Fund Facts

Fund Unit Value:
June 30, 2020
$17.7296

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.

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 JUNE 30, 2020

Total Return for the Period (%)[1]	QTR	1 YR	3 YR[4]	5 YR[4]	10 YR[4]	Since Inception[3]
Seymour Canadian Equity Fund[2]	**15.4%**	**-8.9%**	**-1.0%**	**4.0%**	**8.2%**	**7.5%**
S&P/TSX Composite TR Index	17.0%	-2.2%	3.9%	4.5%	6.3%	5.8%

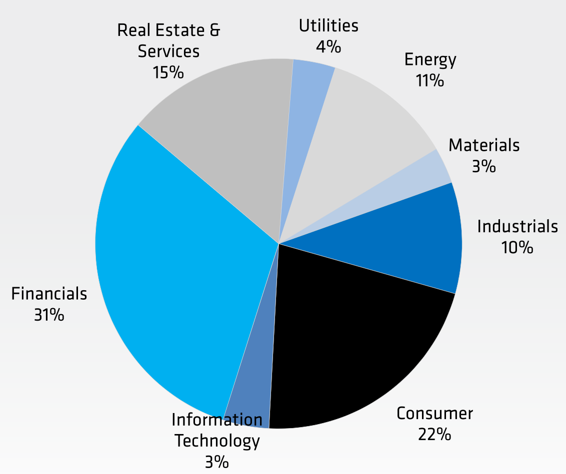
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently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

2 NAV performance is shown net of fees and expenses

3 Annualized since inception date of June 15, 2010

4 Returns over one year are annualized

INDUSTRY SECTOR BREAKDOWN



GROWTH SINCE INCEPTION[3]

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Q2 Commentary: Seymour Canadian Equity Fund

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.

Equity markets rebounded strongly in the second quarter and the Seymour Canadian Equity Fund climbed 15.4%, compared to 17.0% for the S&P/TSX Composite Total Return Index ('TSX'). Year-to-date, the Fund has returned -13.7% versus -7.5% for the TSX.

The Fund is managed using a bottom-up approach without regard for the composition of the TSX. For context, the following factors negatively impacted the Fund's returns relative to the TSX year-to-date:

1. The Fund does not own Shopify Inc., which climbed nearly 160% year-to-date to become the largest weighting in the TSX and contributing 365 basis points to the TSX. Excluding Shopify, the year-to-date return of the TSX would have been be -11.2%.

2. The Fund does not invest in Gold stocks, which are up strongly this year and contributed 385 bps to the TSX year-to-date.

Share prices of toy manufacturers including Spin Master Corp.(TOY) (+81.2% in Q2) along with industry giants, Mattel, Inc. and Hasbro Inc., have rebounded after recording share price declines at the onset of the pandemic over concerns related to retail closures and consumer spending. Historically, the toy industry has been relatively recession resistant as parents still buy for their children in tougher times. Recent data points have strengthened that thesis, with industry sales rebounding to normal levels and certain categories like education, puzzles, games, and outdoor (areas that TOY is strong in), even showing year-over-year growth. TOY has historically been acquisitive, and we expect the economic downturn may open up opportunities for TOY to make acquisitions using its debt-free balance sheet.

Energy stocks rallied in the quarter, erasing some of the declines seen in Q1. Crude oil prices have moved sharply higher as the supply-demand outlook for crude improves following production curtailments and shut-ins, and as gasoline demand recovers as lockdowns ease. Keyera Corp. (+58.0% in Q2), which provides essential midstream services to oil & gas producers, including NGL gathering and processing, fractionation, storage, transportation, logistics and marketing services, performed strongly. We have followed Keyera for many years, and have watched management scale and transform the company organically and through disciplined capital allocation by capitalizing on strategic growth opportunities while prudently managing risk exposures. Although Keyera faces challenges including a decline in gathering and processing volumes and heightened counterparty risk, Keyera's leadership team has taken steps to mitigate these risks and we think the business is more durable than is widely believed. The company's conservative use of debt relative to its peers positions it to manage through the downturn and capitalize on longer-term growth opportunities in the Montney Formation.

A recovery in fuel demand is benefitting Alimentation Couche-Tard Inc. (+28.4% in Q2), a well-managed owner/operator of 15,000 convenience retail and fuel locations in North America, Europe, and Asia. Couche-Tard generates very strong free cash flow, which the company redeploys as an active acquirer in the fragmented C-store market. The company has a multi-decade track record of acquisitive growth, and a demonstrated ability to significantly improve retail operations and extract material synergies from acquired businesses. We remain optimistic about the company's outlook given its continued focus on operational excellence and Couche-Tard's ability to continue to leverage its global scale and brands to drive organic growth, while consolidating the global C-store industry. The company is well-positioned to double EBITDA over the next 3-4 years with balance sheet capacity to make a $7-billion+ acquisition without issuing equity.

We recently received an update from Magna International Inc. (+34.6% in Q2), a leading global automotive supplier with a diverse product portfolio. Magna, along with the broader auto industry, is ramping up production across its global manufacturing footprint as lockdown restrictions ease. Although Magna has seen some modest program delays and deferrals from its OEM customers, these haven't been material and auto demand appears to be relatively robust. Encouragingly, Magna is well positioned to withstand any weakness as the auto industry recovers given the strength of its balance sheet and strong free cash flow generation. Longer term, the company's leading global platform and focus on technology and innovation position it to be a supplier of choice to auto makers, and we believe Magna is well-positioned for the technological changes that the auto industry is facing.

During periods of dislocation in capital markets, opportunities arise for nimble investors to generate excess returns through active management and careful security selection. We remain focused on investing in world-class organizations that are well-positioned to survive the downturn, and emerge as stronger organizations. In many cases, we have been able to add to our existing equity ownership positions at attractive valuations during this period of heightened volatility, and we will continue to capitalize on opportunities as they arise.