Fund Facts

Fund Unit Value:
December 31, 2019
$16.9080

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 DECEMBER 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]	**5.7%**	**30.4%**	**8.0%**	**9.1%**	**9.8%**
S&P/TSX Completion Total Return Index	5.8%	26.1%	5.6%	5.0%	5.1%

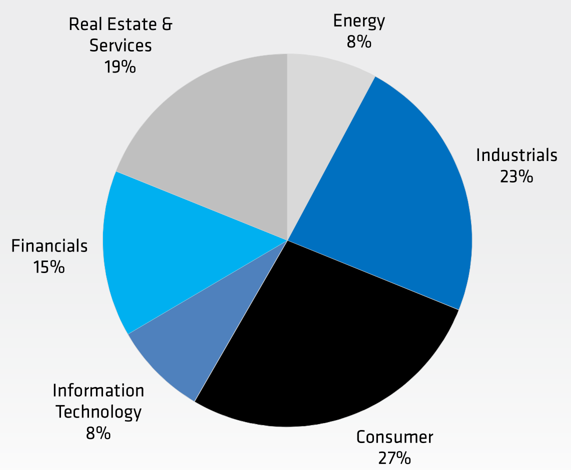
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently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

2 NAV performance is shown net of fees and expenses

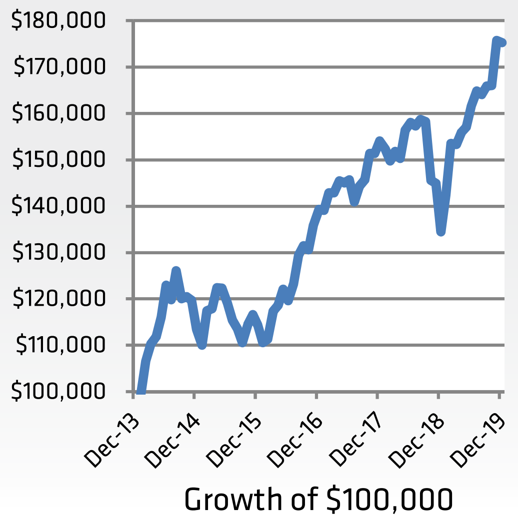
3 Annualized since inception date of December 31, 2013

4 Returns over one year are annualized

INDUSTRY SECTOR BREAKDOWN



GROWTH SINCE INCEPTION[3]



Seymour Investment Management

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Q4 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.

Global equities performed strongly in Q4, capping the strongest year in a decade. The Seymour Mid-Cap Equity climbed 5.7%, compared to the benchmark S&P/TSX Completion Index's total return of 5.8%.

Crude oil prices moved sharply higher and the Fund's pipeline & midstream holdings performed well, led by Gibson Energy Inc. (+16.9% in Q4). Gibson is a crude oil infrastructure company focused on storage, blending, processing, and gathering of crude oil and refined products. The company's attractive land position at Hardisty gives it a competitive advantage and Gibson is enjoying steady growth by adding additional crude oil storage at Hardisty, underpinned by long-term contracts at attractive incremental returns on capital. In recent years, the company has divested non-core assets and is increasingly focused on growing its stable 'Infrastructure' segment, which now represents ~80% of EBITDA. Gibson's Marketing division, while more volatile, generates strong free cash flow and Gibson recently increased its longer-term, run-rate Marketing guidance. Gibson also announced that it has formed a 50/50 joint venture to construct and operate a diluent recovery unit at Hardisty, underpinned by a long-term, take-or-pay agreement with Conoco Phillips Canada, with on-going discussions taking place to secure additional agreements with producers and refiners. Management is guiding to an attractive 5-7x build multiple as Gibson leverages its existing footprint and self-finances the project without the need to raise equity.

Kinaxis Inc. (+16.0% in Q4) is a well-managed, best-in-class Software as a Service (SaaS) provider of supply-chain solutions. The company has made a significant investment over the last few years to expand the scope of its product both geographically into Europe and Asia, and by vertical into Consumer Packaged Goods and Pharmaceuticals. That investment is starting to bear fruit, as evidenced by a significant jump in backlog and new customer wins, including Unilever, Honda and Novartis. With a strong product and the growing backing of global customers, we see Kinaxis continuing a long trajectory of high and profitable growth.

Several holdings weighed on performance, including Badger Daylighting Ltd. (-13.6% in Q4), the largest North American provider of non-destructive excavation services. Badger reported disappointing Q3 results, which were impacted by what we view as transitory issues, including: 1) wet weather which impacted Badger's ability to work and thus impacted revenue/margins, and 2) implementation of a new Enterprise Resource Planning (ERP) system, which has gone over budget. We recently met with Badger's new CFO, Darren Yaworsky, which gave us increased confidence that the ERP implementation is on track. The new system will allow Badger to better manage its business, leading to higher growth and profitability longer term.

Interest-rate sensitive equities, including real estate stocks, came under modest pressure as longer-term bond yields rebounded slightly, and shares of Brookfield Property Partners L.P. ('BPY'), fell 11.8%. BPY is Brookfield Asset Management Inc.'s flagship publicly-traded real estate vehicle, and BAM owns 54% of BPY's outstanding shares. BPY's attractive 'Core Office' portfolio, which represents ~93 million sq. ft. across ~136 Class A office buildings in gateway markets around the globe, continues to perform strongly. The company's 'Core Retail' portfolio, which spans 122 million sq. ft. across 123 "best-in-class" malls and urban retail locations in the U.S., remains a concern for investors given negative sentiment toward Retail and enclosed malls in particular. Brookfield intends to monetize partial or whole interests in some of these retail properties and will pursue redevelopment and intensification opportunities at a number of locations. BPY is actively repurchasing its shares, which trade at a steep discount to net asset value, and the company has not ruled out a substantial issuer bid.

Shares of FirstService Corp. (-11.0% in Q4 and +29.0% in 2019) pulled back 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.

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.