

# Steadyhand Balanced Income Portfolio

A Performance Assessment

As of December 31, 2012

This assessment analyzes the performance of the Steadyhand Balanced Income Portfolio, and its individual components, following the approach laid out in our supplementary report entitled, *How is Your Portfolio Doing? A Framework for Assessing Investment Performance*.



# Table of Contents

Introduction & Numbers	1
Context	2
Analysis	3
Action and Success	9
Appendix	10

## Disclosures

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return 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.

Steadyhand Investment Management Ltd. is the manager of the Steadyhand funds. Steadyhand Investment Funds Inc. (SIFI) is the principal distributor of the funds.

This report was published on January 21, 2013, by Steadyhand Investment Management Ltd.

# Introduction & Numbers

This review of Steadyhand's investment returns follows the approach laid out in our report entitled, *How Is Your Portfolio Doing - A Framework for Assessing Investment Performance*. If you don't have a copy, it's available at steadyhand.com.

We have chosen to analyze the Steadyhand Balanced Income Portfolio [hereafter referred to as 'Balanced Income' or 'Portfolio'] because it encompasses all of our long-term funds, is a good representation of the firm's overall asset base and is the model portfolio used by a large number of Steadyhand clients. There is a fact sheet attached at the back of this report.

The Balanced Income is a hypothetical portfolio<sup>1</sup> made up of four Steadyhand funds:

Income Fund	66%
Equity Fund	14%
Global Equity Fund	13%
Small-Cap Equity Fund	7%

Its strategic asset mix (SAM) is as follows:

Bonds	50%
Canadian Equities	30%
Foreign Equities	20%

In doing this analysis, we've endeavoured to be as objective and transparent as possible.

## Gathering the Data

To gather the facts for the portfolio, we went to the Client Statement, which is provided in the appendix. Jane and Jim Smith, our fictional investors, started at Steadyhand on December 31, 2007, with an investment of \$50,000. After five years, their portfolio is worth \$64,507 (which assumes fund distributions were re-invested). Their annualized

returns are shown in the 'Consolidated Performance' section of the statement.

## Consolidated Performance

Performance Period	Rate of Return (%)
Three Month	2.7
One Year	10.1
Two Year	7.3
Three Year	8.2
Five Year	5.2

The performance record is relatively short because the funds have been operating for just over five years. Because of the funds' short history, we aren't yet able to provide rolling 5-year averages.

## Founders Fund

In future, it is our intention to use the Founders Fund as the basis for this assessment. We are a few years away from doing that, however, due to the short performance record of the fund. It was launched in February, 2012.

---

<sup>1</sup>The Steadyhand Balanced Income Portfolio is a hypothetical portfolio of Steadyhand funds. The performance of the portfolio assumes that it is rebalanced on a quarterly basis to the target fund allocation (66% Steadyhand Income Fund, 14% Steadyhand Equity Fund, 13% Steadyhand Global Equity Fund, 7% Steadyhand Small-Cap Equity Fund).

## Context

At the bottom of the page is a table of capital market returns for periods ending December 31, 2012. Our discussion focuses on one and five years, the latter being the longest period for our funds.

Returns from the bond market in 2012 were more modest than in previous years, but were still a healthy 3.6%. Most of the return came from interest income (yield), although a portion can be attributed to capital gain (as a reminder, when interest rates go down, bond prices go up). In contrast, rate declines fueled the bulk of the 9.7% return in 2011.

Corporate bonds performed well in 2012 because interest rates dropped slightly and the spread between corporate and government yields narrowed.

High yield corporate bonds had a spectacular year. Compared to the Universe Index at 3.6%, the Canadian high yield market had a total return of just under 10%.

Despite a stream of dreary forecasts and negative economic news, stock markets were very strong in 2012. In Canada, the S&P/TSX Composite Index achieved a return of 7.2%, although it lagged behind foreign markets for the second year in a row. The TSX was held back by the energy and materials sectors, both of which were down on the year.

The 5-year annualized return for the TSX was 0.8%. As the table below reveals, this 5-year period includes a dreadful 2008, followed by a strong, albeit bumpy recovery from 2009 to the end of 2012.

The MSCI World Index was up 14.0% for the year (in Canadian dollar terms). The biggest foreign market, the

U.S., was strong again (+13.5% in C\$), but this year it had company. Europe (+17.3%), Japan (+6.0%) and the emerging markets (+16.1%) were strong performers despite a negative economic backdrop.

Over the last five years, the World Index has declined 0.5% per year. While a strong Canadian dollar detracted from returns over the first three years, in the last two the currency impact on foreign equity returns has been more mixed.

### Default Portfolio

Using the market returns, we've calculated a return for a Default Portfolio (or Benchmark) that best represents the market environment the Balanced Income Portfolio was operating in. It's based on a Strategic Asset Mix (SAM) of 50% bonds, 30% Canadian stocks and 20% foreign stocks.

#### Default Portfolio - Annualized Returns – Dec. 31, 2012

	1 Y	2 Y	3 Y	5 Y
Default Portfolio	6.7%	4.2%	6.2%	3.8%
Estimated Annual Fee	0.5%	0.5%	0.5%	0.5%
After Fee	6.2%	3.7%	5.7%	3.3%

In these calculations, the default portfolio has been re-balanced quarterly and a fee of 0.5% per year has been subtracted to reflect the on-going costs of maintaining an indexed portfolio.

### Capital Market Returns

Asset Class	Index	Annualized – Dec. 31, 2012				Annual Returns				
		1 Y	2 Y	3 Y	5 Y	2008	2009	2010	2011	2012
Cash	DEX 91 Day T-Bill	1.0%	1.0%	0.9%	1.3%	3.3%	0.6%	0.5%	1.0%	1.0%
Short-term notes	5-year GIC	1.7%	1.8%	1.9%	2.1%	3.0%	2.0%	2.0%	1.9%	1.7%
Bonds	DEX Universe Bond	3.6%	6.6%	6.6%	6.4%	6.4%	5.4%	6.7%	9.7%	3.6%
Canadian stocks	S&P/TSX Composite	7.2%	-1.1%	4.8%	0.8%	-33.0%	35.1%	17.6%	-8.7%	7.2%
Foreign stocks	MSCI World (\$Cdn)	14.0%	5.2%	5.7%	-0.5%	-26.1%	11.8%	6.8%	-2.9%	14.0%

## Analysis

In this section, we compare and analyze the Balanced Income returns against the portfolio objectives and the default portfolio.

Each investor has her/his own objectives. Jane and Jim have two. They want to measure their returns against (1) inflation, which is a concern to all investors, and (2) 5-year GICs, which is a reasonable measure of risk-free investing.

As the table below reveals, the Portfolio has fared well in the context of highly volatile markets. Returns have been roughly in line with the long-term objectives and meaningfully better than the default portfolio (Note: The portfolio is only compared to the objectives for longer time periods).

Over the course of five years, different components of the portfolio carried the load at different times, although the most consistent areas of strength were income-oriented investments and small-cap equities. Foreign equities generally, and the Global Equity Fund specifically, were a drag on returns. That said, the foreign stocks in the Equity Fund have been strong contributors over the last two years and the Global Equity Fund finished 2012 on a strong note.

## Asset Mix

Jane and Jim's asset mix is shown on page 2 of the sample statement in the 'Holdings by Asset Class' section.

### Holdings by Asset Class

Asset Class	Market Value (\$)	% of Total
Cash and Cash Equivalents	1,737.26	2.7
Fixed Income	29,196.82	45.3
Canadian Equity	20,976.07	32.5
U.S. Equity	4,729.72	7.3
International Equity	7,867.23	12.2
	\$64,507.10	100.0%

Because the Portfolio is automatically re-balanced each quarter, its asset mix didn't diverge significantly from the SAM at any point over the five years. The managers of the underlying funds, however, made some tactical moves which affected the mix.

The Income Fund had a distinctive tilt towards corporate bonds (as opposed to government bonds). Despite the fact that corporates were hit hard in 2008, this strategy enhanced the returns of the Portfolio's bond component.

In 2012, the Portfolio had a greater bias towards non-North American stocks than in previous years. A number of the Equity Fund's new purchases were based in Europe and Asia and the Global Equity Fund continued to have less invested in the U.S. due to the manager's views on valuation.

### Balanced Income Portfolio versus Default Portfolio

	Annualized to Dec. 31, 2012				Annual Returns to Dec. 31				
	1 Y	2 Y	3 Y	5 Y	2008	2009	2010	2011	2012
Balanced Income	10.1%	7.3%	8.2%	5.2%	-15.2%	20.2%	10.3%	4.5%	10.1%
Long-term Objectives									
CPI + 3%	-	-	5.0%	4.8%	4.2%	4.3%	5.4%	5.9%	4.2%
5-year GIC + 2%	-	-	3.9%	4.1%	5.0%	4.0%	4.0%	3.9%	3.7%
Default Portfolio	6.2%	3.7%	5.7%	3.3%	-13.1%	14.8%	9.7%	1.3%	6.2%
Added Value (vs. Default)	3.9%	3.6%	2.5%	1.9%	-2.1%	5.4%	0.6%	3.2%	3.9%

## Security Selection

The fund returns discussed in this section are shown in the table below.

### Income Fund

This fund is a diversified portfolio focused on income-oriented securities. Over the long term, its target is to be invested approximately 75% in bonds (federal and provincial government, corporate and high yield) and 25% in income-oriented stocks (including Real Estate Investment Trusts or REITs). The allocations will vary, however, depending on the manager's strategies.

The fund had an excellent year in 2012. There were three high-level reasons for this. First, interest rates dropped again in 2012, which meant bond prices increased and high dividend stocks became more attractive. Second, the spread between corporate and government bond yields narrowed (corporate yields dropped more than government yields), which meant that corporates performed well. And finally, the fund's asset mix and security selection were both good. The manager, Connor Clark & Lunn Investment Management (CC&L), consistently

added value throughout the year in bonds and income-oriented stocks.

### **Bonds**

The Income Fund had a tilt toward corporate bonds (as has been the case since inception). They accounted for about 45% of total assets throughout the year, and as noted earlier, it was a good year to own corporates.

The fund did particularly well due to a heavy exposure to financial companies which regained the confidence of the market – specifically Canadian banks and insurers and major U.S. banks – and a healthy allocation to high yield bonds (7-8% of the total fund).

### **Stocks**

The Canadian market overall had a good year (7.2%), but income-oriented stocks did even better. This was because the areas of the market that were weak in 2012 (materials and energy) are not significant parts of the income landscape.

Also, 7-8% of the fund was invested in Real Estate Investment Trusts (REITs) throughout the year. The Canadian

### **Funds Returns – Dec. 31, 2012**

Steadyhand Fund	<i>Annualized</i>				<i>Annual</i>				
	1 Y	2 Y	3 Y	5 Y	2008	2009	2010	2011	2012
Income Fund	8.0%	7.6%	8.7%	7.4%	-8.9%	22.5%	10.8%	7.2%	8.0%
Benchmark*	4.4%	4.8%	6.4%	5.4%	-3.4%	12.8%	9.5%	5.1%	4.4%
Added Value	3.6%	2.8%	2.3%	3.0%	-5.5%	9.7%	1.3%	2.1%	3.6%
Equity Fund	15.6%	6.8%	8.3%	1.6%	-26.9%	16.5%	11.4%	-1.3%	15.6%
Benchmark**	9.9%	1.4%	5.2%	0.4%	-30.2%	25.7%	13.3%	-6.4%	9.9%
Added Value	5.7%	5.4%	3.1%	1.2	3.3%	-9.2%	-1.9%	5.1%	5.7%
Global Equity Fund	11.2%	1.4%	0.8%	-2.7%	-25.8%	14.3%	-0.3%	-7.5%	11.2%
MSCI World Index (\$Cdn)	14.0%	5.2%	5.7%	-0.5%	-26.1%	11.8%	6.8%	-2.9%	14.0%
Added Value	-2.8%	-3.8%	-4.9%	-3.2%	0.3%	2.5%	-7.1%	-4.6%	-2.8%
Small-Cap Equity Fund	17.2%	15.0%	17.2%	5.4%	-29.7%	14.6%	21.9%	12.7%	17.2%
BMO Small Cap Index	2.5%	-6.2%	6.8%	2.6%	-46.6%	75.1%	38.5%	-14.4%	2.5%
Added Value	14.7%	21.2%	10.4%	2.8%	16.9%	-60.5%	-16.6%	27.1%	14.7%

Fund returns are net of fees. Benchmark returns do not include any fees or commissions.

\*75% DEX Universe Bond Index; 25% S&P/TSX Composite Index

\*\*60% S&P/TSX Composite Index; 40% MSCI World Index (\$Cdn)

REIT Index was up 17% in 2012 and the Income Fund's holdings did well.

Over five years, the Income Fund produced a return of 7.4% per year. This performance has been driven by much the same things as 2012 – a healthy allocation to corporate bonds and income-oriented stocks, and consistently good security selection by CC&L.

As we've warned our clients, however, it will be difficult to match these returns over the next five years due to the fact that interest rates are considerably lower and the yield spreads between corporate and government bonds have narrowed, such that bond returns will be more modest going forward.

Besides the performance, we continue to monitor the people, investment philosophy and decision-making process at CC&L. On all fronts, the factors we look at remain stable.

#### Equity Fund

The Equity Fund is a Canada-centric fund. The manager, CGOV Asset Management, selects the best stocks that Canada has to offer (regardless of industry sector) and then complements them with select stocks from the U.S. and overseas.

The Equity Fund was up 15.6% in 2012 and has returned 1.6% per year over the last five years.

There were a number of contributors to the strong performance over the last year:

- In general, CGOV focused on stable, well-financed, growing companies. This strategy has worked well over the last couple of years as other investors have been seeking out more 'safe', predictable stocks.
- As with any concentrated portfolio (a limited number of stocks), individual stocks can have a significant impact on returns, good and bad. This year the positive factors were *Asia Pacific Breweries* (a double in 2012 prior to being sold and a triple from purchase), *Franco-Nevada* (+48%) and *Pason Systems* (+47%). As we've noted in our quarterly reports, APB's contribution stands out from the others. It was the fund's largest

holding when the company received a premium takeover offer from Heineken.

- Offsetting these stocks somewhat, *Birchcliff Energy* was down 45%, effectively giving back its gains from 2011. The anticipated sale of the company fell through, which meant management had to strengthen the balance sheet while dealing with low natural gas prices.

For five years, the Equity Fund's absolute return (1.6%) is not where we want it, but in relation to the market returns over that period, the performance has been solid.

On the people, philosophy and process front, there's nothing to report. CGOV continues to grow, but still has considerable capacity to manage the Equity Fund in the manner they have since inception in 2007.

#### Global Equity Fund

In 2012, this fund was up 11.2% in response to a strong U.S. market and less concerns about the European debt situation. For a number of reasons, however, it underperformed the MSCI World Index (14.0%), as it did the previous two years.

There is no doubt the manager, Edinburgh Partners (EPL), has had a cold hand over the last few years, which has resulted in some unfortunate stock picks (*Nokia*, *Sony* and *Petrobras* being examples). These stocks served to substantially offset the good selections they made (*Samsung*, *Google*, *DR Horton* and others).

But a more important factor has been EPL's consistent view that predictable, growing companies were (and are) too expensive. While the fund has owned a number of these steady growers including *GlaxoSmithKline*, *WalMart* (sold), *Unilever*, *Sanofi* (sold) and *Heineken*, EPL has been tilting more towards less steady, underperforming companies, which in many cases are based in troubled regions (most notably Japan and Europe). These companies trade at significantly lower valuations, reflecting their warts and cyclicity.

Unfortunately, until late in 2012, the market's preference for safe growth persisted. Stocks fitting the description led

the market, while less predictable companies lagged behind. As a result, the valuation gap between the two has become more extreme.

More specific to 2012's performance:

- With Europe taking steps to tackle its debt issues, U.K. and European financial services companies performed well (*HSBC, RBS* and *Aviva*).
- In general, European stocks were large contributors, notably the German-based holdings (*Deutsche Post* and *SAP*).
- In 2012, key detractors were *Nokia* (sold), *Tesco* (sold) and three Japanese stocks (*Sony* - sold, *Ricoh* - sold and *Panasonic*).

Over five years, the Global Equity Fund's annualized return was -2.7%. While the foreign markets have been relatively weak over that period, Edinburgh Partners' strategies, specifically the tilt towards slower-growing, cheaply-valued companies in Europe and Japan, have not yet played out (or at least not until the very end of 2012).

Given the manager's approach (non-benchmark oriented, concentrated portfolio of holdings) and the volatility of foreign markets and currencies, we should always expect the fund to deviate significantly from the overall market (positively and negatively).

After periods of underperformance, it's particularly important to assess the other three P's – people, process and philosophy:

- The investment management team at EPL has been stable. It continues to be led by the firm's founder and CEO, Dr. Sandy Nairn.
- The investment philosophy is unchanged.
- As for the process, we've been impressed that the team continues to be decisive in pursuing their strategy, despite the poor recent performance.

It is our intention to remain patient with EPL in anticipation of their strategy playing out. The fourth quarter's strong return (+7.0%) means little in terms of assessing long-term performance, but it does reveal the turnaround potential of the portfolio as it's currently structured.

### Small-Cap Equity Fund

This fund had an excellent year. It was up 17.2% and over five years the annualized return was 5.4%.

Like the other Steadyhand equity managers, Wil Wutherich doesn't feel compelled to mirror the small-cap index, or copy other managers. Rather, he looks for established, small to mid-capitalization companies that are well financed and have lots of scope to grow their profits.

There are sometimes a few key themes that serve to explain a fund's performance, but as is often the case with the Small-Cap Fund, the contributors to the 2012 returns came from a variety of sources. The largest contributors in order of impact were *Primero Mining, Stantec, Parkland Fuel, Badger Daylighting* and *Evertz Technologies*.

On the other side of the ledger, *Iridium Communications, Total Energy Services* and *HNZ Group* (formerly Canadian Helicopters) had tough years from a stock price perspective, although Wil Wutherich is comfortable with how these companies are financed and positioned against the competition.

Over five years, the fund had strong absolute returns, and performed better than most other small-cap funds. It's done well in weak markets – either achieving gains when the market was down, as in 2011, or not dropping as much, as was the case in the 2008 market meltdown.

The Small-Cap Equity Fund did lag significantly behind other funds when mining and gold stocks were riding high in 2009 and early 2010. When that occurs again, this trend is likely to repeat itself in some shape or form. Wil Wutherich has a history of making significant profits in the energy sector (including the last two years with *Coastal Energy* and *Pacific Rubiales*), but doesn't tend to own many mining companies (only *Primero* currently).

As for the other three P's, Wutherich and Co. was stable in 2012. The firm grew throughout the year, but still has capacity to manage effectively in the small-cap area of the market.



## Risk

Steadyhand's absolute return philosophy would suggest that the Balanced Income Portfolio will be less volatile than the Default Portfolio over time. While this was not the case in 2008 due to the Income Fund's large weighting in corporate bonds, the portfolio did hold up extremely well in 2011 (see chart below). Over five years, however, the quarterly standard deviation of the Balanced Income's returns was 4.3%, which is slightly higher than the default portfolio at 3.9%. In other words, the pattern of the Default Portfolio's returns was slightly smoother than the Steadyhand portfolio.

Overall, the Balanced Income's price movements have been in line with expectations.

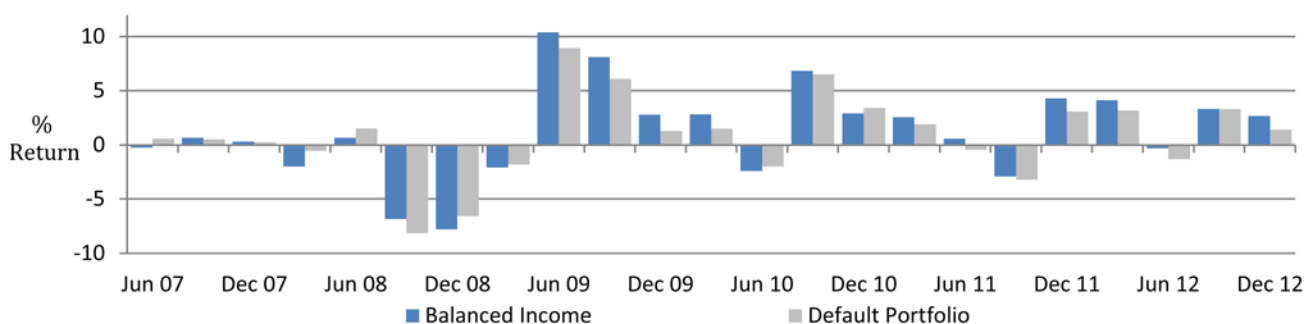
There's no way of determining for sure how any portfolio will perform looking forward. Looking back, the Portfolio has had a better record in up markets – it beat the Default Portfolio in 12 out of 15 quarters – but also outperformed in 4 out of 8 down quarters.

In general, the Balanced Income Portfolio pursues a more aggressive approach to bonds (through an emphasis on corporate and high yield bonds), but a more cautious approach to stocks. The investment philosophy of the equity fund managers, which we call 'Undexing', tends to hold up better in weak markets.

Based on the (1) undexing philosophy, (2) design of the funds, (3) managers' approach and (4) history so far, Jane and Jim should expect their portfolio to lag behind the Default Portfolio and other balanced portfolios when mining and gold stocks are running. While the managers won't always have such little exposure in these sectors, they are unlikely to be heavily invested either.

We should note that portfolio volatility is not only determined by the type of securities held, but by how synchronized, or correlated, they are. The part of the Portfolio that has been most consistently out of synch with the other asset categories and been an excellent diversifier is the Small-Cap Equity Fund.

### Quarterly Return Comparison vs. Default Portfolio



## Cost

On the first page of Jane and Jim’s statement in the ‘Consolidated Holdings’ section, the cost of management is shown (see below). The Management Expense Ratio (MER), which we refer to as the “One Simple Fee”, includes all costs to the client. There are no other purchase, redemption, switching or administration charges. The total cost for Jim and Jane in 2012 was 1.24%, or approximately \$753 (the table below from the Client Statement shows their fee for the fourth quarter).

Clients with more than \$100,000 invested with Steadyhand receive a rebate. For example, the fee for a client with \$250,000 invested in the Balanced Income Portfolio would be 1.09%.

### Consolidated Holdings

<b>Fund</b>	<b>Market Value at December 31, 2012 (\$)</b>	<b>% of Total</b>	<b>One Simple Fee (%)</b>	<b>Your Fee (%)</b>	<b>Your Fee (\$)</b>
Steadyhand Income Fund	42,574.69	66.0	1.04	1.04	128.60
Steadyhand Equity Fund	9,030.99	14.0	1.42	1.42	27.28
Steadyhand Global Equity Fund	8,385.92	13.0	1.78	1.78	25.33
Steadyhand Small-Cap Equity Fund	4,515.50	7.0	1.78	1.78	13.64
	<b>\$64,507.10</b>	<b>100.0%</b>	<b>1.24%</b>	<b>1.24%</b>	<b>\$194.85</b>
				Fee Rebates:	\$0.00

## Action and Success

### *The Heavy Lifting*

When looking forward at how they can generate the best returns, Jane and Jim first need to remember that the funds in the Portfolio are professionally managed, which means the managers are doing most of the work. They are re-balancing and making adjustments on the Smith's behalf.

As 2013 begins, some of the themes they're pursuing include the following:

- As manager of the Income Fund, CC&L continues to feel that high-quality corporate bonds offer attractive yields, particularly over Government of Canada bonds. They are also starting the year with a 7-8% position in high yield bonds, which have more business risk embedded in them, but carry a 3-5% higher yield.
- A majority of the Portfolio's income-oriented stocks come from the Income Fund. In this area, CC&L is seeking a balance between higher yielding stocks and ones that are steadily growing their dividends.
- Both Edinburgh Partners (Global Fund) and CGOV (Equity Fund) are continuing to look for companies with revenues from the faster-growing economies. These companies may be based in Asia and Latin America (*Dairy Farm Int'l, Dongfeng Motor, China Mobile*), although are more likely to be western-based firms with a strong presence in the emerging markets (*Mead Johnson, Heineken, Unilever*).
- Both CGOV and Wutherich (Small-Cap Equity Fund) are continuing to focus on steady, more predictable companies. While both managers took small steps into more cyclical industries (auto parts and energy), they still have limited exposure to the resource and other highly-cyclical sectors.
- Edinburgh Partners, on the other hand, has moved more decidedly towards value stocks, which are trading at low historic valuations, but have a less steady earnings stream and/or are in the process of a turnaround. This means the Portfolio is holding more European and Asian stocks and has less exposure to U.S. companies. The valuation advantage to owning

these types of stocks, however, is as wide as it has ever been.

A more complete review of the managers' outlooks and strategies can be found in our most recent Quarterly Report.

### *Re-balancing*

As noted, clients using the Balanced Income model will not be required to make many changes, although some re-balancing will be necessary from time to time.

As the asset mix on Jane and Jim's statement indicates, their portfolio was re-balanced at year-end. ***For clients following the Balanced Income model, it may also be appropriate to do some re-balancing***, although in 2012 all of the funds had positive returns, so it's unlikely there's much to do. More re-balancing is required in years when some of the funds are up and others are down, such that the Portfolio has diverged from its SAM.



# PORTFOLIO STATEMENT

From October 1 to December 31, 2012

JANE & JIM SMITH  
278 Brant St.  
Burlington, ON, L73X4

STEADYHAND INVESTMENT FUNDS INC.  
1747 W. 3RD AVE  
VANCOUVER, BC, V6J 1K7  
PHONE: 1-888-888-3147  
FAX: 1-888-888-3148  
<http://steadyhand.com>

Client since: December, 2007

Sample Statement

## Your Accounts

Type	Number	Owner	Market Value at December 31 2012 (\$)
Investment	902031	JANE SMITH	25,802.84
RRSP	970027	JIM SMITH	38,704.26
			64,507.10

## Consolidated Holdings

Fund	Market Value at December 31 2012 (\$)	% of Total	One Simple Fee (%)	Your Fee (%)	Your Fee (\$)
Steadyhand Income Fund	42,574.69	66.0	1.04	1.04	128.60
Steadyhand Equity Fund	9,030.99	14.0	1.42	1.42	27.28
Steadyhand Global Equity Fund	8,385.92	13.0	1.78	1.78	25.33
Steadyhand Small-Cap Equity Fund	4,515.50	7.0	1.78	1.78	13.64
<b>\$64,507.10</b>		<b>100.0</b>	<b>1.24%</b>	<b>1.24%</b>	<b>\$194.85</b>
<b>Fee Rebates:</b>					<b>\$0.00</b>

Notes: 'One Simple Fee' is our standard fee before reductions, if applicable. 'Your Fee' is the estimated fees you paid during the statement period. For more information see our website. Fee rebates are reinvested in additional units of the funds you hold.

**Holdings by Asset Class**

<b>Asset Class</b>	<b>Market Value (\$)</b>	<b>% of Total</b>
Cash and Cash Equivalents	1,737.26	2.7
Fixed Income	29,196.82	45.3
Canadian Equity	20,976.07	32.5
U.S. Equity	4,729.72	7.3
International Equity	7,867.23	12.2
	<b>\$64,507.10</b>	<b>100%</b>

**Consolidated Performance**

<b>Performance Period</b>	<b>Rate of Return (%)</b>
Three Month	2.7
One Year	10.1
Two Year	7.3
Three Year	8.2
Five Year	5.2

Annualized compound rates of return on periods over one year. Consolidated performance is calculated using the monthly weighted average rate of return for the accounts in the portfolio.

Sample Statement