Fund Facts

Fund Unit Value:
December 31, 2015
$14.3163

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 DECEMBER 31, 2015

Total Return for the Period (%)[1]	QTR	1 YR	3 YR[4]	5 YR[4]	Since Inception[3]
Seymour Canadian Equity Fund[2]	**2.1%**	**-2.6%**	**11.3%**	**8.0%**	**9.3%**
S&P/TSX Composite TR Index	-1.4%	-8.3%	4.6%	2.3%	4.6%

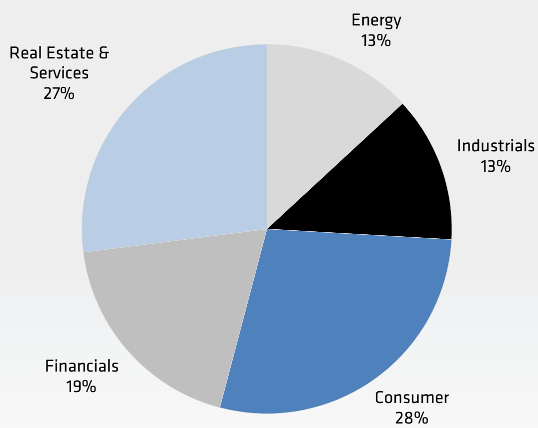
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently 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

4 Returns over one year are annualized

EQUITY SECTORS



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.

Q4 Commentary: Seymour Canadian Equity Fund

Equities posted strong gains in October, only to give them back later in the quarter as volatility continued to plague the markets. The Seymour Canadian Equity Fund climbed 2.1% in the quarter and outperformed the S&P/TSX Composite Total Return Index (TSX)'s -1.4% return, with the outperformance largely reflecting the impact of individual security selection. The Energy sector was down only modestly in the quarter and was less of a drag on returns than in the previous two quarters.

Around the globe, most equity markets posted lackluster or negative returns in 2015 on the back of sluggish economic growth. Uneven global economic growth and divergence in central bank policies contributed to the volatility. The Seymour Canadian Equity Fund fell 2.6% in 2015 but outperformed the TSX's -8.3% return, benefitting from the positive impact of individual stock selection and a more modest weighting in resource equities.

While volatility and negative annual returns are a normal part of equity investing, what is a bit more of a rarity is the steep correction in crude oil prices that we have witnessed over the past year-and-a-half, and the corresponding decline in the Canadian dollar. After trading above US$100/bbl in July 2014, WTI crude oil prices have fallen 70%, prompting a corresponding decline of nearly 30% in the value of the Canadian dollar from 95 cents to 70 cents. A change of that magnitude in the price of crude oil and the value of the Canadian dollar has far reaching implications for economic growth and for the value of a wide range of businesses, and has been a key contributor in the relatively broad-based sell-off in Canadian equities that we have seen.

The severe correction in crude oil and other commodity prices has served as a good reminder of 1) how dependent the Canadian economy is on energy and other resource exports and 2) how heavily weighted the benchmark S&P/TSX Composite Index is to resource equities. Although we were late in doing so, we began to pare back the Fund's Energy holdings early in 2015, and continued to reduce our holdings throughout the year. At year-end, the Fund's five remaining oil & gas producer, oilfield service and pipeline & midstream investments in aggregate accounted for 12.7% of the Fund's assets. Not surprisingly, the Fund's Energy investments were among its worst-performing holdings in 2015, registering declines of between 1% and 51%.

We have been optimistic about the ongoing U.S. economic recovery for some time and have positioned the Fund accordingly. While Canadian-domiciled (with the exception of Brookfield Property Partners L.P., which is a Bermuda-based limited partnership) many of the Fund's holdings generate the majority of their revenues in the United States. In our Q1 2015 commentary, we estimated that 86% of the Fund was invested in companies with significant U.S. and international sales, and nearly one-half of the Fund's holdings generated the majority of their revenues outside Canada. Interestingly (though perhaps not surprisingly), the Fund's star performers for both the quarter and the year are companies that generate the majority of their revenues in the U.S. or abroad. These include CCL Industries Inc. (+19.8% in Q4 and +78.3% in 2015), FirstService Corporation (+29.6% in Q4 and +60.8% from our entry point in June 2015), Winpak Ltd. (+13.1% in Q4 and +13.5% since we initiated a position in the Fund in September 2015), Brookfield Property Partners L.P. (+12.4% in Q4 and +21.8% in 2015), and Onex Corporation (+10.1% in Q4 and +25.7% in 2015).

There remains a heavy short thesis on Canada (and in particular Canadian housing) by U.S. hedge funds. The Fund's worst-performing non-energy holding this year was Home Capital Group Ltd., a leading mortgage lender in the Canadian non-prime residential mortgage market, whose shares fell 16.0% in the quarter and were down 44.0% in 2015. At year-end, Home Capital remained the third most-shorted stock on the TSX, with short interest equivalent to 21.8% of its float. Shares of Home Capital Group Inc., sold off sharply in the third quarter after the company guided to lower origination volumes. Management attributed the lower volumes in part to the termination of relationships with certain mortgage brokers after the company found evidence of falsification of income information. The company has taken steps to improve its underwriting process, which has unfortunately led to increased turnaround times in the near term. Mortgage loan growth has continued to decelerate, however, we remain confident in Management's ability to continue to grow the business profitably (albeit at a slower rate) while sustaining a high level of credit quality over the long term.

It is both our conviction in the high-quality companies that we invest in and our confidence in the longer-term outlook for equities that allows us to maintain an optimistic outlook during periods of negative sentiment and volatility. We are finding compelling value in some high-quality, well-capitalized companies that we would like to own for the long term and we are increasingly viewing the current sell-off as a compelling entry point for long-term investors (recognizing that the near-term outlook is highly uncertain).