Quarterly Report

Steadyhand

Q1
2015

“Volatility has picked up again. There’s been big moves in currencies, commodities and stocks. For people like us who are valuation driven, we are seeing more opportunities to add value despite overall market risks increasing.”

— Gord O’Reilly, CGOV (manager of the Steadyhand Equity Fund)

Bradley's Brief

We are going through The Great Rebalancing. I'm not talking about rebalancing your portfolio (which you should do), but rather an adjustment of an economic kind. The first quarter was a volatile period and brought into focus the dramatic changes that are going on in the world economy.

Irresistible moves in exchange rates and energy prices have recast the shape of trade and capital flows. Countries previously deemed uncompetitive are back in the game and swashbuckling oil nations are getting a severe dose of reality (and in some cases, being brought to their knees).

The U.S. dollar has been a powerhouse, reflecting the relative strength of the American economy. Currencies closely linked to the greenback, such as the Chinese Yuan, have also been strong. As a result, Japan, Europe and Canada are in a much better position to compete for new business.

In addition to currency shifts, there's a new balance between oil producing and oil consuming regions. The producers no longer have the hammer, while net importers of oil and gas, such as Japan and Europe, have been given a shot in the arm.

The Great Rebalancing is a worldwide phenomenon, but Canada could be its poster child. As a trading nation, we were uncompetitive – high cost at most things and low cost at nothing. And our standard of living was out of line with our productivity. As an example, snowbirds were able to buy food, booze and houses in the U.S. at a 40% discount. Our dollar at par was not sustainable.

The changes so far have been nothing short of remarkable, especially since they've come without a crisis to act as a catalyst. To date, investors have benefited greatly from owning U.S. assets (more than half of the Equity Fund's 7.6% return in the first quarter came from a rise in the U.S. dollar). In hindsight, Steadyhand portfolios weren't invested heavily enough in the U.S., primarily due to historically high valuations. Looking forward, however, our fund managers are likely to maintain this stance because the premium pricing of U.S. stocks is now even more extreme. Due to the surging dollar, U.S.-based companies' foreign assets are worth less and generate fewer U.S. dollars, which makes it difficult to grow earnings. The new economic reality supports our continued focus on companies in Europe, the U.K. and Japan.

Despite the turbulence in the first quarter, Steadyhand continued to move to higher ground in a, dare I say, steadier way. We now have 8-year returns to report and can post four sets of 5-year numbers. If you sampled our 5-year returns today, or in 2014, 2013 and 2012, you'd see that our balanced portfolios have consistently achieved top quartile performance.

Speaking of five years, in January we rolled out the 5-Year Club (or S5YC to those of you in the know). Clients who've been with us for more than five years were rewarded with stylish head gear and importantly, a 7% fee reduction. If you're not a client and want to join the club, please note, there's a five year waiting list.

We also announced an important addition to the team - Salman Ahmed has moved to Vancouver to work with me on the investment side. Salman comes with extensive experience in manager assessment and a broad knowledge of capital markets.

As always, don't hesitate to call if you too want to do some great (or simply mundane) rebalancing.

Key Takeaways

Stocks

- Stocks had a good start to the year, on balance. The Canadian market (S&P/TSX Composite Index) gained 2.6% on solid performance from technology, consumer and healthcare stocks. The energy sector and small-cap stocks, on the other hand, were weak as the price of oil and other commodities continued to fall.
- Foreign stocks also advanced, led by Japan and European markets (many of which posted double-digit gains). The American market (S&P 500 Index) was flat in U.S. dollar terms, but Canadian investors benefited significantly from currency gains - the U.S. dollar gained 9% against the loonie.

Market Returns

	3M	1Y
Canada	2.6%	6.9%
World	12.0%	22.3%

Bonds

- The Canadian bond market (FTSE TMX Canada Universe Bond Index) had a big quarter, producing a total return (interest and capital appreciation) of 4.2%.
- Bond yields declined rapidly early in the year after the Bank of Canada surprised investors by lowering its key short-term lending rate. The 10-year Government of Canada yield ended the quarter at 1.4%, which was a 0.4% decline from the end of 2014 - a significant move in a low interest rate environment.

	3M	1Y
Bonds	4.2%	10.3%

Our Funds

- Our funds advanced in the quarter with the exception of the Small-Cap Fund. Balanced clients experienced returns in the range of 5-6%, depending on their mix. Over our performance history (8 years), balanced clients have gained 6-7% per year.
- Our positioning remains cautious. Our managers' focus is on higher-quality stocks and we're holding more cash than normal in the Founders Fund. Our foreign stock exposure continues to have a tilt towards Asia (notably Japan) and Europe, rather than the U.S., as our global manager is finding better value outside North America.
- In the context of our balanced portfolios, key transactions in the first quarter included the purchase of NOMURA HOLDINGS (Japan) and CBOE HOLDINGS (U.S.), and the sale of BRIDGESTONE (Japan) and SAMSUNG ELECTRONICS (South Korea).

Fund Returns

	3M	1Y
Savings	0.2%	1.0%
Income	3.9%	10.4%
Founders	5.5%	8.7%
Equity	7.6%	13.6%
Global	12.2%	12.4%
Small-Cap	-0.6%	-14.0%

Our Advice to Clients

We continue to believe that stocks offer the best long-term return potential, but remain cautious following several years of strong returns. We recommend that your stock weighting be no higher than your long-term target, as valuations have risen and bargains are harder to find. We continue to recommend a below-average position in bonds and a healthy cash holding. In the Founders Fund, for example, 18% of the portfolio is currently held in cash.

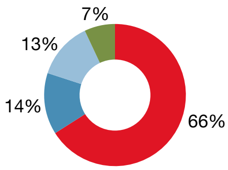
For further details on our thoughts on asset mix and the advice we're giving clients, visit the Current Outlook page on our website, or give us a call at 1.888.888.3147.

Steadyhand Portfolios (Hypothetical)*

Compound Annualized Returns (as of March 31, 2015)

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

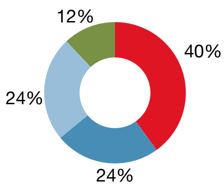
Balanced Income Portfolio (50/50)



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

3M	YTD	1Y	2Y	3Y	5Y	8Y
5.2%	5.2%	9.3%	11.0%	10.4%	9.4%	6.5%

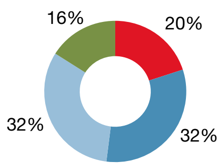
Balanced Equity Portfolio (70/30)



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

3M	YTD	1Y	2Y	3Y	5Y	8Y
6.2%	6.2%	8.5%	13.8%	12.6%	10.4%	6.0%

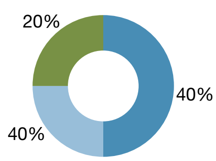
Growth Portfolio (85/15)



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

3M	YTD	1Y	2Y	3Y	5Y	8Y
7.0%	7.0%	7.9%	15.9%	14.2%	11.2%	5.6%

Aggressive Growth Portfolio (100/0)



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

3M	YTD	1Y	2Y	3Y	5Y	8Y
7.8%	7.8%	7.2%	18.0%	15.8%	11.9%	5.1%

Capital Market Performance (as of Mar 31, 2015)

	3M	YTD	1Y	2Y	3Y	5Y	8Y
Cash (FTSE TMX Canada 91 Day T-Bill Index)	0.2%	0.2%	0.9%	1.0%	1.0%	0.9%	1.5%
Cdn Bonds (FTSE TMX Canada Universe Bond Index)	4.2%	4.2%	10.3%	5.4%	5.1%	6.0%	5.8%
Cdn Stocks (S&P/TSX Composite Index)	2.6%	2.6%	6.9%	11.4%	9.6%	7.4%	4.6%
Cdn Small Cap Stocks (BMO Small Cap Index)	0.0%	0.0%	-8.2%	3.2%	0.9%	4.1%	2.1%
U.S. Stocks (S&P 500 Index $Cdn)	10.4%	10.4%	29.3%	31.0%	25.7%	19.7%	8.4%
Global Stocks (MSCI World Index $Cdn)	12.0%	12.0%	22.3%	26.2%	22.2%	15.6%	5.8%

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

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.

Portfolio Specifics

- The fund started the year off on a good note, despite being conservatively positioned. Strong performances from four of the five underlying funds fueled the return (the Small-Cap Equity Fund was the exception), as did a bias towards foreign stocks. As noted earlier in the report, with the Canadian dollar decline (vs. the U.S. dollar, Japanese Yen and British Pound), foreign assets increased in value.
- The fund didn't fully benefit from the strong markets, however, because it wasn't fully invested in bonds or stocks. At quarter-end, the weighting in bonds (26%) was well below the target (35%). In our view, near-zero interest rates point toward low single-digit bond returns and come with an increased risk of negative shocks.
- Equities accounted for 56% of the fund, which is also below the fund's long-term target of 60%. The economic signals are mixed, as they always are, but the most reliable predictor of future returns, stock valuations, are flashing caution. A common refrain from our managers is, *"there are no bargains out there."*
- The fund's Canadian equity exposure (24%) is diversified across income-oriented securities (Income Fund), high-quality companies with growing dividends (Equity Fund), and smaller companies with higher growth profiles (Small-Cap Fund). A disproportionate share of inflows were allocated to the Small-Cap Fund in response to its weakness. Its weighting in the Founders Fund has edged up to 6.3%.
- On the foreign side (32%), the fund is heavily tilted toward European and Asian stocks, due primarily to the Global Fund's focus on these regions. This strategy has impacted short-term returns (U.S. stocks have done better), but is compelling due to the valuation gap between these regions and the U.S. Not only are price-to-earnings ratios lower, but the companies have more room to grow profit margins, especially with new tailwinds building in the form of weaker currencies and lower energy costs.
- In lieu of full bond and stock allocations, the fund's cash reserve has been higher than normal. Between the Savings Fund and cash held in the equity funds, it finished the quarter at 18% of total assets. Cash and short-term securities offer little in the way of yield (and have been a detriment to the fund's performance), but provide protection against rising interest rates and are a ready source of liquidity in volatile markets.

Positioning

- Refer to pages 7-15 for details on the underlying funds.

The fund was up 5.5% in the quarter. Since inception (Feb 2012), it has a cumulative return of 39%, which equates to an annualized return of 11.2%.

Fund Mix

Income	36%
Global	22%
Equity	20%
Savings	16%
Small-Cap	6%

Asset Mix

Foreign Stocks	32%
Canadian Stocks	24%
Corporate Bonds	17%
Gov't Bonds	9%
Cash & Short-term	18%

Fund size	$206,917,726

Founders Fund

Attributes

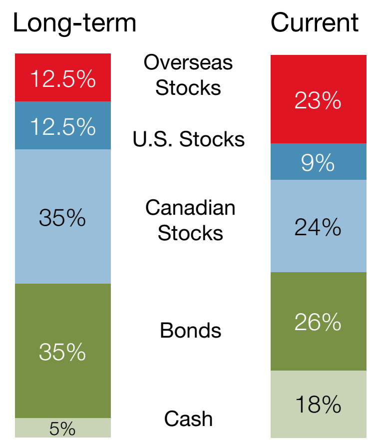
Top Stock Holdings

TD Bank	1.9%
Novartis	1.4%
Suncor Energy	1.2%
CVS Health	1.2%
Loblaw Companies	1.1%
Visa	1.0%
Ecolab	0.9%
PrairieSky Royalty	0.9%
Starbucks	0.8%
FEMSA	0.8%

Sector Allocation (Stocks)

Financial Services	24.7%
Industrial Goods & Svc	21.0%
Oil & Gas	10.5%
Healthcare	7.9%
Retailing	6.6%
Consumer Cyclical	6.6%
Technology	5.5%
Real Estate	4.9%
Consumer Products	4.5%
Basic Materials	3.8%
Comm. & Media	2.3%
Utilities & Pipelines	1.7%

Asset Mix



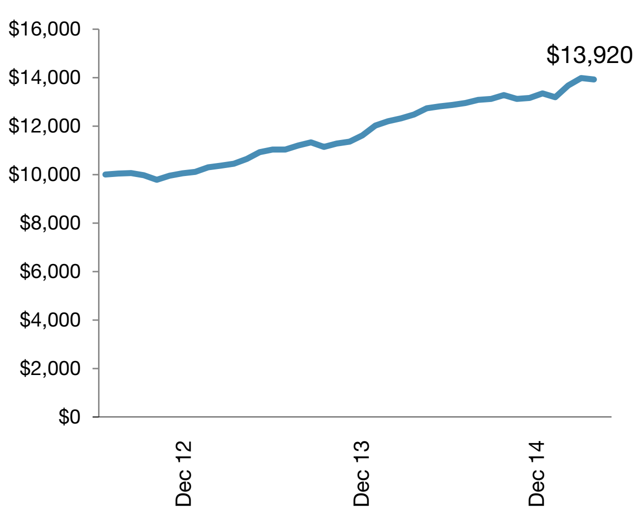
Performance

Compound Annualized Returns (as of Mar 31, 2015)

	3M	YTD	1Y	2Y	3Y	5Y	8Y	Incep*
Founders Fund	**5.5%**	**5.5%**	**8.7%**	**12.4%**	**11.4%**	**N/A**	**N/A**	**11.2%**
FTSE TMX Canada Universe Bond Index	4.2%	4.2%	10.3%	5.4%	5.1%	N/A	N/A	4.9%
S&P/TSX Composite Index	2.6%	2.6%	6.9%	11.4%	9.6%	N/A	N/A	9.2%
MSCI World Index ($Cdn)	12.0%	12.0%	22.3%	26.2%	22.2%	N/A	N/A	22.2%

*Feb 17, 2012

Growth of $10,000 Since Inception



Best and Worst Annualized Returns

Income Fund

Market Context

- The Canadian bond market had a strong start to the year, rising 4.2% (interest and capital appreciation). The Bank of Canada surprised investors by lowering its overnight lending rate in January, and overall interest rates declined considerably in the quarter (the 10-year Government of Canada yield dropped from 1.8% to 1.4%).
- The Canadian stock market rose 2.6%. Healthcare and technology stocks were strong performers, while the energy sector continued to struggle.

The fund was up 3.9% in the quarter. Since inception (Feb 2007), it has a cumulative return of 74%, which equates to an annualized return of 7.0%.

Portfolio Specifics

- Bonds comprise 73% of the portfolio. This component provided a strong return. In a falling interest rate environment, the fund benefited from its focus on securities with mid-term maturities (7-10 years).
- Corporate bonds were an area of strength, notably Canadian banks. The yield premium offered on corporate bonds over government bonds tightened slightly, leading to price gains. These bonds continue to comprise the largest weighting in the portfolio at 48%.
- Provincial bonds also added value. Demand for these securities has been strong, accentuated by foreigners searching for safe yield. The fund's focus remains on Ontario and Quebec bonds.
- The manager, Connor, Clark & Lunn, re-initiated a position in high yield bonds in the portfolio. CC&L is seeing attractive opportunities in the sector, and these securities now make up roughly 5% of the portfolio.
- The fund's stock holdings (27% of the fund) generated strong returns. Security selection has been key. Strength has come largely from financial stocks, including banks, insurance, asset managers and real estate companies.
- Exposure to the U.S. economic recovery is an important theme in the fund's stock investments. As well, cheaper oil has benefited its industrial and consumer holdings.
- New stock purchases in the quarter included SECURE ENERGY, GREAT WEST LIFECO, H&R REIT, and PATTERN ENERGY. Sales included MULLEN GROUP and ARTIS REIT.
- The fund paid a distribution of $0.07/unit at the end of March.

Transactions

Buy

Secure Energy*
Great West Lifeco*
H&R REIT*

Sell

Mullen Group
Artis REIT
Sun Life

*New Holding

Positioning

- The manager expects that interest rates will remain low for the foreseeable future, and continues to believe that the most favourable risk/reward opportunities are in bonds with mid-term maturities. Emphasis remains on corporate and provincial bonds.
- Stocks make up more than one-quarter of the portfolio as they remain attractive relative to bonds. CC&L's focus is on maintaining a balance of stocks that perform well in an improving economic environment (e.g. consumer and industrial companies) and those that have defensive characteristics and can perform well in a low interest rate, low growth environment (e.g. utilities and REITs).

Fund size	$100,209,003
Pre-fee Yield	2.7%
Avg Term to Maturity	9.5 yrs
Duration	7.3 yrs

Income Fund

Attributes

Top Holdings (% of Fund)

CC&L High Yield Bond Fd	4.4%
Ontario 5.60% (06/02/35)	4.1%
Natl Bank B/A (05/22/15)	4.0%
BMO 3.40% (06/02/37)	3.1%
Ontario 2.60% (06/02/25)	2.6%
Quebec 3.00% (09/01/23)	2.4%
BNS 3.27% (01/11/21)	2.0%
TD Bank	2.0%
CHT 2.55% (03/15/25)	1.9%
Royal Bank	1.8%

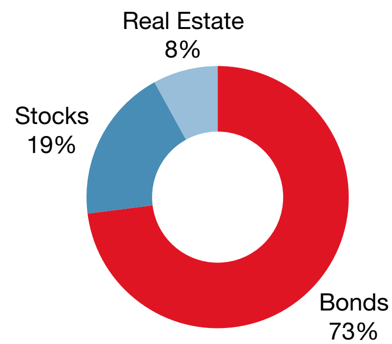
Issuer Allocation (Bonds)

Federal Gov't Bonds	4.2%
Provincial Gov't Bonds	27.9%
Corporate Bonds	67.9%

Rating Summary (Bonds)

AAA	8.8%
AA	51.7%
A	22.1%
BBB	11.8%
BB (or lower)	5.5%

Asset Mix



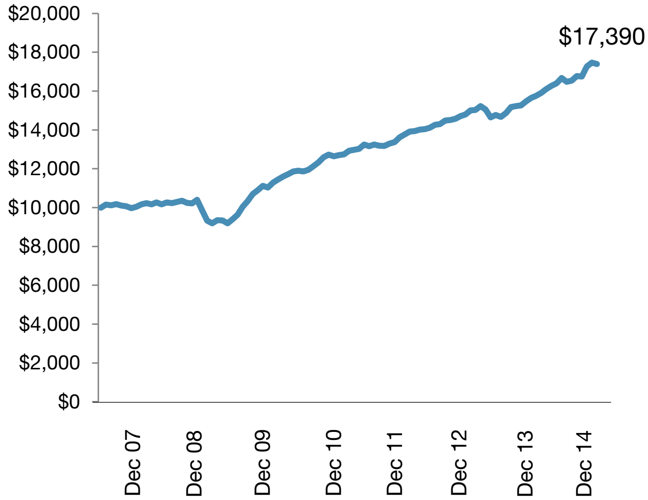
Performance

Compound Annualized Returns (as of Mar 31, 2015)

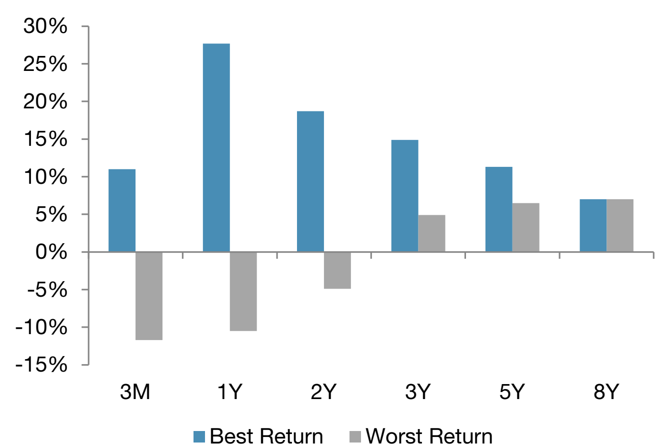
	3M	YTD	1Y	2Y	3Y	5Y	8Y	Incep*
Income Fund	**3.9%**	**3.9%**	**10.4%**	**7.6%**	**7.7%**	**7.9%**	**7.0%**	**7.0%**
FTSE TMX Canada Universe Bond Index	4.2%	4.2%	10.3%	5.4%	5.1%	6.0%	5.8%	5.8%
S&P/TSX Composite Index	2.6%	2.6%	6.9%	11.4%	9.6%	7.4%	4.6%	4.7%

*Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Equity Fund

Market Context

- The Canadian stock market (S&P/TSX Composite Index) gained 2.6% in the first quarter. Healthcare, technology and consumer stocks had a strong showing, while energy and bank stocks were areas of weakness.
- The MSCI World Index was up 12.0% in Canadian dollar terms.

The fund was up 7.6% in the quarter. Since inception (Feb 2007), it has a cumulative return of 67%, which equates to an annualized return of 6.5%.

Portfolio Specifics

- The fund holds 25 stocks, of which 50% are headquartered in Canada, 27% in the U.S., 19% overseas and 4% in Mexico.
- The big story in the quarter was the strength of the U.S. dollar. The greenback gained 9% against the Canadian dollar, which had a big impact on the performance of the fund's American holdings. Consider STARBUCKS: the stock gained 16% in U.S. dollars but 26% in Canadian dollar terms.
- The positioning of the fund was largely unchanged. The key themes continue to be: (1) a focus on higher-quality companies with enviable market positions (CN RAIL, TD BANK, VISA), (2) leading consumer-focused businesses (STARBUCKS, LOBLAW, CVS HEALTH, FEMSA, UNILEVER), and (3) companies with a broad geographic footprint that generate significant revenues outside Canada.
- Consumer businesses are benefiting from a lower oil price, as shoppers have more money in their wallets. Roughly 25% of the fund is invested in this sector.
- Volatility was plentiful in the quarter. There were some big stock price moves in both directions. The manager, CGOV Asset Management, welcomes this. They trimmed a few holdings on price strength (e.g. CN RAIL, FRANCO-NEVADA) and added back to them on weakness. When CGOV sees a dislocation in a stock's price with no fundamental changes to the business, they will take advantage of the volatility.
- One new stock was added to the portfolio in the quarter, CBOE HOLDINGS. CBOE is the holding company for Chicago Board Options Exchange, the largest options exchange in the U.S. The company benefits from increased trading volumes in options and futures, and trading on the CBOE Volatility Index. No stocks were sold, although a few were trimmed.
- The fund currently has a cash position of 1%.

Transactions

Buy

CBOE Holdings*
Birchcliff Energy
Home Capital Group

Sell

Toromont Industries
Starbucks
Agrium

*New Holding

Positioning

- The portfolio continues to hold a concentrated collection of best-in-class companies across a range of industries. Industrial, consumer, financial services and resource companies are key areas of investment.
- Foreign stocks comprise roughly half of the portfolio, providing exposure to global brands and consumers. Two-thirds of the portfolio's revenues come from outside Canada.

Fund size	$67,615,703
No. of stocks	25

Equity Fund

Attributes

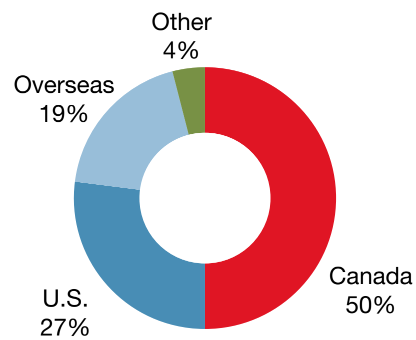
Top Stock Holdings

TD Bank	5.9%
Suncor Energy	5.8%
CVS Health	5.8%
Visa	4.9%
Ecolab	4.7%
Starbucks	4.2%
FEMSA	4.2%
Franco-Nevada	4.0%
Novozymes	4.0%
CN Rail	4.0%

Sector Allocation (Stocks)

Industrial Goods & Svc	25.9%
Financial Services	21.2%
Retailing	17.2%
Oil & Gas	16.1%
Basic Materials	7.9%
Consumer Products	7.8%
Healthcare	3.9%

Geographic Profile (Stocks)



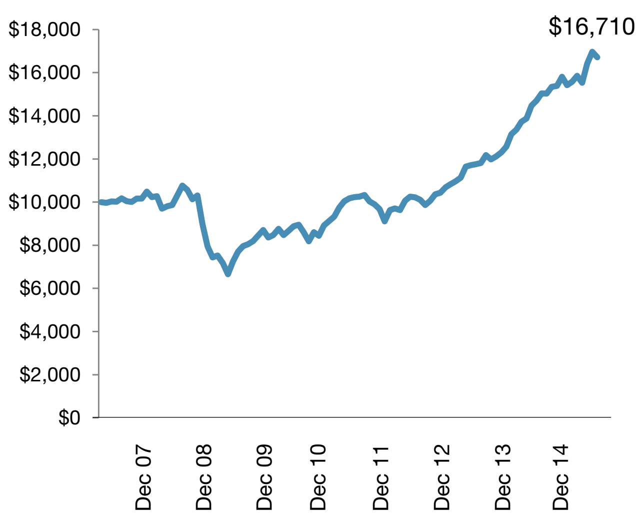
Performance

Compound Annualized Returns (as of Mar 31, 2015)

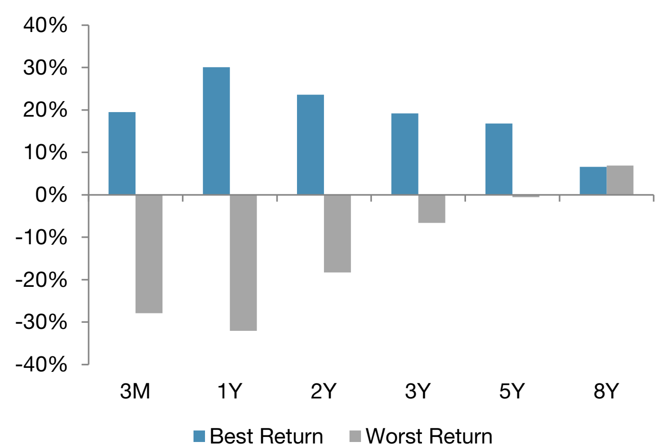
	3M	YTD	1Y	2Y	3Y	5Y	8Y	Incep*
Equity Fund	**7.6%**	**7.6%**	**13.6%**	**19.2%**	**17.8%**	**13.5%**	**6.6%**	**6.5%**
S&P/TSX Composite Index	2.6%	2.6%	6.9%	11.4%	9.6%	7.4%	4.6%	4.7%
MSCI World Index ($Cdn)	12.0%	12.0%	22.3%	26.2%	22.2%	15.6%	5.8%	5.6%

*Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Global Equity Fund

Market Context

- Global stock markets in general had a buoyant start to the year. The MSCI World Index rose 12.0% in Canadian dollar terms in the quarter, although a good part of the gain was driven by the stronger U.S. dollar (which appreciated 9% against the loonie).
- The U.S. market was relatively flat in U.S. dollar terms. European and Japanese stocks, on the other hand, had strong returns.

The fund was up 12.2% in the quarter. Since inception (Feb 2007), it has a cumulative return of 22%, which equates to an annualized return of 2.5%.

Portfolio Specifics

- The fund holds 40 stocks across 14 countries. Asian stocks make up 48% of the fund, while Europe (including the U.K.) accounts for 39% and the U.S. 13%.
- Japanese stocks continue to make up the largest part of the fund (32%). These holdings had a strong start to the year. The focus remains twofold: (1) export-oriented manufacturers (PANASONIC, TOYOTA, YAMAHA, TOSHIBA), and (2) stocks that stand to benefit from a local economic recovery (EAST JAPAN RAILWAY, SUMITOMO MITSUI).
- As for Japanese manufacturers, exporters have started to benefit from a more competitive exchange rate, making their goods cheaper for non-Japanese consumers and thus leading to a pick up in demand for many products. And with respect to the local economy, there are positive signs the tide is turning. EPL added NOMURA (a bank) to the fund in the quarter, which is expected to benefit from the government's effort to increase the allocation to stocks held by Japanese households (an investment plan similar to the TFSA was recently introduced).
- European stocks have benefited from stimulative economic policies and greater interest from foreign investors. There is a material difference in the valuation of European stocks compared to American companies (Europe is much cheaper on several measures), and many holdings had a good start to the year.
- The energy sector continues to turn in lacklustre returns as a result of weak commodity prices. The fund only holds two oil & gas companies (ROYAL DUTCH SHELL and BG GROUP), although this is an area the manager is watching closer for opportunities.
- A few stocks were sold, notably BRIDGESTONE. The stock has been a big winner, but with increasing pressure from Chinese tire manufacturers, the manager now feels there's more risk than upside potential. SAMSUNG ELECTRONICS was sold for similar reasons.
- The fund currently has a cash position of 5%.

Transactions

Buy

Whirlpool*
Bayer*
Nomura Holdings*

Sell

Dongfeng Motor
Bridgestone
Samsung Electronics

*New Holding

Positioning

- The fund continues to have a contrarian composition with a greater emphasis on Asian and European stocks. This bias is driven by the manager finding cheaper stocks in these regions.
- As stock valuations rise, EPL continues to seek stocks with lower risk. This is being reflected in the fund's growing exposure to healthcare companies, and the sale of companies that are vulnerable to a decline in profit margins.

Fund size	$60,842,678
No. of stocks	40

Global Equity Fund

Attributes

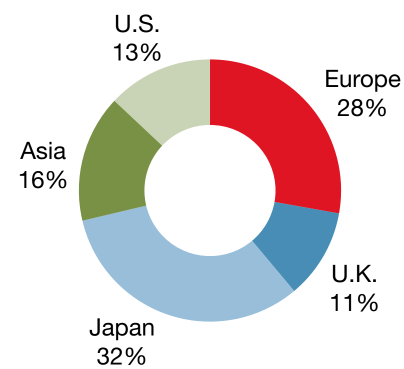
Top Stock Holdings

Hutchison Whampoa	3.1%
Dainippon Screen Mfg.	3.0%
Roche	3.0%
Swire Pacific	2.9%
Sumitomo Mitsui Trust	2.9%
Novartis	2.9%
Toshiba	2.7%
Sumitomo Mitsui Fin'l	2.7%
Japan Tobacco	2.6%
Toyota	2.6%

Sector Allocation (Stocks)

Financial Services	24.8%
Industrial Goods & Svc	20.8%
Consumer Cyclical	17.8%
Healthcare	15.9%
Technology	6.1%
Comm. & Media	5.1%
Oil & Gas	4.8%
Consumer Products	4.7%

Geographic Profile (Stocks)



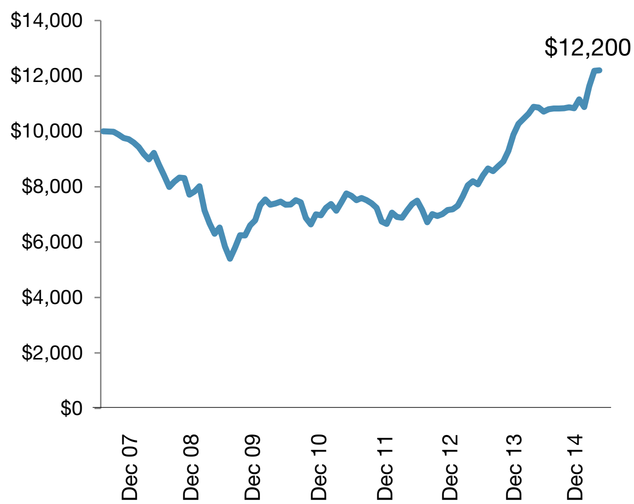
Performance

Compound Annualized Returns (as of Mar 31, 2015)

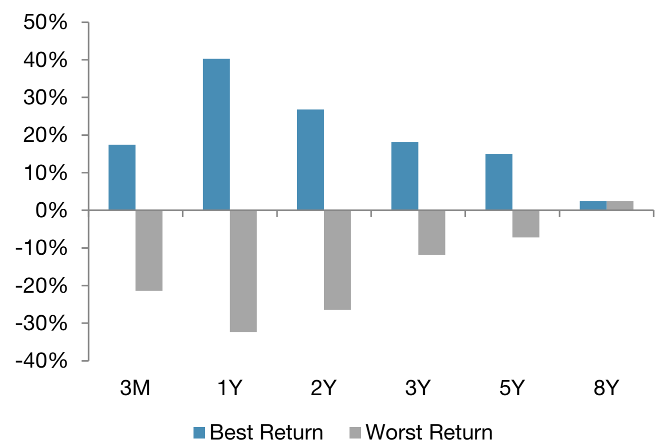
	3M	YTD	1Y	2Y	3Y	5Y	8Y	Incep*
Global Equity Fund	**12.2%**	**12.2%**	**12.4%**	**22.8%**	**17.6%**	**10.2%**	**2.5%**	**2.5%**
MSCI World Index ($Cdn)	12.0%	12.0%	22.3%	26.2%	22.2%	15.6%	5.8%	5.6%

*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 (BMO Small Cap Index) was unchanged in the quarter.
- Energy stocks continued to struggle, while the healthcare and consumer sectors were areas of strength.

The fund was down 0.6% in the quarter. Since inception (Feb 2007), it has a cumulative return of 87%, which equates to an annualized return of 8.0%.

Portfolio Specifics

- The fund holds 17 stocks, with market capitalizations ranging from $60 million (ARSENAL ENERGY) to over $3 billion (MACDONALD DETTWILER). Twelve of the 17 holdings are under $1 billion. Fifteen are Canadian and two are American.
- The fund had a slow start to the year. Oil producers continue to weigh on performance, notably GRAN TIERRA ENERGY and ARSENAL ENERGY (ARSENAL was under pressure due to its higher debt burden). EAGLE ENERGY TRUST's balance sheet is showing signs of stress following an untimely acquisition, and the stock was sold.
- The manager (Wil Wutherich) is frustrated by the magnitude of the share price declines in the fund's oil producers, but remains confident in the management teams of GRAN TIERRA, TRANSGLOBE, and ARSENAL. He feels they can weather a period of low oil prices and will be well positioned when the price of the commodity settles or moves higher. These companies make up 10% of the portfolio.
- On a brighter note, other energy-related companies including PARKLAND FUEL (fuel distributor), ZCL COMPOSITES (fuel storage tanks), PURE TECHNOLOGIES (pipeline inspection) and TOTAL ENERGY SERVICES (energy services supplier) reported healthy operating numbers and turned in positive returns in the quarter.
- CBIZ remains the fund's largest holding. Small and mid-sized businesses in the U.S. use CBIZ to outsource administrative functions. Solid growth in the U.S. economy has led to good operating results and a promising outlook.
- One new stock was purchased in the quarter, DIRECTCASH PAYMENTS (profiled on page 16). The manager also added to PRIMERO MINING, while HNZ GROUP, MEDICAL FACILITIES and PARKLAND FUEL were trimmed.
- The fund currently has a cash position of 10%.

Transactions

Buy

DirectCash Payments*
Primero Mining

Sell

Eagle Energy Trust
HNZ Group
Medical Facilities

*New Holding

Positioning

- Few changes have been made to the portfolio. The fund remains highly concentrated, with industrial, energy and technology companies comprising the majority of investments (70%).
- The sizeable cash reserve will allow the manager to act quickly if the right opportunities arise.

Fund size	$46,715,943
No. of stocks	17

Small-Cap Equity Fund

Attributes

Top Stock Holdings*

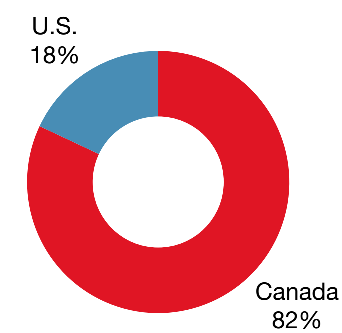
CBIZ	8.6%
MacDonald Dettwiler	8.5%
Medical Facilities	8.2%
Hibbett Sports	7.0%
Pure Technologies	6.6%
Stantec	6.5%
New Gold	5.6%
Parkland Fuel	5.4%
Primero Mining	5.0%
Total Energy Services	4.8%

*As of Jan 31

Sector Allocation (Stocks)

Industrial Goods & Svc	31.4%
Oil & Gas	20.5%
Technology	17.9%
Basic Materials	10.4%
Retailing	7.9%
Healthcare	6.4%
Financial Services	5.5%

Geographic Profile (Stocks)



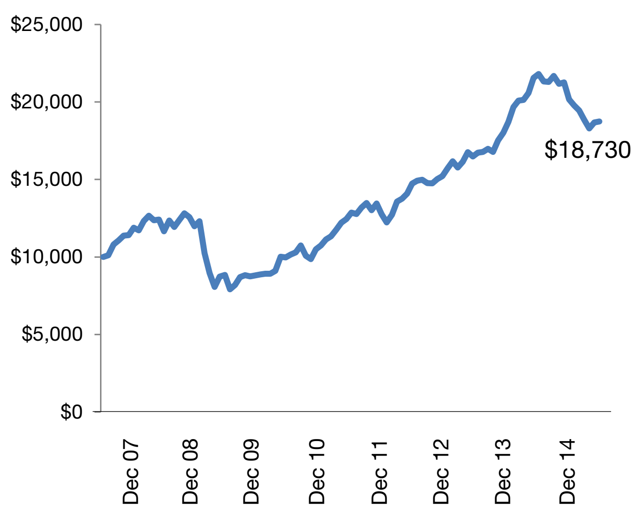
Performance

Compound Annualized Returns (as of Mar 31, 2015)

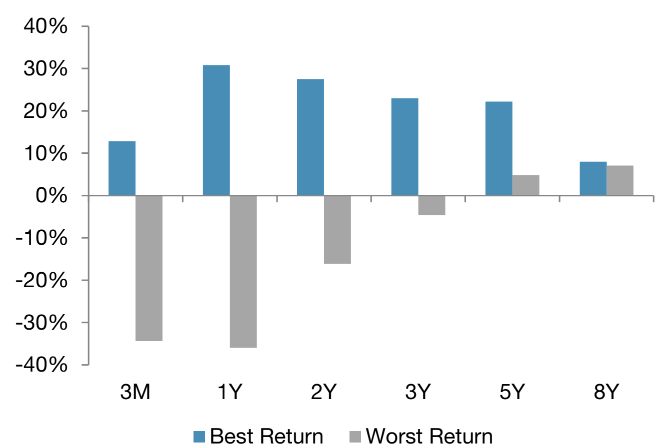
	3M	YTD	1Y	2Y	3Y	5Y	8Y	Incep*
Small-Cap Equity Fund	**-0.6%**	**-0.6%**	**-14.0%**	**5.8%**	**7.9%**	**12.7%**	**7.1%**	**8.0%**
BMO Small Cap Index	0.0%	0.0%	-8.2%	3.2%	0.9%	4.1%	2.1%	2.4%

*Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Savings Fund

Market Context

- The Bank of Canada reduced its key lending rate in January by 25 basis points (0.25%) to 0.75%, which is its lowest level in over four years.
- The central bank described its action as an insurance policy against the negative economic impact on the Canadian economy due to the severity of the decline in oil prices.

Positioning

- The manager, Connor, Clark & Lunn, continues to favour shorter-term bankers' acceptance notes and corporate notes. These securities make up 69% of the fund.
- Government notes make up 31% of the portfolio. CC&L currently has this portion of the fund invested in Provincial T-Bills and notes, as they feel these securities are more attractive than Government of Canada notes.
- The pre-fee yield of the fund at the end of March was 0.9%.

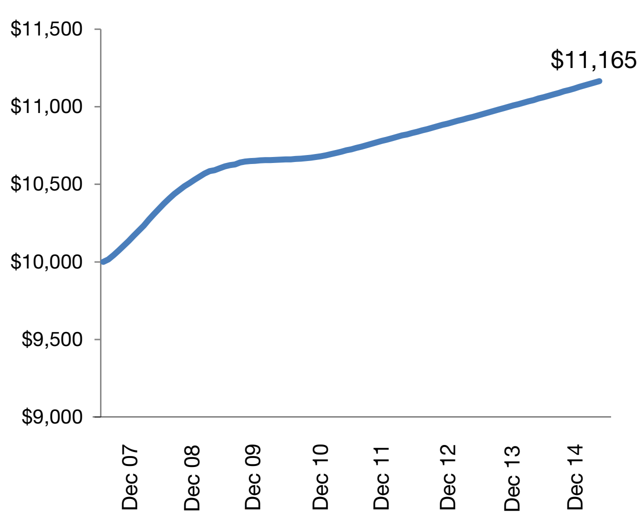
Performance

Compound Annualized Returns (as of Mar 31, 2015)

	3M	YTD	1Y	2Y	3Y	5Y	8Y	Incep*
Savings Fund	**0.2%**	**0.2%**	**1.0%**	**1.0%**	**1.0%**	**0.9%**	**1.3%**	**1.4%**
FTSE TMX Canada 91 Day T-Bill Index	0.2%	0.2%	0.9%	1.0%	1.0%	0.9%	1.5%	1.5%

*Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns

Stock Snapshot

DCPayments

Overview

DirectCash Payments owns and operates more than 20,000 self-branded automated teller machines (ATMs) across Canada, Australia, the U.K., New Zealand and Mexico. The company also provides financial institutions and other businesses with payment processing solutions, including point-of-sale terminals.

The company's ATM business accounts for about 80% of its revenues. Banking services make up the remaining part of the business. This group (banking services) sells ATM terminals to other firms, processes debit and credit transactions, sells debit machines to businesses, and offers prepaid cash and phone cards.

The stock is held in our Small-Cap Fund (5.0% position size). The manager of the fund (Wil Wutherich) has followed the firm for many years and recently gained confidence in the company after watching it take some positive steps in 2014. He was able to buy the stock in February 2015 when its market price dipped.

Investment Case

DirectCash has a profitable core business in its vast network of ATMs. It's a key player in this market and has delivered results when it comes to managing operations and costs effectively.

The firm's banking services business is expected to be the key growth engine. DirectCash collects revenue on each debit or credit card transaction it processes. The growing use of credit and debit cards by consumers should increase the volume of these transactions, and increase demand for its debit machines. This is also a higher margin business than its ATM operations.

In the past, the company's prospects have been weighed down by its use of debt, but management has been addressing this. DirectCash paid down 19% of its debt in 2014, improving the state of its balance sheet and allowing it to focus on improving its profit margins.

Reducing debt and costs requires a focused leader. The president of the company, Jeffrey Smith, co-founded the firm and has navigated it since 1997, from a small start-up to the largest deployer of ATM terminals in Canada. He also owns close to 15% of the firm, which helps align his interests with that of other shareholders. This adds to Wutherich's confidence in the stock.

Risks to Outlook

Consumers are using less cash, which reduces the need for ATMs. DirectCash's management team has so far been able to manage costs to improve the profitability of the business rather than just grow revenue. The firm would be disadvantaged if the revenue from the business falls faster than the team's ability to cut costs.

An interesting fact: DirectCash has the largest network of ATMs in Canada and Australia. It sets up its ATMs in places where other financial institutions wouldn't – like inside a bar on Queen West in Toronto or Gastown in Vancouver.

DirectCash Payments: Price History

Source: Reuters

From the Blog: No One Can Predict the Future - Not Even Financial Advisers

Published January 15th

Special to the Globe and Mail
By Tom Bradley

In Canada, there's been an increased effort by financial and public institutions to educate investors. Out of this have come some exceptional students, but as a whole, Canadians are still lingering in the early grades.

If I were to do a report card, I'd say that investors understand that asset mix is an important driver of returns. They sort of get that higher returns come with greater volatility. And they grudgingly accept that the long-term is what matters.

But despite this knowledge of basic principles, investors can't break the habit of trying to call the market. As a result, near-term forecasts invariably play too big a role in their investment decisions.

In doing my marking, I'm not excluding myself and other portfolio managers from this plight. For us, predicting the market is an occupational hazard. Clients ask all the time and there's only so many times we can say "I don't know." And when we win a new client and are implementing their strategy, we can't help but want their initial experience to be good. A negative return right out of the gate makes for unpleasant phone calls.

But talking about where the market is going is investing's lowest common denominator. It's like talking about the weather, except it has less chance of being right.

The S&P/TSX Composite Index is ultimately driven by the profitability of companies in it, but in the short term, its direction is influenced by a myriad of factors. They range from those in the spotlight (currently oil, currencies and a strong U.S. economy) to ones lurking in the shadows – revenue, profit margins, technological change, price-to-earnings multiples, debt levels, credit spreads, regulatory policy, corporate governance, investor psychology, demographics, wars, weather and thousands of others.

So if predicting the market is so hard, why do we spend so much time doing it? As noted above, the investment industry and media contribute to this misallocation of intellectual resources, but at the core, human nature is the problem. Investment professionals want their clients to believe that they know more than they do; the media want readers to care about the daily news flow; and investors, who naturally want to grow their money, not lose it, are constantly fighting the twin demons of fear and greed.

"Talking about where the market is going is investing's lowest common denominator"

Investors are particularly vulnerable to hindsight bias, or the tendency to see an event as having been predictable, even though there was no basis for predicting it prior to its occurrence. In this regard, I've lost track of how many people have told me they predicted the tech wreck. In a decade, the list has grown from a handful to almost everyone.

What can you do to break this nasty habit? Well for sure, you need to stop asking your adviser or portfolio manager where she thinks the market is going. If she offers her view unsolicited, politely cut her off.

Remind yourself how difficult it is to predict the market by looking for patterns on a long-term chart of the S&P/TSX or S&P 500. From year to year, or decade to decade, you won't find any consistency or symmetry. The trend up and to the right is irresistible, but the path is anything but predictable.

If you're serious about reform, there's nothing like real money to learn more about investing. You might consider carving off a small part of your retirement portfolio and managing the money at a discount broker. This will allow you to act on your market views and keep track of how you're doing. But a cautionary note – don't allocate more money to the strategy, or talk about it at parties, until you've been through a full cycle. Short-term results are meaningless.

Or you might consider the approach with the highest chance of succeeding – determine an appropriate long-term asset mix and stick to it by using contributions and withdrawals to rebalance your portfolio. The more automatic you make the process, the less influence market noise will have on your investment decisions.

Doug Macdonald of Macdonald Shymko & Co., one of the pioneers of the fee-only financial planning in Canada, had it right when he told me, "It became much easier to do our job once we realized that nobody, including us, knows what is going to happen in the future." We all need to learn that lesson.

Steadyhand

the easter bunny

santa claus

hidden fees

Forever Transparent

There's one thing on this list we don't believe in. For a full, transparent reporting of your investment fees, see page 2 of your account statement.

Published on April 8, 2015, by Steadyhand Investment Funds Inc.

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