Fund Facts

Fund Unit Value:
December 31, 2020
$20.2971

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.

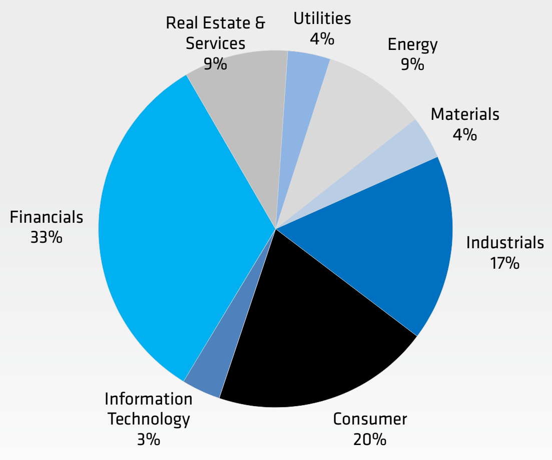
PERFORMANCE

AS AT DECEMBER 31, 2020

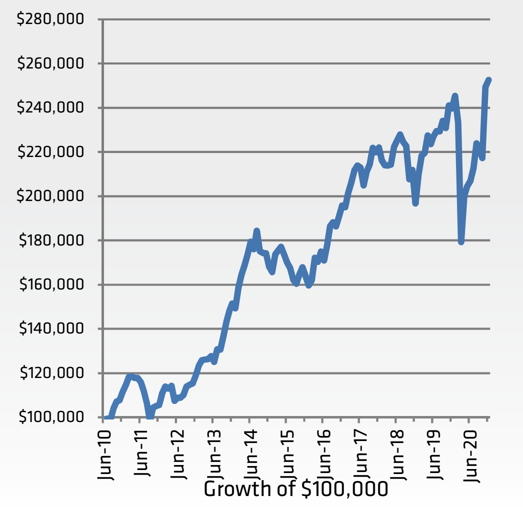
Total Return for the Period (%)[1]	QTR	1 YR	3 YR[4]	5 YR[4]	10 YR[4]	Since Inception[3]
Seymour Canadian Equity Fund[2]	**14.0%**	**5.4%**	**4.4%**	**9.0%**	**8.5%**	**9.2%**
S&P/TSX Composite TR Index	9.0%	5.6%	5.7%	9.3%	5.8%	6.8%

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]



Q4 Commentary: Seymour Canadian Equity Fund

Equity markets rallied in Q4 on news of positive COVID vaccine developments and optimism regarding the global economic outlook. The Seymour Canadian Equity Fund performed strongly in the quarter, climbing 14.0% and outperforming the benchmark S&P/TSX Composite Total Return Index ('TSX'), which was up 9.0%. For the full year, the Fund returned 5.4% versus 5.6% for the TSX. While the Fund's gains were broad-based, a number of stocks recorded noteworthy performance, which we discuss below.

Airline and aerospace stocks rebounded strongly in anticipation of an eventual recovery in commercial air travel and shares of CAE Inc., a global leader in civil aviation and defense training, climbed 81.1% in Q4. Although CAE continues to face 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 strength of CAE's business model has been tested during this historic aviation downturn, and we were encouraged to see the company generate profitability and free cash flow while operating its civil training centres at low levels of utilization. The company has taken aggressive actions to structurally reduce costs and preserve liquidity, and we believe CAE is well-positioned to leverage its leadership position longer term and create shareholder value through profitable growth.

Consumer discretionary stocks also rebounded in the quarter in anticipation of a recovery in consumer spending, supported by pent-up demand, high savings, and stimulus cheques. Auto parts manufacturer Magna International Inc. (+47.9% in Q4), performed strongly. Magna is a leading global supplier of interior, exterior, vehicle body, powertrain and fuel systems with a diverse product portfolio. The company also performs vehicle engineering, assembly and testing. 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 significant technological changes that the auto industry is now facing, including electrification. Magna generates very strong free cash flow, which it will redeploy to grow its business accretively and to buy back shares.

The Fund's asset manager holdings were strong performers during the quarter. Brookfield Asset Management Inc. (+19.4% in Q4) and Onex Corporation (+23.0% in Q4) are core asset manager holdings that have outstanding track records of value creation for shareholders. Brookfield invests in long-life assets including commercial real estate, power generation and infrastructure while Onex has particular expertise in aerospace, health care and industrial products. Both companies have attractive platforms, exceptional management teams, specific expertise, and long-term track records that allow them to attract third-party capital, thereby leveraging returns. Their business models position them to generate high single-digit or double-digit growth in cash flows on an ongoing basis, which should translate into attractive equity returns over time. Both companies are extremely well capitalized and well positioned to execute on investment opportunities. We view their valuations as compelling and note that both stocks continue to trade at material discounts to net asset value.

Following a pause in corporate transactions earlier this year, we have seen a resumption in merger & acquisition activity. Regional casino operator Great Canadian Gaming Corp. reached an agreement to be acquired by private equity player Apollo Global Management Inc. for $39/share, representing a 35% premium to the stock's previous day's closing price, and the bid was subsequently increased to $45/share following pushback by shareholders. The stock contributed materially to the Fund's performance.

We recently initiated a new position in dairy producer Saputo Inc. (+6.1% from our entry point). Saputo is a global top 10 dairy producer with a footprint in Canada, US, Australia, Argentina and the UK. The company has grown from a family-run Montreal dairy distribution company to a global player largely through the same successful strategy of: acquiring multiple underutilized assets in the same geography to gain scale; improving existing operations with their strong operations culture; cross selling product between Saputo regions to drive more shelf space at retailers; and harvesting cash flow that can be reinvested in more acquisitions. Saputo's stock has largely been stagnant over the last three years due to weakness in dairy prices and heightened competition from new plant capacity. Historically commodity prices and competition have gone through self-correcting cycles, which we expect will happen once again, and should result in improved earnings growth over the medium term. In the meantime, Saputo has been rapidly paying down debt, and positioning the company to execute on materially accretive acquisitions.

As we look forward, we expect the pandemic will continue to create challenges for a number of companies and industries, however, the ongoing roll-out of COVID vaccines should ultimately support the continued reopening of the economy. The outlook for growth in corporate profits is favourable, supported by structural cost reductions and attractive borrowing rates. Additionally, we expect to see a resurgence in M&A activity, which should be supportive of equity prices.

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.