Steadyhand

Management Report of Fund Performance

Steadyhand Savings Fund

December 31, 2016

Steadyhand **Savings Fund**

Annual Management Report of Fund Performance (December 31, 2016)

This annual management report of fund performance contains financial highlights, but does not contain the complete audited annual financial statements of the investment fund. You can get a copy of the audited annual financial statements at your request, and at no cost, by calling 1-888-888-3147, by writing to us at Steadyhand Investment Management Ltd., 1747 West 3rd Avenue, Vancouver, BC, V6J 1K7 or by visiting our website at www.steadyhand.com or SEDAR at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

The fundamental investment objective of the Steadyhand Savings Fund (the "Fund") is to provide a stable level of current income and capital preservation through investing in a portfolio of Treasury Bills and short-term debt instruments issued by Canadian corporations and the federal and provincial governments.

Given the Fund's emphasis on capital preservation, it is managed conservatively. The portfolio's average term to maturity will not exceed 90 days, and the portfolio adviser only invests in debt instruments with high credit ratings.

Risks

The primary risks associated with an investment in the Fund are interest rate risk and credit risk. The other risks are outlined in the simplified prospectus. There were no changes to the Fund over the reporting period that affected its overall level of risk.

Results of Operations

Over the year, the Fund's net assets increased to $66.2 million as of December 31, 2016, from $49.3 million at the end of 2015. This increase was attributable to net subscriptions of $16.9 million.

The Fund produced a return of 0.7% in 2016. Over the same period, the FTSE TMX Canada 91 Day T-Bill Index gained 0.5%. The Fund's return is net of fees, whereas the return of the index does not include any costs or fees.

The Bank of Canada left its key lending rate unchanged in the year, at 0.5%. This remains close to historic lows, and as such, it is a difficult environment to add yield in the portfolio.

Canada's economy had a weak first half of 2016 but rebounded in the latter half of the year. Consumer growth picked up, supported by the new Canada Child Benefit, but business investment and non-energy exports were weak. Households remain highly indebted, which is a key risk to economic growth.

The portfolio outperformed the index in the year. The average yield continued to be above the benchmark, largely as a result of its exposure to corporate paper, notably in the finance and utilities sectors. The portfolio adviser's strategy (Connor, Clark & Lunn) remained focused on corporate notes in 2016. These securities comprised roughly 70% of the portfolio throughout the year, with government notes making up the balance (30%).

As for the Fund's government notes, investments were focused on provincial securities over sovereign notes. The yield pick-up of provincial T-Bills (over sovereigns) was attractive throughout the year and was a source of added value for the portfolio. Investments in the year were concentrated in T-Bills issued by the province of Ontario, but the portfolio also held notes issued by British Columbia, Manitoba, New Brunswick, Saskatchewan and Newfoundland.

The term-to-maturity of the Fund remained in line with the benchmark throughout the year (91 days), although its term was slightly shorter at year-end. While the majority of the portfolio's assets were invested in T-Bills and corporate paper in 2016, the Fund also held some short-dated corporate bonds to help increase the Fund's yield, including securities issued by Daimler Canada Finance, Toyota Credit Canada and Wells Fargo Financial Canada. A small portion of the portfolio was also held in floating rate notes issued by Bank of Montreal.

Given the short-term nature of the Fund's investments, there were several changes to the portfolio's specific assets as a number of securities matured over the reporting period. The average rating of the fund's holdings at year-end was AA, which was unchanged from last year.

The Fund's pre-fee yield at the end of 2016 was 0.8%, which was the same as its yield at the end of 2015.

There were no unusual trends in revenues or expenses over the reporting period.

Recent Developments

The Bank of Canada kept its key short-term lending rate unchanged in 2016, at 0.5%. The Bank, however, maintained a bias towards lowering rates given its evaluation that several key areas of the economy, including trade and housing, would remain challenged.

Inflation remained well below the Bank's target of 2%, and in its December statement, it revised estimates for growth and inflation lower.

Globally, expansionary monetary policies over the past year have been extraordinary and a major support for growth. It became evident in the second half of the year that central bank and fiscal policies had succeeded in stimulating global growth. However, inflation appears to have stopped falling and the environment that we have been in for years, which has been supportive for "risk assets", is likely to come under some pressure going forward. The portfolio adviser (CC&L) feels that we are unlikely to see much renewed easing of monetary policy in developed markets.

CC&L believes that the Canadian economy is expected to feel the tug between opposing forces. Structural issues are hampering export growth and tighter regulations and taxes are bringing about an easing in the housing sector. However, the consumer is expected to receive a boost as the new Child Tax

Credit payments begin to accumulate. The largest sums will go to lower- and middle-income families, the demographic most likely to spend a windfall.

In the near term, the adviser feels Canadian rate moves are expected to remain more subdued compared to the U.S. The Federal Reserve is expected to maintain a hiking bias, while the Bank of Canada is expected to keep rates unchanged, leading to a divergence in monetary policies. The Fund's strategy remains defensive and is focused on increasing exposure to higher quality credit names.

The Fund's mix of corporate notes (70% of assets) and government T-Bills (30%) did not change materially in 2016. As notes matured over the course of the year, a number of new securities were added to the Fund, including commercial paper issued by Brookfield Asset Management and bonds with short remaining terms to maturity issued by Greater Toronto Airport Authority and Wells Fargo Financial Canada.

There were no changes over the reporting period to the manager, portfolio advisor, accounting policies or investment review committee of the Fund.

Related Party Transactions

Management Fees

Steadyhand Investment Management Ltd. is the Manager of the Fund. The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The Fund relies on the positive recommendation or approval of the independent review committee to proceed with the transactions. The annualized net management fee for the units of the Fund is 0.65%. The 'One Simple Fee' was temporarily reduced from 0.65% to 0.20%. The amount of this waiver is determined by us, in our discretion, and the full fees may be restored by us at any time. This fee is calculated daily and paid monthly based on the net asset value of units of the Fund. For the period ended December 31, 2016, the Fund paid gross fees of $31,014 to the Manager and distributed $9,232 in management fee reductions. The Fund does not reimburse the Manager for operating costs incurred in administering the Fund which include:

- fees payable to provincial securities commissions in connection with the operation of the funds;
- audit and legal fees;
- costs for preparation, production and distribution of financial and other reports, including semi-annual and annual reports, statements,
- communications to unitholders and other regularly required documents;
- costs for the preparation, production and distribution of this simplified prospectus document and other regulatory documents, including Fund Facts;
- expenditures related to technology required to operate the funds;
- custody, investor servicing, record keeping, accounting, trustee fees and bank charges;
- costs of compliance with applicable securities legislation in connection with the operation of the funds; and
- applicable taxes including GST/HST.

The Fund does not directly or indirectly pay fees, sales commissions or trailing commissions, nor does it provide any non-monetary benefits to registered dealers for distributions of units of the Fund. If a broker charges you a commission or fee, that is a matter between you and the dealer.

As at December 31, 2016 Steadyhand Investment Management Ltd. and its affiliates, subsidiaries, officers and directors owned 153,497 Series A units, or 8.0% of the total Series A Fund units. The Steadyhand Founders Fund holds 100% of the total Fund Series O units and pays no management fees.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since the date of inception. This information is derived from the Fund's annual audited financial statements.

Series A – Net Assets Per Unit	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***	***Dec. 31 2013***	***Dec. 31 2012***
Net Assets, beginning of period [1,3,9]	**$10.00**	**$10.00**	**$10.00**	**$10.00**	**$10.00**
Increase (decrease) from operations:					
Total revenue	0.11	0.11	0.11	0.12	0.11
Total expenses (excluding distributions)	(0.03)	(0.03)	(0.01)	(0.01)	(0.01)
Realized gains (losses) for the period	-	-	-	-	-
Unrealized gains (losses) for the period	-	-	-	-	-
Total increase (decrease) from operations [1]	**0.08**	**0.08**	**0.10**	**0.11**	**0.10**
Distributions :					
From investment income (excluding dividends)	(0.07)	(0.08)	(0.10)	(0.10)	(0.10)
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.07)**	**(0.08)**	**(0.10)**	**(0.10)**	**(0.10)**
Net Assets, end of period	**$10.00**	**$10.00**	**$10.00**	**$10.00**	**$10.00**

Series A - Ratios and Supplemental Data	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***	***Dec. 31 2013***	***Dec. 31 2012***
Net asset value (000's) [4]	$19,189	$19,591	$15,512	$11,618	$6,477
Number of units outstanding [4]	1,918,884	1,959,106	1,551,221	1,161,749	647,650
Management expense ratio [5]	0.20%	0.20%	0.20%	0.20%	0.20%
Management expense ratio before waivers or absorptions	0.21%	0.21%	0.23%	0.23%	0.26%
Portfolio turnover rate [6]	-	-	-	-	-
Trading expense ratio [7]	-	-	-	-	-
Transactional net asset value per unit [8]	$10.00	$10.00	$10.00	$10.00	$10.00

Series O – Net Assets Per Unit	*Dec 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*	*Dec. 31 2013*	*Dec. 31 2012*
Net Assets, beginning of period [1,3,9]	**$10.00**	**$10.00**	**$10.00**	**$10.00**	**$10.00**
Increase (decrease) from operations:					
Total revenue	0.08	0.09	0.12	0.12	0.11
Total expenses (excluding distributions)	-	-	-	-	-
Realized gains (losses) for the period	-	-	-	-	-
Unrealized gains (losses) for the period	-	-	-	-	-
Total increase from operations [1]	**0.08**	**0.09**	**0.12**	**0.12**	**0.11**
Distributions :					
From investment income (excluding dividends)	(0.08)	(0.09)	(0.11)	(0.11)	(0.11)
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.08)**	**(0.09)**	**(0.11)**	**(0.11)**	**(0.11)**
Net Assets, end of period	**$10.00**	**$10.00**	**$10.00**	**$10.00**	**$10.00**

Series O - Ratios and Supplemental Data	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*	*Dec. 31 2013*	*Dec. 31 2012*
Net asset value (000's) [4]	$46,980	$29,729	$26,502	$14,275	$4,689
Number of units outstanding [4]	4,698,041	2,972,917	2,650,221	1,427,484	468,853
Management expense ratio [5]	-	-	-	-	-
Management expense ratio before waivers or absorptions	0.01%	0.01%	0.02%	0.02%	-
Portfolio turnover rate [6]	-	-	-	-	-
Trading expense ratio [7]	-	-	-	-	-
Transactional net asset value per unit [8]	$10.00	$10.00	$10.00	$10.00	$10.00

[1]Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

[2]Distributions were paid in cash/reinvested in additional units of the Fund, or both.

[3]This information is derived from the Fund's audited annual financial statements as at December 31 for the periods stated, and the net assets presented in the financial statements differs from the net asset value calculated for fund pricing purposes until January 1, 2013.

[4]The information is provided as at December 31 of the period shown.

[5]Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

[6]The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

[7]The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

[8] Prior to January 1, 2013, transactional net asset value per unit was used as the basis for financial statement accounting which based fair value on the bid price on the valuation date. After January 1, 2013, fair value is based on closing trade price for daily valuation as well as for regulatory financial reporting purposes, so Net Asset Value Per Unit has been reported for all periods after this date.

[9] The per share data is derived from the Fund's audited annual financial statements for 2012 and 2013 prepared in accordance with Canadian generally accepted accounting principles, and from the audited financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015 and 2016. The Net Assets per Share presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.

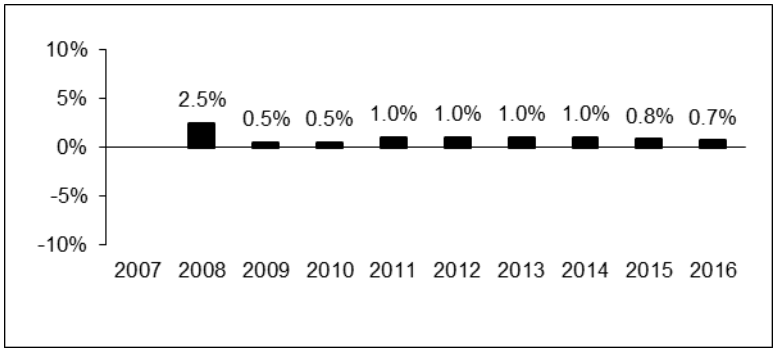
Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund will perform in the future.

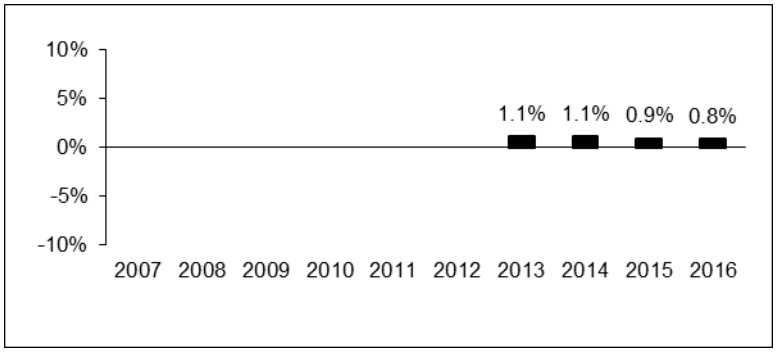
Year-by-Year Returns

The bar charts below show the Fund's annual performance for each of the year's shown, and illustrates how the fund's performance has changed from year to year. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Series A



Series O



Series A units of the Fund were first offered for sale in April 2007. Series O units of the Fund were first offered for sale in February 2012.

The following table shows the Fund's annual compound total return for the past one-year, three-year, and five-year periods ended on December 31, 2016, and since the inception of the Fund, compared with the FTSE TMX Canada 91 Day T-Bill Index.

	1 YR	**3 YR**	**5 YR**	**Since Inception***
Steadyhand Savings Fund – A	0.7%	0.8%	0.9%	1.2%
Steadyhand Savings Fund – O	0.8%	1.0%	N/A	1.0%
FTSE TMX Canada 91 Day T-Bill Index	0.5%	0.7%	0.8%	1.4%

* The Since Inception return for the benchmark is for the same time period as the Since Inception return for Series A units of the Fund (Series O units have a different inception date are not available for purchase).

The FTSE TMX Canada 91 Day T-Bill Index measures the performance attributable to 91 day treasury bills.

A discussion of the relative performance of the Fund as compared to the indices can be found in the Results of Operations section.

Summary of Investment Portfolio as at December 31, 2016

Portfolio Allocation	
	% of Net Assets
Provincial Treasury Bills	19.9%
Provincial Promissory Notes	10.3%
Bankers Acceptances	17.8%
Corporate Notes	17.1%
Bearer Deposit Notes	4.5%
	69.6%
Corporate Bonds	29.7%
Total Investments	99.3%
Cash, Short-term Notes & Other Assets	0.7%
Total	**100.0%**

Top 25 Holdings	% of Net Assets
Province of Ontario T-Bill 0.569% 01 Feb 2017	7.2%
Province of Saskatchewan P/N 0.5820% 09 Jan 2017	6.8%
Province of Ontario T-Bill 0.630% 17 Mar 2017	6.0%
CU Inc. C/P 6.145% 22 Nov 2017	4.5%
Hydro One Inc. C/P 0.899% 07 Feb 2017	4.2%
Bank of Montreal BA 0.797% 09 Jan 2017	3.8%
Canadian Imperial Bank of Commerce B/A 0.810% 25 Jan 2017	3.8%
Royal Bank of Canada B/A 0.848% 30 Mar 2017	3.8%
Province of Saskatchewan P/N 0.631% 03 Apr 2017	3.5%
Province of Manitoba T-Bill 0.599% 08 Mar 2017	3.5%
Province of Ontario T-Bill 0.619% 08 Mar 2017	3.2%
Bank of Nova Scotia FRN C/P 1.070% 11 Oct 2017	3.0%
TransCanada PipeLines Limited C/P 0.872% 10 Mar 2017	3.0%
Bank of Nova Scotia BDN 0.970% 06 Mar 2017	3.0%
Wells Fargo Canada Corp. C/P 2.774% 09 Feb 2017	2.7%
Inter Pipeline (Corridor) Inc. C/P 0.911% 06 Jan 2017	2.7%
Royal Bank of Canada B/A 0.851% 01 May 2017	2.7%
Caterpillar Financial Services Ltd. C/P 2.630% 01 Jun 2017	2.7%
John Deere Canada Funding Inc. C/P 1.950% 12 Apr 2017	2.7%
Enbridge Pipelines Inc. C/P 0.819% 13 Jan 2017	2.6%
Toyota Credit Canada Inc. C/P 2.450% 27 Feb 2017	2.6%
Daimler Canada Finance Inc. C/P 2.280% 17 Feb 2017	2.5%
Genesis Trust II C/P 2.295% 15 Feb 2017	2.3%
Master Credit Card Trust C/P 2.626% 21 Jan 2017	2.3%
Honda Canada Finance Inc. C/P 0.869% 03 May 2017	2.3%

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates are available (60 days after each quarter end) upon request.

Steadyhand

Management Report of Fund Performance

Steadyhand Income Fund

December 31, 2016

Steadyhand **Income Fund**

Annual Management Report of Fund Performance (December 31, 2016)

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Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

The fundamental investment objective of the Steadyhand Income Fund (the "Fund") is to provide a reasonably stable level of income, modest capital growth, and some long-term preservation of capital.

The Fund invests primarily in bonds, but also holds a significant portion of its assets in Real Estate Investment Trusts (**"REITs"**), income trusts and other income-producing securities for added yield and diversification. The bond portion of the Fund is primarily invested in medium to high quality corporate and government bonds of Canadian and foreign issuers. The Fund may also invest in derivatives for hedging purposes to protect against losses or for non-hedging purposes as a substitute for direct investment or to generate income.

Risks

The primary risks associated with an investment in the Fund are credit risk, interest rate risk, price risk and high turnover risk. The portfolio may experience high turnover related to the ongoing reinvesting of short-term money market securities. The other risks are outlined in the simplified prospectus. There were no significant changes to the Fund over the reporting period that affected its overall level of risk.

Results of Operations

Over the year, the Fund's net assets increased to $187.3 million as of December 31, 2016, from $171.6 million at the end of 2015. This increase of $15.7 million was attributable to net sales of $13.5 million, a increase in net assets from operations of $10.7 million less $8.5 million in distributions to unitholders.

The Fund gained 5.7% in 2016. Over the same period, the FTSE TMX Canada Universe Bond Index provided a return of 1.7% while the S&P/TSX Capped Composite Index rose 21.1%. Yields on government bonds fell throughout much of the year, but rose sharply in the fourth quarter. The 10-year Government of Canada bond yield ended the year at 1.7%, up from 1.4% at the end of 2015 (and up from 1.0% at the end of September). This turned into a headwind for investors, as bond prices fall when yields rise.

Corporate and high yield bonds performed better than government-issued bonds, as fixed income investors had a preference for higher risk assets in the year. Stocks had a good year in general, led by

Canada. The S&P/TSX Capped Composite Index was the world's best performing developed market, with resource stocks leading the way. Industrial goods and bank stocks were also strong performers.

Bonds comprised 74-77% of the portfolio during 2016, and ended the year at 75% of its assets. This part of the Fund performed relatively well in the year, despite facing a headwind from rising yields. A preference for provincial government and corporate bonds was a positive, as these securities performed better than federal government bonds ("Canadas").

On the credit side, corporate spreads (the difference in yield between corporate and government bonds) tightened steadily during the second half of the year, which was a positive factor for performance. Provincial bond spreads were unchanged through most of the second half of the year, but ultimately finished the year tighter (which was also positive for performance).

The portfolio adviser, Connor, Clark & Lunn (CC&L), increasingly took a cautious stance throughout 2016 in light of record levels of government and consumer debt. High debt levels pose a threat to economic growth.

Corporate bonds were trimmed as a reflection of this cautious outlook and high-quality corporates are now near their lowest weighting in the Fund (25%) since it was launched in 2007. That said, they remain an important component of the portfolio. Investments in provincial bonds were increased in light of CC&L's more guarded view.

The Fund ended the year with a 5% weighting in high yield bonds. These securities were trimmed early in the year (from a weighting of 9%), which proved untimely as lower quality bonds soared in 2016. The adviser still sees good value in the sector, but is being very selective and has a focus on bonds that have a lower risk of default.

Exposure to high-quality companies with growing dividends continues to be a major theme in the Fund's equity strategy. Stocks made up 25% of the Fund at year-end (their weighting ranged from 23-26% during the year) and, as a group, were the Fund's greatest contributors to performance, rising over 20%. Key areas of investment included banks, insurers, pipelines, real estate investment trusts (REITs) and consumer-related companies. These stocks have provided solid returns that have been less volatile than the overall market over time.

The asset mix of the Fund was not significantly altered during the reporting period. There were some changes to the Fund's bond holdings, however. More specifically, the weighting in corporate bonds was reduced and the weighting in provincial bonds was increased, as noted above.

The Fund's pre-fee yield at the end of 2016 was 2.8%, as compared to 3.1% at the end of 2015.

There were no unusual trends in redemptions, sales, revenues or expenses over the reporting period.

Recent Developments

The Canadian bond market (FTSE TMX Canada Universe Bond Index) had a positive year, providing a total return (interest and capital appreciation) of 1.7%. Returns were strong over the first nine months of the year as longer-term interest rates and bond yields fell to near record lows (when yields fall, bond prices rise). Interest rates changed course in the fourth quarter, however. Their move upward was

accelerated in November following the surprise U.S. election result. U.S. Treasury rates experienced a significant spike in yields as investors anticipated that the Trump administration's policies will spur inflation. On the back of firmer economic data, the U.S. Federal Reserve then hiked its key lending rate by 25 basis points in December (its first move in a year).

The Canadian economy had a weak first half of the year. It rebounded in the second half, but was still hampered by a weak outlook for the export sector. Inflation remained below the Bank of Canada's target rate of 2% and in its final statement of 2016, the central bank lowered its estimates for economic growth and inflation.

The portfolio adviser (Connor, Clark & Lunn) believes that the Canadian economy is expected to be impacted by several opposing forces in 2017. Structural issues are hampering growth in the export sector and a managed easing in the housing sector. The consumer is expected to receive a boost, however, as the new Child Tax Credit payments begin to accumulate, with the largest sums going to lower- and middle-income families, where the likelihood of this extra money being spent is the highest.

As for the global economy, expansionary monetary policies around the world have been extraordinary and were a major support for economic growth in 2016. Looking forward, however, CC&L feels it's now increasingly likely that inflation has stopped falling. Consequently, the environment that we have been in for years, which has been supportive of "risk" assets, is likely to come under pressure. The adviser believes current market optimism surrounding impending U.S. fiscal policy may be somewhat premature, as any meaningful impact from fiscal stimulus is unlikely to occur until closer to 2018.

While recent global economic data has improved, the prospect for further gains appears less clear in CC&L's view. Financial conditions have tightened, with the rise in yields and the firmer U.S. dollar. The rise in the populist movement globally is also likely to redirect further economic gains towards labour and fiscal spending, and this comes during a time when labour markets have already tightened. Finally, the specific policies of the Trump administration remain unclear, which could delay business investment decisions.

From a high-level view, CC&L believes that stock market valuations are not cheap from a fundamental perspective. Economic indicators continue to improve, however, and the global economy is slowly gaining some momentum, which should be supportive of further corporate earnings growth. The adviser believes that this continued improvement in economic growth will drive outperformance of value stocks over growth stocks. As the business and market cycle continues to mature, they believe many later-cycle sectors and companies will outperform their more defensive peers. To capitalize on this trend, CC&L continues to add companies that they believe are attractively valued, have exposure to higher economic growth, pay a sustainable dividend and are expected to increase their dividend payments to shareholders in the coming years. Examples of such companies include Restaurant Brands International, SNC-Lavalin Group and Open Text Corporation.

As for the spike in interest rates late in the year, the adviser believes that the bond market is not expected to see a repeat of this in 2017. However, inflation expectations have risen and will put a ceiling on any gains in bond returns. CC&L believes the Bank of Canada will remain cautious on future rate hikes, implying the short end of the yield curve will stay well anchored. The overall yield curve is expected to steepen as higher inflation expectations translate into rising longer-term rates. Credit (corporate and provincial bonds) should do well with improving economic growth, though the adviser maintains a preference for companies less likely to leverage balance sheets for shareholder returns.

Taking all this into consideration, the portfolio's asset mix ended the year right in line with its long-term target of 75% bonds and 25% dividend-paying stocks. Any adjustments to the mix going forward will be made cautiously.

There were modest changes to the structure of the portfolio in 2016, as noted in the previous section. Of note, the position in high yield bonds was reduced, and these securities made up 5% of the Fund at year-end (down from 9% at the end of 2015). As well, the weighting in Provincial bonds was increased, from 22% to 29% of the Fund. The Fund's weighting in dividend-paying stocks at the end of the year was 75%, which was largely unchanged from its level at the beginning of the year.

The Fund paid distributions totaling $0.50/unit in 2016.

There were no material changes over the reporting period to the portfolio advisor, accounting policies or investment review committee of the Fund.

Related Party Transactions

Management Fees

Steadyhand Investment Management Ltd. is the Manager of the Fund. The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The Fund relies on the positive recommendation or approval of the independent review committee to proceed with the transactions. The annualized net management fee for the units of the Fund is 1.04%. The Fund paid the Manager $971,839 of its net assets as management fees and distributed $249,858 in management fee reductions for the year ended December 31, 2016. The Fund does not reimburse the Manager for operating costs incurred in administering the Fund which include:

- fees payable to provincial securities commissions in connection with the operation of the funds;
- audit and legal fees;
- costs for preparation, production and distribution of financial and other reports, including semi-annual and annual reports, statements,
- communications to unitholders and other regularly required documents;
- costs for the preparation, production and distribution of this simplified prospectus document and other regulatory documents, including Fund Facts;
- expenditures related to technology required to operate the funds;
- custody, investor servicing, record keeping, accounting, trustee fees and
- bank charges;
- costs of compliance with applicable securities legislation in connection with the operation of the funds; and
- applicable taxes including GST/HST.

The Manager paid all operating expenses except brokerage charges and withholding taxes.

The Fund does not directly or indirectly pay fees, sales commissions or trailing commissions, nor does it provide any non-monetary benefits to registered dealers for distributions of units of the Fund. If a broker charges you a commission or fee, that is a matter between you and the dealer.

As at December 31, 2016, Steadyhand Investment Management Ltd. and its affiliates, subsidiaries, officers and directors owned 249,247 Series A units, or 2.8% of the total Fund Series A units. The Steadyhand Founders Fund holds 100% of the total Fund Series O units and pays no management fees.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since the date of inception. This information is derived from the Fund's audited annual financial statements.

Series A – Net Assets Per Unit	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***	***Dec. 31 2013***	***Dec. 31 2012***
Net Assets, beginning of period [1,3,9]	**$10.69**	**$11.12**	**$10.69**	**$10.73**	**$10.48**
Increase (decrease) from operations:					
Total revenue	0.34	0.37	0.36	0.40	0.41
Total expenses (excluding distributions)	(0.14)	(0.15)	(0.14)	(0.09)	(0.08)
Realized gains (losses) for the period	0.18	0.27	0.39	0.21	0.34
Unrealized gains (losses) for the period	0.24	(0.38)	0.43	(0.14)	0.18
Total increase (decrease) from operations [1]	**0.62**	**0.11**	**1.04**	**0.38**	**0.85**
Distributions :					
From investment income (excluding dividends)	(0.25)	(0.28)	(0.26)	(0.32)	(0.31)
From dividends	(0.03)	(0.02)	(0.01)	(0.01)	-
From capital gains	(0.23)	(0.22)	(0.32)	(0.13)	(0.26)
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.50)**	**(0.52)**	**(0.60)**	**(0.46)**	**(0.57)**
Net Assets, end of period	**$10.79**	**$10.69**	**$11.12**	**$10.69**	**$10.73**

Series A - Ratios and Supplemental Data	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***	***Dec. 31 2013***	***Dec. 31 2012***
Net asset value (000's) [4]	$94,927	$90,920	$94,129	$71,085	$76,201
Number of units outstanding [4]	8,797,623	8,507,316	8,462,514	6,647,859	7,072,454
Management expense ratio [5]	1.04%	1.04%	1.04%	1.04%	1.04%
Management expense ratio before waivers or absorptions	1.04%	1.04%	1.04%	1.04%	1.05%
Portfolio turnover rate [6]	231.76%	177.41%	137.05%	171.49%	164.42%
Trading expense ratio [7]	0.03%	0.02%	0.02%	0.02%	0.03%
Transactional net asset value per unit [8]	$10.79	$10.69	$11.12	$10.69	$10.76

Series O – Net Assets Per Unit	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*	*Dec. 31 2013*	*Dec. 31 2012*
Net Assets, beginning of period [1,3,9]	**$11.06**	**$11.41**	**$10.87**	**$10.82**	**$10.57**
Increase (decrease) from operations:					
Total revenue	0.36	0.39	0.36	0.40	0.47
Total expenses (excluding distributions)	-	-	-	-	-
Realized gains for the period	0.18	0.26	0.41	0.13	0.10
Unrealized gains (losses) for the period	0.20	(0.47)	0.35	0.03	0.29
Total increase (decrease) from operations	**0.74**	**0.18**	**1.12**	**0.56**	**0.86**
Distributions :					
From investment income (excluding dividends)	(0.27)	(0.30)	(0.28)	(0.34)	(0.32)
From dividends	(0.03)	(0.03)	(0.02)	(0.01)	-
From capital gains	(0.24)	(0.23)	(0.33)	(0.13)	(0.26)
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.54)**	**(0.56)**	**(0.63)**	**(0.48)**	**(0.58)**
Net Assets, end of period	**$11.27**	**$11.06**	**$11.41**	**$10.87**	**$10.82**

Series O - Ratios and Supplemental Data	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*	*Dec. 31 2013*	*Dec. 31 2012*
Net asset value (000's) [4]	$92,407	$80,656	$71,708	$41,409	$14,921
Number of units outstanding [4]	8,200,609	7,292,039	6,282,427	3,808,034	1,374,357
Management expense ratio [5]	-	-	-	-	-
Management expense ratio before waivers or absorptions	0.01%	-	-	0.01%	-
Portfolio turnover rate [6]	231.76%	177.41%	137.05%	171.49%	164.42%
Trading expense ratio [7]	0.03%	0.02%	0.02%	0.02%	0.03%
Transactional net asset value per unit [8]	$11.27	$11.06	$11.41	$10.87	$10.86

[1]Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
[2]Distributions were paid in cash/reinvested in additional units of the Fund, or both.
[3]This information is derived from the Fund's audited annual financial statements as at December 31 for the period, and the net assets presented in the financial statements differs from the net asset value calculated for fund pricing purposes until January 1, 2013.
[4]The information is provided as at December 31 of the period shown.
[5]Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.
[6]The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
[7]The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
[8] Prior to January 1, 2013, transactional net asset value per unit was used as the basis for financial statement accounting which based fair value on the bid price on the valuation date. After January 1, 2013, fair value is based on closing trade price for daily valuation as well as for regulatory financial reporting purposes, so Net Asset Value Per Unit has been reported for all periods after this date.
[9] The per share data is derived from the Fund's audited annual financial statements for 2012 and 2013 prepared in accordance with Canadian generally accepted accounting principles, and from the audited financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015 and 2016. The Net Assets per Share presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.

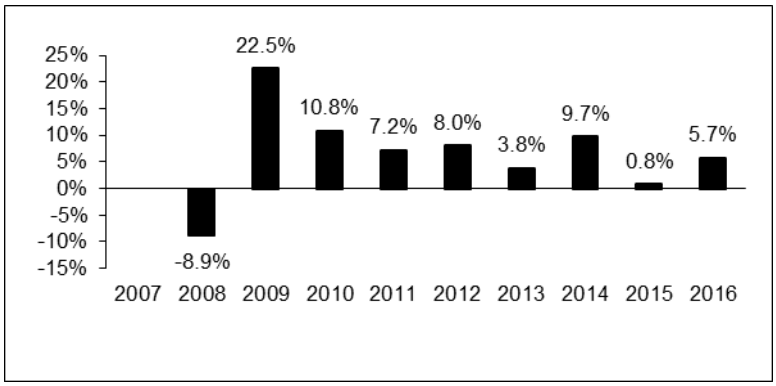
Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund will perform in the future.

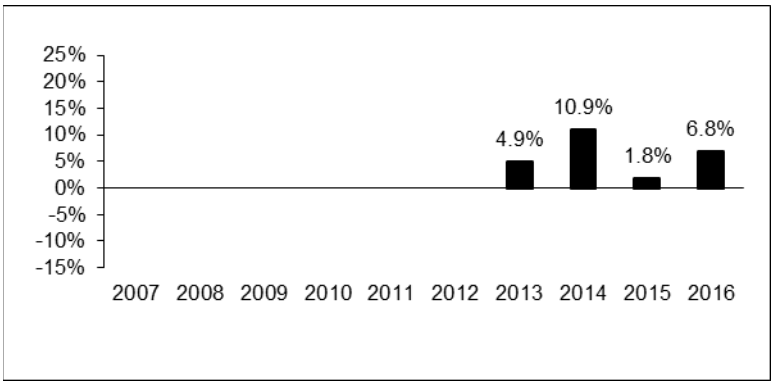
Year-by-Year Returns

The bar charts below show the Fund's annual performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Series A



Series O



Series A units of the Fund were first offered for sale in April 2007. Series O units of the Fund were first offered for sale in February 2012.

Annual Compound Returns

The following table shows the Fund's annual compound total return for the past one-year, three-year, and five-year periods ended on December 31, 2016, and since the inception of the Fund, compared with the FTSE TMX Canada Universe Bond Index and the S&P/TSX Capped Composite Index.

	1 YR	***3 YR***	***5 YR***	***Since Inception****
Steadyhand Income Fund - A	5.7%	5.3%	5.5%	6.0%
Steadyhand Income Fund - O	6.8%	6.4%	N/A	6.5%
FTSE TMX Canada Universe Bond Index	1.7%	4.6%	3.2%	4.8%
S&P/TSX Capped Composite Index	21.1%	7.1%	8.2%	4.6%

* The Since Inception return for the benchmark is for the same time period as the Since Inception return for Series A units of the Fund (Series O units have a different inception date are not available for purchase).

The FTSE TMX Canada Universe Bond Index measures the performance of the broad Canadian investment-grade bond market. The S&P/TSX Capped Composite Index is a market capitalization index that measures the price movement and dividend income in the common shares of the largest companies listed on the Toronto Stock Exchange, with any individual investment capped at 10%.

A discussion of the relative performance of the Fund as compared to the indices can be found in the Results of Operations section.

Summary of Investment Portfolio as at December 31, 2016

Portfolio Allocation	
Bonds	% of Net Assets
Federal Bonds	9.4%
Provincial Bonds	29.1%
Corporate Bonds	24.8%
	63.3%
Equities	
Financial Services	7.0%
Oil & Gas	4.9%
Real Estate	3.7%
Industrial Goods & Services	2.6%
Consumer Products	2.0%
Communication & Media	1.5%
Utilities & Pipelines	1.2%
Consumer Cyclical	0.8%
Healthcare	0.7%
Technology	0.5%
	24.9%
Pooled Investment Funds	5.0%
Cash, Short-Term Notes & Other Assets	6.8%
Total	100.0%

Top 25 Holdings	% of Net Assets
Province of Ontario 3.150% 02 Jun 2022	5.2%
CC&L High Yield Bond Fund Series I	5.0%
Toronto-Dominion Bank B/A 0.817% 19 Jan 2017	4.1%
Province of Ontario 3.450% 02 Jun 2045	4.0%
Government of Canada 3.500% 01 Dec 2045	3.9%
Province of Ontario 4.000% 02 Jun 2021	3.6%
Province of Quebec 3.500% 01 Dec 2022	3.0%
Toronto-Dominion Bank	2.1%
Canada Housing Trust No.1 2.000% 15 Dec 2019	1.9%
Royal Bank of Canada C/P 2.820% 12 July 2018	1.7%
Royal Bank of Canada	1.7%
Loblaws Cos Ltd.	1.4%
Bank of Montreal C/P 3.400% 23 Apr 2021	1.2%
Brookfield Properties Partners LP	1.2%
Enbridge Inc.	1.2%
Bank of Nova Scotia	1.2%
Province of Ontario 2.400% 02 June 2026	1.1%
Province of Quebec 6.250% 01 Jun 2032	1.1%
Canadian National Railway Co.	1.0%
Manulife Financial Corp.	0.9%
Smart REIT	0.9%
Province of Quebec 2.750% 01 Sept 2025	0.9%
Brookfield Infrastructure Partners LP	0.9%
Canada Housing Trust No.1 2.400% 15 Dec 2022	0.9%
Loblaws Cos Ltd. C/P 4.860% 12 Sept 2023	0.8%

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates are available (60 days after each quarter end) upon request.

Steadyhand

Management Report of Fund Performance

Steadyhand Founders Fund

December 31, 2016

Steadyhand **Founders Fund**

Annual Management Report of Fund Performance (December 31, 2016)

This annual management report of fund performance contains financial highlights but does not contain the complete audited annual financial statements of the investment fund. You can get a copy of the audited annual financial statements at your request, and at no cost, by calling 1-888-888-3147, by writing to us at Steadyhand Investment Management Ltd., 1747 West 3rd Avenue, Vancouver, BC, V6J 1K7 or by visiting our website at www.steadyhand.com or SEDAR at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

The fundamental investment objective of the Steadyhand Founders Fund (the "Fund") is to provide a reasonably stable level of income, modest capital growth, and some long-term preservation of capital.

The Fund invests in Steadyhand's income and equity funds. The underlying fund mix will be a reflection of Tom Bradley's views on market valuations and asset mix. The portfolio has a long-term targeted mix of 60% equities and 40% fixed income, but the equity portion may range from 40% to 75% and fixed income from 25% to 60%. The manager will make tactical shifts in the Fund's asset mix when he feels that stock or bond valuations are at an extreme. The underlying funds may also invest in derivatives for hedging purposes to protect against losses or for non-hedging purposes as a substitute for direct investment or to generate income.

Risks

The primary risks associated with an investment in the Fund are credit risk, interest rate risk, and price risk. The other risks are outlined in the simplified prospectus. There were no significant changes to the Fund over the reporting period that affected its overall level of risk.

Results of Operations

The Fund's net assets stood at $303.7 million as at December 31, 2016, an increase of $59.7 million from $244.0 million as of December 31, 2015. This increase was attributable to net sales of $48.0 million and an increase in net assets from operations of $19.8 million less $8.1 million in distributions to unitholders.

The Fund gained 6.7% in 2016. Over the same period, the FTSE TMX Canada Universe Bond Index provided a return of 1.7% while the S&P/TSX Capped Composite Index rose 21.1% and the MSCI World Index gained 4.9% in Canadian dollar terms. The Fund is a balanced mix of our fixed income and equity funds (it's a 'fund-of-funds') and has a long-term asset mix target of 60% equities and 40% fixed income.

The Fund had a positive return in 2016. Canadian equity holdings (through the Fund's holdings in the Steadyhand Equity Fund, Steadyhand Small-Cap Equity Fund and Steadyhand Income Fund) drove performance in the year, as Canada was the world's best performing developed market. Canadian stocks

made up 27% of the portfolio at year-end. The Fund had a greater weighting in foreign stocks throughout the year, however, which held back the Fund's return. Foreign stocks made up 33% of the portfolio at year-end (through the Fund's holdings in the Steadyhand Global Equity Fund and Steadyhand Equity Fund). These stocks provided positive returns in the year, but lagged their Canadian counterparts.

A big story in 2016 was the Canadian dollar's appreciation. It rose against the U.S. dollar (4%), Euro (7%), British Pound (23%) and most Asian currencies. This decreased the value of stocks from these countries in Canadian dollar terms and thus negatively impacted the Fund's return.

The drivers of this year's performance are in stark contrast to last year. In 2015 our heavier dose of foreign stocks helped produce a positive return in a year when the Canadian stock market was negative. Though the Founders Fund produced a positive return in 2016 as well, it didn't keep up with many Canadian-heavy portfolios. This is a good reminder of how diversification can work: rather than keep up in all markets, having a mix of industries, regions and assets classes can help smooth out returns.

Relative to its 60/40 target, the Fund continued to pursue three themes in 2016: a low weighting in bonds; a tilt towards foreign stocks versus Canadian; and a meaningful cash reserve as a defensive measure. This positioning held back the Fund's return for three reasons: (1) Canadian stocks outperformed foreign stocks (as noted above), (2) bonds had a positive year in an extremely low interest rate environment, and (3) the Fund's bias toward holding more cash in lieu of a full bond weighting hurt performance somewhat.

In early 2016, the Fund's equity weighting was raised to as high as 68% to take advantage of a fall in stock prices. This benefited investors as equity markets rebounded throughout the remainder of the year despite numerous negative headlines that included a possible slowdown in China, Brexit and the U.S. election.

In light of the rise in prices, we feel that stocks are fully valued again. We gradually reduced the equity weighting over the course of the year to its long-term target of 60%.

The portfolio's top performing holding was the Steadyhand Small-Cap Equity Fund. The Small-Cap Fund had a strong showing in 2016, rising 14.8%. It comprised 7-8% of the Founders Fund during the year. In the first half of the year, it benefited from the widespread rally in small-cap stocks, while in the second half, a number of individual stocks turned in solid gains. It did not keep up with the broad small-cap market, however, which is heavily weighted in resource companies.

The Steadyhand Equity Fund also had a strong year (up 10.5%), with its Canadian holdings driving performance. The Equity Fund comprised 23-30% of the portfolio during the year. The price of oil rose more than 40% in 2016, which benefited energy holdings - Suncor Energy and PrairieSky Royalty specifically. As well, its investments in the broad industrial goods & services sector produced steady operating results in the year. CN Rail (Canada's largest rail network), CCL Industries (a leader in specialty packaging), and CAE (manufacturer of aviation simulators) delivered solid earnings and saw share price gains in the neighbourhood of 20%. The Equity Fund's foreign holdings provided more mixed results, as stocks in traditionally defensive sectors such as healthcare and consumer staples declined.

The Steadyhand Income Fund had a positive year (up 5.7%). It was the Founders Fund's largest holding throughout 2016, comprising 31-33% of the portfolio. The bond component of the portfolio performed reasonably well, despite the headwind from rising yields late in the year (when bond yields rise, prices typically fall). The Income Fund's preference for corporate and provincial bonds over government of Canada securities benefited performance. Its equity investments (which consist of dividend-paying stocks and real estate investment trusts, or REITs) were the key drivers of performance, however. Key areas of investment include banks, insurers, pipelines, REITs and consumer-related companies. These stocks

performed well in 2016 and have provided solid returns that have been less volatile than the overall market over time.

The portfolio's total weighting in bonds, 23% at year-end, remains well under the long-term target (35%). Its equity weighting was 60%, which is right on the long-term target (60%). In lieu of a full bond allocation, the cash reserve was higher than normal throughout the year. Between the Steadyhand Savings Fund and cash held in the equity funds, it finished the year at 17% of total assets. Cash and short-term securities offer near-zero yields, but provide protection against rising interest rates and are a ready source of liquidity in the event of heightened market volatility.

There were no unusual trends in redemptions, sales, revenues or expenses over the reporting period.

Recent Developments

Stocks had a good year in general, led by Canada, which was the world's best performing developed market. The S&P/TSX Composite Index gained 21.1% with resource stocks leading the way. Industrial goods and bank stocks were also strong performers. Foreign stocks rose in aggregate, with the MSCI World Index gaining 4.9% in Canadian dollar terms. The American market (S&P 500 Index) was among the leaders, with emerging markets also posting good results. Europe was more mixed.

Currency movements had a notable impact on foreign stock returns: The Canadian dollar appreciated against the U.S. dollar (4%), Euro (7%), British Pound (23%) and most Asian currencies. This decreased the value of stocks from these countries in Canadian dollar terms.

The Canadian bond market (FTSE TMX Canada Universe Bond Index) provided a total return (interest and capital appreciation) of 1.7% in 2016. Yields on government bonds fell throughout much of the year, but rose sharply in the fourth quarter. The 10-year Government of Canada bond yield ended the year at 1.7%, up from 1.4% at the end of 2015 (and up from 1.0% at the end of September). This turned into a headwind for investors, as bond prices fall when yields rise. High yield bonds had a standout year due in part to investors' thirst for yield.

There were modest changes to the structure of the fixed income portion of the portfolio in 2016. Of note, the position in corporate bonds was reduced (high yield in particular) and the weighting in provincial bonds was increased. Corporate bonds ended the year with a weighting of 11% (down from 14% at the end of 2015). Government bonds (provincial and federal) comprised 10-14% of the portfolio during the year, and ended the year with a weighting of 12%.

In total, bonds made up 23% of the Founders Fund at year-end, as compared to 25% at the end of 2015. Their weighting was reduced during the year, and continues to be well below its long-term target of 35%, as we believe that near-zero interest rates are unsustainable and the medium-term outlook for the asset class is not very attractive. Fixed income investments are focused on provincial government and corporate bonds, with a low weighting in federal government bonds.

Turning to equites, financial services stocks make up the largest portion of this part of the portfolio. The Fund gains its exposure to these securities through the Steadyhand Income Fund, Steadyhand Equity Fund and Steadyhand Global Equity Fund. These holdings are well diversified, with exposure to large European banks (e.g. Commerzbank, BNP Paribas), domestically-focused Asian banks (e.g. Bangkok Bank, Bank Mandiri) and Canadian banks and insurers. The Fund's largest stock holding, TD Bank, had a

strong year, rising roughly 25%. Industrial goods & services and consumer-related stocks also remain an important part of the portfolio.

Foreign stocks remain an integral part of the Fund, comprising 33% of total assets at year-end. The positioning of this part of the portfolio is tilted towards European and Asian stocks over U.S. companies, due primarily to the Global Fund's focus on these regions. This strategy hurt the Fund's return in 2016 as U.S. stocks performed better, but we feel European and Asian stocks are more attractively valued and offer greater potential going forward.

The portfolio's current bias towards foreign stocks over Canadian ones continues to be a deviation from the Fund's long-term target (which is 35% Canadian stocks and 25% foreign stocks) and is a reflection of where we are finding better opportunities.

As noted in the previous section, we increased the Fund's equity weighting early in the year to 68% of the portfolio. This was in response to weak markets and to take advantage of panic selling by some investors. As markets rebounded in the spring and summer (notwithstanding the Brexit hiccup), we progressively brought down the equity weighting closer to its long-term target of 60%, which is where it stands today.

We currently feel that stocks are fully valued and are therefore not inclined to raise the Fund's equity weighting unless we see an improvement in fundamentals or valuations. That said, we also aren't inclined to lower the Fund's equity weighting much below its long-term target because we believe that many corporations are in good shape financially and are in a solid position to grow their earnings. As well, we feel the alternative to stocks – namely bonds – have a weak outlook.

The Fund's cash weighting at the end of the year was 17%, which is much higher than normal. As a reminder, this is in lieu of a full bond weighting and provides the portfolio with protection against rising interest rates and serves as a ready source of liquidity if we see opportunities in the market.

There were no changes over the reporting period to the manager, portfolio advisor, accounting policies or investment review committee of the Fund.

Related Party Transactions

Management Fees

Steadyhand Investment Management Ltd. is the manager of the Fund. The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The Fund relies on the positive recommendation or approval of the independent review committee to proceed with the transactions. The annualized net management fee for the units of the Fund is 1.34%. The Fund paid the Manager $3,633,667 of its net assets as management fees and distributed $934,654 in management fee reductions for the year ending December 31, 2016. The Fund does not reimburse the Manager for operating costs incurred in administering the Fund which include:

- fees payable to provincial securities commissions in connection with the operation of the funds;
- audit and legal fees;
- costs for preparation, production and distribution of financial and other reports, including semi-annual and annual reports, statements,
- communications to unitholders and other regularly required documents;

- costs for the preparation, production and distribution of this simplified prospectus document and other regulatory documents, including Fund Facts;
- expenditures related to technology required to operate the funds;
- custody, investor servicing, record keeping, accounting, trustee fees and
- bank charges;
- costs of compliance with applicable securities legislation in connection with the operation of the funds; and
- applicable taxes including GST/HST.

The Manager paid all operating expenses except brokerage charges and withholding taxes.

The Fund does not directly or indirectly pay fees, sales commissions or trailing commissions, nor does it provide any non-monetary benefits to registered dealers for distributions of units of the Fund. If a broker charges you a commission or fee, that is a matter between you and the dealer.

As at December 31, 2016, Steadyhand Investment Management Ltd. and its affiliates, subsidiaries, officers and directors owned 250,506 units, or 1.1% of the total fund units. The Fund holds 100% of the O series units of the Steadyhand Savings, Income, Equity, Global Equity and Small-Cap Equity Funds and does not pay any management fees to the underlying funds.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since the date of inception. This information is derived from the Fund's audited annual financial statements.

Series A – Net Assets Per Unit	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***	***Dec. 31 2013***	***Dec. 31 2012***
Net Assets, beginning of period [1,3,9]	$12.29	$12.17	$11.76	$10.44	$10.00
Increase (decrease) from operations:					
Total revenue	0.49	0.60	0.70	0.34	0.31
Total expenses (excluding distributions)	(0.12)	(0.13)	(0.12)	(0.14)	(0.10)
Realized gains for the period	0.11	-	0.02	-	0.33
Unrealized gains for the period	0.42	(0.03)	0.18	1.93	0.61
Total increase from operations [1]	**0.90**	**0.44**	**0.78**	**2.13**	**1.15**
Distributions :					
From investment income (excluding dividends)	(0.15)	(0.15)	(0.15)	(0.15)	(0.17)
From dividends	(0.01)	-	-	-	-
From capital gains	(0.16)	(0.21)	(0.27)	(0.14)	-
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.32)**	**(0.36)**	**(0.42)**	**(0.29)**	**(0.17)**
Net Assets, end of period	**$12.79**	**$12.29**	**$12.17**	**$11.76**	**$10.44**

Series A - Ratios and Supplemental Data	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***	***Dec. 31 2013***	***Dec. 31 2012***
Net asset value (000's) [4]	$303,661	$244,046	$184,615	$107,900	$39,410
Number of units outstanding [4]	23,751,071	19,863,499	15,174,225	9,173,947	3,776,375
Management expense ratio [5]	1.34%	1.34%	1.34%	1.34%	1.34%
Management expense ratio before waivers or absorptions	1.34%	1.34%	1.34%	1.35%	1.36%
Portfolio turnover rate [6]	17.18%	5.93%	8.05%	0.41%	-
Trading expense ratio [7]	0.12%	0.07%	0.06%	0.07%	0.10%
Transactional net asset value per unit [8]	$12.79	$12.29	$12.17	$11.76	$10.44

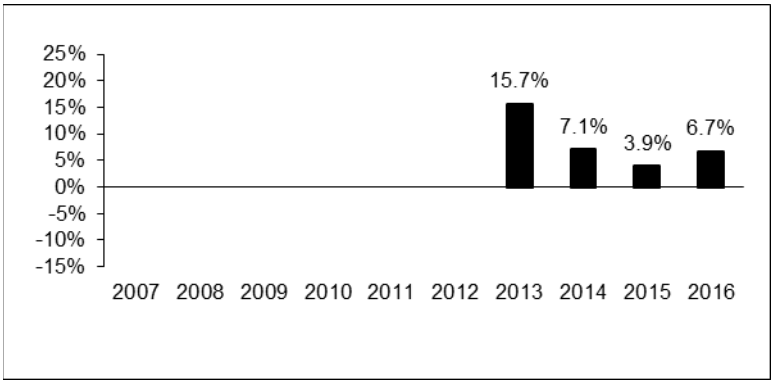
[1]Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
[2]Distributions were paid in cash/reinvested in additional units of the Fund, or both.
[3]This information is derived from the Fund's audited annual financial statements as at December 31, and the net assets presented in the financial statements differs from the net asset value calculated for fund pricing purposes until January 1, 2013.
[4]The information is provided as at December 31 of the period shown.
[5]Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.
[6]The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
[7]The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
[8] Prior to January 1, 2013, transactional net asset value per unit was used as the basis for financial statement accounting which based fair value on the bid price on the valuation date. After January 1, 2013, fair value is based on closing trade price for daily valuation as well as for regulatory financial reporting purposes, so Net Asset Value Per Unit has been reported for all periods after this date.
[9] The per share data is derived from the Fund's audited annual financial statements for 2012 and 2013 prepared in accordance with Canadian generally accepted accounting principles, and from the audited financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015 and 2016. The Net Assets per Share presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.

Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart below shows the Fund's annual performance for each of the year's shown, and illustrates how the Fund's performance has changed from year to year. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



The Fund first offered units for sale in February 2012.

Annual Compound Returns

The following table shows the Fund's annual compound total return for the past one-year, three-year, and five-year periods ended on December 31, 2016, and since the inception of the Fund, compared with the FTSE TMX Canada Universe Bond Index, S&P/TSX Capped Composite Index and the MSCI World Index ($CDN).

	1 YR	**3 YR**	**5 YR**	**Since Inception**
Steadyhand Founders Fund	6.7%	5.9%	N/A	8.1%
FTSE TMX Canada Universe Bond Index	1.7%	4.6%	N/A	3.4%
S&P/TSX Capped Composite Index	21.1%	7.1%	N/A	7.5%
MSCI World Index ($CDN)	4.9%	12.8%	N/A	16.2%

The FTSE TMX Canada Universe Bond Index measures the performance of the broad Canadian investment-grade bond market. The S&P/TSX Capped Composite Index is a market capitalization index that measures the price movement and dividend income in the common shares of the largest companies listed on the Toronto Stock Exchange, with any individual investment capped at 10%. The MSCI World Index is a market capitalization index that measures the price movement and dividend income in the common shares of the world's largest companies.

A discussion of the relative performance of the Fund as compared to the indices can be found in the Results of Operations section.

Summary of Investment Portfolio as of December 31, 2016

Portfolio Allocation	% of Net Assets
Pooled Investment funds	99.8%
Cash, Short-Term Notes & Other Assets	0.2%
Total	**100.0%**

Top 6 Holdings	**% of Net Assets**
Steadyhand Income Fund , Series O	30.4%
Steadyhand Global Equity Fund, Series O	23.4%
Steadyhand Equity Fund, Series O	22.8%
Steadyhand Savings Fund, Series O	15.4%
Steadyhand Small Cap Equity Fund, Series O	7.9%
Cash & cash equivalents	0.2%

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates are available (60 days after each quarter end) upon request.

Steadyhand

Management Report of Fund Performance

Steadyhand Equity Fund

December 31, 2016

Steadyhand **Equity Fund**

Annual Management Report of Fund Performance (December 31, 2016)

This annual management report of fund performance contains financial highlights but does not contain the complete audited annual financial statements of the investment fund. You can get a copy of the audited annual financial statements at your request, and at no cost, by calling 1-888-888-3147, by writing to us at Steadyhand Investment Management Ltd., 1747 West 3rd Avenue, Vancouver, BC, V6J 1K7 or by visiting our website at www.steadyhand.com or SEDAR at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

The fundamental investment objective of the Steadyhand Equity Fund (the "Fund") is to provide long-term capital growth by investing primarily in a concentrated, yet well-diversified portfolio of North American equities. The Fund also invests a small portion of its assets in overseas equities for added diversification.

The portfolio advisor looks for companies that have a history of profitability, a sustainable competitive advantage and are run by management teams that are committed to increasing shareholder value. As part of their investment process and discipline, the portfolio advisor invests in a maximum of 25 stocks.

Risks

The primary risks associated with an investment in the Fund are market risks, including interest rate risk, foreign currency risk, price risk, and concentration risk. The other risks are outlined in the simplified prospectus. There were no material changes to the Fund over the reporting period that affected its overall level of risk.

Results of Operations

Over the year, the Fund's net assets increased to $155.8 million as of December 31, 2016, from $129.6 million at the end of 2015. This increase of $26.2 million was mostly attributable to net sales of $12.1 million over the period and increase in net assets from operations of $17.2 million over the reporting period, less distributions to unitholders of approximately $3.1 million.

The Fund gained 10.5% in 2016. Over the same period, the S&P/TSX Composite Index gained 21.1%, while the MSCI World Index gained 4.9% in Canadian dollar terms. The Fund underperformed the S&P/TSX Composite Index due to its lower exposure to resource stocks, which had a strong year as commodity prices rebounded. Notably, the price of a barrel of oil rose 45%. The Fund outperformed the MSCI World Index, as foreign stocks turned in weaker returns than domestic stocks on balance. As well, most foreign currencies depreciated against our dollar, which dampened their returns (in Canadian dollar terms). Of note, the loonie rose against the U.S. dollar (4%), Euro (7%), British Pound (23%) and most Asian currencies.

The Fund's Canadian stocks drove performance in the year. Westshore Terminals, Ritchie Bros. Auctioneers and PrairieSky Royalty were standouts.

Foreign holdings provided more mixed results: stocks in traditionally defensive sectors such as healthcare and consumer staples declined (e.g. Novartis, CVS Health), while the portfolio's holding in the infrastructure sector surged (Lincoln Electric). This performance attribution was a reversal from last year, when foreign stocks were the standouts and Canadian holdings lagged.

The price of oil rose 45% in the year (as noted above), which benefited the Fund's energy holdings - Suncor Energy and PrairieSky Royalty specifically.

Investments in the broad industrial goods & services sector produced steady operating results in the year. CN Rail (Canada's largest rail network), CCL Industries (a leader in specialty packaging), and CAE (manufacturer of aviation simulators) delivered solid earnings and saw share price gains in the neighbourhood of 20%.

Aside from weakness in the healthcare sector, the only other negative performer in the year was FEMSA, a Coca-Cola bottler and convenience store operator based in Mexico. The stock's decline (in Canadian dollars) was mostly attributable to a weaker peso, although poor sentiment stemming from Trump's victory didn't help. The portfolio adviser, CGOV Asset Management, is not deterred by these short-term issues.

Two holdings were the subject of merger/acquisition activity: Agrium (a retail supplier of fertilizer products) agreed to a merger with PotashCorp; and CBOE (the largest U.S. options exchange) agreed to buy BATS Global Markets (a technology-focused stock exchange). Both deals could lead to big cost savings. CGOV is less enthusiastic about the CBOE deal, however, as the two companies have cultures that may not mesh well. The deals will be watched closely.

Turnover in the portfolio was low in 2016. No companies were added to, or removed from, the Fund. The portfolio adviser was active, however, in trimming and increasing position sizes based on valuations.

The Fund's overall sector composition did not change materially in the year, and there were only a few modest adjustments. Retailing companies decreased from 14% to 12% of the Fund's equities, while consumer cyclical stocks rose from 2% to 4%. The weightings of the other sectors were little changed.

The portfolio's geographic profile changed slightly over the reporting period. The weighting of Canadian stocks increased from 53% of the portfolio's equities at the beginning of the year to 56% at December 31st. The weighting of U.S. stocks remained steady at 26%, while overseas stocks decreased from 16% to 15% and the Fund's lone Mexican holding decreased from 4% to 3%.

The Fund's cash position decreased slightly, from 4% at the beginning of January to 2% at the end of December.

There were no unusual trends in redemptions, sales, revenues or expenses over the reporting period.

Recent Developments

Stocks had a good year in general, led by Canada, which was the best performing developed market. The S&P/TSX Composite Index gained 21.1% with resource stocks leading the way. Industrial goods and bank stocks were also strong performers. Foreign stocks rose in aggregate, with the MSCI World Index gaining 4.9% in Canadian dollar terms. The American market (S&P 500 Index) was among the leaders, with emerging markets also posting good results. Europe was more mixed.

Currency movements had a notable impact on foreign stock returns: The Canadian dollar appreciated against the U.S. dollar (4%), Euro (7%), British Pound (23%) and most Asian currencies. This decreased the value of stocks from these countries in Canadian dollar terms.

Focus remains on best-in-class companies across a range of industries. The portfolio adviser (CGOV) is wary, however, that high-quality stocks have had a good run and compelling opportunities are tougher to come by.

A few of the Fund's stronger performing holdings were trimmed in the year, including Westshore Terminals, Ritchie Bros. Auctioneers, Lincoln Electric and CAE. For the most part, the proceeds were invested in weaker performing holdings that have greater price appreciation potential in the adviser's view, including Novartis, Novozymes and CVS Health.

As noted in the previous section, no new stocks were added to the Fund in the year, and none were removed. The Fund held 25 stocks throughout the year, which is the maximum number the adviser will own. We like this discipline, as it ensures that if a new holding is added to the Fund, it has to have a more compelling risk/reward profile than one of the Fund's existing holdings. The adviser must thus have a firm grasp of each stock owned and a strong case for any purchase or sale decisions.

Industrial goods & services stocks make up the largest portion of the portfolio, comprising 31% of investments. This is a broad sector that includes a diverse range of businesses such as CCL Industries (a specialty packaging company), CAE (a manufacturer of flight simulators), Ritchie Bros. Auctioneers (an auctioneer of industrial machinery) and Lincoln Electric (a manufacturer of welding products). These companies have a global footprint and diverse revenue streams, which is why the adviser feels they are well positioned to benefit from the sustained global economic recovery.

The Fund continues to have no holdings in the telecom or utilities sectors, as CGOV feels there are better opportunities elsewhere. The Fund also has minimal exposure to the mining sector, where its only holding is Franco-Nevada (a gold-focused royalty company). Resource stocks comprise a much larger component of the Canadian market, which means that the Fund will likely lag behind when commodity stocks are running high.

With nearly half of the Fund's investments listed on foreign exchanges, the impact of currency fluctuations remains a risk of the Fund. More specifically, the portfolio has exposure to the U.S. dollar, Euro, British Pound and Mexican Peso.

There were no changes over the reporting period to the manager, portfolio advisor, accounting policies or investment review committee of the Fund.

Related Party Transactions

Management Fees

Steadyhand Investment Management Ltd. is the Manager of the Fund. The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The Fund relies on the positive recommendation or approval of the independent review committee to proceed with the transactions. The annualized net management fee for the units of the Fund is 1.42%. For the year ending December 31, 2016, the Fund paid gross fees of $1,090,225 to the Manager and distributed $286,019 in management fee reductions. The Fund does not reimburse the Manager for operating costs incurred in administering the Fund which include:

- fees payable to provincial securities commissions in connection with the operation of the funds;
- audit and legal fees;
- costs for preparation, production and distribution of financial and other reports, including semi-annual and annual reports, statements,
- communications to unitholders and other regularly required documents;
- costs for the preparation, production and distribution of this simplified prospectus document and other regulatory documents, including Fund Facts;
- expenditures related to technology required to operate the funds;
- custody, investor servicing, record keeping, accounting, trustee fees and
- bank charges;
- costs of compliance with applicable securities legislation in connection with the operation of the funds; and
- applicable taxes including GST/HST.

The Manager paid all operating expenses except brokerage charges and withholding taxes.

The Fund does not directly or indirectly pay fees, sales commissions or trailing commissions, nor does it provide any non-monetary benefits to registered dealers for distributions of units of the Fund. If a broker charges you a commission or fee, that is a matter between you and the dealer.

As at December 31, 2016, Steadyhand Investment Management Ltd. and its affiliates, subsidiaries, officers and directors owned 249,736 Series A units, or 4.6% of the total Fund Series A units. The Steadyhand Founders Fund holds 100% of the total Fund Series O units and pays no management fees.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since the date of inception. This information is derived from the Fund's audited annual financial statements.

Series A – Net Assets Per Unit	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***	***Dec. 31 2013***	***Dec. 31 2012***
Net Assets, beginning of period [1,3,9]	**$14.72**	**$13.78**	**$12.53**	**$10.45**	**$9.37**
Increase (decrease) from operations:					
Total revenue	0.38	0.32	0.27	0.26	0.23
Total expenses (excluding distributions)	(0.16)	(0.16)	(0.14)	(0.12)	(0.10)
Realized gains (losses) for the period	0.33	0.44	0.38	0.74	0.78
Unrealized gains (losses) for the period	1.10	0.57	1.13	1.59	0.59
Total increase (decrease) from operations [1]	**1.65**	**1.17**	**1.64**	**2.47**	**1.50**
Distributions :					
From investment income (excluding dividends)	(0.01)	(0.01)	(0.01)	-	-
From dividends	(0.21)	(0.09)	(0.10)	(0.10)	(0.10)
From capital gains	-	(0.10)	(0.28)	(0.25)	-
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.22)**	**(0.20)**	**(0.39)**	**(0.35)**	**(0.10)**
Net Assets, end of period	**$16.04**	**$14.72**	**$13.78**	**$12.53**	**$10.45**

Series A - Ratios and Supplemental Data	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***	***Dec. 31 2013***	***Dec. 31 2012***
Net asset value (000's) [4]	$86,633	$69,182	$61,520	$49,398	$45,013
Number of units outstanding [4]	5,399,382	4,699,218	4,464,338	3,943,727	4,303,292
Management expense ratio [5]	1.42%	1.42%	1.42%	1.42%	1.42%
Management expense ratio before waivers or absorptions	1.42%	1.42%	1.42%	1.42%	1.43%
Portfolio turnover rate [6]	13.87%	17.13%	18.74%	42.99%	31.21%
Trading expense ratio [7]	0.01%	0.03%	0.04%	0.04%	0.05%
Transactional net asset value per unit [8]	$16.04	$14.72	$13.78	$12.53	$10.46

Series O – Net Assets Per Unit	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*	*Dec. 31 2013*	*Dec. 31 2012*
Net Assets, beginning of period [1,3,9]	**$14.99**	**$13.97**	**$12.65**	**$10.50**	**$9.81**
Increase (decrease) from operations:					
Total revenue	0.40	0.33	0.27	0.26	0.31
Total expenses (excluding distributions)	-	-	-	-	-
Realized gains for the period	0.32	0.37	0.35	0.86	0.84
Unrealized gains for the period	1.22	0.56	1.19	1.57	0.51
Total increase from operations [1]	**1.94**	**1.26**	**1.81**	**2.69**	**1.66**
Distributions :					
From investment income (excluding dividends)	(0.02)	(0.02)	(0.01)	(0.01)	-
From dividends	(0.36)	(0.23)	(0.24)	(0.21)	(0.18)
From capital gains	-	(0.11)	(0.29)	(0.26)	-
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.38)**	**(0.36)**	**(0.54)**	**(0.48)**	**(0.18)**
Net Assets, end of period	**$16.41**	**$14.99**	**$13.97**	**$12.65**	**$10.50**

Series O - Ratios and Supplemental Data	*Dec 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*	*Dec. 31 2013*	*Dec. 31 2012*
Net asset value (000's) [4]	$69,206	$60,386	$35,753	$22,591	$8,773
Number of units outstanding [4]	4,216,725	4,029,329	2,558,682	1,786,033	834,853
Management expense ratio [5]	-	-	-	-	-
Management expense ratio before waivers or absorptions	-	-	0.01%	0.01%	-
Portfolio turnover rate [6]	13.87%	17.13%	18.74%	42.99%	31.21%
Trading expense ratio [7]	0.01%	0.03%	0.04%	0.04%	0.05%
Transactional net asset value per unit [8]	$16.41	$14.99	$13.97	$12.65	$10.51

[1]Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
[2]Distributions were paid in cash/reinvested in additional units of the Fund, or both.
[3]This information is derived from the Fund's audited annual financial statements as at December 31 for the period stated, and the net assets presented in the financial statements differs from the net asset value calculated for fund pricing purposes until January 1, 2013.
[4]The information is provided as at December 31 of the period shown.
[5]Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.
[6]The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
[7]The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
[8] Prior to January 1, 2013, transactional net asset value per unit was used as the basis for financial statement accounting which based fair value on the bid price on the valuation date. After January 1, 2013, fair value is based on closing trade price for daily valuation as well as for regulatory financial reporting purposes, so Net Asset Value Per Unit has been reported for all periods after this date.
[9] The per share data is derived from the Fund's audited annual financial statements for 2012 and 2013 prepared in accordance with Canadian generally accepted accounting principles, and from the audited financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015 and 2016. The Net Assets per Share presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.

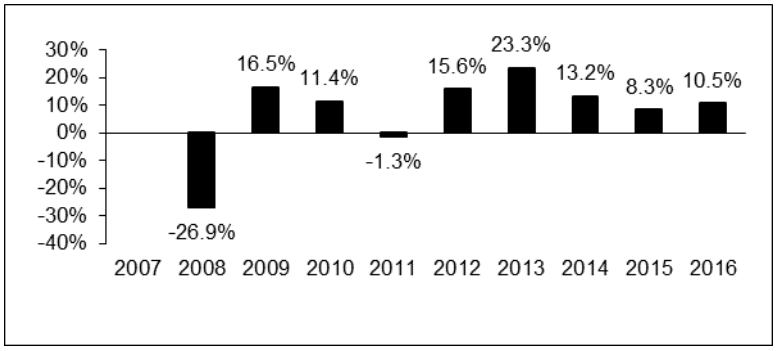
Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund will perform in the future.

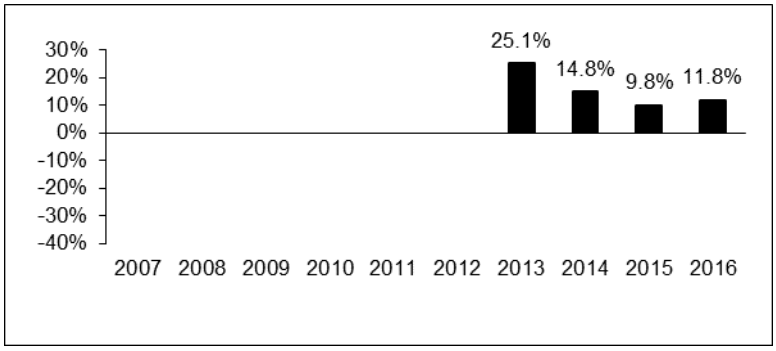
Year-by-Year Returns

The bar charts below shows the Fund's annual performance for each of the year's shown, and illustrates how the Fund's performance has changed from year to year. The charts show, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Series A



Series O



Series A units of the Fund were first offered for sale in April 2007. Series O units of the Fund were first offered for sale in February 2012.

Annual Compound Returns

The following table shows the Fund's annual compound total return for the past one-year, three-year, and five-year periods ended on December 31, 2016, and since the inception of the Fund, compared with the S&P/TSX Capped Composite Total Return Index and the MSCI World Index ($CDN).

	1 YR	**3 YR**	**5 YR**	**Since Inception***
Steadyhand Equity Fund – A	10.5%	10.6%	14.0%	6.5%

Steadyhand Equity Fund – O	11.8%	12.2%	N/A	14.8%
S&P/TSX Capped Composite Index	21.1%	7.1%	8.2%	4.6%
MSCI World Index ($CDN)	4.9%	12.8%	17.4%	5.7%

* The Since Inception return for the benchmark is for the same time period as the Since Inception return for Series A units of the Fund (Series O units have a different inception date are not available for purchase).

The S&P/TSX Capped Composite Total Return Index is a market capitalization index that measures the price movement and dividend income in the common shares of the largest companies listed on the Toronto Stock Exchange, with any individual investment capped at 10%. The MSCI World Index is a market capitalization index that measures the price movement and dividend income in the common shares of the world's largest companies.

A discussion of the relative performance of the Fund as compared to the indices can be found in the Results of Operations section.

Summary of Investment Portfolio as of December 31, 2016

Portfolio Allocation	
Equities	% of Net Assets
Financial Services	20.3%
Industrial Goods & Services	20.1%
Basic Materials	17.7%
Consumer Products	14.4%
Oil & Gas	13.4%
Consumer Cyclical	7.6%
Healthcare	4.0%
	97.5%
Cash, Short-term Notes & Other Assets	2.5%
Total	100.0%

Top 25 Holdings	% of Net Assets
Suncor Energy Inc.	6.2%
Visa Inc.	5.5%
CCL Industries Inc.	5.2%
CVS Health Corp.	4.6%
CBOE Holdings Inc.	4.5%
The Toronto-Dominion Bank	4.4%
Ecolab Inc.	4.3%
Prairie Sky Royalty Ltd.	4.3%
Novozymes A/S	4.2%
Franco-Nevada Corp.	4.1%
Magna International Inc.	4.1%
Novartis AG, ADR	4.0%
Agrium Inc.	4.0%
Canadian National Railway Co.	3.8%
Loblaw Cos Ltd.	3.6%
Ritchie Bros Auctioneers Inc.	3.6%
CAE Inc.	3.6%
Experian PLC	3.5%
Starbucks Corp.	3.4%
Fomento Economico Mexicano SAB de CV	3.3%
Pason Systems Inc.	2.9%
Unilever PLC, ADR	2.8%
Lincoln Electric Holdings Inc	2.6%
Westshore Terminals Investment Corp.	2.4%
Home Capital Group Inc.	2.4%

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates are available (60 days after each quarter end) upon request.

Steadyhand

Management Report of Fund Performance

Steadyhand Global Equity Fund

December 31, 2016

Steadyhand **Global Equity Fund**

Annual Management Report of Fund Performance (December 31, 2016)

This annual management report of fund performance contains financial highlights but does not contain the complete audited annual financial statements of the investment fund. You can get a copy of the audited annual financial statements at your request, and at no cost, by calling 1-888-888-3147, by writing to us at Steadyhand Investment Management Ltd., 1747 West 3rd Avenue, Vancouver, BC, V6J 1K7 or by visiting our website at www.steadyhand.com or SEDAR at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

The fundamental investment objective of the Steadyhand Global Equity Fund (the "Fund") is to provide long-term capital growth by investing in a concentrated, yet well-diversified portfolio of equities around the globe, with a focus on the developed world.

The portfolio adviser looks for companies that have a proven ability to generate strong and stable cash flows, can be expected to gain market share over the long term, and trade at reasonable valuations. Stocks are not included in the Fund by reference to their weight in an index or by their market capitalization. The manager simply looks for the best risk-adjusted opportunities.

Risks

The primary risks associated with an investment in the Fund are foreign market risk, concentration risk and currency risk. The other risks are outlined in the simplified prospectus. There were no changes to the Fund over the reporting period that affected its overall level of risk.

Results of Operations

Over the reporting period, the Fund's net assets increased by $18 million to $137.0 million as of December 31, 2016, from $119.0 million at the end of 2015. This increase was attributable to net sales of $19.3 million, and a $6.5 million increase in net assets from operations less $7.8 million in unitholder distributions.

The Fund gained 2.6% in 2016, while the MSCI World Index ($Cdn) advanced 4.9%. The U.S. market (S&P 500 Index) was once again a strong performer, up 12% (in U.S. dollar terms). Many European markets posted single-digit gains, as did Japan. Most emerging markets were up with the exception of China, which lost roughly 10%.

A big story in 2016 was the Canadian dollar's appreciation. It rose against the U.S. dollar (4%), Euro (7%), British Pound (23%) and most Asian currencies. This decreased the value of stocks from these countries in Canadian dollar terms and thus hurt the Fund's return.

The Fund underperformed the index in part because of its lower exposure to U.S. stocks. American stocks, which were strong performers as mentioned, made up 18-20% of the portfolio in the year, whereas they comprised roughly 60% of the MSCI World Index.

At year-end, the Fund held 41 stocks across 14 countries. European stocks (including the U.K.) made up 41% of the Fund, while Asia also accounted for 41% and the U.S. 18%.

It was a rough first half of the year for the portfolio (it declined 10%). In particular, two of the Fund's largest areas of investment - banks and healthcare stocks - were out of favour. The portfolio had a strong second half (+15%), however, as more economically-sensitive stocks ("cyclicals") began to gain traction with investors. Notably, European banks rebounded and many Japanese holdings provided strong returns.

The Fund's energy investments were a key area of strength in 2016, notably Apache (a Houston-based oil & gas company). Royal Dutch Shell and BP also gained ground.

Galaxy Entertainment (Asian hotel and casino operator), Qualcomm (semiconductor manufacturer) and SK Hynix (supplier of flash memory chips) were three of the Fund's top performers. This is notable because these cyclical stocks were previously unloved by investors. It's a positive sign that some of the negative sentiment that has weighed on these types of stocks is starting to abate.

Healthcare investments were the greatest detractors to performance in the year. European drug companies Novartis, Roche and Bayer all declined over 10%. The portfolio adviser, Edinburgh Partners Ltd. (EPL), feels investors have been overly negative on the sector. With promising drug pipelines, solid balance sheets and reasonable valuations, EPL feels these stocks offer compelling value.

Bank stocks continue to be a key area of focus, with emphasis on European and Asian companies that stand to benefit from even a slight improvement in economic conditions in the two regions. Investments include Commerzbank (Germany), BNP Paribas (France), HSBC (United Kingdom), Bangkok Bank (Thailand), Bank Mandiri (Indonesia) and DBS (Singapore).

There were some modest shifts in the portfolio in the year. The largest increase in sector exposure was in retailing stocks, which increased from 0% of the portfolio's equities at the end of 2015 to 4% at the end of 2016 (two stocks were purchased, Tesco and Takashimaya). Also of note, healthcare stocks increased from 15% to 18%. Conversely, the Fund's weighting in communications & media stocks decreased from 11% to 4% (KDDI and Vodafone were sold), and industrial goods & services stocks were reduced from 11% to 9%.

From a geographic standpoint, Europe and Asia are the greatest areas of exposure. Including investments in the U.K., European stocks made up 41% of the Fund at year-end (up from 38% last year). Asian stocks also made up 41% (down from 44% last year). Japan remains the largest individual country of investment, accounting for 23% of the fund's equities (down from 27% last year), while U.S. stocks made up 18% (unchanged from their weighting at the end of 2015).

As noted, the Fund held 41 stocks at the end of 2016, which is an increase of one stock from the previous year. The Fund's cash position decreased from 7% to 2%.

There were no unusual trends in redemptions, sales, revenues or expenses over the reporting period.

Recent Developments

2016 was another positive year for global equity investors. It did not come without a few hiccups, however. Global markets had a weak start to the year, notably Japan (which suffered widespread declines) and Europe, where banks and pharmaceutical stocks sold off sharply. Stocks recovered in the spring but subsequently felt the impact of the Brexit decision in late June. Notably, British and European banks declined further, with several stocks sliding 25% or more in the second quarter. Markets bounced back in the summer but then exhibited heightened volatility in the fall prior to the U.S. election. An unexpected Trump victory in November had a positive impact on stocks, particularly companies that stand to benefit from infrastructure spending and less regulation, and markets finished the year on a strong note.

The Fund looks starkly different than the overall global market. Specifically, it's more heavily weighted in European and Asian stocks, which the portfolio adviser (Edinburgh Partners Ltd.) feels offer better risk/reward profiles than U.S. companies. In addition, the portfolio has a value bias, favouring more economically-cyclical companies that are cheap on numerous valuation measures (notably, price-to-earnings multiples and price-to-book-value ratios)

More specifically, the adviser feels that select bank stocks and consumer discretionary companies offer good value. Stocks in these sectors have been unloved in recent years, as investors have favoured more growth-oriented companies, along with consumer staples. EPL believes the run in growth stocks is long in the tooth, and investors' attention will revert to areas of the market that offer better value.

The healthcare sector is also an area of greater focus. As noted in the previous section, EPL is finding value in companies with strong drug pipelines and solid balance sheets. Holdings include European pharmaceuticals Novartis, Roche, Bayer, AstraZeneca and Sanofi. Celgene, a U.S. biotech company, was also added to the portfolio in the year.

From a sector perspective, financial services companies make up the largest portion of the portfoio, at 27%. Holdings are a mix of large European banks such as BNP Paribas, HSBC and Commerzbank, and domestically-oriented Asian operations such as Bank Mandiri, Bangkok Bank and DBS. Synchrony Financial, a U.S. consumer financial services company, was also added to the portfolio in the year.

Other stocks that were purchased in 2016 include: Ubisoft (a French video game publisher), Telefonica (a Spanish broadband and telecom provider), and Takashimaya (a Japanese department store company). Stocks that were sold include: Toshiba (a Japanese consumer electronics company), Qualcomm (a U.S. semiconductor company), KDDI (a Japanese telecom provider) and Vodafone (a British multinational telecom company).

An ongoing risk for investors in the Fund is the impact of currency fluctuations. All of the Fund's holdings are denominated in foreign currencies. The greatest exposure lies in the Japanese Yen, Euro, British Pound, U.S. dollar and Hong Kong dollar. If the Canadian dollar strengthens against these currencies, the Fund's returns will be dampened. Conversely, a depreciation of the loonie would boost returns.

There were no changes over the reporting period to the manager, portfolio advisor, accounting policies or investment review committee of the Fund.

Related Party Transactions

Management Fees

Steadyhand Investment Management Ltd. is the Manager of the Fund. The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The Fund relies on the positive recommendation or approval of the independent review committee to proceed with the transactions. The annualized net management fee for the units of the Fund is 1.78%. For the year ended December 31, 2016, the Fund paid the Manager $1,064,260 of its net assets as management fees and distributed $320,007 in management fee reductions. The Fund does not reimburse the Manager for operating costs incurred in administering the Fund which include:

- fees payable to provincial securities commissions in connection with the operation of the funds;
- audit and legal fees;
- costs for preparation, production and distribution of financial and other reports, including semi-annual and annual reports, statements,
- communications to unitholders and other regularly required documents;
- costs for the preparation, production and distribution of this simplified prospectus document and other regulatory documents, including Fund Facts;
- expenditures related to technology required to operate the funds;
- custody, investor servicing, record keeping, accounting, trustee fees and
- bank charges;
- costs of compliance with applicable securities legislation in connection with the operation of the funds; and
- applicable taxes including GST/HST.

The Manager paid all operating expenses except brokerage charges and withholding taxes.

The Fund does not directly or indirectly pay fees, sales commissions or trailing commissions, nor does it provide any non-monetary benefits to registered dealers for distributions of units of the Fund. If a broker charges you a commission or fee, that is a matter between you and the dealer.

As at December 31, 2016, Steadyhand Investment Management Ltd., and its affiliates, subsidiaries, officers and directors owned 319,421 Series A units, or 4.7% of the total Fund Series A units. The Steadyhand Founders Fund holds 100% of the total Fund Series O units.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since the date of inception. This information is derived from the Fund's audited annual financial statements.

Series A – Net Assets Per Unit	*Dec 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*	*Dec. 31 2013*	*Dec. 31 2012*
Net Assets, beginning of period [1,3,9]	**$9.92**	**$9.54**	**$9.62**	**$7.35**	**$6.65**
Increase (decrease) from operations:					
Total revenue	0.24	0.22	0.22	0.19	0.19
Total expenses (excluding distributions)	(0.22)	(0.24)	(0.23)	(0.11)	(0.10)
Realized gains (losses) for the period	0.45	0.99	0.56	0.56	(0.12)
Unrealized gains (losses) for the period	(0.14)	0.25	(0.15)	2.10	0.81
Total increase (decrease) from operations [1]	**0.33**	**1.22**	**0.40**	**2.74**	**0.78**
Distributions :					
From investment income (excluding dividends)	(0.13)	(0.07)	(0.66)	(0.08)	(0.04)
From dividends	-	-	-	-	-
From capital gains	(0.36)	(0.74)	(0.40)	(0.33)	-
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.48)**	**(0.81)**	**(1.06)**	**(0.41)**	**(0.04)**
Net Assets, end of period	**$9.69**	**$9.92**	**$9.54**	**$9.61**	**$7.35**

Series A - Ratios and Supplemental Data	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*	*Dec. 31 2013*	*Dec. 31 2012*
Net asset value (000's) [4]	$66,037	$63,229	$52,714	$44,734	$28,017
Number of units outstanding [4]	6,813,667	6,373,694	5,527,850	4,648,234	3,806,607
Management expense ratio [5]	1.78%	1.78%	1.78%	1.78%	1.78%
Management expense ratio before waivers or absorptions	1.78%	1.78%	1.78%	1.79%	1.80%
Portfolio turnover rate [6]	21.14%	33.26%	29.61%	31.97%	32.54%
Trading expense ratio [7]	0.08%	0.11%	0.16%	0.18%	0.15%
Transactional net asset value per unit [8]	$9.69	$9.92	$9.54	$9.62	$7.36

Series O – Net Assets Per Unit	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*	*Dec. 31 2013*	*Dec. 31 2012*
Net Assets, beginning of period [1,3,9]	**$10.15**	**$9.70**	**$9.75**	**$7.40**	**$6.95**
Increase (decrease) from operations:					
Total revenue	0.25	0.22	0.22	0.20	0.19
Total expenses (excluding distributions)	-	-	-	-	-
Realized gains (losses) for the period	0.45	1.00	0.50	0.61	(0.03)
Unrealized gains for the period	(0.04)	0.16	(0.16)	2.12	1.03
Total increase from operations [1]	**0.66**	**1.38**	**0.56**	**2.93**	**1.19**
Distributions :					
From investment income (excluding dividends)	(0.25)	(0.20)	(0.19)	(0.18)	(0.12)
From dividends	-	-	-	-	-
From capital gains	(0.37)	(0.77)	(0.42)	(0.34)	-
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.62)**	**(0.97)**	**(0.61)**	**(0.52)**	**(0.12)**
Net Assets, end of period	**$9.97**	**$10.15**	**$9.70**	**$9.75**	**$7.40**

Series O - Ratios and Supplemental Data	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*	*Dec. 31 2013*	*Dec. 31 2012*
Net asset value (000's) [4]	$70,941	$55,816	$38,920	$24,128	$8,990
Number of units outstanding [4]	7,113,781	5,501,023	4,010,525	2,475,830	1,214,832
Management expense ratio [5]	-	-	-	-	-
Management expense ratio before waivers or absorptions	-	-	0.01%	0.01%	-
Portfolio turnover rate [6]	21.14%	33.26%	29.61%	31.97%	32.54%
Trading expense ratio [7]	0.08%	0.11%	0.16%	0.18%	0.15%
Transactional net asset value per unit [8]	$9.97	$10.15	$9.70	$9.75	$7.40

[1]Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
[2]Distributions were paid in cash/reinvested in additional units of the Fund, or both.
[3]This information is derived from the Fund's audited annual financial statements as at December 31 for the period stated, and the net assets presented in the financial statements differs from the net asset value calculated for fund pricing purposes until January 1, 2013.
[4]The information is provided as at December 31 of the period shown.
[5]Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.
[6]The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
[7]The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
[8] Prior to January 1, 2013, transactional net asset value per unit was used as the basis for financial statement accounting which based fair value on the bid price on the valuation date. After January 1, 2013, fair value is based on closing trade price for daily valuation as well as for regulatory financial reporting purposes, so Net Asset Value Per Unit has been reported for all periods after this date.
[9] The per share data is derived from the Fund's audited annual financial statements for 2012 and 2013 prepared in accordance with Canadian generally accepted accounting principles, and from the audited financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015 and 2016. The Net Assets per Share presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.

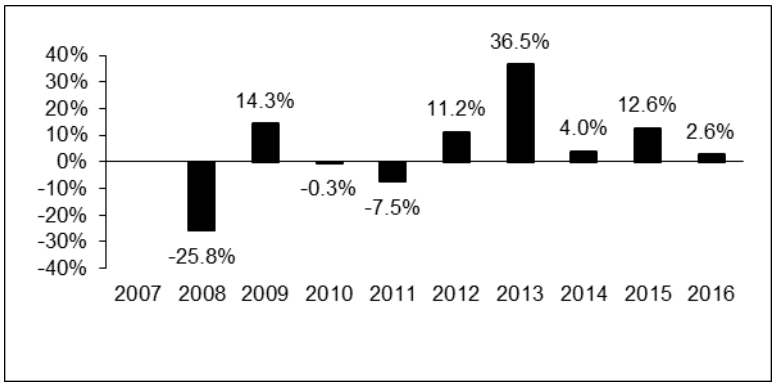
Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund will perform in the future.

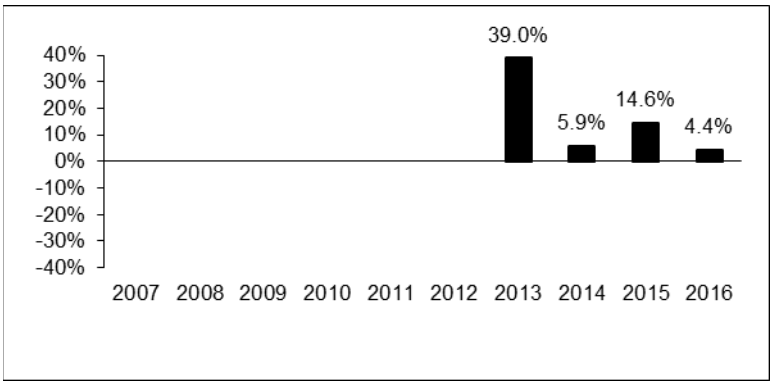
Year-by-Year Returns

The bar charts below show the Fund's annual performance for each of the year's shown, and illustrates how the Fund's performance has changed from year to year. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Series A



Series O



Series A units of the Fund were first offered for sale in May 2007. Series O units of the Fund were first offered for sale in February 2012.

Annual Compound Returns

The following table shows the Fund's annual compound total return for the past one-year, three-year, and five-year periods ended on December 31, 2016, and since the inception of the Fund, compared with the MSCI Daily Total Return Net World Index ("MSCI World Index").

	1 YR	**3 YR**	**5 YR**	**Since Inception***
Steadyhand Global Equity Fund – A	2.6%	6.3%	12.8%	2.3%
Steadyhand Global Equity Fund – O	4.4%	8.2%	N/A	13.5%
MSCI World Index ($CDN)	4.9%	12.8%	17.4%	5.7%

* The Since Inception return for the benchmark is for the same time period as the Since Inception return for Series A units of the Fund (Series O units have a different inception date are not available for purchase).

The MSCI World Index is a market capitalization index that measures the price movement and dividend income in the common shares of the world's largest companies.

A discussion of the relative performance of the Fund as compared to the indices can be found in the Results of Operations section.

Summary of Investment Portfolio as at December 31, 2016

Portfolio Allocation

Global Equities	% of Net Assets
Financial Services	30.8%
Healthcare	18.1%
Consumer Cyclical	16.5%
Oil & Gas	9.4%
Technology	6.8%
Industrial Goods & Services	6.4%
Communications & Media	6.1%
Consumer Products	3.8%
	97.9%
Cash, Short-term Notes & Other Assets	2.1%
Total	100.0%

Top 25 Holdings

	% of Net Assets
Royal Dutch Shell PLC	3.6%
Novartis AG	3.4%
BP PLC	3.2%
Galaxy Entertainment Group Ltd.	3.2%
Panasonic Corp.	2.9%
Nomura Holdings Inc.	2.8%
AstraZeneca PLC	2.8%
BNP Paribas SA	2.8%
Roche Holding AG	2.7%
SK Hynix Inc.	2.7%
Synchrony Financial	2.6%
Apache Corp.	2.6%
Celgene Corp.	2.6%
DBS Group Holdings Ltd.	2.5%
Whirlpool Corp.	2.5%
Sanofi	2.5%
HSBC Holdings PLC	2.5%
Sumitomo Mitsui Trust Holdings	2.5%
Sumitomo Mitsui Financial Group	2.4%
Bank Mandiri Persero Tbk PT	2.4%
Bayer AG	2.3%
Harman International Industries Inc.	2.3%
Commerzbank AG	2.3%
Nippon Telegraph & Telephone Corp.	2.3%
UBISOFT Entertainment	2.2%

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates are available (60 days after each quarter end) upon request.

Steadyhand

Management Report of Fund Performance

Steadyhand Small-Cap Equity Fund

December 31, 2016

Steadyhand **Small-Cap Equity Fund**

Annual Management Report of Fund Performance (December 31, 2016)

This annual management report of fund performance contains financial highlights but does not contain the complete audited annual financial statements of the investment fund. You can get a copy of the audited annual financial statements at your request, and at no cost, by calling 1-888-888-3147, by writing to us at Steadyhand Investment Management Ltd., 1747 West 3rd Avenue, Vancouver, BC, V6J 1K7 or by visiting our website at www.steadyhand.com or SEDAR at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

The fundamental investment objective of the Steadyhand Small-Cap Equity Fund (the "Fund") is to provide long-term capital growth by investing primarily in a concentrated portfolio of small and medium sized companies in Canada and the U.S., with an emphasis on Canadian equities.

The portfolio adviser looks for companies that have products or services that are easy to understand, proven track records of growing revenues, and experienced management teams.

Risks

The primary risks associated with an investment in the Fund are market risk, concentration risk and small capitalization risk. The other risks are outlined in the simplified prospectus. There were no material changes to the Fund over the reporting period that affected its overall level of risk.

Results of Operations

For the year ended December 31, 2016, the Fund's net assets increased to $71.7 million, from $57.8 million at the end of 2015. This increase of $13.9 million was attributable to net subscriptions of $5.2 million, and an increase in net assets from operations of $9.9 million less $1.2 million paid in distributions to unitholders.

The Fund gained 14.8% in 2016. Over the same period, the S&P/TSX SmallCap Index gained 38.5%. The Fund had a solid year, but underperformed the Canadian small-cap market. This was due in large part to its lighter exposure to resource stocks. Commodity-related stocks in particular had a strong year on the back of a rebound in commodity prices. While the Fund held some oil producers (e.g. Gran Tierra Energy, MEG Energy) and two gold companies in the year, its exposure to the oil & gas and mining sectors was significantly lower than their representation in the overall small-cap market.

In mid-August, we named Galibier Capital Management Ltd. portfolio adviser of the Fund, replacing Wutherich & Company Investment Counsel Inc. Both managers build concentrated portfolios with a long-term view. By appointing Galibier, however, we believe we can take advantage of a broader set

of opportunities, specifically by researching and owning more mid-cap stocks in Canada (medium-sized companies) and small-cap stocks in the U.S.

At the time of the portfolio adviser change, the portfolio held 16 stocks. The Fund's performance up until mid-August was driven by a few holdings: Medical Facilities, Gran Tierra Energy and New Gold. Badger Daylighting was the biggest detractor to performance over this period. Galibier took over the portfolio in mid-August, as mentioned, and transitioned the Fund over the ensuing weeks. They sold several stocks, and bought a number of new companies, and by the end of September, the transition was almost complete. At the time (September 30), the Fund held 22 stocks.

Four stocks were sold in the fourth quarter, and six new companies were purchased, and at year-end the Fund held 24 stocks, 11 of which had a market capitalization of less than $1 billion. Twenty-two were Canadian and two were American. The largest stock, Northland Power, has a market cap of $4 billion.

Current investments include companies in a variety of industries, including business services, technology, transportation, food & beverages and consulting. Galibier's focus is on companies with a sustainable competitive advantage, above-average long-term growth prospects, and appropriate financial leverage (debt). In the current environment, most mining companies do not meet these criteria and as such the portfolio has little exposure to the sector.

Small-cap stocks in general had a good run in the second half of the year, and Galibier trimmed a few newer holdings, including AG Growth and Exchange Income. In addition, MTY Food Group was sold after rising more than 20% in less than four months.

The Fund held three U.S. stocks during the course of the year: CBIZ, Echo Global Logistics and Hibbett Sports. The latter (Hibbett) was sold after Galibier took over the portfolio. The Canadian dollar appreciated 4% against the U.S. dollar during 2016, which detracted from the returns of these holdings in Canadian dollar terms. Echo Global Logistics was purchased in September when the Canadian dollar was at a stronger level, however, so its return wasn't impacted.

There were some changes to the sector allocation of the portfolio as a result of the portfolio adviser change. Most notably, consumer cyclical stocks now comprise 13% of the portfolio's equities, which is up from 0% at the end of 2015. As well, technology stocks now make up 21% of the Fund (which is up from 14%), real estate stocks make up 5% (from 0% last year), and communications & media stocks also make up 5% (up from 0%). Conversely, oil & gas stocks decreased from 17% to 4%, healthcare stocks decreased from 8% to 0%, and basic materials stocks were also reduced from 8% to 0%.

The Fund's geographic profile also changed over the reporting period. Canadian stocks make up 90% of the Fund's equities (up from 82% at the end of last year) and U.S. stocks comprise 10% (down from 18%). The Fund's cash position was reduced from 12% to 7%.

There were no unusual trends in redemptions, sales, revenues or expenses over the reporting period.

Recent Developments

The Canadian small-cap market (S&P/TSX SmallCap Index) rose 38.5% in 2016. U.S. small-caps gained 17.7% (Russell 2000 Index) in Canadian dollar terms. Resource stocks led the way as energy and precious metals prices rebounded. Financial stocks also had a strong year.

As noted in the previous section, we made the difficult decision to change the portfolio adviser of the fund in August. Galibier Capital Management Ltd. has taken over portfolio adviser responsibilities, replacing Wutherich & Company. By appointing Galibier, we believe we can more fully take advantage of a broader set of opportunities, specifically by researching and owning more mid-cap stocks in Canada (medium-sized companies) and small-cap stocks in the U.S.

Galibier feels there are compelling opportunities in the mid-cap sector of the Canadian market (stocks with market capitalizations between $1- to $5 billion). New investments here include DH Corp. (a financial technology provider), Dream Global REIT (owner and operator of commercial real estate in Germany and Austria), Enghouse Systems (developer of software for telecoms and utilities companies), New Flyer Industries (manufacturer of transit buses) and Exchange Income Corporation (provider of aviation services and equipment).

Some of the new small-cap companies (stocks with market capitalizations under $1 billion) purchased by Galibier include: Diversified Royalty Corp, Spin Master, Brick Brewing, AG Growth International, Liquor Stores N.A., Cargojet, Echo Global Logistics, DHX Media, Gluskin Sheff and Martinrea International.

Select investments purchased by Wutherich & Company continue to be held in the Fund, as they are also favoured by the new adviser. These include Stantec, Badger Daylighting, MacDonald Dettwiler, Points International and CBIZ.

Notably, the Fund now has less exposure to resources. Gold holdings Primero Mining and New Gold were sold, as were oil-related investments Gran Tierra Energy, Total Energy Services and Parkland Fuel. Going forward, resource stocks are unlikely to feature prominently in the portfolio, although this is not to say that the Fund will not own resource stocks at all (current investments include MEG Energy and Ensign Energy Services). In periods when these stocks are soaring, investors can expect the Fund to lag. Conversely, the Fund may hold up better when these stocks are struggling.

Greater focus has been placed on software and related services (e.g. Enghouse Systems, DH Corp.), and transportation-related companies (e.g. Cargojet, Echo Global Logistics, New Flyer Industries).

U.S. companies are expected to comprise between 10-30% of the portfolio under Galibier. The Fund ended the year at the low end of the range (10%) as many U.S. stocks do not currently meet the adviser's valuation criteria (i.e. they're too expensive).

With the exposure to U.S. stocks, currency fluctuations between the Canadian and U.S. dollar remain a risk of the Fund. If the loonie depreciates against the U.S. dollar, it is beneficial for returns, and vice versa.

At year-end, the Fund held 24 stocks (eight more than in 2015), with most holdings comprising 3-7% of the portfolio. Stantec was the largest position, at 6.4%. A notable feature of the Fund continues to be that there are no “filler” stocks and each holding has an important impact on performance.

There were no changes over the reporting period to accounting policies or investment review committee of the Fund. The portfolio adviser was changed in mid-August, as explained above. We also changed the index shown in the Past Performance section of this report from the BMO Small Cap Index to the S&P/TSX SmallCap Index, as we feel the latter index is a better representation of the Fund’s mandate.

Related Party Transactions

Management Fees

Steadyhand Investment Management Ltd. is the manager of the Fund. The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The Fund relies on the positive recommendation or approval of the independent review committee to proceed with the transactions. The annualized net management fee for the units of the Fund is 1.78%. For the year ended December 31, 2016, the Fund paid gross fees of $781,520 to the Manager and distributed $211,640 in management fee reductions. The Fund does not reimburse the Manager for operating costs incurred in administering the Fund which include:

- fees payable to provincial securities commissions in connection with the operation of the funds;
- audit and legal fees;
- costs for preparation, production and distribution of financial and other reports, including semi-annual and annual reports, statements,
- communications to unitholders and other regularly required documents;
- costs for the preparation, production and distribution of this simplified prospectus document and other regulatory documents, including Fund Facts;
- expenditures related to technology required to operate the funds;
- custody, investor servicing, record keeping, accounting, trustee fees and
- bank charges;
- costs of compliance with applicable securities legislation in connection with the operation of the funds; and
- applicable taxes including GST/HST.

The Manager paid all operating expenses except brokerage charges and withholding taxes.

The Fund does not directly or indirectly pay fees, sales commissions or trailing commissions, nor does it provide any non-monetary benefits to registered dealers for distributions of units of the Fund. If a broker charges you a commission or fee, that is a matter between you and the dealer.

As at December 31, 2016, Steadyhand Investment Management Ltd. and its affiliates, subsidiaries, officers and directors owned 103,113 Series A units, or 3.1% of the total Fund Series A units. The Steadyhand Founders Fund holds 100% of the total Fund Series O units and pays no management fees.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since the date of inception. This information is derived from the Fund's audited annual financial statements.

Series A – Net Assets Per Unit	***Dec 31 2016***	***Dec 31 2015***	***Dec 31 2014***	***Dec 31 2013***	***Dec 31 2012***
Net Assets, beginning of period [1,3,9]	**$12.71**	**$14.72**	**$17.41**	**$14.20**	**$12.24**
Increase (decrease) from operations:					
Total revenue	0.37	0.31	0.37	0.31	0.36
Total expenses (excluding distributions)	(0.30)	(0.31)	(0.40)	(0.21)	(0.21)
Realized gains (losses) for the period	0.86	(1.29)	1.75	0.94	0.21
Unrealized gains (losses) for the period	1.03	(0.67)	(2.86)	2.54	1.77
Total increase (decrease) from operations[1]	**1.96**	**(1.96)**	**(1.14)**	**3.58**	**2.13**
Distributions :					
From investment income (excluding dividends)	-	-	-	-	-
From dividends	(0.14)	-	(0.25)	(0.05)	(0.04)
From capital gains	-	-	(1.55)	(0.24)	(0.16)
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.14)**	**-**	**(1.80)**	**(0.29)**	**(0.20)**
Net Assets, end of period	**$14.45**	**$12.71**	**$14.72**	**$17.41**	**$14.14**

Series A - Ratios and Supplemental Data	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***	***Dec. 31 2013***	***Dec. 31 2012***
Net asset value (000's) [4]	$47,787	$40,729	$48,572	$46,117	$31,670
Number of units outstanding [4]	3,306,366	3,204,714	3,299,818	2,649,507	2,230,314
Management expense ratio [5]	1.78%	1.78%	1.78%	1.78%	1.78%
Management expense ratio before waivers or absorptions	1.78%	1.78%	1.78%	1.79%	1.79%
Portfolio turnover rate [6]	91.35%	19.80%	28.76%	35.86%	20.42%
Trading expense ratio [7]	0.40%	0.24%	0.23%	0.23%	0.17%
Transactional net asset value per unit [8]	$14.45	$12.70	$14.72	$17.41	$14.20

Series O – Net Assets Per Unit	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*	*Dec. 31 2013*	*Dec. 31 2012*
Net Assets, beginning of period [1,3,9]	**$13.09**	**$14.91**	**$17.61**	**$14.27**	**$12.45**
Increase (decrease) from operations:					
Total revenue	0.38	0.33	0.39	0.31	0.17
Total expenses (excluding distributions)	-	-	-	-	-
Realized gains (losses) for the period	0.85	(1.39)	1.60	0.95	(0.44)
Unrealized gains (losses) for the period	1.16	(0.68)	(3.54)	2.81	2.17
Total increase (decrease) from operations [1]	**2.39**	**(1.74)**	**1.55**	**4.07**	**1.90**
Distributions :					
From investment income (excluding dividends)	-	-	-	-	-
From dividends	(0.33)	(0.03)	(0.27)	(0.25)	(0.20)
From capital gains	-	-	(1.60)	(0.25)	(0.16)
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.33)**	**(0.03)**	**(1.87)**	**(0.50)**	**(0.36)**
Net Assets, end of period	**$14.96**	**$13.08**	**$14.91**	**$17.61**	**$14.22**

Series O - Ratios and Supplemental Data	*Dec 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*	*Dec. 31 2013*	*Dec. 31 2012*
Net asset value (000's) [4]	$23,907	$17,110	$11,255	$5,317	$1,981
Number of units outstanding [4]	1,597,733	1,307,947	754,611	301,988	138,850
Management expense ratio [5]	-	-	-	-	-
Management expense ratio before waivers or absorptions	0.01%	0.01%	0.02%	0.06%	-
Portfolio turnover rate [6]	91.35%	19.80%	28.76%	35.86%	20.42%
Trading expense ratio [7]	0.40%	0.24%	0.23%	0.23%	0.17%
Transactional net asset value per unit [8]	$14.96	$13.08	$14.19	$17.61	$14.27

[1]Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
[2]Distributions were paid in cash/reinvested in additional units of the Fund, or both.
[3]This information is derived from the Fund's audited annual financial statements as at December 31 for the year stated, and the net assets presented in the financial statements differs from the net asset value calculated for fund pricing purposes until January 1, 2013.
[4]The information is provided as at December 31 of the period shown.
[5]Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.
[6]The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
[7]The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
[8] Prior to January 1, 2013, transactional net asset value per unit was used as the basis for financial statement accounting which based fair value on the bid price on the valuation date. After January 1, 2013, fair value is based on closing trade price for daily valuation as well as for regulatory financial reporting purposes, so Net Asset Value Per Unit has been reported for all periods after this date.
[9] The per share data is derived from the Fund's audited annual financial statements for 2012 and 2013 prepared in accordance with Canadian generally accepted accounting principles, and from the audited financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015 and 2016. The Net Assets per Share presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.

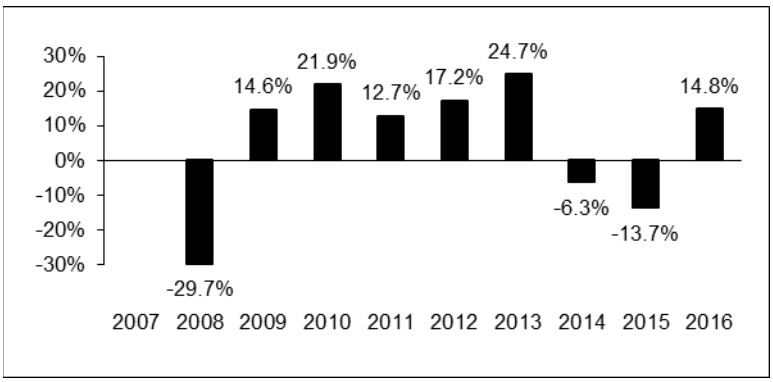
Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund will perform in the future.

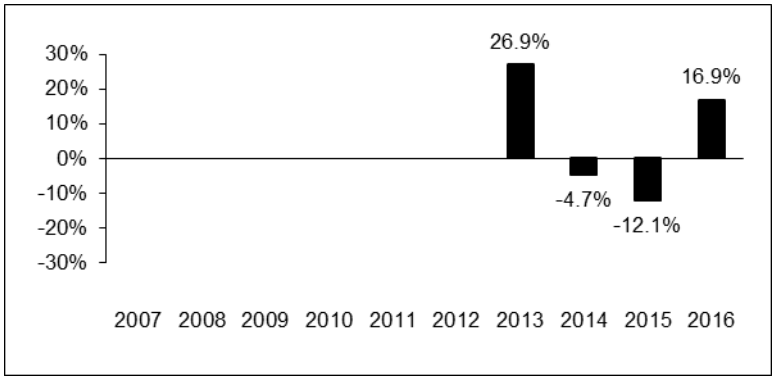
Year-by-Year Returns

The bar charts below show the Fund's annual performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Series A



Series O



Series A units of the Fund were first offered for sale in April 2007. Series O units of the Fund were first offered for sale in February 2012.

Annual Compound Returns

The following table shows the Fund's annual compound total return for the past one-year, three-year, and five-year periods ended on December 31, 2016, and since the inception of the Fund, compared with the S&P/TSX SmallCap Index.

	1 YR	*3 YR*	*5 YR*	*Since-Inception**
Steadyhand Small-Cap Equity Fund – A	14.8%	-2.4%	6.3%	6.5%
Steadyhand Small-Cap Equity Fund – O	16.9%	-0.7%	N/A	7.1%
S&P/TSX SmallCap Index	38.5%	5.4%	4.3%	1.9%

* The Since Inception return for the benchmark is for the same time period as the Since Inception return for Series A units of the Fund (Series O units have a different inception date are not available for purchase).

The S&P/TSX SmallCap Index measures the performance of small capitalization stocks in Canada.

A discussion of the relative performance of the Fund as compared to the indices can be found in the Results of Operations section.

Summary of Investment Portfolio as of December 31, 2016

Portfolio Allocation	
	% of Net Assets
Equities	
Industrial Goods & Services	36.1%
Technology	19.4%
Consumer Cyclical	12.7%
Financial Services	9.1%
Consumer Products	6.8%
Real Estate	4.7%
Utilities	4.1%
Oil & Gas	3.5%
	96.4%
Cash, Short-term Notes & Other Assets	3.6%
Total	**100.0%**

Top 25 Holdings	
	% of Net Assets
Cash & cash equivalents	7.0%
Stantec Inc.	6.5%
Echo Global Logistics Inc.	6.4%
Enghouse Systems Ltd.	5.6%
Pure Technologies Ltd.	5.5%
MacDonald Dettwiler & Associates Ltd.	5.4%
Liquor Stores NA Ltd.	4.9%
Diversified Royalty Corp.	4.8%
Points International Ltd.	4.7%
Dream Global Real Estate Investment Trust	4.7%
DHX Media Ltd.	4.6%
Martinrea International Inc.	4.3%
Gluskin Sheff + Associates Inc.	4.3%
Northland Power Inc.	4.1%
Cargojet Inc.	4.0%
Spin Master Corp.	3.8%
DH Corp.	3.7%
Exchange Income Corp.	3.5%
AG Growth International Inc.	3.3%
CBIZ Inc.	3.2%
New Flyer Industries Inc.	2.4%
Ensign Energy Services Inc.	2.1%
Brick Brewing Co. Ltd.	1.9%
MEG Energy Corp.	1.4%
Badger Daylighting Ltd.	1.4%

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates are available (60 days after each quarter end) upon request.