Quarterly Report

Steadyhand

Q4
2025

"In the short run, the market is a voting machine but in the long run, it is a weighing machine."

— Benjamin Graham – economist, investor, and author of The Intelligent Investor.

Bradley's Brief

It's been a wild and wacky year. As I pointed out in a recent Globe & Mail column on page 19, 2025 ended up very differently than it began, and certainly tested our team and clients' conviction and discipline along the way.

It was a test for our fund managers because change came fast and unpredictably, abetted by AI and violent policy shifts. But there was more. What was popular in 2025 were assets that are difficult, maybe even impossible, to value. Things like gold, bitcoin, and AI-related businesses. These aspirational assets, as they're referred to, are all different in their economic role and potential, but share one common trait – they don't currently produce any cash flow to put a multiple on, and in some cases, are burning through cash.

The challenge of investing in aspirational assets goes beyond an assessment of usefulness and growth potential. Their prices are untethered by the constraints of historical valuation measures and therefore are driven by the mood of investors, a powerful but fickle force. For firms like ours that are attracted to profits, solid balance sheets and reasonable valuations, 2025 was bewildering.

Another challenge is that the foundation on which the economic and market system sits is deteriorating. It doesn't seem to matter whether the short-term outlook is strong or weak, government and consumer debt keeps accumulating and is approaching unsustainable levels. Government policy is increasingly erratic and short-term in nature. And global leadership in a growing list of technologies is being ceded to China, including EV's, renewable power, and perhaps in the not-too-distant future, AI and semiconductors.

These things were on our clients' minds too, but the bigger tests for many of you were behavioural. While we were advising to stay on plan, you were being barraged with a firehose of negativity and uncertainty, both of which are dragging on. There's been no resolution on how de-globalization will play out or what AI will mean for employment and human interaction.

FOMO was hard to avoid in 2025. The allure of quick riches fueled by volatile markets, a plethora of new products, and the ease of trading on handheld devices was hard to resist. These temptations made it more difficult to stay diversified, as did the wide dispersion of returns between industry sectors and asset types. And to top it all off, we surprised our clients with the sale of Steadyhand to Purpose Unlimited.

If you're dazed by 2025, you're not alone. We are too, but it hasn't dampened our excitement for what's ahead in 2026. Last year, our team worked tirelessly to analyze the opportunities our Purpose partnership could bring, and to transition our systems and operations (hopefully behind the scenes). There's more to do on these fronts, and the benefits will be more obvious this year, particularly with regard to our client-facing technology and advice capabilities.

Needless to say, it's been a crazy year. No matter how 2026 plays out, we're well positioned to take advantage in terms of both investing and serving clients. Happy New Year to you and yours.

Key Takeaways

Stocks

Market Returns

	3M	1Y
Canada	6.2%	31.4%
World	1.6%	15.5%

- Stock markets had a strong year, despite higher volatility in the first half of 2025. The global market (Morningstar Developed Markets Index) gained 15.5% while Canadian stocks (Morningstar Canada Index) rose 31.4% over the year. Emerging markets also turned in double-digit returns.
- Gains were uneven across sectors. Gold stocks benefited from rising gold prices, AI-related companies continue to gain from investments in the area, and banks rose as recession fears abated.
- The Canadian dollar was up against the U.S. dollar and Japanese Yen, but fell relative to the Euro and British Pound. Overall, this reduced the returns of global markets in $Cdn terms.

Bonds

	3M	1Y
Bonds	-0.4%	2.3%

- The Canadian bond market rose 2.3%. High yield bonds and other investment grade corporate bonds were the top performers.
- Long-term bond yields rose modestly over the year. The benchmark 10-year Government of Canada yield finished the year at 3.4%, up from 3.2% in January.
- Shorter-term yields fell by contrast. The Bank of Canada cut its key short-term lending rate from 3.50% to 2.25% in 2025, while the U.S. Federal Reserve reduced its rate by 0.75%.

Our Funds

Fund Returns

	3M	1Y
Savings	0.6%	2.5%
Income	0.8%	6.8%
Founders	1.2%	8.8%
Builders	1.9%	11.4%
Equity	1.4%	5.8%
Global Equity	1.8%	13.7%
Small-Cap Equity	5.7%	22.1%
Global Small-Cap Equity	-0.5%	8.6%

- All our funds had a positive year. Our balanced clients' portfolios were up 8-12%. Over the past 10 years, our balanced clients have gained roughly 6-8% per year.
- Our stock weighting in the Founders Fund is 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 Restaurant brands (Canada), Lowes (U.S.), Itochu (Japan) and K-bro linen (Canada); and the sale of Greenbrier (U.S.), Pepsico (U.S.) and Saab (Sweden).

Our Advice to Clients

We recommend you rebalance your portfolio to ensure you are at your long-term target for stocks. In the Founders Fund, our equity weighting is 57%. We feel valuations are elevated in some areas, especially in technology and resources. We don't own the market. Our focus is on profitable, well-financed, and reasonably-priced companies that are in a good position to improve their market leadership. We expect moderate returns from bonds given prevailing yields. Bonds are also a source of diversification to stocks. The Founders Fund holds 10% cash to take advantage of opportunities in times of volatility. Most of the cash is invested in the Savings Fund, which is yielding 2.7% (pre-fee).

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. 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 1.2% in the quarter. Since inception (Feb 2012) it has an annualized return of 6.3%.

Portfolio Specifics

- The Founders Fund had an 8.8% return in 2025, after fees. It was the 12th positive year in the fund's 14-year history.
- All the underlying funds contributed this year, ranging from a 5.8% return for the Equity Fund to 22.1% for the Small-Cap Equity Fund. As noted in Bradley's Brief, it was an unusual year with a narrow group of companies leading the way. Gold had a remarkable year, as did AI-related tech companies and Canadian banks.
- Founders finished the year in a defensive posture. During the Liberation Day selloff in April, we increased the equity exposure to over 62% of the fund, but have been dialing down the risk since the third quarter. We used strong stock markets to gradually reduce equity exposure. The fund is now below the long-term target of 60%. As part of the adjustment, we trimmed the weightings in the Small-Cap Equity and Global Small-Cap Equity Funds. Both funds have and will provide excellent returns but are more sensitive to market corrections.
- The fund's fixed income holdings did well relative to the bond market but didn't keep up with stocks in 2025. Bonds in Founders were up 2.9% for the year. Bond returns were moderated by rising interest rates at the end of the year although higher yields portend higher returns in the years to come. As always, the defensive characteristics of high-quality bonds are ever important in a diversified portfolio. As we noted in a recent Globe & Mail article, *"They'll be times when you wonder why you own them. That is, until they show up to save the day."*
- We hold 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 enhances Founders' diversification and liquidity, which, as noted above, we took advantage of in April.
- Notable transactions in the underlying funds during the quarter include the purchase of RESTAURANT BRANDS (Canada), LOWES (U.S.), ITOCHU (Japan) and K-BRO LINEN (Canada); and the sale of GREENBRIER (U.S.), PEPSICO (U.S.) and STEADFAST GROUP (Australia).

Fund Mix	
Income	47%
Global	20%
Equity	17%
Savings	8%
Small-Cap	4%
Global Small-Cap	4%

Fund size: $751,687,363

Positioning

- Despite the current excitement around stocks, Founders is maintaining an equity allocation below its long-term target and full positions in bonds and cash. As 2025 showed us, things can change quickly so we're maintaining maximum flexibility to take advantage of whatever comes our way.
- As we always remind clients, Founders' returns are overwhelmingly driven by the 6 underlying funds. Their returns and strategies are laid out in the pages that follow.

Founders Fund

Attributes

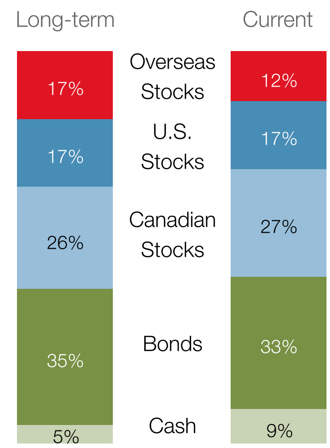
Top Stock Holdings (% of Fund)

Royal Bank Of Canada	1.8%
Microsoft Corporation	1.6%
Toromont Industries Limited	1.0%
Loblaw Companies Limited	1.0%
Intact Financial Corporation	1.0%
Metro Inc.	0.9%
Visa Inc.	0.9%
TJX Cos Inc	0.9%
Cameco Corporation	0.9%
Canadian Pacific Kansas City	0.9%

Sector Allocation (Stocks)

Financials	23.6%
Industrials	19.5%
Information Technology	12.0%
Consumer Discretionary	11.5%
Materials	7.7%
Consumer Staples	7.4%
Energy	5.5%
Health Care	5.4%
Real Estate	2.4%
Communication Services	2.2%
Utilities	1.5%
Others	0.2%
Cash	1.1%

Asset Mix



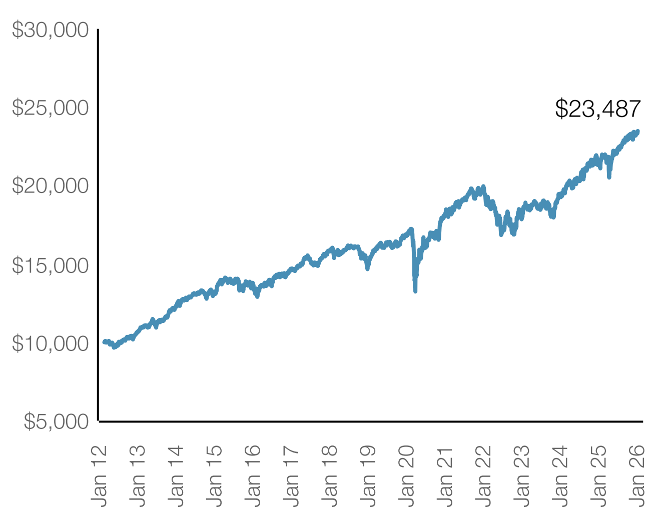
Performance

Compound Annualized Returns (as at December 31, 2025)

	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Founders Fund (After-fee)	**1.2%**	**8.8%**	**8.8%**	**9.2%**	**5.1%**	**5.4%**	**N/A**	**6.3%**
Canadian Bond Index	-0.4%	2.3%	2.3%	4.2%	-0.6%	1.8%	N/A	2.3%
Global Stock Index ($Cdn)	1.6%	15.5%	15.5%	21.0%	13.2%	11.6%	N/A	13.7%
Canadian Stock Index	6.2%	31.4%	31.4%	21.4%	15.7%	12.1%	N/A	9.6%

[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 Salman Ahmed, with Tom Bradley as co-manager.

The fund was up 1.9% in the quarter. Since inception (Feb 2019) it has an annualized return of 7.6%.

Portfolio Specifics

- The fund posted strong results in the year, gaining 11.4%. Our holdings in the resource and technology sectors were strong contributors. The fund didn't keep with the broader equity markets which have more exposure to these sectors than the Builders Fund.
- 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 (23% of the fund), 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 (transportation and rail freight).
- 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. ROYAL BANK and ERSTE GROUP BANK provide additional diversification.
- The technology sector is another important area of investment, comprising 14%. 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 cyclicality. Holdings include TOREX (gold producer), CAPSTONE (copper miner), TOTALENERGIES (oil & gas), and CAMECO (uranium). Returns were solid overall, with CAMECO a standout.

Positioning

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

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

Fund size: $267,117,906

Builders Fund

Attributes

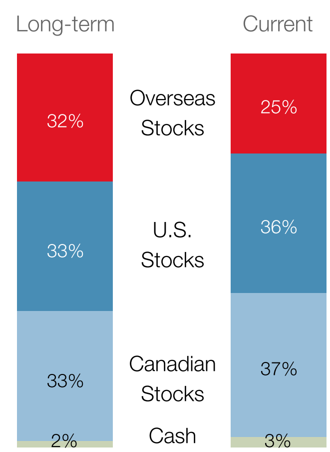
Top Stock Holdings (% of Fund)

Microsoft Corporation	3.1%
Toromont Industries Limited	1.9%
Metro Inc.	1.9%
Visa Inc.	1.8%
TJX Cos Inc	1.8%
Royal Bank Of Canada	1.7%
Loblaw Companies Limited	1.7%
Intact Financial Corporation	1.6%
Oshkosh Corp	1.6%
Waste Connections Inc.	1.5%

Sector Allocation (Stocks)

Industrials	23.4%
Financials	19.5%
Information Technology	13.9%
Consumer Discretionary	12.6%
Consumer Staples	8.7%
Materials	6.2%
Health Care	5.4%
Energy	3.9%
Communication Services	2.3%
Utilities	0.7%
Real Estate	0.5%
Others	0.3%
Cash	2.5%

Asset Mix



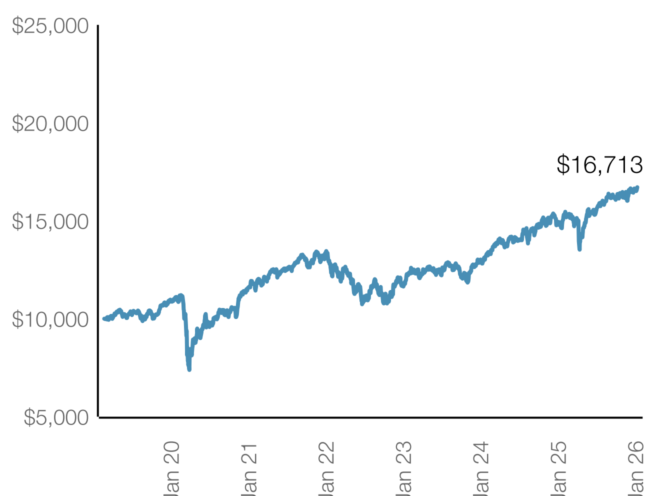
Performance

Compound Annualized Returns (as at December 31, 2025)

	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Builders Fund (After-fee)	**1.9%**	**11.4%**	**11.4%**	**12.1%**	**7.3%**	**N/A**	**N/A**	**7.6%**
Global Stock Index ($Cdn)	1.6%	15.5%	15.5%	21.0%	13.2%	N/A	N/A	13.5%
Canadian Stock Index	6.2%	31.4%	31.4%	21.4%	15.7%	N/A	N/A	13.5%

[1]Jan 23, 2019

Growth of $10,000 Since Inception



Best and Worst Annualized Returns

Income Fund

Market Context

- The Canadian bond market rose 2.3% in 2025 (income and capital appreciation).
- The 10-year Government of Canada yield ended the year at 3.4%, up from 3.2% at the start of the year.
- Canadian equities were among the best performers in the year, up over 31.4%, led by banks and materials, while real estate lagged.

The fund was up 0.8% in the quarter. Since inception (Feb 2007) it has an annualized return of 4.7%.

Portfolio Specifics

- The fixed income component of the portfolio (75% of assets) gained 2.9% in the year. Holdings in corporate credit and provincial bonds offset the impact of rising government yields (bond prices fall when yields rise).
- Economic data in Canada improved toward year-end, highlighted by stronger employment figures and moderate inflation. While inflation and employment risks have moderated over the year, some economic pressures remain which will serve to keep interest rates low.
- The manager, Connor, Clark & Lunn, has reflected this outlook in how the portfolio is positioned by reducing some of its more defensive positions to reflect the improved outlook.
- Corporate bonds have been a consistent area of strength over the last 24 months, but the strong results mean limited upside potential going forward, even with the improving economic picture. The portfolio has shifted towards issuers with resilient cash flows and strong balance sheets in utilities and telecom.
- The fund's equities (25% of the portfolio) were the strongest performers in the year, increasing by over 23%. The banks, materials, and industrial holdings contributed to returns, particularly companies exposed to rising gold prices and AI-infrastructure spending.
- The fund paid total distributions of $0.53 per unit in 2025.

Positioning

- Our focus remains on high-quality bonds and dividend-paying equities.
- Equities continue to provide diversification and income support within the fund.

Notable Stock Transactions

Buy/Add
Toromont*
Cenovus*
Nutrien*
Rockpoint Gas Storage*
*New holding

Trim/Sell
Definity Financial[1]
Sunlife[1]
Metro Inc[1]
Suncor[1]
1Position eliminated

Fund size:	$73,845,152
Pre-fee Yield:	3.7%
Avg Term to Matur.:	8.9 yrs
Duration (Bonds):	6.7

Income Fund

Attributes

Top Holdings (% of Fund)

Canada 0.50% (Dec 30)	3.9%
Canada 2.50% (Nov 27)	2.8%
Canada 2.75% (Mar 31)	2.8%
Canada 2.75% (Dec 55)	2.7%
Canada 2.75% (Sep 30)	2.5%
Quebec 4.45% (Sep 34)	1.7%
Ontario 3.80% (Dec 34)	1.6%
Canada 2.00% (Dec 51)	1.6%
Ontario 3.95% (Dec 35)	1.6%
Ontario 1.35% (Dec 30)	1.5%

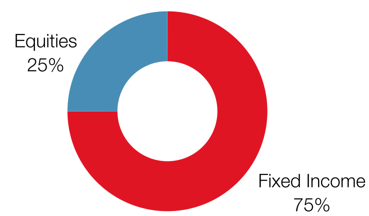
Issuer Allocation (Bonds)

Provincial Government	38.0%
Corporate	34.0%
Federal Government	28.0%

Rating Summary (Bonds)

AAA	33.0%
AA	31.0%
A	3.0%
BBB	28.0%
BB (or lower)	4.0%

Asset Mix



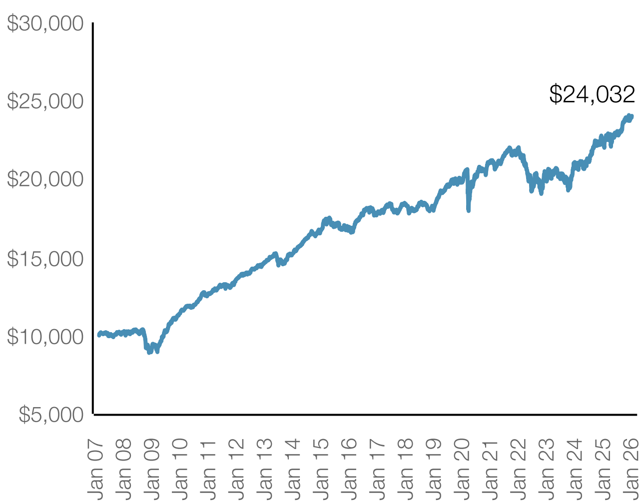
Performance

Compound Annualized Returns (as at December 31, 2025)

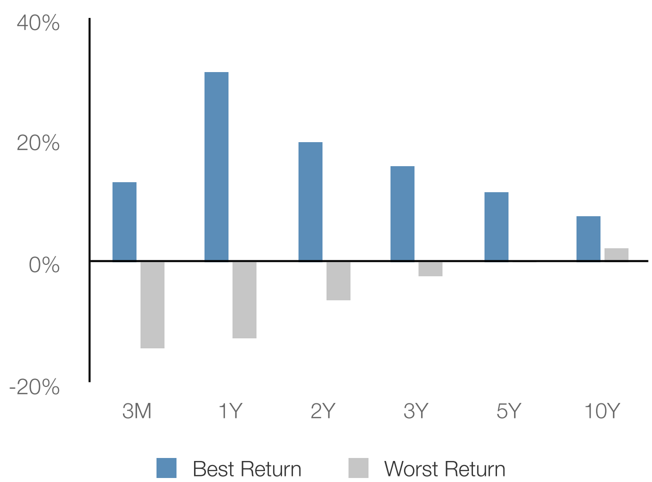
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Income Fund (After-fee)	**0.8%**	**6.8%**	**6.8%**	**6.4%**	**2.5%**	**3.5%**	**4.3%**	**4.7%**
Canadian Bond Index	-0.4%	2.3%	2.3%	4.2%	-0.6%	1.8%	2.8%	3.4%
Canadian Stock Index	6.2%	31.4%	31.4%	21.4%	15.7%	12.1%	8.4%	7.3%

[1]Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Equity Fund

Market Context

- Canadian equity markets, as measured by the Morningstar Canada Index, rose 31.4%, one of its strongest calendar year returns on record.
- Resource companies, specifically those involved in precious metals, had a record year on the back of a sharp increase in the price of gold.
- Global stocks, as measured by the Morningstar Developed Markets Index, gained 15.5% in Canadian dollars.

The fund was up 1.4% in the quarter. Since inception (Feb 2007) it has an annualized return of 7.1%.

Portfolio Specifics

- The portfolio held 27 companies at quarter-end, reflecting a deliberately concentrated, high-conviction approach designed to capture long-term value from high-quality businesses rather than closely track a benchmark.
- The portfolio experienced mixed results in the year. It was among the best performers in the first part of 2025 during a period of economic uncertainty and market volatility. The trend reversed when animal spirits returned. Overall, the fund gained 5.8% in the year, which lagged equity markets.
- The manager, Fiera Capital, focuses on market leaders with consistent cashflows trading at reasonable prices. Few resource companies meet these criteria. The philosophy has led to strong long-term results but lagging results are not surprising in a year when gold mining companies were the main driver of results in Canada.
- Two new stocks were purchased in the fourth quarter. QUÉBECOR was added as the manager gained confidence in the company's growth strategy in its core Québec telecom and media operations, along with improving national wireless exposure following the Freedom Mobile acquisition. RESTAURANT BRANDS was also added to the portfolio. The owner of the Tim Hortons brand has successfully applied its learnings across its broader portfolio which includes Burger King and Popeyes.
- PEPSICO has struggled with product-mix challenges. Though Fiera is optimistic that the management team can turn performance around, it was sold to make way for the new positions.

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.

Notable Stock Transactions

Buy/Add
Québecor*
Restaurant Brands International*
Keyence
*New holding

Trim/Sell
PepsiCo[1]
Dollarama
Costco
1Position eliminated

Fund size:	$85,674,150
No. of stocks:	27

Equity Fund

Attributes

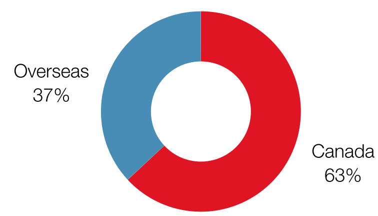
Top Holdings (% of Fund)

Toromont Industries Limited	5.4%
Metro Inc.	5.4%
Visa Inc.	5.3%
TJX Cos Inc	5.3%
Microsoft Corporation	5.2%
Royal Bank Of Canada	5.0%
Loblaw Companies Limited	4.9%
Intact Financial Corporation	4.6%
Waste Connections Inc.	4.4%
S&P Global Inc.	4.3%

Sector Allocation (Stocks)

Industrials	26.2%
Financials	24.3%
Consumer Discretionary	17.1%
Information Technology	15.2%
Consumer Staples	13.9%
Communication Services	3.1%
Cash	0.1%

Geographic Profile (Stocks)



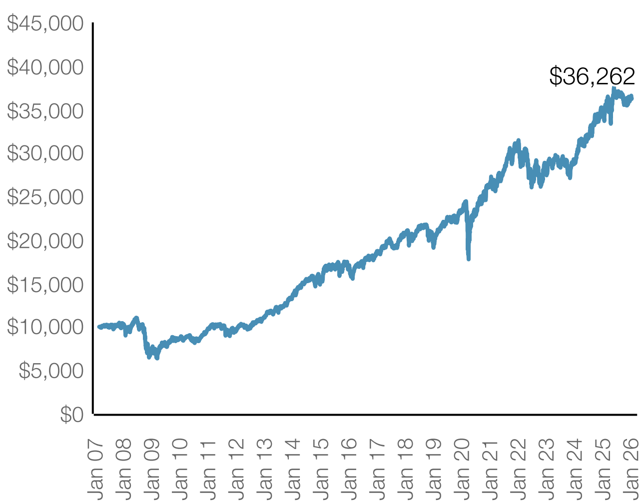
Performance

Compound Annualized Returns (as at December 31, 2025)

	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Equity Fund (After-fee)	**1.4%**	**5.8%**	**5.8%**	**9.7%**	**6.5%**	**8.0%**	**9.2%**	**7.1%**
Canadian Stock Index	6.2%	31.4%	31.4%	21.4%	15.7%	12.1%	8.4%	7.3%
Global Stock Index ($Cdn)	1.6%	15.5%	15.5%	21.0%	13.2%	11.6%	12.8%	8.8%

[1]Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns

Global Equity Fund

Market Context

- Global equities, as measured by the Morningstar Developed Markets Index, rose 15.5% in 2025 in Canadian dollar terms.
- Market results were highly concentrated, with U.S.-based AI-related and mega-cap stocks driving returns, while many traditional quality sectors lagged.

The fund was up 1.8% in the quarter. Since inception (Feb 2007) it has an annualized return of 3.7%.

Portfolio Specifics

- The fund holds 49 companies, diversified across regions and industries. Holdings span the U.S., Europe, Japan, Asia-Pacific, and Canada, ranging from large global businesses such as Alphabet to smaller, specialized companies such as FIRSTCASH HOLDINGS.
- The portfolio delivered solid performance during the year, rising 13.7% in Canadian dollar terms, after fees. Results were broadly in line with global equity markets, despite less exposure to the best performing area of the market - U.S. mega-cap stocks. Strong results came from a diverse set of companies which helped offset market concentration in a narrow group of AI-driven leaders.
- Stock selection within financials supported results. FIRSTCASH HOLDINGS benefited from higher gold prices supporting collateral values. MUNICH RE continued to deliver steady performance through disciplined underwriting, while DBS GROUP and newly added CAPITAL ONE also contributed positively.
- Several non-U.S. holdings were meaningful contributors. CAMECO gained 70%, reflecting rising uranium prices and increased demand for nuclear energy tied to data-center growth. SAMSUNG rose over 100%, benefiting from increased AI-related capital expenditures alongside internal execution improvements.
- The dispersion of stock results in 2025 has expanded the opportunity set, with many high-quality businesses trading at more attractive valuations. The manager took advantage of this in the second half of the year with the purchases of hardware store leader, LOWES, and Japanese conglomerate, ITOCHU.

Positioning

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

Notable Stock Transactions

Buy/Add
Lowe's*
Itochu*
*New holding

Trim/Sell
FMC[1]
Nidec[1]
Cameco
1Position eliminated

Fund size:	$50,111,972
No. of stocks:	49

Global Equity Fund

Attributes

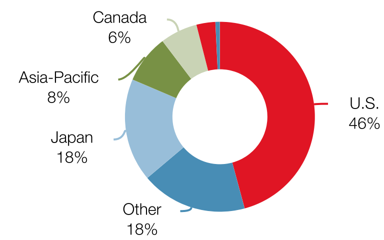
Top Stock Holdings

Cameco Corporation	3.8%
Microsoft Corporation	3.7%
Alphabet Inc.	3.4%
DBS Group Holdings Ltd	3.3%
Samsung Electronics Company Ltd.	3.2%
Munich Re	3.2%
Martin Marietta Materials Inc.	2.9%
FirstCash Holdings Inc	2.8%
Erste Group Bank AG	2.8%
Sony Corporation	2.7%

Sector Allocation (Stocks)

Financials	23.2%
Information Technology	15.6%
Consumer Discretionary	13.7%
Industrials	13.6%
Health Care	13.1%
Materials	6.4%
Energy	6.1%
Consumer Staples	4.1%
Communication Services	3.4%
Cash	0.8%

Geographic Profile (Stocks)



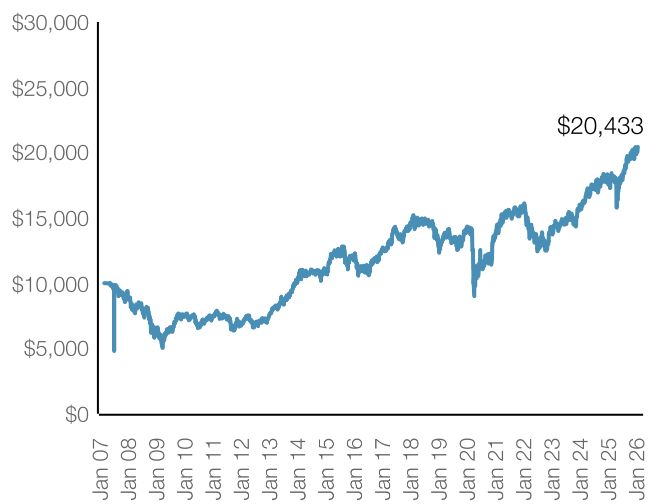
Performance

Compound Annualized Returns (as at December 31, 2025)

	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Global Equity Fund (After-fee)	**1.8%**	**13.7%**	**13.7%**	**13.3%**	**7.4%**	**5.0%**	**6.8%**	**3.7%**
Global Stock Index ($Cdn)	1.6%	15.5%	15.5%	21.0%	13.2%	11.6%	12.8%	8.8%

[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 (Morningstar Canada Small Cap Index) rose 53.6% in 2025. U.S. small-caps gained 6.5% in Canadian dollar terms.
- Resource-oriented companies in the small-cap market were the key driver of returns, particularly gold producers. Technology and consumer sectors produced negative returns.

The fund was up 5.7% in the quarter. Since inception (Feb 2007) it has an annualized return of 7.7%.

Portfolio Specifics

- The fund consists of 18 companies, reflecting a concentrated, high-conviction portfolio. Holdings are predominantly Canadian, with a modest allocation to U.S. companies used selectively to gain exposure to industries not well represented at home.
- Portfolio performance in 2025 featured strong gains from resource holdings and elevated buying and selling activity late in the year to take advantage of new opportunities, sell down winners and engage in tax-loss harvesting.
- Gold-related holdings were notable contributors over the year, benefiting from higher commodity prices and strong operating leverage. Positions in TOREX GOLD and EQUINOX GOLD delivered substantial gains. While gold remains an important component of the portfolio, the manager believes much of the upside has been realized and expects exposure to decline over time.
- Proceeds were invested in three new holdings in the fourth quarter. SUPERIOR PLUS distributes propane and natural gas in the U.S. and Canada. JAMIESON WELLNESS is a leader in natural health. K-BRO LINEN offers laundry services to hotels and healthcare operators.
- Two holdings received buy-out offers in the year. ANDLAUER HEALTHCARE was purchased by global shipping giant UPS. MEG ENERGY was acquired by Cenovus. The fund holds some Cenovus stock as part of the transaction.
- ATS, EQB, INTERFOR, and GREENBRIER, were sold for tax-loss purposes despite continued confidence in the underlying business quality, with the potential to revisit these positions after the required waiting period.

Positioning

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

Notable Stock Transactions

Buy/Add
Superior Plus*
K-Bro Linen*
Jamieson Wellness*
Cenovus*
*New holding

Trim/Sell
Enghouse[1]
MEG Energy[1]
Andlauer Healthcare[1]
Interfor[1]
EQB Inc[1]
Spin Master[1]
Greenbrier[1]
ATS[1]
1Position eliminated

Fund size:	$45,340,068
No. of stocks:	18

Small-Cap Equity Fund

Attributes

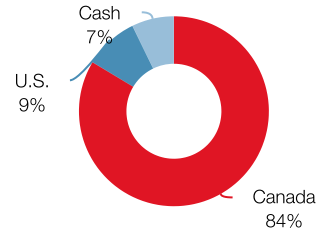
Top Stock Holdings

Torex Gold Resources Inc.	7.5%
Capstone Copper Corp	7.0%
Mda Space Limited	6.9%
Peyto Exploration	6.9%
Equinox Gold Corp	5.9%
Badger Infrastructure	5.6%
Oshkosh Corp	5.5%
Savaria Corporation	5.3%
Stella-Jones Inc.	5.2%
Jamieson Wellness Inc.	5.1%

Sector Allocation (Stocks)

Industrials	33.2%
Materials	25.6%
Energy	11.6%
Consumer Staples	9.7%
Utilities	4.8%
Consumer Discretionary	4.2%
Health Care	3.7%
Cash	7.2%

Geographic Profile (Stocks)



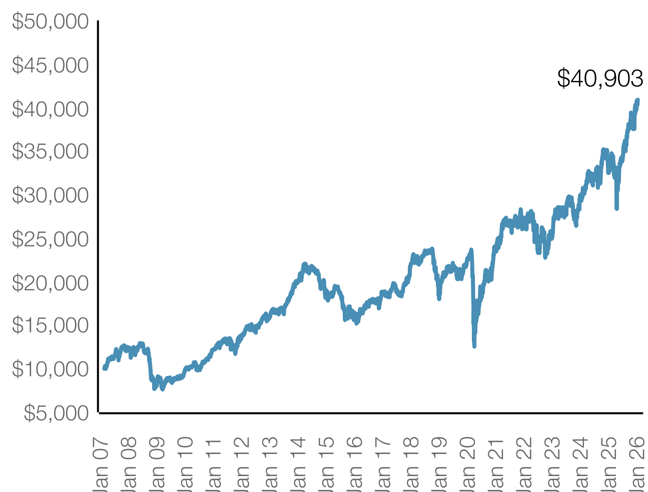
Performance

Compound Annualized Returns (as at December 31, 2025)

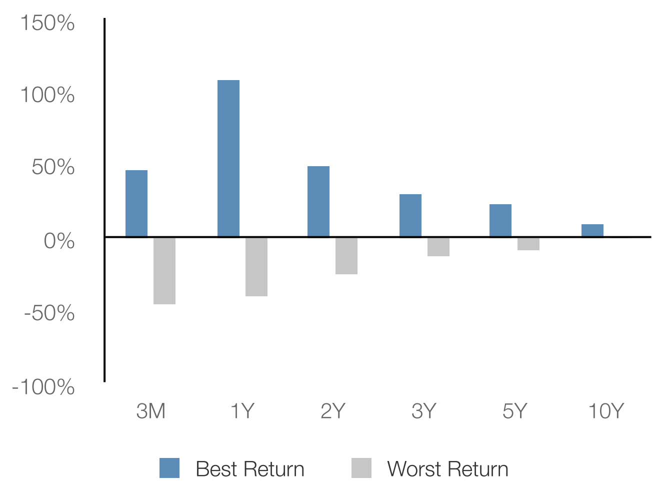
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Small-Cap Equity Fund (After-fee)	**5.7%**	**22.1%**	**22.1%**	**16.4%**	**11.2%**	**9.5%**	**8.3%**	**7.7%**
Canadian Small-Cap Stock Index	10.4%	53.6%	53.6%	26.0%	16.9%	12.0%	4.9%	4.2%
U.S. Small-Cap Stock Index ($Cdn)	1.5%	6.5%	6.5%	14.4%	8.4%	9.1%	11.6%	8.6%

[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, as measured by the Morningstar Developed Markets Small Cap Index, rose 11.8% in Canadian dollar terms in 2025.
- Most sectors experienced positive returns though performance of consumer-related companies was more muted.

Portfolio Specifics

- The portfolio is invested in 48 companies across the U.S., Europe, Japan, the U.K., Australia, and other developed markets, maintaining diversified exposure within the global small- and mid-sized companies.
- The fund rose 8.6% during the year. Performance benefited from changes made following earlier weakness, particularly within U.S. and financial holdings, while select consumer-oriented positions weighed on results.
- Financial and industrial holdings were the strongest contributors. Japanese internet bank RAKUTEN BANK and Italian bank FINECO BANK both gained over 35% in the year. Swedish aerospace company SAAB and German warehouse machinery provider KION grew over 100%. SAAB was sold as the manager concluded the stock was starting to get expensive.
- There were also some sore spots. Cloud-based workflow provider WORKIVA, identity verification specialist FIRST ADVANTAGE and eldercare and home service provider CHEMED experienced difficult years.
- Given the dispersion in market returns this year, the manager, TimesSquare Capital, used the opportunity to replace underperforming holdings. FIRST ADVANTAGE, CHEMED, WILLSCOT (U.S. construction), SOPRA STERIA (French technology) and STEADFAST (Australian insurance broker) were sold. Proceeds were used to purchase INTAPP (U.S. cloud software), ONESTREAM (enterprise finance technology) and add to JFROG (U.S. software), WARBY PARKER (eyecare).

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 0.5% in the quarter. Since inception (Feb 2019) it has an annualized return of 7.1%.

Notable Stock Transactions

Buy/Add
Onestream*
Intapp*
Jfrog
Warby Parker
*New holding

Trim/Sell
Sopra Steria[1]
Steadfast Group[1]
WillScot Holdings^1
1Position eliminated

Fund size:	$10,471,047
No. of stocks:	48

Global Small-Cap Equity Fund

Attributes

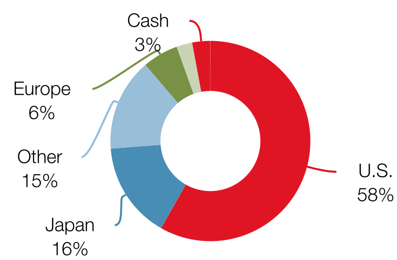
Top Stock Holdings

Performance Food Group	3.9%
Azbil Corp	3.7%
KDX Realty Investment Corp	3.6%
JFrog Ltd	3.6%
Weir Group PLC	3.3%
Workiva Inc	2.9%
Greencore Group PLC	2.9%
Casella Waste Systems Inc	2.7%
Clean Harbors Inc	2.7%
Ringkjoebing Landbobank	2.7%

Sector Allocation (Stocks)

Industrials	31.1%
Information Technology	21.5%
Financials	20.1%
Consumer Discretionary	8.8%
Consumer Staples	6.8%
Real Estate	3.6%
Health Care	2.1%
Others	2.1%
Materials	1.0%
Cash	2.9%

Geographic Profile (Stocks)



Performance

Compound Annualized Returns (as at December 31, 2025)

	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Global Small-Cap Equity Fund (After-fee)	**-0.5%**	**8.6%**	**8.6%**	**10.6%**	**4.4%**	**N/A**	**N/A**	**7.1%**
Global Small Cap Stock Index ($Cdn)	1.7%	11.8%	11.8%	14.7%	8.3%	N/A	N/A	8.7%

[1]Jan 23, 2019

Growth of $10,000 Since Inception

Best and Worst Annualized Returns

Savings Fund

Market Context

- The Bank of Canada cut its policy rate throughout the year, lowering it to 2.25% from 3.50%, as inflation continued to ease toward target.
- Economic growth remained better than expected. Employment held up and inflation stayed within the Bank of Canada's target range, supporting a period of rate stability and a more predictable short-term rate environment.

The fund was up 0.6% in the quarter. Since inception (Feb 2007) it has a cumulative return of 35.5% which equates to an annualized return of 1.6%.

Positioning

- The Saving Fund's fee was lowered to 0.40% (from 0.45%) on January 1, 2026.
- The fund moved to being managed by Purpose Investments' in-house money market team in the fourth quarter and is transitioning to own units of the Purpose Cash Management Fund.
- Over 60% of fund assets have now been transitioned. The team only makes changes to the fund as previously held money market instruments mature. This ensures no impact on liquidity, taxes, or trading costs.

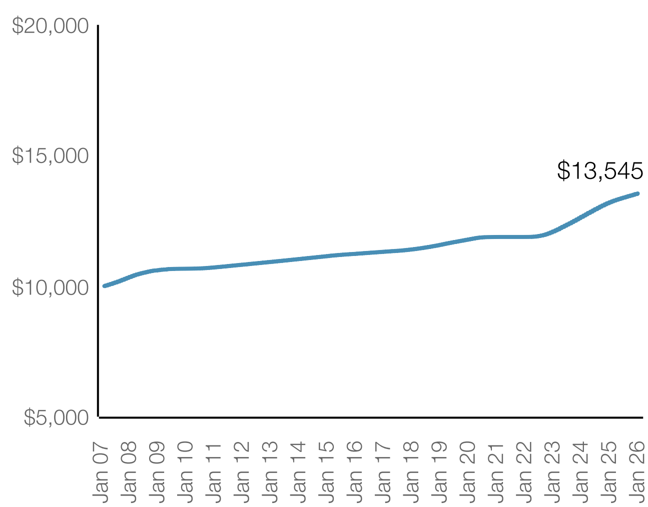
Performance

Compound Annualized Returns (as at December 31, 2025)

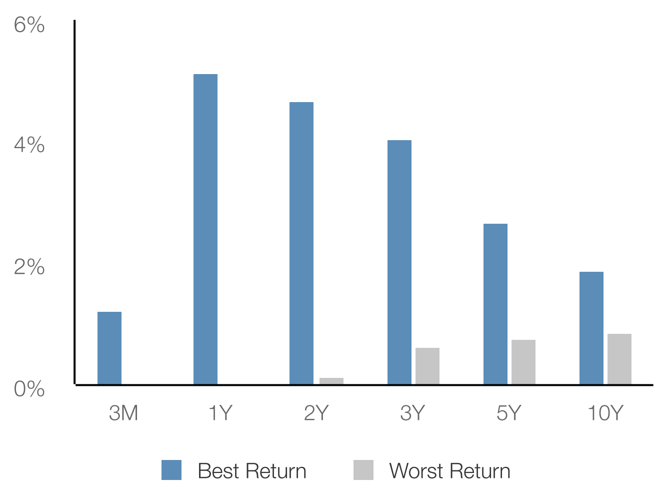
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep[1]
Savings Fund (After-fee)	**0.6%**	**2.5%**	**2.5%**	**3.8%**	**2.7%**	**1.9%**	**1.6%**	**1.6%**
Canadian Cash Index	0.6%	2.7%	2.7%	4.1%	2.8%	1.9%	1.5%	1.6%

[1]Feb 13, 2007

Growth of $10,000 Since Inception



Best and Worst Annualized Returns



Investors end 2025 asking: Who thought that would happen?

Special to the Globe and Mail, by Tom Bradley

I write regularly about the disconnect between how predictable investors think markets are and how unpredictable they actually are. If I needed concrete examples to make my case, 2025 was a treasure trove. At the beginning of the year, sentiment on important issues was very different than it is today, with many twists and turns along the way.

In January, who'd have thought that the Alberta government and Ottawa would finish the year in a pipeline love-in. And that our Prime Minister, who was previously a world leader in championing sustainability for global businesses, would push harder for fossil fuels than renewables.

On a lighter note, who'd have thought three of the most dominant athletes in the world would be Canadian: swimmer Summer McIntosh, basketball player Shai Gilgeous-Alexander and hockey player Connor McDavid.

Who'd have thought MAGA would end up being MEGA, at least from a stock market point of view. European stocks are up more than 30 per cent in U.S. dollars year-to-date compared with the S&P 500 at 15 per cent. In January, U.S. exceptionalism was the topic du jour. Now the conversation is more about how U.S. policy is fuelling China's ambitions in renewable energy, semi-conductors, electric vehicles and artificial intelligence.

Who'd have thought the stock market would be so good with such little resolution on trade issues and that Canada would be at the head of the pack. Just as surprising is that the S&P/TSX composite index did so well – up 30 per cent including dividends – without the usual stalwarts. The railroads lagged, dividend mainstays BCE Inc. and Telus Corp. had miserable years, as did perennial favourites Constellation Software Inc., Thomson Reuters Corp. and Alimentation Couche-Tard Inc. Banks, gold and natural gas led the charge.

Who'd have thought the market for initial public offerings would fail to ignite against such a perfect backdrop. The pickup in IPOs was modest despite raging animal spirits, high public valuations and the desperate need for private equity funds to sell companies.

In 2025, the consensus on AI moved around more than Patrick Mahomes in the pocket. It turned out to be the tale of two halves, with the focus shifting from a desperate need for more computing power – for training generative AI models – to a focus on the financial viability of data centres and where their power is going to come from. Companies investing aggressively in AI were rewarded in the first half and penalized in the second.

Oracle Corp. was one of those. It initially got a boost when it announced it would spend a king's ransom on AI infrastructure, but more recently has been hammered for the same reason. CoreWeave Inc., a pure play on the data centre buildout, is down almost 60 per cent from its June high.

Conversely, Apple Inc., the anti-AI company, is finishing a great run after lagging behind hyperscalers Microsoft Corp., Meta Platforms Inc. and Amazon Inc. for most of the year. But the best AI-related performer was Alphabet, a company derided for ceding its technological leadership. It stumbled out of the gate but now has the best large language model and is by far the stock market winner.

Crypto's year also had very different halves. Believers were euphoric about the possibilities when the crypto-friendly U.S. President was sworn in. Prices skyrocketed and bitcoin treasury companies, which never made any economic sense, multiplied like rabbits. Strategy Inc., the archetype for the category, was up more than 50 per cent by mid-July, but with bitcoin now in the red for the year, its stock is down 45 per cent since the beginning of the year.

Leading players in the sports betting epidemic, DraftKings Inc. and Flutter Entertainment Plc (which owns FanDuel), also started the year on a roll. More recently, however, they've been a bust as growth shifts to the prediction markets, which operate in the more regulatory-friendly environs of finance. What were the odds of that?

The biggest takeaway from 2025 for investors is to be wary of bold pronouncements and confident forecasts about what's going to happen in 2026. Many, maybe even most, will prove to be wrong, ill-timed or temporary in nature.

I'll end with a story from Morgan Housel of the Collaborative Fund. In one of his newsletters in 2022, he referenced the night before the D-Day invasion in 1944 when Franklin Roosevelt asked his wife Eleanor how she felt about not knowing what would happen next. She said, "To be nearly sixty years old and still rebel at uncertainty is ridiculous, isn't it?"

Steadyhand

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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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