Fund Facts

Fund Unit Value:
March 31, 2021
$22.1074

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 MARCH 31, 2021

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]	**8.9%**	**53.5%**	**8.8%**	**9.8%**	**8.8%**	**9.8%**
S&P/TSX Composite TR Index	8.1%	44.2%	10.2%	10.1%	6.0%	7.4%

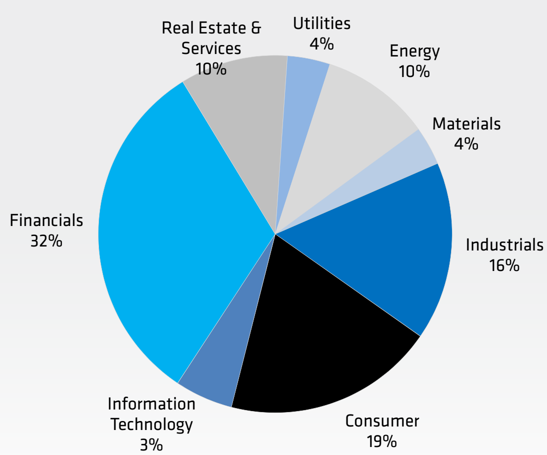
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently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

Seymour Investment Management

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Q1 Commentary: Seymour Canadian Equity Fund

Equity markets continued to climb in the first quarter on the back of very strong economic growth supported by unprecedented stimulus, and optimism surrounding the ongoing vaccine-rollout. The Seymour Canadian Equity Fund performed strongly, climbing 8.9% in Q1. For reference, the benchmark S&P/TSX Composite Total Return Index returned 8.1% in Q1. While the Fund's gains were broad-based, a number of stocks recorded noteworthy performance, which we discuss below.

Energy stocks have rebounded on the back of higher crude oil prices and an improving supply/demand outlook. The Fund's pipeline and midstream holdings performed strongly in the quarter including Enbridge Inc. (+12.5% in Q1), Gibson Energy Inc. (+8.3% in Q1), and Keyera Corp (+15.5% in Q1). In our view, few companies offer such an attractive combination of stability, free cash flow generation, and secured growth, and valuations for the sector remain attractive with most stocks trading at double-digit free cash flow yields.

The Canadian banks reported quarterly results that significantly exceeded analyst forecasts and provided optimistic guidance for Fiscal 2021, including a favourable outlook for Canadian personal & commercial banking. Shares of RBC, Bank of Nova Scotia, and TD were up 10.8%, 14.3%, and 14.0% in the quarter, respectively. Credit losses have been well below expectations, aided by strong stimulus, loan growth remains robust, and the Banks' capital markets divisions are performing very strongly. As we have often noted, the Canadian Banks' attractive, diversified business models allow them to generate attractive returns in most environments. During the pandemic, OSFI, the Canadian Banking regulator, paused bank share buybacks and dividend increases to ensure banks retained financial flexibility. As the pandemic starts to move into the rear view, the reversal of loan provisions will be a tailwind for earnings growth, and record excess capital positions should enable banks to deploy significant capital in the form of buybacks, dividend increases, and acquisitions.

Shares of auto parts manufacturer Magna International Inc. (+22.8% in Q1) continued to perform strongly in the quarter. The company reported an exceptional fourth quarter, benefitting from the ongoing recovery in new auto sales and reflecting strong execution. Magna is a leading global supplier of interior, exterior, vehicle body, powertrain and fuel systems with a diverse product portfolio, and 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. In the short term, the auto parts sector faces some pandemic-related challenges including chip shortages, which we view as transitory. The company recently released better-than-expected guidance for the 2021 – 2023 period, and longer term, we believe Magna is well positioned to generate strong free cash flow, which it will use to grow its business and buy back shares.

We were pleased to see shares of Spin Master Corp. (+21.0% in Q1), an innovative global leading toy manufacturer, rebound sharply on improved performance after several operational missteps last year. Like many of our companies, Spin Master has recently restructured its supply chain and implemented structural cost reductions that should allow the company to return to, and potentially exceed, past profitability. With $300M of cash, Spin Master is well-positioned to continue to acquire or license brands as they have recently with Rubik's Cube and DC Comics.

The Fund's Technology holdings, which were strong performers in 2020, pulled back in Q1 as bond yields rose sharply and valuations came under pressure. Shares of supply chain software provider Kinaxis Inc. were down 18.7% in Q1 after climbing 80.3% in 2020. The company's revenue growth recently slowed and profit margins came under pressure as customers focused on their more immediate needs and delayed software purchases. We remain confident in the longer-term outlook for Kinaxis, which has a leadership position in a sizable and rapidly growing market segment and a profitable, scalable business model. Moreover, pandemic-related supply chain disruptions have highlighted the need for supply chain solutions like Kinaxis' RapidResponse. We expect revenue growth will accelerate in the latter part of the year, supported by a strong secured backlog.

As we look forward, we remain optimistic that the ongoing vaccine roll-out will support the continued re-opening of the economy, and an eventual return to a 'new normal'. Interest rates remain historically low, and the macro backdrop is supportive of strong growth in corporate earnings. As we are reminded with recent COVID-related restrictions, the recovery will be uneven. Nevertheless, our portfolio companies are well capitalized for any short-term challenges and we expect a number of our companies will execute on opportunistic mergers & acquisitions.

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.