

BETTER INVESTORS EXPERIENCE HIGHER RETURNS AND ARE MORE CONFIDENT AND COMFORTABLE IN THE PROCESS. THEY ALSO HAVE MORE FUN. A LOT MORE FUN. **BE LEERY OF FORECASTERS. ECONOMISTS HAVE PREDICTED 9 OF THE LAST 5 RECESSIONS.** STOCKS OUTPERFORM BONDS OVER THE LONG TERM. IN THE SHORT TERM, YOU SHOULD EXPECT ANYTHING AND EVERYTHING FROM THE MARKETS. **LAST QUARTER'S PERFORMANCE IS A RELIABLE INDICATOR OF LAST QUARTER'S PERFORMANCE.**

**Have a plan** IT DOESN'T NEED TO BE COMPLICATED, LENGTHY OR HIGHLY DETAILED. RATHER, IT'S A ROAD-MAP TO KEEP YOU ON COURSE. **DETERMINE A STRATEGIC ASSET MIX (SAM). SHE'LL BE YOUR BEST FRIEND IN GOOD TIMES AND BAD.** DON'T OWN MORE THAN 6 FUNDS. EVER. DIVERSIFY YOUR PORTFOLIO BY OWNING STOCKS AND BONDS. ALWAYS. **THIS TIME ISN'T DIFFERENT.** BETTER INVESTORS MAKE BETTER LOVERS. TRUE STORY. YOUR PORTFOLIO IS LIKE A BAR OF SOAP: THE MORE YOU TOUCH IT, THE SMALLER IT GETS.

**BE FEARFUL WHEN OTHERS ARE GREEDY AND GREEDY WHEN OTHERS ARE FEARFUL.** DIVERSIFICATION IS THE ONLY FREE LUNCH IN INVESTING. REBALANCE ANNUALLY. IT TAKES THE EMOTION OUT OF THE PROCESS. **IF YOU'RE COMFORTABLE WITH EVERYTHING YOU OWN, YOU'RE NOT PROPERLY DIVERSIFIED.**

**Prepare for extremes** STOCK MARKETS NEVER MOVE IN A STRAIGHT LINE. BETTER INVESTORS ARE DISCIPLINED, PATIENT AND COURAGEOUS AT EXTREME POINTS IN THE MARKET CYCLE. **TUNE OUT THE NOISE.**

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## ANNUAL INFORMATION FORM

FEBRUARY 23, 2018

### Offering Series A and Series O units of:

Steadyhand Savings Fund  
Steadyhand Income Fund  
Steadyhand Founders Fund (Series A only)  
Steadyhand Equity Fund  
Steadyhand Global Equity Fund  
Steadyhand Small-Cap Equity Fund

### Steadyhand Investment Management Ltd.

1747 West 3<sup>rd</sup> Avenue  
Vancouver, BC  
V6J 1K7

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise. The funds and the securities of the funds offered under this simplified prospectus are not registered with the United States Securities and Exchange Commission, and the funds are sold in the United States only in reliance on exemptions from registration.

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# Introduction

In this annual information form:

- *we, us, our* and *Steadyhand* refer to Steadyhand Investment Management Ltd.;
- *you* and *your* refer to anyone who invests in the Steadyhand funds;
- *SIFI* refers to Steadyhand Investment Funds Inc., the principal distributor of the Steadyhand funds;
- *dealer* refers to the company where your financial adviser works, if applicable;
- *financial advisor* refers to the representative registered in your province who advises you on your investments, if applicable; and
- *Steadyhand funds* (sometimes referred to collectively as the “**funds**” and individually as a “**fund**”) refers to one or more of the Steadyhand investment funds listed on the front cover of this annual information form.

This annual information form contains information about the Steadyhand funds and is meant to supplement the information contained in the simplified prospectus. Additional information about each Steadyhand fund is available in the following documents:

- the simplified prospectus;
- the most recently filed Fund Facts;
- the most recently filed annual financial statements;
- any interim financial statements filed after those annual financial statements;
- the most recently filed annual management report of fund performance (“**MRFP**”); and
- any interim MRFP filed after that annual MRFP.

You can get a free copy of these documents, when available, at your request, by calling us at 1-888-888-3147, or from your dealer.

These documents are also available on Steadyhand’s website ([www.steadyhand.com](http://www.steadyhand.com)), or by contacting us by e-mail at [info@steadyhand.com](mailto:info@steadyhand.com).

These documents and other information about the funds are also available at [www.sedar.com](http://www.sedar.com).

## Name, Formation and History of the Steadyhand Funds

Each fund is a trust established under the laws of the Province of British Columbia pursuant to a master trust agreement (the “**Trust Agreement**”) made as of January 2, 2007 between Steadyhand Investment Funds Limited Partnership, by its then general partner, SIFI, and RBC Investor Services Trust (formerly RBC Dexia Investor Services Trust), in its capacity as trustee (the “**Trustee**”), as amended from time to time. On December 20, 2007 the general partner of Steadyhand Investment Funds Limited Partnership was changed from SIFI to Steadyhand. On August 9, 2010 Steadyhand Investment Funds Limited Partnership resigned as manager of the funds and appointed its affiliate, Steadyhand, as the manager of the funds.

The date of formation of each fund is as follows:

<b>Name of Fund</b>	<b>Date Established</b>
Steadyhand Savings Fund	January 2, 2007
Steadyhand Income Fund	January 2, 2007
Steadyhand Founders Fund	January 2, 2012
Steadyhand Equity Fund	January 2, 2007
Steadyhand Global Equity Fund	January 2, 2007
Steadyhand Small-Cap Equity Fund	January 2, 2007

Steadyhand is the manager of the Steadyhand funds. SIFI is the principal distributor of the Steadyhand funds.

The principal office of each Steadyhand fund is:

1747 West 3rd Avenue  
Vancouver, BC, V6J 1K7

Telephone: 1 (888) 888 - 3147  
Fax: 1 (888) 888 - 3148  
E-mail: [info@steadyhand.com](mailto:info@steadyhand.com)  
Website: [www.steadyhand.com](http://www.steadyhand.com)

# Investment Restrictions

Each fund is subject to certain restrictions and practices contained in securities legislation, including National Instrument 81-102 *Mutual Funds*, which are designed in part to ensure that the investments of the funds are diversified and relatively liquid, and to ensure the proper administration of the funds. The Steadyhand funds are managed in accordance with these restrictions and practices.

The fundamental investment objectives of the funds, as described in the simplified prospectus, may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

## Investments in Derivatives

The funds may use derivatives (such as options, futures, forward contracts and swaps) for hedging purposes to protect against losses, and for non-hedging purposes as a substitute for direct investment or to generate income. The risk factors associated with derivatives are disclosed in the simplified prospectus.

## Securities Lending, Repurchase and Reverse Repurchase Transactions

The funds may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, as permitted by Canadian securities regulatory authorities, to earn additional income for the funds. A description of the transactions that may be undertaken by the funds is set out below.

A securities lending transaction is where a fund lends portfolio securities that it owns to a creditworthy institutional borrower. The borrower promises to return to the funds, at a later date, an equal number or amount of the same securities and to pay a fee to the fund for borrowing the securities. The fund may recall the securities at any time. The borrower provides the fund with collateral consisting of cash and/or securities or non-cash collateral equal to no less than 102% of the market value of the loaned securities measured each business day. Therefore, the fund retains exposure to changes in the value of the securities loaned while earning additional income.

A repurchase transaction is where a fund sells portfolio securities that it owns to a creditworthy institution for cash and simultaneously agrees to buy back the securities at a later date not to exceed 30 days. The difference between the higher price and the original price is like the interest payment on a loan. The amount of cash maintained by the fund for the transaction must be at least 102% of the market value of the sold securities measured each business day. The fund retains its exposure to changes in the value of the sold securities. The basic purpose of a repurchase transaction is to provide a fund with short-term cash which it can use to generate additional income for the fund.

In securities lending and repurchase transactions, the fund receives any interest or dividends paid by the issuer of the securities while those securities are held by the other party to the transaction.

A reverse repurchase transaction is where a fund purchases portfolio securities from a creditworthy institution and simultaneously agrees to sell the same securities back to the institution, at a higher price, at a later date, not to exceed 30 days. The difference between the fund's purchase price for the securities and the resale price provides the fund with additional income. The basic purpose of a reverse repurchase transaction is to provide a fund with a short-term investment for cash held by the fund.

A fund will not enter into a securities lending transaction or a repurchase transaction if, immediately thereafter, the aggregate market value of all securities loaned by the fund and not yet returned to it or sold by the fund in repurchase transactions and not yet repurchased, would exceed 50% of the total assets of the fund (exclusive of collateral held by the fund for securities lending transactions and cash held by the fund for repurchase transactions).

## **Registered Plan Eligibility**

Units of the Steadyhand funds are expected to be at all material times qualified investments within the meaning of the *Income Tax Act* (Canada) (the "**Tax Act**") for the following registered plans:

- Registered Retirement Savings Plans ("**RRSPs**")
- Registered Retirement Income Funds ("**RRIFs**")
- Registered Education Savings Plans ("**RESPs**")
- Deferred Profit Sharing Plans ("**DPSPs**")
- Registered Disability Savings Plans ("**RDSPs**")
- Tax Free Savings Accounts ("**TFSAs**")

Notwithstanding the foregoing, if the units of the funds are a "prohibited investment" for a registered plan (other than a DPSP) for the purposes of the Tax Act, the annuitant, subscriber or holder, as the case may be, of the registered plan will be subject to a penalty tax as set out in the Tax Act. Provided that the annuitant, subscriber or holder of a registered plan deals at arm's length with a fund and does not have a "significant interest" (within the meaning of the Tax Act) in the fund or that the units of the fund are "excluded property" within the meaning of the Tax Act, units of the fund will not be a prohibited investment under the Tax Act for their registered plan. Investors should consult with their own tax advisors as to whether units of the funds would be prohibited investments for their registered plans in their particular circumstances.

## Description of Units of the Steadyhand Funds

Each fund is permitted to issue an unlimited number of units of one or more series. All Steadyhand funds currently offer Series A and Series O units, except for the Steadyhand Founders Fund which only offers Series A units. At its discretion, Steadyhand may create and issue new series of units. No certificates are issued to unitholders. Units of the funds have the following material attributes and characteristics, as they relate to each fund:

- unitholders are entitled to receive their proportionate share of distributions (in the form of net income, net realized capital gains or return of capital allocable to the series), as outlined in the simplified prospectus;
- unitholders are entitled to one vote per unit held at any meeting of unitholders of the fund or a meeting of unitholders of that specific series;
- in the event of the termination of a fund, the fund's net assets will be distributed to unitholders of a series equally with all other units of the series;
- unitholders have the right to switch their units from one fund to another at no charge, according to the terms described in the simplified prospectus;
- unitholders have the right to redeem their units in a fund at no charge, according to the terms described in the simplified prospectus.

The rights of unitholders may only be modified by amending the Trust Agreement that established each fund.

The Trust Agreement that establishes each fund does not require unitholder approval with respect to amendments to the Trust Agreement unless such approval is required under applicable securities laws. However, we will provide unitholders of funds affected by an amendment with at least 60 days' notice of the amendment, if the amendment is prejudicial to the interests of unitholders or is otherwise material.

Under applicable securities laws, we must obtain the approval of a majority of the votes cast by unitholders of a fund, or for matters that affect one series differently than others, a majority of votes cast by unitholders of a series of units of a fund, with respect to:

- any change in the way fees or expenses are calculated that could result in an increase in the fees or expenses charged to the fund, or directly to unitholders of the fund by the fund or us in connection with the holding of units of the fund, unless unitholders are provided with written notice of the increase at least 60 days before the increase becomes effective;
- any introduction of a fee or expense to be charged to the fund, or directly to unitholders of the fund by the fund or us in connection with the holding of units of the fund, that could result in an



increase in charges to the fund or to its unitholders, unless unitholders are provided with written notice of the increase at least 60 days before the increase becomes effective;

- a change of the manager of the fund, unless the new manager is our “affiliate” within the meaning of applicable securities laws;
- a change in the fundamental investment objectives of the fund;
- a decrease in the frequency of the calculation of the net asset value per unit of the fund; and
- a material reorganization of the fund.

## Calculation of Net Asset Value

The unit value (or price) for each series of a fund is known as its Net Asset Value per Unit (“**NAVPU**”). The purchase and redemption price for all units of a series of a fund are based on this amount. The NAVPU for each fund series is calculated daily after the close of the Toronto Stock Exchange (4:00 p.m. Eastern Time (“**Eastern**”); 1:00 p.m. Pacific Time (“**Pacific**”)) on each day that the Toronto Stock Exchange is open for business (“**Valuation Day**”). The NAVPU for a fund series may also be calculated on other Valuation Days agreed to by us and the Trustee.

Each fund maintains a separate NAVPU for each series of units of the fund. To determine the NAVPU for a series of units of a fund, the Trustee determines the value of the proportionate share of the investments and other assets of the fund attributable to the particular series less the expenses and liabilities of the fund allocated to that series. The Trustee then divides that amount by the total number of units of that series then held by investors. This gives us the NAVPU for that series of units.

The Steadyhand Savings Fund intends to maintain a constant unit price by investing in short-term fixed-income securities and by allocating net investment income on each valuation day.

The NAVPU of a Fund will be available to the public, at no cost, via our website at [www.steadyhand.com](http://www.steadyhand.com).

# Valuation of Portfolio Securities

The fair market value of the assets and the amounts of the liabilities of each series of the funds are calculated in the manner the Trustee, in its sole discretion, determines from time to time, subject to the following:

1. The value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the Trustee determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Trustee determines to be the reasonable value thereof;
2. The value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices on a Valuation Day at such times as the Trustee, in its discretion, deems appropriate. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;
3. The value of any security which is listed on any recognized exchange shall be determined by the closing sale price or, if there is no closing sale price, the average between the closing bid and the closing asked price on the day on which the series' Net Asset Value of the fund is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;
4. The value of any security or other asset for which a market quotation is not readily available shall be its fair market value as determined by the Trustee;
5. The value of any security, the resale of which is restricted or limited, shall be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that a fund's acquisition cost was of the market value of such securities at the time of acquisition; provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known;
6. Purchased or written clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants shall be valued at the current market value thereof;
7. Where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by a fund shall be reflected as a deferred credit, which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or

over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation of such options shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the Net Asset Value of the fund. The securities, if any, which are the subject of a written clearing corporation option, or over-the-counter option shall be valued at their then current market value;

8. The value of a futures contract, or a forward contract, shall be the gain or loss with respect thereto that would be realized if, at the time of valuation, the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless daily limits are in effect in which case fair value shall be based on the current market value of the underlying interest;
9. Margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
10. All property of the fund valued in a foreign currency and all liabilities and obligations of a fund payable by a fund in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Trustee, including, but not limited to, the Trustee or any of its affiliates; and
11. All expenses or liabilities (including fees payable to Steadyhand) of a fund shall be calculated on an accrual basis.

If in the opinion of the Trustee, (i) the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) to determine the value of any security or property; or (ii) the value of any security or property determined using the above valuation principles does not represent the fair value of the security or property, the Trustee will determine the fair value of such security or property in such a manner as the Trustee from time to time provides.

# Purchases and Switches

Steadyhand funds are “no-load”, which means you pay no sales charges or commissions when you buy and redeem units of the funds through SIFI.

Investors living in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario can purchase Series A units of the funds through SIFI or through another registered dealer. Investors who choose to purchase units of the funds through another dealer may be charged a fee by the dealer at their discretion. Such dealers may make arrangements with you that will require you to compensate your dealer for any losses suffered by the dealer in connection with a failed purchase order caused by you.

Series O units are only available to large private or institutional investors at our discretion. No management fees are charged to the funds with respect to Series O units. Investors who are eligible to purchase Series O units pay a negotiated fee directly to us for investment-counselling services. Series O units may only be purchased, switched, or redeemed through us.

Units of the Steadyhand funds are offered for sale on a continuous basis. The purchase price is based on the NAVPU next determined after receipt by Steadyhand of a purchase request on a Valuation Day. If we receive complete and accurate instructions from an investor to buy or switch units in a fund on a Valuation Day before the close of the Toronto Stock Exchange (4:00 p.m. Eastern; 1:00 p.m. Pacific), we will process the request using that Valuation Day’s NAVPU. If we receive a request to buy or switch units of a fund after the close of the Toronto Stock Exchange or on a day that is not a Valuation Day, we will process the request on the next Valuation Day, using that day’s NAVPU.

The minimum initial investment required to purchase a Steadyhand fund is \$10,000 per fund. If your account with Steadyhand exceeds \$50,000, the minimum investment per fund will be waived. The minimum subsequent purchase is \$1,000. Steadyhand may change these minimums at any time.

Steadyhand reserves the right to reject any purchase order within one business day of receiving it. If your order is rejected, your money will be refunded in full, without interest.

Investors who hold an account(s) directly with Steadyhand can purchase or switch units in the Steadyhand funds in a number of ways:

*By mail.* Mail a Steadyhand Deposit Form, Switch Form or letter to SIFI with detailed information on the fund(s) that you wish to purchase or switch out of, and the dollar amount of units that you wish to buy or switch in to. Your Steadyhand account number and signature must accompany any deposit or switch request sent by mail. All cheques must be made out to “Steadyhand In Trust for Funds”;

*By fax.* Fax SIFI a Steadyhand Deposit Form, Switch Form or letter to 1-888-888-3148 with detailed information on the fund(s) that you wish to purchase or switch out of, and the dollar amount of units

that you wish to buy or switch in to. Your Steadyhand account number and signature must accompany any deposit or switch request sent by fax;

*By telephone.* You can purchase or switch units of the funds by calling SIFI at 1-888-888-3147 and speaking to one of their Investor Specialists. All telephone transactions are recorded for security reasons;

*In person.* Visit SIFI's Vancouver office at 1747 West 3<sup>rd</sup> Avenue, Vancouver and complete a Steadyhand Deposit or Switch Form; and

*Over the internet.* Visit our website, [www.steadyhand.com](http://www.steadyhand.com), and initiate a deposit or switch request through SIFI online (when available).

All transaction requests must be complete, accurate and in good order to permit execution in a timely manner. We do not accept purchase or switch requests via electronic mail.

Switching between funds may result in a capital gain or loss for tax purposes, as outlined in the simplified prospectus. Switches between series of the same fund are not considered dispositions for tax purposes, as outlined in the simplified prospectus.

## **Minimum Account Balances**

Because of the high costs associated with maintaining and servicing small accounts, we require investors to maintain a balance of at least \$10,000 in each Steadyhand fund which they hold. If the market value of a fund held in your account with Steadyhand falls below \$10,000, we may sell your units of that fund and send you the proceeds. In these situations, we will give you 30 days' notice before selling your units so that you can purchase additional units to bring the value of your investment above the minimum initial investment requirement of \$10,000 per fund, if you wish to maintain your account(s) with Steadyhand. The minimum investment per fund will be waived where the total value of your investments with Steadyhand exceeds \$50,000.

When you purchase units of a fund through SIFI, you must include full payment with your order. If you purchase units of a fund (other than the Steadyhand Savings Fund) through another dealer, the dealer must send full payment for the order within three business days of the date that the order is placed. Full payment for purchases of units in the Steadyhand Savings Fund made through another dealer must be received within one business day of the date the order is placed. If we do not receive full payment within three business days (or one business day in the case of the Steadyhand Savings Fund) or if a cheque is returned to us due to non-sufficient funds ("**NSF**"), we will redeem the units of the funds that you purchased. If the redemption proceeds exceed your purchase order, the funds will keep the profits. Alternatively, if the redemption proceeds are less than your purchase order, your dealer will be charged the difference, along with any costs or expenses. At your dealer's discretion, you may then be charged for these amounts.

# Redemptions

You can redeem units in your Steadyhand funds for no charge. If you redeem units of a fund through a registered dealer other than SIFI, the dealer may charge you a fee. In addition, you may be charged a short-term trading fee if you purchase and subsequently redeem units in a fund within a short period of time.

Short-term trading can adversely affect the interests of other fund investors and a fund's ability to manage its investments. Steadyhand has adopted policies and procedures to monitor and detect short-term trading as part of our recordkeeping duties and has the ability to refuse your present or future order(s) to purchase, redeem or switch units. We monitor transaction records daily to detect short-term or excessive trading. If you purchase units of a fund, other than the Steadyhand Savings Fund, and subsequently redeem your units or switch them to another fund within five business days of the original purchase date, you may be charged a short-term trading fee of up to 2% of the market value of the units redeemed. All short-term trading fees are paid to the impacted fund. We may take additional action as we consider appropriate to prevent further similar activity by the investor. These actions may include the delivery of a warning to the investor, placing the investor/account on a watch list to monitor his or her trading activity, the subsequent refusal of further trades by the investor if the investor continues to attempt such trading activity and/or closure of the investor's account.

Investors may redeem their units of the Steadyhand funds at any time. Investors who hold an account(s) directly with Steadyhand can redeem their units in the Steadyhand funds in a number of ways:

*By mail.* Mail a Steadyhand Redemption Form or letter to SIFI with detailed information on the fund(s) that you wish to redeem, and the dollar amount of units that you wish to sell. Your Steadyhand account number and signature must accompany any redemption request sent by mail;

*By fax.* Fax SIFI a Steadyhand Redemption Form or letter to 1-888-888-3148 with detailed information on the fund(s) that you wish to redeem, and the dollar amount of units that you wish to sell. Your Steadyhand account number and signature must accompany any redemption request sent by fax;

*By telephone.* You can redeem units of the funds by calling SIFI at 1-888-888-3147 and speaking to one of their Investor Specialists. All telephone transactions are recorded for security reasons;

*In person.* Visit SIFI's Vancouver office at 1747 West 3<sup>rd</sup> Avenue, Vancouver and complete a Steadyhand Redemption Form; and

*Over the internet.* Visit our website, [www.steadyhand.com](http://www.steadyhand.com), and initiate a redemption request through SIFI online (when available).

Investors have the option of receiving the proceeds of a redemption by cheque or by Electronic Fund Transfer (“**EFT**”). The proceeds of all redemptions are sent to the registered account holder to the address or bank account that we have on file.

Redemption price of the units in a fund is based on the NAVPU next determined after the receipt by Steadyhand of the redemption order. When we redeem your units in a fund, we will send you the proceeds within three business days of the Valuation Day that the order was executed. A redemption of units results in a disposition for tax purposes and may result in a capital gain or capital loss, which may in turn result in a tax liability, as outlined in the simplified prospectus.

Investors are required to maintain a minimum balance of \$10,000 in each fund they hold, unless the value of their account with Steadyhand exceeds \$50,000 (in which case the minimum balance per fund will be waived).

If you redeem your units through another registered dealer and fail to deliver the necessary documents, we will buy back the units you sold. If we incur a loss as a result, your dealer will be charged for the difference along with any costs or expenses. At your dealer’s discretion, you may then be charged for these amounts.

Under extraordinary circumstances, we may suspend the rights of investors to redeem their units in a fund. These circumstances include where:

- normal trading is suspended on any stock exchange, options or futures exchange on which securities are listed and traded that represent more than 50% of the fund’s total assets by value and those securities are not traded on any other exchange that represents a reasonably practical alternative; or
- the fund obtains the permission of the British Columbia Securities Commission.



# Responsibility for Operations of the Steadyhand Funds

## Manager

Steadyhand Investment Management Ltd., a corporation established under the laws of Canada with offices located at 1747 West 3rd Avenue, Vancouver, British Columbia, is the manager of the funds pursuant to the Trust Agreement, as amended. The telephone number for Steadyhand is 1-888-888-3147, the e-mail address is info@steadyhand.com and the website address is www.steadyhand.com. The schedule to the Trust Agreement may be amended from time to time to add or delete a fund or to add or delete a series of units. The Trust Agreement permits Steadyhand to resign as manager of any fund after giving 90 days' notice to the Trustee of the funds and the unitholders. The Trust Agreement establishing the funds does not contain any provisions for terminating us as the manager of the funds. However, we may assign our management responsibilities to one of our affiliates without the approval of unitholders. If we want to assign our management responsibilities to a company or person who is not an affiliate, we must first receive approval from unitholders.

In consideration of these management services, Steadyhand is entitled to receive the *One Simple Fee* as disclosed in the simplified prospectus. The name and municipality of residence, position and office held with Steadyhand and principal occupation of each of the directors and executive officers of Steadyhand are as follows:

<b>Name and Municipality of Residence</b>	<b>Position and Office Held with Steadyhand</b>	<b>Current Principal Occupation</b>	<b>Principal Occupation in the Last 5 Years (if Different than Current Occupation)</b>
Tom Bradley Vancouver, BC	Director, Ultimate Designated Person, President and Portfolio Manager	Executive, Steadyhand Investment Management Ltd.	N/A
Lori Lothian Vancouver, BC	Director and Corporate Secretary	Executive, Steadyhand Investment Management Ltd.	N/A
Neil Jensen Vancouver, BC	Director and Chief Operating Officer	Executive, Steadyhand Investment Management Ltd.	N/A
Elaine Y.L. Davison West Vancouver, BC	Chief Financial Officer and Chief Compliance Officer	Executive, Steadyhand Investment Management Ltd.	N/A

J. David Toyne Woodbridge, ON	Chief Development Officer	Executive, Steadyhand Investment Management Ltd.	Since June 1, 2017, Chief Development Officer of Steadyhand Investment Management Ltd. From January 1, 2010 to May 31, 2017, Director, Client Service of Steadyhand Investment Management Ltd.
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One of the manager’s advising representatives, Salman Ahmed, was granted exemptive relief to be dually registered under securities legislation in British Columbia and Ontario (i) in the category of advising representative (portfolio manager) for Steadyhand; and (ii) in the category of dealing representative (mutual fund dealer) for SIFI. Please refer to the section Conflicts of Interest – Affiliated Entities on page 24 for more information.

## Trustee and Custodian

RBC Investor Services Trust provides trustee and custodian services for each of the funds pursuant to the Trust Agreement. RBC Investor Services Trust has its principal office in Toronto, Ontario. The Trust Agreement establishes the fundamental operating structure of the funds. The Trustee has entered into the Trust Agreement in respect of each of the funds. The Trust Agreement may be amended as described under the heading *Description of Units of the Steadyhand Funds*. The Trustee holds title to the assets owned by each fund on behalf of the fund’s unitholders. Steadyhand pays an annual fee to the Trustee for its services as trustee and custodian, as agreed upon by Steadyhand and the Trustee. The Trustee may resign from the office of trustee upon 90 days’ prior notice to Steadyhand and the unitholders of the funds. Steadyhand may remove the Trustee by giving 90 days’ notice to the Trustee and unitholders, provided a successor trustee is appointed or the funds are terminated.

## Portfolio Advisers

The Steadyhand funds each have a portfolio adviser who is responsible for the investment decisions of the fund. Steadyhand will seek to ensure that each fund is managed in a manner consistent with its investment objectives by one or more portfolio advisers (“**Portfolio Advisers**”) who have shown a consistent ability to achieve superior results using distinct investment management techniques.

The assets of the funds are managed by the following Portfolio Advisers:

<b>Steadyhand Fund</b>	<b>Portfolio Adviser</b>	<b>Date of Investment Advisory Agreement</b>
Steadyhand Savings Fund	Connor, Clark & Lunn Investment Management Ltd. Vancouver, British Columbia	February 5, 2007, as amended
Steadyhand Income Fund	Connor, Clark & Lunn Investment Management Ltd. Vancouver, British Columbia	February 5, 2007, as amended
Steadyhand Founders Fund	Steadyhand Investment Management Ltd.	N/A
Steadyhand Equity Fund	CGOV Asset Management Toronto, Ontario	February 2, 2007, as amended
Steadyhand Global Equity Fund	Edinburgh Partners Limited Edinburgh, Scotland	February 9, 2007, as amended
Steadyhand Small-Cap Equity Fund	Galibier Capital Management Ltd. Toronto, Ontario	August 15, 2016

With the exception of the Steadyhand Founders Fund, each Portfolio Adviser has been retained in respect of the particular fund indicated above pursuant to an investment advisory agreement dated as of the dates noted above among that fund, Steadyhand, and the Portfolio Adviser. Each of these agreements with the exception of the Steadyhand Small-Cap Equity Fund may be terminated at any time by either of the parties on not less than 60 days' written notice. The agreement with Galibier Capital Management Ltd. with respect to the Steadyhand Small-Cap Equity Fund may be terminated at any time by either of the parties on not less than 90 days' written notice. Steadyhand acts as the portfolio adviser to the Steadyhand Founders Fund pursuant to the terms of the Trust Agreement.

Investors will not necessarily be advised when Steadyhand terminates or replaces Portfolio Advisers. The Portfolio Advisers were and will continue to be selected by Steadyhand for each fund based upon qualitative and quantitative research of the Portfolio Adviser's skills and results in managing assets according to specific investment styles and strategies. Short-term investment performance, by itself, is not a deciding factor in selecting or terminating a Portfolio Adviser.

The name, title, length of service and business association during the last five years of those individuals employed by each Portfolio Adviser who are principally responsible for the day-to-day management of a fund, or implementing its investment strategy, are shown below:

## CGOV Asset Management

Toronto, Ontario

<b>Name</b>	<b>Position with the Portfolio Adviser</b>	<b>Length of Service</b>	<b>Principal Occupation in the Last 5 Years (if Different than Current Occupation)</b>
Roy Hewson, MBA, CFA	Partner and Portfolio Manager	20 years	N/A
Gordon O'Reilly, CFA	Founding Partner and Portfolio Manager	22 years	N/A

## Connor, Clark & Lunn Investment Management Ltd.

Vancouver, British Columbia

<b>Name</b>	<b>Position with the Portfolio Adviser</b>	<b>Length of Service</b>	<b>Principal Occupation in the Last 5 Years (if Different than Current Occupation)</b>
Brian Eby, CFA, MBA	<ul style="list-style-type: none"><li>• Leader of the Fixed Income Team, Responsible for Strategy and Research</li><li>• Director – Connor, Clark &amp; Lunn Investment Management Ltd.</li><li>• Partner – Connor, Clark &amp; Lunn Investment Management Partnership</li></ul>	19 years	Leader of the fixed income team since 2008.
Steven Vertes, CFA	<ul style="list-style-type: none"><li>• Member of the Equity Team, Responsible for Fundamental Research and Analysis in the Communication and Real Estate Sectors and Income Trusts</li><li>• Partner in Connor, Clark &amp; Lunn Investment Management Partnership</li></ul>	15 years	Equity Portfolio Manager at Connor, Clark & Lunn Investment Management Ltd. since 2002.

**Edinburgh Partners Limited**

Edinburgh, Scotland

<b>Name</b>	<b>Position with the Portfolio Adviser</b>	<b>Length of Service</b>	<b>Principal Occupation in the Last 5 Years (if Different than Current Occupation)</b>
Sandy Nairn, BSc, PhD, ASIP, CFA	Investment Partner & Chief Executive	15 years	N/A
Craig Armour, LLB (Hons), CA	Investment Partner	8 years	N/A

**Galibier Capital Management Ltd.**

Toronto, Ontario

<b>Name</b>	<b>Position with the Portfolio Adviser</b>	<b>Length of Service</b>	<b>Principal Occupation in the Last 5 Years (if Different than Current Occupation)</b>
Joe Sirdevan	Chief Executive Officer, Lead Investor, Portfolio Manager	5 years	N/A
Scott Connell	Portfolio Manager	5 years	N/A

**Steadyhand Investment Management Ltd.**

Vancouver, BC

<b>Name</b>	<b>Position with the Portfolio Adviser</b>	<b>Length of Service</b>	<b>Principal Occupation in the Last 5 Years (if Different than Current Occupation)</b>
Tom Bradley	Director, Ultimate Designated Person, President and Portfolio Manager	11 years	N/A
Salman Ahmed	Portfolio Manager	3 years	Investment Consultant/ Portfolio Manager at Morningstar Associates Inc. Associate Director, Active Funds Research at Morningstar Research Inc.

## Brokerage Arrangements

The Portfolio Advisers also make decisions regarding the execution of portfolio transactions with respect to the cash and cash equivalent portions of the funds, including, when applicable, the selection of markets, brokers and the negotiation of commissions. If and when effecting such portfolio transactions, the Portfolio Advisers generally place brokerage business with investment dealers and brokers on the basis of the best price and service. To the extent that the execution offered by more than one dealer or broker are comparable, the Portfolio Advisers may, in each of their discretion, determine to effect transactions with the dealers and brokers who provide research, statistical and other similar services to the fund or to the Portfolio Adviser at transaction prices which reflect those services. The Portfolio Advisers may effect transactions with dealers or brokers who are affiliated with Steadyhand provided the terms are similar to those which could be obtained from unrelated dealers or brokers by the funds.

The Portfolio Advisers of the Steadyhand Savings Fund, Steadyhand Founders Fund, Steadyhand Equity Fund and Steadyhand Small-Cap Equity Fund have advised Steadyhand that they use brokerage commissions to pay primarily for trade execution, and while they may receive research as a result, the Portfolio Advisers of these funds do not currently enter into “soft dollar” arrangements with brokers (i.e. they do not direct commission dollars to third parties).

Each of the Portfolio Advisers of the Steadyhand Income Fund and the Steadyhand Global Equity Fund has advised Steadyhand that they may receive permitted goods or services from dealers or brokers in exchange for executing brokerage transactions with such dealers or brokers.

Where brokerage transactions involving client brokerage commissions of the funds have been or might be directed to a dealer in return for the provision of any good or service by the dealer or a third party other than order execution, the names of such dealers or third parties will be provided upon request by contacting us either by toll-free phone at 1-888-888-3147, or by e-mail at [info@steadyhand.com](mailto:info@steadyhand.com).

### *Steadyhand Income Fund*

The Portfolio Adviser of the Steadyhand Income Fund, Connor, Clark & Lunn Investment Management Ltd. (“CCL”), may receive research goods and services (“**Research Goods and Services**”) that may include (i) advice as to the value of securities and the advisability of effecting transactions in securities; (ii) analyses and reports concerning securities, issuers, industries, portfolio strategies or economic or political factors and trends that may have an impact on the value of securities or investment strategies; (iii) seminars and conference fees; (iv) databases and software including, but not limited to, quantitative analytical software; (v) market data from feeds or databases; and (vi) post-trade analytics. Such Research Goods and Services may be provided by the executing dealer or broker directly or by a party other than the executing dealer or broker. CCL will make a good faith determination that the Research Goods and Services received directly assist in the investment decision-making process and provide a reasonable benefit to the fund relative to the amount of brokerage commissions paid. CCL has appointed a Soft Dollar Compliance Committee to

ensure compliance with CCL's soft dollar policies and procedures. CCL has advised Steadyhand that since the date of the last annual information form, they have obtained certain investment decision-making services in the nature of research analysis and reports concerning securities and portfolio strategies, and data or information services from brokers, dealers or third parties in connection with the execution of brokerage transactions on behalf of the Steadyhand Income Fund. We are advised that remuneration for these services was paid through the direction of certain portfolio transactions to selected execution brokers.

#### *Steadyhand Global Equity Fund*

The Portfolio Adviser of the Steadyhand Global Equity Fund, Edinburgh Partners Limited ("EPL"), may receive Research Goods and Services from executing dealers or brokers in its analysis to assist with both comparative analytics and to ascertain market information. EPL will make a good faith determination whether the Research Goods and Services received directly assist in the investment decision-making process and provide a reasonable benefit to the fund relative to the amount of brokerage commissions paid. EPL has appointed a Broker Review Committee to ensure compliance with EPL's soft dollar policies and procedures and to manage potential conflicts of interest. The Broker Review Committee has the authority to adjust commission rates. The Broker Review Committee is comprised of representatives from Investments, Compliance and Operations. EPL has advised Steadyhand that since the date of the last annual information form, they have obtained certain investment decision-making services in the nature of research analysis and reports concerning securities and portfolio strategies, and data or information services from brokers, dealers or third parties in connection with the execution of brokerage transactions on behalf of the Steadyhand Global Equity Fund. We are advised that remuneration for these services was paid through the direction of certain portfolio transactions to selected execution brokers.

### **Principal Distributor**

SIFI is the principal distributor of the funds pursuant to a Distribution Agreement made as of August 9, 2010 between Steadyhand and SIFI. The Distribution Agreement may be terminated by either Steadyhand or SIFI on 60 days' notice. SIFI is located at 1747 West 3rd Avenue, Vancouver, British Columbia.

One of SIFI's dealing representatives, Salman Ahmed, was granted exemptive relief to be dually registered under securities legislation in British Columbia and Ontario (i) in the category of advising representative (portfolio manager) for Steadyhand; and (ii) in the category of dealing representative (mutual fund dealer) for SIFI. Please refer to the section *Conflicts of Interest – Affiliated Entities* on page 24 for more information.

### **Promoter**

Steadyhand may be considered the promoter of all the funds under applicable legislation and receives remuneration from and in respect of such funds as described in the simplified prospectus of the funds.

## Independent Auditor

The auditor of each fund is KPMG LLP of Vancouver, British Columbia. Under applicable securities laws, the auditor of the funds may be changed without the approval of unitholders provided that the independent review committee of the funds has approved the proposed change and we provide you with at least 60 days' notice of the proposed change.

## Registrar

Steadyhand acts as the registrar for each fund and keeps a register of all unitholders, processes orders for the funds, and provides investor statements and tax reporting information to unitholders. The register of unitholders is maintained in Vancouver, British Columbia.

## Fund Accounting and Valuation Services

The Trustee provides the fund accounting and valuation services for each fund and is paid a fee by us for acting in this capacity for the funds.

## Independent Review Committee

In accordance with National Instrument 81-107 *Independent Review Committee for Investment Funds* ("NI 81-107"), Steadyhand appointed an Independent Review Committee ("IRC") for the funds effective May 1, 2007. A list of the individuals who comprise the IRC for all of the funds is set out below.

Name and municipality of residence	Background information
Sylvia Gelissen, Chair of the IRC North Vancouver, BC	Ms. Gelissen was most recently the Social Responsibility Manager, Canada for Intact Insurance and had other roles with the organization commencing from 2005. She has over 20 years of investment industry experience including past roles as Vice President, Western Development (Scudder Funds), Project Manager and Manager, Trading (Credential Group) and Manager, Client Service (Ethical Funds). Ms. Gelissen obtained a Master of Philosophy, International Relations degree from Cambridge University as well as a Bachelor Degree in European Studies from the University of Amsterdam.



<p>Kathleen Leavens Vancouver, BC</p>	<p>Ms. Leavens is a CFA Charter holder and completed a Masters of Business Administration and Bachelor of Science (Chemistry) at the University of British Columbia. She has over 30 years of experience in the investment industry, specifically in the Canadian fixed income and equity markets. Starting in 1988, Ms. Leavens filled a variety of investment management roles at Connor, Clark &amp; Lunn Investment Management Ltd. (CC&amp;L). She became CC&amp;L's Chief Compliance Officer in 1995 and held that position until she retired in 2014.</p>
<p>Lothar Fabian North Vancouver, BC</p>	<p>Mr. Fabian has over 39 years of experience in a broad range of brokerage and banking activities including past roles as Vice President (Credential Direct), Vice President, National Compliance (Credential Financial), and Vice President &amp; Regional Manager for British Columbia (Green Line Investor Services) as well as 18 years in commercial banking (RBC &amp; TD) . Mr. Fabian obtained a Bachelor of Commerce from the University of British Columbia, holds the designation of Fellow, Institute of Canadian Bankers (FICB), and was a member of the IIROC Pacific District Council for 8 years.</p>

Each member of the IRC is independent of us, our affiliates and each fund. The IRC provides independent oversight and impartial judgment on conflicts of interest involving the funds. Its mandate includes considering matters relating to conflicts of interest and recommending to us what action we should take to achieve a fair and reasonable result for the funds in those circumstances, and reviewing and advising on or, when required, consenting to other matters required by applicable securities laws.

The IRC has adopted a written charter that includes its mandate, responsibilities and functions, and the policies and procedures that it will follow when performing these functions. Before proceeding with a conflict of interest matter or any other matter that securities legislation requires us to refer to the IRC, we are required to establish policies and procedures that we must follow on that matter or on that type of matter, having regard to our duties under securities laws, and we must refer such policies and procedures to the IRC for its review and input.

NI 81-107 requires that we have policies and procedures related to conflicts of interest. The IRC reviews and provides input on conflict of interest matters in respect of Steadyhand and the funds. In addition, the IRC will, at least annually, review and assess the adequacy and effectiveness of:

- Steadyhand's policies and procedures relating to conflict of interest matters in respect of the funds;
- any standing instructions it has provided to Steadyhand pertaining to conflict of interest matters in respect of the funds;
- Steadyhand and the funds' compliance with any conditions imposed by the IRC in a recommendation or approval; and
- any subcommittee to which the IRC, in its role as independent review committee, has delegated any of its functions.

In addition, the IRC will, no less frequently than annually, review and assess the independence of its members, the compensation of its members, its effectiveness, and the contribution and effectiveness of its members. Information on the compensation of the IRC is available on page 34 of this annual information form. The IRC will provide Steadyhand with a report covering certain aspects of these assessments. The IRC will prepare an annual report that describes its activities. Once available, this report is available free of charge to any unitholder of the fund upon request. Investors in the funds may request a copy of the annual report upon request, without charge, by calling 1-888-888-3147 or by e-mailing Steadyhand at [info@steadyhand.com](mailto:info@steadyhand.com).

# Conflicts of Interest

## Principal Holders of Securities

As at January 31, 2018, there are no owners of record or who, to the knowledge of Steadyhand, own beneficially, directly or indirectly, more than 10% of the units of a Steadyhand fund.

As of January 31, 2018, the directors and executive officers and affiliates of Steadyhand owned, in the aggregate, the following percentage of units of each fund:

<b>Name of Fund</b>	<b>Percentage of Outstanding Units</b>
Steadyhand Savings Fund	2.3%
Steadyhand Income Fund	0.4%
Steadyhand Founders Fund	0.2%
Steadyhand Equity Fund	1.1%
Steadyhand Global Equity Fund	1.5%
Steadyhand Small-Cap Equity Fund	1.1%

As of January 31, 2018, certain directors and executive officers of Steadyhand owned 100% of the voting securities of Steadyhand, the manager of the funds, and 100% of the voting securities of SIFI, the principal distributor of the funds.

The following table sets out the persons or companies who, as at January 31, 2018 are owners of record of, or who own beneficially, directly or indirectly, more than 10% of any class or series of voting securities of Steadyhand:

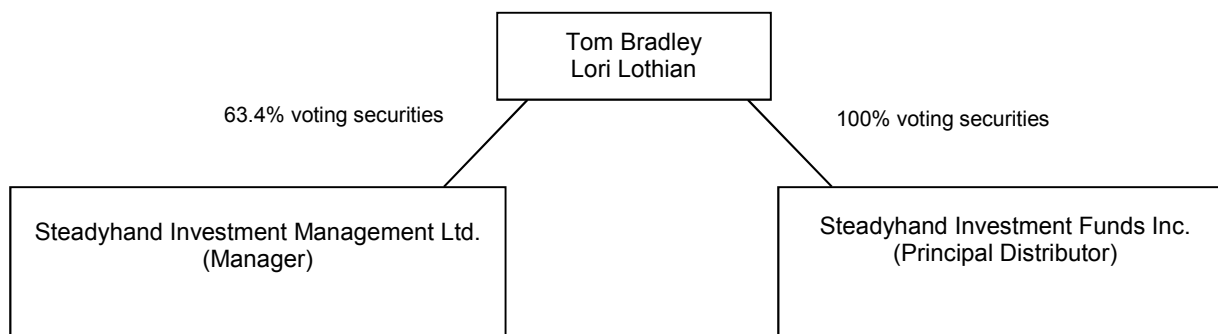
<b>Name</b>	<b>Designation of Securities</b>	<b>Type of Ownership</b>	<b>Number of Securities Owned</b>	<b>Percentage of Outstanding Securities</b>
Tom Bradley	Class B Common shares	Registered and beneficial owner	374,917	33.0%
Lori Lothian	Class B Common shares	Registered and beneficial owner	345,937	30.4%
Kristina Jensen	Class A Common shares	Registered and beneficial owner <sup>1</sup>	11,129	2.5%
Kristina Jensen	Class B Common shares	Registered and beneficial owner <sup>1</sup>	114,000	10.0%

<sup>(1)</sup> Pursuant to the terms of a Shareholder Agreement made amongst the shareholders of Steadyhand, Kristina Jensen's spouse, Neil Jensen, may exercise certain rights in connection with the Class A & B common shares issued to Kristina Jensen where Kristina Jensen fails to comply with the terms of the Shareholder Agreement.

As at January 31, 2018, the members of the IRC did not own more than 10% of the units of any of the funds. No members hold any interest in Steadyhand, or any interest in any person or company that provides services to the funds or Steadyhand.

## Affiliated Entities

SIFI receives remuneration for its services as principal distributor of the funds, based on all expenses incurred by SIFI in operating a mutual fund dealer. The following diagram depicts the relationship between Steadyhand and SIFI. The directors and executive officers of Steadyhand are also directors and executive officers of SIFI.



Disclosure of the amount paid to an affiliated entity by the funds is contained in the financial statements of the funds.

Salman Ahmed, was granted exemptive relief to be dually registered under securities legislation in British Columbia and Ontario (i) in the category of advising representative (portfolio manager) for Steadyhand; and (ii) in the category of dealing representative (mutual fund dealer) for SIFI. The activities undertaken by dually registered employees on behalf of Steadyhand are not the business of SIFI and are not the responsibility of SIFI. The exemptive relief is subject to, among other things, the conditions that Salman Ahmed does not engage in any trading or advisory activities on behalf of any client of Steadyhand and that Steadyhand's books and records be made available to the securities regulators or the Mutual Fund Dealers Association of Canada to ensure ongoing compliance. Each of Steadyhand and SIFI has appropriate compliance and supervisory policies and procedures in place to monitor the conduct of Salman Ahmed and to address conflicts of interest that may arise as a result of this dual registration.

# Fund Governance

Steadyhand has responsibility for the governance of the funds. Pursuant to the Trust Agreement, Steadyhand, in discharging its obligations, is required to:

- act honestly, in good faith and in the best interests of the funds; and
- exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

Steadyhand has adopted policies and procedures to ensure compliance with all regulatory requirements. Further, in accordance with NI 81-107, Steadyhand has adopted a Code of Ethics and Conduct (the “**Code**”), which establishes rules of conduct designed to ensure fair treatment of the unitholders of the funds and to ensure that, at all times, the interests of the funds and their unitholders are placed above personal interests of employees, officers and directors of Steadyhand, and each of its subsidiaries, affiliates and advisers. The Code applies the highest standards of integrity and ethical business conduct. The objective is not only to remove any potential for real conflict of interest, but also to avoid any perception of conflict. The Code addresses the area of investments, which covers personal trading by employees, conflict of interest, and confidentiality among departments and portfolio advisers, and also addresses confidentiality, fiduciary duty, enforcement of rules of conduct and sanctions for violations. Compliance with all regulatory requirements, Steadyhand’s policies and procedures and the Code is overseen by Steadyhand’s Compliance Officer and the Compliance Department.

The Portfolio Advisers provide investment analysis, make decisions relating to the investment of each fund’s assets and supervise the fund’s investment portfolios on a continuous basis. Each Portfolio Adviser has complete discretion to purchase and sell securities for a fund’s portfolio within the fund’s investment objectives, policies and restrictions, and the more specific strategies developed by Steadyhand. Although the Portfolio Advisers’ activities are subject to general oversight by Steadyhand, neither Steadyhand nor any other party evaluates the investment merits of any of the Portfolio Advisers’ individual security selections. Each Portfolio Adviser has in place its own investment procedures and controls governing its investment activities including the use of derivatives and securities lending, repurchase and reverse repurchase transactions.

## Proxy Voting Policies

Steadyhand has a fiduciary duty to vote proxies solely in the best interests of unitholders of the funds who have delegated such responsibility to Steadyhand. Securities voting responsibilities in respect of the securities held by a fund are assigned by Steadyhand to each Portfolio Adviser who is required to exercise

that responsibility in accordance with the best economic interests of the applicable fund and the respective policies of that Portfolio Adviser.

Annually, Steadyhand will review the proxy voting policies and procedures submitted by each Portfolio Adviser to ensure they include the following:

- a policy for dealing with routine matters on which a fund will vote;
- a policy setting out the circumstances under which a fund will deviate from the standing policy for routine matters;
- a policy setting out the procedures by which a fund will determine how to vote or refrain from voting on non-routine matters;
- a policy to ensure that portfolio securities held by a fund are voted in accordance with the relevant terms of the contract between such Portfolio Adviser and the applicable fund; and
- a policy that addresses how such Portfolio Adviser will deal with conflicts of interest that may arise between the Portfolio Adviser and the applicable fund.

The Portfolio Advisers' proxy voting policies and procedures set out the voting procedures to be followed in voting on routine and non-routine matters, and contain guidelines to ensure that when real or perceived conflicts of interest arise between the Portfolio Adviser's interests and interests of a fund's unitholders, those issues are properly addressed and resolved.

The Portfolio Advisers' policies and guidelines include such policies as:

*Election of directors:* generally vote in accordance with management's recommendations, however votes on nominees are made on a case by case basis, but withhold votes from directors who ignore shareholder proposals that are approved by a majority of votes for two consecutive years, who fail to act on takeover offers where a majority of shareholders tendered their shares, who serve as inside directors and sit on audit, compensation, stock option or nomination committees and who fail to replace management as appropriate;

*Mergers and corporate restructurings:* vote on a case by case basis depending on a number of factors including anticipated financial and operating benefits, the offer price, prospects of the combined companies, changes in corporate governance and their impact on shareholder rights. Also consider features such as the presence and content of the fairness opinion, strategic rationale, and the negotiating process;

*Changes to capital structure:* thoroughly review dual-class capital structures and vote on a case-by-case basis on proposals that seek to increase the number of authorized shares where that class of stock would have superior voting rights; and

*Executive and director compensation:* vote on a case by case basis, considering the individual expertise of management and the value they bring to the company, also considering the costs associated with stock-based incentive packages including shareholder value transfer and voting power dilution.

In the event of a conflict of interest between Steadyhand, the Portfolio Adviser and the unitholders, senior management of Steadyhand will carefully consider the issues in order to resolve the conflict in favour of the interests of the unitholders, in accordance with securities regulation.

The policies and procedures that Steadyhand or any Portfolio Advisers follow when voting proxies relating to portfolio securities of the funds are available on request, at no cost, by calling toll free at 1-888-888-3147 or by writing to us at the address on the back cover of this annual information form.

The funds' proxy voting record for the most recent period ended June 30 of each year is available free of charge to any unitholder of the funds upon request at any time after August 31 of that year. Investors in the funds may request a copy of the funds' proxy voting record upon request, without charge, by calling 1-888-888-3147 or by e-mailing Steadyhand at [info@steadyhand.com](mailto:info@steadyhand.com).

## **Derivatives Policies**

The Portfolio Adviser of each fund may invest in or use derivative instruments for hedging or non-hedging purposes, provided that such investment or uses are consistent with the fund's investment objectives and investment restrictions, comply with NI 81-102 or are otherwise permitted by Canadian securities regulatory authorities. Derivatives may be used to help reduce the risks associated with certain investments, including currency value fluctuations, stock market risks and interest rate changes. The funds may also use derivatives, rather than direct investments, to reduce transaction costs, achieve greater liquidity, create effective exposure to international financial markets or increase speed and flexibility in making portfolio changes. Derivatives will not be used to introduce incremental leverage in the portfolio.

Each Portfolio Adviser may use derivatives to meet a fund's objectives, including, but not limited to, forward contracts for foreign currency hedging, futures contracts to replicate underlying fund portfolios and covered call options for income purposes. The Portfolio Adviser of the Steadyhand Income Fund, the only fund that engages in derivatives trading as of the date of this annual information form, has adopted written policies and practice guidelines to manage the risks associated with the use of derivative instruments. Such policies and practice guidelines require that:

- Derivatives may only be used to:
  - hedge, fully or partly, an investment exposure, or;
  - replicate direct permitted investments.

- The use of derivatives must result in the portfolio remaining consistent with the duration and credit constraints outlined above.
- Counterparty risk arising from derivative transactions will be limited to credits rated 'A' or better.
- Instruments used may include but are not limited to futures, forwards, options, swaps and structured notes.

Steadyhand is responsible for reviewing the policies and procedures of each Portfolio Adviser governing the use of derivatives. Risk management reviews are conducted annually by Steadyhand, and any issues that arise as a result of these reviews are reported to senior management and to the Board of Directors of Steadyhand.

The Steadyhand Income Fund's use of derivative investments is monitored by its Portfolio Adviser and us to ensure that they are used in compliance with applicable securities laws, or any exemptions granted therefrom. The Portfolio Adviser of the Steadyhand Income Fund has trading limits and other controls on derivative trading that are set up and monitored by the Portfolio Adviser's Compliance department for risk management purposes. Derivatives trading is supervised by the registered Commodities Trading Officer of the Portfolio Adviser of the Steadyhand Income Fund. If the restrictions on derivative trading are not complied with, the use of the derivatives will be viewed as speculative (which is not permitted). Given the current level of use of derivatives, stress testing is not considered necessary. However, if derivative use becomes more extensive we will consider putting more stringent procedures in place.



# Fees and Expenses

Steadyhand offers a reduction of its *One Simple Fee* to all investors based on the size of their accounts with Steadyhand and their tenure with the firm. Fee reductions will be made in the form of special distributions (“**management fee distributions**”) from the funds; first paid out of net income and net realized capital gains, and thereafter out of capital. Steadyhand will reduce the *One Simple Fee* to the funds by an amount equal to these management fee distributions. Steadyhand’s fee reduction program is designed to reward individuals who invest significant assets in the funds as well as long-term supporters of the funds. The highlights of the management fee reduction program are as follows:

- if the market value of your accounts held with Steadyhand exceeds \$100,000, you will receive a fee reduction on each incremental dollar above this threshold that you have invested in the Steadyhand funds. The amount of the reduction increases as your assets invested in the funds increase;
- if you have been an investor in the Steadyhand funds for five or more consecutive years, you will receive an annual fee reduction based on your total assets that you have invested in the Steadyhand funds. The amount of the reduction may increase as your tenure with the firm increases;
- all management fee distributions are reinvested in additional units of the funds that you hold;
- all fee reductions are calculated and paid monthly; and
- all management fee distributions are paid on the last valuation day of the month.

Fee reductions are not negotiable and are paid at Steadyhand’s discretion. Our fee reduction program may be revised or cancelled at any time.

# Income Tax Considerations

In the opinion of Borden Ladner Gervais LLP, counsel to the funds and to Steadyhand, the following is a fair summary of the principal Canadian federal income tax considerations generally applicable to investors who, for the purposes of the Tax Act and at all relevant times, are individuals (other than trusts) resident in Canada and hold units of the funds as capital property. This summary is based on the current provisions of the Tax Act, the regulations thereunder, specific proposals to amend the Tax Act and regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof and counsel's understanding of the current administrative practices and policies of the Canada Revenue Agency ("CRA"). This summary does not take into account or anticipate any other changes in law whether by legislative, regulatory, administrative or judicial action.

This summary is based on the assumption that each fund has qualified as a "mutual fund trust" under the Tax Act throughout its current taxation year and will continue to so qualify at all material times in the future. Steadyhand has advised counsel that each of the funds qualifies, and is expected to continue to so qualify, as a "mutual fund trust" under the Tax Act.

This summary is not exhaustive of all possible federal income tax considerations and does not deal with foreign or provincial income tax considerations, which may differ from the federal considerations. **This summary is general in nature and is not intended to be legal or tax advice to any particular investor. As every individual's tax situation is unique, we recommend that you consult with your tax adviser about your own circumstances.**

## Taxation of the Funds

Steadyhand has advised counsel that each fund will distribute to unitholders in each year its net income and net realized capital gains so that it will not be liable in any year for income tax under Part I of the Tax Act, after taking into account any applicable losses, tax refunds or credits. In certain circumstances, losses realized by a fund may be suspended or restricted, and therefore would be unavailable to shelter capital gains or income.

Generally, the funds treat gains and losses from derivatives (other than certain derivatives used for hedging purposes) and from short sales, as ordinary income and losses rather than capital gains and capital losses.

All of a fund's deductible expenses, including expenses common to all series of the fund and management fees and other expenses specific to a particular series of the fund, will be taken into account in determining the income or loss of the fund as a whole.

## **Taxation of Unitholders**

In computing income for tax purposes, unitholders must include the amount of the net income and the taxable portion of net realized capital gains paid or payable to them during the year by the fund, whether such amounts were distributed in cash or reinvested in additional units of the fund. Unitholders must include such amounts in computing their income, even if the income and capital gains were realized or accrued to the fund before the unitholder acquired their units in the fund.

Provided appropriate designations are made by each fund, any net taxable capital gains, taxable dividends received from taxable Canadian corporations and income from foreign sources received by the fund and paid or payable to unitholders will retain its character in the hands of unitholders and will be subject to the tax treatment applicable to each source of income.

If the distributions to a unitholder in a year exceed the unitholder's share of the net income and net realized capital gains of the fund allocated to the unitholder for the year, such distributions will represent a return of capital. Return of capital distributions are not immediately taxable in the hands of a unitholder; rather, they decrease the adjusted cost base ("**ACB**") of their units in the fund. If the ACB of a unitholder's units are reduced to less than zero, the unitholder will be deemed to have realized a capital gain equal to, and the ACB will be increased by, such negative amount.

Management fees paid on Series O units will not be deductible for tax purposes.

If a unitholder redeems units in a fund, or switches units out of one fund and into another such that a disposition is triggered, the unitholder will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition exceed (or are exceeded by) the unitholder's ACB of the units and any reasonable costs of disposition. Unitholders must generally include in computing their income one-half of any capital gain. One-half of a capital loss may be used to offset taxable capital gains. Any excess capital losses that cannot be used to offset taxable capital gains in a year can generally be carried back three years and carried forward indefinitely to offset any taxable capital gains in those years, in accordance with the provisions of the Tax Act. Capital gains realized by or distributed to a unitholder, and Canadian dividends distributed to a unitholder, may result in liability for alternative minimum tax, depending on the unitholder's circumstances.

## **Eligibility for Registered Plans**

Provided that the funds qualify as mutual fund trusts under the Tax Act at all material times, units of the funds will be qualified investments under the Tax Act for registered plans (such as RRSPs, RRIFs, RDSPs, RESPs, DPSPs and TFSAs). Generally, distributions paid to a registered plan from a fund will not be taxable to the plan under the Tax Act. Withdrawals from registered plans (other than TFSAs) are generally subject to tax, although special rules apply to RDSPs and RESPs. Investors should consult with their own

tax advisers as to whether units of the funds would constitute prohibited investments for their registered plans in their particular circumstances.

## Remuneration of Directors, Officers and Trustee

The management functions of each fund are carried out by employees of the manager. The funds do not have employees.

During the financial year ended December 31, 2017, \$24,500 was paid to members of the IRC of the funds. During this period, members of the IRC received the following amounts in compensation: Sylvia Gelissen (Chair) – \$9,500; Kathy Leavens – \$7,500; and Lothar Fabian– \$7,500. The members of the IRC were reimbursed \$153 for expenses in connection with performing their duties in this regard. The fees paid to the IRC members were paid initially by the funds, but the funds were reimbursed by the manager for those IRC fees.

During the financial year ended December 31, 2017, \$590,105 was paid to the Trustee for providing its services to the funds. The fees paid to the Trustee were paid by the manager, and not the funds.

# Material Contracts

The only material contracts that have been entered into by the funds are as follows:

1. Trust Agreement made as of January 2, 2007 as amended August 9, 2010 and January 2, 2012 between Steadyhand and RBC Investor Services Trust (formerly RBC Dexia Investor Services Trust) in respect of the funds as described under "*Responsibility for Operations of the Steadyhand Funds - Trustee*".
2. Each of the Investment Advisory Agreements, as amended, between Steadyhand and the respective Portfolio Adviser described under "*Responsibility for Operations of the Steadyhand Funds – Portfolio Adviser*".
3. Distribution Agreement made as of August 9, 2010 between Steadyhand and SIFI in respect of the funds as described under "*Responsibility for Operations of the Steadyhand Funds – Principal Distributor*".

Copies of the material contracts may be examined by prospective or existing unitholders at Steadyhand's principal office during normal business hours.

## Legal and Administrative Proceedings

We are not aware of any legal proceedings, either pending or ongoing, which would affect any of the funds.

# Certificate of the Funds, Manager and Promoter

February 23, 2018

This annual information form of the funds listed below, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario and do not contain any misrepresentations:

**Steadyhand Savings Fund**  
**Steadyhand Income Fund**  
**Steadyhand Founders Fund**  
**Steadyhand Equity Fund**  
**Steadyhand Global Equity Fund**  
**Steadyhand Small-Cap Equity Fund**

*(signed) Tom Bradley*

Tom Bradley  
President and in the capacity of Chief  
Executive Officer of Steadyhand  
Investment Management Ltd.

*(signed) Elaine Davison*

Elaine Y.L. Davison  
Chief Financial Officer of Steadyhand  
Investment Management Ltd.

On behalf of the Board of Directors of Steadyhand Investment Management Ltd., on behalf of the funds, and in its capacity as manager and promoter of the funds.

*(signed) Lori Lothian*

Lori A. Lothian  
Director

*(signed) Neil Jensen*

Neil Jensen  
Director



# Certificate of the Principal Distributor

February 23, 2018

To the best of our knowledge, information and belief, this annual information form of the funds listed below, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario and do not contain any misrepresentations:

**Steadyhand Savings Fund**  
**Steadyhand Income Fund**  
**Steadyhand Founders Fund**  
**Steadyhand Equity Fund**  
**Steadyhand Global Equity Fund**  
**Steadyhand Small-Cap Equity Fund**

Steadyhand Investment Funds Inc., in its capacity as principal distributor of the funds.

*(signed) Tom Bradley*  
Tom Bradley  
President

# Steadyhand

## **Steadyhand Investment Management Ltd.**

1747 West 3rd Avenue

Vancouver, BC

Telephone : 1-888-888-3147

Additional information about the funds is available in the funds' Fund Facts, management reports of fund performance and financial statements.

You can get a copy of these documents at no cost by calling 1-888-888-3147, or by e-mail at [info@steadyhand.com](mailto:info@steadyhand.com) or from your dealer.

These documents and other information about the funds, such as information circulars and material contracts, are also available on the Steadyhand Investment Management Ltd. website at <http://www.steadyhand.com> or at [www.sedar.com](http://www.sedar.com).