

MID-YEAR REPORT

June 30th, 2021

Performance

To June 30th, 2021 the change in unit prices of the **HughesLittle Value Fund** and the **HughesLittle Balanced Fund** were as follows:

	Value Fund <i>(non-RSP)</i>	Balanced Fund <i>(RSP)</i>
Unit Price - June 30 th , 2021	\$ 52.48	\$ 23.01
Unit Price - December 31 st , 2020	\$ 47.37	\$ 21.02
Distributions Paid Per Unit Since Inception	\$ 5.05	\$ 12.28
Six Months	10.8 %	9.5 %
Annualized Return Since Inception¹	12.5 %	11.2 %

See attached Performance Summary for additional performance results.

Mid-Year Commentary

HughesLittle continues to evolve. Not a reinvention, but a natural progression to preserve what's important. Our approach to running this firm has not changed since we started in 2005. We continue to focus on getting three things right: the investments, client service, and the back office; straightforward and uncomplicated.

At the core of our investment approach is research. We do our own and emphasize constant learning. Our best investments have all come out of thoughtful research - and some of our worst, from not doing enough.

¹ Inception dates: Value Fund: June 30th, 2005. Balanced Fund: August 31st, 2005.

The most important evolution in our research has been with the addition of our analysts. In 2013 Shafaz Jivani joined us, and more recently, Kevin Greig. Both are Chartered Financial Analysts (CFA), and each have been investment analysts for about eight years.² For the foreseeable future, Shafaz and Kevin will be doing the bulk of our fundamental business analysis. We all rely heavily on the quality of their work. Starting this quarter, you will hear more from them as they start writing the company updates in the Investment Review section of these reports.

The client service and administrative side of this firm is run by four people: Mark Hughes, Barb Rogers, Thompa Tsering and Kitty Choi. We are a small firm, so we all wear multiple hats. In terms of primary responsibilities related to the Funds, Barb Rogers, a Chartered Professional Accountant (CPA) who has been with us since 2008, oversees Fund administration and accounting. Thompa Tsering, a CFA candidate who joined us in 2016, handles all transactions related to your registered accounts (RSPs, RIFs, and LIFs) in the Balanced Fund. Kitty Choi, also a CPA who has been with us since 2019, handles all client transactions in the Value Fund. All queries related to the Balance Fund should go to Thompa, and anything related to the Value Fund, to Kitty.

Mark Hughes and Joe Little continue to be fully engaged and committed to everything that happens here. Even as we evolve, our vision of how to run this firm hasn't changed: put the right people in place, make long-term decisions, minimize distractions, and plan for modest growth. That is where we are today.

Mid-Year Portfolio Review

As of June 30th, the Value Fund was 95 percent invested in 14 operating companies. The Fund owns three Canadian companies, nine U.S. companies and two holdings based in other countries. The Value Fund's top ten positions make up 83 percent of the Fund's assets.

The Balanced Fund is 76 percent invested in the common shares of three Canadian companies, nine U.S. companies and three companies based in other countries. The Balanced Fund's top 10 positions make up 72 percent of the Fund's assets. As of June 30th, the Balanced Fund had 19 percent of its assets in cash and investment-grade bonds.

² Kevin Greig joined us this year after seven years with Jarislowsky Fraser, a Montreal-based investment firm.

Making an Investment

HughesLittle Value Fund:

Starting July 31st, 2021, you will be able to make an Investment in the Value Fund in two ways:

- For investments up to \$100,000 - you can send a cheque made payable to “RBC Investor Services” to our office. We will be using a new scanner service to transfer the funds to RBC Investor Services.
- For investments over \$100,000 - you will need to wire transfer the funds to RBC Investor Services.

HughesLittle Balanced Fund:

To make an investment in the Balanced Fund, please use your Computershare online account. If you need assistance, contact Thompa.

Conflicts of Interest disclosure

Enclosed with this quarter’s report is an updated Conflict of Interest disclosure. It is important for you to read these disclosures, as they identify HughesLittle’s conflicts of interest while managing the Funds. In the disclosure, you will note that there are many potential conflicts of interest. Our overriding approach to managing these potential conflicts is to put the interests of our current clients first. If you want to discuss anything in the document, feel free to contact us.

If you have any questions or comments, we welcome your calls or emails.

Regards,

Joe Little

July 7th, 2021

Mark Hughes

Shafaz Jivani