
Steadyhand

Annual Financial Statements

December 31, 2017

Steadyhand Savings Fund

Steadyhand Income Fund

Steadyhand Founders Fund

Steadyhand Equity Fund

Steadyhand Global Equity Fund

Steadyhand Small-Cap Equity Fund



Financial Statements of

STEADYHAND INVESTMENT FUNDS

Years ended December 31, 2017 and 2016



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INDEPENDENT AUDITORS' REPORT

To the Unitholders of:
Steadyhand Savings Fund;
Steadyhand Income Fund;
Steadyhand Founders Fund;
Steadyhand Equity Fund;
Steadyhand Global Equity Fund; and
Steadyhand Small-Cap Equity Fund
(collectively, the "Funds")

We have audited the accompanying financial statements of the Funds, which comprise the statements of financial position as at December 31, 2017 and 2016, the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

The Manager's Responsibility for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2017 and 2016, and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
February 21, 2018

STEADYHAND SAVINGS FUND

Statements of Financial Position

December 31, 2017 and 2016

	Note	2017	2016
Assets			
Cash		\$ 39,911	\$ 50,193
Subscriptions receivable		120,500	250,685
Interest and dividends receivable		169,185	169,235
Investments		94,236,213	65,708,150
		94,565,809	66,178,263
Liabilities			
Redemptions payable		33,715	5,000
Management fees payable	4	4,821	3,138
Distribution payable		2,659	885
		41,195	9,023
Net assets attributable to holders of redeemable units			
		\$ 94,524,614	\$ 66,169,240
Represented by:			
Series A		\$ 30,120,056	\$ 19,188,827
Series O		64,404,558	46,980,413
		\$ 94,524,614	\$ 66,169,240
Number of units outstanding:			
Series A	5	3,012,013	1,918,884
Series O		6,440,467	4,698,041
Net assets attributable to holders of redeemable units per unit:			
Series A		\$ 10.00	\$ 10.00
Series O		10.00	10.00

The accompanying notes are an integral part of these financial statements.

Approved on behalf of Steadyhand Investment Management Ltd., in its capacity as Manager:

/S/Tom Bradley
Director

/S/Neil Jensen
Director

STEADYHAND SAVINGS FUND

Statements of Comprehensive Income

Years ended December 31, 2017 and 2016

	Note	2017	2016
Revenue:			
Interest income		\$ 776,728	\$ 392,104
Total revenue		776,728	392,104
Expenses:			
Management fees	4	45,180	31,014
Independent review committee fees		4,109	4,103
Total operating expenses		49,289	35,117
Management fee rebates		(13,846)	(9,232)
Expenses waived or absorbed by Manager		(4,109)	(4,103)
		(17,955)	(13,335)
Net operating expenses		31,334	21,782
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		745,394	370,322
Distributions to holders of redeemable units:			
From net investment income		(731,548)	(361,090)
Management fee reductions		(13,846)	(9,232)
		(745,394)	(370,322)
Increase in net assets attributable to holders of redeemable units		\$ -	\$ -
Increase in net assets attributable to holders of redeemable units:			
Series A		\$ -	\$ -
Series O		-	-
		\$ -	\$ -
Increase in net assets attributable to holders of redeemable units (excluding distributions):			
Series A		\$ 201,122	\$ 118,228
Series O		544,272	252,094
		\$ 745,394	\$ 370,322
Increase in net assets attributable to holders of redeemable units per unit (excluding distributions):			
Series A		\$ 0.13	\$ 0.08
Series O		0.18	0.08

The accompanying notes are an integral part of these financial statements.

STEADYHAND SAVINGS FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2017 and 2016

Series A	Note	2017	2016
Balance, beginning of year		\$ 19,188,827	\$ 19,591,042
Increase in net assets attributable to holders of redeemable units		-	-
Redeemable unit transactions:			
Issue of redeemable units		31,482,088	16,700,747
Reinvestments of distributions		188,071	113,248
Redemption of redeemable units		(20,738,930)	(17,216,210)
Net increase (decrease) from redeemable unit transactions		10,931,229	(402,215)
Balance, end of year		\$ 30,120,056	\$ 19,188,827

Series O	Note	2017	2016
Balance, beginning of year		\$ 46,980,413	\$ 29,729,194
Increase in net assets attributable to holders of redeemable units		-	-
Redeemable unit transactions:			
Issue of redeemable units		17,180,000	42,399,997
Reinvestment of distributions		544,145	251,222
Redemption of redeemable units		(300,000)	(25,400,000)
Net increase from redeemable unit transactions		17,424,145	17,251,219
Balance, end of year		\$ 64,404,558	\$ 46,980,413

The accompanying notes are an integral part of these financial statements.

STEADYHAND SAVINGS FUND

Statements of Cash Flows

Years ended December 31, 2017 and 2016

	Note	2017	2016
Cash provided by (used in):			
Operating activities:			
Proceeds from sale of investments		\$ 360,249,716	\$ 182,327,699
Purchases of investments		(388,777,779)	(198,786,144)
Interest and dividends received		776,778	297,300
Management fees paid		(29,651)	(21,888)
		(27,780,936)	(16,183,033)
Financing activities:			
Proceeds from issue of redeemable units		48,792,273	58,850,059
Payments on redemption of redeemable units		(21,010,215)	(42,626,210)
Cash distributions paid to holders of redeemable units		(11,404)	(33,608)
		27,770,654	16,190,241
Increase (decrease) in cash		(10,282)	7,208
Cash, beginning of year		50,193	42,985
Cash, end of year		\$ 39,911	\$ 50,193

The accompanying notes are an integral part of these financial statements.

STEADYHAND SAVINGS FUND

Schedule of Investment Portfolio

As at December 31, 2017

	Coupon rate	Maturity or expiry date	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
Short-Term Investments - Treasury Bills:						
Province of Manitoba	1.018%	01/03/2018	\$ 8,850,000	\$ 8,818,180	\$ 8,818,180	
Province of Ontario	1.069%	02/28/2018	3,000,000	2,992,470	2,992,470	
Total short-term investments – Treasury Bills				11,810,650	11,810,650	12.5
Short-Term Investments – Promissory Notes:						
Province of Quebec PN	1.031%	02/02/2018	6,400,000	6,379,011	6,379,011	
Province of Saskatchewan PN	1.020%	02/07/2018	4,450,000	4,440,224	4,440,224	
Province of Saskatchewan PN	1.062%	03/09/2018	3,200,000	3,191,320	3,191,320	
Total short-term investments – Promissory Notes				14,010,555	14,010,555	14.8
Short-Term Investments - Bankers' Acceptance:						
Bank of Montreal BA	1.310%	02/28/2018	2,950,000	2,941,031	2,941,031	
Bank of Montreal BA	1.332%	03/09/2018	2,750,000	2,741,200	2,741,200	
Bank of Nova Scotia BA	1.362%	03/12/2018	3,550,000	3,538,250	3,538,250	
Canadian Imperial Bank of Commerce BA	1.232%	01/02/2018	2,700,000	2,693,429	2,693,429	
Canadian Imperial Bank of Commerce BA	1.319%	01/09/2018	3,000,000	2,990,490	2,990,490	
HSBC Canada BA	1.361%	03/12/2018	2,150,000	2,142,904	2,142,904	
Royal Bank of Canada BA	1.217%	01/18/2018	1,850,000	1,844,174	1,844,174	
Royal Bank of Canada BA	1.301%	02/21/2018	4,950,000	4,934,651	4,934,651	
Toronto-Dominion Bank of Canada BA	1.400%	03/12/2018	5,150,000	5,133,130	5,133,130	
Total short-term investments - Bankers' Acceptance				28,959,259	28,959,259	30.7
Short-Term Investments - Discount Commercial Paper:						
Altalink LP CP	1.405%	01/29/2018	900,000	898,893	898,893	
Daimler Canada Finance Inc. CP	1.380%	01/23/2018	2,550,000	2,541,356	2,541,355	
Enbridge Pipelines Inc. CP	1.356%	01/19/2018	2,700,000	2,696,895	2,696,895	
Greater Toronto Airport Authority CP	1.285%	01/09/2018	4,000,000	3,995,360	3,995,360	
Honda Canada Finance Inc. CP	1.419%	01/08/2018	2,500,000	2,488,875	2,488,875	
Hydro One Inc. CP	1.348%	02/22/2018	4,500,000	4,484,925	4,484,925	
Inter Pipeline (Corridor) Inc. CP	1.402%	02/22/2018	3,000,000	2,992,530	2,992,530	
Suncor Energy CP	1.490%	03/27/2018	3,000,000	2,989,060	2,989,060	
Union Gas Ltd. CP	1.325%	01/16/2018	2,450,000	2,447,158	2,447,157	
Total short-term investments - Discount Commercial Paper				25,535,052	25,535,050	27.0
Short-Term Investments - Bearer Deposit Notes:						
Manulife Bank of Canada BDN	1.571%	03/28/2018	1,750,000	1,736,770	1,736,770	
Toronto-Dominion Bank of Canada BDN	1.100%	03/05/2018	2,350,000	2,324,503	2,324,503	
Total short-term investments - Bearer Deposit Notes				4,061,273	4,061,273	4.3
Total short-term investments				84,376,789	84,376,787	89.3
Bonds						
Provincial Bonds:						
Province of Alberta	1.492%	06/15/2018	2,850,000	2,853,434	2,853,433	
Total short-term investments – Promissory Notes				2,853,434	2,853,433	3.0
Corporate Bonds:						
American Express Canada Credit Corp/ CP	2.310%	03/29/2018	2,000,000	2,005,995	2,005,993	
Bank of Nova Scotia FRN CP	1.480%	09/05/2018	2,000,000	2,000,000	2,000,000	
Bank of Nova Scotia FRN CP	1.473%	10/12/2018	2,000,000	2,000,000	2,000,000	
Canadian Imperial Bank of Commerce CP	1.746%	01/17/2019	1,000,000	1,000,000	1,000,000	
Total corporate bonds				7,005,995	7,005,993	7.4
Total Bonds				9,859,429	9,859,426	10.4
Total Investment Portfolio				\$ 94,236,218	94,236,213	99.7
Other Net Assets					288,401	0.3
Total Net Assets					\$ 94,524,614	100.0

The accompanying notes are an integral part of these financial statements.

STEADYHAND SAVINGS FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

1. Financial risk management:

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of currency risk, interest rate risk and other price risk. For a comprehensive discussion of the risks applicable to the Funds refer to note 10.

The Fund's objective is to provide a reasonably stable level of current income, while also preserving capital, through investing in short-term debt instruments.

Capital preservation is key. The Fund invests in a number of short-term debt instruments, including treasury bills, high-grade short-term corporate bonds, banker's acceptances and commercial paper. The manager seeks to add value by employing a combination of relatively conservative strategies to enhance the fund's yield. The Fund is Canada-focused: the portfolio manager invests primarily in money market instruments issued by Canadian governments and corporations.

Financial risks applicable to the Steadyhand Savings Fund are discussed in more detail below.

(a) Credit risk:

The majority of the credit risk to which the Fund is exposed is concentrated in debt securities. Credit risk arising from other financial instruments is not considered significant. At December 31, 2017 and 2016, the Fund was invested in debt securities with the following credit quality:

	December 31,		December 31,	
	2017	2016	2017	2016
Rating:				
AAA	\$ 36,772,399	\$ 19,911,129	39.0%	30.1%
AA	44,615,325	34,829,629	47.3%	52.8%
A	12,848,489	10,967,392	10.4%	16.6%
Total	\$ 94,236,213	\$ 65,708,150	96.7%	99.5%

(b) Liquidity risk:

The Fund's redeemable units are due on demand. The Fund's remaining non-derivative liabilities are due within twelve months of the year-end of the Fund. The Fund has no derivative liabilities as at the period end (2016 - nil).

STEADYHAND SAVINGS FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

1. Financial risk management (continued):

(c) Market risk:

(i) Interest rate risk:

The majority of interest rate risk arises from debt securities held in the Fund's investment portfolio. A summary of the Fund's interest rate exposure analyzed by the earlier of contractual re-pricing or maturity date is as follows.

December 31, 2017	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Debt securities	\$ 31,414,809	\$ 54,967,970	\$ 6,853,434	\$ 1,000,000	\$ -	\$ 94,236,213

December 31, 2016	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Debt securities	\$ 14,530,929	\$ 30,073,448	\$ 21,103,773	\$ -	\$ -	\$ 65,708,150

The Manager has determined that a fluctuation in interest rates of 25 basis points is reasonably possible, considering the economic environment in which the Fund operates. As at December 31, 2017, had interest rates increased or decreased by 25 basis points, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$235,591 (December 31, 2016 - increased or decreased by \$164,270). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Currency risk:

The Fund is not exposed to currency risk as its financial assets and liabilities are all denominated in Canadian dollars.

(iii) Other price risk:

There were no significant concentrations of risk to issuers at December 31, 2017 or 2016. The Fund held the following securities which exceeded 5% of the net assets attributable to the holders of redeemable units:

At December 31, 2017:

	Coupon rate	Maturity date	Percentage of net assets
Province of Manitoba Treasury Bill	1.018%	March 1, 2018	9.3%
Province of Quebec Promissory Note	1.031%	February 2, 2018	6.7%
Toronto-Dominion Bank Bankers Acceptance	1.400%	March 12, 2018	5.4%
Royal Bank of Canada Bankers Acceptance	1.301%	February 21, 2018	5.2%

At December 31, 2016:

	Coupon rate	Maturity date	Percentage of net assets
Province of Ontario Treasury Bill	0.569%	February 1, 2017	7.1%
Province of Saskatchewan Promissory Note	0.582%	January 9, 2017	6.7%
Province of Ontario Treasury Bill	0.630%	May 17, 2017	6.0%

STEADYHAND SAVINGS FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

1. Financial risk management (continued):

(c) Market risk (continued):

(iii) Other price risk (continued):

All these securities have maturities under a year and are highly liquid short-term paper.

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The investments of the Fund are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of the financial instruments. The Manager moderates this risk through a careful selection of securities within specified limits and the Fund's market price risk is managed through diversification of the Fund. The Investment Manager monitors the Fund's overall market positions on a daily basis and positions are maintained within established ranges.

As at December 31, 2017 and 2016, the Fund did not have significant exposure to other price risk.

2. Fair value of financial instruments:

For a general discussion of the Funds fair value measurements, refer to note 11.

(a) Fair value hierarchy - financial instruments measured at fair value:

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

All fair value measurements below are recurring.

December 31, 2017	Level 1	Level 2	Level 3	Total
Investments	\$ -	\$ 94,236,213	\$ -	\$ 94,236,213

December 31, 2016	Level 1	Level 2	Level 3	Total
Investments	\$ -	\$ 65,708,150	\$ -	\$ 65,708,150

There were no transfers between Levels 1, 2 and 3 during the period ended December 31, 2017 and 2016.

STEADYHAND INCOME FUND

Statements of Financial Position

December 31, 2017 and 2016

	Note	2017	2016
Assets			
Cash		\$ -	\$ 327,853
Balances due from brokers		1,242,118	-
Subscriptions receivable		1,075,448	53,138
Interest and dividends receivable		1,069,506	878,315
Derivative assets:			
Futures		224,407	146,768
Investments		243,525,143	186,121,233
		247,136,622	187,527,307
Liabilities			
Bank indebtedness		89,649	-
Balances due to brokers		1,124,792	-
Redemptions payable		27,055	112,210
Management fees payable	4	76,383	80,618
		1,317,879	192,828
Net assets attributable to holders of redeemable units			
		\$ 245,818,743	\$ 187,334,479
Represented by:			
Series A		\$ 91,949,476	\$ 94,927,092
Series O		153,869,267	92,407,387
		\$ 245,818,743	\$ 187,334,479
Number of units outstanding:			
Series A	5	8,457,035	8,797,623
Series O		13,444,221	8,200,609
Net assets attributable to holders of redeemable units per unit:			
Series A		\$ 10.87	\$ 10.79
Series O		11.45	11.27

The accompanying notes are an integral part of these financial statements.

Approved on behalf of Steadyhand Investment Management Ltd., in its capacity as Manager:

/S/Tom Bradley
Director

/S/Neil Jensen
Director

STEADYHAND INCOME FUND

Statements of Comprehensive Income

Years ended December 31, 2017 and 2016

	Note	2017	2016
Revenue:			
Interest income		\$ 4,383,625	\$ 3,719,015
Dividend income		1,528,382	1,096,702
Distributions received from underlying fund		222,392	534,326
Other income		106,288	220,360
Foreign exchange gain (loss)		1,290	(38,524)
Changes in fair value of investments and derivatives:	6		
Net realized gain (loss)		(432,372)	2,875,293
Net change in unrealized appreciation - investments		2,722,424	3,131,175
Total revenue		8,532,029	11,538,347
Expenses:			
Management fees	4	996,054	971,839
Withholding taxes		-	602
Transaction costs	8	47,589	48,692
Independent review committee fees		4,109	4,103
Total operating expenses		1,047,752	1,025,236
Management fee reductions		(271,032)	(249,858)
Expenses waived or absorbed by Manager		(4,109)	(4,103)
		(275,141)	(253,961)
Net operating expenses		772,611	771,275
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		7,759,418	10,767,072
Distributions to holders of redeemable units:			
From net investment income		(5,307,611)	(4,587,657)
From net realized gain on investment		-	(3,695,203)
Management fee rebates		(271,032)	(249,858)
		(5,578,643)	(8,532,718)
Increase in net assets attributable to holders of redeemable units		\$ 2,180,775	\$ 2,234,354
Increase in net assets attributable to holders of redeemable units:			
Series A		\$ 590,611	\$ 753,530
Series O		1,590,164	1,480,824
		\$ 2,180,775	\$ 2,234,354
Increase in net assets attributable to holders of redeemable units (excluding distributions):			
Series A		\$ 2,972,540	\$ 5,265,298
Series O		4,786,878	5,501,774
		\$ 7,759,418	\$ 10,767,072
Increase in net assets attributable to holders of redeemable units per unit (excluding distributions):			
Series A		\$ 0.34	\$ 0.62
Series O		0.46	0.74

The accompanying notes are an integral part of these financial statements.

STEADYHAND INCOME FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2017 and 2016

Series A	Note	2017	2016
Balance, beginning of year		\$ 94,927,092	\$ 90,920,422
Increase in net assets attributable to holders of redeemable units		590,611	753,530
Redeemable unit transactions:			
Issue of redeemable units		11,605,278	9,909,376
Reinvestments of distributions		2,221,182	4,189,966
Redemption of redeemable units		(17,394,687)	(10,846,202)
Net increase (decrease) from redeemable unit transactions		(3,568,227)	3,253,140
Balance, end of year		\$ 91,949,476	\$ 94,927,092

Series O	Note	2017	2016
Balance, beginning of year		\$ 92,407,387	\$ 80,655,618
Increase in net assets attributable to holders of redeemable units		1,590,164	1,480,824
Redeemable unit transactions:			
Issue of redeemable units		56,675,000	6,250,000
Reinvestment of distributions		3,196,716	4,020,945
Net increase from redeemable unit transactions		59,871,716	10,270,945
Balance, end of year		\$ 153,869,267	\$ 92,407,387

The accompanying notes are an integral part of these financial statements.

STEADYHAND INCOME FUND

Statements of Cash Flows

Years ended December 31, 2017 and 2016

	Note	2017	2016
Cash provided by (used in):			
Operating activities:			
Proceeds from sale of investments		\$ 658,420,862	\$ 494,879,284
Purchase of investments		(713,912,557)	(498,317,942)
Realized gain (loss) on futures		253,461	(186,322)
Realized loss on forwards		-	88,188
Interest and dividends received		6,049,496	5,846,044
Balances due from broker		(1,242,118)	7,668,665
Balances due to broker		1,124,792	(14,116,866)
Management fees paid		(720,787)	(722,309)
Foreign withholding taxes paid		-	(602)
		(50,026,851)	(4,861,860)
Financing activities:			
Proceeds from issue of redeemable units		67,257,968	16,156,320
Payments on redemption of redeemable units		(17,479,842)	(10,819,067)
Cash distributions paid to holders of redeemable units		(160,745)	(321,807)
		49,617,381	5,015,446
Increase (decrease) in cash		(409,470)	153,586
Cash, beginning of year		327,853	214,644
Effect of exchange rate fluctuations on cash		(8,032)	(40,377)
Cash (bank indebtedness), end of year		\$ (89,649)	\$ 327,853

The accompanying notes are an integral part of these financial statements.

STEADYHAND INCOME FUND

Schedule of Investment Portfolio

As at December 31, 2017

	Coupon rate	Maturity or expiry date	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
Short-Term Investments - Treasury Bills:						
Canada	0.853%	01/25/2018	300,000	\$ 299,529	\$ 299,529	
Canada	1.021%	03/22/2018	250,000	249,373	249,373	
Total short-term investments - Treasury Bills				548,902	299,668	0.2
Short-Term Investments - Bankers' Acceptance:						
Bank of Nova Scotia BA	1.340%	01/17/2018	1,150,000	1,146,171	1,146,171	
Bank of Nova Scotia BA	1.309%	01/25/2018	550,000	548,272	548,272	
Bank of Nova Scotia BA	1.520%	02/18/2018	1,000,000	996,720	996,720	
Bank of Nova Scotia BA	1.361%	02/22/2018	150,000	149,589	149,589	
Bank of Nova Scotia BA	1.350%	02/28/2018	900,000	897,147	897,147	
Bank of Nova Scotia BA	1.460%	03/19/2018	100,000	99,681	99,681	
Canadian Imperial Bank of Commerce BA	1.318%	01/02/2018	100,000	99,726	99,726	
Canadian Imperial Bank of Commerce BA	1.320%	01/22/2018	1,000,000	996,720	996,720	
Canadian Imperial Bank of Commerce BA	1.247%	01/29/2018	550,000	548,950	548,950	
Canadian Imperial Bank of Commerce BA	1.269%	02/06/2018	1,900,000	1,894,205	1,894,205	
Canadian Imperial Bank of Commerce BA	1.271%	02/07/2018	250,000	249,263	249,263	
Canadian Imperial Bank of Commerce BA	1.440%	03/19/2018	100,000	99,654	99,654	
Royal Bank BA	1.300%	01/05/2018	550,000	548,477	548,477	
Royal Bank BA	1.279%	02/06/2018	200,000	199,378	199,378	
Royal Bank BA	1.260%	02/08/2018	100,000	99,728	99,728	
Royal Bank BA	1.362%	03/12/2018	1,000,000	996,690	996,690	
Royal Bank BA	1.449%	03/12/2018	150,000	149,567	149,567	
Royal Bank BA	1.449%	03/27/2018	200,000	199,296	199,296	
Royal Bank BA	1.461%	03/27/2018	150,000	149,474	149,474	
Toronto Dominion Bank BA	1.351%	03/05/2018	1,550,000	1,544,854	1,544,854	
Toronto Dominion Bank BA	1.350%	03/06/2018	200,000	199,344	199,344	
Toronto Dominion Bank BA	1.351%	03/06/2018	1,450,000	1,445,186	1,445,186	
Toronto Dominion Bank BA	1.408%	03/22/2018	200,000	199,308	199,308	
Total short-term investments - Bankers' Acceptance				13,457,400	13,457,400	5.5
Short-Term Investments - Discount Commercial Paper:						
Bank of Nova Scotia C/P	1.320%	03/05/2018	600,000	597,924	597,924	
Total short-term investments - Bearer Deposit Notes				597,924	597,924	0.2
Short-Term Investments - Bearer Deposit Notes:						
Bank of Nova Scotia BDN	1.319%	01/31/2018	300,000	298,941	298,941	
Total short-term investments - Bearer Deposit Notes				298,941	298,941	0.1
Total short-term investments				14,903,167	14,903,167	6.0
Federal Bonds:						
Canada	0.750%	09/01/2020	363,000	355,417	353,823	
Canada	0.750%	03/01/2021	381,000	371,216	369,108	
Canada	3.250%	06/01/2021	673,000	709,728	705,525	
Canada	0.500%	03/01/2022	1,323,000	1,261,192	1,252,992	
Canada	2.750%	06/01/2022	363,000	379,807	377,118	
Canada	1.000%	09/01/2022	4,709,000	4,535,486	4,528,498	
Canada	5.750%	06/01/2033	466,000	691,937	683,990	
Canada	5.000%	06/01/2037	4,752,000	6,761,434	6,822,629	
Canada	4.000%	06/01/2041	2,201,000	2,918,746	2,886,679	
Canada	3.500%	12/01/2045	1,391,000	1,736,753	1,739,192	
Canada	2.750%	12/01/2048	2,182,000	2,431,769	2,416,820	
Canada Housing Trust No.1	1.200%	06/15/2020	3,800,000	3,762,494	3,742,333	
Canada Housing Trust No.1	1.750%	06/15/2022	4,544,000	4,484,542	4,477,187	
Canada Housing Trust No.1	2.400%	12/15/2022	2,386,000	2,421,742	2,414,948	
Canada Housing Trust No.1	2.350%	09/15/2023	1,419,000	1,437,319	1,429,898	
Total federal bonds				34,259,582	34,200,740	13.9
Provincial Bonds:						
Province of Alberta	1.600%	09/01/2022	895,000	894,124	870,402	
Province of Alberta	3.100%	06/01/2024	855,000	899,622	888,226	
Province of Alberta	2.350%	06/01/2025	651,000	643,435	642,999	
Province of Alberta	2.200%	06/01/2026	77,000	74,806	74,642	
Province of Alberta	2.550%	06/01/2027	1,516,000	1,496,777	1,502,889	

STEADYHAND INCOME FUND

Schedule of Investment Portfolio (continued)

As at December 31, 2017

	Coupon rate	Maturity or expiry date	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
Provincial Bonds (continued):						
Province of Alberta	3.300%	12/01/2046	1,867,000	1,888,716	1,971,604	
Province of Alberta	3.050%	12/01/2048	1,991,000	1,981,868	2,013,119	
Province of British Columbia	2.300%	06/18/2026	381,000	376,809	374,965	
Province of British Columbia	3.200%	06/18/2044	501,000	528,818	530,681	
Province of Manitoba	6.300%	03/05/2031	140,000	186,147	192,140	
Province of Manitoba	4.600%	03/05/2038	103,000	120,343	127,641	
Province of New Brunswick	5.500%	01/27/2034	5,000	6,389	6,587	
Province of New Brunswick	4.550%	03/26/2037	528,000	627,977	642,708	
Province of New Brunswick	3.550%	06/03/2043	190,000	209,118	204,761	
Province of New Brunswick	3.800%	08/14/2045	267,000	265,080	300,938	
Province of Newfoundland and Labrador	2.300%	06/02/2025	864,000	836,117	841,485	
Province of Newfoundland and Labrador	3.000%	06/02/2026	1,287,000	1,285,507	1,308,342	
Province of Newfoundland and Labrador	2.850%	06/02/2028	2,364,000	2,356,955	2,351,340	
Province of Newfoundland and Labrador	3.300%	10/17/2046	973,000	921,215	985,748	
Province of Newfoundland and Labrador	3.700%	10/17/2048	405,000	433,742	442,337	
Province of Nova Scotia	4.700%	06/01/2041	76,000	83,265	97,638	
Province of Ontario	4.000%	06/02/2021	642,000	686,099	682,994	
Province of Ontario	2.850%	06/02/2023	7,460,000	7,706,634	7,666,937	
Province of Ontario	3.500%	06/02/2024	1,996,000	2,149,473	2,124,593	
Province of Ontario	2.600%	06/02/2027	14,108,000	14,118,030	14,093,799	
Province of Ontario	6.500%	03/08/2029	214,000	294,759	291,394	
Province of Ontario	5.850%	03/08/2033	514,000	701,656	705,147	
Province of Ontario	5.600%	06/02/2035	370,000	500,680	508,639	
Province of Ontario	4.700%	06/02/2037	741,000	913,023	939,149	
Province of Ontario	3.500%	06/02/2043	387,000	433,962	425,196	
Province of Ontario	2.800%	06/02/2048	3,871,000	3,784,743	3,767,357	
Province of Quebec	4.500%	12/01/2020	5,616,000	6,139,917	6,014,245	
Province of Quebec	3.500%	12/01/2022	2,985,000	3,323,735	3,160,410	
Province of Quebec	3.000%	09/01/2023	11,223,000	11,804,186	11,633,311	
Province of Quebec	2.750%	09/01/2027	9,725,000	9,864,051	9,855,594	
Province of Quebec	6.000%	10/01/2029	563,000	720,584	747,553	
Province of Quebec	3.500%	12/01/2048	318,000	362,803	355,736	
Province of Saskatchewan	2.650%	06/02/2027	1,871,000	1,853,559	1,872,397	
Province of Saskatchewan	3.300%	06/02/2048	1,518,000	1,581,421	1,611,522	
Total provincial bonds				83,056,145	82,827,165	33.8
Corporate Bonds:						
407 International Inc. CP	3.430%	06/01/2033	68,000	67,944	69,976	
407 International Inc. CP	3.650%	09/08/2044	307,000	298,125	315,894	
407 International Inc. CP	3.830%	05/11/2046	861,000	887,441	908,985	
Aéroports De Montreal CP	3.918%	06/12/2045	37,000	41,548	42,126	
Altagas Ltd. CP	4.990%	10/04/2047	89,000	89,000	94,117	
Altalink LP CP	4.922%	09/17/2043	234,000	291,762	290,887	
Altalink LP CP	4.090%	06/30/2045	108,000	116,551	119,511	
Bank of Montreal CP	3.340%	12/08/2020	863,000	901,141	878,634	
Bell Canada CP	3.550%	03/02/2026	301,000	320,321	306,223	
Bell Canada CP	2.900%	08/12/2026	600,000	598,697	580,017	
Bell Canada CP	3.600%	09/29/2027	384,000	382,883	388,447	
Bell Canada CP	4.450%	02/27/2047	109,000	113,220	112,483	
Canadian Imperial Bank CP	3.420%	01/26/2021	1,135,000	1,184,216	1,157,353	
Capital Power Corp. CP	4.284%	09/18/2024	1,083,000	1,090,650	1,101,280	
Choice Properties LP CP	3.600%	04/20/2020	125,000	130,695	127,898	
Choice Properties LP CP	3.600%	09/20/2022	446,000	462,615	458,640	
Choice Properties REIT CP	3.498%	02/08/2021	500,000	522,595	512,544	
Choice Properties REIT CP	3.196%	03/07/2023	633,000	636,481	637,164	
Choice Properties REIT CP	4.903%	07/05/2023	610,000	680,728	663,039	
Choice Properties REIT CP	4.293%	02/08/2024	296,000	319,641	312,471	
Choice Properties REIT CP	4.055%	11/24/2025	475,000	484,653	493,054	
CU Inc. CP	6.215%	03/06/2024	356,000	459,506	426,019	
CU Inc. CP	4.543%	10/24/2041	59,000	70,518	69,065	
CU Inc. CP	4.722%	09/09/2043	341,000	417,519	412,518	

STEADYHAND INCOME FUND

Schedule of Investment Portfolio (continued)

As at December 31, 2017

	Coupon rate	Maturity or expiry date	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
Corporate Bonds (continued):						
Empire Life Insurance CP	3.383%	12/16/2026	309,000	309,000	309,954	
Empire Life Insurance CP	3.664%	03/15/2028	308,000	308,000	309,825	
Enbridge Gas Distribution Inc. CP	4.770%	12/17/2021	241,000	277,581	263,077	
Enbridge Inc. CP	3.940%	06/30/2023	600,000	629,892	625,267	
Enbridge Inc. CP	3.200%	06/08/2027	164,000	156,440	158,462	
Enbridge Inc. CP	5.375%	09/27/2077	288,000	291,243	287,029	
Enbridge Inc. CP	4.240%	08/27/2042	90,000	84,085	86,341	
Enbridge Inc. CP	4.570%	03/11/2044	808,000	795,196	816,020	
First Capital Realty Inc. CP	4.323%	07/31/2025	527,000	558,040	553,140	
First Capital Realty Inc. CP	3.604%	05/06/2026	344,000	343,092	341,417	
FortisBC Energy Inc. CP	2.580%	04/08/2026	200,000	200,290	197,353	
GE Capital Canada Funding Co. CP	4.600%	01/26/2022	1,674,000	1,874,501	1,803,726	
Greater Toronto Airports Authority CP	7.050%	06/12/2030	101,000	142,892	144,342	
Greater Toronto Airports Authority CP	7.100%	06/04/2031	151,000	218,670	219,946	
Greater Toronto Airports Authority CP	6.980%	10/15/2032	52,000	76,606	76,739	
Greater Toronto Airports Authority CP	5.630%	06/07/2040	48,000	66,914	67,156	
Greater Toronto Airports Authority CP	5.300%	02/25/2041	85,000	112,062	115,477	
Greater Toronto Airports Authority CP	4.530%	12/02/2041	58,000	70,983	71,822	
H&R REIT CP	2.923%	05/06/2022	252,000	252,242	248,495	
H&R REIT CP	3.369%	01/30/2024	665,000	665,784	658,621	
Hydro One Inc. CP	7.350%	06/03/2030	231,000	336,375	325,596	
Hydro One Inc. CP	6.930%	06/01/2032	264,000	363,440	371,315	
Hydro One Inc. CP	6.350%	01/31/2034	259,000	355,918	352,219	
Hydro One Inc. CP	4.390%	09/26/2041	49,000	51,687	55,709	
Intact Financial Corp. CP	4.700%	08/18/2021	329,000	358,071	353,212	
Intact Financial Corp. CP	2.850%	06/07/2027	681,000	680,884	655,595	
Inter Pipeline Ltd. CP	2.608%	09/13/2023	1,393,000	1,409,306	1,360,724	
Inter Pipeline Ltd. CP	2.734%	04/18/2024	849,000	841,543	827,327	
Loblaw Cos Ltd CP	4.860%	09/12/2023	780,000	876,629	855,211	
Loblaw Cos Ltd CP	6.500%	01/22/2029	490,000	614,761	606,538	
Metro Inc. CP	3.390%	12/06/2027	126,000	125,926	125,171	
Metro Inc. CP	4.270%	12/04/2047	25,000	24,975	25,076	
North West Redwater Partnership CP	3.200%	07/22/2024	168,000	172,287	170,940	
North West Redwater Partnership CP	4.250%	06/01/2029	53,000	57,307	57,508	
OMERS Realty Corp CP	3.244%	10/04/2027	1,086,000	1,108,559	1,105,749	
Pembina Pipeline Corp. CP	3.710%	08/11/2026	500,000	510,495	503,140	
Pembina Pipeline Corp. CP	4.240%	06/15/2027	164,000	167,541	170,365	
Pembina Pipeline Corp. CP	4.750%	04/30/2043	196,000	194,765	198,770	
Pembina Pipeline Corp. CP	4.810%	03/25/2044	196,000	196,419	201,126	
Pembina Pipeline Corp. CP	4.740%	01/21/2047	357,000	357,119	361,680	
Plenary Properties LTAP LP CP	6.288%	01/31/2044	57,704	73,041	77,123	
RBC Yield Curve Deposit Note Series 18	1.280%	04/20/2018	2,046,000	2,051,115	1,912,301	
Rogers Communications Inc. CP	6.680%	11/04/2039	88,000	119,262	118,477	
Rogers Communications Inc. CP	6.560%	03/22/2041	96,000	123,897	128,122	
Royal Bank of Canada CP	2.860%	03/04/2021	1,377,000	1,427,591	1,397,769	
Shaw Communications Inc. CP	6.750%	11/09/2039	1,150,000	1,448,134	1,483,307	
Smart REIT CP	2.876%	03/21/2022	987,000	996,411	982,054	
Smart REIT CP	3.444%	08/28/2026	423,000	416,422	412,825	
TELUS Corp. CP	4.400%	04/01/2043	68,000	68,747	67,922	
TELUS Corp. CP	5.150%	11/26/2043	189,000	208,433	209,943	
TELUS Corp. CP	4.850%	04/05/2044	197,000	209,184	209,955	
TELUS Corp. CP	4.750%	01/17/2045	117,000	121,728	123,023	
Toromont Industries Ltd. CP	3.842%	10/27/2027	360,000	360,000	368,561	
TransCanada Pipelines Ltd. CP	4.550%	11/15/2041	185,000	199,310	204,470	
TransCanada Pipelines Ltd. CP	4.350%	06/06/2046	337,000	355,885	362,177	
TransCanada Pipelines Ltd. CP	4.330%	09/16/2047	437,000	445,757	467,838	
TransCanada Trust CP	4.650%	05/18/2027	685,000	688,369	684,272	
Total corporate bonds				36,119,256	35,725,664	14.6
Total Bonds				153,434,983	152,753,569	62.3

STEADYHAND INCOME FUND

Schedule of Investment Portfolio (continued)

As at December 31, 2017

	Coupon rate	Maturity or expiry date	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
Equities						
Equities - Oil and Gas:						
ARC Resources Ltd.			92,500	1,605,472	1,364,375	
Crescent Point Energy Corp.			111,900	1,562,972	1,072,002	
Enbridge Inc.			26,200	1,351,565	1,287,992	
Enbridge Income Fund Holdings Inc.			45,200	1,310,335	1,347,412	
Inter Pipeline Ltd.			30,300	774,984	788,709	
Keyera Corp.			44,994	1,742,616	1,593,687	
Suncor Energy Inc.			26,300	992,152	1,213,745	
TransCanada Corp.			33,000	2,016,005	2,018,940	
Vermillion Energy Inc.			7,500	329,738	342,600	
Whitecap Resources Inc.			112,700	1,116,689	1,008,665	
Total equities - oil and gas				12,802,528	12,038,127	4.9
Equities - Basic Materials:						
Agrium Inc.			9,300	1,273,684	1,344,594	
Total equities - basic materials				1,273,684	1,344,594	0.5
Equities - Industrial Goods and Services:						
CAE Inc.			29,300	655,946	684,155	
Canadian National Railway Co.			25,300	2,152,627	2,622,345	
Finning International Inc.			33,200	872,958	1,053,104	
SNC-Lavalin Group Inc.			34,700	1,930,788	1,979,635	
WSP Global Inc.			18,924	781,283	1,133,737	
Total equities - industrial goods and services				6,393,602	7,472,976	3.0
Equities - Consumer Cyclical:						
Thomson Reuters			21,500	1,240,975	1,177,985	
Total equities - consumer cyclical				1,240,975	1,177,985	0.6
Equities - Consumer Products:						
Cott Corp.			101,174	1,804,110	2,122,631	
Total equities - consumer products				1,804,110	2,122,631	0.9
Equities - Financial Services:						
Bank of Nova Scotia			51,900	3,691,792	4,210,128	
Brookfield Asset Management Ltd.			12,000	595,231	656,640	
Intact Financial Corp.			15,500	1,306,702	1,627,345	
Manulife Financial Corp.			105,800	2,377,625	2,774,076	
Royal Bank of Canada			54,600	4,479,381	5,604,690	
Sun Life Financial Inc.			23,300	1,001,911	1,208,804	
TMX Group Ltd.			9,500	638,790	669,180	
Toronto Dominion Bank			80,079	4,519,510	5,897,818	
Total equities - financial services				18,610,942	22,648,681	9.2
Equities - Real Estate:						
Allied Property REIT			53,400	2,026,853	2,247,072	
Brookfield Properties LP			62,273	1,580,980	1,734,303	
Canadian Apartment Properties REIT			89,500	2,840,918	3,340,140	
Chartwell Retirement Residences			212,362	2,727,090	3,453,006	
First Capital Realty Inc.			34,000	718,636	704,480	
H&R REIT			32,800	743,008	700,608	
RioCan REIT			29,200	766,362	711,312	
SmartCentres REIT			22,522	618,829	696,155	
Total equities - real estate				12,022,676	13,587,076	5.5
Equities - Retailing:						
Loblaw Cos Ltd.			27,700	1,689,282	1,889,694	
Total equities - retailing				1,689,282	1,889,694	0.8

STEADYHAND INCOME FUND

Schedule of Investment Portfolio (continued)

As at December 31, 2017

	Coupon rate	Maturity or expiry date	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
Equities (continued)						
Equities - Technology:						
Open Text Corp.			20,900	862,064	934,439	
Total equities - technology				862,064	934,439	0.4
Equities - Communications and Media:						
Rogers Communications Inc. Class B			25,200	1,339,291	1,614,060	
Shaw Communications Inc. Class B			23,900	665,418	685,691	
TELUS Corp.			27,600	1,283,053	1,314,312	
Total equities - communications and media				3,287,762	3,614,063	1.5
Equities – Utilities and Pipelines:						
Algonquin Power & Utilities Corp.			57,200	691,972	804,231	
Brookfield Infrastructure Partners LP			53,660	2,045,837	3,025,351	
Northland Power Inc.			19,500	456,713	455,324	
Total equities – utilities and pipelines				3,194,522	4,284,906	1.7
Total Equities				\$ 63,182,147	\$ 71,115,172	29.0
Pooled Investment Funds						
CC&L High Yield Bond Fund, Series I			502,812	5,093,800	4,753,235	1.9
Transaction Costs				(42,655)		
Total Investment Portfolio				236,656,752	243,525,143	99.2
Derivatives:						
Total unrealized gain on futures contracts (Schedule 1)					224,407	-
Other Net Assets					2,069,193	0.8
Total Net Assets					\$ 245,818,743	100.0

The accompanying notes are an integral part of these financial statements.

STEADYHAND INCOME FUND

Futures Contracts

Schedule 1

As at December 31, 2017

Description	Maturity date	Number of contracts	Fair value	Unrealized gain (loss)
CBOT 10 Year US T-Note Futures	March 20, 2018	48	\$ 7,460,378	
Montreal 10 Year Canadian Bond Futures	March 20, 2018	(5)	(673,900)	
Montreal 10 Year Canadian Bond Futures	March 20, 2018	(45)	(6,065,100)	
Montreal 10 Year Canadian Bond Futures	March 20, 2018	(3)	(404,340)	
Montreal 10 Year Canadian Bond Futures	March 20, 2018	(51)	(6,873,780)	
Margins			6,781,149	
Future contracts				\$ (6,556,742)
Margin requirement				6,781,149
				\$ 224,407

The accompanying notes are an integral part of these financial statements.

STEADYHAND INCOME FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

1. Financial risk management:

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of currency risk, interest rate risk and other price risk. For a comprehensive discussion of the risks applicable to the Funds refer to note 10.

The Fund's objective is to provide a reasonably stable level of income and modest capital growth, while also preserving capital, through investing primarily in bonds, with some exposure to REITs and dividend-paying stocks. This Fund is a diversified income product that will provide a combination of current income, modest capital growth and inflation protection over the long-term, and is designed to serve as a core income holding within a portfolio, if applicable.

The Fund is Canada-focused: the portfolio manager invests primarily in fixed income instruments and income-producing securities issued by Canadian governments and corporations. The majority of the Fund's assets are held in bonds. The manager closely monitors the attractiveness of corporate bonds in relation to government-issued bonds, and will concentrate the fixed income portion of the portfolio wherever the best relative value is found. A smaller portion of dividend-paying common shares and REITs are included in the portfolio to enhance the Fund's yield and provide greater capital growth potential and protection from inflation.

Financial risks applicable to the Steadyhand Income Fund are discussed in more detail below.

(a) Credit risk:

The majority of the credit risk to which the Fund is exposed is concentrated in debt securities. Debt securities include short-term investments, bonds and futures contracts. Credit risk arising from other financial instruments is not considered significant. As at December 31, 2017 and 2016, the Fund was invested in debt securities with the following credit quality:

	December 31,		December 31,	
	2017	2016	2017	2016
Rating:				
AAA	\$ 50,009,551	\$ 31,473,426	20.3%	16.8%
AA	45,073,268	18,745,341	18.3%	10.0%
A	50,072,619	59,019,829	20.4%	31.5%
BBB	22,858,999	20,913,945	9.3%	11.2%
Total	\$ 168,014,437	\$ 130,152,541	68.3%	69.5%

(b) Liquidity risk:

The Fund's redeemable units are due on demand. The Fund's remaining non-derivative liabilities are due within twelve months of the year-end of the Fund. As at December 31, 2017 and 2016, the Fund had no derivative liabilities.

STEADYHAND INCOME FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

1. Financial risk management (continued):

(c) Market risk:

(i) Interest rate risk:

The majority of interest rate risk arises from debt securities held in the Fund's investment portfolio. Debt securities include short-term investments, bonds and futures. Future contracts are not subject to interest rate risks and are excluded from analysis below. A summary of the Fund's interest rate exposure analyzed by the earlier of contractual re-pricing or maturity date is as follows.

December 31, 2017	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Debt securities	\$ 4,486,785	\$ 10,416,379	\$ 1,912,303	\$ 35,097,000	\$ 115,744,269	\$ 167,656,736

December 31, 2016	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Debt securities	\$ 9,592,614	\$ 1,846,913	\$ 1,498,739	\$ 35,178,500	\$ 81,805,686	\$ 129,922,452

The Manager has determined that a fluctuation in interest rates of 25 basis points is reasonably possible, considering the economic environment in which the Fund operates. As at December 31, 2017, had interest rates increased or decreased by 25 basis points, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$419,142 (December 31, 2016 - increased or decreased by \$324,806). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Currency risk:

At period end, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows:

Currency	December 31, 2017		December 31, 2016	
	Thousands of CAD	% of net assets	Thousands of CAD	% of net assets
United States dollar	\$ 272.0	0.1%	\$ 144.1	0.1%

As at December 31, 2017, had the Canadian dollar strengthened or weakened by 1% in relation to all foreign currencies, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$2,720 (December 31, 2016 - increased or decreased by approximately \$1,441). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

STEADYHAND INCOME FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

1. Financial risk management (continued):

(c) Market risk (continued):

(iii) Other price risk:

There were no significant concentrations of risk to issuers at December 31, 2017 and 2016. The Fund held the following securities which exceeded 5% of the net assets attributable to the holders of redeemable units:

At December 31, 2017:

	Coupon rate	Maturity date	Percentage of net assets
Province of Ontario Provincial Bond	2.600%	02 June 2027	5.7%

At December 31, 2016:

	Coupon rate	Maturity date	Percentage of net assets
Province of Ontario Provincial Bond	3.150%	02 June 2022	5.2%

As at period end, had the respective benchmark of the Fund increased or decreased by 5%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased as follows:

Indexes	December 31, 2017		December 31, 2016	
	5% Increase	5% Decrease	5% Increase	5% Decrease
DEX Universe Bond Index	\$ 7,637,678	\$ (7,637,678)	\$ 5,924,146	\$ (5,924,146)
S&P/TSX Composite Index	3,793,420	(3,793,420)	2,809,939	(2,809,939)
Total	\$ 11,431,098	\$ (11,431,098)	\$ 8,734,085	\$ (8,734,085)

In practice, actual results may differ from this sensitivity analysis and these differences could be material.

STEADYHAND INCOME FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

2. Fair value of financial instruments:

For a general discussion of the Funds fair value measurements, refer to note 11.

(a) Fair value hierarchy - financial instruments measured at fair value:

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

All fair value measurements below are recurring.

December 31, 2017	Level 1	Level 2	Level 3	Total
Investments	\$ 75,868,407	\$ 167,656,736	\$ -	\$ 243,525,143
Derivative assets	224,407	-	-	224,407
	\$ 76,092,814	\$ 167,656,736	\$ -	\$ 243,749,550

December 31, 2016	Level 1	Level 2	Level 3	Total
Investments	\$ 56,198,781	\$ 129,922,452	\$ -	\$ 186,121,233
Derivative assets	146,768	-	-	146,768
	\$ 56,345,549	\$ 129,922,452	\$ -	\$ 186,268,001

There were no transfers between Levels 1, 2 and 3 during the periods ended December 31, 2017 and 2016.

STEADYHAND FOUNDERS FUND

Statements of Financial Position

December 31, 2017 and 2016

	Note	2017	2016
Assets			
Cash		\$ 729,182	\$ 716,743
Subscriptions receivable		1,825,763	212,335
Interest and dividends receivable		62,858	29,373
Investments		397,567,296	303,162,978
		400,185,099	304,121,429
Liabilities			
Redemptions payable		152,004	129,928
Management fees payable	4	421,403	330,629
Distribution payable		137	-
		573,544	460,557
Net assets attributable to holders of redeemable units			
		\$ 399,611,555	\$ 303,660,872
Number of units outstanding	5	29,753,328	23,751,071
Net assets attributable to holders of redeemable units per unit		\$ 13.43	\$ 12.79

The accompanying notes are an integral part of these financial statements:

Approved on behalf of Steadyhand Investment Management Ltd., in its capacity as Manager:

/S/Tom Bradley
Director

/S/Neil Jensen
Director

STEADYHAND FOUNDERS FUND

Statements of Comprehensive Income

Years ended December 31, 2017 and 2016

	Note	2017	2016
Revenue:			
Interest income		\$ 1,575	\$ 1,076
Distributions received from underlying fund		11,544,470	10,838,669
Changes in fair value of investments:			
Net realized gain		4,722,973	2,462,382
Net change in unrealized appreciation		15,439,803	9,194,418
Total revenue		31,708,821	22,496,545
Expenses:			
Management fees	4	4,673,932	3,633,667
Independent review committee fees		4,109	4,103
Total operating expenses		4,678,041	3,637,770
Management fee reductions		(1,255,575)	(934,654)
Expenses waived or absorbed by Manager		(4,109)	(4,103)
		(1,259,684)	(938,757)
Net operating expenses		3,418,357	2,699,013
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		28,290,464	19,797,532
Distributions to holders of redeemable units:			
From net investment income		(3,590,308)	(3,437,042)
From net realized gain on investment		(6,614,240)	(3,824,741)
Management fee rebates		(1,255,575)	(934,654)
		(11,460,123)	(8,196,437)
Increase in net assets attributable to holders of redeemable units		\$ 16,830,341	\$ 11,601,095
Increase in net assets attributable to holders of redeemable units (excluding distributions)		\$ 28,290,464	\$ 19,797,532
Increase in net assets attributable to holders of redeemable units per unit (excluding distributions)		\$ 1.06	\$ 0.90

The accompanying notes are an integral part of these financial statements.

STEADYHAND FOUNDERS FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2017 and 2016

Series A	Note	2017	2016
Balance, beginning of year		\$ 303,660,872	\$ 244,045,771
Increase in net assets attributable to holders of redeemable units		16,830,341	11,601,095
Redeemable unit transactions:			
Issue of redeemable units		90,432,111	58,478,165
Reinvestments of distributions		10,965,966	7,995,994
Redemption of redeemable units		(22,277,735)	(18,460,153)
Net increase from redeemable unit transactions		79,120,342	48,014,006
Balance, end of year		\$ 399,611,555	\$ 303,660,872

The accompanying notes are an integral part of these financial statements.

STEADYHAND FOUNDERS FUND

Statements of Cash Flows

Years ended December 31, 2017 and 2016

	Note	2017	2016
Cash provided by (used in):			
Operating activities:			
Proceeds from sale of investments		\$ 25,300,000	\$ 46,748,110
Purchase of investments		(99,541,542)	(94,575,978)
Interest and dividends received		11,512,560	10,829,088
Management fees paid		(3,327,583)	(2,643,598)
Operating expenses paid		137	-
		(66,056,428)	(39,642,378)
Financing activities:			
Proceeds from issue of redeemable units		88,818,683	58,418,532
Payments on redemption of redeemable units		(22,255,659)	(18,410,952)
Cash distributions paid to holders of redeemable units		(494,157)	(200,443)
		66,068,867	39,807,137
Increase in cash		12,439	164,759
Cash, beginning of year		716,743	551,984
Cash, end of year		\$ 729,182	\$ 716,743

The accompanying notes are an integral part of these financial statements.

STEADYHAND FOUNDERS FUND

Schedule of Investment Portfolio

As at December 31, 2017

	Number of units	Average cost	Fair value	% of net assets
Pooled Investment Funds:				
Steadyhand Equity Fund, Series O	3,853,312	\$ 52,112,548	\$ 70,225,452	
Steadyhand Global Equity Fund, Series O	6,682,867	62,604,480	72,825,211	
Steadyhand Income Fund, Series O	13,383,059	150,307,662	153,169,113	
Steadyhand Savings Fund, Series O	6,434,247	64,342,475	64,342,472	
Steadyhand Small-Cap Equity Series O	2,152,846	32,247,677	37,005,048	
Total pooled investment funds		361,614,842	397,567,296	99.5
Total Investment Portfolio		361,614,842	397,567,296	99.5
Other Net Assets			2,044,259	0.5
Total Net Assets			\$ 399,611,555	100.0

The accompanying notes are an integral part of these financial statements.

STEADYHAND FOUNDERS FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

1. Financial risk management:

The Fund invests in other Steadyhand Funds, the discussion of risks immediately below looks through the Fund's investments and assesses the risks on this basis.

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of currency risk, interest rate risk and other price risk. For a comprehensive discussion of the risks applicable to the Funds refer to note 10.

The Fund's objective is to provide a combination of capital growth and income through investing in a diversified collection of Canadian and foreign companies, bonds and money market securities.

The Fund invests in equities in Canada and abroad, in roughly equal proportions. The geographic allocation of the Fund's equity investments may vary from these parameters; however, based on where the manager is seeing the best value. The fixed income portion of the Fund primarily invests in bonds and income-producing securities issued by Canadian governments and corporations.

Financial risks applicable to the Steadyhand Founders Fund are discussed in more detail below.

(a) Credit risk:

The majority of the credit risk to which the Fund is exposed is concentrated to its holdings in underlying funds with investments in debt securities. Debt securities include short-term investments, bonds and futures contracts. Credit risk arising from other financial instruments is not considered significant. At December 31, 2017 and 2016, the Fund was invested in debt securities with the following credit quality:

	December 31,		December 31,	
	2017	2016	2017	2016
Rating:				
AAA	\$ 57,172,018	\$ 31,276,786	14.3%	10.3%
AA	58,454,501	33,913,065	14.6%	11.2%
A	39,846,045	36,863,663	10.0%	12.2%
BBB	14,243,392	10,309,835	3.6%	3.4%
Total	\$ 169,715,956	\$ 112,363,349	42.5%	37.1%

(b) Liquidity risk:

The Fund's redeemable units are due on demand. The Fund's remaining non-derivative liabilities are due within twelve months of the year-end of the Fund. The Fund has no derivative liabilities as at December 31, 2017 and 2016.

STEADYHAND FOUNDERS FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

1. Financial risk management (continued):

(c) Market risk:

(i) Interest rate risk:

The majority of interest rate risk arises from debt securities held in the Fund's investment portfolio. Futures contracts are not subject to interest rate risks and are excluded from analysis below. A summary of the Fund's interest rate exposure analyzed by the earlier of contractual re-pricing or maturity date is as follows.

December 31, 2017	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Debt securities	\$ 25,159,996	\$ 43,906,868	\$ 5,856,653	\$ 22,549,558	\$ 72,119,997	\$ 169,593,072

December 31, 2016	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Debt securities	\$ 15,094,719	\$ 23,798,027	\$ 15,688,111	\$ 17,341,756	\$ 40,327,310	\$ 112,249,923

The Manager has determined that a fluctuation in interest rates of 25 basis points is reasonably possible, considering the economic environment in which the Fund operates. As at December 31, 2017, had interest rates increased or decreased by 25 basis points, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$423,983 (December 31, 2016 - increased or decreased by \$280,625). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Currency risk:

At period end, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows:

Currency	December 31, 2017		December 31, 2016	
	Thousands of CAD	% of net assets	Thousands of CAD	% of net assets
United States Dollar	\$ 40,646.2	10.2%	\$ 39,630.9	13.0%
Euro	15,366.7	3.9%	14,054.3	4.6%
Japanese Yen	14,129.1	3.5%	16,181.4	5.3%
British Pound	13,142.3	3.3%	12,743.9	4.2%
Hong Kong Dollar	7,870.3	2.0%	5,303.1	1.7%
Swiss Franc	4,112.6	1.0%	4,374.8	1.4%
Danish Krone	3,517.3	0.9%	2,888.0	1.0%
Singapore Dollar	2,125.2	0.5%	1,786.9	0.5%
Indonesian Rupiah	1,893.4	0.5%	1,668.6	0.6%
Thai Baht	1,408.6	0.4%	1,224.5	0.4%
Norwegian Krone	1,423.1	0.4%	-	-
Korean Won	-	-	1,933.1	0.6%
	\$ 105,634.8	26.6%	\$ 101,789.5	33.5%

STEADYHAND FOUNDERS FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

1. Financial risk management (continued):

(c) Market risk (continued):

(ii) Currency risk (continued):

As at December 31, 2017, had the Canadian dollar strengthened or weakened by 1% in relation to all foreign currencies, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$1,056,349 (December 31, 2016 - increased or decreased by approximately \$1,017,895). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other price risk:

There were no significant concentrations of risk to issuers at December 31, 2017 or 2016. No exposure to any individual issuer exceeded 5% of the net assets attributable to the holders of redeemable units either at December 31, 2017 or 2016.

As at period end, had the respective benchmark of the Fund increased or decreased by 5%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased as follows:

Indexes	December 31, 2017		December 31, 2016	
	5% Increase	5% Decrease	5% Increase	5% Decrease
DEX 90 Day TBill Index	\$ 993,918	\$ (993,918)	\$ 757,907	\$ (757,907)
DEX Universe Bond Index	6,957,428	(6,957,428)	5,305,352	(5,305,352)
S&P/TSX Composite Index	6,957,428	(6,957,428)	5,305,352	(5,305,352)
Morningstar Developed Markets Index (\$Cdn)	4,969,591	(4,969,591)	3,789,537	(3,789,537)
Total	\$ 19,878,365	\$ (19,878,365)	\$ 15,158,148	\$ (15,158,148)

In practice, actual results may differ from this sensitivity analysis and these differences could be material.

2. Fair value of financial instruments:

For a general discussion of the Funds fair value measurements, refer to note 11.

(a) Fair value hierarchy - financial instruments measured at fair value:

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

STEADYHAND FOUNDERS FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

2. Fair value of financial instruments (continued):

(a) Fair value hierarchy - financial instruments measured at fair value (continued):

All fair value measurements below are recurring.

December 31, 2017	Level 1	Level 2	Level 3	Total
Investments	\$ 397,567,296	\$ -	\$ -	\$ 397,567,296

December 31, 2016	Level 1	Level 2	Level 3	Total
Investments	\$ 303,162,978	\$ -	\$ -	\$ 303,162,978

There were no transfers between Levels 1, 2 and 3 during the periods ended December 31, 2017 or 2016.

STEADYHAND EQUITY FUND

Statements of Financial Position

December 31, 2017 and 2016

	Note	2017	2016
Assets			
Cash		\$ 210,828	\$ -
Subscriptions receivable		152,788	159,874
Interest and dividends receivable		271,928	265,413
Investments		171,884,434	155,643,378
		172,519,978	156,068,665
Liabilities			
Bank indebtedness		-	9,337
Balances due to brokers		63,897	-
Redemptions payable		38,785	119,870
Management fees payable	4	114,709	100,088
		217,391	229,295
Net assets attributable to holders of redeemable units			
		\$ 172,302,587	\$ 155,839,370
Represented by:			
Series A		\$ 102,077,265	\$ 86,633,056
Series O		70,225,322	69,206,314
		\$ 172,302,587	\$ 155,839,370
Number of units outstanding:			
Series A	5	5,757,245	5,399,382
Series O		3,853,312	4,216,725
Net assets attributable to holders of redeemable units per unit:			
Series A		\$ 17.73	\$ 16.04
Series O		18.22	16.41

The accompanying notes are an integral part of these financial statements.

Approved on behalf of Steadyhand Investment Management Ltd., in its capacity as Manager:

/S/Tom Bradley
Director

/S/Neil Jensen
Director

STEADYHAND EQUITY FUND

Statements of Comprehensive Income

Years ended December 31, 2017 and 2016

	Note	2017	2016
Revenue:			
Interest income		\$ 26,470	\$ 25,670
Dividend income		3,220,071	3,846,671
Foreign exchange gain (loss)		179,269	(856,049)
Change in fair value of investments:			
Net realized gain		5,132,222	4,025,504
Net change in unrealized appreciation		11,311,620	11,175,025
Total revenue		19,869,652	18,216,821
Expenses:			
Management fees	4	1,323,879	1,090,225
Withholding taxes	7	160,291	122,807
Transaction costs	8	22,544	19,682
Independent review committee fees		4,109	4,103
Total operating expenses		1,510,823	1,236,817
Management fee reductions		(374,904)	(286,019)
Expenses waived or absorbed by Manager		(4,109)	(4,103)
		(379,013)	(290,122)
Net operating expenses		1,131,810	946,695
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		18,737,842	17,270,126
Distributions to holders of redeemable units:			
From net investment income		(1,650,178)	(2,814,572)
Management fee rebates		(374,904)	(286,019)
		(2,025,082)	(3,100,591)
Increase in net assets attributable to holders of redeemable units		\$ 16,712,760	\$ 14,169,535
Increase in net assets attributable to holders of redeemable units:			
Series A		\$ 9,334,980	\$ 6,901,091
Series O		7,377,780	7,268,444
		\$ 16,712,760	\$ 14,169,535
Increase in net assets attributable to holders of redeemable units (excluding distributions):			
Series A		\$ 10,307,943	\$ 8,349,793
Series O		8,434,008	8,920,333
		\$ 18,741,951	\$ 17,270,126
Increase in net assets attributable to holders of redeemable units (excluding distributions):			
Series A		\$ 1.86	\$ 1.65
Series O		2.09	1.94

The accompanying notes are an integral part of these financial statements.

STEADYHAND EQUITY FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2017 and 2016

Series A	Note	2017	2016
Balance, beginning of year		\$ 86,633,056	\$ 69,181,643
Increase in net assets attributable to holders of redeemable units		9,334,980	6,901,091
Redeemable unit transactions:			
Issue of redeemable units		16,693,509	16,522,175
Reinvestments of distributions		945,878	1,395,153
Redemption of redeemable units		(11,530,158)	(7,367,006)
Net increase from redeemable unit transactions		6,109,229	10,550,322
Balance, end of year		\$ 102,077,265	\$ 86,633,056

Series O	Note	2017	2016
Balance, beginning of year		\$ 69,206,314	\$ 60,385,979
Increase in net assets attributable to holders of redeemable units		7,377,780	7,268,444
Redeemable unit transactions:			
Issue of redeemable units		2,585,000	16,400,000
Reinvestment of distributions		1,056,228	1,651,891
Redemption of redeemable units		(10,000,000)	(16,500,000)
Net increase (decrease) from redeemable unit transactions		(6,358,772)	1,551,891
Balance, end of year		\$ 70,225,322	\$ 69,206,314

The accompanying notes are an integral part of these financial statements.

STEADYHAND EQUITY FUND

Statements of Cash Flows

Years ended December 31, 2017 and 2016

	Note	2017	2016
Cash provided by (used in):			
Operating activities:			
Proceeds from sale of investments		\$ 79,811,046	\$ 77,391,084
Purchase of investments		(79,626,914)	(86,614,519)
Interest and dividends received		3,240,026	3,910,398
Balances due to broker		63,897	(2,195,531)
Management fees paid		(934,354)	(788,189)
Foreign withholding taxes paid		(160,291)	(122,807)
		2,393,410	(8,419,564)
Financing activities:			
Proceeds from issue of redeemable units		19,285,595	32,871,601
Payments on redemption of redeemable units		(21,611,243)	(23,748,136)
Cash distributions paid to holders of redeemable units		(22,976)	(53,547)
		(2,348,624)	9,069,918
Increase in cash		44,786	650,354
Cash (bank indebtedness), beginning of year		(9,337)	196,314
Effect of exchange rate fluctuations on cash		175,379	(856,005)
Cash (bank indebtedness), end of year		\$ 210,828	\$ (9,337)

The accompanying notes are an integral part of these financial statements.

STEADYHAND EQUITY FUND

Schedule of Investment Portfolio

As at December 31, 2017

	Coupon rate	Maturity or expiry date	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
Short-Term Investments - Treasury Bills:						
Canadian Treasury Bill	0.899%	01/11/2018	1,179,000	\$ 1,178,465	\$ 1,178,465	
United States Treasury Bill	1.006%	01/04/2018	981,000	1,237,228	1,226,944	
Total short-term investments - treasury bills				2,415,693	2,405,409	1.4
Equities - Oil and Gas:						
Enbridge Inc.			65,000	3,252,080	3,195,400	
Pason Systems Inc.			226,000	4,137,736	4,110,940	
PrairieSky Royalty Ltd.			251,000	7,083,220	8,047,060	
Suncor Energy Inc.			220,900	7,481,135	10,194,535	
Total equities – oil and gas				21,954,171	25,547,935	14.8
Equities - Basic Materials:						
Agrium Inc.			53,000	5,825,409	7,662,740	
CCL Industries Inc.			120,900	4,359,413	7,021,872	
Ecolab Inc.			40,000	4,919,140	6,724,803	
Franco-Nevada Corp.			97,700	6,767,480	9,814,942	
Total equities - basic materials				21,871,442	31,224,357	18.1
Equities - Industrial Goods and Services:						
CAE Inc.			275,000	3,284,723	6,421,250	
Canadian National Railway Co.			63,900	3,786,081	6,623,235	
Novozymes A/S			120,000	4,503,014	8,596,266	
Ritchie Bros. Auctioneers Inc.			170,000	5,117,784	6,398,800	
Total equities - industrial goods and services				16,691,602	28,039,551	16.3
Equities - Consumer Cyclical:						
Magna International Inc.			94,600	5,019,815	6,739,304	
Starbucks Corp.			90,000	3,979,743	6,476,094	
Total equities - consumer cyclical				8,999,558	13,215,398	7.7
Equities - Consumer Products:						
CVS Health Corp.			70,000	5,048,681	6,358,693	
Fomento Económico Mexicano			55,500	6,051,301	6,529,657	
Loblaw Cos Ltd.			80,000	4,054,146	5,457,600	
Unilever PLC			52,600	2,025,231	3,647,176	
Total equities - consumer products				17,179,359	21,993,126	12.8
Equities - Financial Services:						
CBOE Holdings Inc.			60,900	4,808,440	9,506,755	
Experian PLC			220,000	4,178,305	6,100,339	
Toronto-Dominion Bank			135,000	6,660,504	9,942,750	
Visa Inc. Cl.A			70,000	4,366,669	10,000,250	
Total equities - financial services				20,013,918	35,550,094	20.6
Equities - Healthcare:						
Novartis ADR			66,000	5,516,515	6,943,016	
Total equities – healthcare				5,516,515	6,943,016	4.0
Equities - Technology:						
Evertz Technologies Ltd.			267,000	5,090,893	4,859,400	
Keyence Corp.			3,000	1,800,142	2,106,148	
Total equities - technology				6,891,035	6,965,548	4.0
Total equities				119,117,600	169,479,025	98.3
Transaction costs				(44,255)	-	
Total Investment Portfolio				121,489,038	171,884,434	99.7
Other Net Assets					418,153	0.3
Total Net Assets					\$172,302,587	100.0

The accompanying notes are an integral part of these financial statements.

STEADYHAND EQUITY FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

1. Financial risk management:

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of currency risk, interest rate risk and other price risk. For a comprehensive discussion of the risks applicable to the Funds refer to note 10.

The Fund's objective is to grow capital at a pace that significantly exceeds inflation through exposure to a focused group of Canadian and foreign companies.

The Fund is North American-focused: the portfolio manager invests a majority of the fund in Canadian stocks, but seeks to enhance returns and minimize risk by also investing in companies and industries that are not available in Canada.

Financial risks applicable to the Steadyhand Equity Fund are discussed in more detail below.

(a) Credit risk:

As at December 31, 2017 and 2016, the Fund does not have significant exposure to credit risk.

(b) Liquidity risk:

The Fund's redeemable units are due on demand. The Fund's remaining non-derivative liabilities are due within twelve months of the year-end of the Fund. The Fund has no derivative liabilities as at December 31, 2017 and 2016.

(c) Market risk:

(i) Interest rate risk:

As at December 31, 2017 and 2016, the Fund does not have significant exposure to interest rate risk.

(ii) Currency risk:

At period end, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows:

Currency	December 31, 2017		December 31, 2016	
	Thousands of CAD	% of net assets	Thousands of CAD	% of net assets
United States dollar	\$ 57,702.6	33.5%	\$ 55,097.9	35.3%
Danish Krone	8,629.9	5.0%	6,504.7	4.2%
British Pound	6,100.3	3.5%	5,477.3	3.5%
Japanese Yen	2,106.1	1.2%	-	-
	\$ 74,538.9	43.3%	\$ 67,079.9	43.0%

As at December 31, 2017, had the Canadian dollar strengthened or weakened by 1% in relation to all foreign currencies, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$745,390 (December 31, 2016 - increased or decreased by approximately \$670,799). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

STEADYHAND EQUITY FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

1. Financial risk management (continued):

(c) Market risk (continued):

(iii) Other price risk:

There were no significant concentrations of risk to issuers at December 31, 2017 and 2016. The Fund held the following securities which exceeded 5% of the net assets attributable to the holders of redeemable units:

At December 31, 2017:

	Percentage of net assets
Suncor Energy Inc.	5.9%
Visa Inc.	5.8%
Toronto-Dominion Bank	5.8%
Franco-Nevada Corp.	5.7%
CBOE Holdings Inc.	5.5%
Novozymes A/S	5.0%

At December 31, 2016:

	Percentage of net assets
Suncor Energy Inc.	6.2%
Visa Inc.	5.5%
CCL Industries Inc.	5.2%

As at period end, had the respective benchmark of the Fund increased or decreased by 5%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased as follows:

Indexes	December 31, 2017		December 31, 2016	
	5% Increase	5% Decrease	5% Increase	5% Decrease
S&P/TSX Composite Index	\$ 5,084,371	\$ (5,084,371)	\$ 4,557,337	\$ (4,557,337)
Morningstar Developed Markets Index (\$Cdn)	3,389,581	(3,389,581)	3,038,225	(3,038,225)
Total	\$ 8,473,592	\$ (8,473,592)	\$ 7,595,562	\$ (7,595,562)

In practice, actual results may differ from this sensitivity analysis and these differences could be material.

STEADYHAND EQUITY FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

2. Fair value of financial instruments:

For a general discussion of the Funds fair value measurements, refer to note 11.

(a) Fair value hierarchy - financial instruments measured at fair value:

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

All fair value measurements below are recurring.

December 31, 2017	Level 1	Level 2	Level 3	Total
Investments	\$ 169,479,025	\$ 2,405,409	\$ -	\$ 171,884,434

December 31, 2016	Level 1	Level 2	Level 3	Total
Investments	\$ 151,911,229	\$ 3,732,149	\$ -	\$ 155,643,378

There were no transfers between Levels 1, 2 and 3 during the periods ended December 31, 2017 and 2016.

STEADYHAND GLOBAL EQUITY FUND

Statements of Financial Position

December 31, 2017 and 2016

	Note	2017	2016
Assets			
Cash		\$ 9,348,991	\$ 2,728,088
Balances due from brokers		98,253	-
Subscriptions receivable		48,627	110,624
Interest and dividends receivable		272,465	135,510
Investments		149,329,858	134,168,940
		159,098,194	137,143,162
Liabilities			
Redemptions payable		22,853	69,276
Management fees payable	4	121,136	96,110
		143,989	165,386
Net assets attributable to holders of redeemable units			
		\$ 158,954,205	\$ 136,977,776
Represented by:			
Series A		\$ 86,128,769	\$ 66,036,842
Series O		72,825,436	70,940,934
		\$ 158,954,205	\$ 136,977,776
Number of units outstanding:			
Series A	5	8,186,768	6,813,667
Series O		6,682,867	7,113,781
Net assets attributable to holders of redeemable units per unit:			
Series A		\$ 10.52	\$ 9.69
Series O		10.90	9.97

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of
Steadyhand Investment Management Ltd.,
in its capacity as Manager:

/S/Tom Bradley
Director

/S/Neil Jensen
Director

STEADYHAND GLOBAL EQUITY FUND

Statements of Comprehensive Income

Years ended December 31, 2017 and 2016

	Note	2017	2016
Revenue:			
Interest income (expense)		\$ 328	\$ (206)
Dividend income		3,953,638	3,533,608
Foreign exchange loss		(108,849)	(132,530)
Changes in fair value of investments:			
Net realized gain		9,494,217	6,042,811
Net change in unrealized appreciation (depreciation)		10,712,605	(1,774,652)
Total revenue		24,051,939	7,669,031
Expenses:			
Management fees	4	1,345,679	1,064,260
Withholding taxes	7	396,265	355,224
Transaction costs	8	86,092	100,335
Independent review committee fees		4,109	4,103
Total operating expenses		1,832,145	1,523,922
Management fee reductions		(421,785)	(320,007)
Expenses waived or absorbed by Manager		(4,109)	(4,103)
		(425,894)	(324,110)
Net operating expenses		1,406,251	1,199,812
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		22,645,688	6,469,219
Distributions to holders of redeemable units:			
From net investment income		(2,204,797)	(2,608,819)
From net realized gain on investment		(7,872,866)	(4,949,055)
Management fee reductions		(421,785)	(320,007)
		(10,499,448)	(7,877,881)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 12,146,240	\$ (1,408,662)
Increase (decrease) in net assets attributable to holders of redeemable units:			
Series A		\$ 5,681,517	\$ (1,380,433)
Series O		6,464,723	(28,229)
		\$ 12,146,240	\$ (1,408,662)
Increase in net assets attributable to holders of redeemable units (excluding distributions):			
Series A		\$ 11,146,184	\$ 2,093,820
Series O		11,499,504	4,375,399
		\$ 22,645,688	\$ 6,469,219
Increase in net assets attributable to holders of redeemable units per unit (excluding distributions):			
Series A		\$ 1.54	\$ 0.33
Series O		1.72	0.66

The accompanying notes are an integral part of these financial statements.

STEADYHAND GLOBAL EQUITY FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2017 and 2016

Series A	Note	2017	2016
Balance, beginning of year		\$ 66,036,842	\$ 63,228,916
Increase (decrease) in net assets attributable to holders of redeemable units		5,681,517	(1,380,433)
Redeemable unit transactions:			
Issue of redeemable units		14,757,268	6,461,109
Reinvestments of distributions		5,234,953	3,285,377
Redemption of redeemable units		(5,581,811)	(5,558,127)
Net increase from redeemable unit transactions		14,410,410	4,188,359
Balance, end of year		\$ 86,128,769	\$ 66,036,842

Series O	Note	2017	2016
Balance, beginning of year		\$ 70,940,934	\$ 55,815,533
Increase (decrease) in net assets attributable to holders of redeemable units		6,464,723	(28,229)
Redeemable unit transactions:			
Issue of redeemable units		3,885,000	15,750,000
Reinvestment of distributions		5,034,779	4,403,630
Redemption of redeemable units		(13,500,000)	(5,000,000)
Net increase (decrease) from redeemable unit transactions		(4,580,221)	15,153,630
Balance, end of year		\$ 72,825,436	\$ 70,940,934

The accompanying notes are an integral part of these financial statements.

STEADYHAND GLOBAL EQUITY FUND

Statements of Cash Flows

Years ended December 31, 2017 and 2016

	Note	2017	2016
Cash provided by (used in):			
Operating activities:			
Proceeds from sale of investments		\$ 29,176,440	\$ 25,523,806
Purchase of investments		(24,216,503)	(45,999,103)
Realized gain on forwards		-	1,067,950
Interest and dividends received		3,817,011	3,528,028
Balances due from brokers		(98,253)	-
Management fees paid		(898,868)	(742,183)
Foreign withholding taxes paid		(396,265)	(355,224)
		7,383,562	(16,976,726)
Financing activities:			
Proceeds from issue of redeemable units		18,704,265	22,100,485
Payments on redemption of redeemable units		(19,128,234)	(10,488,851)
Cash distributions paid to holders of redeemable units		(229,716)	(188,874)
		(653,685)	11,422,760
Increase (decrease) in cash		6,729,877	(5,553,966)
Cash, beginning of year		2,728,088	8,414,449
Effect of exchange rate fluctuations on cash		(108,974)	(132,395)
Cash, end of year		\$ 9,348,991	\$ 2,728,088

The accompanying notes are an integral part of these financial statements.

STEADYHAND GLOBAL EQUITY FUND

Schedule of Investment Portfolio

As at December 31, 2017

	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
Equities - Oil and Gas:				
Apache Corp.	60,039	\$ 3,302,900	\$ 3,176,022	
BP PLC	486,844	3,965,337	4,313,108	
Royal Dutch Shell PLC	132,747	4,889,967	5,565,983	
Total SA	40,592	2,679,181	2,812,052	
Total equities - oil and gas		14,837,385	15,867,165	10.0
Equities - Industrial Goods and Services:				
CK Hutchinson Holdings Ltd.	195,460	2,625,889	3,073,280	
East Japan Railway Co.	22,400	1,871,609	2,739,327	
Mitsubishi Corp.	106,700	2,379,271	3,694,402	
PostNL NV	530,142	2,148,636	3,251,074	
Total equities - industrial goods and services		9,025,405	12,758,083	8.0
Equities - Consumer Cyclical:				
Galaxy Entertainment Group Ltd.	388,000	2,116,755	3,899,191	
Goodbaby International Holdings Ltd.	4,713,000	3,030,404	3,240,634	
Johnson Controls Inc.	60,225	3,190,225	2,875,726	
Panasonic Corp.	245,800	2,529,074	4,509,567	
Swire Pacific Ltd., Class A	229,808	2,914,098	2,664,888	
Whirlpool Corp.	14,010	3,249,294	2,960,265	
Total equities - consumer cyclical		17,029,850	20,150,271	12.7
Equities - Consumer Products:				
Japan Tobacco Inc.	56,400	1,695,087	2,277,749	
Total equities - consumer products		1,695,087	2,277,749	1.4
Equities - Financial Services:				
Bangkok Bank PLC	395,900	2,550,638	3,074,570	
Bank Mandiri Persero Tbk PT	5,593,800	2,230,495	4,132,653	
BNP Paribas SA	38,903	2,687,973	3,643,535	
Commerzbank AG	246,711	3,435,542	4,641,653	
Credicorp Ltd.	13,000	2,872,368	3,378,677	
DnB ASA	133,320	3,100,227	3,106,259	
DBS Group Holdings Ltd.	199,100	2,690,971	4,638,654	
HSBC Holdings PLC	312,674	3,189,359	4,064,232	
Nomura Holdings Inc.	394,500	2,644,180	2,918,331	
Royal Bank of Scotland Group PLC	774,776	3,320,666	3,650,639	
Sumitomo Mitsui Financial Group	64,300	2,431,962	3,481,466	
Sumitomo Mitsui Trust Holdings	70,100	3,438,396	3,487,527	
Synchrony Financial	74,518	2,921,775	3,604,896	
Total equities - financial services		37,514,552	47,823,092	30.1
Equities - Healthcare:				
AstraZeneca PLC	51,589	3,599,959	4,477,750	
Bayer AG	22,928	4,075,834	3,587,567	
Celgene Corp.	24,808	3,675,825	3,243,827	
Novartis AG	47,638	4,586,606	5,046,956	
Roche Holding AG	12,211	4,030,464	3,870,053	
Sanofi S.A.	31,301	3,225,624	3,383,650	
Shanghai Fosun Pharmaceutical Group Co. Ltd.	535,000	2,472,089	4,300,312	
Total equities - healthcare		25,666,401	27,910,115	17.6
Equities - Retailing:				
Takashimaya Co. Ltd.	265,000	2,477,765	3,495,676	
Tesco PLC	1,044,787	3,509,210	3,705,452	
Total equities - retailing		5,986,975	7,201,128	4.5

STEADYHAND GLOBAL EQUITY FUND

Schedule of Investment Portfolio (continued)

As at December 31, 2017

	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
Equities (continued):				
Equities - Technology:				
Alps Electric Co. Ltd.	64,900	2,225,275	2,324,348	
Baidu.com	12,300	2,767,897	3,609,462	
Gemalto NV	3,451	265,717	257,010	
UBISOFT Entertainment	44,243	1,649,792	4,269,470	
Total equities - technology		6,908,681	10,460,290	6.6
Equities - Communications and Media:				
Nokia OYJ	419,933	3,910,798	2,460,234	
Telefonica SA	198,108	2,766,488	2,421,731	
Total equities - communications and media		6,677,286	4,881,965	3.1
Total Equities		125,341,622	149,329,858	93.9
Transaction Costs		(236,133)		
Total Investment Portfolio		125,105,489	149,329,858	94.0
Other Net Assets			9,624,347	6.0
Total Net Assets			\$158,954,205	100.0

The accompanying notes are an integral part of these financial statements.

STEADYHAND GLOBAL EQUITY FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

1. Financial risk management:

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of currency risk, interest rate risk and other price risk. For a comprehensive discussion of the risks applicable to the Funds refer to note 10.

The Fund's objective is to grow capital at a pace that significantly exceeds inflation through exposure to a collection of leading businesses throughout the world.

The Fund invests in equities around the globe. Concentration is focused in the developed world - western Europe, the United States, and Japan in particular. The Fund's geographic allocation may vary considerably based on where the best opportunities lie.

Financial risks applicable to the Steadyhand Global Equity Fund are discussed in more detail below.

(a) Credit risk:

As at December 31, 2017 and 2016, the Fund had no significant exposure to credit risk.

(b) Liquidity risk:

The Fund's redeemable units are due on demand. The Fund's remaining non-derivative liabilities are due within twelve months of the year-end of the Fund. The Fund had no derivative liabilities as at December 31, 2017 and 2016.

(c) Market risk:

(i) Interest rate risk:

As at December 31, 2017 and 2016, the Fund had no significant exposure to interest or credit rate risk.

(ii) Currency risk:

At period end, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows:

Currency	December 31, 2017		December 31, 2016	
	Thousands of CAD	% of net assets	Thousands of CAD	% of net assets
Euro	\$ 33,540.7	21.1%	\$ 27,142.0	19.8%
Japanese Yen	28,965.7	18.2%	31,250.0	22.8%
British Pound	23,258.6	14.6%	19,914.9	14.5%
United States Dollar	22,872.3	14.4%	24,535.6	17.9%
Hong Kong Dollar	17,178.4	10.8%	10,241.6	7.5%
Swiss Franc	8,976.4	6.2%	8,448.8	6.2%
Singapore Dollar	4,638.7	2.9%	3,451.0	2.5%
Indonesian Rupiah	4,132.7	2.6%	3,222.5	2.4%
Norwegian Krone	3,106.3	2.0%	-	-
Thai Baht	3,074.6	1.9%	2,364.7	1.7%
Korean Won	-	-	3,733.3	2.7%
	\$ 149,744.3	94.2%	\$ 134,304.4	98.0%

STEADYHAND GLOBAL EQUITY FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

1. Financial risk management (continued):

(c) Market risk (continued):

(ii) Currency risk (continued):

As at December 31, 2017, had the Canadian dollar strengthened or weakened by 1% in relation to all foreign currencies, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$1,497,443 (December 31, 2016 - increased or decreased by approximately \$1,343,044). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

There were no significant concentrations of risk to issuers at December 31, 2017 or 2016. No exposure to any individual issuer exceeded 5% of the net assets attributable to the holders of redeemable units either at December 31, 2017 or 2016.

As at period end, had the respective benchmark of the Fund increased or decreased by 5%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased as follows:

Indexes	December 31, 2017		December 31, 2016	
	5% Increase	5% Decrease	5% Increase	5% Decrease
Morningstar Developed Markets Index (\$Cdn)	\$ 7,466,493	\$ (7,466,493)	\$ 6,708,447	\$ (6,708,447)

In practice, actual results may differ from this sensitivity analysis and these differences could be material.

2. Fair value of financial instruments:

For a general discussion of the Funds fair value measurements, refer to note 11.

(a) Fair value hierarchy - financial instruments measured at fair value:

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

All fair value measurements below are recurring.

December 31, 2017	Level 1	Level 2	Level 3	Total
Investments	\$ 149,329,858	\$ -	\$ -	\$ 149,329,858
December 31, 2016	Level 1	Level 2	Level 3	Total
Investments	\$ 134,168,940	\$ -	\$ -	\$ 134,168,940

There were no transfers between Levels 1, 2, and 3 during the periods ended December 31, 2017 or 2016.

STEADYHAND SMALL-CAP EQUITY FUND

Statements of Financial Position

December 31, 2017 and 2016

	Note	2017	2016
Assets			
Cash		\$ 5,830,714	\$ 5,052,758
Balances due from brokers		871	-
Subscriptions receivable		5,620	57,730
Interest and dividends receivable		192,512	127,189
Investments		91,767,015	69,134,430
		97,796,732	74,372,107
Liabilities			
Balances due to brokers		190,898	2,382,671
Redemptions payable		12,503	225,711
Management fees payable	4	82,608	69,416
		286,009	2,677,798
Net assets attributable to holders of redeemable units			
		\$ 97,510,723	\$ 71,694,309
Represented by:			
Series A		\$ 60,505,628	\$ 47,787,039
Series O		37,005,095	23,907,270
		\$ 97,510,723	\$ 71,694,309
Number of units outstanding:			
	5		
Series A		3,668,617	3,306,366
Series O		2,152,846	1,597,733
Net assets attributable to holders of redeemable units per unit:			
Series A		\$ 16.49	\$ 14.45
Series O		17.19	14.96

The accompanying notes are an integral part of these financial statements.

Approved on behalf of Steadyhand Investment Management Ltd., in its capacity as Manager:

/S/Tom Bradley
Director

/S/Neil Jensen
Director

STEADYHAND SMALL-CAP EQUITY FUND

Statements of Comprehensive Income

Years ended December 31, 2017 and 2016

	Note	2017	2016
Revenue:			
Interest income		\$ 116,588	\$ 47,638
Dividend income		1,701,797	1,701,040
Foreign exchange gain (loss)		(226)	55,745
Change in fair value of investments:			
Net realized gain		6,610,563	4,044,633
Net change in unrealized appreciation		8,305,929	4,826,454
Total revenue		16,734,651	10,675,510
Expenses:			
Management fees	4	905,846	781,520
Withholding taxes	7	2,621	-
Transaction costs	8	121,893	254,014
Independent review committee fees		4,109	4,103
Total operating expenses		1,034,469	1,039,637
Management fee reductions		(262,832)	(211,640)
Expenses waived or absorbed by Manager		(4,109)	(4,103)
		(266,941)	(215,743)
Net operating expenses		767,528	823,894
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		15,967,123	9,851,616
Distributions to holders of redeemable units:			
From net investment income		(571,432)	(971,620)
From net realized gain on investment		(3,300,485)	-
Management fee rebates		(262,832)	(211,640)
		(4,134,749)	(1,183,260)
Increase in net assets attributable to holders of redeemable units		\$ 11,832,374	\$ 8,668,356
Increase in net assets attributable to holders of redeemable units:			
Series A		\$ 7,102,023	\$ 5,732,437
Series O		4,730,351	2,935,919
		\$ 11,832,374	\$ 8,668,356
Increase in net assets attributable to holders of redeemable units (excluding distributions):			
Series A		\$ 9,524,298	\$ 6,404,707
Series O		6,442,825	3,446,909
		\$ 15,967,123	\$ 9,851,616
Increase in net assets attributable to holders of redeemable units per unit (excluding distributions):			
Series A		\$ 2.78	\$ 1.96
Series O		3.34	2.39

The accompanying notes are an integral part of these financial statements.

STEADYHAND SMALL-CAP EQUITY FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2017 and 2016

Series A	Note	2017	2016
Balance, beginning of year		\$ 47,787,039	\$ 40,729,201
Increase in net assets attributable to holders of redeemable units		7,102,023	5,732,437
Redeemable unit transactions:			
Issue of redeemable units		7,878,917	5,842,223
Reinvestments of distributions		2,360,040	658,298
Redemption of redeemable units		(4,622,391)	(5,175,120)
Net increase from redeemable unit transactions		5,616,566	1,325,401
Balance, end of year		\$ 60,505,628	\$ 47,787,039

Series O	Note	2017	2016
Balance, beginning of year		\$ 23,907,270	\$ 17,110,361
Increase in net assets attributable to holders of redeemable units		4,730,351	2,935,919
Redeemable unit transactions:			
Issue of redeemable units		8,155,000	5,350,000
Reinvestments of distributions		1,712,474	510,990
Redemption of redeemable units		(1,500,000)	(2,000,000)
Net increase from redeemable unit transactions		8,367,474	3,860,990
Balance, end of year		\$ 37,005,095	\$ 23,907,270

The accompanying notes are an integral part of these financial statements.

STEADYHAND SMALL-CAP EQUITY FUND

Statements of Cash Flows

Years ended December 31, 2017 and 2016

	Note	2017	2016
Cash provided by (used in):			
Operating activities:			
Proceeds from sale of investments		\$ 31,408,137	\$ 52,654,778
Purchase of investments		(39,212,580)	(62,477,408)
Interest and dividends received		1,753,062	1,755,585
Balances due from brokers		(871)	2,358,242
Balances due to brokers		(2,191,773)	-
Management fees paid		(629,822)	(562,096)
Foreign withholding taxes paid		(2,621)	-
		(8,876,468)	(6,270,899)
Financing activities:			
Proceeds from redeemable units issued		16,086,027	11,139,993
Redemption of redeemable units		(6,335,599)	(7,006,613)
Cash distributions paid to holders of redeemable units		(62,235)	(13,972)
		9,688,193	4,119,408
Increase (decrease) in cash		811,725	(2,151,491)
Cash, beginning of year		5,052,758	7,127,527
Effect of exchange rate fluctuations on cash		(33,769)	76,722
Cash, end of year		\$ 5,830,714	\$ 5,052,758

The accompanying notes are an integral part of these financial statements.

STEADYHAND SMALL-CAP EQUITY FUND

Schedule of Investment Portfolio

As at December 31, 2017

	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
Equities – Oil and Gas:				
MEG Energy Corp	763,525	\$ 4,345,345	\$ 3,924,519	
Parkland Fuel Corp.	119,316	3,383,845	3,203,635	
Total equities – oil and gas		7,729,190	7,128,154	7.3
Equities - Industrial Goods and Services:				
AG Growth International Inc.	81,841	3,895,248	4,365,399	
Cargojet Inc.	66,473	2,653,440	3,898,641	
CBIZ Inc.	124,809	1,255,513	2,416,052	
Diversified Royalty Corp.	1,310,900	3,286,740	4,535,714	
Echo Global Logistics	135,775	4,066,587	4,763,319	
Exchange Income Corp.	117,812	4,240,182	4,198,820	
Fluor Corp.	66,419	3,145,734	4,298,278	
Intertape Polymer Group Inc.	220,231	5,050,336	4,732,764	
Middleby Corp.	12,120	1,817,004	2,049,308	
New Flyer Industries Inc.	53,238	2,152,407	2,874,852	
Stantec Inc.	99,000	2,054,570	3,480,840	
Stericycle Inc.	33,588	2,720,616	2,861,284	
Winpak Ltd.	52,500	2,404,998	2,457,000	
Total equities - industrial goods and services		38,743,375	46,932,271	48.1
Equities - Consumer Cyclical:				
Park Lawn Corp.	181,400	3,609,456	4,144,990	
Points International Ltd.	259,104	2,886,631	3,368,352	
Spin Master Corp.	89,000	2,871,630	4,807,780	
Total equities - consumer cyclical		9,367,717	12,321,122	12.6
Equities – Consumer Products:				
Brick Brewing Co.	1,116,889	3,214,921	4,367,036	
Total equities – consumer products		3,214,921	4,367,036	4.5
Equities – Retailing:				
Liquor Stores N.A. Ltd.	463,686	4,719,875	44,952,166	
Total equities – retailing		4,719,875	4,952,166	5.1
Equities – Communications and Media:				
DHX Media Ltd.	489,927	3,638,136	2,224,269	
Total equities – communications and media		3,638,136	2,224,269	2.3
Equities - Technology:				
Enghouse Systems Ltd.	53,083	2,801,616	3,264,074	
Maxar Technologies Ltd.	40,520	2,675,330	3,278,878	
Total equities - technology		5,476,946	6,542,952	6.7
Equities – Real Estate Investment Trust:				
Dream Global REIT	358,453	3,008,951	4,380,295	
Total equities – real estate		3,008,951	4,380,295	4.5
Equities – Utilities:				
Northland Power Inc.	125,000	2,720,328	2,918,750	
Total equities – utilities		2,720,328	2,918,750	3.0
Total Equities		78,619,439	91,767,015	94.1
Transaction Costs		(157,458)	-	
Total Investment Portfolio		78,461,981	91,767,015	94.1
Other Net Assets			5,743,708	5.9
Total Net Assets			\$ 97,510,723	100.0

The accompanying notes are an integral part of these financial statements.

STEADYHAND SMALL-CAP EQUITY FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

1. Financial risk management:

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of currency risk, interest rate risk and other price risk. For a comprehensive discussion of the risks applicable to the Funds refer to note 10.

The Fund's objective is to grow capital at a pace that significantly exceeds inflation and provide exposure to a collection of smaller companies that think big. This Fund will move in a cycle of its own and will often be out of synch with the overall market.

The Fund looks to the Canadian and U.S. equity markets for small and mid-sized companies and although it typically invests the majority of its assets in Canadian equities, the portfolio manager may invest a significant portion of the fund's assets in U.S. equities in pursuit of opportunities not available in the Canadian market. However, it is not expected that the Fund's U.S. holdings will exceed 40% of its net assets for any prolonged period of time.

Financial risks applicable to the Steadyhand Small-Cap Equity Fund are discussed in more detail below.

(a) Credit risk:

At December 31, 2017 and 2016, the Fund had no significant exposure to credit risk.

(b) Liquidity risk:

The Fund's redeemable units are due on demand. The Fund's remaining non-derivative liabilities are due within twelve months of the year-end of the Fund. The Fund had no derivative liabilities as at December 31, 2017 and 2016.

(c) Market risk:

(i) Interest rate risk:

As at December 31, 2017 and 2016, the Fund had no significant exposure to interest rate risk.

(ii) Currency risk:

At period end, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows:

Currency	December 31, 2017		December 31, 2016	
	Thousands of CAD	% of net assets	Thousands of CAD	% of net assets
United States Dollar	\$ 17,027.8	17.5%	\$ 7,367.9	10.3%

As at December 31, 2017, had the Canadian dollar strengthened or weakened by 1% in relation to all foreign currencies, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$170,278 (December 31, 2016 - increased or decreased by approximately \$73,679). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

STEADYHAND SMALL-CAP EQUITY FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

1. Financial risk management (continued):

(c) Market risk (continued):

(iii) Other price risk:

There were no significant concentrations of risk to issuers at December 31, 2017 and 2016. The Fund held the following securities which exceeded 5% of the net assets attributable to the holders of redeemable units:

At December 31, 2017:

	Percentage of net assets
Liquor Stores NA Ltd.	5.1%

At December 31, 2016:

	Percentage of net assets
Stantec Inc.	6.5%
Echo Global Logistics Ltd.	6.4%
Enghouse Systems Ltd.	5.6%
Pure Technologies Ltd.	5.5%
Macdonald Dettwiler & Associates Ltd.	5.4%

As at period end, had the respective benchmark of the Fund increased or decreased by 5%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased as follows:

Index	December 31, 2017		December 31, 2016	
	5% Increase	5% Decrease	5% Increase	5% Decrease
TSX Small-Cap Index	\$ 3,900,098	\$ (3,900,098)	\$ 2,938,213	\$ (2,938,213)
Russell 2000 Index	688,253	(688,253)	518,508	(518,508)
	\$ 4,588,351	\$ (4,588,351)	\$ 3,456,721	\$ (3,456,721)

In practice, actual results may differ from this sensitivity analysis and these differences could be material.

STEADYHAND SMALL-CAP EQUITY FUND

Discussion of Financial Instruments and Risk Management

Years ended December 31, 2017 and 2016

2. Fair value of financial instruments:

For a general discussion of the Funds fair value measurements, refer to note 11.

(a) Fair value hierarchy - financial instruments measured at fair value:

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

All fair value measurements below are recurring.

December 31, 2017	Level 1	Level 2	Level 3	Total
Investments	\$ 91,767,015	\$ -	\$ -	\$ 91,767,015

December 31, 2016	Level 1	Level 2	Level 3	Total
Investments	\$ 69,134,430	\$ -	\$ -	\$ 69,134,430

There were no transfers between Levels 1, 2 and 3 during the periods ended December 31, 2017 and 2016.

STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

Years ended December 31, 2017 and 2016

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STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

Years ended December 31, 2017 and 2016

1. Reporting entity:

The Steadyhand Investment Funds include the following:

Name of the Fund	Date of inception
Steadyhand Savings Fund	January 22, 2007
Steadyhand Income Fund	January 22, 2007
Steadyhand Founders Fund	January 2, 2012
Steadyhand Equity Fund	January 22, 2007
Steadyhand Global Equity Fund	January 22, 2007
Steadyhand Small-Cap Equity Fund	January 22, 2007

Each of the Steadyhand Investment Funds (the "Funds") is an open-end unit trust created under the laws of the Province of British Columbia pursuant to a Declaration of Trust dated January 2, 2007, as amended, by RBC Investor Services Trust (the "Trustee"), who acts as Trustee and Steadyhand Investment Management Ltd. (the "Manager"), who acts as Manager of the Funds. The Manager is registered as an investment fund manager with the British Columbia Securities Commission. The administration of the Funds is delegated to RBC Investor Services (the "Administrator").

The Funds are unit trusts domiciled in Canada. The address of the Funds' registered office is at 1747 West 3rd Avenue, Vancouver B.C., V6J 1K7.

2. Basis of preparation:

(a) Statement of compliance:

The financial statements of the Funds have been prepared in compliance with International Financial Reporting Standards ("IFRS"). The financial statements were authorized for issue by the Manager on February 21, 2018.

(b) Basis of measurement:

The financial statements have been prepared on a historical cost basis except for investments and derivatives, which are measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which are the Funds' functional currency.

(d) Use of estimates and judgment:

The preparation of financial statements in conformity with IFRS requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

Years ended December 31, 2017 and 2016

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments:

(i) Recognition and measurement:

Financial instruments are required to be classified into one of the following categories: held-for-trading, fair value through profit or loss ("FVTPL"), available-for-sale, loans and receivables, assets held-to-maturity, and other financial liabilities. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as held-for-trading or fair value through profit or loss in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities held for trading or at fair value through profit or loss are recognized initially on the trade date, which is the date on which the Funds become a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated. The Funds derecognize a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of net assets only when the Funds have a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Funds have not classified any of their financial instruments as available-for-sale or assets held to maturity.

The fair value of financial assets and liabilities that are not traded in an active market, including derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

Years ended December 31, 2017 and 2016

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(ii) Held-for-trading and fair value through profit and loss:

Financial instruments classified as held-for-trading or FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the period in which they occur. The Funds' derivative financial assets and derivative financial liabilities are classified as held-for-trading. The Funds' investments in securities are designated as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Funds' policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

(iii) Loans and receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement of loans and receivables is at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate. The Funds classify cash, subscriptions receivable, balances due from brokers, and interest and dividends receivable, as loans and receivables.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(iv) Other financial liabilities:

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Fund's other financial liabilities are comprised of bank indebtedness, redemptions payable, balances due to brokers, management fees payable, and distributions payable.

STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

Years ended December 31, 2017 and 2016

3. Significant accounting policies (continued):

(b) Redeemable units:

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The redeemable units, which are classified as financial liabilities and measured at redemption amount, provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Funds' valuation policies at each redemption date. Distributions to holders of redeemable units are recognized in comprehensive income when they are authorized and no longer at the discretion of the Manager.

(c) Increase (decrease) in net assets attributable to holders of redeemable units per unit

The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the weighted average number of units outstanding during the year.

(d) Foreign exchange:

The financial statements of the Funds are denominated in Canadian dollars. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the statement of comprehensive income.

(e) Income recognition:

Interest income is recognized on an accrual basis using the effective interest method. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined on the average cost basis of the respective investments. Income and capital gains distributions from pooled funds are recorded at the distribution date and maintain the same classification. Capital gains distributions received are considered and capital gains earned by the Fund. Income distributions received are treated consistently with dividends and interest and recorded in the Statement of Comprehensive Income.

(f) Income taxes:

The Funds qualify as unit trusts under the Income Tax Act (Canada). All of the Funds' net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Funds. As a result, the Funds do not record income taxes.

STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

Years ended December 31, 2017 and 2016

3. Significant accounting policies (continued):

(g) New standards and interpretations not yet adopted:

A number of new standards, amendments to standards and interpretations are not yet effective for the periods ended December 31, 2017 and 2016, and have not been applied in preparing these financial statements. None of these will have a significant effect on the financial statement of the Funds, with the possible exception of IFRS 9, *Financial Instruments*.

The IASB issued the final version of IFRS 9 Financial Instruments which replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

The Funds plan to adopt the new standard on the required effective date. The Funds have performed a high-level impact assessment of all three aspects of IFRS 9. This assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Funds in the future. Overall, the standard is not expected to have a material impact on the measurement basis of the financial assets held by the Funds since the majority of the financial assets are measured at fair value through profit or loss. No impact on the net assets attributable to holders of redeemable units is expected from the adoption of IFRS 9.

Classification and measurement categories under IFRS 9 are amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL). Consideration of the entities business model and the contractual cash flows associated with the financial instrument is required under IFRS 9 to determine the classification and measurement categories. The Funds have performed a high-level assessment of the business model and contractual cash flows and do not expect a significant impact on the Funds' financial position from applying the classification and measurement requirements of IFRS 9. The Funds expect to continue measuring at FVTPL all financial assets currently held at fair value. Debt securities are expected to be measured at FVTPL under IFRS 9 as the Funds do not expect to hold the assets to collect contractual cash flows based on their business model.

Trade and other receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Funds expect that these will continue to be measured at amortized cost under IFRS 9. However, the Funds will analyse the contractual cash flow characteristics of those instruments in more detail before concluding whether all those instruments meet the criteria for amortized cost measurement under IFRS 9.

Given the limited exposure of the Funds to credit risk, the impairment standard will not have a significant impact on the financial statements. The Funds have not applied hedge accounting under IAS 39 and will not apply hedge accounting under IFRS 9. Therefore, no impact is expected from the adoption of IFRS 9.

STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

Years ended December 31, 2017 and 2016

4. Related party transactions:

Management fees:

Under the investment management agreement, the Manager receives a management fee based on the net asset value attributable to holders of Series A redeemable units on each valuation day at the following annualized rates:

Fund name	Management fee
Steadyhand Savings Fund	0.65%
Steadyhand Income Fund	1.04%
Steadyhand Founders Fund	1.34%
Steadyhand Equity Fund	1.42%
Steadyhand Global Equity Fund	1.78%
Steadyhand Small-Cap Equity Fund	1.78%

Management fees for Series O redeemable units are paid outside the funds directly to the Manager.

Management fee reductions are offered to all investors in the Funds based on the size of the account and tenure as an investor in the Funds. The fee reductions are paid in the form of special distributions at the Manager's discretion and the fee rebate program may be revised or cancelled at any time.

Operating expenses:

The Manager is responsible for paying all of the Funds' operating expenses, including Independent Review Committee ("IRC") fees. Such IRC fees have been absorbed by the Manager as reflected in each Fund's statement of comprehensive income.

The Manager may absorb all or a portion of the Funds' obligations, where the aggregate expenses exceed a certain percentage of the average daily net asset value of each Fund. This absorption of expenses may be terminated at any time by the Manager.

Unit holdings:

Directors, officers and affiliates of the Manager owned Series A redeemable units of the Funds. December 31, 2017 and 2016, the following Series A redeemable units were held by directors, officers and other affiliates of the Manager:

Fund name	2017	2016
Steadyhand Savings Fund	321,864	153,497
Steadyhand Income Fund	253,076	249,247
Steadyhand Founders Fund	255,500	250,506
Steadyhand Equity Fund	240,912	249,736
Steadyhand Global Equity Fund	340,580	319,421
Steadyhand Small-Cap Equity Fund	120,043	103,113

STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

Years ended December 31, 2017 and 2016

4. Related party transactions (continued):

As at December 31, 2017, no Series O redeemable units (December 31, 2016 - no Series O redeemable units) were held by directors, officers and other affiliates of the Manager.

The Founders Fund holds Series O redeemable units in all five of the other Steadyhand Funds. Refer to the Founders Fund Schedule of Investment Portfolio for a description of its holdings in other Steadyhand Funds.

5. Redeemable units:

The Funds are authorized to issue an unlimited number of redeemable units in an unlimited number of distinct series. The Funds, except the Steadyhand Founders Fund, currently offer two series of units, Series A and Series O. The Steadyhand Founders Fund offers only Series A redeemable units.

Series A redeemable units are available to all investors who invest the minimum amount as specified by the Manager.

Series O redeemable units are only available to large private or institutional investors.

The redeemable unit transactions for the Funds during the years ended December 31, 2017 and 2016 are as follows:

Dec 31, 2017	Outstanding redeemable units, beginning of period	Redeemable units issued	Redeemable units issued on reinvestment of distributors	Redeemable units redeemed	Outstanding redeemable units, end of period
Steadyhand Savings Fund					
Series A	1,918,884	3,148,209	18,993	(2,074,073)	3,012,013
Series O	4,698,041	1,718,000	54,426	(30,000)	6,440,467
Steadyhand Income Fund					
Series A	8,797,623	1,064,278	204,548	(1,599,414)	8,467,035
Series O	8,200,609	4,963,861	279,751	-	13,444,221
Steadyhand Founders Fund					
Series A	23,751,071	6,864,519	823,762	(1,686,024)	29,753,328
Steadyhand Equity Fund					
Series A	5,399,382	992,746	54,117	(689,000)	5,757,245
Series O	4,216,725	145,554	57,767	(566,734)	3,853,312
Steadyhand Global Equity Fund					
Series A	6,813,667	1,414,399	491,421	(532,719)	8,186,768
Series O	7,113,781	354,345	455,974	(1,241,233)	6,682,867
Steadyhand Small-Cap Equity Fund					
Series A	3,306,366	529,452	146,164	(313,365)	3,668,617
Series O	1,597,733	540,213	100,848	(85,948)	2,152,846

STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

Years ended December 31, 2017 and 2016

5. Redeemable units (continued):

2016	Outstanding redeemable units, beginning of period	Redeemable units issued	Redeemable units issued on reinvestment of distributors	Redeemable units redeemed	Outstanding redeemable units, end of period
Steadyhand Savings Fund					
Series A	1,959,106	1,671,574	11,325	(1,723,121)	1,918,884
Series O	2,972,917	4,240,000	25,124	(2,540,000)	4,698,041
Steadyhand Income Fund					
Series A	8,507,316	896,492	385,612	(991,797)	8,797,623
Series O	7,292,039	553,073	355,497	-	8,200,609
Steadyhand Founders Fund					
Series A	19,863,499	4,750,059	634,860	(1,497,347)	23,751,071
Steadyhand Equity Fund					
Series A	4,699,218	1,096,748	88,011	(484,595)	5,399,382
Series O	4,029,329	1,141,747	101,069	(1,055,420)	4,216,725
Steadyhand Global Equity Fund					
Series A	6,373,694	700,937	338,423	(599,387)	6,813,667
Series O	5,501,023	1,674,504	439,168	(500,914)	7,113,781
Steadyhand Small-Cap Equity Fund					
Series A	3,204,714	437,715	46,514	(382,577)	3,306,366
Series O	1,307,947	397,887	34,192	(142,293)	1,597,733

6. Net gain (loss) from financial instruments at fair value through profit or loss:

The Steadyhand Income Fund is the only Steadyhand Fund that holds derivative instruments classified as held-for-trading. Net gain (loss) from the Steadyhand Income Fund's investments and derivatives as reflected in the Fund's statement of comprehensive income is set out below.

	2017	2016
Net loss from financial instruments held for trading:		
Derivative financial instruments	\$ (412,800)	\$ (48,634)
Net gain from financial assets designated as at fair value through profit or loss:		
Investments	2,702,852	6,095,755
	\$ 2,290,052	\$ 6,006,418
Net gain (loss) from financial instruments at fair value through profit or loss:		
Realized	\$ (432,372)	\$ 2,875,293
Unrealized	2,722,424	3,131,175
	\$ 2,290,052	\$ 6,006,468

STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

Years ended December 31, 2017 and 2016

7. Withholding tax and other income taxes:

Certain dividend and interest income received by the Funds are subject to withholding tax imposed in the country of origin. During the period, the average withholding tax rate for the Funds with foreign taxes withheld were:

Fund name	2017	2016
Steadyhand Equity Fund	18.1%	15.3%
Steadyhand Global Equity Fund	13.8%	12.8%
Steadyhand Small-Cap Fund	15.0%	-

As at December 31, 2017 and 2016, the Funds had no capital or non-capital losses available for utilization against net realized capital gains or non-capital gains in future years.

8. Transaction costs and soft dollars:

The Manager may select brokers who charge commission in “soft dollars” if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized. Brokerage commissions and transaction costs on portfolio transactions for the years ended December 31 include the following:

Fund name	2017	2016
Steadyhand Income Fund	\$ 47,589	\$ 48,692
Steadyhand Equity Fund	22,544	19,682
Steadyhand Global Equity Fund	86,092	100,335
Steadyhand Small-Cap Equity Fund	121,893	254,014

Included in the above transaction costs are soft dollar commissions as follows:

Fund name	2017	2016
Steadyhand Income Fund	\$ 5,306	\$ 3,603
Steadyhand Global Equity Fund	8,392	5,800

Soft dollars represent a means of paying for products or services provided by brokerage firms (e.g., research reports) in exchange for directing transactions (e.g., trade execution) to the brokerage. Mutual fund managers may use soft dollars allocated by brokerages to pay for a portion of the total commissions owed to the brokerage.

9. Capital management:

The redeemable units issued by the Funds represent the capital of the Funds. The Funds are not subject to any internally or externally imposed restrictions on its capital. The Funds' objectives in managing the redeemable units are to ensure a stable base to maximize returns to all investors, and to manage liquidity risk arising from redemptions.

STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

Years ended December 31, 2017 and 2016

10. Financial risk management:

The following is a general discussion of the financial risks to which the Funds are exposed. Refer to the Discussion of Financial Instruments and Risk Management following each Fund's financial statements for information specific to the respective Fund.

(a) Risk management framework:

The Funds' investment portfolio comprises of listed equity and debt securities, derivative financial forward contracts and derivative foreign currency futures contract, and investments in unlisted investment funds.

The Manager has been given discretionary authority to manage the assets in line with the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio are monitored by the Manager on a quarterly basis. In instances where the portfolio has diverged from target asset allocations, the Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

(b) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds, resulting in a financial loss to the Funds. It arises principally from debt securities held, and also from derivative assets, cash, and other receivables due to the Funds. The carrying value of these financial instruments as recorded in the statements of financial position reflects the Funds' maximum exposure to credit risk.

The Funds limit their exposure to credit loss by placing their cash and fixed income securities in instruments with high credit quality. To maximize the credit quality of its investments, the Funds' managers perform ongoing credit evaluations based upon factors surrounding the credit risk of customers, counterparties, historical trends and other information.

The Funds invest in financial assets, which have an investment grade as rated primarily by Dominion Bond Rating Services, Standard & Poor's, and Moody's.

All transactions in listed securities are settled upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

(c) Liquidity risk:

Liquidity risk is the risk that the Funds will encounter difficulty in meeting the obligations associated with their financial liabilities that are settled by delivering cash or another financial asset.

The Funds' policy and the Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, including estimated redemptions of units, without incurring unacceptable losses or risking damage to the Funds' reputation. Liquidity risk is managed by investing the majority of the Funds' assets in investments that are traded in an active market and can be readily disposed.

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10. Financial risk management (continued):

(d) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Fund's income or the fair value of its holdings of financial instruments.

(i) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market interest rates. To manage interest rate risk, the Funds aim to maintain weighted-average days to maturity, or contractual re-pricing dates if that is earlier, for debt securities of less than 91 days.

The internal procedures require the Manager to manage interest rate risk on a daily basis in accordance with the policies and procedures in place. If the interest rate risk is not in accordance with the investment policy or guidelines of the Funds, then the Manager is required to rebalance the portfolio within 30 days of each determination of such occurrence.

(ii) Currency risk:

Currency risk is the risk that the value of financial instruments denominated in currencies other than the functional currency of the Funds will fluctuate due to changes in foreign exchange rates.

While changes in foreign exchange rates can lead to fluctuations in the values of the Fund's underlying holdings reported in Canadian dollars, the Manager believes that exposure to foreign currencies provides an additional source of diversification for the Funds. Exposure to any individual foreign currency, however, is limited to 50% of the Funds' net assets.

The Funds' currency risk is managed on a quarterly basis by the Manager in accordance with the policies and procedures in place.

(iii) Other price risk:

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

Price risk is moderated by the Manager through a careful selection of securities within specified limits and the Funds' price risk is managed through diversification of the respective Fund. The Investment Manager monitors the Funds' overall market positions on a daily basis and positions are maintained within established ranges.

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11. Fair value of financial instruments:

(a) Valuation models:

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Funds determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs that are unobservable.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Funds use widely recognized valuation models for determining the fair value of common and more simple financial instruments such as money market instruments, futures and forward contracts that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, money market instruments and exchange-traded derivatives, such as futures and OTC derivatives such as forward contracts. In certain circumstances, the Funds may need to apply these observable market inputs to determine fair value for some money market instruments through the use of present value and discounted cash flow techniques. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and reduces the uncertainty associated with the determination of fair values.

For more complex instruments, the Funds use proprietary valuation models, which are usually developed from recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value.

Refer to the Discussion of Financial Instruments and Risk Management following each Fund's respective financial statements for further discussion of the respective Fund's fair value measurements.

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11. Fair value of financial instruments (continued):

(b) Financial instruments not measured at fair value:

The carrying value of cash, balances due from brokers, subscriptions receivable, interest and dividends receivable, bank indebtedness, balances due to brokers, redemptions payable, management fees payable, and distributions payable, approximates their fair value given their short-term nature. The carrying amount of the Funds' net assets attributable to redeemable units also approximates fair value as they are measured at the redemption amount. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.

12. Involvement with unconsolidated unstructured entities:

The table below describes the types of structured entities that the Income Fund and the Founder's Fund do not consolidate but in which they hold an interest. None of the other funds hold an interest in unstructured entities.

Entity	Nature and purpose	Interest held by the Founders Fund
Investment Funds	To manage assets on behalf of third party investors and generate fees for the investment manager. These vehicles are financed through the issue of units to investors.	Investment in units issued by the funds.

Income Fund:

	Number of investee funds held	Total net assets of investee fund	Carrying amount included in investments
December 31, 2017			
Funds administered by third parties	1	\$ 77,498,099	\$ 4,753,235

	Number of investee funds held	Total net assets of investee fund	Carrying amount included in investments
December 31, 2016			
Funds administered by third parties	1	\$ 100,137,178	\$ 9,305,050

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12. Involvement with unconsolidated unstructured entities (continued):

Founders Fund:

	Number of investee funds held	Total net assets of investee funds	Carrying amount included in investments
December 31, 2017			
Funds administered by the manager	5	\$ 769,110,872	\$ 397,567,296

	Number of investee funds held	Total net assets of investee funds	Carrying amount included in investments
December 31, 2016			
Funds administered by the manager	5	\$ 618,015,174	\$ 303,162,978

During the years ended December 31, 2017 and 2016, the Fund did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support. The Funds can redeem their units in the above investment funds at any time, subject to their being sufficient liquidity in the underlying funds.