Fund Facts

Fund Unit Value:
June 30, 2020
$15.2814

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 JUNE 30, 2020

Total Return for the Period (%)[1]	QTR	1YR	3 YR[4]	5 YR[4]	Since Inception[3]
Seymour Mid-Cap Equity Fund[2]	**28.0%**	**-1.9%**	**2.8%**	**5.9%**	**7.3%**
S&P/TSX Completion Total Return Index	25.5%	-5.1%	0.9%	2.0%	2.7%

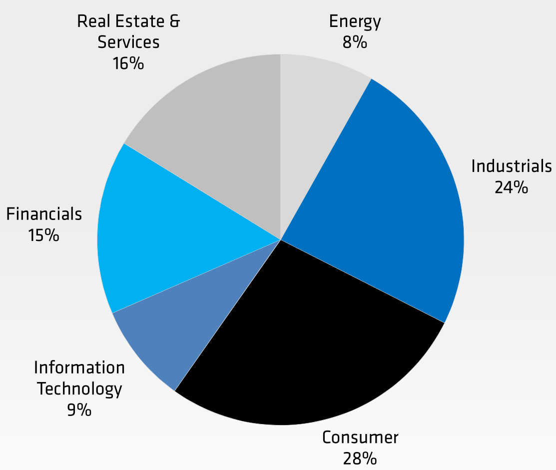
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently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

2 NAV performance is shown net of fees and expenses

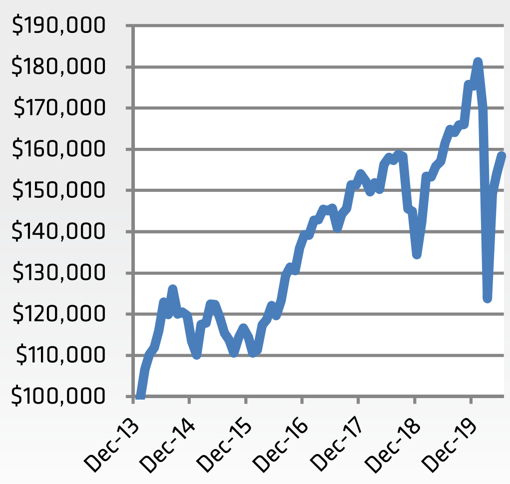
3 Annualized since inception date of December 31, 2013

4 Returns over one year are annualized

INDUSTRY SECTOR BREAKDOWN



GROWTH SINCE INCEPTION[3]



Seymour Investment Management

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

Q2 Commentary: Seymour Mid-Cap Equity Fund

Equity markets rebounded in the second quarter, and small- and mid-cap equities performed strongly. The Seymour Mid-Cap Equity Fund climbed 28.0% in the quarter, compared to 25.5% for the S&P/TSX Completion Total Return Index. Year-to-date, the Mid-Cap Fund has returned -9.6% versus -11.8% for the Completion Index.

Technology stocks continued to lead the market's gains in the second quarter, pushing lofty valuations to new highs as investors continued to demonstrate a willingness to pay a premium for the attractive combination of resiliency and growth. Additionally, a number of technology companies are poised to emerge from the pandemic as 'winners' that benefit from such trends as work-from-home, teleconferencing, supply chain software, and e-commerce. The Fund's technology and technology-enabled holdings performed strongly, led by 1) Real Matters Inc. (+89.1% in Q2), which provides property appraisal, insurance inspection, title search, and mortgage closing services using a proprietary and innovative network management platform, and 2) supply chain software provider Kinaxis Inc. (+78.2% in Q2). We remain optimistic about the near- and longer-term growth outlooks for both companies, but have elected to trim our holdings as these stocks have become larger weights in the portfolio, and have opportunistically redeployed the proceeds to other positions.

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. The Fund's oil & gas midstream holdings, which include Keyera Corp. (+58.0% in Q2) and Gibson Energy Inc. (+30.3% in Q2) performed strongly.

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.

Cargojet Inc. (+58.2% in Q2), the leading dedicated provider of time sensitive overnight air cargo services in Canada, is enjoying very strong growth. The company is benefitting from increasing penetration of e-commerce, a trend that has accelerated during the pandemic.

Badger Daylighting Ltd. (+30.5% in Q2) was a strong contributor in the quarter. Badger is the largest provider of non-destructive excavation services across North America with a fleet of >1,000 trucks. While COVID-19 has certainly impacted Badger, the majority of Badger's customers provide essential services across the utility, telecom or construction sectors. Badger, like many companies, has halted capital spending in this uncertain environment. We expect the company will continue to generate strong free cash flow, which will ensure the company's financial viability regardless of the shape of the demand recovery. Historically, Badger had much higher exposure to energy end markets (as high as 50%, but through diversification, now 20%), which has led to outsized share price volatility correlated to oil prices. During the quarter, we took advantage of share price weakness to add to our position in a well-run and sometimes misunderstood company that is positioned for sustainable earnings growth over the long term.

We opportunistically added to Aritzia Inc. (+54.4% in Q2), a well-managed designer and retailer of women's apparel and accessories, with strong brand awareness operating in the 'affordable luxury' niche. Aritzia is an innovative design house with 12 proprietary brands that account for the vast majority of revenues and allow the company to be flexible to evolving trends while appealing to a variety of demographics. Aritzia's differentiated business model and unique positioning help mitigate fashion risk. The company employs a demand-driven merchandising planning strategy, which helps reduce inventory and maximize pricing. Although COVID-19 created material challenges for Aritzia due to temporary store closures, the company is well-positioned to emerge from the downturn with a strong liquidity position. The company has successfully boosted e-commerce sales and has taken steps to re-orient merchandise and optimize inventory. We believe Aritizia will ultimately return to growth as it re-opens stores and opens new, productive stores in the U.S.

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.

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.