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# Steadyhand

## TimesSquare Capital Management

*TimesSquare Capital Management is the portfolio adviser for the Steadyhand Global Small-Cap Equity Fund.*

### About

TimesSquare is a specialist in small and mid-cap investing based in New York. The firm was founded in 2000, but key members of the team have been working in the small-cap space far longer. TimesSquare has earned the trust of a number of impressive clients and has been a pioneer since day one, from setting up shop in a then-seedy Times Square, to building portfolios that look nothing like the index.

### Magnus Larsson



Magnus is a Director, Portfolio Manager, and Head of International Equities at TimesSquare. He is the lead manager of the Steadyhand Global Small-Cap Equity Fund. Magnus has over 20 years of investment experience. Prior to joining TimesSquare in 2012,

he was a Portfolio Manager at Nordea Investment Management and SEB Asset Management, where his focus was on European small and mid-cap stocks. Magnus holds a Bachelor of Science in Economics and Business Administration from Orebro University in Sweden.

### Philosophy & Approach

TimesSquare employs a time-tested investment approach that places particular emphasis on a company's management and the unique nature of its offering.

Research is at the heart of the firm's stock selection process. Magnus and the team focus on identifying quality growth businesses, defined as those that have: (1) strong management with clear goals and a track record of success; (2) a distinct competitive edge; and (3) a record of consistent revenue and earnings growth.

### Identifying a competitive edge

For small companies in particular, having a unique advantage goes a long way. So what gives a company a leg up on its competition? TimesSquare looks for businesses with a distinct competitive edge, achieved through:

- High barriers to entry
- Proprietary products or services
- Distribution or manufacturing advantages
- Valuable patents
- Brand name recognition

### Portfolio Composition

The firm diversifies its holdings across industries and geographies, with position sizes up to 5%. Investments are focused in the developed world but the fund will also own stocks in emerging markets. The portfolio will typically hold between 40 to 50 stocks and looks nothing like the index. Portfolio turnover is low and is expected to vary between 20-30% per year.

### Risk Management

TimesSquare recognizes that the discipline and thought that goes into selling a stock can be just as important as the process of buying one. The firm seeks to mitigate downside risk in the fund by promptly selling stocks when it's determined that a firm's competitive advantage has deteriorated or its operating objectives have not been met. A stock is also removed from the portfolio when its price has grown rapidly or disproportionately to its future prospects.

### Core Strengths

When we were searching for a global small-cap manager, TimesSquare checked all the boxes. What set them apart was a combination of their **experience** (the key stock-pickers have an average of over 25 years of experience), **track record** (the firm has excellent long-term numbers), **focus** (small and mid-cap investing is all they do), and **alignment** (employees are significant owners of the firm and invest alongside their clients).