

Fund Facts

Fund Unit Value:
March 29, 2018
\$18.5286

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 MARCH 29, 2018

Total Return for the Period (%) ¹	QTR	1 YR	3 YR ⁴	5 YR ⁴	7 YR ⁴	Since Inception ³
Seymour Canadian Equity Fund²	-3.7%	3.7%	6.8%	11.1%	8.8%	10.2%
S&P/TSX Composite TR Index	-4.5%	1.7%	4.1%	6.9%	4.3%	6.4%

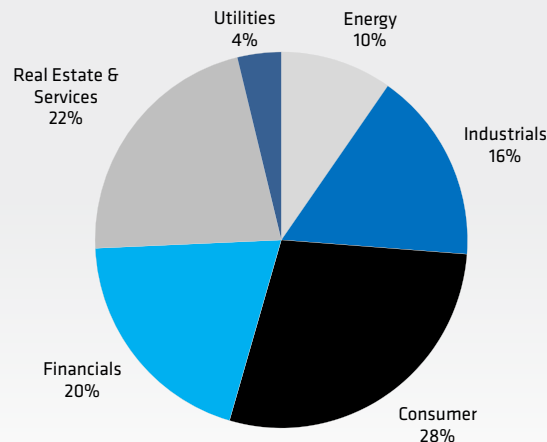
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently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

2 NAV performance is shown net of fees and expenses

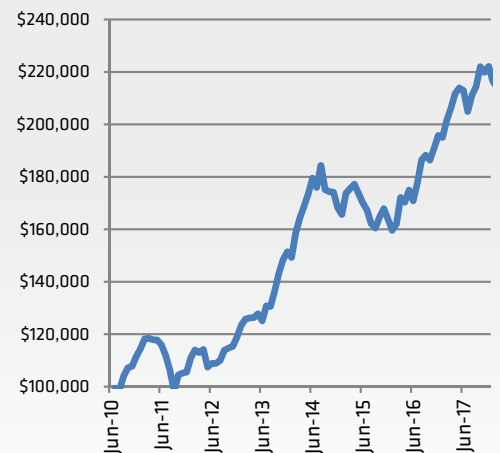
3 Annualized since inception date of June 15, 2010

4 Returns over one year are annualized

EQUITY SECTORS



GROWTH SINCE INCEPTION



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.

Q1 Commentary: Seymour Canadian Equity Fund

Volatility returned to markets and global equities came under selling pressure in the first quarter. Concerns of inflationary pressures and interest-rate hikes contributed to a broad-based sell-off, as did concerns of a potential trade war and perceived risks to growth. The Canadian benchmark S&P/TSX Composite Total Return Index ('TSX') fell 4.5% and once again lagged other developed market indices, with the Energy sector accounting for 39% of the decline. The Seymour Canadian Equity Fund declined 3.7% in the quarter, outperforming the TSX in part due to its more modest Energy weighting.

The majority of the Fund's holdings experienced share price declines in the quarter, led by energy transportation and distribution company Enbridge Inc. (-17.6% in Q1). The Fund's other two Energy holdings – oil & gas producer Canadian Natural Resources Limited (-9.8%) and midstream company Keyera Corp. (-5.4%) – also experienced share price declines. We have long held the view that the challenge with resource investing is that commodity prices are inherently unpredictable. Small supply deficits or surpluses, which are difficult to predict, can lead to very significant moves in commodity prices. Moreover, many commodities are impacted not only by supply and demand, but also by other unpredictable factors such as geopolitics and government regulation, and speculation and fund flows can also play a very significant role. In Canada, many oil & gas players strongly believe that market egress challenges and government regulation are preventing Canada from being competitive in the energy space despite its strong geology and deep, talented labour pool. Currently, investor sentiment toward Canadian energy companies can perhaps be best described as apathetic given these market access, regulatory and political challenges.

There are many ways to invest and many types of investors. At Seymour, we believe that *"over the long-term, superior risk adjusted returns may be achieved with lower volatility by investing in a concentrated yet diversified portfolio of high quality equities using a buy and hold, low turnover strategy with only moderate commodity exposure"*. This investment philosophy guides our investment process and strategy. Our approach to individual security selection is truly a bottom-up approached based on fundamental research. We focus on high-quality companies with strong management teams that have attractive business models and are well positioned to grow their earnings and cash flows on a sustained basis over the long term. We prefer companies with sustainable competitive advantages in growing industries. We try to only invest in businesses that we understand and that have some degree

of predictability. We place a strong emphasis on quality of management and conduct regular meetings with management teams in our office, at site visits, and at conferences.

We recently attended an investor conference in Montreal where we had the opportunity to meet with senior executives from several companies including CCL Industries Inc. (+12.0%), which incidentally was the Fund's best-performing holding this quarter. CCL, the world's largest converter of pressure sensitive and film material for label applications, offers a number of characteristics that we look for in an investment including 1) a leading market position in a steady and growing business with barriers to entry and 2) an exceptional management team. Our meeting with Management served to reinforce our conviction that CCL is well-positioned to continue to grow the business both organically and through disciplined acquisition using internally-generated cash flows, while maintaining its focus on operational excellence and profitability.

As we detailed in our Q4 2017 fund commentary, we believe there are a number of characteristics that differentiate the Seymour Canadian Equity Fund from other Canadian Equity products. In our view, our long-term time horizon is both a differentiator and a competitive advantage. The Fund is also differentiated by its concentration, owning 20 – 30 holdings with the goal of maintaining 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. The Fund bears little resemblance to the S&P/TSX Composite Index as our investment process involves selecting securities without regard for the composition of the TSX. Finally, the Fund owns a number of core, large-cap holdings, but we are also able to add value by buying mid-cap stocks. Our firm's small size is a significant competitive advantage, as we have a considerably broader investment universe than very large Canadian equity funds.

As we discuss in our quarterly client letter, there are numerous examples of well-managed, industry-leading Canadian companies that operate in industries with favourable dynamics and high barriers to entry. Many of these companies have provided patient investors with excellent long-term results. We believe that we have seen the end of the period of exceptionally low volatility that characterized 2017 and although it can be unsettling, volatility creates opportunities for long-term investors. We continue to look for new opportunities to invest in great companies with a long-term view.