



Semi-Annual Financial Statements

June 30, 2010 (unaudited)

[Steadyhand Savings Fund](#)

[Steadyhand Income Fund](#)

[Steadyhand Equity Fund](#)

[Steadyhand Global Equity Fund](#)

[Steadyhand Small-Cap Equity Fund](#)

STEADYHAND INVESTMENT FUNDS

Disclosure of Auditor's Review June 30, 2010 (unaudited)

The accompanying interim financial statements have not been reviewed or audited by the external auditors of the Funds. The external auditors will be auditing the annual financial statements of the Funds in accordance with Canadian generally accepted auditing standards.

STEADYHAND SAVINGS FUND

Statement of Investment Portfolio (Unaudited)
as at June 30, 2010

No. of Shares or Par Value	Description	Average Cost \$	Fair Value \$	% of Net Assets
Short Term Investments				
Treasury Bills				
1,400,000	Canadian Treasury Bill 0.481% 02 Sept 2010	1,397,842	1,398,842	
150,000	Province of Ontario 0.719% 20 Oct 2010	149,674	149,674	
		1,548,516	1,548,516	33.4
Bankers' Acceptance				
100,000	Bank of Montreal 0.409% 02 July 2010	99,999	99,999	
350,000	Bank of Montreal 0.621% 27 Sept 2010	349,477	349,477	
100,000	Canadian Imperial Bank of Commerce 0.930% 04 Nov 2010	99,680	99,680	
200,000	Canadian Imperial Bank of Commerce 0.931% 06 Nov 2010	199,228	199,228	
100,000	HSBC Bank Canada 0.630% 26 July 2010	99,957	99,957	
150,000	HSBC Bank Canada 0.710% 05 Aug 2010	149,899	149,899	
150,000	National Bank of Canada 0.711% 30 Sept 2010	149,735	149,735	
150,000	Royal Bank of Canada 0.349% 12 July 2010	149,985	149,985	
100,000	Royal Bank of Canada 0.710% 15 Oct 2010	99,794	99,794	
350,000	Toronto-Dominion Bank 0.520% 31 Aug 2010	349,696	349,696	
		1,747,450	1,747,450	37.7
Discount Commercial Paper				
200,000	Darwin Receivables Trust Senior 0.921% 18 Oct 2010	199,452	199,452	
150,000	Diversified Trust 0.901% 15 Nov 2010	149,496	149,496	
200,000	GE Capital Canada Funding Co. 0.601% 27 Sept 2010	199,711	199,711	
100,000	Inter Pipeline Inc. 0.731% 19 July 2010	99,964	99,964	
100,000	Prime Trust Senior 0.991% 13 Dec 2010	99,554	99,554	
150,000	Toyota Credit Canada 0.999% 01 Nov 2010	149,497	149,497	
50,000	Zeus Receivables Trust 0.670% 27 Sep 2010	49,920	49,920	
		947,594	947,594	20.4
Bearer Deposit Notes				
350,000	Bank of Nova Scotia 0.600% 21 Sept 2010	349,530	349,530	7.5
Total Investment Portfolio		4,593,090	4,593,090	99.0
Other Net assets			46,259	1.0
Total Net Assets			4,639,349	100.0

See accompanying notes to financial statements.

STEADYHAND SAVINGS FUND

Financial Instruments (Unaudited)

Assets	\$
Held for trading	4,644,731
Loans and receivables	<u>-</u>
Total assets	<u>4,644,731</u>
Liabilities	
Held for trading	-
Financial liabilities at amortized cost	<u>5,382</u>
Total liabilities	<u>5,382</u>

For the purposes of categorization and presentation in accordance with CICA 3862, Financial Instruments – Disclosures (“CICA 3862”), and CICA 3863, Financial Instruments – Presentation, accrued interest and dividends receivable, accounts receivable for securities issued, amounts due from brokers, the Manager, and other assets are deemed to be loans and receivables and recorded at cost or amortized cost. Similarly, amounts due to brokers, accounts payable for securities redeemed, accrued expenses and other liabilities are deemed to be other financial liabilities and reported at amortized cost.

Discussion of Financial risk management

The Fund’s financial instruments consist of cash and investments. As a result, the Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments and markets in which it invests. The most important risks include market risk, currency risk, interest rate risk, credit risk and liquidity risk. These risks and related risk management practices employed by the Fund are discussed below:

(i) *Market risk*

Market 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 investment fund. The Investment Manager monitors the Fund’s overall market positions on a daily basis and positions are maintained within established ranges.

The Fund’s market risk is affected by three main components: changes in actual market prices, interest rates and foreign currency movements. If the following index had increased (decreased) by 5%, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	June 30, 2010		December 31, 2009	
	5% Increase	5% Decrease	5% Increase	5% Decrease
DEX 90 Day T-Bill Index	229,655	229,655	332,221	332,221
Total	229,655	229,655	332,221	332,221

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

STEADYHAND SAVINGS FUND

Discussion of Financial risk management (continued)

(ii) *Currency risk*

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. The Statement of Investments identifies all investments denominated in foreign currencies. Equities in foreign markets and foreign bonds are exposed to currency risk as the prices denominated in foreign currencies are converted to the Fund's functional currency in determining fair value.

The Fund invested primarily in Canadian securities. As at June 30, 2010 and December 31, 2009, the Fund did not have any significant exposure to currency risk.

(iii) *Interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Fund's exposure to interest rate risk is concentrated in its investment in money market instruments. Other assets and liabilities are short-term in nature and/or non-interest bearing.

As at June 30, 2010, 99.04% (December 31, 2009 – 97.13%) of the Fund's Net Assets were invested in debt securities with term to maturity of less than one year. The Fund has minimal sensitivity to changes in interest rates, since securities are usually held to maturity and tend to be short-term in nature.

(iv) *Credit risk*

The Fund's main credit risk concentration is spread between short-term debt securities and derivative contracts. The Fund limits its exposure to credit loss by placing its cash and cash equivalents and fixed income securities with high credit quality. To maximize the credit quality of its investments, the Fund's managers perform ongoing credit evaluations based upon factors surrounding the credit risk of customers, historical trends and other information.

The Fund invests in financial assets, which have an investment grade as rated primarily by Dominion Bond Rating Services and Standard & Poor's, Moody's. Ratings for securities that subject the Portfolio to credit risk at June 30, 2010 and December 31, 2009 are noted below:

Rating	As a % of Net Assets	As a % of Net Assets
	June 30, 2010	December 31, 2009
AAA	73.18%	70.82%
AA	11.83%	5.85%
Unrated	13.99%	20.46%
Total	99.00%	97.13%

All transactions in listed securities are settled for 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.

STEADYHAND SAVINGS FUND

Discussion of Financial risk management (continued)

(v) *Liquidity risk*

The Fund is exposed to daily cash redemptions of redeemable units. The units of the Fund are redeemed on demand at the current Transactional NAV per unit at the option of the unitholder. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity. The Fund's investments are considered readily realizable and highly liquid, therefore the Fund's liquidity risk is considered minimal.

The Fund has complied with National Instrument 81-102 Section 2.4 Restrictions Concerning Illiquid Assets which states:

- 1) A mutual fund shall not purchase an illiquid asset if, immediately after the purchase, more than 10% of the net assets of mutual fund, taken at market value at the time of the purchase, would consist of illiquid assets;
- 2) A mutual fund shall not have invested, for a period of 90 days or more, more than 15% of its net assets, taken at market value, in illiquid assets; and
- 3) If more than 15% of net assets of a mutual fund, taken at market value, are illiquid assets, the mutual fund shall, as quickly as is commercially reasonable, take all necessary steps to reduce the percentage of its net assets made up of illiquid assets to 15% or less.

STEADYHAND SAVINGS FUND

Statement of Net Assets (Unaudited)
as at June 30, 2010 and December 31, 2009

	2010	2009
Assets		
Cash	\$ 51,641	\$ -
Investments at fair value	4,593,090	6,644,429
Subscriptions receivable	-	694,122
	4,644,731	7,338,551
Liabilities		
Bank indebtedness	-	496,117
Redemptions payable	4,600	-
Distribution payable	-	-
Management fees payable	782	1,034
	5,382	497,151
Net assets representing unitholders' equity (Note 4)	\$ 4,639,349	\$ 6,841,400
Number of units outstanding	463,935	684,140
Net asset value per unit	\$ 10.00	\$ 10.00
Transactions NAV per unit	\$ 10.00	\$ 10.00

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors of
Steadyhand Investment Management Ltd.,
general partner of Steadyhand Investment Funds Limited Partnership,
in its capacity as manager of the funds.

N. Jensen, Director

E. Davison, Chief Financial Officer

STEADYHAND SAVINGS FUND

Statement of Operations (Unaudited)
for the six months ended June 30, 2010 and 2009

	2010	2009
Investment income:		
Interest	\$ 13,082	\$ 38,443
	\$ 13,082	\$ 38,443
Expenses:		
Management fees	6,145	14,583
Less: Management fee rebates	(1,100)	(3,864)
	\$ 5,046	\$ 10,719
Net investment income before absorbed expenses	\$ 8,037	\$ 27,724
Expenses absorbed by manager	-	358
Net investment income	\$ 8,037	\$ 28,082
Increase in net assets from operations	\$ 8,037	\$ 28,082
Increase in net assets from operations per unit	\$ 0.01	\$ 0.09

See accompanying notes to financial statements.

STEADYHAND SAVINGS FUND

Statement of Changes in Net Assets (Unaudited)
for the six months ended June 30, 2010 and 2009

	2010	2009
Net assets at beginning of the period	\$ 6,841,400	\$ 3,772,890
Increase in net assets from operations	8,037	28,082
Capital unit transactions:		
Proceeds from units issued	2,407,263	10,781,046
Value of units redeemed	(4,616,897)	(9,265,180)
Units issued on reinvestment of distributions	7,583	27,433
	(2,202,051)	1,543,299
Distributions to unitholders:		
From net investment income	(6,937)	(24,218)
Management fee rebate paid	(1,100)	(3,864)
	(8,037)	(28,082)
Increase (decrease) in net assets	(2,202,051)	1,543,299
Net assets at the end of period	\$ 4,639,349	\$ 5,316,189
Distributions per unit from net investment income	\$ 0.01	\$ 0.04

See accompanying notes to financial statements.

STEADYHAND INCOME FUND

Statement of Investment Portfolio (Unaudited)
as at June 30, 2010

No. of Shares or Par Value		Average Cost \$	Fair Value \$	% of Net Assets
SHORT TERM INVESTMENTS				
Treasury Bills				
950,000	Province of Quebec 0.274% 02 July 2010	949,972	949,983	2.5
Bankers' Acceptance				
600,000	Bank of Montreal 0.507% 29 Jul 2010	599,742	599,686	
150,000	Bank of Montreal 0.699% 31 Aug 2010	149,736	149,809	
200,000	Bank of Montreal 0.680% 01 Sep 2010	199,658	199,741	
500,000	Bank of Nova Scotia 0.719% 20 Sep 2010	499,119	499,129	
100,000	CIBC 0.809% 15 Oct 2010	99,717	99,757	
1,300,000	CIBC 0.991% 07 Dec 2010	1,293,643	1,294,423	
400,000	National Bank of Canada 0.719% 20 Sep 2010	399,292	399,303	
250,000	Toronto-Dominion Bank 0.487% 05 Jul 2010	249,980	249,978	
250,000	Toronto-Dominion Bank 0.711% 24 Sep 2010	249,558	249,540	
		3,740,445	3,741,366	9.8
Bearer Deposit Notes				
900,000	Bank of Nova Scotia 0.540% 06 Aug 2010	898,628	899,383	
550,000	Bank of Nova Scotia 0.621% 20 Aug 2010	549,131	549,449	
100,000	Bank of Nova Scotia 0.711% 10 Sep 2010	99,823	99,850	
100,000	Royal Bank of Canada 0.462% 15 Jul 2010	99,885	99,973	
850,000	Royal Bank of Canada 0.598% 19 Aug 2010	848,727	849,168	
		2,496,194	2,497,823	6.5
Total Short Term Investments		7,186,611	7,189,172	18.8
BONDS				
Federal Bonds				
892,000	Canada Housing Trust No. 1 3.150% 15 Jun 2014	903,478	914,994	
1,211,000	Canada Housing Trust No. 1 3.750% 15 Mar 2020	1,203,617	1,229,895	
844,000	Government of Canada 3.500% 01 Jun 2013	883,752	883,407	
786,000	Government of Canada 5.750% 01 Jun 2029	996,995	1,014,636	
		3,987,842	4,042,932	10.5
Provincial Bonds				
178,000	Province of Alberta 4.000% 01 Dec 2019	176,627	182,085	
100,000	Province of British Columbia 9.000% 23 Aug 2014	147,058	150,511	
360,000	Province of British Columbia 5.700% 18 Jun 2029	404,239	417,591	
208,000	Province of British Columbia 4.700% 18 Jun 2037	207,778	213,628	
170,000	Province of British Columbia 4.950% 18 Jun 2040	178,302	182,294	
230,000	Province of New Brunswick 4.500% 02 Jun 2020	232,001	239,529	
5,000	Province of New Brunswick 4.550% 26 Mar 2037	4,981	4,909	
36,000	Province of Nova Scotia 4.700% 01 Jun 2041	35,196	36,302	
562,000	Province of Ontario 4.750% 02 Jun 2013	601,739	601,697	
522,000	Province of Ontario 4.400% 08 Mar 2016	539,496	555,989	
22,000	Province of Ontario 4.200% 08 Mar 2018	22,174	22,843	
503,000	Province of Ontario 4.400% 02 Jun 2019	514,102	523,842	
70,000	Province of Ontario 4.708% 02 Dec 2019	44,670	47,339	
922,000	Province of Ontario 4.200% 02 Jun 2020	905,950	939,053	

STEADYHAND INCOME FUND (CONT'D)

Statement of Investment Portfolio (Unaudited)

as at June 30, 2010

No. of Shares or Par Value		Average Cost \$	Fair Value \$	% of Net Assets
Provincial Bonds (continued)				
279,000	Province of Ontario 6.500% 08 Mar 2029	336,440	348,597	
156,000	Province of Ontario 4.700% 02 Jun 2037	155,860	158,643	
292,000	Province of Ontario 4.600% 02 Jun 2039	288,943	293,529	
21,000	Province of Quebec 3.681% 01 Dec 2015	16,900	17,543	
306,000	Province of Quebec 4.500% 01 Dec 2016	315,149	326,073	
150,000	Province of Quebec 4.500% 01 Dec 2018	156,135	157,372	
478,000	Province of Quebec 4.500% 01 Dec 2019	480,557	497,783	
340,000	Province of Quebec 9.375% 16 Jan 2023	488,793	506,441	
656,000	Province of Quebec 6.000% 01 Oct 2029	753,786	770,958	
		7,006,876	7,194,551	18.8
Corporate Bonds				
275,000	Alberta Capital Finance 3.050% 15 Jun 2015	274,367	277,795	
260,000	Bank of Nova Scotia 3.430% 16 Jul 2014	257,969	264,109	
170,000	Bank of Nova Scotia 4.100% 08 Jun 2017	169,980	172,538	
104,000	Bank of Nova Scotia 5.300% 31 Jan 2018	104,735	110,260	
181,000	Bank of Nova Scotia 4.940% 15 Apr 2019	193,089	190,757	
23,000	BCE Inc. 6.550% 01 May 2029	19,171	23,794	
15,000	BCE Inc. 7.300% 23 Feb 2032	13,716	17,057	
340,000	Brookfield Asset Management Inc. 8.950% 02 Jun 2014	392,654	393,925	
185,000	Brookfield Asset Management Inc. 5.290% 25 Apr 2017	140,948	186,398	
66,000	Brookfield Asset Management Inc. 5.950% 14 Jun 2035	62,453	56,608	
89,000	Brookfield Renewable Power Inc. 8.750% 03 Feb 2012	90,992	96,520	
122,000	Brookfield Renewable Power Inc. 6.132% 30 Nov 2016	128,575	130,243	
50,000	Brookfield Renewable Power Inc. 5.250% 05 Nov 2018	49,166	49,663	
165,000	Brookfield Renewable Power Inc. 5.840% 05 Nov 2036	108,839	146,684	
80,000	Cameco Corp. 4.700% 16 Sep 2015	81,074	83,489	
169,000	Cameco Corp. 5.670% 02 Sep 2019	175,636	178,473	
104,000	Canadian Imperial Bank of Commerce 5.150% 06 Jun 2018	101,181	110,178	
600,000	Canadian Imperial Bank of Commerce 4.110% 30 Apr 2020	608,200	611,288	
84,000	Canadian Pacific Railway Co. 6.450% 17 Nov 2039	86,929	90,870	
253,000	Cards II Trust 3.048% 15 May 2013	253,000	255,787	
88,000	CDP Financial Inc. 4.600% 15 Jul 2020	87,819	90,446	
38,000	Chip Mortgage Trust 5.613% 02 May 2011	37,771	39,044	
295,000	CIBC Capital Trust 9.976% 30 Jun 2108	387,280	394,652	
65,000	CIBC Capital Trust 10.250% 30 Jun 2108	100,770	100,757	
106,000	DundeeWealth Inc. 5.100% 25 Sep 2014	105,996	107,919	
41,000	Enbridge Pipelines Inc. 5.330% 06 Apr 2040	40,994	42,222	
63,000	ERAC Canada Finance Ltd. 5.380% 26 Feb 2016	61,761	64,913	
25,000	ERAC Canada Finance Ltd. 5.700% 26 Feb 2021	21,586	24,693	
212,000	GE Capital Canada Funding Co. 4.240% 08 Jun 2015	211,992	215,775	
817,000	GE Capital Canada Funding Co. 5.530% 17 Aug 2017	823,625	867,968	
48,000	GE Capital Canada Funding Co. 5.680% 10 Sep 2019	50,280	50,774	
152,000	GE Capital Canada Funding Co. 5.730% 22 Oct 2037	118,529	153,326	
100,000	GE Capital Trust I 6.375% 15 Nov 2067	100,000	98,827	
142,000	Golden Credit Card Trust 5.421% 15 Apr 2013	144,550	152,727	
39,000	Goldman Sachs Group Inc. 5.250% 01 Jun 2016	40,176	39,687	
259,000	Goldman Sachs Group Inc. 5.200% 19 Apr 2022	211,848	245,015	
37,000	Greater Toronto Airports Authority 7.050% 12 Jun 2030	43,076	44,731	
15,000	Greater Toronto Airports Authority 7.100% 04 Jun 2031	17,949	18,182	
50,000	Greater Toronto Airports Authority 6.980% 15 Oct 2032	50,413	60,575	
120,000	Greater Toronto Airports Authority 6.470% 02 Feb 2034	126,075	138,014	
26,000	Great-West Lifeco Inc. 6.670% 21 Mar 2033	29,566	29,817	

STEADYHAND INCOME FUND (CONT'D)

Statement of Investment Portfolio (Unaudited)
as at June 30, 2010

No. of Shares or Par Value		Average Cost \$	Fair Value \$	% of Net Assets
Corporate Bonds (continued)				
29,000	Great-West Lifeco Inc. 5.998% 16 Nov 2039	30,623	30,931	
201,000	Great-West Lifeco Inc. 5.691% 21 Jun 2067	191,027	209,560	
64,000	HSBC Bank Canada 4.940% 16 Mar 2021	61,712	66,687	
201,000	HSBC Bank Canada 4.800% 10 Apr 2022	180,166	205,377	
16,000	Hydro One Inc. 7.350% 03 Jun 2030	19,893	20,373	
89,000	Hydro One Inc. 6.350% 31 Jan 2034	100,873	102,833	
53,000	Hydro One Inc. 4.890% 13 Mar 2037	49,319	50,746	
29,000	Hydro One Inc. 5.490% 16 Jul 2040	28,629	30,343	
12,000	Hydro Quebec 3.592% 15 Aug 2015	9,838	10,169	
70,000	Intact Financial Corp. 5.410% 03 Sep 2019	69,818	73,009	
93,000	Intact Financial Corp. 6.400% 23 Nov 2039	92,535	96,567	
284,000	Manulife Financial Corp. 7.768% 08 Apr 2019	333,361	343,430	
428,000	Manulife Financial Delaware LP 4.448% 15 Dec 2026	418,037	431,016	
27,000	Manulife Financial Delaware LP 5.059% 15 Dec 2041	26,433	23,899	
72,000	Master Credit Card Trust 5.297% 21 Aug 2012	72,211	76,495	
86,000	Master Credit Card Trust 5.237% 21 May 2013	89,450	92,171	
34,000	Merrill Lynch & Co. Inc. 5.000% 18 Feb 2014	32,122	35,195	
126,000	Merrill Lynch & Co. Inc. 5.290% 30 May 2022	106,666	119,005	
378,000	Morgan Stanley 4.900% 23 Feb 2017	307,042	366,132	
100,000	RBC Capital Trust 6.821% 30 Jun 2018	112,575	113,279	
97,000	RBC Capital Trust 5.812% 29 Dec 2049	87,794	104,512	
276,000	Reliance LP 7.300% 03 Apr 2013	276,000	282,842	
206,000	Rogers Communications Inc. 5.800% 26 May 2016	216,349	223,887	
84,000	Royal Bank of Canada 4.840% 11 Mar 2018	83,784	88,220	
310,000	Royal Bank of Canada 4.350% 15 Jun 2020	309,888	317,585	
21,000	Scotiabank Tier I Trust 7.802% 30 Jun 2108	24,996	25,299	
48,000	Shaw Communications Inc. 5.650% 01 Oct 2019	49,523	49,699	
86,000	Shaw Communications Inc. 6.750% 09 Nov 2039	88,086	87,279	
83,000	SNC-Lavalin Group Inc. 6.190% 03 Jul 2019	84,185	91,151	
55,000	Sun Life Financial Inc. 4.800% 23 Nov 2035	51,620	57,213	
302,000	Sun Life Financial Inc. 4.950% 01 Jun 2036	312,981	313,036	
51,000	Sun Life Financial Inc. 5.400% 29 May 2042	44,459	47,434	
36,000	TCNZ Finance Ltd. 4.750% 11 Oct 2013	35,698	36,282	
817,000	TD Capital Trust 7.243% 31 Dec 2018	939,055	948,298	
93,000	TD Capital Trust IV 6.631% 30 Jun 2108	97,230	103,900	
19,000	TD Capital Trust IV 10.000% 30 Jun 2108	19,000	28,902	
22,000	Terasen Gas Inc. 6.050% 15 Feb 2038	21,985	24,466	
3,000	Terasen Gas Inc. 5.800% 13 May 2038	2,544	3,262	
116,000	Toronto-Dominion Bank 5.828% 09 Jul 2023	111,752	127,486	
329,000	Toronto-Dominion Bank 5.763% 18 Dec 2106	347,371	353,065	
		11,661,360	12,237,535	31.9
	Total Bonds	22,656,078	23,475,018	61.2
MORTGAGE BACKED				
100,000	ClareGold Trust 5.063% 15 May 2044	87,523	90,623	
18,000	Merrill Lynch Financial Assets Inc. 5.255% 12 May 2017	17,999	18,483	
90,000	Merrill Lynch Financial Assets Inc. 4.621% 12 Nov 2037	85,893	89,387	

STEADYHAND INCOME FUND (CONT'D)

Statement of Investment Portfolio (Unaudited)
as at June 30, 2010

No. of Shares or Par Value		Average Cost \$	Fair Value \$	% of Net Assets
MORTGAGE BACKED (cont)				
245,000	Merrill Lynch Financial Assets Inc. 4.678% 12 Mar 2039	248,380	249,668	
57,000	Real Estate Asset Liquidity Trust 5.195% 12 Mar 2046	47,442	52,447	
43,000	Real Estate Asset Liquidity Trust 5.198% 12 Mar 2046	42,103	44,649	
28,000	Schooner Trust 3.972% 12 Sep 2020	17,951	19,166	
30,000	Schooner Trust 4.710% 12 Feb 2021	28,926	30,701	
145,000	Schooner Trust 5.192% 12 Jun 2022	132,989	135,086	
151,000	Schooner Trust 5.340% 12 Jun 2037	157,713	158,487	
5,000	Solar Trust 6.608% 15 Nov 2021	2,972	2,835	
		<u>869,891</u>	<u>891,532</u>	<u>2.3</u>
EQUITIES				
Energy				
7,100	ARC Energy Trust	129,590	139,941	
2,575	Bonterra Energy Corp.	79,606	89,456	
6,700	Canadian Oil Sands Trust	186,006	180,833	
3,500	Crescent Point Energy Corp.	121,054	129,955	
6,800	Enbridge Inc.	292,795	337,143	
17,350	Fort Chicago Energy Partners LP	173,457	181,308	
4,000	Husky Energy Inc.	111,128	100,960	
2,650	Keyera Facilities Income Fund	49,921	70,861	
11,400	Mullen Group Ltd.	161,998	162,792	
15,600	Provident Energy Trust	127,148	113,568	
5,600	TransCanada Corp.	186,965	199,416	
11,000	Trilogy Energy Corp.	92,333	101,750	
6,800	Vermilion Energy Trust	209,290	228,004	
	Total Energy	<u>1,921,291</u>	<u>2,035,987</u>	<u>5.3</u>
Materials				
4,400	Labrador Iron Ore Royalty Income Fund	143,882	187,880	0.5
Industrials				
8,100	Genivar Income Fund Trust	194,058	206,550	
17,300	IBI Income Fund	241,661	238,221	
3,200	Wajax Income Fund	78,018	73,312	
7,800	Westshore Terminals Income Fund	111,488	135,018	
	Total Industrials	<u>625,225</u>	<u>653,101</u>	<u>1.7</u>
Consumer Discretionary				
9,800	Cineplex Galaxy Income Fund	161,874	191,100	
13,400	Corus Entertainment Inc.	225,352	250,446	
6,200	Reitmans Canada Ltd.	107,475	116,188	
4,500	Thomson Reuters Corporation	149,192	171,450	
21,550	Yellow Pages Income Fund	146,842	128,438	
	Total Consumer Discretionary	<u>790,735</u>	<u>857,622</u>	<u>2.2</u>

STEADYHAND INCOME FUND (CONT'D)

Statement of Investment Portfolio (Unaudited)
as at June 30, 2010

No. of Shares or Par Value		Average Cost \$	Fair Value\$	% of Net Assets
	Health Care			
11,100	CML Healthcare Income Fund	151,994	110,223	0.3
	Financials			
6,900	Allied Properties Real Estate Investment Trust	108,788	135,240	
12,150	Altus Group Income Fund	102,586	151,268	
16,200	Canadian Apartment Properties REIT	227,975	242,676	
6,200	Canadian Imperial Bank of Commerce	399,172	410,068	
34,100	Chartwell Seniors Housing REIT	214,222	243,473	
15,100	Cominar Real Estate Investment Trust	288,472	280,105	
3,900	Crombie Real Estate Investment Trust	43,698	43,992	
5,100	IGM Financial Inc.	218,284	189,312	
39,600	InnVest Real Estate Investment Trust	224,230	232,848	
28,000	Killam Properties Inc.	231,668	235,480	
19,700	Manulife Financial Corp.	381,273	304,365	
5,800	Northern Property Real Estate Investment Trust	129,319	133,922	
10,600	Royal Bank of Canada	542,590	537,420	
3,500	TMX Group Inc.	104,071	97,265	
8,100	Toronto-Dominion Bank	430,741	558,738	
20,800	TransGlobe Apartment Real Estate Investment Trust	204,940	193,024	
	Total Financials	3,852,029	3,989,196	10.4
	Telecommunication Services			
7,000	TELUS Corp.	244,417	269,360	0.7
	Utilities			
53,000	Algonquin Power & Utilities Company	193,227	216,770	
16,700	Brookfield Infrastructure Partners LP	266,402	279,558	
11,100	Northland Power Income Fund	130,994	152,403	
	Total Utilities	590,623	648,731	1.7
	Total Equities	8,320,196	8,752,100	22.8
	Transaction Costs (note 2)	(11,984)		
	Total Investment Portfolio	39,020,792	40,307,822	105.1
	Other Net assets		(1,957,802)	(5.1)
	Unrealized Appreciation on Derivatives (see Table on Page 13)		(3,642)	(0.0)
	Total Net Assets		38,346,378	100.0

See accompanying notes to financial statements.

STEADYHAND INCOME FUND

Unrealized Appreciation (Depreciation) on Foreign Currency Forwards (Unaudited)

<u>Number of Contracts</u>		<u>Maturity</u>	Average Exchange Rate of Contracts <u>(Currency/CAD)</u>	Currency <u>Amount</u>	Contracted <u>Value \$</u>	Unrealized Appreciation <u>(Depreciation)</u>
1	Sell USD	20-Sept-10	0.97658	92,900	95,127	
1	Buy CAD	20-Sept-10		95,127	95,127	\$ (3,642)
						\$ (3,642)

See accompanying notes to financial statements.

STEADYHAND INCOME FUND

Financial Instruments (Unaudited)

Assets	\$
Held for trading	40,445,222
Loans and receivables	<u>627,966</u>
Total assets	<u>41,073,188</u>
Liabilities	
Held for trading	3,642
Financial liabilities at amortized cost	<u>2,723,168</u>
Total liabilities	<u>2,726,810</u>

For the purposes of categorization and presentation in accordance with CICA 3862, Financial Instruments – Disclosures (“CICA 3862”), and CICA 3863, Financial Instruments – Presentation, accrued interest and dividends receivable, accounts receivable for securities issued, amounts due from brokers, the Manager, and other assets are deemed to be loans and receivables and recorded at cost or amortized cost. Similarly, amounts due to brokers, accounts payable for securities redeemed, accrued expenses and other liabilities are deemed to be other financial liabilities and reported at amortized cost.

Discussion of Financial risk management

The Fund’s financial instruments consist of cash and investments. As a result, the Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments and markets in which it invests. The most important risks include market risk, currency risk, interest rate risk, credit risk and liquidity risk. These risks and related risk management practices employed by the Fund are discussed below:

(i) **Market risk**

Market 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 investment fund. The Investment Manager monitors the Fund’s overall market positions on a daily basis and positions are maintained within established ranges.

The Fund’s market risk is affected by three main components: changes in actual market prices, interest rates and foreign currency movements. If the following indexes had increased (decreased) by 5%, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Indexes	June 30, 2010		December 31, 2009	
	5% Increase	5% Decrease	5% Increase	5% Decrease
DEX Universe Bond Index	1,218,328	1,218,328	897,454	897,454
S&P/TSX Composite Index	437,605	437,605	416,738	416,738
Total	1,655,933	1,655,933	1,314,192	1,314,192

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

STEADYHAND INCOME FUND

Discussion of Financial risk management (continued)

(ii) Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. The Statement of Investments identifies all investments denominated in foreign currencies. Equities in foreign markets and foreign bonds are exposed to currency risk as the prices denominated in foreign currencies are converted to the Fund's functional currency in determining fair value.

The Fund holds assets and liabilities, including cash and equities that are denominated in currencies other than the Canadian Dollar, the functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuate due to changes in exchange rates.

The table below summarizes the Fund's exposure to currency risks. Amounts shown are based on the carrying value of monetary and non-monetary assets.

	June 30, 2010		December 31, 2009	
	Currency Exposure (\$)	Percentage of Net Assets (%)	Currency Exposure (\$)	Percentage of Net Assets (%)
United States Dollar	104,397	0.27%	3,770,305	13.98%

As at June 30, 2010, if the exchange rate between the Canadian Dollar and the foreign currencies the Fund is exposed to increased or decreased by 1%, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$1,044 (December 31, 2009 \$37,703). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Fund's exposure to interest rate risk is concentrated in its investment in money market instruments. Other assets and liabilities are short-term in nature and/or non-interest bearing.

The below table summarizes the Fund's exposure to interest rate risk, categorized by earlier of contractual re-pricing or maturity dates.

June 30, 2010	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years
	(\$)	(\$)	(\$)	(\$)	(\$)

Interest Rate exposure	1,899,619	3,895,372	1,433,225	4,687,639	19,639,868
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December 31, 2009	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years
	(\$)	(\$)	(\$)	(\$)	(\$)

Interest Rate exposure	-	399,703	360,763	3,400,889	10,417,520
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At June 30, 2010, should interest rates have decreased by 25 basis points with all other variables remaining constant, the increase in net assets for the period would amount to approximately \$78,889 (December 31, 2009-\$36,447). Conversely, if interest rates had risen by 25 basis points, the decrease in net assets would amount to approximately \$78,889 (December 31, 2009-\$36,447). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

STEADYHAND INCOME FUND

Discussion of Financial risk management (continued)

(iv) Credit risk

The Fund's main credit risk concentration is spread between short-term debt securities and derivative contracts. The Fund limits its exposure to credit loss by placing its cash and cash equivalents and fixed income securities with high credit quality. To maximize the credit quality of its investments, the Fund's managers perform ongoing credit evaluations based upon factors surrounding the credit risk of customers, historical trends and other information.

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

Ratings for securities that subject the Portfolio to credit risk at June 30, 2010 and December 31, 2009 are noted below:

Rating	June 30, 2010	December 31, 2009
AAA	33.66%	14.43%
AA	19.59%	10.63%
A	24.72%	22.42%
BBB	4.33%	5.77%
BB	0.00%	0.06%
B	0.00%	0.00%
CC	0.00%	0.00%
N/R	0.00%	0.78%
Total	82.30%	54.09%

All transactions in listed securities are settled for 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.

(v) Liquidity risk

The Fund is exposed to daily cash redemptions of redeemable units. The units of the Fund are redeemed on demand at the current Transactional NAV per unit at the option of the unitholder. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity.

The Fund's investments are considered readily realizable and highly liquid, therefore the Fund's liquidity risk is considered minimal.

The Fund has complied with National Instrument 81-102 Section 2.4 Restrictions Concerning Illiquid Assets which states:

- 1) A mutual fund shall not purchase an illiquid asset if, immediately after the purchase, more than 10% of the net assets of mutual fund, taken at market value at the time of the purchase, would consist of illiquid assets;
- 2) A mutual fund shall not have invested, for a period of 90 days or more, more than 15% of its net assets, taken at market value, in illiquid assets; and
- 3) If more than 15% of net assets of a mutual fund, taken at market value, are illiquid assets, the mutual fund shall, as quickly as is commercially reasonable, take all necessary steps to reduce the percentage of it net assets made up of illiquid assets to 15% or less.

STEADYHAND INCOME FUND

Statement of Net Assets (Unaudited)
as at June 30, 2010 and December 31, 2009

	2010	2009
Assets		
Cash	\$ 137,398	\$ 111,155
Short-term investments	7,189,172	549,546
Investments at fair value	33,118,652	25,283,832
Receivable on forward contracts	-	49,228
Amounts receivable in respect of interest and dividends	241,542	201,149
Due from brokers	379,174	295,088
Subscriptions receivable	7,250	105,000
	41,073,188	27,594,998
Liabilities		
Payable on forward contracts	3,642	-
Due to brokers	2,641,822	612,554
Distribution payable	47,934	-
Management fees payable	29,962	22,597
Redemptions payable	3,450	-
	2,726,810	635,151
Net assets representing unitholders' equity (Note 4)	\$ 38,346,378	\$ 26,959,847
Number of units outstanding	3,743,114	2,695,522
Net assets per unit (Note 2)	10.24	\$ 10.00
Transactional NAV per unit (Note 2)	10.26	\$ 10.03

Approved on behalf of the Board of Directors of
Steadyhand Investment Management Ltd.,
general partner of Steadyhand Investment Funds Limited Partnership,
in its capacity as manager of the funds.

N. Jensen, Director

E. Davison, Chief Financial Officer

STEADYHAND INCOME FUND

Statement of Operations (Unaudited)
for the six months ended June 30, 2010 and 2009

	2010	2009
Investment income:		
Dividends, net of withholding tax	\$ 271,905	\$ 86,689
Interest	481,761	529,689
	753,666	616,378
Expenses:		
Management fees	160,057	97,417
Less: Management fee rebates	(36,772)	(14,949)
	123,285	82,468
Net investment income	\$ 630,381	\$ 533,910
Realized and unrealized gain (loss) on investments and transaction costs:		
Realized gain (loss) on sale of investments	1,316,165	(483,350)
Realized gain on forward contracts	141,479	28,214
Realized loss on foreign exchange	-	(18)
Transaction costs	(17,279)	(29,295)
Change in unrealized appreciation (depreciation) in value of investments	(726,757)	2,080,298
Net gain on investments	\$ 713,608	\$ 1,595,849
Increase in net assets from operations	\$ 1,343,989	\$ 2,129,759
Increase in net assets from operations per unit	\$ 0.43	\$ 0.94

STEADYHAND INCOME FUND

Statement of Changes in Net Assets (Unaudited)
for the six months ended June 30, 2010 and 2009

	2010	2009
Net assets at beginning of the period	\$ 26,959,847	\$ 14,423,847
Increase in net assets from operations	1,343,989	2,129,759
Capital unit transactions:		
Proceeds from units issued	10,809,790	6,565,473
Value of units redeemed	(680,396)	(493,585)
Units issued on reinvestment of distributions	641,274	395,455
	10,770,668	6,467,343
Distributions to unitholders:		
From net investment income	(691,354)	(474,941)
Management fee rebate paid	(36,772)	(14,949)
	(728,126)	(489,890)
Increase in net assets	11,386,531	8,107,212
Net assets at the end of period	\$ 38,346,378	\$ 22,531,059
Distributions per unit from net investment income	\$ 0.20	\$ 0.20

See accompanying notes to financial statements.

STEADYHAND EQUITY FUND

Statement of Investment Portfolio (Unaudited)

as at June 30, 2010

No of shares or par value	Description	Average Cost \$	Fair Value \$	% of Net Assets
Short Term Investments				
1,000,000	Canadian Treasury Bills 0.237% 08 July 2010	999,870	999,936	3.9
EQUITIES AND EQUIVALENTS				
Energy				
115,000	Birchcliff Energy Ltd.	816,326	1,110,900	
45,500	Canadian Oil Sands Trust	1,236,756	1,201,055	
93,000	Pason Systems Inc.	1,070,567	1,050,900	
47,700	Suncor Energy Inc.	1,553,389	1,494,441	
	Total Energy	4,677,038	4,857,296	19.0
Materials				
17,900	Compass Minerals International Inc.	960,112	1,334,169	
40,450	Nalco Holding Co.	971,823	879,460	
10,300	Potash Corp. of Saskatchewan	1,057,938	944,304	
	Total Materials	2,989,873	3,157,933	12.4
Industrials				
32,500	Administaff Inc.	842,421	833,360	
104,000	CAE Inc.	864,200	959,920	
16,800	Lincoln Electric Holdings Inc.	839,297	910,303	
46,000	Ritchie Bros. Auctioneers Inc.	1,036,842	887,800	
	Total Industrials	3,582,760	3,591,383	14.1
Consumer Staples				
34,700	CVS Caremark Corp.	1,241,194	1,080,042	
14,000	Diageo PLC	1,014,860	933,095	
26,800	Shoppers Drug Mart Corp.	1,220,499	881,988	
37,100	Unilever PLC	1,133,559	1,053,816	
	Total Consumer Staples	4,610,112	3,948,941	15.5
Financials				
28,200	Home Capital Group Inc.	800,879	1,189,195	
18,700	HSBC Holdings PLC	1,287,411	904,358	
60,500	Manulife Financial Corp.	1,481,043	934,725	
36,200	TMX Group, Inc.	1,182,616	1,005,998	
14,500	Toronto-Dominion Bank	804,806	1,000,210	
	Total Financials	5,556,755	5,034,486	19.7
Information Technology				
41,900	Cisco Systems Inc.	971,420	948,387	
39,000	Oracle Corp.	1,008,592	888,963	
19,000	Research In Motion Ltd.	1,202,633	994,270	
	Total Information Technology	3,182,645	2,831,620	11.1

STEADYHAND EQUITY FUND

Statement of Investment Portfolio (Unaudited)

as at June 30, 2010

No of shares or par value	Description	Average Cost \$	Fair Value \$	% of Net Assets
	Telecommunication Services			
29,200	Rogers Communications Inc., Class B	1,006,563	1,015,576	4.0
	Total Equities	<u>25,605,746</u>	<u>24,437,235</u>	<u>95.7</u>
	Transaction Costs (Note 2)	(9,171)		
	Total Investments	26,596,445	25,437,171	99.6
	Other Net Assets		<u>110,708</u>	<u>0.4</u>
	Total Net Assets		<u>25,547,879</u>	<u>100.00</u>

See accompanying notes to financial statements.

STEADYHAND EQUITY FUND

Financial Instruments (Unaudited)

Assets	\$
Held for trading	25,537,995
Loans and receivables	<u>49,561</u>
Total assets	<u>25,587,556</u>
Liabilities	
Held for trading	-
Financial liabilities at amortized cost	<u>39,677</u>
Total liabilities	<u>39,677</u>

For the purposes of categorization and presentation in accordance with CICA 3862, Financial Instruments – Disclosures (“CICA 3862”), and CICA 3863, Financial Instruments – Presentation, accrued interest and dividends receivable, accounts receivable for securities issued, amounts due from brokers, the Manager, and other assets are deemed to be loans and receivables and recorded at cost or amortized cost. Similarly, amounts due to brokers, accounts payable for securities redeemed, accrued expenses and other liabilities are deemed to be other financial liabilities and reported at amortized cost.

Discussion of Financial risk management

The Fund’s financial instruments consist of cash and investments. As a result, the Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments and markets in which it invests. The most important risks include market risk, currency risk, interest rate risk, credit risk and liquidity risk. These risks and related risk management practices employed by the Fund are discussed below:

(i) **Market risk**

Market 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 investment fund. The Investment Manager monitors the Fund’s overall market positions on a daily basis and positions are maintained within established ranges.

The Fund’s market risk is affected by three main components: changes in actual market prices, interest rates and foreign currency movements. If the following indexes had increased (decreased) by 5%, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Indexes	June 30, 2010		December 31, 2009	
	5% Increase	5% Decrease	5% Increase	5% Decrease
S&P/TSX Composite Index	\$ 733,117	\$ 733,117	\$ 798,745	\$ 798,745
MSCI World Index (\$Cdn)	488,745	488,745	532,497	532,497
Total	\$ 1,221,862	\$ 1,221,862	\$ 1,331,242	\$ 1,331,242

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

STEADYHAND EQUITY FUND

Discussion of Financial risk management (continued)

(ii) *Currency risk*

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. The Statement of Investments identifies all investments denominated in foreign currencies. Equities in foreign markets and foreign bonds are exposed to currency risk as the prices denominated in foreign currencies are converted to the Fund's functional currency in determining fair value.

The Fund holds assets and liabilities, including cash and equities that are denominated in currencies other than the Canadian Dollar, the functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuate due to changes in exchange rates.

The table below summarizes the Fund's exposure to currency risks. Amounts shown are based on the carrying value of monetary and non-monetary assets.

	June 30, 2010		December 31, 2009	
	Currency Exposure (\$)	Percentage of Net Assets (%)	Currency Exposure (\$)	Percentage of Net Assets (%)
United States Dollar	9,778,952	38.28%	9,913,758	36.54%
Japanese Yen	-	0.00%	694,628	2.56%

As at June 30, 2010, if the exchange rate between the Canadian Dollar and the foreign currencies the Fund is exposed to increased or decreased by 1%, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$97,790 (December 31, 2009-\$106,084). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) *Interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Fund's exposure to interest rate risk is concentrated in its investment in money market instruments. Other assets and liabilities are short-term in nature and/or non-interest bearing.

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk due to fluctuations in the prevailing level of market interest rates.

(iv) *Credit risk*

The Fund's main credit risk concentration is spread between short-term debt securities and derivative contracts. The Fund limits its exposure to credit loss by placing its cash and cash equivalents and fixed income securities with high credit quality. To maximize the credit quality of its investments, the Fund's managers perform ongoing credit evaluations based upon factors surrounding the credit risk of customers, historical trends and other information.

STEADYHAND EQUITY FUND

Discussion of Financial risk management (continued)

The Fund invests in financial assets, which have an investment grade as rated primarily by Dominion Bond Rating Services and Standard & Poor's, Moody's. Ratings for securities that subject the Portfolio to credit risk at June 30, 2010 and December 31, 2009, are noted below:

Portfolio by rating category		
Rating	As a % of Net Assets	As a % of Net Assets
	June 30, 2010	December 31, 2009
AAA	3.91%	1.29%
Total	3.91%	1.29%

All transactions in listed securities are settled for 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.

(v) *Liquidity risk*

The Fund is exposed to daily cash redemptions of redeemable units. The units of the Fund are redeemed on demand at the current Transactional NAV per unit at the option of the unitholder. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity.

The Fund's investments are considered readily realizable and highly liquid, therefore the Fund's liquidity risk is considered minimal.

The Fund has complied with National Instrument 81-102 Section 2.4 Restrictions Concerning Illiquid Assets which states:

- 1) A mutual fund shall not purchase an illiquid asset if, immediately after the purchase, more than 10% of the net assets of mutual fund, taken at market value at the time of the purchase, would consist of illiquid assets;
- 2) A mutual fund shall not have invested, for a period of 90 days or more, more than 15% of its net assets, taken at market value, in illiquid assets; and
- 3) If more than 15% of net assets of a mutual fund, taken at market value, are illiquid assets, the mutual fund shall, as quickly as is commercially reasonable, take all necessary steps to reduce the percentage of its net assets made up of illiquid assets to 15% or less.

STEADYHAND EQUITY FUND

Statement of Net Assets (Unaudited)
as at June 30, 2010 and December 31, 2009

	2010	2009
Assets		
Cash	\$ 100,824	\$ 127,386
Short-term investments	999,936	349,990
Investments at fair value	24,437,235	26,624,826
Dividends receivable	48,061	39,742
Subscriptions receivable	1,500	20,000
	25,587,556	27,161,944
Liabilities		
Due to brokers	10,001	-
Management fees payable	29,676	30,594
Redemptions payable	-	-
	39,677	\$ 30,594
Net assets representing unitholders' equity (Note 4)	\$ 25,547,879	\$ 27,131,350
Number of units outstanding	3,173,213	3,151,570
Net assets per unit (Note 2)	\$ 8.05	\$ 8.61
Transactional NAV per unit (Note 2)	\$ 8.06	\$ 8.62

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors of
Steadyhand Investment Management Ltd.,
general partner of Steadyhand Investment Funds Limited Partnership,
in its capacity as manager of the funds.

N. Jensen, Director

E. Davison, Chief Financial Officer

STEADYHAND EQUITY FUND

Statement of Operations (Unaudited)
for the six months ended June 30, 2010 and 2009

	2010	2009
Investment income:		
Dividends, net of withholding tax	\$ 277,311	\$ 203,613
Interest	799	14,806
	278,110	218,419
Expenses:		
Management fees	185,011	136,881
Less: Management fee rebates	(60,870)	(22,257)
	124,141	114,624
Net investment income	\$ 153,969	\$ 103,795
Realized and unrealized gain (loss) on investments and transaction costs:		
Realized gain on sale of investments	596,202	180,996
Realized gain on foreign exchange	-	35
Transaction costs	(3,033)	(2,810)
Change in unrealized appreciation (depreciation) in value of investments	(2,478,994)	1,554,922
Net gain (loss) on investments	\$ (1,885,825)	\$ 1,733,143
Increase (decrease) in net assets from operations	\$ (1,731,856)	\$ 1,836,938
Increase (decrease) in net assets from operations per unit	\$ (0.54)	\$ 0.67

See accompanying notes to financial statements.

STEADYHAND EQUITY FUND

Statement of Changes in Net Assets (Unaudited)
for the six months ended June 30, 2010 and 2009

	2010	2009
Net assets at beginning of the period	\$ 27,131,350	\$ 17,059,991
Increase (decrease) in net assets from operations	(1,731,856)	1,836,938
Capital unit transactions:		
Proceeds from units issued	2,300,226	5,541,049
Value of units redeemed	(2,146,774)	(618,216)
Units issued on reinvestment of distributions	55,803	22,257
	209,255	4,945,090
Distributions to unitholders:		
Management fee rebate paid	(60,870)	(22,257)
	(60,870)	(22,257)
Increase (decrease) in net assets	(1,583,471)	6,759,771
Net assets at the end of period	\$ 25,547,879	\$ 23,819,762
Distributions per unit from net investment income	\$ -	\$ -

See accompanying notes to financial statements.

STEADYHAND GLOBAL EQUITY FUND

Statement of Investment Portfolio (Unaudited)
as at June 30, 2010

# of shares	Description	Average Cost \$	Fair Value \$	% of Net Assets
EQUITIES				
Energy				
12,711	ConocoPhillips	755,464	662,268	
28,925	ENI SpA	771,794	570,398	
28,800	Gazprom OAO	691,299	583,627	
18,062	Petroleo Brasileiro SA, ADR	658,320	571,971	
	Total Energy	2,876,877	2,388,264	11.0
Materials				
17,304	Yara International ASA	575,122	522,537	2.4
Industrials				
38,041	Deutsche Post AG	602,142	593,942	
8,898	General Dynamics Corp.	593,166	553,714	
41,394	General Electric Co.	815,343	632,980	
231,000	Kajima Corp.	538,635	563,126	
29,900	Mitsubishi Corp.	761,391	669,291	
	Total Industrials	3,310,677	3,013,053	13.9
Consumer Discretionary				
47,085	DR Horton Inc.	589,460	491,845	
40,500	Panasonic Corp.	569,140	544,717	
12,900	Sony Corp.	406,017	368,693	
13,700	Time Warner Cable Inc.	508,373	757,908	
39,300	Yamaha Motor Co. Ltd.	604,165	558,309	
	Total Consumer Discretionary	2,677,155	2,721,472	12.5
Consumer Staples				
6,641	Carlsberg AS	503,164	539,376	
86,458	Tesco PLC	601,263	522,391	
	Total Consumer Staples	1,104,427	1,061,767	4.9
Health Care				
32,302	GlaxoSmithKline PLC	718,686	586,982	
8,938	Sanofi-Aventis	716,143	575,538	
	Total Health Care	1,434,829	1,162,520	5.4
Financials				
85,109	Aviva PLC	525,876	425,004	
32,704	Bank of America Corp.	506,685	499,054	
46,676	HSBC Holdings PLC	345,875	456,519	
162,897	Intesa Sanpaolo SpA	710,696	462,870	
257,600	Mizuho Financial Group Inc.	759,869	451,644	
381,046	Royal Bank of Scotland Group PLC.	223,298	250,981	
45,807	Swedbank AB	315,413	453,180	
35,007	UBS AG	552,454	498,488	
	Total Financials	3,940,166	3,497,740	16.1

STEADYHAND GLOBAL EQUITY FUND

Statement of Investment Portfolio (Unaudited)
as at June 30, 2010

# of shares	Description	Average Cost \$	Fair Value \$	% of Net Assets
EQUITIES AND EQUIVALENTS (continued)				
Information Technology				
38,832	Applied Materials Inc.	458,649	496,005	
26,300	Cisco Systems Inc.	596,638	595,288	
85,000	Fujitsu Ltd.	573,159	570,596	
22,300	Intel Corp.	434,576	460,673	
53,846	Nokia OYJ	897,800	469,591	
704	Samsung Electronics Co. Ltd.	320,771	473,856	
30,296	Symantec Corp.	522,685	446,855	
	Total Information Technology	3,804,278	3,512,864	16.2
Telecommunication Services				
58,500	China Mobile Ltd.	615,029	622,279	
24,397	SK Telecom Co. Ltd., ADR	527,921	381,106	
257,000	Singapore Telecommunications Ltd.	562,006	592,720	
327,007	Vodafone Group PLC	870,533	723,159	
	Total Telecommunication Services	2,575,489	2,319,264	10.7
Utilities				
14,652	E.ON AG	700,002	422,056	1.9
	Total Equities	22,999,022	20,621,537	95.0
	Transaction Costs	(49,425)		
	Total Investment Portfolio	22,949,597	20,621,537	95.0
	Other Net Assets		1,092,722	5.0
	Total Net Assets		21,714,259	100.00

See accompanying notes to financial statements.

STEADYHAND GLOBAL EQUITY FUND

Financial Instruments (Unaudited)

Assets	\$
Held for trading	21,652,526
Loans and receivables	<u>92,403</u>
Total assets	<u>21,744,929</u>
Liabilities	
Held for trading	-
Financial liabilities at amortized cost	<u>30,670</u>
Total liabilities	<u>30,670</u>

For the purposes of categorization and presentation in accordance with CICA 3862, Financial Instruments – Disclosures (“CICA 3862”), and CICA 3863, Financial Instruments – Presentation, accrued interest and dividends receivable, accounts receivable for securities issued, amounts due from brokers, the Manager, and other assets are deemed to be loans and receivables and recorded at cost or amortized cost. Similarly, amounts due to brokers, accounts payable for securities redeemed, accrued expenses and other liabilities are deemed to be other financial liabilities and reported at amortized cost.

Discussion of Financial risk management

The Fund’s financial instruments consist of cash and investments. As a result, the Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments and markets in which it invests. The most important risks include market risk, currency risk, interest rate risk, credit risk and liquidity risk. These risks and related risk management practices employed by the Fund are discussed below:

(i) Market risk

Market 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 investment fund. The Investment Manager monitors the Fund’s overall market positions on a daily basis and positions are maintained within established ranges.

The Fund’s market risk is affected by three main components: changes in actual market prices, interest rates and foreign currency movements. If the following index had increased (decreased) by 5%, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	June 30, 2010		December 31, 2009	
	5% Increase	5% Decrease	5% Increase	5% Decrease
MSCI World Index (\$Cdn)	1,031,076	1,031,076	1,040,992	1,040,992
Total	1,031,076	1,031,076	1,040,992	1,040,992

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

STEADYHAND GLOBAL EQUITY FUND

Discussion of Financial risk management (continued)

(ii) *Currency risk*

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. The Statement of Investments identifies all investments denominated in foreign currencies. Equities in foreign markets and foreign bonds are exposed to currency risk as the prices denominated in foreign currencies are converted to the Fund's functional currency in determining fair value.

The Fund holds assets and liabilities, including cash and equities that are denominated in currencies other than the Canadian Dollar, the functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuate due to changes in exchange rates.

The table below summarizes the Fund's exposure to currency risks. Amounts shown are based on the carrying value of monetary and non-monetary assets.

	June 30, 2010		December 31, 2009	
	Currency Exposure (\$)	Percentage of Net Assets (%)	Currency Exposure (\$)	Percentage of Net Assets (%)
United States Dollar	7,144,490	33%	8,047,990	38%
Japanese Yen	3,726,376	17%	2,343,656	11%
Euro	3,094,395	14%	4,533,495	21%
British Pound	3,012,684	14%	2,136,418	10%
Hong Kong Dollar	622,279	3%	1,086,805	5%
Singapore Dollar	592,720	3%	-	0%
Danish Krone	539,376	2%	515,487	2%
Norwegian Krone	522,537	2%	642,791	3%
Swiss Franc	498,488	2%	569,445	3%
Korean Won	473,856	2%	505,768	2%

As at June 30, 2010, if the exchange rate between the Canadian Dollar and the foreign currencies the Fund is exposed to increased or decreased by 1%, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$206,804 (December 31, 2009-\$209,793). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) *Interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Fund's exposure to interest rate risk is concentrated in its investment in money market instruments. Other assets and liabilities are short-term in nature and/or non-interest bearing.

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk due to fluctuations in the prevailing level of market interest rates.

STEADYHAND GLOBAL EQUITY FUND

Discussion of Financial risk management (continued)

(iv) Credit risk

The Fund's main credit risk concentration is spread between short-term debt securities and derivative contracts. The Fund limits its exposure to credit loss by placing its cash and cash equivalents and fixed income securities with high credit quality. To maximize the credit quality of its investments, the Fund's managers perform ongoing credit evaluations based upon factors surrounding the credit risk of customers, historical trends and other information.

As at June 30, 2010 and December 31, 2009, the Fund had no significant investments in debt instruments and/or derivatives.

(v) Liquidity risk

The Fund is exposed to daily cash redemptions of redeemable units. The units of the Fund are redeemed on demand at the current Transactional NAV per unit at the option of the unitholder. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity. The Fund's investments are considered readily realizable and highly liquid, therefore the Fund's liquidity risk is considered minimal.

The Fund has complied with National Instrument 81-102 Section 2.4 Restrictions Concerning Illiquid Assets which states:

- 1) A mutual fund shall not purchase an illiquid asset if, immediately after the purchase, more than 10% of the net assets of mutual fund, taken at market value at the time of the purchase, would consist of illiquid assets;
- 2) A mutual fund shall not have invested, for a period of 90 days or more, more than 15% of its net assets, taken at market value, in illiquid assets; and
- 3) If more than 15% of net assets of a mutual fund, taken at market value, are illiquid assets, the mutual fund shall, as quickly as is commercially reasonable, take all necessary steps to reduce the percentage of its net assets made up of illiquid assets to 15% or less.

STEADYHAND GLOBAL EQUITY FUND

Statement of Net Assets (Unaudited)
as at June 30, 2010 and December 31, 2009

	2010	2009
Assets		
Cash	\$ 1,030,988	\$ 482,157
Investments at fair value	20,621,538	20,819,841
Dividends and interest receivable	84,738	51,262
Subscriptions receivable	2,435	-
Due from manager	5,230	-
Due from broker	-	511,013
	21,744,929	21,864,273
Liabilities		
Due to Brokers	-	385,370
Management fees payable	30,670	31,278
	30,670	416,648
Net assets representing unitholders' equity (Note 4)	\$21,714,259	\$ 21,447,625
Number of units outstanding	3,332,305	2,927,296
Net assets per unit (Note 2)	\$ 6.52	\$ 7.33
Transactional NAV per unit (Note 2)	\$ 6.52	\$ 7.33

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors of
Steadyhand Investment Management Ltd.,
general partner of Steadyhand Investment Funds Limited Partnership,
in its capacity as manager of the funds.

N. Jensen, Director

E. Davison, Chief Financial Officer

STEADYHAND GLOBAL EQUITY FUND

Statement of Operations (Unaudited)
for the six months ended June 30, 2010 and 2009

	2010	2009
Investment income:		
Dividends, net of withholding tax	\$ 344,679	\$ 286,879
Interest	(3)	1,183
	344,676	288,062
Expenses:		
Management fees	187,621	123,384
Less: Management fee rebates	(60,720)	(19,028)
	126,901	104,356
Net investment income before absorbed expenses	217,775	\$ 183,706
Expenses absorbed by manager	-	868
Net investment income	\$ 217,775	\$ 184,574
Realized and unrealized gain (loss) on investments and transaction costs:		
Realized gain (loss) on sale of investments	63,099	(833,924)
Realized loss on foreign exchange	(33,247)	(42,715)
Transaction costs	(15,190)	(16,801)
Change in unrealized appreciation (depreciation) in value of investments	(2,800,912)	1,442,199
Change in unrealized appreciation (depreciation) in value of foreign currency	7,598	(60)
Net gain (loss) on investments	\$(2,778,652)	\$ 548,699
Increase (decrease) in net assets from operations	\$(2,560,877)	\$ 733,273
Increase (decrease) in net assets from operations per unit	\$ (0.82)	\$ 0.30

See accompanying notes to financial statements.

STEADYHAND GLOBAL EQUITY FUND

Statement of Changes in Net Assets (Unaudited)
for the six months ended June 30, 2010 and 2009

	2010	2009
Net assets at beginning of the period	\$ 21,447,625	\$ 12,079,236
Increase (decrease) in net assets from operations	(2,560,877)	733,273
Capital unit transactions:		
Proceeds from units issued	3,267,719	5,008,493
Value of units redeemed	(435,085)	(139,313)
Units issued on reinvestment of distributions	55,597	19,028
	2,888,231	4,888,208
Distributions to unitholders:		
Management fee rebate paid	(60,720)	(19,028)
	(60,720)	(19,028)
Increase in net assets	266,634	5,602,453
Net assets at the end of period	\$ 21,714,259	\$ 17,681,689
Distributions per unit from net investment income	\$ -	\$ -

See accompanying notes to financial statements.

STEADYHAND SMALL-CAP EQUITY FUND

Statement of Investment Portfolio (Unaudited)
as at June 30, 2010

# of Shares	Description	Average Cost \$	Fair value \$	% of Net assets
EQUITIES AND EQUIVALENTS				
Energy				
104,900	Gran Tierra Energy Inc.	410,881	555,970	
26,800	Pacific Rubiales Energy Corp.	539,960	639,448	
106,200	Total Energy Services Inc.	571,419	850,662	
	Total Energy	1,522,260	2,046,080	16.0
Industrials				
44,900	Badger Income Fund	715,914	606,150	
90,400	Canadian Helicopters Income Fund	809,612	1,112,824	
39,000	Stantec Inc.	993,498	919,230	
	Total Industrials	2,519,024	2,638,204	20.6
Consumer Discretionary				
90,775	easyhome Ltd.	1,240,056	686,259	
320,800	Glacier Media Inc.	949,068	721,800	
29,450	Hibbett Sports Inc.	621,469	749,832	
	Total Consumer Discretionary	2,810,593	2,157,891	16.8
Consumer Staples				
36,800	North West Co. Fund	598,008	703,616	
17,826	Shoppers Drug Mart Corp.	858,268	586,654	
	Total Consumer Staples	1,456,276	1,290,270	10.1
Health Care				
72,500	Medical Facilities Corp.	595,053	627,125	4.9
Financials				
72,000	Alaris Royalty Corp.	648,000	681,840	5.3
Information Technology				
19,000	Calian Technologies Ltd.	294,075	330,220	
48,350	Evertz Technologies Ltd.	757,142	647,890	
23,300	MacDonald Dettwiler & Associates Ltd.	878,665	1,018,909	
	Total Information Technology	1,929,882	1,997,019	15.6
Telecommunication Services				
108,300	Vecima Networks Inc.	629,193	458,109	3.6
	Total Equities	12,110,281	11,896,538	92.9
	Transaction Costs (Note 2)	(43,085)		
	Total Investment Portfolio	12,067,196	11,896,538	92.9%
	Other Net Assets		912,727	7.1%
	Total Net Assets		12,809,265	100.00%

See accompanying notes to financial statements.

STEADYHAND SMALL-CAP EQUITY FUND

Financial Instruments (Unaudited)

Assets	\$
Held for trading	12,753,878
Loans and receivables	<u>73,553</u>
Total assets	<u>12,827,431</u>
Liabilities	
Held for trading	-
Financial liabilities at amortized cost	<u>18,166</u>
Total liabilities	<u>18,166</u>

For the purposes of categorization and presentation in accordance with CICA 3862, Financial Instruments – Disclosures (“CICA 3862”), and CICA 3863, Financial Instruments – Presentation, accrued interest and dividends receivable, accounts receivable for securities issued, amounts due from brokers, the Manager, and other assets are deemed to be loans and receivables and recorded at cost or amortized cost. Similarly, amounts due to brokers, accounts payable for securities redeemed, accrued expenses and other liabilities are deemed to be other financial liabilities and reported at amortized cost.

Discussion of Financial risk management

The Fund’s financial instruments consist of cash and investments. As a result, the Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments and markets in which it invests. The most important risks include market risk, currency risk, interest rate risk, credit risk and liquidity risk. These risks and related risk management practices employed by the Fund are discussed below:

(i) Market risk

Market 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 investment fund. The Investment Manager monitors the Fund’s overall market positions on a daily basis and positions are maintained within established ranges.

The Fund’s market risk is affected by three main components: changes in actual market prices, interest rates and foreign currency movements. If the following index had increased (decreased) by 5% at June 30, 2010 and December 31, 2009, with all other variables held constant, this would have approximately increased (decreased) net assets as follows:

Index	June 30, 2010		December 31, 2009	
	5% Increase	5% Decrease	5% Increase	5% Decrease
Nesbitt Burns Small Cap Index (Wtd.)	\$ 594,827	\$ 594,827	\$ 709,016	\$ 709,016
Total	<u>\$ 594,827</u>	<u>\$ 594,827</u>	<u>\$ 709,016</u>	<u>\$ 709,016</u>

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

STEADYHAND SMALL-CAP EQUITY FUND

Discussion of Financial risk management (continued)

(i) *Currency risk*

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. The Statement of Investments identifies all investments denominated in foreign currencies. Equities in foreign markets and foreign bonds are exposed to currency risk as the prices denominated in foreign currencies are converted to the Fund's functional currency in determining fair value.

The Fund holds assets and liabilities, including cash and equities that are denominated in currencies other than the Canadian Dollar, the functional currency.

The table below summarizes the Fund's exposure to currency risks. Amounts shown are based on the carrying value of monetary and non-monetary assets.

	June 30, 2010 Currency Exposure (\$)	Percentage of Net Assets (%)	December 31, 2009 Currency Exposure(\$)	Percentage of Net Assets (%)
United States Dollar	749,832	5.85%	780,521	5.01%

As at June 30, 2010, if the exchange rate between the Canadian Dollar and the foreign currencies the Fund is exposed to increased or decreased by 1%, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$7,498 (December 31, 2009-\$7,805). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) *Interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Fund's exposure to interest rate risk is concentrated in its investment in money market instruments. Other assets and liabilities are short-term in nature and/or non-interest bearing.

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk due to fluctuations in the prevailing level of market interest rates.

(iii) *Credit risk*

The Fund's main credit risk concentration is spread between short-term debt securities and derivative contracts. The Fund limits its exposure to credit loss by placing its cash and cash equivalents and fixed income securities with high credit quality. To maximize the credit quality of its investments, the Fund's managers perform ongoing credit evaluations based upon factors surrounding the credit risk of customers, historical trends and other information.

As at June 30, 2010 and December 31, 2009, the Fund had no significant investments in debt instruments and/or derivatives.

STEADYHAND SMALL-CAP EQUITY FUND

Discussion of Financial risk management (continued)

(v) *Liquidity risk*

The Fund is exposed to daily cash redemptions of redeemable units. The units of the Fund are redeemed on demand at the current Transactional NAV per unit at the option of the unitholder. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity. The Fund's investments are considered readily realizable and highly liquid, therefore the Fund's liquidity risk is considered minimal.

The Fund has complied with National Instrument 81-102 Section 2.4 Restrictions Concerning Illiquid Assets which states:

- 1) A mutual fund shall not purchase an illiquid asset if, immediately after the purchase, more than 10% of the net assets of mutual fund, taken at market value at the time of the purchase, would consist of illiquid assets;
- 2) A mutual fund shall not have invested, for a period of 90 days or more, more than 15% of its net assets, taken at market value, in illiquid assets; and
- 3) If more than 15% of net assets of a mutual fund, taken at market value, are illiquid assets, the mutual fund shall, as quickly as is commercially reasonable, take all necessary steps to reduce the percentage of its net assets made up of illiquid assets to 15% or less.

STEADYHAND SMALL-CAP EQUITY FUND

Statement of Net Assets (Unaudited)
as at June 30, 2010 and December 31, 2009

	2010	2009
Assets		
Cash	\$ 857,340	\$ 1,485,730
Investments at fair value	11,896,538	14,180,327
Dividends receivable	52,853	59,653
Subscriptions receivable	20,700	-
Other receivables	-	-
	12,827,431	15,725,710
Liabilities		
Management fees payable	18,166	21,351
Due to brokers	-	109,872
	18,166	131,223
Net assets representing unitholders' equity (Note 4)	\$ 12,809,265	\$ 15,594,487
Number of units outstanding	1,394,417	1,676,744
Net assets per unit (Note 2)	\$ 9.19	\$ 9.30
Transactional NAV per unit (Note 2)	\$ 9.22	\$ 9.36

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors of
Steadyhand Investment Management Ltd.,
general partner of Steadyhand Investment Funds Limited Partnership,
in its capacity as manager of the funds.

N. Jensen, Director

E. Davison, Chief Financial Officer

STEADYHAND SMALL-CAP EQUITY FUND

Statement of Operations (Unaudited)
for the six months ended June 30, 2010 and 2009

	2010		2009
Investment income:			
Dividends, net of withholding tax	\$ 213,057	\$	43,325
Interest	3		115,209
	213,060		158,534
Expenses:			
Management fees	119,718		92,604
Less: Management fee rebates	(30,026)		(11,956)
	89,692		80,648
Net investment income	\$ 123,368	\$	77,886
Realized and unrealized gain (loss) on investments and transaction costs:			
Realized gain (loss) on sale of investments	569,351		(286,213)
Transaction costs	(22,208)		(18,837)
Change in unrealized appreciation (depreciation) in value of investments	(717,577)		340,663
Net gain/(loss) on investments	\$ (170,434)	\$	35,613
Increase/(decrease) in net assets from operations	\$ (47,066)	\$	113,499
Increase/(decrease) in net assets from operations per unit	\$ (0.03)	\$	0.08

See accompanying notes to financial statements.

STEADYHAND SMALL-CAP EQUITY FUND

Statement of Changes in Net Assets (Unaudited)
for the six months ended June 30, 2010 and 2009

	2010	2009
Net assets at beginning of the period	\$ 15,594,487	\$ 9,254,692
Increase (decrease) in net assets from operations	(47,066)	113,499
Capital unit transactions:		
Proceeds from units issued	1,526,034	2,835,510
Value of units redeemed	(4,261,190)	(145,030)
Units issued on reinvestment of distributions	27,026	11,956
	(2,708,130)	2,702,436
Distributions to unitholders:		
Management fee rebate paid	(30,026)	(11,956)
	(30,026)	(11,956)
Increase in net assets	(2,785,222)	2,803,979
Net assets at the end of period	\$ 12,809,265	\$ 12,058,671
Distributions per unit from net investment income	\$ -	\$ -

See accompanying notes to financial statements.

STEADYHAND INVESTMENT FUNDS

Notes to the Financial Statements (Unaudited)
as at June 30, 2010 and December 31, 2009

1. The Funds:

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

(collectively referred to as the “Funds”)

Each of the Steadyhand Investment Funds (the "Funds") is an open-end unincorporated mutual fund created under the laws of the Province of British Columbia pursuant to a Declaration of Trust dated January 2, 2007, as amended, by RBC Dexia Investor Services Trust (the “Trustee”), who acts as Trustee and Steadyhand Investment Funds Limited Partnership (the “Manager”), who acts as Manager of the Funds. Effective August 9, 2010, Steadyhand Investment Funds LP resigned as manager of the Funds, and the General Partner, Steadyhand Investment Management Ltd., was the successor manager of the Funds. Steadyhand Investment Management Ltd. is registered as an investment fund manager with the British Columbia Securities Commission.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could vary from these estimates.

(a) Adoption of new accounting standards:

i) Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, EIC 173

In January 2009, the Emerging Issues Committee (“EIC”) issued Abstract No. 173 (“EIC-173”). EIC-173 requires an entity to take into account its own credit risk and that of the relevant counterparty(s) when determining the fair value of financial assets and financial liabilities, including derivative instruments. This EIC, which is effective November 1, 2008, has no impact on the Fund’s financial statements.

ii) Fair Value and Liquidity Risk Disclosure – Amendments to Financial Instruments – Disclosures, Section 3862

Effective on January 1, 2009, the Fund adopted the recent amendments to Canadian Institute of Chartered Accountants (“CICA”) 3862, Financial Instruments – Disclosures. Disclosures about fair value of Financial Instruments, requires the disclosure of the estimated fair value of financial instruments. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Fund’s financial instruments are recorded at fair value or at amounts that approximates fair value in the financial statements.

STEADYHAND INVESTMENT FUNDS

Notes to the Financial Statements (Unaudited)
as at June 30, 2010 and December 31, 2009

2)(a)(ii) Fair Value and Liquidity Risk Disclosure (cont'd)

The amendments to CICA 3862, *Financial Instruments – Disclosures*, establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows.

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Investment Manager has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices that is observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.

iii) Recognition and Measurement – Amendments to Financial Instruments, Section 3855

In June 2009, the CICA clarified Section 3855, *Financial Instruments – Recognition and Measurement* (“Section 3855”) with respect to the effective interest method which is a method of calculating the amortized cost of financial assets and financial liabilities and of allocating the interest income or interest expense over the relevant period. The impact of the clarification had no material impact on the financial position or results of operations

(b) Valuation of investments:

Investments are recorded in the financial statements at fair value as determined by the bid price of each security on the principal exchange on which it is traded; the net excess (shortfall) of the quoted fair value over the total average cost of the investment is recorded as unrealized appreciation (depreciation) in value of investments. If no sale is reported to have taken place on that day, the sales is valued at the average of the last bid and ask prices reported on that day. Short-term investments are valued at cost plus accrued interest which approximates fair value.

The fair value of investments as at the financial reporting period end is determined as follows: Securities listed upon a recognized public stock exchange are valued at their bid prices on the valuation date. Securities with no available bid prices are valued at their closing sale prices or a price determined on such basis and in such manner established by the Manager. Securities not listed upon a recognized public stock exchange are valued using valuation techniques, on such basis and in such manner established by the Manager. Short-term notes, treasury bills, bonds, asset backed securities and other debt instruments are valued at the closing bid quotations from recognized investment dealers.

(c) Unit valuation and valuation date

Units are issued and redeemed on a continuous basis at the net asset value per unit which is determined, for units of each Fund other than the Steadyhand Savings Fund, on each day that The Toronto Exchange is open for business and, for the Steadyhand Savings Fund, on each day other than a Saturday, on which Canadian Chartered Banks are open for business. The unit valuation is determined by dividing the aggregate fair value of the net assets of that Fund by the total number of units outstanding at the close of business on the valuation day.

STEADYHAND INVESTMENT FUNDS

Notes to the Financial Statements (Unaudited)
as at June 30, 2010 and December 31, 2009

2. Significant accounting policies (cont'd):

(d) Investment transactions and transaction costs

Investment transactions are accounted for on the trade date. In accordance with CICA Section 3855, transaction costs are expensed and are included in "Transaction costs" in the Statements of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commission paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. The cost of investments for each security is determined on an average cost basis.

(e) Revenue Recognition

- (i) Interest income is recorded on the accrual basis.
- (ii) Dividend income is recorded on the ex-dividend date and is net of withholding taxes.
- (iii) Realized gains and losses on investments and unrealized appreciation (depreciation) in value of investments are calculated with reference to the average cost of the related investments.
- (iv) Income received from income trusts is recorded on the ex-distribution date and allocated between income, capital gains and return of capital when the information necessary for such an allocation becomes available based on best estimates at the time of statement preparation.
- (v) Income, realized gain (loss) and unrealized gain (loss) is allocated among the classes on a pro-rata basis.

(f) Foreign exchange

Foreign currency amounts are expressed in Canadian dollars on the following basis:

- (i) Fair value of investments, other assets and liabilities at the rate of exchange prevailing at the period end date.
- (ii) Value of investment transactions, income and expenses at the rates prevailing on the respective dates of such transactions.

(g) Increase (decrease) in net assets from operations per unit

Increase (decrease) in net assets from operations per unit in the Statements of Operations represents increase (decrease) in net assets from operations attributable to each class for the period, divided by the weighted average number of outstanding units of that class during the period.

(h) Forward Contracts

The value of forward contracts is the gain or loss that would result if the contract were closed out on a valuation date. We record this value in the change in unrealized appreciation/(depreciation) in value of investments. Once the contract is actually closed, we include the gain or loss in the net realized gain on forward contracts on the Statement of Operations.

STEADYHAND INVESTMENT FUNDS

Notes to the Financial Statements (Unaudited)
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2. Significant accounting policies (cont'd):

(i) Unrealized appreciation or depreciation of investments

The unrealized appreciation or depreciation of investments represents the aggregate of the difference between their average cost and market value at the year-end date.

(j) Management fee and operating expenses

Each Steadyhand fund pays One Simple Fee to the Manager, which is a fixed fee for services rendered. The Manager pays all of the funds' operating expenses. Many other mutual funds pay both a fixed management fee and all of the funds' variable operating expenses, all of which are indirectly paid by unitholders. This can result in changes in a Management Expense Ratio ("MER") that changes from year to year. Each Steadyhand fund pays One Simple Fee so that investors will know in advance the total costs associated with owning units of a fund.

This management fee is based on a percentage of the net asset value of the fund, as of the close of business on each business day.

Fund name	One Simple Fee
Steadyhand SavingsFund	0.65%
Steadyhand Income Fund	1.00%
Steadyhand Equity Fund	1.35%
Steadyhand Global Equity Fund	1.70%
Steadyhand Small-Cap Equity Fund	1.70%

The Manager absorbed all or a portion of the Funds obligations, where the aggregate expenses exceeded 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. In April 2009, the Manager implemented a temporary fee reduction for the Steadyhand Savings Fund to 0.30% and again in November 2009 to 0.20%.

(k) Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in these financial statements. Actual results may differ from those estimates.

(l) Financial Instruments

On January 1, 2008 the Fund adopted the CICA Section 3862, "Financial Instruments – Disclosures" of the CICA Handbook – Accounting ("Section 3862") and CICA Section 3863, "Financial Instruments – Presentation" ("Section 3863"). The standards replaced CICA Section 3861, "Financial Instruments – Disclosure and Presentation". The disclosure standards increase the emphasis on the disclosure of risks associated with financial instruments and how those risks are managed. The previous requirements related to presentation of financial instruments have been carried forward unchanged.

The detailed risks of investing in the Funds are disclosed in the Fund's Simplified Prospectus.

STEADYHAND INVESTMENT FUNDS

Notes to the Financial Statements (Unaudited)
as at June 30, 2010 and December 31, 2009

2. Significant accounting policies (cont'd):

(m) Difference between Transactional and GAAP NAV

The valuation methods used to calculate the daily net asset value to transact units of the Funds, as described in the Funds' Annual Information Form ("net asset value") are not identical to the GAAP accounting policies used to determine the financial statement net assets ("net assets") as shown on the Funds statements of net assets. The primary difference between net assets and net asset value relates to valuation of actively traded securities at bid prices for net assets and based on the close or last sale prices for net asset value.

3. Fair value disclosure:

The Fund's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with the amendment to CICA 3862. See Note 2(a) for a discussion of the Fund's policies regarding this hierarchy. The following fair value hierarchy table presents information about the Fund's assets measured at fair value on a recurring basis as of June 30, 2010 and December 31, 2009.

2010	Financial Assets at fair value as at June 30, 2010			
	Level 1	Level 2	Level 3	Total
Steadyhand Savings Fund				
Short Term Notes	-	4,593,090	-	4,593,090
	-	4,593,090	-	4,593,090
Steadyhand Income Fund				
Equities - Long	8,752,100	-	-	8,752,100
Bonds	-	23,475,018	-	23,475,018
Mortgage Backed Securities	-	891,532	-	891,532
Short Term Notes	-	7,189,172	-	7,189,172
Forward Contracts	-	3,642	-	3,642
	8,752,100	31,559,364	-	40,311,464
Steadyhand Equity Fund				
Equities - Long	24,437,235	-	-	24,437,235
Short Term Notes	-	999,936	-	999,936
	24,437,235	999,936	-	25,437,171
Steadyhand Global Equity Fund				
Equities - Long	20,621,538	-	-	20,621,538
	20,621,538	-	-	20,621,538
Steadyhand Small-Cap Equity Fund				
Equities - Long	11,896,538	-	-	11,896,538
	11,896,538	-	-	11,896,538

STEADYHAND INVESTMENT FUNDS

Notes to the Financial Statements (Unaudited)
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3. Fair value disclosure (cont'd)

2009	Financial Assets at fair value as at December 31, 2009			
	Level 1	Level 2	Level 3	Total
Steadyhand Savings Fund				
Short Term Notes	-	6,644,429	-	6,644,429
	-	6,644,429	-	6,644,429
Steadyhand Income Fund				
Equities - Long	8,334,761	-	-	8,334,761
Bonds	3,919,740	13,831,701	-	17,751,441
Mortgage Backed Securities	-	197,630	-	197,630
Short Term Notes	-	549,546	-	549,546
Forward Contracts	-	49,228	-	49,228
	12,254,501	14,628,105	-	26,882,606
Steadyhand Equity Fund				
Equities - Long	26,624,827	-	-	26,624,827
Short Term Notes	-	349,990	-	349,990
	26,624,827	349,990	-	26,974,817
Steadyhand Global Equity Fund				
Equities - Long	20,819,841	-	-	20,819,841
	20,819,841	-	-	20,819,841
Steadyhand Small-Cap Equity Fund				
Equities - Long	14,180,327	-	-	14,180,327
	14,180,327	-	-	14,180,327

There were no transfers between the three levels between January 1 to June 30, 2010 (2009 – None).

4. Unitholders' equity:

Pursuant to the Declaration of Trust of the Funds, the Funds have authorized an unlimited number of units, which are redeemable at the option of the unitholders. The following is a summary of changes in the Funds' outstanding units as at June 30, 2010 and December 31, 2009.

June 30, 2010	Outstanding units beginning of period	Units issued	Reinvested distributions	Units redeemed	Outstanding Units at end of period
	Steadyhand Savings Fund	684,140	240,846	639	(461,690)
Steadyhand Income Fund	2,695,522	1,051,707	62,447	(66,562)	3,743,114
Steadyhand Equity Fund	3,151,570	267,989	6,569	(252,915)	3,173,213
Steadyhand Global Equity Fund	2,927,296	457,565	7,875	(60,431)	3,332,305
Steadyhand Small-Cap Equity Fund	1,676,744	160,003	2,842	(445,172)	1,394,417

STEADYHAND INVESTMENT FUNDS

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as at June 30, 2010 and December 31, 2009

4. Unitholders' equity (cont'd):

The Funds allocate and accrue net income on a daily basis. The Savings Fund distributes net income monthly. The Income Fund intends to distribute net income on a quarterly basis. If required, the quarterly distribution may be adjusted during the year to reflect changing market conditions. Net realized capital gains are distributed annually in December. The Equity Fund, Global Fund, and Small-Cap funds distribute their net income and net realized capital gains annually in December. All distributions are automatically reinvested in additional units of the fund, unless investors specify in advance, in writing, that they want to receive distributions in cash.

5. Related party transactions:

As at June 30, 2010, Steadyhand and its subsidiaries, officers and directors owned units in certain of the Funds described herein. The Funds in which Steadyhand Investment Funds Inc. and its subsidiaries, the officers & directors of Steadyhand or its subsidiaries, or Steadyhand funds owned more than 10% of the total units issued by the respective Fund as at June 30, 2010 were as follows:

Fund	Number of Units	% of Total Units outstanding
Steadyhand Savings Fund	121,085	26.1%
Steadyhand Income Fund	506,445	13.5%
Steadyhand Equity Fund	247,542	7.8%
Steadyhand Global Equity Fund	288,618	8.7%
Steadyhand Small-Cap Equity Fund	183,663	13.2%

Management fees were paid to and expenses absorbed by the Manager.

6. Commission and other transaction costs

The Funds paid the following amounts in brokerage commissions and other transaction costs for portfolio transactions during the period:

Fund name	2010	2009
Steadyhand SavingsFund	\$ -	\$ -
Steadyhand Income Fund	17,279	29,295
Steadyhand Equity Fund	3,033	2,810
Steadyhand Global Equity Fund	15,190	16,801
Steadyhand Small-Cap Equity Fund	22,208	18,837

Included in the above are soft dollar commissions as follows:

Fund name	2010	2009
Steadyhand SavingsFund	\$ -	\$ -
Steadyhand Income Fund	1,307	459
Steadyhand Equity Fund	-	-
Steadyhand Global Equity Fund	-	-
Steadyhand Small-Cap Equity Fund	-	-

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.

STEADYHAND INVESTMENT FUNDS

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7. Income taxes:

Each Fund is currently a trust unit under the Income Tax Act (Canada), and should therefore not be subject to income tax on the portion of its income from operations, including net realized capital gains, that are distributed to unitholders. All or substantially all of the income for income tax purposes of the Funds will be distributed to unitholders in each taxation year, and accordingly, it is expected that no provision for income taxes, other than foreign withholding taxes and alternative minimum tax, as applicable, will be reflected in the financial statements. The year-end of each Fund is December 31st, and the following Funds have net realized capital losses available for utilization against net realized capital gains in future years:

Steadyhand Income Fund	\$109,428
Steadyhand Equity Fund	583,363
Steadyhand Global Equity Fund	906,878
Steadyhand Small-Cap Equity Fund	1,165,716

Capital losses have no expiry. None of the Funds have non-capital loss carryforwards.

8. International Financial Reporting Standards

The Canadian Accounting Standards Board confirmed that the International Financial Reporting Standards ("IFRS") will replace current Canadian standards and interpretations as Canadian GAAP for publicly accountable enterprises effective January 1, 2011, which includes investment funds. The Funds will adopt IFRS on January 1, 2011. Management has commenced activities to identify key issues and the likely impacts resulting from the adoption of IFRS and is in the process of developing a changeover plan, which will include identifying differences between the Funds' current accounting policies and those it expects to apply under IFRS, as well as any accounting policy and implementation decisions and their resulting impact, if any, on NAV of the Funds. Management has presently determined that there will be no significant impact to NAV per Unit as a result of the changeover to IFRS.