,081	501	0.97	1.76	-	-	10.15
	2022	11,934	1,242	0.94	1.43	-	-	9.61
Series I	2023	-	-	0.00	0.00	-	-	10.18
	2022	145	15	0.00	0.00	-	-	9.60

- The financial information presented in the Ratios and Supplemental Data table is derived from the Fund's Net Asset Value and is provided as at December 31 of the years shown.
- The management expense ratio ("MER") is calculated as the total management fees and operating expenses paid by each series of the Fund, including GST/HST and interest and excluding commissions and other portfolio transaction costs, and is expressed as a percentage of the average daily Net Asset Value of each series of the Fund on an annualized basis. Any management fee distributions paid by a series of the fund that effectively reduced management fees payable by some unitholders are not deducted from expenses to determine the overall MER of that series. The Manager, at its sole discretion, waives management fees or absorbs expenses. Such waivers and absorptions can be terminated at any time. The MERs of the Fund are shown both with and without the waiver and absorptions.
- Portfolio turnover rate is calculated at the Fund level based on the lesser of purchases or proceeds of sales of securities for the period, excluding cash, short term notes and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for 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 rate 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.
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value of the Fund. The trading expense ratio is calculated at the Fund level and applies to all series of the Fund.

## MANAGEMENT FEES

Bridgehouse Asset Managers, the Manager, provides or arranges for investment management, distribution, marketing and promotion of the Fund. In consideration for the services provided, Bridgehouse Asset Managers receives a monthly management fee based on the daily average Net Asset Value of Series A and Series F. Management fees for Series I are negotiated and paid directly by the unitholders of Series I, not by the Fund.

For the six months period June 30, 2023, the Fund paid Bridgehouse Asset Managers management fees of \$39,009. Bridgehouse uses these management fees to pay for commission payments to registered brokers and dealers and general investment management expenses. The breakdown (commission payments / investment management, administration and other) as a proportion of the management fee for each Series are:

- Series A (55 / 45%)
- Series F (0% / 100%)
- Series I (0% / 100%)

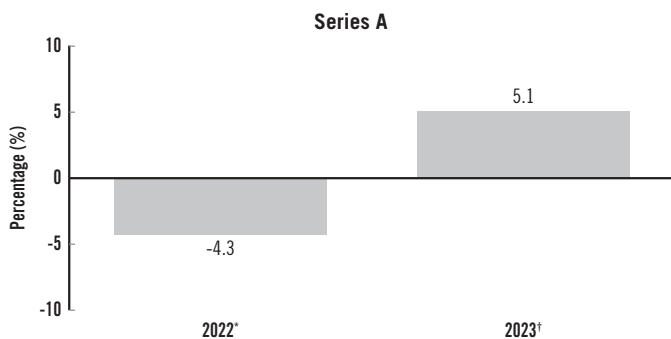
Commission payments represent cash commissions paid by Bridgehouse Asset Managers to registered brokers and dealers during the period and includes upfront deferred sales charge and trailing commissions. This amount may, in certain circumstances, exceed 100% of the fees earned by the Bridgehouse Asset Managers during the period. For new Funds or Series the amount presented may not be indicative of longer term operating periods.

## PAST PERFORMANCE

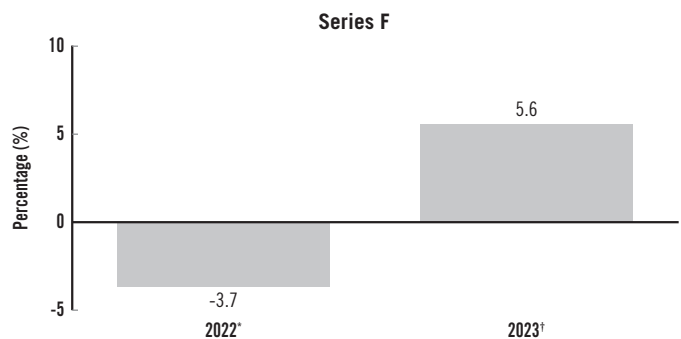
This section shows the historical performance for each series of the Fund for the six months ended June 30, 2023 and each of the previous annual periods ended December 31. Historical performance is based on the change in Net Asset Value per unit, assuming reinvestment of all distributions. Management fees and operating expenses have been taken into account before calculating performance, except in the case of Series I units where the management fee is calculated outside of the Fund. Historical performance does not take into account the potential impact on returns of purchases, redemptions, distribution fees or other optional charges or income taxes payable by an investor. Keep in mind that past performance does not necessarily indicate how the Fund will perform in the future.

### Year-by-Year Returns (%)

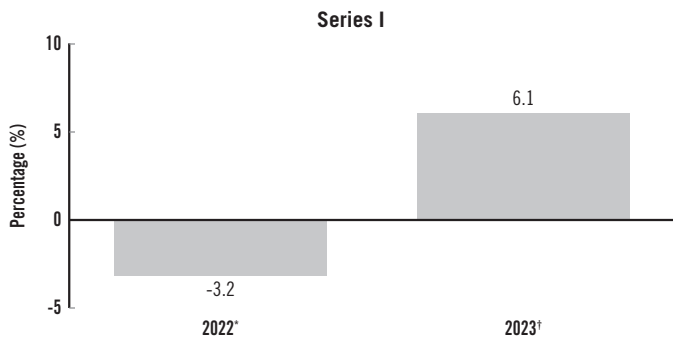
The bar chart shows the Fund's annual performance for each of the years shown. The bar chart shows how the performance of each series of the Fund has changed from year to year. It illustrates in percentage terms how much an investment in each series of the Fund made on January 1 of each year, or on the inception dates, would have grown or decreased by the last day of each financial year. 2023 data presented below is for the six-month period ended June 30, 2023.



\*2022 Series A returns are from June 1, 2022  
 †Six-month return from January 1 to June 30, 2023.



\*2022 Series F returns are from June 1, 2022  
 †Six-month return from January 1 to June 30, 2023.



\*2022 Series I returns are from June 1, 2022  
 †Six-month return from January 1 to June 30, 2023.



## SUMMARY OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2023

### Top 25 Positions

The portfolio does not contain any short positions. The investment portfolio may change due to ongoing portfolio transactions of the investment fund. An updated listing is available on a quarterly basis.

Security	Fund (%)
1. NVIDIA Corporation	7.8
2. Eli Lilly and Company	7.3
3. Microsoft Corporation	6.9
4. Apple Inc.	6.9
5. UnitedHealth Group Incorporated	6.7
6. Meta Platforms Inc. Cl. A	6.4
7. Amazon.com, Inc.	6.2
8. Alphabet Inc. Cl. C	6.1
9. Cash and Cash Equivalent	5.0
10. Humana Inc.	4.5
11. Schlumberger Limited	3.9
12. AstraZeneca PLC ADR	3.9
13. Exxon Mobil Corporation	3.8
14. Visa Inc. Cl. A	3.7
15. Advanced Micro Devices, Inc.	3.6
16. Lam Research Corporation	3.4
17. ServiceNow, Inc.	3.4
18. Broadcom Inc.	3.1
19. The Hershey Company	2.2
20. Workday, Inc. Cl. A	2.0
21. AppLovin Corporation Cl. A	1.9
22. The Progressive Corporation	1.5
23. Snowflake Inc. Cl. A	1.5
24. Synopsys Inc.	1.0
25. Elevance Health, Inc.	0.9
<b>% of Fund</b>	<b>103.6</b>
<b>Total Number of Companies</b>	<b>24</b>
<b>Total Net Asset Value (\$MM)</b>	<b>\$6</b>

### Asset Mix

Asset Class	Fund (%)
Global Equity	98.6
Cash & Cash Equivalent	5.0
Other Net Assets	(3.6)
<b>% of Total</b>	<b>100.0</b>

### Industry Exposure

Industry	Fund (%)
Software	15.2
Technology Hardware, Storage & Peripherals	14.7
Interactive Media & Services	12.5
Health Care Providers & Services	12.1
Pharmaceuticals	11.2
Semiconductors & Semiconductor Equipment	10.1
Internet & Direct Marketing Retail	6.2
IT Services	5.2
Energy Equipment & Services	3.9
Oil, Gas & Consumable Fuels	3.8
Food Products	2.2
Insurance	1.5
Cash & Cash Equivalent	5.0
Other Net Assets	(3.6)
<b>% of Total</b>	<b>100.0</b>
<b>Total Number of Industries</b>	<b>12</b>

### Country Exposure

Country	Fund (%)
United States	94.7
United Kingdom	3.9
Cash & Cash Equivalent	5.0
Other Net Assets	(3.6)
<b>% of Total</b>	<b>100.0</b>
<b>Total Number of Countries</b>	<b>2</b>

Note: Rounding to one decimal place may result in individual figures totalling more or less than 100%





Brandes Investment Partners & Co. (BIPCo), operating as Bridgehouse Asset Managers® (Bridgehouse), is the manager of the Bridgehouse Funds. Bridgehouse has hired Brandes Investment Partners, L.P. (BIPLP), GQG Partners LLC, Lazard Asset Management (Canada), Inc., Sionna Investment Managers Inc., T. Rowe Price (Canada), Inc., and TD Asset Management Inc. as portfolio sub-advisors in respect of the Bridgehouse Funds. BIPCo and BIPLP are affiliates. Units of the Bridgehouse Funds are available through registered dealers only and are not available through Bridgehouse.

Brandes Investment Partners®



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