

# Steadyhand

# Q1 2025

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“Our funds are feeling the tariff downdraft, but not as much as the headlines and indexes would suggest. And importantly, they’re now in position to take advantage of price weakness and growing bearish sentiment.”

— Tom Bradley, Bradley’s Brief



## Bradley's Brief



Before I address the current market turmoil, let me correct something I said in a recent post. I misspoke when I said, “*The range of possible market outcomes [right now] is wide, making it a poor time to hang your hat on a few focused bets (including going all cash).*” I was making the argument that it’s a good time for your investment portfolio to be diversified.

Yes, it has been a good time to be diversified, but it’s always a good time, and we should always be prepared for any and all possible outcomes in the short term. When markets are calm and the news is benign, investors (and professionals) are often guilty of recalibrating and narrowing the range of what can happen, but they shouldn’t. Nor should they exaggerate possible outcomes in difficult and confusing times like we have now.

It’s useful to review what it means to be diversified.

- You have exposure to a broad array of asset types, industries, economies, and currencies, all of which take turns contributing to returns.
- You’ll participate in every bull and bear market, but not to the full extent.
- You won’t love everything in your portfolio. Invariably, there will be holdings that haven’t contributed for a long time or have even been detracting from returns.
- You’ll always recover after a big decline. Not everything will bounce back, but when you’re properly diversified, you’re assured of reaching new highs. It’s just a matter of when.
- There will always be someone in your social circle who is on top of the latest trend and doing better than you, but it will be a different person every time.
- Contributions, withdrawals, fund switches and rebalancing will all be done in the context of a framework. No emotionally charged, mind-bending decisions, or need to make what I’ve dubbed ‘[the hardest decision in investing](#)’ –

getting back into the market after getting out.

- And importantly, you’ll sleep better at night.

As you’ll see in the fund commentaries, our adjustments to the current situation were mostly done through the asset mix of the Founders Fund. The tariff news out of the White House was so unpredictable and ever-changing that it was difficult to justify making significant shifts in strategy in the underlying bond and equity funds.

In response to above-average valuations, rampant speculation and tariff uncertainty, we took advantage of strong markets and dialed down the equity content in Founders. With the proceeds, we increased the bond weighting (income; insurance in periods of economic weakness) and maintained a healthy cash position (income; liquidity to pursue opportunities).

Our funds are feeling the tariff downdraft, but not as much as the headlines and indexes would suggest. And importantly, they’re now in position to take advantage of price weakness and growing bearish sentiment.

In other news, you saw our announcement last month that we’re [joining Purpose Unlimited](#). I’m excited about this partnership and the numerous benefits it will bring to our clients. You can find more details on page 19. If you have any questions about the deal, your portfolio, or the current market environment, I encourage you to reach out to one of our Investor Specialists at 1-888-888-3147.



## Key Takeaways

### Stocks

- Stocks had a mixed first quarter, with the global index falling 1.7%. Heightened trade tensions and waning business and investor confidence weighed on the U.S. market, which fell 4.6%, with many large tech stocks experiencing significant pullbacks. Japan, which has an export-heavy economy, was also weak. European markets, on the other hand, experienced solid gains, led by Germany and France.
- The Canadian market gained modest ground. Gold and resource stocks performed well, while the healthcare, technology, and industrial sectors saw the biggest declines.
- The loonie was flat against the U.S. dollar but fell against the Yen (-5%), Euro (-4%), and British Pound (-3%), which boosted the returns of foreign stocks in \$Cdn terms.

### Bonds

- The Canadian bond market rose 2.0% in the quarter (income and capital appreciation).
- Bond yields declined, with short-term yields experiencing the biggest moves. The benchmark 10-year Government of Canada yield fell from 3.2% to 3.0%.
- The Bank of Canada cut its key short-term lending rate by 0.50%, across two meetings, to bring it to 2.75%.

### Our Funds

- Our funds had a positive quarter, with the exception of the small-cap funds. Our balanced clients' portfolios were up around 1.5%. Over the past 10 years, our balanced clients have gained roughly 5% per year.
- Our stock weighting in the Founders Fund is now below its target of 60% based on our views on corporate fundamentals, valuations, and investor sentiment.
- In the context of our balanced portfolios, recent transactions include the purchase of DAIKIN INDUSTRIES (Japan), ALPHABET (U.S.), and MDA SPACE (Canada); and the sale of TD BANK (Canada), MICHELIN (France), and CHEMED CORP. (U.S.).

## Our Advice to Clients

We recommend you not be above your long-term target for stocks. In the Founders Fund, our equity weighting is 57%. We've dialed down our exposure in recent months and are in a position to take advantage of price weakness and bearish investor sentiment. Our focus is on profitable, market leading companies. Our outlook for bonds is positive given the economic uncertainty. To complement the longer-term bonds in the Income Fund, we also recommend holding a position in the Savings Fund, which is yielding 2.8% (pre-fee). Currently, 8% of the Founders Fund is in cash (including the Savings Fund).

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.

### Market Returns

	3M	1Y
Canada	1.5%	16.1%
World	-1.7%	13.1%

	3M	1Y
Bonds	2.0%	7.5%

### Fund Returns

	3M	1Y
Savings	0.7%	4.0%
Income	1.6%	7.6%
Founders	1.4%	7.0%
Builders	0.7%	6.2%
Equity	4.2%	13.9%
Global	0.5%	2.9%
Small-Cap	-2.3%	-0.6%
Global Small-Cap	-4.6%	2.6%



## 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 (Chair) 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

- In a turbulent first quarter, the portfolio fared well. It had a positive return of 1.4% with cash, bonds, and large-cap stocks contributing.
- As always, performance is driven by the six underlying funds. It's through these funds that Founders holds bonds and stocks from a wide range of industries, geographies and currencies. Being diversified has served clients well through a variety of market conditions, although in recent years, the strategy has been easy to question. That's because it was a remarkable period where a small number of stocks drove returns, and it seemed folly to own anything but the *Magnificent 7*. In general, non-U.S. stocks were a burden to portfolios. And why bother with bonds? Well, this year is a reminder of why.
- Strong markets early in the year and fund flows helped us fine tune the asset mix of the portfolio. We reduced the equity exposure (57% of total assets at quarter-end), increased the bond weighting (35%) and maintained a cash reserve (8%). These moves, which continued a pattern from last year, are in line with the fund's goal of 'capital growth and income', and are helping it weather the Trump storm.
- Interest rates declined in the quarter, but with a lot of ups and downs along the way. We remain positive on the fixed income holdings in the Income Fund, the largest of Founders' underlying funds. Bonds provide an above-inflation yield and are proving to be good diversifiers in periods of stock market weakness. We have a meaningful position in the Savings Fund for similar reasons – income, downside protection, and liquidity. It doesn't have the same return potential as our income and equity funds, but enhances Founders' diversification.
- The largest transactions in the underlying funds during the quarter included new holdings in DAIKIN INDUSTRIES (Japan), ALPHABET (U.S.), and MDA SPACE (Canada); and the sale of TD BANK (Canada), MICHELIN (France), and CHEMED CORP. (U.S.).

### Positioning

- Founders has been playing defense for a while. We expect to shift back to offense in the coming weeks and months. The economic dislocation caused by the trade war will have a real impact, but many stocks will overreact. Lower valuations and fearful investors will provide opportunities to allocate more of the fund into stocks.
- For more details on the underlying funds, please review pages 8-18.

The fund was up 1.4% in the quarter. Since inception (Feb 2012), it has a cumulative return of 117%, which equates to an annualized return of 6.1%.

#### Fund Mix

Income	45%
Equity	20%
Global	19%
Savings	7%
Small-Cap	5%
Global Small-Cap	4%



#### Asset Mix



Foreign Stocks	30%
Canadian Stocks	27%
Gov't Bonds	22%
Corporate Bonds	13%
Cash & Short-term	8%

Fund size \$713,474,779



## Founders Fund

### Attributes

#### Top Stock Holdings (% of Fund)

Microsoft	1.7%
Royal Bank	1.4%
Constellation Software	1.3%
Intact Financial	1.3%
Thomson Reuters	1.2%
TMX Group	1.2%
Waste Connections	1.1%
Visa	1.1%
Metro	1.1%
Dollarama	1.1%

#### Sector Allocation (Stocks)

Industrial Goods & Svc	26.2%
Financial Services	22.5%
Technology	13.9%
Retailing	8.9%
Healthcare	6.5%
Consumer Cyclical	5.1%
Consumer Products	4.6%
Basic Materials	4.6%
Real Estate	3.0%
Oil & Gas	2.5%
Utilities & Pipelines	2.0%
Comm. & Media	0.2%

#### Asset Mix

Long-term		Current
17%	Overseas Stocks	12%
17%	U.S. Stocks	18%
26%	Canadian Stocks	27%
35%	Bonds	35%
5%	Cash	8%

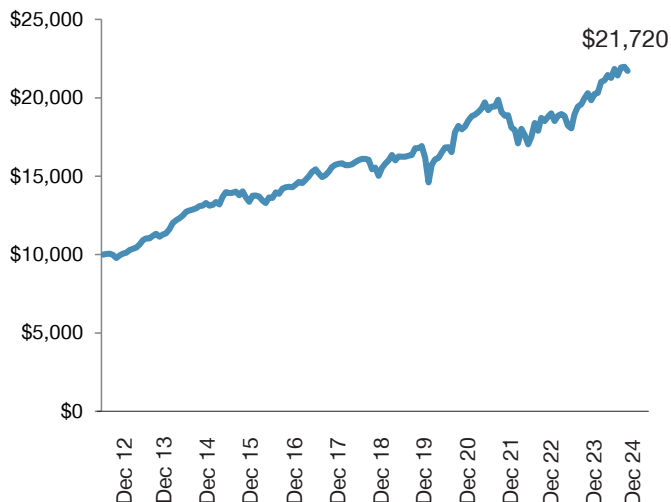
### Performance

#### Compound Annualized Returns (as of March 31, 2025)

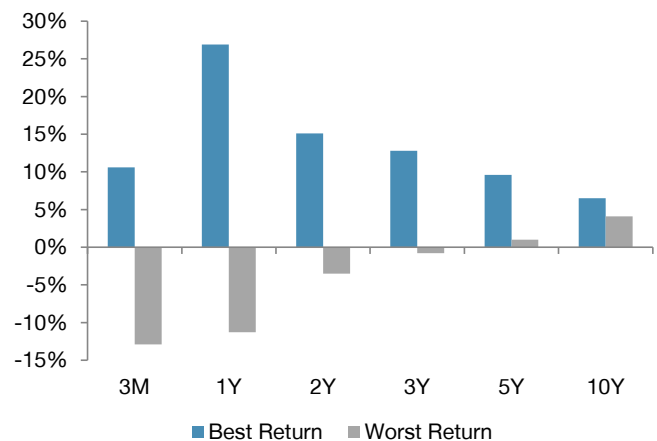
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep <sup>1</sup>
<b>Founders Fund (after-fee)</b>	<b>1.4%</b>	<b>1.4%</b>	<b>7.0%</b>	<b>4.8%</b>	<b>8.2%</b>	<b>4.5%</b>	<b>N/A</b>	<b>6.1%</b>
Canadian Bond Index	2.0%	2.0%	7.5%	2.3%	0.7%	1.7%	N/A	2.4%
Global Stock Index (\$Cdn)	-1.7%	-1.7%	13.1%	12.2%	15.9%	10.5%	N/A	13.1%
Canadian Stock Index	1.5%	1.5%	16.1%	7.7%	16.5%	7.9%	N/A	8.0%

<sup>1</sup>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 0.7% in the quarter. Since inception (Feb 2019), it has a cumulative return of 49%, which equates to an annualized return of 6.8%.

### Portfolio Specifics

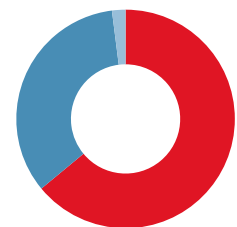
- The fund rose modestly in the quarter despite the volatility in stock markets. Our holdings in defensive industries such as financial services, industrial products, and consumer products contributed to performance, while our limited exposure to mega-cap technology companies (which saw significant declines) also helped.
- Investments are allocated roughly two-thirds towards foreign businesses and one-third towards companies based in Canada. 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 (31% of the portfolio), includes a diverse mix of companies such as RB GLOBAL (industrial auctioneer), RPM INTERNATIONAL (specialty coatings and sealants), SAAB (aerospace, defense, and radar specialist), BADGER INFRASTRUCTURE SOLUTIONS (hydrovac services), and CN RAIL. Performance of the group was mixed in the quarter.
- Financial services companies make up 20% of the fund. Large holdings include VISA and TMX GROUP. We also own a group of leading insurance companies, including INTACT FINANCIAL, MUNICH RE GROUP, and AIA GROUP. CME GROUP (derivatives marketplace), S&P GLOBAL (financial data and analytics), and DBS GROUP HOLDINGS (banking) provide additional diversification. Many of these holdings were strong performers in the quarter.
- The technology sector is another important area of investment, comprising 15%. Our focus is on established industry leaders such as MICROSOFT. Other investments include QUALCOMM (chips for smartphones), CONSTELLATION SOFTWARE (software), and ASTERA LABS (connectivity solutions for data centers). Performance was challenging for this group.
- The portfolio has only modest exposure to commodity stocks (6%), due to their inherent cyclical nature. Holdings include TOREX GOLD RESOURCES (gold producer), CAPSTONE COPPER (copper miner), TOTALENERGIES (oil & gas), INTERFOR (lumber), and CAMECO (uranium). Returns were mixed, with our gold holdings being standouts.

#### Fund Mix

Equity	36%
Global	35%
Small-Cap	15%
Global Small-Cap	14%



#### Asset Mix



Foreign Stocks	62%
Canadian Stocks	35%
Cash & Short-term	3%

Fund size \$243,500,362

### Positioning

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



## Builders Fund

### Attributes

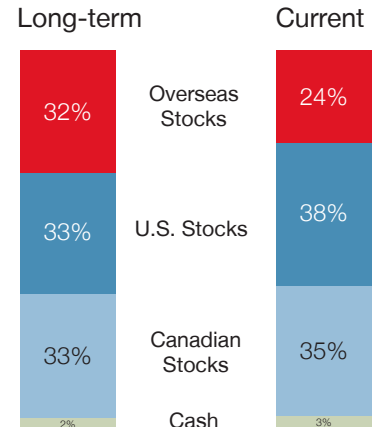
#### Top Stock Holdings (% of Fund)

Microsoft	3.0%
Visa	2.0%
Metro	1.9%
Thomson Reuters	1.8%
TMX Group	1.7%
Dollarama	1.7%
Intact Financial	1.6%
Costco Wholesale	1.6%
TJX Companies	1.6%
S&P Global	1.6%

#### Sector Allocation (Stocks)

Industrial Goods & Svc	30.6%
Financial Services	19.7%
Technology	15.3%
Retailing	9.0%
Healthcare	7.9%
Consumer Cyclical	5.6%
Consumer Products	5.1%
Basic Materials	4.9%
Oil & Gas	1.4%
Real Estate	0.5%

#### Asset Mix



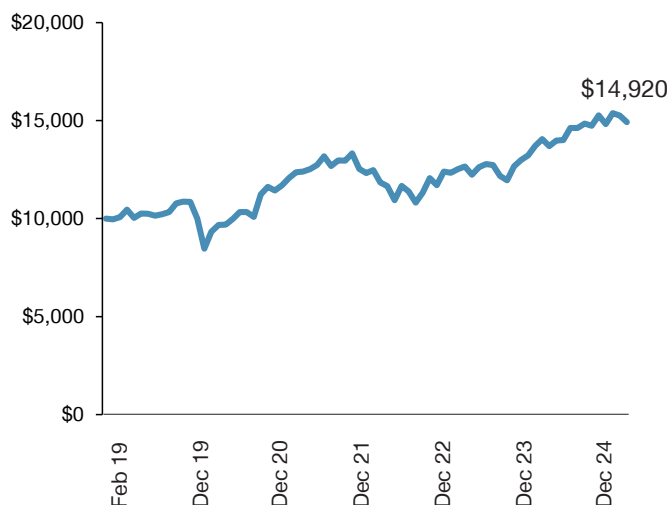
### Performance

#### Compound Annualized Returns (as of March 31, 2025)

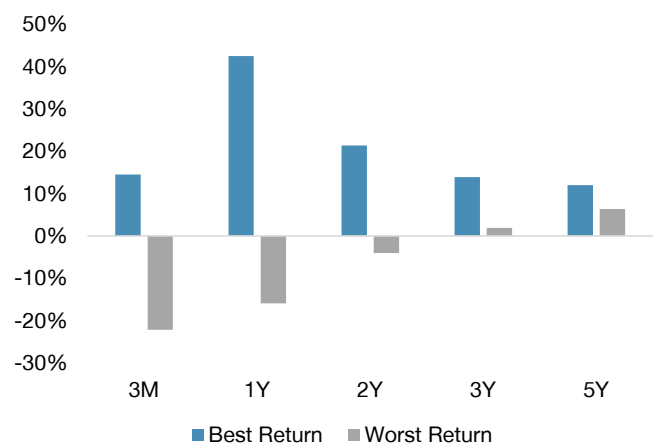
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep <sup>1</sup>
<b>Builders Fund (after-fee)</b>	<b>0.7%</b>	<b>0.7%</b>	<b>6.2%</b>	<b>6.1%</b>	<b>12.0%</b>	<b>N/A</b>	<b>N/A</b>	<b>6.8%</b>
Global Stock Index (\$Cdn)	-1.7%	-1.7%	13.1%	12.2%	15.9%	N/A	N/A	12.3%
Canadian Stock Index	1.5%	1.5%	16.1%	7.7%	16.5%	N/A	N/A	10.7%

<sup>1</sup>Feb 15, 2019

#### Growth of \$10,000 Since Inception



#### Best and Worst Annualized Returns



## Income Fund

### Market Context

- The Canadian bond market rose 2.0% in the quarter (income and capital appreciation).
- Bond yields declined, with short-term yields experiencing the biggest moves. The benchmark 10-year Government of Canada yield fell from 3.2% to 3.0%.
- Canadian stocks rose 1.5%. The gold sector was a notable area of strength while healthcare and technology stocks saw the greatest declines.

The fund was up 1.6% in the quarter. Since inception (Feb 2007), it has a cumulative return of 127%, which equates to an annualized return of 4.6%.

### Portfolio Specifics

- The bond component of the portfolio, which constitutes 76%, performed well. With economic activity slowing in Canada and a high degree of uncertainty surrounding tariffs, yields fell across the maturity spectrum (as a reminder, when yields fall, bond prices rise). The Bank of Canada cut its key policy rate twice, leading to greater declines in short- and mid-term yields compared to long-term yields. This benefited our holdings with maturities less than 10 years the most (73% of our investments).
- The growth backdrop in Canada has weakened, which will likely lead to further government stimulus. That said, the Bank of Canada has been one of the most active central banks over the last year, and has limited ability to cut rates significantly further. Our manager, Connor, Clark & Lunn, anticipates that long-term yields will come down more than short-term rates and has structured the portfolio with a longer duration accordingly.
- Corporate bonds are an important part of the portfolio, though our weighting remains lower than usual given the current economic climate. With consumer confidence waning and business sentiment at a low, the likelihood of a recession in Canada has increased in CC&L's view. As a result, our focus is on high-quality bonds issued by companies with strong balance sheets. These include telecoms, REITs anchored by grocers, and top-tier banks, where lower interest rates suggest manageable mortgage renewals while loan growth stabilizes.
- The fund's equities (24% of the portfolio) were positive contributors but lagged behind the overall market. Bright spots included gold miner AGNICO EAGLE MINES and consumer staples GEORGE WESTON and LOBLAW COMPANIES, which delivered strong results. However, two of our power generators, CAPITAL POWER and TRANSALTA, saw significant declines amid a broad selloff in the sector triggered by concerns that AI-related businesses will require less power than originally anticipated.
- The fund paid a distribution of \$0.07/unit at the end of March.

### Notable Stock Transactions

#### Buy/Add

Rogers Communications\*  
Great West Lifeco\*  
Imperial Oil\*  
Power Corp.\*  
Franco-Nevada\*

\*New holding

#### Trim/Sell

Telus<sup>1</sup>  
Stella-Jones<sup>1</sup>  
Teck Resources<sup>1</sup>  
Pembina Pipeline Corp.<sup>1</sup>

<sup>1</sup>Position eliminated

### Positioning

- With economic activity slowing and business and investor sentiment souring, our focus is on high-quality bonds and stocks with a defensive tilt.
- Stocks make up 24% of the fund and remain an important source of diversification.

Fund size	\$73,055,368
Pre-fee Yield	3.5%
Avg Term to Matur.	9.6 yrs
Duration (Bonds)	7.0 yrs





## Income Fund

### Attributes

#### Top Holdings (% of Fund)

CC&L High Yield Bond Fd	5.0%
Canada T-Bill (Jun/25)	4.2%
Ontario 2.70% (Dec/55)	3.4%
Canada 2.75% (Dec/55)	3.3%
Quebec 4.45% (Sep/34)	2.6%
Canada 2.00% (Dec/51)	2.0%
Ontario 3.80% (Dec/34)	1.7%
Royal Bank	1.6%
Ontario 3.65% (Jun/33)	1.6%
Canada T-Bill (Jun/25)	1.4%

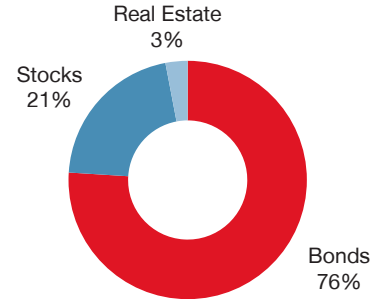
#### Issuer Allocation (Bonds)

Federal Government	23%
Provincial Government	41%
Corporate	36%

#### Rating Summary (Bonds)

AAA	29%
AA	33%
A	6%
BBB	28%
BB (or lower)	4%

#### Asset Mix



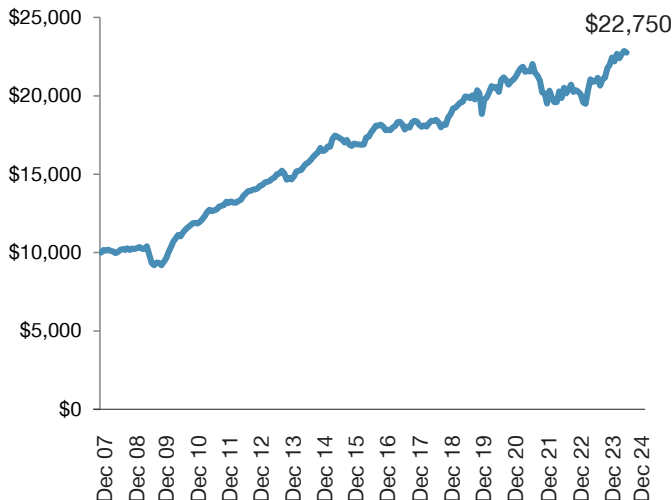
### Performance

#### Compound Annualized Returns (as of March 31, 2025)

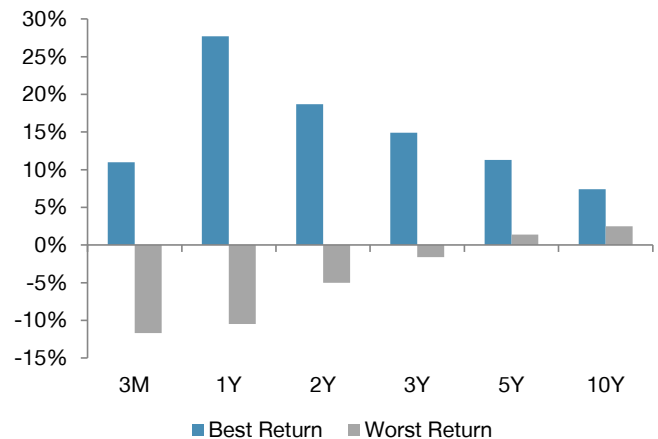
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep*
<b>Income Fund (after-fee)</b>	<b>1.6%</b>	<b>1.6%</b>	<b>7.6%</b>	<b>2.7%</b>	<b>3.8%</b>	<b>2.7%</b>	<b>4.4%</b>	<b>4.6%</b>
Canadian Bond Index	2.0%	2.0%	7.5%	2.3%	0.7%	1.7%	3.1%	3.5%
Canadian Stock Index	1.5%	1.5%	16.1%	7.7%	16.5%	7.9%	7.4%	6.2%

\*Feb 13, 2007

#### Growth of \$10,000 Since Inception



#### Best and Worst Annualized Returns



## Equity Fund

### Market Context

- The Canadian stock market (Morningstar Canada Index) rose 1.5% in the first quarter. Resource stocks were an area of strength, while the healthcare, technology, and consumer discretionary sectors were weak.
- Global stocks, as measured by the Morningstar Developed Markets Index, declined 1.7% in Canadian dollars.

### Portfolio Specifics

- The portfolio consists of 26 stocks, of which 14 are headquartered in Canada, 10 in the U.S., and 2 overseas.
- The fund had a strong return in the quarter despite the turbulence in equity markets. Our financial services holdings drove performance, with TMX GROUP, INTACT FINANCIAL, and CME GROUP all posting double-digit returns. VISA and S&P GLOBAL also gained ground. Our technology investments were weaker, however, with MICROSOFT and CGI being key detractors.
- The portfolio is not immune to the ongoing threat of tariffs, but our holdings have been less impacted. For example, grocers LOBLAW COMPANIES and METRO have adjusted their supply chains to include more Canadian produce and are able to pass on cost increases. TMX Group and CME Group benefited from investors purchasing securities on their platforms that protect against market declines. Rail companies CN RAIL and CANADIAN PACIFIC KANSAS CITY, which move goods both domestically and across the border, only saw slight share price declines.
- TD BANK was sold. The bank is trying to recover after being penalized by the U.S. Department of Justice for its involvement in a drug money laundering case. Our manager, Fiera Capital, believes there are better opportunities elsewhere in the industry and has been building a position in ROYAL BANK instead.
- NESTLÉ and McDONALD’S posted better results and were rewarded by investors. Nestlé’s leadership changes have shown early promise, while McDonald’s is refocusing on value options and winning back customers.
- Microsoft faced a challenging quarter as many tech giants sold off. Investors are questioning whether these companies over-invested in data centers as cloud and AI technology becomes more efficient. However, this does not detract from Microsoft’s leadership in software and cloud, and Fiera likes the long-term outlook for the company.

### Positioning

- 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 market leaders that generate steady profits and have proven leaders at the helm.

The fund was up 4.2% in the quarter. Since inception (Feb 2007), it has a cumulative return of 258%, which equates to an annualized return of 7.3%.

### Notable Transactions

#### Buy/Add

Royal Bank  
CGI  
McDonald’s

#### Trim/Sell

TD Bank<sup>1</sup>  
TMX Group  
Danaher  
Visa

<sup>1</sup>Position eliminated

Fund size	\$105,146,510
No. of stocks	26



## Equity Fund

### Attributes

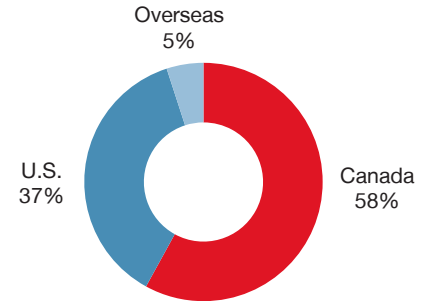
#### Top Stock Holdings

Visa	5.5%
Metro	5.4%
Thomson Reuters	4.9%
TMX Group	4.8%
Dollarama	4.7%
Intact Financial	4.5%
Costco Wholesale	4.4%
TJX Companies	4.4%
S&P Global	4.4%
Constellation Software	4.3%

#### Sector Allocation (Stocks)

Industrial Goods & Svc	27.2%
Financial Services	24.6%
Retailing	23.0%
Technology	15.2%
Consumer Products	4.3%
Consumer Cyclical	3.5%
Healthcare	2.2%

#### Geographic Profile (Stocks)



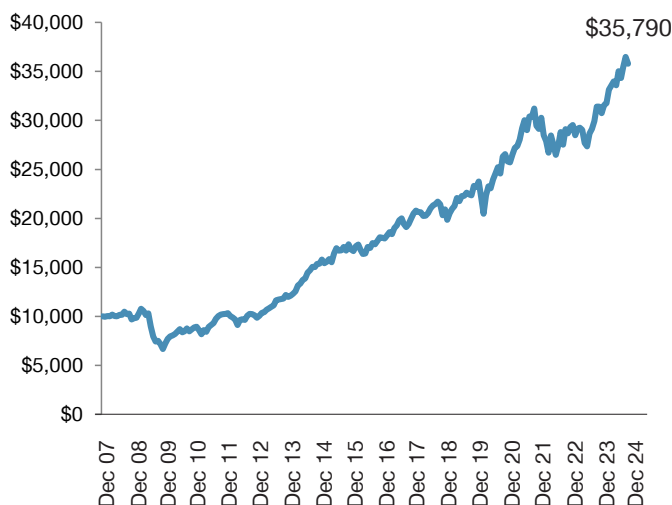
### Performance

#### Compound Annualized Returns (as of March 31, 2025)

	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep <sup>1</sup>
<b>Equity Fund (after-fee)</b>	<b>4.2%</b>	<b>4.2%</b>	<b>13.9%</b>	<b>5.7%</b>	<b>11.8%</b>	<b>7.9%</b>	<b>9.7%</b>	<b>7.3%</b>
Canadian Stock Index	1.5%	1.5%	16.1%	7.7%	16.5%	7.9%	7.4%	6.2%
Global Stock Index (\$Cdn)	-1.7%	-1.7%	13.1%	12.2%	15.9%	10.5%	12.1%	8.2%

<sup>1</sup>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 down 1.7% in Canadian dollar terms in the first quarter.
- The U.S. market was weak, falling 4.6%, as many leading tech stocks pulled back. European markets experienced solid gains, led by Germany. In Asia, returns were mixed, with Japan down 10% and Hong Kong up nearly 20%.

### Portfolio Specifics

- The fund owns 48 stocks, of which 21 are domiciled in the U.S., 11 in Europe, 9 in Japan, 3 in Asia-Pacific, 2 in the U.K., and 2 in Canada. Companies range in size from mega-cap MICROSOFT to small-cap FIRSTCASH HOLDINGS.
- The portfolio held up well in a volatile quarter, turning in a small gain while the global index declined 1.7%. Many high-flying American AI-related stocks experienced a correction in Q1, but our exposure to this group is limited due to our manager’s concerns (Aristotle Capital) about their high valuations.
- Tariffs have become a significant concern for investors. The Trump administration’s unpredictable policies make it difficult for executives to forecast and model, increasing business risks for many companies. To navigate these challenges, Aristotle emphasizes the importance of having decisive and nimble management teams, and they are confident in the leaders running the companies we own.
- The fund benefited from its broad exposure to different countries and industries, with several European holdings delivering strong results. German reinsurance leader MUNICH RE was a standout, gaining 25%, while French oil major TOTALENERGIES and German software specialist NEMETSCHEK saw double-digit gains. Our more defensive holdings in the healthcare and consumer sectors also performed well, with AMGEN, MEDTRONIC, COCA-COLA, and HEINEKEN all rising. Tokyo-based SONY GROUP and Hong Kong insurer AIA GROUP were also positive contributors.
- The biggest declines in the quarter came from U.S. tech companies PAYPAL HOLDINGS, MICROCHIP TECHNOLOGY, ADOBE, and MICROSOFT. Canadian uranium miner CAMECO and British pest control leader RENTOKIL were also weak. However, Aristotle believes all these businesses continue to have strong fundamentals.
- Two stocks were added to the portfolio: DAIKIN INDUSTRIES, the world’s largest air conditioner manufacturer, and ALPHABET (the parent company of Google), the dominant player in search. Aristotle saw a 20% drop in Alphabet’s stock as a buying opportunity. MICHELIN and HONEYWELL were sold to fund these purchases.

The fund was up 0.5% in the quarter. Since inception (Feb 2007), it has a cumulative return of 77%, which equates to an annualized return of 3.2%.

### Notable Transactions

#### Buy/Add

Daikin Industries\*  
Alphabet\*

\*New holding

#### Trim/Sell

Michelin<sup>1</sup>  
Honeywell International<sup>1</sup>

<sup>1</sup>Position eliminated

### Positioning

- Investments are spread across industries, both fast-growing and steady-eddy, focusing on companies with strong market positions.. Aristotle looks for quality businesses with competitive advantages, pricing power, and experienced leadership.

Fund size	\$49,608,443
No. of stocks	48



## Global Equity Fund

### Attributes

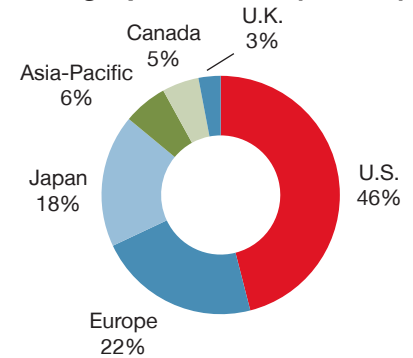
#### Top Stock Holdings

Microsoft	4.4%
Munich Re	4.0%
Lennar	3.4%
DBS Group Holdings	3.1%
Sony Group	3.1%
Martin Marietta	3.0%
MonotaRO	3.0%
Cameco	2.9%
Amgen	2.8%
TotalEnergies	2.8%

#### Sector Allocation (Stocks)

Industrial Goods & Svc	24.1%
Financial Services	19.5%
Technology	19.4%
Healthcare	14.9%
Consumer Cyclical	9.4%
Consumer Products	5.4%
Basic Materials	3.0%
Oil & Gas	2.8%
Retailing	1.5%

#### Geographic Profile (Stocks)



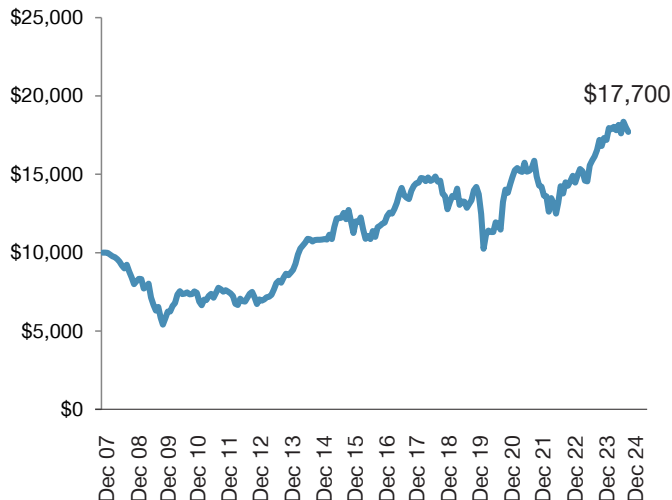
### Performance

#### Compound Annualized Returns (as of March 31, 2025)

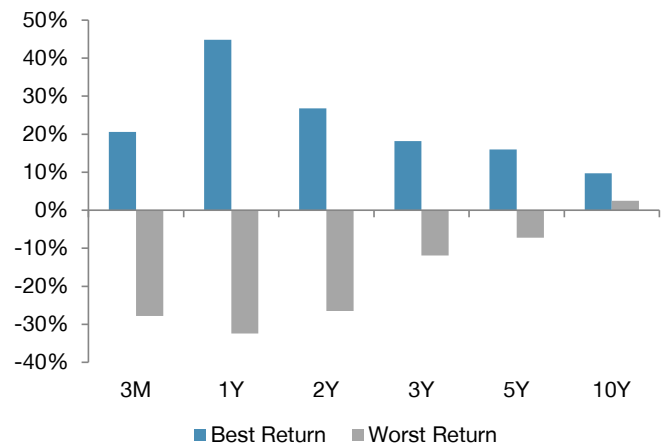
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep <sup>1</sup>
<b>Global Equity Fund (after-fee)</b>	<b>0.5%</b>	<b>0.5%</b>	<b>2.9%</b>	<b>7.6%</b>	<b>11.6%</b>	<b>3.8%</b>	<b>5.9%</b>	<b>3.2%</b>
Global Stock Index (\$Cdn)	-1.7%	-1.7%	13.1%	12.2%	15.9%	10.5%	12.1%	8.2%

<sup>1</sup>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 (Morningstar Canada Small Cap Index) rose 1.1% in the quarter. U.S. small-caps fell 6.0% in Canadian dollar terms.
- Gold stocks were the top performers, with the price of the metal rising nearly 20%. The technology, healthcare, and industrial sectors saw the biggest declines.

### Portfolio Specifics

- The fund consists of 22 companies, ranging from very small (DIVERSIFIED ROYALTY) to medium-sized businesses (ATS CORPORATION). While the majority of holdings are Canadian, there are three U.S. companies which make up 11% of the fund's stocks.
- The first quarter was volatile, stemming from heightened political uncertainty and concerns over tariffs and a potential U.S.-induced trade war. This negative sentiment particularly affected many small-cap stocks, and the fund declined modestly. However, our two gold-focused holdings, TOREX GOLD RESOURCES and EQUINOX GOLD, were standout performers, both rising more than 30%. Gold often benefits during periods of political turmoil and inflation, which was evident this quarter.
- Other positive contributors included BADGER INFRASTRUCTURE SOLUTIONS, FINNING INTERNATIONAL, and MEG ENERGY. Badger has been delivering solid growth and increased its dividend in the quarter, Finning has benefited from strong secular demand for copper mining driven by global electrification efforts, and MEG achieved several operating milestones.
- President Trump's erratic tariff policies have frustrated business leaders, making it difficult to plan capital expenditures and manage supply chains. Three of our holdings experienced significant declines due to tariff uncertainty: SPIN MASTER (maker of toys and games), SAVARIA (manufacturer of accessibility equipment and home elevators), and CARGOJET (overnight freight services, both domestic and international). Our manager, Galibier Capital, believes these businesses have strong management teams capable of navigating the current challenges.
- Two new stocks were added to the portfolio: EQUINOX GOLD CORP. and MDA SPACE. Equinox is a growth-focused gold producer with six operational mines across the Americas. MDA specializes in manufacturing communications satellites and provides a range of services to the global space industry. Galibier likes the long-term opportunities for both companies.
- A few holdings were trimmed early in the quarter based on strong performance, including HENRY SCHEIN, OSHKOSH, MEG Energy, Finning, and Torex.

### Positioning

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

The fund was down 2.3% in the quarter. Since inception (Feb 2007), it has a cumulative return of 222%, which equates to an annualized return of 6.7%.

### Notable Transactions

#### Buy/Add

Equinox Gold Corp.\*  
MDA Space\*  
Capstone Copper  
\*New holding

#### Trim/Sell

Finning International  
Oshkosh Corp.  
Henry Schein  
Finning International  
MEG Energy

Fund size	\$41,601,148
No. of stocks	22



## Small-Cap Equity Fund

### Attributes

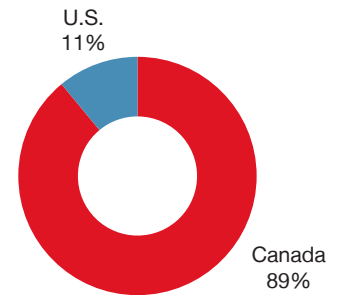
#### Top Stock Holdings

Torex Gold Resources	7.5%
MEG Energy	6.9%
Stella-Jones	5.3%
EQB	5.1%
Badger Infrastructure	5.0%
Capstone Copper	4.9%
Oshkosh Corp.	4.6%
Boyd Group Services	4.6%
Equinox Gold Corp.	4.6%
ATS Corporation	4.4%

#### Sector Allocation (Stocks)

Industrial Goods & Svc	41.3%
Basic Materials	26.6%
Healthcare	8.1%
Oil & Gas	7.1%
Financial Services	5.3%
Consumer Products	4.6%
Technology	3.9%
Consumer Cyclical	3.1%

#### Geographic Profile (Stocks)



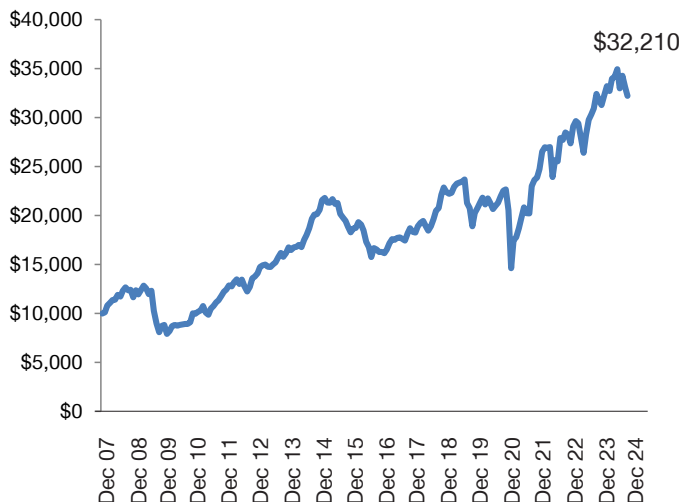
### Performance

#### Compound Annualized Returns (as of March 31, 2025)

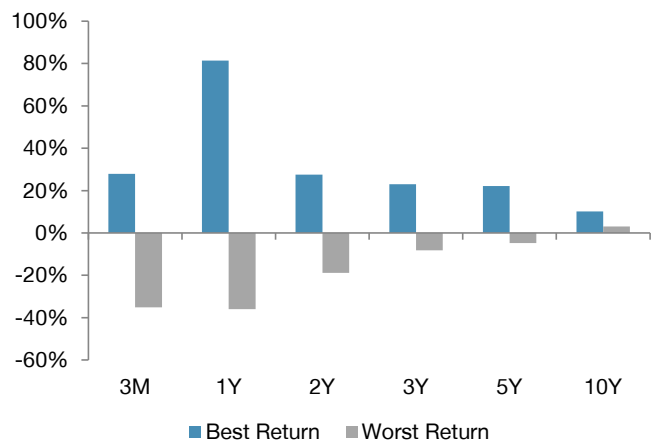
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep <sup>1</sup>
<b>Small-Cap Equity Fund (after-fee)*</b>	<b>-2.3%</b>	<b>-2.3%</b>	<b>-0.6%</b>	<b>5.1%</b>	<b>17.1%</b>	<b>5.6%</b>	<b>7.9%</b>	<b>6.7%</b>
Canadian Small-Cap Stock Index	1.1%	1.1%	17.9%	5.4%	19.3%	5.7%	3.6%	2.0%
U.S. Small-Cap Stock Index (\$Cdn)	-6.0%	-6.0%	4.8%	7.9%	15.4%	8.2%	12.2%	8.7%

<sup>1</sup>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 (Morningstar Developed Markets Small Cap Index) fell 3.7% in Canadian dollar terms in the quarter.
- The technology and consumer cyclical sectors experienced negative returns while utilities and consumer products had a positive quarter.

### Portfolio Specifics

- The portfolio is currently invested in 50 companies. 27 are based in the U.S., 10 in Europe, 6 in Japan, 3 in the U.K., 3 in Australia, and 1 in South America.
- The fund declined in the period as many of our U.S. holdings struggled. ASTERA LABS (connectivity solutions), ACV AUCTIONS (online car auctioneer), MACOM TECHNOLOGY SOLUTIONS (semiconductor technologies), and REGAL REXNORD (electrical and mechanical components) experienced significant pullbacks.
- On the positive side, many of our overseas holdings performed well. SAAB (aerospace and defense) and KION GROUP (warehouse automation) benefited from European leaders pledging to spend more with European suppliers. RAKUTEN BANK continued to grow its market share in Japan and the stock rose nearly 50%, and British wealth manager ST. JAMES'S PLACE showed a strong recovery.
- Companies that operate primarily in domestic markets were less impacted by the threat of tariffs. Some of our holdings in this category include STEADFAST GROUP in Australia; RAKUTEN BANK, KDX REALTY INVESTMENT CORPORATION, and TOKYO METRO in Japan; CASELLA WASTE SYSTEMS, WEBSTER FINANCIAL, and ENCOMPASS HEALTH in the United States; and ALM. BRAND in Denmark.
- We increased our investments in the U.S. industrials sector, adding three new stocks: HEXCEL and KARMAN HOLDINGS, which make materials for the aerospace industry, and TETRA TECH, an engineering and consulting services firm. We've owned Hexcel in the past, and our manager, TimesSquare Capital, repurchased it based on an attractive valuation.
- TimesSquare is excited about the opportunities in Europe. Investors have favoured U.S. companies over the last 10 years, but the current tariff war and higher valuations of American stocks are prompting more interest abroad. We purchased Greek bank PIRAEUS FINANCIAL HOLDINGS, Danish insurance company Alm. Brand and German drug maker VERONA PHARMA.
- To pursue the above-mentioned opportunities, we sold five stocks: FIRST ADVANTAGE, CHEMED, FINECOBANK, ROHTO PHARMACEUTICAL, and AUTO TRADER.

### Positioning

- The fund invests in businesses with a clear competitive edge that offer products and services the world needs. A record of consistent sales and profit growth is important, along with a management team that has experience and integrity.

The fund was down 4.6% in the quarter. Since inception (Feb 2019), it has a cumulative return of 40%, which equates to an annualized return of 5.7%.

### Notable Transactions

#### Buy/Add

Piraeus Financial Holdings\*  
 Hexcel Corporation\*  
 Alm. Brand A/S\*  
 Verona Pharma\*  
 Tetra Tech\*  
 Karman Holdings\*  
 \*New holding

#### Trim/Sell

First Advantage<sup>1</sup>  
 Chemed Corporation<sup>1</sup>  
 FinecoBank SpA<sup>1</sup>  
 Rohto Pharmaceutical<sup>1</sup>  
 Auto Trader Group<sup>1</sup>

<sup>1</sup>Position eliminated

Fund size	\$10,213,637
No. of stocks	50





## Global Small-Cap Equity Fund

### Attributes

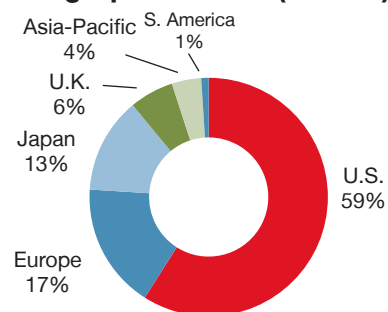
#### Top Stock Holdings

Performance Food Group	3.8%
KDX Realty Investment	3.7%
Clean Harbors	3.6%
Azbil Corporation	3.5%
Regal Rexnord	3.0%
Casella Waste Systems	3.0%
ESAB	2.9%
Emcor Group	2.5%
Piraeus Financial Hldgs.	2.4%
Encompass Health	2.4%

#### Sector Allocation (Stocks)

Industrial Goods & Svc	41.2%
Financial Services	19.4%
Technology	18.0%
Consumer Products	6.9%
Healthcare	5.9%
Consumer Cyclical	4.7%
Real Estate	3.9%

#### Geographic Profile (Stocks)



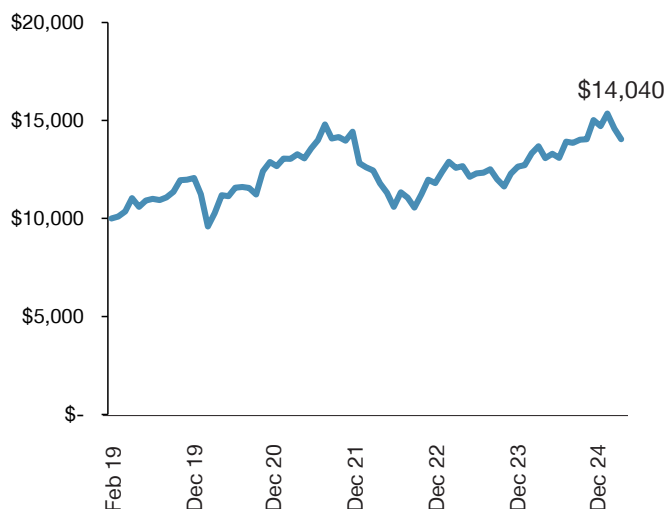
### Performance

#### Compound Annualized Returns (as of March 31, 2025)

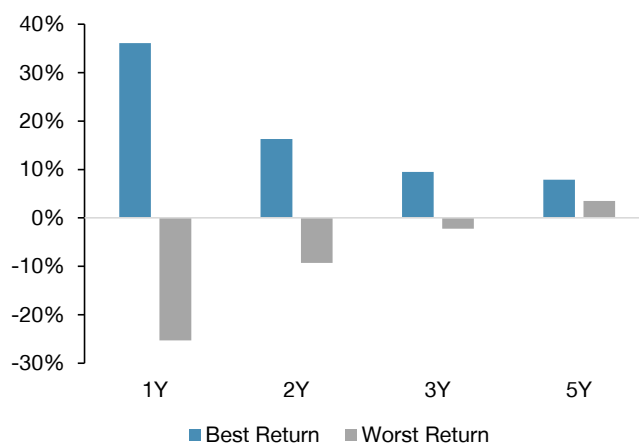
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep <sup>1</sup>
<b>Global Small-Cap Equity Fund (after-fee)</b>	<b>-4.6%</b>	<b>-4.6%</b>	<b>2.6%</b>	<b>4.1%</b>	<b>7.9%</b>	<b>N/A</b>	<b>N/A</b>	<b>5.7%</b>
Global Small Cap Stock Index (\$Cdn)	-3.7%	-3.7%	6.1%	6.9%	13.6%	N/A	N/A	7.3%

<sup>1</sup>Feb 15, 2019

#### Growth of \$10,000 Since Inception



#### Best and Worst Annualized Returns



## Savings Fund

### Market Context

- The Bank of Canada cut its key short-term lending rate twice in the first quarter, bringing it down from 3.25% to 2.75%.
- While the Canadian economy entered the year in a good position, with inflation close to the 2% target, the central bank noted that heightened trade tensions and tariffs imposed by the U.S. will impact economic activity and increase inflationary pressures. In this rapidly evolving landscape, the economic outlook is subject to higher-than-usual uncertainty.
- The Bank emphasized that it will carefully assess the timing and strength of the pressures from a weaker economy and higher costs to prevent ongoing inflation.

The fund was up 0.7% in the quarter. Since inception (Feb 2007), it has a cumulative return of 33%, which equates to an annualized return of 1.6%.

### Positioning

- T-Bills comprise 75% of the portfolio, while corporate paper makes up 25%.
- We increased our weighting in corporate paper, which offer attractive yields.
- The pre-fee yield of the portfolio at the end of March was 2.8%.

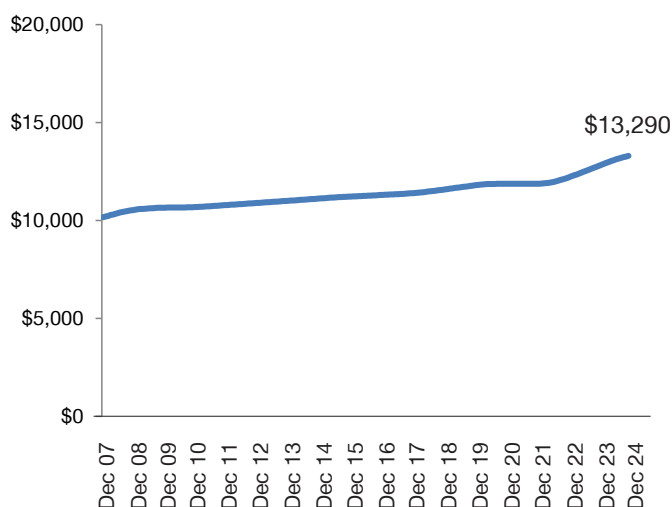
## Performance

### Compound Annualized Returns (as of March 31, 2025)

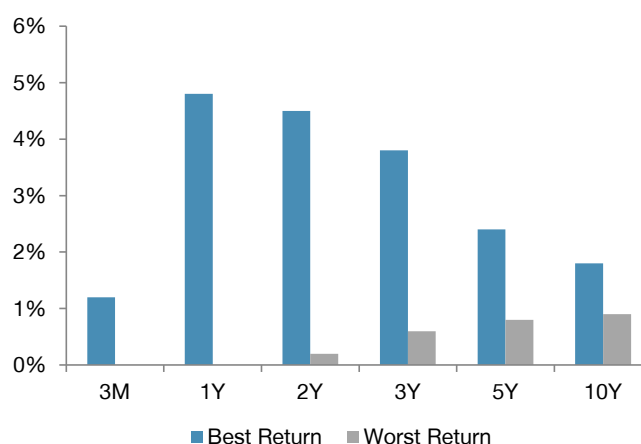
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep*
<b>Savings Fund (after-fee)</b>	<b>0.7%</b>	<b>0.7%</b>	<b>4.0%</b>	<b>3.8%</b>	<b>2.4%</b>	<b>1.8%</b>	<b>1.5%</b>	<b>1.6%</b>
Canadian Cash Index	0.7%	0.7%	4.1%	4.0%	2.4%	1.7%	1.4%	1.6%

\*Feb 13, 2007

### Growth of \$10,000 Since Inception



### Best and Worst Annualized Returns



## Steadyhand to join Purpose Unlimited to enhance your wealth management experience

We are excited to announce that Steadyhand has accepted an offer to join Purpose Unlimited (“Purpose”), an innovative and growing wealth and investment management firm. Subject to regulatory and unitholder approval, Purpose will acquire Steadyhand with the goal of expanding our wealth management capabilities and enhancing our ability to serve your investment needs.

### Why we’re doing this

We initiated the search for a partner to find a firm that had the resources to help us broaden our ability to serve clients, achieve our ambition to serve more Canadians, and provide additional opportunities for our team. The Purpose/Steadyhand combination is about building on our strengths and fulfilling our goal to better serve Canadian investors of all sizes. It’s not about cost-cutting and rationalization.

The reason we chose to work with Purpose was their excitement for our approach to wealth management and our shared commitment to providing advice to all Canadians. Most other firms are focused on clients with millions of dollars. Purpose shares our passion for offering Canadians an alternative to traditional bank branches or advisors who may not fully understand their needs and service expectations.

### Who is Purpose?

Purpose Unlimited is an independent Canadian financial services company led by well-known entrepreneur Som Seif. The firm’s mission is to be the customer-focused leader that the financial services industry needs. Purpose is developing a diversified product platform aimed to innovate and create the next generation of asset management, wealth management, and banking technology. The firm’s businesses include *Purpose Investments*, which offers a broad range of investment products; *Advisor Solutions*, which provides platforms to support advisor-client relationships; and *Driven*, a lender supporting small businesses across Canada.

### Benefits to Steadyhand Clients

Over time, Purpose will help us enhance our offering in several key areas:

- **Enhanced investment management:** Combining the two businesses will allow clients to benefit from Purpose’s investment management capabilities, which include market leadership in retirement products and goal-based solutions.
- **Improved online tools and client experience:** Purpose’s expertise will enable us to improve our online tools (including our client portal) and overall client experience.
- **Increased resources:** The combination of Purpose and Steadyhand will enhance our team’s ability to do what they do best, which is provide responsive service, investment advice and, most importantly, a steady hand.
- **Succession planning:** The management depth and experience of Purpose will help us better address the challenge of succession that hovers over every small, independent firm.

### Next Steps

Before we move ahead with Purpose, we need regulatory and unitholder approval. We expect this process will take 60-90 days, although there are no guarantees. Until that happens and the deal is finalized, you won’t see any changes to our business.

If the deal is consummated, management’s intention is to move slowly as we get to know each other and determine how to best take advantage of each company’s strengths. We want to emphasize that Purpose is excited about acquiring our firm because of the people behind it, and it’s their intention to keep all Steadyhand employees.

As we finalize the details, we’ll have more information to share. In the meantime, please visit our [dedicated webpage](#), which includes an FAQ, video, press release, and other details about the offer.



# 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.](#)

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

Indexes referenced are as follows:

Canadian Cash: Morningstar Canadian Dollar Overnight Cash Index

Canadian Bonds: Morningstar Canada Core Bond Index

Canadian Stocks: Morningstar Canada Index

Canadian Small-Cap Stocks: Morningstar Canada Small Cap Index

U.S. Small-Cap Stocks: Morningstar U.S. Small Cap Index (\$Cdn)

Global Stocks: Morningstar Developed Markets Index (\$Cdn)

Global Small-Cap Stocks: Morningstar Developed Markets Small Cap Index (\$Cdn)

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Steadyhand Investment Management Ltd. is the manager of the Steadyhand funds. Steadyhand Investment Funds Inc. (SIFI) is the principal distributor of the funds.

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