



## The Steadyhand Holiday Letter

Dear clients, friends, and those who came across our company searching for a camcorder that doesn't shake:

It was a memorable year for Steadyhand and Canadian investors. Following a disastrous 2008 in the equity markets, it looked as though the global financial system was on the verge of meltdown in late winter. By early March, the TSX Composite Index had shed half of its value (from its peak in June '08) and the Dow Jones hit a 12-year low. But in a concerted effort, governments around the world provided the stimulus necessary to stabilize the ailing credit markets. Stock prices reversed their downward course and began a steep and rapid ascent throughout the spring, summer and into the fall. Indeed, many major equity indices have rallied 50% or more from their lows.

In this highly volatile year, the team accomplished a lot. Let's get to some of the highlights:

### *Winter*

- § The federal government gave all of us a gift early in the new year with the introduction of the Tax-Free Savings Account (TFSA). Our operations team worked hard to ensure we were ready to open our first accounts in early January.
- § We held a series of investment sessions across the country and a webinar with the theme "This isn't the RRSP Season to Miss". The crowds were receptive. The message was firm. The hand was steady.
- § Tom posted four consecutive blogs on Buffett's annual letter to shareholders. Scott vowed to make sure this never happens again.
- § We grew our assets under management by 32% over the first quarter of the year when much of the industry was bleeding assets. More importantly, we were firm with our communications and advice to clients, very few of whom abandoned equities when things looked the bleakest.
- § In one of the coldest west coast winters in recent memory, we managed to blow the office's heating system. The neighborhood Starbucks saw a lot more of Steadyhand.

### *Spring*

- § We migrated our website to a new host. Not as easy as it sounds. Neil was buried deep in code for a few weeks resulting in little face time with his family. Not that they were complaining.
- § With a country full of disaffected investors, the timing was right to let Canadians know about Steadyhand. We signed on with a creative partner, *DDB*, and got started on the process of developing a marketing campaign.
- § Our funds marked their two-year anniversary and we published a report (*The Two-Mile Post*) on their performance. Turns out April '07 wasn't the best time to launch a fund company.
- § We hosted our second women's-only investment evening in West Vancouver. A great success (for all but Chris, who was denied entry despite a convincing wig).
- § Hedge funds are dead – or at least the model as we know it needs to change. This is the position that Tom argued at a luncheon held by the AIMA (Alternative Investment Management Association), Canada's hedge fund association. We all need to get thrown to the wolves every now and then.

## Summer

- § Our summer social event took place in late June: lawn bowling, fish 'n chips and beer. Corporate opulence the Steadyhand way.
- § With a spell of outstanding weather and record temperatures in Vancouver, we managed to blow the office's air conditioner. Made writing all the semi-annual regulatory documents that much stickier. Note to landlord: perhaps it's time for a new heating/cooling system.
- § Steadyhand opened a Twitter account. All the cool kids are doing it.
- § Sher and her fiancé captured two first place finishes in the False Creek Yacht Club Thursday night racing series. Next up, the America's Cup.
- § We converted our administrative platform over to a new record-keeping vendor, *CGI*, to take more of the process in-house and provide us with a better processing foundation to build on. Again, our operations team worked tirelessly to ensure the transition was seamless.

## Fall

- § We launched our advertising campaign in late September with a series of online, newspaper, magazine and TV ads (mostly in southern Ontario). In conjunction, we updated the home page of our website, incorporating the creative from the campaign. Aside from the odd 'bring back the bear' comment, the campaign and new home page has had a good reception.
- § Neil finally got a haircut. Just in time for our updated website pictures.
- § The team attended the *Up the Down Market* dinner (a charity event for the Down Syndrome Research Foundation) and placed second out of 30+ teams in a stock market simulation game. Would've taken first, but we were feeling charitable and gave it to a cross-town competitor.
- § We hosted a series of "Introduction to Steadyhand" seminars in Toronto and Vancouver.
- § Tom sat in as a special guest host on Business News Network (BNN). Clients can rest assured that we don't see a career change anytime soon.
- § David Toyne, our eighth employee, joined the team as Director of Business Development and established our Toronto office. David is an industry veteran and brings a wealth of experience to the table. Just don't bring up the Leafs.

It's been a busy year at Steadyhand. We've grown our team, strengthened our operations and provided our clients with that all important steady hand in what will likely go down as one of the most volatile periods in the history of the capital markets.

We appreciate your support and confidence and look forward to a new decade of investing together.

Happy Holidays!

