



# The Steadyhand Holiday Letter

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

Investors won't soon forget 2011. Revolutions in North Africa, the earthquake and tsunami in Japan, spiraling debt problems in Europe, exceptionally low bond yields, accounting scandals in China, the 'Occupy Movement', and social media-related IPOs all made for an eventful year. While bondholders were beaming, stock investors were screaming.

It wasn't a quiet year around the shop, either. Here are some of the highlights.



## WINTER

- We experienced our busiest RSP season ever, increasing our client base by 15% and opening our 1,000th account.
- We published a white paper on assessing investment performance, an overlooked but critically important area of investing. Titled *How is My Portfolio Doing ... And What Should I do About it?*, the paper was widely read and received high acclaim in the investment community.



- Our annual client event, *Where to From Here?*, was a success. The sessions were held in five cities across the country, where we reviewed our perspective on the markets and provided advice for investors.
- The office hit Whistler on a blue bird Saturday in February for our first Ski Day. Feeling he had something to prove due to his eastern address, Team Ontario (David Toyne) showed us how "skiing is like investing. No risk, no return". A lesson in value investing was had at the ensuing yard sale.

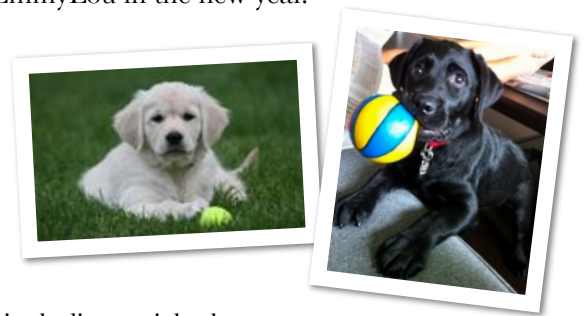
## SPRING

- We redesigned our Quarterly Report, with a fresh look and a few new features. From our communications to our website, we pay close attention to design, readability, and style at Steadyhand (Neil's biking wear notwithstanding).
- Our beloved Canucks garden gnome was stolen and the home team subsequently lost to Boston in the Stanley Cup Finals. Coincidence? I think not. A generous client later gave us a new gnome, proving once again that our clients are not just better investors, they're better people. Too strong?
- We shipped our 3,000th copy of Tom's book, *It's Not Rocket Science*. We still have a few copies on hand; if you're interested in one, give us a call (1-888-888-3147).
- We received some exciting news from Colette and Chris. The former completed the CMA program (Certified Management Accountant) and the latter got engaged. Champagne all around.



## SUMMER

- We encouraged our clients to adjust their asset mix in response to extreme market developments. With strong advances in the bond market and a significant retrenchment in stocks, we felt it was a good time to lighten up on bonds and add to equities. Many clients acted on our advice.
- As we do every year, we updated our co-investment number. On average, 80% of our team's financial assets are invested alongside our clients in the Steadyhand funds.
- We introduced Bruce, an investor who shares several traits with clients we deal with every day. We'll provide periodic updates on the decisions and challenges he faces with the intent of providing guidance to investors in a similar situation. Followers of Bruce can look forward to meeting EmmyLou in the new year.
- The markets weren't the only thing to go to the dogs in the summer, as David and Scott brought home their newest respective family members, Marlow and Tannin. We're hoping they can *retrieve* some of that cash sitting on the sidelines.



## FALL

- The firm received a number of positive third-party endorsements, including articles by Gordon Pape and MoneySense Magazine.
- We launched our new homepage. Changes were made to clarify our message and bring back some of our old zip. Specifically, we wanted viewers to know that we provide advice (if needed) and that our clients are all good looking.



- We published a paper comparing the experience of an ETF investor to that of a Steadyhand client. We wrote the report because ETFs are becoming a more prominent fixture in the investment landscape and nobody else has objectively compared the two investor experiences.
- Morningstar updated their Stewardship Grades and Steadyhand was one of four companies to receive the top grade ("A"). We also won the *Best Stewardship Initiative* award at the Canadian Investment Awards for the report we published on assessing investment performance. Unlike the gnome, that's something you can't steal.

As we approach our fifth anniversary, we're delighted with the investor base we've built. Our high client retention levels and positive feedback are indications that our clients "get it". While the markets are out of our control, we'll continue to do what we do best - minimize the impediments to strong returns and keep a steady hand on the rudder.

Happy Holidays!

*The Steadyhand Team*

### *Sher's Hot Toddy*

*Bring on the snow. This brew will warm your stomach and add a little heat to your holidays. Be generous with the brandy, it's Christmas after all.*

2 oz brandy  
1 tbsp honey  
2 tsp lemon juice  
1/2 cup hot tea  
1 lemon slice

Pour brandy and lemon juice in a tall coffee glass. Add tea, dissolve honey, stir and enjoy!

