Fund Facts

Fund Unit Value:
December 29, 2017
$19.2359

Inception Date:
June 15, 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 Canadian Equity Fund

The investment objective of the Canadian 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 Canadian Equity Pool invests primarily in large-capitalization companies and may include selected small- and mid-capitalization companies.

The fee structure for the Canadian Equity Fund is based on an annual management fee of 1% of the net asset value.

PERFORMANCE

AS AT DECEMBER 29, 2017

Total Return for the Period (%)[1]	QTR	1 YR	3 YR[4]	5 YR[4]	7 YR[4]	Since Inception[3]
Seymour Canadian Equity Fund[2]	**3.6%**	**13.5%**	**9.7%**	**13.3%**	**10.3%**	**11.1%**
S&P/TSX Composite TR Index	4.5%	9.1%	6.6%	8.6%	5.8%	7.3%

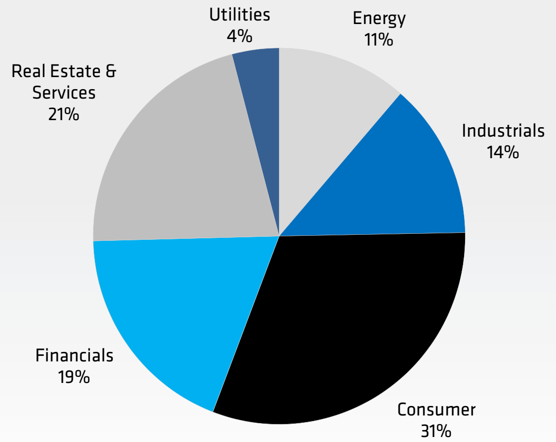
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently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

2 NAV performance is shown net of fees and expenses

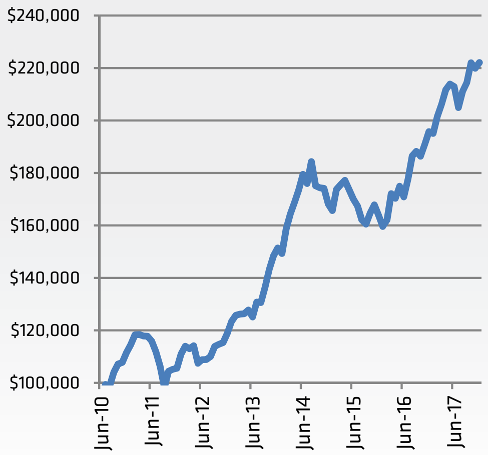
3 Annualized since inception date of June 15, 2010

4 Returns over one year are annualized

EQUITY SECTORS



GROWTH SINCE INCEPTION



Seymour Investment Management

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Q4 Commentary: Seymour Canadian Equity Fund

The Seymour Canadian Equity Fund generated a return of 3.6% in the fourth quarter, benefitting from broad-based strength in equity markets. This compares to 4.5% for the benchmark S&P/TSX Composite Total Return Index ('TSX').

Real GDP has accelerated in most countries and the global economy is now enjoying a synchronized recovery. At the end of the year, the U.S. passed the Tax Cuts and Jobs Act (TCJA), which is expected to provide meaningful, near-term, economic stimulus, and further boost economic growth. The permanent reduction in the U.S. corporate tax rate from 35% to 21% effective January 1, 2018 will materially boost U.S. corporate earnings. Although the vast majority of the Fund's holdings are Canadian-domiciled, more than three-quarters of the Fund's holdings have significant U.S. revenues (i.e. 25%+ of overall revenues) and stand to benefit from U.S. tax reform (at least in the short term). In fact, 10 of the Fund's 25 holdings generate the majority of their revenues in the U.S. including the Fund's three best-performing holdings this quarter: convenience store operator Alimentation Couche-Tard Inc. (+15.4% in Q4), real estate consulting & services provider Altus Group Ltd. (+16.7%), and residential property owner and asset manager Tricon Capital Group Inc. (+14.6%).

Detracting from performance was specialty packaging manufacturer Winpak Ltd. (-8.8% in Q4), which has recently endured modest short-term margin pressure from competitive pricing pressures and higher resin costs. The company's index-linked contracts allow it to pass through higher resin costs, albeit with a lag. We expect Winpak's growth to reaccelerate in 2018 as new capacity expansions come online.

We launched the Seymour Canadian Equity Fund in June 2010 [more than 7 years ago] when Seymour Investment Management was founded. Over the years we have strived to maintain a disciplined investment approach, emphasizing quality while minimizing risk and turnover. Our goal has been to produce attractive risk-adjusted returns through a full cycle, knowing there will be times when we underperform over shorter time periods. We are proud of our Fund's track record and believe there are a number of characteristics that differentiate the Seymour Canadian Equity Fund from other Canadian Equity products, which we detail below.

We truly invest with a long-term time horizon. Our short-term outlook rarely influences our investment decisions. We do not attempt to time the market. We believe investment returns may be maximized over the long term by following a buy-and-hold strategy.

The Fund bears little resemblance to the S&P/TSX Composite Index. We employ fundamental analysis and a bottom-up approach to individual security selection. Our investment process involves selecting individual securities without regard for the composition of the TSX.

The Fund is relatively concentrated with only 20 – 30 holdings. Our goal is to maintain large enough weightings in individual securities to reap the benefits from security selection, while having a sufficient number of holdings in the portfolio to achieve the risk-reducing benefits of diversification. While diversification can help mitigate risk, over diversification can lead to inferior investment returns by diversifying away the gains achieved from individual security selection.

The Fund owns a number of core, large-cap holdings, but we also add value by buying mid-cap stocks. In our view, some of the best investment opportunities in the Canadian equity market may be found in 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. (Small equity boutiques like Seymour have an inherent competitive advantage over larger managers because we have a much broader investable universe). At present, only 12 of the Fund's 25 holdings are constituents of the S&P/TSX 60 Index. The Fund has a median market cap of $8.1 bln compared to a median market cap of $16.1 bln for the S&P/TSX 60.

We limit commodity exposure to mitigate risk. We believe the highly cyclical nature of commodities lends itself to a 'trading' rather than 'investing' strategy, which is not our discipline. The unpredictable nature of commodity prices creates an inherent lack of visibility that makes long-term strategic planning challenging. Although we have met some excellent management teams who run companies that own world-class resource deposits, few resource companies generate an attractive return on capital over a full cycle.

As we move forward in 2018, we'll 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.

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.