

Q4 2022

Quarterly Report



Fund Stats

Fund Unit Value:
December 31, 2022
\$20.6726

Inception Date:
June 15, 2010

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 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 fund invests primarily in large-capitalization companies.

The fee structure for the fund is based on an annual management fee of 1% of the net asset value.

Performance

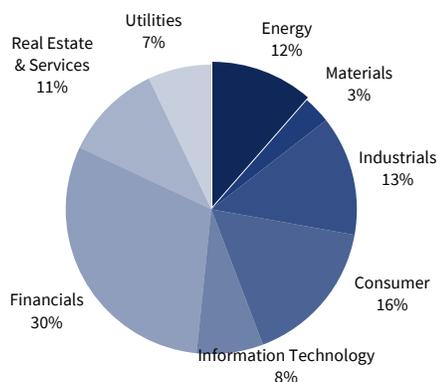
As at December 31, 2022

Total Return for the Period (%) ¹	QTR	1yr	3yr ⁴	5yr ⁴	Since Inception ³
Seymour Canadian Equity Fund²	-0.6%	-10.9%	5.5%	4.9%	8.6%
S&P/TSX Composite Total Return Index	6.0%	-5.8%	7.5%	6.8%	7.1%

- The indicated rates of return are the total returns for the period indicated, including changes in security value and their 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.
- NAV performance is shown net of fees and expenses.
- Annualized since inception date of June 15, 2010.
- Returns over one year are annualized.

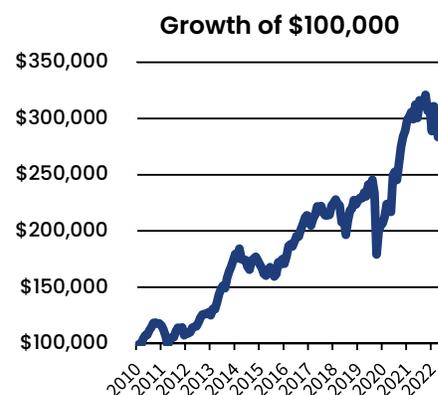
Industry Sector

Breakdown



Growth Since

Inception



Q4 2022

Commentary



Global equity markets remained volatile in the fourth quarter, capping out a challenging year in financial markets.

The Seymour Canadian Equity Fund fell 0.6% in the quarter and declined 10.9% in 2022, which compares to benchmark S&P/TSX Composite Total Return Index ('TSX') returns of +6.0% in Q4 and -5.8% for 2022. The Fund underperformed the resource-heavy TSX, which has a 30% weighting in Energy and Materials, given its more modest resource weighting. The underperformance also reflects the weak Q4 performance of select holdings in the Consumer, Real Estate & Utilities sectors, which we discuss below.

CAE Inc. (+23.6% in Q4 and -10.0% in 2022), a global leader in civil aviation and defense training, was the Fund's best-performing holding in Q4 after reporting improved quarterly results.

While the company still has some work to do to improve profitability in its Defense segment, the company's medium-term prospects continue to improve. In Civil aviation, pilot training demand continues to be strong given pent-up travel demand and Defense prospects also look favourable given renewed commitments by NATO members to ramp up defense spending in response to the Ukraine war.

Shares of Element Fleet Management Corp rose (+13.2% in Q4 and +43.2% in 2022) after reporting another quarter of strong growth and raised guidance. Element's core business of sourcing and financing fleet vehicles for customers has been constrained for the last several years due to semiconductor chip shortages which are now starting to wane. With an aged fleet, and high fuel and repair costs, customers are strongly incented to upgrade their fleets, providing Element with attractive visible earnings growth even in an uncertain macro environment.

A number of the Fund's longer-duration holdings, including both growth stocks and interest rate sensitive stocks, have been under valuation pressure given sharply higher interest rates.

During the quarter, a number of these holdings performed poorly including companies that own Utility or Real Estate assets such as AltaGas Ltd. (-11.6% in Q4 and -14.4% in 2022), Tricon Residential Inc. (-12.6% in Q4 and -46.1% in 2022) and Brookfield Infrastructure Partners L.P. (-15.4% in Q4 and -18.5% in 2022). We remain constructive on the longer-term growth outlook for all of these companies, and note that Tricon and Brookfield are well-capitalized acquirers that are well-positioned to capitalize on lower acquisition multiples.

Shares of toymaker Spin Master Ltd. (-19.8% in Q4 and -30.5% in 2022) came under pressure in the quarter after the company guided to a challenging holiday season with lower than expected revenue and margins. Higher interest rates pressured consumer demand and resulted in significant discounting to clear inventory. While disappointing, we think the outlook for the company is positive with multiple new properties being launched in 2023 and \$1B of financial capacity that could be deployed on acquisitions.

It has been a challenging period in financial markets and we expect market volatility will continue until the macro outlook improves.

Following the recent market selloff, we believe many of the Fund's holdings are trading at attractive valuations, offering attractive upside potential for patient, long-term investors.

