Fund Facts

Fund Unit Value:
March 31, 2020
$11.9350

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.

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 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, 2020

Total Return for the Period (%)[1]	QTR	1YR	3 YR[4]	5 YR[4]	Since Inception[3]
Seymour Mid-Cap Equity Fund[2]	**-29.4%**	**-19.3%**	**-4.7%**	**1.0%**	**3.5%**
S&P/TSX Completion Total Return Index	-29.7%	-23.4%	-6.9%	-2.7%	-0.8%

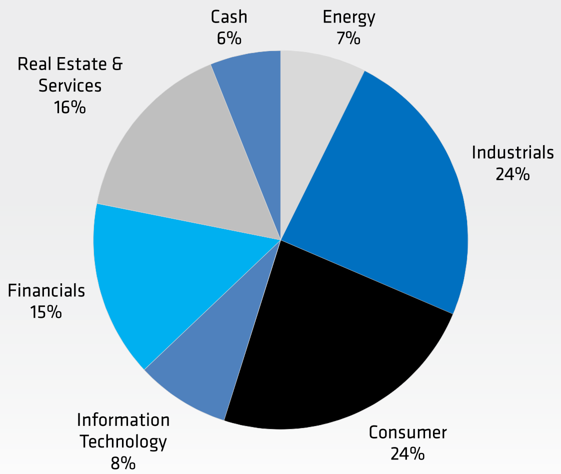
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently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

2 NAV performance is shown net of fees and expenses

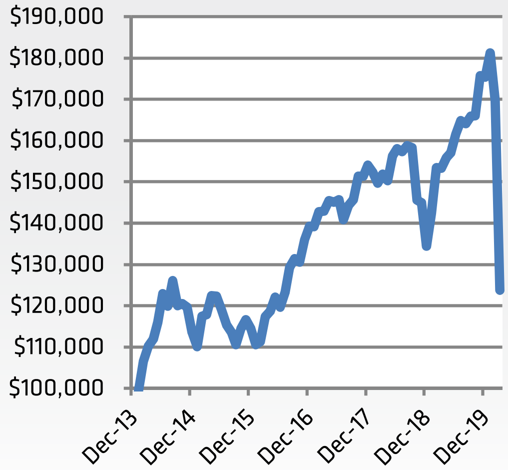
3 Annualized since inception date of December 31, 2013

4 Returns over one year are annualized

INDUSTRY SECTOR BREAKDOWN



GROWTH SINCE INCEPTION[3]



Growth of $100,000

Seymour Investment Management

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Q1 Commentary: Seymour Mid-Cap Equity Fund

Global equities fell sharply as economic activity declined amid COVID-19 lockdowns, prompting recessionary concerns. The Seymour Mid-Cap Equity Fund fell 29.4% versus -29.7% for the S&P/TSX Completion Total Return Index.

With massive swathes of the economy effectively shut down, governments and central banks are acting quickly and decisively to maintain the stability of the financial system and stave off mass bankruptcies with sizeable aid packages, interest rate cuts, and asset purchases. Generous government support is necessary to avoid a deeper and more prolonged economic downturn, but comes at a cost. Deficit spending will lead to higher government debt levels, albeit supported by historically low interest rates and funding costs.

In times of economic and market turmoil, our primary focus is ensuring the companies in our portfolio have sufficient cash reserves, borrowing capacity, and liquidity to survive the downturn. We have stress-tested the business models and balance sheets for our holdings, and although we expect revenue and earnings declines in the short term, we are confident in the sustainability of the companies in our portfolio, even if the downturn is more protracted than we might hope.

Our investment approach is to buy high-quality, well-managed companies with attractive business models and solid balance sheets that we can own throughout the entire business cycle. As buy-and-hold investors with a long time horizon, we tend to have very little turnover in our investment portfolios by design. In recent months, however, we have increased our trading activity to take advantage of market dislocations, by trimming positions that have outperformed including Cargojet Inc. (-2.1% in Q1), Real Matters Inc. (+13.6%), and Kinaxis Inc. (+8.9%) and Jamieson Wellness Inc. (unchanged in Q1) and adding to stocks that have sold off disproportionately and which we believe offer exceptional value and solid, long-term returns including Spin Master Corp. (-65.8%), Gibson Energy Inc. (-38.9%), Badger Daylighting Ltd. (-35.2%), Héroux-Devtek Inc. (-45.2%), and Park Lawn Corp. (-43.7%).

Technology stocks outperformed during the sell-off, including shares of Kinaxis, whose supply chain software has become increasingly valuable to customers amid supply chain disruptions and rapid shifts in supply and demand. We expect Kinaxis will see limited impact to revenues and margins from the downturn. While new business bookings may slow in the near term, Kinaxis may ultimately see greater demand for its software and an acceleration in deployments for both existing and new customers.

Real Matters, which provides property appraisal, insurance inspection, title search, and mortgage closing services using a proprietary and innovative network management platform, is experiencing a surge in demand. The recent decline in interest rates has led to a surge in mortgage refinance activity and a backlog of refinance work that exceeds 18 months. Management has executed exceptionally well during a challenging period and we believe the company is well positioned for continued market share gains.

SpinMaster ('TOY'), a leading global toy manufacturer and distributor with a strong track record of innovation, has experienced supply chain challenges that were exacerbated by a poorly-executed transition to a new distribution centre. Our recent discussions with management give us confidence that TOY has turned the corner operationally. While TOY is seeing some impact from COVID-19 from shuttered retail channels and a shift in consumer focus toward essential needs, in recent years TOY has built a diverse portfolio of brands and products such as puzzles, games and outdoor equipment that are selling well as consumers stay home. We are confident that TOY will survive and prosper with a debt-free balance sheet and an asset light business model that enables the company to generate strong free cash flow.

Shares of Park Lawn, a consolidator of funeral homes and cemeteries with properties across North America, sold off with the announced departure of the company's CEO and a softer-than-expected fourth quarter. We had the opportunity to speak with the new interim-CEO, Bradley Green, who comes from a strong industry operating background, as well as other senior executives and board members, which reinforced our confidence in the company's leadership. We feel confident that Park Lawn remains well-positioned for continued organic and acquisitive growth.

We opportunistically re-initiated a position in CAE Inc., a global leader in civil aviation and defense training, after its share price fell by more than 50%. Although CAE faces challenges related to COVID-19 and a dramatic decline in air travel, pilot training is a regulated activity and CAE continues to operate the majority of its training centres under reduced hours, and provide mission-critical defense training. The company has taken aggressive actions to reduce costs and preserve liquidity, and we believe CAE is well-positioned to withstand the downturn and ultimately return to growth.

In addition to stress-testing our portfolio, we are positioning the Fund for an eventual recovery. Equity markets will anticipate a recovery before the economy turns. We are working to identify and capitalize on once-in-a-decade buying opportunities that offer the potential for excess returns, which we are seeing in stocks across a wide variety of industry sectors.

CARL HOYT, CFA

Carl began his investment career in sell-side equity research in 1985. In 1998, Carl co-founded Cypress Capital Management where he remained until 2008. 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 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 began his career in 1987 at Pemberton Securities in Vancouver and held various positions there as well as at RBC Dominion Securities and Royal Bank Investment Management. 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.

SAMANTHA TENNANT, CFA, CPA, CA

Samantha began her career as part of the Assurance practice at PwC as a member of the Financial Services team. She joined the Seymour team in 2017 bringing an accounting and financial background to help clients meet their long-term financial goals.