Quarterly Report

Steadyhand

Q4
2023

"It was a year that underscored the importance of a steady hand on your portfolio and proved once again that stocks are highly unpredictable in the near term, the correlation between the market and the economy is sloppy at best, and forecasting is a mug's game."

— Scott Ronalds, Steadyhand Blog, December 27

Bradley's Brief

If you click on steadyhand.com, you're greeted with a big flashy animation that says, **'Markets rise & fall. Steady rules them all'**. This theme, on which our firm is built, has never been more relevant than in the last two years.

Our clients know that investment returns come with surges and dips. To get the good, you need to accept the bad. But WOW, that wasn't easy to do in 2022 and 2023. There were more surges and dips than usual, and a lot more noise. The volume was turned up to 10 on issues like recession, inflation, central banks, AI, and global tensions. And then there were what Salman and I call the 'bright shiny objects' – trends, stocks and products that capture investors' imaginations and cause them to change strategy. Things like crypto, AI, and more recently, good old money market funds and GICs.

I'm happy to say that our clients did remarkably well in running this gauntlet, but I know it wasn't easy. Indeed, my biggest takeaway was just how hard it is for investors to stay steady and invest for the long term. It's easy to say (my part) and hard to do (your part). Really hard.

Joe Wiggins, a keen observer of investor behaviour, said, *"… taking a long-term perspective is the most severe behavioral challenge that investors face."* Meeting the challenge means *"frequently ignoring issues that we and everyone believes – at that moment – are absolutely critical. No wonder so few investors can do it."*

Of course, it goes beyond the last couple of years. Consider that the S&P 500 has had a positive return in 33 out of the last 44 years. In those 33, the average intra-year drop was 14.2%. Even good years like 2023 have significant setbacks built in.

At Steadyhand, we're wired to invest for the long term. We make our share of mistakes, but never waver on this. Our hope is that if we walk the talk, you'll have a better chance of doing the same.

We believe that stocks will continue to be the most reliable source of returns over time. Using my favourite tool on our website, the Volatility Meter, you can see that stocks earned an average return of 9.6% over the last 63 years. You'll also see there were some gut-wrenching down periods along the way.

What will 'steady' mean to our investors in 2024?

- *We won't try to predict the markets.* Rather, we'll be prepared for anything to happen.
- *We'll always be diversified and buy companies that are strong enough to be held for many years.*
- *We'll listen to our fund managers.* If they're enthusiastic about the opportunities available, we'll give them more money, and vice versa.
- In turn, *our managers will care about what they pay.* Valuation is still the most reliable indicator of future returns (i.e. lower leads to higher).
- *We'll make deliberate but modest adjustments to the Founders Fund's asset mix.* They will reflect the outlook for 5-year returns, not what's in the headlines.
- *We'll use investor sentiment to keep our enthusiasm or despair in check.* How bullish or bearish investors are, is a contrarian indicator that helps us avoid big mistakes at market highs and take advantage of opportunities at market lows.
- *We'll always be accessible to advise clients on determining the best portfolio for their goals and situation, and then help them stick to it.*

Nobody knows what 2024 will bring but you can be assured that, no matter what comes our way, we'll stay steady. Cue the flashy animation.

Key Takeaways

Stocks

- Stock markets had a strong year, rebounding nicely after a weak 2022. The global market (Morningstar Developed Markets Index) gained 19.6% while Canadian stocks (Morningstar Canada Index) rose 11.3%. Small-cap stocks trailed their larger counterparts, and emerging markets lagged developed markets, on balance.
- The gains, however, were uneven. Mega-cap tech stocks surged (the 'Magnificent 7' in specific) on enthusiasm around artificial intelligence, while more interest rate sensitive sectors like telecoms, utilities, and REITs lagged. Energy stocks also struggled.
- Currency movements had a modest impact on returns: the Euro and British Pound rose slightly against the loonie (boosting European and U.K. stock returns in $Cdn terms); the U.S. dollar fell a little (dampening returns); and the Japanese Yen lost 10%.

Market Returns

	3M	1Y
Canada	7.9%	11.3%
World	8.7%	19.6%

Bonds

- The Canadian bond market rose 6.3% in 2023 (interest and capital appreciation).
- Bond yields did a round trip. The 10-year Government of Canada yield started the year at 3.3%, rose steadily through the late spring and summer to a peak of 4.3%, and then declined sharply in the fall to finish the year at 3.1%.
- Corporate bonds gained more than 8%, outpacing the government sector.

	3M	1Y
Bonds	8.3%	6.3%

Our Funds

- All our funds had a positive year. The Small-Cap Fund was a standout while the Equity Fund struggled. Our balanced clients' portfolios were up 8% to 9%. Over the past 10 years, our balanced clients have gained roughly 5% per year.
- Our stock weighting in the Founders Fund is hugging its target of 60% based on our views on corporate fundamentals, valuations, and investor sentiment.
- In the context of our balanced portfolios, recent transactions include the purchase of CGI (Canada), TMX Group (Canada), and Monotaro (Japan); and the sale of Brookfield Renewable (Canada), HDFC Bank (India), and Kubota (Japan).

Fund Returns

	3M	1Y
Savings	1.2%	4.6%
Income	7.5%	6.0%
Founders	6.7%	8.6%
Builders	6.7%	10.9%
Equity	5.2%	5.9%
Global	8.8%	15.3%
Small-Cap	6.5%	16.6%
Global Small-Cap	5.3%	7.2%

Our Advice to Clients

We recommend you be at or near your long-term target for stocks. In the Founders Fund, our equity weighting is 60%. We feel valuations are generally reasonable, outside of the technology sector, that is. Our focus is on profitable, well-financed companies that are in a good position to improve their market leadership. Our outlook for bonds is positive given prevailing yields. To complement the longer-term bonds in the Income Fund, we also recommend holding a position in the Savings Fund, which is yielding over 5% (pre-fee). Currently, 7% of the Founders Fund is in cash (including the Savings Fund).

For our latest thoughts on asset mix and the advice we're giving clients, you can always visit the Current Outlook page on our website, or give us a call at 1.888.888.3147.

Founders Fund

Fund Overview

- The Founders Fund is a balanced fund with a target asset mix of 60% stocks and 40% fixed income. It gains this exposure from investing in Steadyhand's other funds.
- Tom Bradley manages the fund along with Chief Investment Officer Salman Ahmed. They have considerable scope to adjust the portfolio although without extremes in valuation and investor sentiment, their bias is to stay near the target mix.

The fund was up 6.7% in the quarter. Since inception (Feb 2012), it has a cumulative return of 95%, which equates to an annualized return of 5.8%.

Portfolio Specifics

- The Founders Fund had a strong finish to 2023 driven by rising stock prices. The fund was up 8.6% for the year, marking the 9th positive return in 11 years. The fund benefited from strong performances by the Small-Cap Equity Fund and Income Fund.
- We don't make big or sudden moves to the fund's asset mix, but instead make gradual changes based on bond and stock valuations, market sentiment (a contrarian indicator of value), and our fund managers' views.
- Founders was fully invested in stocks throughout the year. It started with a weighting of 65% in January (as a percentage of total assets) and finished at 60%, which is right on its long-term target. As the year progressed, our projected 5-year return for stocks (our preferred time frame) came down slightly as prices rose more than company profits.
- As we noted throughout the year, higher interest rates improved the outlook for fixed income securities. Reflecting this, the bond component of the portfolio (via the Income Fund) was increased to 33% and made a solid contribution with a 7.4% return in 2023.
- We remind clients that Founders' asset mix is important, as are the adjustments we make, but returns are primarily driven by the performance of the underlying funds. It's through these six funds that Founders owns a mix of bonds and stocks across a wide range of industries, geographies, and currencies
- The largest transactions during the quarter in the underlying funds included new holdings in CGI (Canada), TMX Group (Canada), and Monotaro (Japan); and the sale of Brookfield Renewable (Canada), HDFC Bank (India), and Kubota (Japan).

Fund Mix

Income	43%
Global	20%
Equity	20%
Small-Cap	5%
Global Small-Cap	5%
Savings	6%

Asset Mix

Foreign Stocks	33%
Canadian Stocks	27%
Gov't Bonds	18%
Corporate Bonds	15%
Cash & Short-term	7%

Positioning

- Yields on fixed income securities are attractive again and stock market valuations are reasonable in a historical context, which means both components of the fund (stocks and bonds) will contribute to returns in the years ahead.
- The fund is closely mirroring its target asset mix. There are currently no extremes in the indicators we look at prompting us to deviate meaningfully.
- For more details on the underlying funds, please review pages 8-18.

Fund size $634,921,594

Founders Fund

Attributes

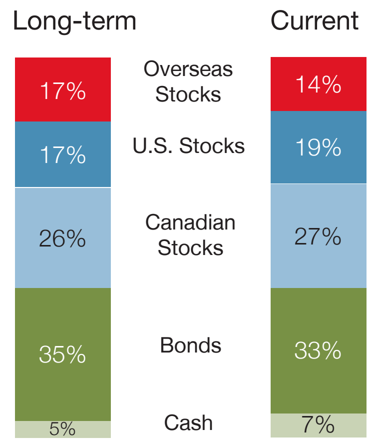
Top Stock Holdings (% of Fund)

Microsoft	1.8%
TD Bank	1.5%
CN Rail	1.4%
Danaher	1.3%
Thomson Reuters	1.3%
Visa	1.3%
Sika AG	1.1%
S&P Global	1.1%
Lennar	0.9%
Toromont	0.9%

Sector Allocation (Stocks)

Industrial Goods & Svc	27.3%
Financial Services	20.6%
Technology	13.6%
Healthcare	7.3%
Consumer Cyclical	7.1%
Retailing	4.9%
Basic Materials	4.8%
Consumer Products	3.4%
Real Estate	3.3%
Oil & Gas	3.2%
Comm. & Media	2.8%
Utilities & Pipelines	1.7%

Asset Mix



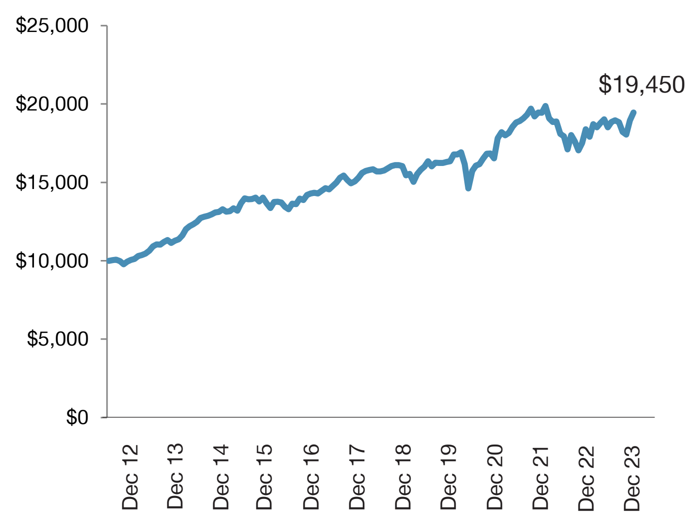
Performance

Compound Annualized Returns (as of December 31, 2023)

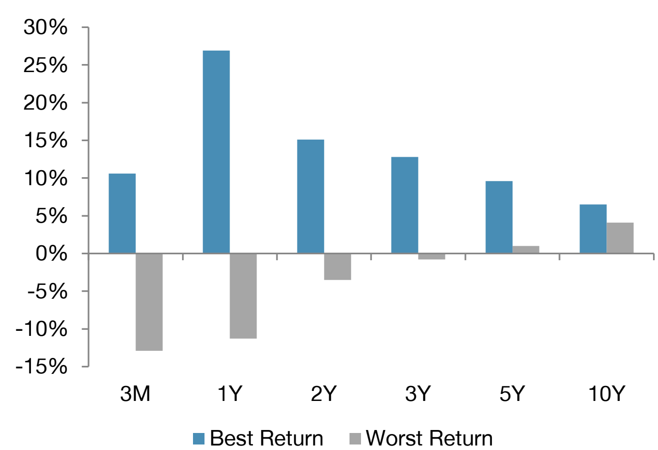
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Founders Fund (after-fee)	**6.7%**	**8.6%**	**8.6%**	**2.2%**	**5.3%**	**4.7%**	**N/A**	**5.8%**
Canadian Bonds	8.3%	6.3%	6.3%	-2.9%	1.2%	2.4%	N/A	2.2%
Global Stocks ($Cdn)	8.7%	19.6%	19.6%	7.8%	11.5%	10.7%	N/A	12.4%
Canadian Stocks	7.9%	11.3%	11.3%	9.0%	10.6%	6.8%	N/A	6.9%

[1]Feb 17, 2012

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Builders Fund

Fund Overview

- The Builders Fund is an all-stock portfolio designed for growth-oriented investors. It is a fund-of-funds that invests mainly in Steadyhand's four stand-alone equity funds — Equity Fund, Global Equity Fund, Small-Cap Equity Fund, and Global Small-Cap Equity Fund.
- The mix of underlying funds is managed by Chief Investment Officer Salman Ahmed, with Chair and co-founder Tom Bradley as co-manager.

The fund was up 6.7% in the quarter. Since inception (Feb 2019), it has a cumulative return of 30%, which equates to an annualized return of 5.5%.

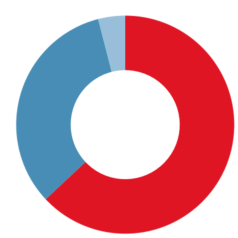
Portfolio Specifics

- The fund gained 10.9% in 2023. Its performance was behind the Canadian and global indexes, due in part to our lower exposure to technology stocks, specifically the so-called 'Magnificent 7', that benefited from growing enthusiasm around AI and accounted for nearly two-thirds of the U.S. market's gain.
- Investments are allocated roughly 1/3 towards companies based in Canada and 2/3 towards foreign businesses. The bias to foreign companies reflects a broader opportunity set outside of Canada, particularly in important industries like healthcare, technology, and consumer products & services.
- The largest area of investment, industrial goods & services (31% of the portfolio), includes a diverse mix of companies such as railways CN Rail and Canadian Pacific Kansas City, RPM International (specialty coatings and sealants), Saab (aerospace, defense, and radar specialist) and Badger Infrastructure Solutions (hydrovac services). Performance of the group was strong in 2023.
- Financial services companies make up 18% of the fund. Large holdings include Visa, TD Bank, and S&P Global. We also own a group of leading insurance companies, including RenaissanceRe, AIA Group, and Steadfast. CME Group (derivatives marketplace), FirstCash Holdings (pawn stores), FinecoBank (Italian online bank) and TMX Group (market exchanges) provide additional diversification.
- The technology sector is another important area of investment, comprising 15%. Our focus is on established industry leaders such as Microsoft, which is our largest holding. Other investments include Samsung Electronics (diversified technology), Qualcomm (chips for smartphones), Adobe (software), and Synaptics (human interface hardware and software). Our holdings performed well, on balance, but didn't keep pace with the mega-cap AI-related stocks that drove the sector.
- The portfolio has some exposure to commodity stocks (8%), including Franco-Nevada (gold), TotalEnergies (oil & gas), Interfor (lumber), Cameco (uranium), and Capstone Copper (copper miner), but resource companies represent a smaller component of the fund due to their inherent cyclicality.

Fund Mix

Equity	35%
Global	35%
Small-Cap	15%
Global Small-Cap	15%

Asset Mix



Foreign Stocks	63%
Canadian Stocks	33%
Cash & Short-term	4%

Fund size	$189,195,200

Positioning

- Refer to pages 10-17 for details on the underlying funds.

Builders Fund

Attributes

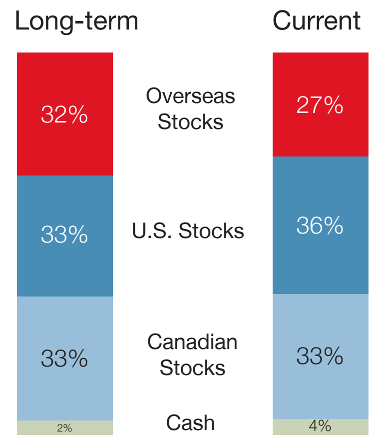
Top Stock Holdings (% of Fund)

Microsoft	3.2%
Danaher	2.3%
Visa	2.2%
CN Rail	2.0%
Sika AG	1.8%
S&P Global	1.8%
Thomson Reuters	1.7%
TD Bank	1.7%
Lennar	1.6%
Metro	1.5%

Sector Allocation (Stocks)

Industrial Goods & Svc	30.9%
Financial Services	18.3%
Technology	14.6%
Healthcare	8.7%
Consumer Cyclical	8.2%
Retailing	5.2%
Basic Materials	5.0%
Consumer Products	4.3%
Comm. & Media	2.5%
Oil & Gas	1.8%
Utilities & Pipelines	0.5%

Asset Mix



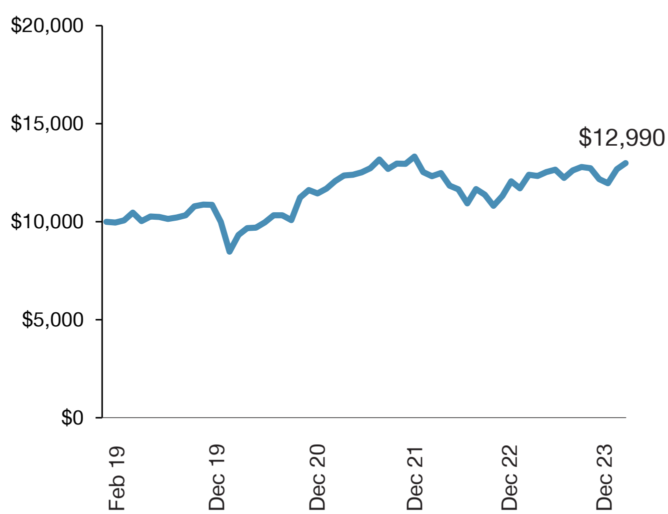
Performance

Compound Annualized Returns (as of December 31, 2023)

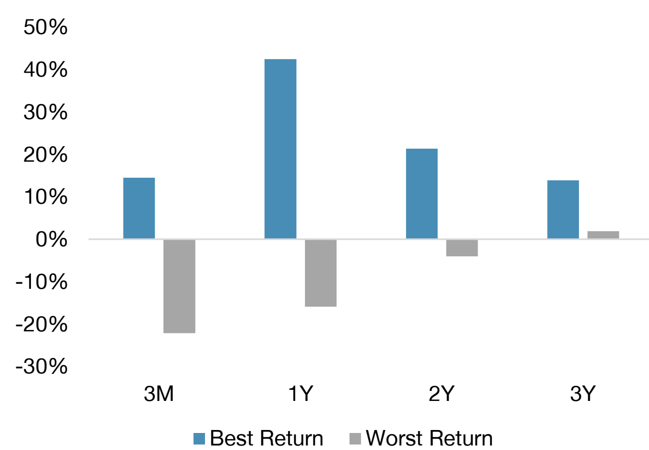
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Builders Fund (after-fee)	**6.7%**	**10.9%**	**10.9%**	**3.8%**	**N/A**	**N/A**	**N/A**	**5.5%**
Global Stocks ($Cdn)	8.7%	19.6%	19.6%	7.8%	N/A	N/A	N/A	10.3%
Canadian Stocks	7.9%	11.3%	11.3%	9.0%	N/A	N/A	N/A	8.5%

[1]Feb 15, 2019

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Income Fund

Market Context

- The Canadian bond market rose 6.3% in 2023 (interest and capital appreciation).
- Bond yields did a round trip. The 10-year Government of Canada yield started the year at 3.3%, rose steadily through the late spring and summer to a peak of 4.3%, and then declined sharply in the fall to finish the year at 3.1%.
- Canadian stocks rose 11.3%. The technology and healthcare sectors were areas of strength, while materials, utilities, and telecom stocks were weak.

The fund was up 7.5% in the quarter. Since inception (Feb 2007), it has a cumulative return of 111%, which equates to an annualized return of 4.5%.

Portfolio Specifics

- The fund rose 6.0% in 2023. It was a highly uneven year for returns, with bonds in negative territory over the first three quarters before rallying strongly in the fourth quarter as central banks indicated that the interest rate hiking cycle is likely over.
- Our bond holdings performed well. Both our government and corporate investments benefited from the broad decline in yields late in the year (when yields fall, prices rise). On the government side, our focus on provincial over federal bonds contributed to performance, and we took advantage of opportunities in the yield curve, which remains deeply inverted (short-term rates are higher than long-term rates) but began to normalize late in the year.
- Our corporate investments were our top performers. Our focus is on high-quality issuers such as banks, utilities, REITSs, and telecoms. Security selection remains defensive, with a focus on senior debt from banks with strong capital ratios, as well as industrial REITs, where e-commerce is likely to remain a strong driver.
- Higher interest rates have given way to a slowdown in global activity. Inflation is moderating and lending standards are tightening. Yet, employment remains strong. It paves the way for a measured slowdown in growth, although Canada faces greater risks than the U.S. due in part to higher mortgage servicing costs. Our manager, CC&L, favours government bonds over corporates in this environment.
- The equity portion of the fund (23%) trailed the broader market. Steady dividend-paying stocks in the utilities, REITs and telecom sectors lagged more growth-oriented industries, technology in particular. Our focus continues to be on companies with strong balance sheets, resilient earnings, and a history of consistent dividend growth. Our top performers in the year included Russel Metals, Thomson Reuters and Open Text, while Enbridge, BCE, and Telus were detractors.
- The fund paid distributions totaling $0.34/unit in 2023.

Notable Stock Transactions

Buy

Cameco*
Parex Resources*
CIBC*
Waste Connections*
Dollarama*

*New holding

Trim/Sell

Finning International[1]
Saputo Group[1]
Bank of Nova Scotia[1]
Boralex[1]

[1]Position eliminated

Positioning

- Our focus remains on high-quality companies. While investors are optimistic that interest rates will come down next year, CC&L thinks there will be fewer cuts than anticipated and expects to remain nimble in response to interest rate volatility.
- Stocks make up 23% of the fund and remain an important source of diversification.

Fund size	$75,547,950
Pre-fee Yield	4.0%
Avg Term to Matur.	9.1 yrs
Duration (Bonds)	6.8 yrs

Income Fund

Attributes

Top Holdings (% of Fund)

CC&L High Yield Bond Fd	4.9%
Ontario 2.15% (Jun/31)	4.1%
Canada 1.75% (Dec/53)	2.9%
Canada 3.50% (Dec/45)	2.8%
Ontario 2.70% (Jun/29)	2.7%
Royal Bank FRN (Jan/24)	1.9%
TD Bank B/A (Jan/24)	1.7%
Royal Bank	1.7%
B.C. 2.20% (Jun/30)	1.6%
Quebec 1.50% (Sep/31)	1.4%

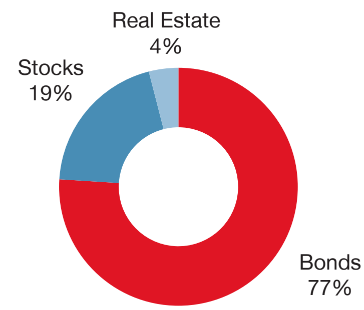
Issuer Allocation (Bonds)

Federal Government	12%
Provincial Government	45%
Corporate	43%

Rating Summary (Bonds)

AAA	18%
AA	41%
A	20%
BBB	17%
BB (or lower)	4%

Asset Mix



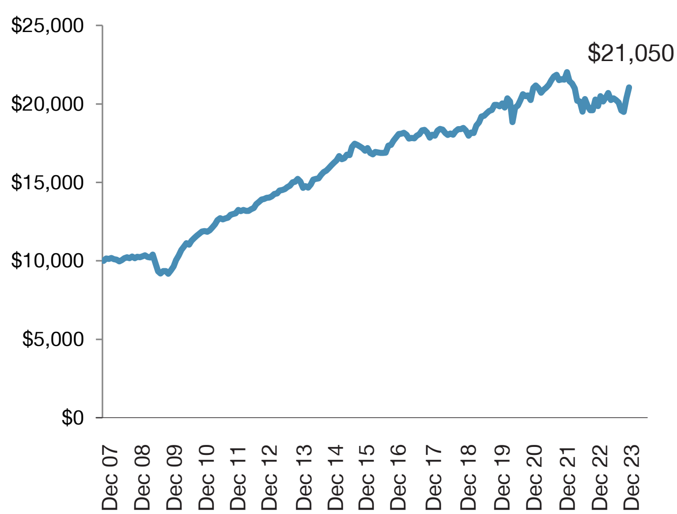
Performance

Compound Annualized Returns (as of December 31, 2023)

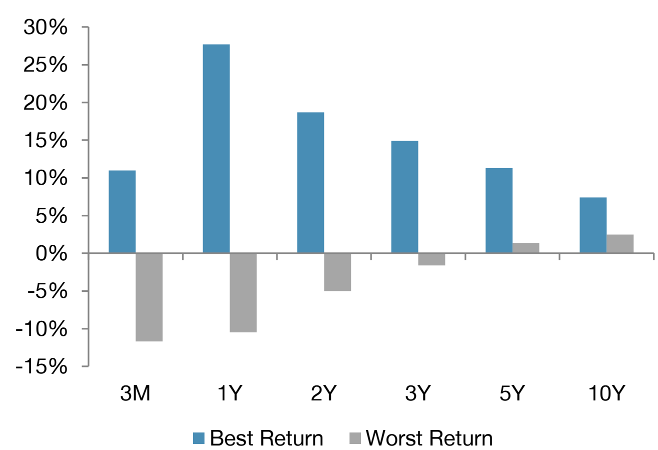
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep*
Income Fund (after-fee)	**7.5%**	**6.0%**	**6.0%**	**-0.2%**	**3.0%**	**3.3%**	**5.6%**	**4.5%**
Canadian Bonds	8.3%	6.3%	6.3%	-2.9%	1.2%	2.4%	3.1%	3.4%
Canadian Stocks	7.9%	11.3%	11.3%	9.0%	10.6%	6.8%	8.3%	5.2%

*Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Equity Fund

Market Context

- The Canadian stock market (Morningstar Canada Index) rose 11.3% in 2023. Technology and healthcare stocks were areas of strength, while the materials and telecom sectors were weak.
- Global stocks, as measured by the Morningstar Developed Markets Index, gained 19.6% in Canadian dollars. Currency movements had a modest impact on returns, with the Euro and British Pound rising slightly against the loonie (boosting returns), and the U.S. dollar falling (dampening returns). Notably, the Japanese Yen fell 10%.

The fund was up 5.2% in the quarter. Since inception (Feb 2007), it has a cumulative return of 191%, which equates to an annualized return of 6.5%.

Portfolio Specifics

- The portfolio consists of 25 stocks, of which 16 are headquartered in Canada, 6 in the U.S., and 3 overseas.
- The fund rose 5.9% in 2023, a positive development after a challenging 2022 for equities. That said, it struggled to keep up with the broader market.
- Two of our larger holdings weighed on performance, Franco-Nevada and Metro. Franco, a gold-focused royalty company, fell 20%. It was impacted when one of its key assets, the Cobre Panama mine (operated by its partner First Quantum) halted production after a court ruling found the mine's contract unconstitutional. The appropriate legal avenues are now being pursued. Metro, the third largest grocer in Canada, lost 10%. The company generated solid earnings but softened its outlook for 2024 due to planned investments in its operations. While these expenditures will have a short-term impact on profits, they are likely to pay off longer term.
- Two of our more interest rate sensitive holdings, Telus and Brookfield Renewable, also had a weak year as rates rose to multi-decade highs.
- Our U.S. holdings were a bright spot. Microsoft led the pack, gaining more than 50%. The company has excellent fundamentals and promising opportunities in AI. Financial intelligence provider S&P Global, digital payments leader Visa, and derivatives exchange operator CME Group also turned in great returns.
- There was more turnover in the portfolio than usual (most of it taking place later in the year) as the fund's long-standing lead manager, Gord O'Reilly, prepared for retirement at the end of 2023. Gord worked closely with our new manager, Nessim Mansoor (both are senior managers at Fiera Capital), in transitioning the portfolio to bring in some of Nessim's favoured companies. These include Intact Financial, Constellation Software, Dollarama, TMX Group, and CGI. Brookfield, CSL Limited, HDFC Bank, and CAE were sold to fund the new purchases.

Notable Transactions

Buy

CGI*
Constellation Software*
Dollarama*
Intact Financial*
TMX Group*

*New holding

Trim/Sell

CAE[1]
Brookfield Renewable[1]
CSL Limited[1]
HDFC Bank[1]

[1]Position eliminated

Positioning

- The fund is comprised of a concentrated group of best-in-class businesses operating in a range of industries with solid long-term demand profiles. Focus is on companies that generate steady profits and have proven managers at the helm.

Fund size	$98,060,891
No. of stocks	25

Equity Fund

Attributes

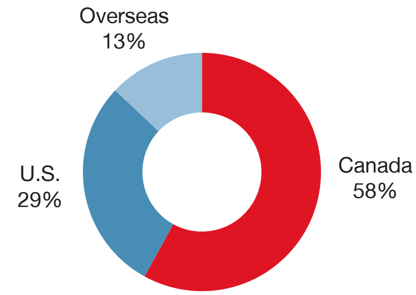
Top Stock Holdings

Visa	6.3%
CN Rail	5.7%
Sika AG	5.3%
S&P Global	5.3%
Thomson Reuters	5.0%
TD Bank	4.9%
Microsoft	4.5%
Danaher	4.5%
Metro	4.4%
Toromont	4.1%

Sector Allocation (Stocks)

Financial Services	31.1%
Industrial Goods & Svc	30.0%
Technology	14.9%
Retailing	10.7%
Basic Materials	5.6%
Healthcare	4.6%
Comm. & Media	3.1%

Geographic Profile (Stocks)



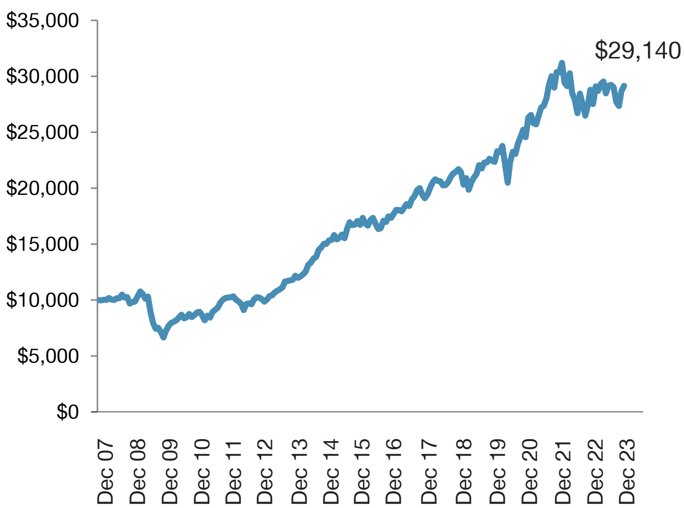
Performance

Compound Annualized Returns (as of December 31, 2023)

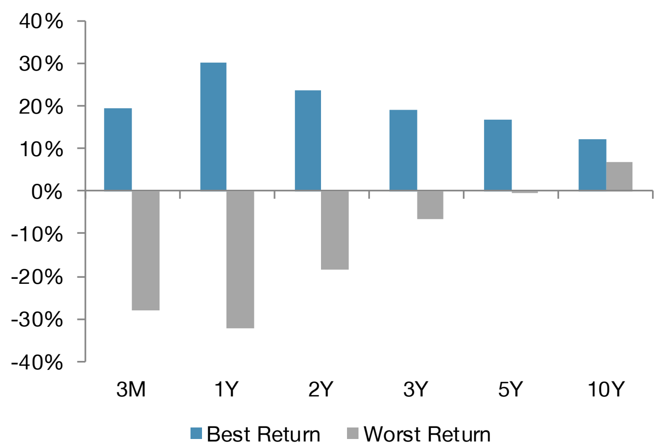
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Equity Fund (after-fee)	**5.2%**	**5.9%**	**5.9%**	**3.1%**	**8.0%**	**7.8%**	**9.5%**	**6.5%**
Canadian Stocks	7.9%	11.3%	11.3%	9.0%	10.6%	6.8%	8.3%	5.2%
Global Stocks ($Cdn)	8.7%	19.6%	19.6%	7.8%	11.5%	10.7%	11.3%	7.3%

[1]Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Global Equity Fund

Market Context

- Global stocks, as measured by the Morningstar Developed Markets Index, were up 19.6% in Canadian dollar terms in 2023.
- The U.S. market was among the best performing owing to its concentration of seven stocks coined the 'Magnificent 7' (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla) that accounted for nearly two-thirds of the market's return.

The fund was up 8.8% in the quarter. Since inception (Feb 2007), it has a cumulative return of 59%, which equates to an annualized return of 2.8%.

Portfolio Specifics

- The fund owns 49 stocks, of which 22 are domiciled in the U.S., 12 in Europe, 8 in Japan, 3 in Asia-Pacific, 2 in the U.K, and 2 in Canada. Companies range in size from mega-cap Microsoft to small-cap FirstCash Holdings.
- The portfolio gained 15.3% in 2023, a solid return in a year where tech stocks played an oversized role. Our top performers comprised a diverse group of businesses including Cameco (uranium mining), Adobe (software for creators), Lennar (homebuilder), Microsoft (technology), and Martin Marietta (heavy building materials). We also owned a handful of stocks that had a disappointing year, including FMC (agriculture science), AIA Group (insurance), DSM-Firmenich (perfume and beauty), and Nidec (electric motors).
- Artificial intelligence was the business story of the year. Investors rushed to stocks positioned to benefit from its growing adoption, specifically the Magnificent 7. Of the group, the only one we own is Microsoft. While this held back performance, our manager (Aristotle Capital) is wary of the valuations the others are trading at. We have exposure to AI, however, through our semiconductor and software holdings (Qualcomm, Samsung, Microchip Technology, Adobe, Nemetschek). These haven't benefited to the same extent as the companies in the headlines, but stand to gain from improvements in productivity made possible by AI.
- With interest rates stabilizing and the Federal Reserve hinting late in the year that its hiking campaign is over (and cuts could come next year), markets saw a return of merger and acquisition activity. Concrete manufacturer Martin Marietta sold its South Texas cement division while industrial juggernaut Honeywell purchased Carrier's building security business. Both transactions were cheered by investors.
- Turnover was minimal in 2023. Two stocks were purchased, Jazz Pharmaceuticals (a leader in sleep treatments) and Monotaro (a Japanese B2B e-commerce firm). Veralto, which specializes in water quality, was also spun out of Danaher. Brookfield Asset Management, Magna International, and Kubota were sold.

Notable Transactions

Buy

Monotaro Co., Ltd.*

*New holding

Trim/Sell

Kubota[1]
AIA Group
Erste Group
Otsuka Holdings Co., Ltd.

[1]Position eliminated

Positioning

- Investments are spread across industries, both fast-growing and steady-eddy, in companies that have a strong market position. Aristotle looks for quality businesses with competitive advantages, pricing power, and proven executives.

Fund size	$54,205,954
No. of stocks	49

Global Equity Fund

Attributes

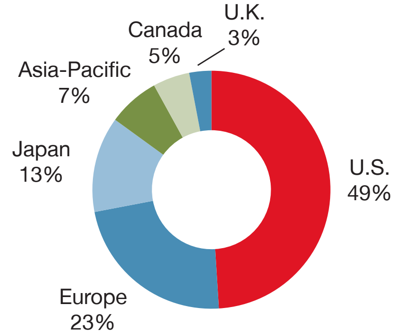
Top Stock Holdings

Microsoft	4.6%
Lennar	4.6%
Martin Marietta	3.2%
Cameco	3.2%
Adobe	3.1%
Microchip Technology	3.1%
TotalEnergies	2.9%
MunichRe	2.8%
Samsung Electronics	2.7%
FirstCash Holdings	2.7%

Sector Allocation (Stocks)

Industrial Goods & Svc	24.8%
Technology	20.8%
Financial Services	13.8%
Healthcare	13.4%
Consumer Cyclical	12.9%
Consumer Products	5.0%
Basic Materials	3.3%
Oil & Gas	2.9%
Comm. & Media	1.7%
Retailing	1.4%

Geographic Profile (Stocks)



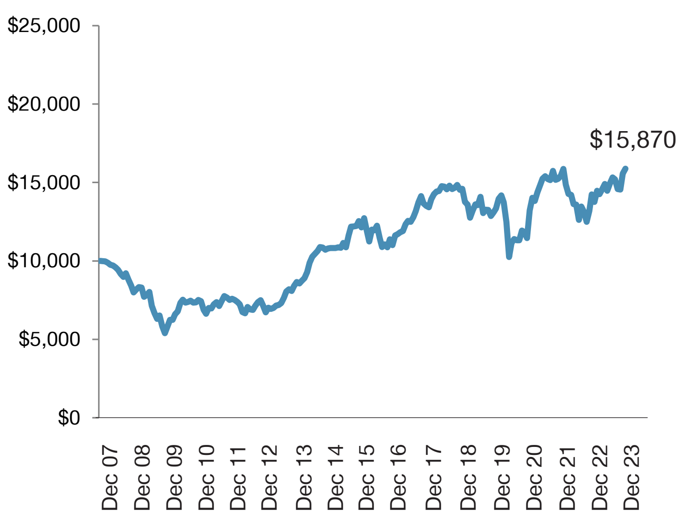
Performance

Compound Annualized Returns (as of December 31, 2023)

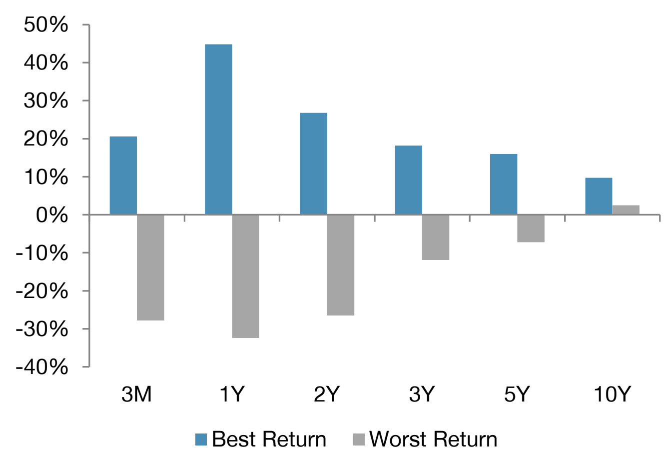
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Global Equity Fund (after-fee)	**8.8%**	**15.3%**	**15.3%**	**4.2%**	**4.5%**	**4.3%**	**6.1%**	**2.8%**
Global Stocks ($Cdn)	8.7%	19.6%	19.6%	7.8%	11.5%	10.7%	11.3%	7.3%

[1]Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Small-Cap Equity Fund

Market Context

- The Canadian small-cap market (Morningstar Canada Small Cap Index) rose 4.2% in 2023. U.S. small-caps gained 16.8% in Canadian dollar terms.
- Technology, industrials, and financial companies had a strong year while resource stocks had muted results.

The fund was up 6.5% in the quarter. Since inception (Feb 2007), it has a cumulative return of 198%, which equates to an annualized return of 6.7%.

Portfolio Specifics

- The fund consists of 22 companies, ranging from very small (Diversified Royalty) to medium-sized businesses (Vail Resorts). While the majority of holdings are Canadian, there are five U.S. stocks which make up 21% of the portfolio.
- The fund had a stellar year, rising 16.6%. Performance was led by electrical transformers manufacturer Hammond Power (+300%). Our other industrial and energy investments also turned in strong results, notably SNC Lavalin, Parkland, Badger Infrastructure Solutions, Boyd Group Services, and MEG Energy.
- Three holdings in specific detracted from performance, clothing retailer Aritzia, clean power producer Northland Power, and funeral & cemetery provider Park Lawn. Aritzia came under pressure after a decline in consumer spending, Northland struggled as new competitors have entered the industry, and Park Lawn suffered from lower volumes and weak sentiment. Our manager, Galibier Capital, believes these are temporary setbacks and that all three companies maintain competitive positions in their respective industries.
- Galibier likes the current prospects for the portfolio. Several holdings have seen muted gains or have fallen in price yet continue to have strong fundamentals and promising outlooks. Along with the above mentioned stocks that disappointed in 2023, Sleep Country Canada, Savaria, and Interfor are examples.
- Three new holdings were added to the fund in the year: VF Corporation sells lifestyle apparel (its brands include The North Face, Vans, Icebreaker, and Supreme); Vail Resorts operates leading ski resorts in the U.S., Canada, and Europe; and Capstone Copper has a portfolio of long-life copper operations in the Americas. Enghouse Systems and Interfor were repurchased as they have fallen materially since we last owned them and once again trade at compelling prices.
- Eight stocks were sold. Hammond, SNC, and Parkland were all strong performers that are now expensive in Galibier's view. We moved on from NFI Group, Ag Growth International, and Maple Leaf Foods in pursuit of better opportunities, and Waterloo Brewing was purchased by Carlsberg.

Notable Transactions

Buy

Capstone Copper*
Vail Resorts*
VF Corporation*
Aritzia
Cargojet
*New holding

Trim/Sell

Ag Growth International[1]
Hammond Power Solutions[1]
Hudbay Minerals[1]
NFI Group[1]
Parkland Corp.[1]
[1]Position eliminated

Positioning

- The portfolio has a unique composition, with key areas of investment being capital goods, industrial services, food & beverage, and consumer discretionary companies. This is in contrast to the small-cap market's heavy focus on resource companies.

Fund size	$46,456,942
No. of stocks	22

Small-Cap Equity Fund

Attributes

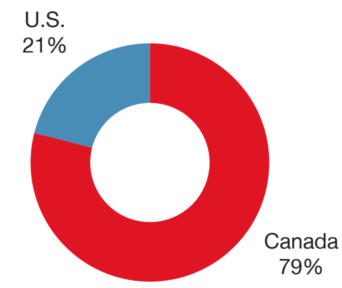
Top Stock Holdings

MEG Energy	6.7%
Cargojet	5.9%
Savaria	5.5%
Premium Brands Holdings	5.1%
Finning International	5.0%
Generac Holdings	5.0%
Vail Resorts	4.9%
Capstone Copper	4.8%
Oshkosh Corp.	4.8%
Enghouse Systems	4.7%

Sector Allocation (Stocks)

Industrial Goods & Svc	40.1%
Consumer Cyclical	17.8%
Basic Materials	12.9%
Oil & Gas	7.2%
Consumer Products	5.4%
Technology	5.1%
Healthcare	4.1%
Retailing	3.8%
Utilities & Pipelines	3.6%

Geographic Profile (Stocks)



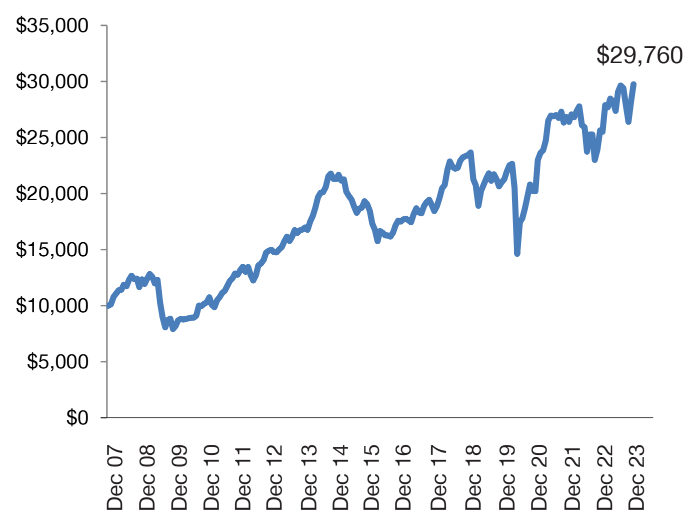
Performance

Compound Annualized Returns (as of December 31, 2023)

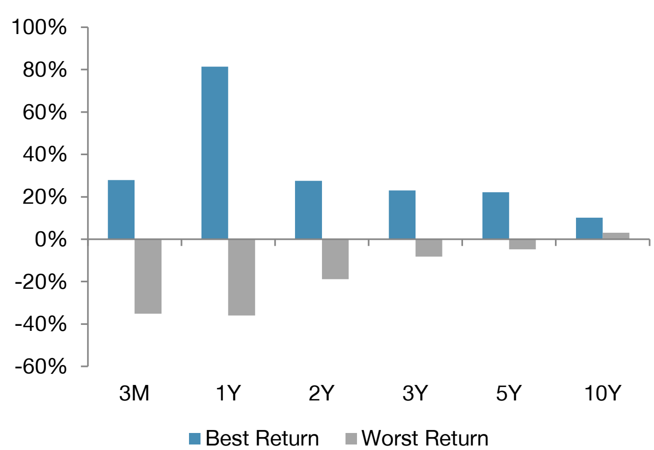
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Small-Cap Equity Fund (after-fee)*	**6.5%**	**16.6%**	**16.6%**	**8.0%**	**9.5%**	**4.0%**	**8.5%**	**6.7%**
Canadian Small-Cap Stocks	5.0%	4.2%	4.2%	4.3%	7.4%	2.8%	5.9%	0.7%
U.S. Small-Cap Stocks ($Cdn)	11.1%	16.8%	16.8%	5.3%	9.6%	9.4%	12.3%	8.0%

[1]Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Global Small-Cap Equity Fund

Market Context

- The global small-cap market (Morningstar Developed Markets Small Cap Index) rose 14.3% in Canadian dollar terms in 2023.
- Technology and industrial stocks were notable areas of strength while the utilities and healthcare sectors lagged.

The fund was up 5.3% in the quarter. Since inception (Feb 2019), it has a cumulative return of 26%, which equates to an annualized return of 4.9%.

Portfolio Specifics

- The portfolio is currently invested in 50 companies. 20 are based in the U.S., 12 in Europe, 8 in Japan, 4 in the U.K., 2 in South America, 2 in Australia, and 2 in Canada.
- The fund rose 7.2% in 2023. While it was a solid year in absolute terms, the fund lagged the small-cap market. Our U.S. investments were our strongest performers, with The AZEK Company (outdoor decking and trim products) nearly doubling in price following a weak 2022, and Clean Harbors (hazardous waste disposal) gaining more than 50%. Boat builder Brunswick also saw a nice rebound, while construction businesses EMCOR Group and ESAB were up more than 40%.
- Our European and Japanese holdings were more mixed. Italian online bank FinecoBank, Danish pharmaceutical Alk-Abello, and Japanese logistics specialist AZ-COM Maruwa were key detractors to performance. On the other hand, German warehouse automation leader KION Group saw a strong rebound and Tokyo-based internet provider Internet Initiative Japan turned in a solid return.
- We increased our investments in Japan in 2023, from 7% of the fund to 13%. Six new stocks were purchased, in a number of different industries. Our manager, TimesSquare Capital, believes there is a positive shift in Japanese corporate culture taking place and an overdue digitization of the economy underway.
- Industrial goods & services companies remain an area of interest and comprise the largest portion of the portfolio (40%). We increased our exposure to the construction and aerospace sectors, where investments include EMCOR (mechanical and electrical construction services), ESAB (welding and cutting equipment), SAAB (aerospace and defense), and new additions Willscot Mobile Mini (mobile office and construction trailers) and Hexcel (carbon fiber for aircraft).
- It was an active year for transactions, with 19 stocks purchased and 14 sold. We moved on from a few businesses where management hasn't executed well and/or their outlook has weakened, including Kennedy-Wilson, Future, Patria Investments, Alk-Abello, and WNS Holdings. The new additions, meanwhile, represent a diverse collection of companies with greater upside potential.

Notable Transactions

Buy

Rakuten Bank*
Webster Financial*
Hexcel*
Willscot Mobile Mini Holdings*
Spin Master*

*New holding

Trim/Sell

Valmet[1]
Zenkoku Hosho[1]
St. James's Place[1]
WNS Holdings[1]

[1]Position eliminated

Positioning

- The fund invests in businesses with a clear competitive edge that offer products and services the world needs, a record of consistent top line (revenue) and bottom line (earnings) growth, and management that has experience, clear goals and integrity.

Fund size	$11,572,769
No. of stocks	50

Global Small-Cap Equity Fund

Attributes

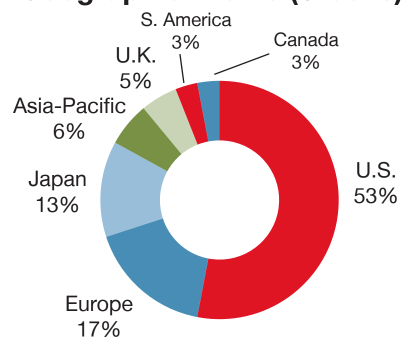
Top Stock Holdings

Synaptics	4.0%
Clean Harbors	3.5%
EMCOR Group	3.4%
Performance Food Group	3.2%
Steadfast Group	3.1%
Regal Rexnord	3.0%
Integral Ad Science	2.9%
Casella Waste Systems	2.8%
Chemed	2.8%
SAAB	2.7%

Sector Allocation (Stocks)

Industrial Goods & Svc	40.1%
Financial Services	13.7%
Healthcare	11.2%
Consumer Cyclical	9.7%
Technology	9.6%
Consumer Products	8.2%
Comm. & Media	5.2%
Retailing	2.3%

Geographic Profile (Stocks)



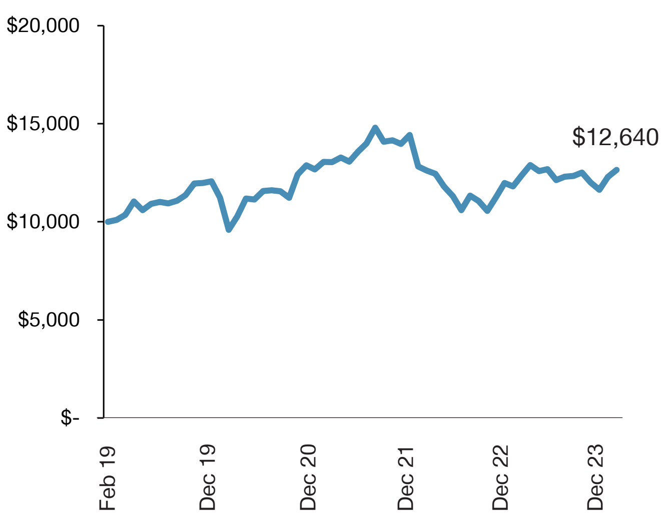
Performance

Compound Annualized Returns (as of December 31, 2023)

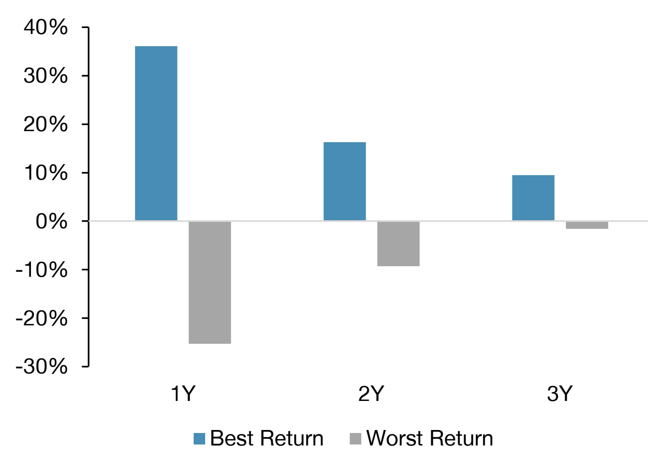
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Global Small-Cap Equity Fund (after-fee)	**5.3%**	**7.2%**	**7.2%**	**-0.6%**	**N/A**	**N/A**	**N/A**	**4.9%**
Global Small Cap Stocks ($Cdn)	10.3%	14.3%	14.3%	4.1%	N/A	N/A	N/A	6.3%

[1]Feb 15, 2019

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Savings Fund

Market Context

- The Bank of Canada raised its key short-term lending rate three times in 2023, from 4.25% to 5.0%. The rate is currently the highest it's been in over 20 years.
- The central bank has been raising rates to slow down the economy and reduce inflationary pressures. The latest economic data suggests it's working. Inflation (CPI) has fallen to just over 3%, consumer spending has been restrained, and the economy is no longer in excess demand.
- The Bank has held its policy rate steady since July and has hinted that the rate hiking cycle is over. Investors anticipate a series of rate cuts in 2024, but this is not a given and will depend on whether inflation and the economy continue to slow.

The fund was up 1.2% in the quarter. Since inception (Feb 2007), it has a cumulative return of 26%, which equates to an annualized return of 1.4%.

Positioning

- Corporate paper makes up 49% of the portfolio, while T-Bills comprise 51%.
- The pre-fee yield of the portfolio at the end of December was 5.2%.
- The 'One Simple Fee' of the fund increased from 0.20% to 0.45% as of July 1.

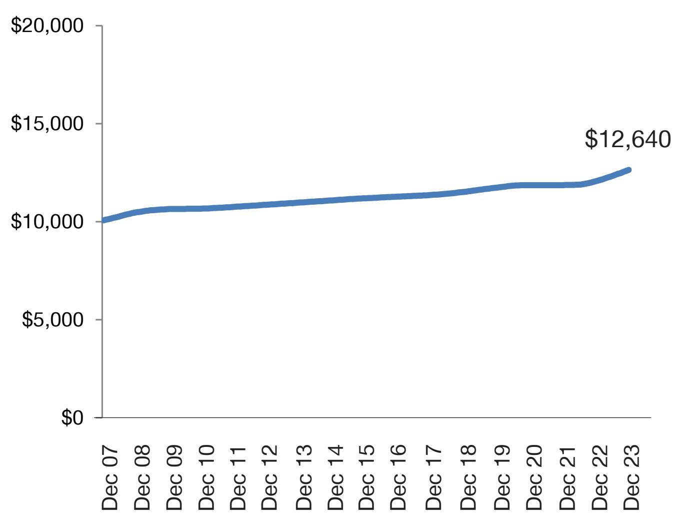
Performance

Compound Annualized Returns (as of December 31, 2023)

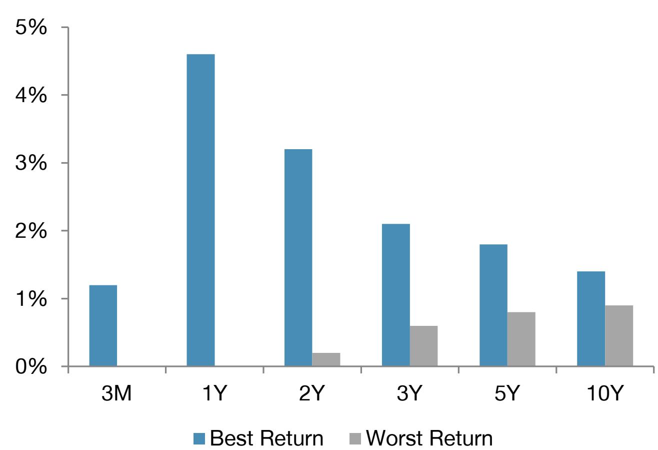
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep*
Savings Fund (after-fee)	**1.2%**	**4.6%**	**4.6%**	**2.1%**	**1.8%**	**1.4%**	**1.2%**	**1.4%**
Canadian Cash	1.2%	4.8%	4.8%	2.2%	1.8%	1.3%	1.1%	1.4%

*Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



For investors, there were things that happened in 2023 that will be good for 2024

Special to the Globe and Mail, by Tom Bradley, December 30, 2023

As 2023 comes to an end, there is no shortage of negatives to focus on. The wars in Ukraine and Gaza have no end in sight. China is getting ever more isolated from the West. Governments are assaulting bond investors with a constant supply of new issues to fund their deficits. And Canada's mortgage refinancing cycle, which will be painful for many households, is accelerating.

While these risks dominate the business news, it's important to remember that capital markets are a synthesis of all types of factors – positive, negative, short term, long term, transitory and enduring. All come into play.

A former business partner used to say to me that "when the news is bad, you have to look harder for the positives." In that vein, my focus here is on what happened in 2023 that could be good news for your portfolio in 2024.

Inflation is reasonable again. We don't yet know how low inflation will go, or how stable it will be, but the battle has largely been won. The Consumer Price Index is back close to the Bank of Canada's target and still dropping, which should allow interest rates to sustain recent declines, or even extend them.

More normal rates have made some financial products great again. Namely, money market funds, GICs and annuities. Also improved is the outlook for Canada's most popular portfolio – 60% stocks and 40% fixed income. Expected returns for both the 60 and 40 are attractive.

Valuations on non-magnificent stocks are reasonable. The Magnificent Seven – Apple, Amazon, Alphabet, Nvidia, Meta, Microsoft and Tesla – carried the stock market in 2023 and have been accorded magnificent valuations to match. Meanwhile, the other stocks grinded out a modest return and carry more subdued expectations. The market is now trading at a median price-to-earnings ratio of 15-16 (by definition, half the market is below that multiple), which reflects limited growth and an uncertain profit outlook.

We enter 2024 with a more appropriate level of skepticism. This is particularly the case with China, Canadian banks and private assets. Analysts' estimates for China-related businesses no longer assume rapid economic growth and a benign business environment. Nor do estimates for Canadian banks. The Big Five are as powerful as ever, but investors are increasingly aware that their most important customer, debt-laden Canadians, have overindulged. Growth and dividend increases will come less from growth and more from cost cutting. And 2023 took the shine off private assets. Values were reduced, new funding became harder to come by, and some funds were forced to close for redemptions.

Every company is a technology company. Artificial intelligence has sucked most of the air out of the technology conversation, but there's exciting progress being made by ordinary companies (and governments) as they digitize with more established technologies. Product quality and customer service are improving, and costs are coming down, both of which are good for profit margins (and deficits).

Alternative energy is more competitive. It may not feel large enough or fast enough, but immense amounts of capital and brain power are being dedicated to inventing and building clean energy solutions. Corporations are ahead of governments on this, and venture capitalists are ahead of corporations. If you're disappointed with the progress being made, just wait a few minutes and you might revise your view.

The Canadian investing ecosystem will be better than it was last year. The annual contribution limit for the Tax-Free Savings Account was increased to $7,000, and most dealers now offer the First Home Savings Account, which capture the best aspects of TFSAs and RRSPs. There's progress on industry plumbing, too. Provincial regulators are pushing ahead with more disclosure requirements around fees, and the federal government is requiring that all banks use the Ombudsman for Banking Services and Investments for dispute resolution, as opposed to doing it internally.

There's no doubt that 2024 will be an eventful year, with plenty of positives and negatives, and a few big surprises. If you're not prepared, all have the potential to take you off course on your investing journey. So, make sure you go into the year with a plan that you're committed to, and don't forget to look for the positives.

Steadyhand

TFSA and RRSP contribution limits increased for 2024

The maximum annual contribution limit for Tax-Free Savings Accounts has been increased to **$7,000** in 2024 (from $6,500 last year). And the max you can add to your RRSP is the lesser of 18% of your 2023 earned income or **$31,560.** Learn more.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The performance data provided for the Steadyhand Savings Fund assumes reinvestment of distributions only and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. The indicated rates of return for the funds other than the Savings Fund are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual fund securities are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. There can be no assurances that the funds will be able to maintain their net asset value per security at a constant amount or that the full amount of your investment in the funds will be returned to you. Past performance may not be repeated.

Indexes referenced are as follows:

Canadian Cash: Morningstar Canadian Dollar Overnight Cash Index
Canadian Bonds: Morningstar Canada Core Bond Index
Canadian Stocks: Morningstar Canada Index
Canadian Small-Cap Stocks: Morningstar Canada Small Cap Index
U.S. Small-Cap Stocks: Morningstar U.S. Small Cap Index ($Cdn)
Global Stocks: Morningstar Developed Markets Index ($Cdn)
Global Small-Cap Stocks: Morningstar Developed Markets Small Cap Index ($Cdn)

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