



INVESTMENT STRATEGY AND PROCESS

Lester Asset Management Inc. ("LAM") launched an actively managed All-Cap Canadian Equity strategy for its segregated accounts in July 2006 and created a pooled version through the Lester Canadian Equity Fund (the "Fund") in January 2012. The strategy's aim is to be different from the S&P/TSX Composite Index and achieve higher returns than the market with lower risk as measured by low market correlation, low cyclical exposure, and better industry diversification. The portfolio is invested in 40 to 50 small, mid and large cap Canadian listed companies selected using a research process based on fundamental bottom-up analysis, strict quantitative and qualitative criteria, and a sound understanding of each company and the industry in which each operates, complemented by a macro-economic outlook. The investment style is value-driven and opportunistic, seeking to buy shares at a discount to a company's true worth, with the goal of maximizing shareholder value through dividend growth, share buybacks, spin-offs or an outright sale.

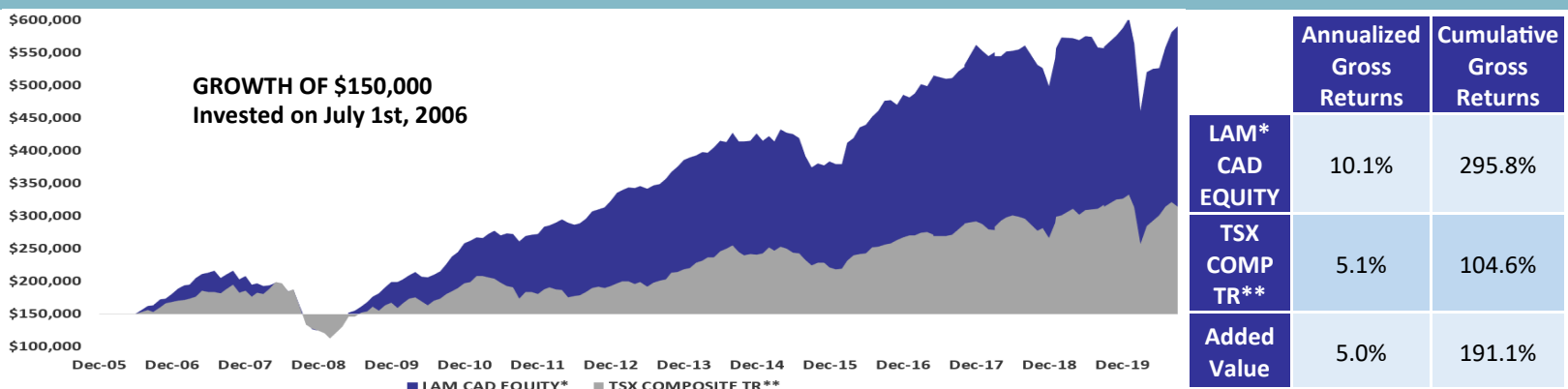
CALENDAR YEAR GROSS RETURNS (except for 2006 which is for 6 months)

	2020 YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
LAM CAD EQUITY*	1.0%	18.0%	-11.9%	15.8%	26.6%	-9.6%	10.5%	19.3%	17.6%	5.8%	29.7%	60.2%	-40.0%	15.4%	20.7%
TSX COMPOSITE TR**	-6.1%	22.9%	-8.9%	9.1%	21.1%	-8.3%	10.5%	13.0%	7.2%	-8.7%	17.6%	35.1%	-33.0%	9.8%	12.5%

ANNUALIZED GROSS RETURNS (except for 1 month and 3 months returns)

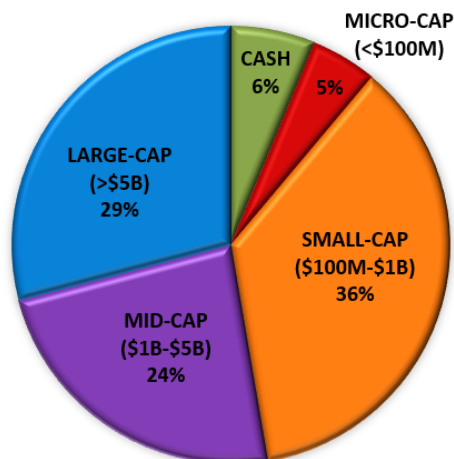
	1 MONTH	3 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE JULY 1, 2006
LAM CAD EQUITY*	0.4%	6.4%	6.2%	3.7%	9.2%	9.7%	10.1%
TSX COMPOSITE TR**	-3.1%	-2.9%	-2.3%	2.2%	6.1%	5.2%	5.1%

CUMULATIVE GROSS RETURNS VERSUS TSX COMPOSITE TR** SINCE JULY 1, 2006



FUND ALLOCATION BY SECTOR AND MARKET CAP

INDUSTRIALS	16.9%
TECHNOLOGY	16.7%
UTILITIES	15.6%
ENERGY	7.9%
DISCRETIONARY	7.1%
CASH	6.2%
STAPLES	6.2%
COMMUNICATIONS	6.1%
HEALTHCARE	5.5%
REAL ESTATE	5.2%
FINANCIALS	4.1%
MATERIALS	2.6%



TOP 20 FUND HOLDINGS

LARGE CAP	%	SMALL/MID CAP	%
ALGONQUIN POWER	3.3	TECSYS	5.1
CN RAILWAY	2.9	MDF COMMERCE	4.0
BCE	2.8	BORALEX	3.7
TELUS	2.7	INNERGEX RENEWABLE	3.5
ENBRIDGE	2.2	ALTAGAS	2.6
CGI GROUP	2.2	STELLA JONES	2.6
PEMBINA PIPELINE	2.2	GOODFOOD MARKET	2.5
TD BANK	2.2	BROOKFIELD INFRASTR	2.4
MORNEAU SHEPELL	2.0	SIENNA SENIOR LIVING	2.4
LOBLAW COMPANIES	1.9	LOGISTEC	2.2

MONTHLY COMMENTARY

The Canadian Equity Fund rose **+0.4%** on a gross basis during the month versus a decline of -3.1% for the TSX Composite Total Return (including dividends). Year-to-date, the Fund is up **+1%** versus -6.1% for the TSX. Most world stock markets were down again on worries about renewed lock-downs from a second wave of the virus, lack of a new stimulus package in the U.S., anxiety over the U.S. elections, and high valuations. While the financial, energy and materials sectors each contributed to the negative return of the TSX, the decline was magnified by a -3.8% drop in the gold sector and a -7.5% plunge in tech stocks led by a -10% correction in Shopify's share price. While we are overweight the technology sector, we do not own Shopify and hold companies that are more reasonably valued. Our outperformance was once again due to our portfolio being largely comprised of businesses that are relatively unaffected by the pandemic or even benefit from it, as well as having a high cash balance. Despite the technology sector being hit hard during the month, our top contributors were in fact tech companies benefitting from the accelerating shift to e-commerce such as supply chain management software provider Tecsys and online shopping platform MDF Commerce. As mentioned in previous commentary, we were expecting a second wave of the virus and have taken a defensive approach which has paid off so far. We are very much in a stock picker's market wherein the dispersion between winners and losers is huge and market indices are dragged down by underperforming sectors. We therefore continue to exercise prudence while seeking new investment opportunities.

PORTFOLIO MANAGERS



Stephen Takacsy – CEO, Chief Investment Officer and Lead Manager Canadian Equity

Stephen joined the firm in 2006 as Chief Investment Officer and developed its Canadian Equity and Fixed Income strategies. He became Chief Executive Officer in 2017. Stephen's diverse career in finance spans over 30 years, including roles in corporate lending, investment banking, and managing the cash proceeds from the sale of a publicly traded company where he was Chief Financial Officer. His extensive experience in corporate finance, mergers & acquisitions, valuation analysis and investments has added value to client returns.

Co-Manager: Martin Gagné, CFA, CPA

STRATEGY CHARACTERISTICS

Inception Date	July 1st, 2006
Strategy AUM	\$178 million
Style	All-Cap, value-driven and opportunistic
Process	Fundamental bottom-up analysis
Portfolio	40 to 50 diversified holdings
Risk Metrics (since inception)	Low cyclical exposure Low market correlation Beta: 0.81 Upside capture: 89% Downside capture: 61% Portfolio turnover (5 year): 25% Maximum position size: 5% Maximum sector weight: 25%

POOLED FUND TERMS

Inception Date	January 3rd, 2012																
Fund AUM	\$68 million																
Minimum Investment	\$150,000 (or less for accredited investors)																
Eligible Accounts	Non-Registered and Registered (RRSP, RESP, TFSA...)																
Distribution	AB, BC, MB, ON, QC, by way of Offering Memorandum																
Management Expense Ratio (MER)	Management Fee (as listed below) + approximately 0.1% for trading and custodial charges																
Fund Units***	<table border="1"> <thead> <tr> <th>SERIES</th> <th>FUNDSERV CODE</th> <th>NAV</th> <th>MGMT. FEE</th> </tr> </thead> <tbody> <tr> <td>F</td> <td>LAF100</td> <td>\$18.81</td> <td>1.5%</td> </tr> <tr> <td>I</td> <td>LAF101</td> <td>\$14.12</td> <td>1.0%</td> </tr> <tr> <td>O</td> <td>LAF102</td> <td>\$10.56</td> <td>TBD</td> </tr> </tbody> </table>	SERIES	FUNDSERV CODE	NAV	MGMT. FEE	F	LAF100	\$18.81	1.5%	I	LAF101	\$14.12	1.0%	O	LAF102	\$10.56	TBD
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ABOUT THE FIRM

Lester Asset Management is an independent discretionary portfolio management firm serving private clients, family offices, charitable foundations and institutional investors, while exercising a fiduciary duty to always act in its clients' best interest. The Firm is committed to preserving and growing the financial wealth of its clients through responsible and ethical investing while also providing a high level of personalized service to meet its clients' evolving needs. The Firm is focused on actively managing two core strategies: Canadian Equity and Canadian Fixed Income, aiming to outperform the main indices over the long term and to add value by achieving higher returns than the market with lower risk. In 2019, the Firm was selected by the Quebec Emerging Managers Program to manage a pooled Canadian Bond fund for a group of institutional investors.

FOR MORE INFORMATION:

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*Returns for LAM's Canadian Equity strategy are gross of management fees and based on dollar-weighted gross returns for the Canadian Equity composite of segregated portfolios managed by LAM using the same strategy from July 2006 until the launch of the Fund in January 2012 and on gross returns of the Lester Canadian Equity Fund thereafter. **The S&P/TSX Composite Total Return Index is the benchmark that has been used since the inception of LAM's Canadian Equity strategy in July 2006 and the Fund in January 2012, and reflects the policy of investing only in Canadian Equity securities. *** Returns on the different unit series of the Fund will vary due to applicable management fees as well as trading and custodial charges. Note that the Fund does not incur operating costs which are typically associated with pooled fund investments, as these are assumed directly by LAM. Please read the Offering Memorandum before investing in the Fund. Pooled fund returns are not guaranteed as unit values change frequently and past performance may not be repeated.



FREQUENT CONTRIBUTOR ON

