

Fund Facts

Fund Unit Value:

March 31, 2021

\$42.8665

Inception Date:

June 4, 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 Performance Fund

The investment objective of the Seymour Performance Fund is to achieve superior risk-adjusted investment returns over the long term by investing primarily in small and mid capitalization Canadian equities. The Performance Fund holds a concentrated portfolio of 20-30 core names. In addition to owning a core group of equities, a small portion of the Performance Fund may be invested in event-driven transactions and initial public offerings. The Performance Fund should be viewed as more aggressive (higher risk) than more conventional equity investments such as the Seymour Canadian Equity Fund.

The fee structure for the Performance Fund is based on an annual management fee of 1% of the net asset value, with an annual performance fee of 10% of any annual return over the hurdle rate of 7.5%.

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 Performance Fund²	9.3%	83.8%	16.2%	17.9%	14.5%	17.5%
S&P/TSX Smallcap TR Index	9.7%	100.2%	8.4%	9.0%	1.8%	4.8%
S&P/TSX Composite TR Index	8.1%	44.2%	10.2%	10.1%	6.0%	7.7%

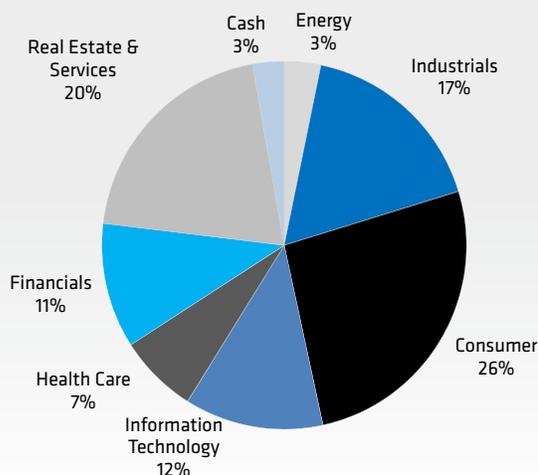
1 The indicated rates of return are the total returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently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

2 NAV performance is shown net of fees and expenses

3 Annualized since inception date of June 4, 2010

4 Returns over one year are annualized

INDUSTRY SECTOR BREAKDOWN



GROWTH SINCE INCEPTION³



Q1 Commentary: Seymour Performance 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 Advisor™ 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 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 Performance Fund rose 9.3%, which compares to 9.7% for the benchmark S&P/TSX SmallCap Total Return ('TR') Index and 8.1% for S&P/TSX Composite TR Index. While the Fund's gains were broad-based, a number of stocks recorded noteworthy performance, which we discuss below.

Specialty insurer Trisura Group Ltd. (+33.6% in Q1) continues to enjoy very strong growth, driven by its nascent U.S. operations. Trisura focuses on niche specialty insurance including warranties, surety bonds, and director & executive liability. The insurer's US operations are run by an experienced team that helped build a similar company, State National, which was ultimately acquired for a significant premium. The US division continues to execute above expectations in both growth and improving profitability, which has caused Trisura's valuation to re-rate closer to the valuation levels of the company's U.S. peers.

Automotive dealership group AutoCanada Inc. (+29.6% in Q1) continues to capitalize on the ongoing recovery in new and used vehicle sales, demonstrating strong market share gains. As we have seen with many of our portfolio holdings, AutoCanada's management team has used the pandemic as an opportunity to improve its business processes and reduce its cost structure. With a strengthened balance sheet, AutoCanada is well-positioned to continue to execute on accretive acquisition opportunities. Although the shares have performed strongly, valuation remains attractive, and we see a long pathway to continued sales growth and margin improvement.

We recently initiated a new position in Hardwoods Distribution Inc. (+25.0% in Q1), a B.C.-based company that distributes world-class architectural building products throughout North America. Hardwoods is enjoying exceptionally strong demand for its products, reflecting a very robust new construction and renovation market as well as market share gains. In recent years, the company's conservative management team has invested strategically to expand its product offering and geographic footprint, and to position the company for future growth. We see a multi-year opportunity for Hardwoods to continue to use its very strong free cash flow to reinvest in accretive growth.

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 Tecsyst Inc., a niche

provider of supply-chain software, were down 15.2% in Q1 after climbing 77.0% in the previous quarter. In recent years, Tecsyst has invested heavily in product development and sales & marketing talent. We believe the company is well positioned to enjoy a multi-year period of growth and profitability with a full suite of products.

Shares of Real Matters Inc. remained under pressure, falling 25.6% in Q1. Real Matters provides property appraisal, insurance inspection, title search, and mortgage closing services using a proprietary and innovative network management platform. The company has been a strong beneficiary of lower interest rates, which have driven record volumes in the US housing market, both for new home purchases and refinancing. Although we expect refinancing activity will slow as interest rates rise from historic lows, the company continues to grow market share with the top 100 lenders and we see an attractive long-term opportunity in titles & closing. We remain confident in the company's ability to execute on its longer-term vision.

Cargojet Inc. (-24.5% in Q1), the leading dedicated provider of time-sensitive overnight air cargo services in Canada, detracted from returns. Cargojet has been a solid long-term holding, enjoying very strong growth from increasing penetration of e-commerce in recent years, a trend that has accelerated during the pandemic. The company has historically enjoyed a near-monopoly position in Canada, where it provides a very strong offering for customers under long-term contract. Air Canada has recently announced plans to grow its air cargo offering internationally, prompting concerns that Air Canada may eventually pose a competitive threat to Cargojet's domestic market share. Although we acknowledge the industry's very strong growth could eventually attract new competition, we believe Cargojet is well-positioned to defend its existing business as contracts come up with renewal. Moreover, Cargojet continues to execute on multiple growth opportunities, including new international opportunities that have arisen as a result of a dramatic reduction of available air cargo capacity.

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.