Quarterly Report

Steadyhand

Q4
2021

"There's never been a period in my career when so much change and disruption was happening at one time ... Diversification has never been more important."

— Tom Bradley, The National Post, December 4th

Bradley's Brief

When looking back at my writing and counsel to clients this last quarter, it was clear that I've become a real downer. "The easy part is behind us, and we'll need to grind it out for a while." "It's a dangerous time ... when growth companies mature." "We're in a highly speculative, risk-complacent market."

My wife and I have a philosophy around downhill skiing – take what the mountain gives us. With investing (and writing), I have a similar approach – take what the market gives me. Don't force it. Go where the opportunities are. And if they're sparse, bide my time.

It's the opposite of a private equity manager I read about over the holidays. He wasn't winning any deals because valuations were high, so he adjusted his risk tolerance. "There's a lot of competitive pressure," he said. "We decided we had to be in the market." He had money to spend and had to take the price being offered.

Right now, our analysis and experience suggest that risk is higher than usual and expected returns are lower. This isn't based on a macro prediction, but rather a reflection of the prices we're required to pay for assets and the prevalence of speculative behaviours.

But my cautious counsel shouldn't obscure the strong returns our clients have experienced. 2021 was a banner year for investors. Nor should it hide the many positive aspects of today's investment landscape which provide a solid foundation for future returns.

Interest rates are low and will remain highly stimulative, even if they move up.

It's a big growing world out there and the middle class is expanding exponentially, particularly in India and China.

There's an abundance of well-run companies that are making or doing things that society needs. An increasing number of them are doing it responsibly.

Technology is penetrating all aspects of the economy. Innovation and digitization are driving operating efficiencies at the companies we own, as well as in government sponsored activities (where it's desperately needed). It's particularly exciting to see in healthcare and power generation. Vaccines are just one of many areas where there have been major breakthroughs, and it's great that we now have increasing options for powering our planet sustainably.

The employment outlook is outstanding. There's an abundance of jobs (we need to address the skills mismatch).

The savings rate in North America has been high during COVID and families have considerably more equity in their home than they did a year ago. The U.S. household debt service ratio has never been lower.

The cost of investing is coming down led by firms like ours (regular reductions are built into our fee schedule).

And most important, nobody has repealed the law of compounding. I see it in the statements of our long-standing clients. They've not only earned money on their invested capital, but also on the previous earnings from that capital. It's a beautiful thing.

All this to say, we go into 2022 with our eyes wide open, having no idea how Mr. Market will balance the positive and negative factors. There's one trend we're certain of though: investment returns go up and to the right over time. Indeed, at Steadyhand our balanced clients have earned positive returns for 12 of our 14 calendar years.

Key Takeaways

Stocks

- Stocks had a solid year, with healthy gains coming from most sectors. The U.S. market (S&P 500 Index) was once again a leader, rising 28.2% (in Canadian dollars). Europe saw returns in the mid-teens, while Japan turned in a small gain. Emerging markets, on the other hand, lost modest ground.
- The Canadian market (S&P/TSX Composite Index) rose 25.1%. The energy sector led the way, gaining 50%, while financial and real estate stocks also had a big recovery. Healthcare was the one negative sector, weighed down by the cannabis industry.
- The loonie was unchanged against the U.S. dollar but rose significantly against the Euro (8%) and Japanese Yen (12%), which dampened the returns of these stocks.

Market Returns

	3M	1Y
Canada	6.5%	25.1%
World	6.7%	19.6%

Bonds

- The Canadian bond market (FTSE Canada Universe Bond Index) provided a total return of -2.5% in 2021. Interest income wasn't enough to offset price depreciation.
- Interest rates rose during the year, with the 10-year Government of Canada bond yield climbing from 0.7% to 1.4% (reminder: when bonds yields rise, prices fall).
- Corporate bonds outperformed government bonds, as investors continued to show an appetite for risk. The high yield sector, in fact, turned in a positive return.

	3M	1Y
Bonds	1.5%	-2.5%

Our Funds

- Our funds had a solid year, with our equity funds all turning in double-digit returns. Our balanced clients' portfolios were up 9% to 11%. Over the past 10 years, our balanced returns were roughly 7% to 8% per year.
- The stock weighting in the Founders Fund is right at its long-term target (60%) and stayed close to this level throughout the year.
- In the context of our balanced portfolios, key transactions included the purchase of CBRE Group (U.S.), Martin Marietta (U.S.), and Sony Group (Japan); and the sale of Raytheon Technologies (U.S.), Safran (France), and Bayer (Germany).

Fund Returns

	3M	1Y
Savings	0.0%	0.0%
Income	2.3%	4.0%
Founders	3.5%	9.2%
Builders	5.0%	14.7%
Equity	7.6%	17.5%
Global	4.6%	13.1%
Small-Cap	2.8%	14.5%
Global Small-Cap	2.4%	12.0%

Our Advice to Clients

We recommend that your equity weighting be near your long-term target. In the Founders Fund, our stock weighting is 60%, which is right in line with its target. We feel valuations are reasonable in sectors that haven't fully participated in the rally, but are wary of the speculation that appears rampant in industries such as cannabis, cryptocurrencies and technology. Our outlook for bonds is subdued as yields are unattractive. We recommend a below-average position in the asset class, with cash as an alternative. In the Founders Fund, 15% of the portfolio is currently held in cash.

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

Founders Fund

Fund Overview

- The Founders Fund is a balanced fund with a target asset mix of 60% stocks and 40% fixed income. It gains this exposure from investing in Steadyhand's other funds.
- Tom Bradley manages the fund along with his Co-Chief Investment Officer Salman Ahmed. They have considerable scope to adjust the portfolio although without extremes in valuation and investor sentiment, their bias is to stay near the target mix.

Portfolio Specifics

- The fund posted a return of 9.2% in 2021. Strong returns from the portfolio's stocks more than offset negative returns from fixed income investments.
- The fund is designed to have equity content in the range of 60% and it stayed close to that target throughout the year. Some clients would like the allocation to be higher given extremely low bond yields, but we remain concerned about high stock valuations and even higher levels of speculative behaviour in parts of the market.
- Throughout the year, we leaned against rising stock prices and gradually reduced the equity weighting in the fund. This was done by allocating client inflows to cash and bonds and occasionally trimming positions in the underlying equity funds.
- A full allocation to fixed income is Founders' insurance policy. Holdings include a large position in the Income Fund and a cash reserve. The Income Fund provides the return potential with large allocations to corporate and high yield bonds, while the cash offers protection against rising interest rates and provides ready liquidity.
- As a reminder, the fund's asset mix is important, but returns are primarily driven by the performance of the underlying funds. Through these funds, Founders owns a mix of stocks and bonds across a wide range of industries, geographies, and currencies.
- The largest transactions in the quarter (in the underlying funds) included the purchase of CBRE Group (U.S.), First Advantage (U.S.), Martin Marietta (U.S.), and Sony Group (Japan); and the sale of Raytheon Technologies (U.S.), Safran (France), Bayer (Germany), TPG Pace Beneficial Finance Corp. (U.S.), and Pet Valu Holdings (Canada).

Positioning

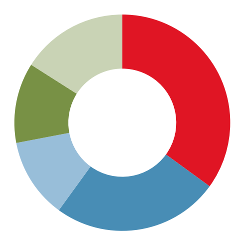
- We are proceeding with caution in the current economic and market environment. This means a full allocation to fixed income (including some cash), minimal exposure to speculative sectors, and consistent rebalancing towards the funds where stock prices have not kept up with companies' fundamentals.
- For more details on the underlying funds, please review pages 8-18.

The fund was up 3.5% in the quarter. Since inception (Feb 2012), it has a cumulative return of 99%, which equates to an annualized return of 7.2%.

Fund Mix

Income	34%
Global	20%
Equity	20%
Small-Cap	6%
Global Small-Cap	6%
Cash	14%

Asset Mix



Foreign Stocks	34%
Canadian Stocks	26%
Gov't Bonds	13%
Corporate Bonds	12%
Cash & Short-term	15%

Fund size $635,579,281

Founders Fund

Attributes

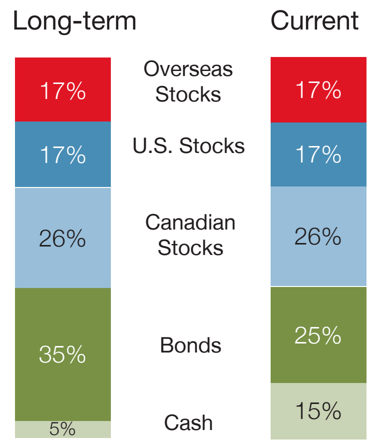
Top Stock Holdings (% of Fund)

Microsoft	1.9%
Danaher	1.9%
TD Bank	1.7%
CN Rail	1.3%
Franco-Nevada	1.2%
Thomson Reuters	1.1%
Sika	1.1%
Keyence	1.1%
Visa	1.0%
Telus	0.9%

Sector Allocation (Stocks)

Industrial Goods & Svc	27.7%
Financial Services	19.7%
Technology	12.8%
Healthcare	8.4%
Consumer Cyclical	7.9%
Basic Materials	4.4%
Consumer Products	4.0%
Real Estate	3.9%
Comm. & Media	3.9%
Utilities & Pipelines	3.3%
Retailing	2.2%
Oil & Gas	1.8%

Asset Mix



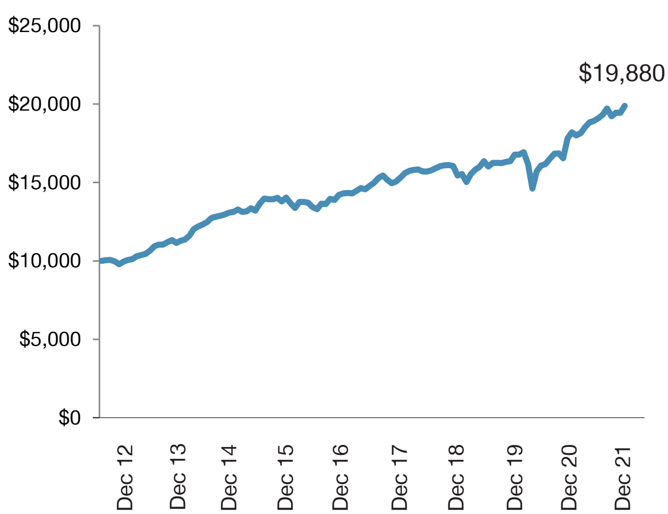
Performance

Compound Annualized Returns (as of December 31, 2021)

	3M	YTD	1Y	2Y	3Y	5Y	10Y	Incep[1]
Founders Fund (after-fee)	**3.5%**	**9.2%**	**9.2%**	**8.8%**	**9.8%**	**6.3%**	**N/A**	**7.2%**
FTSE Canada Universe Bond Index	1.5%	-2.5%	-2.5%	2.9%	4.2%	3.3%	N/A	3.3%
Morningstar Developed Mkts Index ($Cdn)	6.7%	19.6%	19.6%	16.6%	18.0%	13.2%	N/A	14.5%
S&P/TSX Composite Index	6.5%	25.1%	25.1%	14.9%	17.5%	10.0%	N/A	8.8%

[1] Feb 17, 2012

Growth of $10,000 Since Inception



Best and Worst Annualized Returns

Builders Fund

Fund Overview

- The Builders Fund is a fund-of-funds that invests mainly in Steadyhand's four stand-alone equity funds — Equity Fund, Global Equity Fund, Small-Cap Equity Fund, and Global Small-Cap Equity Fund. It's an all-stock portfolio designed for growth-oriented investors.
- The underlying fund mix is managed by Co-Chief Investment Officer Salman Ahmed, with Tom Bradley as co-manager.

The fund was up 5.0% in the quarter. Since inception (Feb 2019), it has a cumulative return of 33%, which equates to an annualized return of 10.5%.

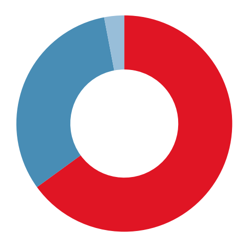
Portfolio Specifics

- The fund benefited from strong markets in 2021. It was up 14.7% and has gained 10.5% annually, on average, since its launch in February 2019. While the portfolio has done well over the last year, it failed to keep up with the red hot markets (some indexes gained over 25%).
- Investments are allocated roughly 1/3 towards companies based in Canada and 2/3 towards foreign businesses. The bias to foreign companies reflects a much broader opportunity set outside of Canada, particularly in important industries like technology, healthcare, and consumer products and services.
- In October, we announced the hiring of Los Angeles-based Aristotle Capital Management as manager of our Global Equity Fund. Following the change, Aristotle transitioned most of the Global Fund into their model, which introduced several new holdings to the Builders Fund (35% of the Builders Fund is held in the Global Equity Fund). Refer to page 12 for more details on the transition.
- The largest sector weight, industrial goods & services (31% of the portfolio), includes a diverse mix of companies such as Fanuc (factory automation), Regal Rexnord (transmission systems), Ritchie Brothers Auctioneers (heavy equipment auctioneer), and Savaria (home elevators and mobility products).
- Financial services companies make up 16% of the fund. Large holdings are TD Bank, Visa, and Bank of America. We also own a group of leading insurance companies, including RenaissanceRe, Topdanmark, AIA Group, and Chubb.
- The technology sector is another important area of investment, comprising 14%. Microsoft is the largest weight in the Builders Fund and is held in both the Equity and Global Equity Funds. Other names in the industry include Samsung (diversified technology), Qualcomm (chips), Nemetschek Group (software for architects and engineers), and TOTVS (management software).
- The portfolio has some exposure to commodity stocks, including Franco-Nevada (gold), Nutrien (fertilizers), and TotalEnergies (oil & gas producer), but resource companies are not a prominent feature of the fund due to their inherent cyclicality.

Fund Mix

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

Asset Mix



Foreign Stocks	66%
Canadian Stocks	31%
Cash & Short-term	3%

Fund size $149,034,409

Positioning

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

Builders Fund

Attributes

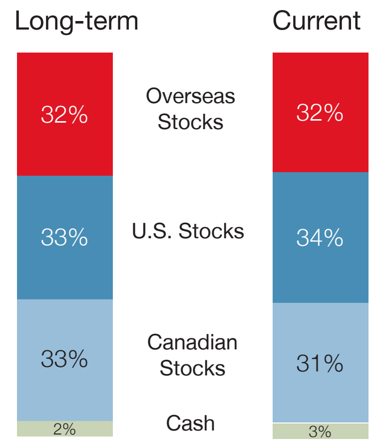
Top Stock Holdings (% of Fund)

Microsoft	3.4%
Danaher	3.4%
Franco-Nevada	2.1%
TD Bank	2.0%
Sika	1.9%
Keyence	1.9%
Visa	1.9%
CN Rail	1.7%
CME Group	1.5%
Brookfield Renewable	1.5%

Sector Allocation (Stocks)

Industrial Goods & Svc	30.9%
Financial Services	16.4%
Technology	14.0%
Healthcare	9.7%
Consumer Cyclical	9.3%
Basic Materials	4.7%
Consumer Products	4.5%
Comm. & Media	3.3%
Utilities & Pipelines	2.2%
Retailing	2.1%
Oil & Gas	2.0%
Real Estate	0.9%

Asset Mix



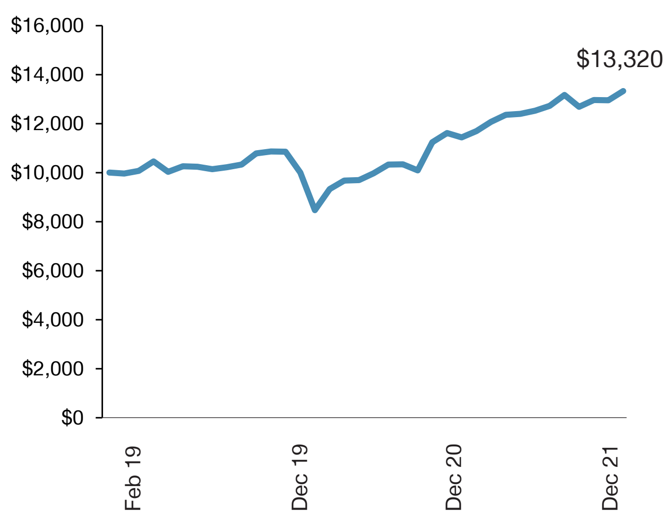
Performance

Compound Annualized Returns (as of December 31, 2021)

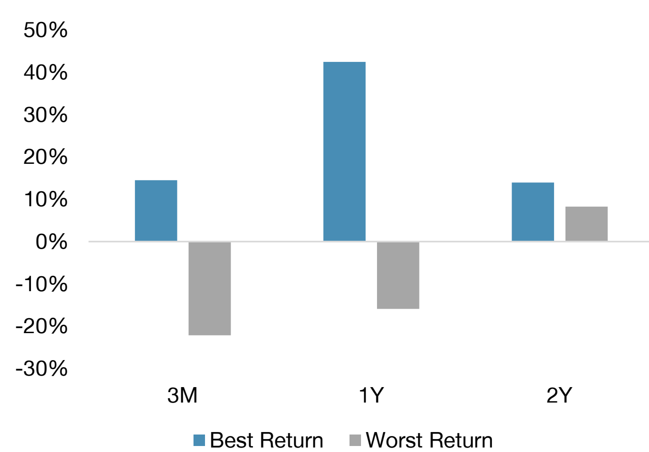
	3M	YTD	1Y	2Y	3Y	5Y	10Y	Incep[1]
Builders Fund (after-fee)	**5.0%**	**14.7%**	**14.7%**	**10.7%**	**N/A**	**N/A**	**N/A**	**10.5%**
Morningstar Developed Mkts Index ($Cdn)	6.7%	19.6%	19.6%	16.6%	N/A	N/A	N/A	15.4%
S&P/TSX Composite Index	6.5%	25.1%	25.1%	14.9%	N/A	N/A	N/A	14.2%

[1]Feb 15, 2019

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Income Fund

Market Context

- The Canadian bond market fell 2.5% in 2021 (interest less capital depreciation).
- Interest rates rose during the year, with the 10-year Government of Canada bond yield rising from 0.7% to 1.4%.
- Canadian stocks gained 25.1%. Energy and financial stocks were areas of strength.

The fund was up 2.3% in the quarter. Since inception (Feb 2007), it has a cumulative return of 120%, which equates to an annualized return of 5.5%.

Portfolio Specifics

- The fund rose 4.0% in 2021. Stock holdings, which comprise 27% of the portfolio, provided strong returns, gaining over 20% in aggregate, while the fixed income component (73% of the fund) declined in the year.
- Bonds, in general, had a challenging year as interest rates increased (when rates rise, bond prices fall). Rates rose across the maturity spectrum as policymakers signaled an end to supportive measures in light of an improving economy. That said, the fund's fixed income investments fared better than the market as a whole.
- The economic recovery also meant an increase in inflation expectations which contributed to the rise in interest rates. The fund's investments in Canadian Real Return bonds benefited as their values increase with inflation.
- Our manager (Connor, Clark & Lunn) feels that policymakers have laid the groundwork for a period of higher growth and inflation, with some bumps along the way until the pandemic fully abates. In general, businesses have adapted and consumers have continued to spend. Moreover, Canadians are in a better financial position as their assets (homes and investments) have increased faster than debt. Hence, the portfolio's continued preference for corporate and provincial bonds.
- As for the fund's equity investments, financial and real estate stocks had a bumper year. These industries saw their fortunes turn after a tough 2020. Two of our largest holdings, Royal Bank and TD Bank, gained more than 30%. In real estate, Summit Industrial gained over 70% and Granite REIT rose 35%. By contrast, renewable stocks Brookfield Renewable and Boralex fell over 15%. CC&L sees long-term potential in these businesses as demand for renewable energy continues to increase.
- Stock holdings are focused on companies that benefit from economic growth but have defensive traits. Banks, insurers, REITs, and telcos remain key areas of interest.
- The fund paid distributions totaling $0.27/unit in 2021.

Notable Stock Transactions

Buy

Empire Company Ltd.*
Definity Financial Corp.*
CI Financial Corp.*
Magna International Inc.

*New holding

Trim/Sell

Saputo Group[1]
Manulife Financial Corp.[1]
IGM Financial Inc.
Boralex Inc.

[1]Position eliminated

Positioning

- Our manager believes the world economy is on a strong growth path, despite setbacks due to the pandemic's most recent wave. This supports higher weightings in provincial and corporate bonds, including high-yield debt.
- Stocks make up 27% of the fund and remain an important source of diversification and yield. The manager has a current bias towards high-quality large cap stocks.

Fund size	$89,844,483
Pre-fee Yield	2.3%
Avg Term to Matur.	10.5 yrs
Duration (Bonds)	8.0 yrs

Income Fund

Attributes

Top Holdings (% of Fund)

CC&L High Yield Bond Fd	4.9%
Ontario 2.60% (Jun/27)	4.2%
Canada 2.00% (Dec/51)	4.1%
Ontario 2.15% (Jun/31)	4.1%
TD Bank B/A (Mar/22)	2.8%
RBC Deposit Note (Jan/22)	2.5%
Ontario 4.70% (Jun/37)	2.0%
Royal Bank	2.0%
Ontario 2.40% (Jun/26)	1.9%
TD Bank	1.9%

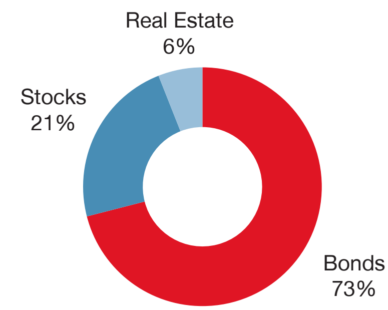
Issuer Allocation (Bonds)

Federal Government	13%
Provincial Government	40%
Corporate	47%

Rating Summary (Bonds)

AAA	21%
AA	40%
A	13%
BBB	22%
BB (or lower)	4%

Asset Mix



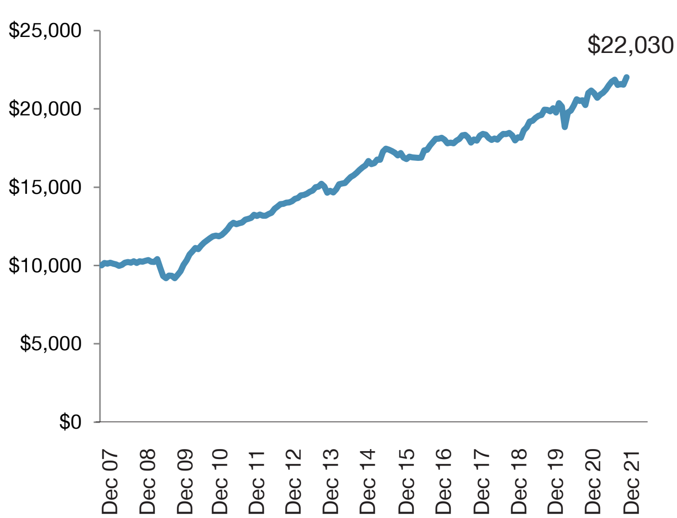
Performance

Compound Annualized Returns (as of December 31, 2021)

	3M	YTD	1Y	2Y	3Y	5Y	10Y	Incep*
Income Fund (after-fee)	**2.3%**	**4.0%**	**4.0%**	**5.6%**	**6.7%**	**4.3%**	**4.9%**	**5.5%**
FTSE Canada Universe Bond Index	1.5%	-2.5%	-2.5%	2.9%	4.2%	3.3%	3.3%	4.3%
S&P/TSX Composite Index	6.5%	25.1%	25.1%	14.9%	17.5%	10.0%	9.1%	6.4%

*Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns

Equity Fund

Market Context

- The Canadian stock market (S&P/TSX Composite Index) rose 25.1% in 2021. The energy, financial, and real estate sectors were key areas of strength.
- Global stocks, as measured by the Morningstar Developed Markets Index, gained 19.6% in Canadian dollar terms.

The fund was up 7.6% in the quarter. Since inception (Feb 2007), it has a cumulative return of 212%, which equates to an annualized return of 7.9%.

Portfolio Specifics

- The fund holds 24 stocks, of which 12 are headquartered in Canada, 7 in the U.S., and 5 overseas.
- The fund rose 17.5% in 2021, marking another solid year. Its focus on industry leaders served investors well. Top performing holdings included Microsoft (software and cloud services), Sika (specialty chemicals), Nutrien (fertilizers), S&P Global (financial information and analytics), and Danaher (medical products and services), which all gained more than 40%. These companies are at the top of their field and executed well in a year marked by COVID variants, supply chain issues, rising inflation, and severe weather.
- It was a strong year for our U.S. investments, which all turned in double-digit returns with the exception of Visa. Likewise, overseas holdings had an excellent 2021, driven by healthy profit gains from Experian (credit rating services), Keyence (factory automation products), Aon (insurance and pension consulting), and Sika.
- The fund's more defensive businesses like Metro (grocery retailer), CCL Industries (packaging), and Telus (telecom services) also turned in solid results. And our lone holding in the banking sector, TD Bank, was up nearly 40%.
- Our manager, Fiera Capital, favours businesses with little or no debt. This should prove beneficial in an environment of rising interest rates, as companies that need financing will have to do so on less favourable terms.
- There were two primary detractors to performance: Philips, and Brookfield Renewable Partners. The former fell 25% as its sleep apnea machines were recalled, while renewable power leader Brookfield pulled back after a strong run last year.
- Portfolio turnover was minimal in 2021, with two stocks added. Aon was purchased early in the year and CBRE Group (commercial real estate services) was bought in the fourth quarter. Fiera feels the increasing role of real estate in institutional portfolios bodes well for the company.
- The fund currently has a cash position of 3%.

Notable Transactions

Buy

CBRE Group*
Metro
Brookfield Renewable
Verisign

*New holding

Trim/Sell

Nutrien
Koninklijke Philips
CN Rail

Positioning

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

Fund size	$114,281,670
No. of stocks	24

Equity Fund

Attributes

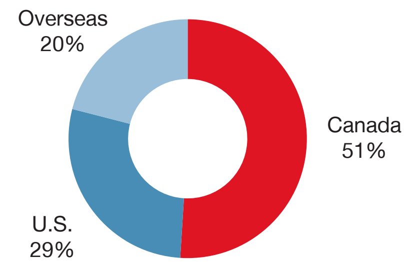
Top Stock Holdings

Franco-Nevada	6.0%
Danaher	5.8%
TD Bank	5.6%
Sika	5.5%
Keyence	5.4%
Microsoft	5.4%
Visa	5.3%
CN Rail	4.7%
CME Group	4.4%
Brookfield Renewable	4.2%

Sector Allocation (Stocks)

Industrial Goods & Svc	28.9%
Financial Services	26.9%
Technology	13.2%
Basic Materials	9.7%
Healthcare	8.1%
Utilities & Pipelines	4.3%
Comm. & Media	4.1%
Retailing	3.2%
Real Estate	1.6%

Geographic Profile (Stocks)



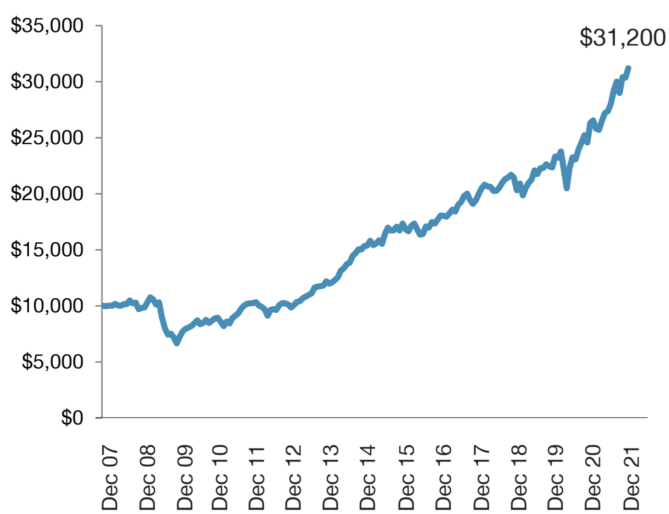
Performance

Compound Annualized Returns (as of December 31, 2021)

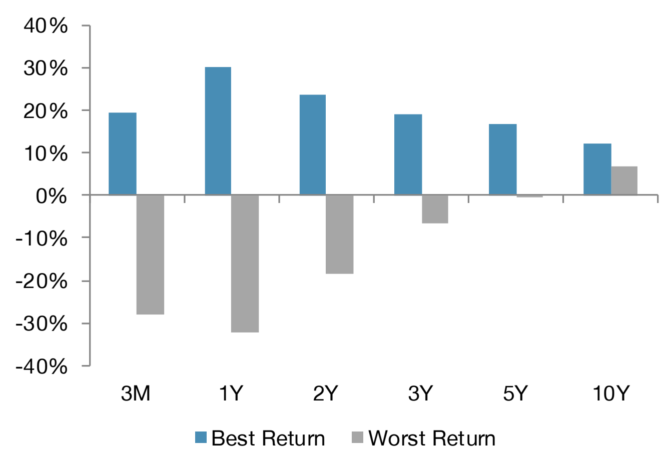
	3M	YTD	1Y	2Y	3Y	5Y	10Y	Incep[1]
Equity Fund (after-fee)	**7.6%**	**17.5%**	**17.5%**	**15.9%**	**16.3%**	**10.9%**	**12.5%**	**7.9%**
S&P/TSX Composite Index	6.5%	25.1%	25.1%	14.9%	17.5%	10.0%	9.1%	6.4%
Morningstar Developed Mkts Index ($Cdn)	6.7%	19.6%	19.6%	16.6%	18.0%	13.2%	15.1%	8.1%

[1]Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Global Equity Fund

Market Context

- Global stocks, as measured by the Morningstar Developed Markets Index, were up 19.6% in Canadian dollar terms in 2021.
- The U.S. market (S&P 500 Index) was a leader, rising 28.2% (in Canadian dollars). Europe also saw double-digit gains, while emerging market stocks declined. The Canadian dollar was unchanged against the U.S. dollar but rose significantly against the Euro (8%) and Japanese Yen (12%), which dampened the returns of these stocks.

The fund was up 4.6% in the quarter. Since inception (Feb 2007), it has a cumulative return of 59%, which equates to an annualized return of 3.2%.

Portfolio Specifics

- In mid October, we announced the hiring of Aristotle Capital Management as manager of the fund, and the portfolio was fully transitioned by the end of the month. Our comments focus on the fund after Aristotle's hiring.
- Currently, the fund owns 49 stocks, of which 21 are domiciled in the U.S., 11 in Europe, 9 in Japan, 3 in Asia Pacific, 3 in the U.K., and 2 in Canada. Companies range in size from mega-cap MICROSOFT to small-cap FIRSTCASH HOLDINGS.
- Technology companies comprise 24% of the portfolio. Chip makers have done extremely well, as increased demand paired with limited supply has led to rising stock prices. Our holdings include MICROCHIP TECHNOLOGY, SAMSUNG, and QUALCOMM. Software producers account for the rest of our exposure, with investments including Microsoft, ADOBE, NEMETSCHEK, DASSAULT SYSTÈMES, and PAYPAL.
- Industrial goods & services companies also make up a sizable component (25%). As with our other funds, these investments are diverse in nature. They include FANUC (leading supplier of automation for manufacturing), KUBOTA (maker of farm and construction equipment), and RATIONAL (commercial ovens and steamers).
- Consumer companies account for 17% of the portfolio, with "cyclicals" comprising the largest segment. Holdings include U.S. homebuilder LENNAR, Japanese digital goods manufacturer SONY, and French luxury brand LVMH. The fund also owns well-known beverage maker COCA-COLA, consumer goods company PROCTER & GAMBLE, and Dutch brewer HEINEKEN as part of its consumer products holdings.
- PENSKE AUTOMOTIVE was sold late in the year. Aristotle concluded that the auto dealer's financial performance is likely peaking following the recent surge in car demand. Proceeds were used to purchase U.K.-based pest control company RENTOKIL, which recently increased its market share after purchasing U.S. competitor Terminix.

Notable Transactions

Buy

Microsoft*
Danaher*
Martin Marietta*
Lennar*
Rentokil Initial*

*New holding

Trim/Sell

Raytheon Technologies[1]
Safran[1]
Bayer[1]
Vistra[1]
Penske Automotive Group[1]

[1]Position eliminated

Positioning

- The manager looks for high quality business, defined as having sustainable competitive advantages, leading products or services, pricing power, and experienced executives. Aristotle then uses a private equity approach to valuing the company, as if it were buying the entire business. Finally, it identifies catalysts, or actions that are underway, that will propel the business to unlock its potential over the next 3-5 years.

Fund size	$60,651,004
No. of stocks	49

Global Equity Fund

Attributes

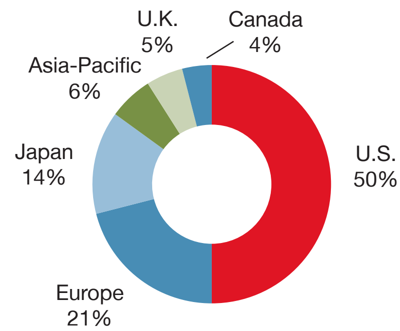
Top Stock Holdings

Microsoft	4.4%
Danaher	4.0%
Martin Marietta	4.0%
Lennar	3.7%
Microchip Technology	3.4%
Sony Group	3.3%
Adobe	3.0%
Samsung Electronics	2.9%
Qualcomm	2.8%
Nemetschek	2.8%

Sector Allocation (Stocks)

Industrial Goods & Svc	25.5%
Technology	23.5%
Healthcare	12.7%
Consumer Cyclical	12.3%
Financial Services	11.3%
Consumer Products	5.0%
Comm. & Media	3.1%
Retailing	2.8%
Oil & Gas	2.0%
Basic Materials	1.8%

Geographic Profile (Stocks)



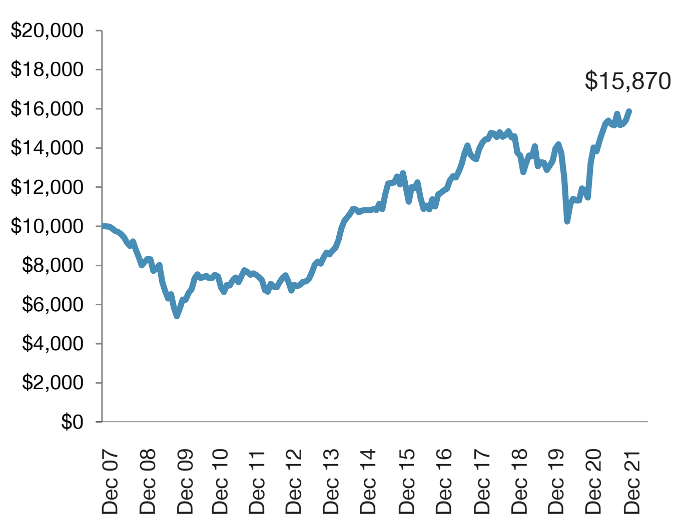
Performance

Compound Annualized Returns (as of December 31, 2021)

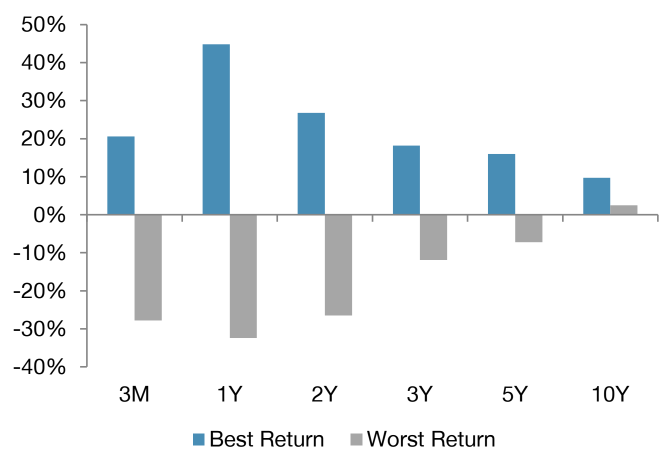
	3M	YTD	1Y	2Y	3Y	5Y	10Y	Incep[1]
Global Equity Fund (after-fee)	**4.6%**	**13.1%**	**13.1%**	**5.8%**	**7.5%**	**4.8%**	**8.7%**	**3.2%**
Morningstar Developed Mkts Index ($Cdn)*	6.7%	19.6%	19.6%	16.6%	18.0%	13.2%	15.1%	8.1%

[1]Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Small-Cap Equity Fund

Market Context

- The Canadian small-cap market (S&P/TSX SmallCap Index) gained 20.3% in 2021. U.S. small-caps (Russell 2000 Index) rose 14.3% in Canadian dollar terms.
- Resource stocks were a notable area of strength, although the gold sector lagged.

The fund was up 2.8% in the quarter. Since inception (Feb 2007), it has a cumulative return of 171%, which equates to an annualized return of 6.9%.

Portfolio Specifics

- The fund consists of 25 companies, ranging from very small (Waterloo Brewing) to medium-sized businesses (Northland Power). While the majority of holdings are Canadian, there are three U.S. stocks which make up 12% of the portfolio.
- The fund had a good year, rising 14.5%. Its top contributors to performance included engineering firms Fluor and SNC-Lavalin, toy maker Spin Master, and mattress and bedding retailer Sleep Country Canada (all were up more than 40%). These companies benefited from strong infrastructure and consumer spending.
- The portfolio trailed the index in 2021, however, due in part to its lower exposure to energy companies, which saw a significant rebound on the back of rising commodity prices (the price of oil rose more than 50%). These businesses tend to produce inconsistent profits, and as such, comprise only a modest weighting in the fund (9%). Our investments include oil producer MEG Energy (purchased in the spring), and fuel supplier & convenience store operator Parkland.
- Torex Gold Resources was the greatest detractor to performance, falling 30%. The company is performing well operationally, but gold was out of favour in 2021. Cargojet also lost ground. The air cargo provider remains an excellent company. It expanded its fleet, with an eye on long-term growth, which resulted in lower free cash flow. This disappointed some investors. We bought additional shares in both stocks.
- Following a strong 2020, many green energy companies underperformed their fossil fuel counterparts this year including Northland Power (wind and solar), one of our larger holdings. Our manager, Galibier Capital, believes the business and sector has a strong outlook. Other investments with exposure to clean energy include NFI Group (electric buses) and Hammond Power Solutions (transformers for EV chargers).
- Galibier feels the fund is well positioned and there was not a lot of turnover as a result. Two new holdings were added in the year (MEG Energy and Hammond Power), while two were sold (Interfor and Intertape Polymer Group). We also participated in Pet Valu Holdings' IPO in the spring and sold the stock in the fourth quarter after it rose more than 50%.
- The fund currently has a cash position of 4%.

Notable Transactions

Buy

Boyd Group Services
Torex Gold Resources

Trim/Sell

Pet Valu Holdings[1]
Fluor
Sleep Country Canada
Park Lawn

[1]Position eliminated

Positioning

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

Fund size	$49,631,835
No. of stocks	25

Small-Cap Equity Fund

Attributes

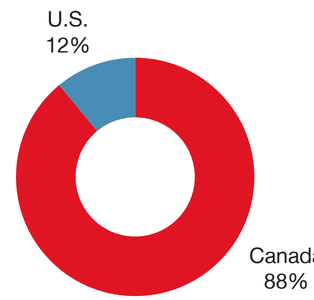
Top Stock Holdings

Park Lawn	5.7%
MEG Energy	5.0%
Spin Master	5.0%
Maple Leaf Foods	4.8%
Ag Growth International	4.8%
Premium Brands Hldgs	4.7%
Torex Gold Resources	4.6%
Savaria	4.5%
SNC-Lavalin Group	4.4%
Fluor	4.3%

Sector Allocation (Stocks)

Industrial Goods & Svc	47.1%
Consumer Cyclical	16.7%
Consumer Products	13.9%
Oil & Gas	8.8%
Basic Materials	4.8%
Utilities & Pipelines	4.4%
Healthcare	4.3%

Geographic Profile (Stocks)



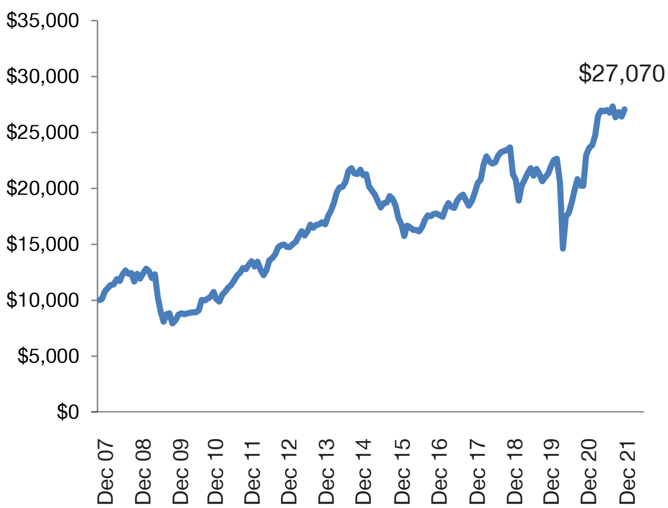
Performance

Compound Annualized Returns (as of December 31, 2021)

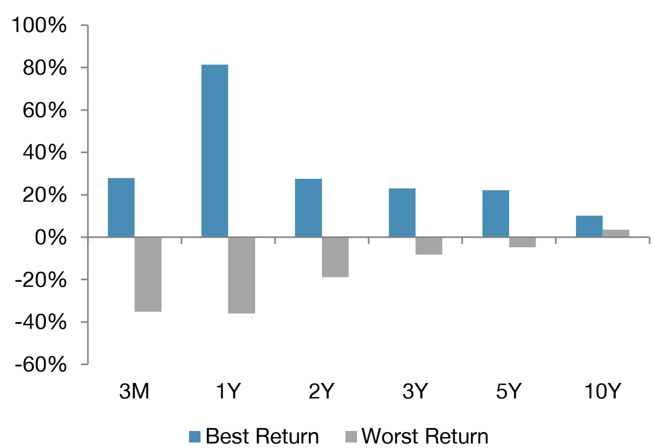
	3M	YTD	1Y	2Y	3Y	5Y	10Y	Incep[1]
Small-Cap Equity Fund (after-fee)*	**2.8%**	**14.5%**	**14.5%**	**9.6%**	**12.7%**	**7.7%**	**7.0%**	**6.9%**
S&P/TSX SmallCap Index	3.0%	20.3%	20.3%	16.5%	16.3%	5.7%	5.0%	3.3%
Russell 2000 Index ($Cdn)	1.6%	14.3%	14.3%	15.9%	17.1%	10.7%	15.8%	9.2%

[1]Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Global Small-Cap Equity Fund

Market Context

- The global small-cap market (S&P Global SmallCap Index) rose 14.0% in 2021 in Canadian dollar terms.
- The resource, technology, industrial, and real estate sectors were among the top performing industries.

Portfolio Specifics

- The portfolio is currently invested in 44 companies. Seventeen are based in the U.S., 13 in Europe, 7 in the U.K., 4 in Japan, 2 in Australia, and 1 in Brazil.
- The fund had a positive year, rising 12.0%. Its top performers included a diverse range of businesses: Gartner (technology research and consulting), Interpump Group (high pressure water pumps), Charles River Laboratories (laboratory, gene therapy and cell therapy services), and St. James's Place (wealth management). All of these stocks rose more than 50%, with Gartner more than doubling before we sold it in the third quarter.
- A few holdings had a tough year and weighed on performance, notably Orpea (French nursing home operator), Huya (live steaming game platform in China), and Zynga (social video game developer). The fund also has no current investments in the resource sector (because of its high degree of cyclicality), which was one of the best performing industries.
- Industrial companies comprise the largest portion of the portfolio (32%). These holdings performed well in 2021. TimesSquare focuses on businesses that offer a product or service that has strong demand and can't be easily replicated. Kion Group (warehouse automation equipment), Clean Harbors (hazardous waste disposal), and Regal Rexnord (electric motors and bearings) are examples. Another benefit of these established companies is that they have strong pricing power and tend to produce more stable earnings.
- It was an active year for new purchases (15 in total), with three stocks added to the portfolio in the fourth quarter: EMCOR Group (mechanical and electrical construction services), First Advantage (a leader in background checks), and Future (a magazine publisher with a strong online presence). These companies, while very different, share a common thread: they generate steady profits and are well managed.
- Several stocks were sold based on strong performance in 2021, with Kakaku.com being the latest. TPG Pace Beneficial Finance Corp. was also sold in the fourth quarter as it failed to meet TimesSquare's expectations.
- The fund currently has a cash position of 3%.

Positioning

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

The fund was up 2.4% in the quarter. Since inception (Feb 2019), it has a cumulative return of 44%, which equates to an annualized return of 13.6%.

Notable Transactions

Buy

EMCOR Group*
First Advantage*
Future*
Valmet
Kadokawa

*New holding

Trim/Sell

TPG Pace Beneficial Finance Corp.[1]
Kakaku.com[1]
Encompass Health
Zynga

[1]Position eliminated

Fund size	$11,617,918
No. of stocks	44

Global Small-Cap Equity Fund

Attributes

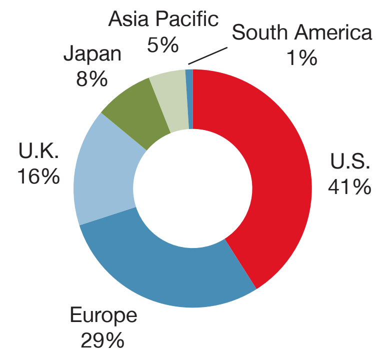
Top Stock Holdings

Nordic Entertainment	3.5%
RenaissanceRe	3.5%
Steadfast Group	3.3%
Valmet	3.2%
Brunswick Corporation	3.2%
St. James's Place	3.2%
National Vision	3.2%
Kadokawa Corporation	3.0%
Kion Group	3.0%
First Advantage	2.9%

Sector Allocation (Stocks)

Industrial Goods & Svc	32.4%
Financial Services	20.1%
Consumer Cyclical	16.8%
Healthcare	11.7%
Technology	7.1%
Comm. & Media	5.2%
Consumer Products	4.6%
Real Estate	2.1%

Geographic Profile (Stocks)



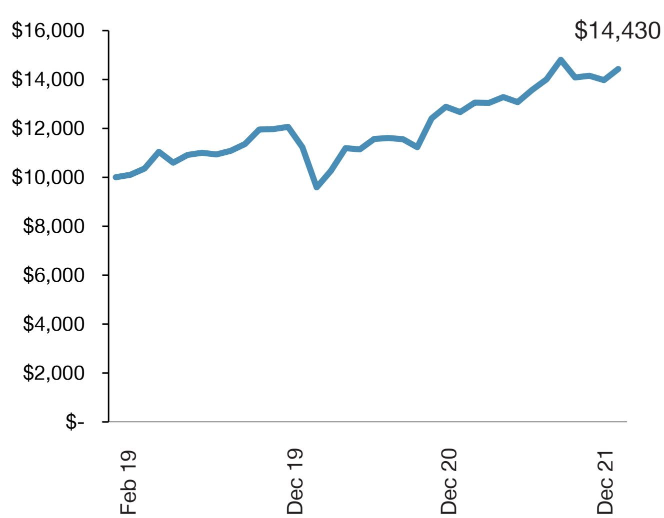
Performance

Compound Annualized Returns (as of December 31, 2021)

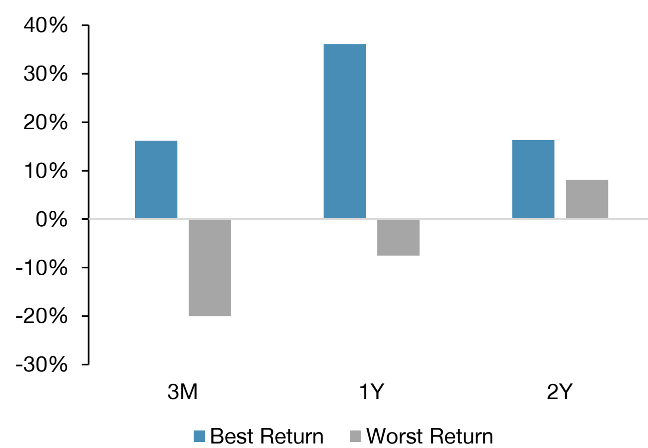
	3M	YTD	1Y	2Y	3Y	5Y	10Y	Incep[1]
Global Small-Cap Equity Fund (after-fee)	**2.4%**	**12.0%**	**12.0%**	**9.8%**	**N/A**	**N/A**	**N/A**	**13.6%**
S&P Global SmallCap Index ($Cdn)	1.6%	14.0%	14.0%	13.8%	N/A	N/A	N/A	12.7%

[1]Feb 15, 2019

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Savings Fund

Market Context

- The Bank of Canada left its key lending rate unchanged in 2021, at 0.25%.
- The global economy continued on its path of recovery throughout the year, though not without some hiccups caused by COVID variants, supply chain issues, and rising inflation. In Canada, consumption and employment levels have been strong.
- The central bank expects inflation to remain elevated in the first half of 2022.
- Late in the year, the Bank of Canada accelerated its guidance for its first interest rate hike from the latter half of 2022 to the "middle quarters". So while the timing is still uncertain, higher rates are to be expected; indeed, forecasters are now projecting three increases in the U.S. in 2022.

Positioning

- T-Bills comprise 45% of the portfolio while corporate paper makes up 55%.
- Our manager (Connor, Clark & Lunn) slightly increased the fund's exposure to corporate paper in the fourth quarter.
- The pre-fee yield of the fund at the end of December was 0.3%.

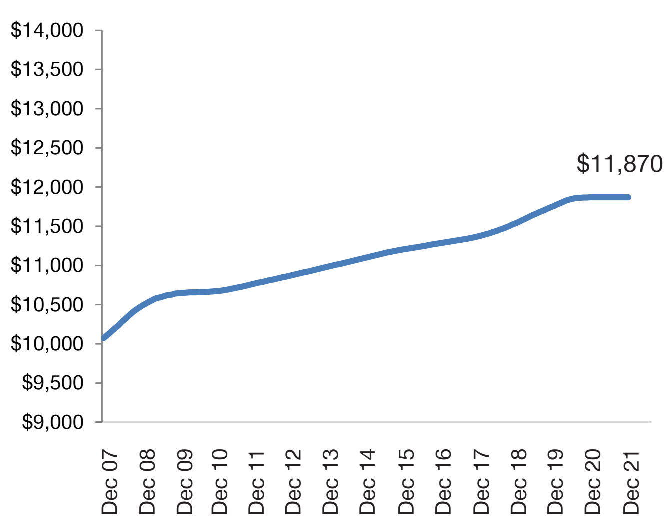
Performance

Compound Annualized Returns (as of December 31, 2021)

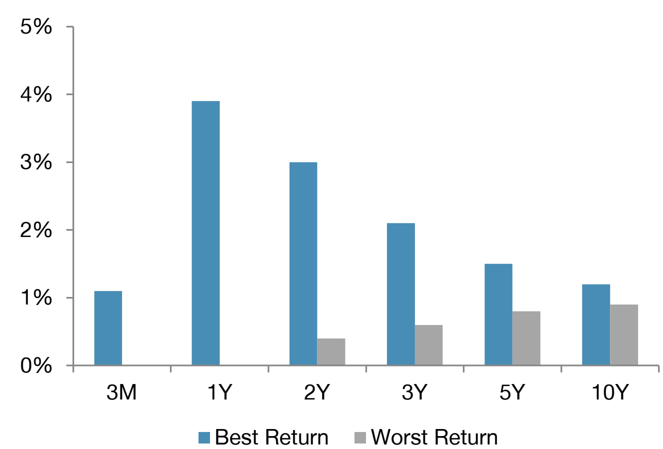
	3M	YTD	1Y	2Y	3Y	5Y	10Y	Incep*
Savings Fund (after-fee)	**0.0%**	**0.0%**	**0.0%**	**0.4%**	**0.9%**	**1.0%**	**0.9%**	**1.2%**
FTSE Canada 91 Day T-Bill Index	0.1%	0.2%	0.2%	0.5%	0.9%	0.9%	0.9%	1.2%

*Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



It's hard not to dance when everyone else is having a great time

Special to the National Post, by Tom Bradley, December 20, 2021

Chuck Prince will forever be part of investment folklore. The former chief executive of Citigroup in July 2007 said, "When the music stops, in terms of liquidity, things will be complicated. But as long as the music is playing, you've got to get up and dance. We're still dancing." He was fired later that year when loan losses surged.

I bring him up because we're at a point in the business cycle when the disc jockey is playing *Shout* by the Isley Brothers and investors can't stop dancing. We're in a highly speculative, risk-complacent market driven by a combination of near-zero interest rates, abundant capital and a healthy dose of hype.

This high-risk environment has crept up on us. If you'd told me five years ago what investors would be doing today, I wouldn't have believed you. No one thing is remarkable, but it's clear we're running hot when you put it all together on a list:

Day trading: A COVID-19 replacement for sports betting that hasn't gone away.

Short-dated options: A trading boom in securities that have only slightly better odds than a lottery ticket.

Bitcoin: Total euphoria despite being impossible to value and worse for the environment than a 1972 Oldsmobile.

Cannabis stocks: Big valuations on small revenues.

Electric vehicles: A company that's never sold a car (Rivian) is worth more than Daimler, Ford, or General Motors.

Special purpose acquisition companies: Still booming despite being the most abusive financial product ever invented.

Meme stocks: GameStop and AMC Entertainment levitating at levels far above fundamental value.

Initial public offerings: Only 25% of companies going public are profitable. It's been this low once before during the dotcom era of the late 1990s.

Venture capital: Big money pouring into a tiny corner of the capital markets. Even staid, dividend-paying companies are putting up hundreds of millions of dollars to create their own venture funds.

Fixed-income investors are also up dancing. The stable part of portfolios that previously held highly secure bonds issued by governments and companies, such as BCE and Bank of Montreal, is now heavily populated with high-yield bonds, direct loans, preferred shares, liquid alts and dividend-paying stocks. All perfectly good asset classes, but ones that tend to follow the stock market when it drops.

The point is, this isn't normal. It's the Wild West. It's off-the-scale aggressive. To stick with the dancing analogy, we're gyrating to the most frantic part of the song.

How will the party end? Nobody knows. It could go on for a while or end suddenly like it did for Chuck Prince. It also might unwind over months, one security or industry at a time.

Some unwinding has already occurred. Rising market indexes have masked some serious carnage. Many biotech and unprofitable tech companies are now down 30% to 70% from their highs. Cannabis stocks have come back to earth. The SPAC pipeline is still flowing, but investors are starting to notice they've lost money in what's been a great period for stocks. IPO investors are getting more hard-nosed too. Fewer new issues are trading at big first-day premiums.

To be fair to Prince, it was impossible for one bank executive to stop dancing. He would've been fired long before he could break up the party. But individual investors aren't in the same bind. You always have the ability to manage the balance between risk and reward.

It's hard not to dance when everyone else is having a great time. If you want to join in, make sure you stay diversified, size your bets appropriately, leave room to add more if things go against you, and have a plan for when markets go south. You can't blink when times get tough and still expect to achieve good long-term returns.

Bear markets happen when you least expect them, and everything you thought you knew will be wrong. They're the opposite of what we're experiencing today. Decisions will be excruciatingly hard and opportunities much more plentiful.

At times like these, I lean on the best risk-management tool I have: investor sentiment, a contrarian indicator. I proceed with caution when everything is easy and I'm being barraged with stock (and crypto) tips. I can still dance, but my portfolio return doesn't hang on whether I'm right about a call option on Apple or the next Tesla. There are good returns to be had in many parts of the market.

Steadyhand

Life after work: Planning for and living in retirement

The face of retirement has changed, bringing with it new challenges and opportunities. As part of our Steadyhand Café series, we're hosting a webinar on January 25 where David Toyne and subject expert Don Ezra will discuss the financial and practical issues we all face in retirement. For details and registration info, click here.

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