Fund Facts

Fund Unit Value:
March 29, 2018
$14.6433

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 MARCH 29, 2018

Total Return for the Period (%)[1]	QTR	1YR	3 YR[4]	Since Inception[3]
Seymour Mid-Cap Equity Fund[2]	**-1.5%**	**6.3%**	**8.8%**	**10.3%**
S&P/TSX Completion Total Return Index	-4.2%	0.2%	2.5%	3.9%

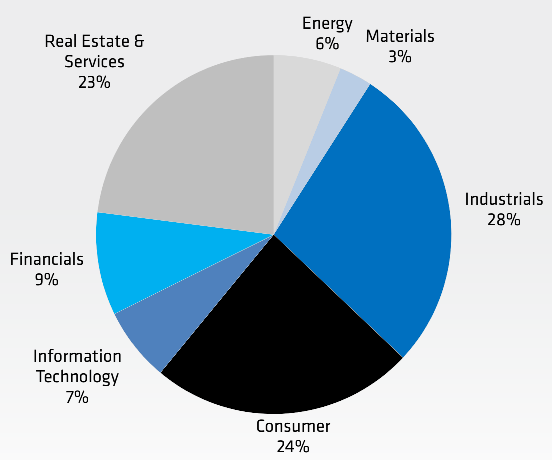
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently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

2 NAV performance is shown net of fees and expenses

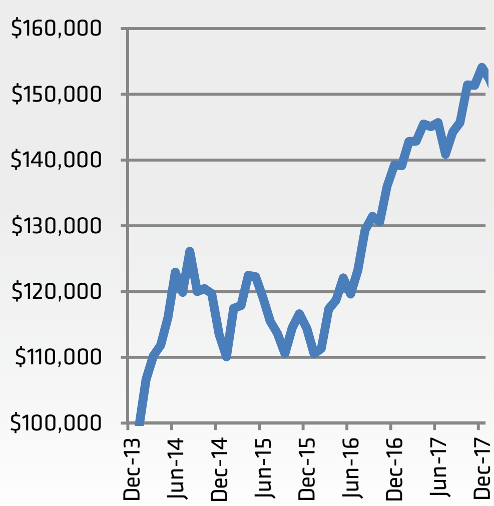
3 Annualized since inception date of December 31, 2013

4 Returns over one year are annualized

EQUITY SECTORS



GROWTH SINCE INCEPTION



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Q1 Commentary: Seymour Mid-Cap 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 Seymour Mid-Cap Equity Fund declined 1.5% in the quarter, outperforming the benchmark S&P/TSX Completion Index which generated a total return of -4.2% in the quarter.

The majority of the Fund's holdings experienced share price declines in the quarter, led by Real Matters Inc. (-27.7% in Q1). Real Matters, a disruptive technology platform company that provides software solutions and services to mortgage lending and insurance companies for appraisals, title & closing, and insurance inspections, is a relatively new position for the Fund. The company was founded by CEO Jason Smith, a successful technology entrepreneur, after the sale of his previous venture in 2004. We were familiar with Real Matters when it was a private company due to our investment in Altus Group Limited, a strategic partner and shareholder of Real Matters since 2008. Following a highly-anticipated initial public offering (IPO) in May 2017 (which we passed on due to valuation concerns), Real Matters' shares came under selling pressure. We believe the weakness reflects 1) near-term concerns about the U.S. mortgage market and 2) a perceived overhang amid speculation that some of the company's early investors may look to exit their positions. We had the opportunity to meet with Mr. Smith on several occasions in 2017, which helped build our conviction that Mr. Smith and his team have successfully put in place the people and processes to execute on a sizeable growth opportunity. Although the company faces some near-term headwinds, we remain optimistic about the company's longer-term growth prospects and have been impressed with Management's execution.

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. As portfolio managers, we view our role as two fold: to achieve attractive investment returns while managing risk, and limiting commodity exposure is one way that we mitigate risk. We place a strong emphasis on quality of management and conduct regular meetings with management teams in our offices, 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 portfolio companies including Cargojet Inc. (+16.0%), CCL Industries Inc. (+12.0%), and Stella-Jones Inc. (-9.9%). Cargojet is the leading dedicated provider of time-sensitive overnight air cargo services in Canada, with an unrivalled, dominant position in a steady and growing business that is also benefitting from strength in e-commerce. The company's entrepreneurial and innovative management team continues to aggressively pursue new growth opportunities.

CCL is the world's largest converter of pressure sensitive and film material for label applications. We have followed CCL for many years and have held it in the Fund since its inception. Although CCL operates in a very different business than Cargojet, it shares many of the similar characteristics that we favour 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. We believe 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.

Shares of Stella-Jones, a North American manufacturer of pressure-treated wood products, have come under pressure due to challenging industry fundamentals, which we believe to be transitory. Like Cargojet and CCL, Stella-Jones is well managed, has a leading market position in its core product areas (rail ties and utility poles), operates in a relatively steady-demand business, and generates very strong free cash flow.

As we discuss in this quarter's client letter, we believe that we have seen the end of the period of exceptionally low volatility that characterized 2017. We addressed the topic of volatility both in our Q4 commentaries and in this quarter's client letter. Although it can be unsettling, volatility creates opportunities for active managers to outperform. We continue to look for new opportunities to invest in great companies with a long-term view.

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.