

INVESTMENT STRATEGY

The Lester Canadian Equity Fund, launched in January 2012, is managed by Lester Asset Management (LAM), and employs the same strategy used in managing LAM's segregated accounts since July 2006. The Fund is invested in 40 to 50 large, mid and small cap Canadian listed companies selected using a disciplined and long-term investment approach. Research is based on a sound understanding of each company and the industry in which each operates, complemented by our macro-economic outlook. The Fund's investment philosophy is value-oriented seeking to purchase shares at a discount relative to a company's true worth, as well as event-driven with the goal of eventually realizing maximum shareholder value either through dividend increases, share buybacks, spin-offs or an outright sale. The Fund's objective is to achieve higher than market returns with lower risk.

MONTHLY COMMENTS

The Lester Canadian Equity Fund rose +5.7% versus +1.2% for the TSX Composite, finishing 2017 with a net return of +14.1% versus +9.1% for the TSX. Our outperformance was mainly due to strong returns from our small/mid-cap holdings, in particular Pure Technologies and NAPEC which both received takeover offers during the month. Most world stock indices moved higher on continued investor optimism. Despite uncertainties surrounding NAFTA, Canadian stocks rose once again on dovish comments by the BOC. Top gainers included Pure Technologies (+93%), Baylin Technologies (+35%), NAPEC (+34%), Neulion (+30%), GoodFood (+23%), Andrew Peller (+15%), Guardian Capital (+14%) and Park Lawn (+11%). Losers included Centric Health (-16%), Nanotech Security (-7%), Winpak (-5%), Badger (-4%), Emera (-3%), Keyera (-3%), Sienna Senior Living (-2%), and Element Fleet (-2%). While several of our recently added holdings have payed off handsomely, we continue to trim some positions and hold higher than normal cash balances in what we consider a generally overvalued market relative to growth prospects.

MONTHLY NET RETURNS *

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	LAM**	TSX-TR**	S&P500 (\$Cdn)**
2006							4.1%	3.9%	0.3%	5.6%	0.3%	4.4%	20.0%	12.5%	17.8%
2007	4.3%	2.4%	0.5%	5.0%	3.0%	0.9%	1.6%	-5.3%	2.4%	2.9%	-6.3%	2.4%	13.9%	9.8%	-9.8%
2008	-6.4%	1.0%	-2.5%	0.4%	2.3%	-1.8%	-5.2%	1.3%	-13.4%	-14.8%	-8.5%	-1.8%	-40.8%	-33.0%	-23.1%
2009	1.8%	-2.2%	6.3%	5.9%	8.1%	2.2%	4.2%	3.8%	4.7%	2.9%	5.2%	4.3%	58.3%	35.1%	9.3%
2010	-0.5%	2.3%	2.7%	2.6%	-3.5%	-0.8%	2.0%	2.3%	5.0%	4.9%	3.2%	5.2%	28.1%	17.6%	9.0%
2011	1.7%	1.7%	-0.3%	2.1%	1.6%	-2.7%	1.1%	-0.3%	-4.3%	3.1%	0.5%	0.3%	4.5%	-8.7%	7.6%
2012	3.8%	0.7%	1.3%	1.5%	-1.8%	-1.2%	0.7%	2.3%	3.5%	0.9%	1.0%	2.9%	16.8%	7.2%	13.5%
2013	3.8%	1.2%	1.0%	-0.6%	0.8%	-1.0%	1.4%	0.5%	2.1%	2.7%	2.1%	2.7%	17.8%	13.0%	41.1%
2014	0.8%	0.7%	1.1%	-0.4%	1.9%	2.4%	-0.6%	3.3%	-3.1%	-0.1%	0.1%	2.4%	8.8%	10.5%	24.0%
2015	-2.7%	1.6%	-1.9%	4.2%	-1.2%	-0.6%	-1.7%	-6.6%	-4.6%	1.5%	-0.8%	1.5%	-11.3%	-8.3%	20.1%
2016	-1.1%	-0.3%	8.6%	1.6%	3.8%	0.9%	2.6%	2.1%	3.1%	0.1%	-1.6%	3.1%	24.7%	21.1%	8.7%
2017	-1.0%	1.1%	2.9%	-0.7%	2.9%	0.1%	-1.0%	0.1%	1.7%	1.4%	0.3%	5.7%	14.1%	9.1%	14.2%

*Dollar-weighted average returns (net of fees & expenses) of LAM's equity composite prior to December 2011. Lester Canadian Equity Fund as of January 2012. ** Including dividends.

INDUSTRY WEIGHTINGS

Industrial	Various	22.4%
Consumer S&D	food & beverage/media	20.0%
Utilities	renewables/power	11.4%
Financial/R.E.	lending/asset mgt/retail	11.0%
Technology	IT/software/wireless/video	10.3%
Energy	pipelines/midstream	5.4%
Healthcare	mobility/pharma/retirement	5.0%
Telecom	wireless/TV/internet	4.1%
Materials	agriculture/minor metals	2.3%
Cash	cash & equivalents	8.1%

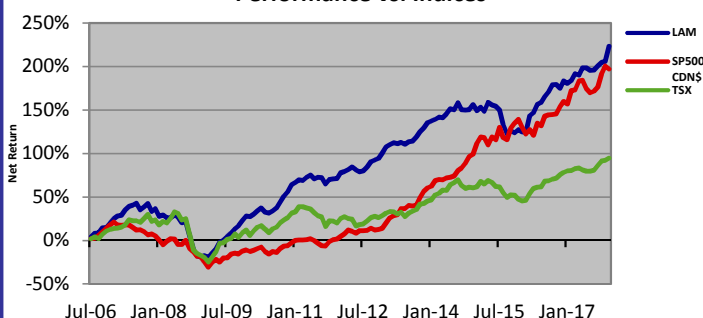
TOP LARGE CAP HOLDINGS

Pembina Pipeline (energy infrastructure)
 Algonquin (renewable power & utilities)
 CGI Group (IT consulting)
 BCE (telecom & media)
 Keyera (energy infrastructure)
 Corus (TV & radio broadcasting)
 Winpak (specialty packaging)
 Loblaw (food & drug retailing)
 Telus (telecommunications)
 Emera (power production & distribution)

TOP SMALL / MID CAP HOLDINGS

Pure Technologies (water/oil pipe inspection)
 Andrew Peller (wine production & sales)
 NAPEC (gas & electrical utility contractor)
 Boralex (renewable power)
 Logistec (marine & environmental services)
 Park Lawn (cemetaries & funeral homes)
 Badger Daylighting (hydrovac excavation)
 Innergex (renewable power)
 Equitable Group (mortgage lending)
 K-Bro Linen (industrial cleaning)

Performance vs. Indices



NET RETURNS	3 Month	1 Year	3 Year	5 Year	Since July 2006
LAM Cumulative	7.5%	14.1%	26.2%	61.6%	223.4%
TSX Composite TR	4.5%	9.1%	21.1%	51.3%	94.7%
LAM Value Added	3.0%	5.0%	5.1%	10.3%	128.7%
LAM Annualized		14.1%	8.1%	10.1%	10.7%
TSX Composite TR		9.1%	6.6%	8.6%	6.0%
LAM Value Added		5.0%	1.5%	1.4%	4.8%

INVESTMENT TERMS

Minimum	\$25,000 (accredited)/\$150,000 (non-accredited)				
Net Asset Value	\$18.87	Series F	FundSERV: LAF100		
Management Fee	1.5% (plus approx. 0.10% for trading/custodial)				
Fund/Firm AUM	\$58.4 Million/\$320 Million				