Fund Facts

Fund Unit Value:
December 31, 2019
$20.5404

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.

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 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.

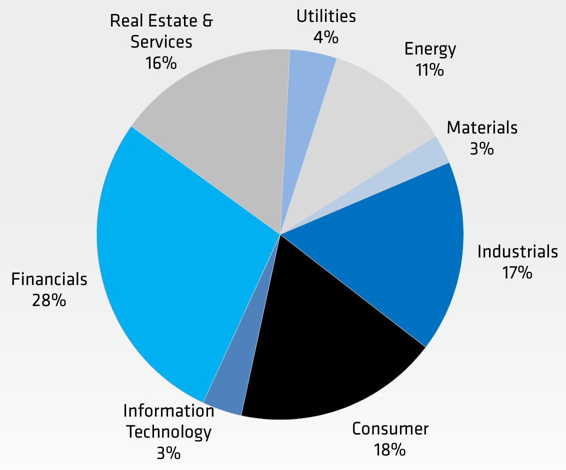
PERFORMANCE

AS AT DECEMBER 31, 2019

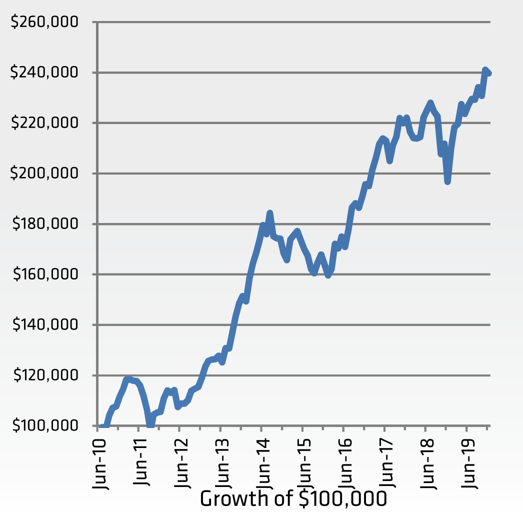
Total Return for the Period (%)[1]	QTR	1 YR	3 YR[4]	5 YR[4]	Since Inception[3]
Seymour Canadian Equity Fund[2]	**2.4%**	**21.8%**	**7.0%**	**7.3%**	**9.6%**
S&P/TSX Composite TR Index	3.2%	22.9%	6.9%	6.3%	6.9%

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

INDUSTRY SECTOR BREAKDOWN



GROWTH SINCE INCEPTION[3]



Seymour Investment Management

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Q4 Commentary: Seymour Canadian 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.

Global equities performed strongly in the fourth quarter, capping the strongest year for global equities in a decade. The Seymour Canadian Equity Fund climbed 2.4%, versus 3.2% for the benchmark S&P/TSX Composite TR Index ('TSX'), with the underperformance attributable to 1) the Fund's more modest weightings in Energy and Materials – sectors that led the TSX's returns; 2) the Fund's higher weighting in interest-sensitive real estate equities; and 3) the strong performance of commerce SaaS provider Shopify Inc., which the Fund does not hold due to valuation concerns.

Large-cap resource equities performed strongly in the quarter as commodity prices moved sharply higher, led by crude oil. Canadian Natural Resource Ltd., the Fund's sole E&P holding, participated in the rally, climbing 19.1%. CNRL is a well-managed senior producer with strong inside ownership. The company prioritizes firm culture, invests conservatively with a long-term view, and is very focused on continuous operational and capital cost improvement. The company's low-decline, low-cost oilsands assets generate very strong free cash flow, which the company allocates to its so-called 'four pillars of capital allocation' which include (1) balance sheet strength; 2) returns to shareholders; 3) resource development; and 4) opportunistic acquisitions. CNRL is well-positioned to benefit as egress continues to improve.

The Fund's pipeline & midstream holdings also performed well, led by Enbridge Inc. (+21.7% in Q4). Enbridge owns and operates the world's longest crude oil and liquids transportation system, which primarily transports crude oil from the Western Canada Sedimentary Basin to markets in Eastern Canada, the U.S. Midwest and Mid-Continent. During the quarter, we attended Enbridge's annual investor day in New York where management provided further details on its plans to generate 5-7% annualized organic regulated/contracted growth in distributable cash flows using a self-funding model. Combined with a 6.3% dividend yield, we believe Enbridge is well-positioned to generate double-digit shareholder returns.

Shares of Brookfield Asset Management Inc. ('BAM'), a leading global asset manager focused on real estate, renewable power, infrastructure, and private equity, climbed 6.3% in the quarter, capping a strong year (+43.4% in 2019). BAM is the Fund's largest holding and has been a core holding since the Fund's inception in 2010. The senior management team of the Brookfield group of companies (which includes Brookfield Asset Management Ltd. and its listed entities) clearly stands out for the depth and breadth of their expertise, as well as the entrepreneurial and performance-oriented culture that the company has cultivated and preserved. In recent years BAM has become increasingly successful at raising third-party capital on the back of its very strong, long-term track record given strong demand for alternative assets from pension and sovereign wealth funds. This has allowed BAM to leverage its global operating platforms and generate an attractive, steady and growing stream of management fees, contributing to very strong growth in cash flows and net asset value.

Several stocks weighed on performance during the quarter, including FirstService Corp., (-11.0% in Q4 and +29.0% in 2019), which pulled back this quarter following a strong run. FirstService ('FSV') operates two business lines: 1) FirstService Residential is the largest full-service property manager in North America, with a focus on owner-occupied 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. FSV's business is predominantly located in the U.S., where FSV has benefitted from strong economic growth and a rebound in the housing market. Although FSV's Q3 results showed more moderate growth, we continue to see a long runway for FSV to grow both organically and through acquisition.

Shares of Altus Group Ltd. (-5.0% in Q4 and +60.4% in 2019), a leading independent provider of real estate consulting services, real estate software applications and data solutions, also pulled back in the fourth quarter after rallying strongly throughout most of 2019. During the quarter, we had the opportunity to sit down with management and also attended Altus' inaugural investor day in Toronto, which featured presentations from senior executives from Canada, the U.S., and the UK, and highlighted the depth of the company's management team. The investor day largely focused on growth opportunities in the company's Altus Analytics and Property Tax businesses, which we believe are immense. ARGUS Enterprise 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 rebound after a temporary slowdown that was caused by changes to tax assessment processes in its core Ontario and UK markets. We believe management has multiple levers to grow the company organically including global expansion and new addressable markets, and we expect organic growth will be supplemented by acquisitions.

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.