

Steadyhand

Q3 2025

“In calmer moments, investors recognize their inability to know what the future holds. In moments of extreme panic or enthusiasm, however, they become remarkably bold in their predictions: They act as though uncertainty has vanished and the outcome is beyond doubt.”

— Peter Bernstein – analyst, strategist and author of
Against the Gods: The Remarkable Story of Risk.



Bradley's Brief



It's been a Jekyll and Hyde year. One minute I'm imploring clients to stay invested and not get caught up in world events, and the next I'm talking people down from their euphoria. There are investors in both camps, which is unusual. And as I note in the Founders Fund report, we've shifted gears a few times due to changing market conditions.

I've said many times in this space that no time has more uncertainty than another. The future is always uncertain. Some years, however, are more puzzling, and 2025 is one of those. When I'm more confused than usual, I revisit a framework that keeps me grounded. It has three elements to it: fundamentals, valuations, and investor sentiment.

When it comes to *fundamentals*, we don't make market-timing decisions based on economic data. Instead, we simply try to be macro aware. That means having a sense of where we are in the debt and profit cycles, and what factors are meaningfully off trend and/or at an extreme.

Today, it's not clear where we are in the profit cycle, but with the amount of government and high-yield debt being issued, it would appear we're at an advanced stage of the debt cycle (i.e. expect defaults to increase). As for extremes, there are a few — excessive government deficits, the amount of capital being used to build data centers, and spending by the wealthy — that are helping to paper over slowing consumer and corporate activity.

As always, the outlook is mixed, but the range of possible outcomes is tilted to the negative.

Valuation is not a timing tool, but rather a guide to where we can find the best returns over the next five years. When prices in an asset category are high relative to history, returns in subsequent years tend to be below average, and vice versa.

Prices are rich right now for both corporate bonds and stocks. There are cheap (read: unpopular) stocks to be found, but most are trading at the high end of their historic ranges. Similarly, corporate bonds, referred to as credit, are expensive. The extra yield they offer over more secure government bonds, known as the credit spread, is near the lowest it has ever been.

There's another spread that has narrowed: the gap between potential returns for cash, bonds, and stocks. As a result, we're comfortable holding full cash and bond positions in balanced portfolios, including the Founders Fund.

Investor sentiment is my favourite risk management tool. When investors are excited and optimistic, expectations are too high, and risks are generally underappreciated. Conversely, when they're gloomy and fearful, expectations are low, and most of the risks are out in the open.

As per Jekyll and Hyde, there are investors firmly planted at both ends of the spectrum. Overall, however, the high level of speculation and what I call "product silliness" is ruling the day. The optimism for AI, cryptocurrencies and gold, all of which have no income to attach a value to, shows no bounds. And then there's the extensive use of leverage and short-dated options.

My conclusion from this grounding exercise is that we should be cautious while others are being greedy. The profit outlook is mixed at best, valuations are stretched, and investor expectations and speculation are extreme.

Key Takeaways

Stocks

- Stock markets had a strong third quarter. Equities underwent a broad rally, and investors were buoyed by optimism around AI and semiconductor investment. Technology and communication services were leaders, while gold continued its rise. Among global markets, Japan and the U.S. were top performers.
- The Canadian market maintained its run of strong performance, rising 12.4%. Key contributors included basic materials, financial services, and energy sectors.
- The loonie rose 0.1% against the Pound and 0.7% against the Yen. It fell 2.1% against the U.S. dollar and 2.3% against the Euro.

Market Returns

	3M	1Y
Canada	12.4%	29.2%
World	9.4%	20.4%

Bonds

- The Canadian bond market rose 1.4% in the quarter (Income plus capital appreciation).
- Bond yields declined. The benchmark 10-year Government of Canada yield fell to 3.2%.
- The Bank of Canada cut its short-term lending rate by 25 basis points to 2.5%.

	3M	1Y
Bonds	1.4%	2.5%

Our Funds

- Our funds maintained positive performance in the third quarter, with small-cap funds leading the way. Our balanced clients' portfolios were up 2.9%. Over the past 10 years, our balanced clients have gained roughly 5.6% per year.
- Our stock weighting in the Founders Fund is now slightly below its target of 60% based on our view of corporate fundamentals, valuations and investor sentiment.
- In the context of our balanced portfolios, recent transactions include the purchase of RICHEMONT (Switzerland), DAIEI KANKYO (Japan) and NETSKOPE (U.S.); and the sale of DANAHER (U.S.) and EMCOR (U.S.).

Fund Returns

	3M	1Y
Savings	0.6%	2.9%
Income	2.9%	5.8%
Founders	2.9%	7.3%
Builders	3.4%	9.2%
Equity	-3.2%	5.4%
Global	7.3%	9.2%
Small-Cap	9.7%	12.1%
Global Small-Cap	3.9%	14.5%

Our Advice to Clients

We recommend you not be above your long-term target for stocks. In the Founders Fund, our equity weighting is 59%. 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 2.5% (pre-fee). Currently, 7% 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.



Founders Fund

Fund Overview

- The Founders Fund is a balanced fund with a target asset mix of 60% stocks and 40% fixed income. To gain these exposures, it invests in Steadyhand’s other funds.
- Tom Bradley, Steadyhand’s Co-Founder, manages the fund along with Salman Ahmed, CIO. 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.

The fund was up 2.9% in the quarter. Since inception (Feb 2012), it has an annualized return of 6.3%.

Portfolio Specifics

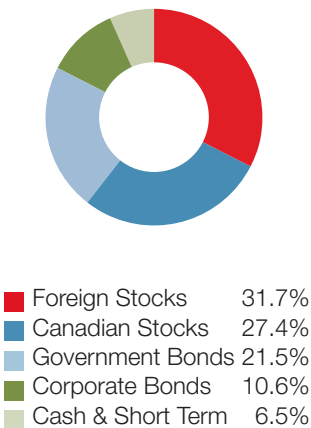
- The Founders Fund continued to ride the stock market wave. It was up 2.9% in the third quarter and 7.5% year-to-date.
- All the underlying funds have contributed this year. So far, the small-cap funds have led the way, along with the Global Equity Fund. The Equity Fund, best performer for many years, had a tough third quarter, which held back Founders’ returns.
- It’s been a dynamic year in the markets, and as a result, Founders shifted gears a few times. In the first part of the year, the focus was on dialling down the risk by reducing equity allocations, but after markets sold off in mid-April due to President Trump’s Liberation Day, we reversed course. We added to stocks by shifting money from the Savings Fund to the Equity and Global Equity Funds, a move triggered by extremely negative investor sentiment (a reverse indicator) and more reasonable valuations due to the market’s overreaction. The purchases proved timely as stocks rallied dramatically. In the third quarter, however, we reversed course again, leaning against strong markets and bringing the equity allocation down to slightly below target (59%).
- The fund’s fixed income holdings haven’t nearly kept up with stocks (the bonds in Founders were over 3% year-to-date), but we remain positive on their outlook and added slightly to the Income Fund in the quarter. As a reminder, bonds provide an above-inflation yield and will be a good diversifier when stocks are weak and negativity is rampant. We have a meaningful position in the Savings Fund for similar reasons – income and downside protection. It doesn’t have the same return potential as our other funds, but it enhances Founders’ diversification and liquidity (which we tapped into in April).
- The largest transactions in the underlying funds during the quarter include the purchase of RICHEMONT (Switzerland), DAIEI KANKYO (Japan) and NETSKOPE (U.S.); and the sale of DANAHER (U.S.) and EMCOR (U.S.).

Fund Mix

Income	46%
Global	21%
Equity	18%
Small-Cap	5%
Global Small-Cap	5%
Savings	5%



Asset Mix



Positioning

- As outlined in Bradley’s Brief, we see the potential returns for cash, bonds and stocks being more tightly bunched than usual. Therefore, despite the current excitement around stocks, Founders will maintain a full position in cash and bonds and continue to use strong markets and fund flows to gradually reduce the stock allocation.
- As we always remind our clients, Founders returns are driven by the six underlying funds. Their strategies are laid out in the pages that follow.



Founders Fund

Attributes

Top Stock Holdings (% of Fund)

Microsoft	1.9%
Royal Bank	1.7%
Cameco	1.0%
Intact Financial	1.0%
Toromont Industries	1.0%
Metro	1.0%
Visa	0.9%
Dollarama	0.9%
The TJX Companies	0.9%
Canadian Pacific Kansas City	0.9%

Sector Allocation (Stocks)

Industrial Goods & Svc	22.4%
Financial Services	20.6%
Technology	13.8%
Consumer Defensive	10.3%
Consumer Cyclical	7.7%
Healthcare	7.4%
Basic Materials	6.0%
Energy	5.9%
Real Estate	4.0%
Communication Services	1.4%
Utilities	0.4%

Asset Mix

Long-term		Current
17%	Overseas Stocks	13%
17%	U.S. Stocks	19%
26%	Canadian Stocks	27%
35%	Bonds	35%
5%	Cash	7%

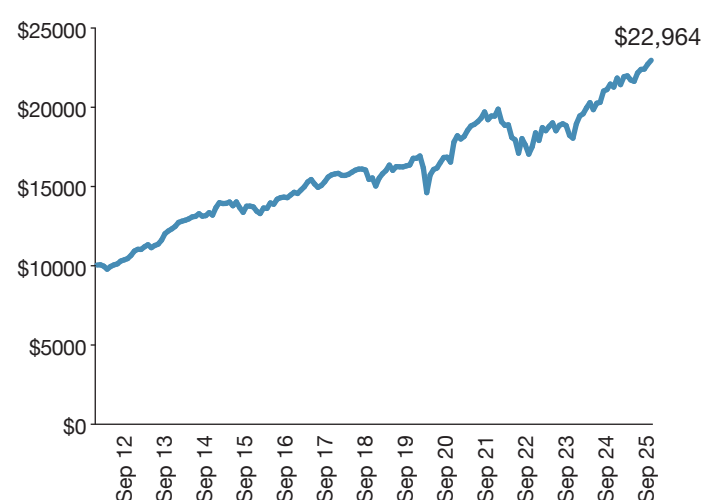
Performance

Compound Annualized Returns (as of September 30, 2025)

	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep ¹
Founders Fund (after-fee)	2.9%	7.5%	7.3%	10.6%	6.5%	5.6%	N/A	6.3%
Canadian Bond Index	1.4%	2.7%	2.5%	4.3%	-0.4%	1.9%	N/A	2.4%
Global Stock Index (\$Cdn)	9.4%	13.6%	20.4%	23.7%	14.9%	12.4%	N/A	13.8%
Canadian Stock Index	12.4%	23.8%	29.2%	21.4%	16.3%	11.3%	N/A	9.3%

¹Feb 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 Salman Ahmed, with Tom Bradley as co-manager.

The fund was up 3.4% in the quarter. Since inception (Feb 2019), it has an annualized return of 7.6%.

Portfolio Specifics

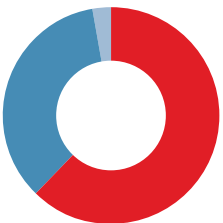
- The fund posted a strong result in the quarter, gaining 3.4%, and is up 9.3% year-to-date. Our holdings in the technology and resource sectors were strong contributors in Q3.
- Investments are allocated roughly two-thirds toward foreign businesses and one-third toward companies based in Canada. The 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 (27% of the portfolio), includes a diverse mix of companies such as OSHKOSH CORP. (specialty vehicles and access equipment), RB GLOBAL (industrial auctioneer), CASELLA WASTE(waste and landfills), BADGER INFRASTRUCTURE SOLUTIONS (hydrovac services), and CN RAIL. Performance of the group was solid in the quarter.
- Financial services companies make up 16% 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. ROYAL BANK and ERSTE GROUP BANK provide additional diversification.
- The technology sector is another important area of investment, comprising 15%. Our focus is on established industry leaders such as MICROSOFT. Other investments include ALPHABET (the parent of Google), QUALCOMM (chips for smartphones) and CONSTELLATION SOFTWARE (software).
- The portfolio has only modest exposure to commodity stocks (10%), due to their inherent cyclical. Holdings include TOREX (gold producer), CAPSTONE (copper miner), TOTALENERGIES (oil & gas), and CAMECO (uranium). Returns were solid overall, with CAMECO a standout.

Fund Mix

Global Equity	34%
Equity	35%
Global Small-Cap	15%
Small-Cap	15%



Asset Mix



Foreign Stocks	62.4%
Canadian Stocks	34.9%
Cash & Short Term	2.7%

Positioning

- Refer to pages 10-19 for details on the underlying funds.

Builders Fund

Attributes

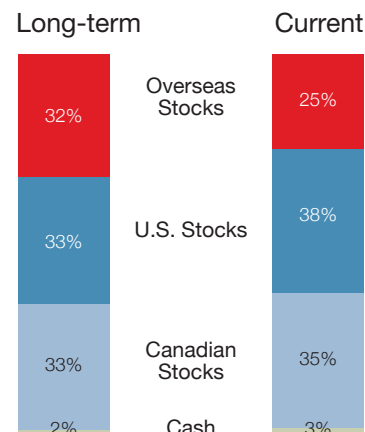
Top Stock Holdings (% of Fund)

Microsoft	3.4%
Toromont Industries	1.8%
Visa	1.8%
Metro	1.7%
The TJX Companies	1.7%
Cameco	1.6%
Oshkosh	1.6%
Dollarama	1.5%
Waste Connections	1.5%
RB Global	1.5%

Sector Allocation (Stocks)

Industrial Goods & Svc	26.6%
Financial Services	16.4%
Technology	15.1%
Consumer Defensive	11.9%
Consumer Cyclical	9.0%
Healthcare	8.9%
Basic Materials	7.0%
Energy	3.4%
Communication Services	1.3%
Real Estate	0.4%

Asset Mix



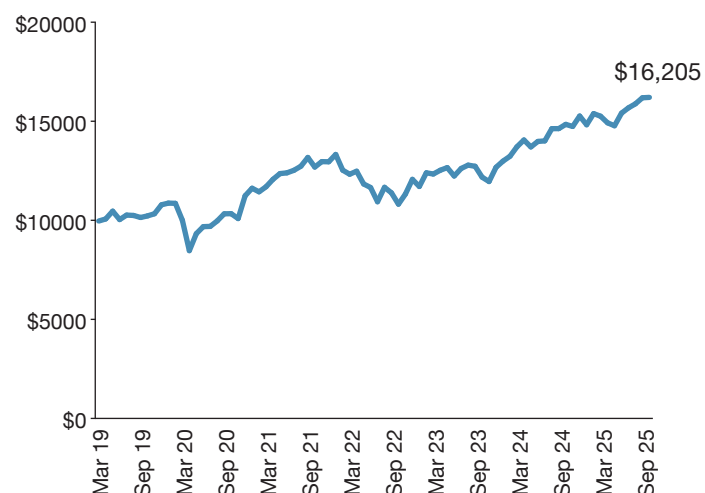
Performance

Compound Annualized Returns (as of September 30, 2025)

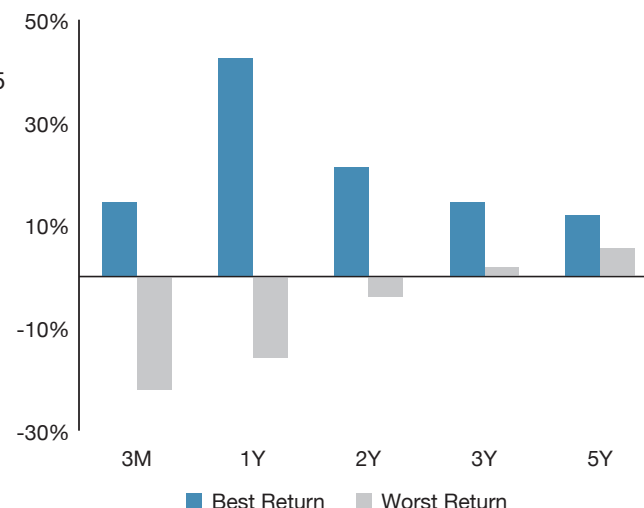
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep ¹
Builders Fund (after-fee)	3.4%	9.3%	9.2%	14.4%	9.4%	N/A	N/A	7.6%
Global Stock Index (\$Cdn)	9.4%	13.6%	20.4%	23.7%	14.9%	N/A	N/A	13.7%
Canadian Stock Index	12.4%	23.8%	29.2%	21.4%	16.3%	N/A	N/A	13.0%

¹Feb 15, 2019

Growth of \$10,000 Since Inception



Best and Worst Annualized Returns



Income Fund

Market Context

- The Canadian bond market gained 1.4% in the quarter (income and capital appreciation).
- Bond yields fell. The benchmark 10-year Government of Canada yield dropped from 3.3 to 3.2%.
- Canadian stocks rose 12.4%. The three largest sectors – financials, basic materials and energy – contributed to the strong performance.

The fund returned 2.9% for the quarter and 6.0% for the year.

Portfolio Specifics

- The fixed income component accounts for 75% of the portfolio. Bonds had a positive return in the quarter, in line with the broader market. Returns were helped with a slight decrease in longer-term yields, and the interest income (as a reminder, bond prices fall when yields rise).
- High-yield bonds, which account for 5% of the portfolio, have also been a positive contributor as investors have been willing to pay more for riskier investments. CC&L takes a less risky approach to high-yield bonds, but these, too, have benefited.
- The fund's equities (25% of the portfolio) were a positive contributor but couldn't keep up with the market. Its focus on dividend-paying stocks results in it holding fewer resource companies than the Canadian market. This hurt performance, as resource companies were the top-performing area of the market.
- While the Canadian economy has slowed down, it hasn't yet experienced a recession. The risk remains due to the impact of tariff uncertainty on both businesses and consumers, but our manager, Connor Clark & Lunn, believes the probability has declined from earlier in the year.
- With economic activity slowing and inflation still a concern, our focus is on high-quality bonds and stocks with a history of resilient earnings growth. This year, we've added bonds from the telecom, REIT and auto sectors. All sectors have been in a negative news cycle, and the risks are now well recognized. There are good businesses that are well-financed and will honour their obligations to lenders.
- The fund paid a distribution of \$0.07/unit at the end of September.

Positioning

- With economic activity slowing and inflation still a concern, our focus is on high-quality bonds and stocks with a history of resilient earnings growth.
- Stocks make up 25% of the fund and remain an important source of diversification.

Fund size: \$72,523,581
Pre-fee Yield: 3.6
Avg Term to Matur.: 9.1 yrs
Duration (Bonds): 6.9



Income Fund

Attributes

Top Holdings (% of Fund)

Canada 0.5% (Dec/30)	5.8%
CC&L High Yield Bond Fd	5.0%
Canada 3.25% (Jun/35)	3.0%
Canada 2.75% (Dec/55)	2.4%
Royal Bank	1.9%
Canada 2.00% (Dec/51)	1.8%
Quebec 4.45% (Sep/34)	1.8%
Ontario 3.80% (Dec/34)	1.7%
Ontario 1.35% (Dec/30)	1.6%
Ontario 2.7% (Jun/29)	1.5%

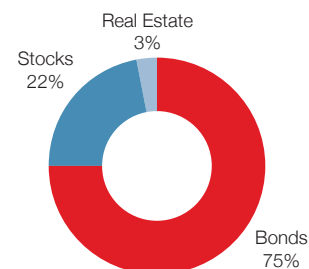
Issuer Allocation (Bonds)

Federal Government	24%
Provincial Government	40%
Corporate	37%

Rating Summary (Bonds)

AAA	29%
AA	33%
A	6%
BBB	29%
BB (or lower)	3%

Asset Mix



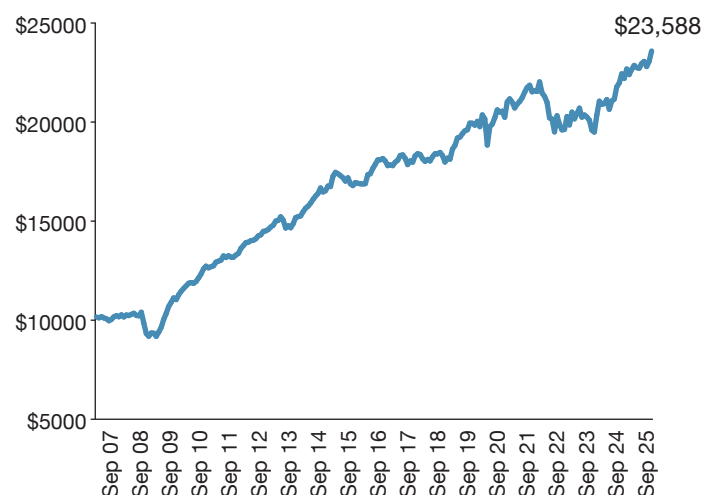
Performance

Compound Annualized Returns (as of September 30, 2025)

	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep*
Income Fund (after-fee)	2.9%	6.0%	5.8%	6.6%	2.9%	3.5%	4.3%	4.8%
Canadian Bond Index	1.4%	2.7%	2.5%	4.3%	-0.4%	1.9%	2.8%	3.4%
Canadian Stock Index	12.4%	23.8%	29.2%	21.4%	16.3%	11.3%	8.6%	7.1%

*Feb 13, 2007

Growth of \$10,000 Since Inception



Best and Worst Annualized Returns



Equity Fund

Market Context

- Canadian equities had a strong quarter, with the TSX climbing more than 20.6% as gold and energy stocks surged. Materials gained over 30% and energy rose nearly 15%.

Portfolio Specifics

- The Fund declined 3.2% in the quarter, bringing its YTD return to 4.3%.
- Limited exposure to materials and energy sectors weighed on relative returns, as the two sectors gained over 30% and 15%, respectively.
- Fiera’s high-conviction holdings weighed on results. THOMSON REUTERS and CONSTELLATION SOFTWARE came under pressure as investors rotated away from quality names and questioned the impact of AI on traditional software models. METRO fell on heightened grocery competition concerns, while INTACT FINANCIAL and TMX GROUP corrected despite strong fundamentals and long track records of execution. Importantly, in many of these cases, Fiera view the pullbacks as driven more by sentiment and rotation than deterioration in business quality.
- On the positive side, TOROMONT rallied over 25%, supported by robust rental and product support revenues and a smooth management succession. TJX continued its steady contribution, benefiting from its essential role as an off-price retail partner.
- Fiera remained disciplined, trimming positions where valuations had become stretched (METRO, THOMSON REUTERS, TMX, DOLLARAMA, among others), while adding selectively to compounders at more attractive levels. A new position was initiated in RICHEMONT, the global luxury group anchored by Cartier and Van Cleef & Arpels, which benefits from secular growth in branded jewelry. To fund this purchase, DANAHER was sold. Other additions included LOBLAW, WASTE CONNECTIONS, CGI, CN RAIL, and CME GROUP.

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 down 3.2% in the quarter. Since inception (Feb 2007), it has an annualized return of 7.1%.

Notable Stock Transactions

Buy/Add

Richemont*

*New holding

Trim/Sell

Danaher¹

¹Position eliminated

Fund size: \$91,004,701
No. of stocks: 26



Equity Fund

Attributes

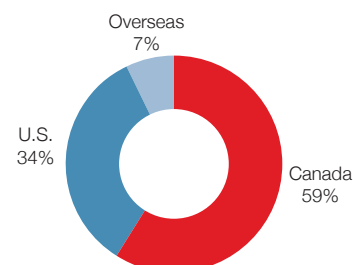
Top Stock Holdings

Microsoft	5.7%
Toromont	5.4%
Visa	5.3%
Metro	5.1%
TJX	5.1%
Dollarama	4.5%
Waste Connections	4.5%
RB Global	4.4%
Intact Financial	4.4%
Royal Bank	4.1%

Sector Allocation (Stocks)

Industrial Goods & Svc	25.7%
Financial Services	25.5%
Consumer Defensive	21.9%
Technology	15.9%
Consumer Cyclical	5.9%
Healthcare	4.8%

Geographic Profile (Stocks)



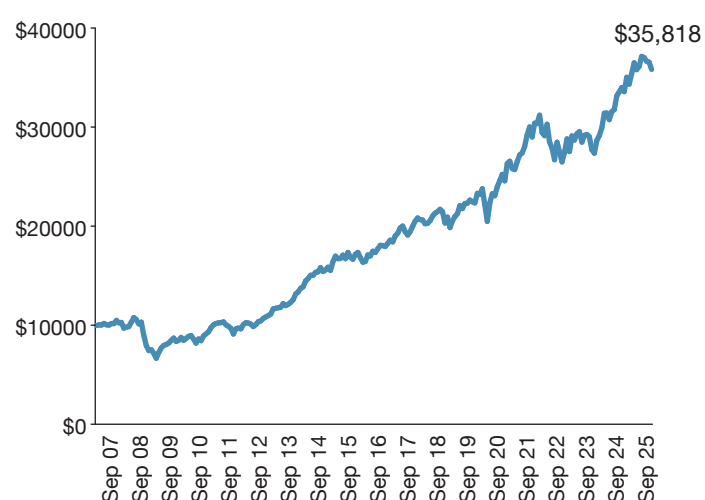
Performance

Compound Annualized Returns (as of September 30, 2025)

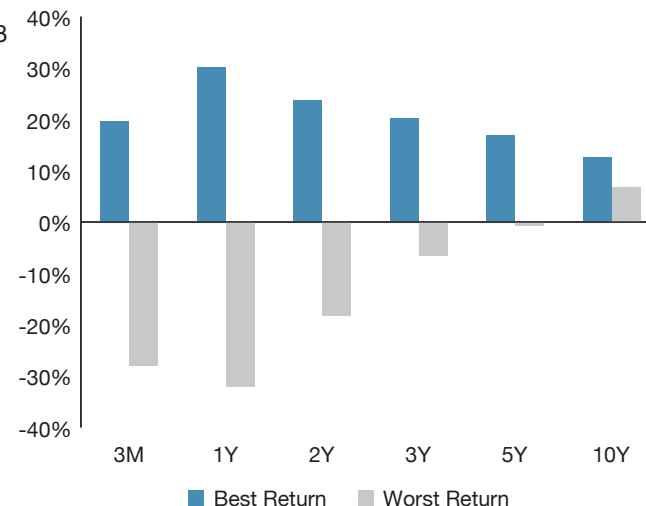
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep ¹
Equity Fund (after-fee)	-3.2%	4.3%	5.4%	10.6%	7.3%	8.0%	9.7%	7.1%
Canadian Stock Index	12.4%	23.8%	29.2%	21.4%	16.3%	11.3%	8.6%	7.1%
Global Stock Index (\$Cdn)	9.4%	13.6%	20.4%	23.7%	14.9%	12.4%	13.1%	8.8%

¹Feb 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 9.7% in Canadian dollar terms in the third quarter.
- In the U.S., AI-driven companies regained momentum late in the quarter following positive developments from Nvidia and OpenAI, fueling renewed enthusiasm for technology and semiconductor stocks. Sector performance was mixed, with technology and energy leading on AI infrastructure demand and energy consolidation, while healthcare and certain consumer areas lagged as valuations reset.
- European financials benefited from improving economic conditions, steeper yield curves, and increased fiscal support.

The fund is up 7.3% in the quarter. Since inception (Feb 2007), it has an annualized return of 3.7%.

Portfolio Specifics

- The fund delivered strong early-quarter gains, but September’s heightened volatility, driven by a rotation back into concentrated AI trades, tempered performance.
- SAMSUNG ELECTRONICS gained on expectations it will supply high-bandwidth memory chips to Nvidia. ERSTE GROUP outperformed on strong results, its acquisition of Santander’s Polish unit, and the broader rally in European financials.
- CAMECO advanced as nuclear energy gained recognition as a key enabler of AI data centers, though the position is now near its maximum allocation and may be trimmed.
- MONOTARO, a Japanese ecommerce company, fell more than 20% during the quarter after a slowdown in monthly sales growth led to a sharp reset in its share price. Large enterprise customers, now 35% of sales and growing 20–25% year over year, remain a key long-term driver.
- NEMETSCHEK, an architectural software company, also declined as part of a broader software pullback, where valuation compression outweighed underlying fundamentals.
- There were no new purchases or sales in the fund during the quarter. Our manager, Aristotle Capital, is focusing research on future investments in the semiconductor value chain, where software and design firms are critical to advancing AI infrastructure; U.S. health insurers, which look increasingly attractive as valuations reset and annual repricing enhances earnings visibility; and energy, where consolidation following Chevron’s acquisition of Hess may create new openings.

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: \$51,949,975
No. of stocks: 48



Global Equity Fund

Attributes

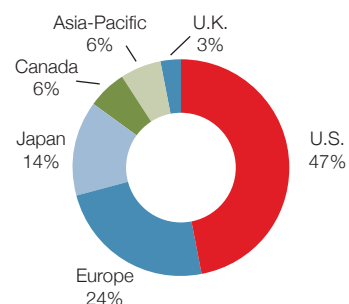
Top Stock Holdings

Cameco	4.7%
Nemetschek	4.4%
Microsoft	4.3%
Brookfield	4.1%
Munich Re	3.5%
Martin Marietta	3.4%
Sony Group	3.2%
Lennar	3.1%
DBS Group Holdings	3.1%
FirstCash Holdings	2.7%

Sector Allocation (Stocks)

Technology	18.6%
Financial Services	15.8%
Industrial Goods & Svc	14.2%
Healthcare	12.8%
Consumer Cyclical	11.2%
Basic Materials	8.1%
Energy	5.8%
Consumer Defensive	4.9%
Communication Services	1.6%

Geographic Profile (Stocks)



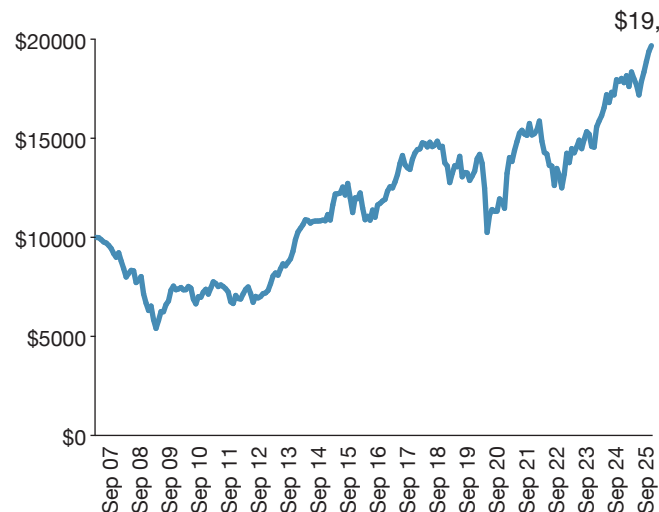
Performance

Compound Annualized Returns (as of September 30, 2025)

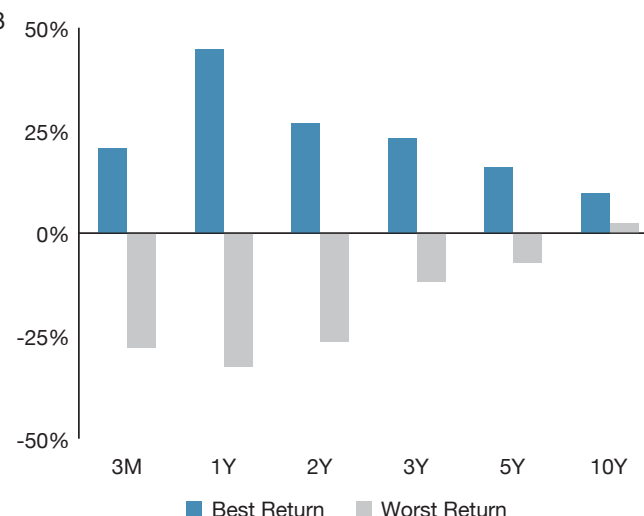
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep ¹
Global Equity Fund (after-fee)	7.3%	11.7%	9.2%	16.3%	10.7%	5.8%	6.9%	3.7%
Global Stock Index (\$Cdn)	9.4%	13.6%	20.4%	23.7%	14.9%	12.4%	13.1%	8.8%

¹Feb 13, 2007

Growth of \$10,000 Since Inception



Best and Worst Annualized Returns



Small-Cap Equity Fund

Market Context

- The Canadian small-cap market, as measured by the Morningstar Canada Small Cap Index, delivered strong returns in the third quarter, led by a rally in gold producers and other resource-oriented companies. The index advanced 21.6% during the quarter and is up 39.1% year-to-date.

The fund is up 9.7% in the quarter. Since inception (Feb 2007), it has an annualized return of 7.4%.

Portfolio Specifics

- At quarter-end, the fund held 22 companies, with most based in Canada and 11% exposure to U.S. companies concentrated in the industrials and healthcare sectors.
- While performance was strong in absolute terms, the Small-Cap Equity fund modestly trailed its benchmark. This relative underperformance reflected our manager, Galibier's, disciplined focus on quality, which resulted in limited exposure to speculative junior gold companies that were among the largest drivers of index gains. The manager remains confident that this positioning is consistent with the fund's long-term mandate to focus on sustainable growth and capital preservation.
- Performance was supported by solid gains across industrial, technology, and select resource holdings, which helped offset weakness in financials and consumer discretionary names.
- Gold producers were the top contributors to returns. EQUINOX GOLD (+95.1%) and TOREX GOLD RESOURCES (+32.2%) delivered strong gains, benefiting from rising gold prices and operational improvements.
- BADGER INFRASTRUCTURE (+29.0%) and CAPSTONE COPPER (+41.4%) were also notable contributors. Badger's refreshed management team has driven operational improvements, while cyclical demand for hydrovac services supported earnings. Capstone's strong performance reflected a rally in copper prices driven by global supply disruptions. Galibier trimmed its position in Capstone to manage exposure following the sharp rise.

Positioning

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

Notable Stock Transactions

Buy/Add
MDA

Trim/Sell
ATS Corp
MEG Energy
Greenbrier

Fund size: \$45,589,218
No. of stocks: 22



Small-Cap Equity Fund

Attributes

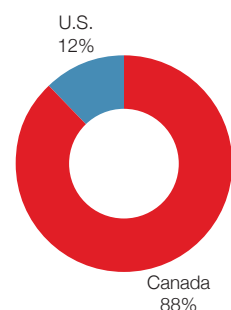
Top Stock Holdings

Torex Gold Resources	8.5%
Capstone Copper	6.3%
Badger Infrastructure	5.6%
Oshkosh Corp.	5.6%
Equinox Gold Corp.	5.4%
Andlauer Healthcare Group	5.0%
Stella-Jones	4.7%
MEG Energy	4.6%
MDA Space	4.5%
Canadian Dollar	4.5%

Sector Allocation (Stocks)

Industrial Goods & Svc	40.9%
Basic Materials	25.3%
Consumer Cyclical	10.0%
Energy	8.2%
Consumer Defensive	6.1%
Healthcare	5.3%
Technology	3.9%

Geographic Profile (Stocks)



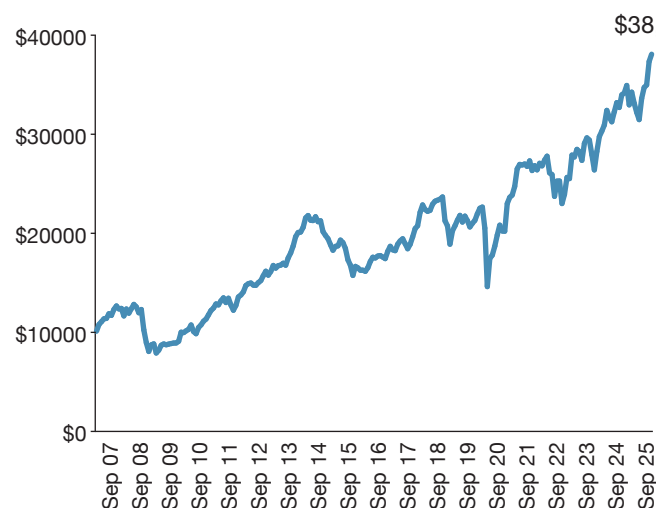
Performance

Compound Annualized Returns (as of September 30, 2025)

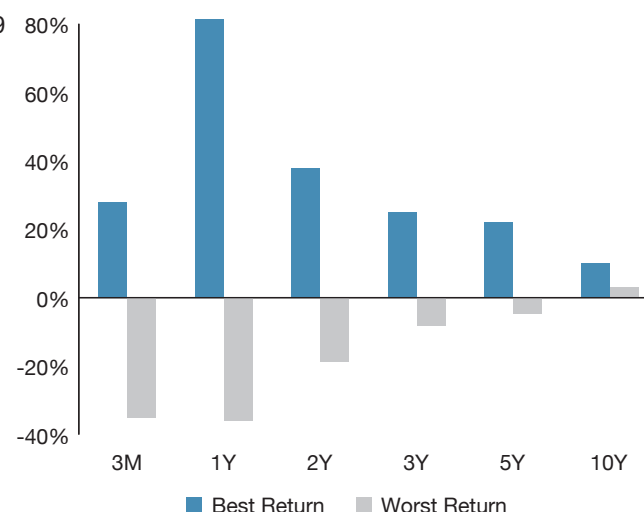
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep ¹
Small-Cap Equity Fund (after-fee)*	9.7%	15.5%	12.1%	18.3%	13.5%	9.2%	8.6%	7.4%
Canadian Small-Cap Stock Index	21.6%	39.1%	42.8%	26.5%	18.0%	10.9%	5.3%	3.7%
U.S. Small-Cap Stock Index (\$Cdn)	10.0%	4.9%	11.9%	16.2%	12.7%	9.7%	12.4%	8.6%

¹Feb 13, 2007

Growth of \$10,000 Since Inception



Best and Worst Annualized Returns



Global Small-Cap Equity Fund

Market Context

- Global small-cap stocks posted strong gains in Q3, with the Morningstar Developed Markets Small Cap Index rising 9.8%.
- Europe and Japan led the way, while the U.S. was mixed.
- All sectors posted positive returns. The basic materials, technology and utilities sectors turned in the biggest gains while consumer products lagged.

The fund was up 3.9% in the quarter. Since inception (Feb 2019), it has an annualized return of 7.4%.

Portfolio Specifics

- At quarter-end, the fund held 50 companies, with the largest sector exposures being industrials and financials, consistent with our manager, TimesSquare's, focus on companies positioned to benefit from global infrastructure growth and banking consolidation.
- The fund returned 3.9% in the third quarter. While European and Japanese holdings contributed strongly, U.S. positions lagged.
- Industrials and financials were the most notable contributors. PERFORMANCE FOOD GROUP and LATTICE SEMICONDUCTOR posted solid earnings growth.
- In Japan, DAIEI KANKYO was added to capture opportunities in a fragmented waste management industry. In the U.S., NETSKOPE was purchased to gain exposure to the growing need for real-time, AI-driven cybersecurity, while MYR GROUP was added to benefit from investments in data centre infrastructure. PIPER SANDLER, a specialist in mid-market banking transactions, was introduced to capture growth from regional bank M&A activity. Finally, JAMES HARDIE was added through its acquisition of former holding AZEK, maintaining exposure to the growing low-maintenance building materials segment. VERONA PHARMA, ACV AUCTIONS and INSPIRE MEDICAL were sold to make way for the new holdings.

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.

Notable Stock Transactions

Buy/Add

Daiei Kankyo*
Piper Sandler*
MYR Group*
James Hardie*
Netskope*

*New holding

Trim/Sell

EMCOR¹
AZEK¹
ACV Auctions¹
Verona Pharma¹
Inspire Medical Systems

¹Position eliminated

Fund size: \$11,098,311
No. of stocks: 50



Global Small-Cap Equity Fund

Attributes

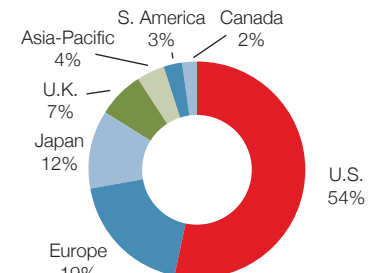
Top Stock Holdings

Performance Food Group	4.3%
Azbil Corp.	3.7%
KDX Realty Investment	3.5%
Weir Group	3.0%
Workiva	2.8%
Alm Brands	2.7%
Clean Harbors	2.6%
Casella Waste Systems	2.5%
Greencore Group	2.5%
ESAB	2.4%

Sector Allocation (Stocks)

Industrial Goods & Svc	37.0%
Technology	12.9%
Healthcare	10.8%
Financial Services	9.8%
Consumer Defensive	8.5%
Consumer Cyclical	7.7%
Communication Services	4.7%
Real Estate	2.4%

Geographic Profile (Stocks)



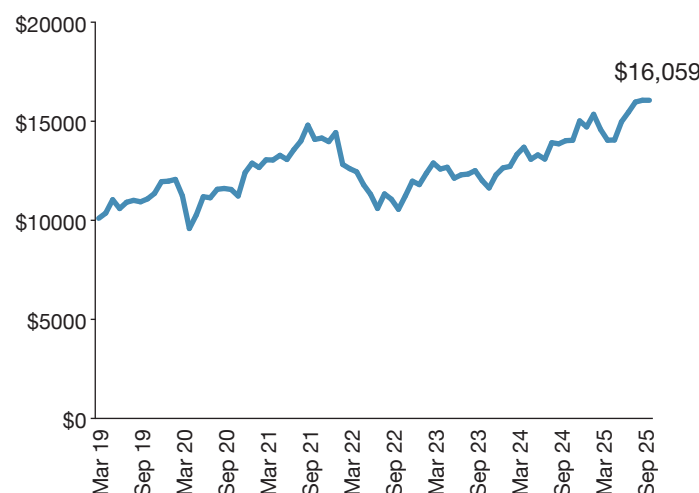
Performance

Compound Annualized Returns (as of September 30, 2025)

	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep ¹
Global Small-Cap Equity Fund (after-fee)	3.9%	9.1%	14.5%	15.0%	6.8%	N/A	N/A	7.4%
Global Small Cap Stock Index (\$Cdn)	9.8%	9.9%	15.1%	17.3%	11.9%	N/A	N/A	8.8%

¹Feb 15, 2019

Growth of \$10,000 Since Inception



Best and Worst Annualized Returns



Savings Fund

Market Context

- The Bank of Canada cut rates by 25 basis points during the quarter, aligning with the U.S. Federal Reserve’s pivot toward easing monetary policy. The current overnight rate is 2.5%.
- Inflation pressures in Canada eased, with core goods and services prices decelerating, reducing near-term inflation risks.
- The Canadian economy showed signs of slowing, with soft labour markets, weaker business investment, and flat GDP growth through mid-2025. Recession risks remain elevated.

The fund was up 0.6% in the quarter. Since inception (Feb 2007), it has a cumulative return of 34%, which equates to an annualized return of 1.6%.

Positioning

- We held larger-than-normal T-bill position for liquidity management, complemented by corporate paper at just over 25% where modest spreads are available.
- Pre-fee yield of the Savings Fund was 2.5% as of quarter-end.

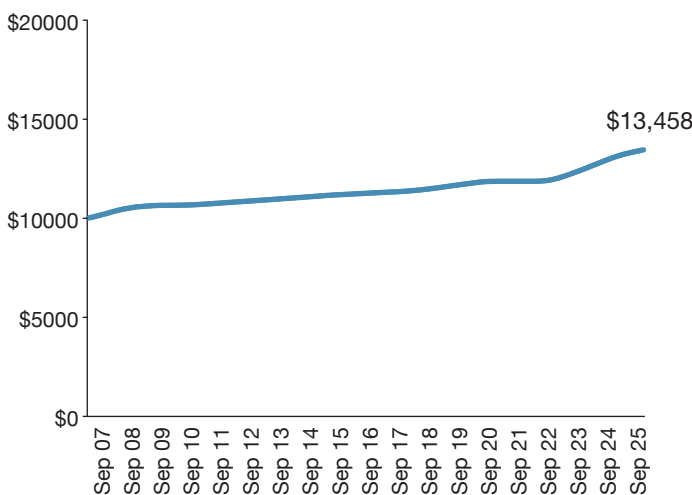
Performance

Compound Annualized Returns (as of September 30, 2025)

	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep*
Savings Fund (after-fee)	0.6%	2.0%	2.9%	4.0%	2.6%	1.9%	1.6%	1.6%
Canadian Cash Index	0.7%	2.1%	3.1%	4.2%	2.7%	1.8%	1.5%	1.6%

*Feb 13, 2007

Growth of \$10,000 Since Inception



Best and Worst Annualized Returns



Love letter to public markets

The cool kids are all going private. It's the place to be.

I'm referring to the increasing popularity of and media attention on private debt and equity funds. David Swensen, the chief investment officer of Yale University from 1985 until his death in 2021, kick-started what became known as the endowment, or Yale, model. The difference? The Yale portfolio included a healthy amount of private assets and alternative strategies.

Over the past three decades, other institutional investors have been playing catch-up, to the point where U.S. endowments and many pension funds are now all in on private debt and equity. And now the next phase: Privates and alternatives are becoming available to individual investors, aided by U.S. President Donald Trump's move this month to open retirement plans to illiquid assets.

The appeal of private assets is twofold. First, returns can be better (not guaranteed) by capturing an illiquidity premium. In other words, if investors are willing to sacrifice daily or even quarterly liquidity, fund managers are freed up to make bold business decisions outside the public eye and use more leverage, which reduces taxes and potentially leads to higher returns.

And second, private assets act as a diversifier. The underlying fixed income and equity investments are affected by the same economic forces as public securities, but the funds' pricing mechanism lags the hair-trigger public markets. Holdings are repriced less frequently based on factors such as cash flow and recent transactions. Stale pricing tends to smooth out returns.

This week, there was a good example of this. Ontario Teachers' Pension Plan reported first-half results that meaningfully lagged other balanced portfolios and didn't align with rising stock prices. The reason? Negative price adjustments to private assets, the same holdings that allowed OTPP to have a positive return in 2022 when bond and stock markets were weak and most portfolios were deep in the red.

These features are particularly appealing in light of today's stock market volatility and a growing consensus that the U.S. market, everyone's favourite, is expensive. The conclusion seems clear: Private is the way to go. Stocks are so yesterday.

A little love

Well, not so fast. Let's give stocks their due.

Easy access: Buying or selling a stock is a few clicks away on your phone. No extra paperwork. No holding periods or redemption dates to remember. Your shares are completely liquid (with the possible exception of micro-cap stocks).

Opportunity: Access, when combined with price volatility, is a wonderful thing for investors who have an extended time horizon (a requirement for private investing). Unlike private funds that must put money to work a short time after they raise it, there's no pressure for stock investors to buy. They can stand at the plate and wait for a pitch down the middle. They can take as many pitches as they want and not strike out. For long-term investors, volatility is a gift, not a scourge.

Price transparency: With public securities, your broker or investment manager doesn't have discretion as to how and when stocks are priced. The marks are there for everyone to see. If you buy a stock or equity fund, you can be assured the price reflects the current news.

The amount of leverage is also in plain sight. It's on the balance sheets of the companies you own, not layered through the portfolio.

Cheap: Access and transparency come at a modest fee. Trading costs are now de minimis, and professionally managed funds, whether active or indexed, range from cheap to reasonable. The expensive part of wealth management, which applies to all types of investing (especially privates), is the cost of advice.

Wealth creation: Stock returns are well above inflation for any period you want to pick. Not including this year's strong returns, a half-Canadian/half-global portfolio has earned 9.8 per cent per annum since 1960 (a double every seven years), 8 per cent since 2000 and 9.9 per cent since 2020. All these time periods include years with negative returns.

Depending on your objectives, alternative asset classes such as private equity and debt, infrastructure and real estate can be great complements to your public holdings, as can alternative strategies such as long/short and market-neutral funds (I own two market-neutral hedge funds as part of my fixed-income holdings).

But low-cost, publicly traded equities should form the core of any portfolio. They're simple, easy and transparent. They've offered excellent long-term returns and endured every industry trend that's come their way, no matter how cool they were.



Steadyhand

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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