Fund Facts

Fund Unit Value:
June 30, 2015
$14.9314

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.

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 20 - 35 Canadian equities. The Canadian Equity Pool invests primarily in large-capitalization companies and may include selected small- and mid-capitalization companies.

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

PERFORMANCE

AS AT JUNE 30, 2015

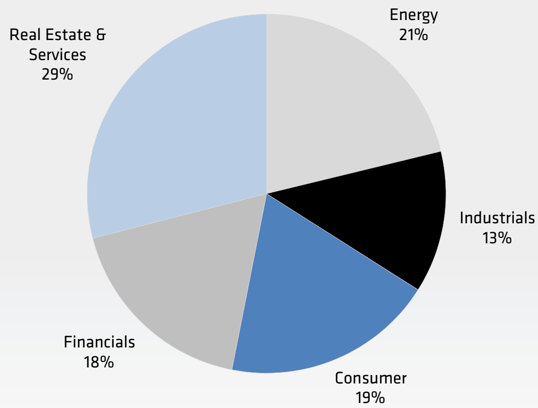
Total Return for the Period (%)[1]	3 Mo	YTD	5 Yr Annualized	Since Inception[3]
Seymour Canadian Equity Fund[2]	**-3.1%**	**1.1%**	**12.5%**	**11.1%**
S&P/TSX Composite Total Return Index	-1.6%	0.9%	8.3%	7.1%

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



Seymour Investment Management

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CARL HOYT, CFA

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

Kelly Woodall began her career in high net worth private client investment management in 1997. Beginning in 2000, Kelly spent seven years working as a sell-side equity research analyst, providing research coverage of 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 a variety of Canadian equity, equity-income, and small-capitalization mandates.

KYLE HARRISON, CFA

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.

ANTHONY WERRY, CFA

Anthony Werry has worked in the investment industry for over 25 years. His career began in 1987 at Pemberton Securities in Vancouver. He then moved to Toronto to work as an analyst with RBC Dominion Securities. In 1993 he moved back to Vancouver with Royal Bank Investment Management as a portfolio manager for high net worth clients. In 1999, Anthony became one of the founders of Cypress Capital Management, where he remained as a managing partner until 2014. In addition to managing money for high net worth clients, Anthony's key roles at Cypress were to provide leadership in equity strategy and managing a high yield fund.

Q2 Commentary: Seymour Canadian Equity Fund

Equity markets sold off late in the quarter reflecting renewed concerns over political and economic risk in Europe and growing evidence of slower economic growth in China. As the June 30 deadline for Greece's International Monetary Fund (IMF) loan repayment approached, investors became increasingly worried about the potential fallout from a Greece debt default and possible exit from the Eurozone. The Seymour Canadian Equity Fund declined 3.1% in the quarter, underperforming the S&P/TSX Composite Total Return Index's -1.6% return. Although the majority of the Fund's holdings experienced share price declines in the quarter, roughly one-half of its negative return may be attributed to its Energy-related holdings.

The Fund's Energy-related holdings performed poorly in the quarter reflecting weak fundamentals, and Alberta's election of a new NDP government that was quick to launch a royalty review and announce tax increases. The Fund's two small oil & gas producer investments experienced share price declines and its oilfield service holdings were also a drag on its returns. In addition, the Fund's interest-sensitive pipeline & midstream holdings were negatively impacted not only by weak fundamentals but also by a rise in bond yields. We reduced the Fund's Energy weighting during the quarter, exiting both oil & gas producer Cenovus Energy Inc. and remote accommodations provider Black Diamond Group Ltd. Looking back over the past year we erred in believing that we were being conservative by having only a modest direct investment in resource stocks in the Fund. The past year has been a good reminder that when commodity prices correct they can do so unpredictably and swiftly, and the fallout may extend well beyond the resource companies themselves.

The Fund's Real Estate holdings came under pressure in the quarter as bond yields surged. In recent quarters, REIT performance has been highly correlated with movements in bond yields. In Q1 2015, the Government of Canada 10-year bond yield (GCAN10YR) declined 55 basis points (bps) to 1.35% and the S&P/TSX Capped REIT Total Return Index rose 8.0%. In Q2 2015, the GCAN10YR bond yield climbed 33 bps to 1.68% and the REIT Index fell 5.0%. We remain selective in our Real Estate holdings given our expectation that rising interest rates will create somewhat of a valuation headwind for the sector in coming years.

We were a bit surprised by the magnitude of the sell-off in CN Rail shares this quarter (-15.0%), which we think reflects weaker-than-expected carload volumes and concerns that CN may not meet 2015 earnings guidance [calling for double-digit growth]. It is worth noting that 2014 provided a difficult comparative period [as all of CN's stars aligned and the company generated 22.9% earnings growth]. We are less concerned with CN's near term outlook and see nothing that would suggest the company's longer-term growth outlook has in any way deteriorated. We view CN as a best-in-class operator with an attractive asset base in an industry with massive barriers to entry, and a long track record of consistent earnings growth. Following the recent sell-off, CN shares are trading closer to long-term historical average levels, and at a rare discount to the broader market. We took advantage of recent weakness to add to this core holding.

Shares of Progressive Waste Solutions Ltd. declined 9.9% in the quarter, which appears to be prompted by volume weakness [due to harsh weather] and concerns of slower growth in energy-centric markets. Once again, we are less interested in the company's near-term outlook and believe our longer-term investment thesis is firmly intact. 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 2014, 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, the company is already capturing efficiencies from the implementation of automation & CNG conversion, route optimization, and other initiatives in regional markets where its new strategy has been implemented.

We initiated a new position in FirstService Corporation, the largest North American manager of residential communities, after the company spun off its Colliers (commercial real estate services) business. FirstService Residential continues to win market share and is a consolidator in the fragmented residential property management market. We like FirstService for the company's strong and aligned management team, high recurring revenue base, attractive growth outlook, and strong free cash flow generation. FirstService is leveraged to the U.S. economic recovery not only through FirstService Residential but also through FirstService Brands, its network of franchise brands that provides property services including Paul Davis Restoration, CertaPro Painters, California Closets, College Pro Painters, Pillar to Post Home Inspectors and Floorcoverings International. In aggregate, 92% of FirstService's revenues are generated in the U.S.

The bright spot in the quarter was the Fund's Consumer holdings, which are generally benefitting from improving end markets. Core holding CCL Industries Inc. continues to exceed our expectations with impressive financial results and accretive acquisitions in the fragmented global specialty packaging and label market while auto parts suppliers Magna International Inc. and Linamar Corporation continue to benefit from strong auto sales while improving margins.

So what's next? Well, we should soon have some clarity with respect to how the Eurozone will deal with its Greek debacle. Closer to home, we expect the U.S. economic recovery will continue, although it may come in fits and starts. Importantly, wage growth appears to be gaining some traction, which should help consumer sentiment and spending. Although much has been made about Canada entering a 'technical recession' (i.e. two consecutive quarters of negative GDP growth) if GDP does not surprise to the upside, we find comfort in other economic indicators including employment, which remains relatively strong, and positive consumer sentiment (reflected not only in surveys but also in new home and auto purchases). Although we remain stuck in 'slow growth' mode, it certainly doesn't feel like a recession (at least outside of Alberta). Regardless, we'll continue to focus on what we think we do best, which is finding great companies and investing with a long-term view.