Fund Facts

Fund Unit Value:
June 28, 2013
$11.82532

Inception Date:
June 15, 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 Canadian Equity Fund

The investment objective of the Canadian Equity Fund is to achieve attractive risk-adjusted investment returns by investing in a diversified portfolio of 30 - 35 Canadian equities. The Canadian Equity Pool invests primarily in mid capitalization companies and may include selected small and large capitalization companies.

The fee structure for the Canadian Equity Fund is based on an annual management fee of 1%.

PERFORMANCE

AS AT JUNE 28, 2013

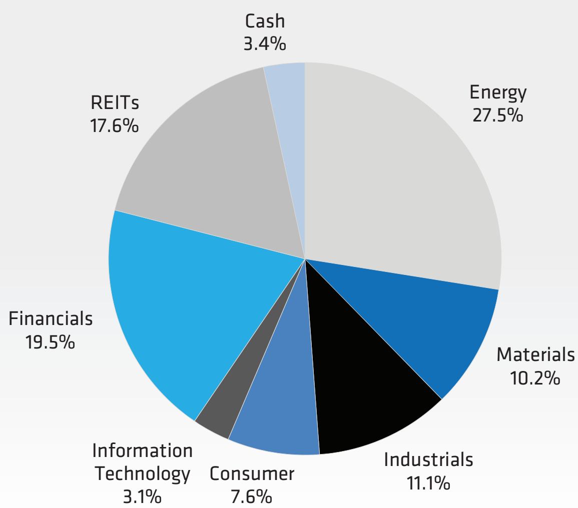
Total Return for the Period (%)[1]	3 MO	YTD	1 YR	3 YR	Since Inception[3]
Seymour Canadian Equity Fund[2]	**-0.9%**	**5.2%**	**14.9%**	**9.9%**	**7.6%**
S&P/TSX Composite Total Return	-4.1%	-0.9%	7.9%	5.4%	3.5%

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 15, 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.

Q2 Commentary: Seymour Canadian Equity Fund

JULY 11, 2013

Global equity markets weakened during the quarter on the back of a sharp rise in bond yields (U.S. and Canadian 10-year +65 bps to 2.52% and +68 bps to 2.44% respectively) and heightened concerns that the removal of monetary stimulus could cripple already weak economic growth. The Seymour Canadian Equity Fund fell 0.9% in the quarter, outperforming the S&P/TSX Composite Total Return Index which declined 4.1%. The Fund's relative performance was helped by its modest resource weighting and also reflects a positive contribution from individual security selection.

Although the market sell-off was broadly based, resource and interest-sensitive equities led the decline. Investors continued to flee Materials stocks in the quarter as commodity prices tumbled, and the Fund's relative performance benefitted from its lack of Gold exposure and modest Base Metals exposure. Methanex Corporation, the Fund's largest Materials holding, continued to be an outlier within the Materials sector, climbing 8.8%. Methanol prices remain well supported by a tight supply-demand outlook, and a growing methanol-to-olefins (MTO) market in China [for energy applications]. As the world's leading producer and marketer of methanol, Methanex is well positioned to capitalize on these trends with growing production. The company has a number of capital projects underway, which include the relocation of two Chilean plants to the U.S. Gulf, the restart of a plant in New Zealand, and the debottlenecking of the company's Medicine Hat plant. Upon completion, Methanex will have attributable production of ~7.3 million tonnes, which represents production growth of approximately 80% from 2012 - 2017.

The Fund's Energy holdings, which include investments in oil & gas producers, oilfield service companies, and pipeline & midstream companies, suffered declines in the quarter. Although Canadian heavy oil differentials have improved significantly, these improvements have yet to be fully reflected in the share prices of Canadian oil & gas producers. Valuations remain attractive and we continue to believe the Fund's Oil & Gas holdings are well-positioned for longer-term share price appreciation on the back of strong production growth, and higher realized pricing with improved pipeline connectively and increased rail transportation.

The Fund's Pipeline & Midstream holdings, which include Enbridge Inc. and Keyera Corp., sold off on the back of higher bond yields. Although valuations for the sector remain near historical highs, they remain supported by these companies' attractive business models and exceptional growth profiles.

During the quarter, we initiated a new position in Secure Energy Services Inc., a leading provider of oil and gas waste fluid treatment and disposal. Secure is a company that we have owned for some time in the Seymour Performance (SmallCap) Fund, and which has grown to a sufficient size and liquidity to be included in the Seymour Canadian Equity Fund. 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. Cash flows from the company's Drilling & Completions Fluids business are being used to fund the growth of its more capital-intensive Processing, Recovery & Disposal division, a business that generates very strong returns on capital. Although the stock commands a premium valuation, we believe the premium is justified by the attractiveness of Secure's business model, its profitability, and its strong growth outlook.

The Canadian Banks experienced modest share price declines in the quarter. Although rising interest rates and a steepening yield curve are generally positive for the banks, in the short term net interest margins (i.e. interest income earned less interest paid out on deposits) can get squeezed when interest rates rise quickly. Valuations remain attractive in our view, with concerns about slower economic growth and the Canadian housing market continuing to weigh on sentiment. We continue to like the Canadian Banks as long-term investments due to the strength of their underlying business models, which allows them to generate attractive returns in most environments.

The Fund's real estate holdings fell modestly in the quarter, yet significantly outperformed the S&P/TSX Capped REIT Total Return Index, which declined 7.1% in the quarter on the back of the rise in bond yields. We have been selective in our real estate holdings for some time given our expectation that rising interest rates will create somewhat of a valuation headwind for the sector in coming years. From a fundamental perspective, REITs continue to perform well as supply/demand remains balanced, financing costs remain historically low, and REITs continue to reduce their interest costs by refinancing maturing debt at lower rates.

OpenText Corporation, a software company that develops enterprise content management (ECM) solutions, was the Fund's best performing holding in the quarter, climbing 19.8%. The company, whose shares are notoriously volatile around quarterly earnings releases, reported strong organic license growth in the second quarter. OpenText has an excellent track record of acquisitions, and we expect organic growth will continue to be supplemented by M&A.

We continue to be quite optimistic about the long-term outlook for equities. Although we expect rising interest rates will provide a valuation headwind for certain sectors, the broader equity market has historically performed well during most periods of rising interest rates. We continue to find interesting opportunities for investment.