Fund Facts

Fund Unit Value:
March 31, 2019
$18.9567

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 31, 2019

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]	**11.7%**	**2.7%**	**8.5%**	**6.0%**	**8.0%**	**9.4%**
S&P/TSX Composite TR Index	13.3%	8.1%	9.3%	5.4%	4.7%	6.6%

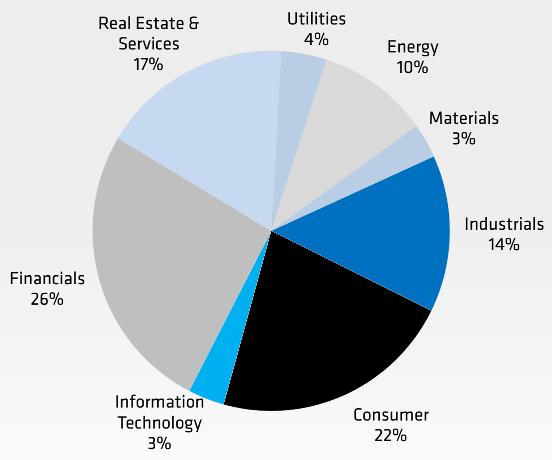
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently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

2 NAV performance is shown net of fees and expenses

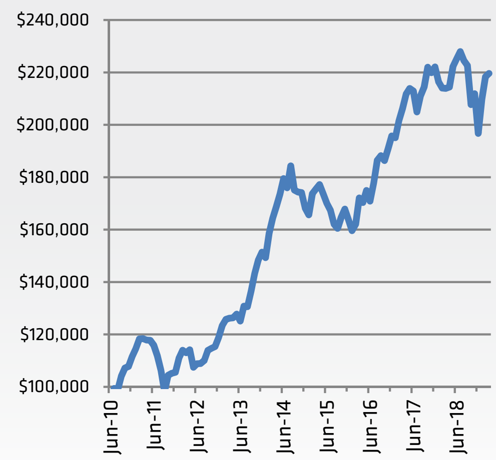
3 Annualized since inception date of June 15, 2010

4 Returns over one year are annualized

EQUITY SECTORS



GROWTH SINCE INCEPTION



Seymour Investment Management
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Q1 Commentary: Seymour Canadian Equity Fund

After a tumultuous fourth quarter, global equities rebounded sharply in the first quarter. Global growth has moderated and central banks have adopted a more accommodative stance, causing inflation and interest rate expectations to be re-set lower. 'Lower for longer' interest rates have supported a rally in equities. The Seymour Canadian Equity Fund climbed 11.7% in the quarter, which compares to 13.3% for the benchmark S&P/TSX Composite Total Return Index.

Interest rate-sensitive stocks (real estate, utilities, etc.) performed strongly including the Fund's Brookfield holdings which include Brookfield Property Partners L.P. (+24.8% in Q1), Brookfield Infrastructure Partners L.P. (+18.4%), and Brookfield Asset Management Inc. (+19.0%). Real estate owner and asset manager Tricon Capital Group Inc. (+18.8%) and midstream oil & gas operator Keyera Corp. (+22.1%) were also notable performers.

The Fund's best-performing holding was FirstService Corporation (+27.1%), an entrepreneurial company that was founded in 1989 by Chairman Jay Hennick and is managed by talented senior executives with a significant ownership stake in the business. FirstService operates two business lines: 1) FirstService Residential is the largest full-service property manager in North America, with a focus on owner-occupied low-, mid-, and high-rise condominiums, co-ops, homeowner associations (HOAs), master-planned communities, and active-adult real estate, and 2) FirstService Brands is a leading North American operator and provider of residential and commercial property services. The company's capital-light business model allows it to generate very strong free cash flow, which has been re-invested to grow the business. The stock has attracted a premium valuation owing to the company's exceptional long-term track record of organic and acquisitive growth, and as a result we continue to monitor the Fund's weighting in the stock.

Other notable performers in the quarter included core holdings CN Rail (+18.3%) and Waste Connections, Inc. (+16.8%) -- two companies with remarkably resilient business models. We recently had the opportunity to meet with senior executives from both companies during a tour of various industrials assets in Toronto and Montreal.

CN Rail CFO Ghislain Houle provided an update during a recent meeting in Montreal. We were encouraged to hear that demand remains relatively strong with no signs of any significant slowdown, the company has good visibility, and the pricing environment remains solid. CN Rail is a best-in-class operator with an attractive asset base and a long track record of consistent earnings growth. We view the carriers' networks akin to a pipeline investment that has strategic asset value in that the permitting and significant capital investment to build the railway has already been made, creating almost insurmountable barriers to entry. CN Rail operates in an oligopolistic market structure and faces limited competition from other railways and weak competition from trucks, which tend to be much less efficient over longer hauls. As a result, CN enjoys pricing power while its volumes tend to grow with GDP at a minimum, with additional upside from the market share it continues to win from trucks. We remain confident in the company's ability to generate high single-digit earnings growth going forward at a minimum, through a combination of modest pricing and volume gains, some modest operational efficiencies, and share buybacks. When factoring in the company's attractive dividend yield, we expect CN Rail to generate double-digit total shareholder returns on a sustained basis.

We met with senior executives from Waste Connections, a leading North American waste services provider, over the course of a couple of days, and toured the company's Lachenaie landfill. While it is sometimes difficult to gauge a company's corporate culture, over the years we have had the opportunity to tour a number of Waste Connections' collection and disposal operations in various geographies and meet with a number of the company's executives and employees. It is clear to us that Waste Connections is a company with a very strong culture that prioritizes employee safety and corporate and social responsibility. The company's focus and attention on recruitment, training and retention has resulted in lower employee turnover in an industry in which it is difficult to attract high-quality labour, and has contributed to the company's superior financial results. Waste Connections enjoys best-in-class growth, profitability and free cash flow generation. Like CN Rail, we expect Waste Connections to consistently deliver double-digit total shareholder returns, supported by modest pricing and volume gains, accretive acquisitions, and opportunistic share repurchases.

While global growth has moderated, broadly-speaking, the macro backdrop remains favourable for corporate earnings growth, supported by historically low interest rates. Valuations remain reasonable and we continue to find attractive investment 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.