



BRIDGEHOUSE

INDEPENDENT PLATFORM

Brandes GQG Lazard Morningstar Sienna

2021 Interim Management Report
of Fund Performance

Morningstar Strategic Canadian Equity Fund



TABLE OF CONTENTS

Management Discussion of Fund Performance	4
Financial Highlights	6
Management Fees	8
Past Performance	8
Summary of Investment Portfolio	10

MORNINGSTAR STRATEGIC CANADIAN 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, 36 Toronto Street, Suite 850, Toronto, ON, M5C 2C5, or by visiting our website: www.bridgehousecanada.com or the SEDAR website: 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

Results of Operations from January 1, 2021 to June 30, 2021

Markets & Effect

After a dramatic 2020, we have seen the green shoots of “reflation”, with several significant developments co-existing. The major market influences are a) inflation expectations are higher with central banks, for now, willing to let prices rise, b) economic growth forecasts increasing following solid vaccine progress, c) company reporting broadly exceeding expectations, d) geopolitical tensions and systemic risks softening, and e) investors conditioned by strong returns through good news and bad.

Among equities, the corners of the markets that had been hot — in some cases for years — turned cold. In fact, we saw a remarkable change with the recent strength in value stocks, which have been lagging significantly in recent years. Smaller companies more likely to have their fortunes tied to the strength of the economy were among the best performers.

Domestic stocks, as represented by the S&P/TSX Composite Index, posted a strong return of 17.3% in the first half of the year. Small cap stocks continued to run ahead of the broader market, with the S&P/TSX Small Cap Index up 19.8% over the same time period. There have now been five consecutive quarters of gains in the Canadian market after the pandemic hammered the market in the first quarter of 2020.

The outlook for the Canadian economy and many developed economies has improved; with increased vaccination rates, we appear to be turning the corner with the pandemic. Canadian business sentiment is improving as demand continues to grow and people can return to work safely. As businesses continue to ramp up production and provide services again, there remains some concern that demand for goods will outpace supply creating temporary, above target, inflation. The Bank of Canada expects inflation will return to its target 2% later in 2022 after a period where it will be sitting above its target. However, there remain many variables built into the Bank of Canada's expectations given the pandemic's toll, not only to the Canadian economy, but also on developing economies where

vaccination rates are for the most part, currently much lower than our own.

In the U.S., legislators continue to work on a bipartisan infrastructure plan expected to amount to approximately \$1 trillion. The plan is focused on making improvements to U.S. broadband infrastructure, education, roads, bridges, railways, airports, electric vehicles, and water infrastructure. Morningstar expects that this increased fiscal spending and additional spending favoured by other plans under development will not only improve the growth outlook for the U.S. economy, but also for the Canadian and global economy more broadly.

Performance

The Fund's Series A units trailed its benchmark, gaining 14.5% versus a gain of 17.3% for the S&P/TSX Composite 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.

Asset Mix

At June 30, 2021, equities made up 98.8% of the Fund, and approximately 1.2% was in cash and other net assets.

The Fund's most significant industry exposure change was an increase in holdings in chemicals to 3.1% from nil at December 31, 2020.

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

Flows & Fees

The Fund's Net Asset Value increased to \$35.6 million at June 30, 2021, from \$31.2 million at December 31, 2020. Of this change, an increase of \$4.6 million was due to positive investment performance (net of investment income), and a decrease of \$0.2 million was due to net outflows.

For Series A units, the annualized management expense ratio (“MER”) at June 30, 2021 is 1.98%, compared to 1.97% at December 31, 2020.

Recent Developments

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

The outbreak of the novel coronavirus, first detected in December 2019, rapidly became a pandemic and resulted in disruptions to the economies of many nations, individual companies and the markets in general. This created closed borders, quarantines, supply chain disruptions and general anxiety, which negatively impacted global markets in an unforeseeable manner. The impact of the novel coronavirus and other such future infectious diseases in certain regions or countries may be greater or less due to the nature or level of their public health responses or due to other factors. Health crises caused by the coronavirus outbreak or future infectious diseases may exacerbate other pre-existing political, social and economic risks in certain countries. The impact of such health crises may be quick, severe and of unknowable duration. This pandemic and other epidemics and pandemics that may arise in the future could result in continued volatility in the financial markets and lead to increased levels of Fund redemptions, which could have a negative impact on the Funds and could adversely affect a Fund’s performance.

Related Party Transactions

Manager and Portfolio Sub-Advisor

The Fund is managed and advised by Brandes Investment Partners & Co., operating as Bridgehouse Asset Managers (“Bridgehouse”) which 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 has retained Morningstar Associates, Inc. (“Morningstar”) as the portfolio sub-advisor to the Fund. Bridgehouse pays Morningstar 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/TSX Composite Index: This index tracks the performance of some of the largest and most widely held Canadian stocks listed on the Toronto Stock Exchange.

FINANCIAL HIGHLIGHTS

FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND PERIODS ENDED DECEMBER 31, 2016 TO 2020

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, 2021 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, D, F and I is September 16, 2016.

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

		Increase (decrease) from operations						Distributions					Net assets, end of period (\$)
		Net assets, beginning 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	2021	12.70	0.19	(0.13)	0.32	1.47	1.85	-	-	-	-	-	14.54
	2020	12.33	0.34	(0.23)	0.43	(0.27)	0.27	-	(0.06)	-	-	(0.06)	12.70
	2019	10.49	0.34	(0.23)	(0.13)	2.02	2.00	-	(0.08)	-	-	(0.08)	12.33
	2018	11.92	0.35	(0.23)	(0.33)	(2.05)	(2.26)	-	(0.02)	-	-	(0.02)	10.49
	2017	10.51	0.30	(0.22)	(0.11)	1.49	1.46	-	-	-	-	-	11.92
	2016	10.00	0.07	(0.05)	(0.04)	0.76	0.74	-	-	-	-	-	10.51
Series D	2021	12.68	0.19	(0.07)	0.32	1.47	1.91	-	-	-	-	-	14.59
	2020	12.31	0.34	(0.12)	0.44	(0.61)	0.05	-	(0.17)	-	-	(0.17)	12.68
	2019	10.48	0.34	(0.12)	(0.12)	2.01	2.11	-	(0.21)	-	-	(0.21)	12.31
	2018	11.95	0.33	(0.12)	(0.31)	(1.28)	(1.38)	-	(0.15)	-	-	(0.15)	10.48
	2017	10.53	0.27	(0.11)	(0.14)	1.47	1.49	-	(0.10)	-	-	(0.10)	11.95
	2016	10.00	0.07	(0.03)	(0.06)	0.54	0.52	-	-	-	-	-	10.53
Series F	2021	12.77	0.19	(0.06)	0.32	1.47	1.92	-	-	-	-	-	14.70
	2020	12.42	0.35	(0.10)	0.43	(0.24)	0.44	-	(0.21)	-	-	(0.21)	12.77
	2019	10.58	0.35	(0.10)	(0.14)	2.13	2.24	-	(0.25)	-	-	(0.25)	12.42
	2018	12.00	0.35	(0.10)	(0.33)	(1.90)	(1.98)	-	(0.11)	-	-	(0.11)	10.58
	2017	10.51	0.29	(0.10)	(0.12)	1.44	1.51	-	(0.05)	-	-	(0.05)	12.00
	2016	10.00	0.07	(0.02)	(0.04)	0.42	0.43	-	-	-	-	-	10.51
Series I	2021	12.73	0.19	-	0.33	1.47	1.99	-	-	-	-	-	14.72
	2020	12.34	0.35	-	0.44	(0.12)	0.67	-	(0.28)	-	-	(0.28)	12.73
	2019	10.45	0.34	-	(0.11)	1.93	2.16	-	(0.27)	-	-	(0.27)	12.34
	2018	11.94	0.36	-	(0.29)	(1.38)	(1.31)	-	(0.29)	-	-	(0.29)	10.45
	2017	10.54	0.27	-	(0.14)	1.51	1.64	-	(0.24)	-	-	(0.24)	11.94
	2016	10.00	0.07	-	(0.05)	0.54	0.56	-	(0.03)	-	-	(0.03)	10.54

- 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	2021	13,928	958	1.98	2.16	20.24	0.05	14.54
	2020	13,142	1,035	1.97	2.08	30.46	0.06	12.70
	2019	14,921	1,210	1.97	2.05	49.52	0.07	12.33
	2018	14,962	1,427	1.97	2.07	41.31	0.09	10.49
	2017	5,041	423	1.96	2.41	25.68	0.09	11.92
	2016	469	45	1.98	4.09	3.97	0.33	10.51
Series D	2021	248	17	1.01	1.17	-	-	14.59
	2020	225	18	1.02	1.11	-	-	12.68
	2019	260	21	1.02	1.07	-	-	12.31
	2018	242	23	1.02	1.08	-	-	10.48
	2017	247	21	1.02	1.39	-	-	11.95
	2016	164	16	1.02	2.64	-	-	10.53
Series F	2021	20,709	1,409	0.85	1.05	-	-	14.70
	2020	17,222	1,349	0.85	0.96	-	-	12.77
	2019	20,012	1,612	0.85	0.92	-	-	12.42
	2018	22,305	2,109	0.85	0.92	-	-	10.58
	2017	10,719	893	0.85	1.22	-	-	12.00
	2016	3,071	292	0.85	2.57	-	-	10.51
Series I	2021	715	49	0.00	0.00	-	-	14.72
	2020	618	49	0.00	0.00	-	-	12.73
	2019	586	48	0.00	0.00	-	-	12.34
	2018	486	46	0.00	0.00	-	-	10.45
	2017	182	15	0.00	0.00	-	-	11.94
	2016	157	15	0.00	0.00	-	-	10.54

- 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, Series D 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 ended June 30, 2021, the Fund paid Bridgehouse Asset Managers management fees of \$168,177. 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 (59% / 41%)
- Series D (20% / 80%)
- Series F (0% / 100%)
- Series I (0% / 100%)

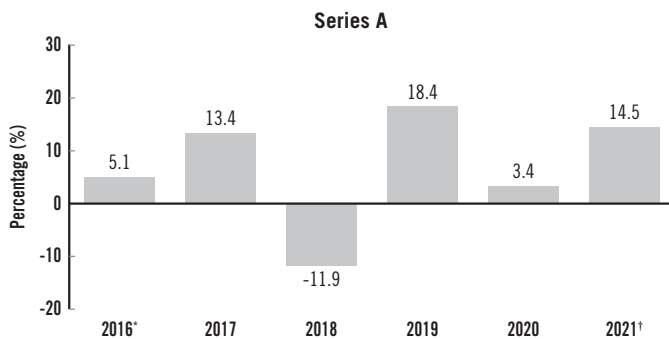
Commission payments represent cash commissions paid by Bridgehouse Asset Managers to registered brokers and dealers during the period and includes upfront deferred sales charge and trailing commissions. This amount may, in certain circumstances, exceed 100% of the fees earned by the Bridgehouse Asset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

PAST PERFORMANCE

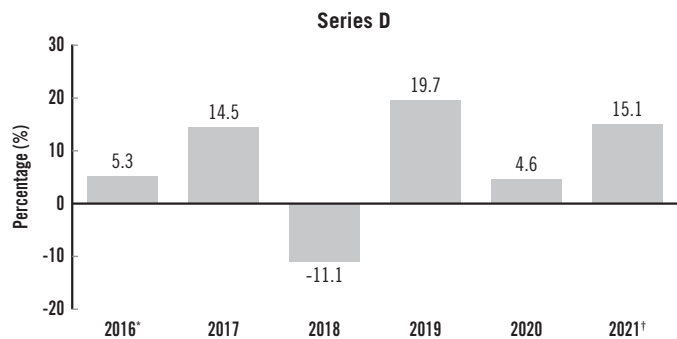
This section shows the historical performance for each series of the Fund for the six months ended June 30, 2021 and each of the previous annual periods ended December 31. Historical performance is based on the change in Net Asset Value per unit, assuming reinvestment of all distributions. Management 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 (%)

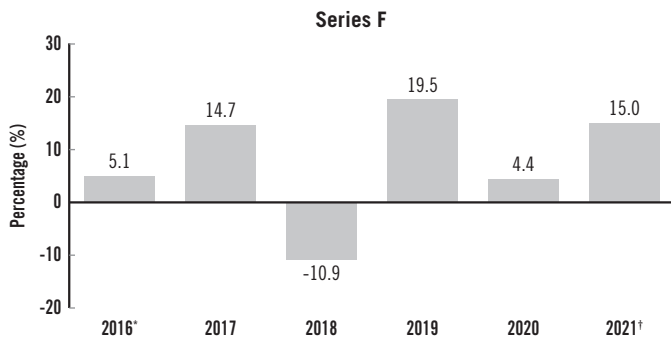
The bar chart shows the Fund's annual performance for each of the years shown. The bar chart shows how the performance of each series of the Fund has changed from year to year. It illustrates in percentage terms how much an investment in each series of the Fund made on January 1 of each year, or on the inception dates, would have grown or decreased by the last day of each financial year. 2021 data presented below is for the six-month period ended June 30, 2021.



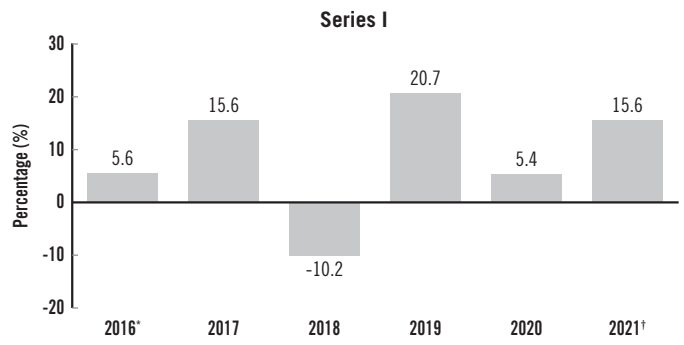
*2016 Series A returns are from September 16, 2016
 †Six-month return from January 1 to June 30, 2021.



*2016 Series D returns are from September 16, 2016
 †Six-month return from January 1 to June 30, 2021.



*2016 Series F returns are from September 16, 2016
 †Six-month return from January 1 to June 30, 2021.



*2016 Series I returns are from September 16, 2016
 †Six-month return from January 1 to June 30, 2021.

SUMMARY OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2021

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. Nutrien Ltd.	3.1
2. Cogeco Communications Inc.	3.1
3. Northland Power Inc.	3.1
4. Alimentation Couche-Tard Inc. Cl. B	3.0
5. TC Energy Corporation	3.0
6. Rogers Communications Inc. Cl. B	3.0
7. Toromont Industries, Ltd.	3.0
8. Stantec Inc.	2.9
9. Empire Company Limited Cl. A	2.9
10. George Weston Limited	2.9
11. BCE Inc.	2.9
12. CI Financial Corp.	2.9
13. Enbridge Inc.	2.9
14. Sun Life Financial Inc.	2.9
15. Open Text Corporation	2.9
16. CGI Inc.	2.9
17. Dollarama Inc.	2.9
18. Canadian National Railway Company	2.9
19. Torex Gold Resources, Inc.	2.9
20. The Bank of Nova Scotia	2.9
21. Royal Bank of Canada	2.9
22. Constellation Software Inc.	2.9
23. FirstService Corporation	2.9
24. The Toronto-Dominion Bank	2.9
25. National Bank of Canada	2.9
% of Fund	73.5
Total Number of Companies	34
Total Net Asset Value (\$MM)	\$36

Asset Mix

Asset Class	Fund (%)
Canadian Equity	98.8
Cash & Cash Equivalent	0.9
Other Net Assets	0.3
% of Total	100.0

Industry Exposure

Industry	Fund (%)
Commercial Banks	17.2
Food & Staples Retailing	5.9
Oil, Gas & Consumable Fuels	5.9
Software	5.8
Diversified Financial Services	5.8
Chemicals	3.1
Media	3.1
Independent Power and Renewable Electricity Producers	3.1
Wireless Telecommunications Services	3.0
Machinery	3.0
Professional Services	2.9
Food Products	2.9
Diversified Telecommunications Services	2.9
Insurance	2.9
IT Services	2.9
Specialty Retail	2.9
Road & Rail	2.9
Metals & Mining	2.9
Real Estate Management & Development	2.9
Building Products	2.9
Equity Real Estate Investment Trusts (REITs)	2.8
Containers & Packaging	2.8
Multi-Utilities	2.8
Commercial Services & Supplies	2.8
Energy Equipment & Services	2.7
Cash & Cash Equivalent	0.9
Other Net Assets	0.3
% of Total	100.0
Total Number of Sectors	25

Country Exposure

Country	Fund (%)
Canada	98.8
Cash & Cash Equivalent	0.9
Other Net Assets	0.3
% of Total	100.0
Total Number of Countries	1

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



Bridgehouse Funds are managed by Bridgehouse Asset Managers® and are available through registered dealers.

Bridgehouse Asset Managers® is a trade name of Brandes Investment Partners & Co. Brandes Investment Partners® is a registered trademark of Brandes Investment Partners, L.P. in the United States and Canada, used under license by Brandes Investment Partners & Co. Brandes Investment Partners & Co. is an affiliate of Brandes Investment Partners, L.P., which is a portfolio sub-advisor to certain of the Bridgehouse Funds.



Bridgehouse Asset Managers | www.bridgehousecanada.com
36 Toronto Street | Suite 850 | Toronto, ON | M5C 2C5 | 416.306.5700 | 888.861.9998