Q2 2023
Quarterly Report

Fund Stats

Fund Unit Value:
June 30, 2023
$22.3055

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.

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.

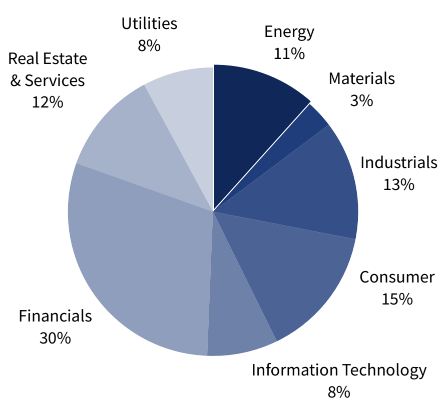
Performance

As at June 30, 2023

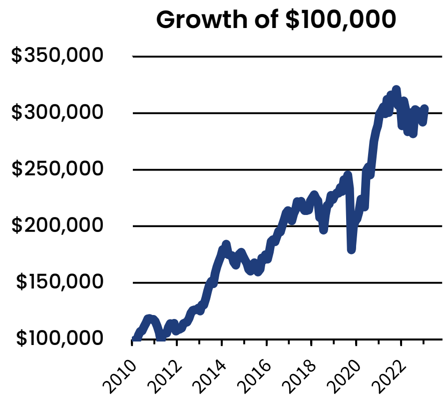
Total Return for the Period (%)[1]	QTR	1yr	3yr[4]	5yr[4]	Since Inception[3]
Seymour Canadian Equity Fund[2]	1.9%	5.3%	13.7%	6.2%	8.9%
S&P/TSX Composite Total Return Index	1.1%	10.4%	12.4%	7.6%	7.3%

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 15, 2010.
4. Returns over one year are annualized.

Industry Sector Breakdown



Growth Since Inception



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Q2 2023
Commentary

Equity markets generated positive returns in the second quarter as inflation continued to recede,

market sentiment improved, and equity market volatility declined. The Seymour Canadian Equity Fund rose 1.9%, which compares to 1.1% for the benchmark S&P/TSX Composite Total Return Index. Performance of individual holdings was mixed, with slightly more than one-half of holdings generating positive returns.

Technology stocks led the market higher in the quarter, while resource stocks, including fertilizer producer Nutrien Ltd. (-21.6% in Q2) came under selling pressure as commodity markets weakened with slower global economic activity.

The Financials sector and REITs have lagged the broader market during the current interest rate cycle reflecting economic concerns and interest rate sensitivity. The Fund's asset manager holdings including Brookfield Corporation, Brookfield Business Partners, and Onex Corporation, suffered steep share price declines in 2022, and we view their valuations as compelling and see considerable upside for patient, longer-term investors. Although shares of Onex rebounded 15.8% in Q2, the stock continues to trade at a considerable discount to its net asset value.

Publicly-traded REITs have sold off sharply since the beginning of the rate hike cycle, reflecting economic and valuation concerns.

The sell-off has created a disconnect between publicly-traded real estate values and private real estate, which we expect will narrow over time

as 1) higher cap rates are reflected in private values with a lag and/or 2) publicly-traded REIT valuations expand. As financial conditions have tightened, commercial real estate transaction activity has dropped off considerably, and a lack of transactions has raised uncertainty regarding the outlook for private valuations. Although commercial real estate remains in price discovery mode, there are clear differentiations that can be made between different asset classes. For instance, whereas offices face demand headwinds from work-from-home and hybrid work trends, fundamentals for well-located, multi-residential real estate remain exceptionally strong due to a shortage in affordable housing, and rent growth remains robust.

We opportunistically initiated a position in Canadian Apartment Properties REIT (+7.3% in Q2 and +19.2% YTD),

the largest publicly-traded apartment REIT in Canada, in mid-2022 after the stock had sold off on concerns that government could implement punitive rent control measures or other regulations in an effort to combat housing affordability. Although political risk remains, we believe this is reflected in the REIT's valuation. We also continue to own U.S. single family, owner-operator Tricon Residential Inc. (+11.5% in Q2) as a core holding and view the stock as deeply discounted relative to the value of its underlying real estate.

As we enter the second half of 2023, economic activity continues to soften as the impact of higher interest rates works its way through the economy. Although this creates a headwind for corporate earnings and market sentiment in the short-term, **we remind investors of the importance of staying disciplined during periods of economic uncertainty.**

It is typically in the final months of recession when sentiment is weak that equity markets will begin to rebound, and the combination of an earnings recovery and a valuation re-rate can produce very attractive equity returns. Notably, a number of the holdings are already trading at compelling valuations, offering attractive long-term upside potential for patient investors.