Q3 2022
Quarterly Report

Fund Stats

Fund Unit Value:
September 30, 2022
$17.4255

Inception Date:
December 31, 2013

RRSP Eligible:
Yes

Our Story

Founded in 2010, Seymour Investment Management is an employee-owned, client-focused boutique investment firm with a different kind of focus. Choosing from a carefully selected group of exceptional Canadian companies for our funds, we provide fee-based discretionary investment management services to 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 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.

The fee structure for the Mid-Cap Equity Fund is based on an annual management fee of 1% of the net asset value.

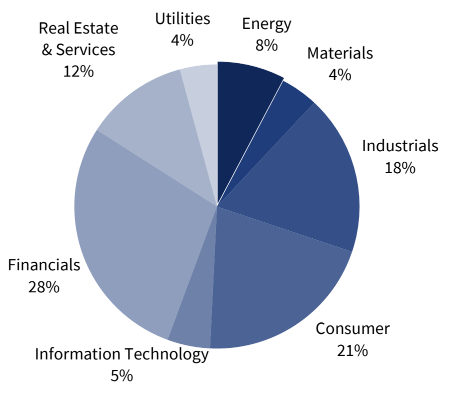
Performance

As at September 30, 2022

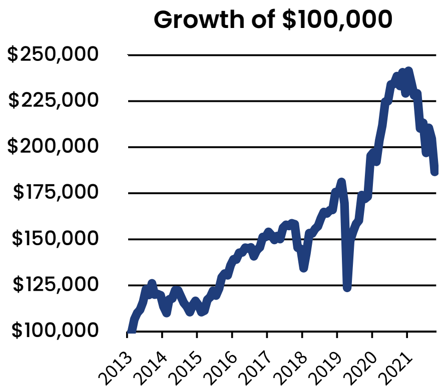
Total Return for the Period (%)[1]	QTR	1yr	3yr[4]	5yr[4]	Since Inception[3]
Seymour Mid-Cap Equity Fund [2]	**-5.3%**	**-20.0%**	**4.0%**	**5.1%**	**7.4%**
S&P/TSX Completion Total Return Index	-0.1%	-9.3%	4.6%	4.1%	4.4%

1. The indicated rates of return are the total returns for the period indicated, including changes in security value and there investment 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



Seymour INVESTMENT MANAGEMENT

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Q3 2022
Commentary

Global markets continue to exhibit elevated volatility, as central banks aggressively increase interest rates to rein in inflation by slowing economic growth.

After rallying strongly in July, equities sold off sharply in September to end the quarter in negative territory. The Seymour Mid-Cap Equity Fund declined 5.3% in Q3 and is down 22.7% year-to-date, reflecting growth concerns and a broad-based contraction in valuations.

Market sentiment remains weak as the global economy moves closer to recession territory. During volatile markets, investors often overreact to bad news, creating attractive buying opportunities, as we saw this quarter with CAE Inc.

(-33.2% in Q3 and -33.6% YTD). Shares of CAE Inc., a global leader in civil aviation and defense training, declined sharply after the company announced a write-down of two military contracts. We believe these impairments are isolated incidents and recent leadership and process changes in the Military division have laid the groundwork for improved profitability. Moreover, the company's attractive Civil training business, which accounts for bulk of CAE's profitability, is well-positioned for long-term, profitable growth.

The Fund is primarily invested in small- and mid-cap (SMID) companies that can grow and compound earnings at a faster pace than their larger-cap peers.

Although SMID equities offer opportunities to generate excess returns over a full market cycle, they tend to do so with greater volatility, which in part reflects the relative illiquidity and the inefficiency of the underfollowed SMID market. At September 30, two-thirds of the Fund's holdings were down > 20% YTD and more than 40% of holdings were down > 30%. Following the sell-off, which largely reflects a broad-based contraction in valuation multiples, many holdings are trading well below our view of their intrinsic value, offering compelling buying opportunities for long-term investors.

One example of a mispriced stock with an attractive long-term outlook is Hardwoods Distribution Inc. (-6.8% in Q3 and -41.2% YTD), the largest North American distributor of architectural building products. Over the last decade, we have watched Management successfully execute a strategy of acquiring small regional players at accretive valuations, growing its portfolio of architectural products and customer channels. Hardwoods has made supply chain a key competency, leading to market share gains and better pricing and margins. Over the last decade, it has increased sales 8x and EPS by 13x. Although we expect a slowdown in volumes as Hardwoods' business is tied to housing activity, we are confident that Hardwoods is well-capitalized to weather a significant downturn given its working capital heavy business model allows it to generate more cash when business slows. We view Hardwoods' valuation as compelling, with the shares trading at a FCF yield of > 20%, and have added to our position on weakness.

At Seymour, our strategy is to invest with a long-term time horizon and focus on high-quality companies that are well-capitalized and trade at reasonable valuations, which we can own through a full economic cycle.

Although the Fund's holdings may see a temporary reduction in their profitability during the economic downturn, we do not foresee a permanent impairment in the long-term earnings potential for any of the Fund's holdings. In fact, we expect many companies will emerge from the downturn stronger, having cut costs; high-graded talent; and/or capitalized on distressed opportunities. We continue to use market volatility as an opportunity to find compelling buying opportunities with a long-term view of generating strong risk-adjusted returns through a full market cycle.

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