

Fund Facts

Fund Unit Value:
June 30, 2017
\$14.0502

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 - 30 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, 2017

Total Return for the Period (%) ¹	QTR	1YR	3 YR ⁴	Since Inception ³
Seymour Mid-Cap Equity Fund²	2.0%	21.8%	5.8%	11.4%
S&P/TSX Completion Total Return Index	-1.2%	7.3%	0.3%	4.3%

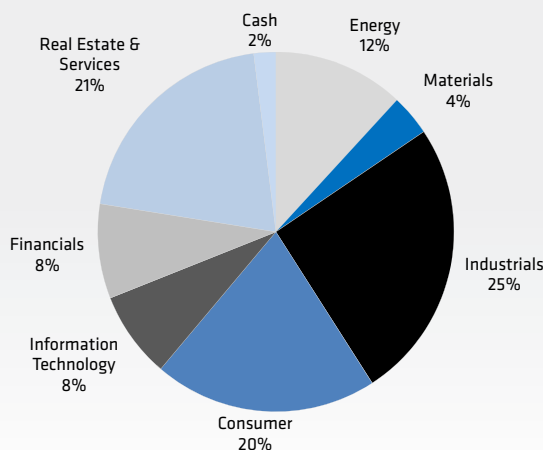
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently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

2 NAV performance is shown net of fees and expenses

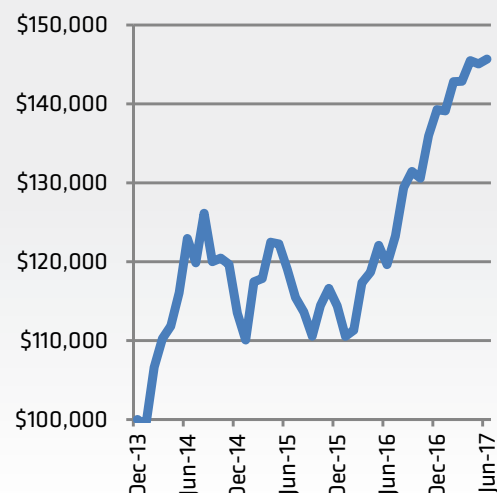
3 Annualized since inception date of December 31, 2013

4 Returns over one year are annualized

EQUITY SECTORS



GROWTH SINCE INCEPTION



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.

Only accredited investors or investors who satisfy the minimum amount investment as defined by applicable securities legislation may invest in the Seymour Performance Fund. These materials are for information only and do not constitute an offer to sell or a solicitation to buy units of this Fund.

Q2 Commentary: Seymour Mid-Cap Equity Fund

Global equity markets continued to perform well in the second quarter of 2017 while here at home, the Canadian stock market lagged other major markets. Resource stocks weighed heavily on the benchmark indices, and concerns about the overheated housing market and trade policy uncertainty also weighed on sentiment. The Seymour Mid-Cap Equity Fund rose 2.0% in the quarter and outperformed the more heavily resource-weighted S&P/TSX Completion Total Return Index, which declined 1.2%.

Two-thirds of the Fund's holdings registered gains in the quarter and four holdings generated double-digit returns. Shares of Héroux-Devtek Inc. and Stella-Jones Inc. rebounded 25.9% and 13.2% respectively following recent sell-offs, while label company CCL Industries Inc. was up 13.1% on continued solid execution.

CAE Inc. (+10.0% in Q2), a global leader in civil aviation and defense training, continues to announce new civil aviation contract wins as strong airline traffic growth supports demand for pilot training. In June, we had the opportunity to tour the NATO Flight Training in Canada (NFTC) facility in Moose Jaw, Saskatchewan during CAE's Defense-focused investor day and hear presentations from management. With Defence budgets on the rise and strong growth in CAE's Defence backlog, the outlook for the company's military segment also appears robust. In recent years CAE has expanded its global aviation training capabilities to enable the company to offer customers a comprehensive package of products and services in the simulation and training industry, which in turn has expanded CAE's addressable market. As a result, a growing portion of the company's revenues are recurring in nature, providing greater visibility, which we believe should support a higher valuation.

Crude oil prices dropped to a nine-month low as rising inventory levels and forecasts of growing surpluses weighed on sentiment, and the Fund's energy services holdings detracted from returns. We continue to maintain only a modest direct exposure to the sector. Shares of Badger Daylighting Inc. (-23.8% in Q2) also weighed on returns after a short report [containing misinformation] triggered an aggressive sell-off, and we used the share price weakness as an opportunity to add to this core holding.

We are often asked how we define 'mid-cap' and while there is no clear-cut definition of what constitutes a mid-cap stock, generally speaking we would characterize 'small-cap' as companies with market capitalizations of less than \$1.5 billion, and 'large-cap' as companies with market capitalizations of \$10 billion or greater. 'Mid-cap' tends to be those companies

in between. The Seymour Mid-Cap Equity Fund currently has 24 holdings with an average market capitalization of \$4.3 billion.

We launched the Mid-Cap Fund in late 2013 because we saw significant opportunity to add value by investing in companies outside of the S&P/TSX 60. In our view, some of the best investment opportunities in the Canadian equity market may be found in small and mid-capitalization equities. This is the area in which we feel we have significant expertise and a competitive advantage by virtue of our relatively small size. We also believe that small- and mid-cap equities represent the least efficient part of the Canadian equity market and offer the greatest opportunity to uncover undervalued companies and generate higher investment returns.

In Canada, the vast majority of investment managers are squarely focused on the TSX 60 (large-cap equities) because large investment managers are unable to obtain meaningful positions that move the needle on performance in smaller companies. By way of example, a Canadian equity manager with \$20 billion of assets under management, who wants to form an equally-weighted 25-stock portfolio (i.e. 4% average weighting in an individual security) and own less than 10% of the outstanding shares of individual companies, will be constrained to investing in those listed companies with market caps of \$8 billion or higher, of which there are only 66 in Canada (or 51 if you exclude mining and oil & gas E&P companies).

Small equity boutiques like Seymour have an inherent competitive advantage over larger managers because we have a much broader investable universe. In Canada, there are 173 listed Canadian companies with market capitalizations in the \$1 - \$10 billion range, even after excluding mining and oil & gas E&P stocks (versus 51 large-cap companies). If we include companies with market capitalizations as low as \$500 million (the Mid-Cap Fund has five holdings that have market caps in the \$0.5 - \$1 bln range and that are sufficiently liquid for inclusion in the Mid-Cap Fund), this number increases to 264.

We continue to find attractive investment opportunities in the small- and mid- cap universe. We remain selective in our security selection, with a focus on well-managed companies with attractive business models that are reasonably valued and well-positioned to grow their earnings and cash flows on a sustained basis over the long term.