



Fund Stats

Fund Unit Value:
March 28, 2024
\$34.3703

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

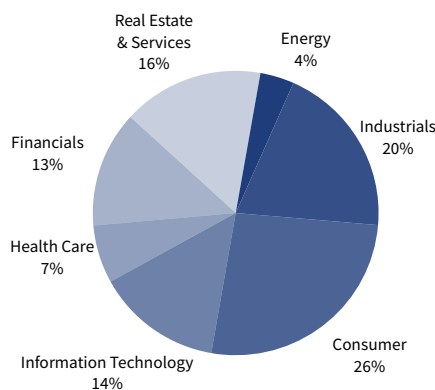
As at March 31, 2024

Total Return for the Period (%) ¹	QTR	1yr	3yr ⁴	5yr ⁴	Since Inception ³
Seymour Performance Fund ²	12.3%	16.2%	-1.5%	8.0%	13.1%
S&P/TSX SmallCap Total Return Index	7.9%	8.2%	4.0%	7.8%	4.6%

- 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.

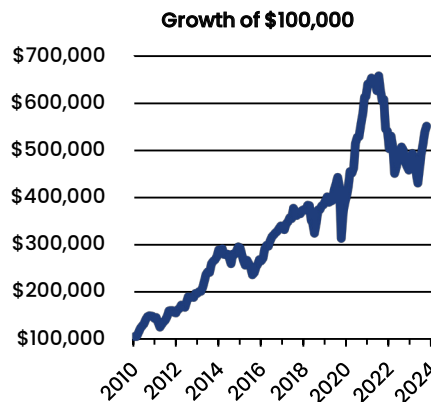
Industry Sector

Breakdown



Growth Since

Inception



Q1 2024

Commentary



Equity markets continued to recover in the second quarter, buoyed by economic data and corporate earnings that surpassed expectations.

The Seymour Performance Fund climbed 12.3%, outperforming the benchmark S&P/TSX SmallCap Index's 7.9% total return despite the Fund's lack of resource exposure. (According to estimates compiled by the Scotia portfolio strategy group, small-cap resource stocks climbed 10.1% in the quarter while non-resource small-cap stocks were up 4.4%).

The equity market rally continued to broaden, and over one-half of the Fund's holdings enjoyed 15%+ gains in the quarter.

Shares of fashion designer and retailer Ariztia Inc. (+36.0% in Q1) continued to recover following a sharp sell-off in mid-2023 when the company's revenue growth slowed from the torrid pace of the previous two years. After a recent meeting with Management, we are confident that operational issues have been addressed, paving the way for robust long-term earnings growth. A more optimal balance between proven sellers and new styles in stores should support an improvement in same store sales growth. Importantly, the company continues to realize high returns and quick paybacks on new store openings, and the 13 new locations to be opened in the U.S. this year should also support increased eCommerce sales.

The Fund's industrial holdings contributed positively in the quarter,

including shares of Badger Infrastructure Solutions Ltd. (+23.3% in Q1); Héroux-Devtek Inc. (+19.7% in Q1); and ADENTRA Inc. (+28.3% in Q1). Badger, the largest provider of non-destructive excavation services across North America, is enjoying a strong demand environment while new Management is executing well on profitability improvements and guiding to a multi-year runway of low-teens organic growth and improved margins and ROIC. We also see a long growth trajectory for landing gear and parts manufacturer, Héroux-Devtek, who is ramping key programs and winning new business, while executing on margin improvements. ADENTRA, the largest North American distributor of architectural building products including millwork, doors, stair parts, has performed well in a challenging macro environment, and should enjoy strong earnings growth on the back of an improving backdrop for housing and remodeling. Despite recent share price gains, we continue to see compelling value in these three holdings.

Interest rate sensitive real estate equities have continued to lag the broader market, however, two of the Fund's holdings performed strongly in the quarter. Tricon Residential Inc. was acquired by private equity giant Blackstone for US\$11.25/share, representing a 30.4% premium to the stock's previous closing price. Shares of Mainstreet Equity Corp., an Alberta-based owner/operator of mid-market, rental apartment buildings, performed strongly (+28.7% in Q1) on the back of very strong fundamentals for multi-residential real estate as

immigration and a housing shortage supports strong rental growth.

Shares of auto parts manufacturer Martinrea International Inc. (-15.2% in Q1) fell after the company reported soft Q4 financial results and lower-than-expected financial guidance for 2025. The earnings miss was largely due to some transitory issues including a UAW strike and a Tier 2 supplier disruption. The softer Q4 nevertheless capped a record year for the company, in which Martinrea generated very strong free cash flow. We see potential for earnings growth and valuation upside, with the shares trading at a trough valuation of 3x EV/EBITDA.

We continue to see attractive buying opportunities for high-quality Canadian companies with attractive growth profiles, particularly in the under-owned small-cap segment of the capital markets.

