Q3
2013

> *"Over the past 6-9 months we have seen signs of the market moving to the view that it is valuation rather than predictability which provides safety."*
>
> - Edinburgh Partners Limited (manager of the Steadyhand Global Equity Fund)

STEADYHAND

Bradley's Brief

Five years ago we were right in the middle of it. Lehman Brothers had gone down and the financial crisis was taking hold. It was a period that will be forever fused in my memory, as I suspect it will for our clients.

But even with the toughest months of '08 and '09 embedded in our 5-year numbers, investment returns for our clients have been pretty reasonable. Balanced portfolios have earned in the neighbourhood of 8% per year. $100,000 invested in our *Balanced Income* model portfolio (50% fixed income/50% stocks) is now worth just shy of $150,000.

It might be instructive to review the sequence of returns over this fascinating period. Certainly, the scariest time was the fourth quarter of 2008 and first two months of 2009 – the banking system was teetering and equity and credit markets were melting down. But after the stock market bottomed on March 9th, the initial recovery came with lightning speed and everything was up in 2009.

In the years that followed, it was more of a relay race, with the baton being passed from one asset class to another. Canadian stocks, corporate bonds, high yield bonds, U.S. stocks and finally Japanese and European stocks all took turns leading the way. It was interesting to watch because investors seemed perpetually surprised by what asset classes performed. At points in time, U.S., Japanese and European stocks were written off for dead, with no consideration being given to their unsustainably cheap valuations.

At Steadyhand, we had our own relay race going. Our funds and managers took turns riding their asset classes and adding value over the markets. Most recently, the Global Fund has been the big contributor to client returns.

Until this year, the one constant in our portfolios was the Income Fund. We got used to it providing steady, attractive returns year in and year out. So far this year, however, it's been operating in a hostile environment (interest rates are higher and as a result, the bond market is down 1.6%) and has delivered only a modest return (+1.1%). While some clients have described the fund as "struggling", the reality is, the fund's manager, Connor, Clark & Lunn, has performed admirably on both the bond and stock fronts.

So what about the next 5 years? Well, we'll absolutely have more ups and downs, and some significant volatility at times. Leadership will again be passed around, although it's unlikely bonds will take much of a turn. With interest rates where they are, bond returns are likely to be in the range of 2-3% (before CC&L does its thing). Stocks should do better (5-7%). As far as asset mix, the last two years have taught us (again) just how important diversification is.

Before I close, there are a few Steadyhand items to mention. First, we made a hard decision to move our corporate and fund audits to KPMG (see an explanation on the back page). Second, we've updated our co-investment number for 2013 - 84% of our team's financial assets are invested alongside our clients in the Steadyhand funds. Third, we've added depth and talent to the firm as we recently welcomed Cheryl Shkurhan to the client service team. And finally, we're rolling out further enhancements to our client statements – your contribution and performance data is now portrayed graphically. It's pretty self-explanatory, but please let us know if you have any questions.

Takeaways

Stocks had a strong quarter worldwide, led by European markets. Bonds turned in flat performance as interest rates nudged marginally higher.

Stocks

- It was a good quarter for stocks as corporations continued to grow their earnings and global economic conditions improved. Cyclical companies (those that are more leveraged to economic growth, such as industrial and 'big ticket' consumer companies) performed particularly well.
- European stocks were among the strongest performers, with Euro markets in aggregate producing a double-digit gain. The U.S. (S&P 500 Index) was up 5% in U.S. dollars, while Canada (S&P/TSX Composite Index) gained 6%.
- Resource stocks had a solid quarter as the price of oil and metals rose. This helped the Canadian small-cap market, with its emphasis on commodities.

Bonds

- Bond yields rose for most of the summer but fell in September after the Federal Reserve announced the timing was not right to 'taper' its bond buying program. Yields finished the quarter close to where they started.
- 10-year Government of Canada bond yields currently sit at 2.5%.
- The overall Canadian bond market rose 0.1% in the quarter but is down 1.6% so far in 2013. Corporate bonds continue to outperform their government counterparts.

Our Funds

- Our portfolios fared well in the quarter. Balanced clients experienced returns in the 3% to 5% range, depending on their asset mix, and are up 6% to 10% year-to-date.
- Foreign stocks have been key contributors to our funds' performance this year. Our Global Fund in particular has been a strong performer.
- In the context of a balanced portfolio, key stock purchases in the quarter included *Terex* (U.S.), *OSRAM* (Germany), *Post NL* (Netherlands) and *Pure Technologies* (Canada). Notable sales included *Illinois Tool Works* (U.S.), *Deutsche Post* (Germany) and *Iridium Communications* (U.S.).
- On the fixed income side, the Income Fund has a focus on corporate and provincial bonds with minimal exposure to Government of Canada bonds.

Our Advice to Clients

Our guidance remains unchanged. We continue to recommend a full allocation to equities in relation to your long-term asset mix (with a bias towards foreign stocks), a below-average position in bonds, and a healthy cash holding. This reflects our view that stock valuations are reasonable in the context of a slow growth economy, bonds are still trading at unattractively low yields and cash provides protection against rising interest rates.

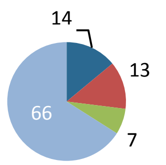
If you ever want further details on our thoughts on asset mix and the advice we're giving clients, visit the *Current Thinking* module on the home page of our website, or give us a call @ **1-888-888-3147.**

Steadyhand Portfolios (Hypothetical)*

Compound Annualized Returns (as of September 30, 2013)

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

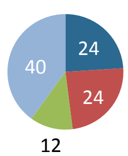
Balanced Income Portfolio (50/50)



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	5 Y
3.6%	6.3%	9.1%	10.5%	8.0%	8.3%

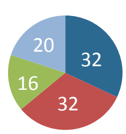
Balanced Equity Portfolio (70/30)



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	5 Y
5.2%	10.4%	14.4%	13.8%	9.6%	8.0%

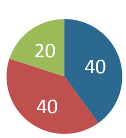
Growth Portfolio (85/15)



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	5 Y
6.4%	13.6%	18.5%	16.4%	10.9%	7.7%

Aggressive Growth Portfolio (100/0)



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	5 Y
7.7%	16.9%	22.7%	19.0%	12.1%	7.4%

*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 the back page of this report for performance disclaimers. For further details on the portfolios, visit steadyhand.com/education/portfolios.

Capital Market Performance (as of September 30, 2013)

	3 M	YTD	1 Y	2 Y	3 Y	5 Y
Cash (DEX 91 Day T-Bill Index)	0.3%	0.8%	1.0%	1.0%	1.0%	0.9%
Cdn Bonds (DEX Universe Bond Index)	0.1%	-1.6%	-1.3%	2.0%	3.6%	5.6%
Cdn Stocks (S&P/TSX Composite Index)	6.2%	5.3%	7.1%	8.1%	4.1%	4.8%
Cdn Small Cap (BMO Small Cap Index)	7.7%	0.7%	-0.4%	4.2%	2.0%	9.2%
U.S. Stocks (S&P 500 Index $Cdn)	3.0%	23.8%	24.8%	24.0%	16.2%	9.4%
Global Stocks (MSCI World Index $Cdn)	6.0%	21.8%	26.4%	21.0%	12.4%	7.8%

Founders Fund

Fund Overview

- The Founders Fund is a balanced mix of our fixed income and equity funds.
- It has a long-term asset mix target of 60% equities and 40% fixed income, although there's considerable scope to adjust these weightings.
- Tom Bradley manages the fund, and as such, it reflects his views on corporate fundamentals, valuations and asset mix.

Asset Mix

- The fund maintained a full allocation to stocks for most of the quarter, based on our view that corporations are in a strong position and valuations are in a normal range. As prices and valuations moved up, however, the total was edged down to 57%.
- As has been the case since the fund's inception in February 2012, foreign companies account for well over half of the stock weighting. Our managers are finding attractively priced stocks in industries that are not well represented in Canada, specifically the industrial, consumer and techonology sectors.
- The fund's Canadian stocks are diversified across income-oriented securities (Income Fund), high-quality companies with growing dividends (Equity Fund), and to a lesser extent, smaller companies with higher growth profiles (Small-Cap Fund).
- The fund overall has limited exposure to resource companies with the exception of oil & gas producers.
- The weighting in bonds (25%) was increased slightly, but remains well under the long-term target (35%). With interest rates where they are, bond returns are expected to be modest over the next few years.
- In lieu of a full bond allocation, the cash reserve is higher than normal. Between the Savings Fund and cash held in the equity funds, the reserve finished the quarter at 17% of total assets. Despite near-zero yields, cash and short-term securities provide protection against rising interest rates and are a ready source of liquidity in the event of heightened market volatility.

Portfolio Specifics

- Refer to pages 7-16 for details on the underlying funds.

Notable Transactions

- There were no notable shifts in the quarter, although the equity weighting was reduced slightly (59% to 57%) and bonds moved up (23% to 25%). The equity fund managers were more cautious around valuations and did more selling than buying.

The portfolio's equity weighting was reduced slightly and bonds increased modestly in light of current market valuations.

Fund Mix

Income Fund	35%
Global Equity Fund	25%
Equity Fund	22%
Small-Cap Equity Fund	5%
Savings Fund	14%

Foreign stocks

Gold

Consumer stocks

Unilever, Starbucks, FEMSA, CVS Caremark, Toyota

Cash reserve

Equities

Federal government bonds

Corporate bonds

Industrial Goods & Services

CN Rail, Toromont, Lincoln Electric, Maersk, Terex

Founders Fund

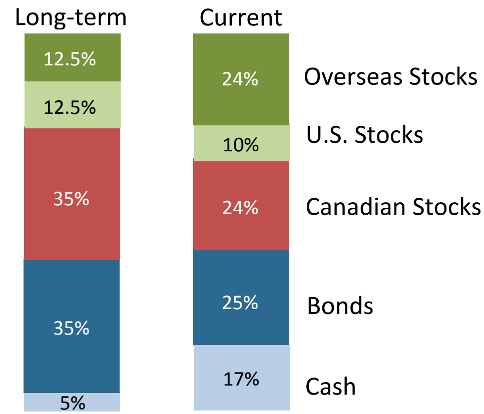
Top Stock Holdings (% of Fund)

TD Bank	2.1%
Suncor Energy	1.3%
Unilever	1.2%
Intact Financial	1.1%
Franco-Nevada	1.0%
Starbucks	0.9%
Baytex Energy	0.9%
Potash Corp.	0.9%
Home Capital Group	0.9%
FEMSA	0.9%

Sector Allocation (Equities)

Industrial Goods & Services	19.7%
Financial Services	18.2%
Oil & Gas	12.8%
Consumer Cyclical	10.0%
Technology	10.0%
Consumer Products	8.0%
Basic Materials	5.0%
Retailing	4.5%
Real Estate	3.9%
Communications & Media	3.8%
Healthcare	2.7%
Utilities & Pipelines	1.4%

Asset Mix



Transactions

+	-
Terex	Telus
Post NL	Illinois Tool
OSRAM	Seven & I
Pure Tech.	Iridium

Asset Mix

Cash & Short-term	17.4%
Government Bonds	10.4%
Corporate Bonds	14.6%
Canadian Stocks	23.6%
Foreign Stocks	34.0%

Fund Size

Net Assets $86,572,053

Fee

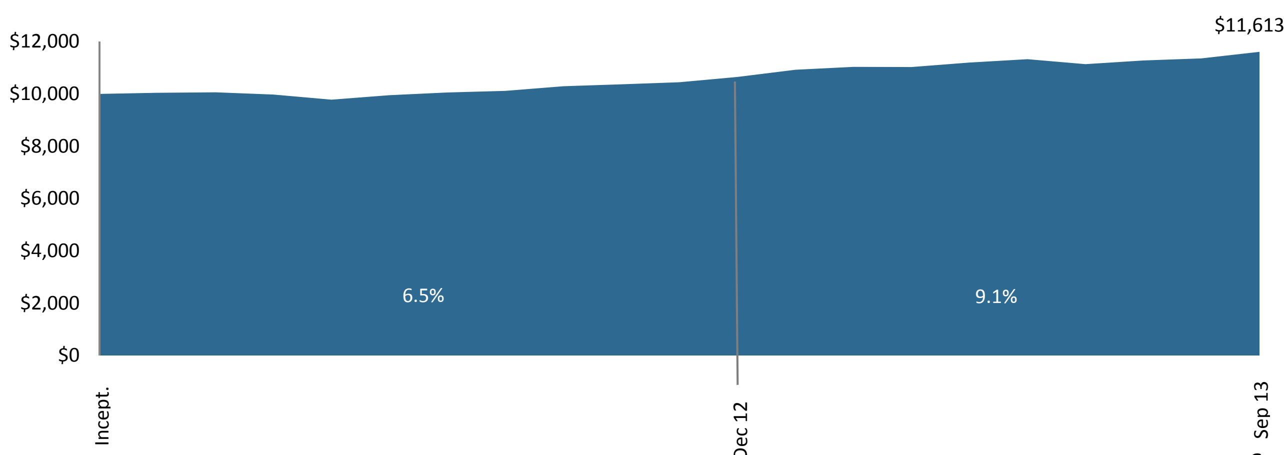
One Simple Fee 1.34% (or less)

Compound Annualized Returns (as of September 30, 2013)

	3 M	YTD	1 Y	2 Y	3 Y	5 Y	Incept*
Founders Fund	**4.3%**	**9.1%**	**12.8%**	**N/A**	**N/A**	**N/A**	**9.7%**
DEX Universe Bond Index	0.1%	-1.6%	-1.3%	N/A	N/A	N/A	1.3%
S&P/TSX Composite Index	6.2%	5.3%	7.1%	N/A	N/A	N/A	4.9%
MSCI World Index ($Cdn)	6.0%	21.8%	26.4%	N/A	N/A	N/A	17.4%

*Feb 17, 2012

Growth of $10,000 Since Inception (Feb 17, 2012)



Income Fund

Market Overview

- The Canadian bond market was largely unchanged in the third quarter. The DEX Universe Bond Index gained 0.1%, and is down 1.6% year-to-date. Yields rose in the summer – the 10-year Government of Canada yield moved up from 2.4% to 2.8% – but drifted back to 2.5% by quarter end.
- The Canadian stock market had a much better quarter, gaining 6.2%. Resource and financial stocks were key areas of strength.

Bond returns were flat in the quarter and interest rates remain very low by historical standards. Stocks provided solid returns and remain attractively valued.

Portfolio Specifics

- The fund fared well in a challenging market. Bond yields nudged slightly higher (negative for bond prices) while interest rates remain low by historical standards. Two key factors helped the fund achieve a positive return: (1) an emphasis on corporate and provincial bonds rather than Government of Canada bonds ('Canadas'); and (2) a full weighting in stocks (27% of the fund). Stocks were the greatest contributors to performance in the quarter (gaining 5%) and have buoyed the portfolio this year.
- Most corporate bonds contributed to performance, albeit marginally. High yield bonds struggled, however (U.S. banks in particular). Corporate bonds continue to offer a higher than average yield premium over Canadas and the manager favours these securities, which make up 40% of the fund.
- Provincial bonds continue to offer attractive value relative to Canadas. Indeed, Ontario 10-year bonds currently offer a yield advantage of close to 1%. Provincials comprise 27% of the fund.
- The manager's (Connor, Clark & Lunn) focus in the stock portion of the portfolio remains on banks & insurers and companies that have exposure to the recovering U.S. economy and increased business spending.
- The fund paid a distribution of $0.10/unit on September 30th.

Notable Transactions

- The weighting in provincial bonds was increased modestly with a focus on securities issued by Ontario and Quebec.
- Telecom bonds were purchased (*Bell*, *Rogers*, *Telus*) based on attractive fundamentals and Verizon's decision not to enter the Canadian market.
- The stock weighting was reduced: *Enbridge* and *H&R REIT* were sold, and *Gibson Energy*, *IGM Financial* and *Cominar REIT* were trimmed.

Positioning

- Fixed income holdings remain focused on mid-term corporate and provincial bonds.
- The portfolio's average term-to-maturity and duration remain slightly lower than normal as a defensive measure against a rise in interest rates.
- Stocks remain appealing in terms of valuation metrics and comprise over one-quarter of the portfolio.

U.S. recovery

Progressive Waste, Davis + Henderson, Bank of America, Tricon Capital

Corporate bonds

Telecom bonds

REITs

Brookfield Office, Boardwalk, Artis

Federal government bonds

Provincial bonds

Banks and insurance

Income Fund

Top Holdings

CC&L High Yield Bond Fund	7.8%
Ontario 4.00% (06/02/21)	3.9%
Ontario 3.15% (06/02/22)	3.4%
Quebec 3.50% (12/01/22)	3.1%
Ontario 4.20% (06/02/20)	2.3%
Toronto-Dominion Bank	2.3%
Ontario 5.85% (03/08/33)	2.3%
Ontario 6.50% (03/08/29)	2.2%
Bank of Nova Scotia	1.9%
Royal Bank	1.9%

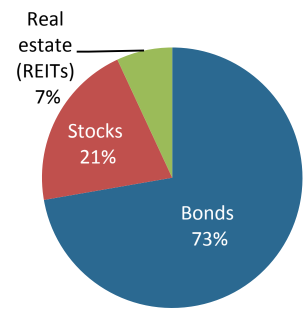
Issuer Allocation (Bonds)

Federal Govt. Bonds	3.1%
Provincial Govt. Bonds	38.5%
Corporate Bonds	58.4%

Rating Summary (Bonds)

AAA	5.3%
AA	44.3%
A	27.3%
BBB	14.8%
BB (or lower)	8.3%

Asset Mix



Stock Transactions

+	-
Loblaw	Enbridge
Tricon Capital	H&R REIT
Davis + Henderson	Cdn Apartment Properties

Term Summary

Avg. Term to Maturity	8.7 yrs.
Duration	6.5 yrs.

Fund Size / Yield

Net Assets	$71,511,250
Pre-fee Yield	3.6%

Fee

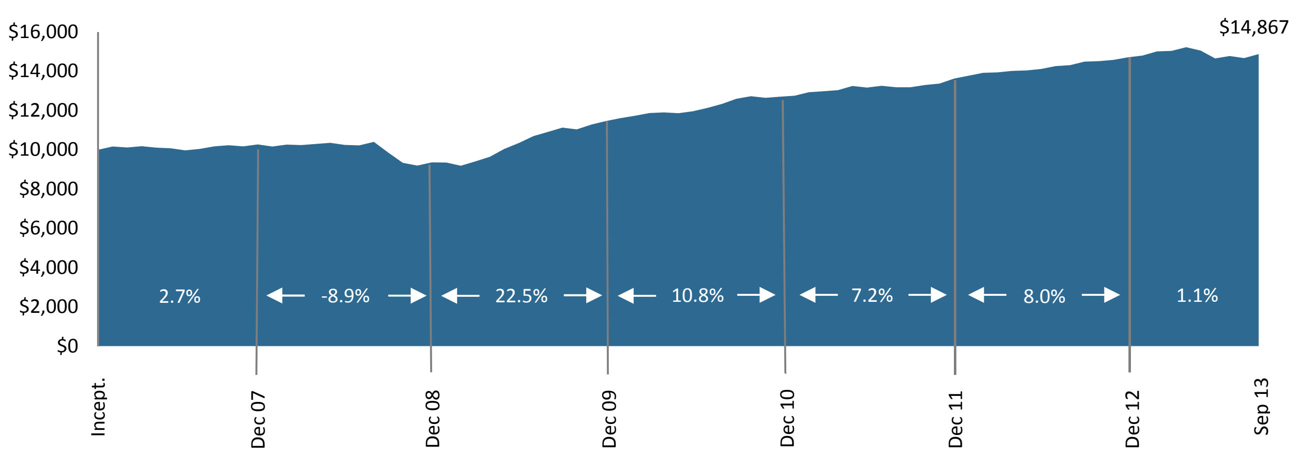
One Simple Fee 1.04% (or less)

Compound Annualized Returns (as of September 30, 2013)

	3 M	YTD	1 Y	2 Y	3 Y	5 Y	Incept*
Income Fund	**1.5%**	**1.1%**	**2.7%**	**6.2%**	**5.7%**	**8.6%**	**6.2%**
DEX Universe Bond Index	0.1%	-1.6%	-1.3%	2.0%	3.6%	5.6%	5.1%
S&P/TSX Composite Index	6.2%	5.3%	7.1%	8.1%	4.1%	4.8%	2.7%

*Feb 13, 2007

Growth of $10,000 Since Inception (Feb 13, 2007)



Equity Fund

Market Overview

- The Canadian stock market (S&P/TSX Composite Index) gained 6.2% in the third quarter on strength in commodity-related and financial stocks.
- Global markets posted strong gains, led by Europe. The region's economic outlook has improved and valuations have risen. The world market, as measured by the MSCI World Index, advanced 6.0%.

Many Canadian holdings had a strong quarter. This was offset marginally by weak performance from international investments focused in the emerging markets.

Portfolio Specifics

- Resource holdings had a strong quarter as *Franco-Nevada* rebounded sharply and *Suncor*, *Baytex* and *Pason* all saw double-digit price gains. The manager, CGOV Asset Management, continues to like the long-term fundamentals of Canadian oil producers and service companies, which comprise the majority of the fund's commodity-related exposure.
- *Potash Corp.*, the world's largest fertilizer company, fell 20% after a Russian firm exited a major potash cartel with the intention of ramping up production and selling the commodity at a cheaper price. CGOV believes the move makes no economic sense and will eventually be resolved. The manager likes the outlook for potash, which will play a key role in feeding a growing global population, and purchased more shares on weakness.
- Retailers and consumer product companies with leading brands continue to be an important component of the fund (25% of total assets) and have been key contributors to performance. *Starbucks*, *CVS Caremark*, and *Mead Johnson* continue to execute well. *FEMSA* and *Dairy Farm* stumbled in the quarter, but remain strong businesses in the manager's view.
- *Home Capital Group* was the strongest performer in the quarter, gaining 30%. The stock has been a longstanding holding and has risen over four-fold since the financial crisis of 2008/09.
- Profits were taken in holdings that have performed particularly well (*Starbucks*, *Lincoln Electric*, *Home Capital Group*) with the proceeds invested in those that lagged (*Potash*, *Dairy Farm Int'l*, *FEMSA*).

Notable Transactions

- No new companies were added to the portfolio.
- *Telus* was sold. The stock was an opportunistic purchase last quarter after it dropped on reports that Verizon may enter Canada. Telus subsequently rebounded when Verizon quashed the speculation.

Positioning

- The portfolio remains invested in steady cash-generating businesses with track records of strong operating results and earnings growth.
- The manager is cautious today, holding a 9% cash reserve, as few stocks are being overlooked and valuations are at the high end of normal in their view.

Dividend growers

Foreign stocks

Cash

Gold

Emerging markets

Dairy Farm, FEMSA, Unilever

Oil

High quality

Consumer products

Starbucks, Mead Johnson, CVS Caremark

Equity Fund

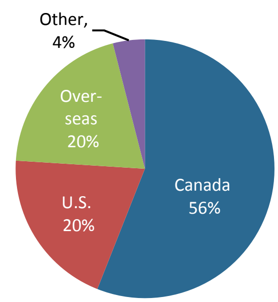
Top Holdings

Suncor Energy	6.1%
TD Bank	5.7%
Franco-Nevada	4.8%
Starbucks	4.2%
Baytex Energy	4.1%
Potash Corp.	4.0%
Home Capital Group	4.0%
FEMSA	3.9%
Intact Financial	3.9%
Lincoln Electric	3.9%

Sector Allocation (Equities)

Industrial Goods & Services	22.0%
Financial Services	19.1%
Oil & Gas	17.3%
Consumer Products	12.6%
Retailing	12.1%
Basic Materials	9.7%
Healthcare	4.0%
Technology	3.2%

Geographic Profile (Equities)



Transactions

+	-
Potash Corp. Dairy Farm FEMSA	Telus Lincoln Electric Starbucks Home Capital

Asset Mix

Equities	90.9%
Cash & Short-term	9.1%

Fund Size / Concentration

Net Assets	$57,184,499
Number of stocks	24

Fee

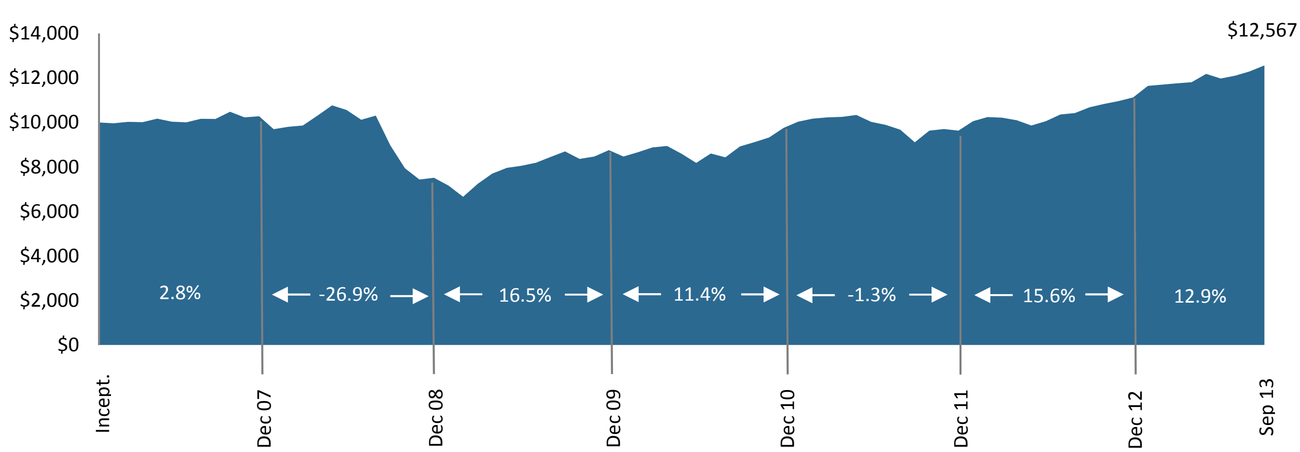
One Simple Fee 1.42% (or less)

Compound Annualized Returns (as of September 30, 2013)

	3 M	YTD	1 Y	2 Y	3 Y	5 Y	Incept*
Equity Fund	**4.9%**	**12.9%**	**17.6%**	**17.5%**	**12.1%**	**7.0%**	**3.5%**
S&P/TSX Composite Index	6.2%	5.3%	7.1%	8.1%	4.1%	4.8%	2.7%
MSCI World Index ($Cdn)	6.0%	21.8%	26.4%	21.0%	12.4%	7.8%	1.1%

*Feb 13, 2007

Growth of $10,000 Since Inception (Feb 13, 2007)



Global Equity Fund

Market Overview

- Global equity markets had a solid quarter. The MSCI World Index gained 6.0%, led by European markets. Asian markets were also strong, while the U.S. (S&P 500 Index) gained 5.2% in U.S. dollars. Global markets have been substantially stronger than the Canadian market over the past three years.
- The loonie rose modestly against the U.S. dollar and Euro but dropped marginally against the Japanese Yen and the British Pound. On balance, currency movements had little impact on returns.

The probability of 'tail risk' events derailing the global financial system has diminished and investors are paying closer attention to undervalued stocks with more cyclical earnings.

Portfolio Specifics

- The fund's emphasis on *cyclical* stocks (i.e. companies whose earnings fluctuate more with the business cycle) has been beneficial, as investors continue to shift away from the perceived safety of companies with predictable earnings that trade at premium valuations.
- European holdings had a standout quarter and were the strongest contributors to performance. The region is gradually emerging from crisis and the prospects for earnings growth are improving. *Maersk*, *Intesa Sanpaolo* and *Orange* (*France Telecom*) all gained more than 25%.
- Japan is still a key region of focus. Profit margins continue to recover and the country is surfacing from years of deflation. Export-focused stocks such as *Panasonic*, *Mitsubishi*, and *Yamaha* saw strong price gains.
- U.S. holdings continue to perform well, but the manager, Edinburgh Partners Ltd., feels that valuations in general remain expensive. EPL has a focus on technology companies such as *Google*, *Microsoft*, *Qualcomm*, *SanDisk* and *Cisco Systems*.
- Emerging market holdings lagged as investors are concerned that growth in China is slowing, yet the manager is still seeing opportunities in consumer companies in the Asia-Pacific basin.

Notable Transactions

- New purchases included: *Terex* (U.S. manufacturer of aerial work platforms and cranes), *OSRAM* (German lighting manufacturer), *Fresenius* (German provider of kidney dialysis machines and care), *Post NL* (Dutch mail and parcel company) and *BG Group* (British natural gas company).
- A number of large stocks were sold based on strong performance (*Illinois Tool Works*, *Applied Materials*, *Deutsche Post*, *Seven & I Holdings*) with the proceeds directed towards smaller companies with a European bias.

Positioning

- The fund has a focus on undervalued companies with more cyclical earnings. Europe and Asia remain key regions of investment.
- The average market capitalization of the portfolio has gotten smaller as new investments have been focused in medium-sized companies.

Value tilt

Europe

Mid-cap

Terex, OSRAM, Nutreco, Indra, Post NL

Japan

Resources

Cyclical

U.S.

Technology

Google, Microsoft, Samsung, SanDisk, Qualcomm

Global Equity Fund

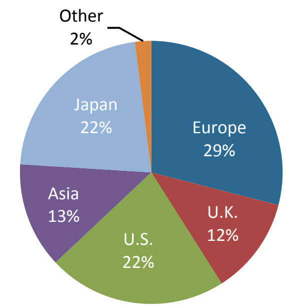
Top Holdings

Terex	3.1%
OSRAM	3.0%
Post NL	2.9%
Bridgestone	2.8%
Panasonic	2.7%
Google	2.7%
Nutreco	2.7%
Sumitomo Mitsui Fin.	2.6%
Dongfeng Motor	2.6%
Royal Bank of Scotland	2.6%

Sector Allocation (Equities)

Industrial Goods & Services	21.4%
Consumer Cyclical	19.3%
Technology	17.8%
Financial Services	14.5%
Consumer Products	8.8%
Communications & Media	7.1%
Oil & Gas	6.6%
Basic Materials	2.6%
Healthcare	1.9%

Geographic Profile (Equities)



Transactions

+	-
Terex OSRAM Fresenius Post NL BG Group	Illinois Tool Applied Mat. Deutsche Post Seven & I

Asset Mix

Equities	98.4%
Cash & Short-term	1.6%

Fund Size / Concentration

Net Assets	$38,961,399
Number of stocks	42

Fee

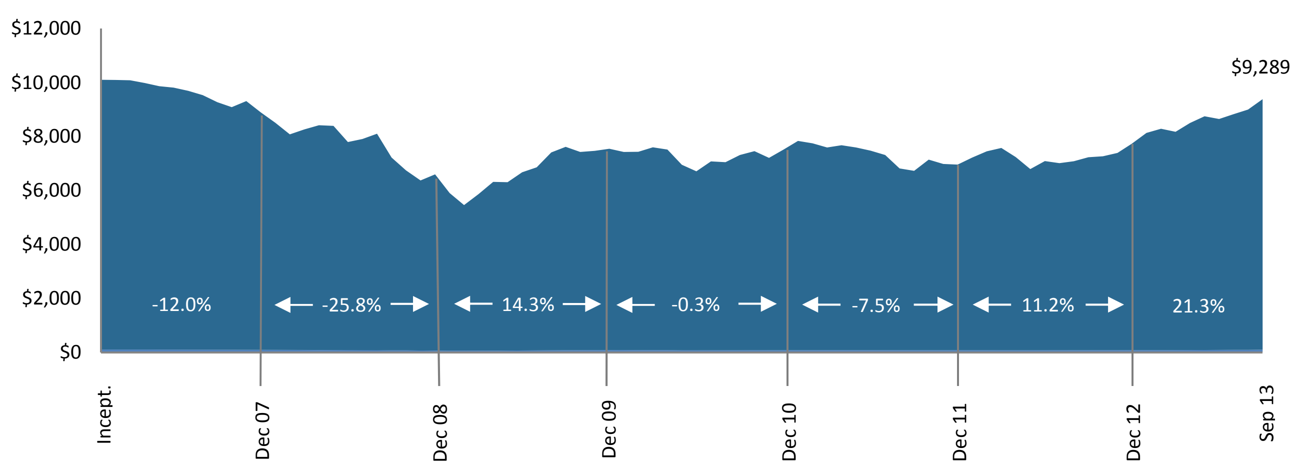
One Simple Fee 1.78% (or less)

Compound Annualized Returns (as of September 30, 2013)

	3 M	YTD	1 Y	2 Y	3 Y	5 Y	Incept*
Global Equity Fund	**8.5%**	**21.3%**	**29.8%**	**18.1%**	**8.7%**	**5.4%**	**-1.1%**
MSCI World Index ($Cdn)	6.0%	21.8%	26.4%	21.0%	12.4%	7.8%	1.1%

*Feb 13, 2007

Growth of $10,000 Since Inception (Feb 13, 2007)



Small-Cap Equity Fund

Oil & gas related investments drove performance; exposure to mining companies remains limited.

Market Overview

- The Canadian small-cap market (BMO Small Cap Index) rose 7.7% in the quarter and is up 0.7% year-to-date.
- Energy and mining stocks had a strong quarter as commodity prices rebounded. The Industrial and Technology sectors were also areas of strength.

Portfolio Specifics

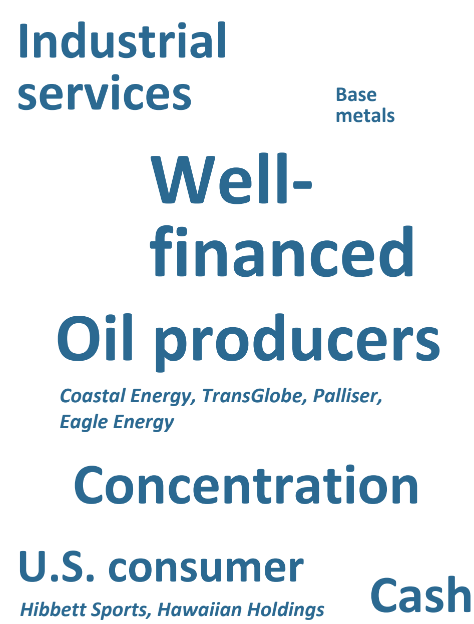
- The fund held 15 stocks at quarter-end, with market capitalizations ranging from $40 million to $2.8 billion. Two-thirds of the holdings have market capitalizations under $1 billion.
- Oil & gas related holdings drove performance in the quarter, in particular *Coastal Energy* and *Total Energy Services* (Coastal gained nearly 40%). The manager, Wutherich & Company, continues to like the outlook for smaller oil producers that are expoiting a niche in the market. Oil & gas stocks make up one-third of the portfolio.
- Exposure to mining companies remains limited (gold miner *Primero Mining* is the only holding) as the manager prefers companies with less erratic revenues and profits.
- U.S. holdings are focused in consumer businesses that stand to benefit from a continued rebound in spending, in particular *Hawaiian Holdings* (tourism) and *Hibbett Sports* (retailing). As well, *Medical Facilities*, while Canadian-listed, is based in the U.S. and focuses on elective surgeries.

Notable Transactions

- *Pure Technologies* was purchased. The company develops technologies for inspecting and monitoring pipelines and buildings. The manager has owned the stock in the past and believes its valuation is compelling again.
- Two larger positions were trimmed, *Stantec* and *Badger*. Both have provided excellent returns but their valuations are no longer as cheap.
- *Evertz Technologies* and *Iridium Communications* were sold, as was the small remaining position in *Calian Technologies*. Iridium still has good potential in the manager's view but was missing its financial targets and Wutherich grew uneasy with its debt load.

Positioning

- The fund continues to have a focus on profitable businesses with growing revenues and little or no debt.
- Wutherich is holding more cash than normal (18%) as a result of the stock sales. He continues to look at new opportunities but is mindful of valuations following a period of strong performance.



Small-Cap Equity Fund

Top Holdings*

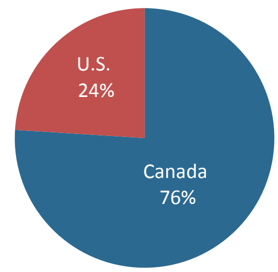
Stantec	9.7%
Iridium Communications	8.3%
Hibbett Sports	7.4%
Badger Daylighting	6.8%
MacDonald Dettwiler	6.7%
Hawaiian Holdings	6.3%
Primero Mining	6.2%
Total Energy Services	6.0%
Coastal Energy	5.9%
HNZ Group	5.2%

*As of July 31, 2013

Sector Allocation (Equities)

Oil & Gas	36.5%
Industrial Goods & Services	24.2%
Technology	13.4%
Retailing	8.1%
Basic Materials	8.1%
Consumer Cyclical	7.0%
Healthcare	5.8%

Geographic Profile (Equities)



Transactions

+	-
Pure Tech Eagle Energy TransGlobe Palliser	Evertz Tech Iridium Comm. Calian Badger Stantec

Asset Mix

Equities	82.2%
Cash & Short-term	17.8%

Fund Size / Concentration

Net Assets	$41,353,071
Number of stocks	15

Fee

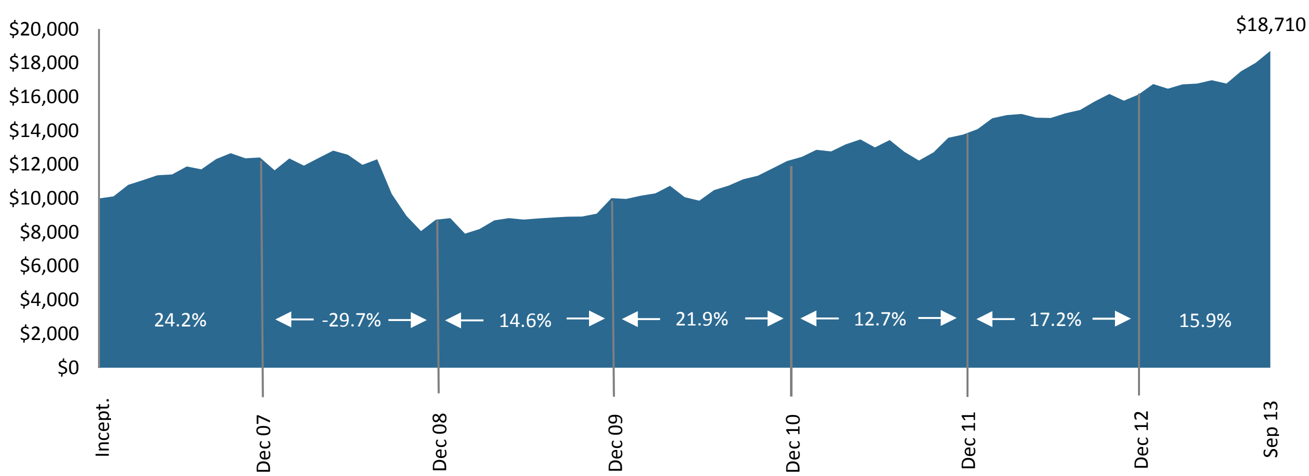
One Simple Fee 1.78% (or less)

Compound Annualized Returns (as of September 30, 2013)

	3 M	YTD	1 Y	2 Y	3 Y	5 Y	Incept*
Small-Cap Equity Fund	**11.5%**	**15.9%**	**19.0%**	**23.7%**	**18.9%**	**12.8%**	**9.9%**
BMO Small Cap Index	7.7%	0.7%	-0.4%	4.2%	2.0%	9.2%	1.9%

*Feb 13, 2007

Growth of $10,000 Since Inception (Feb 13, 2007)



Savings Fund

Market Overview

- The Bank of Canada left its key short-term lending rate unchanged in the quarter. It has sat at 1.0% for three years now.
- The central bank feels the global economy is expanding broadly, as expected, but uncertainties and imbalances remain and considerable monetary stimulus (in the form of low interest rates) remains appropriate.
- Inflation remains low in Canada and inflation expectations remain well-anchored in the central bank's view.

Inflation remains subdued and short-term interest rates are anchored around 1%, resulting in modest returns for money market investments.

Portfolio Specifics

- Investors should expect meagre returns from money market securities (T-Bills and short-term corporate paper) with short-term interest rates remaining close to historic lows.
- Bankers' acceptances (B/A's) comprise a significant portion of the portfolio (33% of assets). The manager, Connor, Clark & Lunn, continues to expect higher returns from these securities.
- T-Bill investments continue to be focused in Government of Canada securities (31% of assets). The fund does not hold any provincial T-Bills as their yield advantage is not sufficiently attractive.
- Floating rate notes (FRNs) make up roughly 15% of the portfolio. These securities have variable interest rates and currently provide an attractive yield advantage over T-Bills.
- The fund holds two short-term corporate bond investments whose terms have rolled down below one year (*John Deere Credit* and *DaimlerChrysler Canada Finance*). These securities provide diversification and additional yield for the portfolio.
- The pre-fee yield of the fund at the end of September was 1.2%.
- 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.

Notable Transactions

- There were no notable transactions in the quarter.

Positioning

- The manager continues to position the portfolio in shorter-term securities in anticipation that the market may begin to price in the possibility of future interest rate increases.
- Roughly 20% of the portfolio is invested in short-dated corporate bonds (including floating rate notes) and guarantees to help provide additional yield for the portfolio.

Bankers' acceptances

Federal T-Bills

Short maturity

Floating rate notes

Reduced fee

Short-term bonds

Savings Fund

Top Holdings

Canada T-Bills (10/10/13)	30.9%
CIBC B/A (02/10/14)	8.0%
BMO BDN (03/10/14)	6.2%
BNS B/A (12/31/13)	5.9%
Royal Bank B/A (12/04/13)	4.1%
Enbridge C/P (10/10/13)	3.9%
Manulife BDN (03/14/14)	3.9%
Royal Bank FRN (04/14/14)	3.6%
Nat'l Bank FRN (02/25/14)	3.4%
GE Capital FRN (02/10/14)	3.1%

Yield

7-day Yield* 1.0%

**This is an annualized historical yield (net of fess) based on the seven day period ended on September 30, 2013, and does not represent an actual one year return.*

Fund Size

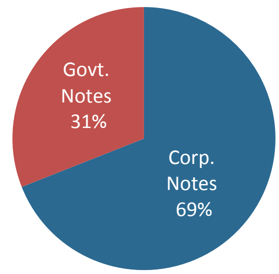
Net Assets $7,485,588

Fee

One Simple Fee 0.65%* (or less)

*Temporarily reduced to 0.20%

Issuer Allocation

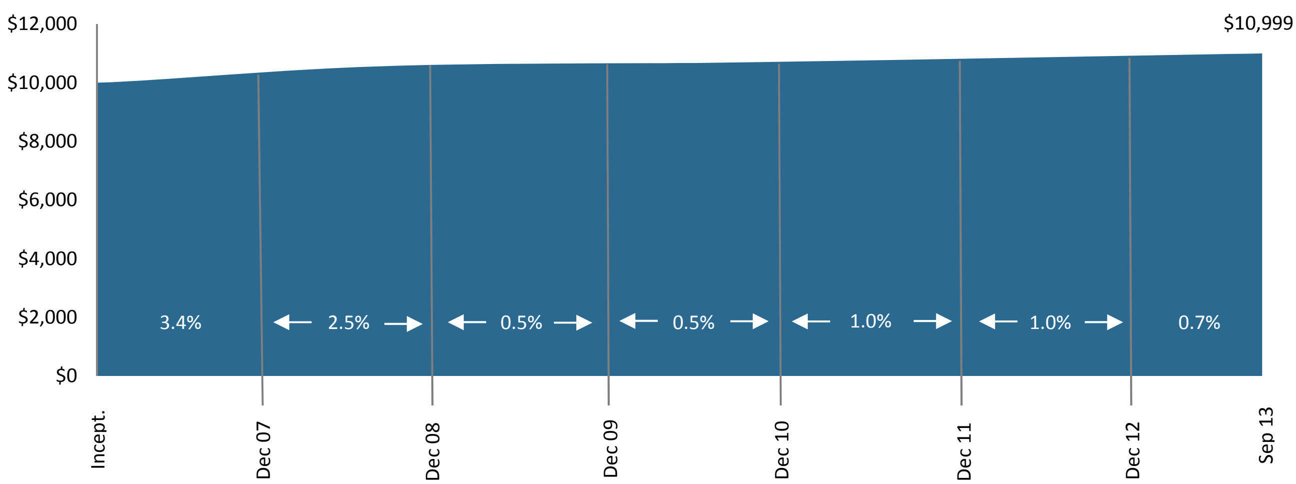


Compound Annualized Returns (as of September 30, 2013)

	3 M	YTD	1 Y	2 Y	3 Y	5 Y	Incept*
Savings Fund	**0.3%**	**0.7%**	**1.0%**	**1.0%**	**1.0%**	**0.8%**	**1.4%**
DEX 91 Day T-Bill Index	0.3%	0.8%	1.0%	1.0%	1.0%	0.9%	1.7%

*Feb 13, 2007

Growth of $10,000 Since Inception (Feb 13, 2007)



Stock Snapshot – FEMSA

Overview

FEMSA (Fomento Economico Mexicano) is a Latin American conglomerate operating several consumer-focused businesses, including Coca-Cola FEMSA, Coke's largest bottler by volume. FEMSA also owns and operates the largest convenience store chain in Mexico (OXXO) with more than 10,000 locations serving 8 million customers a day. Among its other businesses, FEMSA owns a 20% stake in Heineken, a large majority stake in a Mexican drugstore chain (Farmacias), one of the largest dairy bottlers in Mexico (Lacteos Santa Clara) and a Mexican football team (C.F. Monterrey). FEMSA has been in business since 1890.

The stock is held in our Equity Fund (3.9% position size).

Investment Case

FEMSA operates in nine Latin American countries (including Mexico, Colombia, Venezuela, Brazil and Argentina), providing exposure to fast-growing economies and emerging markets. The company has established dominant market positions and benefits from strong brand recognition, particularly with Coca-Cola and OXXO. The demographics in its key markets are favorable with rapidly growing populations and rising disposable incomes, making FEMSA's businesses fairly recession resistant. The company is also focused on efficiency, providing common services to its businesses through centralized operations. In turn, FEMSA's revenues and profits have grown consistently and the company has a strong record of increasing its dividend.

Coca-Cola FEMSA generates more than 60% of FEMSA's revenues, while the OXXO stores generate approximately 37%. Coca-Cola FEMSA operates in some of Coke's most important markets, serving over 200 million consumers. FEMSA's relationship with Coca-Cola and the strength of Coke's brand lowers the company's risk profile. OXXO has nearly tripled its store locations since 2004 and has considerably more locations than its closest competitors, including 7-Eleven. The company continues to pursue expansion opportunities, particularly in southern Mexico and Colombia.

Risks to Outlook

FEMSA's fortunes are tied to the prosperity of the Latin American consumer. As well, corporate governance may be an issue as only six of the company's 19 board members are independent. As such, strategic decisions may not always align with the interests of minority shareholders.

An interesting fact: Cuba and Panama were the first two countries to bottle Coca-Cola outside of the U.S. Coke products are now sold in approximately 200 countries and its logo is written in over 80 languages. Coca-Cola is the world's most recognizable trademark, known by 94% of the world's population.

Team Steadyhand. Running away from the index.

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.

Published on October 8, 2013, by Steadyhand Investment Management Ltd.

Notice of Change of Auditors

Pursuant to Section 13.2 of National Instrument 81-106 – Investment Fund Continuous Disclosure and Section 4.11 of NI 51-102, Steadyhand Investment Management Ltd. (the "Manager"), and manager of the Funds, give notice that, effective on or about January 1, 2014 (the "Effective Date"), Deloitte LLP (the "Former Auditor") will no longer act as auditor of the Funds.

As a result of the Manager's decision not to continue the mandate of the Former Auditor, as of the Effective Date, the accounting firm of KPMG LLP (the "Successor Auditor") will be appointed the auditor of the Funds.

The termination of the Former Auditor and the appointment of the Successor Auditor have been approved by the Board of Directors of Steadyhand Investment Management Ltd. The change of auditor has also been reviewed and approved by the Funds' Independent Review Committee (the "IRC") in accordance with the requirements of National Instrument 81-102 – Mutual Funds and National Instrument 81-107 – Independent Review Committee for Investment Funds.

There have been no reservations in the audit reports of the Former Auditor for their audits of the Funds' two most recently completed financial years and the Manager is of the opinion that there were no "reportable events" as defined in NI 51-102.

About the Change

We made the difficult decision to change our auditor in order to achieve greater efficiencies with our other service providers. KPMG LLP is a highly reputable firm and has expertise in working with our trustee and custodian, RBC Investor Services. We are always looking to improve our business and backoffice functions and determined that KPMG is better positioned to meet our auditing needs.

We encourage you to contact us at 1-888-888-3147 if you have any questions about the pending change.