Fund Facts

Fund Unit Value:
December 30, 2016
$13.4313

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 DECEMBER 30, 2016

Total Return for the Period (%)[1]	QTR	1YR	3 YR[4]	Since Inception[3]
Seymour Mid-Cap Equity Fund[2]	6.0%	21.7%	11.7%	11.7%
S&P/TSX Completion Total Return Index	1.5%	20.5%	4.7%	4.7%

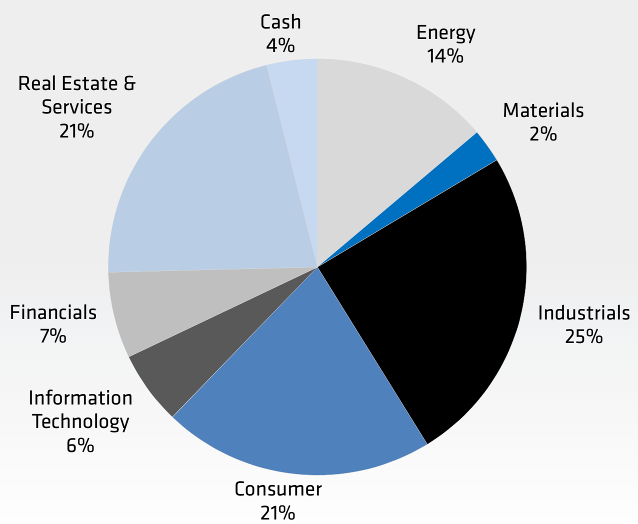
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently 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 1985 in equity research with Pemberton Securities. 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, 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 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 industries. In 2006, Kelly left the sell side and returned to investment management. In recent years, Kelly has managed a variety of Canadian equity, dividend growth, and small-capitalization mandates.

KYLE HARRISON, CFA

Kyle Harrison began his career in 1992 with investment dealer Marleau, Lemire Securities, where Kyle was responsible for institutional sales in New York before moving 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 U.S. In 2013, Kyle obtained the Family Enterprise Advisor™ certification.

ANTHONY WERRY, CFA

Anthony Werry began his career in 1987 at Pemberton Securities in Vancouver, before moving to Toronto to work as an analyst with RBC Dominion Securities. In 1993 he returned to Vancouver with Royal Bank Investment Management as a portfolio manager. In 1999, Anthony became one of the founders of Cypress Capital Management, where he remained as a managing partner until 2014. At Cypress, Anthony managed money for high net worth clients, provided leadership in equity strategy, and managed a high yield fund.

Q4 Commentary: Seymour Mid-Cap Equity Fund

Global equity markets performed strongly in the fourth quarter, buoyed by a post-election surge in business and consumer sentiment. The Seymour Mid-Cap Equity Fund climbed 6.0%, outperforming the S&P/TSX Completion Total Return Index's 1.5% return. For the full year the Mid-Cap Fund returned 21.7%, outperforming the Completion Index's 20.5% return. (The S&P/TSX Completion Index, formerly the S&P/TSX Mid-Cap Index, is comprised of the constituents of the S&P/TSX Composite Index that are not included in the S&P/TSX 60 Index).

Market jitters over the outcome of the U.S. presidential election quickly turned to optimism after Donald Trump was elected the 45th President of the United States on November 8th. Equity markets enjoyed a broad-based rally in the final weeks of the year on hopes that the Trump administration will stimulate the economy through pro-growth policies including corporate and personal tax cuts, increased infrastructure spending, reduced regulations, and a more liberal energy policy.

Several encouraging macro developments in the Energy sector also boosted sentiment and contributed to higher crude oil prices and activity in the quarter. After two years of battling for market share, the Organization of the Petroleum Exporting Countries (OPEC) reached an agreement to cut production in an effort to balance the market, prompting a rally in crude oil prices. The agreement, which is for a six-month period beginning January 2017, marked OPEC's first production cut in eight years. (Although the news is incrementally positive, the outlook for crude pricing remains uncertain given OPEC's spotty record of compliance and the ramp-up in production that we have seen in the U.S.). Also noteworthy was Canadian Prime Minister Justin Trudeau's announcement of the approval of two major crude oil export pipelines which if constructed, should help support Canadian crude oil prices and reduce the discount Canadian producers receive for their product. Higher crude oil prices would not only benefit oil & gas producers and service companies but also the broader Canadian economy. The Fund's two oilfield service holdings -- Canadian Energy Services & Technology Corp. (+47.7% in Q4) and Secure Energy Services Ltd. (+27.1% in Q4) were its best performing holdings, benefitting from improving crude oil fundamentals as well as company-specific drivers.

Shares of Badger Daylighting Ltd. continued to perform well in the quarter, climbing 13.6% on the back of another solid quarterly earnings release. Badger, which provides hydrovac excavation services to clients in the oil & gas, industrials, and utilities industries, should benefit from increased oil & gas activity as well as increased infrastructure spending if the company is successful in executing on its business development efforts.

Shares of Héroux-Devtek Inc. (+11.7% in Q4) rebounded in spite of the company announcing a rare quarterly earnings miss, reducing its Fiscal 2017 financial guidance, and retracting its Fiscal 2019 guidance. While Héroux appears to have done an exemplary job executing on the ramp-up of its key Boeing 777 contract, end market demand appears to be weaker than previously thought, which we expect may prove transitory as Boeing transitions to the new model 777x later this decade. Boeing reduced its 777 production rate from 8.3/month to 7/month effective January 2017, and will now reduce its production rate once again to 5/month beginning in mid-2017. We have been long-time Héroux shareholders and have watched Management unlock considerable value over the years by monetizing non-core business units and by reinvesting in its core landing gear business. Over the last 10 years, the company has grown revenues and EBITDA at CAGRs of 12% and 26%, respectively. The September 2013 award of the Boeing 777 widebody aircraft and the follow-on Boeing 777x award solidified Héroux's position as a Tier 1 supplier of complete landing gear systems, and we expect further contract awards may be forthcoming, which would add to the company's multi-year growth pipeline.

Software providers Computer Modelling Group Ltd. and Kinaxis Inc. detracted from performance in the quarter, declining 7.1% and 6.5%, respectively. Computer Modelling Group and Kinaxis share a number of common attributes including (1) excellent management teams; (2) leading market positions in their respective niches; (3) unparalleled software offerings that would be difficult to replicate; (4) high recurring revenue bases; (5) strong financial metrics; (6) solid balance sheets; and (7) robust free cash flow generation. We remain optimistic about the longer-term growth opportunities for these best-in-class software providers.

The current slow growth, low interest rate environment remains supportive of equities, although we acknowledge heightened political risk has created some uncertainty. Increased fiscal spending in both Canada and the U.S. and the new Trump administration's pro-growth policies should help stimulate economic growth. In contrast, rising anti-trade sentiment and protectionist policies could mute the positive impact. 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.