

Steadyhand

Q1 2026

“Forecasts may tell you a great deal about the forecaster; they tell you nothing about the future.”

— Warren Buffett



Bradley's Brief



For a professional investor and student of cycles like me, it's a fascinating time to be alive. Consider what capital markets were chewing through in the first quarter alone.

The fear of AI disruption took hold in February, with the market vigilantes selling first and asking questions later as they rotated through the industry sectors deemed most vulnerable.

As part of the hunt, sentiment shifted violently away from capital light businesses, the market darlings of the last decade, and refocused on industries perceived to be impervious to AI. Software is now a dirty word while the hot new acronym is HALO – heavy asset, low obsolescence.

The world of private assets was in turmoil. More people want out of credit funds than could be accommodated, and private equity managers were stuck holding companies far longer than planned.

Gold continued on a tear until the thing most people hold it for happened. We had a geopolitical crisis and the price went down.

Budgets for data center spending, which has turned into the mother of all capital spending cycles, increased despite a view by many that it was already excessive.

And of course, investors made decisions in the fog of war where the most important market factor was, how long will President Trump be willing to continue?

You get the picture. There's a lot going on. The war has been blamed for recent stock and bond market declines, but as always, it isn't quite that simple. The first bombs hitting Iran were clearly a trigger, but markets were already running on fumes. Bond and stock valuations were stretched, risk-taking was extreme (leverage; options

trading; AI and bitcoin hype), and uncertainty around trade policy was moving into a second year.

As you'll see in this report, stocks were down across the board in the first quarter, with the exception of ones related to energy. I expect client returns will vary widely across the industry due to the war, and the rapid shifts between the narratives mentioned above.

Our funds were cautiously positioned to start the year, not because we anticipated a war and energy crisis, but rather because of high valuations and excessive speculation. A larger than normal cash position served the Founders Fund well, as did an on-going focus on profitable companies trading at reasonable multiples.

What hasn't yet helped is the Founders Fund's full allocation to high quality bonds. Bonds are usually a safe haven at times like this but returns were flat as worries about inflation pushed interest rates up and overshadowed an increased chance of global recession. Bonds don't like inflation but thrive during periods of economic weakness.

How do we plan to deal with what's going on? We will stay well diversified, and recommend being a little more cautious than usual, which means the Founders Fund is conservatively positioned and our retired clients have their spending reserves topped up. And as always, our fund managers and team here at Purpose remain laser-focused on long-term value, no matter how noisy it is around us.

Key Takeaways

Stocks

- Stock markets fluctuated throughout the quarter with the uncertainty caused by the U.S. and Israel’s bombing of Iran and the retaliatory actions. The global index fell 1.5% while the Canadian market gained 3.6%.
- Performance was uneven in the period. Energy companies benefited from rising oil prices. By contrast, technology stock lagged because of the perceived threat from AI.
- The loonie declined by 1.0% against the U.S. dollar and gained by a similar amount against the Yen and Euro.

Bonds

- The Canadian bond market rose 0.5% in the quarter (income minus capital depreciation).
- Bond yields bounced around throughout the quarter, finishing slightly higher at quarter-end. The benchmark 10-year Government of Canada yield rose from 3.4% to 3.5%.
- The Bank of Canada left its short-term lending rate unchanged at 2.25%.

Our Funds

- Steadyhand funds weren’t immune to the market volatility. Three of the four equity funds posted negative returns with the Small-Cap Equity fund being the exception. It gained 5.7% in the period.
- The Founders Fund had a negative return of 0.6% in the quarter.
- The stock weighting in Founders is below its target of 60% based on our longer-term views on corporate fundamentals, valuations, and investor sentiment.

Our Advice to Clients

We recommend you be at or below your long-term target for stocks. In the Founders Fund, our equity weighting is 55%. We’ve dialed down our exposure in recent months. Our focus continues to be 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 hold a position in the Savings Fund, which is yielding 2.6% (pre-fee).

Market Returns

	3M	1Y
Canada	3.6%	34.2%
World	-1.5%	15.8%

	3M	1Y
Bonds	0.3%	0.6%

Fund Returns

	3M	1Y
Savings	0.6%	2.4%
Income	0.9%	6.2%
Founders	-0.6%	6.7%
Builders	-1.9%	8.6%
Equity	-4.8%	-3.4%
Global Equity	-1.9%	11.0%
Small-Cap Equity	5.7%	32.1%
Global Small-Cap Equity	-2.9%	10.6%



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 in conjunction with members of Purpose Investments’ multi-asset team. 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 down 0.6% in the quarter. Since inception (Feb 2012) it has an annualized return of 6.1%.

Portfolio Specifics

- The Founders Fund was down fractionally in the first quarter (-0.6%). Annual returns have averaged 7.2% (before fee reductions) over the last 3 years and 6.1% since the fund was launched in 2012.
- In contrast to recent quarters, contributions from the underlying funds varied widely, which is not surprising given the market gyrations related to the Middle East war. The Small-Cap Equity Fund and Income Fund had positive returns while the other funds were down modestly.
- We concluded last quarter’s Founders report by saying, “despite the current excitement around stocks, Founders will maintain a full position in cash and bonds.” Indeed, in recent months, we’ve had the risk dialed down, with stocks making up about 55% of total fund (5% below the long-term target). We certainly weren’t anticipating a Middle East war when we positioned the fund this way. Our caution was based on stretched valuations for both corporate bonds and stocks, and a highly charged investment environment characterized by leverage, speculative trading and sky-high investor expectations.
- As it turned out, Founders was reasonably well-positioned for what transpired. We didn’t own enough gold and energy-related investments, but our focus on profitable companies trading at reasonable valuations was helpful. What hasn’t yet contributed to returns are the bonds. Normally, at crisis times interest rates drop to stimulate the economy and bonds prices rise, but the war has investors more worried about inflation than the potential of an economic slowdown. Bond prices declined more than offset interest income in the first quarter.

Positioning

- We anticipate maintaining the current asset mix. We hold enough stocks considering the current situation and believe that bonds will prove a useful diversifier going forward, as well as providing a steady income.
- Weaker markets, along with war and trade uncertainty, have improved stock valuations and caused investors to be less bullish. If this continues, we would expect to start adding back to the fund’s equity allocation.
- We remind our clients: Founders’ returns are overwhelmingly driven by the 6 underlying funds. Their strategies are laid out in the pages that follow.

Fund Mix	
Income	47%
Global	19%
Equity	17%
Savings	8%
Small-Cap	4%
Global Small-Cap	4%

Fund size: \$745,209,611



Founders Fund

Attributes

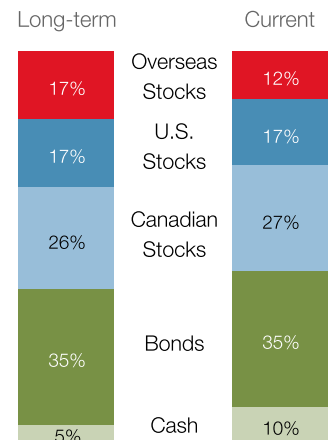
Top Stock Holdings (% of Fund)

Royal Bank Of Canada	1.7%
Microsoft Corporation	1.2%
Loblaw Companies Limited	1.1%
Metro Inc.	1.0%
Intact Financial Corporation	1.0%
Canadian Pacific Kansas City	1.0%
TJX Cos Inc	0.9%
Toromont Industries Limited	0.9%
Samsung Electronics Company Ltd.	0.8%
Visa Inc.	0.8%

Sector Allocation (Stocks)

Financials	22.9%
Industrials	18.5%
Consumer Discretionary	11.8%
Information Technology	10.7%
Materials	8.2%
Consumer Staples	8.0%
Energy	7.1%
Health Care	6.1%
Communication Services	2.5%
Real Estate	2.2%
Utilities	2.1%

Asset Mix



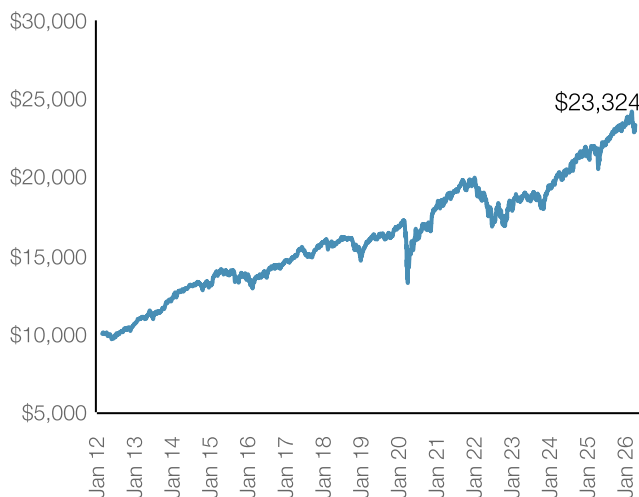
Performance

Compound Annualized Returns (as at March 31, 2026)

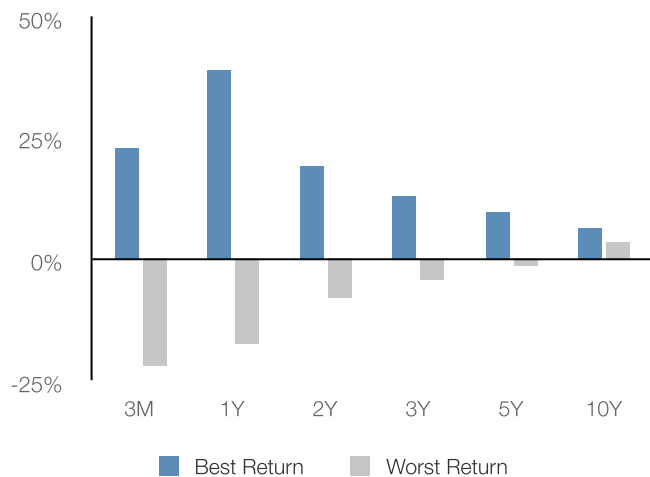
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep ¹
Founders Fund (After-fee)	-0.6%	-0.6%	6.7%	7.2%	4.6%	5.4%	N/A	6.1%
Canadian Bond Index	0.3%	0.3%	0.6%	3.2%	0.6%	1.6%	N/A	2.3%
Global Stock Index (\$Cdn)	-1.5%	-1.5%	15.8%	17.7%	12.0%	12.3%	N/A	13.3%
Canadian Stock Index	3.6%	3.6%	34.2%	21.1%	14.8%	12.0%	N/A	9.7%

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 down 1.9% in the quarter. Since inception (Feb 2019) it has an annualized return of 7.0%.

Portfolio Specifics

- The fund declined 1.9% in the first quarter of the year. Annual returns have averaged 7.0% since its launch (after fees). 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 (22.4% 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 18.6% 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 12.6%. 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 (10.8%), due to their inherent cyclicality. Holdings include TOREX (gold producer), CAPSTONE (copper miner), TOTALENERGIES (oil & gas), and CAMECO (uranium). Returns were solid overall, with TOTALENERGIES a standout.

Positioning

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

Fund Mix	
Equity	36%
Global	35%
Small-Cap	15%
Global Small-Cap	15%

Fund size: \$264,377,473



Builders Fund

Attributes

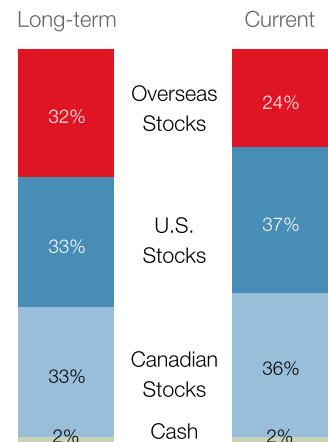
Top Stock Holdings (% of Fund)

Microsoft Corporation	2.5%
TJX Cos Inc	2.0%
Metro Inc.	1.9%
Oshkosh Corp	1.8%
Loblaw Companies Limited	1.8%
Royal Bank Of Canada	1.8%
Visa Inc.	1.7%
Toromont Industries Limited	1.6%
Canadian National Railway Company	1.6%
Restaurant Brands International Inc.	1.5%

Sector Allocation (Stocks)

Industrials	22.4%
Financials	18.6%
Consumer Discretionary	13.0%
Information Technology	12.6%
Consumer Staples	9.1%
Materials	5.9%
Health Care	5.8%
Energy	4.9%
Communication Services	2.4%
Others	2.1%
Utilities	0.7%
Cash	2.5%

Asset Mix



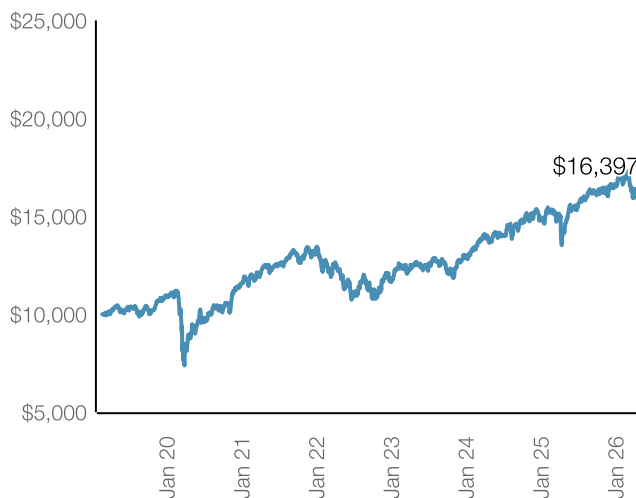
Performance

Compound Annualized Returns (as at March 31, 2026)

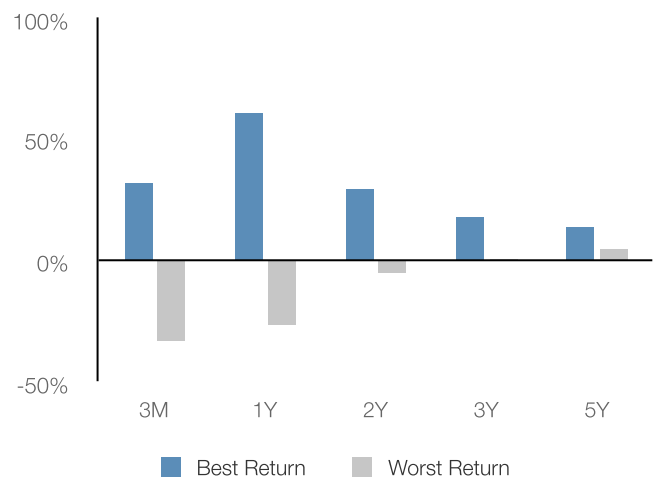
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep ¹
Builders Fund (After-fee)	-1.9%	-1.9%	8.6%	9.0%	6.1%	N/A	N/A	7.0%
Global Stock Index (\$Cdn)	-1.5%	-1.5%	15.8%	17.7%	12.0%	N/A	N/A	12.7%
Canadian Stock Index	3.6%	3.6%	34.2%	21.1%	14.8%	N/A	N/A	13.6%

¹Jan 23, 2019

Growth of \$10,000 Since Inception



Best and Worst Annualized Returns



Income Fund

Market Context

- The Canadian bond market delivered modest gains in Q1 2026, with the benchmark returning approximately 0.3% (interest income minus market depreciation). Bond yields rose modestly compared to the previous quarter-end, with the benchmark 10-year Government of Canada yield increasing from 3.4% to 3.5%.
- Short-term rates rose due to a 50% surge in Brent crude oil prices, which lowered expectation for Bank of Canada interest rate cuts this year.
- Canadian stocks returned 3.6% in the quarter, with tightening financial conditions and elevated volatility weighing on returns. Gold producers were a notable area of strength, while telecom and real estate stocks lagged.

The fund was up 0.9% in the quarter. Since inception (Feb 2007) it has an annualized return of 4.7%.

Portfolio Specifics

- The fund was up 0.9% in the first quarter. The bond component (75% of the portfolio) tracked the overall market closely with positive contributions from strategies such as global relative value and yield curve positioning, and security selection, particularly the holdings in energy pipelines.
- While the oil shock has created near-term inflationary pressure, underlying Canadian economic fundamentals remain weak: population growth turned negative for the first time; housing sales fell for a fourth straight month; and employment declined by roughly 110,000 jobs in January and February. The fund manager, Connor Clark and Lunn Investment Management, views the current rate rise as largely technical rather than fundamental, and expects yields to decline as the inflation shock transitions into a growth slowdown.
- The portfolio shifted to a more defensive credit posture, increasing its holdings in energy and telecommunications and adding real estate exposure, while reducing utilities and infrastructure. CCLIM added to bonds issued by the province of Quebec as they believe referendum-related rumblings are overdone.

Positioning

- The portfolio anticipates that today's inflation shock will give way to a growth shock later in 2026, moving yields materially lower. A bias towards longer-term bonds will be maintained for when this shift occurs. Credit exposure remains defensive, favouring energy, telecom, and higher-quality issuers. Stocks make up 25% of the fund and remain an important source of diversification.

Notable Stock Transactions

Buy/Add

Suncor Energy Inc.*

Metro Inc.*

Rogers Communications Inc., Class "B"***

Canadian Imperial Bank Of Commerce

TC Energy Corp.

Intact Financial Corp.

*New holding

Trim/Sell

Canadian Natural

Resources Ltd.¹

Open Text Corp.¹

Cenovus Energy Inc.¹

Royal Bank Of Canada

Toronto-Dominion Bank

Agnico Eagle Mines Ltd.

¹Position eliminated

Fund size: \$424,217,553

Pre-fee Yield: 2.6%

Avg Term to Matur.: 9.0 yrs

Duration (Bonds): 0.5



Income Fund

Attributes

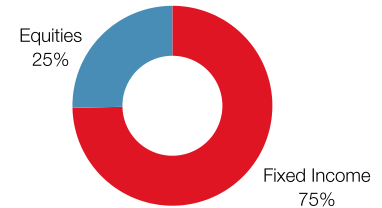
Top Holdings (% of Fund)

Canada 2.25% (Feb 28)	5.9%
Canada 3.50% (Dec 57)	2.8%
Canadian Treasury Bill 06/17/2026 (Jun 26)	2.8%
Canada 2.50% (May 28)	2.5%
Canada 2.75% (Dec 55)	2.4%
Quebec 4.45% (Sep 34)	1.7%
Canada 2.00% (Dec 51)	1.6%
Ontario 1.35% (Dec 30)	1.5%
Ontario 3.80% (Dec 34)	1.3%
Ontario 2.15% (Jun 31)	1.1%

Issuer Allocation (Bonds)

Government Bond	49.2%
Equity	22.8%
Investment Grade Bond	17.9%
High Yield	5.0%
High Yield Bond	2.7%
Real Estate Equity	2.5%

Asset Mix



Rating Summary (Bonds)

AAA	33.4%
AA	31.9%
A	3.8%
BBB	24.0%
BB	2.7%
B	0.6%
CCC or lower	2.5%
NR	1.2%

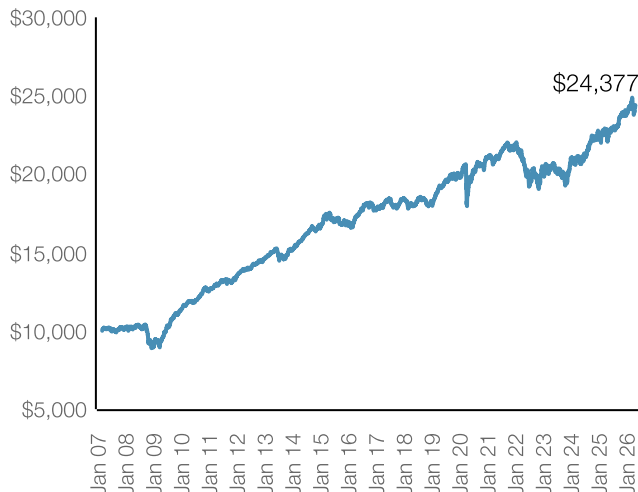
Performance

Compound Annualized Returns (as at March 31, 2026)

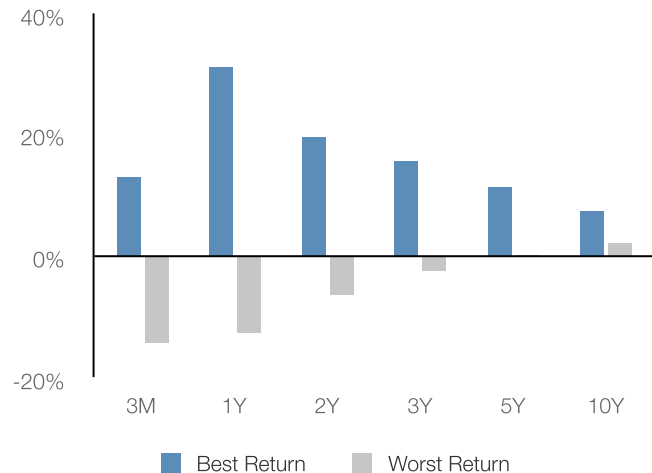
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep ¹
Income Fund (After-fee)	0.9%	0.9%	6.2%	5.8%	2.9%	3.4%	4.2%	4.7%
Canadian Bond Index	0.3%	0.3%	0.6%	3.2%	0.6%	1.6%	2.8%	3.3%
Canadian Stock Index	3.6%	3.6%	34.2%	21.1%	14.8%	12.0%	8.2%	7.4%

¹Feb 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 3.6% in the first quarter of 2026.
- Global stocks, as measured by the Morningstar Developed Markets Index, declined by -1.5% in Canadian dollars.
- Gold and energy stocks drove the bulk of the domestic gains, building on momentum from geopolitical tensions in the Middle East. Technology stocks moved in the opposite direction, giving back much of their 2025 outperformance as investors rotated into more defensive parts of the market.

The fund was down 4.8% in the quarter. Since inception (Feb 2007) it has an annualized return of 6.7%.

Portfolio Specifics

- The portfolio consists of 28 stocks, of which 17 are headquartered in Canada, 8 in the U.S., 2 in Switzerland, and 1 in Japan.
- It was a challenging quarter for the fund, which fell -4.8%. The absence of gold and energy holdings, the two sectors powering market gains, weighed heavily on performance. So did weakness across several technology and financial services names. The fund's quality and valuation discipline means it has historically avoided resource stocks that do not meet its criteria, and this quarter that positioning proved costly.
- Among the bright spots, TOROMONT INDUSTRIES stood out with a gain of nearly 15%. The industrial equipment dealer continued to post solid operating results and its data center power division attracted growing investor attention. CME GROUP, the derivatives exchange operator, QUEBECOR, the telecommunication company, and RESTAURANT BRANDS also had strong quarters.
- Several holdings were caught in the broader technology selloff. S&P GLOBAL fell over 18%, MICROSOFT declined nearly 21%, and CGI, the IT consulting firm, dropped a similar amount. VISA also detracted, falling close to 14% alongside the correction in financial technology names.
- The fund manager, Fiera, initiated a new position in ALIMENTATION COUCHE-TARD, the convenience store operator, and added to RESTAURANT BRANDS. It trimmed TOROMONT following the strong price appreciation as noted above. Fiera still believes that holdings like CONSTELLATION SOFTWARE and THOMSON REUTERS are well-positioned to benefit from AI integration over the long term, despite near-term market concerns about the technology's disruptive potential.

Notable Stock Transactions

Buy/Add

Alimentation Couche-Tard Inc.*

Restaurant Brands International Inc.

*New holding

Trim/Sell

Toromont Industries Ltd.

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 team is keeping a close watch on select energy names that have demonstrated improved operational discipline.

Fund size: \$294,499,687
No. of stocks: 28



Equity Fund

Attributes

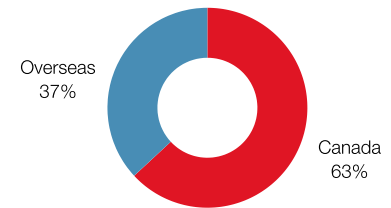
Top Holdings (% of Fund)

TJX Cos Inc	5.8%
Metro Inc.	5.4%
Loblaw Companies Limited	5.2%
Royal Bank Of Canada	5.0%
Visa Inc.	4.8%
Toromont Industries Limited	4.5%
Canadian National Railway Company	4.4%
Restaurant Brands International Inc.	4.4%
Waste Connections Inc.	4.3%
Intact Financial Corporation	4.2%

Sector Allocation (Stocks)

Industrials	25.0%
Financials	23.1%
Consumer Discretionary	18.5%
Consumer Staples	15.6%
Information Technology	12.8%
Communication Services	3.7%
Cash	0.2%
Other	1.1%

Geographic Profile (Stocks)



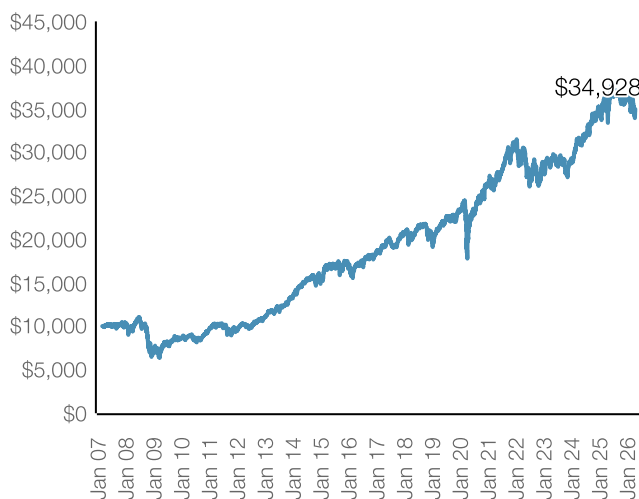
Performance

Compound Annualized Returns (as at March 31, 2026)

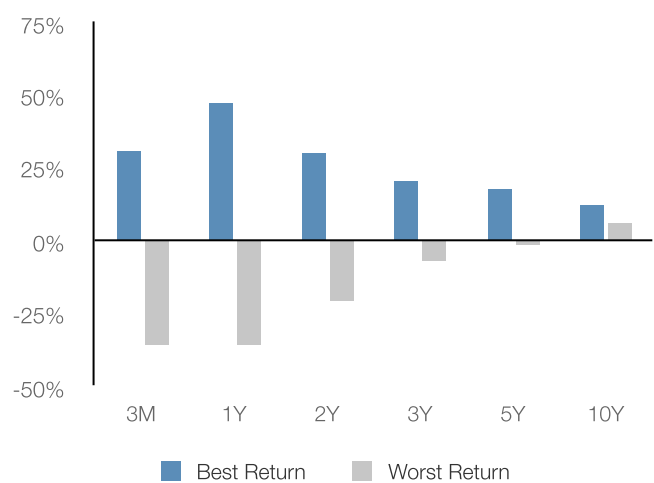
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep ¹
Equity Fund (After-fee)	-4.8%	-4.8%	-3.4%	5.6%	5.5%	7.3%	8.5%	6.7%
Canadian Stock Index	3.6%	3.6%	34.2%	21.1%	14.8%	12.0%	8.2%	7.4%
Global Stock Index (\$Cdn)	-1.5%	-1.5%	15.8%	17.7%	12.0%	12.3%	12.5%	8.6%

¹Feb 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, fell -1.5% in the first quarter of 2026 in Canadian dollar terms.
- Energy stocks were one of the few bright spots, as oil prices surged on supply concerns. Conversely, software and technology names sold off meaningfully.

The fund was down 1.9% in the quarter. Since inception (Feb 2007) it has an annualized return of 3.6%.

Portfolio Specifics

- The fund holds 49 companies spread across the U.S., Canada, Japan, Europe, the U.K., South Korea, Singapore, and Hong Kong.
- The fund was down -1.9% for the quarter. For most of the period, the portfolio was tracking ahead of its benchmark, but the late-March selloff took a toll. That said, the manager remains confident in the quality and earnings power of the businesses owned.
- Energy holdings led the way as oil prices spiked amid Middle East instability. SAMSUNG ELECTRONICS also had a strong quarter, and health care names like OTSUKA, GSK, and AMGEN contributed positively.
- BROOKFIELD ASSET MANAGEMENT had a strong quarter and stood out among global alternative asset managers. Its institutional client base and limited exposure to private credit have helped it sidestep the redemption pressures weighing on some peers.
- On the other side, consumer-facing holdings were hurt by rising costs and softer spending. LENNAR, NORWEGIAN CRUISE LINE, and LVMH all pulled back. Software companies ADOBE, NEMETSCHEK, and DOLBY were weak, though the manager believes their fundamentals remain intact and that the selloff has created an attractive entry point.
- CAMECO was trimmed and SONY was exited. The proceeds were used to add CHEVRON which was among the strongest contributors. CHEVRON brings quality management, minimal Middle East exposure, and compelling long-term assets. TOTALENERGIES also performed well, benefiting from its position as a global leader in LNG.

Positioning

- The fund owns a concentrated group of quality businesses across a range of industries with durable demand. The focus remains on market leaders with steady profitability and experienced management teams.
- The manager sees the current pullback in software as a potential opportunity, with several names trading at historically low multiples. Meanwhile, the energy sleeve offers exposure to structural themes like natural gas, nuclear power, and deepwater oil development.

Notable Stock Transactions

Buy/Add

Chevron Corp.*
Brookfield Asset Management Inc.
Gsk Plc
*New holding

Trim/Sell

Sony Financial Holdings Inc.¹
Cameco Corp.
Microsoft Corp.
Alphabet Inc.
¹Position eliminated

Fund size: \$283,759,685
No. of stocks: 49



Global Equity Fund

Attributes

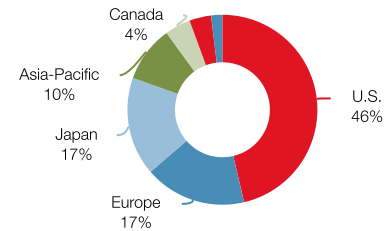
Top Stock Holdings

Samsung Electronics Company Ltd.	4.3%
FirstCash Holdings Inc	3.5%
TotalEnergies SE	3.4%
DBS Group Holdings Ltd	3.3%
Munich Re	3.1%
Alphabet Inc.	3.1%
Microsoft Corporation	2.9%
Otsuka Holdings Company Limited	2.8%
Martin Marietta Materials Inc.	2.8%
Amgen Inc	2.6%

Sector Allocation (Stocks)

Financials	22.8%
Information Technology	14.4%
Health Care	14.2%
Consumer Discretionary	13.7%
Industrials	12.0%
Energy	7.3%
Materials	6.3%
Consumer Staples	4.3%
Communication Services	3.1%
Cash	1.9%

Geographic Profile (Stocks)



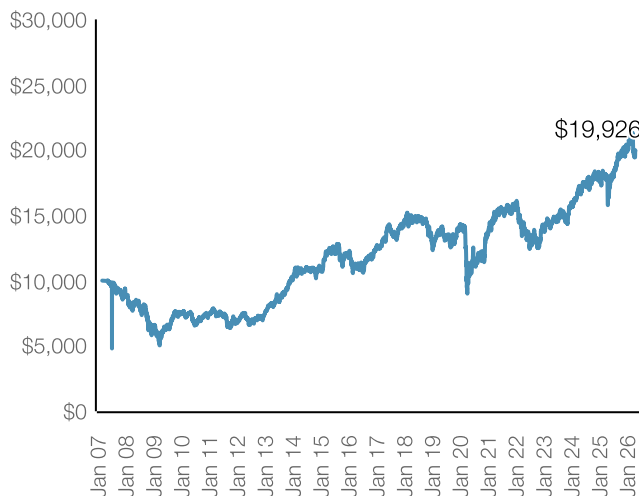
Performance

Compound Annualized Returns (as at March 31, 2026)

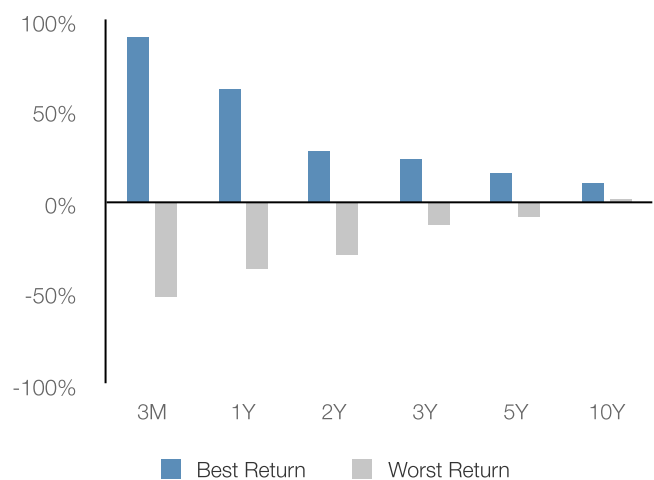
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep ¹
Global Equity Fund (After-fee)	-1.9%	-1.9%	11.0%	10.5%	5.8%	5.9%	6.6%	3.6%
Global Stock Index (\$Cdn)	-1.5%	-1.5%	15.8%	17.7%	12.0%	12.3%	12.5%	8.6%

¹Feb 13, 2007

Growth of \$10,000 Since Inception



Best and Worst Annualized Returns



Small-Cap Equity Fund

Market Context

- Canadian small-cap stocks, as measured by the Morningstar Canada Small Cap Index, rose 9.6% in the first quarter of 2026. Gold and energy were the standout sectors, buoyed by geopolitical uncertainty and supply concerns. Materials stocks, particularly gold miners, posted extraordinary returns.
- U.S. small caps had a tougher time, with the Russell 2000 falling sharply in March as trade policy worries rattled markets.

The fund was up 5.7% in the quarter. Since inception (Feb 2007) it has an annualized return of 7.9%.

Portfolio Specifics

- The portfolio holds 18 stocks, with 16 headquartered in Canada and 2 in the United States.
- The fund returned 5.7% for the quarter. Like the broader market, the portfolio was tracking well ahead through February before March took a toll. The manager's focus on quality businesses with proven earnings power helped cushion the drawdown, though not owning some of the quarter's biggest mining winners held back returns.
- MDA SPACE was the top contributor. The company was recently listed in the US and has a \$40 billion project pipeline. Despite some noise around the Lunar Gateway contract, the team views the business as attractively valued on normalized free cash flow. The position was trimmed in late March after its strong run, locking in gains and raising cash for new ideas.
- Energy stocks were strong across the board. GENOVUS ENERGY and PEYTO EXPLORATION each contributed meaningfully as oil and natural gas prices firmed (Cenovus was received from the takeover of MEG Energy). OSHKOSH, the US-based industrial, also had a solid quarter. In materials, TOREX GOLD and EQUINOX GOLD benefited from the continued gold rally, though Galibier, the fund manager, trimmed both at elevated prices.
- On the weaker side, SUPERIOR PLUS and CARGOJET were the main drags. The latter remains a small position. The competitive position is intact, with no national competitor in overnight air cargo, but near-term growth visibility is limited by tariff headwinds and a pullback in China e-commerce volumes.

Positioning

- The fund is a concentrated portfolio of high-quality Canadian and US small cap businesses that the team believes are trading below intrinsic value. The focus remains on companies with sustainable competitive advantages, strong free cash flow, and experienced management teams.
- Galibier is watching the current environment closely. Valuations are a concern in parts of the market, but is finding pockets of opportunity in industrials and consumer staples. Meanwhile, the gold and energy holdings offer a natural hedge against inflation and geopolitical risk.

Notable Stock Transactions

Buy/Add

Greenbrier Cos Inc.*

Evertz Technologies Ltd.*

*New holding

Trim/Sell

Mda Space Ltd.

Fund size: \$117,335,387

No. of stocks: 20



Small-Cap Equity Fund

Attributes

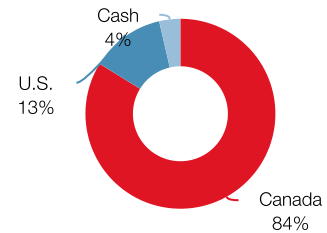
Top Stock Holdings

Peyto Exploration	8.2%
Cenovus Energy Inc.	7.5%
Torex Gold Resources Inc.	7.3%
Oshkosh Corp	6.5%
Savaria Corporation	6.2%
Equinox Gold Corp	6.1%
Stella-Jones Inc.	5.7%
Capstone Copper Corp	5.3%
Jamieson Wellness Inc.	5.2%
Badger Infrastructure	4.8%

Sector Allocation (Stocks)

Industrials	33.5%
Materials	24.4%
Energy	15.7%
Consumer Staples	8.9%
Consumer Discretionary	4.6%
Utilities	4.5%
Health Care	3.6%
Information Technology	1.1%
Cash	3.6%

Geographic Profile (Stocks)



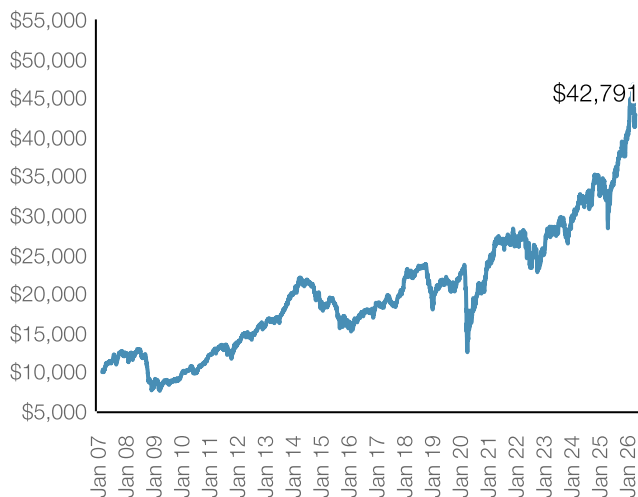
Performance

Compound Annualized Returns (as at March 31, 2026)

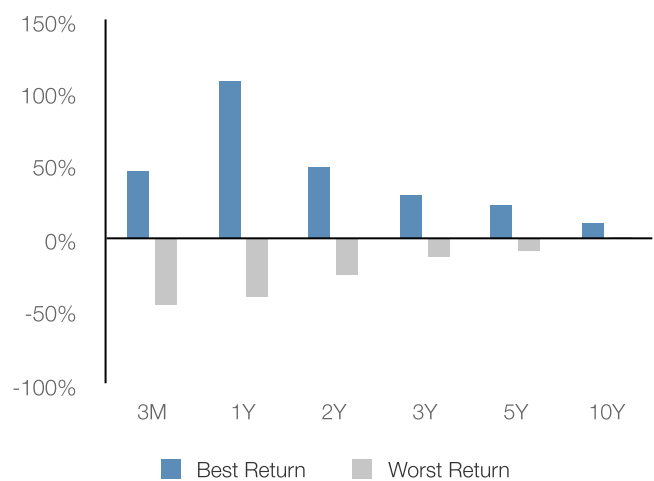
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep ¹
Small-Cap Equity Fund (After-fee)	5.7%	5.7%	32.1%	14.3%	9.9%	9.9%	8.4%	7.9%
Canadian Small-Cap Stock Index	9.6%	9.6%	66.4%	28.4%	17.3%	12.3%	5.3%	4.6%
U.S. Small-Cap Stock Index (\$Cdn)	1.7%	1.7%	15.3%	13.3%	6.7%	9.9%	11.3%	8.5%

¹Feb 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 1.5% in the first quarter of 2026 in Canadian dollar terms.
- Energy, consumer staples, materials, and utilities companies held up well, while technology and software names were hit hard.

Portfolio Specifics

- The portfolio holds 47 stocks, with 29 headquartered in the U.S. and 18 overseas, including Japan, the U.K., Scandinavia, continental Europe, and Australia.
- The fund was down -2.9% for the quarter. Industrials were the one bright spot, contributing positively, but weakness in information technology and financials more than offset those gains. Several software holdings suffered from what the manager describes as "guilt by association" with the broader tech selloff, even when individual company results were strong.
- MACOM TECHNOLOGY SOLUTIONS was the top contributor, rallying on continued demand for its high-performance semiconductor components. REGAL REXNORD, the industrial manufacturer, also had a strong quarter, as did LATTICE SEMICONDUCTOR and CLEAN HARBORS, a US environmental services company.
- On the other side, SERVICETITAN was the biggest drag after it continued to face selling pressure after its recent IPO. WORKIVA and JFROG, both enterprise software names, also fell sharply despite solid fundamentals.
- Several new positions were added during the quarter. GUARDIAN PHARMACY SERVICES is a play on aging demographics. It operates on-site pharmacies within assisted living and continuing care communities across the U.S., where the complexity of managing residents on multiple medications creates a significant competitive moat. MIRION TECHNOLOGIES, a global leader in radiation measurement, was added. The company stands to benefit from small modular reactor deployments FUKUOKA FINANCIAL GROUP, a Japanese regional bank and PURSUIT ATTRACTIONS AND HOSPITALITY, which operates national park experiences including the Banff Gondola and Golden Skybridge in Canada, were also new holdings.
- On the sell side, the team exited KDX REALTY INVESTMENT CORP, BOOT BARN, and RAKUTEN BANK.

Positioning

- The fund is comprised of a diversified group of quality growth businesses operating across a range of industries and geographies. The fund manager, TimesSquare, continues to focus on companies with sustainable competitive advantages, strong earnings growth, and management teams aligned with shareholders.
- The manager remains confident that fundamentals will reassert themselves over time. Several software holdings are already seeing positive earnings revisions. They're also exploring opportunities in emerging markets following a broad-based selloff.

The fund was down 2.9% in the quarter. Since inception (Feb 2019) it has an annualized return of 6.4%.

Notable Stock Transactions

Buy/Add

Fukuoka Financial Group Inc.*
 Guardian Pharmacy Services Inc.*
 Mirion Technologies Inc.*
 Pursuit Attractions And Hospitality Inc.*
 Sumitomo Bakelite Co Ltd.*
 *New holding

Trim/Sell

Boot Barn Holdings Inc.¹
 KDX Realty Investment Corp.¹
 Onestream Inc.¹
 Rakuten Bank Ltd.¹
 Saia Inc.¹
¹Position eliminated

Fund size: \$78,584,131
 No. of stocks: 47



Global Small-Cap Equity Fund

Attributes

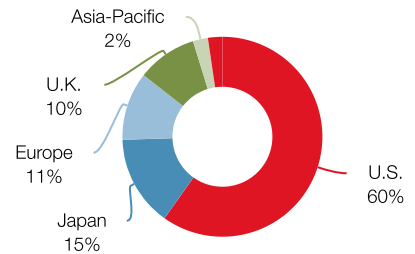
Top Stock Holdings

Azbil Corp	3.6%
Weir Group PLC	3.5%
Guardian Pharmacy Services Inc	3.5%
Clean Harbors Inc	3.5%
MACOM Technology Solutions Holdings Inc	3.3%
Regal Rexnord Corp	3.2%
Pursuit Attractions And Hospitality Inc	2.9%
Sumitomo Bakelite Co Ltd	2.9%
Greencore Group PLC	2.8%
Lattice Semiconductor Corp	2.8%

Sector Allocation (Stocks)

Industrials	30.2%
Information Technology	20.0%
Financials	17.0%
Others	14.4%
Consumer Discretionary	7.4%
Consumer Staples	5.3%
Health Care	2.5%
Materials	1.0%
Cash	2.3%

Geographic Profile (Stocks)



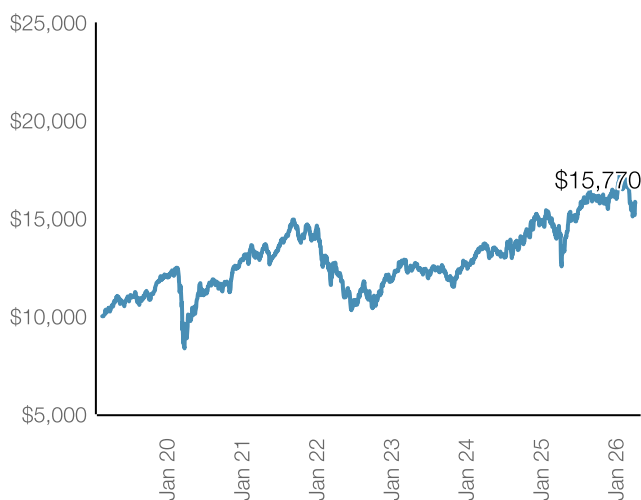
Performance

Compound Annualized Returns (as at March 31, 2026)

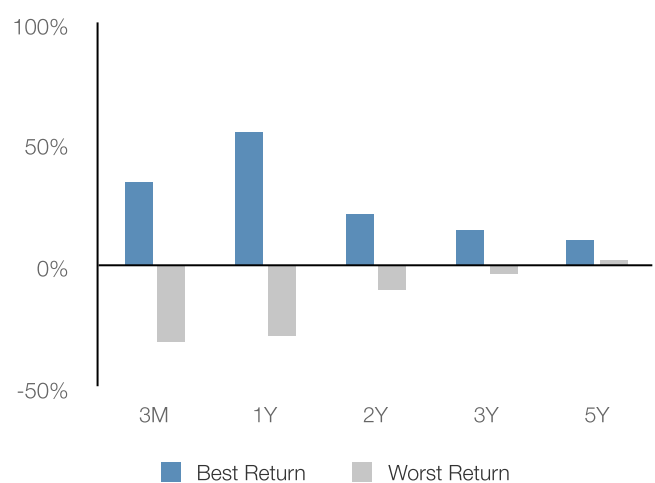
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep ¹
Global Small-Cap Equity Fund (After-fee)	-2.9%	-2.9%	10.6%	7.2%	3.5%	N/A	N/A	6.4%
Global Small Cap Stock Index (\$Cdn)	1.5%	1.5%	17.8%	13.6%	6.9%	N/A	N/A	8.6%

¹Jan 23, 2019

Growth of \$10,000 Since Inception



Best and Worst Annualized Returns



Savings Fund

Market Context

- The Bank of Canada held its policy rate steady at 2.25% during the quarter.
- The war in the Middle East raised concerns that higher oil prices and broader supply-related cost pressures could affect the inflation outlook.
- For cash investors, yields remained attractive, but the path forward became more uncertain.

The fund was up 0.6% in the quarter. Since inception (Feb 2007) it has a cumulative return of 36.2% which equates to an annualized return of 1.6%.

Positioning

- Government securities, including Treasury Bills, short government bonds, and provincials, comprised approximately 11% of the portfolio. Floating-rate products represented about 15%, with the remainder invested primarily in bankers' deposit notes and commercial paper.
- We believe this mix is well-suited to the current environment, as it allows us to reduce duration while maintaining yields. In our view, liquidity and maturity management remain especially important given the uncertainty around inflation.
- The portfolio remains positioned conservatively, with a focus on capital preservation, liquidity, and high credit quality, with more than 90% of assets rated R-1 High, in a market where inflation risks have become harder to assess.

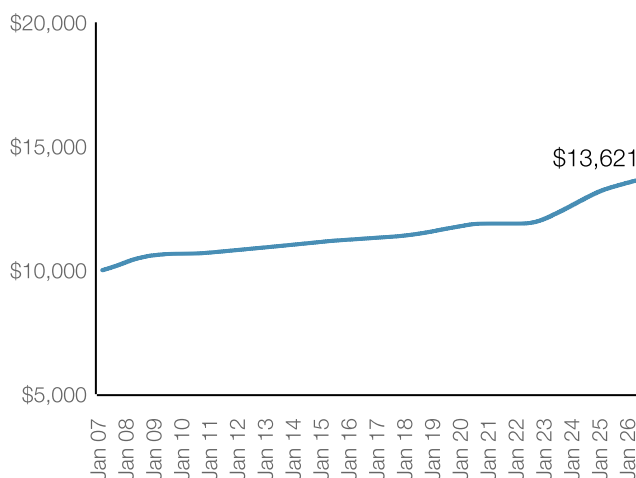
Performance

Compound Annualized Returns (as at March 31, 2026)

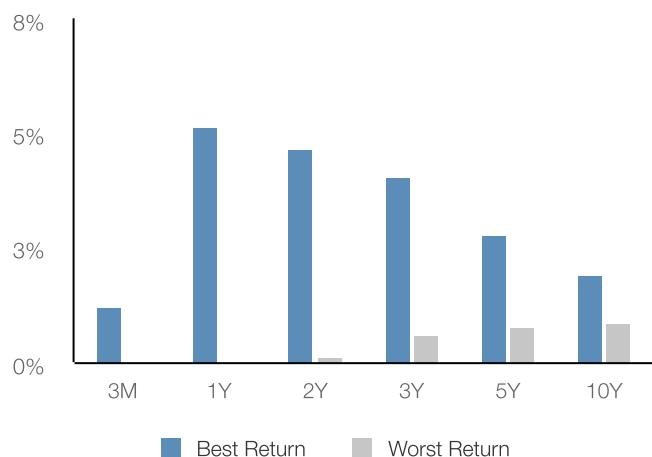
	3M	YTD	1Y	3Y	5Y	10Y	15Y	Incep ¹
Savings Fund (After-fee)	0.6%	0.6%	2.4%	3.7%	2.8%	1.9%	1.6%	1.6%
Canadian Cash Index	0.5%	0.5%	2.5%	3.9%	2.9%	1.9%	1.5%	1.6%

¹Feb 13, 2007

Growth of \$10,000 Since Inception



Best and Worst Annualized Returns



Why are Canadian bank valuations so low?

Special to the Globe and Mail, by Tom Bradley

I want to build on a [March 6 article on bank valuations](#) by David Berman. Canadian bank stocks have done exceptionally well over the last year and a half. Their businesses have been strong, but the biggest factor has been expanding valuations. As David pointed out, RBC is trading at 14.1 times earnings, well above the long-term average of 11.9.

To most investors, both these numbers seem low, especially compared to companies in other industries that don't appear to be nearly as good. Indeed, if someone described the attributes of a Canadian bank to me in a blind test, I'd likely say the company should trade at either side of 20 times earnings. What's not to like?

The Canadian banks have unassailable franchises. They provide a necessary service, have sticky customers and can raise prices with impunity. They've become high-octane marketing machines and operate in a government-supported oligopoly characterized more by co-opetition than competition. And for income-oriented investors, they provide healthy and growing dividends.

So why do these powerhouses trade at such low multiples?

Risk and leverage

First and foremost, banks are highly levered. The amount of money they lend out is many multiples of their common equity. Small errors, while unlikely, can turn into huge losses.

Unlikely, but it can happen, as Hugh Brown, one of Canada's best bank analysts, pointed out in a 2011 exit interview. "In 1982, Third World debt collapsed. The Big Five Canadian banks had 2.5 times their equity invested in Third World loans, and those loans plunged to 50 cents on the dollar. On a mark-to-market basis, the banks were insolvent."

Back then, banks weren't required to market down distressed loans and were able to work their way out of the hole in the years that followed.

Citigroup, the global financial services giant, wasn't so lucky. Shareholders were severely diluted during the 2008 financial crisis and two decades later, the stock trades 80-per-cent below its 2007 high.

Banks report their results in great detail but there's little transparency around the most important risk, loan losses.

Structural mismatch

Customer deposits are a wonderful source of funding, but banks must manage a liquidity mismatch. The money coming in from individuals and companies (bank

accounts; GICs) is plentiful and cheap (low or no interest cost) but can be withdrawn at any time. On the other hand, investments made with the deposits (loans and mortgages) aren't so easily liquidated.

Because of the leverage and mismatch, banks must maintain depositor and investor confidence in their lending practices and financial management. A crisis of confidence like the one Silicon Valley Bank suffered three years ago can have a dramatic effect.

Economic and market sensitivity

Banks' fortunes are closely linked to the strength of the Canadian economy. If borrowers are losing their jobs and can't make their payments, and the collateral is not easily sold, as is the case with real estate today, banks will feel it.

The good news is they're more diversified today than they were decades ago, but wealth management and capital markets have their own sensitivity to the stock market.

The next wave of growth

Canadian banks have done an amazing job of expanding into new business areas, including brokerage, wealth management and insurance, and increasing their share of Canadian wallets. The question is: Where will the growth come from?

On the asset side of customer balance sheets, banks already have a huge share of savings and investments. On the liability side, they've been so successful that borrowers are running out of room to add more debt.

The Canadian banks could find themselves in the same box as the multinational consumer product companies that have run into a growth wall. After squeezing every bit of revenue and profit out of their customers, leading companies like Nestlé, Unilever, Procter and Gamble, Pepsi and Coca-Cola have little room to raise prices and are struggling to grow.

Foreign expansion is a potential growth area although the historical record is mixed. There have been plenty of missteps (and write-offs), and the successes are far less profitable than the home market.

A core holding

Canadian banks are great businesses and should be core holdings in your portfolio. Like any investment, paying a reasonable price is important so you want to add when you can't believe how cheap they are (and yields are high) and hold off when analysts are rationalizing why they should trade at a market multiple. Remember, there are structural reasons why banks trade at low valuations.

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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