Steadyhand

Management Report of Fund Performance

Steadyhand Savings Fund

December 31, 2018

Steadyhand **Savings Fund**

Annual Management Report of Fund Performance (December 31, 2018)

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 decreased to $64.4 million as of December 31, 2018, from $94.5 million at the end of 2017. This increase was attributable to net redemptions of $30.1 million.

The Fund produced a return of 1.5% in 2018. Over the same period, the FTSE TMX Canada 91 Day T-Bill Index gained 1.4%. The Fund's return is net of fees, whereas the return of the index does not include any costs or fees.

The Fund outperformed the index over the year. Helping performance was the portfolio adviser's (Connor, Clark & Lunn) preference for holding corporate paper over government T-Bills. In addition, the Fund's investments in floating rate notes (FRNs) and short-dated bonds helped boost the Fund's return. At year-end, 68% of the Fund was invested in corporate paper (including bank paper, FRNs and bonds) with the remaining 32% invested in government notes.

Global economic growth remained steady in the first half of the year, although the pace of growth diverged across the major economies. Economic data was softer in many countries, including Canada and in Europe. The U.S. economy, on the other hand, maintained its positive momentum. Inflation remained benign overall. As we headed into summer, the prevailing theme of “de-synchronized” growth persisted among global economies and financial markets. Economic indicators in the U.S. continued to point to robust growth while growth in other regions moderated. Positive momentum on the earnings front helped boost stocks, prolonging the bull market. The monetary environment tightened, however, as many central banks raised interest rates or withdrew liquidity from the system. The U.S. Federal Reserve (Fed) and the Bank of Canada both raised rates.

The final quarter of the year saw a dramatic correction across global equity markets. Canadian, U.S. and global stock indices all ended the quarter with double-digit declines, marking 2018 as the first year that major equity markets declined concurrently in a record-setting, decade-long expansion. Global economic activity weakened across several regions but remained strong in the U.S. Despite numerous support measures, economic growth in China slowed amid a sour trade battle with the U.S. Central banks continued to tighten policy — both the Bank of Canada and the Fed raised rates again while the European Central Bank reaffirmed the objective of ending its asset purchase program at year-end, further reducing global liquidity.

All told, The Bank of Canada raised its key lending rate three times in 2018 (in January, July and October), by 0.25% each time. The rate stood at 1.75% at the end of the year.

As noted above, 68% of the Fund was invested in corporate paper at the end of the year. These investments included bankers’ acceptances (BA) issued by the big six Canadian banks, commercial paper (CP) issued by companies including Union Gas, Greater Toronto Airports Authority, Hydro One, Honda Canada and TransCanada Corporation, and bank deposit notes (BDN) issued by Manulife Bank of Canada.

The remaining 32% of the Fund was invested in government notes. These investments were focused on provincial securities rather than 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 Saskatchewan, Alberta, Manitoba, Newfoundland and New Brunswick.

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 2018 was 2.0%, which was up from its yield of 1.3% at the end of 2017.

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

Recent Developments

Economic growth around the world continued at a steady pace through the first half of the year and into the summer, led by the U.S. Growth in Canada slowed a little, but the economy continued to operate close to capacity and inflation edged up, which helped facilitate the Bank of Canada’s decision to raise its key lending rate in July by 0.25% (following an earlier hike in January). Global growth moderated in the latter half of the year, however, as the impact of U.S.-led trade conflicts weighed on global demand. While the American economy remained strong, the Canadian economy stalled in the third and fourth quarters as rising interest rates curbed spending by households and businesses.

Commodity prices tumbled in the latter half of the year, reflecting the worsening outlook for growth. The portfolio adviser, Connor Clark & Lunn, feels the risk-reward relationship has shifted for the Bank of Canada, largely in response to these developments, and that financial markets are in the process of incorporating this information.

Despite the slowdown in the domestic economy, the Bank of Canada raised its short-term interest rate by another 0.25% in October. At the time, the central bank felt that higher interest rates were still warranted to keep inflation near its target. The Bank of Canada's key lending rate stood at 1.75% at the end of the year, 0.75% higher than where it started.

As for the global macroeconomic backdrop, CC&L believes that monetary stimulus measures in China should help stabilize activity for its major trading partners later in 2019, and the decline in oil prices should also help manufacturing activity in oil-importing countries. The adviser feels there is still some time left before this cycle ends, although they also recognize the risk of a recession in the next 12 months has increased.

CC&L expects continued tightening of monetary policy but believes the pace of this tightening will slow, with the U.S. Federal Reserve and the Bank of Canada each raising interest rates once in 2019. Importantly, for a number of global central banks, managing policy using two different tools (rate changes and a concurrent reduction of their balance sheets) will be challenging for policymakers, as well as for markets assessing the overall impact of these changes.

Any increase in short-term rates by the Bank of Canada is beneficial for the Fund, as it enables the adviser to incorporate higher-yielding money market securities into the portfolio.

The Fund's mix of corporate notes (68% of assets) and government T-Bills (32%) did not change materially in 2018. The weight in government notes (focused on provincial T-Bills) was increased, but only modestly (rising from 30% to 32%). As notes matured over the course of the year, a number of new securities were added to the Fund, including commercial paper issued by Brookfield Asset Management, Honda Canada, and Inter Pipeline.

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, 2018, the Fund paid gross fees of $60,534 to the Manager and distributed $19,647 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, 2018 Steadyhand Investment Management Ltd. and its affiliates, subsidiaries, officers and directors owned 333,199 Series A units, or 9.0% of the total Series A Fund units. The Steadyhand Founders Fund holds 100% of the total Fund Series O units and pays no management fees.

Financial Highlights

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

Series A – Net Assets Per Unit	***Dec. 31 2018***	***Dec. 31 2017***	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***
Net Assets, beginning of period [1,3,9]	**$10.00**	**$10.00**	**$10.00**	**$10.00**	**$10.00**
Increase from operations:					
Total revenue	0.19	0.14	0.11	0.11	0.11
Total expenses (excluding distributions)	(0.03)	(0.01)	(0.03)	(0.03)	(0.01)
Realized gains for the period	-	-	-	-	-
Unrealized gains for the period	-	-	-	-	-
Total increase from operations [1]	**0.16**	**0.13**	**0.08**	**0.08**	**0.10**
Distributions :					
From investment income (excluding dividends)	(0.15)	(0.08)	(0.07)	(0.08)	(0.10)
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.15)**	**(0.08)**	**(0.07)**	**(0.08)**	**(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 2018***	***Dec. 31 2017***	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***
Net asset value (000's) [4]	$37,050	$30,120	$19,189	$19,591	$15,512
Number of units outstanding [4]	3,705,019	3,012,013	1,918,884	1,959,106	1,551,221
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%	0.21%	0.23%
Portfolio turnover rate [6]	67.13	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 2018***	***Dec. 31 2017***	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***
Net Assets, beginning of period [1,3,9]	**$10.00**	**$10.00**	**$10.00**	**$10.00**	**$10.00**
Increase from operations:					
Total revenue	0.17	0.18	0.08	0.09	0.12
Total expenses (excluding distributions)	-	-	-	-	-
Realized gains for the period	-	-	-	-	-
Unrealized gains for the period	-	-	-	-	-
Total increase from operations [1]	**0.17**	**0.18**	**0.08**	**0.09**	**0.12**
Distributions :					
From investment income (excluding dividends)	(0.17)	(0.10)	(0.08)	(0.09)	(0.11)
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.17)**	**(0.10)**	**(0.08)**	**(0.09)**	**(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 2018***	***Dec. 31 2017***	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***
Net asset value (000's) [4]	$27,382	$64,405	$46,980	$29,729	$26,502
Number of units outstanding [4]	2,738,234	6,440,467	4,698,041	2,972,917	2,650,221
Management expense ratio [5]	-	-	-	-	-
Management expense ratio before waivers or absorptions	-	-	0.01%	0.01%	0.02%
Portfolio turnover rate [6]	67.13	85.73	-	-	-
Trading expense ratio [7]	-	-	-	-	-
Transactional net asset value per unit [8]	$10.00	$10.00	$10.00	$10.00	$10.00

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

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

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

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

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

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

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

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

[9] The per share data is derived from the Fund's audited annual financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015, 2016, 2017 and 2018. The Net Assets per Share presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.

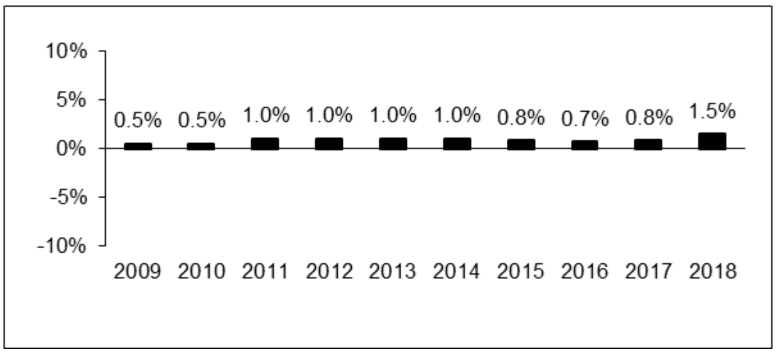
Past Performance

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.

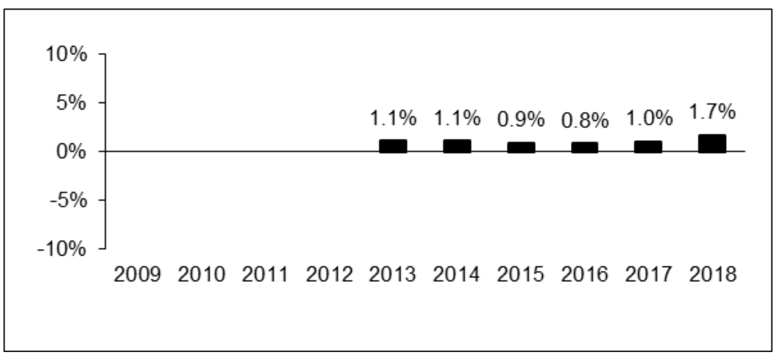
Year-by-Year Returns

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, 2018, 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	1.5%	1.0%	1.0%	0.9%	N/A
Steadyhand Savings Fund – O	1.7%	1.2%	1.1%	N/A	1.1%
FTSE TMX Canada 91 Day T-Bill Index	1.4%	0.8%	0.8%	0.8%	0.9%

* 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, 2018

Portfolio Allocation

	% of Net Assets
Corporate Notes	27.7%
Provincial Treasury Bills	25.0%
Bankers Acceptances	16.1%
Bearer Deposit Notes	9.4%
Provincial Promissory Notes	8.0%
	86.2%
Corporate Bonds	15.8%
	15.8%
Total Investments	102.0%
Cash, Short-term Notes & Other Assets	(2.0)%
Total	**100.0%**

Top 25 Holdings

	% of Net Assets
Province of New Brunswick T-Bill 1.889% 17 Jan 2019	10.0%
Province of Manitoba T-Bill 1.888% 03 Mar 2019	6.8%
Province of Newfoundland T-Bill 1.850% 10 Jan 2019	5.4%
Hydro One Inc. C/P 2.250% 26 Feb 2019	4.9%
Manulife Bank of Canada BDN 2.079% 01 Mar 2019	4.8%
Honda Canada C/P 2.221% 02 Apr 2019	4.6%
Toronto-Dominion Bank BDN 2.001% 29 Jan 2019	4.6%
Province of Saskatchewan P/N 1.909% 20 Feb 2019	4.3%
Bank of Nova Scotia FRN 2.250% 27 Aug 2019	4.2%
Royal Bank of Canada B/A 2.194% 25 Jan 2019	4.2%
Canadian Imperial Bank of Commerce B/A 2.089% 05 Feb 2019	4.1%
BMW Canada Inc. FRN C/P 2.310% 06 Feb 2020	3.9%
Greater Toronto Airport Authority C/P 2.198% 13 Mar 2019	3.5%
Toyota Credit Canada FRN C/P 2.406% 13 Oct 2020	3.1%
Suncor Energy Inc. C/P 2.289% 21 Jan 2019	3.1%
Bank of Nova Scotia BA 2.157% 12 Feb 2019	3.1%
Enbridge Pipelines Inc. C/P 2.148% 04 Jan 2019	2.9%
TransCanada Pipelines Limited C/P 2.194% 10 Jan 2019	2.8%
Province of Newfoundland T-Bill 1.920% 07 Mar 2019	2.8%
Altalink LP C/P 2.168% 29 Jan 2019	2.2%
Canadian Imperial Bank of Commerce B/A 2.122% 01 Feb 2019	2.1%
Bank of Nova Scotia B/A 2.228% 22 Mar 2019	2.1%
Province of Saskatchewan P/N 1.872% 05 Feb 2019	2.0%
Inter Pipeline (Corridor) Inc. C/P 2.271% 06 Mar 2019	2.0%
Province of Saskatchewan P/N 1.862% 22 Jan 2019	1.7%

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, 2018

Steadyhand **Income Fund**

Annual Management Report of Fund Performance (December 31, 2018)

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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 decreased to $243.6 million as of December 31, 2018, from $245.8 million at the end of 2017. This decrease of $2.2 million was attributable to net sales of $6.2 million, a decrease in net assets from operations of $1.3 million less $7.1 million in distributions to unitholders.

The Fund declined 1.3% in 2018. Over the same period, the FTSE TMX Canada Universe Bond Index provided a return of 1.4% while the S&P/TSX Capped Composite Index fell 8.9%. Government bond yields ended the year where they started (the 10-year Government of Canada yield finished the year at 2.0%), while corporate yields were slightly higher. Yields were quite volatile in the year, however, rising steadily in the spring and summer before declining sharply in late fall. As a reminder, when yields rise, bond prices typically fall, and vice versa.

Global economic growth remained steady in the first half of the year, although the pace of growth diverged across the major economies. Economic data was softer in many countries, including Canada and in Europe. The U.S. economy, on the other hand, maintained its positive momentum. Inflation remained benign overall. As we headed into summer, the prevailing theme of “de-synchronized” growth persisted among global economies and financial markets. Economic indicators in the U.S. continued to point to robust growth while growth in other regions moderated. Positive momentum on the earnings front helped boost stocks, prolonging the bull market. The monetary environment tightened, however, as many central banks raised interest rates or withdrew liquidity from the system. The U.S. Federal Reserve (Fed) and the Bank of Canada both raised rates.

The final quarter of the year saw a dramatic correction across global equity markets. Canadian, U.S. and global stock indices all ended the quarter with double-digit declines, marking 2018 as the first year that major equity markets declined concurrently in a record-setting, decade-long expansion. Global economic activity weakened across several regions but remained strong in the U.S. Despite numerous support measures, economic growth in China slowed amid a sour trade battle with the U.S. Central banks continued to tighten policy — both the Bank of Canada Fed raised rates again while the European Central Bank reaffirmed the objective of ending its asset purchase program at year end, further reducing global liquidity.

Also in the fourth quarter, concerns about waning economic prospects triggered a drop in interest rates that resulted in a bond market rally. Negative headlines regarding auto plant shutdowns and low Canadian oil prices caused declines in Canadian interest rates that were among the steepest for the developed economies over the period. The Fund’s bond holdings performed well in this environment, with its sovereign and provincial holdings providing strong returns.

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 corporate bonds, and (2) a shift towards more Government of Canada bonds.

At the beginning of the year, bonds comprised 71% of the portfolio. Their weighting was increased in the first half of the year to 76%, and they ended the year at 77% of its assets.

The Fund’s position in high yield bonds remained at 2% during the course of the year. This is a lower than normal weighting in these securities. The portfolio adviser, Connor, Clark & Lunn, feels that increasing economic uncertainty, a worsening liquidity environment and continued corporate debt buildup does not bode well for the sector.

Turning to the Fund’s stock holdings, this portion of the portfolio had a poor year from an absolute return perspective, but fared better than the broader Canadian market (S&P/TSX Capped Composite Index). The Fund isn’t as exposed to commodity-driven sectors (especially mining and materials), which experienced a rocky year. And while energy companies play a role in the portfolio, investments are concentrated in companies that have strong balance sheets and proven reserves.

The major theme in the Fund’s equity strategy is exposure to high-quality companies with growing dividends (as opposed to high dividend payers), as well as stocks that will benefit from continued growth in business and infrastructure spending. New purchases in the year included Metro, Element Fleet Management and Maple Leaf Foods.

Stocks made up 23% of the Fund at year-end, which is down from their weighting of 29% 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.

While the asset mix of the portfolio was not significantly altered during the reporting period, there were some changes to the Fund's bond holdings. More specifically, the weighting in provincial bonds was reduced and the weighting in sovereign bonds was increased.

The Fund's pre-fee yield at the end of 2018 was 3.2%, as compared to 3.0% at the end of 2017.

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

Recent Developments

The Canadian bond market (FTSE TMX Canada Universe Bond Index) had a positive year, providing a total return (interest and capital appreciation) of 1.4%. Most of the return came in the fourth quarter, when medium- and longer-term interest rates fell, even as short-term interest rates rose.

As for the state of the global economy over the past year, one of the main sources of the slowdown in global growth originated in China, which had taken measures to support financial stability and reforms at the expense of economic activity. More recently, China has enacted various policy stimulus measures to ease that slowdown. There has been little indication that these measures have taken hold, but the portfolio adviser (Connor, Clark & Lunn) believes Chinese policymakers will ultimately be successful in stimulating economic activity, both domestically and with its major trading partners (particularly Europe), later in 2019. Further, the decline in oil prices should also help manufacturing activity, albeit with a lag, in oil-importing countries.

The Canadian economy softened further in the second half of the year, and the announced auto plant shutdowns in Ontario and mandated energy output declines in Alberta should negatively impact the economy's ability to post a strong rebound in the coming quarters. More broadly, CC&L feels that high debt levels should suppress spending by both businesses and households. The U.S. is still growing at a comfortable rate and continues to benefit from fiscal stimulus and strong income growth, particularly relative to the rest of the world. That said, sentiment data is beginning to turn lower. The adviser expects continued tightening of monetary policy but believes the pace of this tightening will slow, with the Fed and the Bank of Canada each raising interest rates once in 2019. Importantly, for a number of global central banks, managing policy using two different tools (rate changes and a concurrent reduction of their balance sheets) will be challenging for policymakers, as well as for markets assessing the overall impact of these changes.

CC&L believes there is still some time before the end of the current business cycle, but recognizes the risk of a recession in the next year has risen and volatility will remain elevated. Absent a material change in policy or growth, however, the adviser expects to continue to maintain the portfolio's overall equity exposure relative to bonds.

The portfolio strategy reflects the view that further interest rate increases, alongside a deteriorating growth environment, are not sustainable. The Fund's duration exposure remains longer than that of the benchmark, while its Canadian yield curve strategies are positioned to benefit from either a more cautious tilt from the Bank of Canada or from stabilization in Canadian growth. CC&L believes that the current flat levels within the short- and mid-term segment of the yield curve make this strategy particularly attractive.

Within the Fund's bond investments, the adviser is building positions that favour liquidity, and the portfolio has greater exposure to select banks. The Fund is maintaining exposure to utility companies such as TransCanada, Enbridge and Canadian Utilities, but exposure to the sector overall has been reduced as energy price weakness pressures the industry.

There were some changes to the structure of the portfolio in 2018, as described in the previous section. Of note, the Fund's exposure to provincial bonds was reduced and the weighting in sovereign bonds was increased, and the weighting in stocks was reduced. These adjustments were made as part of a broader strategy of bringing down the Fund's overall level of risk.

The Fund paid distributions totaling $0.28/unit in 2018.

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 $911,313 of its net assets as management fees and distributed $262,733 in management fee reductions for the year ended December 31, 2018. 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, 2018, Steadyhand Investment Management Ltd. and its affiliates, subsidiaries, officers and directors owned 255,225 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 2018***	***Dec. 31 2017***	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***
Net Assets, beginning of period [1,3,9]	**$10.86**	**$10.79**	**$10.69**	**$11.12**	**$10.69**
Increase (decrease) from operations:					
Total revenue	0.32	0.31	0.34	0.37	0.36
Total expenses (excluding distributions)	(0.14)	(0.14)	(0.14)	(0.15)	(0.14)
Realized gains (losses) for the period	(0.07)	(0.02)	0.18	0.27	0.39
Unrealized gains (losses) for the period	(0.22)	0.19	0.24	(0.38)	0.43
Total increase (decrease) from operations [1]	**(0.11)**	**0.34**	**0.62**	**0.11**	**1.04**
Distributions :					
From investment income (excluding dividends)	(0.24)	(0.22)	(0.25)	(0.28)	(0.26)
From dividends	(0.04)	(0.02)	(0.03)	(0.02)	(0.01)
From capital gains	-	-	(0.23)	(0.22)	(0.32)
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.28)**	**(0.24)**	**(0.50)**	**(0.52)**	**(0.60)**
Net Assets, end of period	**$10.44**	**$10.86**	**$10.79**	**$10.69**	**$11.12**

Series A - Ratios and Supplemental Data	***Dec. 31 2018***	***Dec. 31 2017***	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***
Net asset value (000's) [4]	$81,126	$91,949	$94,927	$90,920	$94,129
Number of units outstanding [4]	7,771,250	8,467,035	8,797,623	8,507,316	8,462,514
Management expense ratio [5]	1.04%	1.04%	1.04%	1.04%	1.04%
Management expense ratio before waivers or absorptions	1.04%	1.05%	1.04%	1.04%	1.04%
Portfolio turnover rate [6]	216.55%	242.00%	231.76%	177.41%	137.05%
Trading expense ratio [7]	0.02%	0.02%	0.03%	0.02%	0.02%
Transactional net asset value per unit [8]	$10.44	$10.86	$10.79	$10.69	$11.12

Series O – Net Assets Per Unit	***Dec. 31 2018***	***Dec. 31 2017***	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***
Net Assets, beginning of period [1,3,9]	**$11.45**	**$11.27**	**$11.06**	**$11.41**	**$10.87**
Increase (decrease) from operations:					
Total revenue	0.34	0.33	0.36	0.39	0.36
Total expenses (excluding distributions)	-	-	-	-	-
Realized gains (losses) for the period	(0.07)	(0.02)	0.18	0.26	0.41
Unrealized gains (losses) for the period	(0.30)	0.15	0.20	(0.47)	0.35
Total increase (decrease) from operations	**(0.03)**	**0.46**	**0.74**	**0.18**	**1.12**
Distributions :					
From investment income (excluding dividends)	(0.27)	(0.24)	(0.27)	(0.30)	(0.28)
From dividends	(0.04)	(0.04)	(0.03)	(0.03)	(0.02)
From capital gains	-	-	(0.24)	(0.23)	(0.33)
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.31)**	**(0.28)**	**(0.54)**	**(0.56)**	**(0.63)**
Net Assets, end of period	**$11.11**	**$11.45**	**$11.27**	**$11.06**	**$11.41**

Series O - Ratios and Supplemental Data	***Dec. 31 2018***	***Dec. 31 2017***	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***
Net asset value (000's) [4]	$162,505	$153,869	$92,407	$80,656	$71,708
Number of units outstanding [4]	14,633,038	13,444,221	8,200,609	7,292,039	6,282,427
Management expense ratio [5]	-	-	-	-	-
Management expense ratio before waivers or absorptions	-	-	0.01%	-	-
Portfolio turnover rate [6]	216.55%	242.00%	231.76%	177.41%	137.05%
Trading expense ratio [7]	0.02%	0.02%	0.03%	0.02%	0.02%
Transactional net asset value per unit [8]	$11.11	$11.45	$11.27	$11.06	$11.41

[1]Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
[2]Distributions were paid in cash/reinvested in additional units of the Fund, or both.
[3]This information is derived from the Fund's audited annual financial statements as at December 31 for the period, and the net assets presented in the financial statements differs from the net asset value calculated for fund pricing purposes until January 1, 2013.
[4]The information is provided as at December 31 of the period shown.
[5]Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.
[6]The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
[7]The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
[8] Prior to January 1, 2013, transactional net asset value per unit was used as the basis for financial statement accounting which based fair value on the bid price on the valuation date. After January 1, 2013, fair value is based on closing trade price for daily valuation as well as for regulatory financial reporting purposes, so Net Asset Value Per Unit has been reported for all periods after this date.
[9] The per share data is derived from the Fund's audited annual financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015, 2016, 2017 and 2018. The Net Assets per Share presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.

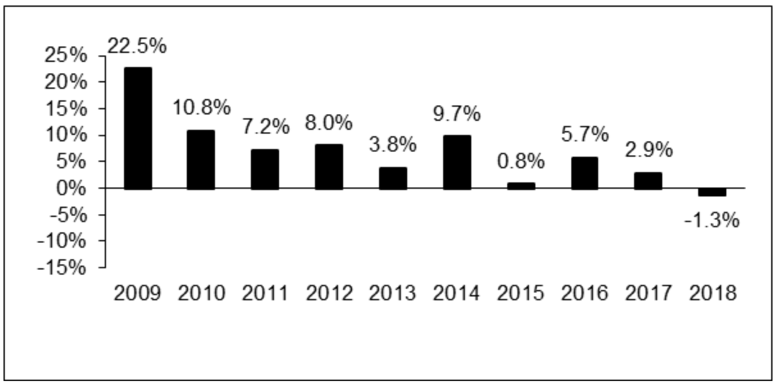
Past Performance

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.

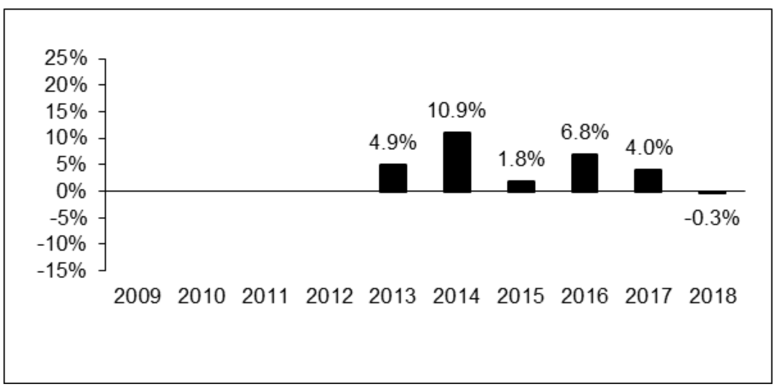
Year-by-Year Returns

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, 2018, 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***	***Since Inception****
Steadyhand Income Fund - A	-1.3%	2.4%	3.5%	6.8%	N/A
Steadyhand Income Fund - O	-0.3%	3.5%	4.6%	N/A	5.1%
FTSE TMX Canada Universe Bond Index	1.4%	1.9%	3.5%	4.2%	2.9%
S&P/TSX Capped Composite Index	-8.9%	6.4%	4.1%	7.9%	5.2%

* 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, 2018

Portfolio Allocation

Bonds	% of Net Assets
Federal Bonds	30.0%
Corporate Bonds	21.3%
Provincial Bonds	20.7%
Foreign Bonds	0.2%
Municipal Bonds	0.2%
	72.4%
Equities	
Financial Services	6.0%
Real Estate	5.8%
Oil & Gas	3.1%
Communication & Media	2.1%
Utilities & Pipelines	1.7%
Industrial Goods & Services	1.5%
Retailing	1.1%
Consumer Products	0.6%
Consumer Cyclical	0.5%
Basic Materials	0.2%
	22.6%
Pooled Investment Funds	1.9%
Cash, Short-Term Notes & Other Assets	3.1%
Total	100.0%

Top 25 Holdings

	% of Net Assets
Government of Canada Bond 2.750% 01 Dec 2048	4.9%
Government of Canada Bond 5.000% 01 Jun 2037	4.6%
Government of Canada Bond 1.750% 01 Mar 2023	4.5%
Government of Canada Bond 2.000% 01 Sept 2023	4.3%
Canada Housing Trust No.1 Bond 2.350% 15 Jun 2023	3.7%
Province of Ontario Bond 3.500% 02 Jun 2024	3.6%
Province of Ontario Bond 2.800% 02 Jun 2048	3.1%
Canada Housing Trust No.1 Bond 2.550% 15 Dec 2023	2.3%
Province of Ontario Bond 2.850% 02 Jun 2023	2.1%
CC&L High Yield Bond Fund Series I	1.9%
Bank of Montreal C/P 1.610% 28 Oct 2021	1.9%
Province of Ontario Bond 2.600% 02 Jun 2025	1.9%
Toronto-Dominion Bank	1.7%
Royal Bank of Canada C/P 3.296% 26 Sep 2023	1.7%
Royal Bank of Canada	1.7%
Bank of Montreal C/P 3.400% 23 Apr 2021	1.6%
Government of Canada Bond 2.250% 01 Feb 2021	1.5%
Canadian Apartment Properties REIT	1.4%
Province of Saskatchewan Bond 3.300% 02 Jun 2048	1.3%
Bank of Montreal C/P 1.880% 31 Mar 2021	1.3%
First Capital Realty Inc.	1.3%
Allied Properties REIT	1.2%
Canadian National Railway Co.	1.2%
Province of Quebec Bond 3.500% 01 Dec 2048	1.1%
Province of Ontario Bond 4.700% 02 Jun 2037	1.1%

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 Founders Fund

December 31, 2018

Steadyhand **Founders Fund**

Annual Management Report of Fund Performance (December 31, 2018)

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 $430.0 million as at December 31, 2018, an increase of $30.4 million from $399.6 million as of December 31, 2017. This increase was attributable to net sales of $72.5 million and an decrease in net assets from operations of $20.6 million less $21.5 million in distributions to unitholders.

The Fund declined 4.9% in 2018. Over the same period, the FTSE TMX Canada Universe Bond Index provided a return of 1.4% while the S&P/TSX Capped Composite Index declined 8.9% and the Morningstar Developed Markets Index lost 1.2% 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 negative return in 2018, driven mainly by the performance of its underlying equity funds, which were all down on the year (Steadyhand Equity Fund, Steadyhand Global Equity Fund and Steadyhand Small-Cap Equity Fund).

The Fund started the year with 54% of its assets in stocks, 6% below our long-term target. Our analysis led to the conclusion that equity markets had gotten ahead of themselves. Equity investors were being too optimistic about the profitability of companies and our managers weren't finding new investment opportunities. Though the Fund wasn't immune to the volatility in the second half of 2018, the conservative positioning helped protect investors somewhat.

Bond returns were modest in 2018, though bond prices rose sharply late in the year as stock markets started to slide. We have long been of the view that near-zero interest rates are unsustainable. Thus, the Fund's fixed income allocation has been split between bonds (Income Fund) and cash & short-term notes (Savings Fund).

Foreign stock markets on balance outperformed their Canadian counterpart in 2018. Each of the Founders Fund's three underlying equity funds hold foreign stocks to varying degrees, with the Steadyhand Global Equity Fund holding most of its assets in foreign companies. This fund weighed on the Founders Fund's performance, as its holdings in the energy sector were hit hard and its healthcare investments and holdings in the U.K. struggled.

The Steadyhand Small-Cap Equity Fund was the Founders Fund's worst-performing investment. Performance was strong in the first three quarters, but it fell significantly in the fourth quarter, which was one of the worst periods for small-cap stocks in quite some time. A handful of stocks can be singled out as particularly poor performers in 2018: DHX Media, Maxar Technologies, Alcanna, Stericycle and NFI Group. DHX and Maxar were sold as the Small-Cap Fund's portfolio adviser, Galibier Capital Management, lost confidence in the firms' management teams. Additional shares were purchased in the other three stocks, as they continue to have attractive competitive advantages and compelling valuations.

The Steadyhand Equity Fund also had a negative return, but held up well in a down year, all things considered. A few holdings even turned in solid gains, including Ritchie Bros. Auctioneers, Experian, Starbucks, Visa and CAE.

The Founders Fund's fixed income exposure comes from its investment in the Steadyhand Income Fund. The Income Fund turned in a modestly negative return in 2018; its bond holdings provided positive returns while its stock component weighed on performance.

The portfolio held a sizeable weighting in cash throughout the year (ranging from 18% to 11%), primarily through its holding in the Steadyhand Savings Fund. This helped the Founders Fund's performance, as the Savings Fund was our only fund that achieved a positive return in 2018.

Over the first half of the year, the Fund's equity weighting was decreased from 56% to 54%, as stocks were looking increasingly expensive in our view (and that of our managers). As markets sold off sharply in the fourth quarter, we increased the weighting to take advantage of cheaper stock prices. The Founders Fund's stock weighting ended 2018 at 60% (which is right on its long-term target).

The Founders Fund's weighting in bonds was held steady during the first half of the year, at 28% of its assets, but it remained well under its long-term target (35%). The bond weighting was increased slightly in the latter half of the year, and it ended 2018 at 29%.

In lieu of a full bond allocation, the cash reserve was higher than normal throughout the year, although it was brought down in the fourth quarter (as the Fund's equity weighting was increased). Between the Steadyhand Savings Fund and cash held in the equity funds, it finished the year at 11% of total assets. Cash and short-term securities offer low 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 poor year, with much of the weakness coming in the final quarter when U.S.-led trade battles took center stage, global economic growth slowed, and investor sentiment turned decidedly negative. The American market (S&P 500 Index) was among the best performers in 2018, yet it was still down 4.4% in U.S. dollars. Emerging markets were the hardest hit, with China falling nearly 25%. The Canadian market (S&P/TSX Composite Index) declined 8.9%. The energy sector was a notable area of weakness as the price of oil slid 25%.

Currency movements had a notable impact on foreign stock returns in the year. Specifically, the Canadian dollar depreciated against the U.S. dollar (-8%), Japanese Yen (-11%), Euro (-4%) and British Pound (-3%). This increased the value of foreign stocks in Canadian dollar terms.

The Canadian bond market (FTSE TMX Canada Universe Bond Index) provided a total return (interest and capital appreciation) of 1.4% in 2018. Government bond yields ended the year where they started (the 10-year Government of Canada yield finished the year at 2.0%), while corporate yields were slightly higher. Yields were quite volatile in the year, however, rising steadily in the spring and summer before declining sharply in late fall.

The Fund's bond weighting was held steady throughout the year. In total, bonds made up 29% of the Founders Fund at year-end, as compared to 28% at the end of 2017. While their weighting was slightly increased, it continues to be below the Fund's long-term target of 35%. This is a reflection of our view that today's low interest rates are unattractive, as is the medium-term outlook for bonds in general. That said, bonds remain an important source of diversification in a balanced portfolio.

Turning to stocks, the Fund's weighting in this asset class was increased in 2018. It was as low as 54% in the first half of the year, but was increased in the fourth quarter as markets entered correction territory. The Founders Fund was not immune to the market selloff and had a rough final quarter of the year. Watching portfolio values fall is unpleasant to say the least. That said, it also improves the outlook for future returns as stock prices are cheaper than they were just a few months ago. We increased the Fund's allocation to stocks in the fourth quarter, bringing it back up to its long-term target of 60%. Investors can expect the stock weighting to increase further if stock prices continue to fall.

Industrial goods & services stocks make up the largest portion of the equity component of the portfolio. The Founders Fund gains its exposure to these securities through the Steadyhand Income Fund, Steadyhand Equity Fund, Steadyhand Global Equity Fund and Steadyhand Small-Cap Equity Fund. These holdings are well diversified, with exposure to packaging companies (e.g. CCL Industries, Winpak), transportation-related companies (e.g. CN Rail, NFI Group, Cargojet), and equipment manufacturers (e.g. Konecranes, Oshkosh Corp.), among others.

Other key areas of investment include financial services stocks, consumer-related stocks, and oil & gas companies. Examples of some of these holdings include TD Bank, Visa, Mowi, Premium Brands Holdings, Suncor Energy and Schlumberger.

Foreign stocks remain an integral part of the Fund, and their weighting was increased in 2018, from 26% to 33%. The positioning of this part of the portfolio was split roughly equally between U.S. and Overseas stocks at year-end. The Fund's geographic profile changed in the latter half of the year when we replaced the portfolio adviser of our Global Equity Fund. In August, Velanne Asset Management took over portfolio adviser responsibilities, replacing Edinburgh Partners. Velanne is led by Anne Gudefin, who has built an excellent track record managing global equity portfolios since 2003. Prior to the adviser change, the Global Equity Fund had a bias towards European and Asian stocks over American ones. Velanne, however, is finding attractive opportunities in the U.S., and this is reflected in the Fund's current geographic positioning.

The Founders Fund's weighting in Canadian stocks remained steady throughout the year, starting at 28% at finishing at 27%.

The Fund's cash weighting started 2018 at 18%, which is much higher than normal. As a reminder, this was in lieu of a full bond and stock weighting. We held the cash weighting close to this level through the first three quarters. When markets began to turn south in the fourth quarter, however, we started to use some of the Fund's cash reserve to purchase stocks (by adding to the three underlying equity funds). We were quite active in doing so, bringing the cash level down to 11% while upping the equity weighting to 60%.

There were no changes over the reporting period to the manager, portfolio adviser, accounting policies or investment review committee of the Fund. The portfolio adviser for one of the Fund's holdings, the Steadyhand Global Equity Fund, was changed in August, as detailed above.

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 $5,797,948 of its net assets as management fees and distributed $1,624,395 in management fee reductions for the year ending December 31, 2018. 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, 2018, Steadyhand Investment Management Ltd. and its affiliates, subsidiaries, officers and directors owned 260,342 units, or 0.7% 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 2018*	*Dec. 31 2017*	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*
Net Assets, beginning of period [1,3,9]	$13.43	$12.79	$12.29	$12.17	$11.76
Increase (decrease) from operations:					
Total revenue	0.82	0.43	0.49	0.60	0.70
Total expenses (excluding distributions)	(0.13)	(0.13)	(0.12)	(0.13)	(0.12)
Realized gains for the period	-	0.18	0.11	-	0.02
Unrealized gains (losses) for the period	(1.33)	0.58	0.42	(0.03)	0.18
Total increase (decrease) from operations [1]	**(0.64)**	**1.06**	**0.90**	**0.44**	**0.78**
Distributions :					
From investment income (excluding dividends)	(0.14)	(0.14)	(0.15)	(0.15)	(0.15)
From dividends	-	-	(0.01)	-	-
From capital gains	(0.45)	-	(0.16)	(0.21)	(0.27)
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.59)**	**(0.14)**	**(0.32)**	**(0.36)**	**(0.42)**
Net Assets, end of period	**$12.19**	**$13.43**	**$12.79**	**$12.29**	**$12.17**

Series A - Ratios and Supplemental Data	*Dec. 31 2018*	*Dec. 31 2017*	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*
Net asset value (000's) [4]	$430,049	$399,612	$303,661	$244,046	$184,615
Number of units outstanding [4]	35,264,752	29,753,328	23,751,071	19,863,499	15,174,225
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%	1.34%
Portfolio turnover rate [6]	14.98%	7.30%	17.18%	5.93%	8.05%
Trading expense ratio [7]	0.07%	0.04%	0.12%	0.07%	0.06%
Transactional net asset value per unit [8]	$12.19	$13.43	$12.79	$12.29	$12.17

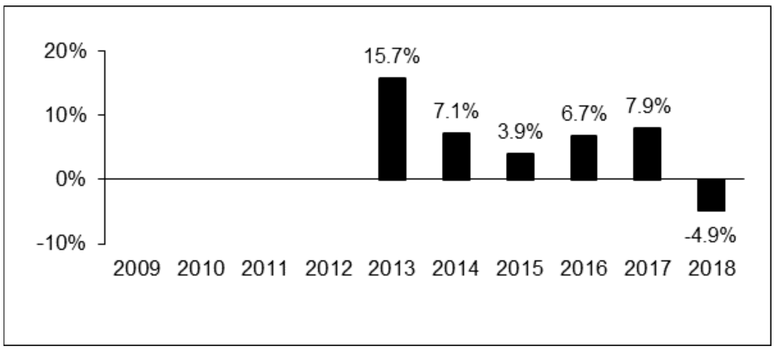
[1]Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
[2]Distributions were paid in cash/reinvested in additional units of the Fund, or both.
[3]This information is derived from the Fund's audited annual financial statements as at December 31, and the net assets presented in the financial statements differs from the net asset value calculated for fund pricing purposes until January 1, 2013.
[4]The information is provided as at December 31 of the period shown.
[5]Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.
[6]The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
[7]The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
[8] Prior to January 1, 2013, transactional net asset value per unit was used as the basis for financial statement accounting which based fair value on the bid price on the valuation date. After January 1, 2013, fair value is based on closing trade price for daily valuation as well as for regulatory financial reporting purposes, so Net Asset Value Per Unit has been reported for all periods after this date.
[9] The per share data is derived from the Fund's audited annual financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015, 2016, 2017 and 2018. 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, 2018, 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	-4.9%	3.1%	4.0%	6.1%
FTSE TMX Canada Universe Bond Index	1.4%	1.9%	3.5%	2.9%
S&P/TSX Capped Composite Index	-8.9%	6.4%	4.1%	5.2%
Morningstar Developed Markets Index	-1.2%	5.6%	10.0%	13.0%

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, 2018

Portfolio Allocation	% of Net Assets
Pooled Investment funds	100.3%
Cash, Short-Term Notes & Other Assets	(0.3)%
Total	**100.0%**

Top 6 Holdings	**% of Net Assets**
Steadyhand Income Fund, Series O	37.8%
Steadyhand Equity Fund, Series O	23.7%
Steadyhand Global Equity Fund, Series O	23.2%
Steadyhand Small Cap Equity Fund, Series O	8.8%
Steadyhand Savings Fund, Series O	6.8%
Cash & cash equivalents	0.1%

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 Equity Fund

December 31, 2018

Steadyhand **Equity Fund**

Annual Management Report of Fund Performance (December 31, 2018)

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 $205.6 million as of December 31, 2018, from $172.3 million at the end of 2017. This increase of $33.3 million was mostly attributable to net sales of $44.2 million, less a decrease in net assets from operations of $5.8 million over the reporting period and less distributions to unitholders of approximately $5.2 million.

The Fund declined 3.9% in 2018. Over the same period, the S&P/TSX Composite Index declined 8.9%, while the Morningstar Developed Markets Index fell 1.2% 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 held up well in a down year, all things considered. A few holdings even turned in solid gains, including Ritchie Bros. Auctioneers, Experian, Starbucks, and Visa, all of which achieved double-digit returns.

It was a tough year, however, for the Fund's energy holdings, notably Suncor Energy and PrairieSky Royalty, as the price of oil fell 25%. Of note, the Fund has much less exposure to energy-related companies (12% of the portfolio) than the Canadian index, which helped performance.

The fourth quarter was a particularly weak period for stocks, as the impact of trade tensions, slowing economic growth in China and higher interest rates spooked investors. Stock markets around the world entered correction territory (falling 10% or more), and the Fund was not immune to the widespread weakness. However, holdings such as Franco-Nevada (a gold-focused royalty company) and CBOE Holdings (operator of the Chicago Board Options Exchange) helped provide a buffer during the downturn as their business models proved to be resilient in an environment of heightened volatility.

The Fund's foreign holdings benefited from a weaker Canadian dollar in the year. Specifically, the Canadian dollar depreciated against the U.S. dollar (-8%), Japanese Yen (-11%), Euro (-4%) and British Pound (-3%). This increased the value of foreign stocks in Canadian dollar terms.

Two stocks were added to the portfolio in the summer at what proved to be an inopportune time, Maxar Technologies (a satellite manufacturer) and Dollarama (a budget-oriented retailer). Both were notable detractors to performance. Maxar holds valuable assets, but an increasing debt load, controversial acquisitions and personnel changes resulted in investors fleeing the stock. The portfolio adviser, Fiera Capital, lost faith in Maxar's management late in the year and the stock was sold. Dollarama also saw a notable decline over fears around its rapid store expansion. The adviser feels the company still has good growth opportunities, however, and believes the fall in its share price was overdone. Additional shares were purchased.

Turnover in the portfolio was low during the first half of the year. As the market pulled back in the fourth quarter, however, the portfolio adviser started to see some compelling opportunities. Two European stocks were purchased, Sika and Chr. Hansen. Sika is a Swiss specialty chemical maker with a focus on the construction industry. It has an impressive record of innovation and stands to benefit from the growth of megacities. Chr. Hansen is a Danish bioscience company that develops enzymes for the food, pharmaceutical and agricultural industries.

Marathon Petroleum was also purchased late in the year. Marathon is the largest petroleum refiner in the U.S. (following an acquisition in October). The company generates tremendous cash flow and operates an attractive gas station chain (Speedway). Fiera also likes Marathon because they believe it's well positioned to benefit from new standards for cleaner marine fuel coming into play in 2020.

On the sell side, Ecolab, Unilever and Loblaw Companies were sold in 2018. All three are fantastic businesses, but reached full value in the portfolio adviser's view. Maxar Technologies was also sold, but for less favourable reasons, as noted above.

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 27% to 25% of the Fund's equities, while technology stocks increased from 4% to 7% (additional shares of Keyence, a Japanese manaufacturer of automation sensors and vision systems, were purchased). The weightings of the other sectors were little changed.

The portfolio's geographic profile changed modestly over the reporting period. The weighting of Canadian stocks decreased from 57% of the portfolio's equities at the beginning of the year to 52% at December 31st. The weighting of U.S. stocks decreased from 23% to 21%, while overseas stocks increased from 16% to 23% (with the purhcase of Sika and Chr. Hansen, as mentioned above). The Fund's lone Mexican holding, FEMSA, comprised 4% of the Fund.

The Fund’s cash position at the end of 2018 was 6%, whereas it was 2% at the end of 2017.

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

Recent Developments

2018 was a tough year for stocks. Much of the weakness came in the final quarter, where stock markets around the world experienced a correction. Economic activity slowed in many regions and China and the U.S. were mired in a trade war. Both the Bank of Canada and the U.S. Federal Reserve raised short-term interest rates while the European Central Bank confirmed its intention to also move towards a less stimulative monetary environment. The Canadian market, as measured by the S&P/TSX Composite Index, fell 8.9 in the year (and dropped 10.1% in the fourth quarter). Energy stocks were among the worst performers, as the price of oil fell 25% and the price differential between Canadian heavy crude and lighter American oil reached a record gap. The U.S. market was down 4.4% over the year (in U.S. dollars), but declined 13.5% in the final quarter.

Currency movements had a positive impact on foreign stock returns for Canadian investors. As noted in the previous section, our dollar depreciated against most major currencies. The Fund holds five American stocks, four European, one British and one Japanese stock. These foreign holdings all benefited from a weaker Canadian dollar.

The portfolio adviser has been wary of high stock valuations for some time now, but with the significant pullback in the fourth quarter, Fiera began to see some interesting opportunities. Two multinational European-headquartered stocks were purchased (Sika and Chr. Hansen), along with the largest oil refiner in the U.S. (Marathon Petroleum). The adviser also purchased additional shares in a number of existing holdings, including Pason Systems, CCL Industries, Dollarama, Suncor Energy, Keyence, Experian and CVS Health.

To fund the above purchases, four stocks were sold in the fourth quarter: Ecolab, Unilever, PrairieSky Royalty and Maxar Technologies. Starbucks was also trimmed based on its strong performance. Earlier in the year, Enbridge and Loblaw Companies were sold, as mentioned in the previous section.

As a result of the above-mentioned transactions, the Fund has a higher weighting in Overseas stocks than it has had in the past, with a greater focus on European companies. The Fund’s foreign investments now include Sika (Switzerland), Chr. Hansen (Denmark), Novozymes (Denmark), Novartis (Switzerland), Experian (U.K.), and Keyence (Japan). While these businesses are very diverse and different from one another, the trait similar to them all is that they are global businesses with operations well beyond their country of domicile.

The Fund held 24 stocks at the end of 2018, which is one fewer than it owned at the end of 2017. At any given time, the adviser will hold a maximum of 25 stocks. We like this discipline, as it ensures that if a new investment is being considered, it must 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 Fund, comprising 27% of its investments. This is a broad sector that includes a diverse range of businesses such as CAE (a manufacturer of flight simulator), Sika (a specialty chemical maker) and CCL Industries (a specialty packaging company). Financial services companies also make up a significant portion of the Fund (21%).

These investments span well beyond traditional banking, however. They include Experian, a leader in consumer and business credit reporting, CBOE Holdings (operator of the Chicago Board Options Exchange), and Visa (the world's leading global payments company), in addition to TD Bank (Canada's premier retail bank).

The Fund continues to have no direct holdings in the telecom or real estate sectors, as Fiera feels there are better opportunities elsewhere. The Fund also has minimal exposure to the mining sector, where its only holding is Franco-Nevada, as commodity-related stocks tend to have much less predictable revenue streams and high levels of debt. Fiera prefers to invest in businesses that generate more stable cash flows and are well financed. Resource stocks comprise a much larger component of the Canadian market, which means 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, Swiss Franc, Danish Krone and Mexican Peso.

During the year, the portfolio adviser, CGOV Asset Management, announced that it is being purchased by Fiera Capital. As a result of the transaction, CGOV partners will be significant equity owners of Fiera Capital. There were no changes to the key personnel (investment team) managing the Fund and we do not anticipate any changes to the investment philosophy and discipline employed by CGOV.

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

Related Party Transactions

Management Fees

Steadyhand Investment Management Ltd. is the Manager of the Fund. The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The Fund relies on the positive recommendation or approval of the independent review committee to proceed with the transactions. The annualized net management fee for the units of the Fund is 1.42%. For the year ending December 31, 2018, the Fund paid gross fees of $1,535,333·to the Manager and distributed $455,345 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, 2018, Steadyhand Investment Management Ltd. and its affiliates, subsidiaries, officers and directors owned 222,341 Series A units, or 3.6% of the total Fund Series A units. The Steadyhand Founders Fund holds 100% of the total Fund Series O units and pays no management fees.

Financial Highlights

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

Series A – Net Assets Per Unit	*Dec. 31 2018*	*Dec. 31 2017*	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*
Net Assets, beginning of period [1,3,9]	**$17.73**	**$16.04**	**$14.72**	**$13.78**	**$12.53**
Increase (decrease) from operations:					
Total revenue	0.37	0.32	0.38	0.32	0.27
Total expenses (excluding distributions)	(0.18)	(0.17)	(0.16)	(0.16)	(0.14)
Realized gains for the period	0.39	0.55	0.33	0.44	0.38
Unrealized gains (losses) for the period	(1.13)	1.16	1.10	0.57	1.13
Total increase (decrease) from operations [1]	**(0.62)**	**1.86**	**1.65**	**1.17**	**1.64**
Distributions :					
From investment income (excluding dividends)	(0.01)	-	(0.01)	(0.01)	(0.01)
Dividends	(0.10)	(0.10)	(0.21)	(0.09)	(0.10)
From capital gains	(0.21)	-	-	(0.10)	(0.28)
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.32)**	**(0.10)**	**(0.22)**	**(0.20)**	**(0.39)**
Net Assets, end of period	**$16.72**	**$17.73**	**$16.04**	**$14.72**	**$13.78**

Series A - Ratios and Supplemental Data	*Dec. 31 2018*	*Dec. 31 2017*	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*
Net asset value (000's) [4]	$103,720	$102,077	$86,633	$69,182	$61,520
Number of units outstanding [4]	6,205,195	5,757,245	5,399,382	4,699,218	4,464,338
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]	20.88%	13.95%	13.87%	17.13%	18.74%
Trading expense ratio [7]	0.03%	0.01%	0.01%	0.03%	0.04%
Transactional net asset value per unit [8]	$16.72	$17.73	$16.04	$14.72	$13.78

Series O – Net Assets Per Unit	*Dec. 31 2018*	*Dec. 31 2017*	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*
Net Assets, beginning of period [1,3,9]	**$18.22**	**$16.41**	**$14.99**	**$13.97**	**$12.65**
Increase (decrease) from operations:					
Total revenue	0.38	0.33	0.40	0.33	0.27
Total expenses (excluding distributions)	-	-	-	-	-
Realized gains for the period	0.34	0.56	0.32	0.37	0.35
Unrealized gains (losses)for the period	(1.16)	1.20	1.22	0.56	1.19
Total increase (decrease) from operations [1]	**(0.44)**	**2.09**	**1.94**	**1.26**	**1.81**
Distributions :					
From investment income (excluding dividends)	(0.03)	-	(0.02)	(0.02)	(0.01)
From dividends	(0.27)	(0.27)	(0.36)	(0.23)	(0.24)
From capital gains	(0.22)	-	-	(0.11)	(0.29)
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.52)**	**(0.27)**	**(0.38)**	**(0.36)**	**(0.54)**
Net Assets, end of period	**$17.24**	**$18.22**	**$16.41**	**$14.99**	**$13.97**

Series O - Ratios and Supplemental Data	*Dec 31 2018*	*Dec. 31 2017*	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*
Net asset value (000's) [4]	$101,837	$70,225	$69,206	$60,386	$35,753
Number of units outstanding [4]	5,905,735	3,853,312	4,216,725	4,029,329	2,558,682
Management expense ratio [5]	-	-	-	-	-
Management expense ratio before waivers or absorptions	0.01%	0.01%	-	-	0.01%
Portfolio turnover rate [6]	20.88%	13.95%	13.87%	17.13%	18.74%
Trading expense ratio [7]	0.03%	0.01%	0.01%	0.03%	0.04%
Transactional net asset value per unit [8]	$17.24	$18.22	$16.41	$14.99	$13.97

[1]Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
[2]Distributions were paid in cash/reinvested in additional units of the Fund, or both.
[3]This information is derived from the Fund's audited annual financial statements as at December 31 for the period stated, and the net assets presented in the financial statements differs from the net asset value calculated for fund pricing purposes until January 1, 2013.
[4]The information is provided as at December 31 of the period shown.
[5]Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.
[6]The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
[7]The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
[8] Prior to January 1, 2013, transactional net asset value per unit was used as the basis for financial statement accounting which based fair value on the bid price on the valuation date. After January 1, 2013, fair value is based on closing trade price for daily valuation as well as for regulatory financial reporting purposes, so Net Asset Value Per Unit has been reported for all periods after this date.
[9] The per share data is derived from the Fund's audited annual financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015, 2016, 2017 and 2018. The Net Assets per Share presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.

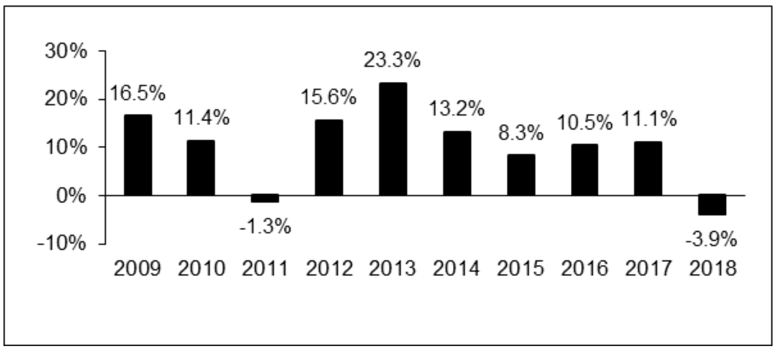
Past Performance

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.

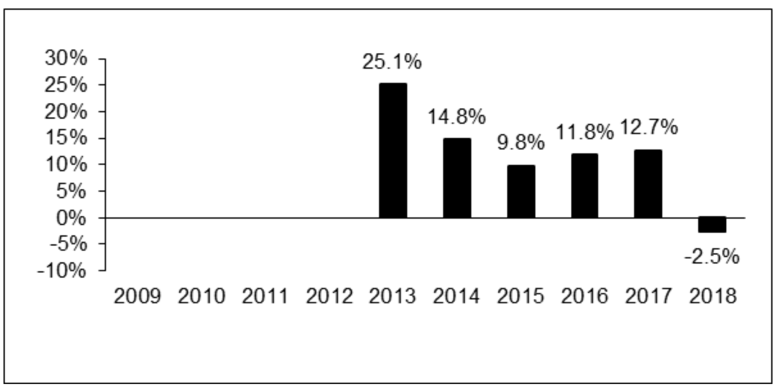
Year-by-Year Returns

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, 2018, 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	-3.9%	5.7%	7.7%	10.2%	N/A
Steadyhand Equity Fund – O	-2.5%	7.2%	9.2%	N/A	11.8%
S&P/TSX Capped Composite Index	-8.9%	6.4%	4.1%	7.9%	5.2%
Morningstar Developed Markets Index	-1.2%	5.6%	10.0%	11.1%	13.0%

* 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, 2018

Portfolio Allocation

Equities	% of Net Assets
Industrial Goods & Services	25.5%
Financial Services	19.3%
Oil & Gas	11.0%
Retailing	10.3%
Basic Materials	10.0%
Technology	6.3%
Healthcare	4.2%
Consumer Products	3.7%
Consumer Cyclical	3.3%
	93.6%
Cash, Short-term Notes & Other Assets	6.4%
Total	100.0%

Top 25 Holdings

	% of Net Assets
Franco-Nevada Corp.	6.2%
Visa Inc. Cl. A	6.0%
Government of Canada Treasury Bill 1.630% 21 Mar 2019	6.0%
The Toronto-Dominion Bank	5.1%
Suncor Energy Inc.	5.0%
CCL Industries Inc.	4.9%
CVS Health Corp.	4.2%
Novartis AG, ADR	4.1%
CBOE Holdings Inc.	4.1%
Experian PLC	4.0%
Canadian National Railway Co.	3.9%
Keyence Corp.	3.9%
Nutrien Ltd.	3.9%
Novozymes A/S	3.8%
CAE Inc.	3.7%
Fomento Economico Mexicano SAB de CV	3.7%
Ritchie Bros Auctioneers Inc.	3.5%
Sika AG	3.5%
Pason Systems Inc.	3.4%
Magna International Inc.	3.3%
Dollarama Inc.	3.1%
Starbucks Corp.	3.0%
Marathon Petroleum Corp.	2.6%
Evertz Technologies Ltd.	2.4%
Christian Hansen Holding A/S	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 Global Equity Fund

December 31, 2018

Steadyhand **Global Equity Fund**

Annual Management Report of Fund Performance (December 31, 2018)

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 $181.0 million as of December 31, 2018, from $159.0 million at the end of 2017. This increase was attributable to net sales of $70.5 million, a $20.0 million decrease in net assets from operations less $28.5 million in unitholder distributions.

The Fund declined 11.8% in 2018, while the Morningstar Developed Markets Index fell 1.2%. Stocks had a poor year, with much of the weakness coming in the final quarter. The American market (S&P 500 Index) was among the best performers, yet it was still down 4.4% in U.S. dollars. Emerging markets were the hardest hit, with China falling nearly 25%.

Currency movements had a notable impact on foreign stock returns. Specifically, the Canadian dollar depreciated against the U.S. dollar (-8%), Japanese Yen (-11%), Euro (-4%) and British Pound (-3%). This increased the value of foreign stocks in Canadian dollar terms.

The Fund's poor performance in 2018 can be attributed to a few factors. In the first half of the year, its healthcare investments were a notable area of weakness, marking a reversal from 2017. Novartis, Roche and Celgene saw price declines based in part on poor sentiment towards pharmaceutical companies. As well, some of the portfolio's holdings in Europe sold off on fears of an escalating trade war with the U.S. Commerzbank in particular had a weak first half of the year.

In August, we replaced the portfolio adviser of the Fund. Velanne Asset Management took over portfolio adviser responsibilities, replacing Edinburgh Partners (further details are provided in the Recent Developments section). Following the adviser change, most of the Fund's holdings were replaced with new investments. Under Velanne's management, the portfolio has greater expsoure to American companies. Many of these had a weak stretch of performance in the second half of the year. More specifically, the Fund's investments in the energy sector were hard hit as the price of oil tumbled, including Frank's International, Schlumberger and Anadarko Petroleum. While some of the reasons for the decline in energy prices appear warranted, the negative sentiment towards many companies in the sector doesn't reconcile with their profitability and competitive positions. Velanne saw increased value in this area as prices continued to slide. The adviser purchased Cenovus, CGG and National Oilwell Varco, and added to existing positions in Encana and Shell. Energy holdings now account for 15% of the portfolio.

Asset management companies are also an area where Velanne is seeing opportunities. These holdings struggled in the latter part of the year, however, including Artisan Partners Asset Management, Legg Mason and Brightsphere Investment Group.

The Fund's holdings in the U.K. also struggled, as uncertainty around Brexit continues to impact companies headquartered in England. Velanne's investments in the country include William Hill, Spire Healthcare, Mediclinic, and British American Tobacco. All of these stocks fell more than 20% in the fourth quarter. Velanne believes the selloff in their shares was overdone and continues to like the long-term prospects of these businesses.

While the new adviser got off to a tough start in a challenging market environment, there were a few positive stories. Tribune Media, which owns and operates local TV stations across the U.S., was added to the portfolio in October and shortly after was acquired by Nexstar for a nice premium. 21st Century Fox has also been a strong performer since its addition to the portfolio in August. Velanne believes the media company has attractive assets and is run by a highly effective management team. And in Japan, Seven & I Holdings, which is a diversified retail group that operates 7/11 stores in the country, performed well on the back of strong operating results.

At year-end, the Fund held 52 stocks across 13 countries. This represents an increase of nine stocks from the end of 2017. U.S. stocks made up 47% of the Fund's equities, while Europe (including the U.K.) accounted for 38%, Asia 12% and Canada 3%.

The composition of the portfolio was changed dramatically in the summer following the change in portfolio adviser. As previously mentioned, most of the Fund's holdings were sold and replaced with new investments. The largest increase in sector exposure resulting from the change in adviser occurred in consumer products stocks, which increased from 2% of the portfolio's equities at the end of 2017 to 14% at the end of 2018. Communications & media stocks also increased from 2% to 12%, and oil & gas stocks from 11% to 15%. Conversely, the Fund's weighting in financial services stocks decreased from 32% to 17%, consumer cyclical stocks were reduced from 14% to 5%, and technology stocks from 9% to 2%.

From a geographic standpoint, American stocks now represent the greatest area of exposure, comprising nearly half of the Fund. This a change from the previous adviser's (Edinburgh Partners) tenure, when U.S. stocks occupied a much smaller weighting (11% at the end of 2017). Including investments in the U.K., European stocks made up 38% of the Fund at year-end (down from 46% last year). Asian stocks (including Japan) made up 12%, which was a dramatic reduction from their weighting at the end of 2017, when they comprised 41%.

The Fund's cash position increased from 6% at the beginning of the year to 10% at the end of December.

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

Recent Developments

2018 was a down year for global stocks. Much of the weakness came in the final quarter, when stock markets around the world experienced a correction. Economic activity slowed in many regions and China and the U.S. were mired in a trade war. Both the Bank of Canada and the U.S. Federal Reserve raised short-term interest rates while the European Central Bank confirmed its intention to also move towards a less stimulative monetary environment. It all added up to an elevated level of fear among investors. The U.S. market was down 4.4% over the year (in U.S. dollars), but declined 13.5% in the final quarter. Emerging markets were hit especially hard, with China falling nearly 25%. From an industry perspective, energy and mining stocks were among the worst performers on a global scale while banks and industrial stocks also had a tough year. Utilities and real estate related securities, on the other hand, held up better.

The biggest development in the Fund occurred in August, when we changed the portfolio adviser. Velanne Asset Management took over portfolio adviser responsibilities, replacing Edinburgh Partners Ltd. Velanne is led by Anne Gudefin, who has built an excellent track record managing global equity portfolios since 2003. The previous adviser had been managing the Fund since inception in 2007. We still consider Edinburgh Partners to be a solid firm with a deep team and disciplined approach. What prompted the change, however, was the firm's sale to Franklin Templeton. As part of the sale, Sandy Nairn, Edinburgh Partners' founder and CEO, has taken on an advisory role with Templeton's global equity team (he had worked previously with Sir John Templeton). We were disappointed to hear of these additional duties as Sandy was a big reason for our patience with Edinburgh Partners' performance.

Following the adviser change, most of the holdings were replaced with new investments. The transition was complete at the end of the third quarter. Notably, the Fund now has more exposure to American companies. In the U.S., technology companies have garnered much attention. Velanne, however, is finding opportunities in areas that remain unloved or under the radar — in particular, media/entertainment companies (21st Century Fox, Discovery, Tribune Media, Disney), asset managers (Brightsphere, Legg Mason, Artisan Partners) and energy-related companies (Anadarko Petroleum, National Oilwell Varco, Schlumberger).

Velanne also feels there are some compelling opportunities in select mid- and small-sized companies. The adviser purchased Japanese paint manufacturer Chugoku Marine Paints, France-based cleaning services provider Elis, Finnish crane manufacturer Konecranes, and Norweigan drilling contractor Northern Drilling.

Another unique area of opportunity in the new adviser's view is the salmon industry. The Fund now holds four salmon producers: Mowi, Grieg Seafood, Norway Royal Salmon and Bakkafrost. Salmon production requires a very specific geography and water temperature, meaning only a few places in the world are suitable for farming. While supply is limited, demand continues to increase, making the fundamentals of the industry attractive.

The Fund's direct exposure to Asia was reduced following the adviser change. Asian stocks (including Japan) comprised 42% of the Fund at the end of June (prior to the adviser change), but made up only 12% at the end of the year. This is due in part to Velanne's focus on corporate governance, which limits the adviser's investments in emerging markets where shareholder rights aren't as strong. Velanne prefers to get exposure to these faster-growing economies through companies based in the developed world that generate a good portion of their revenues in countries such as China, Indonesia, and India.

From a sector perspective, healthcare companies make up the largest portion of the portfoio, at 19%. Holdings are a mix of pharmaceutical companies (Bayer, Shire, Allergan), device manufacturers (Medtronic, Zimmer Biomet) and hospital operators (Mediclinic). Financial services companies also feature prominently in the Fund, comprising 17%, but Velanne's focus is on asset managers and insurance companies rather than banks, which were a focus under Edinburgh Partners. Energy companies are also a notable area of interest, making up 15% of the portfolio.

In total, the Fund held 52 stocks at the end of 2018. All but three (Bayer, Shell, Halliburton) are new additions to the portfolio (following the adviser change).

An ongoing risk for investors in the Fund is the impact of currency fluctuations. Most of the Fund's holdings are denominated in foreign currencies. The greatest exposure lies in the U.S. dollar, Euro, British Pound, Japanese Yen, and Norweigan Krone. If the Canadian dollar strengthens against these currencies, the Fund's return will be dampened. Conversely, a depreciation of the loonie would boost returns (as was the case in 2018).

In August 2018, when we changed the portfolio adviser. Velanne Asset Management took over portfolio adviser responsibilities, replacing Edinburgh Partners Ltd. There were no changes over the reporting period to the 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, 2018, the Fund paid the Manager $1,639,073 of its net assets as management fees and distributed $529,940 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, 2018, Steadyhand Investment Management Ltd., and its affiliates, subsidiaries, officers and directors owned 380,127 Series A units, or 3.7% of the total Fund Series A units. The Steadyhand Founders Fund holds 100% of the total Fund Series O units.

Financial Highlights

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

Series A – Net Assets Per Unit	***Dec 31 2018***	***Dec. 31 2017***	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***
Net Assets, beginning of period [1,3,9]	**$10.52**	**$9.69**	**$9.92**	**$9.54**	**$9.62**
Increase (decrease) from operations:					
Total revenue	0.31	0.25	0.24	0.22	0.22
Total expenses (excluding distributions)	(0.25)	(0.24)	(0.22)	(0.24)	(0.23)
Realized gains (losses) for the period	1.49	0.66	0.45	0.99	0.56
Unrealized gains (losses) for the period	(2.74)	0.87	(0.14)	0.25	(0.15)
Total increase (decrease) from operations [1]	**(1.19)**	**1.54**	**0.33**	**1.22**	**0.40**
Distributions :					
From investment income (excluding dividends)	(0.11)	(0.10)	(0.13)	(0.07)	(0.66)
From dividends	-	-	-	-	-
From capital gains	(1.33)	(0.55)	(0.36)	(0.74)	(0.40)
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(1.44)**	**(0.65)**	**(0.48)**	**(0.81)**	**(1.06)**
Net Assets, end of period	**$7.84**	**$10.52**	**$9.69**	**$9.92**	**$9.54**

Series A - Ratios and Supplemental Data	***Dec. 31 2018***	***Dec. 31 2017***	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***
Net asset value (000's) [4]	$81,102	$86,129	$66,037	$63,229	$52,714
Number of units outstanding [4]	10,349,575	8,186,768	6,813,667	6,373,694	5,527,850
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%	1.78%
Portfolio turnover rate [6]	134.79%	17.18%	21.14%	33.26%	29.61%
Trading expense ratio [7]	0.22%	0.06%	0.08%	0.11%	0.16%
Transactional net asset value per unit [8]	$7.84	$10.52	$9.69	$9.92	$9.54

Series O – Net Assets Per Unit	*Dec. 31 2018*	*Dec. 31 2017*	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*
Net Assets, beginning of period [1,3,9]	**$10.90**	**$9.97**	**$10.15**	**$9.70**	**$9.75**
Increase (decrease) from operations:					
Total revenue	0.32	0.26	0.25	0.22	0.22
Total expenses (excluding distributions)	-	-	-	-	-
Realized gains (losses) for the period	1.51	0.69	0.45	1.00	0.50
Unrealized gains (losses) for the period	(3.06)	0.77	(0.04)	0.16	(0.16)
Total increase (decrease) from operations [1]	**(1.23)**	**1.72**	**0.66**	**1.38**	**0.56**
Distributions :					
From investment income (excluding dividends)	(0.25)	(0.23)	(0.25)	(0.20)	(0.19)
From dividends	-	-	-	-	-
From capital gains	(1.40)	(0.58)	(0.37)	(0.77)	(0.42)
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(1.65)**	**(0.81)**	**(0.62)**	**(0.97)**	**(0.61)**
Net Assets, end of period	**$8.13**	**$10.90**	**$9.97**	**$10.15**	**$9.70**

Series O - Ratios and Supplemental Data	*Dec. 31 2018*	*Dec. 31 2017*	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*
Net asset value (000's) [4]	$99,923	$72,825	$70,941	$55,816	$38,920
Number of units outstanding [4]	12,291,525	6,682,867	7,113,781	5,501,023	4,010,525
Management expense ratio [5]	-	-	-	-	-
Management expense ratio before waivers or absorptions	0.01%	0.01%	-	-	0.01%
Portfolio turnover rate [6]	134.79%	17.18%	21.14%	33.26%	29.61%
Trading expense ratio [7]	0.22%	0.06%	0.08%	0.11%	0.16%
Transactional net asset value per unit [8]	$8.13	$10.90	$9.97	$10.15	$9.70

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

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

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

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

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

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

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

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

[9] The per share data is derived from the Fund's audited annual financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015, 2016, 2017 and 2018. The Net Assets per Share presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.

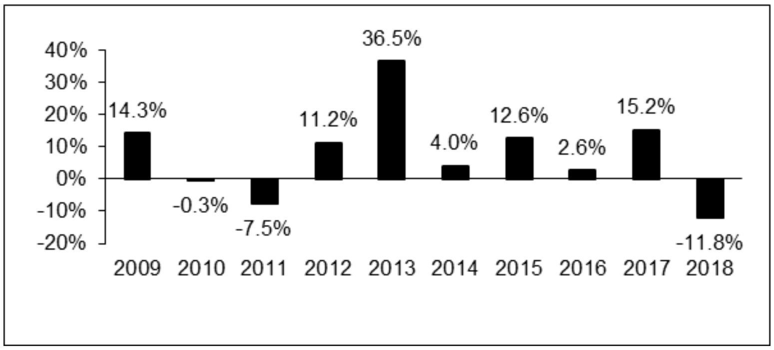
Past Performance

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.

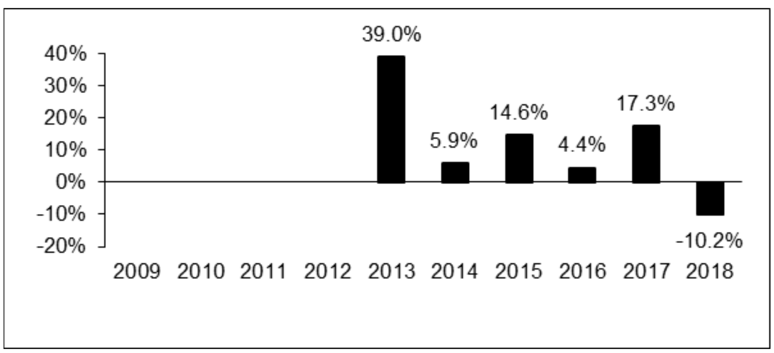
Year-by-Year Returns

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, and five-year, and ten-year periods ended on December 31, 2018, 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	-11.8%	1.4%	4.1%	6.9%	N/A
Steadyhand Global Equity Fund – O	-10.2%	3.2%	5.9%	N/A	10.2%
Morningstar Developed Markets Index	-1.2%	5.6%	10.0%	11.1%	13.0%

* 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, 2018

Portfolio Allocation

Global Equities	% of Net Assets
Healthcare	17.2%
Financial Services	15.6%
Oil & Gas	14.1%
Consumer Products	12.9%
Communications & Media	10.6%
Industrial Goods & Services	8.3%
Consumer Cyclical	4.4%
Retailing	2.5%
Real Estate	2.3%
Technology	2.0%
Utilities	1.8%
	91.7%
Cash, Short-term Notes & Other Assets	8.3%
Total	100.0%

Top 25 Holdings

	% of Net Assets
Cash & cash equivalents	9.8%
21st Century Fox Inc. Class A	4.0%
Alleghany Corp.	3.6%
Zimmer Biomet Holdings Inc.	3.3%
Shire PLC	3.2%
Marine Harvest ASA	3.1%
Discovery Inc.	3.1%
Medtronic PLC	3.1%
Konecranes OYJ	2.9%
Chugoku Marine Paints	2.7%
Walt Disney Co.	2.4%
Berkshire Hathaway Inc. Class A	2.3%
Tribune Media Co.	2.3%
Heiwa Real Estate REIT Inc.	2.3%
Frank’s International NV	2.3%
Bayer AG	2.2%
Imperial Brands PLC	2.1%
Schlumberger NV	2.1%
NN Group NV	2.1%
NCR Corp.	2.0%
Allergan PLC	2.0%
British American Tobacco PLC	2.0%
William Hill PLC	2.0%
BrightSphere Investment Group PLC	1.9%
Altria Group Inc.	1.9%

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 Small-Cap Equity Fund

December 31, 2018

Steadyhand **Small-Cap Equity Fund**

Annual Management Report of Fund Performance (December 31, 2018)

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, 2018, the Fund's net assets decreased to $92.9 million, from $97.5 million at the end of 2017. This decrease of $4.6 million was attributable to net subscriptions of $16.3·million, less a decrease in net assets from operations of $14.6 million less $6.3 million paid in distributions to unitholders.

The Fund declined 14.6% in 2018. Over the same period, the S&P/TSX SmallCap Index fell 18.2%. The Fund had a tough year but nonetheless outperformed the Canadian small-cap market. This was due in part to its much lighter exposure to resource stocks, which struggled on the back of weaker commodity prices (notably oil and industrial metals). Performance was in fact strong in the first three quarters, where the Fund was up 7.0%, but it fell 20.2% in the fourth quarter, which was one of the worst periods for small-cap stocks in quite some time.

A handful of stocks can be singled out as particularly poor performers in 2018: DHX Media, Maxar Technologies, Alcanna, Stericycle and NFI Group. DHX and Maxar were sold as the portfolio adviser, Galibier Capital Management, lost confidence in the firms' management teams. Additional shares were purchased in the other three stocks, as they continue to have attractive competitive advantages and compelling valuations.

Shares of Alcanna slid particularly sharply in the fourth quarter. As we headed into fall and the upcoming legalization of cannabis, Alcanna along with other cannabis-related producers and retailers, saw their share prices rise in anticipation. It quickly became apparent that supply was not available to satisfy retail demand, and the entire cannabis space sold off as store shelves were empty and growth plans scaled back. While Alcanna does have exposure to retail cannabis in Alberta, it's a very small part of its business. The majority of its revenues and earnings come from retailing alcohol, where there are significant improvements to the operations underway. The decision by the company in December to terminate its dividend payment caught investors by surprise and was responsible for the second leg down in its share price. The portfolio adviser, Galibier Capital, sees numerous opportunities for the company to deploy capital into improving the alcohol retailing business and looks forward to resulting earnings growth in the next few years.

There were a few positive stories to report. Parkland Fuel, a fuel and petroleum retailing company, had a good year (despite slipping in the fourth quarter) as its acquisition strategy and expansion into the U.S. are playing out well. Cargojet also had a strong year as demand for its services (overnight air cargo) remains high. Both stocks gained more than 20% in 2018. Park Lawn, Points International and Winpak also advanced. Winpak, the Winnipeg-based packaging company, has benefited as pressure from increased input costs have subsided. Coupled with past price increases, the profit margin for the company should expand, helping to accelerate earnings growth. Additionally, with 80% of revenues derived in the U.S., the shares benefited from the USMCA agreement as this removed a significant uncertainty for investors.

As mentioned, resource stocks struggled in 2018, and small-cap oil & gas producers were hit especially hard. The price of oil fell 25% in the year, and the price differential between a barrel of Canadian and U.S. crude reached a record, further hurting Canadian producers. The Fund had little exposure to energy companies throughout the year. It realized a big gain in the first half of the year from its lone holding at the time, MEG Energy, which more than doubled in price in the second quarter. The stock was sold following the sharp gain, and Cardinal Energy was added to the portfolio in its place. Cardinal didn't fare as well, however. In the fourth quarter, the company took decisive action in response to the combination of volatile oil prices and the wide price differential between Canadian and American oil. First off, it announced a reduction in its monthly dividend. The company expects the reduction to be temporary and plans to re-evaluate the dividend in April. Second, the company took the sensible decision to cut production, given the unfavourable oil price. Despite the disappointing performance in its share price in the second half of the year, the portfolio adviser likes Cardinal's longer-term outlook.

During 2018, five new stocks were added to the Fund, while seven were sold. At year-end, the Fund held 23 stocks. Nineteen were Canadian and four were American.

The Fund has a unique composition, with key areas of investment being capital goods, transportation, and commercial & professional services (these companies all fall under the broad Industrial Goods & Services sector). Food & beverage companies are also a notable component of the Fund. This is in contrast to the small-cap market and its heavy focus on resource companies.

In the current environment, most mining companies do not meet the adviser's investment 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 seven U.S. stocks during the course of the year: CBIZ, Echo Global Logistics, Fluor Corp., Stericycle, The Middleby Corporation, WABCO Holdings, and Oshkosh Corp. (CBIZ, Echo Global Logistics and Fluor were sold). The Canadian dollar appreciated 8% against the U.S. dollar during 2018, which boosted 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 51% of the portfolio's equities at the beginning of the reporting period to 58% at year-end. This is a broad sector that includes companies such as Cargojet, Intertape Polymer Group, Stantec, NFI Group, Oshkosh Corp., and The Middleby Corporation. The increase in exposure was a result of the addition of a handful of new companies. Conversely, technology stocks decreased from 7% to 0%, as two stocks in the sector were sold. And with the sale of DHX Media, the Fund no longer has any direct exposure to companies in the communications & media space.

The Fund's geographic profile changed only modestly over the reporting period. Canadian stocks make up 80% of the Fund's equities (down from 82% at the end of last year) and U.S. stocks comprise 20% (up from 18%). At the end of the year, the Fund's cash position was 1%, as compared to 6% 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) declined 18.2% in 2018, its worst showing in 10 years. U.S. small-caps declined 3.2% (Russell 2000 Index) in Canadian dollar terms. Energy and resource-related stocks were a notable area of weakness as many commodities saw sharp price declines. The fourth quarter of the year was especially volatile. Investors fled risk assets in the face of rising trade tensions and slower global growth, for the safety of government bonds. As is often the case in such scenarios, small-cap stocks saw greater losses than their larger peers.

Several portfolio holdings were hit hard in the fourth quarter, and Galibier was an active buyer during the broad market selloff. The fundamentals of many of the businesses the Fund owns haven't changed, yet prices were down sharply. The adviser viewed this as a rare opportunity to add to positions in excellent companies such as Park Lawn, Spin Master, Premium Brands Holdings, Intertape Polymer Group and Ag Growth.

U.S. mid-cap stocks continue to be an area of interest. Two new holdings were purchased in the year, WABCO Holdings and Oshkosh Corp. WABCO is a provider of truck braking systems, and Oshkosh is a heavy-duty vehicle manufacturer. Both are steady growth stories that have a sustainable competitive advantage. The Fund's weighting in U.S. companies did not change much in the year, however, as three other American stocks were sold: Echo Global Logistics, Fluor Corp., and CBIZ (which was a smaller position).

Along with the above-mentioned additions to the Fund, Uni-Select, Cardinal Energy, and Premium Brands Holdings were also purchased. Uni-Select is in the auto parts and paints business. Galibier likes the company because it has a solid growth outlook in the newly-entered U.K. market. As well, the stock is cheap after falling on concerns over declining profit margins, which Galibier sees as short-term in nature. Cardinal Energy, which is discussed in greater detail in the previous section, is the only oil stock currently owned in the Fund. Galibier likes Cardinal's disciplined growth plan and focus on light oil. Premium Brands Holdings owns a broad range of specialty food manufacturing and distribution businesses. Some of its more well-known brands include Grimm's, Fletcher's, Freybe, Oberto and Bread Garden Express. The portfolio adviser knows the company well and has a high level of respect for its CEO, George Paleologou. George has a proven track record of allocating capital and making smart acquisitions.

On the sell side, seven holdings were eliminated in 2018: CBIZ, Fluor Corp., Echo Global Logistics, MEG Energy, Enghouse Systems, DHX Media, and Maxar Technologies. As well, a few positions were trimmed in the year based on strong performance, including Points International, Cargojet, and Parkland Fuel.

Resource companies do not feature prominently in the portfolio. As mentioned, Cardinal Energy is the only oil & gas producer, and the Fund doesn't own any mining stocks. 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, as was the case in 2018.

U.S. companies comprise roughly one-fifth of the portfolio. 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's detrimental for returns, and vice versa. In 2018, the loonie depreciated 8% against the U.S. dollar, which in turn boosted the performance of the Fund's American holdings in Canadian dollar terms.

At year-end, the Fund held 23 stocks (two less than in 2017), with most holdings comprising 3-6% of the portfolio. WABCO Holdings was the largest position, at 6.2%. 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, 2018, the Fund paid gross fees of $1,134,267 to the Manager and distributed $344,386 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, 2018, Steadyhand Investment Management Ltd. and its affiliates, subsidiaries, officers and directors owned 125,104 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 2018***	***Dec 31 2017***	***Dec 31 2016***	***Dec 31 2015***	***Dec 31 2014***
Net Assets, beginning of period [1,3,9]	**$16.49**	**$14.45**	**$12.71**	**$14.72**	**$17.41**
Increase (decrease) from operations:					
Total revenue	0.41	0.33	0.37	0.31	0.37
Total expenses (excluding distributions)	(0.39)	(0.34)	(0.30)	(0.31)	(0.40)
Realized gains (losses) for the period	0.71	1.20	0.86	(1.29)	1.75
Unrealized gains (losses) for the period	(3.12)	1.59	1.03	(0.67)	(2.86)
Total increase (decrease) from operations[1]	**(2.39)**	**2.78**	**1.96**	**(1.96)**	**(1.14)**
Distributions :					
From investment income (excluding dividends)	-	-	-	-	-
From dividends	(0.09)	(0.04)	(0.14)	-	(0.25)
From capital gains	(0.73)	(0.22)	-	-	(1.55)
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(0.82)**	**(0.26)**	**(0.14)**	**-**	**(1.80)**
Net Assets, end of period	**$13.26**	**$16.49**	**$14.45**	**$12.71**	**$14.72**

Series A - Ratios and Supplemental Data	***Dec. 31 2018***	***Dec. 31 2017***	***Dec. 31 2016***	***Dec. 31 2015***	***Dec. 31 2014***
Net asset value (000's) [4]	$55,051	$60,506	$47,787	$40,729	$48,572
Number of units outstanding [4]	4,152,921	3,668,617	3,306,366	3,204,714	3,299,818
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%	1.78%
Portfolio turnover rate [6]	39.56%	40.56%	91.35%	19.80%	28.76%
Trading expense ratio [7]	0.12%	0.15%	0.40%	0.24%	0.23%
Transactional net asset value per unit [8]	$13.26	$16.49	$14.45	$12.70	$14.72

Series O – Net Assets Per Unit	*Dec. 31 2018*	*Dec. 31 2017*	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*
Net Assets, beginning of period [1,3,9]	**$17.19**	**$14.96**	**$13.09**	**$14.91**	**$17.61**
Increase (decrease) from operations:					
Total revenue	0.44	0.35	0.38	0.33	0.39
Total expenses (excluding distributions)	-	-	-	-	-
Realized gains (losses) for the period	0.69	1.30	0.85	(1.39)	1.60
Unrealized gains (losses) for the period	(3.62)	1.69	1.16	(0.68)	(3.54)
Total increase (decrease) from operations [1]	**(2.49)**	**3.34**	**2.39**	**(1.74)**	**1.55**
Distributions :					
From investment income (excluding dividends)	-	-	-	-	-
From dividends	(0.31)	(0.22)	(0.33)	(0.03)	(0.27)
From capital gains	(0.78)	(0.61)	-	-	(1.60)
Return of capital	-	-	-	-	-
Total distributions for the period [2]	**(1.09)**	**(0.83)**	**(0.33)**	**(0.03)**	**(1.87)**
Net Assets, end of period	**$13.85**	**$17.19**	**$14.96**	**$13.08**	**$14.91**

Series O - Ratios and Supplemental Data	*Dec 31 2018*	*Dec. 31 2017*	*Dec. 31 2016*	*Dec. 31 2015*	*Dec. 31 2014*
Net asset value (000's) [4]	$37,824	$37,005	$23,907	$17,110	$11,255
Number of units outstanding [4]	2,731,433	2,152,846	1,597,733	1,307,947	754,611
Management expense ratio [5]	-	-	-	-	-
Management expense ratio before waivers or absorptions	0.01%	0.01%	0.01%	0.01%	0.02%
Portfolio turnover rate [6]	39.56%	40.56%	91.35%	19.80%	28.76%
Trading expense ratio [7]	0.12%	0.15%	0.40%	0.24%	0.23%
Transactional net asset value per unit [8]	$13.85	$17.19	$14.96	$13.08	$14.19

[1]Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
[2]Distributions were paid in cash/reinvested in additional units of the Fund, or both.
[3]This information is derived from the Fund's audited annual financial statements as at December 31 for the year stated, and the net assets presented in the financial statements differs from the net asset value calculated for fund pricing purposes until January 1, 2013.
[4]The information is provided as at December 31 of the period shown.
[5]Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.
[6]The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
[7]The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
[8] Prior to January 1, 2013, transactional net asset value per unit was used as the basis for financial statement accounting which based fair value on the bid price on the valuation date. After January 1, 2013, fair value is based on closing trade price for daily valuation as well as for regulatory financial reporting purposes, so Net Asset Value Per Unit has been reported for all periods after this date.
[9] The per share data is derived from the Fund's audited annual financial statements prepared in accordance with International Financial Reporting Standards, for 2014, 2015, 2016, 2017 and 2018. The Net Assets per Share presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.

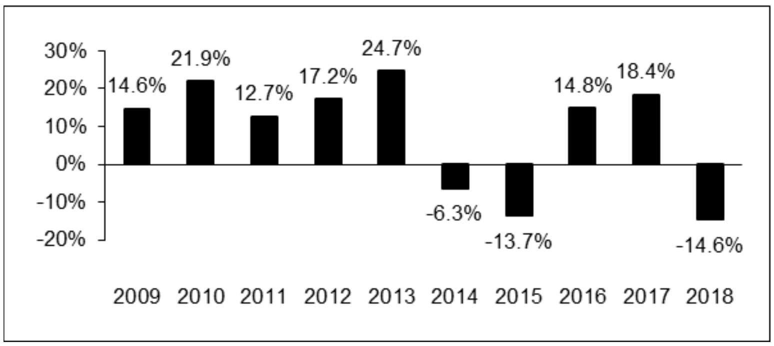
Past Performance

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.

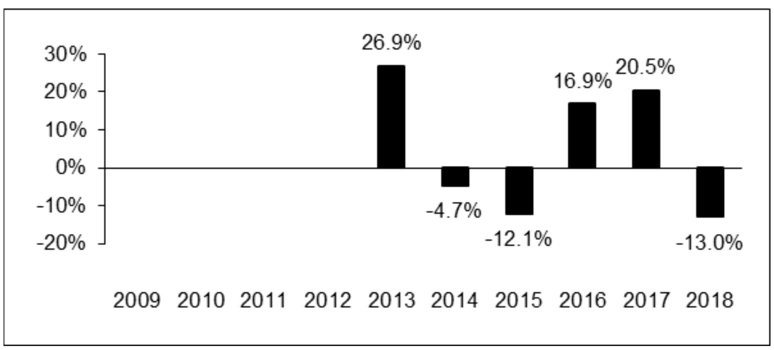
Year-by-Year Returns

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, 2018, 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	-14.6%	5.1%	-1.2%	8.0%	N/A
Steadyhand Small-Cap Equity Fund – O	-13.0%	7.0%	0.5%	N/A	5.7%
S&P/TSX SmallCap Index	-18.2%	5.2%	-0.3%	6.6%	-0.8%

* 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, 2018

Portfolio Allocation	
	% of Net Assets
Equities	
Industrial Goods & Services	57.4%
Consumer Cyclical	16.8%
Consumer Products	9.2%
Oil & Gas	5.2%
Real Estate	3.7%
Utilities	3.4%
Retailing	2.8%
	98.5%
Cash, Short-term Notes & Other Assets	1.5%
Total	**100.0%**

Top 25 Holdings	
	% of Net Assets
WABCO Holdings	6.2%
Premium Brands Holdings Corp.	5.8%
Winpak Ltd.	5.5%
Park Lawn Corp.	5.5%
NFI Group Inc.	5.2%
Oshkosh Corp.	5.1%
AG Growth International Inc.	5.1%
The Middleby Corp.	4.8%
Intertape Polymer Group Inc.	4.7%
Stantec Inc.	4.6%
Uni-Select Inc.	4.6%
Cargojet Inc.	4.6%
Spin Master Corp.	4.5%
Stericycle Inc.	4.2%
Diversified Royalty Corp	4.0%
Parkland Fuel Corp.	3.8%
Dream Global REIT	3.7%
Exchange Income Corp.	3.5%
Northland Power Inc.	3.4%
Brick Brewing Co. Ltd.	3.4%
Alcanna Inc.	2.8%
Points International Ltd.	2.2%
Cardinal Energy Ltd.	1.4%
Cash and cash equivalents	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.