

THIRD QUARTER REPORT

September 30th, 2020

Non Client Version

Performance

To September 30th, 2020 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 , 2020	\$ 42.55	\$ 19.32
Unit Price - December 31 st , 2019	\$ 43.36	\$ 19.69
Distributions Paid Per Unit Since Inception	\$ 3.22	\$ 11.35
Nine Months	- 1.9 %	- 1.9 %
Annualized Return Since Inception	11.3 %	10.2 %

See attached Performance Summary for additional performance results.

Third Quarter Commentary

The rebound in the Funds' unit prices since March lows has not moderated our view how essential liquidity is to our portfolio companies. Higher share prices do not mean "we are in the clear" from the risks most companies face related to the pandemic. Unusual and uncertain economic conditions in the near term, are not just possible, more likely probable. As such, corporate liquidity in our holdings, should remain robust, even excessive.

In this regard, our portfolio companies continue to have healthy balance sheets and make thoughtful management decisions - showing their preparedness for a wide range of scenarios. Beyond liquidity, many of the Funds' companies are using their competitive strengths during this difficult period to build long-term, underlying value.

When we assess and value a company, we try to make an educated guess as to how a company's revenues and profits will change five...ten...twenty years out. Our long-range clairvoyance however has limits, so we pick a range of growth rates that seem most probable.

As the years tick by, we watch to see if our companies are performing within that range. Often, we adjust our assumptions or our thinking to reflect actual results.

Over the past several years many of our largest holdings have generated revenue and profit growth above the range we predicted. This is one of the better mistakes to make. All-the-same, had we been more optimistic (or realistic) we might have owned more shares in some of our best performers.

Being overly conservative is no small matter. It can be costly. Over the past several years we have assessed more than a few companies as potential holdings, then decided to take a pass. Some of which, have gone on to post financial results and shareholder gains well beyond many of our holdings. Foregone gains may be a hidden mistake to you, but in dollar terms, they represent some of our biggest gaffes.

Having said all that, aggressively reaching for higher returns by flipping stocks is no easy matter. It can also be costly. The Funds own a portfolio of companies we know well after years of study. Replacing one can add complexity and uncertainty. As such, we are usually happy to trade off *potentially* higher returns for *possibly* lower, but more *certain* returns. These are judgement calls we regularly make, for better or worse.

Portfolio Review

As of September 30th, the Value Fund was 96 percent invested in 14 companies. The Fund owns four Canadian companies, eight U.S. based companies, and two holdings based in other countries. The Value Fund's top ten positions make-up 84 percent of the Fund's assets.

The Balanced Fund was 81 percent invested in the common shares of four Canadian companies, eight U.S. companies, and three companies based in other countries. The Balanced Fund's top ten positions make-up 71 percent of the Fund's assets. At quarter-end the Balanced Fund had 19 percent of its assets in cash and investment grade bonds.

Both Funds have experienced 'net cash inflows' so far this year.

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

Regards,

Joe Little

Mark Hughes

Shafaz Jivani

October 20th, 2020