

Fund Facts

Fund Unit Value:

September 28, 2012
\$16.7664

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 SEPTEMBER 28, 2012

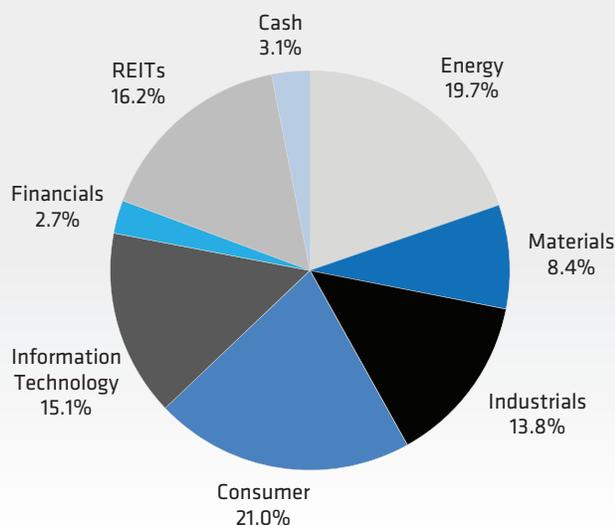
Total Return for the Period (%) ¹	3 Mo	YTD	1 Yr	Since Inception ³
Seymour Performance Fund²	10.5%	22.5%	37.0%	26.2%
S&P/TSX SmallCap Total Return Index	8.3%	-0.2%	5.6%	4.7%
S&P/TSX Composite Total Return Index	7.0%	5.4%	9.2%	5.6%

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



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.

Only accredited investors or investors who satisfy the minimum amount investment as defined by applicable securities legislation may invest in the Seymour Performance Fund. These materials are for information only and do not constitute an offer to sell or a solicitation to buy units of this Fund.

Q3 Commentary: Seymour Performance Fund

OCTOBER 05, 2012

Equity markets rebounded in the third quarter as sentiment lifted on hopes that government stimulus measures will help reaccelerate the global economic recovery. Although resource equities led the market rally, the Seymour Performance Fund nevertheless outperformed the more heavily resource-weighted S&P/TSX SmallCap Total Return Index and S&P/TSX Composite Total Return Index, returning 10.5% versus 8.3% for the SmallCap Index and 7.0% for the Composite Index. The Performance Fund's strong returns were augmented by the continued solid performance of a number of its core holdings.

Héroux-Devtek Inc. was the Fund's best-performing holding, climbing 69.1% in the quarter on the announcement of the sale of the company's Aerostructures and Industrial divisions for an attractive valuation of 9.5x trailing EBITDA. Prospects for the company's remaining Landing Gear division appear favourable, with a solid \$385-million-backlog providing visible growth. The disposition leaves Héroux-Devtek with a significant cash balance to be used for accretive acquisitions and/or dividends, and the implied valuation on the remaining Landing Gear business is attractive at only four times fiscal 2014E EBITDA.

Demand for remote workforce accommodations and temporary workspaces remains very strong, particularly in the oil sands, and companies such as Horizon North Logistics Inc. and Black Diamond Group Ltd. that manufacture and/or rent modular structures are enjoying strong growth and profitability. Horizon North announced a large contract with a major oil sands operator during the quarter, helping the company's shares to appreciate by 37.2%.

Secure Energy Services Inc.'s shares rose 32.1% in the quarter as the company strengthened its market share and once again expanded its organic capital budget to meet strong demand. Secure continues to supplement organic growth with acquisitions, expanding its U.S. capabilities with two acquisitions in the quarter. We expect that a growing volume of oilfield waste and a trend among producers to outsource fluid disposal will lead to excellent long-term revenue and cash flow growth.

Shares of PEER 1 Network Enterprises, Inc., which provides Internet data centre hosting and colocation services to small and medium sized businesses, rose 26.7% in the quarter. The company continues to drive capacity utilization and expand its data centres to meet future growth. The Internet Infrastructure sector continues to consolidate and we believe PEER 1 would be an attractive takeover candidate. A number of the company's peers have been acquired in recent years at double-digit EBITDA multiples.

The Performance Fund's real estate holdings continue to perform well, helped by strong fundamentals. The Fund's position in Tricon Capital Group Inc., an asset manager that provides equity and mezzanine capital to the residential real estate development industry, performed particularly well in the quarter, climbing 36.0%. Tricon continues to successfully raise new capital for its funds, targeting 15-20% annual growth in AUM. The company recently launched its promising new U.S. single family home rental strategy, investing in distressed U.S. housing for rental, primarily in Sacramento, Phoenix and Florida. We see significant opportunities for fee generation and accretive growth and view the stock's valuation as attractive, trading at a significant discount to analysts' sum-of-the-parts valuations.

Although investor sentiment remains heavily influenced by incremental macroeconomic data and changes in monetary and fiscal policy, we prefer to take a longer-term view. We continue to find opportunities to build positions in well-managed companies that are growing cash flows and trading at very attractive valuations. A recent addition to the Fund is Legumex Walker Inc., a processor and merchandiser of pulses, other special crops and canola products. The company sources product from a network of growers and processes these crops at its facilities and through an established network of third-party processing facilities. The company is nearing completion of the construction of a commercial-scale canola crushing facility located in Washington State, which is expected to add significantly to profitability.

We continue to follow a disciplined investment process that involves selling lower-conviction holdings and stocks with lower expected risk-adjusted returns to redeploy proceeds into higher-conviction holdings and stocks that we believe have superior risk/return profiles. We attempt to limit the number of individual holdings held by the Fund, which remains relatively concentrated with its top ten holdings representing 54.1% of its market value at quarter-end. During the quarter, we sold a number of small positions including Sandvine Corporation, which was sold at a loss following a string of quarterly revenue misses. Although we cannot rule out the possibility of the announcement of a strategic review or takeover bid given investors' growing impatience with the company's lack of profitability, we nevertheless prefer to remain on the sidelines until we see evidence of improved sales execution.