Fund Facts

Fund Unit Value:
September 30, 2016
$26.0822

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.

Seymour Performance Fund

The investment objective of the Seymour Performance Fund is to achieve superior risk-adjusted investment returns over the long term 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 SEPTEMBER 30, 2016

Total Return for the Period (%)[1]	QTR	1 YR	3 YR[4]	5 YR[4]	Since Inception[3]
Seymour Performance Fund[2]	**12.4%**	**16.4%**	**12.6%**	**18.9%**	**18.9%**
S&P/TSX Smallcap TR Index	4.9%	35.8%	6.7%	4.8%	4.7%
S&P/TSX Composite TR Index	5.5%	14.2%	8.0%	8.1%	7.0%

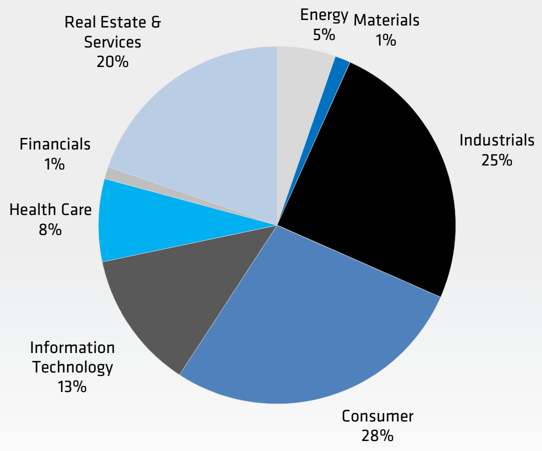
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently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

4 Returns over one year are annualized

EQUITY SECTORS



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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.

Q3 Commentary: Seymour Performance Fund

The Seymour Performance Fund enjoyed a strong Q3, climbing 12.4%. The Fund benefitted from strength in broader equity markets, while individual security selection augmented returns.

The Fund outperformed the S&P/TSX Composite Index and the S&P/TSX SmallCap Index, which generated total returns of 5.5% and 4.9% respectively. In contrast to the first half of 2016 when bond yields plummeted and Gold and interest rate sensitive equities surged, bond yields rebounded from record lows in Q3 on expectations of tightening global monetary conditions. This prompted a rotation away from Gold and richly-valued, low-growth, interest sensitive equities into more cyclical stocks, which helped the Fund's relative returns. As a reminder, we provide index returns for reference purposes only.

QHR Corporation (+59.8%), a provider of electronic medical records software solutions, was the Fund's best performing holding. Loblaw has acquired QHR for $170 million, or $3.10/share, which equates to a 141.5% return on our original investment made in Q4 2015.

Cargojet Inc. (+31.2% in Q3), the leading dedicated provider of time sensitive overnight air cargo services in Canada, was a meaningful contributor given its large weighting in the Fund. The 2014 award of the transformative Canada Post/Purolator contract provided Cargojet with an opportunity to optimize its business through network, fleet and operational enhancements and positioned the company for growth opportunities, which it is now aggressively pursuing. Previously an underfollowed stock, Cargojet shares have benefitted from a broadening of the company's investor base following the assumption of research coverage by several new analysts. Cargojet offers a unique and attractive combination of predictability and growth and we view valuation as attractive.

Commercial real estate services provider Altus Group Ltd. (+31.3%) reported strong Q2 financial results, highlighting solid revenue growth and margin expansion in both the company's consulting and technology business units. We are impressed by the operational improvements and plans to surface value and position the company for future growth that have been made under CEO Robert Courteau's leadership.

Kinaxis Inc. (+28.8%), a rapidly-growing, cloud-based Software as a Service (SaaS) provider of supply-chain solutions, was once again a notable contributor. Kinaxis' win momentum appears to be building and the company is increasingly receiving in-bound customer requests as awareness of its software offering builds. Kinaxis is in the early stages of a multi-year growth opportunity and the company's budding partner channel, which includes Accenture and Deloitte, could drive material upside. The company's premium valuation is supported by its leadership position in a sizable and rapidly growing market segment and its profitable, scalable business model.

Canadian Energy Services & Technology Corp. (+27.5%) bolstered its U.S. production and specialty chemical business with the strategic acquisition of Catalyst Oilfield Services, LLC. The acquisition solidifies CES's position as a top three North American oilfield chemical company and accelerates the company's growth in the key Permian basin. We continue to 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.

Great Canadian Gaming Corp. (+27.1%) reported Q2 financial results that were well ahead of expectations, with weakness at the key River Rock property more than offset by wide-spread improvements across the company's other operations. Although River Rock faces some near-term headwinds, the stock's valuation remains inexpensive given the high barriers to entry of the regulated casino gaming industry and the company's strong free cash flow generation. We are encouraged by select growth opportunities including the recently-announced expansion of the company's View Royal casino near Victoria, B.C.

Badger Daylighting Ltd. (+26.0%)'s Q2 results surprised to the upside, as Management continued to demonstrate its ability to execute operationally and stickhandle tough macro conditions. We are impressed by the company's newly-appointed CEO and expect a smooth transition.

Solium Capital Inc. (+23.6%), a leading global provider of global equity plan administration and management solutions, reported encouraging Q2 financial results. International investments appear to be bearing fruit with the launch of Adidas, a sizeable new customer in Germany. Valuation remains attractive given the company's strong leadership position, high recurring revenue base, profitability, and growth opportunities.

Shares of People Corporation (+22.7%) rose on strong Q2 earnings and the completion of an equity financing, which will be used for accretive acquisitions as the company continues to consolidate the fragmented employee group benefit consulting market.

Several holdings weighed on returns, including Héroux-Devtek Inc. (-12.3%), a leading global manufacturer of landing gear and one of the Fund's larger holdings. Héroux's solid backlog, which reflects planned production rate increases at Airbus and Boeing and a ramp-up in production on certain programs, provides visible growth and supports our belief that management's three-year revenue guidance may prove conservative.

We used share price weakness to add to our position in specialty packaging company Winpak Ltd. (-7.7%), which continues to invest in capacity expansions to meet strong and growing demand for its products.

We also added to our position in real estate company Mainstreet Equity Corp. (-12.7%), which has been impacted by weakening fundamentals in Alberta. We believe the weakness is already discounted in Mainstreet's attractive valuation, and a silver lining exists in that CEO Bob Dhillon is aggressively pursuing acquisitions of mid-market apartment buildings at attractive prices and redeveloping and repositioning assets at attractive returns.

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.