



BRIDGEHOUSE

INDEPENDENT PLATFORM

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2021 Annual Management Report
of Fund Performance

Bridgehouse Canadian Bond Fund

BRIDGEHOUSE CANADIAN BOND 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 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

Investment Objective and Strategies

The investment objective of the Fund is to achieve capital appreciation and income by investing primarily in investment grade Canadian fixed income securities. The Fund seeks to manage interest rate and corporate bond exposure based on market conditions.

Investment decisions are driven by TD Asset Management Inc. ("TDAM") expectations for interest rate yield curve. Portfolio construction involves three primary steps: setting portfolio, ensuring sector diversification, and seeking value in individual security selection.

The Fund will invest in fixed income securities only if they have a long-term credit rating of investment grade by at least one recognized credit rating service. Generally, up to 20% of the Fund's total assets can be invested in Canadian bonds issued in foreign currencies. The duration of securities is generally expected to be within 2.5 years of the FTSE Canada Universe Bond Index.

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 low 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

2021 did not disappoint those investors with an appetite for riskier assets. The performance of North American equity markets has been impressive, driven by the strength and resilience of the U.S. and Canadian economies. Low interest rates and aggressive government support benefited individuals and corporations, helping to ease some of the pressures experienced during the ongoing global health crisis.

The COVID-19 pandemic lingers on, impacting regions across the globe: hospitalizations increased in late 2021 due to the new Omicron variant, leading to further restrictions in mobility and business closures. The markets have largely discounted these effects due to improved treatments and vaccinations; however, this could pose a risk to global economic growth in the coming quarters. Economic growth at the moment continues to be robust in many countries, especially in the U.S., and central bankers are now shifting their policies towards normalization from accommodation.

The Canadian fixed income market, as measured by the FTSE Canada Universe Bond Index, recorded a -2.5% loss for the year as Government of Canada bond yields rose, reflecting market participant expectations about monetary tightening amid surging inflation pressures.

The bond market may still be subject to volatility, particularly on the front end of the curve, as central banks adjust policy frameworks from accommodation to stabilization. Interest rates should remain relatively low. The U.S. Federal Reserve (the Fed) and global central banks continue to incorporate an accommodative stance with respect to interest rates, even as the Fed accelerates its tapering of asset purchases. The market is anticipating up to six rate hikes for the Bank of Canada, up to three for the Fed and fewer for the European Central Bank and the Bank of England. Overall yields are expected to increase modestly from current levels in the next 12 months due to positive economic prospects. Spreads remain at compressed levels, despite some modest recent widening, which has limited the

attractiveness of certain opportunities in fixed income markets. Corporate credit, high yield credit and private debt should continue to drive returns and are expected to provide elevated levels of income relative to the broad fixed income market for 2022.

Performance

The Fund's Series A units trailed its benchmark, losing 2.6% versus a loss of 2.5% for the FTSE Canada Universe Bond 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 December 31, 2021, 53.8% of the Fund was invested in Canadian Federal and Provincial government fixed income securities, 45.4% in Canadian corporate fixed income securities, and approximately 0.8% was in cash and other net assets.

The securities holdings in the Fund had an average credit rating of Aa2 by Moody's at December 31, 2021, unchanged from December 31, 2020.

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

Flows & Fees

The Fund's Net Asset Value decreased to \$28.8 million at December 31, 2021, from \$31.7 million at December 31, 2020. Of this change, a decrease of \$0.6 million was due to negative investment performance (net of investment income), and a decrease of \$2.3 million was due to net outflows.

For Series A units, the annualized management expense ratio ("MER") at December 31, 2021 is 1.09%, unchanged from 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.

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.

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.

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 TD Asset Management Inc. (“TDAM”) as the portfolio sub-advisor to the Fund. Bridgehouse pays TDAM 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

FTSE Canada Universe Bond Index: This index provides a broad measure of the total return for the Canadian bond market covering over 900 Canadian federal, provincial, municipal, and corporate bonds with maturities greater than one year and with a rating of BBB or higher.

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.

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	11.03	0.28	(0.12)	0.02	(0.50)	(0.32)	(0.16)	-	-	-	(0.16)	10.58
	2020	10.31	0.28	(0.12)	0.45	0.24	0.85	(0.16)	-	-	-	(0.16)	11.03
	2019	9.89	0.28	(0.11)	0.25	0.19	0.61	(0.17)	-	-	-	(0.17)	10.31
	2018	10.03	0.29	(0.12)	(0.18)	(0.04)	(0.05)	(0.17)	-	-	-	(0.17)	9.89
	2017	10.04	0.31	(0.14)	(0.08)	(0.01)	0.08	(0.15)	-	-	-	(0.15)	10.03
Series F	2021	11.09	0.28	(0.06)	0.02	(0.57)	(0.33)	(0.22)	-	-	-	(0.22)	10.64
	2020	10.38	0.29	(0.06)	0.46	0.26	0.95	(0.22)	-	-	-	(0.22)	11.09
	2019	9.95	0.28	(0.06)	0.25	0.21	0.68	(0.22)	-	-	-	(0.22)	10.38
	2018	10.09	0.29	(0.07)	(0.18)	0.02	0.06	(0.22)	-	-	-	(0.22)	9.95
	2017	10.10	0.30	(0.09)	(0.07)	0.01	0.15	(0.21)	-	-	-	(0.21)	10.09
Series I	2021	11.01	0.27	-	0.02	(0.44)	(0.15)	(0.28)	-	-	-	(0.28)	10.57
	2020	10.30	0.28	-	0.45	0.26	0.99	(0.28)	-	-	-	(0.28)	11.01
	2019	9.88	0.28	-	0.25	0.24	0.77	(0.28)	-	-	-	(0.28)	10.30
	2018	10.02	0.28	-	(0.18)	0.02	0.12	(0.29)	-	-	-	(0.29)	9.88
	2017	10.03	0.29	-	(0.06)	0.05	0.28	(0.29)	-	-	-	(0.29)	10.02

- 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	4,715	446	1.09	1.27	63.61	-	10.58
	2020	5,760	522	1.09	1.25	112.34	-	11.03
	2019	4,432	430	1.09	1.19	89.55	-	10.31
	2018	5,033	509	1.22	1.25	89.71	-	9.89
	2017	10,110	1,008	1.37	1.45	81.38	-	10.03
Series F	2021	3,210	302	0.59	0.68	-	-	10.64
	2020	4,263	384	0.59	0.67	-	-	11.09
	2019	5,564	536	0.59	0.63	-	-	10.38
	2018	6,361	639	0.70	0.72	89.71	-	9.95
	2017	8,614	854	0.84	0.93	-	-	10.09
Series I	2021	20,842	1,972	0.00	0.00	-	-	10.57
	2020	21,699	1,970	0.00	0.00	-	-	11.01
	2019	26,779	2,599	0.00	0.00	-	-	10.30
	2018	35,755	3,618	0.00	0.00	89.71	-	9.88
	2017	45,058	4,496	0.00	0.00	-	-	10.02

- 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 \$58,533. 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 (57% / 43%)
- Series F (0% / 100%)
- Series I (0% / 100%)

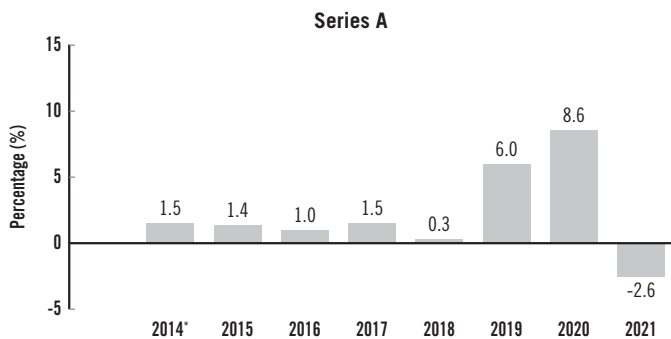
Commission payments represent cash commissions paid by Bridgehouse Asset Managers to registered brokers and dealers during the period and includes upfront deferred sales charge and trailing commissions. This amount may, in certain circumstances, exceed 100% of the fees earned by the Bridgehouse Asset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

PAST PERFORMANCE

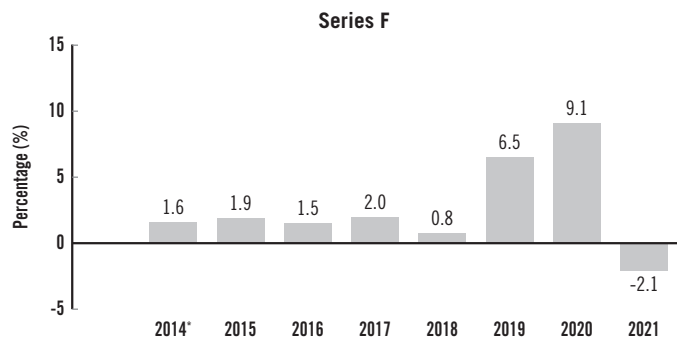
This section shows the historical performance for each series of the Fund for the periods ended December 31. Historical performance is based on the change in Net Asset Value per unit, assuming reinvestment of all distributions. Management fees and operating expenses have been taken into account before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

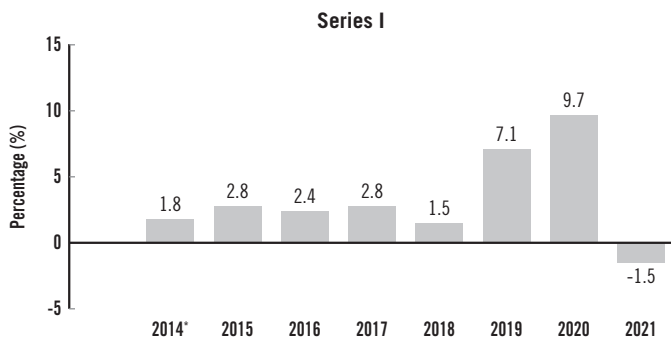
The bar chart shows the Fund's annual performance for each of the years shown. The bar chart shows how the performance of each series of the Fund has changed from year to year. It illustrates in percentage terms how much an investment in each series of the Fund made on January 1 of each year, or on the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



*2014 Series A returns are from November 4, 2014



*2014 Series F returns are from November 4, 2014



*2014 Series I returns are from November 4, 2014

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	3 years	5 years	Since Inception
Series A	(2.58)	3.88	2.67	2.40
Series F	(2.09)	4.40	3.19	2.93
Series I	(1.51)	5.02	3.87	3.67
FTSE Canada Universe Bond Index ¹	(2.54)	4.22	3.31	3.33

¹“Since inception” corresponds to inception date for Series A, F and I of November 4, 2014

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. Canada Housing Trust No. 1 2.90% Jun 15/2024	4.1
2. Canada Housing Trust No. 1 0.44% Sep 15/2023	3.6
3. Province of Quebec 6.25% Jun 01/2032	3.5
4. Canada Housing Trust No. 1 1.75% Jun 15/2030	3.5
5. Province of Ontario 3.45% Jun 02/2045	3.1
6. Province of Quebec 3.50% Dec 01/2048	2.8
7. Canada Housing Trust No. 1 2.55% Dec 15/2023	2.1
8. Province of Ontario 2.80% Jun 02/2048	2.0
9. Province of British Columbia 2.95% Jun 18/2050	1.9
10. Enbridge Inc. 5.38% Sep 27/2077	1.8
11. Government of Canada 5.00% Jun 01/2037	1.8
12. Royal Office Finance LP 5.21% Nov 12/2037	1.8
13. The Bank of Nova Scotia 0.67% Aug 04/2026	1.7
14. Royal Bank of Canada 3.30% Sep 26/2023	1.6
15. Province of Alberta 3.10% Jun 01/2050	1.6
16. Canadian Imperial Bank of Commerce 0.57% Mar 04/2025	1.6
17. Government of Canada 1.50% Jun 01/2031	1.5
18. Province of Ontario 2.60% Jun 02/2025	1.5
19. HSBC Bank Canada 2.54% Jan 31/2023	1.5
20. Canadian Imperial Bank of Commerce 0.73% Jun 10/2024	1.5
21. Province of Ontario 1.90% Dec 02/2051	1.4
22. Federated Co-operatives Limited 3.92% Jun 17/2025	1.4
23. Province of Quebec 3.10% Dec 01/2051	1.4
24. Canada Housing Trust No. 1 2.40% Dec 15/2022	1.3
25. TransCanada Pipelines Limited 3.80% Apr 05/2027	1.3
% of Fund	51.3
Total Number of Fixed Income Securities	107
Total Net Asset Value (\$MM)	\$29

Asset Mix

Asset Class	Fund (%)
Fixed Income – Government	53.8
Fixed Income – Corporate	45.4
Cash & Cash Equivalent	0.4
Other Net Assets	0.4
% of Total	100.0

Industry Exposure

Industry	Fund (%)
Corporate	45.4
Provincial Government	28.8
Federal Government	25.0
Cash & Cash Equivalent	0.4
Other Net Assets	0.4
% of Total	100.0
Total Number of Industries	3

Country Exposure

Country	Fund (%)
Canada	95.2
United States	2.6
United Kingdom	1.4
Cash & Cash Equivalent	0.4
Other Net Assets	0.4
% of Total	100.0
Total Number of Countries	3

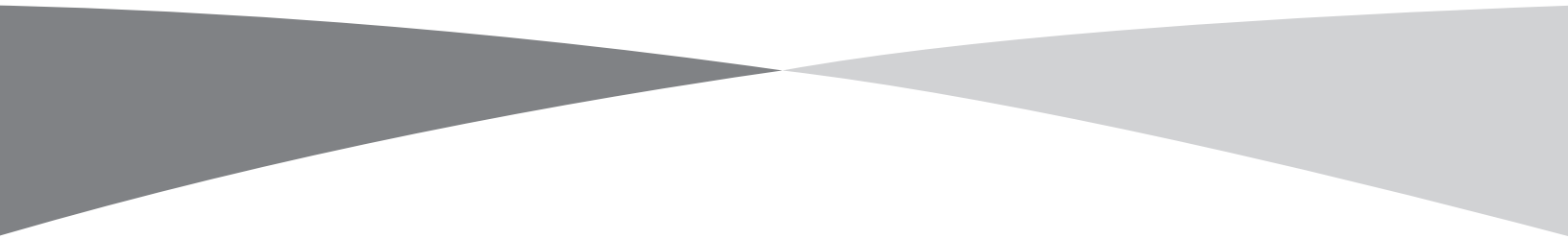
Debt Securities by Credit Rating*

Credit Rating	Total Debt Instruments (%)
AAA/Aaa	28.7
AA/Aa	28.6
A/A	23.7
BBB/Baa	19.0
Total	100.0

*Excludes cash and cash equivalents.

Credit ratings are obtained from Standard & Poor's, Moody's and Fitch.

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®



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