Fund Facts

Fund Unit Value:
June 30, 2016
$11.5489

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.

Seymour Mid-Cap Equity Fund

The investment objective of the Seymour Mid-Cap Equity Fund is to achieve attractive risk-adjusted investment returns over the long term by investing in a diversified portfolio of 20 - 35 Canadian equities. The Mid-Cap Equity Fund 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 JUNE 30, 2016

Total Return for the Period (%)[1]	QTR	1YR	2 YR[4]	Since Inception[3]
Seymour Mid-Cap Equity Fund[2]	**1.9%**	**0.5%**	**-1.4%**	**7.4%**
S&P/TSX Completion Total Return Index	7.7%	0.4%	-3.0%	3.2%

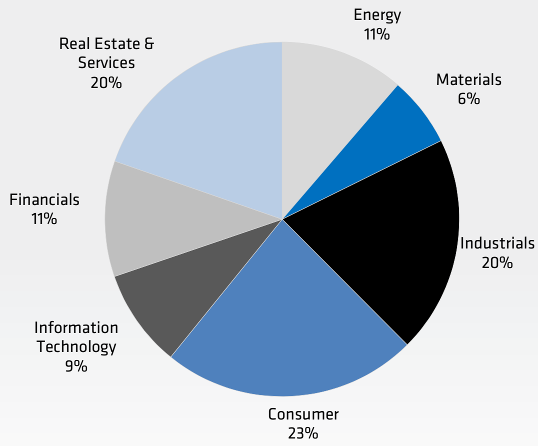
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently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

2 NAV performance is shown net of fees and expenses

3 Annualized since inception date of December 31, 2013

4 Returns over one year are annualized

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 Mid-Cap Equity Fund

After a sharp correction early in the year, Canadian equities have rebounded, largely on the back of a strong rally in resources. The Seymour Mid-Cap Equity Fund climbed 1.9% in the quarter and 4.6% year-to-date.

At Seymour, our investment process involves selecting individual securities without regard for the composition of benchmark indices. In particular, the Fund holds very few direct resource investments due to our philosophy that over the long term, superior risk-adjusted returns may be achieved with lower volatility by investing in a concentrated yet diversified portfolio of equities using a buy-and-hold strategy with only moderate commodity exposure. When commodity prices rally strongly, we would typically expect to underperform the more heavily resource-weighted Completion Index, as we have in the first half of 2016.

Canadian Energy Services & Tech Corp. (+27.6%), a company that designs and sells customized drilling fluids and specialty chemicals, was the Fund's best-performing holding in the quarter. We caution that although crude oil prices have rallied from the lows of US$26 - $27/barrel reached in February 2016, North American drilling activity levels have not yet improved materially, and we expect CES' profitability will remain under pressure in the near term. Longer-term, we believe CES is well positioned to participate in the growth of the drilling and specialty fluids markets, grow its market share, expand into new verticals, and generate strong free cash flow given its capital-light business model. We expect proceeds from a recently-completed equity issue may be used to bolster CES' specialty chemicals business. We view CES' valuation as attractive, as we believe the current share price is discounting trough earnings.

AutoCanada Inc., a consolidator of auto dealerships, rebounded 21.6% in the quarter. In recent years the company's share price has shown a high degree of correlation with movements in oil prices given 53% of its dealers are located in Alberta and Saskatchewan. Last month we had the opportunity to meet the company's recently-appointed Chief Executive Officer Steven Landry, who outlined plans to improve the operational efficiency and profitability of existing locations through the introduction of more robust systems and processes. Mr. Landry also intends to introduce a more defined and disciplined approach to the company's acquisition strategy. We see substantial upside in the company's share price as earnings recover from trough levels and sentiment improves. Improved governance (and specifically a shift away from related-party transactions) could set the stage for a higher valuation.

Kinaxis Inc. (+20.2%), a rapidly-growing, cloud-based Software as a Service (SaaS) provider of supply chain solutions released very strong Q1 earnings and solid guidance for 2016. Beyond 2016, we expect the company's budding partner channel, which includes Accenture and Deloitte, could drive material upside. In our view, there are few companies that offer such an attractive combination of predictability and growth, and Kinaxis has many attractive attributes that warrant a premium valuation, including a leadership position in a sizable and rapidly growing market segment, and a profitable, scalable business model.

Our investment in auto-parts supplier Linamar Corporation (-26.4%) was a drag on performance in the quarter. Shares of global auto parts companies have been under pressure since the spring of last year due to investor concerns that we may be nearing the end of the auto cycle. Although we too expect industry growth may slow, we would note that Linamar is benefitting not only from the cyclical recovery in auto sales, but also from secular and company-specific drivers, and the company is in the midst of launching ~$3.7 billion of new business over the next few years. The stock's valuation multiple is at the lower end of its historical range and in our view, Linamar appears to be exceptionally valued given its robust outlook. We have used the recent pull-back to add to our position on weakness.

Shares of Canadian lumber producers, including Interfor Corporation (-23.0%) have come under pressure due to concerns related the recent expiration of the Softwood Lumber Agreement. We think Interfor's exposure to potential countervailing duties is limited given that nearly two-thirds of Interfor's productive capacity is located in the U.S., and Canadian shipments to the U.S. only count for 15 – 17% of total production. In fact, Interfor could be a net beneficiary of a U.S. trade action. We view the current valuation as attractive, and believe the company is well-positioned to benefit from the ongoing recovery of the U.S. housing market, to execute on operational improvements, and to use free cash flow to pay down debt.

The uncertainty associated with Brexit has pushed out the expected timing of the next Fed rate hike and is likely to cause central banks to add stimulus, or at least delay plans to remove stimulus. The current slow growth, low interest rate environment remains supportive of equities. We remain selective in our security selection, preferring high-quality companies with strong management teams that are reasonably valued and are well-positioned to grow their earnings and cash flows on a sustained basis over the long term. We continue to find attractive relative value in small- and mid-cap equities.