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**Steadyhand**

# Annual Financial Statements

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December 31, 2022

**Steadyhand Savings Fund**

**Steadyhand Income Fund**

**Steadyhand Founders Fund**

**Steadyhand Builders Fund**

**Steadyhand Equity Fund**

**Steadyhand Global Equity Fund**

**Steadyhand Small-Cap Equity Fund**

**Steadyhand Global Small-Cap Equity Fund**





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## INDEPENDENT AUDITOR'S REPORT

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

### *Opinion*

We have audited the financial statements of the Funds, which comprise:

- the statements of financial position as at December 31, 2022 and December 31, 2021
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2022 and December 31, 2021, and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

### *Basis for Opinion*

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.



We are independent of the Funds in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### ***Other Information***

The Manager is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the Annual Management Report on Fund Performance for each of the Funds filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Management Report on Fund Performance for each of the Funds filed with the relevant Canadian Securities Commissions as at the date of this auditor's report.

If based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

### ***Responsibilities of the Manager and Those Charged with Governance for the Financial Statements***

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

In preparing the financial statements, the Manager is responsible for assessing the Funds' ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

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Chartered Professional Accountants

Vancouver, Canada  
February 22, 2023

# STEADYHAND SAVINGS FUND

Statements of Financial Position

December 31, 2022 and 2021

	Notes	2022	2021
<b>Assets</b>			
Cash		\$ 701,954	\$ 1,230,785
Subscriptions receivable		486,569	49,898
Interest and dividends receivable		401,782	15,481
Investments		70,877,913	44,897,982
		<hr/> 72,468,218	<hr/> 46,194,146
<b>Liabilities</b>			
Redemptions payable		1,019	1,747,633
Management fees payable	4	7,495	7,816
Distribution payable		218,232	3,108
		<hr/> 226,746	<hr/> 1,758,557
<b>Net assets</b> attributable to holders of redeemable units		<hr/> \$ 72,241,472	<hr/> \$ 44,435,589
Represented by:			
Series A		\$ 46,893,117	\$ 43,844,354
Series O		25,348,355	591,235
		<hr/> \$ 72,241,472	<hr/> \$ 44,435,589
Number of units outstanding:			
Series A	5	4,689,326	4,384,455
Series O		2,534,841	59,123
<hr/>			
Net assets attributable to holders of redeemable units per unit:			
Series A		\$ 10.00	\$ 10.00
Series O		10.00	10.00

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

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

“Tom Bradley”  
Director

“Neil Jensen”  
Director

# STEADYHAND SAVINGS FUND

Statements of Comprehensive Income

Years ended December 31, 2022 and 2021

	Notes	2022	2021
<b>Revenue:</b>			
Interest income		\$ 1,301,131	\$ 92,380
Total revenue		1,301,131	92,380
<b>Expenses:</b>			
Management fees	4	89,426	86,750
Independent review committee fees		3,072	3,062
Total operating expenses		92,498	89,812
Management fee reductions		(30,489)	(29,071)
Expenses waived or absorbed by Manager		(3,072)	(3,062)
		(33,561)	(32,133)
Net operating expenses		58,937	57,679
<b>Increase in net assets attributable to holders of redeemable units from operations excluding distributions</b>			
		1,242,194	34,701
<b>Distributions to holders of redeemable units:</b>			
From net investment income		(1,211,705)	(5,630)
Management fee reductions		(30,489)	(29,071)
		(1,242,194)	(34,701)
<b>Increase in net assets attributable to holders of redeemable units</b>			
		\$ -	\$ -
<b>Increase in net assets attributable to holders of redeemable units:</b>			
Series A		\$ -	\$ -
Series O		-	-
		\$ -	\$ -
<b>Increase in net assets attributable to holders of redeemable units (excluding distributions):</b>			
Series A		\$ 824,397	\$ 33,201
Series O		417,797	1,500
		\$ 1,242,194	\$ 34,701
<b>Increase in net assets attributable to holders of redeemable units per unit (excluding distributions):</b>			
Series A		\$ 0.18	\$ 0.01
Series O		0.24	0.03

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

# STEADYHAND SAVINGS FUND

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

Years ended December 31, 2022 and 2021

Series A	Notes	2022	2021
Balance, beginning of year		\$ 43,844,354	\$ 46,487,908
Increase in net assets attributable to holders of redeemable units		-	-
Redeemable unit transactions:			
Issue of redeemable units		36,207,239	37,544,312
Reinvestments of distributions		819,991	33,211
Redemption of redeemable units		(33,978,467)	(40,221,077)
Net increase (decrease) from redeemable unit transactions		3,048,763	(2,643,554)
Balance, end of year		\$ 46,893,117	\$ 43,844,354

Series O	Notes	2022	2021
Balance, beginning of year		\$ 591,235	\$ 589,735
Increase in net assets attributable to holders of redeemable units		-	-
Redeemable unit transactions:			
Issue of redeemable units		46,152,782	-
Reinvestment of distributions		417,795	1,500
Redemption of redeemable units		(21,813,457)	-
Net increase from redeemable unit transactions		24,757,120	1,500
Balance, end of year		\$ 25,348,355	\$ 591,235

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



# STEADYHAND SAVINGS FUND

## Statements of Cash Flows

Years ended December 31, 2022 and 2021

	Notes	2022	2021
Cash provided by (used in):			
Operating activities:			
Proceeds from sale of investments	\$	333,166,444	\$ 353,134,026
Purchases of investments		(359,146,375)	(350,945,210)
Interest and dividends received		914,830	94,419
Management fees paid		(59,258)	(57,802)
Net cash (used in) provided by operating activities		(25,124,359)	2,225,433
Financing activities:			
Proceeds from issue of redeemable units		81,923,350	37,508,414
Payments on redemption of redeemable units		(57,538,538)	(38,524,204)
Cash distributions payable to holders of redeemable units		210,716	334
Net cash provided by (used in) financing activities		24,595,528	(1,015,456)
Increase (decrease) in cash		(528,831)	1,209,977
Cash, beginning of year		1,230,785	20,808
Cash, end of year	\$	701,954	\$ 1,230,785

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

# STEADYHAND SAVINGS FUND

Schedule of Investment Portfolio

As at December 31, 2022

	Coupon rate	Maturity or expiry date	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
<b>Short-Term Investments - Treasury Bills:</b>						
Government of Canada	3.400%	07/20/2023	1,000,000	\$ 968,340	\$ 968,340	
Province of Manitoba	4.101%	02/01/2023	1,000,000	990,760	990,760	
Province of New Brunswick	4.358%	03/02/2023	4,000,000	3,960,280	3,960,280	
Province of Newfoundland and Labrador	4.279%	03/02/2023	3,825,000	3,785,067	3,785,067	
Province of Ontario	3.901%	03/29/2023	4,845,000	4,754,821	4,754,821	
Province of Ontario	4.379%	04/12/2023	3,135,000	3,088,522	3,088,522	
Province of Prince Edward Island	4.211%	01/17/2023	1,030,000	1,019,649	1,019,649	
Province of Prince Edward Island	4.162%	02/14/2023	1,635,000	1,619,173	1,619,173	
Province of Prince Edward Island	4.420%	03/21/2023	1,270,000	1,256,309	1,256,309	
Province of Quebec	4.389%	03/17/2023	2,910,000	2,880,900	2,880,900	
Province of Quebec	2.420%	04/14/2023	1,500,000	1,465,890	1,465,890	
<b>Total short-term investments - Treasury Bills</b>				<b>25,789,711</b>	<b>25,789,711</b>	<b>35.7</b>
<b>Short-Term Investments - Bankers' Acceptance:</b>						
Bank of Montreal BA	4.070%	01/04/2023	1,575,000	1,559,484	1,559,484	
Bank of Montreal BA	4.281%	01/30/2023	3,995,000	3,955,392	3,955,392	
Bank of Nova Scotia BA	4.352%	02/01/2023	2,135,000	2,112,742	2,112,742	
Canadian Imperial Bank of Commerce BA	4.381%	01/16/2023	2,065,000	2,043,173	2,043,173	
Canadian Imperial Bank of Commerce BA	4.529%	03/10/2023	2,320,000	2,295,222	2,295,222	
Royal Bank of Canada BA	4.360%	02/16/2023	1,760,000	1,740,869	1,740,869	
Royal Bank of Canada BA	4.519%	03/07/2023	3,685,000	3,644,834	3,644,834	
Toronto-Dominion Bank of Canada BA	4.501%	02/28/2023	3,440,000	3,405,566	3,405,566	
Toronto-Dominion Bank of Canada BA	4.531%	03/13/2023	2,800,000	2,769,060	2,769,060	
<b>Total short-term investments - Bankers' Acceptance</b>				<b>23,526,342</b>	<b>23,526,342</b>	<b>32.6</b>
<b>Short-Term Investments - Discount Commercial Paper:</b>						
Enbridge Gas Distribution Inc. CP	4.445%	01/05/2023	3,000,000	2,987,300	2,987,300	
Honda Canada Finance Inc. CP	4.500%	02/02/2023	3,000,000	2,969,250	2,969,250	
Hydro One Inc. CP	4.101%	01/05/2023	2,000,000	1,979,760	1,979,760	
Hydro One Inc. CP	4.522%	02/09/2023	1,000,000	989,700	989,700	
Suncor Energy Inc. CP	4.780%	03/13/2023	1,000,000	988,480	988,480	
TransCanada PipeLines Limited CP	4.602%	01/25/2023	2,000,000	1,977,560	1,977,560	
TransCanada PipeLines Limited CP	4.822%	03/21/2023	1,000,000	988,250	988,250	
<b>Total short-term investments - Discount Commercial Paper</b>				<b>12,880,300</b>	<b>12,880,300</b>	<b>17.8</b>
<b>Short-Term Investments - Promissory Notes:</b>						
Province of British Columbia PN	2.130%	04/03/2023	2,230,000	2,184,620	2,184,620	
Province of British Columbia PN	4.350%	06/28/2023	3,595,000	3,496,245	3,496,245	
<b>Total short-term investments - Promissory Notes</b>				<b>5,680,865</b>	<b>5,680,865</b>	<b>7.9</b>
<b>Total short-term investments</b>				<b>\$ 67,877,218</b>	<b>\$ 67,877,218</b>	<b>93.9</b>
<b>Bonds</b>						
<b>Corporate Bonds:</b>						
Bank of Nova Scotia CP	4.655%	04/06/2023	1,000,000	1,000,000	1,000,000	
Canadian Imperial Bank of Commerce CP	4.263%	04/19/2023	1,000,000	1,000,000	1,000,000	
Toyota Credit Canada Inc. CP	2.700%	01/25/2023	1,000,000	1,000,695	1,000,695	
<b>Total corporate bonds</b>				<b>3,000,695</b>	<b>3,000,695</b>	<b>4.2</b>
<b>Total Bonds</b>				<b>3,000,695</b>	<b>3,000,695</b>	<b>4.2</b>
<b>Total Investment Portfolio</b>				<b>\$ 70,877,913</b>	<b>\$ 70,877,913</b>	<b>98.1</b>
<b>Other Net Assets</b>					<b>1,363,559</b>	<b>1.9</b>
<b>Total Net Assets</b>					<b>\$ 72,241,472</b>	<b>100.0</b>

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

# STEADYHAND SAVINGS FUND

## Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

### 1. Financial risk management:

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of currency risk, interest rate risk and other price risk. For a comprehensive discussion of the risks applicable to the Fund refer to note 9.

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

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

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

#### (a) Credit risk:

The majority of the credit risk to which the Fund is exposed is concentrated in debt securities. Credit risk arising from other financial instruments is not considered significant. At December 31, 2022 and 2021, the Fund was invested in debt securities with the following credit quality:

	2022	2021	2022	2021
<b>Rating:</b>				
AAA	\$ 30,175,545	\$ 15,579,758	42.6%	34.7%
AA	35,714,373	27,303,257	50.4%	60.8%
A	4,987,995	2,014,967	7.0%	4.5%
<b>Total</b>	<b>\$ 70,877,913</b>	<b>\$ 44,897,982</b>	<b>100.0%</b>	<b>100.0%</b>

#### (b) Liquidity risk:

The Fund's redeemable units are due on demand. The Fund's remaining non-derivative liabilities are due within twelve months of the year-end of the Fund. As at December 31, 2022 and 2021, the Fund has no derivative liabilities.

# STEADYHAND SAVINGS FUND

## Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

### 1. Financial risk management (continued):

(c) Market risk:

(i) Interest rate risk:

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

December 31, 2022	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Debt securities	\$ 16,523,012	\$ 41,151,284	\$ 13,203,617	\$ -	\$ -	\$ 70,877,913

December 31, 2021	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Debt securities	\$ 21,247,905	\$ 22,634,560	\$ 1,015,517	\$ -	\$ -	\$ 44,897,982

The Manager has determined that a fluctuation in interest rates of 25 basis points is reasonably possible, considering the economic environment in which the Fund operates. As at December 31, 2022, had interest rates increased or decreased by 25 basis points, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$177,195 (2021 - increased or decreased by \$112,245). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Currency risk:

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

(iii) Other price risk:

There were no significant concentrations of risk to issuers at December 31, 2022 and 2021. The Fund held the following securities which exceeded 5% of the net assets attributable to the holders of redeemable units:

At December 31, 2022:

	Coupon rate	Maturity date	Percentage of net assets
Province of Ontario Treasury Bills	3.901%	March 29, 2023	6.6%
Province of New Brunswick Treasury Bills	4.358%	March 02, 2023	5.5%
Bank of Montreal BA	4.281%	January 30, 2023	5.5%
Province of Newfoundland and Labrador Treasury Bills	4.279%	March 02, 2023	5.2%
Royal Bank of Canada BA	4.519%	March 07, 2023	5.0%

# STEADYHAND SAVINGS FUND

## Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

### 1. Financial risk management (continued):

(c) Market risk (continued):

(iii) Other price risk (continued):

At December 31, 2021:

	Coupon rate	Maturity date	Percentage of net assets
Bank of Nova Scotia BA	0.219%	January 11, 2022	9.2%
Province of Ontario Treasury Bills	0.178%	March 16, 2022	7.9%
Province of New Brunswick Treasury Bills	0.159%	March 10, 2022	7.9%
Royal Bank of Canada BA	0.270%	January 31, 2022	7.4%
Bank of Montreal BA	0.241%	January 7, 2022	7.0%
Province of Newfoundland and Labrador PN	0.183%	January 27, 2022	6.7%
Canadian Imperial Bank of Commerce BA	0.261%	February 25, 2022	6.7%
Province of Prince Edward Island Treasury Bills	0.162%	February 8, 2022	6.5%
Province of Ontario Treasury Bills	0.129%	February 16, 2022	5.3%

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

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

As at December 31, 2022 and 2021, the Fund did not have significant exposure to other price risk.

### 2. Fair value of financial instruments:

For a general discussion of the Funds fair value measurements, refer to note 10.

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

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

All fair value measurements below are recurring.

December 31, 2022	Level 1	Level 2	Level 3	Total
Investments	\$ -	\$ 70,877,913	\$ -	\$ 70,877,913

December 31, 2021	Level 1	Level 2	Level 3	Total
Investments	\$ -	\$ 44,897,982	\$ -	\$ 44,897,982

There were no transfers between Levels 1, 2 and 3 during the years ended December 31, 2022 and 2021.

# STEADYHAND INCOME FUND

Statements of Financial Position

December 31, 2022 and 2021

	Notes	2022	2021
<b>Assets</b>			
Cash		\$ 169,076	\$ 675,096
Balances due from brokers		60,129	666,716
Subscriptions receivable		59	771,927
Interest and dividends receivable		1,217,192	1,052,628
Derivative assets:			
Futures		612,119	380,499
Due from Manager		11,623	6,500
Investments		298,835,450	301,471,233
		<u>300,905,648</u>	<u>305,024,599</u>
<b>Liabilities</b>			
Balances due to brokers		120,059	269,308
Redemptions payable		72,949	-
Management fees payable	4	67,144	78,161
		<u>260,152</u>	<u>347,469</u>
<b>Net assets</b> attributable to holders of redeemable units		<u>\$ 300,645,496</u>	<u>\$ 304,677,130</u>
Represented by:			
Series A		\$ 76,916,685	\$ 89,844,563
Series O		223,728,811	214,832,567
		<u>\$ 300,645,496</u>	<u>\$ 304,677,130</u>
Number of units outstanding:			
Series A	5	7,665,518	7,855,873
Series O		20,220,329	17,212,470
<b>Net assets</b> attributable to holders of redeemable units per unit:			
Series A		\$ 10.03	\$ 11.44
Series O		11.06	12.48

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

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

“Tom Bradley”  
Director

“Neil Jensen”  
Director

# STEADYHAND INCOME FUND

Statements of Comprehensive Income

Years ended December 31, 2022 and 2021

	Notes	2022	2021
<b>Revenue:</b>			
Interest income		\$ 6,099,947	\$ 4,772,118
Dividend income		2,034,110	1,860,142
Distributions received from underlying fund		807,287	576,063
Other income (loss)		132,447	(38,260)
Foreign exchange gain (loss)		(5,152)	285
Changes in fair value of investments and derivatives:			
Net realized gain (loss)		(15,442,555)	2,487,208
Net change in unrealized appreciation (depreciation)		(22,429,245)	5,191,499
<b>Total revenue (loss)</b>		<b>(28,803,161)</b>	<b>14,849,055</b>
<b>Expenses:</b>			
Management fees	4	835,284	904,979
Withholding taxes	6	250	1,431
Transaction costs	7	46,140	25,300
Independent review committee fees		3,072	3,062
<b>Total operating expenses</b>		<b>884,746</b>	<b>934,772</b>
Management fee reductions		(267,581)	(283,689)
Expenses waived or absorbed by Manager		(3,072)	(3,062)
		(270,653)	(286,751)
<b>Net operating expenses</b>		<b>614,093</b>	<b>648,021</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions</b>		<b>(29,417,254)</b>	<b>14,201,034</b>
<b>Distributions to holders of redeemable units</b>			
From net investment income		(8,176,359)	(6,700,204)
From net realized gain on investment		-	(1,028,608)
Management fee reductions		(267,581)	(283,689)
		(8,443,940)	(8,012,501)
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		<b>\$ (37,861,194)</b>	<b>\$ 6,188,533</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>			
Series A		\$ (10,957,633)	\$ 1,375,565
Series O		(26,903,561)	4,812,968
		\$ (37,861,194)	\$ 6,188,533
<b>Increase (decrease) in net assets attributable to holders of redeemable units (excluding distributions):</b>			
Series A		\$ (8,560,054)	\$ 3,725,061
Series O		(20,857,200)	10,475,973
		\$ (29,417,254)	\$ 14,201,034
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions):</b>			
Series A		\$ (1.11)	\$ 0.48
Series O		(1.07)	0.66

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

# STEADYHAND INCOME FUND

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

Years ended December 31, 2022 and 2021

Series A	Notes	2022	2021
Balance, beginning of year		\$ 89,844,563	\$ 87,454,126
Increase (decrease) in net assets attributable to holders of redeemable units		(10,957,633)	1,375,565
Redeemable unit transactions:			
Issue of redeemable units		4,774,693	10,910,084
Reinvestments of distributions		2,312,252	2,238,718
Redemption of redeemable units		(9,057,190)	(12,133,930)
Net increase (decrease) from redeemable unit transactions		(1,970,245)	1,014,872
Balance, end of year		\$ 76,916,685	\$ 89,844,563

Series O	Notes	2022	2021
Balance, beginning of year		\$ 214,832,567	\$ 172,538,158
Increase (decrease) in net assets attributable to holders of redeemable units		(26,903,561)	4,812,968
Redeemable unit transactions:			
Issue of redeemable units		29,753,453	31,818,451
Reinvestment of distributions		6,046,352	5,662,990
Net increase from redeemable unit transactions		35,799,805	37,481,441
Balance, end of year		\$ 223,728,811	\$ 214,832,567

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

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# STEADYHAND INCOME FUND

## Statements of Cash Flows

Years ended December 31, 2022 and 2021

	Notes	2022	2021
Cash provided by (used in):			
Operating activities:			
Proceeds from sale of investments		\$ 872,848,987	\$ 613,272,498
Purchase of investments		(910,142,516)	(651,705,928)
Realized gain on futures		1,770,000	447,662
Interest and dividends received		8,909,227	7,321,266
Balances due from broker		606,587	4,335,390
Balances due to broker		(149,249)	(2,667,889)
Management fees paid		(578,720)	(622,539)
Due from Manager		(5,123)	(2,000)
Foreign withholding taxes paid		(250)	(1,431)
Net cash used in operating activities		(26,741,057)	(29,622,377)
Financing activities:			
Proceeds from issue of redeemable units		35,300,014	41,986,608
Payments on redemption of redeemable units		(8,984,241)	(12,296,651)
Cash distributions payable to holders of redeemable units		(85,336)	(110,793)
Net cash provided by financing activities		26,230,437	29,579,164
Decrease in cash		(510,620)	(43,213)
Cash, beginning of year		675,096	718,957
Effect of exchange rate fluctuations on cash		4,600	(648)
Cash, end of year		\$ 169,076	\$ 675,096

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

# STEADYHAND INCOME FUND

Schedule of Investment Portfolio

As at December 31, 2022

	Coupon rate	Maturity or expiry date	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
<b>Short-Term Investments - Treasury Bills:</b>						
Canada	3.620%	01/05/2023	250,000	\$ 247,715	\$ 247,715	
Canada	3.809%	01/19/2023	550,000	546,238	546,238	
Canada	3.964%	02/02/2023	965,000	955,659	955,659	
Canada	4.028%	02/16/2023	524,000	518,864	518,864	
Canada	4.061%	03/02/2023	325,000	321,672	321,672	
Canada	4.258%	03/30/2023	391,000	386,417	386,417	
Total short-term investments - Treasury Bills				2,976,565	2,976,565	1.0
<b>Short-Term Investments - Bankers' Acceptance:</b>						
Bank of Montreal BA	4.519%	03/20/2023	385,000	380,711	380,711	
Bank of Nova Scotia BA	4.349%	02/06/2023	1,035,000	1,024,743	1,024,743	
Bank of Nova Scotia BA	4.399%	02/16/2023	1,405,000	1,389,924	1,389,924	
Canadian Imperial Bank of Commerce BA	4.451%	02/23/2023	30,000	29,697	29,697	
Royal Bank of Canada BA	4.131%	01/09/2023	310,000	306,956	306,956	
Royal Bank of Canada BA	4.202%	01/16/2023	170,000	168,456	168,456	
Royal Bank of Canada BA	4.349%	02/06/2023	55,000	54,474	54,474	
Royal Bank of Canada BA	4.521%	03/08/2023	590,000	583,781	583,781	
Royal Bank of Canada BA	4.550%	03/20/2023	1,125,000	1,112,794	1,112,794	
Toronto-Dominion Bank BA	4.383%	02/06/2023	760,000	753,420	753,420	
Toronto-Dominion Bank BA	4.480%	02/21/2023	870,000	862,312	862,312	
Toronto-Dominion Bank BA	4.511%	03/06/2023	1,810,000	1,792,280	1,792,280	
Total short-term investments - Bankers' Acceptance				8,459,548	8,459,548	2.8
<b>Total Short-Term investments</b>				<b>11,436,113</b>	<b>11,436,113</b>	<b>3.8</b>
<b>Federal Bonds:</b>						
Canada	3.000%	11/01/2024	24,704,000	24,182,148	24,248,866	
Canada	1.250%	03/01/2025	366,000	344,938	345,973	
Canada	2.750%	09/01/2027	38,000	37,476	36,921	
Canada	2.000%	06/01/2028	187,000	175,799	175,256	
Canada	2.500%	12/01/2032	2,046,000	1,911,782	1,908,759	
Canada	5.000%	06/01/2037	4,012,000	5,224,669	4,758,043	
Canada	4.000%	06/01/2041	4,926,000	6,461,931	5,348,877	
Canada	3.500%	12/01/2045	720,000	766,224	738,609	
Canada	2.750%	12/01/2048	346,000	335,849	312,721	
Canada	2.000%	12/01/2051	6,172,000	4,965,002	4,692,801	
Canada	1.750%	12/01/2053	18,026,000	13,336,344	12,703,678	
Canada	2.750%	12/01/2064	2,018,000	2,255,111	1,778,639	
Total federal bonds				59,997,273	57,049,143	19.0
<b>Provincial Bonds:</b>						
Province of Alberta	1.650%	06/01/2031	2,100,000	1,863,295	1,748,817	
Province of Alberta	4.150%	06/01/2033	990,000	989,792	990,209	
Province of Alberta	3.900%	12/01/2033	1,373,000	1,373,091	1,340,824	
Province of Alberta	3.300%	12/01/2046	479,000	468,735	405,510	
Province of Alberta	3.050%	12/01/2048	969,000	1,101,858	778,567	
Province of Alberta	3.100%	06/01/2050	1,411,000	1,348,090	1,143,655	
Province of British Columbia	2.200%	06/18/2030	5,981,000	5,838,647	5,317,273	
Province of British Columbia	1.550%	06/18/2031	4,617,000	4,089,212	3,814,957	
Province of British Columbia	2.750%	06/18/2052	214,000	168,455	161,121	
Province of Manitoba	3.900%	12/02/2032	613,000	609,702	602,397	
Province of Manitoba	4.650%	03/05/2040	806,000	906,854	825,801	
Province of Manitoba	2.850%	09/05/2046	188,000	149,492	144,405	
Province of Manitoba	3.200%	03/05/2050	660,000	716,221	535,654	
Province of Manitoba	3.800%	09/05/2053	107,000	106,316	97,123	
Province of New Brunswick	4.550%	03/26/2037	230,000	310,149	234,369	
Province of New Brunswick	4.800%	06/03/2041	431,000	579,594	450,574	
Province of New Brunswick	3.550%	06/03/2043	348,000	432,947	306,658	
Province of Newfoundland and Labrador	2.850%	06/02/2029	820,000	768,561	765,370	
Province of Newfoundland and Labrador	1.750%	06/02/2030	2,042,000	1,822,178	1,736,575	
Province of Newfoundland and Labrador	2.050%	06/02/2031	1,300,000	1,235,130	1,103,438	
Province of Newfoundland and Labrador	3.300%	10/17/2046	315,000	322,016	252,646	
Province of Newfoundland and Labrador	3.700%	10/17/2048	518,000	606,986	443,023	
Province of Newfoundland and Labrador	2.650%	10/17/2050	45,000	44,032	31,116	
Carried forward				25,851,353	23,230,082	

# STEADYHAND INCOME FUND

Schedule of Investment Portfolio (continued)

As at December 31, 2022

	Coupon rate	Maturity or expiry date	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
<b>Provincial Bonds (continued):</b>						
Brought forward				25,851,353	23,230,082	
Province of Newfoundland and Labrador	3.150%	12/02/2052	981,000	954,759	748,824	
Province of Nova Scotia	2.400%	12/01/2031	995,000	902,654	872,100	
Province of Nova Scotia	4.700%	06/01/2041	218,000	233,751	225,347	
Province of Nova Scotia	3.150%	12/01/2051	290,000	340,829	233,310	
Province of Ontario	2.900%	06/02/2028	5,781,000	5,572,225	5,514,120	
Province of Ontario	1.550%	11/01/2029	2,538,000	2,444,565	2,180,037	
Province of Ontario	2.050%	06/02/2030	6,205,000	5,677,834	5,450,823	
Province of Ontario	2.150%	06/02/2031	9,751,000	9,022,138	8,461,205	
Province of Ontario	3.750%	06/02/2032	1,490,000	1,489,673	1,456,260	
Province of Ontario	5.850%	03/08/2033	79,000	102,337	90,156	
Province of Ontario	5.600%	06/02/2035	245,000	270,340	277,467	
Province of Ontario	4.650%	06/02/2041	518,000	545,287	537,536	
Province of Ontario	3.500%	06/02/2043	568,000	481,991	503,221	
Province of Ontario	2.900%	12/02/2046	35,000	34,400	27,571	
Province of Prince Edward Island	4.600%	05/19/2041	123,000	156,829	124,172	
Province of Quebec	2.750%	09/01/2028	2,888,000	2,717,099	2,728,775	
Province of Quebec	1.900%	09/01/2030	1,012,000	917,556	876,389	
Province of Quebec	1.500%	09/01/2031	3,682,000	3,024,654	3,013,290	
Province of Quebec	3.250%	09/01/2032	1,444,000	1,385,240	1,355,037	
Province of Quebec	5.000%	12/01/2038	307,000	333,279	331,347	
Province of Quebec	4.250%	12/01/2043	1,817,000	2,261,765	1,797,077	
Province of Quebec	4.400%	12/01/2055	65,000	70,914	67,323	
Province of Saskatchewan	2.150%	06/02/2031	1,747,000	1,530,599	1,514,883	
Province of Saskatchewan	3.300%	06/02/2048	488,000	442,679	410,207	
Province of Saskatchewan	3.100%	06/02/2050	1,376,000	1,607,061	1,111,061	
Province of Saskatchewan	2.800%	12/02/2052	51,000	45,602	38,377	
Total provincial bonds				68,417,413	63,175,997	21.0
<b>Municipal Bonds:</b>						
City of Greater Sudbury	3.457%	03/15/2047	156,000	156,000	127,855	
City of Montreal - Canada	1.750%	09/01/2030	822,000	692,499	693,954	
City of Montreal - Canada	2.000%	09/01/2031	325,000	276,263	273,278	
City of Montreal - Canada	4.100%	12/01/2034	455,000	444,253	441,319	
City of Montreal - Canada	3.150%	12/01/2036	492,000	403,086	421,463	
City of Montreal - Canada	3.500%	12/01/2038	1,603,000	1,562,380	1,401,123	
City of Ottawa - Canada	4.400%	10/22/2033	135,000	136,030	136,389	
City of Ottawa - Canada	3.050%	05/10/2039	132,000	130,243	109,189	
City of Ottawa - Canada	2.500%	05/11/2051	169,000	153,548	113,786	
City of Toronto - Canada	3.500%	06/02/2036	1,581,000	1,436,977	1,419,799	
City of Toronto - Canada	2.600%	09/24/2039	255,000	230,505	194,972	
City of Toronto - Canada	2.850%	11/23/2041	263,000	261,806	203,633	
City of Toronto - Canada	4.400%	12/14/2042	270,000	269,322	260,954	
City of Toronto - Canada	4.150%	03/10/2044	307,000	329,734	285,751	
City of Winnipeg - Canada	4.100%	06/01/2045	382,000	403,155	352,028	
Regional Municipality of Halton - Canada	3.150%	04/06/2045	214,000	230,598	170,697	
Regional Municipality of Peel - Canada	4.250%	12/02/2033	93,000	92,367	92,571	
Regional Municipality of Peel - Canada	5.100%	06/29/2040	189,000	252,158	199,635	
Regional Municipality of Peel - Canada	3.850%	10/30/2042	123,000	143,248	110,353	
Regional Municipality of York - Canada	1.700%	05/27/2030	811,000	703,007	692,343	
Regional Municipality of York - Canada	4.000%	05/31/2032	400,000	434,012	396,660	
Regional Municipality of York - Canada	4.050%	05/01/2034	481,000	475,680	468,438	
Total municipal bonds				9,216,871	8,566,190	2.8
<b>Corporate Bonds:</b>						
407 International Inc. CP	4.220%	02/14/2028	781,000	774,661	763,954	
55 Ontario School Board Trust CP	5.900%	06/02/2033	302,000	389,643	338,252	
Allied Properties REIT CP	1.726%	02/12/2026	411,000	383,609	364,567	
Allied Properties REIT CP	3.113%	04/08/2027	631,000	590,397	570,649	
Allied Properties REIT CP	3.131%	05/15/2028	272,000	256,116	239,816	
Allied Properties REIT CP	3.394%	08/15/2029	824,000	735,135	712,158	
AltaLink LP CP	4.692%	11/28/2032	580,000	597,372	580,472	
ARC Resources Ltd CP	3.465%	03/10/2031	104,000	95,190	90,156	
Carried forward				7,033,311	6,808,677	

# STEADYHAND INCOME FUND

Schedule of Investment Portfolio (continued)

As at December 31, 2022

	Coupon rate	Maturity or expiry date	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
<b>Corporate Bonds (continued):</b>						
Bought forward				7,033,311	6,808,677	
Bank of Montreal CP	3.650%	04/01/2027	3,314,000	3,211,188	3,148,653	
Bank of Montreal CP	4.309%	06/01/2027	114,000	113,949	111,146	
Bank of Montreal CP	4.709%	12/07/2027	862,000	862,000	850,962	
Bank of Montreal CP	2.077%	06/17/2030	1,398,000	1,341,538	1,286,397	
Bank of Montreal CP	6.534%	10/27/2032	479,000	498,265	497,844	
Bank of Nova Scotia. CP	5.500%	05/08/2026	1,763,000	1,762,947	1,790,280	
Bank of Nova Scotia. CP	2.836%	07/03/2029	1,596,000	1,548,440	1,529,321	
Bell Canada CP	3.350%	03/12/2025	213,000	216,014	205,806	
Bell Canada CP	2.200%	05/29/2028	622,000	557,717	544,098	
Bell Canada CP	3.800%	08/21/2028	319,000	300,954	302,095	
Bell Canada CP	3.000%	03/17/2031	415,000	365,540	357,486	
Bell Canada CP	5.850%	11/10/2032	392,000	391,091	410,171	
Brookfield Renewable Partners ULC CP	4.250%	01/15/2029	216,000	209,209	207,828	
Brookfield Renewable Partners ULC CP	4.290%	11/05/2049	42,000	36,096	35,033	
Calgary Airport Authority CP	3.341%	10/07/2038	122,000	122,000	100,854	
Canadian Imperial Bank of Commerce CP	3.290%	01/15/2024	177,000	175,414	173,565	
Canadian Imperial Bank of Commerce CP	2.350%	08/28/2024	62,000	61,904	59,301	
Canadian Imperial Bank of Commerce CP	4.950%	06/29/2027	1,009,000	1,004,701	1,007,910	
Canadian Imperial Bank of Commerce CP	5.050%	10/07/2027	1,314,000	1,311,990	1,314,786	
Canadian Imperial Bank of Commerce CP	2.010%	07/21/2030	1,966,000	1,809,535	1,797,524	
Canadian Imperial Bank of Commerce CP	1.960%	04/21/2031	1,459,000	1,411,016	1,294,558	
Canadian Imperial Bank of Commerce CP	4.000%	01/28/2082	95,000	95,000	74,983	
Canadian Western Bank CP	5.937%	12/22/2032	247,000	247,000	244,002	
Choice Properties REIT CP	3.532%	06/11/2029	207,000	188,500	186,357	
CPPIB Capital Inc. CP	3.000%	06/15/2028	660,000	660,000	630,398	
Crombie REIT CP	3.917%	06/21/2027	125,000	117,716	117,324	
Crombie REIT CP	2.686%	03/31/2028	160,000	140,314	139,342	
CU Inc. CP	2.963%	09/07/2049	341,000	256,384	242,904	
CU Inc. CP	3.174%	09/05/2051	114,000	88,773	83,682	
CU Inc. CP	4.211%	10/29/2055	213,000	197,159	186,265	
Dream Industrial REIT CP	3.968%	04/13/2026	798,000	780,384	757,982	
Dream Industrial REIT CP	2.539%	12/07/2026	537,000	501,991	479,150	
Enbridge Gas Inc. CP	2.370%	08/09/2029	333,000	296,438	292,132	
Enbridge Gas Inc. CP	2.900%	04/01/2030	710,000	648,136	635,866	
Enbridge Gas Inc. CP	4.150%	08/17/2032	82,000	81,728	78,121	
Enbridge Gas Inc. CP	3.200%	09/15/2051	60,000	46,231	43,728	
Enbridge Inc. CP	5.700%	11/09/2027	362,000	361,859	371,500	
Enbridge Inc. CP	2.990%	10/03/2029	182,000	155,330	159,781	
Enbridge Inc. CP	6.100%	11/09/2032	211,000	210,937	222,006	
Enbridge Inc. CP	5.375%	09/27/2077	427,000	409,949	390,074	
Enbridge Pipelines Inc. CP	5.330%	04/06/2040	114,000	110,376	107,788	
Enbridge Pipelines Inc. CP	4.550%	09/29/2045	157,000	136,089	132,089	
Enbridge Pipelines Inc. CP	4.130%	08/09/2046	126,000	104,304	99,320	
EPCOR Utilities Inc. CP	2.899%	05/19/2050	37,000	27,406	25,856	
Fair Hydro Trust CP	3.357%	05/15/2033	151,000	134,238	138,238	
Federation des Caisses Desjardins du Quebec CP	5.200%	10/01/2025	417,000	416,762	418,322	
Federation des Caisses Desjardins du Quebec CP	5.035%	08/23/2032	460,000	458,740	447,749	
First Capital REIT CP	4.790%	08/30/2024	133,000	145,820	129,561	
First Capital REIT CP	4.323%	07/31/2025	364,000	384,154	347,249	
First Capital REIT CP	3.456%	01/22/2027	907,000	924,022	813,876	
First Capital REIT CP	3.753%	07/12/2027	10,000	10,163	8,996	
First Capital REIT CP	3.447%	03/01/2028	722,000	761,497	630,229	
First Nations Finance Authority CP	1.710%	06/16/2030	1,319,000	1,120,636	1,123,090	
First Nations Finance Authority CP	2.850%	06/01/2032	648,000	610,915	584,265	
Fortis Inc. CP	4.431%	05/31/2029	81,000	81,000	78,797	
FortisAlberta Inc. CP	2.632%	06/08/2051	22,000	13,208	14,298	
FortisBC Energy Inc. CP	6.550%	02/24/2039	48,000	73,680	56,050	
Greater Toronto Airports Authority CP	6.450%	12/03/2027	443,000	582,071	476,851	
Greater Toronto Airports Authority CP	1.540%	05/03/2028	573,000	574,515	497,233	
Greater Toronto Airports Authority CP	7.050%	06/12/2030	411,000	591,469	467,578	
Greater Toronto Airports Authority CP	2.750%	10/17/2039	45,000	44,645	34,110	
Carried forward				37,134,358	35,801,437	

# STEADYHAND INCOME FUND

Schedule of Investment Portfolio (continued)

As at December 31, 2022

	Coupon rate	Maturity or expiry date	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
<b>Corporate bonds (continued):</b>						
Brought forward				37,134,358	35,801,437	
Greater Toronto Airports Authority CP	5.300%	02/25/2041	180,000	243,160	188,883	
Greater Toronto Airports Authority CP	4.530%	12/02/2041	52,000	63,376	49,744	
Great-West Lifeco Inc.CP	2.379%	05/14/2030	181,000	155,762	152,886	
Great-West Lifeco Inc.CP	3.600%	12/31/2081	154,000	154,000	115,530	
H&R REIT CP	2.906%	06/02/2026	502,000	495,599	457,650	
H&R REIT CP	2.633%	02/19/2027	62,000	60,614	55,002	
Hydro One Inc. CP	4.910%	01/27/2028	302,000	306,740	308,379	
Hydro One Inc. CP	6.350%	01/31/2034	384,000	532,745	429,407	
Hydro One Inc. CP	3.910%	02/23/2046	109,000	98,117	93,868	
Hydro-Quebec CP	2.000%	09/01/2028	1,618,000	1,446,476	1,465,852	
iA Financial Corp. Inc. CP	3.187%	02/25/2032	457,000	457,000	416,541	
Intact Financial CORP. CP	1.207%	05/21/2024	545,000	544,929	516,205	
Intact Financial CORP. CP	3.691%	03/24/2025	787,000	797,336	765,014	
Intact Financial CORP. CP	2.850%	06/07/2027	1,055,000	1,045,959	974,047	
Inter Pipeline Ltd. CP	5.760%	02/17/2028	273,000	272,978	276,464	
Inter Pipeline Ltd. CP	6.380%	02/17/2033	37,000	36,996	37,906	
Laurentian Bank of Canada CP	4.600%	09/02/2025	415,000	415,125	406,567	
Municipal Finance Authority of British Columbia CP	3.300%	04/08/2032	1,107,000	1,053,864	1,040,631	
National Bank of Canada CP	2.580%	02/03/2025	2,170,000	2,093,289	2,061,889	
National Bank of Canada CP	5.296%	11/03/2025	580,000	580,945	583,766	
National Bank of Canada CP	1.573%	08/18/2026	180,000	182,650	164,598	
National Bank of Canada CP	5.426%	08/16/2032	1,099,000	1,092,174	1,087,209	
Nissan Canada Inc. CP	2.103%	09/22/2025	82,000	77,661	73,348	
Northern Courier Pipeline LP CP	3.365%	06/30/2042	98,250	98,250	85,471	
Northwestern Hydro Acquisition Co. CP	3.877%	12/31/2036	569,000	581,404	489,309	
OMERS Finance Trust CP	2.600%	05/14/2029	328,000	292,960	300,578	
Pembina Pipeline Corp. CP	3.620%	04/03/2029	42,000	37,807	38,537	
Plenary Properties LTAP LP CP	6.288%	01/31/2044	51,784	65,548	56,252	
Primaris REIT CP	4.267%	03/30/2025	135,000	135,000	129,957	
RioCan Real Estate Investment Trust CP	1.974%	06/15/2026	185,000	166,979	163,483	
RioCan Real Estate Investment Trust CP	2.361%	03/10/2027	425,000	416,124	371,362	
RioCan Real Estate Investment Trust CP	2.829%	11/08/2028	692,000	682,585	590,396	
RioCan Real Estate Investment Trust CP	4.628%	05/01/2029	129,000	128,620	120,333	
Rogers Communications Inc. CP	3.650%	03/31/2027	77,000	73,205	72,690	
Rogers Communications inc. CP	0.000%	04/15/2029	15,000	-	-	
Rogers Communications Inc. CP	3.750%	04/15/2029	15,000	14,984	13,871	
Rogers Communications Inc. CP	3.250%	05/01/2029	293,000	262,961	261,755	
Royal Bank of Canada CP	5.235%	11/02/2026	2,150,000	2,148,364	2,168,463	
Royal Bank of Canada CP	4.612%	07/26/2027	211,000	210,266	208,281	
Royal Bank of Canada CP	2.740%	07/25/2029	432,000	416,654	412,507	
Royal Bank of Canada CP	2.880%	12/23/2029	545,000	517,478	516,343	
Royal Bank of Canada CP	2.140%	11/03/2031	1,230,000	1,150,780	1,082,519	
Royal Bank of Canada CP	4.000%	02/24/2081	165,000	165,259	143,171	
Saputo Inc. CP	5.250%	11/29/2029	181,000	181,000	182,366	
Sea To Sky Highway Investment LP CP	2.629%	08/31/2030	158,027	158,207	142,867	
Shaw Communications Inc. CP	3.800%	03/01/2027	298,000	288,932	282,333	
Shaw Communications Inc. CP	4.400%	11/02/2028	1,462,000	1,393,697	1,399,818	
Shaw Communications Inc. CP	3.300%	12/10/2029	704,000	637,100	620,797	
Shaw Communications Inc. CP	2.900%	12/09/2030	439,000	410,609	367,629	
Shaw Communications Inc. CP	6.750%	11/09/2039	14,000	19,608	14,961	
Summit Industrial Income REIT CP	2.250%	01/12/2027	122,000	108,483	108,097	
Summit Industrial Income REIT CP	2.440%	07/14/2028	85,000	72,991	72,924	
TELUS Corp. CP	2.350%	01/27/2028	1,049,000	973,490	928,420	
TELUS Corp. CP	3.625%	03/01/2028	732,000	674,257	687,511	
TELUS Corp. CP	3.300%	05/02/2029	258,000	233,694	234,323	
TELUS Corp. CP	5.000%	09/13/2029	328,000	327,118	327,368	
TELUS Corp. CP	3.150%	02/19/2030	163,000	147,411	144,217	
TELUS Corp. CP	5.250%	11/15/2032	129,000	127,892	128,347	
Toronto-Dominion Bank CP	2.260%	01/07/2027	562,000	495,809	507,260	
Toronto-Dominion Bank CP	4.210%	06/01/2027	983,000	969,499	955,079	
Toronto-Dominion Bank CP	5.376%	10/21/2027	17,000	17,000	17,290	
Toronto-Dominion Bank CP	4.680%	01/28/2029	1,414,000	1,414,000	1,392,788	
Carried forward				65,527,910	63,234,754	

# STEADYHAND INCOME FUND

Schedule of Investment Portfolio (continued)

As at December 31, 2022

	Coupon rate	Maturity or expiry date	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
<b>Corporate bonds (continued):</b>						
Brought forward				65,527,910	63,234,754	
Toronto-Dominion Bank CP	3.105%	04/22/2030	2,222,000	2,166,675	2,105,319	
Toronto-Dominion Bank CP	3.060%	01/26/2032	253,000	222,956	230,088	
Toronto Hydro Corp. CP	2.430%	12/11/2029	151,000	135,593	133,711	
Tourmaline Oil Corp. CP	2.077%	01/25/2028	414,000	367,628	359,770	
Transcanada Pipelines CP	3.800%	04/05/2027	1,539,000	1,653,402	1,468,609	
Transcanada Pipelines CP	4.180%	07/03/2048	48,000	39,378	37,622	
TransCanada Trust CP	4.650%	05/18/2077	1,912,000	1,921,801	1,711,165	
Vancouver Airport Authority CP	1.760%	09/20/2030	225,000	190,069	186,208	
Vancouver Airport Authority CP	3.857%	11/10/2045	163,000	201,783	141,506	
Total corporate bonds				69,245,975	66,487,841	22.0
<b>Foreign Bonds:</b>						
AT&T Inc. CP	4.000%	11/25/2025	142,000	155,959	138,326	
AT&T Inc. CP	4.850%	05/25/2047	90,000	83,591	78,274	
Verizon Communications Inc. CP	2.375%	03/22/2028	1,479,000	1,462,051	1,314,521	
Verizon Communications Inc. CP	2.500%	05/16/2030	981,000	964,271	830,616	
Total foreign bonds				2,665,872	2,361,737	0.8
<b>Total Bonds</b>				<b>209,543,404</b>	<b>197,640,908</b>	<b>65.6</b>
<b>Equities:</b>						
<b>Equities - Oil and Gas:</b>						
ARC Resources Ltd			92,300	1,241,586	1,684,475	
Enbridge Inc.			13,772	633,794	728,814	
Gibson Energy Inc.			19,500	409,769	460,980	
TC Energy Corp.			38,900	2,363,273	2,099,822	
Topaz Energy Corp.			29,700	640,040	627,561	
Tourmaline Oil Corp.			22,800	1,226,841	1,557,696	
Total equities - oil and gas				6,515,303	7,159,348	2.4
<b>Equities - Basic Materials:</b>						
CCL Industries Inc.			9,200	592,303	532,128	
Nutrien Ltd.			8,800	736,616	869,880	
Total equities - basic materials				1,328,919	1,402,008	0.5
<b>Equities - Industrial Goods and Services:</b>						
Canadian National Railway Co.			20,000	2,278,642	3,216,800	
Exchange Income Corp.			7,900	406,579	415,777	
Finning International Inc.			21,000	605,597	706,860	
Thomson Reuters Corp.			22,969	2,188,612	3,547,792	
Toromont Industries Ltd.			3,100	331,408	302,901	
WSP Global Inc.			11,000	1,128,589	1,727,990	
Total equities - industrial goods and services				6,939,427	9,918,120	3.3
<b>Equities - Consumer Cyclical:</b>						
Magna International Inc.			3,700	299,762	281,422	
Restaurant Brands International Inc.			22,900	1,717,531	2,005,353	
Total equities - consumer cyclical				2,017,293	2,286,775	0.8
<b>Equities - Consumer Products:</b>						
Premium Brands Holding Corp.			3,300	308,992	271,524	
Total equities - consumer products				308,992	271,524	0.1

# STEADYHAND INCOME FUND

Schedule of Investment Portfolio (continued)

As at December 31, 2022

	Coupon rate	Maturity or expiry date	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
<b>Equities - Financial Services:</b>						
Bank of Montreal			30,000	2,944,462	3,679,800	
Bank of Nova Scotia			6,200	433,423	411,308	
Definity Financial Corp.			27,500	763,452	1,058,200	
Element Fleet Management Corp.			114,300	1,071,897	2,108,835	
iA Financial Corp. Inc.			14,400	863,154	1,141,488	
Intact Financial Corp.			13,900	1,889,191	2,709,249	
Manulife Financial Corp.			27,400	664,744	661,710	
Royal Bank of Canada			45,400	4,497,207	5,779,420	
Sun Life Financial Inc.			26,200	1,683,074	1,646,670	
TMX Group Ltd.			7,200	839,997	975,744	
Toronto-Dominion Bank			55,179	3,816,827	4,837,543	
Total equities - financial services				19,467,428	25,009,967	8.3
<b>Equities - Real Estate:</b>						
Canadian Apartment Properties REIT			73,800	3,001,472	3,149,784	
Crombie REIT			43,000	684,707	681,980	
First Capital REIT			73,300	1,314,922	1,232,173	
InterRent REIT			156,500	1,939,605	2,003,200	
Minto Apartment REIT			56,900	1,096,005	799,445	
Summit Industrial Income REIT			106,000	1,327,142	2,405,140	
Total equities - real estate				9,363,853	10,271,722	3.4
<b>Equities - Retailing:</b>						
George Weston Ltd.			13,600	1,797,676	2,284,664	
Loblaw Companies Ltd.			6,000	437,054	718,320	
Total equities - retailing				2,234,730	3,002,984	1.0
<b>Equities - Consumer Staples:</b>						
Maple Leaf Foods Inc.			27,100	698,386	662,595	
Saputo Inc.			22,400	747,777	750,848	
Total equities - consumer staples				1,446,163	1,413,443	0.5
<b>Equities - Communications and Media:</b>						
Rogers Communications Inc.			24,600	1,480,962	1,558,902	
Shaw Communications Inc. Class B			62,300	1,647,043	2,430,323	
TELUS Corp.			56,200	1,477,118	1,468,506	
Total equities - communications and media				4,605,123	5,457,731	1.8
<b>Equities - Utilities and Pipelines:</b>						
Boralex Inc. Class A			28,000	1,122,950	1,120,560	
Brookfield Infrastructure Partners LP			31,540	1,154,748	1,322,788	
Brookfield Renewable Partners LP			12,750	526,704	437,070	
Fortis Inc.			14,000	771,747	758,520	
Hydro One Ltd.			47,100	1,651,519	1,708,317	
Northland Power Inc.			32,000	1,041,854	1,188,160	
Pembina Pipeline Corp.			38,500	1,610,458	1,769,460	
Total equities - utilities and pipelines				7,879,980	8,304,875	2.8
<b>Total Equities</b>				<b>\$ 62,107,211</b>	<b>\$ 74,498,497</b>	<b>24.9</b>

# STEADYHAND INCOME FUND

Schedule of Investment Portfolio (continued)

As at December 31, 2022

	Coupon rate	Maturity or expiry date	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
<b>Pooled Investment Funds</b>						
CC&L High Yield Bond Fund, Series I			1,803,306	17,440,748	15,259,932	5.1
<b>Transaction Costs</b>				(40,641)		-
<b>Total Investment Portfolio</b>				300,486,835	298,835,450	99.4
<b>Derivatives:</b>						
Total unrealized gain on futures contracts (Schedule of future contracts)					612,119	0.2
<b>Other Net Assets</b>					1,197,927	0.4
<b>Total Net Assets</b>					\$ 300,645,496	100.0

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



# STEADYHAND INCOME FUND

## Futures Contracts

As at December 31, 2022

Description	Maturity date	Number of contracts	Fair value	Unrealized gain (loss)
Canada 5 Year Bond Futures	March 22, 2023	(9)	\$ (1,003,230)	
Canada 5 Year Bond Futures	March 22, 2023	(29)	(3,232,630)	
Canada 5 Year Bond Futures	March 22, 2023	(3)	(334,410)	
Canada 5 Year Bond Futures	March 22, 2023	(65)	(7,245,550)	
Canada 5 Year Bond Futures	March 22, 2023	(43)	(4,793,210)	
Canada 10 Year Bond Futures	March 22, 2023	(1)	(122,550)	
Canada 10 Year Bond Futures	March 22, 2023	(13)	(1,593,150)	
Canada 10 Year Bond Futures	March 22, 2023	(1)	(122,550)	
US 5 Year Note Futures	March 31, 2023	34	4,972,137	
<b>Margins</b>			<b>19,059,392</b>	
Future contracts				\$ (13,475,143)
Margin requirement				14,087,262
				<b>\$ 612,119</b>

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

# STEADYHAND INCOME FUND

## Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

### 1. Financial risk management:

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of currency risk, interest rate risk and other price risk. For a comprehensive discussion of the risks applicable to the Funds refer to note 9.

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

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

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

#### (a) Credit risk:

The majority of the credit risk to which the Fund is exposed is concentrated in debt securities. Debt securities include short-term investments, bonds and futures contracts. Credit risk arising from other financial instruments is not considered significant. As at December 31, 2022 and 2021, the Fund was invested in debt securities with the following credit quality:

	2022	2021	2022	2021
<b>Rating:</b>				
AAA	\$ 72,055,618	\$ 46,653,669	34.4%	22.8%
AA	34,369,443	38,761,562	16.4%	19.0%
A	65,313,232	75,879,050	31.1%	37.2%
BBB	37,950,848	42,176,696	18.1%	20.7%
BB	-	744,828	-%	0.3%
<b>Total</b>	<b>\$ 209,689,141</b>	<b>\$ 204,215,805</b>	<b>100.0%</b>	<b>100.0%</b>

#### (b) Liquidity risk:

The Fund's redeemable units are due on demand. The Fund's remaining non-derivative liabilities are due within twelve months of the year-end of the Fund. As at December 31, 2022 and 2021, the Fund had no derivative liabilities.

# STEADYHAND INCOME FUND

## Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

### 1. Financial risk management (continued):

(c) Market risk:

(i) Interest rate risk:

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

December 31, 2022	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Debt securities	\$ 1,562,846	\$ 10,485,387	\$ -	\$ 50,799,511	\$ 146,841,397	\$ 209,689,141

December 31, 2021	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Debt securities	\$ 10,036,614	\$ 15,775,326	\$ 719,316	\$ 23,389,505	\$ 154,295,044	\$ 204,215,805

The Manager has determined that a fluctuation in interest rates of 25 basis points is reasonably possible, considering the economic environment in which the Fund operates. As at December 31, 2022, had interest rates increased or decreased by 25 basis points, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$524,223 (2021 - increased or decreased by \$510,540). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Currency risk:

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

Currency	December 31, 2022		December 31, 2021	
	Thousands of CAD	% of net assets	Thousands of CAD	% of net assets
United States dollar	\$ 150.1	0.1%	\$ 330.4	0.1%

As at December 31, 2022, had the Canadian dollar strengthened or weakened by 1% in relation to all foreign currencies, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$1,501 (2021 - increased or decreased by approximately \$3,304). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

# STEADYHAND INCOME FUND

## Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

### 1. Financial risk management (continued):

(c) Market risk (continued):

(iii) Other price risk:

There were no significant concentrations of risk to issuers at December 31, 2022 and 2021. The Fund held the following securities which exceeded 5% of the net assets attributable to the holders of redeemable units:

	% of net
December 31, 2022	assets
Government of Canada Bond 3.000% November 1, 2024	8.1%
CC&L High Yield Bond Fund, Series I	5.1%

At December 31, 2021, no securities exceeded 5% of net assets.

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

Indexes	December 31, 2022		December 31, 2021	
	5% Increase	5% Decrease	5% Increase	5% Decrease
DEX Universe Bond Index	\$ 9,882,045	\$ (9,882,045)	\$ 9,269,520	\$ (9,269,520)
S&P/TSX Composite Index	4,475,879	(4,475,879)	4,893,579	(4,893,579)
Total	\$ 14,357,924	\$ (14,357,924)	\$ 14,163,099	\$ (14,163,099)

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

# STEADYHAND INCOME FUND

## Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

### 2. Fair value of financial instruments:

For a general discussion of the Fund's fair value measurements, refer to note 10.

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

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

All fair value measurements below are recurring.

December 31, 2022	Level 1	Level 2	Level 3	Total
Investments	\$ 89,758,429	\$ 209,077,021	\$ -	\$ 298,835,450
Derivative assets	612,119	-	-	612,119
	\$ 90,370,548	\$ 209,077,021	\$ -	\$ 299,447,569

December 31, 2021	Level 1	Level 2	Level 3	Total
Investments	\$ 97,871,574	\$ 203,599,659	\$ -	\$ 301,471,233
Derivative assets	380,499	-	-	380,499
	\$ 98,252,073	\$ 203,599,659	\$ -	\$ 301,851,732

There were no transfers between Levels 1, 2 and 3 during the years ended December 31, 2022 and 2021.

# STEADYHAND FOUNDERS FUND

Statements of Financial Position

December 31, 2022 and 2021

	Notes	2022	2021
<b>Assets</b>			
Cash		\$ 3,338,570	\$ 87,518,630
Subscriptions receivable		166,130	1,355,406
Interest and dividends receivable		79,371	1,809
Investments		583,169,180	547,619,588
		<u>586,753,251</u>	<u>636,495,433</u>
<b>Liabilities</b>			
Redemptions payable		102,687	202,581
Management fees payable	4	656,527	713,684
		<u>759,214</u>	<u>916,265</u>
<b>Net assets</b> attributable to holders of redeemable units		<u>\$ 585,994,037</u>	<u>\$ 635,579,168</u>
Number of units outstanding	5	<u>43,771,763</u>	<u>42,123,982</u>
Net assets attributable to holders of redeemable units per unit		<u>\$ 13.39</u>	<u>\$ 15.09</u>

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

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

“Tom Bradley”  
Director

“Neil Jensen”  
Director

# STEADYHAND FOUNDERS FUND

Statements of Comprehensive Income

Years ended December 31, 2022 and 2021

	Notes	2022	2021
<b>Revenue:</b>			
Interest income		\$ 48,796	\$ 1,820
Distributions received from underlying fund		18,674,850	25,972,033
Changes in fair value of investments:			
Net realized gain		235,487	5,309,313
Net change in unrealized appreciation (depreciation)		(74,773,240)	28,497,213
<b>Total revenue (loss)</b>		<b>(55,814,107)</b>	<b>59,780,379</b>
<b>Expenses:</b>			
Management fees	4	7,852,775	7,920,813
Independent review committee fees		3,072	3,062
<b>Total operating expenses</b>		<b>7,855,847</b>	<b>7,923,875</b>
Management fee reductions		(2,474,265)	(2,476,942)
Expenses waived or absorbed by Manager		(3,072)	(3,062)
		(2,477,337)	(2,480,004)
<b>Net operating expenses</b>		<b>5,378,510</b>	<b>5,443,871</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions</b>		<b>(61,192,617)</b>	<b>54,336,508</b>
<b>Distributions to holders of redeemable units:</b>			
From net investment income		(5,809,916)	(5,378,390)
From net realized gain on investment		(2,827,550)	(11,704,740)
Management fee reductions		(2,474,265)	(2,476,942)
		(11,111,731)	(19,560,072)
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		<b>\$ (72,304,348)</b>	<b>\$ 34,776,436</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units (excluding distributions)</b>		<b>\$ (61,192,617)</b>	<b>\$ 54,336,508</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions)</b>		<b>\$ (1.42)</b>	<b>\$ 1.36</b>

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

# STEADYHAND FOUNDERS FUND

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

Years ended December 31, 2022 and 2021

Series A	Notes	2022	2021
Balance, beginning of year		\$ 635,579,168	\$ 537,471,321
Increase (decrease) in net assets attributable to holders of redeemable units		(72,304,348)	34,776,436
Redeemable unit transactions:			
Issue of redeemable units		55,689,159	85,941,702
Reinvestments of distributions		10,804,022	18,923,128
Redemption of redeemable units		(43,773,964)	(41,533,419)
Net increase from redeemable unit transactions		22,719,217	63,331,411
Balance, end of year		\$ 585,994,037	\$ 635,579,168

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



# STEADYHAND FOUNDERS FUND

## Statements of Cash Flows

Years ended December 31, 2022 and 2021

	Notes	2022	2021
Cash provided by (used in):			
Operating activities:			
Proceeds from sale of investments		\$ 29,493,340	\$ 32,864,589
Purchase of investments		(139,580,685)	(73,285,543)
Interest and dividends received		18,646,084	25,973,004
Management fees paid		(5,435,667)	(5,333,049)
Net cash used in operating activities		(96,876,928)	(19,780,999)
Financing activities:			
Proceeds from issue of redeemable units		56,878,435	85,271,492
Payments on redemption of redeemable units		(43,873,858)	(42,129,685)
Cash distributions paid to holders of redeemable units		(307,709)	(636,944)
Net cash provided by financing activities		42,504,863	12,696,868
Increase (decrease) in cash		(84,180,060)	22,723,864
Cash, beginning of year		87,518,630	64,794,766
Cash, end of year		\$ 3,338,570	\$ 87,518,630

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

# STEADYHAND FOUNDERS FUND

Schedule of Investment Portfolio

As at December 31, 2022

	Number of units	Average cost	Fair value	% of net assets
<b>Pooled Investment Funds:</b>				
Steadyhand Equity Fund, Series O	5,647,549	\$ 100,005,223	\$ 127,024,675	
Steadyhand Global Equity Fund, Series O	16,045,556	135,439,179	129,373,713	
Steadyhand Global Small Cap Equity Fund, Series O	3,735,206	40,340,749	39,189,039	
Steadyhand Income Fund, Series O	20,220,329	234,198,422	223,727,834	
Steadyhand Savings Fund, Series O	2,526,995	25,269,945	25,269,945	
Steadyhand Small Cap Equity Fund, Series O	2,302,833	34,646,686	38,583,974	
<b>Total pooled investment funds</b>		569,900,204	583,169,180	99.5
<b>Total Investment Portfolio</b>		569,900,204	\$ 583,169,180	99.5
<b>Other Net Assets</b>			2,824,857	0.5
<b>Total Net Assets</b>			\$ 585,994,037	100.0

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

# STEADYHAND FOUNDERS FUND

Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

## 1. Financial risk management:

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

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of currency risk, interest rate risk and other price risk. For a comprehensive discussion of the risks applicable to the Fund refer to note 9.

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

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

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

### (a) Credit risk:

The majority of the credit risk to which the Fund is exposed is concentrated to its holdings in underlying funds with investments in debt securities. Debt securities include short-term investments, bonds and futures contracts. Credit risk arising from other financial instruments is not considered significant. At December 31, 2022 and 2021, the Fund was invested in pooled investment funds with underlying debt securities with the following credit quality:

	2022	2021	2022	2021
<b>Rating:</b>				
AAA	\$ 67,455,508	\$ 36,122,072	36.7%	24.4%
AA	38,069,174	27,828,895	20.7%	18.8%
A	50,348,253	53,530,175	27.3%	36.2%
BBB	28,241,483	29,739,402	15.3%	20.1%
BB	-	525,189	-	0.5%
<b>Total</b>	<b>\$ 184,114,418</b>	<b>\$ 147,745,733</b>	<b>100.0%</b>	<b>100.0%</b>

### (b) Liquidity risk:

The Fund's redeemable units are due on demand. The Fund's remaining non-derivative liabilities are due within twelve months of the year-end of the Fund. The Fund has no derivative liabilities as at December 31, 2022 and 2021.

# STEADYHAND FOUNDERS FUND

Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

## 1. Financial risk management (continued):

### (c) Market risk:

#### (i) Interest rate risk:

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

	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
<b>December 31, 2022</b>						
Debt securities	\$ 10,176,535	\$ 22,242,926	\$ 4,618,603	\$ 37,802,937	\$ 109,273,417	\$ 184,114,418
<b>December 31, 2021</b>						
Debt securities	\$ 10,171,074	\$ 11,766,013	\$ 520,682	\$ 16,492,281	\$ 108,795,683	\$ 147,745,733

The Manager has determined that a fluctuation in interest rates of 25 basis points is reasonably possible, considering the economic environment in which the Fund operates. As at December 31, 2022, had interest rates increased or decreased by 25 basis points, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$460,286 (2021 - increased or decreased by \$369,364). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

#### (ii) Currency risk:

At year end, the carrying value of financial assets and financial liabilities of the investee funds held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows:

Currency	December 31, 2022		December 31, 2021	
	Thousands of CAD	% of net assets	Thousands of CAD	% of net assets
United States Dollar	\$ 129,256.1	22.2%	\$ 126,845.2	20.0%
Euro	30,654.9	5.2%	29,050.2	4.6%
Japanese Yen	25,133.8	4.3%	25,970.8	4.1%
British Pound	10,092.8	1.7%	17,395.6	2.7%
Swiss Franc	8,169.1	1.4%	9,421.7	1.5%
Australian Dollar	6,652.6	1.1%	2,006.6	0.3%
Swedish Krone	3,694.1	0.6%	4,238.8	0.7%
Singapore Dollar	3,484.5	0.6%	2,415.2	0.4%
Korean Won	3,289.3	0.6%	3,627.2	0.6%
Hong Kong Dollar	3,086.1	0.5%	2,065.2	0.3%
Danish Krone	1,414.2	0.2%	1,267.1	0.2%
Brazilian Real	595.9	0.1%	325.4	0.1%
	<b>\$ 225,523.4</b>	<b>38.5%</b>	<b>\$ 224,629</b>	<b>35.5%</b>

# STEADYHAND FOUNDERS FUND

Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

## 1. Financial risk management (continued):

### (c) Market risk (continued):

#### (ii) Currency risk (continued):

As at December 31, 2022, had the Canadian dollar strengthened or weakened by 1% in relation to all foreign currencies, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$2,255,234 (2021 - increased or decreased by approximately \$2,246,293). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

#### (iii) Other price risk:

There were no significant concentrations of risk to issuers at December 31, 2022 or 2021. No exposure to any individual issuer exceeded 5% of the net assets attributable to the holders of redeemable units either at December 31, 2022 or 2021.

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

Indexes	December 31, 2022		December 31, 2021	
	5% Increase	5% Decrease	5% Increase	5% Decrease
DEX 90 Day TBill Index	\$ 1,457,923	\$ (1,457,923)	\$ 1,369,049	\$ (1,369,049)
DEX Universe Bond Index	10,205,461	(10,205,461)	9,583,343	(9,583,343)
S&P/TSX Composite Index	10,205,461	(10,205,461)	9,583,343	(9,583,343)
Morningstar Developed Markets Index (\$Cdn)	7,289,615	(7,289,615)	6,845,245	(6,845,245)
Total	\$ 29,158,460	\$ (29,158,460)	\$ 27,380,980	\$ (27,380,980)

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

## 2. Fair value of financial instruments:

For a general discussion of the Fund's fair value measurements, refer to note 10.

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

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

# STEADYHAND FOUNDERS FUND

Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

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## 2. Fair value of financial instruments (continued):

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

All fair value measurements below are recurring.

December 31, 2022	Level 1	Level 2	Level 3	Total
Investments	\$ 583,169,180	\$ -	\$ -	\$ 583,169,180

December 31, 2021	Level 1	Level 2	Level 3	Total
Investments	\$ 547,619,588	\$ -	\$ -	\$ 547,619,588

There were no transfers between Levels 1, 2 and 3 during the periods ended December 31, 2022 or 2021.

# STEADYHAND BUILDERS FUND

Statements of Financial Position  
December 31, 2022 and 2021

	Notes	2022	2021
<b>Assets</b>			
Cash		\$ 826,971	\$ 1,333,904
Subscriptions receivable		62,449	78,870
Interest and dividends receivable		614	29
Investments		155,238,139	147,823,939
		<hr/>	<hr/>
		156,128,173	149,236,742
<b>Liabilities</b>			
Redemptions payable		43,072	-
Management fees payable	4	212,531	201,769
		<hr/>	<hr/>
		255,603	201,769
<b>Net assets</b> attributable to holders of redeemable units		\$ 155,872,570	\$ 149,034,973
		<hr/>	<hr/>
Number of units outstanding	5	14,494,938	11,921,894
		<hr/>	<hr/>
Net assets attributable to holders of redeemable units per unit		\$ 10.75	\$ 12.50

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

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

“Tom Bradley”  
Director

“Neil Jensen”  
Director

# STEADYHAND BUILDERS FUND

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

	Notes	2022	2021
<b>Revenue:</b>			
Interest income		\$ 17,660	\$ 7,999
Distributions received from underlying fund		5,892,558	9,019,090
Changes in fair value of investments:			
Net realized gain		35,477	472,136
Net change in unrealized appreciation (depreciation)		(22,196,838)	9,271,086
<b>Total revenue (loss)</b>		<b>(16,251,143)</b>	<b>18,770,311</b>
<b>Expenses:</b>			
Management fees	4	2,390,100	2,047,764
Independent review committee fees		3,072	3,062
<b>Total operating expenses</b>		<b>2,393,172</b>	<b>2,050,826</b>
Management fee reductions		(673,629)	(577,792)
Expenses waived or absorbed by Manager		(3,072)	(3,062)
		(676,701)	(580,854)
<b>Net operating expenses</b>		<b>1,716,471</b>	<b>1,469,972</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions</b>		<b>(17,967,614)</b>	<b>17,300,339</b>
<b>Distributions to holders of redeemable units:</b>			
From net investment income		(343,111)	(216,079)
From net realized gain on investment		(2,938,388)	(5,679,703)
Management fee reductions		(673,629)	(577,792)
		(3,955,128)	(6,473,574)
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		<b>\$ (21,922,742)</b>	<b>\$ 10,826,765</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units (excluding distributions)</b>		<b>\$ (17,967,614)</b>	<b>\$ 17,300,339</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions)</b>		<b>\$ (1.34)</b>	<b>\$ 1.69</b>

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



# STEADYHAND BUILDERS FUND

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

For the years ended December 31, 2022 and 2021

Series A	Notes	2022	2021
Balance, beginning of year		\$ 149,034,973	\$ 98,603,116
Increase (decrease) in net assets attributable to holders of redeemable units		(21,922,742)	10,826,765
Redeemable unit transactions:			
Issue of redeemable units		33,579,388	42,818,740
Reinvestments of distributions		3,937,469	6,399,036
Redemption of redeemable units		(8,756,518)	(9,612,684)
Net increase from redeemable unit transactions		28,760,339	39,605,092
Balance, end of year		\$ 155,872,570	\$ 149,034,973

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

# STEADYHAND BUILDERS FUND

## Statements of Cash Flows

For the years ended December 31, 2022 and 2021

	Notes	2022	2021
Cash provided by (used in):			
Operating activities:			
Proceeds from sale of investments		\$ 927,196	\$ 2,980,932
Purchase of investments		(30,502,757)	(43,720,085)
Interest and dividends received		5,909,633	9,027,060
Management fees paid		(1,705,709)	(1,399,998)
Net cash used in operating activities		(25,371,637)	(33,112,091)
Financing activities:			
Proceeds from issue of redeemable units		33,595,809	43,014,021
Payments on redemption of redeemable units		(8,713,446)	(9,621,684)
Cash distributions paid to holders of redeemable units		(17,659)	(74,538)
Net cash provided by financing activities		24,864,704	33,317,799
Increase (decrease) in cash		(506,933)	205,708
Cash, beginning of year		1,333,904	1,128,196
Cash, end of year		\$ 826,971	\$ 1,333,904

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

# STEADYHAND BUILDERS FUND

Schedule of Investment Portfolio

As at December 31, 2022

	Number of units	Average cost	Fair value	% of net assets
<b>Pooled Investment Funds:</b>				
Steadyhand Equity Fund, Series O	2,398,141	\$ 51,199,892	\$ 53,938,994	
Steadyhand Global Equity Fund, Series O	6,735,239	57,827,921	54,305,563	
Steadyhand Global Small Cap Equity Fund, Series O	2,226,057	25,636,388	23,355,343	
Steadyhand Small Cap Equity Fund, Series O	1,410,817	22,635,943	23,638,239	
<b>Total pooled investment funds</b>		157,300,144	155,238,139	99.6
<b>Total Investment Portfolio</b>		157,300,144	155,238,139	99.6
<b>Other Net Assets</b>			634,431	0.4
<b>Total Net Assets</b>			\$ 155,872,570	100.0

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

# STEADYHAND BUILDERS FUND

Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

## 1. Financial risk management:

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

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of currency risk, interest rate risk and other price risk. For a comprehensive discussion of the risks applicable to the Fund refer to note 9.

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

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

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

### (a) Credit risk:

The majority of the credit risk to which the Fund is exposed is concentrated to its holdings in underlying funds with investments in debt securities. Debt securities include short-term investments, bonds and futures contracts. Credit risk arising from other financial instruments is not considered significant. At December 31, 2022 and 2021, the Fund was invested in debt securities with the following credit quality:

	2022	2021	2022	2021
<b>Rating:</b>				
AAA	\$ 1,392,495	\$ 1,544,040	100.0%	95.7%
AA	-	69,079	-	4.3%
<b>Total</b>	<b>\$ 1,392,495</b>	<b>\$ 1,613,119</b>	<b>100.0%</b>	<b>100.0%</b>

### (b) Liquidity risk:

The Fund's redeemable units are due on demand. The Fund's remaining non-derivative liabilities are due within twelve months of the year-end of the Fund. As at December 31, 2022 and 2021, the Fund has no derivative liabilities.

# STEADYHAND BUILDERS FUND

## Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

### 1. Financial risk management (continued):

#### (c) Market risk:

##### (i) Interest rate risk:

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

December 31, 2022	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Debt securities	\$ 1,373,184	\$ 19,311	\$ -	\$ -	\$ -	\$ 1,392,495

December 31, 2021	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Debt securities	\$ 1,438,159	\$ 174,960	\$ -	\$ -	\$ -	\$ 1,613,119

The Manager has determined that a fluctuation in interest rates of 25 basis points is reasonably possible, considering the economic environment in which the Fund operates. As at December 31, 2022, had interest rates increased or decreased by 25 basis points, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$3,481 (2021 increased or decreased by \$4,033). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

##### (ii) Currency risk:

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

Currency	December 31, 2022		December 31, 2021	
	Thousands of CAD	% of net assets	Thousands of CAD	% of net assets
United States Dollar	\$ 55,462.8	35.6%	\$ 53,052.4	35.6%
Euro	12,867.6	8.3%	12,004.3	8.1%
Japanese Yen	10,576.3	6.8%	10,750.7	7.2%
British Pound	4,236.5	2.7%	7,203.5	4.8%
Swiss Franc	3,456.1	2.2%	3,919.0	2.6%
Australian Dollar	2,811.4	1.8%	828.4	0.6%
Swedish Krone	1,550.6	1.0%	1,749.9	1.2%
Singapore Dollar	1,462.6	0.9%	997.1	0.7%
Korean Won	1,380.7	0.9%	1,497.4	1.0%
Hong Kong Dollar	1,295.4	0.8%	852.6	0.6%
Danish Krone	593.6	0.4%	523.1	0.4%
Brazilian Real	250.1	0.2%	134.3	0.1%
	\$ 95,943.7	61.6%	\$ 93,512.7	62.9%

# STEADYHAND BUILDERS FUND

## Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

### 1. Financial risk management (continued):

#### (c) Market risk (continued):

##### (ii) Currency risk (continued):

As at December 31, 2022, had the Canadian dollar strengthened or weakened by 1% in relation to all foreign currencies, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$959,437 (For December 31, 2021, would have increased or decreased by \$935,127). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

##### (iii) Other price risk:

There were no significant concentrations of risk to issuers at December 31, 2022 and 2021. No exposure to any individual issuer exceeded 5% of the net assets attributable to the holders of redeemable units at December 31, 2022 and 2021.

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

Indexes	December 31, 2022		December 31, 2021	
	5% Increase	5% Decrease	5% Increase	5% Decrease
FTSE Cdn Universe Bond Index	\$ 388,095	\$ (388,095)	\$ 369,560	\$ (369,560)
S&P/TSX Cdn Composite Index	1,552,381	(1,552,381)	1,478,239	(1,478,239)
S&P/TSX SmallCap Index	776,191	(776,191)	739,120	(739,120)
Morningstar Developed Markets Index (\$Cdn)	3,880,953	(3,880,953)	3,695,598	(3,695,598)
S&P Global Small Cap Index	1,164,286	(1,164,286)	1,108,680	(1,108,680)
<b>Total</b>	<b>\$ 7,761,906</b>	<b>\$ (7,761,906)</b>	<b>\$ 7,391,197</b>	<b>\$ (7,391,197)</b>

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

### 2. Fair value of financial instruments:

For a general discussion of the Funds fair value measurements, refer to note 10.

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

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

# STEADYHAND BUILDERS FUND

Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

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## 2. Fair value of financial instruments (continued):

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

All fair value measurements below are recurring.

December 31, 2022	Level 1	Level 2	Level 3	Total
Investments	\$ 155,238,139	\$ -	\$ -	\$ 155,238,139

  

December 31, 2021	Level 1	Level 2	Level 3	Total
Investments	\$ 147,823,939	\$ -	\$ -	\$ 147,823,939

There were no transfers between Levels 1, 2 and 3 during the periods ended December 31, 2022 and 2021.

# STEADYHAND EQUITY FUND

Statements of Financial Position

December 31, 2022 and 2021

	Notes	2022	2021
<b>Assets</b>			
Cash		\$ 318,166	\$ 255,121
Subscriptions receivable		14,500	267,852
Interest and dividends receivable		479,366	383,105
Investments		277,098,646	289,564,453
		<u>277,910,678</u>	<u>290,470,531</u>
<b>Liabilities</b>			
Redemptions payable		-	12,208
Management fees payable	4	115,948	136,311
		<u>115,948</u>	<u>148,519</u>
<b>Net assets</b> attributable to holders of redeemable units		<u>\$ 277,794,730</u>	<u>\$ 290,322,012</u>
Represented by:			
Series A		\$ 96,831,036	\$ 114,281,552
Series O		180,963,694	176,040,460
		<u>\$ 277,794,730</u>	<u>\$ 290,322,012</u>
Number of units outstanding:	5		
Series A		4,488,282	4,529,828
Series O		8,045,690	6,683,425
Net assets attributable to holders of redeemable units per unit:			
Series A		\$ 21.57	\$ 25.23
Series O		22.49	26.34

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

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

“Tom Bradley”  
Director

“Neil Jensen”  
Director



# STEADYHAND EQUITY FUND

Statements of Comprehensive Income

Years ended December 31, 2022 and 2021

	Notes	2022	2021
<b>Revenue:</b>			
Interest income		\$ 146,687	\$ 7,827
Dividend income		4,846,721	3,619,326
Foreign exchange loss		(2,303)	(39,539)
Change in fair value of investments:			
Net realized gain		9,331,008	12,769,024
Net change in unrealized appreciation (depreciation)		(44,527,736)	29,887,288
<b>Total revenue</b>		<b>(30,205,623)</b>	<b>46,243,926</b>
<b>Expenses:</b>			
Management fees	4	1,443,690	1,491,595
Withholding taxes	6	118,208	261,479
Transaction costs	7	59,579	29,448
Independent review committee fees		3,072	3,062
<b>Total operating expenses</b>		<b>1,624,549</b>	<b>1,785,584</b>
Management fee reductions		(503,259)	(508,091)
Expenses waived or absorbed by Manager		(3,072)	(3,062)
		(506,331)	(511,153)
<b>Net operating expenses</b>		<b>1,118,218</b>	<b>1,274,431</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions</b>			
		<b>(31,323,841)</b>	<b>44,969,495</b>
<b>Distributions to holders of redeemable units:</b>			
From net investment income		(3,237,818)	(1,856,963)
From net realized gain on investment		(8,078,879)	(6,036,828)
Management fee reductions		(503,259)	(508,091)
		(11,819,956)	(8,401,882)
<b>Increase (decrease) in net assets attributable to holders of redeemable units \$</b>			
		<b>(43,143,797)</b>	<b>\$ 36,567,613</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>			
Series A		\$ (16,314,996)	\$ 14,721,226
Series O		(26,828,801)	21,846,387
		\$ (43,143,797)	\$ 36,567,613
<b>Increase (decrease) in net assets attributable to holders of redeemable units (excluding distributions):</b>			
Series A		\$ (12,808,413)	\$ 17,616,623
Series O		(18,515,428)	27,352,872
		\$ (31,323,841)	\$ 44,969,495
<b>Increase (decrease) in net assets attributable to holders of redeemable units (excluding distributions):</b>			
Series A		\$ (2.87)	\$ 3.93
Series O		(2.54)	4.43

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

# STEADYHAND EQUITY FUND

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

Years ended December 31, 2022 and 2021

Series A	Notes	2022	2021
Balance, beginning of year		\$ 114,281,552	\$ 100,296,701
Increase (decrease) in net assets attributable to holders of redeemable units		(16,314,996)	14,721,226
Redeemable unit transactions:			
Issue of redeemable units		2,834,997	6,151,561
Reinvestments of distributions		3,430,168	2,762,573
Redemption of redeemable units		(7,400,685)	(9,650,509)
Net decrease from redeemable unit transactions		(1,135,520)	(736,375)
Balance, end of year		\$ 96,831,036	\$ 114,281,552

Series O	Notes	2022	2021
Balance, beginning of year		\$ 176,040,460	\$ 133,796,189
Increase (decrease) in net assets attributable to holders of redeemable units		(26,828,801)	21,846,387
Redeemable unit transactions:			
Issue of redeemable units		23,988,656	19,916,340
Reinvestment of distributions		8,313,379	5,506,485
Redemption of redeemable units		(550,000)	(5,024,941)
Net increase from redeemable unit transactions		31,752,035	20,397,884
Balance, end of year		\$ 180,963,694	\$ 176,040,460

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

# STEADYHAND EQUITY FUND

## Statements of Cash Flows

Years ended December 31, 2022 and 2021

	Notes	2022	2021
Cash provided by (used in):			
Operating activities:			
Proceeds from sale of investments		\$ 139,720,392	\$ 88,881,518
Purchase of investments		(162,511,187)	(102,362,912)
Interest and dividends received		4,897,147	3,572,812
Balances due to broker		-	(5,732)
Management fees paid		(960,794)	(967,101)
Foreign withholding taxes paid		(118,208)	(261,479)
		<u>(18,972,650)</u>	<u>(11,142,894)</u>
Financing activities:			
Proceeds from issue of redeemable units		27,077,005	26,527,659
Payments on redemption of redeemable units		(7,962,893)	(14,693,835)
Cash distributions paid to holders of redeemable units		(76,409)	(132,824)
		<u>19,037,703</u>	<u>11,701,000</u>
Increase in cash		65,053	558,106
Cash (bank indebtedness), beginning of year		255,121	(263,036)
Effect of exchange rate fluctuations on cash		(2,008)	(39,949)
Cash, end of year		<u>\$ 318,166</u>	<u>\$ 255,121</u>

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

# STEADYHAND EQUITY FUND

Schedule of Investment Portfolio  
As at December 31, 2022

	Coupon rate	Maturity or expiry date	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
<b>Short-Term Investments - Treasury Bills:</b>						
Canadian Treasury Bill	4.175%	01/19/2023	6,160,000	\$ 6,126,595	\$ 6,126,595	
Canadian Treasury Bill	4.182%	02/16/2023	100,000	99,453	99,453	
Total short-term investments - treasury bills				6,226,048	6,226,048	2.2
<b>Short-Term Investments – Discount Commercial Paper:</b>						
Farm Credit Corp. CP	4.306%	01/23/2023	700,000	948,242	945,531	
Total short-term investments – discount commercial paper				948,242	945,531	0.3
Total short-term Investments				7,174,290	7,171,579	2.5
<b>Equities - Basic Materials:</b>						
Franco-Nevada Corp.			105,400	10,875,057	19,453,679	
Nutrien Ltd.			73,000	4,083,232	7,216,050	
Total equities - basic materials				14,958,289	26,669,729	9.7
<b>Equities - Industrial Goods and Services:</b>						
CAE Inc.			231,900	4,898,360	6,073,461	
Canadian National Railway Co.			96,200	9,394,834	15,472,808	
CCL Industries Inc.			182,330	8,740,555	10,545,967	
CNH Industrial NV			359,000	7,056,834	7,812,067	
Ritchie Bros. Auctioneers Inc.			116,720	4,892,865	9,128,671	
Sika AG			37,400	7,804,714	12,142,964	
Thomson Reuters Corp			84,400	9,741,160	13,036,424	
Toromont Industries Ltd.			102,000	8,232,797	9,966,420	
Total equities - industrial goods and services				60,762,119	84,178,782	30.3
<b>Equities - Communications and Media:</b>						
TELUS Corp.			373,700	9,340,953	9,764,781	
Total equities – communications and media				9,340,953	9,764,781	3.5
<b>Equities - Financial Services:</b>						
Aon PLC			26,900	8,276,083	10,939,618	
CME Group Inc.			43,698	10,513,038	9,956,581	
HDFC Bank Ltd.			92,980	8,153,472	8,618,568	
S&P Global Inc.			23,800	9,026,137	10,801,149	
Toronto-Dominion Bank			168,000	9,919,989	14,728,560	
Visa Inc. Cl.A			57,900	7,101,359	16,299,207	
Total equities - financial services				52,990,078	71,343,683	25.7
<b>Equities - Healthcare:</b>						
CSL Ltd.			32,000	8,785,207	8,461,196	
Danaher Corp.			43,946	9,431,100	15,804,435	
Total equities - healthcare				18,216,307	24,265,631	8.7
<b>Equities – Real Estate:</b>						
CBRE Group Inc.			55,369	6,635,227	5,773,747	
Total equities – real estate				6,635,227	5,773,747	2.1
<b>Equities - Retailing:</b>						
Metro Inc.			184,700	11,896,708	13,846,959	
Total equities – retailing				11,896,708	13,846,959	5.0
<b>Equities - Technology:</b>						
Keyence Corp.			22,250	8,880,979	11,748,844	
Microsoft Corp.			30,925	6,236,759	10,048,959	
Total equities - technology				15,117,738	21,797,803	7.8

# STEADYHAND EQUITY FUND

Schedule of Investment Portfolio  
As at December 31, 2022

	Coupon rate	Maturity or expiry date	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
<b>Equities - Utilities:</b>						
Brookfield Renewable Partners LP			358,400	13,302,152	12,285,952	
Total equities - utilities				13,302,152	12,285,952	4.4
<b>Total Equities</b>				203,219,571	269,927,067	97.2
<b>Transaction costs</b>				(83,335)	-	
<b>Total Investment Portfolio</b>				210,310,526	277,098,646	99.7
<b>Other Net Assets</b>					696,084	0.3
<b>Total Net Assets</b>					\$ 277,794,730	100.0

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

# STEADYHAND EQUITY FUND

## Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

### 1. Financial risk management:

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of currency risk, interest rate risk and other price risk. For a comprehensive discussion of the risks applicable to the Fund refer to note 9.

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

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

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

#### (a) Credit risk:

As at December 31, 2022 and 2021, the Fund does not have significant exposure to credit risk.

#### (b) Liquidity risk:

The Fund's redeemable units are due on demand. The Fund's remaining non-derivative liabilities are due within twelve months of the year-end of the Fund. As at December 31, 2022 and 2021, the Fund has no derivative liabilities.

#### (c) Market risk:

##### (i) Interest rate risk:

As at December 31, 2022 and 2021, the Fund does not have significant exposure to interest rate risk.

##### (ii) Currency risk:

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

Currency	December 31, 2022		December 31, 2021	
	Thousands of CAD	% of net assets	Thousands of CAD	% of net assets
United States Dollar	\$ 97,557.3	35.1%	\$ 89,639.2	30.9%
Swiss Franc	12,143.0	4.4%	15,838.8	5.5%
Japanese Yen	11,748.8	4.2%	15,658.8	5.4%
Australian Dollar	8,461.2	3.0%		
British Pound	-	-	11,806.3	4.1%
Euro	-	-	6,123.2	2.1%
	\$ 129,910.3	46.7%	\$ 139,066.3	48.0%

As at December 31, 2022, had the Canadian dollar strengthened or weakened by 1% in relation to all foreign currencies, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$1,299,103 (2021 - increased or decreased by approximately \$1,390,663). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

# STEADYHAND EQUITY FUND

Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

## 1. Financial risk management (continued):

(c) Market risk (continued):

(iii) Other price risk:

There were no significant concentrations of risk to issuers at December 31, 2022 and 2021. The Fund held the following securities which exceeded 5% of the net assets attributable to the holders of redeemable units:

At December 31, 2022:	Percentage of net assets
Franco-Nevada Corp.	7.0%
Visa Inc. Cl.A	5.9%
Danaher Corp.	5.7%
Canadian National Railway Co.	5.6%
Toronto-Dominion Bank	5.3%
Metro Inc.	5.0%

At December 31, 2021:	Percentage of net assets
Franco-Nevada Corp.	6.0%
Danaher Corp.	5.8%
Toronto-Dominion Bank	5.6%
Sika AG	5.5%
Keyence Corp.	5.4%
Microsoft Corp.	5.4%
Visa Inc. Cl.A	5.3%

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

Indexes	December 31, 2022		December 31, 2021	
	5% Increase	5% Decrease	5% Increase	5% Decrease
S&P/TSX Composite Index	\$ 8,097,812	\$ (8,097,812)	\$ 8,465,740	\$ (8,465,740)
Morningstar Developed Markets Index (\$Cdn)	5,398,541	(5,398,541)	5,643,827	(5,643,827)
<b>Total</b>	<b>\$ 13,496,353</b>	<b>\$ (13,496,353)</b>	<b>\$ 14,109,567</b>	<b>\$ (14,109,567)</b>

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

# STEADYHAND EQUITY FUND

Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

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## 2. Fair value of financial instruments:

For a general discussion of the Funds fair value measurements, refer to note 10.

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

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

All fair value measurements below are recurring.

December 31, 2022	Level 1	Level 2	Level 3	Total
Investments	\$ 269,927,067	\$ 7,171,579	\$ -	\$ 277,098,646

December 31, 2021	Level 1	Level 2	Level 3	Total
Investments	\$ 282,191,339	\$ 7,373,114	\$ -	\$ 289,564,453

There were no transfers between Levels 1, 2 and 3 during the periods ended December 31, 2022 and 2021.



# STEADYHAND GLOBAL EQUITY FUND

Statements of Financial Position  
December 31, 2022 and 2021

	Notes	2022	2021
<b>Assets</b>			
Cash		\$ 5,177,595	\$ 3,484,032
Subscriptions receivable		-	30,000
Interest and dividends receivable		178,474	155,328
Investments		228,980,675	233,245,311
		<u>234,336,744</u>	<u>236,914,671</u>
<b>Liabilities</b>			
Redemptions payable		29,000	9,362
Management fees payable	4	76,425	89,256
		<u>105,425</u>	<u>98,618</u>
<b>Net assets</b> attributable to holders of redeemable units		<u>\$ 234,231,319</u>	<u>\$ 236,816,053</u>
Represented by:			
Series A		\$ 50,552,524	\$ 60,651,242
Series O		183,678,795	176,164,811
		<u>\$ 234,231,319</u>	<u>\$ 236,816,053</u>
Number of units outstanding:			
Series A	5	6,602,323	6,865,089
Series O		22,780,795	18,922,448
Net assets attributable to holders of redeemable units per unit:			
Series A		\$ 7.66	\$ 8.83
Series O		8.06	9.31

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

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

“Tom Bradley”  
Director

“Neil Jensen”  
Director

# STEADYHAND GLOBAL EQUITY FUND

Statements of Comprehensive Income

Years ended December 31, 2022 and 2021

	Notes	2022	2021
<b>Revenue:</b>			
Interest income (expense)		\$ 73,976	\$ (27,616)
Dividend income		4,371,703	3,674,023
Foreign exchange loss		(90,453)	(579,690)
Changes in fair value of investments:			
Net realized gain (loss)		(2,182,670)	31,467,265
Net change in unrealized depreciation		(28,433,319)	(1,009,432)
Total revenue (loss)		(26,260,763)	33,524,550
<b>Expenses:</b>			
Management fees	4	929,770	1,088,118
Withholding taxes	6	600,152	482,988
Transaction costs	7	88,921	640,820
Independent review committee fees		3,072	3,062
Total operating expenses		1,621,915	2,214,988
Management fee reductions		(355,998)	(410,508)
Expenses waived or absorbed by Manager		(3,072)	(3,062)
Net operating expenses		1,262,845	1,801,418
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		(27,523,608)	31,723,132
<b>Distributions to holders of redeemable units:</b>			
From net investment income		(3,661,112)	(2,137,424)
From net realized gain on investment		-	(15,382,064)
Management fee reductions		(355,998)	(410,508)
		(4,017,110)	(17,929,996)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (31,540,718)	\$ 13,793,136
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>			
Series A		\$ (8,064,550)	\$ 3,631,766
Series O		(23,476,168)	10,161,370
		\$ (31,540,718)	\$ 13,793,136
<b>Increase (decrease) in net assets attributable to holders of redeemable units (excluding distributions):</b>			
Series A		\$ (7,645,248)	\$ 7,850,733
Series O		(19,878,360)	23,872,399
		\$ (27,523,608)	\$ 31,723,132
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions):</b>			
Series A		\$ (1.11)	\$ 1.16
Series O		(0.92)	1.34

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

# STEADYHAND GLOBAL EQUITY FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units  
Years ended December 31, 2022 and 2021

Series A	Notes	2022	2021
Balance, beginning of year		\$ 60,651,242	\$ 58,917,631
Increase (decrease) in net assets attributable to holders of redeemable units		(8,064,550)	3,631,766
Redeemable unit transactions:			
Issue of redeemable units		3,205,163	5,010,575
Reinvestments of distributions		417,858	4,099,131
Redemption of redeemable units		(5,657,189)	(11,007,861)
Net decrease from redeemable unit transactions		(2,034,168)	(1,898,155)
Balance, end of year		\$ 50,552,524	\$ 60,651,242

Series O	Notes	2022	2021
Balance, beginning of year		\$ 176,164,811	\$ 161,824,891
Increase (decrease) in net assets attributable to holders of redeemable units		(23,476,168)	10,161,370
Redeemable unit transactions:			
Issue of redeemable units		32,867,617	11,482,757
Reinvestment of distributions		3,597,800	13,711,017
Redemption of redeemable units		(5,475,265)	(21,015,224)
Net increase from redeemable unit transactions		30,990,152	4,178,550
Balance, end of year		\$ 183,678,795	\$ 176,164,811

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

# STEADYHAND GLOBAL EQUITY FUND

## Statements of Cash Flows

Years ended December 31, 2022 and 2021

	Notes	2022	2021
Cash provided by (used in):			
Operating activities:			
Proceeds from sale of investments	\$	38,140,851	\$ 345,047,247
Purchase of investments		(64,581,107)	(339,375,066)
Interest and dividends received		4,422,533	3,700,625
Management fees paid		(586,603)	(675,477)
Foreign withholding taxes paid		(600,152)	(482,988)
Net cash (used in) provided by operating activities		8,214,341	(23,204,478)
Financing activities:			
Proceeds from issue of redeemable units		36,102,780	16,473,492
Payments on redemption of redeemable units		(11,112,816)	(32,130,802)
Cash distributions paid to holders of redeemable units		(1,452)	(119,848)
Net cash provided by (used in) financing activities		24,988,512	(15,777,158)
Increase (decrease) in cash		1,784,034	(7,562,817)
Cash, beginning of year		3,484,032	11,385,369
Effect of exchange rate fluctuations on cash		(90,471)	(338,520)
Cash, end of year	\$	5,177,595	\$ 3,484,032

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

# STEADYHAND GLOBAL EQUITY FUND

Schedule of Investment Portfolio

As at December 31, 2022

	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
<b>Equities - Oil and Gas:</b>				
TotalEnergies SE	87,000	\$ 5,594,653	\$ 7,378,745	
Total equities - oil and gas		5,594,653	7,378,745	3.2
<b>Equities – Basic Materials:</b>				
Cameco Corp.	157,200	5,182,294	4,824,468	
Total equities – basic materials		5,182,294	4,824,468	2.1
<b>Equities - Industrial Goods and Services:</b>				
Assa Abloy AB	95,000	3,358,420	2,763,560	
FANUC Corp.	17,400	4,339,942	3,544,170	
FMC Corp.	36,100	5,135,851	6,104,467	
General Dynamics Corp.	13,800	3,627,624	4,639,267	
Honeywell International Inc.	15,600	4,156,542	4,529,735	
Koninklijke DSM NV	26,900	4,428,771	4,446,249	
Kubota Corp.	196,900	4,983,947	3,673,954	
Martin Marietta Materials Inc.	13,600	6,486,037	6,227,920	
Nidec Corp.	39,500	4,999,493	2,774,104	
Oshkosh Corp.	44,700	5,691,345	5,341,372	
Rational AG	4,100	4,712,443	3,290,577	
Rentokil Initial PLC	603,700	5,588,113	4,998,527	
RPM International Inc.	38,600	4,158,256	5,096,771	
Symrise AG	24,240	3,961,212	3,563,159	
Total equities - industrial goods and services		65,627,996	60,993,832	26.0
<b>Equities - Communications and Media:</b>				
KDDI Corp.	113,800	4,555,452	4,653,466	
Total equities - communications and media		4,555,452	4,653,466	2.0
<b>Equities – Consumer Cyclical:</b>				
Cie Generale des Etablissements Michelin SCA	125,200	5,013,373	4,704,596	
Lennar Corp.	67,600	8,186,170	8,289,365	
LVMH Moet Hennessy Louis Vuitton SE	5,200	4,847,737	5,112,621	
Magna International Inc., NYSE	65,900	6,297,015	5,016,411	
Norwegian Cruise Line Holdings Ltd.	126,100	2,834,457	2,091,330	
Sony Group Corp.	58,100	7,806,258	5,987,238	
Total equities – consumer cyclical		34,985,010	31,201,561	13.3
<b>Equities - Consumer Products:</b>				
Coca-Cola Co.	61,500	4,230,149	5,300,618	
Heineken NV	29,400	3,888,542	3,736,222	
Proctor & Gamble Co.	21,700	3,772,801	4,456,258	
Total equities - consumer products		11,891,492	13,493,098	5.8
<b>Equities - Financial Services:</b>				
AIA Group Ltd.	370,800	4,435,502	5,587,469	
Brookfield Asset Management Inc.	17,257	834,343	669,054	
Brookfield Corp.	69,030	3,786,358	2,939,297	
DBS Group Holdings Ltd.	184,100	5,402,739	6,308,705	
Erste Group Bank AG	56,700	2,977,431	2,451,599	
FirstCash Inc.	48,800	5,465,270	5,746,661	
Mitsubishi UFJ Financial Group Inc.	268,300	1,914,976	2,449,376	
Muenchener Rueckversicherungs-Gesellschaft AG	13,900	4,541,450	6,110,597	
Total equities - financial services		29,358,069	32,262,758	13.8

# STEADYHAND GLOBAL EQUITY FUND

Schedule of Investment Portfolio (continued)

As at December 31, 2022

	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
<b>Equities (continued):</b>				
<b>Equities - Healthcare:</b>				
Alcon Inc.	51,200	5,152,449	4,737,367	
Amgen Inc.	16,600	4,370,927	5,907,380	
Danaher Corp.	18,600	7,096,534	6,689,176	
GSK PLC	161,280	4,043,876	3,778,990	
Medtronic PLC	35,600	5,283,992	3,748,942	
Otsuka Holdings Co., Ltd.	100,700	4,761,296	4,451,800	
Total equities - healthcare		30,709,074	29,313,655	12.5
<b>Equities - Technology:</b>				
Adobe Inc.	11,800	8,931,910	5,380,613	
Dolby Laboratories inc.	46,300	5,241,446	4,425,297	
Microchip Technology Inc.	76,900	7,111,723	7,319,791	
Microsoft Corp.	26,800	10,149,939	8,708,557	
Nemetschek SE	49,000	6,869,445	3,379,237	
PayPal Holdings Inc.	21,600	6,224,009	2,084,403	
QUALCOMM Inc.	29,600	4,828,875	4,409,338	
Samsung Electronics Co., Ltd.	100,500	7,334,362	5,955,227	
Total equities - technology		56,691,709	41,662,463	17.7
<b>Equities - Retailing:</b>				
Pan Pacific International Holdings Corp.	126,900	3,120,101	3,196,629	
Total equities - retailing		3,120,101	3,196,629	1.4
<b>Total Equities</b>		247,715,850	228,980,675	97.8
<b>Transaction Costs</b>		(248,017)	-	
<b>Total Investment Portfolio</b>		247,467,833	228,980,675	97.8
<b>Other Net Assets</b>			5,250,644	2.2
<b>Total Net Assets</b>			\$ 234,231,319	100.0

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

# STEADYHAND GLOBAL EQUITY FUND

## Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

### 1. Financial risk management:

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of currency risk, interest rate risk and other price risk. For a comprehensive discussion of the risks applicable to the Fund refer to note 9.

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

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

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

(a) Credit risk:

As at December 31, 2022 and 2021, the Fund had no significant exposure to credit risk.

(b) Liquidity risk:

The Fund's redeemable units are due on demand. The Fund's remaining non-derivative liabilities are due within twelve months of the year-end of the Fund. As at December 31, 2022 and 2021, the Fund had no derivative liabilities.

(c) Market risk:

(i) Interest rate risk:

As at December 31, 2022 and 2021, the Fund had no significant exposure to interest or credit rate risk.

(ii) Currency risk:

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

Currency	December 31, 2022		December 31, 2021	
	Thousands of CAD	% of net assets	Thousands of CAD	% of net assets
United States Dollar	\$ 111,582.5	47.6%	\$ 128,084.9	54.1%
Euro	44,173.7	18.9%	36,211.3	15.3%
Japanese Yen	30,816.9	13.2%	30,072.8	12.7%
British Pound	8,813.7	3.8%	11,712.3	4.9%
Singapore Dollar	6,308.7	2.7%	4,587.1	1.9%
Korean Won	5,955.2	2.5%	6,889.0	2.9%
Hong Kong Dollar	5,587.5	2.4%	3,922.3	1.7%
Swiss Franc	4,737.4	2.0%	5,025.6	2.1%
Swedish Krone	2,763.6	1.2%	3,274.0	1.4%
	<u>\$ 220,739.2</u>	<u>94.3%</u>	<u>\$ 229,779.3</u>	<u>97.0%</u>

# STEADYHAND GLOBAL EQUITY FUND

Discussion of Financial Instruments and Risk Management

December 31, 2022 and 2021

## 1. Financial risk management (continued):

(c) Market risk (continued):

(ii) Currency risk (continued):

As at December 31, 2022, had the Canadian dollar strengthened or weakened by 1% in relation to all foreign currencies, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$2,207,392 (2021 - increased or decreased by approximately \$2,297,793). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

There were no significant concentrations of risk to issuers at December 31, 2022 or 2021. No exposure to any individual issuer exceeded 5% of the net assets attributable to the holders of redeemable units either at December 31, 2022 or 2021.

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

Indexes	December 31, 2022		December 31, 2021	
	5% Increase	5% Decrease	5% Increase	5% Decrease
Morningstar Developed Markets Index (\$Cdn)	\$ 11,449,034	\$ (11,449,034)	\$ 11,662,266	\$ (11,662,266)

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

## 2. Fair value of financial instruments:

For a general discussion of the Funds fair value measurements, refer to note 10.

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

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

All fair value measurements below are recurring.

December 31, 2022	Level 1	Level 2	Level 3	Total
Investments	\$ 228,980,675	\$ -	\$ -	\$ 228,980,675

  

December 31, 2021	Level 1	Level 2	Level 3	Total
Investments	\$ 233,245,311	\$ -	\$ -	\$ 233,245,311

There were no transfers between Levels 1, 2, and 3 during the periods ended December 31, 2022 or 2021.



# STEADYHAND SMALL-CAP EQUITY FUND

Statements of Financial Position

December 31, 2022 and 2021

	Notes	2022	2021
<b>Assets</b>			
Cash		\$ 2,753,831	\$ 4,780,174
Interest and dividends receivable		173,861	151,734
Investments		103,614,445	109,492,284
		<u>106,542,137</u>	<u>114,424,192</u>
<b>Liabilities</b>			
Balances due to brokers		-	612,261
Redemptions payable		138,108	5,445
Management fees payable	4	64,347	74,089
		<u>202,455</u>	<u>691,795</u>
<b>Net assets</b> attributable to holders of redeemable units		<u>\$ 106,339,682</u>	<u>\$ 113,732,397</u>
Represented by:			
Series A		\$ 44,117,630	\$ 49,631,879
Series O		62,222,052	64,100,518
		<u>\$ 106,339,682</u>	<u>\$ 113,732,397</u>
Number of units outstanding:	5		
Series A		2,786,456	2,755,028
Series O		3,713,650	3,366,799
<b>Net assets</b> attributable to holders of redeemable units per unit:			
Series A		\$ 15.83	\$ 18.02
Series O		16.75	19.04

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

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

“Tom Bradley”  
Director

“Neil Jensen”  
Director

# STEADYHAND SMALL-CAP EQUITY FUND

## Statements of Comprehensive Income

Years ended December 31, 2022 and 2021

	Notes	2022	2021
<b>Revenue:</b>			
Interest income (expense)		\$ 57,404	\$ (10)
Dividend income		1,868,578	2,109,830
Foreign exchange loss		(31,349)	(147,733)
Change in fair value of investments:			
Net realized gain		6,741,507	7,832,885
Net change in unrealized appreciation (depreciation)		(12,985,305)	6,908,013
<b>Total revenue (loss)</b>		<b>(4,349,165)</b>	<b>16,702,985</b>
<b>Expenses:</b>			
Management fees	4	807,381	889,372
Withholding taxes	6	11,130	7,130
Transaction costs	7	81,550	53,123
Independent review committee fees		3,072	3,062
<b>Total operating expenses</b>		<b>903,133</b>	<b>952,687</b>
Management fee reductions		(296,599)	(318,777)
Expenses waived or absorbed by Manager		(3,072)	(3,062)
		(299,671)	(321,839)
<b>Net operating expenses</b>		<b>603,462</b>	<b>630,848</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions</b>		<b>(4,952,627)</b>	<b>16,072,137</b>
<b>Distributions to holders of redeemable units:</b>			
From net investment income		(925,617)	(1,067,588)
From net realized gain on investment		(7,066,551)	(1,815,913)
Management fee reductions		(296,599)	(318,777)
		(8,288,767)	(3,202,278)
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		<b>\$ (13,241,394)</b>	<b>\$ 12,869,859</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>			
Series A		\$ (5,725,597)	\$ 5,847,301
Series O		(7,515,797)	7,022,558
		\$ (13,241,394)	\$ 12,869,859
<b>Increase (decrease) in net assets attributable to holders of redeemable units (excluding distributions):</b>			
Series A		\$ (2,490,688)	\$ 6,965,599
Series O		(2,461,939)	9,106,538
		\$ (4,952,627)	\$ 16,072,137
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions):</b>			
Series A		\$ (0.93)	\$ 2.49
Series O		(0.72)	2.88

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

# STEADYHAND SMALL-CAP EQUITY FUND

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

Years ended December 31, 2022 and 2021

Series A	Notes	2022	2021
Balance, beginning of year		\$ 49,631,879	\$ 46,771,005
Increase (decrease) in net assets attributable to holders of redeemable units		(5,725,597)	5,847,301
Redeemable unit transactions:			
Issue of redeemable units		1,058,074	1,104,349
Reinvestments of distributions		3,162,930	1,098,749
Redemption of redeemable units		(4,009,656)	(5,189,525)
Net increase (decrease) from redeemable unit transactions		211,348	(2,986,427)
Balance, end of year		\$ 44,117,630	\$ 49,631,879

Series O	Notes	2022	2021
Balance, beginning of year		\$ 64,100,518	\$ 55,344,705
Increase (decrease) in net assets attributable to holders of redeemable units		(7,515,797)	7,022,558
Redeemable unit transactions:			
Issue of redeemable units		2,495,504	6,101,990
Reinvestments of distributions		5,053,859	2,083,982
Redemption of redeemable units		(1,912,032)	(6,452,717)
Net increase from redeemable unit transactions		5,637,331	1,733,255
Balance, end of year		\$ 62,222,052	\$ 64,100,518

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

# STEADYHAND SMALL-CAP EQUITY FUND

## Statements of Cash Flows

Years ended December 31, 2022 and 2021

	Notes	2022	2021
Cash provided by (used in):			
Operating activities:			
Proceeds from sale of investments		\$ 29,373,631	\$ 22,824,186
Purchase of investments		(29,821,074)	(19,020,531)
Interest and dividends received		1,903,855	2,100,983
Balances due to brokers		(612,261)	309,832
Management fees paid		(520,524)	(567,823)
Foreign withholding taxes paid		(11,130)	(7,130)
Net cash provided by operating activities		312,497	5,639,517
Financing activities:			
Proceeds from redeemable units issued		3,553,578	7,409,419
Redemption of redeemable units		(5,789,025)	(11,671,982)
Cash distributions paid to holders of redeemable units		(71,978)	(19,547)
Net cash used in operating activities		(2,307,425)	(4,282,110)
Increase (decrease) in cash		(1,994,928)	1,357,407
Cash, beginning of year		4,780,174	3,468,256
Effect of exchange rate fluctuations on cash		(31,415)	(45,489)
Cash, end of year		\$ 2,753,831	\$ 4,780,174

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

# STEADYHAND SMALL-CAP EQUITY FUND

Schedule of Investment Portfolio

As at December 31, 2022

	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
<b>Equities - Basic Materials:</b>				
Hudbay Minerals Inc.	440,100	\$ 3,763,061	\$ 3,010,284	
Torex Gold Resources Inc.	254,600	4,026,502	3,959,030	
Total equities – Basic Materials		7,789,563	6,969,314	6.6
<b>Equities - Oil and Gas:</b>				
MEG Energy Corp.	254,600	2,240,128	4,799,210	
Parkland Corp.	113,029	3,156,282	3,358,092	
Total equities - oil and gas		5,396,410	8,157,302	7.7
<b>Equities - Industrial Goods and Services:</b>				
AG Growth International Inc.	101,401	3,913,554	4,395,733	
Badger Infrastructure Solution	102,800	2,947,197	2,740,648	
Boyd Group Services Inc.	25,350	4,615,782	5,302,206	
Cargojet Inc.	23,718	1,553,474	2,759,589	
Diversified Royalty Corp.	1,310,900	3,286,740	3,906,482	
Finning International Inc.	129,945	2,853,354	4,373,949	
Generac Holdings Inc.	37,480	4,743,033	5,111,902	
Hammond Power Solutions Inc.	130,790	1,597,324	2,631,495	
NFI Group Inc.	236,523	7,965,898	2,251,699	
Oshkosh Corp.	43,985	4,551,749	5,255,934	
Savaria Corp.	327,541	4,795,743	4,582,299	
SNC-Lavalin Group Inc.	221,500	4,886,157	5,284,990	
Total equities - industrial goods and services		47,710,005	48,596,926	45.6
<b>Equities - Consumer Cyclical:</b>				
Park Lawn Corp.	165,385	3,664,871	4,275,202	
Sleep Country Canada Holdings Inc.	197,135	4,246,245	4,530,162	
Spin Master Corp.	172,681	5,624,882	5,753,731	
Total equities - consumer cyclical		13,535,998	14,559,095	13.7
<b>Equities - Consumer Products:</b>				
Maple Leaf Foods Inc.	188,223	4,395,329	4,602,052	
Premium Brands Holdings Corp.	53,650	4,687,520	4,414,322	
Waterloo Brewing Ltd.	750,244	2,158,825	2,978,469	
Total equities - consumer products		11,241,674	11,994,843	11.3
<b>Equities - Health Care:</b>				
Henry Schein Inc.	40,976	3,342,055	4,434,445	
Total equities - health care		3,342,055	4,434,445	4.2
<b>Equities - Utilities:</b>				
Northland Power Inc.	133,073	3,019,735	4,941,000	
Total equities - utilities		3,019,735	4,941,000	4.6
<b>Equities - Retailing:</b>				
Aritzia Inc.	49,100	1,795,882	2,324,885	
Total equities - retailing		1,795,882	2,324,885	2.2
<b>Equities - Technology:</b>				
Enghouse Systems Ltd.	45,500	1,142,277	1,636,635	
Total equities - technology		1,142,277	1,636,635	1.5
<b>Total Equities</b>		94,973,599	103,614,445	97.4
<b>Transaction Costs</b>		(126,771)	-	
<b>Total Investment Portfolio</b>		94,846,828	103,614,445	97.4
<b>Other Net Assets</b>			2,725,237	2.6
<b>Total Net Assets</b>			\$ 106,339,682	100.0

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

# STEADYHAND SMALL-CAP EQUITY FUND

Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

## 1. Financial risk management:

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of currency risk, interest rate risk and other price risk. For a comprehensive discussion of the risks applicable to the Fund refer to note 9.

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

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

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

### (a) Credit risk:

At December 31, 2022 and 2021, the Fund had no significant exposure to credit risk.

### (b) Liquidity risk:

The Fund's redeemable units are due on demand. The Fund's remaining non-derivative liabilities are due within twelve months of the year-end of the Fund. As at December 31, 2022 and 2021, the Fund had no derivative liabilities.

### (c) Market risk:

#### (i) Interest rate risk:

As at December 31, 2022 and 2021, the Fund had no significant exposure to interest rate risk.

#### (ii) Currency risk:

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

Currency	December 31, 2022		December 31, 2021	
	Thousands of CAD	% of net assets	Thousands of CAD	% of net assets
United States Dollar	\$ 14,808.6	13.9%	\$ 13,535.7	11.9%

As at December 31, 2022, had the Canadian dollar strengthened or weakened by 1% in relation to all foreign currencies, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$148,086 (2021 - increased or decreased by approximately \$135,357). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

# STEADYHAND SMALL-CAP EQUITY FUND

Discussion of Financial Instruments and Risk Management

December 31, 2022 and 2021

## 1. Financial risk management (continued):

### (c) Market risk (continued):

#### (iii) Other price risk:

There were no significant concentrations of risk to issuers at December 31, 2022 and 2021. The Fund held the following securities which exceeded 5% of the net assets attributable to the holders of redeemable units:

At December 31, 2022:	Percentage of net assets
Spin Master Corp.	5.4%
Boyd Group Services Inc.	5.0%
SNC-Lavalin Group Inc.	5.0%

  

At December 31, 2021:	Percentage of net assets
Park Lawn Corp.	5.7%
MEG Energy Corp.	5.0%
Spin Master Corp.	5.0%

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

Index	December 31, 2022		December 31, 2021	
	5% Increase	5% Decrease	5% Increase	5% Decrease
TSX Small-Cap Index	\$ 4,403,614	\$ (4,403,614)	\$ 4,653,422	\$ (4,653,422)
Russell 2000 Index	777,108	(777,108)	821,192	(821,192)
	\$ 5,180,722	\$ (5,180,722)	\$ 5,474,614	\$ (5,474,614)

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

# STEADYHAND SMALL-CAP EQUITY FUND

Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

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## 2. Fair value of financial instruments:

For a general discussion of the Funds fair value measurements, refer to note 10.

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

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

All fair value measurements below are recurring.

December 31, 2022	Level 1	Level 2	Level 3	Total
Investments	\$ 103,614,445	\$ -	\$ -	\$ 103,614,445
December 31, 2021	Level 1	Level 2	Level 3	Total
Investments	\$ 109,492,284	\$ -	\$ -	\$ 109,492,284

There were no transfers between Levels 1, 2 and 3 during the periods ended December 31, 2022 and 2021.



# STEADYHAND GLOBAL SMALL-CAP EQUITY FUND

Statements of Financial Position

As at December 31, 2022 and 2021

	Notes	2022	2021
<b>Assets</b>			
Cash		\$ 3,456,613	\$ 2,031,785
Interest and dividends receivable		59,853	51,119
Investments		69,289,995	73,736,096
		<u>72,806,461</u>	<u>75,819,000</u>
<b>Liabilities</b>			
Balances due to broker		-	284,967
Redemptions payable		200,000	150,000
Management fees payable	4	14,918	17,012
		<u>214,918</u>	<u>451,979</u>
<b>Net assets</b> attributable to holders of redeemable units		\$ 72,591,543	\$ 75,367,021
Represented by:			
Series A		\$ 10,046,955	\$ 11,617,952
Series O		62,544,588	63,749,069
		<u>\$ 72,591,543</u>	<u>\$ 75,367,021</u>
Number of units outstanding:			
Series A	5	978,145	924,913
Series O		5,961,263	4,966,868
Net assets attributable to holders of redeemable units per unit:			
Series A		\$ 10.27	\$ 12.56
Series O		10.49	12.83

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

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

“Tom Bradley”  
Director

“Neil Jensen”  
Director

# STEADYHAND GLOBAL SMALL-CAP EQUITY FUND

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

	Notes	2022	2021
<b>Revenue:</b>			
Interest income (expense)		\$ 17,212	\$ (4,829)
Dividend income		1,246,394	1,019,153
Income trust income		42,000	-
Foreign exchange loss		(77,457)	(105,620)
Changes in fair value of investments:			
Net realized gain (loss)		(4,561,665)	7,530,923
Net change in unrealized appreciation (depreciation)		(9,331,654)	884,028
<b>Total revenue (loss)</b>		<b>(12,665,170)</b>	<b>9,323,655</b>
<b>Expenses:</b>			
Management fees	4	179,344	181,534
Withholding taxes	6	109,474	127,216
Transaction costs	7	121,829	137,900
Independent review committee fees		3,072	3,062
<b>Total operating expenses</b>		<b>413,719</b>	<b>449,712</b>
Management fee reductions		(71,230)	(72,790)
Expenses waived or absorbed by Manager		(3,072)	(3,062)
		(74,302)	(75,852)
<b>Net operating expenses</b>		<b>339,417</b>	<b>373,860</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions</b>		<b>(13,004,587)</b>	<b>8,949,795</b>
<b>Distributions to holders of redeemable units:</b>			
From net investment income		(1,141,140)	(2,225,793)
From net realized gain on investment		-	(7,068,833)
Management fee reductions		(71,230)	(72,790)
		(1,212,370)	(9,367,416)
<b>Decrease in net assets attributable to holders of redeemable units</b>		<b>\$ (14,216,957)</b>	<b>\$ (417,621)</b>
<b>Decrease in net assets attributable to holders of redeemable units:</b>			
Series A		\$ (2,242,300)	\$ (125,783)
Series O		(11,974,657)	(291,838)
		\$ (14,216,957)	\$ (417,621)
<b>Increase (decrease) in net assets attributable to holders of redeemable units (excluding distributions):</b>			
Series A		\$ (2,168,238)	\$ 1,216,508
Series O		(10,836,349)	7,733,287
		\$ (13,004,587)	\$ 8,949,795
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit (excluding distributions):</b>			
Series A		\$ (2.18)	\$ 1.60
Series O		(1.90)	1.85

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

# STEADYHAND GLOBAL SMALL-CAP EQUITY FUND

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

Years ended December 31, 2022 and 2021

Series A	Notes	2022	2021
Balance, beginning of year		\$ 11,617,952	\$ 8,455,607
Decrease in net assets attributable to holders of redeemable units		(2,242,300)	(125,783)
Redeemable unit transactions:			
Issue of redeemable units		1,789,270	2,340,130
Reinvestments of distributions		73,973	1,292,638
Redemption of redeemable units		(1,191,940)	(344,640)
Net increase from redeemable unit transactions		671,303	3,288,128
Balance, end of year		\$ 10,046,955	\$ 11,617,952

Series O	Notes	2022	2021
Balance, beginning of year		\$ 63,749,069	\$ 46,845,669
Decrease in net assets attributable to holders of redeemable units		(11,974,657)	(291,838)
Redeemable unit transactions:			
Issue of redeemable units		10,301,706	12,522,757
Reinvestment of distributions		1,138,306	8,025,121
Redemption of redeemable units		(669,836)	(3,352,640)
Net increase from redeemable unit transactions		10,770,176	17,195,238
Balance, end of year		\$ 62,544,588	\$ 63,749,069

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

# STEADYHAND GLOBAL SMALL-CAP EQUITY FUND

## Statements of Cash Flows

Years ended December 31, 2022 and 2021

	Notes	2022	2021
Cash provided by (used in):			
Operating activities:			
Proceeds from sale of investments		\$ 28,195,727	\$ 39,731,139
Purchase of investments		(37,756,517)	(55,205,832)
Interest and dividends received		1,296,872	1,000,917
Balances due to brokers		(284,967)	284,967
Management fees paid		(110,208)	(104,176)
Foreign withholding taxes paid		(109,474)	(127,216)
Net cash used in operating activities		(8,768,567)	(14,420,201)
Financing activities:			
Proceeds from issue of redeemable units		12,090,976	14,862,887
Payments on redemption of redeemable units		(1,811,776)	(3,547,280)
Cash distributions paid to holders of redeemable units		(91)	(49,657)
Net cash provided by financing activities		10,279,109	11,265,950
Increase (decrease) in cash		1,510,542	(3,154,251)
Cash, beginning of year		2,031,785	5,292,525
Effect of exchange rate fluctuations on cash		(85,714)	(106,489)
Cash, end of year		\$ 3,456,613	\$ 2,031,785

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

# STEADYHAND GLOBAL SMALL-CAP EQUITY FUND

Schedule of Investment Portfolio

As at December 31, 2022

	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
<b>Equities - Industrial Goods and Services:</b>				
Castella Waste Systems Inc.	15,500	\$ 1,607,458	\$ 1,665,657	
Clean Harbors Inc.	11,300	1,149,343	1,747,295	
EMCOR Group Inc.	11,400	1,732,474	2,287,785	
Exponent Inc.	10,800	1,324,021	1,450,039	
First Advantage Corp.	84,100	1,949,983	1,481,376	
Huhtamaki OYJ	38,000	2,173,033	1,758,445	
Interpump Group SpA	12,900	705,042	786,476	
IPH Ltd.	274,200	1,924,000	2,199,546	
KION Group AG	22,477	1,962,089	870,126	
Regal Rexnord Corp.	7,750	1,045,337	1,259,901	
Rotork PLC	380,800	2,176,573	1,902,945	
RS Group PLC	46,600	645,982	680,156	
Saab AB	46,800	2,305,566	2,499,481	
The AZEK Co. Inc.	39,300	1,702,444	1,082,037	
Valmet OYJ	38,900	1,809,370	1,415,323	
Zurn Elkay Water Solutions Corp.	44,100	1,149,152	1,263,790	
Total equities - industrial goods and services		25,361,867	24,350,378	33.6
<b>Equities - Communications and Media:</b>				
Future PLC	27,200	1,419,451	561,698	
Internet Initiative Japan Inc.	45,800	1,006,739	1,152,297	
Total equities - communications and media		2,426,190	1,713,995	2.4
<b>Equities - Consumer Cyclical:</b>				
Auto Trader Group PLC	91,100	905,894	765,576	
Brunswick Corp.	14,400	1,760,724	1,406,382	
CIE Automotive SA	40,100	1,332,785	1,395,196	
National Vision Holdings Inc.	34,600	1,613,749	1,817,129	
Visteon Corp.	5,700	807,694	1,010,435	
Total equities - consumer cyclical		6,420,846	6,394,718	8.8
<b>Equities - Consumer Products:</b>				
Kobe Bussan Co., Ltd.	68,600	2,095,594	2,669,908	
Performance Food Group Co.	27,200	1,487,757	2,151,956	
Tate & Lyle PLC	146,900	1,795,361	1,702,828	
Viscofan SA	22,500	1,584,015	1,958,729	
Total equities - consumer products		6,962,727	8,483,421	11.7
<b>Equities - Financial Services:</b>				
FincoBank Banca Finco SpA	107,200	1,823,827	2,405,923	
Nordnet AB	72,600	1,479,008	1,425,112	
Patria Investments Ltd.	46,700	875,915	881,442	
PJT Partners Inc.	24,900	2,228,666	2,486,188	
RenaissanceRe Holdings Ltd.	12,400	2,544,573	3,095,338	
St James's Place PLC	83,400	1,604,586	1,488,460	
Steadfast Group Ltd.	565,100	1,901,919	2,840,299	
Topdanmark A/S	29,200	1,896,191	2,074,812	
Zenkoku Hoshu Co. Ltd.	21,600	962,492	1,120,155	
Total equities - financial services		15,317,177	17,817,729	24.5
<b>Equities - Healthcare:</b>				
ALK-Abello A/S	26,000	767,273	485,622	
Amplifon SpA	17,400	677,432	700,006	
Charles River Laboratories International Inc.	2,200	577,223	649,540	
Chemed Corp.	3,700	2,074,591	2,558,962	
Encompass Health Corp.	10,100	720,288	818,505	
Total equities - healthcare		4,816,807	5,212,635	7.2

# STEADYHAND GLOBAL SMALL-CAP EQUITY FUND

Schedule of Investment Portfolio (continued)

As at December 31, 2022

	Number of shares or par value	Average cost	Fair value	Percentage of net assets %
<b>Equities (continued):</b>				
<b>Equities - Technology:</b>				
Spirent Communications PLC	386,500	1,901,786	1,639,132	
TOTVS SA	152,216	1,143,552	1,078,939	
WNS Holdings Ltd.	14,600	1,536,811	1,582,394	
Total equities - technology		4,582,149	4,300,465	5.9
<b>Equities - Real Estate:</b>				
Kennedy-Wilson Holdings Inc.	47,700	1,182,117	1,016,654	
Total equities - real estate		1,182,117	1,016,654	1.4
<b>Total Equities</b>		67,069,880	69,289,995	95.5
<b>Transaction Costs</b>		(113,414)	-	
<b>Total Investment Portfolio</b>		66,956,466	69,289,995	95.5
<b>Other Net Assets</b>			3,301,548	4.5
<b>Total Net Assets</b>			\$ 72,591,543	100.0

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

# STEADYHAND GLOBAL SMALL-CAP EQUITY FUND

## Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

### 1. Financial risk management:

The Fund is exposed to various types of financial risks that are associated with its investment strategies, financial instruments and market in which it invests. These include credit risk, liquidity risk and market risk which consists of currency risk, interest rate risk and other price risk. For a comprehensive discussion of the risks applicable to the Funds refer to note 9.

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

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

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

#### (a) Credit risk:

As at December 31, 2022 and 2021, the Fund had no significant exposure to credit risk.

#### (b) Liquidity risk:

The Fund's redeemable units are due on demand. The Fund's remaining non-derivative liabilities are due within twelve months of the year-end of the Fund. As at December 31, 2022 and 2021, the Fund had no derivative liabilities.

#### (c) Market risk:

##### (i) Interest rate risk:

As at December 31, 2022 and 2021, the Fund had no significant exposure to interest or credit rate risk.

##### (ii) Currency risk:

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

Currency	December 31, 2022		December 31, 2021	
	Thousands of CAD	% of net assets	Thousands of CAD	% of net assets
United States Dollar	\$ 31,739.9	43.5%	\$ 30,128.0	40.0%
Euro	11,327.1	15.6%	13,987.7	18.6%
British Pound	9,459.3	13.0%	11,734.2	15.6%
Australian Dollar	5,039.8	6.9%	3,811.0	5.1%
Japanese Yen	4,961.4	6.8%	6,530.1	8.7%
Swedish Krone	3,924.6	5.4%	4,776.6	6.3%
Danish Krone	2,560.4	3.5%	2,406.5	3.2%
Brazilian Real	1,078.9	1.5%	618.0	0.8%
	<u>\$ 70,091.4</u>	<u>96.2%</u>	<u>\$ 73,992.1</u>	<u>98.3%</u>

# STEADYHAND GLOBAL SMALL-CAP EQUITY FUND

## Discussion of Financial Instruments and Risk Management

At December 31, 2022 and 2021

### 1. Financial risk management (continued):

(c) Market risk (continued):

(ii) Currency risk (continued):

As at December 31, 2022, had the Canadian dollar strengthened or weakened by 1% in relation to all foreign currencies, with all other factors remaining constant, net assets attributable to redeemable units would have increased or decreased by approximately \$700,914 (2021 increased or decreased by \$739,921). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

There were no significant concentrations of risk to issuers at December 31, 2022 and 2021. No exposure to any individual issuer exceeded 5% of the net assets attributable to the holders of redeemable units at December 31, 2022 and 2021.

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

Indexes	December 31, 2022		December 31, 2021	
	5% Increase	5% Decrease	5% Increase	5% Decrease
S&P Global Small Cap Index (\$Cdn)	\$ 3,464,500	\$ (3,464,500)	\$ 3,686,805	\$ (3,686,805)

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

### 2. Fair value of financial instruments:

For a general discussion of the Funds fair value measurements, refer to note 10.

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

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

All fair value measurements below are recurring.

December 31, 2022	Level 1	Level 2	Level 3	Total
Investments	\$ 69,289,995	\$ -	\$ -	\$ 69,289,995

  

December 31, 2021	Level 1	Level 2	Level 3	Total
Investments	\$ 73,736,096	\$ -	\$ -	\$ 73,736,096

There were no transfers between Levels 1, 2, and 3 during the periods ended December 31, 2022 and 2021.



# STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

At December 31, 2022 and 2021

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1. Reporting entity: .....	77
2. Basis of preparation:.....	77
3. Significant accounting policies: .....	78
4. Related party transactions:.....	81
5. Redeemable units: .....	82
6. Withholding tax and other income taxes: .....	83
7. Transaction costs and soft dollars: .....	84
8. Capital management: .....	84
9. Financial risk management: .....	85
10. Fair value of financial instruments: .....	86
11. Involvement with unconsolidated unstructured entities:.....	88
12. Change in accounting policy: .....	88

# STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

As at December 31, 2022 and 2021

## 1. Reporting entity:

The Steadyhand Investment Funds include the following:

Name of the Fund	Date of inception
Steadyhand Savings Fund	January 22, 2007
Steadyhand Income Fund	January 22, 2007
Steadyhand Founders Fund	January 2, 2012
Steadyhand Builders Fund	January 23, 2019
Steadyhand Equity Fund	January 22, 2007
Steadyhand Global Equity Fund	January 22, 2007
Steadyhand Small-Cap Equity Fund	January 22, 2007
Steadyhand Small-Cap Global Equity Fund	January 23, 2019

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

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

## 2. Basis of preparation:

### (a) Statement of compliance:

The financial statements of the Funds have been prepared in compliance with International Financial Reporting Standards (“IFRS”). The financial statements were authorized for issue by the Manager on February 22, 2023.

### (b) Basis of measurement:

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

### (c) Functional and presentation currency:

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

### (d) Use of estimates and judgment:

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

# STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

As at December 31, 2022 and 2021

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### 3. Significant accounting policies:

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

(a) Financial instruments:

(i) Recognition and measurement:

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

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

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

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition the Funds may irrevocably elect to measure financial assets that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so results in more relevant information.

Financial assets are not reclassified subsequent to their initial recognition, unless the Funds changes their business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

# STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

As at December 31, 2022 and 2021

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### 3. Significant accounting policies (continued):

#### (a) Financial instruments (continued):

##### (i) Recognition and measurement (continued):

The Funds have not classified any of their financial instruments as FVOCI.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at fair value through profit or loss, such as derivatives liabilities. The Funds may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

##### (ii) Fair value through profit and loss:

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

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

##### (iii) Amortized cost:

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Funds classify cash, bank indebtedness, subscriptions receivable, interest and dividends receivable, distributions payable, balances due from Manager, balances due from brokers, and balances due to brokers, as amortized cost.

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

#### (b) Redeemable units:

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

# STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

As at December 31, 2022 and 2021

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### 3. Significant accounting policies (continued):

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

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

- (d) Foreign exchange:

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

- (e) Income recognition:

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

- (f) Income taxes:

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

- (g) New standards and interpretations not yet adopted:

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended December 31, 2022, and have not been applied in preparing these financial statements. None of these will have a significant effect on the financial statement of the Funds.

# STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

As at December 31, 2022 and 2021

## 4. Related party transactions:

### *Management fees:*

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

Fund name	Management fee
Steadyhand Savings Fund	0.65%
Steadyhand Income Fund	1.04%
Steadyhand Founders Fund	1.34%
Steadyhand Builders Fund	1.63%
Steadyhand Equity Fund	1.42%
Steadyhand Global Equity Fund	1.78%
Steadyhand Small-Cap Equity Fund	1.78%
Steadyhand Global Small-Cap Equity Fund	1.78%

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

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

### *Operating expenses:*

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

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

### *Unit holdings:*

Directors, officers and affiliates of the Manager owned Series A redeemable units of the Funds. As at December 31, 2022 and 2021, the following Series A redeemable units were held by directors, officers and other affiliates of the Manager:

Fund name	2022	2021
Steadyhand Savings Fund	254,144	356,439
Steadyhand Income Fund	218,262	211,399
Steadyhand Founders Fund	374,694	276,773
Steadyhand Builders Fund	261,908	238,664
Steadyhand Equity Fund	149,371	146,215
Steadyhand Global Equity Fund	393,561	316,418
Steadyhand Small-Cap Equity Fund	120,429	111,339
Steadyhand Global Small-Cap Equity Fund	170,234	153,472

# STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

As at December 31, 2022 and 2021

## 4. Related party transactions (continued):

As at December 31, 2022, no Series O redeemable units (2021 - no Series O redeemable units) were held by directors, officers and other affiliates of the Manager.

The Founders Fund holds Series O redeemable units in six (2021 - six) of the other Steadyhand Funds. The Builders Fund holds Series O redeemable units in four (2021 - four) of the other Steadyhand Funds. Refer to the Founders Fund and Builders Fund Schedule of Investment Portfolios for a description of their holdings in other Steadyhand Funds.

## 5. Redeemable units:

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

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

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

The redeemable unit transactions for the Funds during the years ended December 31, 2022 and 2021 are as follows:

<b>Dec. 31, 2022</b>	Outstanding redeemable units, beginning of period	Redeemable units issued	Redeemable units issued on reinvestment of distributors	Redeemable units redeemed	Outstanding redeemable units, end of period
<b>Steadyhand Savings Fund</b>					
Series A	4,384,455	3,620,724	81,999	(3,397,852)	4,689,326
Series O	59,123	4,615,278	41,780	(2,181,340)	2,534,841
<b>Steadyhand Income Fund</b>					
Series A	7,855,873	445,902	225,464	(861,721)	7,665,518
Series O	17,212,470	2,470,486	537,373	-	20,220,329
<b>Steadyhand Founders Fund</b>					
Series A	42,123,982	4,037,691	806,038	(3,195,948)	43,771,763
<b>Steadyhand Builders Fund</b>					
Series A	11,921,894	2,998,157	365,347	(790,460)	14,494,938
<b>Steadyhand Equity Fund</b>					
Series A	4,529,828	122,586	157,346	(321,478)	4,488,282
Series O	6,683,425	1,016,525	368,489	(22,749)	8,045,690
<b>Steadyhand Global Equity Fund</b>					
Series A	6,865,089	411,080	55,026	(728,872)	6,602,323
Series O	18,922,448	4,079,750	444,480	(665,883)	22,780,795
<b>Steadyhand Small-Cap Equity Fund</b>					
Series A	2,755,028	61,272	203,004	(232,848)	2,786,456
Series O	3,366,799	144,244	309,136	(106,529)	3,713,650
<b>Steadyhand Global Small-Cap Equity Fund</b>					
Series A	924,913	162,780	7,308	(116,856)	978,145
Series O	4,966,868	947,937	108,901	(62,443)	5,961,263

# STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

As at December 31, 2022 and 2021

## 5. Redeemable units (continued):

Dec. 31, 2021	Outstanding redeemable units, beginning of period	Redeemable units issued	Redeemable units issued on reinvestment of distributors	Redeemable units redeemed	Outstanding redeemable units, end of period
<b>Steadyhand Savings Fund</b>					
Series A	4,648,810	3,754,431	3,321	(4,022,107)	4,384,455
Series O	58,973	-	150	-	59,123
<b>Steadyhand Income Fund</b>					
Series A	7,769,803	965,235	197,912	(1,077,077)	7,855,873
Series O	14,137,498	2,616,999	457,973	-	17,212,470
<b>Steadyhand Founders Fund</b>					
Series A	37,827,583	5,815,716	1,273,641	(2,792,958)	42,123,982
<b>Steadyhand Builders Fund</b>					
Series A	8,678,942	3,508,721	520,374	(786,143)	11,921,894
<b>Steadyhand Equity Fund</b>					
Series A	4,572,919	265,721	111,913	(420,725)	4,529,828
Series O	5,861,781	817,674	211,212	(207,242)	6,683,425
<b>Steadyhand Global Equity Fund</b>					
Series A	7,050,543	569,714	468,385	(1,223,553)	6,865,089
Series O	18,464,620	1,193,542	1,491,625	(2,227,339)	18,922,448
<b>Steadyhand Small-Cap Equity Fund</b>					
Series A	2,924,832	62,153	62,359	(294,316)	2,755,028
Series O	3,275,173	319,560	112,551	(340,485)	3,366,799
<b>Steadyhand Global Small-Cap Equity Fund</b>					
Series A	668,886	176,385	105,571	(25,929)	924,913
Series O	3,626,387	936,349	644,909	(240,777)	4,966,868

## 6. Withholding tax and other income taxes:

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

Fund name	2022	2021
Steadyhand Equity Fund	15.3%	19.5%
Steadyhand Global Equity Fund	14.6%	12.2%
Steadyhand Small-Cap Fund	15.0%	15.0%
Steadyhand Global Small-Cap Equity Fund	15.3%	13.1%

As at December 31, 2022 and 2021, the Funds had no capital or non-capital losses available for utilization against net realized capital gains or non-capital gains in future years.



# STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

As at December 31, 2022 and 2021

## 7. Transaction costs and soft dollars:

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

Fund name	2022	2021
Steadyhand Income Fund	\$ 46,140	\$ 25,300
Steadyhand Equity Fund	59,579	29,448
Steadyhand Global Equity Fund	88,921	640,820
Steadyhand Small-Cap Equity Fund	81,550	53,123
Steadyhand Global Small-Cap Equity Fund	121,829	137,900

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

Fund name	2022	2021
Steadyhand Income Fund	\$ 1,893	\$ 1,893
Steadyhand Global Small-Cap Equity Fund	1,911	1,911

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

## 8. Capital management:

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

## 9. Financial risk management:

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

The COVID-19 global pandemic is likely to have an ongoing effect on the financial markets where the Fund operates. The Fund management performs routine risk assessment procedures and robust controls over its accounts, balances, and transactions. As at the Financial Statement Issue Date, there are no material events or conditions that impact the Fund’s ability to continue as a going concern.

### (a) Risk management framework:

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

The Manager has been given discretionary authority to manage the assets in line with the Funds’ investment objectives. Compliance with the target asset allocations and the composition of the portfolio

# STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

As at December 31, 2022 and 2021

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## 9. Financial risk management (continued):

### (a) Risk management framework (continued):

are monitored by the Manager on a quarterly basis. In instances where the portfolio has diverged from target asset allocations, the Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

### (b) Credit risk:

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

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

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

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

### (c) Liquidity risk:

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

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

### (d) Market risk:

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

#### (i) Interest rate risk:

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

The internal procedures require the Manager to manage interest rate risk on a daily basis in accordance with the policies and procedures in place. If the interest rate risk is not in accordance

# STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

As at December 31, 2022 and 2021

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## 9. Financial risk management (continued):

### (d) Market risk (continued):

#### (i) Interest rate risk (continued):

with the investment policy or guidelines of the Funds, then the Manager is required to rebalance the portfolio within 30 days of each determination of such occurrence.

#### (ii) Currency risk:

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

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

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

#### (iii) Other price risk:

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

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

## 10. Fair value of financial instruments:

### (a) Valuation models:

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

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

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

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

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

# STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

As at December 31, 2022 and 2021

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## 10. Fair value of financial instruments (continued):

### (a) Valuation models (continued):

Level 3: inputs that are unobservable.

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

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

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

The Funds' redeemable units, which are measured at redemption value, are categorized as Level 2 within the fair value hierarchy. Refer to the Discussion of Financial Instruments and Risk Management following each Fund's respective financial statements for further discussion of the respective Fund's fair value measurements.

### (b) Financial instruments not measured at fair value:

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

# STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

As at December 31, 2022 and 2021

## 11. Involvement with unconsolidated unstructured entities:

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

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

### *Builders Fund:*

	Number of investee funds held	Total net assets of investee fund	Carrying amount included in investments
December 31, 2022			
Funds administered by the Manager	4	\$ 690,957,274	\$ 155,238,139

  

	Number of investee funds held	Total net assets of investee fund	Carrying amount included in investments
December 31, 2021			
Funds administered by the Manager	4	\$ 716,237,483	\$ 147,823,939

### *Founders Fund:*

	Number of investee funds held	Total net assets of investee funds	Carrying amount included in investments
December 31, 2022			
Funds administered by the Manager	6	\$1,063,843,758	\$ 583,169,180

  

	Number of investee funds held	Total net assets of investee funds	Carrying amount included in investments
December 31, 2021			
Funds administered by the Manager	6	\$1,065,350,202	\$ 547,619,588

# STEADYHAND INVESTMENT FUNDS

Notes to Financial Statements

As at December 31, 2022 and 2021

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## 11. Involvement with unconsolidated unstructured entities (continued):

*Income Fund:*

	Number of investee funds held	Total net assets of investee funds	Carrying amount included in investments
December 31, 2022			
Funds administered by third parties	1	\$ 99,753,605	\$ 15,259,932

	Number of investee funds held	Total net assets of investee funds	Carrying amount included in investments
December 31, 2021			
Funds administered by third parties	1	\$1,058,700,000	\$ 14,842,005

During the years ended December 31, 2022 and 2021, the Funds did not provide financial support to unconsolidated structured entities and have no intention of providing financial or other support. The Funds can redeem their units in the above investment funds at any time, subject to their being sufficient liquidity in the underlying funds.