
Steadyhand

Management Report of Fund Performance

Steadyhand Savings Fund

December 31, 2017



Steadyhand Savings Fund

Annual Management Report of Fund Performance (December 31, 2017)

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

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

Management Discussion of Fund Performance

Investment Objective and Strategies

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

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

Risks

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

Results of Operations

Over the year, the Fund's net assets increased to \$94.5 million as of December 31, 2017, from \$66.2 million at the end of 2016. This increase was attributable to net subscriptions of \$28.3 million.

The Fund produced a return of 0.8% in 2017. Over the same period, the FTSE TMX Canada 91 Day T-Bill Index gained 0.6%. The Fund's return is net of fees, whereas the return of the index does not include any costs or fees.

Global economic growth was solid in 2017, with all major economies growing for the first time since 2007. In Canada, employment growth was very strong, wages picked up, and inflation was remarkably stable.

The Fund outperformed the index over the year. Helping performance was the portfolio adviser's strategy (Connor, Clark & Lunn) of keeping the Fund's term-to-maturity shorter than the benchmark since the Bank of Canada began to shift to a tightening policy bias (more on this below). This allowed the adviser to reinvest these short-maturity securities at higher rates. As well, the Fund held some floating rate notes that also saw an increase alongside rate hikes by the Bank of Canada.

At the end of the third quarter (September 30th), Canada's GDP led all G-7 countries, growing 4.5% quarter-over-quarter. The portfolio adviser noted that economic activity was broad-based but, ultimately, fueled by healthy consumer spending that has been boosted by jobs and the Canada Child Benefit (for low-and middle-income households).

The Bank of Canada changed its outlook in the summer in favour of tighter monetary policy and raised its key short-term lending rate twice in the third quarter (by 0.25% each time), to 1.0%. Economic reports continued to show solid growth in the fourth quarter, but the central bank held interest rates steady.

The portfolio adviser's strategy remained focused on corporate notes in 2017. These securities comprised roughly 70% of the portfolio throughout the year, with government notes making up the balance (30%). This bias towards corporate notes resulted in the Fund's yield being higher than the benchmark over the reporting period.

As for the Fund's government notes, investments were focused on provincial securities over sovereign notes. The yield pick-up of provincial T-Bills (over sovereigns) was attractive throughout the year and was a source of added value for the portfolio. Investments in the year were concentrated in T-Bills issued by the provinces of Quebec, Ontario, Saskatchewan and B.C. Late in the year, the adviser reduced the Fund's holdings of Ontario T-Bills and increased exposure to the province of B.C.

The term-to-maturity of the Fund was brought down considerably in the second half of the year, from 2.5 months at the end of June, to 1.4 months at the end of December. While the majority of the portfolio's assets were invested in T-Bills and corporate paper in 2017, the Fund also held some short-dated corporate bonds to help increase the Fund's yield, including securities issued by American Express Canada, Hydro One, and Canadian Utilities. A small portion of the portfolio was also held in floating rate notes issued by Bank of Nova Scotia and CIBC.

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

The Fund's pre-fee yield at the end of 2017 was 1.3%, which was up from its yield of 0.8% at the end of 2016.

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

Recent Developments

Central banks around the world responded to strong economic growth in 2017 by tightening monetary policy. This was done by either reducing their balance sheets and/or raising short-term interest rates. The Bank of Canada raised its key lending rate twice in 2017, by 0.25% each time. The rate now stands at 1.0%.

The portfolio adviser (CC&L) believes that these moves raise the risk of a policy error. CC&L's base case scenario sees a moderation in Canadian growth against a still-positive global growth environment.

Indeed, global economic growth has been solid and the adviser expects it to gain further traction in 2018. CC&L expects Europe and China to maintain a steady pace of growth. The newly enacted tax reform package is expected to lift U.S. business spending in the near term, although the magnitude of its effect

on overall economic growth remains to be seen. Meanwhile, inflation measures are expected to stay below central bank targets, allowing policies to remain accommodative. This should benefit “risk” assets and pressure bond prices in the early part of 2018.

The adviser feels the Bank of Canada will continue to look for opportunities to normalize policy rates. Currently, the market has an expectation of three to four rate hikes over 2018; however, CC&L believes this to be an overly aggressive view. The central bank has expressed concerns over NAFTA, as well as the heavy Canadian household debt burdens, in particular, how rate increases will affect consumer spending. As a result, the Bank of Canada is unlikely to meet these current market expectations, with any rate increases contingent upon the evolution of inflation trends.

The Fund's mix of corporate notes (70% of assets) and government T-Bills (30%) did not change materially in 2017. As notes matured over the course of the year, a number of new securities were added to the Fund, including commercial paper issued by Caterpillar and Altalink.

A number of the Fund's short-dated bonds matured in the year, including John Deere, Greater Toronto Airport Authority, Canadian Utilities and Hydro One. The proceeds were primarily invested in commercial paper rather than short-dated bonds.

In response to the extremely low interest rate environment, we temporarily reduced the fee on the Savings Fund in 2009 to help maintain a positive yield for investors. The ‘One Simple Fee’ of the Fund, which is a fixed fee that includes the fee for Steadyhand's services as manager and all of the Fund's operating expenses, was temporarily reduced from 0.65% to 0.20%, and currently remains at this level. The amount of this waiver is determined by us, in our discretion, and the full fees may be restored by us at any time.

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

Related Party Transactions

Management Fees

Steadyhand Investment Management Ltd. is the Manager of the Fund. The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The Fund relies on the positive recommendation or approval of the independent review committee to proceed with the transactions. The annualized net management fee for the units of the Fund is 0.65%. The ‘One Simple Fee’ was temporarily reduced from 0.65% to 0.20%. The amount of this waiver is determined by us, in our discretion, and the full fees may be restored by us at any time. This fee is calculated daily and paid monthly based on the net asset value of units of the Fund. For the period ended December 31, 2017, the Fund paid gross fees of \$45,180 to the Manager and distributed \$13,846 in management fee reductions. The Fund does not reimburse the Manager for operating costs incurred in administering the Fund which include:

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

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

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

As at December 31, 2017 Steadyhand Investment Management Ltd. and its affiliates, subsidiaries, officers and directors owned 321,864 Series A units, or 10.7% of the total Series A Fund units. The Steadyhand Founders Fund holds 100% of the total Fund Series O units and pays no management fees.

Financial Highlights

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

Series A – Net Assets Per Unit	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net Assets, beginning of period ^{1,3,9}	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Increase (decrease) from operations:					
Total revenue	0.14	0.11	0.11	0.11	0.12
Total expenses (excluding distributions)	(0.01)	(0.03)	(0.03)	(0.01)	(0.01)
Realized gains (losses) for the period	-	-	-	-	-
Unrealized gains (losses) for the period	-	-	-	-	-
Total increase (decrease) from operations ¹	0.13	0.08	0.08	0.10	0.11
Distributions :					
From investment income (excluding dividends)	(0.08)	(0.07)	(0.08)	(0.10)	(0.10)
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions for the period ²	(0.08)	(0.07)	(0.08)	(0.10)	(0.10)
Net Assets, end of period	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00

Series A - Ratios and Supplemental Data	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net asset value (000's) ⁴	\$30,120	\$19,189	\$19,591	\$15,512	\$11,618
Number of units outstanding ⁴	3,012,013	1,918,884	1,959,106	1,551,221	1,616,749
Management expense ratio ⁵	0.20%	0.20%	0.20%	0.20%	0.20%
Management expense ratio before waivers or absorptions	0.21%	0.21%	0.21%	0.23%	0.23%
Portfolio turnover rate ⁶	85.73	-	-	-	-
Trading expense ratio ⁷	-	-	-	-	-
Transactional net asset value per unit ⁸	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00

Series O – Net Assets Per Unit	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net Assets, beginning of period ^{1,3,9}	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Increase (decrease) from operations:					
Total revenue	0.18	0.08	0.09	0.12	0.12
Total expenses (excluding distributions)	-	-	-	-	-
Realized gains (losses) for the period	-	-	-	-	-
Unrealized gains (losses) for the period	-	-	-	-	-
Total increase from operations ¹	0.18	0.08	0.09	0.12	0.12
Distributions :					
From investment income (excluding dividends)	(0.10)	(0.08)	(0.09)	(0.11)	(0.11)
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions for the period ²	(0.10)	(0.08)	(0.09)	(0.11)	(0.11)
Net Assets, end of period	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00

Series O - Ratios and Supplemental Data	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net asset value (000's) ⁴	\$64,405	\$46,980	\$29,729	\$26,502	\$14,275
Number of units outstanding ⁴	6,440,467	4,698,041	2,972,917	2,650,221	1,427,484
Management expense ratio ⁵	-	-	-	-	-
Management expense ratio before waivers or absorptions	-	0.01%	0.01%	0.02%	0.02%
Portfolio turnover rate ⁶	85.73	-	-	-	-
Trading expense ratio ⁷	-	-	-	-	-
Transactional net asset value per unit ⁸	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00

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

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

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

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

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

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

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

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

⁹The per share data is derived from the Fund's audited annual financial statements for 2012 and 2013 prepared in accordance with Canadian generally accepted accounting principles, and from the audited financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015, 2016 and 2017. The Net Assets per Share presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.

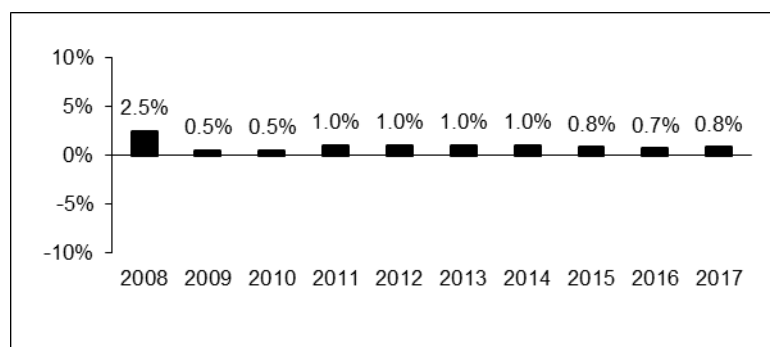
Past Performance

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

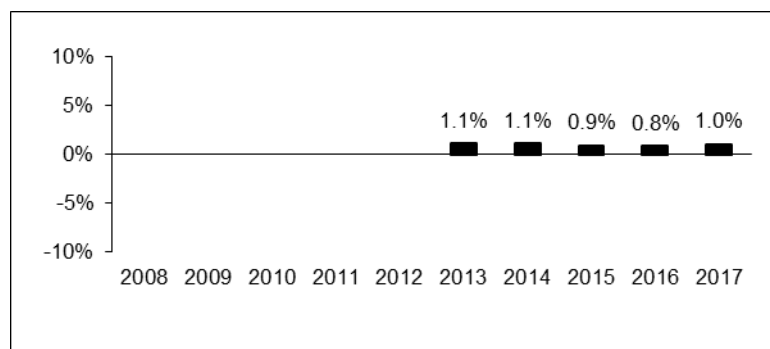
Year-by-Year Returns

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

Series A



Series O



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

The following table shows the Fund's annual compound total return for the past one-year, three-year, five-year, and ten-year periods ended on December 31, 2017, and since the inception of the Fund, compared with the FTSE TMX Canada 91 Day T-Bill Index.

	1 YR	3 YR	5 YR	10 YR	Since Inception*
Steadyhand Savings Fund – A	0.8%	0.8%	0.9%	1.0%	N/A
Steadyhand Savings Fund – O	1.0%	0.9%	1.0%	N/A	1.0%
FTSE TMX Canada 91 Day T-Bill Index	0.6%	0.6%	0.7%	1.0%	0.8%

* Series O units have a different inception date (February 17, 2012) are not available for purchase.

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

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

Summary of Investment Portfolio as at December 31, 2017

Portfolio Allocation

	% of Net Assets
Bankers Acceptances	30.7%
Corporate Notes	27.0%
Provincial Promissory Notes	14.8%
Provincial Treasury Bills	12.5%
Bearer Deposit Notes	4.3%
	<hr/> 89.3%
Corporate Bonds	7.4%
Provincial Bonds	3.0%
	<hr/> 10.4%
Total Investments	99.7%
Cash, Short-term Notes & Other Assets	0.3%
Total	<hr/> 100.0% <hr/>

Top 25 Holdings	% of Net Assets
Province of Manitoba T-Bill 1.018% 03 Jan 2018	9.3%
Province of Quebec P/N 1.031% 02 Feb 2018	6.7%
Toronto-Dominion Bank BA 1.400% 12 Mar 2018	5.4%
Royal Bank BA 1.301% 21 Feb 2018	5.2%
Hydro One Inc. C/P 1.348% 22 Feb 2018	4.7%
Province of Saskatchewan P/N 1.020% 07 Feb 2018	4.7%
Greater Toronto Transit Authority CP 1.285% 09 Jan 2018	4.2%
Bank of Nova Scotia BA 1.362% 12 Mar 2018	3.7%
Province of Saskatchewan P/N 1.062% 09 Mar 2018	3.4%
Inter Pipeline (Corridor) Inc. C/P 1.402% 22 Feb 2018	3.2%
Province of Ontario T-Bill 1.069% 28 Feb 2018	3.2%
Canadian Imperial Bank of Commerce B/A 1.319% 09 Jan 2018	3.2%
Suncor Energy Inc. C/P 1.490% 27 Mar 2018	3.2%
Bank of Montreal BA 1.310% 28 Feb 2018	3.1%
Province of Alberta Bond 1.492% 15 Jun 2018	3.0%
Bank of Montreal BA 1.332% 09 Mar 2018	2.9%
Enbridge Pipelines Inc. C/P 1.356% 19 Jan 2018	2.9%
Canadian Imperial Bank of Commerce BA 1.232% 02 Jan 2018	2.8%
Daimler Canada Finance Inc. C/P 1.380% 23 Jan 2018	2.7%
Honda Canada Finance Inc. C/P 1.419% 08 Jan 2018	2.6%
Union Gas Limited C/P 1.325% 16 Jan 2018	2.6%
Toronto-Dominion Bank BDN 1.100% 05 Mar 2018	2.5%
HSBC Bank of Canada BA 1.361% 12 Mar 2018	2.3%
American Express Canada C/P 2.310% 29 Mar 2018	2.1%
Bank of Nova Scotia C/P 1.480% 05 Sept 2018	2.1%

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

Steadyhand

Management Report of Fund Performance

Steadyhand Income Fund

December 31, 2017



Steadyhand Income Fund

Annual Management Report of Fund Performance (December 31, 2017)

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

Management Discussion of Fund Performance

Investment Objective and Strategies

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

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

Risks

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

Results of Operations

Over the year, the Fund's net assets increased to \$245.8 million as of December 31, 2017, from \$187.3 million at the end of 2016. This increase of \$58.5 million was attributable to net sales of \$56.3 million, an increase in net assets from operations of \$7.8 million less \$5.6 million in distributions to unitholders.

The Fund gained 2.9% in 2017. Over the same period, the FTSE TMX Canada Universe Bond Index provided a return of 2.5% while the S&P/TSX Capped Composite Index rose 9.1%. Bond yields ended the year higher, although their path wasn't steady. The 10-year Government of Canada yield started the year at 1.7%, fell to a low of 1.4% in the spring, and then climbed above 2.1% in the fall. It ended the year at 2.0%. This was a headwind for investors, as bond prices typically fall when yields rise.

While the Fund generated a positive return in the year, its interest rate strategies detracted from performance, particularly in the fourth quarter, when the portfolio wasn't positioned for a flattening in the yield curve (short-term interest rates rose while long-term interest rates fell). The Fund's investments in both corporate and provincial bonds helped offset some of the performance relative to the bond index.

Credit spreads (the difference in yield between corporate and government bonds) tightened during the year, with many sectors of the bond market reaching their narrowest levels since the global financial crisis (including U.S. high yield bonds). This was a positive for corporate bondholders, as tightening yields are typically beneficial for bond prices. Canadian provincial bond spreads also narrowed appreciably, due in part to solid economic performance. The Fund has a large weighting in provincial bonds, which were key contributors to performance.

The portfolio adviser, Connor, Clark & Lunn (CC&L), reduced the Fund's corporate bond holdings throughout the year, as it felt that risks in the sector were growing (more on this in the 'Recent Developments' section). This reduction in the asset class hurt the Fund's performance, as corporate bonds had a strong year.

At the beginning of the year, bonds comprised 75% of the portfolio. Their weighting was brought down, primarily in the latter half of 2017, and they ended the year at 71% of its assets. A big theme in the Fund during the year was a reduction in its overall level of risk. This was achieved through: (1) a focus on higher quality bonds, and (2) a reduction in its corporate holdings. Corporates (excluding money market securities) now make up 17% of the portfolio, which is their lowest weighting in the Fund over its history.

The Fund ended the year with a 2% weighting in high yield bonds, down from 5% at the end of 2016. These securities were trimmed because the adviser feels the risks in the sector are growing. High yield bonds had another good year, however, and the Fund's lower exposure to the sector held back its performance.

Turning to the Fund's stock holdings, this portion of the portfolio had a solid year from an absolute return perspective, but underperformed the broader Canadian market (S&P/TSX Capped Composite Index). The Fund's financial stocks performed well (including TD Bank and Royal Bank), but its energy holdings weighed on performance. CC&L's focus in the sector is on mid-sized oil & gas producers that are growing their production. Investors had a preference instead for larger energy companies in 2017.

The major theme in the Fund's equity strategy is exposure to high-quality companies with growing dividends which should benefit from global economic growth. CC&L believes that global economic conditions remain favourable in the near term; the adviser is also cognizant, though, that we are entering the later stages of an extended economic cycle. Given the current backdrop, the adviser believes that cyclical stocks (i.e. companies that are more sensitive to economic growth) are likely to outperform defensive stocks, and have increased the portfolio's exposure to companies it believes are attractively valued in the materials and industrial sectors. New purchases in the year, for example, included Agrium, CAE and Finning.

Stocks made up 29% of the Fund at year-end, which is up from their weighting of 25% at the beginning of the year. Key areas of investment included banks, insurers, pipelines & utilities, capital goods, real estate investment trusts (REITs) and consumer-related companies. These stocks have provided solid returns that have been less volatile than the overall market over time.

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

The Fund's pre-fee yield at the end of 2017 was 3.0%, as compared to 2.8% at the end of 2016.

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

Recent Developments

The Canadian bond market (FTSE TMX Canada Universe Bond Index) had a positive year, providing a total return (interest and capital appreciation) of 2.5%. Most of the return came in the fourth quarter, when longer-term interest rates fell, even as short-term interest rates rose.

Most developed economies experienced accelerating growth in 2017, and for the first time in a decade, no OECD (Organization for Economic Co-operation and Development) countries experienced a contraction in GDP (gross domestic product). The portfolio adviser (CC&L) feels that this positive environment is expected to continue through at least the first half of 2018; growth is expected to remain steady in China, while the U.S. and Eurozone could face an even stronger growth profile than last year.

The newly enacted tax reforms in the U.S. are expected to lift business spending in the near term, but the magnitude of their effect on overall economic growth remains to be seen. CC&L believes that while inflation measures have bottomed, they remain below central bank targets, which will allow for a continuation of the “goldilocks” environment (not too hot, not too cold) in 2018.

The adviser believes there are a number of risks that bear watching over the coming year. First, signs of a material pickup to inflation will heavily influence central bank actions and in turn financial markets. Moreover, CC&L is not encouraged by the NAFTA negotiation prospects; the agreement appears to be on its way to a dissolution. Finally, the risk of a Canadian housing market downturn is rising. This is due to the heavy debt burden borne by Canadian households which makes the sector more vulnerable to both rising interest rates and tighter mortgage regulations.

As noted in the previous section, the adviser focused on reducing the Fund’s overall level of risk in 2017 by reducing its exposure to corporate bonds and focusing on higher-quality issuers. There were some shifts in the portfolio that speak to this. Notably, the bond spreads of Canadian banks narrowed significantly across the entire capital structure, leading CC&L to take profits from almost every major bank. Given the heavy Canadian household debt burden, banks have become more vulnerable to rate increases and lending growth is expected to slow. With new mortgage regulations coming into place, this raises the risk of a disorderly housing market correction. CC&L is also cautious in response to news that Laurentian Bank (to which the portfolio has no exposure) misrepresented its mortgages, which was a reminder of last summer’s news surrounding Home Capital Group.

As for the adviser’s focus on higher-quality bond issuers, CC&L added exposure to utility holding companies, such as Pembina Pipelines and TransCanada Pipelines, as well as to the communications sector, notably Telus and Shaw Communications. In both sectors, the companies are either regulated or benefit from oligopoly positions with strong pricing power. These typically have strong balance sheets, stable cash flows, very small event risk and are protected from cyclical fluctuations.

The Fund’s investments in high yield bonds are likewise focused on higher-quality, and more liquid, issuers. As central banks continue to tighten monetary policy, the rise in interest rates will raise costs for more indebted companies. Moreover, CC&L feels the ongoing renegotiations of the North American Free Trade Agreement (NAFTA) present a risk of a near-term shock to Canadian companies. As a result of these concerns, high yield bonds now comprise only 2% of the Fund.

CC&L's outlook for stocks is positive, yet cautious. The adviser believes that U.S. tax reforms are expected to have a stimulative effect and provide another positive jolt to the "reflation trade" – investing in assets that benefit from rising inflation – which is currently playing out. As a consequence, CC&L increased the portfolio's position in stocks that should benefit from a continuation of this reflationary environment, including industrials, chemicals and financial services companies.

The cautious part of the adviser's outlook has to do with the fact that the business cycle is becoming "long in the tooth". CC&L continues to monitor the risks to Canada's export sector given the renegotiation of NAFTA, as well as the potential for rapidly rising interest rates due to an upward surprise in inflation. Should signs emerge that these risks are materializing, the adviser expects to reduce exposure to dividend growers in favour of stable dividend payers, such as those in the interest-sensitive and consumer staples sectors.

There were some changes to the structure of the portfolio in 2017, as described in the previous section. Of note, the Fund's exposure to corporate bonds was reduced. The yield advantage of owning corporate bonds (over safer government bonds) has subsided to the point where CC&L feels bondholders aren't being adequately compensated for the additional risks they're taking in many instances, especially when interest rates start to rise and the risk of default increases. Corporates (excluding money market securities) now make up 17% of the portfolio, down from their weighting of 25% at the end of last year. Conversely, the weighting in Provincial bonds was increased, from 29% to 34% of the Fund. CC&L feels these securities offer an attractive yield advantage over federal bonds. The Fund's weighting in dividend-paying stocks was also increased, from 25% to 29%.

The Fund paid distributions totaling \$0.24/unit in 2017.

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

Related Party Transactions

Management Fees

Steadyhand Investment Management Ltd. is the Manager of the Fund. The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The Fund relies on the positive recommendation or approval of the independent review committee to proceed with the transactions. The annualized net management fee for the units of the Fund is 1.04%. The Fund paid the Manager \$996,054 of its net assets as management fees and distributed \$271,032 in management fee reductions for the year ended December 31, 2017. The Fund does not reimburse the Manager for operating costs incurred in administering the Fund which include:

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

- bank charges;
- costs of compliance with applicable securities legislation in connection with the operation of the funds; and
- applicable taxes including GST/HST.

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

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

As at December 31, 2017, Steadyhand Investment Management Ltd. and its affiliates, subsidiaries, officers and directors owned 253,076 Series A units, or 3.0% of the total Fund Series A units. The Steadyhand Founders Fund holds 100% of the total Fund Series O units and pays no management fees.

Financial Highlights

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

Series A – Net Assets Per Unit	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net Assets, beginning of period ^{1,3,9}	\$10.79	\$10.69	\$11.12	\$10.69	\$10.73
Increase (decrease) from operations:					
Total revenue	0.31	0.34	0.37	0.36	0.40
Total expenses (excluding distributions)	(0.14)	(0.14)	(0.15)	(0.14)	(0.09)
Realized gains (losses) for the period	(0.02)	0.18	0.27	0.39	0.21
Unrealized gains (losses) for the period	0.19	0.24	(0.38)	0.43	(0.14)
Total increase from operations ¹	0.34	0.62	0.11	1.04	0.38
Distributions :					
From investment income (excluding dividends)	(0.22)	(0.25)	(0.28)	(0.26)	(0.32)
From dividends	(0.02)	(0.03)	(0.02)	(0.01)	(0.01)
From capital gains	-	(0.23)	(0.22)	(0.32)	(0.13)
Return of capital	-	-	-	-	-
Total distributions for the period ²	(0.24)	(0.50)	(0.52)	(0.60)	(0.46)
Net Assets, end of period	\$10.86	\$10.79	\$10.69	\$11.12	\$10.69

Series A - Ratios and Supplemental Data	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net asset value (000's) ⁴	\$91,949	\$94,927	\$90,920	\$94,129	\$71,085
Number of units outstanding ⁴	8,467,035	8,797,623	8,507,316	8,462,514	6,647,859
Management expense ratio ⁵	1.04%	1.04%	1.04%	1.04%	1.04%
Management expense ratio before waivers or absorptions	1.05%	1.04%	1.04%	1.04%	1.04%
Portfolio turnover rate ⁶	242.00%	231.76%	177.41%	137.05%	171.49%
Trading expense ratio ⁷	0.02%	0.03%	0.02%	0.02%	0.02%
Transactional net asset value per unit ⁸	\$10.86	\$10.79	\$10.69	\$11.12	\$10.69

Series O – Net Assets Per Unit	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net Assets, beginning of period ^{1,3,9}	\$11.27	\$11.06	\$11.41	\$10.87	\$10.82
Increase (decrease) from operations:					
Total revenue	0.33	0.36	0.39	0.36	0.40
Total expenses (excluding distributions)	-	-	-	-	-
Realized gains (losses) for the period	(0.02)	0.18	0.26	0.41	0.13
Unrealized gains (losses) for the period	0.15	0.20	(0.47)	0.35	0.03
Total increase from operations	0.46	0.74	0.18	1.12	0.56
Distributions :					
From investment income (excluding dividends)	(0.24)	(0.27)	(0.30)	(0.28)	(0.34)
From dividends	(0.04)	(0.03)	(0.03)	(0.02)	(0.01)
From capital gains	-	(0.24)	(0.23)	(0.33)	(0.13)
Return of capital	-	-	-	-	-
Total distributions for the period ²	(0.28)	(0.54)	(0.56)	(0.63)	(0.48)
Net Assets, end of period	\$11.45	\$11.27	\$11.06	\$11.41	\$10.87

Series O - Ratios and Supplemental Data	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net asset value (000's) ⁴	\$153,869	\$92,407	\$80,656	\$71,708	\$41,409
Number of units outstanding ⁴	13,444,221	8,200,609	7,292,039	6,282,427	3,808,034
Management expense ratio ⁵	-	-	-	-	-
Management expense ratio before waivers or absorptions	-	0.01%	-	-	0.01%
Portfolio turnover rate ⁶	242.00%	231.76%	177.41%	137.05%	171.49%
Trading expense ratio ⁷	0.02%	0.03%	0.02%	0.02%	0.02%
Transactional net asset value per unit ⁸	\$11.45	\$11.27	\$11.06	\$11.41	\$10.87

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

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

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

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

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

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

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

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

⁹The per share data is derived from the Fund's audited annual financial statements for 2012 and 2013 prepared in accordance with Canadian generally accepted accounting principles, and from the audited financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015, 2016 and 2017. The Net Assets per Share presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.

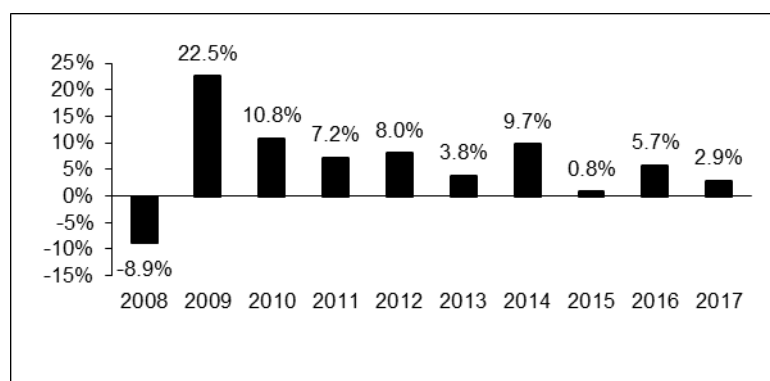
Past Performance

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

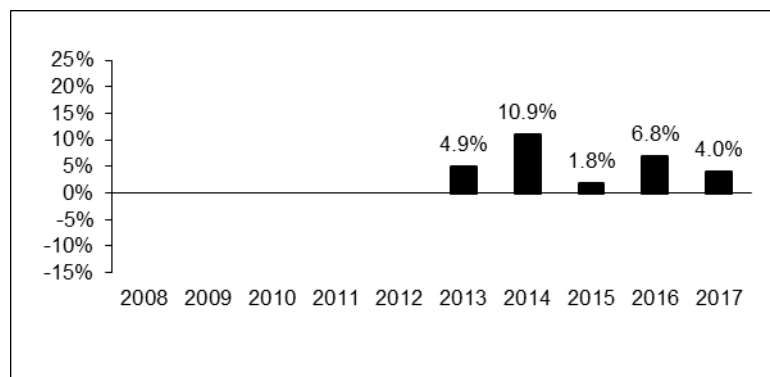
Year-by-Year Returns

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

Series A



Series O



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

Annual Compound Returns

The following table shows the Fund's annual compound total return for the past one-year, three-year, five-year, and ten-year periods ended on December 31, 2017, and since the inception of the Fund, compared with the FTSE TMX Canada Universe Bond Index and the S&P/TSX Capped Composite Index.

	1 YR	3 YR	5 YR	10 YR	<i>Since Inception*</i>
Steadyhand Income Fund - A	2.9%	3.1%	4.5%	6.0%	N/A
Steadyhand Income Fund - O	4.0%	4.2%	5.6%	N/A	6.1%
FTSE TMX Canada Universe Bond Index	2.5%	2.6%	3.0%	4.7%	3.2%
S&P/TSX Capped Composite Index	9.1%	6.6%	8.6%	4.6%	7.8%

* Series O units have a different inception date (February 17, 2012) are not available for purchase.

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

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

Summary of Investment Portfolio as at December 31, 2017

Portfolio Allocation

Bonds	% of Net Assets
Federal Bonds	13.9%
Provincial Bonds	33.8%
Corporate Bonds	14.6%
	<hr/> 62.3%
Equities	
Financial Services	9.2%
Real Estate	5.5%
Oil & Gas	4.9%
Industrial Goods & Services	3.0%
Utilities & Pipelines	1.7%
Communication & Media	1.5%
Consumer Products	0.9%
Retailing	0.8%
Consumer Cyclical	0.6%
Basic Materials	0.5%
Technology	0.4%
	<hr/> 29.0%
Pooled Investment Funds	1.9%
Cash, Short-Term Notes & Other Assets	6.8%
Total	<hr/> <hr/> 100.0%

Top 25 Holdings

% of Net Assets

Province of Ontario 2.600% 02 Jun 2027	5.7%
Province of Quebec 3.000% 01 Sept 2023	4.7%
Province of Quebec 2.750% 01 Sept 2027	4.0%
Province of Ontario 2.850% 02 Jun 2023	3.1%
Government of Canada 5.000% 01 Jun 2037	2.8%
Province of Quebec 4.500% 01 Dec 2020	2.4%
Toronto-Dominion Bank	2.4%
Royal Bank of Canada	2.3%
CC&L High Yield Bond Fund Series I	1.9%
Government of Canada 1.000% 01 Sept 2022	1.8%
Canada Housing Trust No.1 1.750% 15 Jun 2022	1.8%
Bank of Nova Scotia	1.7%
Province of Ontario 2.800% 02 Jun 2048	1.5%
Canada Housing Trust No.1 1.200% 15 Jun 2020	1.5%
Chartwell Retirement Residences	1.4%
Canadian Apartment Properties REIT	1.4%
Province of Quebec 3.500% 01 Dec 2022	1.3%
Brookfield Infrastructure Partners LP	1.2%
Government of Canada 4.000% 01 Jun 2041	1.2%
Manulife Financial Corp.	1.1%
Canadian National Railway Co.	1.1%
Government of Canada 2.750% 01 Dec 2048	1.0%
Canada Housing Trust No.1 2.400% 15 Dec 2022	1.0%
Province of Newfoundland & Labrador 2.850% 02 Jun 2028	1.0%
Allied Properties REIT	0.9%

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

Steadyhand

Management Report of Fund Performance

Steadyhand Founders Fund

December 31, 2017



Steadyhand Founders Fund

Annual Management Report of Fund Performance (December 31, 2017)

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

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

Management Discussion of Fund Performance

Investment Objective and Strategies

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

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

Risks

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

Results of Operations

The Fund's net assets stood at \$399.6 million as at December 31, 2017, an increase of \$95.9 million from \$303.7 million as of December 31, 2016. This increase was attributable to net sales of \$79.1 million and an increase in net assets from operations of \$28.3 million less \$11.5 million in distributions to unitholders.

The Fund gained 7.9% in 2017. Over the same period, the FTSE TMX Canada Universe Bond Index provided a return of 2.5% while the S&P/TSX Capped Composite Index rose 9.1% and the Morningstar Developed Markets Index gained 14.5% in Canadian dollar terms. The Fund is a balanced mix of our fixed income and equity funds (it's a 'fund-of-funds') and has a long-term asset mix target of 60% equities and 40% fixed income.

The Fund had a positive return in 2017, driven mainly by the performance of its underlying equity funds, which all posted double-digit gains (Steadyhand Equity Fund, Steadyhand Global Equity Fund and Steadyhand Small-Cap Equity Fund).

Foreign stock markets on balance outperformed their Canadian counterpart, as noted above. Each of the Founders Fund's three underlying equity funds hold foreign stocks to varying degrees, and these investments were a key driver of the Founders Fund's performance in 2017.

The Steadyhand Small-Cap Equity Fund was the Founders Fund's best-performing investment, followed by the Steadyhand Global Equity Fund. The Small-Cap Fund's strong performance was due to excellent performance from some of its key holdings, notably Pure Technologies, Spin Master and Diversified Royalty Corp. As well, it has much lighter exposure than the index to resource stocks, which struggled in the year.

The Steadyhand Global Equity Fund also had a strong year, due in part to strong performance from its emerging markets holdings, including Galaxy Entertainment, Shanghai Fosun Pharmaceutical Co., Bank Mandiri, DBS Group, and Bangkok Bank. An uptick in global economic growth also benefited the Global Fund's economically-cyclical businesses such as Galaxy Entertainment, Panasonic and Ubisoft Entertainment.

An important story in 2017 was the movement of the Canadian dollar. It rose against the U.S. dollar (7%) and Japanese Yen (4%), which resulted in lower returns from U.S. and Japanese stocks in Canadian dollar terms. Our dollar depreciated 6% against the Euro, however, which boosted the returns of European stocks.

The Founders Fund's fixed income exposure comes from its investment in the Steadyhand Income Fund. The Income Fund generated a positive return in 2017, although its was much more modest than the equity funds. Indeed, the bond market in general significantly lagged equity markets in the year. Interest rates ended the year higher, which was a headwind for the Income Fund (when rates rise, bond prices typically fall). The Income Fund's investments in both corporate and provincial bonds, however, were a positive contributor to its return.

The Founders Fund held a sizeable weighting in cash throughout the year (17% to 19%), primarily through its holding in the Steadyhand Savings Fund. This held back the Fund's return, as short-term interest rates remained extremely low in 2017, even though the Bank of Canada raised its key lending rate twice.

Relative to its 60/40 target, the Fund pursued three themes in 2017: a low weighting in bonds; a reduction in its exposure to stocks; and a meaningful cash reserve as a defensive measure. This positioning held back the Fund's return for two reasons: (1) bonds outperformed cash, and (2) stocks had a strong year. The Fund's lower-than-normal weighting in both these asset classes thus held back its performance.

Over the first half of the year, the Fund's equity weighting was reduced from 60% to 56%, as stocks were looking increasingly expensive in our view (and that of our managers). The weighting was brought down further in the latter half of the year, as markets continued to rise and we felt it was wise to take some profits. The Founders Fund's stock weighting ended 2017 at 54%.

The Founders Fund's weighting in bonds was increased slightly during the first half of the year, from 23% to 25%, but it remained well under its long-term target (35%). We increased the bond weighting further in the latter half of the year, and it ended 2017 at 28%. We increased the Founders Fund's exposure to bonds by increasing its weighting in the Steadyhand Income Fund. One of the reasons for the increase was that the Income Fund reduced its exposure to corporate bonds and moved further into provincial bonds, which are more defensive. We felt this move was timely, and aligned closely with our fixed income strategy of being more defensive than aggressive at this stage in the cycle.

In lieu of a full bond allocation, the cash reserve was higher than normal throughout the year. Between the Steadyhand Savings Fund and cash held in the equity funds, it finished the year at 19% of total assets. Cash and short-term securities offer near-zero yields, but provide protection against rising interest rates and are a ready source of liquidity in the event of heightened market volatility.

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

Recent Developments

Stocks had a good year. Emerging markets were the standouts, gaining nearly 30% in Canadian dollars. Indexes in Europe, Japan and the U.S. posted double-digit gains. Canada was a laggard, but the S&P/TSX Composite Index still gained 9.1%. Generally speaking, technology, industrial, consumer and financial stocks were areas of strength while the energy sector was an area of weakness, particularly in Canada.

The Canadian bond market (FTSE TMX Canada Universe Bond Index) provided a total return (interest and capital appreciation) of 2.5% in 2017. Bond yields ended the year higher despite falling in the spring. The 10-year Government of Canada yield started the year at 1.7%, but fell to 1.4% in June before ending the year at 2.0%. High yield bonds were strong performers, reflecting investors' thirst for yield.

There were some notable changes to the structure of the fixed income portion of the portfolio in 2017 (the Founders Fund gets its fixed income exposure through its investment in the Steadyhand Income Fund). A key theme during the year was a reduction in the overall level of risk associated with its bond holdings. This was achieved through: (1) a focus on higher quality bonds, and (2) a reduction in the weighting of corporate bonds. At the end of the year, corporates (excluding money market securities) made up just 17% of the Income Fund (and 8% of the Founders Fund), which is their lowest weighting in the Fund over its history. While the exposure to corporate bonds was reduced, the weighting in provincial bonds was increased. These securities offer an attractive yield advantage over federal bonds.

In total, bonds made up 28% of the Founders Fund at year-end, as compared to 23% at the end of 2016. While their weighting was increased, it continues to be well below the Fund's long-term target of 35%. This is a reflection of our view that today's low interest rates are unsustainable and the medium-term outlook for bonds in general is not particularly attractive.

Turning to stocks, the Fund's weighting in this asset class was brought down in 2017, from 60% at the beginning of the year, to 54% at the end of the reporting period. Although the global economy is experiencing broad-based growth, we believe this activity and resulting corporate profits are already priced into today's stock prices. Our managers have struggled to find cheap stocks and as a result, we feel it prudent to have below-average exposure to stocks at this time.

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

Other key areas of investment include industrial goods & services stocks and consumer-related stocks. The former group includes a diverse collection of companies in a variety of industries, such as CN Rail, Ritchie Bros. Auctioneers, CK Hutchison and Mitsubishi. Examples of some of the Fund's consumer holdings include Starbucks, Loblaw Companies and Galaxy Entertainment.

Foreign stocks remain an integral part of the Fund, although their weighting was also brought down in 2017, from 33% to 26%. The positioning of this part of the portfolio is tilted towards European and Asian stocks over U.S. companies, due primarily to the Global Equity Fund's focus on these regions. The portfolio adviser for our Global Equity Fund (Edinburgh Partners) feels European and Asian stocks are more attractively valued and offer greater potential going forward than American stocks.

The Founders Fund's weighting in Canadian stocks, on the other hand, was increased modestly, from 27% to 28%. This was a result, in part, of the increased weighting of the Steadyhand Income Fund (roughly one-quarter of this fund is invested in Canadian dividend-paying stocks) in the portfolio.

The Fund's cash weighting at the end of the year was 19%, which is much higher than normal. As a reminder, this is in lieu of a full bond and stock weighting and provides the portfolio with protection against rising interest rates and serves as a ready source of liquidity if we see opportunities in the market.

There were no changes over the reporting period to the manager, portfolio advisor, accounting policies or investment review committee of the Fund. We adjusted the Fund's long-term asset mix targets at year-end. The target stock weights are now evenly split between Canadian (30%) and foreign stocks (30%). Previously, the target was 35% Canada and 25% foreign. This change was a result of analysis we performed on how we could position the Fund given different market scenarios. It also came from reflecting on the limited depth of the Canadian market. The fixed income targets remain the same. We also changed the index shown in the Past Performance section of this report from the MSCI World Index to the Morningstar Developed Markets Index, as it has become cost prohibitive to use the MSCI index.

Related Party Transactions

Management Fees

Steadyhand Investment Management Ltd. is the manager of the Fund. The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The Fund relies on the positive recommendation or approval of the independent review committee to proceed with the transactions. The annualized net management fee for the units of the Fund is 1.34%. The Fund paid the Manager \$4,673,932 of its net assets as management fees and distributed \$1,255,575 in management fee reductions for the year ending December 31, 2017. The Fund does not reimburse the Manager for operating costs incurred in administering the Fund which include:

- fees payable to provincial securities commissions in connection with the operation of the funds;
- audit and legal fees;

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

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

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

As at December 31, 2017, Steadyhand Investment Management Ltd. and its affiliates, subsidiaries, officers and directors owned 255,500 units, or 0.9% of the total fund units. The Fund holds 100% of the O series units of the Steadyhand Savings, Income, Equity, Global Equity and Small-Cap Equity Funds and does not pay any management fees to the underlying funds.

Financial Highlights

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

Series A – Net Assets Per Unit	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net Assets, beginning of period ^{1,3,9}	\$12.79	\$12.29	\$12.17	\$11.76	\$10.44
Increase (decrease) from operations:					
Total revenue	0.43	0.49	0.60	0.70	0.34
Total expenses (excluding distributions)	(0.13)	(0.12)	(0.13)	(0.12)	(0.14)
Realized gains for the period	0.18	0.11	-	0.02	-
Unrealized gains for the period	0.58	0.42	(0.03)	0.18	1.93
Total increase from operations ¹	1.06	0.90	0.44	0.78	2.13
Distributions :					
From investment income (excluding dividends)	(0.14)	(0.15)	(0.15)	(0.15)	(0.15)
From dividends	-	(0.01)	-	-	-
From capital gains	-	(0.16)	(0.21)	(0.27)	(0.14)
Return of capital	-	-	-	-	-
Total distributions for the period ²	(0.14)	(0.32)	(0.36)	(0.42)	(0.29)
Net Assets, end of period	\$13.43	\$12.79	\$12.29	\$12.17	\$11.76

Series A - Ratios and Supplemental Data	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net asset value (000's) ⁴	\$399,612	\$303,661	\$244,046	\$184,615	\$107,900
Number of units outstanding ⁴	29,753,328	23,751,071	19,863,499	15,174,225	9,173,947
Management expense ratio ⁵	1.34%	1.34%	1.34%	1.34%	1.34%
Management expense ratio before waivers or absorptions	1.34%	1.34%	1.34%	1.34%	1.35%
Portfolio turnover rate ⁶	7.30%	17.18%	5.93%	8.05%	0.41%
Trading expense ratio ⁷	0.04%	0.12%	0.07%	0.06%	0.07%
Transactional net asset value per unit ⁸	\$13.43	\$12.79	\$12.29	\$12.17	\$11.76

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

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

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

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

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

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

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

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

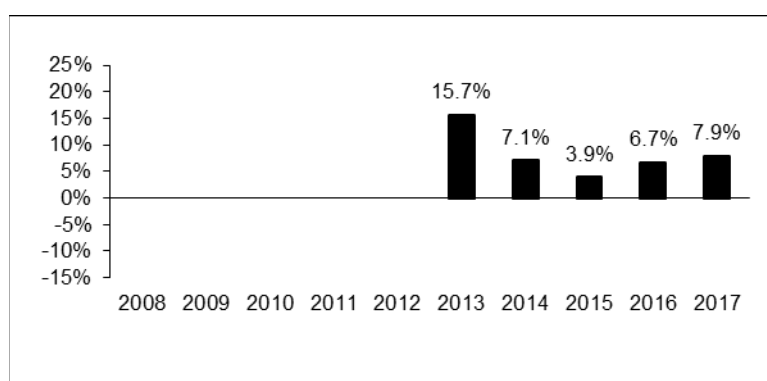
⁹The per share data is derived from the Fund's audited annual financial statements for 2012 and 2013 prepared in accordance with Canadian generally accepted accounting principles, and from the audited financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015, 2016 and 2017. The Net Assets per Share presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.

Past Performance

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

Year-by-Year Returns

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



The Fund first offered units for sale in February 2012.

Annual Compound Returns

The following table shows the Fund's annual compound total return for the past one-year, three-year, and five-year periods ended on December 31, 2017, and since the inception of the Fund, compared with the FTSE TMX Canada Universe Bond Index, S&P/TSX Capped Composite Index and the Morningstar Developed Markets Index.

	1 YR	3 YR	5 YR	Since Inception
Steadyhand Founders Fund	7.9%	6.2%	8.2%	8.1%
FTSE TMX Canada Universe Bond Index	2.5%	2.6%	3.0%	3.2%
S&P/TSX Capped Composite Index	9.1%	6.6%	8.6%	7.8%
Morningstar Developed Markets Index	14.5%	12.4%	17.2%	15.6%

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

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

Summary of Investment Portfolio as of December 31, 2017

Portfolio Allocation	
	% of Net Assets
Pooled Investment funds	99.5%
Cash, Short-Term Notes & Other Assets	0.5%
Total	100.0%

Top 6 Holdings	
	% of Net Assets
Steadyhand Income Fund, Series O	38.3%
Steadyhand Global Equity Fund, Series O	18.2%
Steadyhand Equity Fund, Series O	17.6%
Steadyhand Savings Fund, Series O	16.1%
Steadyhand Small Cap Equity Fund, Series O	9.3%
Cash & cash equivalents	0.2%

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

Steadyhand

Management Report of Fund Performance

Steadyhand Equity Fund

December 31, 2017



Steadyhand Equity Fund

Annual Management Report of Fund Performance (December 31, 2017)

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

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

Management Discussion of Fund Performance

Investment Objective and Strategies

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

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

Risks

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

Results of Operations

Over the year, the Fund's net assets increased to \$172.3 million as of December 31, 2017, from \$155.8 million at the end of 2016. This increase of \$16.5 million was mostly attributable to an increase in net assets from operations of \$18.7 million over the reporting period, less distributions to unitholders of approximately \$2.0 million and net redemptions of \$0.2 million.

The Fund gained 11.1% in 2017. Over the same period, the S&P/TSX Composite Index gained 9.1%, while the Morningstar Developed Markets Index gained 14.5% in Canadian dollar terms. The Fund outperformed the S&P/TSX Composite Index due to its lower exposure to energy stocks, which had a weak year, and its greater exposure to foreign companies. The Fund underperformed the Morningstar Developed Markets Index, as foreign stocks turned in stronger returns than Canadian stocks, on balance, and over half the Fund is invested in Canadian companies.

The Fund's foreign holdings provided strong results, led by CBOE Holdings, Visa and Novozymes. CBOE was the Fund's top-performing stock, gaining 70%, while Visa and Novozymes each gained over 45%. FEMSA, Unilever and Ecolab also turned in strong gains. The Fund's U.S. holdings, however, faced a currency headwind as the loonie rose 7% against the U.S. dollar, which dampened the returns of these stocks in Canadian dollar terms.

Canadian holdings turned in good results for the most part, led by CAE and Franco-Nevada, which both rose more than 25%. Magna International also turned in strong operating results and saw its share price rise more than 20%. Magna is an Ontario-based auto parts manufacturer which has been a positive contributor to performance since its addition to the Fund in late 2015. In July, Jaguar announced that Magna would build its new E-PACE compact SUV at its contract vehicle manufacturing facility in Austria. The announcement further strengthened Magna's reputation as a leading partner for many automakers (Magna also manufactures certain BMW and Mercedes vehicles).

CN Rail, CCL Industries and TD Bank also turned in double-digit returns in 2017.

Ritchie Bros. Auctioneers was one of the few detractors to performance, falling roughly 15%. The company auctions commercial and industrial equipment such as trucks and heavy machinery. It counts the energy sector as an important client base and the sector's struggles coincided with Ritchie's. The portfolio adviser, CGOV Asset Management, has been a shareholder of the stock for many years and feels it has good rebound potential.

Home Capital Group also had a negative impact on performance. The portfolio adviser had been lowering the stock's weighting in the Fund throughout the first half of the year, making it the smallest position in the portfolio, when news about an ongoing Ontario Securities Commission investigation spread. CGOV subsequently eliminated the position entirely.

CVS Health also declined modestly. The company, which has been in the Fund since 2007, announced a major acquisition: CVS will buy Aetna, a healthcare insurance provider, for \$69 billion USD. CGOV views the deal positively as it has the potential to provide long-term value to shareholders, though there may be some short-term pain in integrating the two companies.

Turnover in the portfolio was low in 2017. Three companies were purchased: Keyence (A Japanese manufacturer of automation sensors, vision systems and measuring instruments), Enbridge (a Canadian energy transportation company), and Evertz Technologies (a Canadian manufacturer of digital broadcast and film products). On the sell side, Home Capital Group, Lincoln Electric and Westshore Terminals were removed from the portfolio.

The Fund's overall sector composition did not change materially in the year, and there were only a few modest adjustments. Industrial goods & services companies decreased from 31% to 25% of the Fund's equities (Westshore Terminals and Lincoln Electric were sold), while technology stocks increased from 0% to 4% (with the addition of Keyence and Evertz). The weightings of the other sectors were little changed.

The portfolio's geographic profile was little changed over the reporting period. The weighting of Canadian stocks increased from 56% of the portfolio's equities at the beginning of the year to 57% at December 31st. The weighting of U.S. stocks decreased from 26% to 23%, while overseas stocks increased from 15% to 16% and the Fund's lone Mexican holding increased from 3% to 4%.

The Fund's cash position at the end of 2017 was 2%, which is the same level as where it started the year.

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

Recent Developments

2017 was another good year for stocks. Emerging markets provided the best returns, gaining nearly 30%, but markets in Europe, Japan and the U.S. also provided excellent results, rising by double digits. Canada lagged behind most developed markets, yet the S&P/TSX Composite Index still rose by 9.1%. Industrial, consumer and healthcare stocks were among the top performers in Canada, while technology, consumer and financial stocks drove U.S. and overseas markets.

Currency movements had an impact on foreign stock returns for Canadian investors. Our dollar appreciated against the U.S. dollar (7%) and Japanese Yen (4%), but fell 6% against the Euro. The Fund's foreign holdings are more focused in the U.S. than Europe, and the overall impact of currency movements was thus a negative for the Fund.

The manager is wary of high stock valuations and has a cautious outlook, with a focus on higher-quality businesses. One problem name was removed from the Fund, Home Capital Group (see the Results of Operations section for greater details), and Westshore Terminals and Lincoln Electric were also sold. Westshore Terminals had rebounded nicely off its 2016 lows, and the portfolio adviser (CGOV Asset Management) felt it was a good time to exit the name and reduce some of the Fund's commodity exposure (Westshore is Canada's busiest coal export terminal). Lincoln Electric has been a stellar performer over the past two years and has benefited significantly from an increase in infrastructure spending in the U.S., but the stock has become too expensive in CGOV's view.

As mentioned in the previous section, CBOE Holdings and Visa were two of the Fund's strongest performers in the year. Both holdings were trimmed based on their strong performance. Likewise, CCL Industries, Magna International and Unilever were also trimmed. The proceeds of these sales were invested in a few holdings that have lagged behind the overall market, including Ritchie Bros. Auctioneers, Starbucks and PrairieSky Royalty.

The portfolio adviser also purchased additional shares of TD Bank in the first half of the year as its stock price lagged. TD ended up having a good year, but the gain in the stock came in the latter half of 2017. TD is the Fund's only bank holding. This is a notable differentiator of the Fund. Most Canadian focused funds have a sizeable weighting in banks, as they make up a large part of the index. CGOV's non-benchmark oriented style means the adviser invests in companies because it likes their long-term prospects, not because of their weighting in an index. This means the Fund's returns will be out-of-synch with the market's returns, particularly over the short term.

As noted in the previous section, three new stocks were added to the Fund in the year. Of note, two technology stocks were purchased, Keyence and Evertz Technologies. The adviser purchased an initial tranche of shares in Keyence in the summer and its share price rose over 20% shortly after. Because CGOV is disciplined on the price it pays for a stock, it didn't buy a further tranche(s) and the stock remains a small position in the Fund. Evertz is a normal sized position.

The Fund held 25 stocks at the end of 2017, which is the maximum number the adviser will own. We like this discipline, as it ensures that if a new holding is added to the Fund, it has to have a more compelling risk/return profile than one of the Fund's existing holdings. The adviser must thus have a firm grasp of each stock owned and a strong case for any purchase or sale decisions.

Industrial goods & services stocks make up the largest portion of the portfolio, comprising 25% of investments. This is a broad sector that includes a diverse range of businesses such as CAE (a manufacturer of flight simulators), Ritchie Bros. Auctioneers (an auctioneer of industrial machinery) and CCL Industries (a specialty packaging company). These companies have broad-based revenue streams, which is why the adviser feels they are well positioned to benefit from the sustained global economic recovery.

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

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

There were no changes over the reporting period to the manager, portfolio advisor, accounting policies or investment review committee of the Fund. We changed one of the index's shown in the Past Performance section of this report from the MSCI World Index to the Morningstar Developed Markets Index, as it has become cost prohibitive to use the MSCI index.

Related Party Transactions

Management Fees

Steadyhand Investment Management Ltd. is the Manager of the Fund. The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The Fund relies on the positive recommendation or approval of the independent review committee to proceed with the transactions. The annualized net management fee for the units of the Fund is 1.42%. For the year ending December 31, 2017, the Fund paid gross fees of \$1,323,879 to the Manager and distributed \$374,904 in management fee reductions. The Fund does not reimburse the Manager for operating costs incurred in administering the Fund which include:

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

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

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

As at December 31, 2017, Steadyhand Investment Management Ltd. and its affiliates, subsidiaries, officers and directors owned 240,912 Series A units, or 4.2% of the total Fund Series A units. The Steadyhand Founders Fund holds 100% of the total Fund Series O units and pays no management fees.

Financial Highlights

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

Series A – Net Assets Per Unit	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net Assets, beginning of period ^{1,3,9}	\$16.04	\$14.72	\$13.78	\$12.53	\$10.45
Increase (decrease) from operations:					
Total revenue	0.32	0.38	0.32	0.27	0.26
Total expenses (excluding distributions)	(0.17)	(0.16)	(0.16)	(0.14)	(0.12)
Realized gains for the period	0.55	0.33	0.44	0.38	0.74
Unrealized gains for the period	1.16	1.10	0.57	1.13	1.59
Total increase from operations ¹	1.86	1.65	1.17	1.64	2.47
Distributions :					
From investment income (excluding dividends)	-	(0.01)	(0.01)	(0.01)	-
From dividends	(0.10)	(0.21)	(0.09)	(0.10)	(0.10)
From capital gains	-	-	(0.10)	(0.28)	(0.25)
Return of capital	-	-	-	-	-
Total distributions for the period ²	(0.10)	(0.22)	(0.20)	(0.39)	(0.35)
Net Assets, end of period	\$17.73	\$16.04	\$14.72	\$13.78	\$12.53

Series A - Ratios and Supplemental Data	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net asset value (000's) ⁴	\$102,077	\$86,633	\$69,182	\$61,520	\$49,398
Number of units outstanding ⁴	5,757,245	5,399,382	4,699,218	4,464,338	3,943,727
Management expense ratio ⁵	1.42%	1.42%	1.42%	1.42%	1.42%
Management expense ratio before waivers or absorptions	1.42%	1.42%	1.42%	1.42%	1.42%
Portfolio turnover rate ⁶	13.95%	13.87%	17.13%	18.74%	42.99%
Trading expense ratio ⁷	0.01%	0.01%	0.03%	0.04%	0.04%
Transactional net asset value per unit ⁸	\$17.73	\$16.04	\$14.72	\$13.78	\$12.53

Series O – Net Assets Per Unit	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net Assets, beginning of period ^{1,3,9}	\$16.41	\$14.99	\$13.97	\$12.65	\$10.50
Increase (decrease) from operations:					
Total revenue	0.33	0.40	0.33	0.27	0.26
Total expenses (excluding distributions)	-	-	-	-	-
Realized gains for the period	0.56	0.32	0.37	0.35	0.86
Unrealized gains for the period	1.20	1.22	0.56	1.19	1.57
Total increase from operations ¹	2.09	1.94	1.26	1.81	2.69
Distributions :					
From investment income (excluding dividends)	-	(0.02)	(0.02)	(0.01)	(0.01)
From dividends	(0.27)	(0.36)	(0.23)	(0.24)	(0.21)
From capital gains	-	-	(0.11)	(0.29)	(0.26)
Return of capital	-	-	-	-	-
Total distributions for the period ²	(0.27)	(0.38)	(0.36)	(0.54)	(0.48)
Net Assets, end of period	\$18.22	\$16.41	\$14.99	\$13.97	\$12.65

Series O - Ratios and Supplemental Data	Dec 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net asset value (000's) ⁴	\$70,225	\$69,206	\$60,386	\$35,753	\$22,591
Number of units outstanding ⁴	3,853,312	4,216,725	4,029,329	2,558,682	1,786,033
Management expense ratio ⁵	-	-	-	-	-
Management expense ratio before waivers or absorptions	0.01%	-	-	0.01%	0.01%
Portfolio turnover rate ⁶	13.95%	13.87%	17.13%	18.74%	42.99%
Trading expense ratio ⁷	0.01%	0.01%	0.03%	0.04%	0.04%
Transactional net asset value per unit ⁸	\$18.22	\$16.41	\$14.99	\$13.97	\$12.65

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

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

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

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

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

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

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

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

⁹The per share data is derived from the Fund's audited annual financial statements for 2012 and 2013 prepared in accordance with Canadian generally accepted accounting principles, and from the audited financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015, 2016 and 2017. The Net Assets per Share presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.

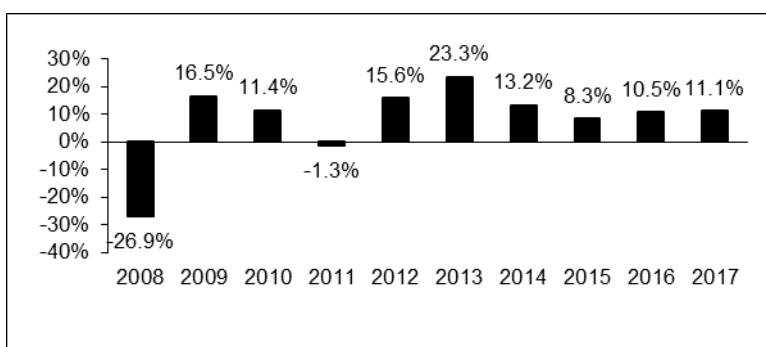
Past Performance

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

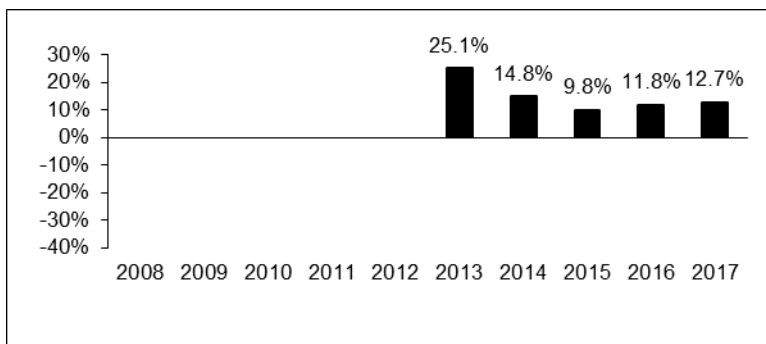
Year-by-Year Returns

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

Series A



Series O



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

Annual Compound Returns

The following table shows the Fund's annual compound total return for the past one-year, three-year, five-year, and ten-year periods ended on December 31, 2017, and since the inception of the Fund, compared with the S&P/TSX Capped Composite Total Return Index and the Morningstar Developed Markets Index.

	1 YR	3 YR	5 YR	10 YR	Since Inception*
Steadyhand Equity Fund – A	11.1%	10.0%	13.2%	7.2%	N/A
Steadyhand Equity Fund – O	12.7%	11.5%	14.8%	N/A	14.5%
S&P/TSX Capped Composite Index	9.1%	6.6%	8.6%	4.6%	7.8%
Morningstar Developed Markets Index	14.5%	12.4%	17.2%	8.0%	15.6%

* Series O units have a different inception date (February 17, 2012) are not available for purchase.

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

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

Summary of Investment Portfolio as of December 31, 2017

Portfolio Allocation

Equities	% of Net Assets
Industrial Goods & Services	24.4%
Financial Services	20.7%
Oil & Gas	14.8%
Retailing	10.6%
Basic Materials	10.1%
Consumer Products	5.9%
Technology	4.0%
Healthcare	4.0%
Consumer Cyclical	3.9%
	<hr/> 98.4%
Cash, Short-term Notes & Other Assets	1.6%
Total	<hr/> <hr/> 100.0%

Top 25 Holdings	
	% of Net Assets
Suncor Energy Inc.	5.9%
Visa Inc.	5.8%
The Toronto-Dominion Bank	5.8%
Franco-Nevada Corp.	5.7%
CBOE Holdings Inc.	5.5%
Novozymes A/S	5.0%
Prairie Sky Royalty Ltd.	4.7%
Agrium Inc.	4.4%
CCL Industries Inc.	4.1%
Novartis AG, ADR	4.0%
Magna International Inc.	3.9%
Ecolab Inc.	3.9%
Canadian National Railway Co.	3.8%
Fomento Economico Mexicano SAB de CV	3.8%
Starbucks Corp.	3.8%
CAE Inc.	3.7%
Ritchie Bros Auctioneers Inc.	3.7%
CVS Health Corp.	3.7%
Experian PLC	3.5%
Loblaw Cos Ltd.	3.2%
Evertz Technologies Ltd.	2.8%
Pason Systems Inc.	2.4%
Unilever PLC, ADR	2.1%
Enbridge Inc.	1.9%
Keyence Corp.	1.2%

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

Steadyhand

Management Report of Fund Performance

Steadyhand Global Equity Fund

December 31, 2017



Steadyhand Global Equity Fund

Annual Management Report of Fund Performance (December 31, 2017)

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

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

Management Discussion of Fund Performance

Investment Objective and Strategies

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

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

Risks

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

Results of Operations

Over the reporting period, the Fund's net assets increased by \$22.0 million to \$159.0 million as of December 31, 2017, from \$137.0 million at the end of 2016. This increase was attributable to net sales of \$9.9 million, and a \$22.6 million increase in net assets from operations less \$10.5 million in unitholder distributions.

The Fund gained 15.2% in 2017, while the Morningstar Developed Markets Index advanced 14.5%. Emerging markets were the standouts of 2017, gaining nearly 30% in Canadian dollars. Markets in Europe, Japan and the U.S. also turned in double-digit gains.

Canadian investors didn't experience the full extent of the gains as the loonie appreciated against the U.S. dollar (+7%) and Japanese Yen (+4%). Our dollar fell 6% against the Euro, however, which boosted the returns of European stocks.

The Fund outperformed the index due in part to strong performance from its emerging markets holdings. Galaxy Entertainment (an Asian gaming and hospitality company) and Shanghai Fosun Pharmaceutical Co. (a Shanghai-based pharmaceutical maker) both rose more than 75%. Asian banks Mandiri (Indonesia), DBS Group (Singapore) and Bangkok Bank (Thailand) also saw impressive gains.

From a sector perspective, banks were the greatest contributors to performance. Economic growth in Europe has improved the prospects for the continent's banks. The Fund's holdings in the region include BNP Paribas, HSBC, RBS and Commerzbank, which was one of the Fund's top performers in the year. The aforementioned Asian banks were also key contributors.

Europe wasn't alone in seeing an up-tick in its economy. Indeed, economic growth around the world was strong in 2017. This benefited consumer focused companies, especially more economically-cyclical businesses such as Galaxy Entertainment, Panasonic and Ubisoft Entertainment. Ubisoft, a French video game producer, saw its share price rise 90%.

Healthcare holdings comprise a sizeable portion of the Fund, making up nearly 20% of the portfolio. These holdings had a positive impact on performance. This was a positive development, as healthcare investments were the greatest detractors to performance in 2016. The regulatory/political clouds over drug companies have lifted somewhat and these companies are producing strong earnings and growing their product pipelines. AstraZeneca, Novartis, PerkinElmer and Shanghai Fosun all saw double-digit price gains.

Japanese stocks comprise the largest weighting in the Fund by country, making up 19% of the portfolio. Most holdings turned in strong operating results and share price performance, led by export-oriented companies Panasonic and Mitsubishi.

As a group, the Fund's energy investments held back its return. Royal Dutch Shell, BP and Total saw modest price gains, but these were offset by a steep decline in Apache (-33%), which took a hit when it announced the possibility of a large cash deficit in 2017. The portfolio adviser, Edinburgh Partners (EP), considers this a temporary shortfall and still likes Apache's fundamentals.

At year-end, the Fund held 43 stocks across 17 countries, which represents an increase of two stocks from the previous year. European stocks (including the U.K.) made up 46% of the Fund, while Asia accounted for 41%, the U.S. 11% and South America 2%.

There were some modest shifts in the portfolio in the year. The largest increase in sector exposure was in financial services stocks, which increased from 27% of the portfolio's equities at the end of 2016 to 32% at the end of 2017. The increase was the result of strong performance from bank stocks and the addition of Credicorp and DNB ASA to the portfolio. Conversely, the Fund's weighting in consumer cyclical stocks decreased from 17% to 14% (Harman International and Toyota were sold).

From a geographic standpoint, Europe and Asia are the greatest areas of exposure. Including investments in the U.K., European stocks made up 46% of the Fund at year-end (up from 41% last year). Asian stocks (including Japan) made up 41%, which was unchanged from last year, although Japanese stocks were reduced while exposure to emerging markets stocks was increased. Japan remains the largest individual country of investment, accounting for 19% of the Fund's equities as previously mentioned (which is down from 23% last year). U.S. stocks were also reduced, from 18% of the Fund to 11%, as a result of the sale of Alphabet, Harman International, and PerkinElmer.

The Fund's cash position increased from 2% at the beginning of the year to 6% at the end of December.

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

Recent Developments

2017 was a strong year for global equities. What's more, volatility was remarkably low. Emerging markets provided the strongest returns, but most developed markets also turned in double-digit gains. Corporate earnings were strong, and global economic growth was solid, with all the world's major economies growing for the first time since 2007.

The Fund continues to look much different than the overall global market. Specifically, it's more heavily weighted in European and Asian stocks, which make up over 85% of the portfolio's equities, and only has a modest weighting in U.S. stocks (11%). In contrast, American stocks make up over 50% of the global index.

This positioning is a reflection of the portfolio adviser's (Edinburgh Partners Ltd.) view that stocks in these regions (Europe and Asia) offer better risk/reward profiles and trade at more attractive valuations than U.S. companies. In addition, the portfolio has a value bias, favouring more economically-cyclical companies that are cheap on numerous valuation measures (notably, price-to-earnings multiples and price-to-book-value ratios).

The Fund's exposure to Europe was increased over the year, as three stocks in the region were purchased: Total (France), Gemalto (the Netherlands), and DNB ASA (Norway). As well, two of the Fund's best-performing stocks in 2017 were European, Ubisoft Entertainment (France) and Commerzbank (Germany).

The Fund's exposure to emerging markets was also increased, as Baidu (China), Credicorp (Peru), Goodbaby International (China) and Shanghai Fosun Pharmaceutical Co. (China) were purchased. SK Hynix (South Korea) was sold following a strong run. Asian stocks (excluding Japan) now make up 22% of the Fund (as compared to 18% last year).

The proportion of the Fund invested in Japanese stocks came down in 2017 as the portfolio adviser reduced the weight in light of strong gains. Toyota and NTT were sold while Panasonic and Nomura Holdings were trimmed. Japanese companies make up 19% of the portfolio, down from 30% at their peak in 2015. EP is still finding opportunities in Japan, but they tend to be in mid-sized companies, such as Alps Electric, which was purchased in the fourth quarter. The company is a leader in electrical components for autonomous driving, handsets and gaming devices.

From a sector perspective, financial services companies make up the largest portion of the portfolio, at 32%. Holdings are a mix of large European banks such as BNP Paribas, HSBC, RBS and Commerzbank, and domestically-oriented Asian operations such as Bank Mandiri, Bangkok Bank and DBS. Credicorp, a Peruvian bank, and DNB ASA, a bank focused in the Nordic region, were also added to the portfolio in the year.

Healthcare companies also make up a significant portion of the Fund, comprising nearly 20% of its equities. The portfolio adviser's focus is on large, industry-leading pharmaceutical companies, including Novartis, Roche, Bayer, Sanofi and AstraZeneca. These stocks pay attractive dividends and trade at lower valuations than the market in general. A risk with any pharmaceutical company is that new regulations and/or political decisions could have an adverse impact on its business.

In total, eight new stocks were added to the Fund in 2017. The only one not mentioned above is Gemalto, a digital security company based in the Netherlands. The stock was purchased in the spring, and was subsequently sold late in the year after Gemalto announced that it was being acquired. Other stocks that were sold during the year include: Toyota, NTT, Harman International, Alphabet, SK Hynix, and PerkinElmer.

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

There were no changes over the reporting period to the manager, portfolio advisor, accounting policies or investment review committee of the Fund. We changed the index shown in the Past Performance section of this report from the MSCI World Index to the Morningstar Developed Markets Index, as it has become cost prohibitive to use the MSCI index.

Related Party Transactions

Management Fees

Steadyhand Investment Management Ltd. is the Manager of the Fund. The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The Fund relies on the positive recommendation or approval of the independent review committee to proceed with the transactions. The annualized net management fee for the units of the Fund is 1.78%. For the year ended December 31, 2017, the Fund paid the Manager \$1,345,679 of its net assets as management fees and distributed \$421,785 in management fee reductions. The Fund does not reimburse the Manager for operating costs incurred in administering the Fund which include:

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

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

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

As at December 31, 2017, Steadyhand Investment Management Ltd., and its affiliates, subsidiaries, officers and directors owned 340,580 Series A units, or 4.2% of the total Fund Series A units. The Steadyhand Founders Fund holds 100% of the total Fund Series O units.

Financial Highlights

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

Series A – Net Assets Per Unit	Dec 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net Assets, beginning of period ^{1,3,9}	\$9.69	\$9.92	\$9.54	\$9.62	\$7.35
Increase (decrease) from operations:					
Total revenue	0.25	0.24	0.22	0.22	0.19
Total expenses (excluding distributions)	(0.24)	(0.22)	(0.24)	(0.23)	(0.11)
Realized gains (losses) for the period	0.66	0.45	0.99	0.56	0.56
Unrealized gains (losses) for the period	0.87	(0.14)	0.25	(0.15)	2.10
Total increase (decrease) from operations ¹	1.54	0.33	1.22	0.40	2.74
Distributions :					
From investment income (excluding dividends)	(0.10)	(0.13)	(0.07)	(0.66)	(0.08)
From dividends	-	-	-	-	-
From capital gains	(0.55)	(0.36)	(0.74)	(0.40)	(0.33)
Return of capital	-	-	-	-	-
Total distributions for the period ²	(0.65)	(0.48)	(0.81)	(1.06)	(0.41)
Net Assets, end of period	\$10.52	\$9.69	\$9.92	\$9.54	\$9.61

Series A - Ratios and Supplemental Data	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net asset value (000's) ⁴	\$86,129	\$66,037	\$63,229	\$52,714	\$44,734
Number of units outstanding ⁴	8,186,768	6,813,667	6,373,694	5,527,850	4,648,234
Management expense ratio ⁵	1.78%	1.78%	1.78%	1.78%	1.78%
Management expense ratio before waivers or absorptions	1.78%	1.78%	1.78%	1.78%	1.79%
Portfolio turnover rate ⁶	17.18%	21.14%	33.26%	29.61%	31.97%
Trading expense ratio ⁷	0.06%	0.08%	0.11%	0.16%	0.18%
Transactional net asset value per unit ⁸	\$10.52	\$9.69	\$9.92	\$9.54	\$9.62

Series O – Net Assets Per Unit	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net Assets, beginning of period ^{1,3,9}	\$9.97	\$10.15	\$9.70	\$9.75	\$7.40
Increase (decrease) from operations:					
Total revenue	0.26	0.25	0.22	0.22	0.20
Total expenses (excluding distributions)	-	-	-	-	-
Realized gains (losses) for the period	0.69	0.45	1.00	0.50	0.61
Unrealized gains for the period	0.77	(0.04)	0.16	(0.16)	2.12
Total increase from operations ¹	1.72	0.66	1.38	0.56	2.93
Distributions :					
From investment income (excluding dividends)	(0.23)	(0.25)	(0.20)	(0.19)	(0.18)
From dividends	-	-	-	-	-
From capital gains	(0.58)	(0.37)	(0.77)	(0.42)	(0.34)
Return of capital	-	-	-	-	-
Total distributions for the period ²	(0.81)	(0.62)	(0.97)	(0.61)	(0.52)
Net Assets, end of period	\$10.90	\$9.97	\$10.15	\$9.70	\$9.75

Series O - Ratios and Supplemental Data	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net asset value (000's) ⁴	\$72,825	\$70,941	\$55,816	\$38,920	\$24,128
Number of units outstanding ⁴	6,682,867	7,113,781	5,501,023	4,010,525	2,475,830
Management expense ratio ⁵	-	-	-	-	-
Management expense ratio before waivers or absorptions	0.01%	-	-	0.01%	0.01%
Portfolio turnover rate ⁶	17.18%	21.14%	33.26%	29.61%	31.97%
Trading expense ratio ⁷	0.06%	0.08%	0.11%	0.16%	0.18%
Transactional net asset value per unit ⁸	\$10.90	\$9.97	\$10.15	\$9.70	\$9.75

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

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

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

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

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

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

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

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

⁹The per share data is derived from the Fund's audited annual financial statements for 2012 and 2013 prepared in accordance with Canadian generally accepted accounting principles, and from the audited financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015, 2016 and 2017. The Net Assets per Share presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.

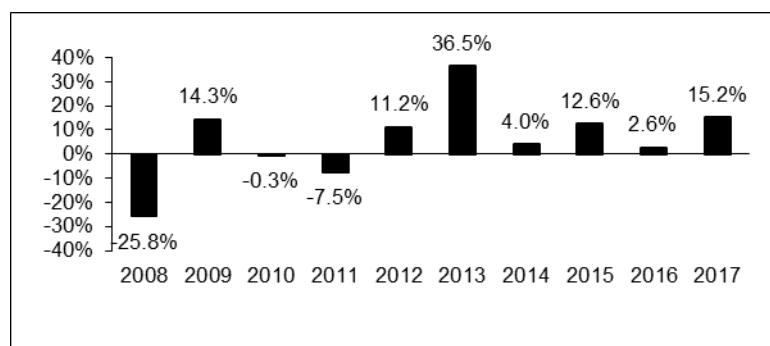
Past Performance

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

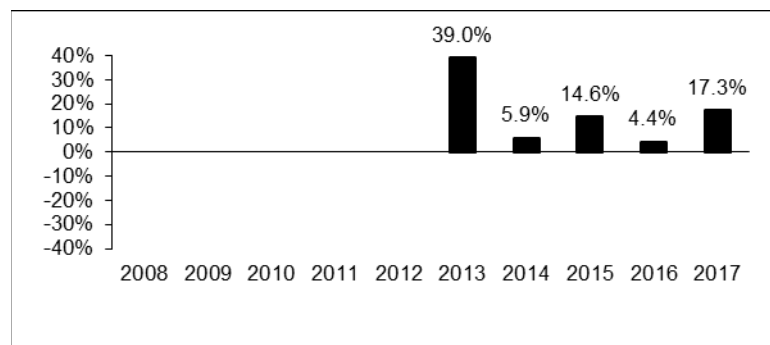
Year-by-Year Returns

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

Series A



Series O



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

Annual Compound Returns

The following table shows the Fund's annual compound total return for the past one-year, three-year, and five-year, and ten-year periods ended on December 31, 2017, and since the inception of the Fund, compared with the Morningstar Development Markets Index (Cdn \$).

	1 YR	3 YR	5 YR	10 YR	Since Inception*
Steadyhand Global Equity Fund – A	15.2%	10.0%	13.6%	5.1%	N/A
Steadyhand Global Equity Fund – O	17.3%	11.9%	15.6%	N/A	14.1%
Morningstar Developed Markets Index	14.5%	12.4%	17.2%	8.0%	15.6%

* Series O units have a different inception date (February 17, 2012) are not available for purchase.

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

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

Summary of Investment Portfolio as at December 31, 2017

Portfolio Allocation

Global Equities	% of Net Assets
Financial Services	30.0%
Healthcare	17.6%
Consumer Cyclical	12.7%
Oil & Gas	10.0%
Industrial Goods & Services	8.0%
Technology	6.6%
Retailing	4.5%
Communications & Media	3.1%
Consumer Products	1.4%
	<hr/> 93.9%
Cash, Short-term Notes & Other Assets	<hr/> 6.1%
Total	<hr/> <hr/> 100.0%

Top 25 Holdings

	% of Net Assets
Cash & cash equivalents	5.9%
Royal Dutch Shell PLC	3.5%
Novartis AG	3.2%
Commerzbank AG	2.9%
DBS Group Holdings Ltd.	2.9%
Panasonic Corp.	2.8%
AstraZeneca PLC	2.8%
BP PLC	2.7%
Shanghai Fosun Pharmaceutical Group Co. Ltd.	2.7%
UBISOFT Entertainment	2.7%
Bank Mandiri Persero Tbk PT	2.6%
HSBC Holdings PLC	2.6%
Galaxy Entertainment Group Ltd.	2.5%
Roche Holding AG	2.4%
Tesco PLC	2.3%
Mitsubishi Corp.	2.3%
Royal Bank of Scotland Group PLC	2.3%
BNP Paribas SA	2.3%
Baidu Inc.	2.3%
Synchrony Financial	2.3%
Bayer AG	2.3%
Takashimaya Co., Ltd.	2.2%
Sumitomo Mitsui Trust Holdings	2.2%
Sumitomo Mitsui Financial Group	2.2%
Sanofi	2.1%

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

Steadyhand

Management Report of Fund Performance

Steadyhand Small-Cap Equity Fund

December 31, 2017



Steadyhand Small-Cap Equity Fund

Annual Management Report of Fund Performance (December 31, 2017)

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

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

Management Discussion of Fund Performance

Investment Objective and Strategies

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

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

Risks

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

Results of Operations

For the year ended December 31, 2017, the Fund's net assets increased to \$97.5 million, from \$71.7 million at the end of 2016. This increase of \$25.8 million was attributable to net subscriptions of \$14.0 million, and an increase in net assets from operations of \$15.9 million less \$4.1 million paid in distributions to unitholders.

The Fund gained 18.4% in 2017. Over the same period, the S&P/TSX SmallCap Index gained 2.8%. The Fund had a strong year and outperformed the Canadian small-cap market by a considerable margin. This was due to excellent performance from some of its key holdings. As well, it has much lighter exposure than the index to resource stocks, which struggled in the year.

The Fund's top contributors to performance in 2017 were Pure Technologies (which was acquired by a U.S. water technology company in December), Spin Master (a toy company that owns the popular PAW Patrol brand) and Diversified Royalty Corp. (a royalty company whose partners include Mr. Lube, Air Miles and Sutton).

Pure Technologies was a key reason for the portfolio's stellar fourth quarter performance, in which the Fund gained 12.7%. Pure was the subject of a takeover bid by its international partner, Xylem. Xylem offered \$9.00 per share, which represented a 100% premium to Pure's stock price, and Pure's board accepted the offer.

Spin Master, one of the Fund's largest holdings, gained nearly 70% in 2017. The stock rallied based on the company's strong operating results. Spin Master's content and toys continue to resonate with children. It has a unique culture of innovation, which has created many successful platforms including PAW Patrol and Hatchimals, as well as refreshed versions of old favourites like Meccano and Etch-A-Sketch. The Fund's portfolio adviser, Galibier Capital Management, believes Spin Master is well positioned to leverage its culture of developing innovative new products in the future.

Echo Global Logistics (a leading provider of technology-enabled transportation and supply chain management services) was also a solid contributor. The stock declined in the spring and Galibier purchased more shares, believing there is compelling value in the network that Echo has built. The stock rallied significantly in the fourth quarter (gaining 50%). The tightening freight market, which was partially triggered by hurricanes Harvey and Irma, led to higher spot prices for freight. After turning down contracted volumes at lower rates earlier in the year, Echo was a big beneficiary of the subsequent rise in pricing. In addition, with the introduction of electronic logging devices (ELDs) in December, the portfolio adviser expects to see capacity removed from the trucking market, which is supportive of current spot pricing.

While there weren't a lot of negative stories in the Fund in 2017, DHX Media was a sore spot, falling roughly 35%. The stock was under pressure as the company's guidance fell short of investor expectations. DHX's board determined that it is in the best interest of the company to evaluate strategic alternatives (e.g. sell some of its assets). In Galibier's view, the sale process will likely see the Canadian broadcast assets sold separately from the content creating assets and content library. Valuations of media assets have been increasing due to competitive intensity in the video distribution business from the likes of Netflix and Amazon Prime. At the current valuation, the stock trades well below Galibier's estimate of net asset value.

As mentioned, small-cap energy companies struggled in the year, even as the price of oil rose more than 10%. The Fund has little exposure to the sector as Galibier isn't seeing a lot of opportunities. The Fund only holds one oil & gas producer, MEG Energy, which was a weak performer. Although MEG has a levered balance sheet, it has valuable assets that it could sell if it needs cash, which would largely mitigate any balance sheet risk. MEG also stands to benefit significantly from a stronger oil price.

During 2017, seven new stocks were added to the Fund, while six were eliminated. At year-end, the Fund held 25 stocks, 10 of which had a market capitalization of less than \$1 billion. Twenty were Canadian and five were American.

Current investments include companies in a variety of industries, including business & consumer services, capital goods, transportation, food & beverages, and technology. Galibier's focus is on companies with a sustainable competitive advantage, above-average long-term growth prospects, and appropriate financial leverage (debt). In the current environment, most mining companies do not meet these criteria and as such the portfolio does not have any direct investments in the sector. This is a notable differentiator of the Fund, as mining companies comprise a sizeable component of the index.

The Fund held five U.S. stocks during the course of the year: CBIZ, Echo Global Logistics, Fluor Corp., Stericycle, and The Middleby Corporation. The Canadian dollar appreciated 7% against the U.S. dollar during 2017, which detracted from the returns of these holdings in Canadian dollar terms.

There were some changes to the sector allocation of the portfolio. Most notably, industrial goods & services stocks increased from 37% of the portfolio's equities at the beginning of the reporting period to 51% at year-end. This is a broad sector that includes companies such as Cargojet, Intertape Polymer Group, Stantec and New Flyer Industries. The increase in exposure was a result of strong performance from several holdings, as well as the addition of a handful of new companies (discussed in the Recent Developments section of the report). Conversely, technology stocks decreased from 21% to 7%, as two stocks in the sector were sold and one was trimmed. And with the sale of Gluskin Sheff + Associates early in the year, the Fund no longer has any direct exposure to financial services companies.

The Fund's geographic profile also changed over the reporting period. Canadian stocks make up 82% of the Fund's equities (down from 90% at the end of last year) and U.S. stocks comprise 18% (up from 10%). Three new U.S. stocks were added to the portfolio. At the end of the year, the Fund's cash position was 6%, as compared to 7% at the end of last year.

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

Recent Developments

The Canadian small-cap market (S&P/TSX SmallCap Index) rose 2.8% in 2017. U.S. small-caps gained 7.1% (Russell 2000 Index) in Canadian dollar terms. Industrial-related stocks turned in solid performance while energy stocks were a notable area of weakness.

The portfolio adviser, Galibier Capital Management, feels that stock valuations in general remain expensive and is avoiding businesses with high valuations (relative to historic levels) and excessive levels of debt. Galibier is focused on identifying companies with interesting and enduring competitive advantages that trade at a discount to what they feel is their true worth.

A sector of the market in which Galibier found a few new opportunities in the year was U.S. mid-cap stocks (stocks with market capitalizations between \$1 billion to \$10 billion). More specifically, three new stocks were purchased: Fluor Corp., The Middleby Corporation, and Stericycle. These are all stocks that have fallen out of favour with investors, yet have attractive strengths. Middleby, for example, manufactures commercial ovens and is a leading provider to chains such as Subway, McDonald's and Starbucks. Stericycle is a leader in medical waste disposal solutions, while Fluor is an engineering company that has a unique capacity to work on large-scale projects. Galibier feels these stocks have good rebound potential. Indeed, Fluor is up over 30% since we added it to the Fund in September.

The portfolio adviser is also finding value in the packaging industry. Intertape Polymer Group was added earlier in the year, and Winpak was purchased in the fourth quarter. A common theme of both companies is that they operate in an industry that has a stable growth outlook (packaging), and they are industry leaders with a culture of innovation. Winpak, for example, is a world-leading manufacturer of packages and equipment for perishable foods and in healthcare applications. The company invests constantly in advanced technology to make complex packaging solutions that are tailored to their customers' business and products.

Along with the above-mentioned additions to the Fund, Parkland Fuel and Park Lawn Corp. were also purchased. Parkland, which is Canada's largest independent fuel marketer, is a stock that the Fund has owned in the past. Parkland's current network is over 1,100 stations and will grow to include another 400 more after the closing of the CST Brands Inc. acquisition. Galibier likes the acquisition, as Parkland's management team has a demonstrated record of successful integrations including leveraging convenience store opportunities. Park Lawn is a funeral, cemetery and cremation provider. Galibier likes the stock because it feels Park Lawn has an opportunity to continue to consolidate its industry by acquiring additional cemeteries in favourable jurisdictions, and they feel the company is unique within Canada and provides exposure to an attractive set of long life assets generating significant cash flow.

On the sell side, six holdings were eliminated: DH Corp.; Badger Daylighting; Gluskin, Sheff + Associates; Martinrea International; Pure Technologies; and Ensign Energy. In addition, a number of positions were trimmed based on strong performance, including Points International, Maxar Technologies (formerly MacDonald Dettwiler), Stantec and Diversified Royalty Corp.

Resource companies do not feature prominently in the portfolio. As a result, in periods when these stocks are soaring investors can expect the Fund to lag. Conversely, the Fund may hold up better when these stocks are struggling.

The Fund increased its U.S. exposure with the purchase of Stericycle, Middleby and Fluor. With the exposure to U.S. stocks, currency fluctuations between the Canadian and U.S. dollar remain a risk of the Fund. If the loonie appreciates against the U.S. dollar, it is detrimental for returns, and vice versa. In 2017, the loonie gained 7% on the U.S. dollar, which in turn dampened the performance of the Fund's American holdings in Canadian dollar terms.

At year-end, the Fund held 25 stocks (one more than in 2016), with most holdings comprising 3-5% of the portfolio. Liquor Stores N.A. was the largest position, at 5.1%. A notable feature of the Fund continues to be that there are no "filler" stocks and each holding has an important impact on performance.

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

Related Party Transactions

Management Fees

Steadyhand Investment Management Ltd. is the manager of the Fund. The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The Fund relies on the positive recommendation or approval of the independent review committee to proceed with the transactions. The annualized net management fee for the units of the Fund is 1.78%. For the year ended December 31, 2017, the Fund paid gross fees of \$905,846 to the Manager and distributed \$262,832 in management fee reductions. The Fund does not reimburse the Manager for operating costs incurred in administering the Fund which include:

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

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

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

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

As at December 31, 2017, Steadyhand Investment Management Ltd. and its affiliates, subsidiaries, officers and directors owned 120,043 Series A units, or 3.3% of the total Fund Series A units. The Steadyhand Founders Fund holds 100% of the total Fund Series O units and pays no management fees.

Financial Highlights

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

Series A – Net Assets Per Unit	Dec 31 2017	Dec 31 2016	Dec 31 2015	Dec 31 2014	Dec 31 2013
Net Assets, beginning of period ^{1,3,9}	\$14.45	\$12.71	\$14.72	\$17.41	\$14.20
Increase (decrease) from operations:					
Total revenue	0.33	0.37	0.31	0.37	0.31
Total expenses (excluding distributions)	(0.34)	(0.30)	(0.31)	(0.40)	(0.21)
Realized gains (losses) for the period	1.20	0.86	(1.29)	1.75	0.94
Unrealized gains (losses) for the period	1.59	1.03	(0.67)	(2.86)	2.54
Total increase (decrease) from operations¹	2.78	1.96	(1.96)	(1.14)	3.58
Distributions :					
From investment income (excluding dividends)	-	-	-	-	-
From dividends	(0.04)	(0.14)	-	(0.25)	(0.05)
From capital gains	(0.22)	-	-	(1.55)	(0.24)
Return of capital	-	-	-	-	-
Total distributions for the period ²	(0.26)	(0.14)	-	(1.80)	(0.29)
Net Assets, end of period	\$16.49	\$14.45	\$12.71	\$14.72	\$17.41

Series A - Ratios and Supplemental Data	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net asset value (000's) ⁴	\$60,506	\$47,787	\$40,729	\$48,572	\$46,117
Number of units outstanding ⁴	3,668,617	3,306,366	3,204,714	3,299,818	2,649,507
Management expense ratio ⁵	1.78%	1.78%	1.78%	1.78%	1.78%
Management expense ratio before waivers or absorptions	1.78%	1.78%	1.78%	1.78%	1.79%
Portfolio turnover rate ⁶	40.56%	91.35%	19.80%	28.76%	35.86%
Trading expense ratio ⁷	0.15%	0.40%	0.24%	0.23%	0.23%
Transactional net asset value per unit ⁸	\$16.49	\$14.45	\$12.70	\$14.72	\$17.41

Series O – Net Assets Per Unit	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net Assets, beginning of period ^{1,3,9}	\$14.96	\$13.09	\$14.91	\$17.61	\$14.27
Increase (decrease) from operations:					
Total revenue	0.35	0.38	0.33	0.39	0.31
Total expenses (excluding distributions)	-	-	-	-	-
Realized gains (losses) for the period	1.30	0.85	(1.39)	1.60	0.95
Unrealized gains (losses) for the period	1.69	1.16	(0.68)	(3.54)	2.81
Total increase (decrease) from operations ¹	3.34	2.39	(1.74)	1.55	4.07
Distributions :					
From investment income (excluding dividends)	-	-	-	-	-
From dividends	(0.22)	(0.33)	(0.03)	(0.27)	(0.25)
From capital gains	(0.61)	-	-	(1.60)	(0.25)
Return of capital	-	-	-	-	-
Total distributions for the period ²	(0.83)	(0.33)	(0.03)	(1.87)	(0.50)
Net Assets, end of period	\$17.19	\$14.96	\$13.08	\$14.91	\$17.61

Series O - Ratios and Supplemental Data	Dec 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014	Dec. 31 2013
Net asset value (000's) ⁴	\$37,005	\$23,907	\$17,110	\$11,255	\$5,317
Number of units outstanding ⁴	2,152,846	1,597,733	1,307,947	754,611	301,988
Management expense ratio ⁵	-	-	-	-	-
Management expense ratio before waivers or absorptions	0.01%	0.01%	0.01%	0.02%	0.06%
Portfolio turnover rate ⁶	40.56%	91.35%	19.80%	28.76%	35.86%
Trading expense ratio ⁷	0.15%	0.40%	0.24%	0.23%	0.23%
Transactional net asset value per unit ⁸	\$17.19	\$14.96	\$13.08	\$14.19	\$17.61

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

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

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

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

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

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

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

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

⁹The per share data is derived from the Fund's audited annual financial statements for 2012 and 2013 prepared in accordance with Canadian generally accepted accounting principles, and from the audited financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015, 2016 and 2017. The Net Assets per Share presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.

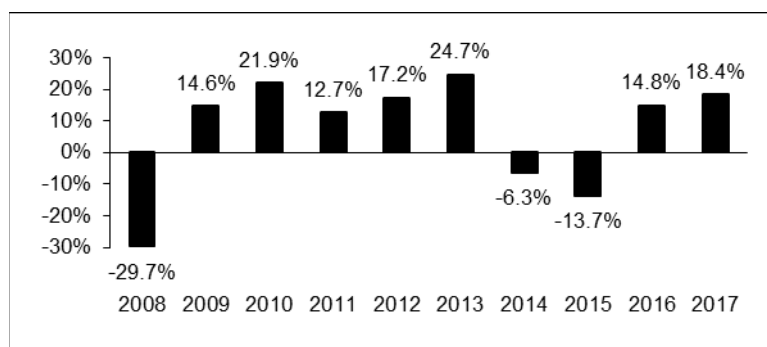
Past Performance

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

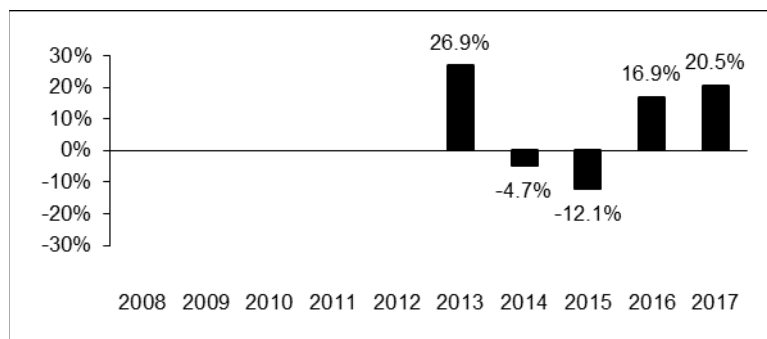
Year-by-Year Returns

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

Series A



Series O



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

Annual Compound Returns

The following table shows the Fund's annual compound total return for the past one-year, three-year, five-year, and ten-year periods ended on December 31, 2017, and since the inception of the Fund, compared with the S&P/TSX SmallCap Index.

	1 YR	3 YR	5 YR	10 YR	Since-Inception*
Steadyhand Small-Cap Equity Fund – A	18.4%	5.5%	6.5%	5.9%	N/A
Steadyhand Small-Cap Equity Fund – O	20.5%	7.4%	8.4%	N/A	9.3%
S&P/TSX SmallCap Index	2.8%	7.2%	5.3%	2.4%	2.6%

* Series O units have a different inception date (February 17, 2012) are not available for purchase.

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

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

Summary of Investment Portfolio as of December 31, 2017

Portfolio Allocation	
	% of Net Assets
Equities	
Industrial Goods & Services	48.1%
Consumer Cyclical	12.6%
Oil & Gas	7.3%
Technology	6.7%
Retailing	5.1%
Real Estate	4.5%
Consumer Products	4.5%
Utilities	3.0%
Communications & Media	2.3%
	<u>94.1%</u>
Cash, Short-term Notes & Other Assets	<u>5.9%</u>
Total	<u>100.0%</u>

Top 25 Holdings	
	% of Net Assets
Cash & cash equivalents	6.0%
Liquor Stores NA Ltd.	5.1%
Spin Master Corp.	4.9%
Echo Global Logistics Inc.	4.9%
Intertape Polymer Group Inc.	4.9%
Diversified Royalty Corp.	4.7%
Dream Global Real Estate Investment Trust	4.5%
Brick Brewing Co. Ltd.	4.5%
AG Growth International Inc.	4.5%
Fluor Corporation	4.4%
Exchange Income Corp.	4.3%
Park Lawn Corp.	4.3%
MEG Energy Corp.	4.0%
Cargojet Inc.	4.0%
Stantec Inc.	3.6%
Points International Ltd.	3.5%
Maxar Technologies Ltd.	3.4%
Enghouse Systems Ltd.	3.3%
Parkland Fuel Corp.	3.3%
Northland Power Inc.	3.0%
New Flyer Industries Inc.	2.9%
Stericycle Inc.	2.9%
Winpak Ltd.	2.5%
CBIZ Inc.	2.5%
DHX Media Ltd.	2.3%

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