Q4

2011

"So many of our competitors are trading off the macro [events]. Our focus remains on company fundamentals."

- Gord O'Reilly, CGOV (manager of the Steadyhand Equity Fund)

STEADYHAND

Bradley's Brief

It's a remarkable time to be an investor. After decades of overspending in the Western world, we're watching Europe melt down and the American empire decline faster than expected. The debt burden is slowing the world economy and accelerating the power shift from West to East. And while we watch with amazement, the fear factor grows.

When you look at your Steadyhand results, however, you might not think 2011 was so remarkable. Despite all the negative noise, political ineptitude and market volatility, our client returns weren't far off of their long-term expected levels. Balanced portfolios were up between 2% and 5% (depending on the particular fund mix).

The Income Fund was solid again (+7.2%) and it was generally a good year for *Undexing*, our approach to stock investing. The Small-Cap Equity Fund was up 12.7% while the small company indices were down double digits. In face of the market downdraft, the Equity Fund also had a good year (-1.3%). A weaker loonie and positive U.S. equity returns gave both funds a boost, but in the Global Equity Fund (-7.5%), these factors were largely offset by weak markets in Europe and Japan, and poor stock selection.

Last January, we recommended clients set aside some cash – bond valuations were extremely high (in our view) and stocks didn't yet look cheap enough in the context of a shaky economy. As for our fund managers, they were focused on higher quality securities. In general, 2011 was a good year to be cautious. Quality was rewarded generally, although bonds had a stellar year and did much better than cash.

In August, we moved from caution to a more constructive stance towards stocks. Weak equity markets have created some excellent opportunities and as a result, we start 2012 more positive on stocks and even more wary of bonds. We continue to recommend that clients hold a 5-10% cash reserve (see *The Grip* on page 3).

On the company front, we were delighted to receive some recognition in the fourth quarter in an area we deem to be extremely important. In October, Morningstar released its updated Stewardship ratings and we again came out with a top grade. A month later, our own David Toyne accepted the *Best Stewardship Initiative* award at the Canadian Investment Awards for the report we published in January – *How is My Portfolio Doing? And What Should I Do About It?* (Note: An updated version of this report will be published later this month.)

We're not resting on our laurels, however. In November we published a report which compares the experience of Julie, a Steadyhand investor, with Jake, an ETF investor (exchange traded funds). There's been lots written about ETFs recently and we thought it was important to do a comparison for investors who may fit well with Steadyhand.

In the next few weeks, we're going on the road to meet with our clients at our Annual Client Events. In the presentations, David, Chris and I will provide a company update, some perspective on the markets and a review of our managers' strategies and performance. The sessions are designed for you, our client, so we want you there!

In the meantime, we'll continue to remain steadyhanded and valuation driven in the face of low interest rates, too much debt and slow economic growth. I think we'd all be happy if we can make 2012 another unremarkable year.

Tom

Takeaways

Stocks

- Stocks had a turbulent year as the perpetually negative news flow out of Europe kept investors on edge. The Canadian market (S&P/TSX Composite Index) dropped 8.7% while the MSCI World Index lost 2.9%.
- The hardest hit markets included Italy, Germany, France, Japan and China, which all suffered double-digit losses.
- The U.S. market was one of the top-performing developed markets. The S&P 500 Index eked out a gain of 2.1% in U.S. dollars (4.4% in Cdn dollars).

Debt and political inaction were two key themes that weighed on investor sentiment and drove most stock markets lower. Bond investors once again cheered

Bonds

- The Canadian bond market had a remarkable year. The DEX Universe Bond Index recorded a total return (interest and capital gains) of 9.7%.
- Federal and provincial bond were the stars. After rising early in the year, 10-year Canada bond yields dropped from 3.5% to under 2%. They ended the year at 1.9% (a big decline given the low rate environment).
- Corporate bonds also had a strong showing, although they lagged government securities as spreads (the difference in yield) widened by roughly 30 basis points (0.30%) over the year.

Our Funds

- Our portfolios fared well, all things considered. Balanced clients experienced returns in the 2% to 5% range over the year, depending on their asset mix.
- The Small-Cap Fund served as a valuable offset to the weak stock markets.

The Grip

Our view on how your portfolio should be positioned **in relation to your long-term asset mix.**

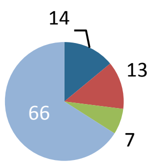
Our asset mix barometer was unchanged in the quarter. Our advice to clients is to have a full allocation to equities, in relation to your long-term asset mix, and a below-average position in bonds. We continue to recommend a modest cash position in the event that markets stumble in the short term. For example, clients with a strategic asset mix of 50% bonds / 50% stocks should consider holding 35-40% bonds, 50-55% stocks, and 5-10% cash. This positioning reflects our view that bonds look expensive and stock valuations are attractive. **Questions? 1-888-888-3147.**

Steadyhand Portfolios (Hypothetical)*

Compound Annualized Returns

Income Fund | Equity Fund | Global Equity Fund | Small-Cap Equity Fund

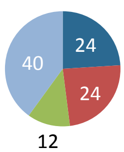
Balanced Income Portfolio



Long-term asset mix:
Fixed Income – 50%
Cdn Equities – 30%
U.S. Equities – 10%
Overseas Equities – 10%

3 M	YTD	1 Y	2 Y	3 Y	4 Y
4.3%	4.5%	4.5%	7.2%	11.4%	4.0%

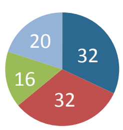
Balanced Equity Portfolio



Long-term asset mix:
Fixed Income – 30%
Cdn Equities – 34%
U.S. Equities – 18%
Overseas Equities – 18%

3 M	YTD	1 Y	2 Y	3 Y	4 Y
5.0%	2.3%	2.3%	5.6%	9.7%	1.4%

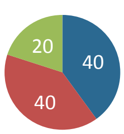
Growth Portfolio



Long-term asset mix:
Fixed Income – 15%
Cdn Equities – 37%
U.S. Equities – 24%
Overseas Equities – 24%

3 M	YTD	1 Y	2 Y	3 Y	4 Y
5.6%	0.6%	0.6%	4.4%	8.5%	-0.6%

Aggressive Growth Portfolio



Long-term asset mix
Fixed Income – 0%
Cdn Equities – 40%
U.S. Equities – 30%
Overseas Equities – 30%

3 M	YTD	1 Y	2 Y	3 Y	4 Y
6.2%	-1.1%	-1.1%	3.2%	7.2%	-2.5%

Capital Market Performance

	3 M	YTD	1 Y	2 Y	3 Y	4 Y
DEX 91 Day T-Bill Index	0.2%	1.0%	1.0%	0.8%	0.7%	1.4%
DEX Universe Bond Index	2.1%	9.7%	9.7%	8.2%	7.3%	7.1%
S&P/TSX Composite Index	3.6%	-8.7%	-8.7%	3.6%	13.2%	-0.7%
BMO Small Cap Index	5.0%	-14.4%	-14.4%	8.9%	27.6%	2.6%
S&P 500 Index ($Cdn)	9.5%	4.4%	4.4%	6.8%	7.3%	-0.9%
MSCI World Index ($Cdn)	5.5%	-2.9%	-2.9%	1.8%	5.0%	-3.8%

*The referenced portfolios are hypothetical portfolios comprised of Steadyhand funds. Each portfolio assumes that it is rebalanced on a quarterly basis to the target fund allocation. The indicated rates of return are the historical compound annualized returns (unaudited). See end of report for all performance disclaimers. For further details on the portfolios, visit www.steadyhand.com/education/portfolios.

Income Fund

Canadian interest rates (10-year bonds) finished the quarter below 2% for the first time in more than a century

Market Overview

- The bond market (DEX Universe Bond Index) turned in a total return of 9.7% in 2011 as a broad sell-off in global stock markets drove investors to low-risk assets. Yields fell sharply in the latter half of the year (when yields fall, prices rise). 10-year government bond yields hit 3.5% early in the year, but dropped to under 2% in December, leading to strong price gains.
- The Canadian stock market dropped 8.7% as resources stumbled. Higher-quality dividend-paying stocks, however, weathered the storm better.

Portfolio Specifics (2011)

- Federal and provincial bonds were the fund's top performers in 2011.
- The fund's corporate bonds performed well, but lagged government issues, as investors favoured the safest assets. The manager, CC&L, feels corporates are still very attractive relative to government bonds, and the majority of the fund's fixed income investments remain in these securities.
- Within corporates, the emphasis remains on the financial sector. CC&L likes the outlook for insurance and bank bonds in particular.
- The yields on U.S. high yield bonds rose sharply. As they moved close to 10%, CC&L initiated a position in October. The manager feels that the high yield sector, which is very sensitive to the global economy, will be a big area of opportunity as the the fiscal situtation in Europe improves.
- The fund has a relatively short duration to protect it from the negative impact of rising interest rates. However, CC&L is reluctant to get too defensive on this front because there is a lot of anxiety about debt in Europe, and interest rates could remain depressed in 2012.
- The fund's income-equities held up well, gaining 8% in aggregate. REITs were a stand-out, with the sector gaining 20%. CC&L's focus on dividend growers and avoidance of the mining sector were key reasons why the fund's equity component fared much better than the broad market.

Notable Transactions (Fourth Quarter)

- Equities were trimmed across the board, bringing this portion of the portfolio down from roughly 32% to 26% of total assets. The proceeds were invested in high yield bonds and other fixed income securities.
- *Gibson Energy* and *Rogers Communications* were purchased, while *Northland Power* and *Artis REIT* were sold.

Positioning

- The manager believes that interest rates are too low and corporate bond spreads too high. They will look for opportunities to further shorten duration and/or add to credit exposure. Catalysts would be an improvement in Europe (e.g., recapitalization of the banking system), better fiscal co-ordination or a repair of business confidence.

Corporate bonds
Short duration
High yield
Bank bonds
Government bonds
Real estate
Provincials
Dividend growers

Income Fund

Top Holdings

Canada 3.00% (12/01/15)	5.1%
Canada 1.50% (03/01/17)	4.9%
iShares iBoxx High Yield	4.4%
SPDR Barclays High Yield	4.4%
RBC YC 1.099% (03/16/12)	2.5%
BMO 2.96% (08/02/16)	2.1%
TD 7.243% (12/31/18)	1.8%
Canada 2.75% (09/01/16)	1.7%
Ontario 4.65% (06/02/41)	1.7%
Ontario 3.15% (06/02/22)	1.7%

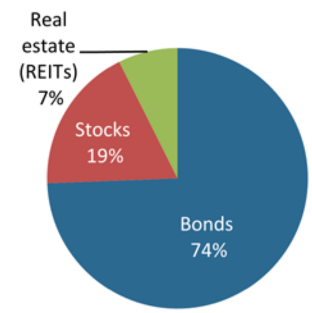
Issuer Allocation (Bonds)

Federal Govt. Bonds	20.4%
Provincial Govt. Bonds	19.5%
Corporate Bonds	60.1%

Rating Summary (Bonds)

AAA	26.0%
AA	32.4%
A	20.6%
BBB	9.1%
BB (or lower)	11.9%

Asset Mix



Stock Transactions

+	-
Gibson Energy	Northland
Rogers	Artis REIT
IGM Financial	Thomson Reut.
Killam Pptys	H&R REIT

Portfolio Summary

Avg. Term to Maturity	8.5 yrs.
Duration	6.1 yrs.

Fund Size / Yield

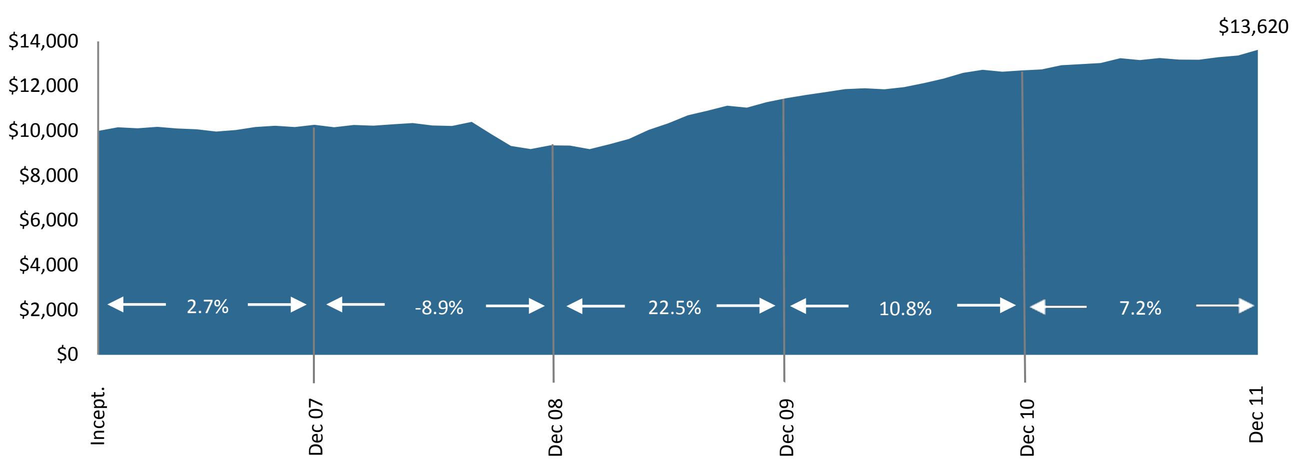
Net Assets	$56,726,976
Pre-fee Yield	4.2%

Compound Annualized Returns

	3 M	YTD	1 Y	2 Y	3 Y	4 Y	Incept*
Income Fund	**3.4%**	**7.2%**	**7.2%**	**9.0%**	**13.3%**	**7.3%**	**6.5%**
DEX Universe Bond Index	2.1%	9.7%	9.7%	8.2%	7.3%	7.1%	6.5%
S&P/TSX Composite Index	3.6%	-8.7%	-8.7%	3.6%	13.2%	-0.7%	1.1%

*Feb. 13, 2007

Growth of $10,000 Since Inception



Equity Fund

A focus on high-quality companies and increased foreign exposure buoyed the portfolio in a challenging year for stocks.

Market Overview

- The Canadian market (S&P/TSX Composite Index) fell 8.7% in 2011 on the back of weakness in commodity stocks and waning investor confidence.
- The MSCI World Index was down 2.9% and most foreign markets also closed the year in the red, with the exception of the U.S.

Portfolio Specifics (2011)

- The manager's (CGOV) strategy of focusing on businesses with steady cash flows, strong barriers to entry and rising dividends provided downside protection in a turbulent year.
- Foreign stocks played a prominent role in the portfolio. A number of holdings turned in strong gains and several positions were increased (*Novartis*, *Insperity*, *Unilever*, *Asia Pacific Breweries*).
- As a group, consumer-related holdings were the strongest contributors to performance (notably *Asia Pacific*, *CVS Caremark*, *Unilever*), while select technology and resource stocks were the key detractors (*RIM*, *Cisco*, *Suncor*). *Birchcliff Energy* and *Nalco* benefitted from acquisition activity.
- All but four of the fund's dividend-paying stocks increased their payout. Dividend growing companies have proven to be among the top performing securities over the past several years as the hunt for yield has escalated.
- Trading activity was higher than usual in 2011. CGOV was an active buyer when market volatility was elevated, particulalry in the summer. Five new holdings were added to the portfolio over the year, while six were sold.
- The fund experienced lower volatility than the TSX as a result of its greater exposure to less cyclical businesses outside the resource sector.

Notable Transactions (Fourth Quarter)

- The portfolio's two notable problem children, *RIM* and *Manulife*, were sold. Management at both companies failed to execute over a reasonable time frame and CGOV felt it was time to move on.
- *Kinross Gold* was sold (based on operational issues) and replaced by *Franco-Nevada*. The manager isn't a gold bug by any means but feels a small amount of exposure to the metal makes sense.
- *BorgWarner* was purchased. The auto parts company has a strong growth profile, is a leader in energy efficiency and is attractively valued.

Positioning

- The fund has a defensive structure – CGOV favours companies that offer industry-leading products or services with predictable, recurring revenues.
- As a whole, the portfolio's holdings generate 60% of their sales internationally, with growing exposure to the emerging markets.
- With the pullback in economically-sensitive stocks, CGOV has been looking closely at a few cyclicals, but feel that prices are not yet cheap enough.

Equity Fund

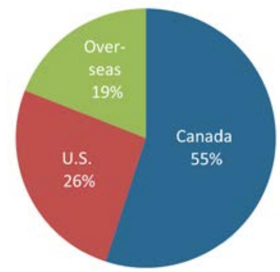
Top Holdings

TD Bank	6.4%
Suncor Energy	6.2%
Crescent Point Energy	6.0%
Asia Pacific Breweries	5.3%
Novartis	5.2%
Unilever	5.1%
CVS Caremark	4.5%
Birchcliff Energy	4.4%
Lincoln Electric	4.1%
TMX Group	4.0%

Sector Allocation (Equities)

Consumer Staples	22.3%
Energy	20.9%
Industrials	16.6%
Financials	15.1%
Materials	9.9%
Health Care	5.4%
Information Technology	4.1%
Telecom Services	3.9%
Consumer Discretionary	1.8%

Geographic Profile (Equities)



Transactions

+	-
Franco-Nevada BorgWarner TD Bank Suncor Energy	RIM Manulife Kinross Gold CN Rail

Asset Mix

Equities	95.3%
Cash & Short-term	4.7%

Fund Size / Concentration

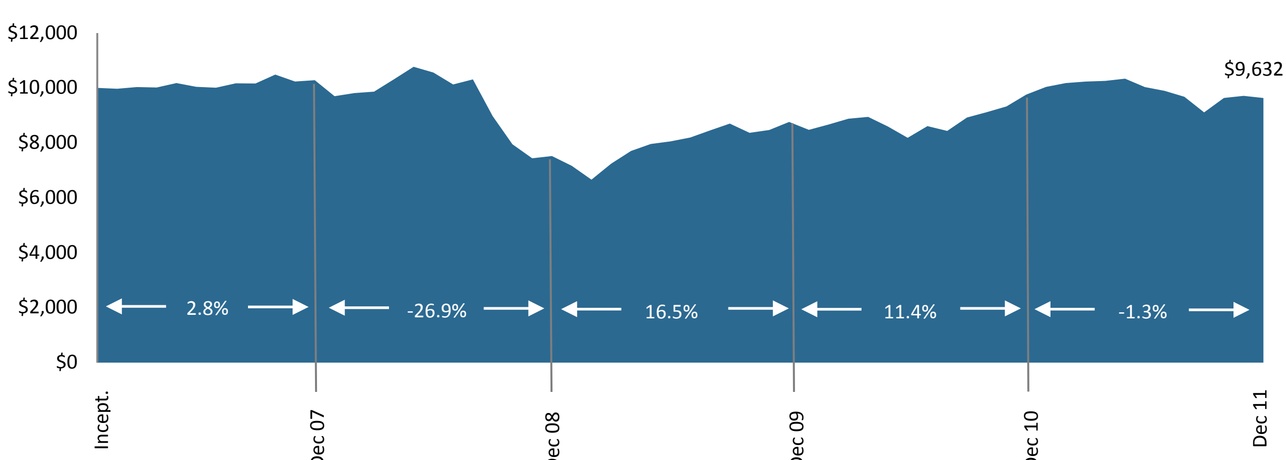
Net Assets	$37,044,166
Number of stocks	24

Compound Annualized Returns

	3 M	YTD	1 Y	2 Y	3 Y	4 Y	Incept*
Equity Fund	**5.7%**	**-1.3%**	**-1.3%**	**4.9%**	**8.6%**	**-1.6%**	**-0.8%**
S&P/TSX Composite Index	3.6%	-8.7%	-8.7%	3.6%	13.2%	-0.7%	1.1%
MSCI World Index ($Cdn)	5.5%	-2.9%	-2.9%	1.8%	5.0%	-3.8%	-5.0%

*Feb. 13, 2007

Growth of $10,000 Since Inception



Global Equity Fund

Market Overview

- Global investors are glad to see the end of 2011. Most major markets declined, with Japan and many European indices suffering double-digit setbacks. The U.S. market bucked the trend and posted a modest gain.
- The Canadian dollar fell slightly against the U.S. dollar (-2%) and dropped 7% against the yen. It was largely unchanged against the euro and pound.

European companies are being painted with the same brush as Eurozone political leaders, leading to compelling investment opportunities

Portfolio Specifics (2011)

- 2011 was all about Europe. Negative sentiment in the region spilled into capital markets worldwide. The manager, Edinburgh Partners (EPL), feels that many stocks in the region are cheap and there is plenty of potential upside behind the political and debt clouds. European stocks (excluding the U.K.) comprise 21% of the portfolio. The focus is on companies with a global footprint which have growing revenues in the emerging markets.
- The fund's poor performance was also due in part to its relatively light weighting in U.S. stocks, which fared well. American companies make up 20% of the portfolio, as compared to roughly half of the World market.
- Another big issue that impacted the portfolio was the setback in Japan. The post-earthquake recovery is happening, but is being hampered by the strength of the yen, which makes it difficult for companies to compete.
- Financial stocks were a burden on the fund, although they are not a large weighting in the portfolio. Banks had a challenging year as interest rates remain low and sovereign debt concerns overhang the financial markets.
- Positive performance came primarily from consumer-related and health care holdings. *Unilever*, *Bridgestone*, *Sanofi*, and *GlaxoSmithKline* were among the top performers. *Intel* and *Shell* were also key contributors.
- A number of positions were sold based on valuation (*Yara*, *GE*, *Symantec*, *Kajima*) or a deteriorating outlook (*Mizuho*, *Bank of America*, *UBS*). The manager also did some buying in Europe (including *Unilever*, *Heineken*, *SAP*) and Asia (*Dongfeng Motor*, *Swire Pacific*, *DBS Group*).

Notable Transactions (Fourth Quarter)

- Three Asian companies were purchased: *Softbank* (Japanese telecom), *Swire Pacific* (Hong-Kong conglomerate) and *DBS Group* (Singapore bank).
- Two stocks were sold: *UBS* (wrestling with restructuring its investment bank operations) and *SK Telecom* (acquisition of unrelated business).

Positioning

- The manager's bias toward value-oriented stocks (low price-to-earnings multiples, high dividend yields) remains largely in place.
- As a result of the ongoing violence in share price moves, EPL is seeing opportunities in areas where they have not had significant investments and continue to increase exposure to the emerging markets.

Dividends
Europe
U.S. tech companies
Banks **Low P/E**
Value bias
Asia-Pacific

Global Equity Fund

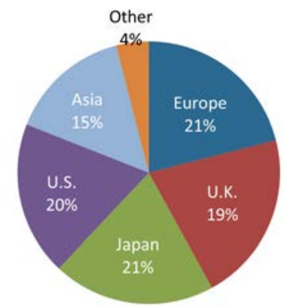
Top Holdings

Samsung Electronics	3.1%
Cisco Systems	3.1%
China Mobile	3.0%
Sanofi-Aventis	3.0%
ENI	3.0%
Dongfeng Motor	2.9%
Vodafone	2.9%
Diageo	2.8%
Mitsubishi	2.7%
Unilever	2.7%

Sector Allocation (Equities)

Information Technology	21.6%
Consumer Discretionary	14.4%
Consumer Staples	12.9%
Telecom Services	12.6%
Industrials	10.7%
Energy	10.3%
Financials	9.7%
Health Care	7.9%

Geographic Profile (Equities)



Transactions

+	-
Softbank Swire Pacific DBS Group Mitsubishi	UBS SK Telecom

Asset Mix

Equities	97.9%
Cash & Short-term	2.1%

Fund Size / Concentration

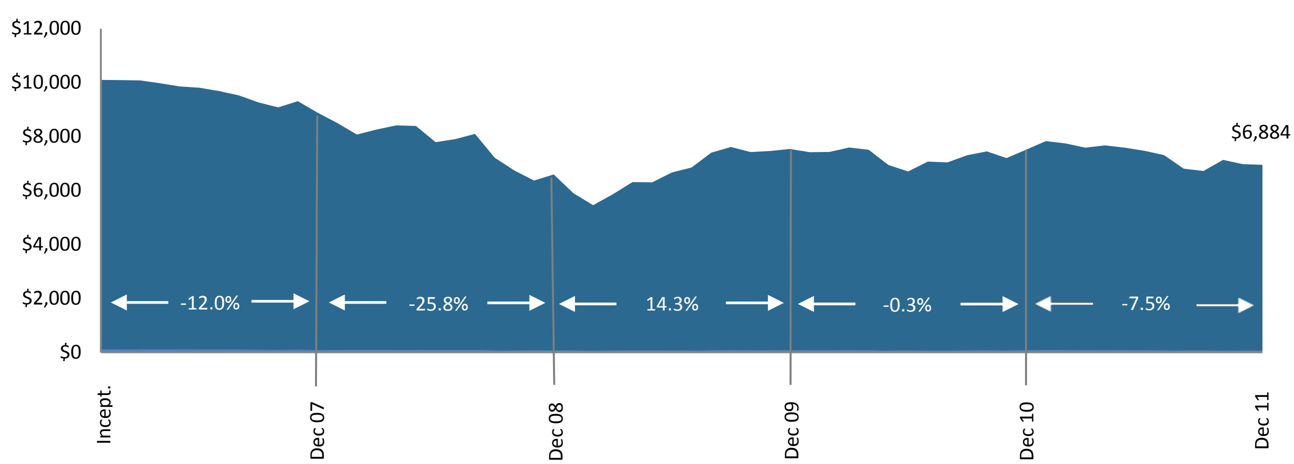
Net Assets	$22,522,687
Number of stocks	42

Compound Annualized Returns

	3 M	YTD	1 Y	2 Y	3 Y	4 Y	Incept*
Global Equity Fund	**3.4%**	**-7.5%**	**-7.5%**	**-4.0%**	**1.8%**	**-5.9%**	**-7.4%**
MSCI World Index ($Cdn)	5.5%	-2.9%	-2.9%	1.8%	5.0%	-3.8%	-5.0%

*Feb. 13, 2007

Growth of $10,000 Since Inception



Small-Cap Equity Fund

The fund had a strong year as a result of limited investments in the mining sector and a focus on undervalued, cash-generating businesses

Market Overview

- The small-cap market fell 14.4% in 2011, as measured by the BMO Small Cap Index. Mining-related stocks suffered large price declines, and the oil & gas sector also lost ground. The financial and utility sectors were the only areas of the market that advanced.
- The more broadly-diversified U.S. small-cap market dropped roughly 4%, as measured by the Russell 2000 Index.

Portfolio Specifics (2011)

- The portfolio prospered in what was a rough year for the small cap market and commodity-related stocks in particular. The fund has modest exposure to the mining sector, which was an important factor in its divergent performance.
- In contrast to the market, the fund's energy holdings were among its top performers. *Coastal Energy* more than doubled in price while *Total Energy Services*, *Pacific Rubiales* (sold) and *Parkland Fuel* were key contributors.
- *Alaris Royalty Corp.*, *Canadian Helicopters* and *Hibbett Sports* were holdings that performed particularly well. Alaris was sold and Canadian Helicopters and Hibbett were trimmed but remain core holdings.
- The manager, Wil Wutherich, still feels good about valuations. The fund's holdings continue to generate strong cash flows, in many instances pay high dividends, and trade at below-average price-to-earnings multiples.
- *Easyhome* was the biggest disappointment. The stock has not recovered from an embarrassing fraud incident last year. It was sold prior to several board members resigning late in the year. *Evertz Technologies* and *Glacier Media* were also weak performers, but their fundamentals remain strong.
- The cash position is high (12%) with the sale of Easyhome and Alaris. In a choppy market, the manager will pick his spots to redeploy it.

Notable Transactions (Fourth Quarter)

- *Parkland Fuel* was purchased. Parkland is Canada's largest independent fuel supplier. It has a history of generating strong earnings, making smart acquisitions, and paying an attractive dividend (currently 8%).
- Positions in *Evertz*, *Glacier Media* and *MacDonald Dettwiler* were increased. *Alaris* and *Easyhome* were sold, as mentioned.

Positioning

- The portfolio remains highly concentrated, yet more broadly diversified than the resource-heavy small-cap market.
- Industrial, consumer-related, energy and technology companies are key areas of focus.

Concentration
Coastal Energy
Mining
Dividends
Still cheap
Valuation
Dry powder
Cash flow

Small-Cap Equity Fund

Top Holdings*

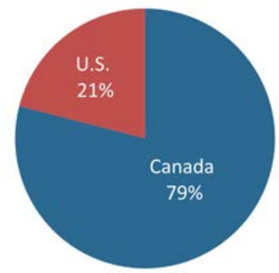
Canadian Helicopters	9.7%
Stantec	6.9%
Medical Facilities	6.6%
Coastal Energy	6.4%
Total Energy Services	6.2%
Shoppers Drug Mart	6.2%
Evertz Technologies	5.6%
MacDonald Dettwiler	5.5%
Badger Daylighting	5.5%
Hibbett Sports	5.2%

*As of October 31, 2011

Sector Allocation (Equities)

Industrials	24.5%
Energy	21.0%
Information Technology	16.7%
Consumer Discretionary	11.9%
Health Care	7.5%
Consumer Staples	6.5%
Telecom Services	6.4%
Materials	5.5%

Geographic Profile (Equities)



Transactions

+	-
Parkland Fuel Evertz Glacier Media Mac Dettwiler	Alaris Easyhome

Asset Mix

Equities	88.1%
Cash & Short-term	11.9%

Fund Size / Concentration

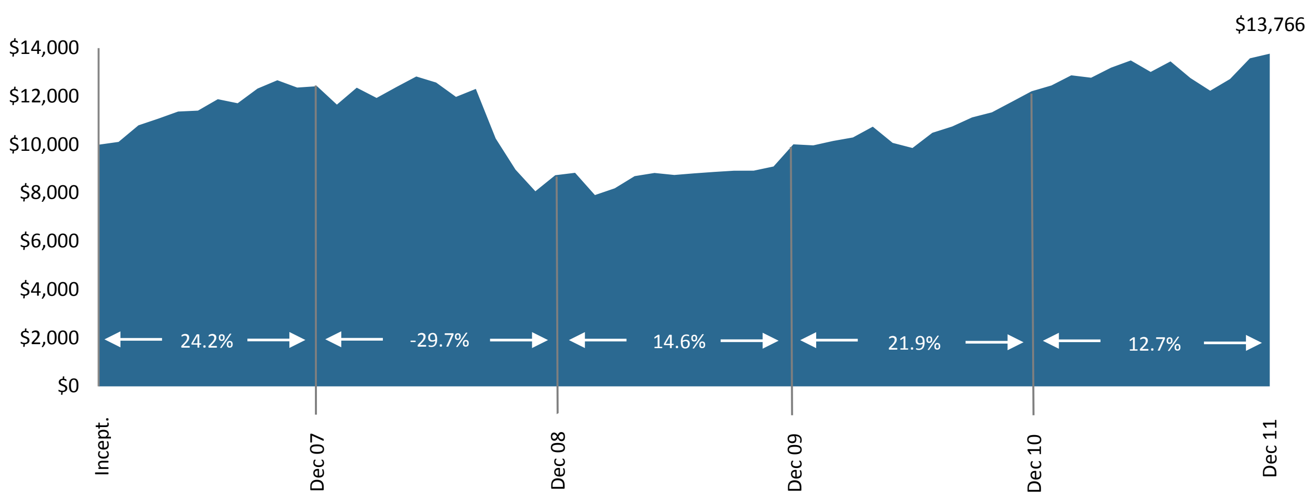
Net Assets	$22,854,001
Number of stocks	15

Compound Annualized Returns

	3 M	YTD	1 Y	2 Y	3 Y	4 Y	Incept*
Small-Cap Equity Fund	**12.5%**	**12.7%**	**12.7%**	**17.2%**	**16.4%**	**2.6%**	**6.8%**
BMO Small Cap Index	5.0%	-14.4%	-14.4%	8.9%	27.6%	2.6%	1.9%

*Feb. 13, 2007

Growth of $10,000 Since Inception



Savings Fund

The Bank of Canada remained on the sidelines in 2011 and short-term interest rates hover near historic lows

Market Overview

- The Bank of Canada left its key short-term lending rate unchanged in 2011 at 1.0%. It has stood at this level since September, 2010.
- Factors that continue to keep short-term rates close to historic lows include: an uncertain global economic outlook, household deleveraging, and a strong Canadian dollar (which is a challenge for exporters).
- The Bank expects inflation to remain under control and possibly decline as a result of reduced pressures from food and energy prices.

Portfolio Specifics (2011)

- The fund moved out of Government of Canada T-Bills in the spring in favour of provincial T-Bills, which are currently offering a yield advantage of 10-15 basis points (0.10 to 0.15%). These securities make up 31% of the portfolio.
- The manager, CC&L, increased the fund's holdings in Bankers' Acceptances (BA's) and corporate paper throughout the year. These securities comprise 69% of the portfolio (up from 44% at the end of 2010). This component of the fund is well diversified, with debt holdings from issuers such as *HSBC*, *Royal Bank*, *GE*, *Telus* and *Enbridge*.
- Corporate paper continues to yield 50-55 basis points more than Canada T-Bills. Through a focus on high-quality credit names, CC&L has provided additional yield for the portfolio without unecessary risk.
- The yield curve was very flat in the summer and fall (i.e. there was little difference in the yield of 3-month and 1-year T-Bills), and the term of the portfolio was kept relatively short as there was no yield advantage in extending the term.
- The pre-fee yield of the fund at the end of December was 0.9%.

Notable Transactions (Fourth Quarter)

- There was little change to the structure of the portfolio in the quarter.
- The weighting of corporate paper was slightly increased as a portion of the proceeds from maturing T-Bills were invested in these notes.

Positioning

- The manager expects that their emphasis will remain on provincial T-Bills and high-quality corporate securities.
- CC&L has structured the portfolio with an average term to maturity that is relatively short. They expect to maintain this positioning until the market starts to anticipate future rate hikes by the Bank of Canada.
- Short-term interest rates are still very low and we have maintained a reduced fee on the fund (0.20%) to help provide a reasonable yield for unitholders.

Bank paper

Provincial T-Bills

Short maturity

Corporate paper

Low yield; reduced fee

Savings Fund

Top Holdings

Quebec T-Bills (02/24/12)	11.1%
BMO B/A (01/30/12)	8.5%
B.C. P/N (01/02/12)	7.7%
BNS B/A (04/18/12)	5.9%
GE Capital C/P (05/01/12)	5.9%
Royal Bank B/A (01/30/12)	5.1%
National Bank (01/30/12)	5.1%
Nfld T-Bills (02/23/12)	5.1%
HSBC B/A (02/24/12)	5.1%
Alberta FRN (06/13/12)	4.3%

Yield

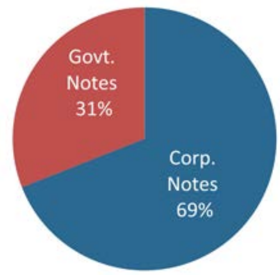
7-day Yield* 0.9%

**This is an annualized historical yield (net of fess) based on the seven day period ended on December 31, 2011, and does not represent an actual one year return.*

Fund Size

Net Assets $5,864,520

Issuer Allocation

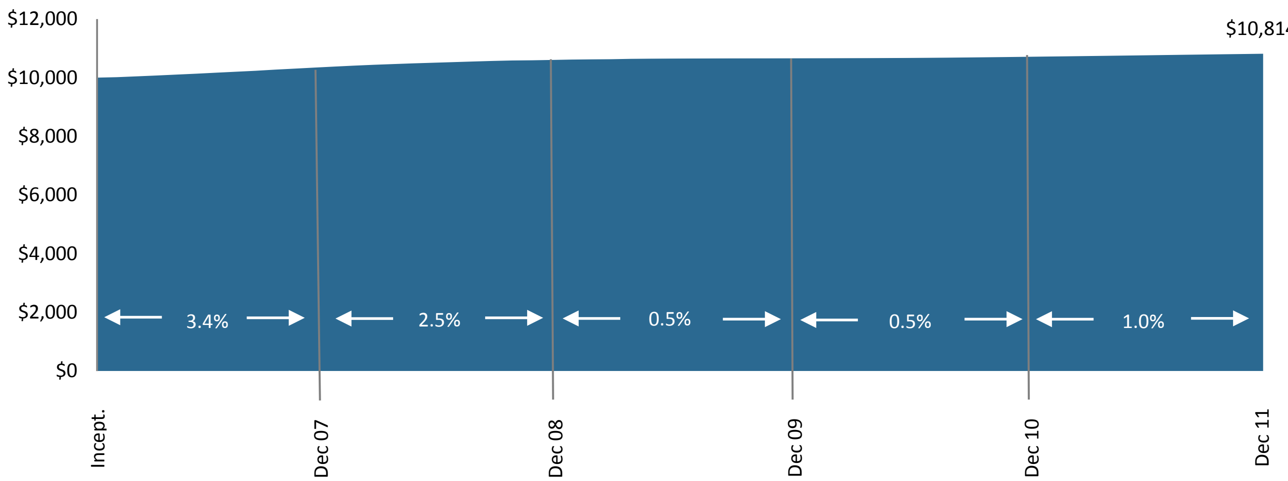


Compound Annualized Returns

	3 M	YTD	1 Y	2 Y	3 Y	4 Y	Incept*
Savings Fund	**0.2%**	**1.0%**	**1.0%**	**0.7%**	**0.7%**	**1.1%**	**1.6%**
DEX 91 Day T-Bill Index	0.2%	1.0%	1.0%	0.8%	0.7%	1.4%	1.9%

*Feb. 13, 2007

Growth of $10,000 Since Inception



Stock Snapshot - ASIA PACIFIC BREWERIES LIMITED

Overview

Asia Pacific Breweries (APB) is a Singapore-based beer company with a portfolio of leading regional brands, including Tiger Beer. APB also represents Heineken in a number of South-East Asian markets, including China, Thailand and Indonesia. The company generates over CDN$2 billion in annual revenues and has a large and growing footprint in the Asia-Pacific region.

The stock is held in our Equity Fund (5.3% position size).

Investment Case

Asia Pacific Breweries has been operating in South-East Asia since 1929 and has a dominant market position. It is the #1 brewer in Singapore, Indonesia and Malaysia, and has a strong presence in Vietnam, Thailand and China. Heineken owns 40% of the company, which in turn gives APB distribution rights to the world's leading premium beer in many of Asia's fastest growing markets.

Demographics and rising incomes in Asia present a compelling opportunity for APB. The population of South-East Asia is expected to grow rapidly over the next 40 years and many countries will have (or already have) the tools necessary to help them become more productive, leading to sharp increases in incomes. In aggregate, APB's target market is growing at a rate that is almost 10 times faster than the European beer market.

From a financial standpoint, the company is very profitable and generates a return on equity (ROE) of 25%. APB has also been successful in improving margins and increasing productivity in key markets. Further, it has a strong distribution network and a number of valuable partnerships and alliances. Over the last decade, the brewer has achieved annual revenue growth of 12% and net profit growth of 15%.

Risks to Outlook

Demographics and expanding incomes are not a guarantee of success. Rising inflation and economic uncertainty may dampen demand. As well, a strengthening Singapore dollar has an adverse impact on APB's financial results.

An interesting fact: Tiger Beer has accumulated over 40 awards and accolades, including a highly-coveted Gold Medal at the *World Beer Cup 2004*, known in the brewing industry as the 'Olympics of Beer Competitions'.

Where to From Here?

Are low interest rates here to stay? Is there anything to be upbeat about in Europe? Is there any value in the U.S.? What's going on with commodities? Does long-term investing work?

Join Tom Bradley and the Steadyhand team at our annual client event as we address these top-of-mind questions and provide an assessment of the current investing environment and a look at how our funds are positioned.

Winnipeg – Monday, January 30th, 6:30 PM at Inn at the Forks

Ottawa – Tuesday, January 31st, 6:30 PM at the Brookstreet Hotel

Toronto – Thursday, February 2nd, 12:00 PM & 5:00 PM at the Ontario Heritage Centre

Calgary – Tuesday, February 7th, 6:30 PM at the Calgary Petroleum Club

Vancouver – Thursday, February 9th, 6:30 PM at the H.R. MacMillan Space Centre

Please call 1-888-888-3147 to register.

Disclaimers

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

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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