Fund Facts

Fund Unit Value:
March 31, 2019
$14.7878

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.

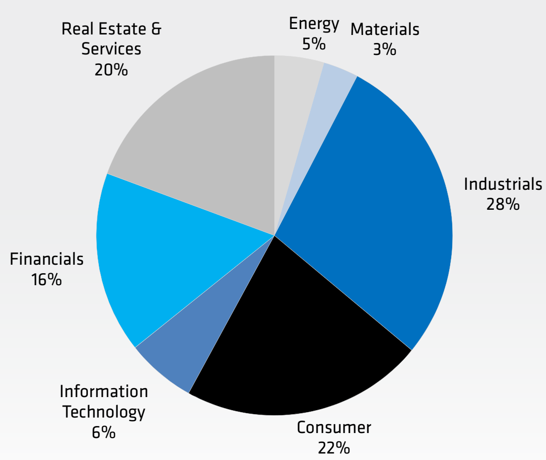
PERFORMANCE

AS AT MARCH 31, 2019

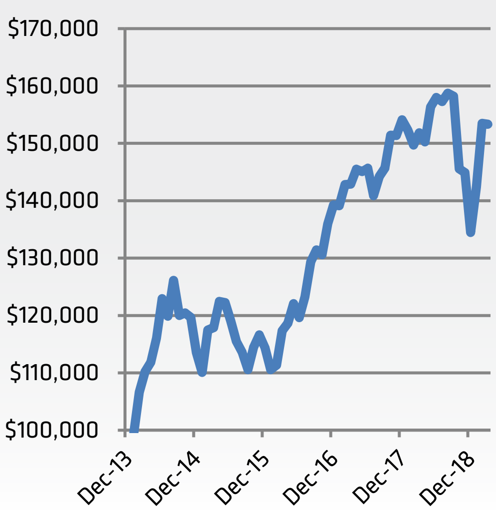
Total Return for the Period (%)[1]	QTR	1YR	3 YR[4]	5 YR[4]	Since Inception[3]
Seymour Mid-Cap Equity Fund[2]	**14.0%**	**1.0%**	**9.3%**	**6.8%**	**8.5%**
S&P/TSX Completion Total Return Index	15.8%	5.4%	7.2%	2.9%	4.2%

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



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

Q1 Commentary: Seymour Mid-Cap Equity Fund

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.

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 Mid-Cap Equity Fund climbed 14.0% in the first quarter versus 15.8% for the benchmark S&P/TSX Completion Total Return Index.

The Fund's performance benefitted from an all-cash takeover bid for Solium Capital Inc. (+61.8% in Q1) by Morgan Stanley. Morgan Stanley announced a definitive agreement to acquire Solium, a global software provider specializing in web-based equity benefits plan administration, for $19.15/share, a 43% premium to the stock's previous day closing price.

Shares of Real Matters Inc., a disruptive technology platform company that provides software solutions and services to mortgage lending and insurance companies for appraisals, title & closing, and insurance inspections, rebounded 63.9% in Q1 after struggling to gain traction throughout 2018. Although the company has faced some macro headwinds for originations, Real Matters is nevertheless attracting new clients and taking market share. We remain optimistic about the company's longer-term growth prospects, and believe Real Matters is well-positioned to execute on a sizeable growth opportunity.

Shares of Brookfield Business Partners L.P. ('BBU'), Brookfield Asset Management Ltd.'s publicly-traded private equity vehicle, climbed 27.3% in the quarter. Brookfield has a solid, long-term track record as a value-oriented buyer and operator of businesses in a variety of industries and geographies and its management team is extremely adept at deal structuring and financing. BBU, which has been an active acquirer since it was spun out in June 2016, is targeting compound annual returns of 15 – 20% by acquiring high-quality businesses and applying Brookfield's global investing and operational expertise to create value.

FirstService Corporation (+27.1%) is 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 generates 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.

Badger Daylighting Ltd. has been a strong contributor to the Fund's returns (+26.0% in Q1 and +57.6% for the one-year period ending March 31). Badger provides non-destructive excavation services across North America with a fleet of >1,000 trucks. Using water jets and suction, hydro-excavating is a safer alternative to digging by hand or powered tools, especially with critical infrastructure such as gas pipelines underground. Over the past several years, Badger has attracted the unwarranted attention of short sellers, who made unfair aspersions as to the financial health and quality of the company. To Badger's credit, the Board and Management did a thorough investigation of the allegations, strengthened processes and the management team, and improved shareholder communication and disclosure. Badger continues to execute and grow in the U.S., which remains a significantly untapped market for the company.

Landing gear and parts manufacturer Héroux-Devtek Inc. (+22.8% in Q1) reported very strong fourth-quarter and continues to be awarded new, sizeable programs, which is a testament to its capabilities. The company is well-positioned to leverage its excess capacity and drive longer-term growth. Other notable performers in the quarter included heavy equipment dealer Toromont Industries Ltd. (+25.8%), real estate owner/operator Brookfield Property Partners L.P. (+24.8%), and midstream oil & gas operator Keyera Corp. (+22.1%).

The Fund's relative returns have been negatively impacted by the Fund's lack of exposure to cannabis stocks, which we estimate added > 300 basis points to the Completion Index's returns in Q1. We continue to view cannabis companies as uninvestible for a number of reasons including their lack of profitability and extremely rich valuations. The Fund's performance has also been negatively impacted by its investment in Maxar Technologies Ltd. (which we discussed at length in the Q3 2018 and Q4 2018 fund commentaries).

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, particularly in the small- and mid-cap space.