



## Fund Stats

Fund Unit Value:  
June 30, 2023  
\$30.0921

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

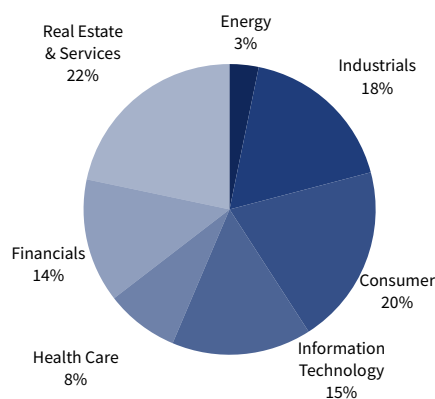
As at June 30, 2023

Total Return for the Period (%) <sup>1</sup>	QTR	1yr	3yr <sup>4</sup>	5yr <sup>4</sup>	Since Inception <sup>3</sup>
Seymour Performance Fund <sup>2</sup>	1.3%	-4.4%	6.0%	5.1%	12.8%
S&P/TSX SmallCap Total Return Index	-4.6%	5.3%	12.7%	3.4%	3.9%

- 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.
- NAV performance is shown net of fees and expenses.
- Annualized since inception date of June 4, 2010.
- Returns over one year are annualized.

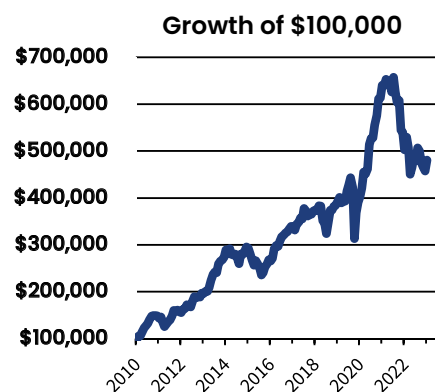
## Industry Sector

### Breakdown



## Growth Since

### Inception



# 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. Large-cap equities led the market and small-cap equities lagged. (According to estimates compiled by the Scotia portfolio strategy group, small-cap resource stocks declined 7.9% in the quarter while non-resource small-cap stocks declined 2.5%). The Seymour Performance Fund rose 1.3% in the second quarter, outperforming the resource-heavy benchmark S&P/TSX SmallCap Index's -4.6% return. Performance of individual holdings was mixed in the quarter, with one-half of holdings generating positive returns.

Technology stocks led the market higher in the quarter, while resource stocks came under selling pressure as commodity markets weakened with slower global economic activity.

**A number of the Fund's tech holdings performed strongly including Sylogist Ltd. (+37.9% in Q2; +26.7% YTD); Blackline Safety Ltd. (+36.4% in Q2; +74.0% YTD); and Real Matters Inc. (+24.2% in Q2; +45.0% YTD).**

Sylogist, a niche ERP vendor, has been on a multi-year restructuring led by CEO Bill Wood, who joined in late 2020. Prior to Sylogist's

leadership transition, the company had good products running the systems of school boards, local governments and charities, however, the company was not growing nor investing for the future. We came away from Sylogist's recent investor day with increased conviction that a reinvigorated sales team and technology offering are helping drive profitable growth, and see significant potential for organic and acquisitive growth and margin expansion, which should drive earnings and valuation expansion.

Real Matters provides property appraisal, insurance inspection, title search, and mortgage closing services using a proprietary and innovative network management platform. Rising rates have curtailed mortgage refinance activity, which is the main driver of Real Matters' revenues, by over 80%. The company has demonstrated excellent operational execution against a difficult macro backdrop, managing the sharp drop in activity while remaining profitable and maintaining a debt-free balance sheet. Real Matters continues to make market share gains with large bank customers and find operating efficiencies, and we expect the company to emerge from this down cycle with significantly improved earnings power. We recently added to our stock position, and see considerable potential upside with a longer-term view.

Shares of community pharmacy owner-operator Neighbourly Pharmacy Inc. (-28.4% in Q2) remained under selling pressure.

The pandemic exacerbated the shortage of skilled pharmacists and Neighbourly is seeing margin compression from higher wages and increased overtime. We expect margin pressure to persist in the coming year, but eventually improve with renewed efforts on recruiting and retention. We remain optimistic about the longer-term growth opportunity as Neighbourly continues to grow through accretive tuck-ins and leverage its buying power, supplemented by organic growth through adding clinical services, including prescribing for minor ailments which was recently added in British Columbia.

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, many of the Fund's small-cap holdings are already trading at compelling valuations, offering attractive long-term upside potential for patient investors.

