Fund Facts

Fund Unit Value:
September 28, 2018
$19.2849

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.

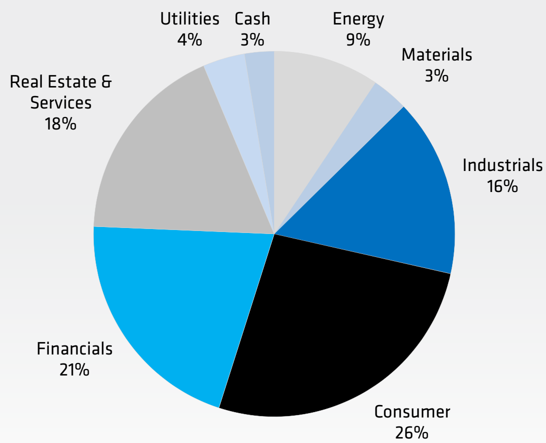
PERFORMANCE

AS AT SEPTEMBER 28, 2018

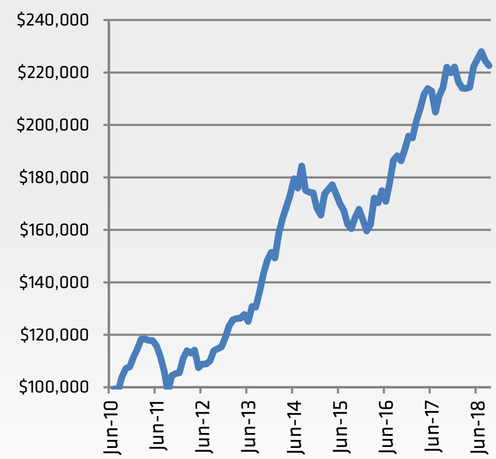
Total Return for the Period (%)[1]	QTR	1 YR	3 YR[4]	5 YR[4]	8 YR[4]	Since Inception[3]
Seymour Canadian Equity Fund[2]	**-1.1%**	**3.8%**	**11.5%**	**10.3%**	**10.0%**	**10.1%**
S&P/TSX Composite TR Index	-0.6%	5.9%	9.7%	7.8%	6.4%	6.8%

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 June 15, 2010
4 Returns over one year are annualized

EQUITY SECTORS



GROWTH SINCE INCEPTION



Seymour Investment Management

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Q3 Commentary: Seymour Canadian Equity Fund

Canadian equity performance was lackluster in the third quarter as trade concerns weighed on sentiment. The Seymour Canadian Equity Fund fell 1.1%, modestly underperforming the S&P/TSX Composite Total Return Index ('TSX'), which fell 0.6%.

The Fund's best-performing holding was Alimentation Couche-Tard Inc. (+13.5% in Q3), a very well-managed owner/operator of more than 14,000 convenience retail and fuel locations in North America, Europe, and Asia. Couche-Tard generates very strong free cash flow, which the company redeploys as an active acquirer in the fragmented C-store market. The company has a multi-decade track record of acquisitive growth, and a demonstrated ability to significantly improve retail operations and extract material synergies from acquired businesses. In September Couche-Tard reported solid Q1/F19 results, which highlighted the strongest network-wide same store sales (SSS) growth in at least seven years. We remain optimistic about the company's outlook given its continued focus on operational excellence and Couche-Tard's ability to continue to leverage its global scale and brands to drive organic growth, while consolidating the global C-store industry.

Other strong performers in the quarter included Brookfield Property Partners L.P. (+9.8% in Q3), FirstService Corporation (+9.3%), Brookfield Asset Management Ltd. (+8.3%), and Winpak Ltd. (+8.3%). Perhaps not surprisingly, all of these companies generate the vast majority of their revenues outside of Canada. Canadian National Railway Company (+8.2%) and Morguard Corporation (+8.2%) were also strong performers in the quarter.

Resource stocks performed poorly and the Fund's Energy holdings, which include oil & gas producer Canadian Natural Resources Limited (-10.4% in Q3), pipeline & midstream companies Enbridge Inc. (-10.0% in Q3) and Keyera Corp. (-4.2% in Q3), were a drag on performance. Profitability of Canadian oil producers continues to be constrained by a shortage of pipeline takeaway capacity, and producers are responding by cutting cap ex budgets. Recently, the discount that Canadian producers receive for Western Canadian Select (WCS) crude relative to North American Western Texas Intermediate (WTI) expanded to multi-year highs as refinery outages exasperated the supply glut. We don't foresee a quick fix to the industry's challenges given new roadblocks to pipeline construction (i.e. court rejection of the TransMountain Expansion's regulatory approval). We expect egress challenges will ultimately be resolved by new crude-by-rail capacity and eventually, new pipeline construction.

Maxar Technologies Ltd. (-35.0% in Q3), a vertically integrated space and geospatial intelligence company, also weighed on performance. Maxar (previously MacDonald, Dettwiler and Associates Ltd. or 'MDA') has a very strong R&D capability and competitive positioning in multiple segments of the space industry, an industry with strong barriers to entry. We opportunistically initiated a position earlier this year when Maxar shares came under pressure following the acquisition of DigitalGlobe ('DGI'), a leading leading vendor of space imagery and geospatial content. Maxar's debt levels are elevated following the DGI acquisition and some of MDA's legacy businesses face growth challenges, however, we believe these challenges have been overly discounted in the stock's valuation. We believe DGI's strong recurring revenues will allow it to support higher debt levels in the interim, and Maxar will eventually delever using the significant free cash flow it is ultimately expected to generate.

As we look forward, we are encouraged by two key recent developments that should help alleviate some investor angst and hopefully contribute to an increase in business investment. In early October, a tentative, re-negotiated North American trade deal ('United States-Mexico-Canada agreement') was reached, and a positive Final Investment Decision (FID) on the LNG Canada project was announced. These are key announcements that come at a time of uncertainty in the political and regulatory environment (which we think has contributed to the lackluster performance of Canadian equities). Canadian equity returns have lagged earnings growth this year and valuations now appear reasonable or attractive in many cases. The S&P/TSX Composite Index is trading at a forward price-to-earnings multiple of 13 times, below its historical average of 15 times.

As we begin the fourth quarter, we are seeing increased volatility in global equity markets. The catalyst for the recent sell-off appears to be a sharp rise in bond yields, while US-China trade tensions are also weighing on sentiment. We expect further interest rate hikes and the removal of stimulus could cause further volatility in equities, which may provide interesting buying opportunities.

CARL HOYT, CFA

Carl Hoyt began his investment career in sell-side equity research in 1985. In 1998, Carl co-founded Cypress Capital Management where he remained until 2008. At Cypress, Carl acted as Chief Investment Officer and was instrumental in the firm's growth to over $4 billion in assets under management. Carl founded Seymour in 2010 with a vision of building an employee-owned investment boutique with a strong investment culture and excellent client service.

KELLY WOODALL, CFA

Kelly began her career in investment management in 1997. From 2000 – 2006, Kelly was a sell-side equity research analyst, providing research coverage of a variety of industry sectors and companies. Since 2007, Kelly has been a portfolio manager on various Canadian Equity, Small-Capitalization, and Balanced mandates.

KYLE HARRISON, CFA

Kyle Harrison began his career in 1992 in institutional sales. 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 AdvisorTM 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.

DENNIS CHAN, CFA

Dennis Chan began his career in 2005 in equity research with Phillips, Hager & North, covering a variety of industry sectors and companies. Since 2010, Dennis has been a portfolio manager, directly managing $4B of Canadian Equity assets including Small-Cap, Dividend Income and SRI mandates.