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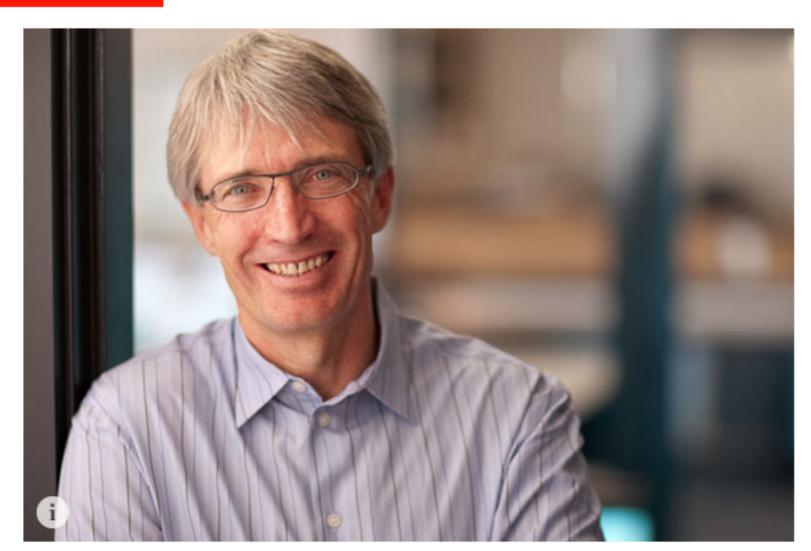
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"If you ran the rest of your life the way you run your investment portfolio, you'd be a disaster."

Thinking outside the box—and banks—with Tom Bradley, president of Steadyhand Investment Funds

Interview by Matt Alderton

For the average Joe, talking about stocks and bonds is like listening to a lecture on astrophysics or brain surgery-in Japanese. That is: incredibly boring and impossibly hard to follow. Unless, of course, the person talking is Tom Bradley, president and cofounder of Steadyhand Investment Funds Inc., a Vancouver-based investment firm that provides "no-load, high-conviction" mutual funds directly to individual investors. On the eve of his firm's fifth birthday, Advantage spoke with Bradley, who writes a semimonthly column for the Globe and Mail, about his company's origins and its simple, straightshooting approach to wealth management.

Advantage: Before Steadyhand, you were CEO of a large national firm, Phillips, Hager & North. Why did you strike out on your own?

Tom Bradley: Because they buy high and sell low, and-because they trade too much-investors tend to lag behind the funds they invest in. I felt very strongly that we could help people address that. Personally, it also was time to get down to something smaller where I could make a big decision quickly without having to go through committees and boards. A desire to get back to basics and keep things simple was a big motivator.

What was it like starting a new investment firm in the middle of a financial crisis?

We opened our doors in April 2007, which was probably the worst time to open an investment firm. When you start a business, there's always a bit of a lag until you build some awareness. In the middle of that lag, for us, was the fall of 2008. As a businessman running a new company, it was very jolting and very tough. As an investor, however, it was one of the easier times I've faced. It was a double-edged sword. We weren't signing up new clients because everybody was absolutely frozen. That was a downer. But on the other side, we established some great credibility because the opportunities in the market were so extreme and we gave our clients great advice.

So you literally provided a "steady hand." Is that where you got your firm's name?

Yes. The biggest thing we can do to make a difference for our clients is providing, in the literal sense, a "steady hand"-keeping their heads cool in euphoric times and not letting them get too down in tough times. Throughout our five years, I think we've really lived up to that. When times have been rocky and the markets have been down, we have virtually had no redemptions.

Other reasons you've had no redemptions, it's safe to say, are your prices-your base fees are 0.65 percent to 1.78 percent, compared to an industry average of 0.82 percent to 2.6 percent and your culture, which is high touch, high communication, and high transparency. Where does your approach come from?

In Canada, the landscape is dominated by big institutions. When you're competing against big behemoths, you have to be different. Our personality is something they can't replicate. I remember Bob Hager, one of the founders at Phillips, Hager & North, saying to me, "The older I get, the more I want to keep it simple." I'm not that old, but I have always had that tenet. We try to keep things as clean and simple as possible. It sounds corny, but our business practices emanate from how we want to be dealt with as consumers and investors ourselves.

Between your column for the Globe and Mail and your company's blog, you do a lot of writing. Why?

I think communication is really important. It's unbelievable—the disconnect between how important money is to people's lifestyles and how little they know about how it actually

Tom Bradley's Career Milestones

1979

Graduates from the University of Manitoba with a bachelor of commerce degree

1983

Receives an MBA from the Richard Ivey School of Business, then starts his career as an equity analyst at Richardson Greenshields

1991

Joins Phillips, Hager & North as a research analyst and institutional portfolio manager

1998 Becomes COO of Phillips, Hager & North; A year later, he becomes

2005

CEO

Resigns from Phillips, Hager & North

2007

Starts Steadyhand Investment Funds with Neil Jensen

works. Communicating clearly and trying to boil things down to key issues helps us crack through all the

What's the number-one thing you want to communicate to lay investors?

I think we've gotten way off track in Canada, where the focus is all on "no volatility" and "no downside." As a result, people are guaranteeing that they won't make an adequate return. As much as we've all been beaten up and had a pretty tough few years, we have to say "enough already" with avoiding volatility. It's incumbent on us as long-term investors to accept some volatility under the heading that we'll make money in the long term.

That sounds like good life advice, too. What else can one learn from investing?

If you ran the rest of your life as you ran your investment portfolio, you'd be a disaster. I use the example of buying a car: If you're in the locker room at the gym and a bunch of people say you should buy a Honda Accord, and you go out and buy one, I'm sure it would be a great car. As an investor, however, if everybody's buying Facebook, it would probably be the absolute wrong thing to do because it would already be trading at a high price. What makes investing hard is that how we think about everything we do-whether as a consumer or a parent or whatever-doesn't apply to investing. Investing is a little wackier, a little more unpredictable, and, as I like to say, a little more perverse. I'm not so sure you want to live like you invest.

noise.







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