Quarterly Report

Steadyhand

Q1
2024

"History tells us where we have been; returns are generated based on where we are going."

— Aristotle Capital Management

Bradley's Brief

When my wife and I are surprised or confused about something, Lori has the habit of saying, "What's going on?" Rather than wondering or speculating, she gets to the bottom of it.

When it comes to the stock market, a lot of people are asking just that question these days. It's been on a tear over the last six months, regularly hitting new highs. Not surprisingly, the answer is a combination of things, many of which overlap and fuel each other.

History. First of all, it's what markets do. A long-term chart of the overall market trends up and to the right, with a steady diet of new highs along the way.

Starting point. I don't like to assess the sustainability of any trend without first identifying where it started. Often, a large part of a market surge is simply a recovery from an unusually weak period. Indeed, the current run started last fall when investors were worried about inflation, interest rates, and recession.

Fundamentals. Companies are doing well in the absence of a full-on recession. They're growing sales and reporting solid profits. There are exceptions of course (commercial real estate being the extreme), but our fund managers see a broadening of the market. There's less dependence on the mega-tech stocks and more recognition of good news in other sectors. Fundamentals matter again (they always do in the long term).

Valuations. Rapidly rising markets are invariably fueled by an increase in valuations. That's certainly been the case in recent months. The price investors are willing to pay for future profits has increased. It's not universal but many sectors are now being priced more fairly than a year ago when AI was getting all the attention.

These factors help explain why markets have been doing well but tell us little about where they're going (we're a broken record on this, I know). With that in mind, the Steadyhand approach entails sticking to a long-term plan (staying steady!), giving our fund managers the scope and time to do their thing, and avoiding big mistakes at market extremes (i.e., when investors are euphoric or despondent). And when prudent, taking advantage of those extremes.

At present, fundamentals, valuations, and investor sentiment are telling us to not get carried away, but rather keep the Founders Fund's asset mix close to its long-term target. For clients who know they'll need money for something in the near term, our advice is to set aside what's needed in the Savings Fund. For everyone else, keep it simple. Make regular contributions and follow Charlie Munger's first rule of compounding – never interrupt it unnecessarily.

I've just scratched the surface here on our approach and advice. We'll go further at our Where to From Here? presentations coming up in May, taking place in seven cities across the country. Covid interrupted our annual investment forum for a few years, but I'm looking forward to seeing our clients in person again and hope you can make it!

Key Takeaways

Stocks

- Stock markets had a strong first quarter. The global market (Morningstar Developed Markets Index) gained 11.4% while Canadian stocks (Morningstar Canada Index) rose 6.8%. Japan was a standout, rising 20%.
- The energy sector was a notable area of strength, benefiting from a 15% increase in the price of oil. Technology, industrial, and healthcare stocks also saw attractive gains, while utilities and real estate companies were laggards.
- The Canadian dollar fell slightly against the U.S. dollar, Euro and Pound but rose 4% against the Yen. On balance, currency movements had a minor impact on returns.

Market Returns

	3M	1Y
Canada	6.8%	14.1%
World	11.4%	24.4%

Bonds

- The Canadian bond market (Morningstar Canada Core Bond Index) declined 1.4% in the quarter (interest less capital depreciation).
- Bond yields rose, with longer term yields seeing the biggest increases (reminder: when yields rise, prices fall). The benchmark 10-year Government of Canada yield started the year at 3.1% and ended March at 3.4%.
- Corporate and high yield bonds performed better than the government sector.

	3M	1Y
Bonds	-1.4%	1.7%

Our Funds

- All our funds had a positive quarter, with our equity funds earning high single-digit returns. Our balanced clients' portfolios were up 4% to 5%. 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 Loblaw Companies (Canada), Nestle (Switzerland), and Warby Parker (U.S.); and the sale of Franco-Nevada (Canada), Aritzia (Canada), and Aon (U.K.).

Fund Returns

	3M	1Y
Savings	1.2%	4.7%
Income	0.4%	3.5%
Founders	4.3%	8.0%
Builders	8.2%	12.2%
Equity	7.8%	7.1%
Global	8.3%	18.1%
Small-Cap	8.9%	13.8%
Global Small-Cap	8.2%	8.7%

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, 8% 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 4.3% in the quarter. Since inception (Feb 2012), it has a cumulative return of 103%, which equates to an annualized return of 6.0%.

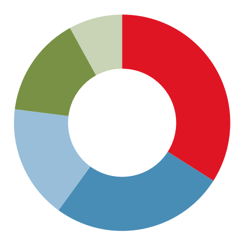
Portfolio Specifics

- The fund started 2024 the same way it finished 2023. Strong returns were driven by a rising stock market (which we discuss more fully in Bradley's Brief). All our equity funds contributed, with the Small-Cap Equity and Global Equity Funds leading the way.
- The bond market hasn't been as helpful. Interest rates edged higher and as a result, bond prices declined. The Income Fund, which provides Founders with its fixed income exposure, held up well. The manager has done a good job of managing its bonds and dividend stocks through the recent interest rate volatility.
- As a reminder, we don't make big or sudden moves to the fund's asset mix, but rather gradual, deliberate changes based on bond and stock valuations, market sentiment (a contrarian indicator of value), and our fund managers' views of the economic and market fundamentals.
- The Founders' asset mix was little changed in the first quarter and remains close to its strategic long-term target. It was fully invested in stocks while the fixed income side was allocated to bonds (Income Fund) and cash (Savings Fund). Both offer a solid yield, although they provide different types of diversification. Bonds will be valuable when the economy is weak, and stocks are down. A decline in interest rates pushes up bond prices. Cash helps smooth out the Founders' return stream and is a ready source of liquidity.
- 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 the purchase of Loblaw Companies (Canada), Nestle (Switzerland), and Warby Parker (U.S.); and the sale of Franco-Nevada (Canada), Aritzia (Canada), and Aon (U.K.).

Fund Mix

Income	42%
Global	20%
Equity	20%
Small-Cap	5%
Global Small-Cap	5%
Savings	7%

Asset Mix



Foreign Stocks	34%
Canadian Stocks	26%
Gov't Bonds	17%
Corporate Bonds	15%
Cash & Short-term	8%

Positioning

- The fund is closely mirroring its target asset mix. There are currently no extremes in the indicators we look at that would prompt us to deviate meaningfully.
- For more details on the underlying funds, please review pages 8-18.

Fund size $662,242,354

Founders Fund

Attributes

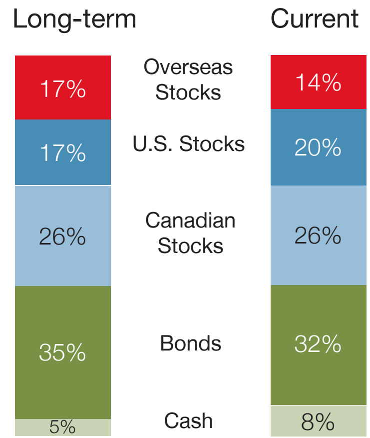
Top Stock Holdings (% of Fund)

Microsoft	1.9%
CN Rail	1.6%
Danaher	1.4%
Visa	1.3%
Thomson Reuters	1.3%
Lennar	1.0%
Constellation Software	1.0%
Toromont	1.0%
S&P Global	1.0%
Intact Financial	0.9%

Sector Allocation (Stocks)

Industrial Goods & Svc	26.9%
Financial Services	19.1%
Technology	14.4%
Consumer Cyclical	7.7%
Healthcare	7.1%
Retailing	6.8%
Consumer Products	4.8%
Real Estate	3.7%
Oil & Gas	3.5%
Basic Materials	3.4%
Comm. & Media	1.6%
Utilities & Pipelines	1.0%

Asset Mix



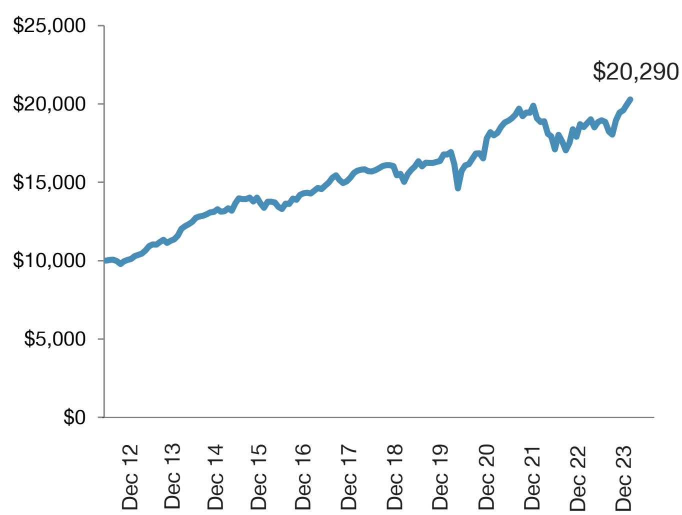
Performance

Compound Annualized Returns (as of March 31, 2024)

	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Founders Fund (after-fee)	**4.3%**	**4.3%**	**8.0%**	**3.1%**	**4.9%**	**4.7%**	**N/A**	**6.0%**
Canadian Bond Index	-1.4%	-1.4%	1.7%	-1.6%	0.2%	2.0%	N/A	2.0%
Global Stock Index ($Cdn)	11.4%	11.4%	24.4%	10.4%	11.8%	11.3%	N/A	13.1%
Canadian Stock Index	6.8%	6.8%	14.1%	8.6%	9.3%	6.9%	N/A	7.3%

[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 8.2% in the quarter. Since inception (Feb 2019), it has a cumulative return of 41%, which equates to an annualized return of 6.9%.

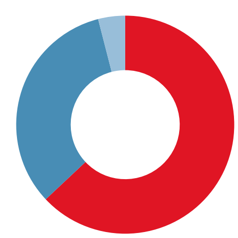
Portfolio Specifics

- The fund had a strong quarter (+8.2%). Its performance was ahead of the Canadian market but trailed the broad global index.
- 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 (30% of the portfolio), includes a diverse mix of companies such as railways CN Rail and Canadian Pacific Kansas City, MonotaRO (industrial supply products), Casella Waste Systems (waste management) and Savaria (home elevators and mobility products). Performance of the group was strong in the first quarter.
- Financial services companies make up 17% 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 16%. 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 Onto Innovation (defect inspection solutions for semiconductor manufacturers). Our holdings performed well, but didn't keep pace with the mega-cap AI-related stocks that continued to drive the sector.
- The portfolio also has notable exposure to consumer stocks (15%), including Costco (big-box retailer), Loblaw Companies (grocer) Coca-Cola (soft drinks), Dollarama (discount retailer), Heineken (beer), and Nestle (snacks and coffee). These companies don't perform as well in roaring markets but are more likely to hold up in difficult economic periods.

Fund Mix

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

Asset Mix



Foreign Stocks	65%
Canadian Stocks	32%
Cash & Short-term	3%

Fund size	$208,322,977

Positioning

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

Builders Fund

Attributes

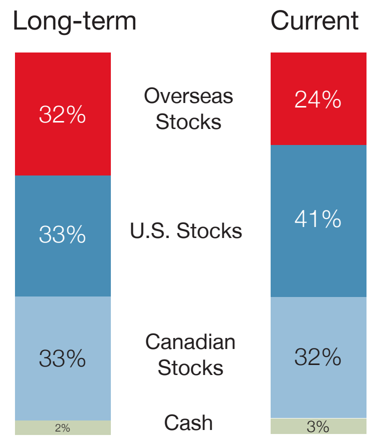
Top Stock Holdings (% of Fund)

Microsoft	3.3%
Danaher	2.3%
Visa	2.2%
CN Rail	1.9%
Lennar	1.8%
Thomson Reuters	1.7%
S&P Global	1.7%
Oshkosh	1.6%
TD Bank	1.5%
Metro	1.5%

Sector Allocation (Stocks)

Industrial Goods & Svc	30.2%
Financial Services	16.7%
Technology	15.5%
Consumer Cyclical	9.0%
Healthcare	8.5%
Retailing	7.0%
Consumer Products	6.2%
Basic Materials	3.5%
Oil & Gas	2.1%
Comm. & Media	1.3%

Asset Mix



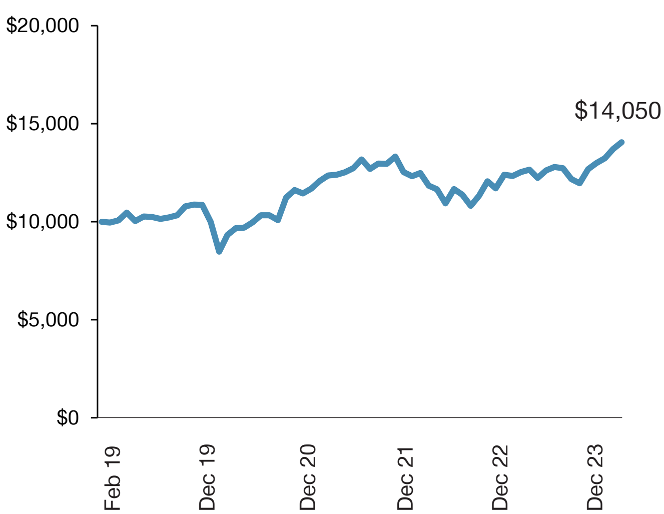
Performance

Compound Annualized Returns (as of March 31, 2024)

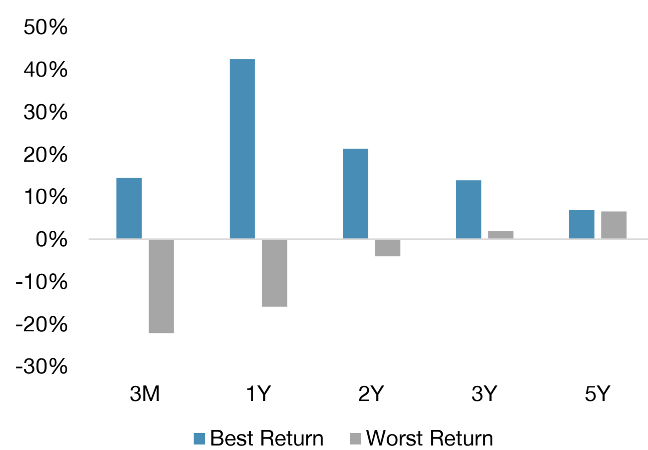
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Builders Fund (after-fee)	**8.2%**	**8.2%**	**12.2%**	**5.2%**	**6.9%**	**N/A**	**N/A**	**6.9%**
Global Stock Index ($Cdn)	11.4%	11.4%	24.4%	10.4%	11.8%	N/A	N/A	12.2%
Canadian Stock Index	6.8%	6.8%	14.1%	8.6%	9.3%	N/A	N/A	9.7%

[1]Feb 15, 2019

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Income Fund

Market Context

- The Canadian bond market declined 1.4% in the quarter (interest less capital depreciation).
- Bond yields rose, with longer term yields seeing the biggest increases (reminder: when yields rise, prices fall). The benchmark 10-year Government of Canada yield started the year at 3.1% and ended March at 3.4%.
- Canadian stocks rose 6.8%. Energy, healthcare and industrial stocks were areas of strength while REITs and telecoms were weak.

The fund was up 0.4% 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 bond component of the portfolio (75%) declined as yields rose (bond prices fall when yields rise) and investors adjusted their expectations to reflect a slower pace of interest rate cuts by central banks. Nonetheless, the fund's fixed income investments held up better than the broader market.
- The fund's corporate bond holdings have served the portfolio well but our manager, Connor Clark & Lunn, has been reducing exposure to the sector as the yield pickup (compared to federal bonds) has diminished. Instead, there is an opportunity to invest more in provincial bonds, which haven't seen spreads contract to the same extent. Almost half of the fund's bonds are invested in provincials.
- The portfolio's structure has had a tilt toward shorter-term bonds which has helped performance. The month of March marked the longest period in which the yield curve has been inverted (where short-term rates are higher than long-term rates).
- Higher interest rates have contributed 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. CC&L is sticking close to the fund's asset mix targets in this environment (75% fixed income; 25% stocks).
- The equity portion of the fund (25%) performed well, although the real estate sector was an area of weakness. Our focus is on companies with strong balance sheets, resilient earnings, and a history of dividend growth, such as the banks (RBC, BMO, CIBC), rail companies (CN, CPKC) and industrials (Thomson Reuters, WSP Global). Real estate investments are focused primarily on residential REITs (Canadian Apartment Properties, Boardwalk, Crombie).
- The fund paid a distribution of $0.07/unit at the end of March.

Notable Stock Transactions

Buy

Bank of Nova Scotia*
Cenovus Energy*
Canadian Pacific Kansas City*
Teck Resources*

*New holding

Trim/Sell

BCE[1]
TD Bank[1]
CCL Industries[1]
Imperial Oil[1]
Maple Leaf Foods[1]

[1]Position eliminated

Positioning

- Our focus remains on high-quality companies. Our manager expects some rate cuts in the middle of the year but remains nimble in response to interest rate volatility.
- Stocks make up 25% of the fund and remain an important source of diversification.

Fund size	$74,332,771
Pre-fee Yield	4.4%
Avg Term to Matur.	9.3 yrs
Duration (Bonds)	6.8 yrs

Income Fund

Attributes

Top Holdings (% of Fund)

CC&L High Yield Bond Fd	5.0%
Ontario 2.15% (Jun/31)	3.7%
Canada 3.50% (Dec/45)	2.6%
Canada 1.75% (Dec/53)	2.6%
Ontario 2.70% (Jun/29)	2.1%
Royal Bank	1.9%
Royal Bank FRN (Jul/24)	1.9%
B.C. 2.20% (Jun/30)	1.5%
Quebec 1.50% (Sep/31)	1.4%
Bank of Montreal	1.3%

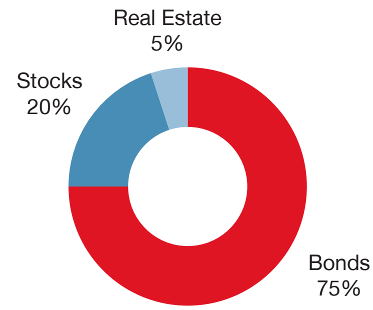
Issuer Allocation (Bonds)

Federal Government	11%
Provincial Government	46%
Corporate	43%

Rating Summary (Bonds)

AAA	14%
AA	42%
A	20%
BBB	22%
BB (or lower)	2%

Asset Mix



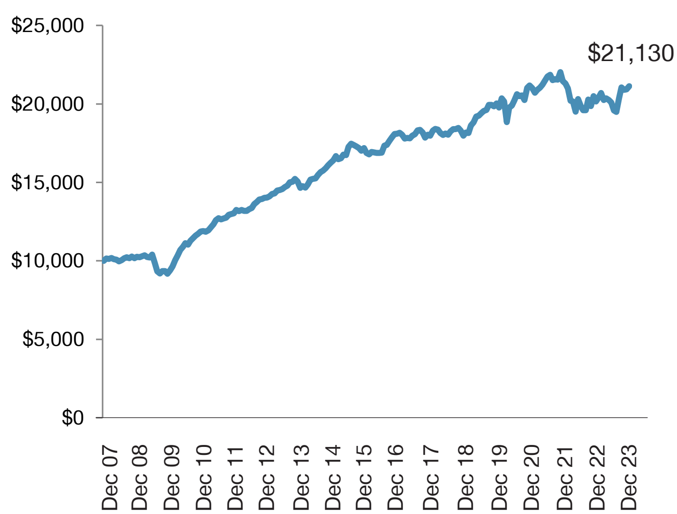
Performance

Compound Annualized Returns (as of March 31, 2024)

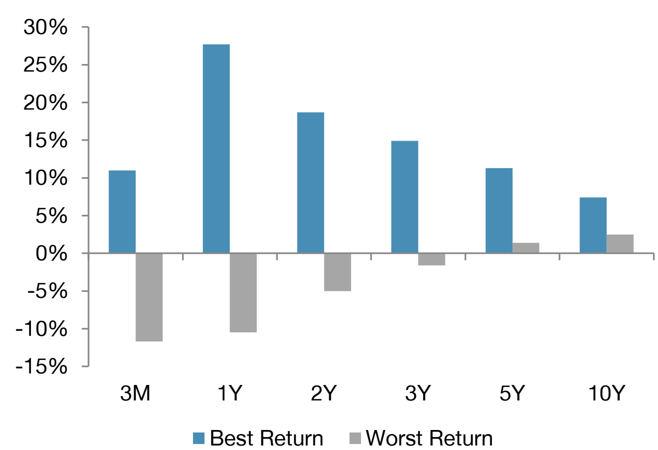
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep*
Income Fund (after-fee)	**0.4%**	**0.4%**	**3.5%**	**0.4%**	**1.9%**	**3.0%**	**5.5%**	**4.5%**
Canadian Bond Index	-1.4%	-1.4%	1.7%	-1.6%	0.2%	2.0%	2.9%	3.3%
Canadian Stock Index	6.8%	6.8%	14.1%	8.6%	9.3%	6.9%	8.9%	5.6%

*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 6.8% in the first quarter. Energy, healthcare, and industrial stocks were areas of strength, while the telecom, utilities, and real estate sectors were weak.
- Global stocks, as measured by the Morningstar Developed Markets Index, gained 11.4% in Canadian dollars.

The fund was up 7.8% in the quarter. Since inception (Feb 2007), it has a cumulative return of 214%, which equates to an annualized return of 6.9%.

Portfolio Specifics

- The portfolio consists of 26 stocks, of which 14 are headquartered in Canada, 10 in the U.S., and 2 overseas.
- The fund had a good quarter, with many of our companies turning in strong revenue and earnings growth. Top performers included new additions Loblaw Companies, Waste Connections and Otis Worldwide, as well as longstanding holdings Microsoft and RB Global. While technology stocks continue to be a key driver of returns in the U.S. market, the portfolio benefited from broader contributions by stocks in the industrial, consumer, and financial sectors.
- TD Bank, S&P Global, and Nestle lost ground, but each stock declined less than 5%. More importantly, the fundamentals of these businesses remain sound.
- We referenced last quarter some of the changes in the portfolio resulting from our new lead manager, Nessim Mansoor, taking over for Gord O'Reilly (both with Fiera Capital), who retired at the end of 2023. Nessim introduced seven new stocks in the first quarter, and the transition is now largely complete. The structure of the portfolio hasn't been materially altered, with our focus still on market leaders that often 'own' a category. The fund does, however, have more exposure to consumer and technology businesses, and less in the resources and telecom sectors.
- Of the new additions, five are consumer related. McDonald's is a name we all know. The company has incredible brand strength and has executed consistently over time, leading to strong financial results. Likewise, PepsiCo and Nestle are market leaders that dominate their category. Loblaw Companies, one of Canada's leading grocers (and a stock we have previously owned), and TJX Companies, the premier discount retailer of apparel and home fashions, were also added.
- Industrial firms Otis Worldwide (manufactures and maintains elevators, escalators, and moving walkways) and Waste Connections (solid waste collection) rounded out the purchases. To fund the new holdings, Franco-Nevada, CCL Industries, Telus, Aon, Sika, and Nutrien were sold.

Notable Transactions

<u>Buy</u>

Loblaw Companies*
Waste Connections Inc.*
Nestle SA*
TJX Companies Inc.*
McDonald's Corp.*
Otis Worldwide*
PepsiCo Inc.*

*New holding

<u>Trim/Sell</u>

CCL Industries[1]
Franco-Nevada[1]
Nutrien[1]
Telus[1]
Sika[1]
Aon PLC[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 market leaders that generate steady profits and have proven leaders at the helm.

Fund size	$103,610,531
No. of stocks	26

Equity Fund

Attributes

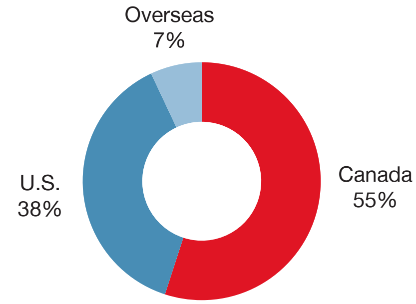
Top Stock Holdings

Visa	6.5%
CN Rail	5.6%
Thomson Reuters	5.0%
S&P Global	4.9%
Microsoft	4.8%
Danaher	4.7%
TD Bank	4.3%
Metro	4.3%
Toromont	4.3%
Costco Wholesale	4.1%

Sector Allocation (Stocks)

Industrial Goods & Svc	27.7%
Financial Services	25.2%
Retailing	18.1%
Technology	16.2%
Consumer Products	5.4%
Healthcare	4.7%
Consumer Cyclical	2.7%

Geographic Profile (Stocks)



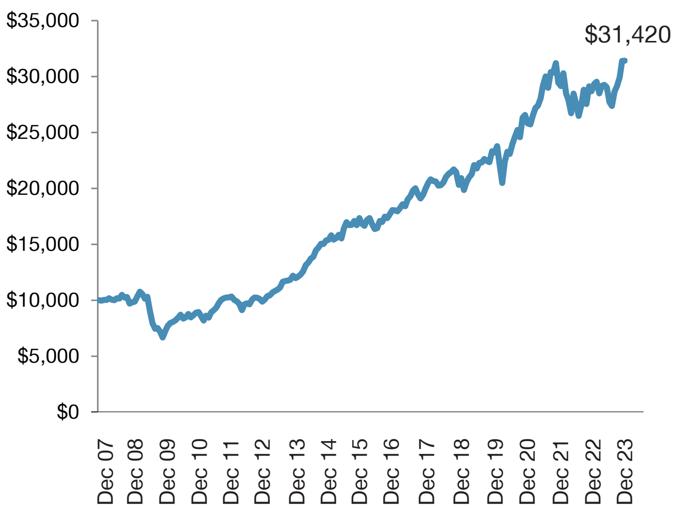
Performance

Compound Annualized Returns (as of March 31, 2024)

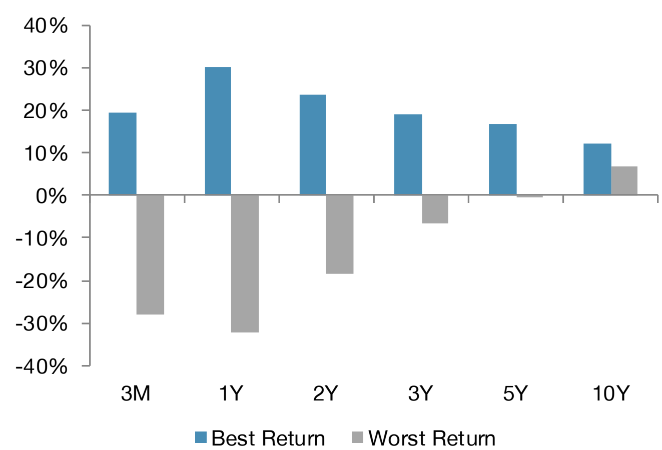
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Equity Fund (after-fee)	**7.8%**	**7.8%**	**7.1%**	**5.8%**	**8.1%**	**7.9%**	**10.3%**	**6.9%**
Canadian Stock Index	6.8%	6.8%	14.1%	8.6%	9.3%	6.9%	8.9%	5.6%
Global Stock Index ($Cdn)	11.4%	11.4%	24.4%	10.4%	11.8%	11.3%	12.8%	7.9%

[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 11.4% in Canadian dollar terms in the first quarter.
- Stock gains have broadened out. While U.S. technology companies had another strong quarter, industrial, financial, energy, and healthcare stocks also performed well. The Japanese market was a standout, rising 20%.

The fund was up 8.3% in the quarter. Since inception (Feb 2007), it has a cumulative return of 72%, which equates to an annualized return of 3.2%.

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 fared well but did not keep up with the broader market, where a few tech stocks played an oversized role. The fund's greater diversity (by geography and industry) is reflected in what drove returns. Martin Marietta (gravel and concrete), Microsoft (software), MunichRe (reinsurance) and Lennar (homebuilder) had a strong quarter. Adobe (software), AIA (insurance) and Sony (media), on the other hand, disappointed.
- Artificial intelligence continues to dominate the headlines and investors have gravitated to mega-cap stocks positioned to benefit from its growing adoption. We hold one of these companies, Microsoft, but our modest overall exposure has held back performance. Our other AI related investments include semiconductor and software holdings Qualcomm, Samsung, Microchip Technology, and Adobe. We also own companies that are less obvious beneficiaries, like Martin Marietta, which provides construction materials used for building large data centers.
- Japanese holdings account for 13% of the portfolio and many have benefited from the country's improving corporate governance. For example, financial services giant Mitsubishi UFJ has done well after divesting assets. In the past, Japanese executives have been reluctant to sell non-core businesses but are now engaging in shareholder-friendly behaviour. Retailer Pan Pacific International has also been a strong performer, boosted by a recovery in shopping demand from international travelers.
- Though not making headlines, household names Coca-Cola and Heineken have been active. Coca-Cola has cut 50% of its offerings over the last five years to focus on its core offerings and continues to produce strong cash flow. Heineken's growth comes from emerging markets. Its global brand gives it recognition in developing countries and it has expanded with brands like Tiger and Dos Equis.

Notable Transactions

Buy

N/A

Trim/Sell

Erste Group
Martin Marietta
DSM-Firmenich
Mitsubishi UFJ

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	$57,449,435
No. of stocks	49

Global Equity Fund

Attributes

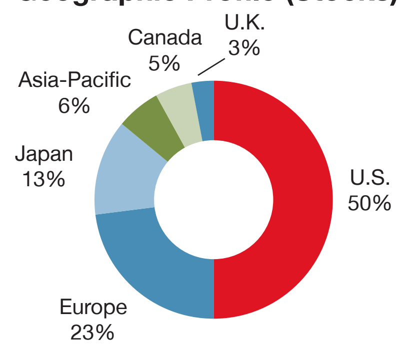
Top Stock Holdings

Lennar	5.1%
Microsoft	4.7%
Martin Marietta	3.7%
MunichRe	3.1%
Cameco	3.1%
FirstCash Holdings	2.9%
Microchip Technology	2.9%
TotalEnergies	2.8%
Samsung Electronics	2.6%
Adobe	2.4%

Sector Allocation (Stocks)

Industrial Goods & Svc	25.4%
Technology	20.3%
Financial Services	13.9%
Healthcare	13.5%
Consumer Cyclical	13.1%
Consumer Products	4.9%
Basic Materials	3.1%
Oil & Gas	2.8%
Comm. & Media	1.5%
Retailing	1.5%

Geographic Profile (Stocks)



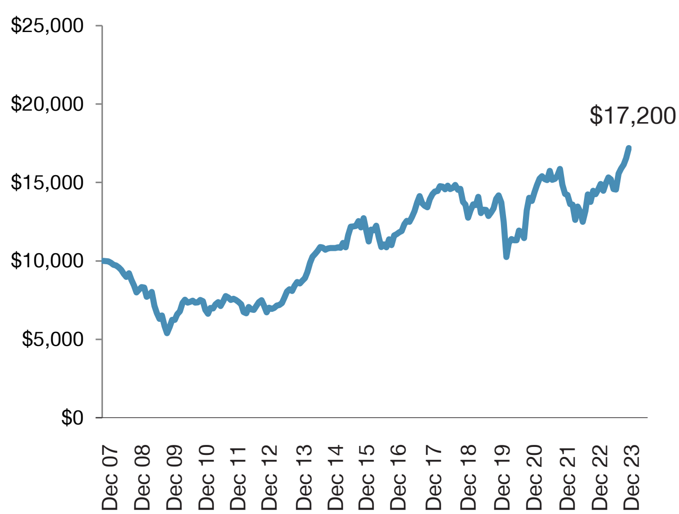
Performance

Compound Annualized Returns (as of March 31, 2024)

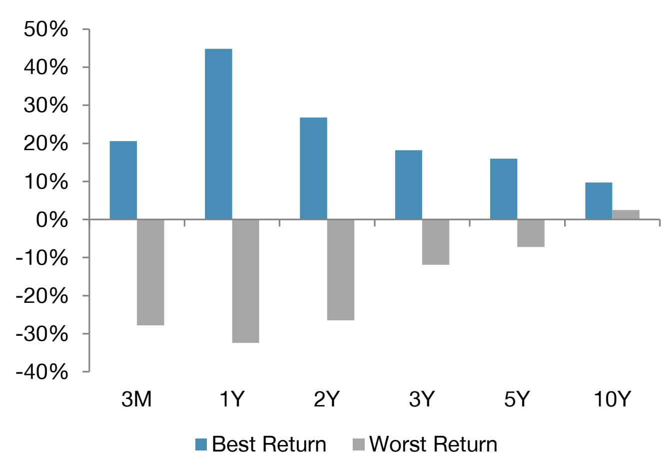
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Global Equity Fund (after-fee)	**8.3%**	**8.3%**	**18.1%**	**5.1%**	**4.9%**	**4.7%**	**7.5%**	**3.2%**
Global Stock Index ($Cdn)	11.4%	11.4%	24.4%	10.4%	11.8%	11.3%	12.8%	7.9%

[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 7.4% in the quarter. U.S. small-caps gained 7.9% in Canadian dollar terms.
- Energy, healthcare, and basic materials were the best performing sectors. Communication services and consumer stocks, on the other hand, were laggards.

The fund was up 8.9% in the quarter. Since inception (Feb 2007), it has a cumulative return of 224%, which equates to an annualized return of 7.1%.

Portfolio Specifics

- The fund consists of 20 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. companies which make up 22% of the portfolio's stocks.
- The portfolio had another strong quarter following a stellar 2023. Performance was led by our resource holdings. Oil producer MEG energy, copper miner Capstone Copper, and gold producer Torex Gold Resources all gained roughly 30%. Our exposure to commodity-related stocks has historically been much lower than their weight in the Canadian market, and this continues to be the case. Nonetheless, these three companies are generating solid operating results and have been important contributors to performance.
- Hydrovac specialist Badger Infrastructure Solutions, mattress retailer Sleep Country Canada and fashion house Aritzia also saw notable gains. Aritzia rose by more than a third early in the year and our manager, Galibier Capital, decided to sell the stock. Galibier likes the company but has been frustrated with some of management's decisions and felt it was a good time to move on.
- Stocks that were down in the quarter included Park Lawn, Enghouse Systems, VF Corp., and Interfor. We added to our positions in all four companies, viewing the price declines as a buying opportunity. We also bought additional shares in Generac Holdings, Henry Schein, and Finning International.
- Two stocks were sold, Northland Power and Aritzia (as mentioned). Northland has been a disappointment. The clean power provider is a good business that operates many attractive assets, but its management team has entered some bad contracts and hasn't met Galibier's expectations.
- The core of the portfolio continues to be companies that are providing fundamental products and services to Canadian businesses and individuals. Many of these are industrial and consumer companies, such as Boyd Group Services (collision repair), Cargojet (overnight air freight), Premium Brands Holdings (specialty food manufacturer and distributor), and Finning (Caterpillar dealer).

Notable Transactions

Buy

Interfor
Park Lawn
Finning International
Generac Holdings
Enghouse Systems

Trim/Sell

Aritzia[1]
Northland Power[1]
Spin Master
Sleep Country Canada
Capstone Copper

[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	$49,728,867
No. of stocks	20

Small-Cap Equity Fund

Attributes

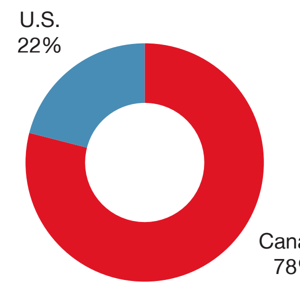
Top Stock Holdings

MEG Energy	8.3%
Generac Holdings	6.4%
Finning International	5.9%
Torex Gold Resources	5.8%
Savaria	5.7%
Premium Brands Holdings	5.6%
Oshkosh Corp.	5.3%
Capstone Copper	5.2%
Cargojet	4.8%
Interfor	4.4%

Sector Allocation (Stocks)

Industrial Goods & Svc	43.0%
Basic Materials	16.9%
Consumer Cyclical	15.3%
Oil & Gas	9.1%
Consumer Products	6.1%
Healthcare	4.9%
Technology	4.7%

Geographic Profile (Stocks)



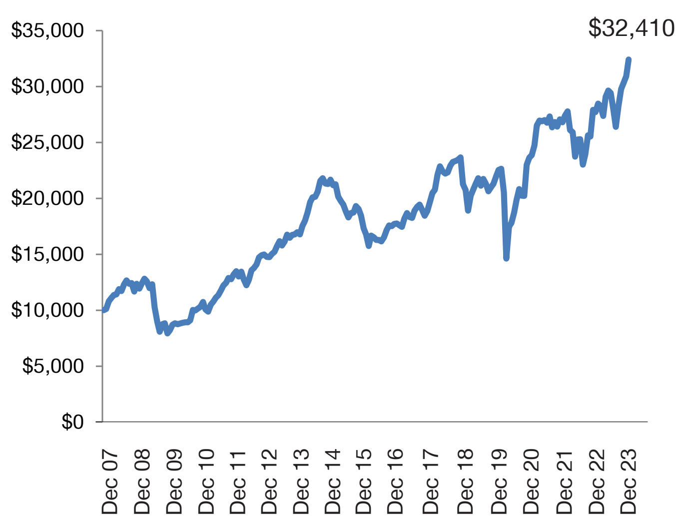
Performance

Compound Annualized Returns (as of March 31, 2024)

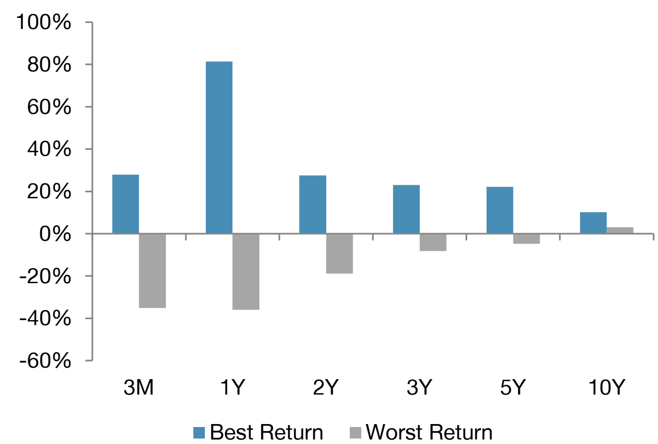
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Small-Cap Equity Fund (after-fee)*	**8.9%**	**8.9%**	**13.8%**	**6.9%**	**8.7%**	**4.0%**	**9.6%**	**7.1%**
Canadian Small-Cap Stock Index	7.4%	7.4%	7.9%	4.3%	6.7%	2.5%	6.5%	1.1%
U.S. Small-Cap Stock Index ($Cdn)	7.9%	7.9%	19.7%	2.4%	8.4%	9.8%	13.4%	8.2%

[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 7.3% in Canadian dollar terms in the first quarter.
- Energy, consumer staples and industrial stocks were areas of strength while the utilities and real estate sectors had a weak start to the year.

The fund was up 8.2% in the quarter. Since inception (Feb 2019), it has a cumulative return of 37%, which equates to an annualized return of 6.3%.

Portfolio Specifics

- The portfolio is currently invested in 50 companies. 23 are based in the U.S., 11 in Europe, 6 in Japan, 4 in the U.K., 2 in South America, 2 in Australia, and 2 in Canada.
- The fund had a strong quarter, reflecting the solid fundamentals of our holdings. Our investments in the industrial goods & services sector drove performance, on the back on excellent earnings. Standouts included mechanical and electrical construction services firm EMCOR Group (up 63%), defence and civil security specialist Saab (+57%), and warehouse equipment leader Kion Group (+26%). Financial services holdings RenaissanceRe and Rakuten Bank were also among the top contributors to performance.
- The two biggest detractors in the quarter were Integral Ad Science and Synaptics. Integral Ad Science is a digital advertising verification leader. The company reported a good quarter but lowered its revenue guidance and announced a price discounting program that turned off investors (the stock was down 35%). Our manager, TimesSquare Capital, feels the selloff was an over-reaction and believes the company has a promising outlook over the medium term. Synaptics, which develops human interface hardware and software (e.g. touchpad modules and fingerprint sensors), also reported good financial results but indicated that some of its products are seeing slowing demand. TimesSquare continues to like its longer-term prospects.
- We increased our investments in the technology sector, adding three new stocks: Onto Innovation, MACOM Technology Solutions, and JFrog. Onto Innovation provides metrology (measurement) and defect inspection solutions for semiconductor manufacturers. MACOM makes semiconductor devices and components, and JFrog provides software tools for programmers focused on improving efficiency. Tech stocks comprise 14% of the fund. Our focus is on profitable companies that offer high value added products & services to other businesses.
- We also purchased direct-to-consumer eyewear maker Warby Parker and Japanese real estate company KDX Realty Investment Corp. We moved on from six stocks to pursue the aforementioned opportunities: Visteon, Interpump Group, Nakanishi, Exponent, MatsukiyoCocakara, and Lawson (which received a takeover bid).

Notable Transactions

Buy

Onto Innovation*
KDX Realty Investment Corp*
MACOM Technology Solutions*
Warby Parker*
JFrog*
*New holding

Trim/Sell

Visteon[1]
Interpump Group[1]
Nakanishi[1]
Exponent[1]
MatsukiyoCocokara[1]
Lawson[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 sales and profit growth is important, as is a management team that has experience and integrity.

Fund size	$12,334,694
No. of stocks	50

Global Small-Cap Equity Fund

Attributes

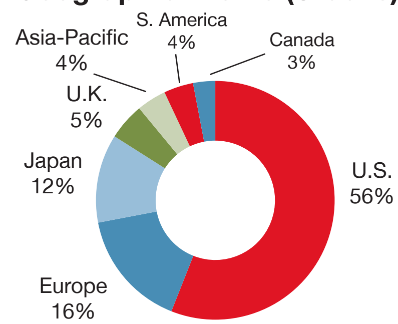
Top Stock Holdings

Clean Harbors	4.0%
EMCOR Group	3.7%
Regal Rexnord	3.6%
Rakuten Bank	3.2%
Chemed	3.0%
ESAB	2.9%
Steadfast Group	2.9%
Performance Food Group	2.9%
Synaptics	2.7%
Webster Financial	2.7%

Sector Allocation (Stocks)

Industrial Goods & Svc	36.2%
Financial Services	15.4%
Technology	14.1%
Consumer Cyclical	10.8%
Healthcare	8.6%
Consumer Products	7.9%
Comm. & Media	4.9%
Real Estate	2.1%

Geographic Profile (Stocks)



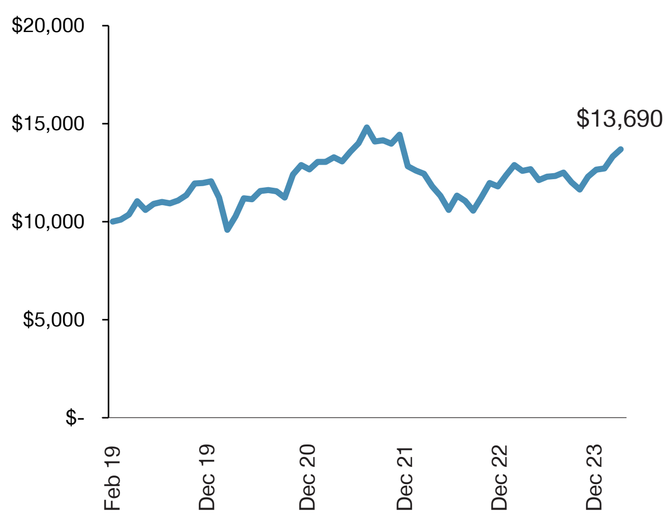
Performance

Compound Annualized Returns (as of March 31, 2024)

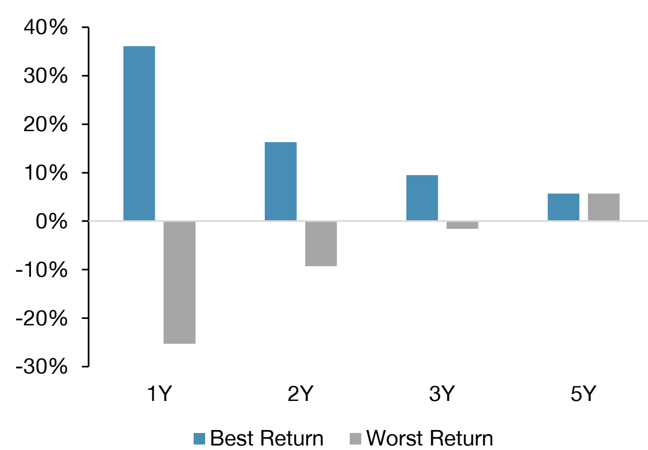
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Global Small-Cap Equity Fund (after-fee)	**8.2%**	**8.2%**	**8.7%**	**1.6%**	**5.7%**	**N/A**	**N/A**	**6.3%**
Global Small Cap Stock Index ($Cdn)	7.3%	7.3%	17.2%	3.8%	7.6%	N/A	N/A	7.6%

[1]Feb 15, 2019

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Savings Fund

Market Context

- The Bank of Canada has held its key short-term lending rate steady at 5.0% since last July. The rate is currently the highest it's been in over 20 years.
- The Governing Council is still concerned about the outlook for inflation and wants to see it ease further before implementing any interest rate cuts.
- In its latest statement, the central bank noted that while the economy continues to grow, the pace has weakened and is below potential. Population growth is exceeding employment, and there are signs that wage pressures may be easing. CPI inflation fell below 3% in January, although shelter price inflation remains elevated.

The fund was up 1.2% in the quarter. Since inception (Feb 2007), it has a cumulative return of 28%, which equates to an annualized return of 1.4%.

Positioning

- T-Bills comprise 54% of the portfolio, while corporate paper makes up 46%.
- We reduced our weighting in Government of Canada T-Bills and increased our holdings in bank paper in the quarter.
- The pre-fee yield of the portfolio at the end of March was 5.1%.

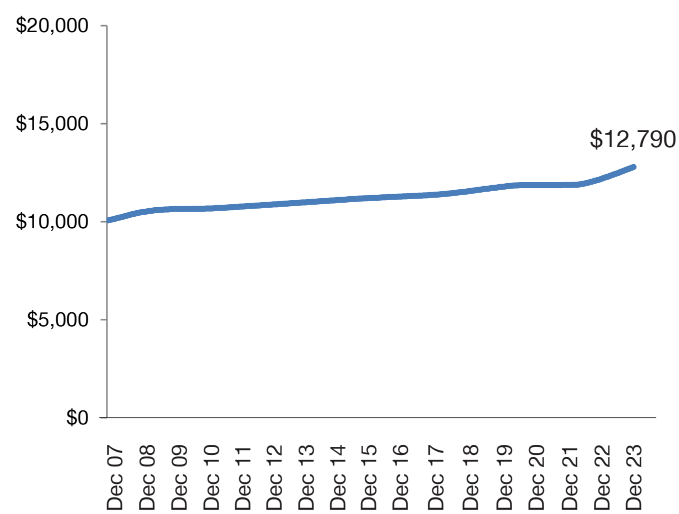
Performance

Compound Annualized Returns (as of March 31, 2024)

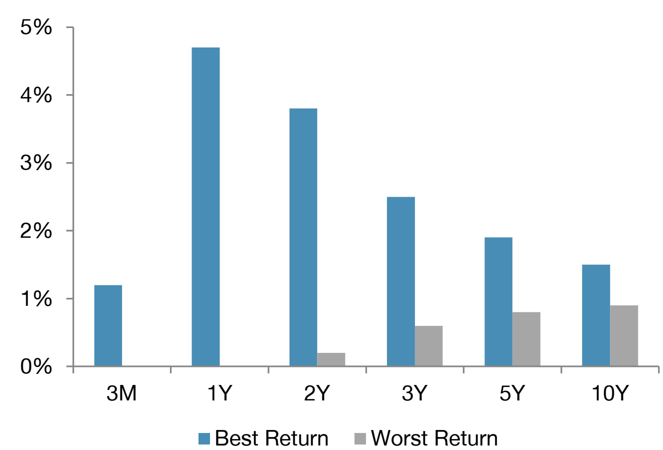
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep*
Savings Fund (after-fee)	**1.2%**	**1.2%**	**4.7%**	**2.5%**	**1.9%**	**1.5%**	**1.2%**	**1.4%**
Canadian Cash Index	1.3%	1.3%	5.0%	2.6%	1.9%	1.4%	1.2%	1.5%

*Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Why interest-rate cuts and recession fears are short-term noise for investors

Special to the Globe and Mail, by Tom Bradley, March 25, 2024

The business media is obsessed these days with the possibility (or hope) of interest-rate cuts, the depth and timing of the next recession, the U.S. election and artificial intelligence. Of these, only AI, which has the potential to change how business is done, will have an important impact on long-term portfolio returns. For investors, the other topics are short-term noise.

Unfortunately, the noise obscures important trends and innovations that will have a greater effect, even if they don't move markets tomorrow or next week. I'm talking about trends that are progressing slowly and thus garner little attention. Things that you want to get on board and ride with, as opposed to fight against.

Some themes are durable, inevitable and highly visible. Things such as demographic shifts and the electrification of the economy. The impact that aging baby boomers will have on health care, consumption and pickleball equipment is undeniable. And the energy transition will lead to lasting and profound change, no matter what form it takes. There will be companies left behind, perhaps even some big ones such as the incumbent auto companies, but also many exciting investment opportunities.

Some underlying themes can't be fully assessed until years later. The most powerful and enduring trend of my investment career was the 40-year decline in interest rates, from the high teens to almost zero. Few anticipated that globalization and digitization would have the lasting impact on inflation that they did. There were investors who rode the trend for periods of time, but I can't recall anyone correctly calling the length and magnitude of the decline.

The adjustment to more normal interest rates that the economy is going through now won't last 40 years, but this week Brian Moynihan, the chief executive officer of Bank of America, described the required restructuring in commercial real estate as a "slow burn." It will take time for the refinancing cycle to play out and the price gap between buyers and sellers to narrow.

Higher rates don't just hit real estate. All businesses are affected, particularly those being funded by private equity and/or selling products that require debt financing (for example, appliances, home renovations, automobiles).

Mirroring the interest rates cycle was a massive buildup of debt, which is a trend that may be about to pivot. Governments everywhere have had their foot on the stimulation gas pedal (spend now, pay later), but there's now little fuel left in the tank and the brakes will need to be used. We should be prepared for higher taxes and user fees, less government largesse, even during economic slowdowns, and more private funding of much needed infrastructure.

While debt-related trends are slow moving train wrecks and should be avoided, there are others that you want to be onside with.

Consolidation is a long-standing trend that will continue to benefit investors. The mega firms are starting to run into antitrust issues, but most industries have decades of consolidation ahead of them.

Supply chain resilience is the new catch phrase. Companies are diversifying their sources of production away from China. Smaller Asian countries and Mexico stand to gain from this shift.

And then there's AI (and other technological innovations). The excitement about AI has been likened to the hype around the web in the late 1990s. In hindsight, the web far exceeded expectations. We won't know whether AI will live up to the hype until years from now, but the early indications are impressive.

The second and third order effects of AI will allow non-tech companies to lower costs and redefine customer service. Perhaps the most exciting outcomes will be in health care where a rapid acceleration of drug discovery is already evident.

Suffice it to say, we're going through a fascinating time when massive economic and technological trends are starting, ending, and pivoting. I've just scratched the surface here.

We have a front-row seat to watch it all unfold, so perhaps it's the time to put on your noise cancelling headphones and spend more time thinking about the long-term drivers of investment returns and less on idle speculation about rates, recessions and elections.

Steadyhand

WHERE TO FROM HERE?

Where to From Here? — An Evening with Steadyhand

We're excited to announce the return of our in-person client event, *Where to From Here?* We invite you to join us this spring as we revive our annual investment forum in seven cities across the country, from **May 6-16.** (Friends and family are welcome too!) Learn more.

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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)

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

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