Fund Facts

Fund Unit Value:
December 31, 2014
$11.0279

Inception Date:
December 31, 2013

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 Mid-Cap Equity Fund

The investment objective of the Seymour Mid-Cap Equity Fund is to achieve attractive risk-adjusted investment returns by investing in a diversified portfolio of 20 - 35 Canadian equities. The Mid-Cap Equity will invest primarily in mid-capitalization companies and may include selected small- and large-capitalization companies.

The fee structure for the Mid-Cap Equity Fund is based on an annual management fee of 1% of the net asset value.

PERFORMANCE

AS AT DECEMBER 31, 2014

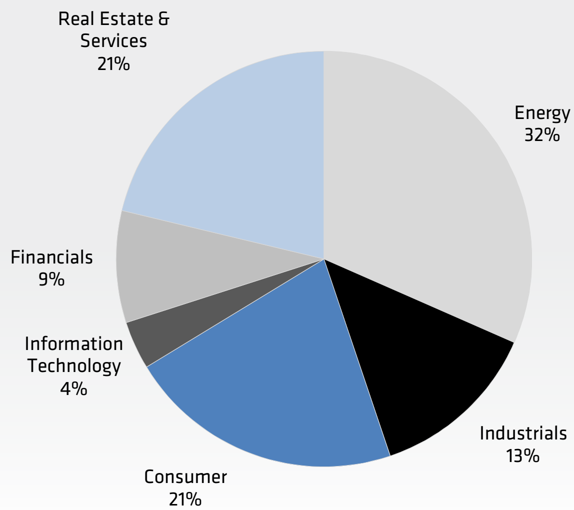
Total Return for the Period (%)[1]	3 MO	1 YR	3 YR Annualized	Since Inception[3]
Seymour Mid-Cap Equity Fund[2]	**-5.4%**	**13.5%**	**n/a**	**13.5%**
S&P/TSX Completion Total Return Index	-4.6%	5.7%	n/a	5.7%

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 Fund inception date December 31, 2013

EQUITY SECTORS



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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 responsibility for institutional equity sales in Western Canada and the United States. In 2013, Kyle obtained the Family Enterprise Advisor™ certification.

Q4 Commentary: Seymour Mid-Cap Equity Fund

Canadian equities continued to decline in the fourth quarter and smaller-cap equities were particularly impacted. The Seymour Mid-Cap Equity Fund fell 5.4%, underperforming the benchmark S&P/TSX Completion Total Return Index, which declined 4.6%. The underperformance can be attributed in part to the Fund's higher Energy weighting (when its Energy Services and Pipeline & Midstream holdings are included). For the year, the Mid-Cap Fund returned +13.5%, significantly outperforming the Completion Index's +5.7% return after fees.

Crude oil prices fell sharply in the quarter, triggering a sell-off in the shares of Oil & Gas companies and companies in related industries. While historically price declines of this magnitude have typically occurred in times of economic recessions, the current decline has primarily been triggered by record oil production, which has led to a supply glut and a battle for market share. Although the Fund has very little direct resource exposure, its Energy Services holdings experienced declines of between 25 – 48% reflecting expectations of lower activity and pricing. The Fund's Pipeline & Midstream holdings declined between 8 - 22%, reflecting their exposure to activity and production levels. We continue to view the outlook for the Fund's Pipeline and Midstream holdings as favourable given the contracted nature of their cash flows and the visible growth provided by their multi-year backlogs of secured projects. Additionally, we have already seen that the current commodity price environment is providing opportunities for midstream companies to acquire infrastructure assets from oil & gas companies in need of liquidity.

The Fund's investment in Dream Unlimited Corp., a real estate developer and asset manager whose land and housing development business is concentrated in Alberta and Saskatchewan, also performed poorly (-28.0% from our entry point). We recently initiated a position in Dream after the company's share price had corrected seemingly on concerns over lumpiness in the company's quarterly earnings. In our view, Dream's quarterly earnings are of limited value given the long-term nature of real estate development. Land development and homebuilding is a cyclical, lumpy business by its very nature, but good conservatively-levered developers with attractive land bases can generate attractive returns over a cycle. We expect Dream's management team, led by CEO Michael Cooper, a highly-regarded real estate executive that is well-aligned through his 30% ownership position, will realize significant value over the long-term by developing the company's large, well-located land base and by increasing assets under management. Although difficult to value, we think the company's current valuation reflects a discount to the underlying value of its raw land, without assigning any value to the company's asset management operations or other assets.

The impact of lower crude oil prices will be felt throughout the energy patch and the broader economy as producers' hedges roll off and profits decline. The good news is that as economic theory would dictate, low oil prices tend to be self-correcting. Capital spending budgets, which have already been revised lower, will see further cuts as borrowing bases are re-evaluated. Drilling will slow and marginal projects will be delayed or shelved. Eventually production will decline. At the same time supply is declining demand will rise, as lower gasoline prices at the pump and lower energy costs encourage greater consumption. The same speculators that helped drive crude oil prices lower in recent months will take long positions, helping to drive crude prices higher. Cycles are inevitable and we will need to wait for the current down cycle to play out. Over the long term, economic theory would suggest that the marginal cost of new supply, which we believe is much higher than current prices, should create a floor price.

Linamar Corporation was the Fund's best-performing holding, climbing 22.8%. Linamar, a leading auto parts supplier, continues to benefit from the ongoing cyclical recovery in auto sales as well as secular drivers. The company's auto parts division is in the midst of launching ~$3.3 billion of new business over the next few years, and its Skyjack division is enjoying strong growth as U.S. nonresidential construction activity recovers. The company released third-quarter earnings that greatly exceeded analysts' revenue growth and profit margin expectations. The company currently has booked business of $5.8 billion for 2018 (up from $4.2 billion in 2013), and Management guided to higher normalized profit margins going forward.

Progressive Waste Solutions Ltd. (+21.2%) also performed well. Progressive Waste is a leading North American provider of non-hazardous solid waste collection, recycling and landfill disposal services. The company's operations are located in high-density urban markets or exclusive markets, where the company is able to obtain regional scale and employ a vertically-integrated approach to waste management. In May, the company announced a five-year strategic plan, which focuses on improving operational efficiency and capital allocation with the goal of enhancing shareholder returns. Although it is early days, we are already seeing the benefits of the shift in strategic focus through improvements in the company's free cash flow generation.

Although the sharp decline in oil prices and recent market volatility is unsettling, we must remind ourselves that investing is a marathon rather than a sprint. While the near-term outlook for the Oil & Gas sector is challenging, the Fund also holds investments in a multitude of reasonably-valued, non-energy companies that will continue to generate strong and steady earnings growth regardless of the commodity outlook. Patient investors that take a long-term outlook should ultimately be rewarded with capital appreciation commensurate with earnings growth.