Quarterly Report

Steadyhand

Q1
2023

"The market's speed and volatility are gifts for those who have a good sense of value and can keep their head from spinning."

— Tom Bradley, The Financial Post, March 30

Bradley's Brief

I love my noise canceling headphones. The sound is great and they're useful when I want to listen to music while my wife is doing something else. They've come in handy for work too, particularly in recent months. There's more noise around the markets than usual.

We're being barraged by talk about inflation, recession, the U.S. Federal Reserve's next move, banks, AI, the war, China relations, and of course, the perpetual U.S. election buzz. These things are all serious business, but the speculation about what is going to happen, and the inevitable (bold) predictions, do nothing to enhance an effective investment process. Making investment decisions based on unknowable outcomes is folly.

I will try to put the noise in perspective in an upcoming National Post column, but in the meantime, I want to review how we deal with all these uncertainties.

In a word, we diversify. We make sure your portfolios have exposure to a broad array of asset types, economies, currencies, and industries. In other words, at least a part of your portfolio will benefit from whatever the outcomes are. Being disciplined about this has meant clients in the Founders Fund have achieved strong results since its inception.

At Steadyhand, diversification doesn't mean we own everything. We hold more of some things and less, or none, of others based on two factors: our fund managers' investment philosophy, and their short to medium-term strategies.

For instance, we have a long-standing bias towards corporate bonds, which at times make up more than half of the Income Fund. We tend to hold a lot of stocks in companies that are categorized as industrial or consumer products. The unifying theme in these highly diverse sectors is consistent profitability and the opportunities to benefit from rapid advancements in technology.

Conversely, Steadyhand portfolios tend to have modest holdings in oil & gas, banks, and real estate. There are many good companies in these sectors, but either slow growth, erratic profitability, excessive debt, or uncontrollable risk prevent us from going all in. And our fund managers traditionally have little or no exposure to unprofitable companies, many of which operate in the technology, resources, crypto and cannabis sectors. The companies don't have the profitability they're looking for, which means we miss some hot stocks in good markets but also avoid some equally powerful meltdowns.

Specific to right now, our search for attractively valued companies has our funds tilted away from the U.S. market. We still own plenty of American companies (29% of the Builders Fund) but are finding better opportunities in Europe and Asia.

Our long-term preferences and near-term tactics aren't intended to capture every ounce of an upturn, or completely avoid a downturn, but rather to give your portfolio the best combination of return potential and risk over the long term.

If the level of noise has your head spinning, we understand. For us, however, the increased volume doesn't change our approach. We observe the current landscape and make sure we understand it. We have views on how things will play out but don't base our strategies on them. Rather, we prepare to take advantage of whatever comes our way by focusing on the businesses we own, or want to own.

Key Takeaways

Stocks

- Stock markets had a good first quarter. Although headwinds persisted in the form of higher interest rates and inflation — and a regional banking crisis that started in the U.S. and spilled into Europe — investors focused more on corporate fundamentals (solid) and a likely end to the rate hiking cycle. In a reversal from last year, technology and consumer cyclical stocks were the top performers, while the energy sector lagged.
- Canadian stocks (S&P/TSX Composite Index) rose 4.6%, a solid return to be sure, but behind that of the global market (+7.2%) due to weakness in oil & gas and bank stocks, which are bigger components of the TSX.
- The Canadian dollar rose slightly against the U.S. dollar and Yen but fell against the Pound and Euro. In all, currency movements had a negligible impact on returns.

Market Returns

	3M	1Y
Canada	4.6%	-5.2%
World	7.2%	0.4%

Bonds

- The Canadian bond market had a return of 3.2% in the quarter.
- Bond were volatile, driven higher by strong economic data early in the year, but then falling in response to the crisis of confidence in the banking sector.
- The benchmark 10-year Government of Canada yield started the year at 3.3% and ended March at 2.9% (remember: when bond yields fall, prices rise).

	3M	1Y
Bonds	3.2%	-2.0%

Our Funds

- Our funds had a strong quarter, with our two small-caps leading the way. Our balanced clients' portfolios were up roughly 5%. Over the past 10 years, our balanced clients have gained 5% to 6% per year.
- We continue to have an above average stock weighting in the Founders Fund (62%) based on our views on corporate fundamentals, valuations, and investor sentiment.
- In the context of our balanced portfolios, recent transactions include the purchase of Interfor (Canada), ESAB Corp. (U.S.), and Rohto Pharmaceutical Co. (Japan); and the sale of Enghouse Systems (Canada), and National Vision Holdings (U.S.).

Fund Returns

	3M	1Y
Savings	1.1%	2.8%
Income	2.8%	-2.7%
Founders	4.9%	-0.5%
Builders	7.0%	0.4%
Equity	6.5%	-3.2%
Global	5.7%	2.5%
Small-Cap	11.6%	2.5%
Global Small-Cap	6.7%	1.1%

Our Advice to Clients

We recommend you be at or near your long-term target for stocks. In the Founders Fund, we've rebalanced our stock weighting down to 62%. We feel valuations are generally reasonable following the market declines last year. Our focus is on profitable, well-financed companies that we believe are in a good position to improve their market leadership. Our outlook for bonds has improved as interest rates have moved significantly higher over the past year but we continue to recommend a below-average position, with cash as an alternative. In the Founders Fund, 7% of the portfolio is currently 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 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 Founders Fund's strong start to the year masked a quarter that was full of twists and turns. When the dust settled, stock markets were up, much-maligned bonds performed well, and the fund had a return of 4.9%. This extends a solid recovery that started in the fall, driven by strong performances from the Global Equity Fund and both Small-Cap Equity Funds.
- Our equity funds benefited from less speculative fervor and more focus on profitability and financial strength. As always, there were cross currents. A modest position in oil & gas helped (after hurting last year), as did our limited exposure to banks, where we managed to avoid many of the steep declines (we don't own any U.S. banks in our funds). On the other hand, our holdings in software and semiconductors weren't enough to keep up with a strong tech recovery.
- Founders' equity exposure was modestly reduced during the quarter from 65% to 62%. We took advantage of intermittent strength in the stock market to trim all four equity funds. In line with this, new flows into the fund were allocated to bonds (Income Fund) and cash (Savings Fund). The fund's bond weighting is up to 31%, which is still below target but well above levels of a year ago, and stocks are slightly above their long-term target of 60%.
- As always, we remind clients that Founders' asset mix is important, as are the adjustments we make, but returns are primarily driven by the performance of the underlying funds. It's through these six funds that Founders owns a mix of bonds and stocks across a wide range of industries, geographies, and currencies.
- The largest transactions during the quarter in the underlying funds included new holdings in Interfor (Canada), ESAB Corp. (U.S.), and Rohto Pharmaceutical Co. (Japan), and the complete sale of Enghouse Systems (Canada), National Vision Holdings (U.S.), and Spirent Communications (U.K.).

Positioning

- In the middle of last year, the investment landscape was attractive. Stock valuations assumed the worst and investor sentiment, a reverse market indicator, was equally bearish. Today, both are in neutral territory, and that's where the fund is positioned, close to its target weighting in stocks and fixed income.
- For more details on the underlying funds, please review pages 8-18.

The fund was up 4.9% in the quarter. Since inception (Feb 2012), it has a cumulative return of 88%, which equates to an annualized return of 5.8%.

Fund Mix

Income	40%
Equity	21%
Global	21%
Small-Cap	6%
Global Small-Cap	6%
Savings	5%

Asset Mix

Foreign Stocks	36%
Canadian Stocks	26%
Gov't Bonds	17%
Corporate Bonds	14%
Cash & Short-term	7%

Fund size $616,772,444

Founders Fund

Attributes

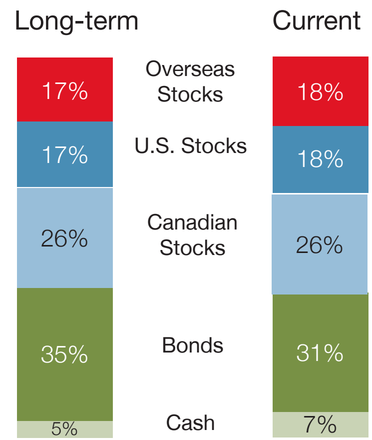
Top Stock Holdings (% of Fund)

Microsoft	1.8%
Danaher	1.6%
Thomson Reuters	1.5%
CN Rail	1.5%
TD Bank	1.5%
Franco-Nevada	1.5%
Visa	1.2%
Brookfield Renewable	1.2%
Keyence	1.0%
Sika	1.0%

Sector Allocation (Stocks)

Industrial Goods & Svc	29.9%
Financial Services	19.4%
Technology	10.3%
Healthcare	8.0%
Consumer Cyclical	7.1%
Basic Materials	4.9%
Consumer Products	4.8%
Utilities & Pipelines	4.2%
Comm. & Media	3.4%
Real Estate	2.7%
Oil & Gas	2.7%
Retailing	2.6%

Asset Mix



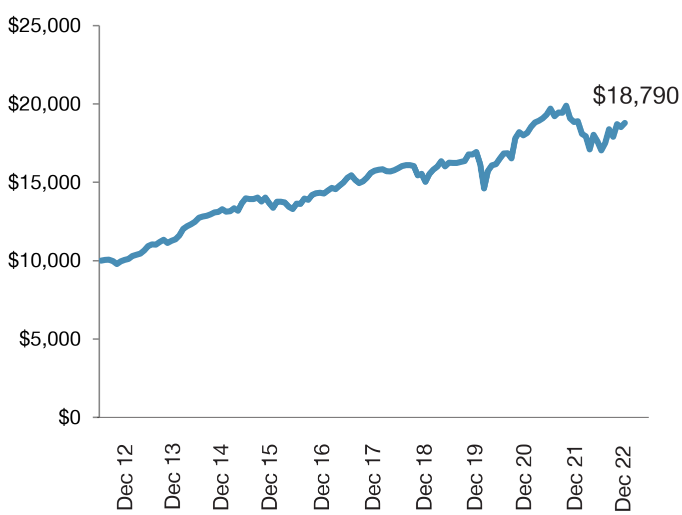
Performance

Compound Annualized Returns (as of March 31, 2023)

	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Founders Fund (after-fee)	**4.9%**	**4.9%**	**-0.5%**	**8.7%**	**3.7%**	**5.5%**	**N/A**	**5.8%**
FTSE Canada Universe Bond Index	3.2%	3.2%	-2.0%	-1.7%	0.9%	1.9%	N/A	2.0%
Morningstar Developed Mkts Index ($Cdn)	7.2%	7.2%	0.4%	14.2%	8.5%	11.8%	N/A	12.2%
S&P/TSX Composite Index	4.6%	4.6%	-5.2%	18.0%	8.8%	7.9%	N/A	7.6%

[1]Feb 17, 2012

Growth of $10,000 Since Inception



Best and Worst Annualized Returns

Builders Fund

Fund Overview

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

The fund was up 7.0% in the quarter. Since inception (Feb 2019), it has a cumulative return of 25%, which equates to an annualized return of 5.6%.

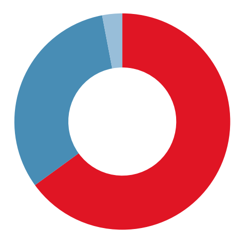
Portfolio Specifics

- The fund had a strong quarter (+7.0%). Its performance was ahead of the Canadian market and in line with the broad global index despite having less exposure to technology stocks, the best performing sector in the quarter. Performance was buoyed by an excellent showing from our two small-cap funds.
- Investments are allocated roughly 1/3 towards companies based in Canada and 2/3 towards foreign businesses. The bias to foreign companies reflects a broader opportunity set outside of Canada, particularly in important industries like healthcare, technology, and consumer products & services.
- The largest area of investment, industrial goods & services (33% of the portfolio), includes a diverse mix of companies such as CN Rail (rail shipping and freight), Regal Rexnord (manufacturer of motors, bearings, and gearing), Saab (aerospace, defence, and radar specialist) and Savaria (home elevators and mobility products). Many holdings in the sector rebounded in the quarter after a challenging 2022.
- Financial services companies make up 17% of the fund. Large holdings are Visa, TD Bank, and S&P Global. We also own a group of leading insurance companies, including RenaissanceRe, AIA Group, and Munich Re Group. Our bank holdings, which include TD, Erste Group, HDFC, and DBS Group Holdings, fared relatively well in spite of the turmoil in the sector resulting from the collapse of Silicon Valley Bank and a few other U.S. regional lenders. We do not own any U.S. banks.
- The technology sector is another important area of investment, comprising 11%. Our focus is on established industry leaders. Microsoft is our largest holding and is owned in both the Equity and Global Equity Funds. Other investments include Samsung Electronics (diversified technology), Qualcomm (chips), and Totvs (software). As mentioned, the industry was one of the best performing sectors in Q1.
- The portfolio has some exposure to commodity stocks (8%), including Franco-Nevada (gold), Nutrien (fertilizers), Cameco (uranium), Hudbay Minerals (copper and zinc), and TotalEnergies (oil & gas), but resource companies represent a smaller component of the fund due to their inherent cyclicality.

Fund Mix

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

Asset Mix



Foreign Stocks	62%
Canadian Stocks	34%
Cash & Short-term	4%

Fund size	$172,960,940

Positioning

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

Builders Fund

Attributes

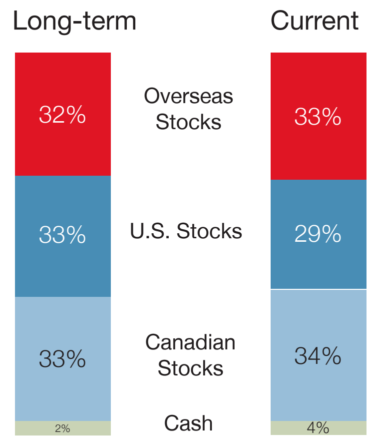
Top Stock Holdings (% of Fund)

Microsoft	2.9%
Danaher	2.7%
Franco-Nevada	2.4%
Visa	2.1%
CN Rail	1.9%
Brookfield Renewable	1.8%
Thomson Reuters	1.8%
Keyence	1.7%
Sika	1.7%
Metro	1.6%

Sector Allocation (Stocks)

Industrial Goods & Svc	33.2%
Financial Services	16.9%
Technology	10.9%
Healthcare	9.2%
Consumer Cyclical	8.3%
Basic Materials	5.6%
Consumer Products	5.2%
Retailing	2.8%
Utilities & Pipelines	2.5%
Comm. & Media	2.3%
Oil & Gas	2.2%
Real Estate	0.9%

Asset Mix



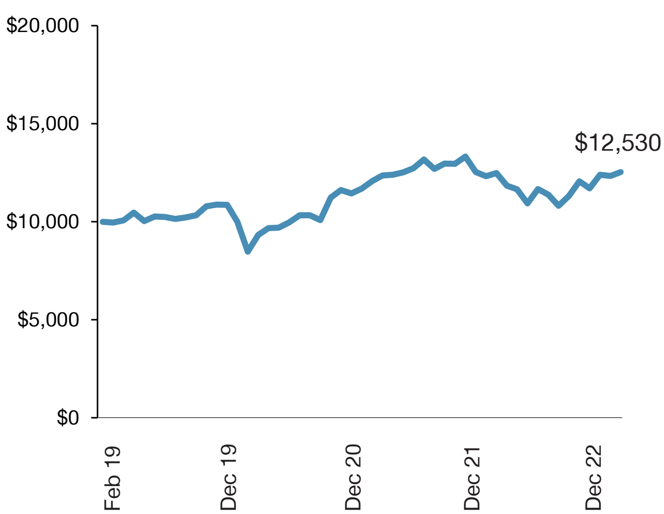
Performance

Compound Annualized Returns (as of March 31, 2023)

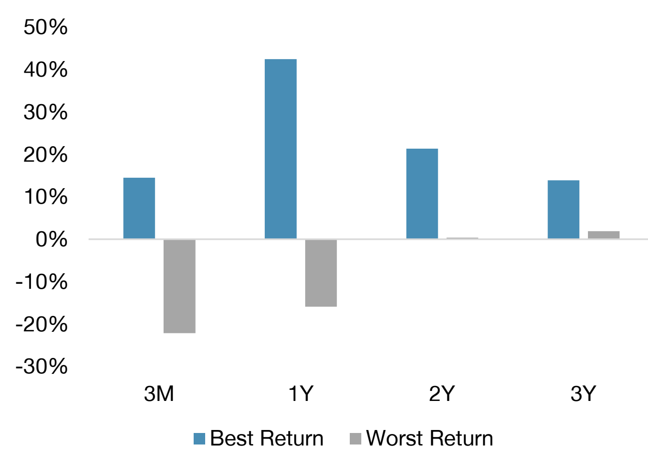
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Builders Fund (after-fee)	**7.0%**	**7.0%**	**0.4%**	**13.9%**	**N/A**	**N/A**	**N/A**	**5.6%**
Morningstar Developed Mkts Index ($Cdn)	7.2%	7.2%	0.4%	14.2%	N/A	N/A	N/A	9.4%
S&P/TSX Composite Index	4.6%	4.6%	-5.2%	18.0%	N/A	N/A	N/A	9.5%

[1]Feb 15, 2019

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Income Fund

Market Context

- The Canadian bond market gained 3.2% in the quarter (interest and capital appreciation).
- Bond yields were highly volatile and ended the quarter lower, with the 10-year Government of Canada yield falling from 3.3% to 2.9%.
- Canadian stocks gained 4.6%. Most sectors rose in the period with technology stocks leading the way. The energy sector was the one industry that declined.

The fund was up 2.8% in the quarter. Since inception (Feb 2007), it has a cumulative return of 104%, which equates to an annualized return of 4.5%.

Portfolio Specifics

- The rise in bond prices masks the volatility the asset class experienced. By some measures, daily price moves have been the most extreme since the 2008-09 financial crisis. The volatility has been driven by mixed economic data, a banking crisis in the U.S. and Europe, and changing borrowing conditions.
- Despite the challenging environment, our fixed income investments fared better than the market. Our manager, Connor, Clark & Lunn, took advantage of the turbulence by being more active than usual. Allocations fluctuated throughout the quarter as it responded to rapid price moves in areas it felt were being mis-priced.
- Overall, the portfolio remains positioned defensively, with CC&L preferring bonds issued by governments (federal, provincial and municipal) over corporations. That said, corporate bonds are still an important component of the fund, with a focus on companies with strong balance sheets in the insurance, banking, and utilities sectors. Exposure to REITs and telecom bonds were reduced.
- High yield bonds make up 5% of the fund. These securities were up in the period but didn't perform as well as the broader bond market. Focus remains on higher quality issuers, such as Enbridge, Saputo, Sysco, and Ford.
- The equity portion (23%) rose, but trailed the market. Holdings in financials (TD Bank, BMO) and oil & gas (Tourmaline) hurt performance as these sectors lagged.
- Stock holdings are focused on companies with stable growth characteristics, pricing power, and resilient margins. Financials, industrials, and REITs remain key areas of interest. Additionally, we like the outlook for renewable energy, where investments include Brookfield Renewable Partners, Northland Power, and Boralex.
- The fund paid a distribution of $0.045/unit at the end of March.

Notable Stock Transactions

Buy

Canadian Natural Resources*
Methanex*
Russel Metals*
Open Text*
Granite REIT*

*New holding

Trim/Sell

Summit Industrial REIT[1]
TC Energy
Hydro One
Intact Financial
Bank of Montreal

[1]Position eliminated

Positioning

- Our manager believes a recession is likely in the second half of 2023, driven by higher interest rates and a slowing economy. We have reduced our overall credit exposure as a result, with a focus on stable, defensive companies.
- Stocks make up 23% of the fund and remain an important source of diversification.

Fund size	$78,801,042
Pre-fee Yield	4.0%
Avg Term to Matur.	9.3 yrs
Duration (Bonds)	7.0 yrs

Income Fund

Attributes

Top Holdings (% of Fund)

CC&L High Yield Bond Fd	5.0%
Ontario 2.15% (Jun/31)	3.7%
TD Bank B/A (Jun/23)	2.9%
CIBC B/A (Jun/23)	2.6%
Ontario 2.05% (Jun/30)	2.6%
Canada 1.75% (Dec/53)	2.0%
Canada 3.50% (Dec/45)	1.9%
B.C. 2.20% (Jun/30)	1.7%
Royal Bank	1.7%
Canada 4.00% (Jun/41)	1.6%

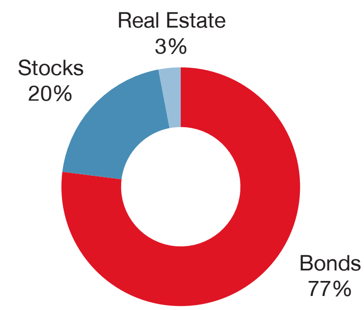
Issuer Allocation (Bonds)

Federal Government	18%
Provincial Government	35%
Corporate	47%

Rating Summary (Bonds)

AAA	31%
AA	30%
A	17%
BBB	19%
BB (or lower)	3%

Asset Mix



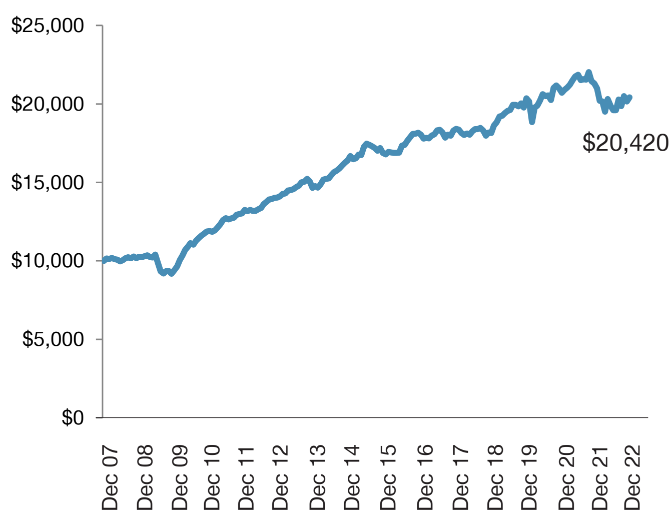
Performance

Compound Annualized Returns (as of March 31, 2023)

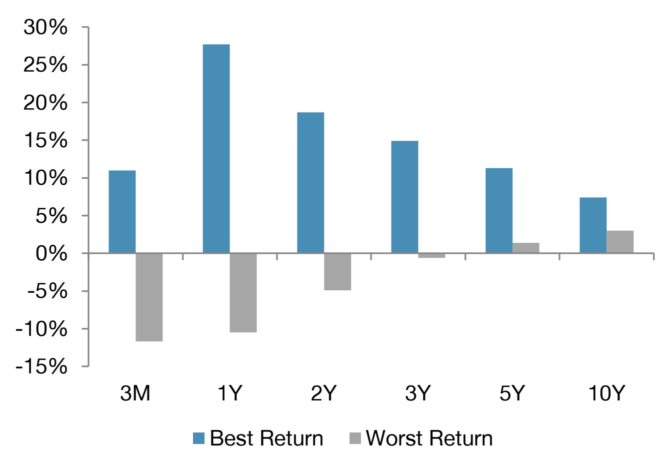
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep*
Income Fund (after-fee)	**2.8%**	**2.8%**	**-2.7%**	**2.7%**	**2.4%**	**3.1%**	**4.7%**	**4.5%**
FTSE Canada Universe Bond Index	3.2%	3.2%	-2.0%	-1.7%	0.9%	1.9%	3.2%	3.4%
S&P/TSX Composite Index	4.6%	4.6%	-5.2%	18.0%	8.8%	7.9%	5.9%	5.8%

*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 4.6% in the first quarter. Technology and consumer stocks were strong while energy lagged.
- Global stocks, as measured by the Morningstar Developed Markets Index, gained 7.2% in Canadian dollar terms.

The fund was up 6.5% in the quarter. Since inception (Feb 2007), it has a cumulative return of 193%, which equates to an annualized return of 6.9%.

Portfolio Specifics

- The fund holds 24 stocks of which 12 are headquartered in Canada, 7 in the U.S., and 5 overseas.
- The portfolio had a strong quarter, with many holdings proving to be resilient amidst the turmoil in the banking sector and the ongoing impacts of high inflation. Top performers included Keyence (factory automation), Brookfield Renewable Partners (renewable power), and Microsoft (software and cloud services), all rising 20%+. It was nice to see these stocks recoup some lost ground after sliding in 2022, but more importantly, they continue to turn in strong operating results. The three stocks are also examples of businesses that are 'growing under their own weight' rather than through speculation or hype. This is a dominant theme in the portfolio.
- The turbulence in the banking sector resulting from the high-profile collapse of Silicon Valley Bank (and European giant Credit Suisse) was a defining characteristic of the quarter. We don't own any U.S. banks, and our exposure to the sector overall is modest, with our two holdings being TD Bank and HDFC Bank (India). Both saw moderate declines. The falling prices prompted us to add to HDFC, which remains a well-run business with attractive long-term growth potential.
- In the words of our manager, Fiera Capital, the fund remains comprised predominantly of "sleep at night" companies. These are durable businesses that tend to produce steady profits irrespective of the economic climate. Examples include Metro (grocery retailer), CCL Industries (packaging), CN Rail (rail shipping and freight), and Danaher (health technology).
- Complementing the fund's steady-eddy holdings are a selection of cyclical stocks such as CME Group, which operates derivatives exchanges and benefits from periods of heightened volatility; and Franco-Nevada, a gold royalty company that tends to see strong demand when investors flee to safety. Both performed well in the quarter.
- Turnover was minimal, with no new companies purchased and none sold.

Notable Transactions

Buy

HDFC Bank
S&P Global
CN Rail

Trim/Sell

Nutrien
Franco-Nevada
Ritchie Bros. Auctioneers
Brookfield Renewable
CCL Industries

Positioning

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

Fund size	$102,752,288
No. of stocks	24

Equity Fund

Attributes

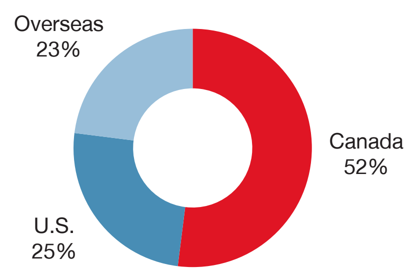
Top Stock Holdings

Franco-Nevada	6.9%
Visa	5.9%
CN Rail	5.4%
Danaher	5.1%
Brookfield Renewable	5.1%
Thomson Reuters	5.0%
Keyence	4.8%
Sika AG	4.7%
Metro	4.7%
TD Bank	4.5%

Sector Allocation (Stocks)

Industrial Goods & Svc	31.7%
Financial Services	26.4%
Basic Materials	9.1%
Technology	9.1%
Healthcare	8.2%
Utilities & Pipelines	5.3%
Retailing	4.8%
Comm. & Media	3.5%
Real Estate	1.9%

Geographic Profile (Stocks)



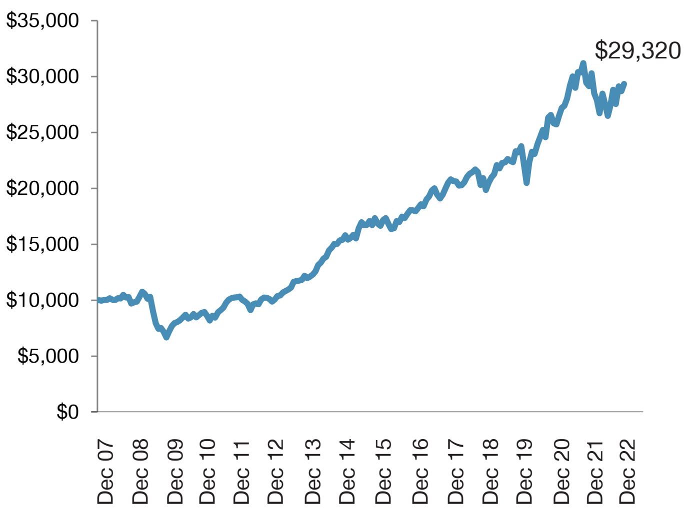
Performance

Compound Annualized Returns (as of March 31, 2023)

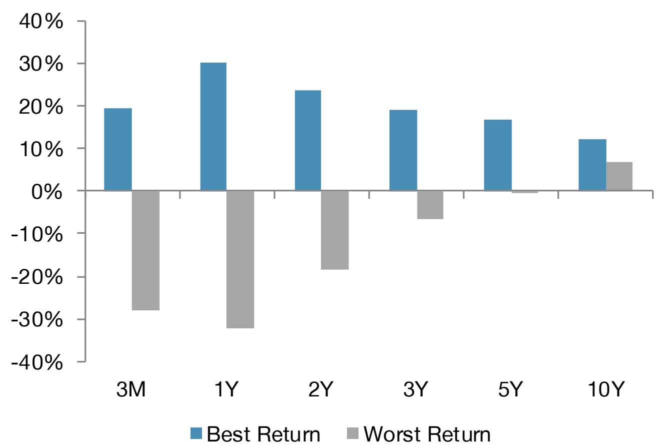
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Equity Fund (after-fee)	**6.5%**	**6.5%**	**-3.2%**	**12.7%**	**7.7%**	**9.6%**	**7.5%**	**6.9%**
S&P/TSX Composite Index	4.6%	4.6%	-5.2%	18.0%	8.8%	7.9%	5.9%	5.8%
Morningstar Developed Mkts Index ($Cdn)	7.2%	7.2%	0.4%	14.2%	8.5%	11.8%	8.7%	7.0%

[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 7.2% in Canadian dollar terms in the first quarter.
- The Canadian dollar rose slightly against the U.S. dollar and Japanese Yen but fell modestly against the British Pound and Euro. In all, currency movements had a negligible impact on returns.

The fund was up 5.7% in the quarter. Since inception (Feb 2007), it has a cumulative return of 46%, which equates to an annualized return of 2.4%.

Portfolio Specifics

- The fund owns 48 stocks, of which 20 are domiciled in the U.S., 12 in Europe, 8 in Japan, 3 in Canada, 3 in Asia Pacific, and 2 in the U.K. Companies range in size from mega-cap Microsoft to small-cap FirstCash Holdings.
- The fund had a good first quarter as global markets rebounded following a weak 2022. In spite of the challenges brought on by higher input and labour costs, many holdings continued to turn in strong results. Our technology investments were an area of strength, with Microsoft, Qualcomm (semiconductors related to wireless technology) and Dolby Laboratories (audio technologies) turning in double-digit returns. Nemetschek (software for architects and engineers), Samsung Electronics (semiconductors) and Adobe (software developer) were also strong performers.
- The banking turmoil in the U.S. led to a period of chaos and declines in the financial sector. Broader markets held up well, though, in an encouraging sign that investors believe the contagion will be limited. The fund doesn't have any exposure to U.S. banks, which helped performance. Our manager, Aristotle Capital, is wary of the pace of asset growth and real estate exposure of many American banks. Our investments that were most directly impacted include Erste Group (financial services provider in central and eastern Europe) and DBS Group Holdings (Singaporean multinational bank), although both stocks ended the quarter little changed.
- Honeywell (building technologies), RPM International (specialty coatings and sealants), and Amgen (biotech) each fell roughly 10%, marking the largest declines in the quarter. Their underlying businesses remain healthy.
- FMC is a holding that's doing some fascinating things in the crop protection field. The agricultural sciences company is a trailblazer in biological pheromones. Its game-changing technology can control the buildup of insect populations by disrupting the mating process of specific pests, without impacting the environment. The company expects $1 billion of revenue from pheromone-based products by 2030.
- Trading activity was minimal, with a few stronger-performing stocks trimmed.

Notable Transactions

Buy

Brookfield Corp.

Trim/Sell

Brookfield Asset Mgmt.[1]
Samsung
LVMH
Sony
Lennar
Cameco

[1]Position eliminated

Positioning

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

Fund size	$53,013,180
No. of stocks	48

Global Equity Fund

Attributes

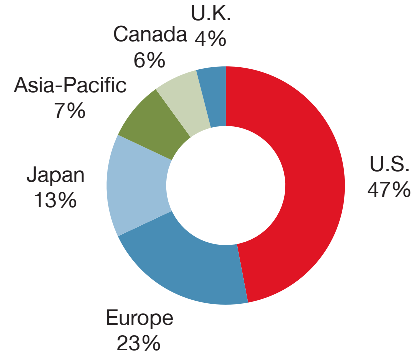
Top Stock Holdings

Microsoft	4.3%
Lennar	3.6%
Microchip Technology	3.3%
Martin Marietta	2.7%
Sony Group	2.6%
Danaher	2.6%
TotalEnergies	2.6%
FirstCash Holdings	2.6%
MunichRe	2.6%
Adobe	2.5%

Sector Allocation (Stocks)

Industrial Goods & Svc	26.1%
Technology	20.2%
Financial Services	13.9%
Consumer Cyclical	13.7%
Healthcare	12.2%
Consumer Products	5.9%
Oil & Gas	2.7%
Basic Materials	2.1%
Comm. & Media	1.8%
Retailing	1.4%

Geographic Profile (Stocks)



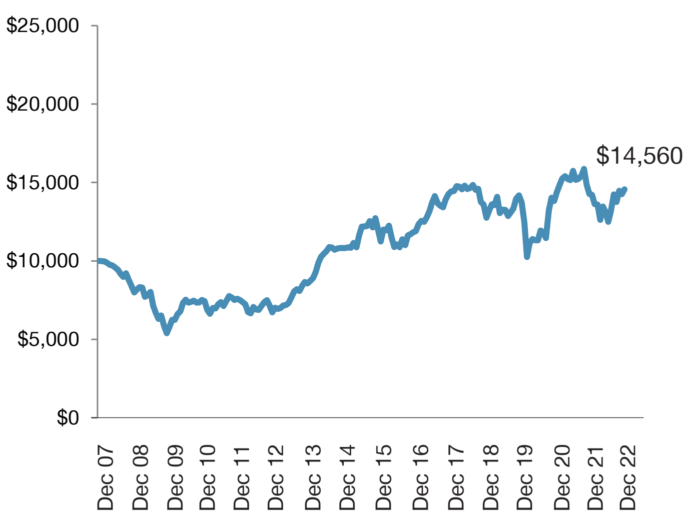
Performance

Compound Annualized Returns (as of March 31, 2023)

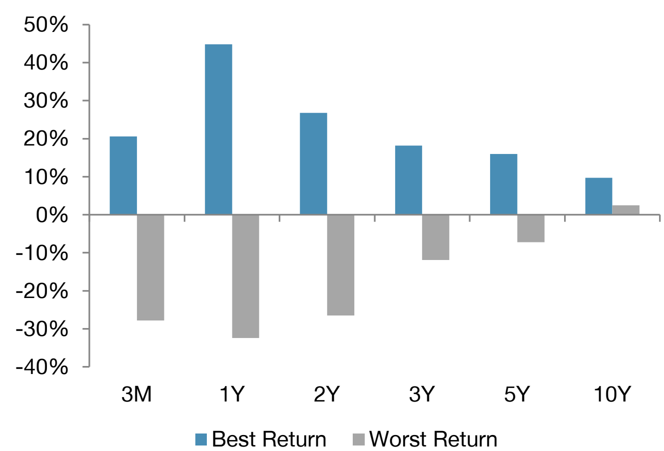
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Global Equity Fund (after-fee)	**5.7%**	**5.7%**	**2.5%**	**12.4%**	**0.0%**	**6.1%**	**3.9%**	**2.4%**
Morningstar Developed Mkts Index ($Cdn)*	7.2%	7.2%	0.4%	14.2%	8.5%	11.8%	8.7%	7.0%

[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 4.5% in the quarter. U.S. small-caps (Russell 2000 Index) rose 2.6% in Canadian dollar terms.
- Industrials, consumer cyclical, and basic materials were the best performing sectors. Energy stocks, conversely, gave back some of their gains from 2022.

The fund was up 11.6% in the quarter. Since inception (Feb 2007), it has a cumulative return of 185%, which equates to an annualized return of 6.7%.

Portfolio Specifics

- The fund consists of 25 companies, ranging from very small (Hammond Power) to medium-sized businesses (Spin Master). While the majority of holdings are Canadian, there are three U.S. stocks which make up 13% of the portfolio.
- The fund was the top performer among its peers in the quarter (up 11.6%), outpacing Canadian and U.S. small-cap markets by a wide margin.
- Industrial holdings Hammond Power Solutions (dry type transformers) and Ag Growth International (agricultural storage) turned in large gains, rising 90% and 40%, respectively. Hammond has attracted more attention from investors thanks to its strong growth. Our manager, Galibier Capital, believes the stock is still undervalued. Ag Growth has had challenges in the past as it integrated its acquisitions. Its growth strategy is starting to bear fruit, however, and the company announced better than expected results in the quarter.
- Aritzia detracted from performance. We reduced our stake in the company late last year as the stock price rose. The fashion house fell recently on the announcement of rising inventory levels. This challenge is not unique to Aritzia. Other retailers face similar inventory issues with the economy slowing and companies still trying to balance purchase decisions with supply chain risks. Aritzia's growth in the U.S., however, has been stellar. We purchased more shares in the quarter.
- The fund was forced to say goodbye to Waterloo Brewing. The company was purchased by Danish brewer Carlsberg. Although it was bought for a nice premium, Galibier was disappointed with the price and unsuccessfully lobbied for an increase to what Carlsberg paid. Software developer Enghouse Systems was also sold. It remains a company with strong prospects, but its price rose sharply in the quarter and Galibier concluded there were better opportunities elsewhere.
- Lumber producer Interfor was purchased. Long-term fund owners will be familiar with the name, as we've owned it in the past. The stock has fallen on concerns about a slowdown in the economy and housing construction. Galibier sees the economy as a short-term concern while the shortage of housing remains a long-term opportunity.

Notable Transactions

Buy

Interfor*
Aritzia
Henry Schein

*New holding

Trim/Sell

Enghouse Systems[1]
Waterloo Brewing[1]
Ag Growth International
SNC-Lavalin Group
Torex Gold Resources

[1]Position eliminated

Positioning

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

Fund size	$48,308,633
No. of stocks	25

Small-Cap Equity Fund

Attributes

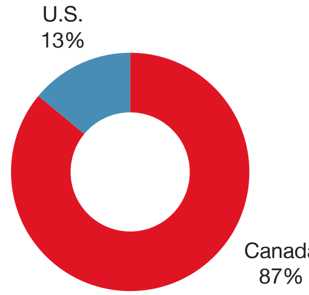
Top Stock Holdings

Spin Master	5.8%
SNC-Lavalin Group	5.7%
MEG Energy	5.1%
Boyd Group Services	4.9%
Premium Brands Holdings	4.8%
Savaria	4.6%
Hammond Power	4.4%
Oshkosh	4.4%
Maple Leaf Foods	4.4%
Generac Holdings	4.3%

Sector Allocation (Stocks)

Industrial Goods & Svc	46.5%
Consumer Cyclical	14.1%
Basic Materials	10.7%
Consumer Products	9.2%
Oil & Gas	8.1%
Healthcare	4.3%
Utilities & Pipelines	4.0%
Retailing	3.1%

Geographic Profile (Stocks)



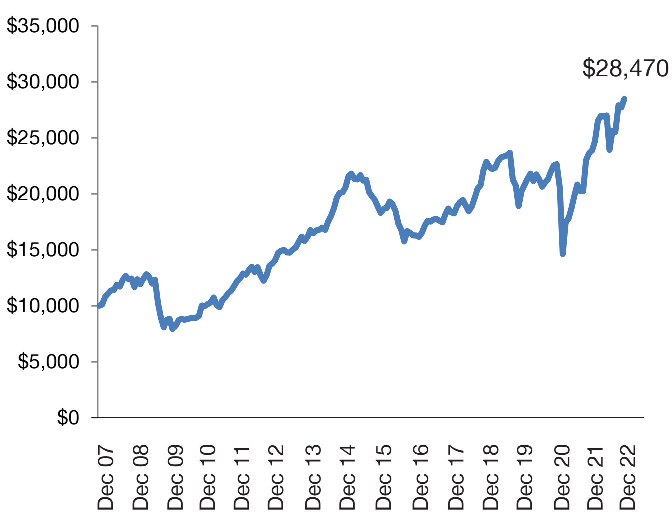
Performance

Compound Annualized Returns (as of March 31, 2023)

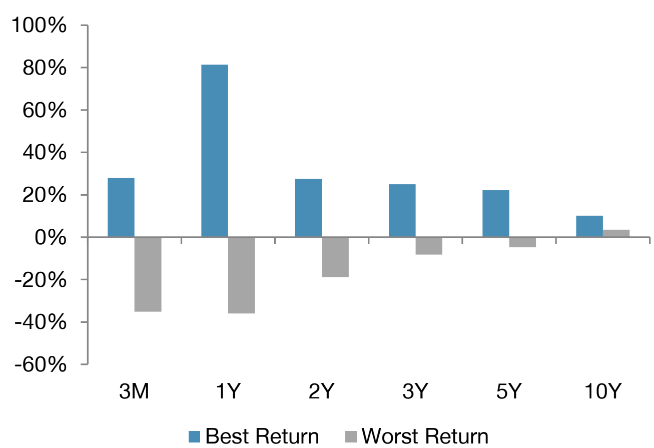
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Small-Cap Equity Fund (after-fee)*	**11.6%**	**11.6%**	**2.5%**	**24.9%**	**5.1%**	**5.5%**	**6.0%**	**6.7%**
S&P/TSX SmallCap Index	4.5%	4.5%	-12.6%	27.6%	5.7%	4.6%	3.2%	2.7%
Russell 2000 Index ($Cdn)	2.6%	2.6%	-4.2%	15.6%	5.7%	11.2%	10.1%	7.5%

[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 4.1% in Canadian dollar terms in the first quarter.
- The technology and consumer discretionary sectors were areas of strength, while energy and financial stocks had a weak start to the year.

The fund was up 6.7% in the quarter. Since inception (Feb 2019), it has a cumulative return of 26%, which equates to an annualized return of 5.7%.

Portfolio Specifics

- The portfolio is currently invested in 46 companies. Seventeen are based in the U.S., 12 in Europe, 5 in the U.K., 5 in Japan, 3 in South America, 2 in Australia, 1 in India, and 1 in Canada.
- The fund had a good quarter, building on its strong finish to 2022. Many of our European holdings were rewarded for turning in solid cash flows and growth. While some forecasters feared that a winter energy crisis would plague the region and weigh on stocks, households did a good job of cutting back energy consumption and the crisis never materialized. Saab (maker of aircraft and radar systems) was a standout, gaining over 50%. Valmet (pulp & paper solutions), Interpump Group (high pressure water pumps), and Kion (warehouse automation equipment) all rebounded nicely.
- Banks have never comprised a large part of the fund, which was a beneficial feature in Q1. On the heels of the regional banking crisis in the U.S., many smaller lenders saw big pullbacks. One of Europe's venerable institutions, Credit Suisse, also collapsed. Of our financial services investments (20% of the fund), the only direct bank holding is FinecoBank (Italian online specialist), which fared relatively well in the downturn. Our other holdings in the sector are focused on insurance and asset management. Steadfast Group (insurance), Nordnet (internet broker), and St. James's Place (asset manager) all gained ground. Our manager, TimesSquare Capital, likes the outlook for our investments, but trimmed some exposure as a defensive move.
- It was a busy period for purchases, with six new stocks added. Among the new additions are two Japanese health-related companies that share a relationship. Rohto Pharmaceutical Co. is a leader in high-quality eye drops and has several popular skin care lines. MatsukiyoCocokara is a large retail pharmacy that carries Rohto products and others. TimesSquare feels both businesses have a promising trajectory, thanks to ever-increasing screen times (eye drops) and the return of Chinese tourists to Japan, who are big purchasers of both companies' products.
- Five companies were sold. RS Group and Charles River Laboratories were successful investments that are now less compelling, while we moved on from National Vision, Spirent Communications, and Future due to weaker outlooks.

Notable Transactions

Buy

ESAB Corporation*
Ag Growth International*
Weir Group*
Rohto Pharmaceutical Co.*
MatsukiyoCocokara & Co.*
Arcos Dorados Holdings*

*New holding

Trim/Sell

National Vision Holdings[1]
Spirent Communications[1]
RS Group[1]
Charles River Laboratories[1]
Future[1]

[1]Position eliminated

Positioning

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

Fund size	$10,709,506
No. of stocks	46

Global Small-Cap Equity Fund

Attributes

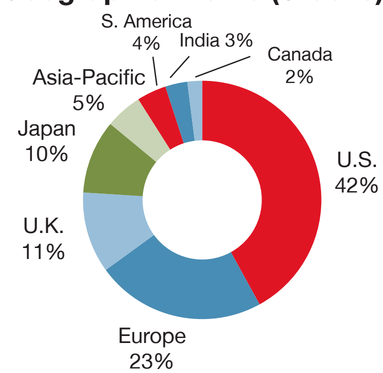
Top Stock Holdings

Saab AB	4.2%
Chemed	3.9%
RenaissanceRe	3.7%
Casella Waste Systems	3.7%
Steadfast Group	3.2%
Internet Initiative Japan	3.1%
Performance Food Group	3.0%
Exponent	3.0%
Clean Harbors	3.0%
Tate & Lyle	2.9%

Sector Allocation (Stocks)

Industrial Goods & Svc	41.1%
Financial Services	19.7%
Consumer Products	11.9%
Healthcare	8.9%
Consumer Cyclical	8.4%
Technology	4.2%
Comm. & Media	3.2%
Real Estate	1.5%
Retailing	1.1%

Geographic Profile (Stocks)



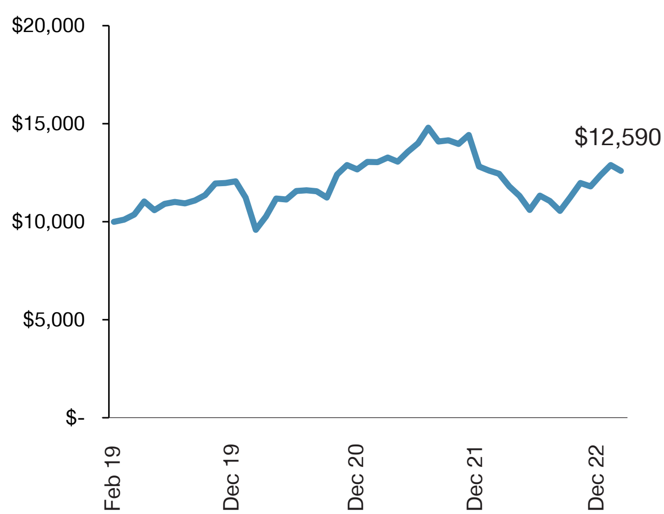
Performance

Compound Annualized Returns (as of March 31, 2023)

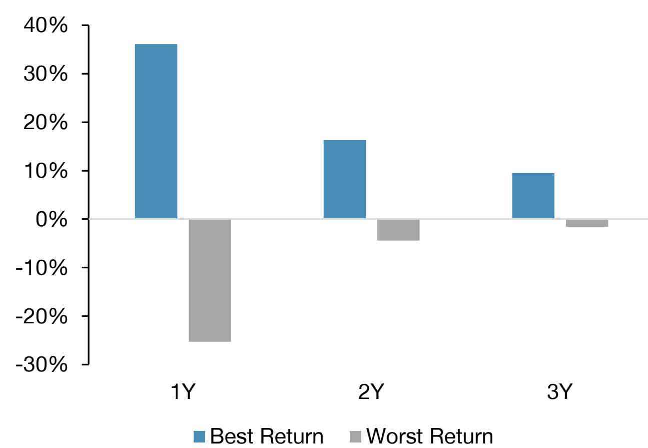
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Global Small-Cap Equity Fund (after-fee)	**6.7%**	**6.7%**	**1.1%**	**9.5%**	**N/A**	**N/A**	**N/A**	**5.7%**
S&P Global SmallCap Index ($Cdn)	4.1%	4.1%	-1.5%	15.2%	N/A	N/A	N/A	6.2%

[1]Feb 15, 2019

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Savings Fund

Market Context

- The Bank of Canada raised its short-term lending rate by 0.25% in January, to 4.5%. At its March meeting, the Bank left rates unchanged and vocalized a neutral stance.
- Global economic growth continues to slow and there are positive signs that inflation is coming down. Canada's growth was flat in the fourth quarter, with restrictive monetary policy continuing to weigh on household spending.
- Strains in the banking sector surfaced in March with the collapse of Silicon Valley Bank and pressure on a few other U.S. regional lenders. The monetary policy narrative subsequently changed, with forecasts for interest rate cuts emerging.
- Short-term interest rates remain at their highest levels since 2008 and have been welcomed by savers, who are receiving a better yield on their cash.

The fund was up 1.1% in the quarter. Since inception (Feb 2007), it has a cumulative return of 22%, which equates to an annualized return of 1.2%.

Positioning

- Corporate paper makes up 53% of the portfolio, while T-Bills comprise 47%.
- Exposure to longer-term T-Bills was increased to help enhance the fund's yield.
- The pre-fee yield of the portfolio at the end of March was 4.6%.

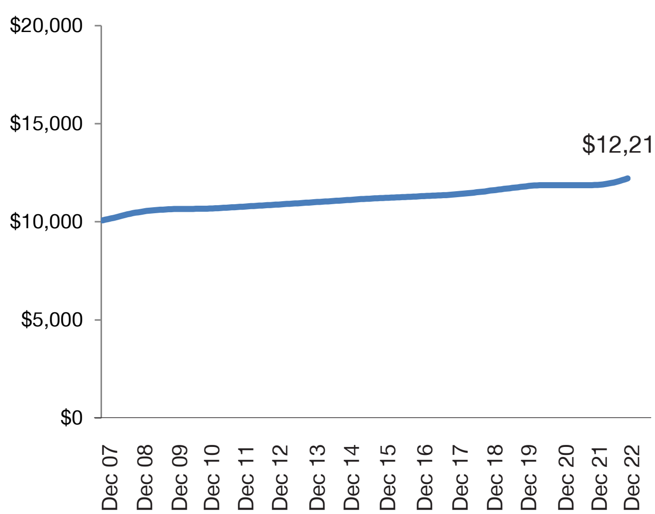
Performance

Compound Annualized Returns (as of March 31, 2023)

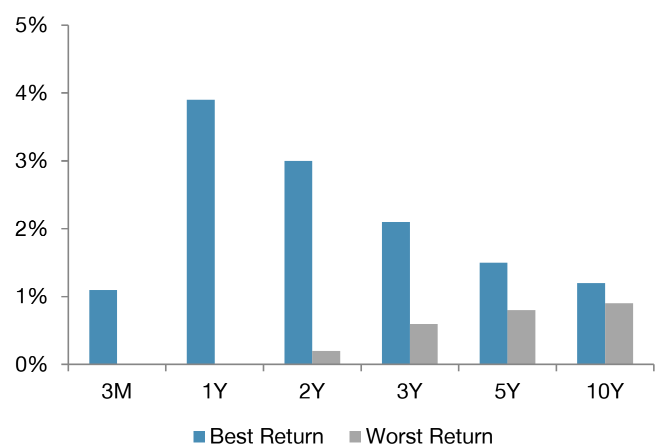
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep*
Savings Fund (after-fee)	**1.1%**	**1.1%**	**2.8%**	**1.1%**	**1.3%**	**1.1%**	**1.1%**	**1.2%**
FTSE Canada 91 Day T-Bill Index	1.1%	1.1%	2.8%	1.1%	1.3%	1.0%	1.1%	1.3%

*Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Market volatility making your head spin? Here are 4 key things to remember

Special to the National Post, by Tom Bradley, March 30, 2023

I was an equity analyst when investors were trying to figure out how quickly mobile phones would penetrate the market. It was when they looked like bricks, and Rogers and the telephone companies were just starting to build cell towers. I recall us agonizing over whether 3% or 5% of Canadians would be using cellphones in five years.

This sounds ridiculous now, but it's a reminder of how difficult it is to make forecasts for new industries (ask cannabis investors). There are so many unknowns, including the pace of product improvement and price reductions, and, of course, the fluidity of social patterns.

I'm reflecting on this because it feels like we're set to make the same mistake our team made in the early 1990s. The pace of new inventions and the adoption of existing ones is going to make our heads spin. There's a wave of emerging technologies coming at us, such as artificial intelligence (AI), alternative energy, robots, genome sequencing and self-driving everything.

There's also a tsunami of new applications using existing technologies. If you think an innovation isn't very good, wait five minutes. It will get better and quickly be a part of your daily life.

For example, AI's usage has been building for years. The emergence of ChatGPT is its coming-out party. Assessing AI's value, however, is fraught with skyhook assumptions, which makes stock movements hypersensitive to changing narratives. Nvidia was perceived to be a winner in the AI race and its stock shot up. Alphabet stumbled out of the gate and its shares got dinged.

These two stocks are examples of how new technologies are contributing to market volatility. In 2022, volatility was higher than in any year since 1945 when measured by the number of days with big price movements (the S&P 500 moved more than 1% on a third of trading days). But there are other reasons for the wilder ride.

Dave Picton, chief executive of Picton Mahoney Asset Management, talks about how the market has gone through structural change. Volatility is higher and cycles are shorter. Bottoms are reached more quickly and recoveries come sooner than expected.

Evidence bears this out. The tech wreck in the early 2000s played out over two and a half years. The decline related to the 2008 financial crisis was over in less than a year. The corrections in 2016 and 2018 lasted a couple of months. And in March 2020, the market was back on a tear within a matter of weeks.

Asked what has caused this acceleration, most analysts answer in terms of macro-economic factors such as interest rates, the war in Ukraine and China-United States relations. These have contributed, but are episodic and, in some cases, cyclical. The structural changes Picton refers to are more lasting.

The gamification of investing is part of the change. I'm referring to the "go big or go home" approach pursued by phone-toting day traders using slick apps, free trades, options and social networks such as Redditt. In particular, trading in short-dated options (which is like buying a lottery ticket) has contributed to volatility.

This betting mentality, however, affects relatively few companies and has limited impact compared to the movement by enormous funds on Wall Street to deploy high-octane strategies. Some are driven by computer models, and many have a hair trigger, keying on factors such as price momentum and market volatility.

For example, there are long/short managers using leverage to enhance returns, which means their bottom lines can swing wildly, and there are more shares to buy or sell when they pivot.

What's an investor to do in the face of these rapid movements?

First, expect the market to be dynamic and volatile. The ride has gotten bumpier.

Don't expect to always understand it. The high-velocity capital mentioned above has a different time frame than you and is reacting to different things.

Don't get discouraged. The theory behind stock investing hasn't changed. By owning a portfolio of stocks, you're a partial owner of a variety of businesses and are building wealth through their growth and dividends.

Do your work ahead of time. Picton and other investment managers talk about how opportunities are fleeting. If a stock you're following gets crushed by a market downdraft, or industry-specific issue, you need to have done your research, understand the issue (if there is one) and be ready to act.

The market's speed and volatility are gifts for those who have a good sense of value and can keep their head from spinning..

Steadyhand

Steadyhand Tax Documents

It's tax time. And your blood pressure probably went up just reading this. But relax, no need to scramble. We've got you covered with a review of the documents you've received from us by now (which are all available in our client portal) along with an explanation of their purpose. Read the overview here.

Published on April 10, 2023, by Steadyhand Investment Funds Inc.

steadyhand.com

1.888.888.3147
1747 West 3rd Avenue
Vancouver, BC V6J 1K7