

The Steadyhand Holiday Letter

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

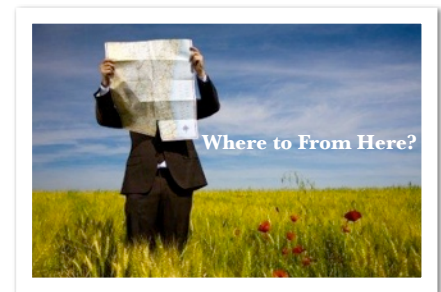


What a year! The Canadian stock market turned in double-digit returns (barring a steep sell-off in the last few days of the year), bonds provided another year of strong performance and gold reached a new high – in price and Canada's standings in the Winter Olympics! It was a confusing period for many investors, as the markets pushed forward in the face of a weak economic outlook, money continued to flow into low yielding fixed income products at a record pace, and sentiment remained mixed.

One thing was for certain though – it was another productive year at Steadyhand. Let's get to some of the highlights:

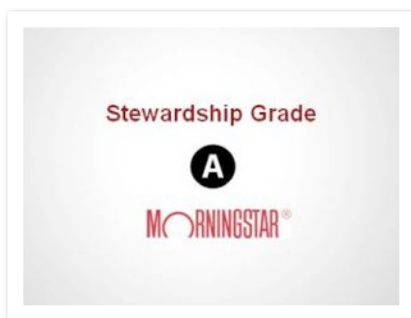
WINTER

- Our assets under management surpassed \$100 million in early January and we opened our 750th client account.
- Our annual client event was a success, with this year's theme being "Where to From Here?" The sessions were held in five cities across the country, where we reviewed our perspective on the markets and provided advice for investors.
- We officially opened our Toronto office in Brookfield Place, with David Toyne available to meet with investors. Just don't bring up the Leafs.
- Tom published his 100th article in the Globe and Mail. Almost seems worthy of a book...



SPRING

- Our funds marked their three-year anniversary. Performance has been mixed (the Income Fund has been hot while the Equity Fund and Global Fund have struggled), but our clients with a balanced asset mix have achieved first quartile performance over the period.
- We submitted a proposal to the Task Force on Financial Literacy, a government initiative aimed at strengthening the financial literacy of Canadians. Our recommendation was for greater transparency around the reporting of fees and performance. Industry practices and standards here are as weak as the Russian hockey team's showing at the XXI Winter Games.
- We received the top grade ("A") from Morningstar based on their new Stewardship grading system. Further, we received the highest score of all the fund companies rated – a proud accomplishment for the whole team.
- Tom travelled to Scotland to meet with the manager of our global fund (Edinburgh Partners) for a comprehensive review of the portfolio. Despite a challenging market, their investment philosophy and process were right on track. The cohesion and quality of the investment team was also impressive. The haggis and blood pudding, not so much.



SUMMER

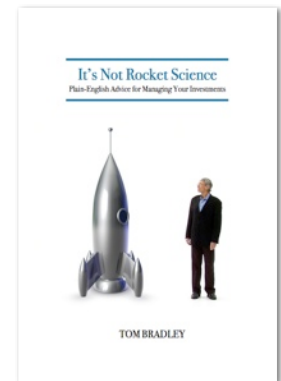
- Steadyhand converted from a limited partnership to a corporation (for tax and regulatory purposes) and welcomed four new shareholders into the fold – Neil, Elaine, Scott and Chris.



- We were proud to be recognized on the 2010 Progressive Employers of Canada list for being among a select group of “mom-friendly” employers who are leading change in the workplace for working parents. We stayed up an extra hour to celebrate.
- We launched our mobile website (www.steadyhand.com/mobile) for all the BlackBerry and iPhone addicts out there.
- As we do every year, we updated our co-investment number. Eighty-one percent of our team’s financial assets are invested alongside our clients in the Steadyhand funds. We continue to eat our own cooking.

FALL

- The team attended the *Up the Down Market* dinner (a charity event for the Down Syndrome Research Foundation) and placed first out of 35+ teams in a stock market simulation game. Smoked the competition pretty badly, too. All in the name of charity, of course.
- David attended *The Money Show* to get a reading on the types of products the industry is pushing. Don’t look for any tactical currency or rare earth funds from us anytime soon.
- Tom appeared on BNN and CBC’s *The Lang & O’Leary Exchange*. He also played the interviewer role in a series of videos with our managers. With all the time in front of the camera, he’s gotten a lot more comfortable with make-up. His wife’s starting to worry.
- We published *It’s Not Rocket Science: Plain-English Advice for Managing Your Investments*. The book is a collection of articles and blogs written over the past four years by Tom. We received an overwhelming number of requests for the book following its release. Guess it doesn’t hurt that we’re giving them away in the weeks leading up to Christmas.



It’s been another busy year at Steadyhand. We’ve expanded our reach and have enjoyed working with a group of engaged and passionate clients. We’ve done a lot of fine tuning behind the scenes to ensure that the ‘Steadyhand Experience’ continues to be efficient, personable, profitable and refreshing.

We appreciate your support and confidence and look forward to working together in the years ahead.

Happy Holidays!

The Steadyhand Team

Scott’s Holiday Nog

A belly-warming brew that’s sure to take your mind off the European debt problems, inflation debate and whatever else ails you this holiday season

4 oz egg nog
1 ounce dark rum
1 oz scotch
1 tsp brown sugar
1 cinnamon stick

Combine ingredients and mix with cinnamon stick. Sprinkle nutmeg if desired.

