Fund Facts

Fund Unit Value:
June 29, 2012
$15.1732

Inception Date:
June 4, 2010

RRSP Eligible:
Yes

Seymour Investment Management was founded in 2010 with a vision of creating an employee-owned, client-focused investment boutique with a unique service offering. Seymour provides fee-based discretionary investment management services to both individual and institutional clients.

The Seymour Performance Fund

The investment objective of the Seymour Performance Fund is to achieve superior risk-adjusted investment returns by investing primarily in small and mid capitalization Canadian equities. The Performance Fund holds a concentrated portfolio of 20-30 core names. In addition to owning a core group of equities, a small portion of the Performance Fund may be invested in event-driven transactions and initial public offerings. The Performance Fund should be viewed as more aggressive (higher risk and more volatile) than more conventional equity investments such as the Seymour Canadian Equity Fund.

The fee structure for the Performance Fund is based on an annual management fee of 1% of the net asset value, with an annual performance fee of 10% of any annual return over the hurdle rate of 7.5%.

PERFORMANCE

AS AT JUNE 29, 2012

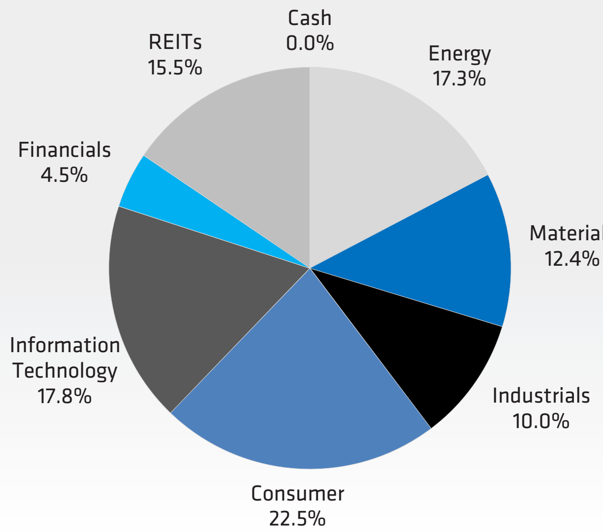
Total Return for the Period (%)[1]	3 Mo	YTD	1 Yr	Since Inception[3]
Seymour Performance Fund[2]	**-2.9%**	**10.9%**	**8.3%**	**23.7%**
S&P/TSX SmallCap Total Return Index	-13.1%	-7.9%	-19.6%	1.3%
S&P/TSX Composite Total Return Index	-5.7%	-1.5%	-10.3%	2.4%

1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently and past performance may not be repeated.

2 NAV performance is shown net of fees and expenses

3 Annualized since inception date of June 4, 2010

EQUITY SECTORS



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Portfolio Management Expertise

CARL HOYT, CFA
PRESIDENT

Carl Hoyt began his career in the investment management industry in 1985 in equity research with Pemberton Securities, a Canadian investment dealer. In 1989, Carl joined Goepel Shields & Partners as an equity research analyst and became a director of the firm. Carl co-founded Cypress Capital Management in 1998, and as Chief Investment Officer, he was instrumental in the firm's growth from its inception to over $4 billion in assets under management.

KELLY WOODALL, CFA
PARTNER

Kelly Woodall began her career in high net worth private client investment management in 1997. Beginning in 2000, Kelly spent seven years working in sell-side equity research. During this time, she covered a number of different stocks and industries. In 2006, Kelly left the sell side and returned to investment management. In recent years, Kelly has been a lead portfolio manager on various small capitalization and equity income portfolios, accounting for approximately $2 billion in assets under management.

Q2 Commentary: Seymour Performance Fund

JULY 03, 2012

Equity markets declined in the second quarter as Eurozone instability and slower global economic growth weighed on sentiment. Investors continued to favour fixed income securities and defensive, large-capitalization equities in an uncertain macro environment. The Seymour Performance Fund nevertheless outperformed both the S&P/TSX SmallCap Total Return Index and the S&P/TSX Composite Total Return Index due to its lower resource weighting and a positive contribution from individual security selection. The Fund's returns also benefitted from a takeover bid for HOMEQ Corporation, which was made at a 21.0% premium to the previous day's closing price.

Commodity prices corrected sharply in the quarter and resource and other cyclical equities led the market's decline. Although the Fund has very little direct resource exposure, it has indirect exposure through its investments in companies that provide services to resource companies. As we discussed in our last quarterly update, we reduced the Fund's holdings in Energy Services earlier in the year when we became concerned that oil & gas companies might need to cut capital expenditure budgets. The performance of the Fund's remaining Energy Services holdings was mixed, led by Black Diamond Group Ltd., whose share price climbed 14.7% in the quarter. Black Diamond, which rents modular structures used for workforce accommodations and temporary workspaces, is seeing very strong demand for remote accommodations, particularly in the oil sands. We believe structural demand supports a longer-term crude price north of $80 per barrel, and expect oil sands spending by large, well-funded oil & gas companies on long lead-time projects will remain strong over the next decade. During the quarter, Black Diamond announced several new contract wins, which led the company to increase its capital budget on two occasions.

Real Estate Investment Trusts continued to perform well on the back of solid property fundamentals, supported by strong availability of capital and low interest rates. Performance of the Fund's real estate holdings was mixed, led by Mainstreet Equity Corp., a consolidator of mid-market multi-family apartment buildings, which announced exceptional financial results driven by improved occupancy and cost containment. We continue to favour real estate operators like Mainstreet that have a proven ability to add value through redevelopment activities and generate above-average rental growth.

The Fund's Consumer and Industrial holdings had mixed performance, with steady-demand names such as Great Canadian Gaming Corporation outperforming more cyclical holdings such as Martinrea International Inc. Share prices of auto parts suppliers fell sharply in the quarter, as investors exited stocks with cyclical and European exposure. We continue to believe that the auto sector is in the early innings of a multi-year recovery and Martinrea, as a leading auto parts supplier with significant operating leverage, is well-positioned to benefit.

Great Canadian is the Fund's largest holding and was among its best-performing holdings during the quarter, climbing 12.8%. The Company is Canada's largest casino operator, with regional casinos serving local communities predominantly in B.C. and Ontario. In B.C., Great Canadian operates casinos on behalf of the British Columbia Lottery Corporation and receives a fixed percentage of the win generated by table games and electronic gaming. B.C. casinos are operated under long-term agreements that provide for the recovery of most maintenance and development costs. As a leading player in a regulated industry that enjoys relatively steady demand, Great Canadian generates strong cash flows. The company's shares nevertheless trade at a relatively depressed valuation of approximately 5x 2013E EV/EBITDA. This represents a substantial discount to the double-digit EV/EBITDA multiple implied by the proposed pricing of the recently attempted initial public offering of Great Canadian's peer, Gateway Casinos & Entertainment Limited. We continue to see opportunities for Great Canadian to unlock shareholder value, yet believe patience will be required given Management's unwillingness to engage shareholders.

Performance of the Fund's Technology holdings was mixed, led by PEER 1 Network Enterprises, Inc., which is one of the Fund's larger holdings. PEER 1 provides Internet data centre hosting and colocation services in North America and Europe to small and medium sized businesses. We believe PEER 1 is a well-run business in an industry that is enjoying very strong growth. The company's shares trade at a deeply discounted valuation to those of its peers, which we attribute in part to a liquidity discount. The company's shares are tightly held and five shareholders, representing 58.6% of outstanding common shares, have entered into a shareholder agreement that could ultimately lead to a change of control, which may be a positive catalyst for stock.

We expect equity markets will remain volatile in the near term as investor sentiment is heavily influenced by global macroeconomic data and monetary and fiscal policy. We continue to take a longer-term view and see opportunities to acquire positions in well-managed small-capitalization companies at very attractive valuations.