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2021 Annual Management Report  
of Fund Performance

GQG Partners International Quality Equity Fund

## GQG PARTNERS INTERNATIONAL QUALITY EQUITY FUND

*This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. The annual financial statements are in a separate booklet. You may obtain a copy of the 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](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

#### Investment Objective and Strategies

The objective of the Fund is to grow capital by investing primarily in equity securities from non-U.S. issuers, which may include issuers from emerging markets.

The portfolio sub-advisor in respect of this Fund, GQG Partners LLC ("GQG Partners") uses a forward-looking assessment of quality when selecting companies to invest in within the Fund. This means that, on behalf of the Fund, they select securities of companies which, in their estimation, are of high-quality and have attractively priced future growth prospects.

The Fund seeks to invest in high-quality companies from outside the United States with attractively priced future growth prospects while diversifying by end-consumer risk. GQG Partners' fundamental investment process evaluates each business based on financial strength, sustainability of earnings growth and quality of management. A flexible and adaptive approach seeks to limit downside risk while providing attractive returns to long-term investors over a full market cycle.

Generally, the Fund will hold between 40-60 positions in equity securities from non-U.S. issuers.

#### Risk

As an investor in this Fund, you should be prepared for short-term performance fluctuations, and be a patient, long-term holder.

There were no significant changes to the level or type of risk you would expect from the Fund over the course of the year. It continues to have a medium risk level. Refer to the Fund's simplified prospectus for a complete list of all risks.

#### Results of Operations from January 1, 2021 to December 31, 2021

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

Non-U.S. equity markets, as represented by the MSCI ACWI ex-US Index, gained 6.9% in 2021. In Canada, the stock market, as measured by the S&P/TSX Composite Index, increased by 25.1%, making this the best year for Canadian equities since 2009. Across the Atlantic, Italy, France and the United Kingdom all delivered double-digit returns, while growth was muted in Germany and Spain. Meanwhile, emerging markets declined -3.4% for the year, weighed down by regulatory uncertainty in China.

The energy and financial sectors led global economic recovery, closing out the year with double-digit gains, in stark contrast to 2020.

Inflation was a recurring headline in 2021. Price growth accelerated throughout the year across the globe. This was initially viewed as temporary, however, by the end of the year, even the chair of the U.S. Federal Reserve (Fed), Jerome Powell, dropped the word "transitory" from his remarks. The U.S. unemployment rate declined from 6.4% in January 2021 to 3.9% in December 2021, as energy prices climbed. The economic climate inspired comparisons to the 1970s.

GQG believes that current environment could be marked by prolonged, slightly higher inflation, rising interest rates, massive de-rating and a correction of company overearnings, which were fueled by ongoing stimulus programs. Even companies that may appear attractive on a price-to-revenue valuation basis – which is the case for many profitable technology companies that appear cheap when compared to unprofitable ones – might not be immune to a correction. With the backdrop being primed for stickier inflation data continuing into 2022 and beyond, GQG's view is that current consensus earnings estimates in some areas of the market may be too high and therefore, unsustainable.

## **Performance**

The Fund's Series A units outperformed its benchmark, gaining 10.5% versus a gain of 6.9% for the MSCI All Country World ex USA 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.

The Fund's holdings in the United States contributed to performance. Holdings in semiconductors & semiconductor equipment made a positive contribution to overall performance. Holdings in capital markets detracted from performance for the period.

## **Asset Mix**

At December 31, 2021, equities made up 96.4% of the Fund, and approximately 3.6% was in cash and other net assets.

The Fund's most significant country exposure change was a decrease in holdings in China to 0.5% from 7.2% at December 31, 2020. The most significant industry exposure change was an increase in holdings in oil, gas & consumable fuels to 10.3% 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 \$71.7 million at December 31, 2021, from \$24.6 million at December 31, 2020. Of this change, an increase of \$5.1 million was due to positive investment performance (net of investment income), and an increase of \$42.0 million was due to net inflows.

For Series A units, the annualized management expense ratio ("MER") at December 31, 2021 is 2.23%, compared to 2.26% at December 31, 2020.

## **Recent Developments**

As noted in the simplified prospectus, this Fund is subject to large transaction risk because it has security holders who individually own more than 10% of the Fund. In order to reduce the impact of this risk to security holders, Bridgehouse asks, but does not require, large investors to provide notice when significant redemptions are being contemplated.

Effective November 27, 2020, a U.S. dollar purchase option was added to the Fund, available for Series A, Series F and Series I versions of the Fund.

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.

On February 28, 2022, Bridgehouse introduced high-net-worth pricing for the GQG Partners Global Quality Equity Fund and GQG Partners International Quality Equity Fund (collectively, the "GQG Partners Funds"). Retroactive to February 1, 2022, eligible investors in Series A and Series F of the GQG Partners Funds will receive management fee distributions of 0.15% for total investments of \$250,000 to \$499,999, and management fee distributions of 0.20% for total investments over \$500,000.

Effective on or before April 22, 2022, Bridgehouse will no longer pay trailing commissions to dealers that do not make a suitability determination, such as order-execution-only ("OEO") dealers, in accordance with the Canadian Securities Administrators' decision to end the payment of trailing commissions to OEO dealers that comes into effect on June 1, 2022. Accounts held at OEO dealers will only be permitted to purchase or hold securities of Series F of the Fund, which does not pay a trailing commission.

On March 16, 2022, Bridgehouse announced that effective at the close of business on or about April 22, 2022, all Series A units of the Fund held in accounts at OEO dealers will be switched into Series F at no cost to the unitholder and without a disposition for tax purposes.

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 GQG Partners LLC (“GQG Partners”) as the portfolio sub-advisor to the Fund. 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

**MSCI All Country World ex USA Index:** This index consists of equities from 22 of 23 developed markets, including Canada, and 25 emerging markets around the world.

## FINANCIAL HIGHLIGHTS

FOR PERIODS ENDED DECEMBER 31, 2017 TO 2021

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 past five periods ended December 31 or, if shorter, the period since the inception of the Fund. 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 September 30, 2020.

### 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	2021	9.99	0.45	(0.24)	0.27	0.26	0.74	(0.05)	-	-	-	(0.05)	10.99
	2020	10.00	0.02	(0.05)	(0.42)	0.50	0.05	-	-	-	-	-	9.99
Series F	2021	10.01	0.41	(0.12)	(0.01)	0.76	1.04	(0.13)	-	-	-	(0.13)	11.05
	2020	10.00	0.02	(0.03)	(0.42)	0.42	(0.01)	-	-	-	-	-	10.01
Series I	2021	10.04	0.38	-	(0.13)	1.11	1.36	(0.25)	(0.01)	-	-	(0.26)	11.08
	2020	10.00	0.02	-	(0.40)	0.71	0.33	-	-	-	-	-	10.04

- 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	3,845	350	2.23	2.41	122.06	0.31	10.99
	2020	425	43	2.26	3.66	34.95	1.81	9.99
Series F	2021	42,409	3,836	1.09	1.25	-	-	11.05
	2020	9,664	965	1.13	2.45	-	-	10.01
Series I	2021	25,453	2,298	0.00	0.00	-	-	11.08
	2020	14,518	1,446	0.00	0.00	-	-	10.04

- 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 year ended December 31, 2021, the Fund paid Bridgehouse Asset Managers management fees of \$247,999. 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 (51% / 49%)
- Series F (0% / 100%)
- Series I (0% / 100%)

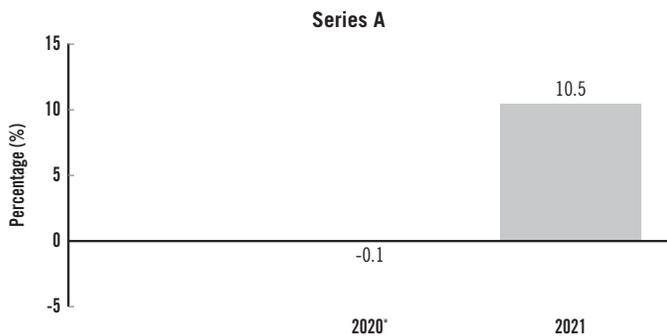
Commission payments represent cash commissions paid by Bridgehouse Asset Managers to registered brokers and dealers during the period and includes upfront deferred sales charge and trailing commissions. This amount may, in certain circumstances, exceed 100% of the fees earned by the Bridgehouse Asset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

## PAST PERFORMANCE

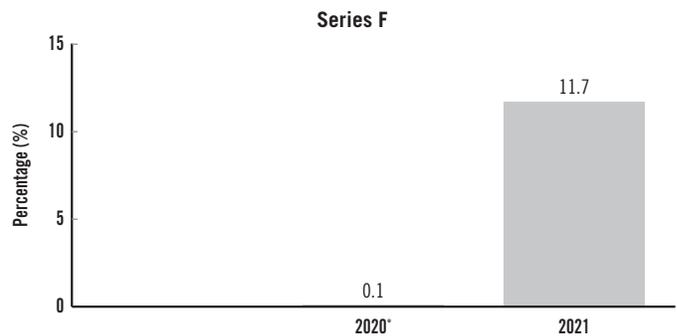
This section shows the historical performance for each series of the Fund for the periods ended December 31. Historical performance is based on the change in Net Asset Value per unit, assuming reinvestment of all distributions. Management fees and operating expenses have been taken into account before 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 (%)

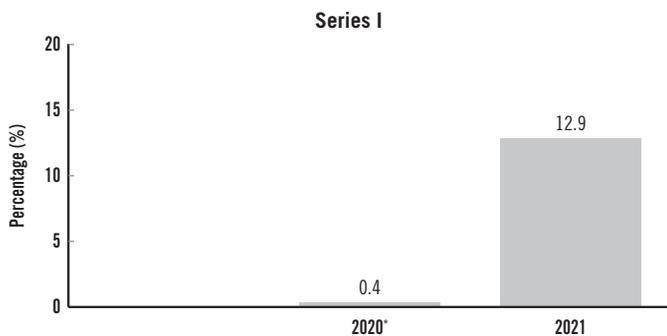
The bar chart shows the Fund's annual performance for each of the years shown. The bar chart shows how the performance of each series of the Fund has changed from year to year. It illustrates in percentage terms how much an investment in each series of the Fund made on January 1 of each year, or on the inception dates, would have grown or decreased by the last day of each financial year.



\*2020 Series A returns are from September 30, 2020



\*2020 Series F returns are from September 30, 2020



\*2020 Series I returns are from September 30, 2020

## Annual Compound Returns (%)

The table shows the historical annual compound total return for each series of the Fund as compared to the benchmarks listed below. The returns are for periods ended December 31, 2021. For a discussion of the relative performance of the Fund as compared to the index, please refer to the “Results of Operations” section in the “Management Discussion of Fund Performance”.

	1 year	Since Inception
Series A	10.48	8.18
Series F	11.71	9.36
Series I	12.94	10.55
MSCI All Country World ex USA Index <sup>1</sup>	6.91	14.69

<sup>1</sup>“Since inception” corresponds to inception date for Series A, F and I of September 30, 2020.

## SUMMARY OF INVESTMENT PORTFOLIO AS AT DECEMBER 31, 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. AstraZeneca PLC	5.8
2. Novo Nordisk A/S Cl. B	4.5
3. Alphabet Inc. <sup>1</sup>	4.0
4. ASML Holding NV	4.0
5. Cash and Cash Equivalent	3.7
6. Taiwan Semiconductor Manufacturing Company Limited Sponsored ADR	3.4
7. Petroleo Brasileiro SA Sponsored ADR	3.3
8. BNP Paribas SA	3.2
9. Philip Morris International Inc.	2.7
10. Visa Inc. Cl. A	2.5
11. British American Tobacco PLC <sup>2</sup>	2.5
12. Glencore PLC	2.5
13. HDFC Bank Limited ADR	2.3
14. Exxon Mobil Corporation	2.3
15. Banco Bilbao Vizcaya Argentaria SA	2.1
16. ICICI Bank Limited ADR	2.1
17. ArcelorMittal SA <sup>3</sup>	2.0
18. Genmab AS	2.0
19. Accenture PLC Cl. A	2.0
20. Roche Holding AG Non-Voting	1.9
21. Schneider Electric SE	1.9
22. Royal Bank of Canada	1.9
23. Credit Agricole SA	1.7
24. Unilever PLC <sup>4</sup>	1.7
25. Daimler AG Registered Shares	1.6
<b>% of Fund</b>	<b>67.6</b>
<b>Total Number of Companies</b>	<b>56</b>
<b>Total Net Asset Value (\$MM)</b>	<b>\$72</b>

<sup>1</sup> 2.02% in Alphabet Inc. Cl. A & 2.02% in Alphabet Inc. Cl. C

<sup>2</sup> 1.47% in British American Tobacco PLC ADR & 0.99% in British American Tobacco PLC

<sup>3</sup> 1.26% in ArcelorMittal SA NY Registered Shares & 0.75% in ArcelorMittal SA

<sup>4</sup> 1.57% in Unilever PLC & 0.10% in Unilever PLC Sponsored ADR

### Asset Mix

Asset Class	Fund (%)
Global Equity	96.4
Cash & Cash Equivalent	3.7
Other Net Assets	(0.1)
<b>% of Total</b>	<b>100.0</b>

### Industry Exposure

Industry	Fund (%)
Commercial Banks	15.5
Pharmaceuticals	12.2
Oil, Gas & Consumable Fuels	10.3
Semiconductors & Semiconductor Equipment	7.4
IT Services	7.1
Tobacco	6.2
Metals & Mining	5.8
Interactive Media & Services	4.0
Electric Utilities	3.8
Beverages	2.4
Insurance	2.2
Personal Products	2.0
Biotechnology	2.0
Electrical Equipment	1.9
Capital Markets	1.7
Automobiles	1.6
Textiles, Apparel & Luxury Goods	1.6
Food Products	1.6
Health Care Equipment & Supplies	1.5
Diversified Telecommunications Services	1.4
Chemicals	1.3
Multi-Utilities	1.2
Diversified Consumer Services	0.6
Air Freight & Logistics	0.5
Machinery	0.4
Energy Equipment & Services	0.2
Cash & Cash Equivalent	3.7
Other Net Assets	(0.1)
<b>% of Total</b>	<b>100.0</b>
<b>Total Number of Industries</b>	<b>26</b>

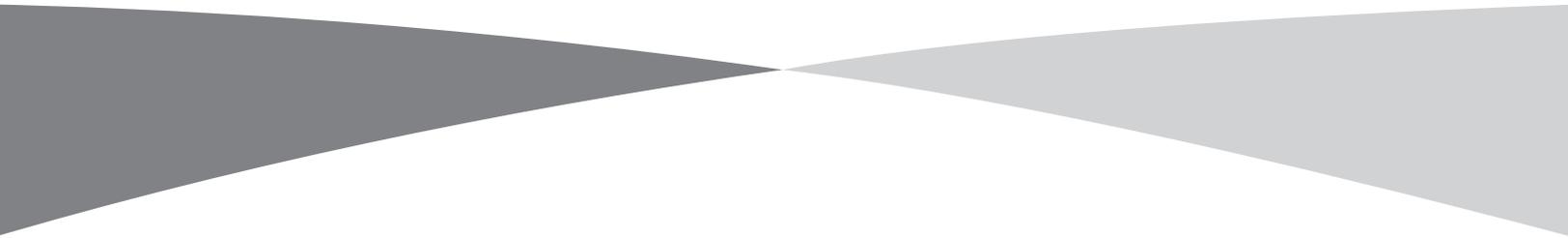
Note: Rounding to one decimal place may result in individual figures totalling more or less than 100%

## SUMMARY OF INVESTMENT PORTFOLIO AS AT DECEMBER 31, 2021 (CONTINUED)

### Country Exposure

Country	Fund (%)
United Kingdom	13.0
United States	11.7
France	11.5
Switzerland	7.5
Denmark	7.0
India	5.5
Germany	5.4
Netherlands	5.1
Russia	4.7
Canada	4.4
Brazil	4.1
Spain	3.5
Taiwan	3.4
Luxembourg	2.1
Ireland	2.0
Sweden	1.6
Italy	1.6
Belgium	1.3
Australia	0.5
China	0.5
Cash & Cash Equivalent	3.7
Other Net Assets	(0.1)
<b>% of Total</b>	<b>100.0</b>
<b>Total Number of Countries</b>	<b>20</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), Sionna Investment Managers Inc., TD Asset Management Inc., Lazard Asset Management (Canada) Inc., Morningstar Associates Inc. and GQG Partners LLC 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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