Fund Facts

Fund Unit Value:
September 29, 2017
$14.0532

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 SEPTEMBER 29, 2017

Total Return for the Period (%)[1]	QTR	1YR	3 YR[4]	Since Inception[3]
Seymour Mid-Cap Equity Fund[2]	**0.0%**	**10.9%**	**6.7%**	**10.6%**
S&P/TSX Completion Total Return Index	2.8%	5.5%	2.4%	4.8%

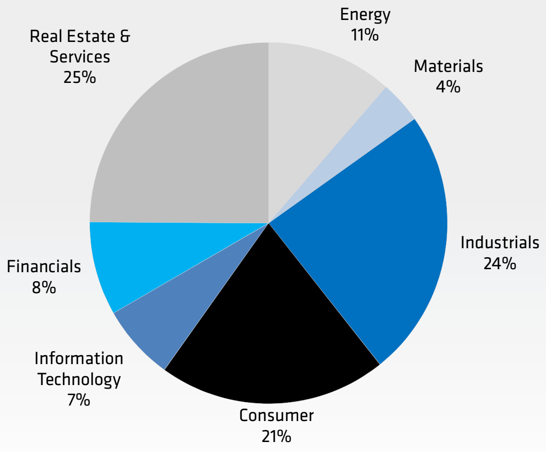
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently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

2 NAV performance is shown net of fees and expenses

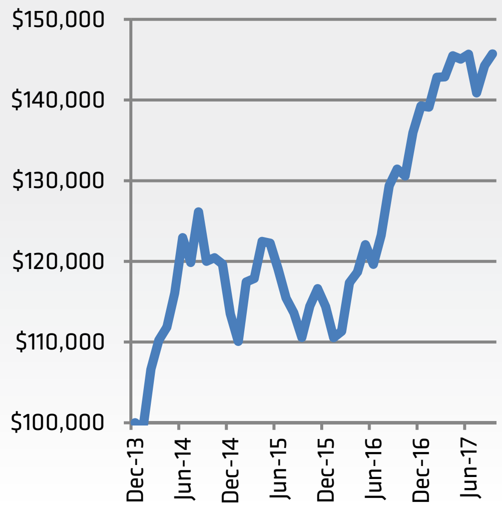
3 Annualized since inception date of December 31, 2013

4 Returns over one year are annualized

EQUITY SECTORS



GROWTH SINCE INCEPTION



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.

Q3 Commentary: Seymour Mid-Cap Equity Fund

Global equities performed strongly in the quarter, with a synchronized expansion of the global economy providing support for the outlook for corporate profits. The Canadian economy grew at an annualized pace of 4.1% in the first half of 2017 and recorded the best employment creation in a number of years. Citing evidence of broader, more self-sustaining economic growth, the Bank of Canada increased its benchmark interest rate twice in the quarter. Rising interest rates and a stronger Canadian dollar had mixed implications for Canadian equities, as we discuss in greater detail below.

The Seymour Mid-Cap Equity Fund's net asset value was unchanged in the third quarter as gains in some stocks were offset by share price declines in others. The Fund's underperformance relative to the S&P/TSX Completion Total Return Index's 2.8% return may largely be attributed to its lower weightings in Energy and Financials – the two sectors that drove the Canadian equity market's returns in the quarter.

Supported by a favourable macro environment, CES Energy Solutions Corp. (+9.3% in Q3) and the Fund's other cyclical holdings such as AutoCanada Inc. (+25.4%) and Magna International Inc. (+11.3%) outperformed, while interest rate sensitive stocks including the Fund's real estate holdings came under pressure during the quarter.

Shares of Great Canadian Gaming Corp.(+34.4%), rose strongly after the Ontario Lottery and Gaming Corporation (OLG) announced that it has selected the partnership of Great Canadian and Brookfield Business Partners LP to operate the gaming facilities in the Greater Toronto Area, a transformative event for the company. The announcement, coupled with a solid third-quarter earnings release that highlighted revenue growth across all of the company's properties, boosted sentiment toward the stock. Even after the recent move, we view the stock's valuation as inexpensive - particularly given the high barriers to entry of the regulated casino gaming industry and the company's strong free cash flow generation.

Higher domestic interest rates contributed to a rapid appreciation of the Canadian dollar relative to the U.S. dollar, which led to share price declines for a number of the Fund's core holdings that generate the majority of their revenues in the U.S. (as foreign investments are worth less when converted back into Canadian dollars) including Tricon Capital Group Inc. (-12.2%); Winpak Ltd. (-11.8%); Héroux-Devtek Inc. (-11.3%); Kinaxis Inc. (-8.7%); and Onex Corporation (-7.2%). Similarly, CCL Industries Inc. (-7.8%) generates nearly one-half of its revenues in the U.S.

We recently had the opportunity to meet with management of Altus Group Ltd. (+13.9%), a leading provider of real estate consulting services, software applications and data solutions. Once again, we came away impressed by the operational improvements that have been made under CEO Robert Courteau's leadership, and the plans to surface value and position the company for future growth. Altus' Argus Enterprise reporting, planning, and budgeting software is the industry standard in the commercial real estate market, providing Altus with a very attractive opportunity to sell additional technology products into its existing user base. We believe management has multiple levers to grow the company organically including global expansion and new addressable markets, and we expect organic growth will be supplemented by acquisitions.

During the quarter we opportunistically initiated new positions in two real estate companies. The first is First Capital Realty Inc., a leading owner, developer and manager of grocery and drug store anchored neighbourhood and community shopping centres in prime, urban locations. First Capital's real estate portfolio is very high-quality and becoming more valuable over time with redevelopment and repositionings. Until recently, the stock commanded a premium valuation, however, investor concerns over the future of bricks and mortar retail have resulted in lackluster share price appreciation at a time when management has continued to create significant value for shareholders, resulting in an attractive entry point.

StorageVault Canada Inc. is a rapidly-growing self-storage company that owns and operates 57 locations across Canada. We have long viewed self-storage as an attractive, niche asset class within the real estate sector. Well-located self-storage assets generate steady recurring revenues from a sticky customer base that is relatively insensitive to price increases, and net operating margins are high because the real estate can be operated with a very low employee count. The self-storage asset class lends itself to a consolidation play because the industry is fragmented and operators with scale can achieve revenue and cost synergies. StorageVault has been a very active acquirer and we believe the company is very well-positioned to continue to grow its portfolio accretively.

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.