Fund Facts

Fund Unit Value:
June 29, 2018
$19.5019

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 JUNE 29, 2018

Total Return for the Period (%)[1]	QTR	1 YR	3 YR[4]	5 YR[4]	8 YR[4]	Since Inception[3]
Seymour Canadian Equity Fund[2]	**5.3%**	**5.7%**	**9.8%**	**12.5%**	**11.5%**	**10.6%**
S&P/TSX Composite TR Index	6.8%	10.4%	7.0%	9.2%	7.8%	7.0%

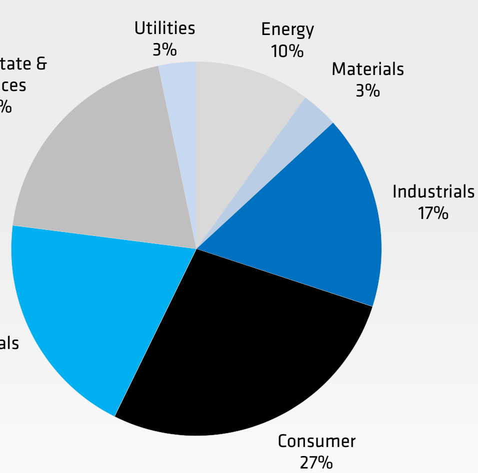
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently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

2 NAV performance is shown net of fees and expenses

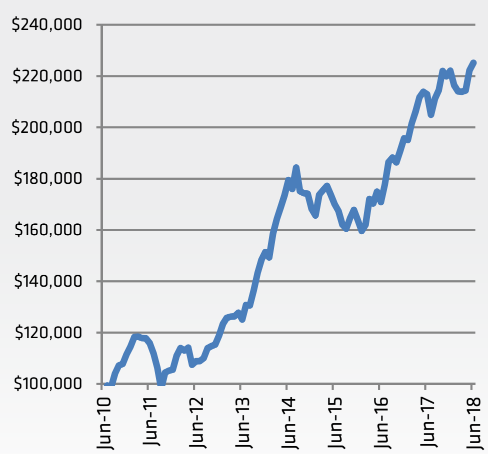
3 Annualized since inception date of June 15, 2010

4 Returns over one year are annualized

EQUITY SECTORS



GROWTH SINCE INCEPTION



Seymour Investment Management

Seymour Investment Management Ltd. | 1285 West Pender Street, Suite 900 | Vancouver, B.C. V6E 4B1
Main: (604) 659-1722 | info@seymourinvest.ca | www.seymourinvest.ca

Q2 Commentary: Seymour Canadian Equity Fund

Canadian equities performed well in the quarter on the back of broad-based strength in the global economy and corporate earnings. The Canadian benchmark S&P/TSX Composite Total Return Index ('TSX') rose 6.8%, led by a rally in resource stocks and cyclical equities. (The S&P/TSX Energy & Materials sub-indices were up 15.8% and 7.9%, respectively, and resource stocks accounted for 61% of the TSX's gain). The Seymour Canadian Equity Fund climbed 5.3% yet underperformed the TSX due to the Fund's more modest weighting in resource stocks.

For the one year period ending June 30, 2018, the Fund was up 5.7% and underperformed the TSX's 10.4% return. The underperformance may largely be attributed to Fund's more modest weighting in resource stocks and the Banks relative to the TSX. (Although we like the Canadian Banks as core long-term holdings and have held shares of Bank of Nova Scotia and TD Bank since the Fund's inception in June 2010, we view the TSX weighting in Banks at 23.0% as excessive in the context of a diversified portfolio.) The Fund's real estate investments were also a notable drag on performance, as was its investment in Winpak Ltd.

When commodity prices rally strongly as they have recently, we would typically expect to underperform the more heavily resource-weighted TSX. As a rule, the Fund holds very few resource stocks. This is due to our philosophy that over the long term, superior risk-adjusted returns may be achieved with lower volatility by investing in a concentrated yet diversified portfolio of equities using a buy-and-hold strategy with only moderate commodity exposure. While our primary objective of limiting commodity exposure is to mitigate risk, historical stock returns would suggest that a non-resource strategy can actually achieve higher returns over long time periods.

As previously mentioned, the Fund's investment in specialty packaging manufacturer Winpak (-9.2% in Q2 and -24.4% in the last 12 months) has weighed on returns. Winpak produces flexible and rigid packaging materials primarily for U.S. customers in the perishable foods, beverages and healthcare industries using its extensive technological expertise and proprietary processes. Over the last year Winpak has endured modest margin pressure from competitive pricing pressures and higher resin costs. The company's index-linked contracts do allow it to pass through higher resin costs to customers, albeit with a lag. Following a period of heavy capital investment, we expect Winpak to generate strong free cash flow and use its large and growing cash balance to fund an acquisition or pay a special dividend.

Great Canadian Gaming Corp., Canada's largest casino operator, was once again a notable contributor (+42.2% in Q2 and +97.1% in 1 year). We have followed Great Canadian closely since its 2004 initial public offering, and have held it since the Fund's June 2010 inception. Great Canadian operates 28 regional casinos across British Columbia, Ontario, Nova Scotia, New Brunswick and Washington State under long-term service agreements with provincial lottery corporations. As a leading player in a regulated and relatively mature industry, Great Canadian generates strong and steady cash flows. In 2012, the Ontario Lottery and Gaming Corporation (OLG) announced plans to modernize land-based gaming in an effort to reinvigorate growth, particularly in underserved markets. Great Canadian (along with partners) has been selected to operate a number of gaming facilities in the Greater Toronto Area and the company is proceeding with the redevelopment of a number of gaming facilities, which is expected to lead to significant growth in profitability.

As we look forward, there are reasons for caution but also reasons for optimism. Canada's reliance on trade with the U.S. has become a risk factor in the short term amid rising trade tensions. We have been asked what specific measures we are taking in the Fund in response to heightened trade uncertainty. At the risk of sounding complacent, the truth is that we have made very few changes in recent months. As portfolio managers, we view our role as two-fold: to achieve attractive investment returns while managing risk, and risk management is an ongoing process at Seymour.

While it might seem intuitive that our short-term macro outlook should drive our investment decisions, in reality it rarely does. We invest with a very long time horizon and focus on finding 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 try to buy these companies at reasonable valuations and notably, valuations have contracted recently because equity returns haven't kept pace with corporate earnings growth. We are confident that over the long term the companies we own will create significant shareholder value, which will ultimately be reflected in equity values.

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.