Fund Facts

Fund Unit Value:
March 31, 2014
$25.2916

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) 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 MARCH 31, 2014

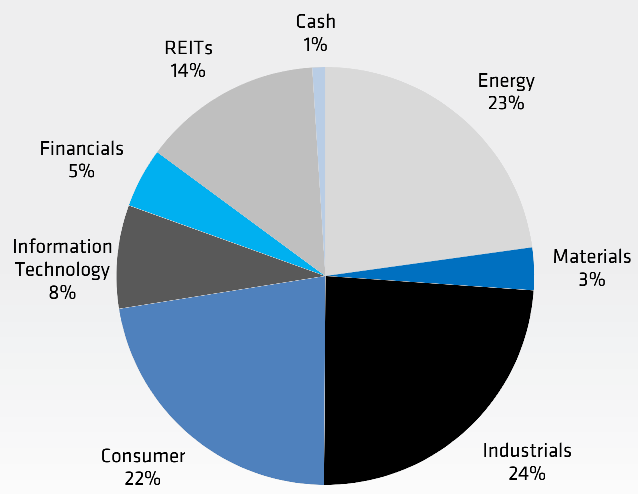
Total Return for the Period (%)[1]	3 MO	1 YR	3 YR Annualized	Since Inception[3]
Seymour Performance Fund[2]	**9.4%**	**40.3%**	**21.1%**	**29.0%**
S&P/TSX SmallCap Total Return Index	7.9%	15.4%	-3.1%	6.4%
S&P/TSX Composite Total Return Index	6.1%	16.0%	3.6%	8.9%

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



Seymour Investment Management Ltd. | 1285 West Pender Street, Suite 1000 | Vancouver, B.C. V6E 4B1
Main: (604) 659-1722 | info@seymourinvest.ca | www.seymourinvest.ca

Q1 Commentary: Seymour Performance Fund

The Seymour Performance Fund performed well in the quarter (+9.4%), benefitting from continued strength in broader equity markets. The Fund outperformed the S&P/TSX SmallCap Total Return Index and the S&P/TSX Composite Total Return Index (+7.9% and +6.1%, respectively), reflecting the positive contribution from individual security selection.

Resources led the market rally in the quarter, and the Fund's position in oil sands producer MEG Energy Corp. benefitted (+22.1%). We continue to think MEG is well positioned for long-term outperformance given the strength of its oil sands portfolio, its demonstrated operating track record, and its strong, visible growth profile.

The Fund benefitted from the very strong performance of a number of its larger holdings including Badger Daylighting Inc. (+46.2%), Cargojet Inc. (+38.4%), and CCL Industries Inc. (+19.6%). Other notable performers included Polaris Minerals Corporation (+58.3%), Canadian Energy Services & Technology Corp. (+24.0%), Winpak Ltd. (+23.8%), PNI Digital Media Inc. (+26.3%), and Burcon Nutrascience Corp. (+25.8%).

We have written about Badger and CCL Industries in previous commentaries. Both companies have phenomenal track records and have seen their shares re-rate in the last year as they have grown to a sufficient size to appeal to a broader investor base. Badger, a leading provider of excavating services to the oil and gas, utility and general construction industries, has seen its share price more than triple in the last year. We received an update from Management in the quarter, and were encouraged by the progress that the company is now making building out its business in the United States. Badger, which designs and manufacturers its own truck-mounted hydrovac units, recently announced that it is increasing its build rate to 5 trucks per week from 3.5 previously, to support market demand. With the U.S. market still in its infancy and penetration rates for hydrovacs increasing, we see the potential for strong long-term growth, which the company will finance through internally generated cash flows. We will continue to hold the shares for expected double-digit earnings growth.

CCL is the world's largest converter of pressure sensitive and film material for label applications. CCL's share price has doubled since January 2013 when the company announced a $500-million, all-cash acquisition of two label converting businesses from Avery Dennison, providing a new platform for growth. We recently sat down with Management and were impressed by the progress the company has made restructuring Avery (est. synergies of $40 million). CCL has an attractive organic growth profile and we expect the company will continue to use its underlevered balance sheet to complete accretive acquisitions.

Cargojet's shares jumped on the announcement that it had been awarded a transformative contract that is expected to nearly double the company's revenues. Cargojet is the leading dedicated domestic provider of time sensitive overnight air cargo services. The company generates steady cash flows under long-term contracts, with the bulk of revenues derived from fixed capacity commitments. In February, Cargojet announced that it had been awarded significant new business with Purolator that positions the company to realize operating leverage and provides opportunities for fleet optimization, which in turn should lead to new growth opportunities.

The Fund's returns were negatively impacted by the weak performance of several of its holdings in the quarter including Horizon North Logistics Inc. (-16.0%), McCoy Corporation (-15.2%), and DirectCash Payments Inc. (which we bought opportunistically on weakness, however, our timing proved to be a little early). Horizon North's share price fell sharply when Management warned that Q4 2013 and H1 2014 results would be below expectations, and on disappointment that the company wouldn't be participating in the first phase of the remote workforce camp's buildout at Fort Hills. We used the pullback as an opportunity to add to our position and remain constructive on the longer term outlook for the remote workforce camp providers. As preferred suppliers, Horizon North and Black Diamond Group Ltd. are well positioned to participate in the growth of the oil sands, and we also see potential for contract awards of LNG upstream camp projects. The company's shares are inexpensively valued at ~5.5-6x 2015E EV/EBITDA (and trade at a substantial discount to peer Black Diamond's valuation at ~8.5x 2015E EV/EBITDA).

McCoy Corporation generated disappointing share price performance in the quarter (-15.2%). The company's Q4 2013 financial results were negatively impacted by challenges related primarily to the implementation of a new Enterprise Resource Planning (ERP) system for its Drilling and Completions division. While a number of these issues should prove temporary, we understand from our conversations with Management that some of the issues will continue to impact coming quarters. On a positive note, the company is seeing strong demand in offshore and international markets, and the company remains on schedule for the opening of two new international sales and service centres. Although the stock's valuation appears inexpensive at 6x 2015E EV/EBITDA, we think a bit of patience may be required.

Although equity valuations have crept higher with the market we continue to find attractive opportunities for investment, albeit at higher valuations than we witnessed coming out of the downturn. We remain constructive on the longer-term outlook for equities.

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.

KYLE HARRISON, CFA
PARTNER

Kyle Harrison began his career in the investment industry in 1992 with investment dealer Marleau, Lemire Securities which focused on small capitalization Canadian equities. Kyle was responsible for institutional sales in New York and subsequently moved to Vancouver to develop the U.S. West coast. In 1996, Kyle joined CIBC World Markets and attained the position of Managing Director with responsiblity for institutional equity sales in Western Canada and the United States. In 2013, Kyle obtained the Family Enterprise Advisor™ certification.