Q4 2022
Quarterly Report

Fund Stats

Fund Unit Value:
December 31, 2022
$30.0424

Inception Date:
June 4, 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 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 fund holds a concentrated portfolio of 20-30 core names. In addition, a small portion of the fund may be invested in event-driven transactions and IPOs. The 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%.

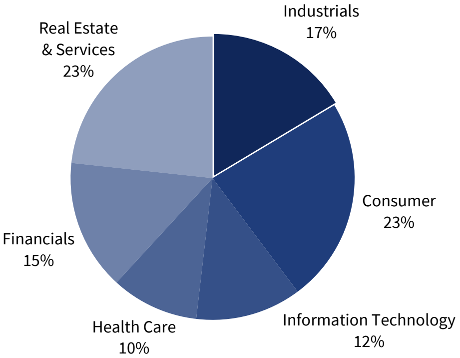
Performance

As at December 31 2022

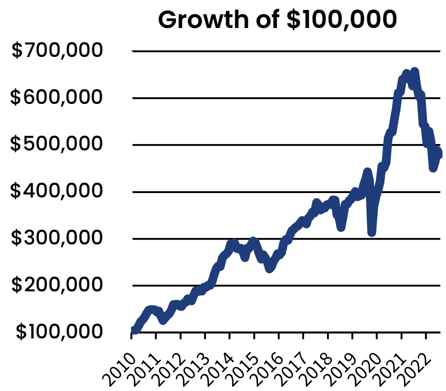
Total Return for the Period (%)[1]	QTR	1yr	3yr[4]	5yr[4]	Since Inception[3]
Seymour Performance Fund [2]	**6.4%**	**-27.0%**	**3.9%**	**4.9%**	**13.3%**
S&P/TSX SmallCap Total Return Index	8.4%	-9.3%	7.2%	3.1%	4.1%

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 June 4, 2010.
4. Returns over one year are annualized.

Industry Sector Breakdown



Growth Since Inception



Seymour INVESTMENT MANAGEMENT

Suite 900 - 1285
West Pender Street
Vancouver, BC, V6E 4B1

info@seymourinvest.ca
seymourinvest.ca
604.659.1722

Q4 2022
Commentary

Global equity markets remained volatile in the final months of the year but ended the quarter in positive territory.

The Seymour Performance Fund was up 6.4% in Q4, but underperformed the resource-heavy benchmark S&P/TSX SmallCap TR Index (+8.4% in Q4), which has a 52% weighting in Energy & Materials. For the full year 2022, the Performance Fund declined 27.0% which compares to -9.3% for the SmallCap Index, with the underperformance reflecting its lack of resource exposure (particularly Energy) as well as the negative contribution of individual security selection.

Asset manager Guardian Capital Group Ltd. (+45.2% in Q4 and +11.3% in 2022) was the Fund's best-performing holding in Q4 on the announcement of the sale of its non-core Insurance division for $750M, a significant premium to market estimates. The sale crystalizes the significant value of a hidden gem within the company and provides excess capital to pursue value creation activities including investing in investment capabilities (organic & inorganic) and returning capital to shareholders through buybacks/dividends. Even with the recent strong performance, we see an attractive return opportunity in Guardian shares, which are trading at a ~40% discount to Net Asset Value.

Trisura Group Ltd, a specialty insurance provider, rebounded 35.6% in Q4 after underperforming earlier in the year following the release of disappointing Q4/21 results. Underwriting performance in specialty insurance can be quite lumpy, and we viewed the weak quarterly results as normal operational volatility rather than signs of problems in the business. Subsequent results have been strong, reinforcing our confidence in the company's business model and management team, and we continue to see a strong runway for growth.

Shares of craft brewer Waterloo Brewing Ltd. rose 30.6% in Q4 on the news of its proposed acquisition by Carlsberg Group.

For many years, Waterloo has been building a successful branded business, as well as a rapidly growing co-pack business. In partnership with other global brewers like Carlsberg, Waterloo manufactures product for brewers that lack local manufacturing capacity or wish to utilize Waterloo's state-of-the-art facility and expertise. Amid recent supply chain challenges and pressure on ocean freight costs, Waterloo's domestic manufacturing footprint became of strategic importance to Carlsberg's Canadian growth plans.

Shares of Tricon Residential Inc. (-12.6% in Q4 and -46.1% in 2022), an owner/operator of Single Family Rental (SFR) homes, remained under pressure in the quarter. While rent growth is slowing, residential real estate has historically proved to be a relatively resilient asset class. Tricon's portfolio of SFR homes in the U.S. Sunbelt continues to enjoy high occupancy and good rental growth. Tricon is well capitalized, however, the company has elected to slow its acquisition program given uncertainty in the housing market. In the meantime, the company will prioritize share buybacks, which are highly accretive given the company's shares are trading at a significant discount to NAV.

Alithya Group Inc. (-24.3% in Q4 and -37.3% in 2022), also remained under pressure. Alithya has made several acquisitions over the last few years, which has enhanced the company's customer base, capability, and long-term margins. However, past results have been below management expectations given shortages in skilled labour amid high competition for IT talent, headwinds we now seeing abating over the next year.

It has been a challenging year and the Fund's strategy of investing primarily in non-resource, high-quality growth companies with reasonable valuations has underperformed amid numerous headwinds, including labour and supply chain challenges, inflation, rising yields, and recessionary concerns. Although this style has been out of favour, we remain confident in its ability to produce attractive risk-adjusted investment returns over the long term.

Following the recent sell-off, we believe many of the Fund's holdings are trading at attractive, and in some cases compelling, valuations, offering very attractive upside potential when the macro environment improves.

Seymour
INVESTMENT MANAGEMENT

Suite 900 - 1285
West Pender Street
Vancouver, BC, V6E 4B1

info@seymourinvest.ca
seymourinvest.ca
604.659.1722