THIRD QUARTER REPORT
September 30th, 2017

Performance

To September 30th, 2017 the performance of the **HughesLittle Value Fund** and the **HughesLittle Balanced Fund** was as follows:

	Value Fund	**Balanced Fund** (*Registered*)
Unit Price – September 30th, 2017	**$ 30.50**	**$ 18.62**
Unit Price – December 31st, 2016	$ 26.18	$ 16.32
Distributions Paid Per Unit Since Inception	$ 2.41	$ 6.77
Nine Months	**16.5 %**	**14.1 %**
Annualized Return Since Inception	**11.0 %**	**10.4 %**

See attached Performance Summary for additional performance results.

*****IMPORTANT NOTICE*****

A Change of Trustee for RSP/RIF Plans

Balanced Fund unitholders should have received notification from Canadian Western Trust and us (by email or telephone) that the trustee for your self-directed RSP or RIF plan that holds your Balanced Fund units is changing. The reason for this change is, Canadian Western Trust will no longer be offering this service. A new trustee for our RSP and RIF plans must be appointed.

We are currently doing our due diligence on trustees, aiming to find the best fit for us. We'll try to make this a seamless as possible. In the meantime, it is 'business-as-usual' until the end of 2017 with-respect-to RSP contributions and RIF payments.

We will contact you shortly with an update.

Call us if you have any questions or concerns.

Third Quarter Commentary

The Funds' portfolio companies continue to show solid results. Revenue and profit growth across the portfolio, has for instance, ranged from decent to superb for the past several years, 2017 included. In fact, in many cases, we have under-estimated how well our companies would perform.

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 17 companies. 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.

Fortunately, a few of our long-term guestimates have been close enough. In the 2009 to 2011 period, we made some of our boldest investments. At the time, we anticipated robust financial results for these companies and invested accordingly. As an example, by year-end 2010 our three largest positions made-up about one-third of the Value Fund.[1] Since then, our top three have delivered high-teens revenue and profit growth along with shareholder gains of about 30 percent per year. We discuss one of our largest, long-term holdings in the Investment Review.

It is worth repeating what we have been saying over the past few years: we intend to hold most of our largest positions. Again, the Funds own well-run, competitively strong companies. Balance sheets are solid. And each of our companies sell products or services that in different ways, meets the daily needs and desires of society. These attributes should continue to sustain our companies' results through most economic conditions. Any selling we have done or may do is mostly 'trimming' to lower over-sized positions.

Another comment worth repeating: Share prices of many of our companies are nowhere near the bargain prices they were back in the 2009 to 2011 period. We don't think our share prices are over-valued, just higher relative to underlying intrinsic values. That tempers our return expectations for the next few years.

Portfolio Review

During the third quarter the Value Fund added one new holding and made a partial sale of an existing holding. The Balanced Fund added one new holding and sold one holding.

As of September 30th, the Value Fund is 95 percent invested in 17 companies. The Fund owns four Canadian companies, eight U.S. based companies, and five holdings based outside of North America. The Value Fund's top ten positions make-up 81 percent of the Fund's assets.

The Balanced Fund is 76 percent invested in the common shares of four Canadian companies, seven U.S. companies, and five companies based outside of North America. The Balanced Fund's top ten positions make-up 67 percent of the Fund's assets.

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[1] These same three positions made up about 25 percent of the Balanced Fund.

2017 Distribution

The 2017 capital gains distribution for the Value Fund is projected to be about $0.35 per unit, a little higher than the past few years. This is due to some partial sales of positions that had become over-sized and a decision to sell one company in favour of another (discussed in the Investment Review).

Due to the size of the distribution you may want to defer any large investments in the Value Fund into 2018. We will have a revised estimate of the 2017 distribution by early December. Check our website or call us for this revision.

If you would like to receive your distribution in cash please let us know by mail, email or fax by December 15th.

The distribution for the HughesLittle Balanced Fund is non-taxable for unit holders.

Miscellaneous

Enclosed with this report for clients are:

1. The 2017 Third Quarter Investment Review
2. Your Client Statement.

Kind Regards,

Joe Little   Mark Hughes

October 7th, 2017