Fund Facts

Fund Unit Value:
March 31, 2015
$24.4440

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, 2015

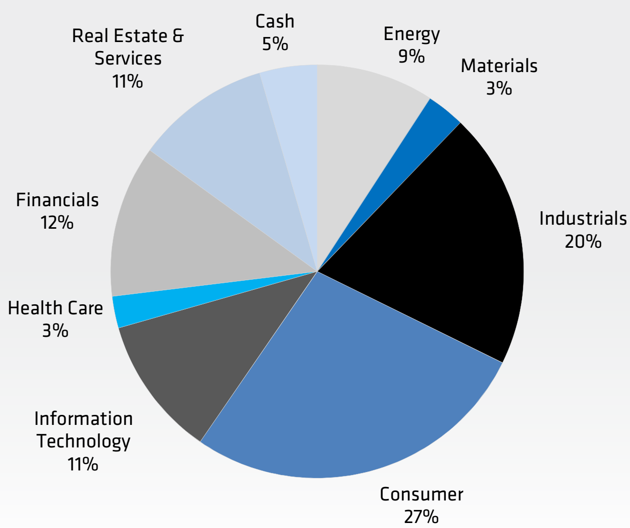
Total Return for the Period (%)[1]	3 MO	1 YR	3 YR Annualized	Since Inception[3]
Seymour Performance Fund[2]	**2.8%**	**5.4%**	**20.4%**	**23.7%**
S&P/TSX SmallCap Total Return Index	-0.3%	-9.8%	-1.1%	2.8%
S&P/TSX Composite Total Return Index	2.6%	6.9%	9.6%	8.5%

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 4, 2010

EQUITY SECTORS



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Q1 Commentary: Seymour Performance Fund

The Seymour Performance Fund rose 2.8% in the quarter, outperforming the S&P/TSX SmallCap Total Return Index which declined 0.3%, reflecting the Fund's more modest resource weighting and the positive contribution from individual security selection. The Fund also outperformed the S&P/TSX Composite Total Return Index (+2.6%) despite the underperformance of Canadian small cap stocks during the period.

Energy was once again the weak spot in the quarter as the price of crude oil continued to weaken. We had the opportunity to meet with a number of oil & gas producer, oilfield service, and pipeline and midstream companies, and it is clear to us that the industry has become laser-focused on cost reductions and productivity improvements, which should set the stage for a healthier, more profitable industry when commodity prices recover. Global demand for crude has risen and the North American rig count has steadily declined, raising hopes that production may soon peak, although further production cuts will be required to balance the market. For the Fund's oilfield service holdings, reduced activity levels and pricing pressure creates near-term headwinds, which has been reflected in share prices (down 42% - 74% from their 2014 peaks).

Investors have flocked toward U.S. equities in recent years to gain exposure to the economic recovery. More recently, the Canadian economic outlook has deteriorated due to lower oil prices, causing investors to increasingly look for companies with greater U.S. and international exposure. While the Fund's holdings are Canadian-domiciled, many of them generate significant revenues from selling products and services abroad. We estimate that nearly 70% of the portfolio is invested in companies with significant U.S. and international sales. In fact, one-half of the Fund's holdings generate the majority of their revenues outside Canada including Kinaxis Inc., Tricon Capital Group Inc., Winpak Ltd., and CCL Industries Inc., whose share prices were up 43.2%, 28.4%, 18.8%, and 13.2%, respectively.

The Bank of Canada surprised the market when it lowered its target for the overnight rate by 25 basis points to help mitigate the impact of lower oil prices on the Canadian economy, causing the biggest quarterly decline in the CAD/US foreign exchange rate since the 2008 recession. The impact of a weaker CAD is neutral to positive for the majority of the Fund's holdings. For example, companies with significant unhedged US revenues see an increase in C$ profits when the CAD weakens. Additionally, TSX- or dual-listed companies that utilize the US dollar as their reporting currency may see a boost in their C$ denominated share price.

Tricon (+28.4%), a TSX-listed real estate asset manager whose assets are predominantly located in the U.S., was one of the Fund's best-performing holdings. The company has built an impressive track record of returns managing private real estate funds focused on land and homebuilding assets since its 1988 inception. We initiated a position in Tricon in March 2012 when it was a sub $100-million market cap company with limited trading liquidity. Shortly thereafter, the company announced plans to expand into the U.S. single family rental market – a move which has proved to be transformational. Over the course of the last few years Tricon has amassed an impressive portfolio of 6,377 rental homes – many at distressed prices, which Management estimates is now capable of generating US$36 million of net operating income on a stabilized run-rate basis (assuming 95% occupancy). The value of the portfolio has continued to rise as the U.S. housing market has recovered, and the company's shares got a boost this quarter when Tricon recorded a significant unrealized gain. The company recently internalized the management of its third party operators and plans to continue to grow the portfolio at a rate of ~400-500 homes per quarter. The completion of a large debt securitization will free up capital for management's growth plans which also include its 'separate account business', where Tricon co-invests with institutional partners directly in real estate projects, and new verticals including manufactured housing and potentially multi-family development. We are pleased with how the company's strategy has evolved and like the strategy of leveraging ownership interests in various verticals to attract and manage third-party capital and generate 15-20% IRRs and NAV growth – a strategy with similarities to those of core holdings Brookfield Asset Management and Onex Corporation.

Shares of Rifco Inc. (-46.8%), an Alberta-based non-prime auto lender whose loan book is roughly two-thirds exposed to consumers in western Canada, remain under pressure. The company's delinquency rates have crept higher in recent quarters, and we think credit losses could rise with an uptick in Alberta unemployment. We had the opportunity to meet with Management recently and understand that the company has made some changes to its operational procedures that should help mitigate credit losses. We think the risk of higher credit losses has been overly discounted in the company's share price, and recent insider buying would suggest Management agrees with this view.

We believe the Fund's holdings are well positioned to continue to drive long-term earnings growth, supported by positive economic growth, low interest rates, and clean balance sheets. This should translate into attractive equity returns for patient, long-term shareholders. Valuations of non-resource, large-cap Canadian equities appear relatively full to us, which we think in part reflects the scarcity value of such opportunities for large Canadian institutional equity investors that are not able to invest in smaller-cap alternatives. We continue to see more attractive opportunities in the mid- and small-cap universe. Regardless, valuations can and have historically remained above long-term averages for prolonged periods of time, and we do not view current valuations as excessive but rather reasonable in light of current market conditions.

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.