

THIRD QUARTER REPORT

September 30th, 2021

Performance

To September 30th, 2021 the performance of the **HughesLittle Value Fund** and the **HughesLittle Balanced Fund** was as follows:

	Value Fund	Balanced Fund (Registered)
Unit Price - September 30 th , 2021	\$ 53.90	\$ 23.53
Unit Price - December 31 st , 2020	\$ 47.37	\$ 21.02
Distributions Paid Per Unit Since Inception	\$ 5.05	\$ 12.28
Nine Months	13.8 %	11.9 %
Annualized Return Since Inception	12.5 %	11.1 %

See attached Performance Summary for additional performance results.

Every year we try to upgrade the Funds' portfolio of companies. This involves weeding out weaker companies for stronger ones. To be clear, this does not mean jumping from company to company chasing short-term returns. The objective of upgrading the portfolio is to improve the overall quality of the companies we own, in order to ultimately improve our chances of earning a satisfactory long-term return.

As we seek to make these improvements, there are specific attributes in the companies we own that we are constantly looking to upgrade. High on our list are durable competitive advantages - unique aspects to a company that are not easily copied by its competitors. The strongest competitive advantages last for years, which results in revenues and profits that grow at high rates and are not prone to collapse during economic downturns or disruptions. In our experience, these hard-to-copy competitive strengths are a key driver of investor returns.

There's one final point worth discussing related to swapping out companies: What about differences in price-to-value between two companies? What if two companies are very similar,

but one is significantly cheaper than the other relative to intrinsic value? In practice, that rarely occurs. Companies are never similar enough in ways that matter to us. The conversations in our office are mostly about *quality* differences, not *valuation* differences. And given the choice between a more expensive, higher quality company and a cheaper company of lesser quality, we've learned the hard way to go with the former.

Portfolio Review

As of September 30th, the Value Fund was 97 percent invested in 15 companies. The Fund owns four Canadian companies, nine U.S. based companies, and two holdings based in other countries. The Value Fund's top ten positions make-up 85 percent of the Fund's assets.

The Balanced Fund was 80 percent invested in the common shares of four Canadian companies, nine U.S. companies, and three companies based in other countries. The Balanced Fund's top ten positions make-up 72 percent of the Fund's assets. At quarter-end the Balanced Fund had 20 percent of its assets in cash and investment grade bonds.

Making an Investment

HughesLittle Value Fund:

You are now able to make an Investment in the Value Fund in two ways:

- For investments up to \$250,000 - you can send a cheque made payable to "RBC Investor Services" to our office. We now use a cheque scanner service to transfer the funds to RBC Investor Services.
- For investments over \$250,000 - 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.

REMINDER, the last day for transactions is December 15th, 2021. No transactions occur on December 31st.

Kind Regards,

Joe Little
October 8th, 2021

Mark Hughes

Shafaz Jivani

Kevin Greig