Quarterly Report

Steadyhand

Q3
2023

“Nobody can predict, with any precision or consistency, what the stock market will do in the next few months or years ... Yogi Berra put it more simply: *It’s tough to make predictions, especially about the future.*”

— Tom Bradley, The Financial Post

Bradley's Brief

Interest rates mean different things to different people. If you own a home, or want to buy one, mortgage rates are the focus. If you're retired and looking for income, you care about yields on bond funds and other fixed income products.

But the impact of interest rates goes far beyond these two scenarios. They are a key variable in how the economy works and investments are valued.

If rates are stable or declining, we take them for granted and tend to overlook the positive impacts. When they increase meaningfully, we notice. The effects are far reaching and play out over many months.

Think about what we've experienced since early 2022. When rates jumped, the first order effects were felt immediately. Higher yields translated into lower bond prices which led to negative fixed income returns. The impact on stocks was less precise, but just as immediate and decisive. Equities were down significantly in the first half of 2022.

As a reminder, stock valuations are based on the expectation of future earnings (and dividends). The interest or discount rate is a key variable in determining what those earnings are worth in today's dollars. The lower the rate, the more valuable future profits are. An extreme example of this occurred in 2021 when near-zero rates benefited unprofitable companies that might eventually be profitable. The time value of money was low. Now, with the discount rate higher, the focus is on current earnings and less on what might be.

But fully transitioning to higher rates takes time. Private investments, including real estate, are adjusting in slow motion. Transaction volumes are low and the gap between sellers and buyers is wide, such that re-pricing assets is taking time. And we're just starting to see the impact on parts of the economy, particularly those sensitive to borrowing costs including consumer spending and capital investment (housing; infrastructure; mergers and acquisitions).

Nobody can be sure where interest rates are going from here. The search for stability, and possibly lower rates, will likely have more twists and turns as the narrative on inflation and rates swings back and forth. What we can say with some confidence, however, is that today's rates are more 'normal' than they were two years ago. Perhaps the often-used expression, 'higher for longer', which implies rates will eventually go back down, should be revised to 'back to normal' (or something cleverer).

The 'normal' comment relates to my first piece of advice. Don't make decisions based on the hope that rates will return to 2021 levels. They may go down, but returning to those levels is not the most likely scenario.

Second, pay attention to the debt side of your family balance sheet. We always encourage clients to look at their overall financial situation when making decisions in their Steadyhand portfolio, and that is more relevant than ever. You should try to stick to your long-term investment plan, but the priority may need to be paying down consumption-related debt (credit lines and credit cards) and reducing mortgage payments.

And finally, expect us to take advantage of opportunities that may arise from any financial dislocation. If there is a recession and/or debt crunch (I emphasize 'if', as this scenario is by no means a given), your portfolio is well positioned to provide liquidity and take advantage of higher bond yields and lower stock prices. You can be sure, too, that we'll live up to our name and be here for any advice, explanations, or assistance you may need.

Key Takeaways

Stocks

- Stock markets declined in the third quarter. The global market (Morningstar Developed Markets Index) fell 1.4% while Canadian stocks (S&P/TSX Composite Index) were down 2.2%.
- Equities performed well through the summer but turned around in September as investors digested updates from the central banks suggesting interest rates are likely to stay higher for longer. Interest rate sensitive stocks like utilities, telecoms, and real estate suffered the biggest pullbacks. The energy sector, on the other hand, saw a double-digit gain on the back of a surge in the price of oil, which rose nearly 30%.
- The loonie rose against the Euro, Pound and Yen by 1% to 2%, but fell 2% against the U.S. dollar. In aggregate, currency movements had little impact on performance.

Market Returns

	3M	1Y
Canada	-2.2%	9.5%
World	-1.4%	19.4%

Bonds

- The Canadian bond market fell 3.9% in the quarter (interest less capital depreciation).
- Resilient economic activity and above-target inflation prompted central banks to raise interest rates again, leading to higher bond yields and in turn, lower prices.
- The benchmark 10-year Government of Canada yield rose from 3.3% to 4.1%.

	3M	1Y
Bonds	-3.9%	-1.4%

Our Funds

- Our funds had a weak quarter as most sectors of the market declined, with the exception of energy stocks. Our balanced clients' portfolios were down around 3%. 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.
- Higher bond yields enabled us to raise the Income Fund's distribution to $0.07/unit.
- In the context of our balanced portfolios, recent transactions include the purchase of Costco (U.S.), Jazz Pharmaceuticals (U.S.), and Lawson (Japan); and the sale of CNH Industrial (U.K.), Magna Int'l. (Canada), and SNC-Lavalin Group (Canada).

Fund Returns

	3M	1Y
Savings	1.1%	4.3%
Income	-3.8%	-0.1%
Founders	-3.4%	7.0%
Builders	-3.5%	12.6%
Equity	-5.0%	4.6%
Global	-2.4%	16.7%
Small-Cap	-4.0%	21.4%
Global Small-Cap	-2.3%	13.8%

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 59%. 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 has improved with the rise in interest rates. To complement the longer-term bonds in the Income Fund, we recommend also holding a position in the Savings Fund, which is yielding over 5% (pre-fee). Currently, 9% 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 down 3.4% in the quarter. Since inception (Feb 2012), it has a cumulative return of 82%, which equates to an annualized return of 5.3%.

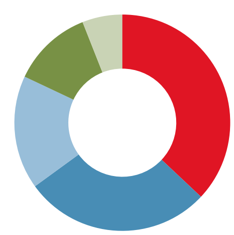
Portfolio Specifics

- The Founders Fund saw the gains of the first half get whittled away the last few weeks of the third quarter. The threat of 'higher for longer' interest rates took bond prices down and cooled stock markets. The fund was down 3.4% in the quarter but is up 1.8% year-to-date.
- Both fixed income and stock markets have experienced abrupt direction changes this year as investors adjust to higher interest rates and flip back and forth between confidence and concern over where inflation (and rates) is going. As noted in Bradley's Brief, the adjustment is likely to play out over many months and contribute to more volatility.
- Founders' equity exposure edged down slightly in the third quarter. It's now at 59%, down from 65% at the beginning of the year. Our fund managers are still finding well-priced stocks but are alert to the potential for disappointing corporate earnings.
- With more attractive fixed income yields, we continued to increase the fund's bond weighting (32%) by adding to the Income Fund. We also hold a healthy position in the Savings Fund, which has a pre-fee yield of 5.2%.
- 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 6 funds that Founders owns a mix of bonds and stocks across a wide range of industries, geographies, and currencies.
- The largest transactions during the quarter in the underlying funds included new holdings in Costco (U.S.), Jazz Pharmaceuticals (U.S.), and Lawson (Japan); and the complete sale of CNH Industrial (U.K.), Magna International (Canada), and SNC-Lavalin Group (Canada).

Fund Mix

Income	42%
Global	20%
Equity	20%
Small-Cap	6%
Global Small-Cap	6%
Savings	6%

Asset Mix



Foreign Stocks	33%
Canadian Stocks	26%
Gov't Bonds	17%
Corporate Bonds	15%
Cash & Short-term	9%

Positioning

- With higher bond yields, we'll continue to raise the fund's bond weighting towards its target level (35%). As for stocks, it's been a wild ride in recent months, but we're not inclined to sell more aggressively than we already have, or conversely, start to add back to positions.
- For more details on the underlying funds, please review pages 8-18.

Fund size	$600,862,021

Founders Fund

Attributes

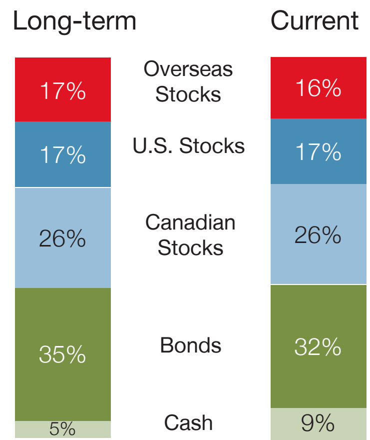
Top Stock Holdings (% of Fund)

Microsoft	1.7%
Danaher	1.6%
TD Bank	1.6%
CN Rail	1.4%
Franco-Nevada	1.3%
Thomson Reuters	1.3%
Visa	1.2%
Metro	1.0%
S&P Global	1.0%
Sika AG	0.9%

Sector Allocation (Stocks)

Industrial Goods & Svc	28.1%
Financial Services	19.7%
Technology	10.9%
Healthcare	9.3%
Consumer Cyclical	6.3%
Basic Materials	5.6%
Consumer Products	3.7%
Retailing	3.7%
Oil & Gas	3.5%
Utilities & Pipelines	3.3%
Real Estate	3.2%
Comm. & Media	2.7%

Asset Mix



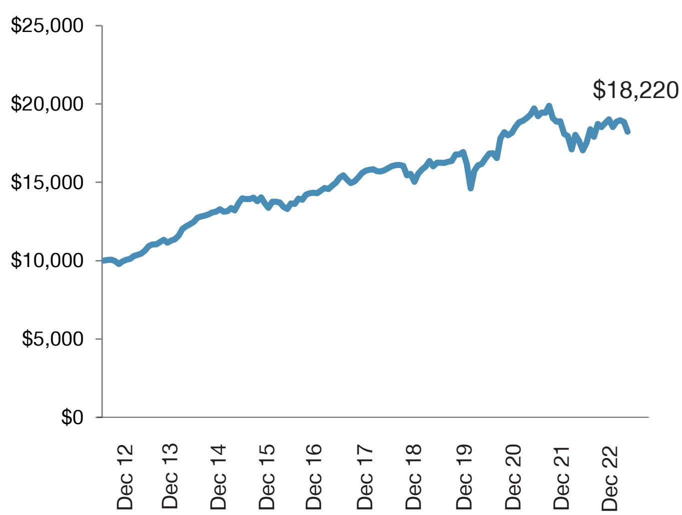
Performance

Compound Annualized Returns (as of September 30, 2023)

	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Founders Fund (after-fee)	**-3.4%**	**1.8%**	**7.0%**	**2.6%**	**2.6%**	**4.6%**	**N/A**	**5.3%**
FTSE Canada Universe Bond Index	-3.9%	-1.5%	-1.4%	-5.1%	0.1%	1.6%	N/A	1.8%
Morningstar Developed Mkts Index ($Cdn)	-1.4%	10.0%	19.4%	8.1%	7.6%	11.0%	N/A	11.9%
S&P/TSX Composite Index	-2.2%	3.4%	9.5%	9.9%	7.3%	7.5%	N/A	7.2%

[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 down 3.5% in the quarter. Since inception (Feb 2019), it has a cumulative return of 22%, which equates to an annualized return of 4.4%.

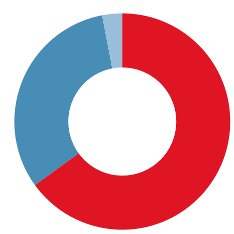
Portfolio Specifics

- The fund declined 3.5% in the quarter but is up 4.0% in 2023. Its performance is ahead of the Canadian market but behind 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 (31% of the portfolio), includes a diverse mix of companies such as railways CN Rail and Canadian Pacific Kansas City, Rentokil (pest control), Saab (aerospace, defence, and radar specialist) and Savaria (home elevators and mobility products). Performance of the group has been mixed in 2023.
- Financial services companies make up 17% of the fund. Large holdings are 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), and St. James's Place (asset management) provide additional diversification. While many holdings have done well this year, St. James's Place and TD Bank have disappointed.
- The technology sector is another important area of investment, comprising 12%. Our focus is on established industry leaders. Microsoft is our largest holding and is owned in both the Equity and Global Equity Funds. Other investments include Samsung Electronics (diversified technology), Qualcomm (chips for smartphones and high-tech devices), Synaptics (human interface hardware and software), and Adobe (software). Not owning the biggest AI-related stocks has hurt us, but we feel our holdings trade at more attractive valuations and have less downside risk.
- The portfolio has some exposure to commodity stocks (8%), including Franco-Nevada (gold), Interfor (lumber), Cameco (uranium), Hudbay Minerals (copper and zinc), and TotalEnergies (oil & gas), but resource companies represent a smaller component of the fund due to their inherent cyclicality.

Fund Mix

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

Asset Mix



Foreign Stocks	64%
Canadian Stocks	31%
Cash & Short-term	5%

Fund size	$175,230,584

Positioning

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

Builders Fund

Attributes

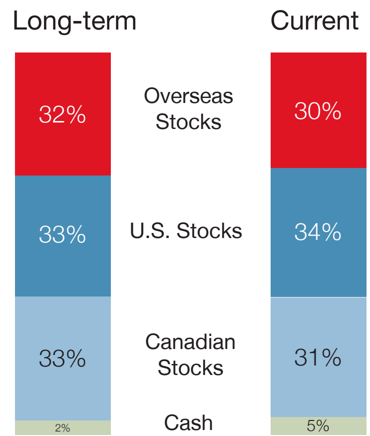
Top Stock Holdings (% of Fund)

Microsoft	3.0%
Danaher	2.7%
Franco-Nevada	2.3%
Visa	2.1%
CN Rail	1.8%
TD Bank	1.7%
Metro	1.6%
S&P Global	1.6%
Thomson Reuters	1.6%
Sika AG	1.6%

Sector Allocation (Stocks)

Industrial Goods & Svc	31.2%
Financial Services	17.4%
Technology	12.1%
Healthcare	11.3%
Consumer Cyclical	7.3%
Basic Materials	6.0%
Consumer Products	4.5%
Retailing	3.8%
Comm. & Media	2.3%
Oil & Gas	2.1%
Utilities & Pipelines	2.0%

Asset Mix



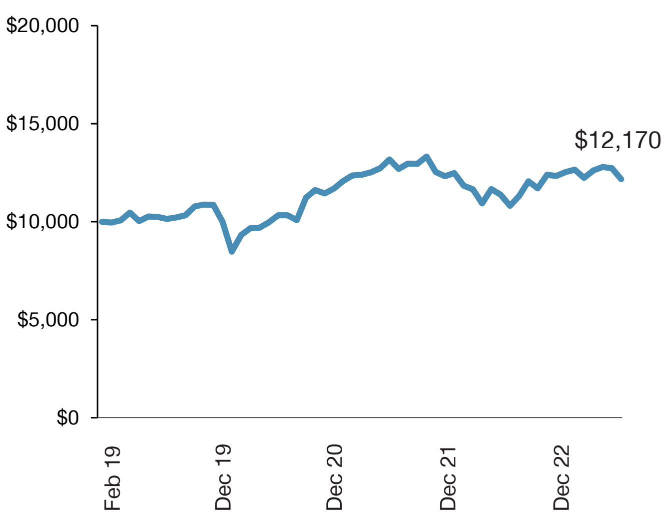
Performance

Compound Annualized Returns (as of September 30, 2023)

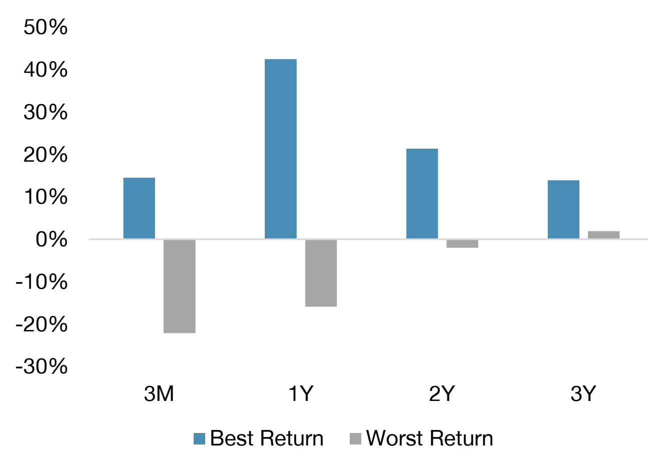
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Builders Fund (after-fee)	**-3.5%**	**4.0%**	**12.6%**	**5.6%**	**N/A**	**N/A**	**N/A**	**4.4%**
Morningstar Developed Mkts Index ($Cdn)	-1.4%	10.0%	19.4%	8.1%	N/A	N/A	N/A	9.0%
S&P/TSX Composite Index	-2.2%	3.4%	9.5%	9.9%	N/A	N/A	N/A	8.2%

[1]Feb 15, 2019

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Income Fund

Market Context

- The Canadian bond market declined 3.9% in the quarter (interest less capital depreciation).
- Bond yields ended the quarter higher, with the 10-year Government of Canada yield rising from to 3.3% to 4.1%, its highest level since 2007.
- Canadian stocks declined 2.2%. The utilities, real estate, telecom and consumer discretionary sectors were the weakest, while energy stocks were an area of strength.

The fund was down 3.8% in the quarter. Since inception (Feb 2007), it has a cumulative return of 96%, which equates to an annualized return of 4.1%.

Portfolio Specifics

- The fund declined in the quarter (-3.8%) as bonds experienced broad price declines in the wake of rising yields across the maturity spectrum (when yields rise, prices fall). The notable increase in yields over the last six months reflects a change in interest rate expectations. Investors were expecting rates to decline by the end of the year, but the market is now starting to price in a 'higher for longer' scenario. This is a product of central banks' fight against inflation and stronger than expected economic activity.
- Our manager, Connor, Clark & Lunn, has positioned the portfolio defensively in response to the economic headwinds. They continue to prefer bonds issued by governments (federal, provincial and municipal) over corporations. That said, corporate bonds remain an important component of the fund, with a focus on companies with strong balance sheets in the insurance, banking, and utilities sectors.
- Although an outcome of higher bond yields has been a decline in prices, they have also allowed the fund to incorporate securities with higher coupon payments into the portfolio, resulting in a higher income stream. The fund's yield (pre-fee) is now 4.7%, which is up more than half a percent since the beginning of the year.
- The equity portion of the fund (24%) declined more than the market, as utilities, REITs and financial holdings proved challenging. Brookfield Infrastructure Partners, Canadian Apartment Properties REIT and Royal Bank were key detractors. On the other hand, energy holdings ARC Resources, Canadian Natural Resources and Tourmaline Oil were strong performers.
- Within REITs, CC&L's bias is towards those with exposure to residential and industrial properties. They're staying away from office space given the increasing vacancy rates.
- The fund's higher income stream enabled us to increase the quarterly distribution to $0.07/unit at the end of September (up from $0.06/unit last quarter).

Notable Stock Transactions

Buy

Parkland*
Alimentation Couche-Tard*
Canadian Natural Resources
Boardwalk REIT
Nutrien

*New holding

Trim/Sell

TC Energy[1]
Manulife Financial[1]
Hydro One[1]
Rogers Communications
Definity Financial

[1]Position eliminated

Positioning

- Our manager believes a recession is likely within the next year, and that monetary policymakers are approaching the end of their interest rate hiking cycles.
- Stocks make up 24% of the fund and remain an important source of diversification.

Fund size	$72,151,554
Pre-fee Yield	4.7%
Avg Term to Matur.	9.0 yrs
Duration (Bonds)	6.8 yrs

Income Fund

Attributes

Top Holdings (% of Fund)

CC&L High Yield Bond Fd	5.2%
Ontario 2.70% (Jun/29)	4.7%
Ontario 2.15% (Jun/31)	4.2%
Canada 1.75% (Dec/53)	3.5%
Canada 3.50% (Dec/45)	2.9%
Royal Bank FRN (Jan/24)	2.1%
Royal Bank	1.6%
B.C. 2.20% (Jun/30)	1.6%
Quebec 1.50% (Sep/31)	1.5%
TD Bank	1.4%

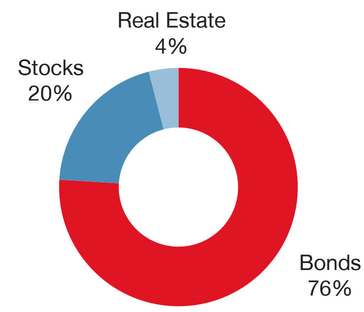
Issuer Allocation (Bonds)

Federal Government	14%
Provincial Government	43%
Corporate	43%

Rating Summary (Bonds)

AAA	21%
AA	38%
A	20%
BBB	16%
BB (or lower)	5%

Asset Mix



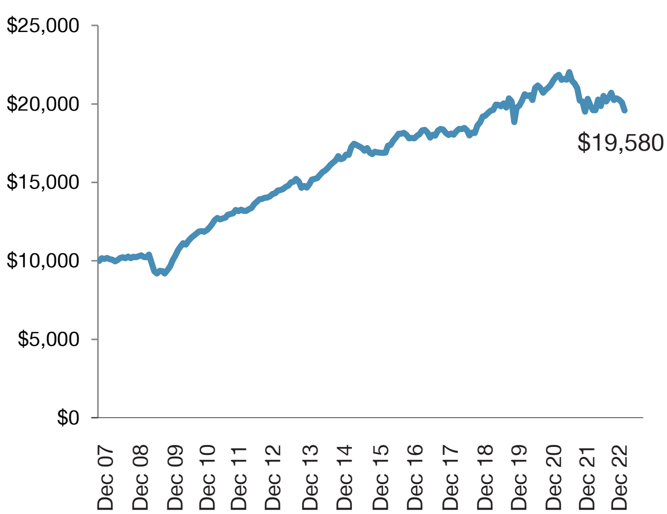
Performance

Compound Annualized Returns (as of September 30, 2023)

	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep*
Income Fund (after-fee)	**-3.8%**	**-1.4%**	**-0.1%**	**-1.6%**	**1.4%**	**2.8%**	**4.7%**	**4.1%**
FTSE Canada Universe Bond Index	-3.9%	-1.5%	-1.4%	-5.1%	0.1%	1.6%	3.0%	3.2%
S&P/TSX Composite Index	-2.2%	3.4%	9.5%	9.9%	7.3%	7.5%	6.6%	5.6%

*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) fell 2.2% in Q3. The telecom, utilities and real estate sectors were key areas of weakness. Energy stocks, conversely, were strong on the back of a nearly 30% increase in the price of oil.
- Global stocks, as measured by the Morningstar Developed Markets Index, dropped 1.4% in Canadian dollar terms.

The fund was down 5.0% in the quarter. Since inception (Feb 2007), it has a cumulative return of 177%, which equates to an annualized return of 6.3%.

Portfolio Specifics

- The fund holds 24 stocks of which 13 are headquartered in Canada, 6 in the U.S., and 5 overseas.
- The portfolio had a negative quarter (-5.0%) but is up 0.7% in 2023. Two interest rate-sensitive investments, Telus and Brookfield Renewable Partners, had a particularly weak period as North American central banks suggested that interest rates are poised to stay higher for longer and bond yields rose further. This narrative led investors to sour on telecoms and utilities, as their dividends are deemed less attractive. Telus and Brookfield remain valuable Canadian franchises that generate steady revenues and trade at increasingly attractive prices.
- Three of our overseas investments also fell more than 10% but remain fundamentally solid businesses. Keyence (Japanese maker of sensors and machine vision products for manufacturers) pulled back on fears of slowing growth in Asia, HDFC (India's largest private sector bank) was impacted by a fall in its net interest margin, and Australian biotech CSL Limited trended lower despite turning in strong revenue growth.
- Our top performers in the quarter included CME Group (operator of derivatives exchanges), RB Global (auctioneer of heavy equipment), and Nutrien (the world's largest producer of potash). All three businesses continue to execute well, with Nutrien seeing a welcome stock price rebound after a weak first half of the year.
- Our manager, Fiera Capital, continues to keep a close eye on company balance sheets. In a higher interest rate environment and slowing economy, rising interest payments can cripple businesses with excessive debt. Our holdings remain well financed.
- Costco was added to the fund and CNH Industrial sold in a high-grading move. The warehouse retailer is a well run, quality compounder. CNH is a good business (agriculture equipment) but is more cyclical and is facing near-term headwinds.

Notable Transactions

Buy

Costco*
Canadian Pacific Kansas City
S&P Global

*New holding

Trim/Sell

CNH Industrial[1]
CAE
Visa

[1]Position eliminated

Positioning

- Our manager feels it's prudent to have a defensive bias in the portfolio as we adapt to the reality of higher interest rates and a slowing economy.
- The fund is comprised of a concentrated group of best-in-class businesses operating in a range of industries with solid long-term demand profiles. Focus is on companies that generate steady profits and have proven managers at the helm.

Fund size	$94,712,636
No. of stocks	24

Equity Fund

Attributes

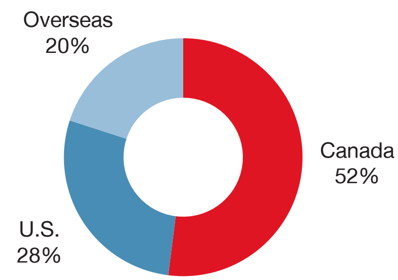
Top Stock Holdings

Franco-Nevada	6.6%
Visa	6.1%
CN Rail	5.3%
Danaher	5.2%
TD Bank	4.9%
Metro	4.7%
S&P Global	4.7%
Thomson Reuters	4.6%
Sika AG	4.5%
CME Group	4.3%

Sector Allocation (Stocks)

Industrial Goods & Svc	31.5%
Financial Services	29.4%
Basic Materials	8.7%
Healthcare	8.2%
Technology	8.1%
Retailing	7.2%
Utilities & Pipelines	3.8%
Comm. & Media	3.1%

Geographic Profile (Stocks)



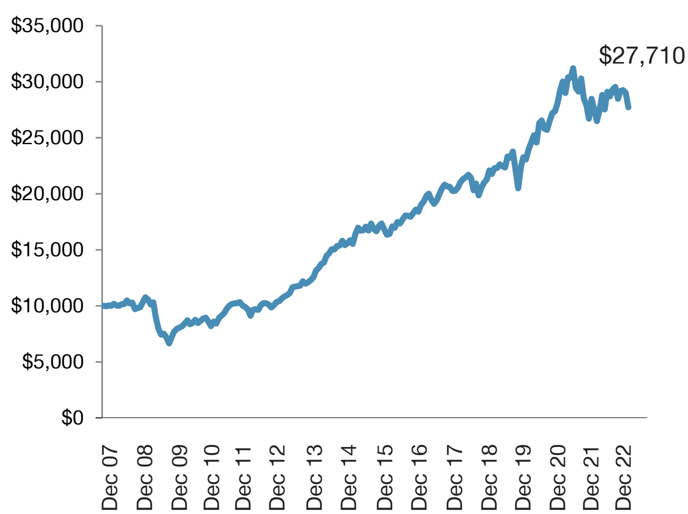
Performance

Compound Annualized Returns (as of September 30, 2023)

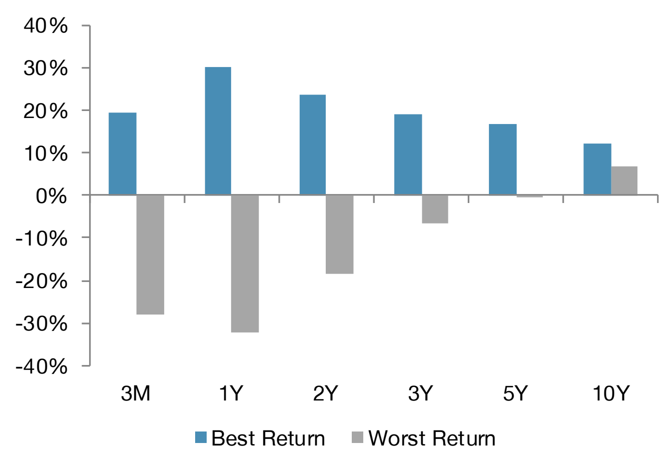
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Equity Fund (after-fee)	**-5.0%**	**0.7%**	**4.6%**	**3.2%**	**5.3%**	**8.2%**	**7.8%**	**6.3%**
S&P/TSX Composite Index	-2.2%	3.4%	9.5%	9.9%	7.3%	7.5%	6.6%	5.6%
Morningstar Developed Mkts Index ($Cdn)	-1.4%	10.0%	19.4%	8.1%	7.6%	11.0%	9.9%	6.9%

[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 down 1.4% in Canadian dollar terms in the second quarter.
- The Canadian dollar rose 1-2% against the Euro, Pound and Yen, but fell 2% against the U.S. dollar. In aggregate, currency movements had little impact on performance.

The fund was down 2.4% in the quarter. Since inception (Feb 2007), it has a cumulative return of 46%, which equates to an annualized return of 2.3%.

Portfolio Specifics

- The fund owns 48 stocks, of which 21 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 was down modestly in the quarter (-2.4%) but is up 5.9% year to date. There were some sharp stock moves in Q3, with September being especially volatile. Our energy holdings were the top performers, with uranium miner CAMECO gaining 30% (the stock is up 75% this year) and French oil major TotalEnergies up 20%. Japanese retailer PAN PACIFIC HOLDINGS and biotech firm AMGEN also gained more than 20%. Amgen won an important court case allowing its acquisition of Horizon Therapeutics to proceed, and has a promising obesity drug in clinical trials.
- FMC, which makes crop protection products, was the greatest detractor to performance. The stock fell by a third as the company delivered weak results. Its customers over-ordered during the pandemic and are buying less today. The stock was also impacted by controversy around its diamides patents (a novel class of insecticides). Our manager, Aristotle Capital, believes investors are over-reacting to the situation and continue to like the fundamentals of the business. Japanese robotics firm FANUC and NORWEGIAN CRUISE LINE were also down over 20%.
- Artificial intelligence continues to be a hot topic. The so-called 'Magnificent 7' AI-related stocks that have powered the U.S. market this year cooled off in Q3. Of the group (which includes Nvidia, Tesla and Apple, among others), the only one we own is MICROSOFT. Aristotle feels the rest are too expensive. We have exposure to AI, however, through three semiconductor holdings (QUALCOMM, SAMSUNG, MICROCHIP TECHNOLOGY). These haven't benefited to the same extent as the Magnificent 7, but are positioned to do well as AI expands to other parts of the economy.
- One new company was added to the portfolio, JAZZ PHARMACEUTICALS. Jazz is a leader in sleep treatments for narcolepsy and insomnia, which impact a growing portion of the population. MAGNA INTERNATIONAL was sold to make room for Jazz, as the auto parts maker is experiencing some headwinds including a slowdown in China.

Notable Transactions

Buy

Jazz Pharmaceuticals*

*New holding

Trim/Sell

Magna International[1]
Heineken
Rentokil

[1]Position eliminated

Positioning

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

Fund size	$50,581,922
No. of stocks	48

Global Equity Fund

Attributes

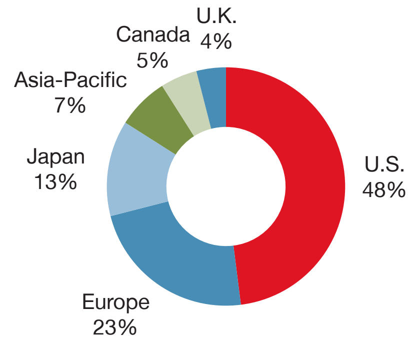
Top Stock Holdings

Microsoft	4.5%
Lennar	4.0%
Cameco	3.2%
TotalEnergies	3.0%
Adobe	3.0%
Microchip Technology	3.0%
MunichRe	3.0%
Martin Marietta	2.9%
FirstCash Holdings	2.7%
Samsung Electronics	2.6%

Sector Allocation (Stocks)

Industrial Goods & Svc	24.0%
Technology	19.7%
Healthcare	15.1%
Financial Services	14.2%
Consumer Cyclical	11.9%
Consumer Products	5.2%
Basic Materials	3.3%
Oil & Gas	3.1%
Comm. & Media	1.9%
Retailing	1.6%

Geographic Profile (Stocks)



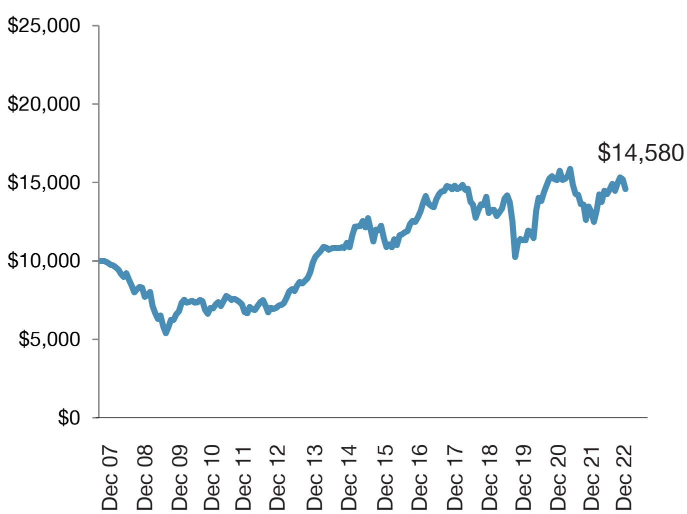
Performance

Compound Annualized Returns (as of September 30, 2023)

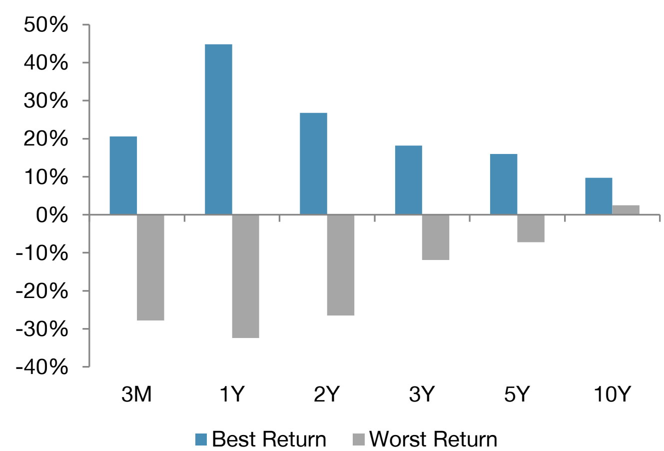
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Global Equity Fund (after-fee)	**-2.4%**	**5.9%**	**16.7%**	**7.2%**	**0.0%**	**4.6%**	**4.9%**	**2.3%**
Morningstar Developed Mkts Index ($Cdn)*	-1.4%	10.0%	19.4%	8.1%	7.6%	11.0%	9.9%	6.9%

[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 (S&P/TSX SmallCap Index) declined 0.8% in the quarter. U.S. small-caps (Russell 2000 Index) fell 3.1% in Canadian dollar terms.
- Most sectors declined in the period but energy stocks bucked the trend as they benefited from the rise in oil prices.

The fund was down 4.0% in the quarter. Since inception (Feb 2007), it has a cumulative return of 179%, which equates to an annualized return of 6.4%.

Portfolio Specifics

- The fund consists of 24 companies, ranging from very small (Hammond Power) to medium-sized businesses (Spin Master). While the majority of holdings are Canadian, there are three U.S. stocks which make up 14% of the portfolio.
- The fund was down in the quarter (-4.0%) but has had a strong year, rising 9.5% while the Canadian small-cap market is down 1.1%. The market has been especially volatile in 2023. While the price swings have been unnerving for investors, they've also led to opportunities which our manager, Galibier Capital, has taken advantage of. Indeed, we've repurchased two stocks this year that we've previously owned (details below) and have actively trimmed and added to other positions.
- Maple Leaf Foods is a good example of the volatility. The price of this long-time holding jumped in early August at which point we exited the position. Since then, the stock has fallen almost 20%. Maple Leaf remains a solid company but its plant-based division hasn't performed as expected. Galibier believes our other investment in the food sector, Premium Brands Holdings, has a better outlook.
- SNC-Lavalin was also sold. We have successfully owned this company multiple times. The stock has risen 75% this year and is fully valued in our view.
- Energy stocks benefited in Q3 as the price of oil rose more than 25%. MEG Energy and Parkland both gained over 20% in the quarter and are up solidly this year.
- Consumer discretionary stocks have struggled as higher interest rates bite into consumers' budgets. Clothing retailer Aritzia and mattress specialist Sleep Country Canada have felt the impact, with the former being our biggest detractor to performance this year. Both companies continue to have good long-term outlooks.
- Software company Enghouse Systems was repurchased. The company's acquisition strategy has been called into question in this higher interest rate environment but Galibier believes the market is underestimating Enghouse's discipline and ability to identify under-appreciated assets. We bought the stock for 35% less than what we sold it for earlier this year. We made a similar move with lumber producer Interfor in the first quarter.

Notable Transactions

Buy

Enghouse Systems*
Hudbay Minerals
Generac Holdings
Aritzia
Northland Power

*New holding

Trim/Sell

SNC-Lavalin Group[1]
Maple Leaf Foods[1]
Hammond Power Solutions
Parkland
Oshkosh Corp.

[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	$44,294,832
No. of stocks	24

Small-Cap Equity Fund

Attributes

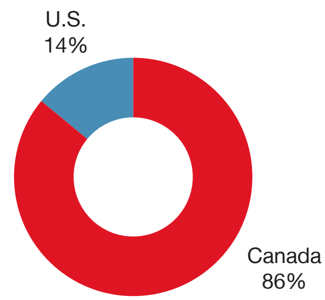
Top Stock Holdings

MEG Energy	6.0%
Generac Holdings	5.1%
Premium Brands Holdings	4.9%
Interfor	4.9%
Savaria	4.9%
Finning International	4.5%
Spin Master	4.4%
Oshkosh Corp.	4.4%
Northland Power	4.3%
Enghouse Systems	4.3%

Sector Allocation (Stocks)

Industrial Goods & Svc	43.2%
Consumer Cyclical	13.4%
Basic Materials	12.5%
Oil & Gas	9.2%
Consumer Products	5.2%
Utilities & Pipelines	4.6%
Technology	4.5%
Healthcare	4.5%
Retailing	2.9%

Geographic Profile (Stocks)



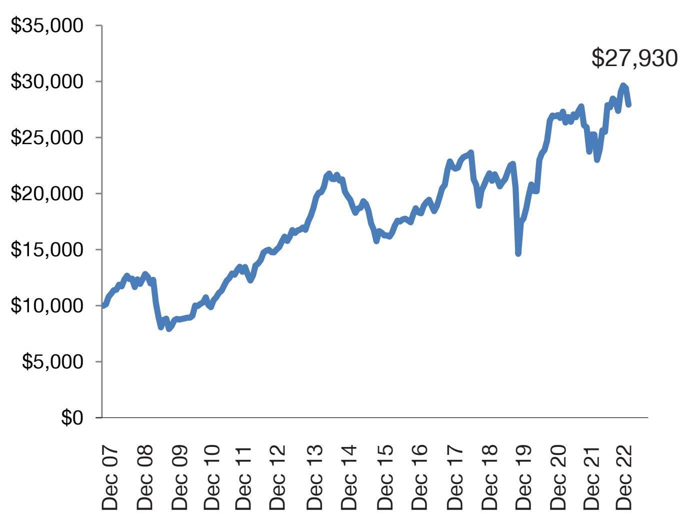
Performance

Compound Annualized Returns (as of September 30, 2023)

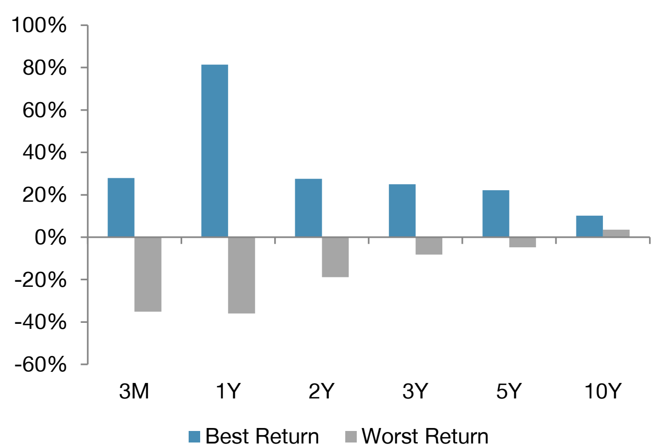
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Small-Cap Equity Fund (after-fee)*	**-4.0%**	**9.5%**	**21.4%**	**11.4%**	**3.4%**	**4.1%**	**6.9%**	**6.4%**
S&P/TSX SmallCap Index	-0.8%	-1.1%	7.2%	10.0%	3.8%	4.0%	4.6%	2.3%
Russell 2000 Index ($Cdn)	-3.1%	2.3%	7.2%	7.6%	3.3%	9.6%	9.9%	7.3%

[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) fell 1.9% in Canadian dollar terms in the third quarter.
- The communication services, healthcare and utilities sectors were areas of weakness, while energy stocks had a strong quarter.

The fund was down 2.3% in the quarter. Since inception (Feb 2019), it has a cumulative return of 20%, which equates to an annualized return of 4.0%.

Portfolio Specifics

- The portfolio is currently invested in 49 companies. Seventeen are based in the U.S., 13 in Europe, 8 in Japan, 5 in the U.K., 2 in South America, 2 in Australia, 1 in India, and 1 in Canada.
- The fund was down in the quarter (-2.3%) but is up 1.8% in 2023. One of our largest holdings, Casella Waste Systems, was the greatest detractor to performance, falling 15%. There were no fundamental changes to the New England waste management company; rather, investors expressed nervousness around recent acquisitions and the impact of poor weather (flooding in Vermont) on the company's operations. Our manager, TimesSquare Capital, has a strong outlook for Casella and feels it's a great business to own in a recessionary environment.
- Our European holdings were an area of weakness, with Valmet (pulp and paper technologies), Amplifon (hearing aids), and Interpump Group (high pressure water pumps) dropping more than 10%. St. James's Place, a U.K. wealth manager, also fell by double digits after it announced it was cutting fees on a range of products (which is beneficial to its clients in the long run, but detrimental to profits in the short term).
- On the positive side, Rohto Pharmaceutical (eye drops and cosmetics) turned in strong revenue growth and gained 25% in the quarter (and is up over 40% since we bought it earlier this year). EMCOR Group (mechanical and electrical construction services) also had another strong operating quarter and is up 40% this year.
- It was a busy period for purchases, with five new stocks added to the fund. Two of the additions are faster-growing companies, Integral Ad Science and Ascendis Pharma. Integral Ad is a leader in digital ad verification and campaign placement, while Ascendis is a biotech focused on growth hormone and mineral deficiencies. Lawson, a Japanese convenience store chain is more of a steady-eddy business but is growing its footprint in Asia (China, Indonesia and the Philippines). AZ-COM Maruwa, a Japanese logistics provider for retailers, and Workiva, the world's leading cloud platform for financial and ESG reporting, were also added.
- ALK-Abello and Patria Investments were sold based on weaker outlooks.

Notable Transactions

Buy

Integral Ad Science*
Lawson*
Ascendis Pharma*
AZ-COM Maruwa Holdings*
Workiva*

*New holding

Trim/Sell

ALK-Abello[1]
Patria Investments[1]
Valmet
Internet Initiative Japan
AZEK

[1]Position eliminated

Positioning

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

Fund size	$11,049,226
No. of stocks	49

Global Small-Cap Equity Fund

Attributes

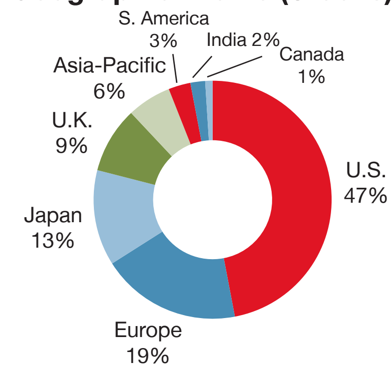
Top Stock Holdings

Chemed	4.4%
Clean Harbors	3.5%
Casella Waste Systems	3.4%
Synaptics	3.1%
Steadfast Group	3.0%
EMCOR Group	2.9%
Performance Food Group	2.9%
Visteon	2.8%
Encompass Health	2.5%
IPH	2.5%

Sector Allocation (Stocks)

Industrial Goods & Svc	37.6%
Healthcare	14.2%
Financial Services	13.1%
Technology	11.0%
Consumer Cyclical	9.2%
Consumer Products	8.7%
Comm. & Media	3.8%
Retailing	2.4%

Geographic Profile (Stocks)



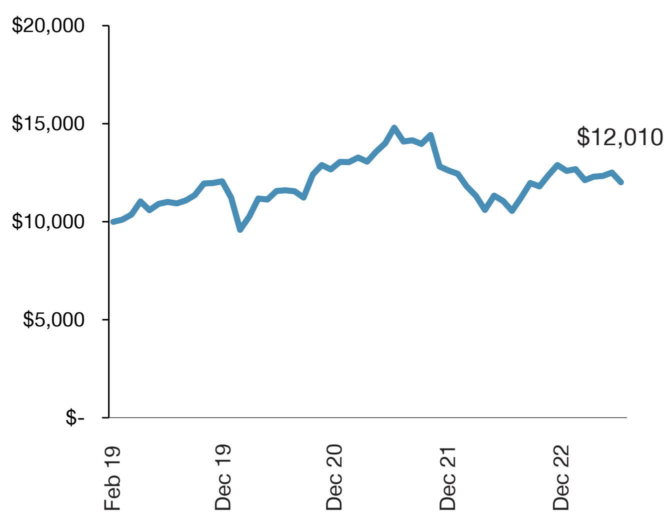
Performance

Compound Annualized Returns (as of September 30, 2023)

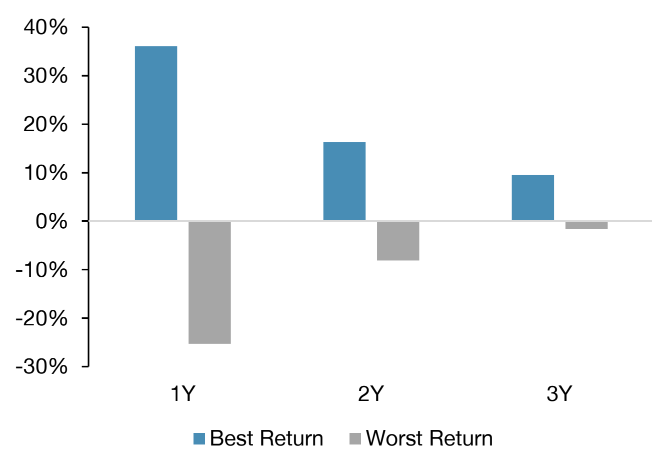
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Global Small-Cap Equity Fund (after-fee)	**-2.3%**	**1.8%**	**13.8%**	**1.3%**	**N/A**	**N/A**	**N/A**	**4.0%**
S&P Global SmallCap Index ($Cdn)	-1.9%	3.0%	12.5%	6.4%	N/A	N/A	N/A	5.3%

[1]Feb 15, 2019

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Savings Fund

Market Context

- The Bank of Canada raised its key short-term lending rate by 0.25% in July, to 5.0% — a level not seen in over 20 years. The central bank has raised rates three times this year, by a total of 0.75%.
- The Bank held rates steady at its September meeting, however, and noted that inflation is coming down and global growth slowing. Yet, it emphasized that the Governing Council remains concerned about underlying inflationary pressures and is prepared to increase rates further if needed. The U.S. Federal Reserve revised its projections upwards in the quarter and suggested rates could stay 'higher for longer'.
- Short-term interest rates are at their highest levels since 2001 and have been welcomed by savers, who are receiving a better yield on their cash.

The fund was up 1.1% in the quarter. Since inception (Feb 2007), it has a cumulative return of 25%, which equates to an annualized return of 1.3%.

Positioning

- Corporate paper makes up 48% of the portfolio, while T-Bills comprise 52%.
- The pre-fee yield of the portfolio at the end of September was 5.2%.
- The 'One Simple Fee' of the fund increased from 0.20% to 0.45% as of July 1.

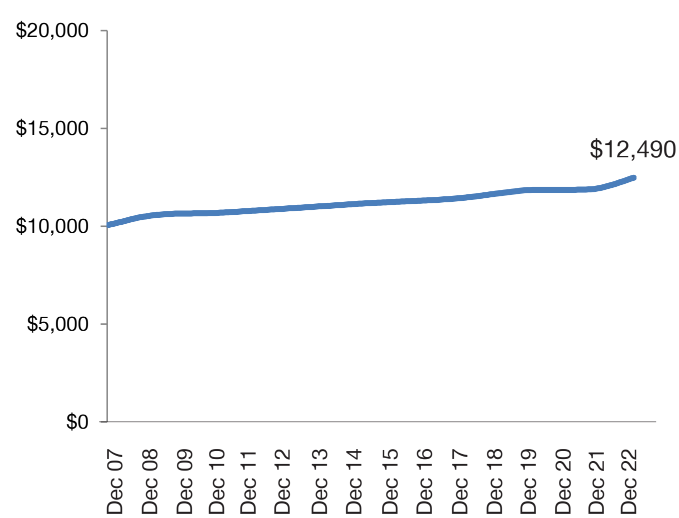
Performance

Compound Annualized Returns (as of September 30, 2023)

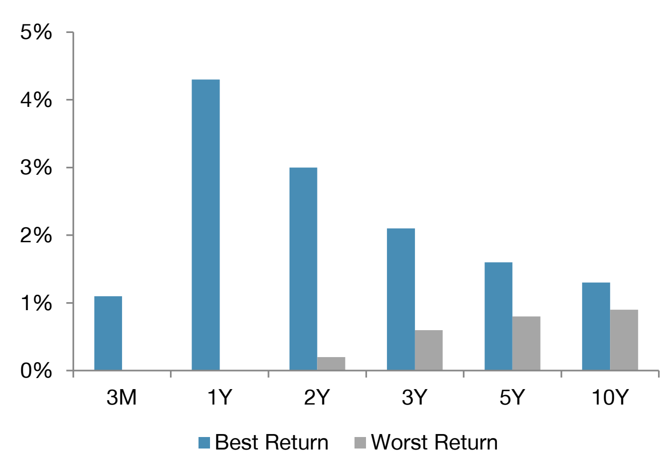
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep*
Savings Fund (after-fee)	**1.1%**	**3.4%**	**4.3%**	**1.7%**	**1.6%**	**1.3%**	**1.1%**	**1.3%**
FTSE Canada 91 Day T-Bill Index	1.2%	3.4%	4.4%	1.8%	1.7%	1.2%	1.1%	1.4%

*Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



7 reasons why investing is different from everything else in your life

Special to the National Post, by Tom Bradley, August 21, 2023

I had the pleasure of speaking with a group of young investors last week. One of the lessons I tried to impart was that investing is different from almost every other aspect of their lives. It's unpredictable and often counterintuitive, which makes it more difficult to be successful. Let me explain how investing differs.

Short-term feedback means little

In real life, immediate feedback is everything. Your behaviour is impacted by praise or criticism from your boss, hints from your spouse and constant input via emails, texts and notifications.

In investing, short-term feedback is usually meaningless. What the market did today, or even this year, has little to do with how successful you'll be. Indeed, it can inhibit your progress by prompting you to make needless changes or veer off course.

At Steadyhand, we have an expression: "Last quarter's returns are a good indicator of ... last quarter's returns."

There's no app for that

If you want to stream music, keep track of household expenses or check your sleep patterns, there's an app for that. There are many investment apps, too, but they generally don't line up well with the long-term nature of investing.

Market updates and stock quotes are about right now, not 10-plus years from now. They shorten your view when ideally you should be looking further ahead and giving your strategies time to play out.

The best action is no action

Indeed, reading business news and checking apps increases your desire to act. You're compelled to make something happen. But in most cases, the best action is no action, particularly if you have a diversified portfolio that matches your objectives.

Acting on news that's urgent, but not important increases costs and distracts from your plan. Warren Buffett has said, "Wall Street makes its money on activity. You make your money on inactivity."

If everyone is doing it, don't

If five people tell you to buy a Hyundai Ioniq 5, you can be assured it's a good car. If those same five tell you to buy a stock, you should be wary.

When everyone is on the bandwagon, it means the good news has been widely disseminated, expectations are high and you're most likely paying a premium to participate. Conversely, if everyone hates a stock, it's likely that most of the bad news, and risk, is already baked into the price.

Investor sentiment is a useful tool, but like so many things in investing, it runs counter to human nature.

More features, less return

It's easy to be dazzled by fancy features when buying a new car or phone. The more the better. Fancy investment products can also be intoxicating, but the impact on your portfolio is not usually as positive.

Generally, the more complex the product, the lower the return. There are two reasons for this. First, most structured products are designed to make investing more palatable by reducing volatility and/or eliminating the downside. Second, they're more expensive. Strategies such as dynamic trading, leverage and currency hedging bring with them more mouths to feed in the form of product designers, investment bankers, options and futures traders, and prime brokers.

An example of this is index-linked notes. Because they're guaranteed to not lose money, their stock market exposure is greatly reduced. There's more sizzle than steak.

Forest versus the trees

It's easy to research products you want to buy. It takes just minutes to know exactly what you're getting. Investors also have an incredible amount of information at their fingertips.

Assessing a company to invest in, however, involves all the unknowns that go with looking into the future. Decisions must be made on incomplete information because if you try to unearth every fact, you're likely to miss the stock's big move.

No price tags

Normally, the things you buy have a price on them. The retail price, perhaps a sale tag, and the cost of shipping. Investors don't have the same transparency. If you look up the word "opaque," you'll see a picture of an investment adviser. The investment industry seems committed to making it difficult to determine what your total cost is.

Likewise, it's often difficult to determine how you've done. Some firms put returns on their regular statements, but most bury them away in year-end regulatory documents.

I'm hopeful that the next generation of investors has a better understanding of markets and develops disciplines that embrace the peculiarities of investing. Getting it right early will be very rewarding.

Steadyhand

First Home Savings Accounts (FHSA) now available at Steadyhand

We're pleased to announce that we now offer FHSAs! The new account type was introduced by the federal government earlier this year as a means of helping prospective first-time buyers save for a home. Visit steadyhand.com to learn more.

Published on October 6, 2023, by Steadyhand Investment Funds Inc.

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