Fund Facts

Fund Unit Value:
September 30, 2019
$32.1023

Inception Date:
June 4, 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.

Only accredited investors or investors who satisfy the minimum amount investment as defined by applicable securities legislation may invest in the Seymour Pooled Funds. These materials are for information only and do not constitute an offer to sell or a solicitation to buy units of this Fund.

Seymour Performance Fund

The investment objective of the Seymour Performance Fund is to achieve superior risk-adjusted investment returns over the long term by investing primarily in small and mid capitalization Canadian equities. The Performance Fund holds a concentrated portfolio of 20-30 core names. In addition to owning a core group of equities, a small portion of the Performance Fund may be invested in event-driven transactions and initial public offerings. The Performance Fund should be viewed as more aggressive (higher risk) than more conventional equity investments such as the Seymour Canadian Equity Fund.

The fee structure for the Performance Fund is based on an annual management fee of 1% of the net asset value, with an annual performance fee of 10% of any annual return over the hurdle rate of 7.5%.

PERFORMANCE

AS AT SEPTEMBER 30, 2019

Total Return for the Period (%)[1]	QTR	1 YR	3 YR[4]	5 YR[4]	Since Inception[3]
Seymour Performance Fund[2]	**-0.2%**	**2.4%**	**9.5%**	**7.0%**	**15.8%**
S&P/TSX Smallcap TR Index	-1.2%	-6.6%	-1.8%	0.1%	2.5%
S&P/TSX Composite TR Index	2.5%	7.1%	7.4%	5.3%	7.1%

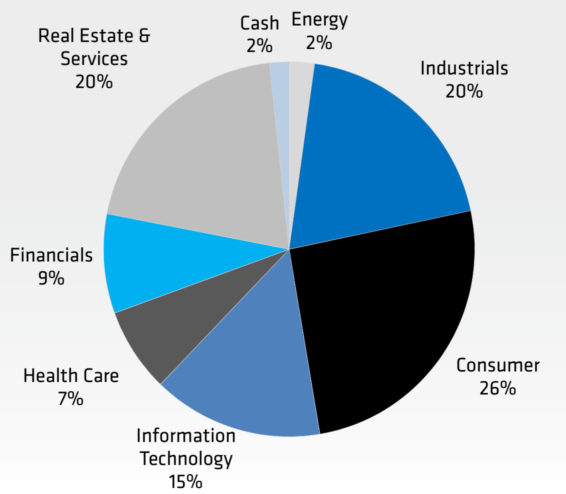
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently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

2 NAV performance is shown net of fees and expenses

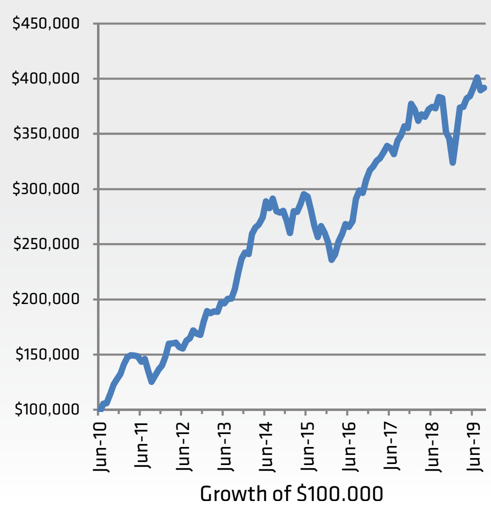
3 Annualized since inception date of June 4, 2010

4 Returns over one year are annualized

INDUSTRY SECTOR BREAKDOWN



GROWTH SINCE INCEPTION[3]



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

Q3 Commentary: Seymour Performance 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.

The Seymour Performance Fund recorded a modest 0.2% decline in the third quarter. Although the Fund's performance was relatively flat, there was considerable divergence in the returns of its underlying holdings. We discuss some of the leading contributors and detractors from performance in the quarter below.

Real Matters Inc. (+61.2% in Q3), which provides property appraisal, insurance inspection, title search, and mortgage closing services using a proprietary and innovative network management platform, reported strong Fiscal Q3 results, with strength in both its Appraisal and Title & Closing segments. The company has established an industry-leading position in Appraisal, serving the majority of the top 100 North American mortgage lenders. A recent rebound in mortgage activity, prompted by lower mortgage rates, has allowed Real Matters to generate impressive profitability and demonstrate the operating leverage that is inherent in the company's business model. We believe Real Matters is well-positioned to execute on a sizeable growth opportunity as it continues to take market share in the mortgage appraisal and title & closing businesses – industries that we view as ripe for disruption.

Altus Group Limited (+24.6% in Q3), a leading provider of software, data solutions, and independent advisory services to the global commercial real estate industry, reported strong Q2 financial results that highlighted solid contributions from both its Commercial Real Estate Consulting (Property Tax and Valuation & Cost Advisory) segment and its Analytics segment. ARGUS Enterprise, the company's reporting, planning, and budgeting software platform, has become the de facto standard for the commercial real estate industry, and we expect new cloud functionality will enable the company to drive revenue growth through the upsell of new modules. Altus' property tax consulting business is enjoying an accelerated pace of case settlements following a temporary slowdown that was caused by changes to tax assessment processes in its core Ontario and UK markets. We believe Altus is well-positioned to drive continued growth in revenues (both organically and through acquisition), building on the significant investments that have been made in ARGUS Enterprise and Altus' property tax division.

Bond yields moved sharply lower in the quarter, which supported a rally in interest-rate sensitive, real estate equities. Mainstreet Equity Corp. (+13.6% in Q3), an owner/operator of mid-market, rental apartment buildings, and StorageVault Canada Inc. (+15.6% in Q3), the largest owner/operator of self-storage real estate in Canada, performed strongly. Unlike traditional REITs that distribute free cash flow to unitholders, Mainstreet and StorageVault are structured as operating companies that reinvest internally generated cash flow to grow their asset bases. The self-storage and mid-market apartment property types lend themselves to consolidation plays because ownership tends to be fragmented, and well-managed operators with scale can extract revenue and cost synergies. Both Mainstreet and StorageVault are led by entrepreneurial CEOs with strong ownership positions that have created tremendous shareholder value through a focus on operations and with accretive acquisitions and re-development.

In September, we attended the annual CIBC Eastern Conference in Montreal and had the opportunity to once again meet with senior management from Cargojet Inc. (+11.8% in Q3), the leading dedicated provider of time sensitive overnight air cargo services in Canada. Cargojet continues to enjoy strong growth in its core overnight network, reflecting a growing tailwind from e-commerce. The company recently announced a strategic agreement with Amazon that de-risks the company's growth profile and provides greater earnings visibility.

MAV Beauty Products Inc. (-36.2% in Q3) weighed on performance in the quarter. The company's performance has fallen short of IPO projections, however, in our recent meeting with senior management, we gained a better understanding of the recent investments in the business which have hampered short-term profitability and cash flow. Going forward, with the past investments now largely in the rear view mirror, we expect steady improvements in financial performance which should drive a recovery of the share price. We still believe that MAV has an attractive portfolio of brands that will continue to grow as it deepens its relationship with retailers and innovates with new products.

Badger Daylighting Ltd. (-14.8% in Q3), the largest North American provider of non-destructive excavation services, reported soft Q2 financial results. Adverse weather negatively impacted activity levels in the quarter and caused project delays, which in turn contributed to labour inefficiencies. Following the recent pullback, we view the stock's valuation as compelling, particularly relative to the company's growth trajectory. Hydro-excavating, which uses water jets and suction and is a safer alternative to digging by hand or powered tools, especially with critical infrastructure such as gas pipelines underground, is still relatively in its infancy in the U.S. We see significant opportunity for Badger to continue to grow its fleet and expand its operations using internally generated cash flows.

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.