

Dear Members of the Task Force:

We appreciate your commitment to hear from Canadians across the country on the issue of improving financial literacy. We are looking forward to learning about your findings and recommendations.

Steadyhand is pleased to submit two brief and simple ideas that will assist Canadians in better understanding their investments and help them make better decisions involving their savings and retirement investing. First, we propose that standardized reporting measures be adopted to better inform individuals of their investment costs in simple, understandable terms. Second, we suggest that similar measures be adopted to better illustrate how an individual's investments have performed.

We believe that the investment industry has become excessively complicated, forcing investors into the hands of advisors, many of whom are simply sales people nudging them into the products that pay the greatest sales commission or are the easiest to sell because of past performance. The lack of transparency on investment costs and portfolio performance exacerbates the challenges for investors when it comes to understanding these two crucial aspects of investing. We feel that improving standard client reporting requirements would be an important step in enhancing financial literacy.

Our recommendations are simple:

- ***Require all statements provided by investment providers to include information on how much the client has paid the provider – in dollar terms and as a percentage of their total invested assets – over the reporting period.***
- ***Require all statements to also include relevant information on how the client's investments have performed. All investment providers should be required to show rates of return at the account and consolidated portfolio level. Performance figures should be provided for the same time periods that mutual funds are required to publish their returns (e.g., 3 months, 1 year, 3 years, 5 years, 10 years, and since inception).***

Over the past three years, considerable effort has gone into the discussion on Fund Facts (Steadyhand submitted comments in October, 2007 concerning NI 81-406). Our recommendations are in line with the goals of NI 81-406 and your Commission - the pursuit of transparency and literacy for retail investors.

Ultimately, Canadians need more transparency in the way they are reported to with respect to their financial assets - their retirement savings. This is a critical element of financial literacy. Investors need to receive relevant and clear information from their product/service providers in order to make informed and educated decisions.

In summary, we encourage the Commission to recommend implementation of **financial reporting standards** that inform Canadians of what their investments cost and how their investments have performed. It's not difficult to do - Steadyhand provides this reporting transparency to its clients every quarter! If a small player like us can do it, it's hard to believe that the banks and mega-fund companies with significantly more resources at their disposal can't do the same.

Thank you.

(see our sample statement - <http://www.steadyhand.com/accounts/2009/03/12/sample%20statement.pdf>)

A little background on Steadyhand

Steadyhand Investment Funds was co-founded 4 years ago by Tom Bradley, former CEO of Phillips, Hager and North, with the purpose of connecting investors and their savings with experienced money managers in the most efficient way possible.

Our investment philosophy is simple. A mutual fund should be concentrated in its manager's best ideas, unconstrained, and non-benchmark oriented with low portfolio turnover. We have dubbed this approach "undexing".

Steadyhand marries its investment philosophy with business practices that stand out in the crowded Canadian financial services marketplace.

We believe passionately in:

Co-investment. Our money is invested alongside our clients. We invest the majority of our financial wealth in the same funds as our clients. In other words, we 'eat our own cooking'. We even go as far as publishing the level of our employees' co-investment in our funds.

Low Fees. Our fees are low to start with and get significantly lower with size and tenure. Fees have a significant impact on long-term investment returns.

Transparency. We say what we believe in our blogging, newsletters and client reporting. We report to clients on four critical dimensions, very clearly and openly. Our statements show clients:

- What they own (asset mix)
- How much they have paid us (in fees)
- How they have done (performance)

A Steady hand. Retail investors often need help and guidance, particularly when uncertainty, such as we have witnessed over the past two years, dominates the media headlines and investor sentiment. We communicate actively, reach out to clients through our communications, and speak often with clients over the phone and face to face.