Quarterly Report

Steadyhand

Q1
2021

“The market is there only as a reference point to see if anybody is offering to do anything foolish. When we invest in stocks, we invest in businesses.”

— Warren Buffett

Bradley's Brief

It's a weird thing about investing. On one quarterly statement, returns look disappointing and you're wondering what's going on, and on the very next, everything is terrific (and vice versa).

A year ago, we were reporting that the Founders Fund, a good proxy for balanced portfolios at Steadyhand, was down 12.9% in the first quarter and had a negative 1-year return of 8.9%. By year-end, however, the Founders' annual return, which included 11 great months and one horrible one, was back above its long-term average.

And here we are now, three months later, still struggling to exit a devastating pandemic, and the 1-year return is, well, terrific. The horrible month is gone, replaced by a good one.

These inexplicable shifts are related to a phenomenon known as *end-date sensitivity*. Short-term returns can swing dramatically from quarter to quarter simply by dropping off a poor (or good) three months and replacing them with good (or poor) ones. If the difference between the dropped quarter and the added one is large enough, like it has been in recent quarters, the swing can even cause the 3 and 5-year numbers to move around meaningfully.

Is there a problem with end-date sensitivity? Not really, as long as you're aware of the effect and don't change your strategy (or lifestyle) based on the results at one quarter-end. It's okay to open a good bottle of wine and enjoy the recovery, but then cast your eyes on the 10-year and Since Inception numbers on the performance tables. These boxes are intentionally shaded because they're the most useful measure of how you're doing.

How you react to unusual periods, good and bad, is really important. Your strategy and fund managers didn't go from being inept to brilliant in three months. Expected returns haven't increased from 6% to 12%. And disappointingly, you're not suddenly able to retire at 50 instead of 65. In other words, your long-term assumptions and plan are still relevant.

It's particularly important right now to not overreact because the fear of missing out is alive and well, whether it's Nasdaq stocks, exciting new IPOs, bitcoin, cannabis, or even GameStop. Unfortunately, investors who give in to FOMO only experience short-term success, if any success at all. That's because they don't know why a stock or fund is going up ("It's just going up") and as a result, don't know what to do when it's not.

At Steadyhand, we're pretty good at keeping FOMO under control and focusing on holding businesses that will build our clients' wealth over time. This has served us well over our history, even if it has tempered our shorter-term returns at times (i.e. the last few years). Today, we're more focused than ever on this because we're excited about the opportunities out there for rational, valuation-driven investors and at the same time, believe the risks are extreme for speculators who are trading rapidly and using leverage.

I heard someone say the other day that in this market you need to know what game you're playing. For you, it's not a game. It's about the last third of your life. In that respect, our focus continues to be on generating long-term, sustainable returns you can retire on. We just can't be sure how weird and wacky it will be along the way.

And speaking of sustainable, I can't resist finishing with the news that we recently passed $1 billion in assets under management. While it's just a number, it's a milestone our team has worked hard for and is proud of. And most importantly, we want to thank you, our clients, for helping us get here.

Key Takeaways

Stocks

- The first quarter saw a continuation of the stock market rebound that took hold last spring. Economically-sensitive stocks ("cyclicals") outperformed more defensive equities, with strong gains coming from the energy, financial services and real estate sectors. Consumer staples, healthcare and utilities lagged.
- The Canadian market (S&P/TSX Composite Index) had a strong showing, rising 8% on the back of robust gains in the resource, financial services and real estate sectors.
- The loonie appreciated against most currencies. Notably, it gained 6% on the Euro and 8% on the Japanese Yen (but was only up 1% on the U.S. dollar). This strength in our currency dampened the returns of foreign stocks for Canadian investors.

Market Returns

	3M	1Y
Canada	8.1%	44.2%
World	3.8%	37.6%

Bonds

- The Canadian bond market (FTSE Canada Universe Bond Index) provided a total return of -5.0% in the quarter as bond yields surged (when yields rise, prices fall).
- Short-term yields were little changed, but longer-term interest rates rose materially. The 10-year Government of Canada bond yield climbed from 0.7% to 1.5%.
- Corporate and high yield bonds performed better than their government counterparts but still lost ground.

	3M	1Y
Bonds	-5.0%	1.6%

Our Funds

- Our funds had a positive quarter for the most part (excluding our Income Fund), with the Small-Cap Fund being a stand out. Our balanced clients' portfolios were up roughly 2%. Over the past 10 years, our balanced returns were roughly 7% per year.
- We've been gently bringing down the stock weighting in the Founders Fund as valuations have returned to fulsome levels and sentiment has turned more bullish.
- In the context of our balanced portfolios, key transactions in the quarter included the purchase of Aon (U.K.), Meggitt (U.K.) and Euronext (Netherlands), and the sale of Novartis (Switzerland), Cenovus (Canada), and Discovery (U.S.).

Fund Returns

	3M	1Y
Savings	0.0%	0.4%
Income	-1.3%	11.0%
Founders	1.9%	26.9%
Builders	3.9%	42.5%
Equity	-0.2%	29.4%
Global	5.7%	44.8%
Small-Cap	12.2%	81.3%
Global Small-Cap	1.2%	36.1%

Our Advice to Clients

We recommend that your equity weighting be near your long-term target. In the Founders Fund, our stock weighting is 61%, which is right in line with the 60% target. We feel valuations are reasonable in sectors that haven't fully participated in the rally, but are wary of the speculation that appears rampant in industries such as cannabis, cryptocurrencies and SPACs. Our outlook for bonds is subdued as yields are unattractive (despite rising recently). We recommend a below-average position in the asset class, with cash as an alternative. In the Founders Fund, 16% of the portfolio is currently held in cash.

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, our Chief Investment Officer, manages the fund and Salman Ahmed is co-manager. 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.

Portfolio Specifics

- The first quarter extended the Founders' strong recovery, leading to a 26.9% return over the past 12 months. More importantly, the fund passed the 9-year mark in February and has generated a 7.0% average annual return since inception. Over that period, it has benefited from declining interest rates (until recently), rising stock markets, and some advantageous buying on market dips.
- We said last quarter that, "We have diversity across the pandemic spectrum ... with a bias towards the unheralded recovery stocks that have low expectations and more reasonable valuations." In the first quarter, the markets bounced back and forth between the lockdown and recovery stocks (sometimes alternating days), but overall, our bias towards the latter helped the fund's return.
- Diversifying the fixed income holdings across the Income and Savings Funds also enhanced performance, making up for some foregone returns in previous quarters. We've maintained a large cash position to protect against rising interest rates, which is what occurred in the first quarter, pushing bond prices down.
- Founders has been fully invested in stocks over the past year, although since last summer we've been gently rebalancing the weighting down. Valuations have returned to more fulsome levels and market sentiment has turned decidedly bullish, both good reasons for caution. Indeed, some parts of the capital markets are rife with speculation (cannabis, IPOs, and bitcoin come to mind).
- While the Founders' asset mix is important, returns are primarily driven by the results of the underlying funds. Through these funds, Founders owns a diverse mix of stocks across industries, geographies, and as noted above, the pandemic continuum.
- The largest transactions during the quarter (in the underlying funds) included the purchase of new positions in Aon (commercial insurance broker & retirement services), Meggitt (aerospace parts), and Euronext (the largest stock exchange in Europe). On the sell side, we eliminated Novartis, Cenovus, and Discovery.

Positioning

- The wide disparity between stock and bond returns is prompting us to be more active rebalancing the fund. The stock funds are being trimmed on strength and flows into the fund are being allocated to bonds (via the Income Fund).
- For more details on the underlying funds, please review pages 8-18.

The fund was up 1.9% in the quarter. Since inception (Feb 2012), it has a cumulative return of 85%, which equates to an annualized return of 7.0%.

Fund Mix

Income	33%
Global	22%
Equity	18%
Small-Cap	8%
Global Small-Cap	6%
Cash	13%

Asset Mix

Foreign Stocks	35%
Canadian Stocks	26%
Gov't Bonds	11%
Corporate Bonds	12%
Cash & Short-term	16%

Fund size	$561,904,096

Founders Fund

Attributes

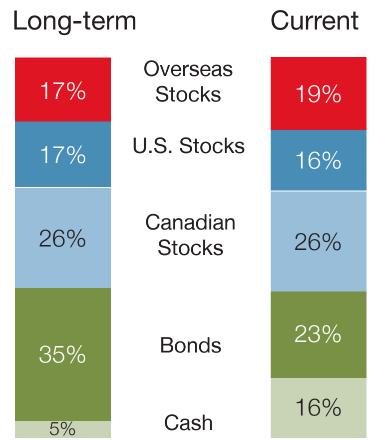
Top Stock Holdings (% of Fund)

TD Bank	1.6%
CN Rail	1.4%
Brookfield Renewable	1.1%
Franco-Nevada	1.1%
Visa	1.0%
Raytheon Technologies	1.0%
Walt Disney	1.0%
Keyence	0.9%
Danaher	0.9%
Telus	0.9%

Sector Allocation (Stocks)

Industrial Goods & Svc	26.8%
Financial Services	22.2%
Healthcare	10.6%
Technology	6.3%
Consumer Products	6.3%
Utilities & Pipelines	5.4%
Basic Materials	4.7%
Consumer Cyclical	4.7%
Real Estate	4.7%
Comm. & Media	4.2%
Oil & Gas	2.5%
Retailing	1.6%

Asset Mix



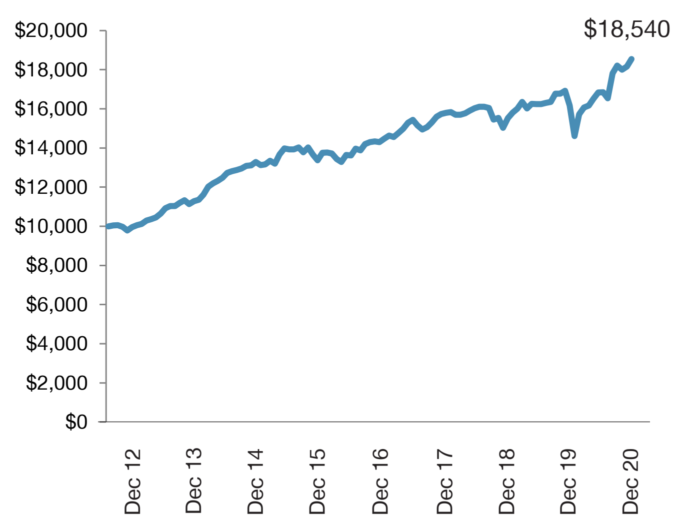
Performance

Compound Annualized Returns (as of March 31, 2021)

	3M	YTD	1Y	2Y	3Y	5Y	10Y	Incep[1]
Founders Fund (after-fee)	**1.9%**	**1.9%**	**26.9%**	**7.6%**	**5.7%**	**6.3%**	**N/A**	**7.0%**
FTSE Canada Universe Bond Index	-5.0%	-5.0%	1.6%	3.0%	3.8%	2.8%	N/A	3.3%
S&P/TSX Composite Index	8.1%	8.1%	44.2%	11.2%	10.2%	10.1%	N/A	7.8%
Morningstar Developed Mkts Index ($Cdn)	3.8%	3.8%	37.6%	13.9%	11.5%	12.6%	N/A	14.0%

[1]Feb 17, 2012

Growth of $10,000 Since Inception



Best and Worst Annualized Returns

Builders Fund

Fund Overview

- The Builders Fund 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. It's an all-stock portfolio designed for growth-oriented investors.
- The underlying fund mix is managed by Salman Ahmed, with Tom Bradley as co-manager, and is a reflection of their views on market valuations.

The fund was up 3.9% in the quarter. Since inception (Feb 2019), it has a cumulative return of 21%, which equates to an annualized return of 9.3%.

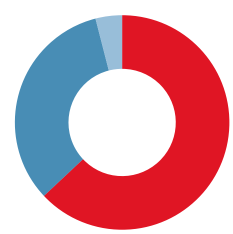
Portfolio Specifics

- The Builders Fund had a positive start to 2021 and has risen 42.5% over the past 12 months — an excellent return to be sure, albeit a short-term measurement period.
- The portfolio has experienced strong results without investing heavily in those areas of the market receiving the most fanfare, such as technology, cryptocurrencies, and electric vehicles. We own technology companies across our funds, but steer clear of the speculative areas. All our managers have raised alarm bells over the prices of technology stocks in general, especially those that don't yet turn a profit.
- Foreign companies currently comprise 63% of the fund, with Canadian stocks making up roughly one-third. This foreign bias reflects the much broader opportunity set afforded by investing in a wider range of companies.
- In keeping with its growth objective, the fund holds 15% of its assets in each of our two small-cap funds. Smaller companies can experience more pronounced fluctuations over shorter periods. Over the long run, however, these companies provide the opportunity for superior returns.
- The fund continues to be diversified across industries and looks different than most Canadian portfolios. The largest sector weight, industrial goods & services, includes a diverse assortment of companies. Holdings include Konecranes (manufactures lifting equipment), CN Rail (a leading North American railway), Teleperformance (outsourced customer service), Howmet Aerospace (makes components for jet engines), and SNC-Lavalin (engineering consulting).
- Other important sectors are also diverse in their makeup. In financial services, the fund owns TD Bank, RenaissanceRe (reinsurance), Artisan Partners (asset management), and Experian (credit ratings), among others.
- In healthcare, holdings include Philips (diagnostic equipment), Spire Healthcare (U.K. hospitals), Orpea (nursing care), Johnson & Johnson (pharmaceuticals and consumer goods), and Henry Schein (dental equipment).

Fund Mix

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

Asset Mix



Foreign Stocks	63%
Canadian Stocks	32%
Cash & Short-term	5%

Positioning

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

Fund size	$112,314,316

Builders Fund

Attributes

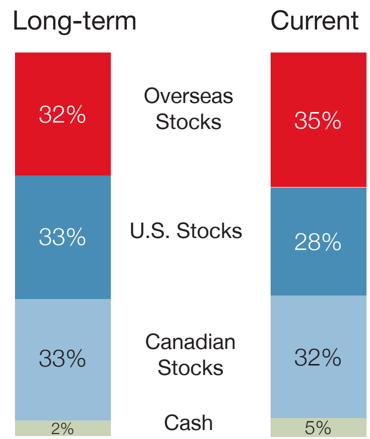
Top Stock Holdings (% of Fund)

Franco-Nevada	2.2%
Visa	2.1%
TD Bank	1.9%
Keyence	1.9%
Brookfield Renewable	1.9%
Danaher	1.8%
CN Rail	1.8%
Sika	1.7%
CCL Industries	1.7%
Nutrien	1.6%

Sector Allocation (Stocks)

Industrial Goods & Svc	29.3%
Financial Services	20.5%
Healthcare	12.0%
Technology	7.7%
Consumer Products	6.1%
Basic Materials	5.8%
Consumer Cyclical	5.4%
Utilities & Pipelines	4.2%
Comm. & Media	3.3%
Oil & Gas	2.5%
Real Estate	1.8%
Retailing	1.4%

Asset Mix



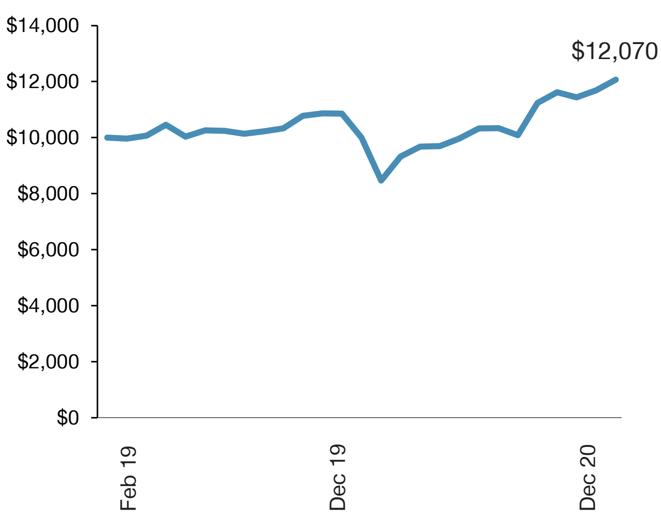
Performance

Compound Annualized Returns (as of March 31, 2021)

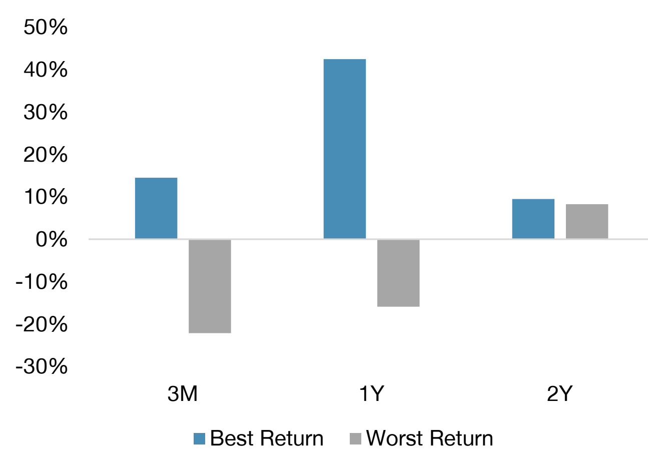
	3M	YTD	1Y	2Y	3Y	5Y	10Y	Incep[1]
Builders Fund (after-fee)	**3.9%**	**3.9%**	**42.5%**	**9.5%**	**N/A**	**N/A**	**N/A**	**9.3%**
Morningstar Developed Mkts Index ($Cdn)	3.8%	3.8%	37.6%	13.9%	N/A	N/A	N/A	13.5%
S&P/TSX Composite Index	8.1%	8.1%	44.2%	11.2%	N/A	N/A	N/A	11.7%

[1]Feb 15, 2019

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Income Fund

Market Context

- The Canadian bond market fell 5.0% in the quarter (interest less capital depreciation).
- Bond yields rose sharply, particularly longer-term maturities, with the 10-year Government of Canada bond yield rising from 0.7% to 1.5%.
- Canadian stocks gained 8.1%. Energy and financial stocks were areas of strength.

The fund was down 1.3% in the quarter. Since inception (Feb 2007), it has a cumulative return of 109%, which equates to an annualized return of 5.4%.

Portfolio Specifics

- Investors are increasingly looking toward a post-COVID world and markets are anticipating a robust economic recovery. Indeed, growth expectations around the world are being revised sharply upwards, which paradoxically, resulted in a tough quarter for fixed income. Yields rose significantly, with bonds that have maturity dates in the 10- to 20-year range seeing the greatest yield increases (remember: when yields rise, bond prices fall). The portfolio was impacted by this, but held up better than the broad market.
- Corporate bonds performed better than their government counterparts. This benefited the fund, as it continues to have roughly a third of its assets invested in these securities. Banks and industrial bonds remain key areas of investment, and our manager (Connor, Clark & Lunn) is also finding some opportunities in more economically-cyclical sectors, notably Greater Toronto Airport Authority. Overall, businesses are in a strong position to expand and invest, and consumer spending is well supported as households have built up savings and reduced debt, thanks in part to government stimulus packages. This points to a supportive investing environment for corporate bonds.
- High yield bonds were among the top performers in the quarter (although returns were still modestly negative). Roughly 4% of the fund is invested in this asset class. Focus remains on higher-quality issuers and those with strong liquidity.
- The fund's dividend stocks (29% of the portfolio) performed well, gaining 8% overall, which helped dampen the fund's decline. Key sectors of investment include banks, real estate, industrials, telecoms and utilities. Focus remains on stocks that are proven dividend growers operating in stable growth industries. The fund avoided any dividend cuts last year (and thus far in 2021). In fact, two-thirds of our investments increased their dividend, which speaks to the quality of holdings.
- The fund paid a distribution of $0.045/unit at the end of March.

Notable Stock Transactions

Buy

DRI Healthcare Trust*
Quebecor*
Boralex
Granite REIT
Rogers Communications

*New holding

Trim/Sell

BCE[1]
Pembina Pipeline[1]
Brookfield Renewable
Empire Company
Telus

[1]Position eliminated

Positioning

- CC&L feels that low interest rates and accommodative policies will remain in place for a long time, which is supportive of a healthy weighting in corporate bonds.
- Stocks make up 29% of the fund and remain an important source of diversification and yield. The manager has a current bias towards high-quality large cap stocks.

Fund size	$85,553,956
Pre-fee Yield	2.2%
Avg Term to Matur.	10.7 yrs
Duration (Bonds)	8.2 yrs

Income Fund

Attributes

Top Holdings (% of Fund)

CC&L High Yield Bond Fd	3.5%
Quebec 1.90% (Sep/30)	3.1%
Ontario 2.60% (Jun/25)	3.1%
Quebec 2.75% (Sep/25)	2.9%
Royal Bank	2.3%
TD Bank	2.0%
Quebec 3.75% (Sep/24)	1.9%
Ontario 4.70% (Jun/37)	1.9%
Canadian Apartment Ppty	1.9%
B.C. 2.85% (Jun/25)	1.7%
BMO 2.85% (Mar/24)	1.7%

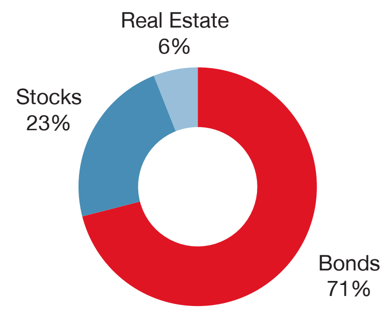
Issuer Allocation (Bonds)

Federal Government	4%
Provincial Government	47%
Corporate	49%

Rating Summary (Bonds)

AAA	7%
AA	46%
A	25%
BBB	18%
BB (or lower)	4%

Asset Mix



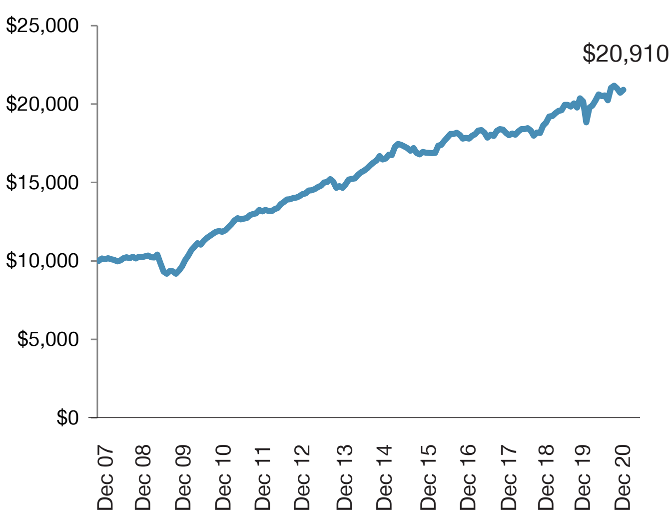
Performance

Compound Annualized Returns (as of March 31, 2021)

	3M	YTD	1Y	2Y	3Y	5Y	10Y	Incep*
Income Fund (after-fee)	**-1.3%**	**-1.3%**	**11.0%**	**4.4%**	**4.9%**	**3.8%**	**4.9%**	**5.4%**
FTSE Canada Universe Bond Index	-5.0%	-5.0%	1.6%	3.0%	3.8%	2.8%	4.0%	4.4%
S&P/TSX Composite Index	8.1%	8.1%	44.2%	11.2%	10.2%	10.1%	6.0%	5.7%

*Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns

Equity Fund

Market Context

- The Canadian stock market (S&P/TSX Composite Index) rose 8.1% in the first quarter. Energy and financial stocks were key contributors to the robust return.
- Global stocks, as measured by the Morningstar Developed Markets Index, gained 3.8% in Canadian dollar terms.

The fund was down 0.2% in the quarter. Since inception (Feb 2007), it has a cumulative return of 165%, which equates to an annualized return of 7.1%.

Portfolio Specifics

- The fund holds 23 stocks, of which 12 are headquartered in Canada, 6 in the U.S., and 5 overseas.
- The fund had a flat start to the year following a strong 2020. In general, it was a quarter where companies with weaker balance sheets and more economically-sensitive businesses, including resource stocks, outperformed. The portfolio has a greater focus on high-quality companies and only modest exposure to resources.
- Top performers included CCL Industries, which is a specialty packaging firm and the largest label maker in the world, and two financial services companies, TD Bank and CME Group.
- Conversely, two holdings that have been stellar longer-term performers gave back some gains in the quarter, Ritchie Brothers Auctioneers and Keyence. Both remain excellent companies, nonetheless.
- The manager, Fiera Capital, added to a few positions in the healthcare field including Danaher and Philips. Novartis, a pharmaceutical manufacturer and longtime holding, was sold as the company could face ongoing drug pricing challenges and Fiera feels that Danaher and Philips have better long-term prospects.
- Alimentation Couche-Tard was also sold. The convenience store operator attempted to buy French grocer/retailer Carrefour but ran into opposition from the French government. Fiera viewed this move as a departure from Couche-Tard's core strategy and a strike against management.
- One new holding was added to the portfolio, Aon, a British professional services firm. The company is a leading commercial insurance broker that also offers retirement solutions and consulting services. Aon's businesses exhibit low cyclicality, are not capital intensive, and generate strong cash flows. These defensive characteristics make it an attractive addition to the portfolio.
- The fund currently has a cash position of 3%.

Notable Transactions

Buy

Aon plc*
CME Group
Danaher
Koninklijke Philips

*New holding

Trim/Sell

Alimentation Couche-Tard[1]
Novartis[1]
CCL Industries
Brookfield Renewable

[1]Position eliminated

Positioning

- The fund is comprised of a concentrated group of businesses operating in a diverse array of industries, from railroads to packaging to renewable energy to software. The manager's focus is on best-in-class companies that generate strong cash flows, have good growth prospects, and are well financed.

Fund size	$98,510,973
No. of stocks	23

Equity Fund

Attributes

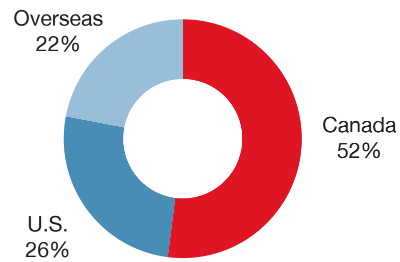
Top Stock Holdings

Franco-Nevada	6.2%
Visa	5.9%
TD Bank	5.4%
Keyence	5.4%
Brookfield Renewable	5.3%
Danaher	5.2%
CN Rail	5.1%
Sika	4.9%
CCL Industries	4.9%
Nutrien	4.6%

Sector Allocation (Stocks)

Industrial Goods & Svc	28.5%
Financial Services	26.0%
Technology	12.6%
Basic Materials	11.2%
Healthcare	10.1%
Utilities & Pipelines	5.5%
Comm. & Media	4.2%
Retailing	1.9%

Geographic Profile (Stocks)



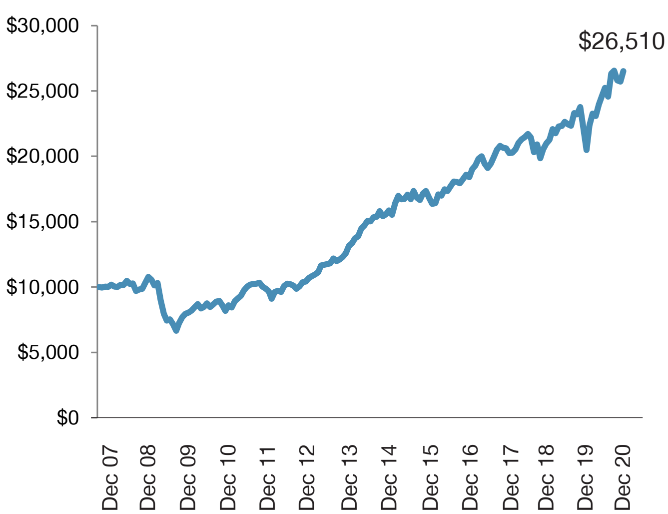
Performance

Compound Annualized Returns (as of March 31, 2021)

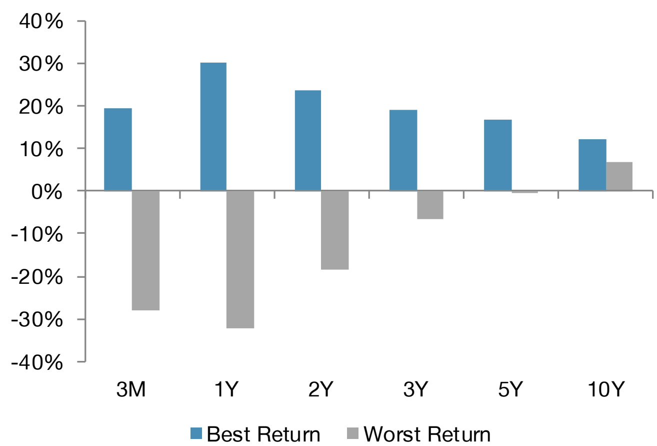
	3M	YTD	1Y	2Y	3Y	5Y	10Y	Incep[1]
Equity Fund (after-fee)	**-0.2%**	**-0.2%**	**29.4%**	**11.7%**	**9.3%**	**9.2%**	**10.0%**	**7.1%**
S&P/TSX Composite Index	8.1%	8.1%	44.2%	11.2%	10.2%	10.1%	6.0%	5.7%
Morningstar Developed Mkts Index ($Cdn)	3.8%	3.8%	37.6%	13.9%	11.5%	12.6%	12.8%	7.6%

[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 3.8% in Canadian dollar terms in the first quarter.
- Companies benefiting from an opening up of the global economy saw the biggest gains. The energy, financial and industrial sectors enjoyed double-digit returns.

The fund was up 5.7% in the quarter. Since inception (Feb 2007), it has a cumulative return of 48%, which equates to an annualized return of 2.8%.

Portfolio Specifics

- The fund holds 44 stocks, of which 17 are based in the U.S., 15 in Europe, 7 in the U.K., 4 in Asia, and 1 in Canada.
- The portfolio has seen a strong rebound over the past 12 months. Many of its holdings which were previously out-of-favour have caught the attention of investors. These are companies positioned to benefit from the economic recovery underway and the reopening of industries hit hardest by the COVID-driven lockdowns. Examples include Elis, Walt Disney, and Zimmer Biomet.
- The strong performance can also partly be attributed to changes our manager made (Velanne Asset Management) at the height of the market turmoil. Purchases in the aerospace industry (Howmet, Safran) have been among the best performers. Investments in media (Discovery, Fox), financial services (Berkshire Hathaway, Artisan, BrightSphere) and energy (Schlumberger, Frank's) have also seen large price increases. Velanne added meaningfully to these in the spring of 2020.
- Some of these stocks have been sold following their recovery. For example, Discovery was eliminated in the first quarter as the stock jumped on the successful rollout of its streaming platform. Energy holdings Shell and Cenovus were also sold after rebounding on the back of a recovery in the price of oil.
- Three new stocks were purchased in the quarter. Euronext owns and operates stock exchanges across Europe. Meggitt manufacturers and services parts for the aerospace industry, specializing in landing gears. And Raytheon manufacturers a variety of aerospace products for commercial and government use.
- Two holdings were in the spotlight in Q1. Italian credit research company Cerved gained 35% on news that it received an offer for its debt collection arm, while Texas utility Vistra was impacted by winter storm Uri. The stock fell after the company confirmed that it was forced to purchase electricity in the open market at prices well above the norm. While disappointing, this was a temporary setback. Vistra's executive team has an otherwise solid record. Additional shares of the stock were purchased.
- The fund currently has a cash position of 2%.

Notable Transactions

Buy

Meggitt plc*
Raytheon Technologies*
Euronext*
Vistra
Dairy Farm International

*New holding

Trim/Sell

Cenovus Energy[1]
Royal Dutch Shell[1]
Discovery, Inc.[1]
Zimmer Biomet
Frank's International

[1]Position eliminated

Positioning

- The fund is focused on quality companies that generate large amounts of cash flow but are facing temporary headwinds and are trading below their true value. Key areas of investment include industrial goods & services, financial services and healthcare.

Fund size	$60,508,429
No. of stocks	44

Global Equity Fund

Attributes

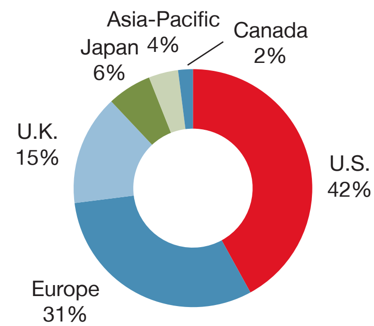
Top Stock Holdings

Raytheon Technologies	4.5%
Walt Disney Company	4.3%
Bayer	3.9%
Vistra	3.9%
Cerved Group	3.7%
Konecranes	3.7%
Heiwa Real Estate	3.6%
Spire Healthcare Group	3.2%
Howmet Aerospace	3.2%
BrightSphere Investment	2.9%

Sector Allocation (Stocks)

Industrial Goods & Svc	25.4%
Financial Services	21.7%
Healthcare	15.4%
Consumer Products	9.2%
Comm. & Media	5.0%
Consumer Cyclical	4.4%
Oil & Gas	4.1%
Utilities & Pipelines	3.9%
Real Estate	3.7%
Technology	2.9%
Basic Materials	2.2%
Retailing	2.1%

Geographic Profile (Stocks)



Performance

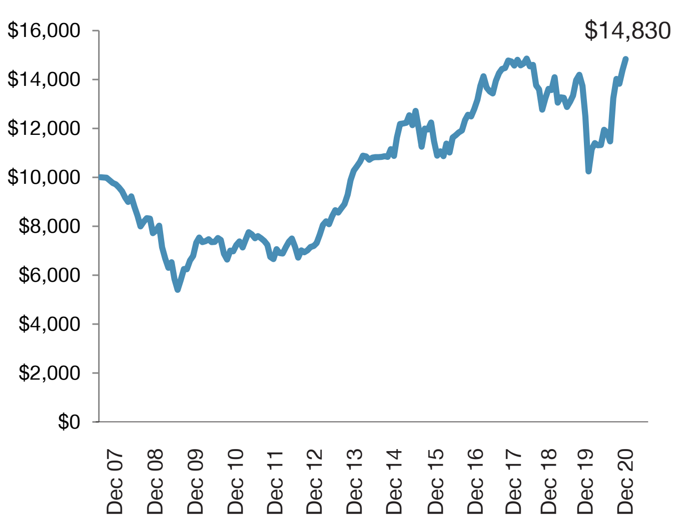
Compound Annualized Returns (as of March 31, 2021)

	3M	YTD	1Y	2Y	3Y	5Y	10Y	Incep[1]
Global Equity Fund (after-fee)	**5.7%**	**5.7%**	**44.8%**	**4.6%**	**0.6%**	**6.0%**	**7.0%**	**2.8%**
Morningstar Developed Mkts Index ($Cdn)*	3.8%	3.8%	37.6%	13.9%	11.5%	12.6%	12.8%	7.6%

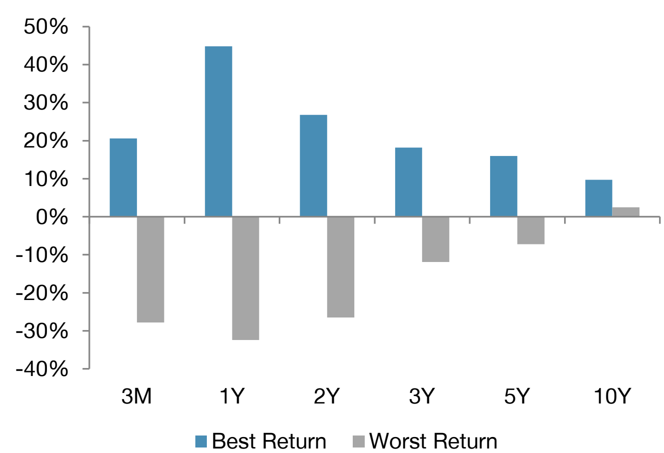
*The fund has gained 1.6% since September 30, 2018, which is Velanne's starting date as portfolio advisor. The index is up 30.0% over the same period.

[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 (S&P/TSX SmallCap Index) gained 9.7% in the first quarter. U.S. small-caps (Russell 2000 Index) rose 11.3% in Canadian dollar terms.
- Energy and industrial stocks were key areas of strength.

The fund was up 12.2% in the quarter. Since inception (Feb 2007), it has a cumulative return of 165%, which equates to an annualized return of 7.1%.

Portfolio Specifics

- The fund consists of 24 companies, ranging from very small (Waterloo Brewing) to medium-sized businesses (Cargojet). While the majority of holdings are Canadian, there are three U.S. stocks which make up 13% of the portfolio.
- The fund had a strong quarter and has seen significant appreciation over the past 12 months (+81.3%). Over this period, the portfolio held a balance of companies that have benefited from an uptick in ecommerce and the work from home phenomenon, as well as more economically-sensitive companies positioned to prosper as the global economy continues to reopen. It is these latter businesses that were the top contributors to performance in the first quarter.
- Engineering and construction firms Fluor and SNC-Lavalin saw healthy gains partly due to investors seeking stocks that will benefit from an industrial recovery and increased spending on infrastructure projects in North America. Oshkosh, a maker of specialty heavy-duty trucks, also saw strong demand from investors.
- Ag Growth International, which specializes in crop processing and handling, was the greatest contributor to performance, rising nearly 50% in Q1. The stock was the fund's worst performer last year but has rebounded nicely, thanks in part to a better outlook for the agricultural cycle and more money in farmers' pockets.
- With the strong gains in many stocks, several positions were trimmed, including Interfor, Spin Master, Finning, Badger Daylighting, Oshkosh, and Ag Growth. As well, Intertape Polymer was sold following a good price recovery. Some of the proceeds were used to purchase additional shares in Torex Gold Resources and Henry Schein, two stocks which have lagged in the recovery. Our manager (Galibier Capital), though, is content to hold more cash in the current environment.
- The newest addition to the fund is Savaria (purchased late last year). The company engineers accessibility products such as home elevators, wheelchair lifts and stairlifts, and is a leader in the space. The outlook for this industry is promising given our demographics and the trend of more seniors electing to "age in place", in part due to COVID-19 failures in long-term care facilities.
- The fund currently has a cash position of 7%.

Notable Transactions

Buy

Torex Gold Resources
Henry Schein
Cargojet

Trim/Sell

Intertape Polymer[1]
Interfor
Spin Master
Finning International
Badger Daylighting
Oshkosh Corporation
Ag Growth International

[1]Position eliminated

Positioning

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

Fund size	$50,726,959
No. of stocks	24

Small-Cap Equity Fund

Attributes

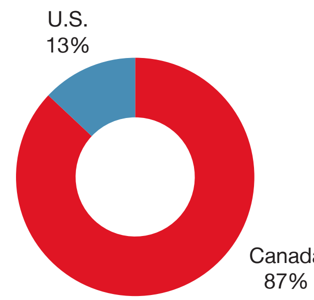
Top Stock Holdings

Northland Power	5.3%
Ag Growth International	5.2%
SNC-Lavalin Group	5.1%
NFI Group	4.9%
Maple Leaf Foods	4.9%
Fluor	4.8%
Waterloo Brewing	4.6%
Premium Brands Hldgs	4.6%
Torex Gold Resources	4.5%
Park Lawn	4.4%

Sector Allocation (Stocks)

Industrial Goods & Svc	49.8%
Consumer Products	15.1%
Consumer Cyclical	14.7%
Basic Materials	6.8%
Utilities & Pipelines	5.7%
Oil & Gas	4.2%
Healthcare	3.7%

Geographic Profile (Stocks)



Performance

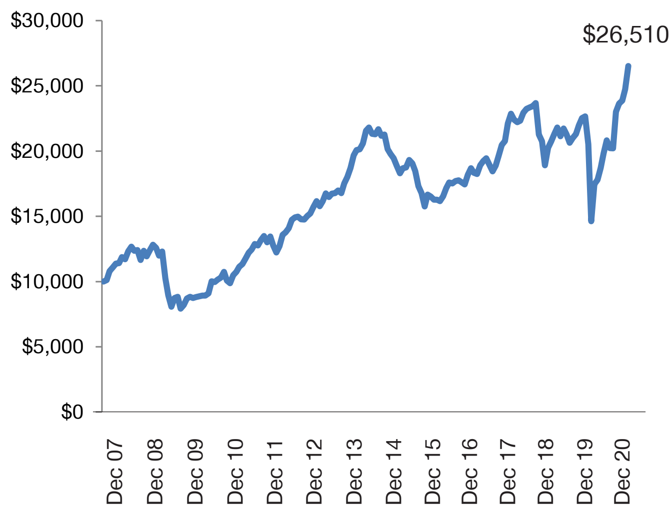
Compound Annualized Returns (as of March 31, 2021)

	3M	YTD	1Y	2Y	3Y	5Y	10Y	Incep[1]
Small-Cap Equity Fund (after-fee)*	**12.2%**	**12.2%**	**81.3%**	**11.5%**	**6.1%**	**9.9%**	**7.6%**	**7.1%**
S&P/TSX SmallCap Index	9.7%	9.7%	100.2%	13.8%	8.4%	9.0%	1.8%	2.8%
Russell 2000 Index ($Cdn)	11.3%	11.3%	72.7%	18.1%	13.8%	15.6%	14.6%	9.5%

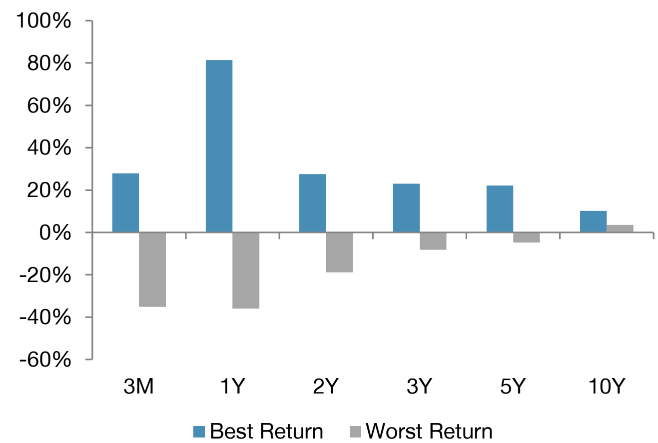
*The fund has gained 50.6% since September 30, 2016, which is Galibier's starting date as portfolio advisor. The Canadian index is up 24.4% over the same period.

[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 (S&P Global SmallCap Index) rose 6.9% in the first quarter in Canadian dollar terms.
- Economically-sensitive companies turned in strong gains. The energy and financial sectors saw double-digit returns while technology and consumer staples lagged.

The fund was up 1.2% in the quarter. Since inception (Feb 2019), it has a cumulative return of 30%, which equates to an annualized return of 13.3%.

Portfolio Specifics

- The fund is managed by New York-based TimesSquare Capital Management, which specializes in small-cap investing. The portfolio is currently invested in 38 companies. Fourteen are based in the U.S., 12 in Europe, 4 in Japan, 4 in the U.K., 3 in Australia, and 1 in Asia.
- The fund struggled to keep up with the recent rally which has been driven by economically-sensitive companies. Holdings in healthcare, insurance and technology, which helped protect investors through the worst of the 2020 correction, have not fully benefited from the market's recent strength.
- Our manager, TimesSquare Capital Management, sold three stocks in the first quarter: Japanese staffing provider En-Japan, chemical manufacturer RPM International, and software provider Tyler Technologies. They are all well run businesses that have recovered since the market bottom last year. TimesSquare has concluded, however, that there are more attractive opportunities elsewhere.
- The proceeds from the sales were used to buy three new companies. HomeServe is a U.K.-based home repair and improvement services provider that operates in North America and Europe. Nordnet is a leading digital platform for savings and investment services in the Nordic region. And TGP Pace Beneficial Finance builds electric vehicle charging infrastructure.
- As the new holdings suggest, the fund owns a diverse array of businesses. TimesSquare finds growing, smaller companies with well established franchises, regardless of where they're located. For example, within the financial services sector, we own RenaissanceRe (Bermuda-based casualty reinsurer), St. James's Place (U.K. investment services), and Steadfast (Australian insurance broker).
- Japan is a country on our manager's radar. It is lagging the U.S. in a big way when it comes to the digitization of its economy. This is presenting attractive opportunities in sectors such as healthcare and financial services, as corporate Japan starts to invest in new technologies and processes. We currently own four stocks in the country, which make up 10% of the fund, and TimesSquare is looking closely at other companies.
- The fund currently has a cash position of 6%.

Notable Transactions

Buy

HomeServe PLC*
Nordnet*
TPG Pace Beneficial Finance*
Nippon Shinyaku
CIE Automotive

*New holding

Trim/Sell

En-Japan[1]
Tyler Technologies[1]
RPM International[1]
Sushiro Global
Clean Harbors

[1]Position eliminated

Fund size	$9,345,341
No. of stocks	38

Positioning

- The fund invests in businesses with a clear competitive edge, a record of consistent earnings growth, and management that has clear goals and a record of success.

Global Small-Cap Equity Fund

Attributes

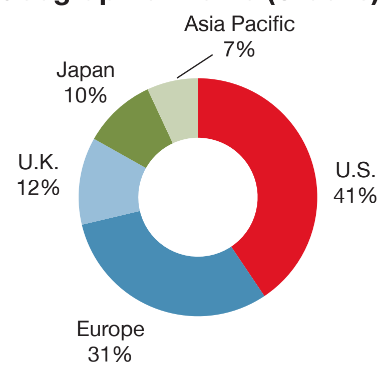
Top Stock Holdings

Teleperformance	5.1%
St. James's Place	4.9%
RenaissanceRe	4.3%
Charles River Labs	4.3%
Zynga	4.2%
FinecoBank	3.9%
Encompass Health	3.4%
Kennedy-Wilson	3.3%
Gartner Group	3.2%
National Vision	2.9%

Sector Allocation (Stocks)

Financial Services	24.7%
Industrial Goods & Svc	21.2%
Healthcare	17.4%
Technology	13.9%
Consumer Cyclical	11.9%
Consumer Products	4.6%
Real Estate	3.5%
Oil & Gas	2.8%

Geographic Profile (Stocks)



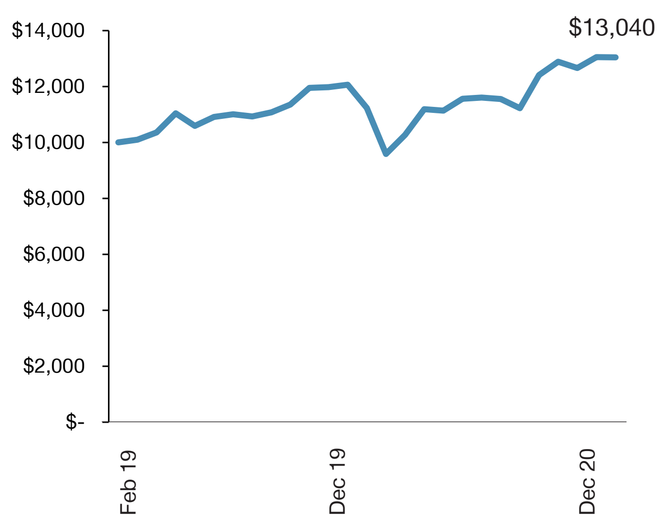
Performance

Compound Annualized Returns (as of March 31, 2021)

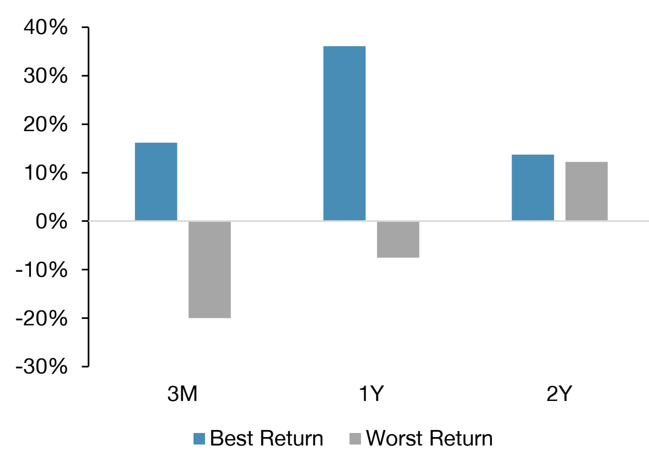
	3M	YTD	1Y	2Y	3Y	5Y	10Y	Incep[1]
Global Small-Cap Equity Fund (after-fee)	**1.2%**	**1.2%**	**36.1%**	**12.2%**	**N/A**	**N/A**	**N/A**	**13.3%**
S&P Global SmallCap Index ($Cdn)	6.9%	6.9%	57.8%	14.0%	N/A	N/A	N/A	14.0%

[1]Feb 15, 2019

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Savings Fund

Market Context

- The Bank of Canada kept its key lending rate at 0.25% in the first quarter.
- The global economy continues to recover at a healthy, albeit uneven pace. In its March statement the Bank of Canada noted that the economy is "proving to be more resilient than anticipated to the second wave of the virus and the associated containment measures ... Despite the stronger near-term outlook, [though] there is still considerable economic slack and a great deal of uncertainty about the evolution of the virus and the path of economic growth."
- The central bank is committed to providing extraordinary monetary policy support to aid in the recovery and will hold rates at extremely low levels, likely until 2023.

Positioning

- The manager (Connor, Clark & Lunn) increased the fund's exposure to provincial T-Bills, as their yields are now similar to corporate paper.
- T-Bills comprise 51% of the portfolio while corporate paper makes up 49%.
- The pre-fee yield of the fund at the end of March was 0.2%.

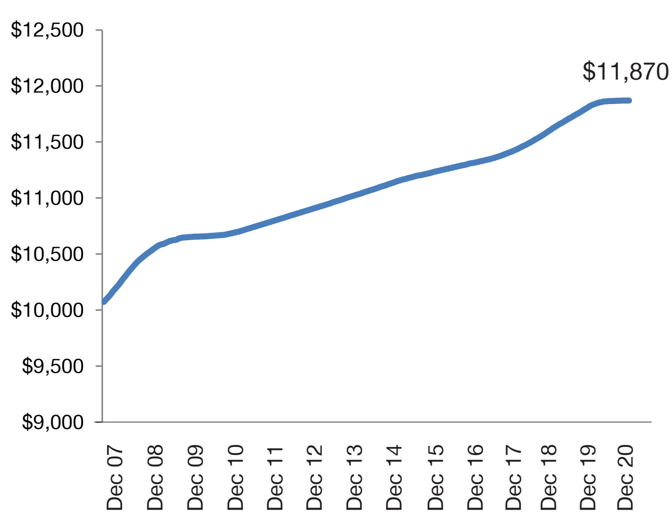
Performance

Compound Annualized Returns (as of March 31, 2021)

	3M	YTD	1Y	2Y	3Y	5Y	10Y	Incep*
Savings Fund (after-fee)	**0.0%**	**0.0%**	**0.4%**	**1.0%**	**1.3%**	**1.1%**	**1.0%**	**1.2%**
FTSE Canada 91 Day T-Bill Index	0.0%	0.0%	0.2%	1.1%	1.2%	1.0%	0.9%	1.3%

*Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns

Responsible Investing Myths

As part of our ongoing Sustainable Steadyhand initiative, our latest piece below seeks to debunk some of the myths around responsible investing.

There are some strong opinions about responsible investing. In our experience, these are often rooted in an incomplete understanding of the different approach investors can use to invest responsibly. In this piece, we'll attempt to dispel some of the most common misconceptions.

Myth: Investing responsibly means lower returns

Dozens of academic studies have been dedicated to this topic. Overall, these studies have shown that responsible investing funds do not sacrifice returns. There also appears to be a benefit – the funds tend to exhibit lower down-side risk. Though it's hard to pinpoint exactly why, researchers suggest it's because companies that rank better on environmental, social and governance (ESG) metrics find it easier to raise capital. This is advantageous in times of economic stress.

Myth: Responsible investing focuses on climate change

Responsible investing covers a wide range of topics, and yes climate change is one. However, ESG also covers data security, selling practices, supply chain management, governance structures and more.

A fund's focus depends on the responsible investing approach it follows. Of the three main approaches, SRI and impact funds might focus on climate change. Managers like Steadyhand follow a third approach: ESG-integration. With this method, managers concentrate on those issues most relevant to the company they're researching. Relevant is a key word here. Not all businesses will be exposed to the same issues. For example, the ecological impacts of a gold miner warrant more scrutiny than those of an advertising company.

Myth: Responsible investment funds exclude all controversial companies

Some responsible investing funds exclude companies and industries they believe to be controversial. But most funds follow the ESG-integration approach. This approach doesn't preclude managers from owning controversial companies if they conclude the return potential outweighs the risks (Steadyhand doesn't have restrictions on the industries our funds can invest in).

Myth: It's a fad

No doubt, there has been a wave of responsible investing funds launched over the last 18 months to meet increasing investor demand. But even investment professionals agree on the importance of investing responsibly. In a recent survey of investment managers overseeing $26 trillion in assets (conducted by Morrow Sodali), all confirmed that ESG has played a greater role in investment decision making.

Steadyhand

One Billion

We've hit a BILLION! That is to say, the assets that our investors have entrusted us to manage pushed through the billion-dollar mark with the close of the first quarter. We want to thank our 3,700 clients who have helped us get here. We greatly appreciate your trust and confidence in our business.

Published on April 8, 2021, by Steadyhand Investment Funds Inc.

steadyhand.com

1.888.888.3147
1747 West 3rd Avenue
Vancouver, BC V6J 1K7