

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 declined by -1% versus a decrease of -0.1% for the TSX Composite. Our underperformance was due to a general pull-back in our small cap holdings, a low weighting in the energy sector, and higher weightings in interest sensitive sectors such as utilities. The Canadian stock market was impacted during the month as the Bank of Canada reversed its dovish stance in announcing its first interest rate hike in 7 years. While this move was driven by the strength of the Canadian economy which leads the G7 in GDP growth, it nevertheless negatively impacted certain stocks. Winners included TVA (+30.4%), Linamar (+11.1%), Cenovus (+9.5%), Element Fleet (+6.1%), and NAPEC (+4.3%). Losers included Asian Television (-18.5%), D-Box (-15.6%), Newalta (-11.8%), Altus Group (-8.8%), Winpak (-8.1%), Equitable (-7.9%), Input Capital (-7.5%), Ten Peaks Coffee (-6.9%), Savaria (-6.5%), and Loblaw (-5.9%). We continue to hold higher than average cash balances which we are redeploying gradually and selectively, while trimming some of our more expensive positions.

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%						4.2%	0.7%	3.8%

*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

Staples/Health	wine/coffee/mobility	17.6%
Industrials	diversified	17.3%
Utilities	renewables/power	12.7%
Financial/R.E.	lending/asset mgt/malls	12.0%
Technology	entertainment/software	7.6%
Energy	infrastructure/oil & gas	6.2%
Consumer Disc.	broadcasting/food	5.1%
Materials	agriculture/metals/wood	4.8%
Telecom	wireless/TV/internet	4.3%
Cash	cash & equivalents	12.4%

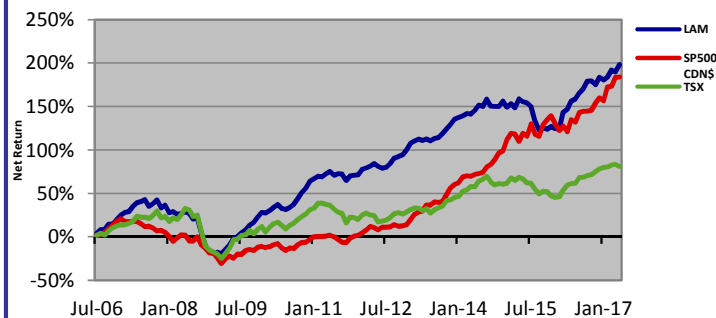
TOP LARGE CAP HOLDINGS

Veresen (energy infrastructure)
Corus (TV & radio broadcasting)
Algonquin (renewable power & utilities)
Pembina (energy infrastructure)
BCE (telecom & media)
Loblaw (food & drug retailing)
Winpak (specialty packaging)
Telus (telecommunications)
Emera (power production & distribution)
Element Fleet (vehicle leasing)

TOP SMALL / MID CAP HOLDINGS

Boralex (renewable power)
Andrew Peller (wine production & sales)
Sandvine (broadband management software)
Park Lawn (cemetaries & funeral homes)
Innergex (renewable power)
Savaria (mobility & accessibility products)
Equitable Group (mortgage lending)
Guardian Capital (investment management)
Logistec (marine & environmental services)
Badger Daylighting (hydrovac excavation)

Performance vs. Indices



	3 Month	1 Year	3 Year	5 Year	Since July 2006
LAM Cumulative	1.9%	11.3%	18.0%	63.9%	195.3%
TSX Composite TR	-2.1%	6.8%	7.9%	50.8%	79.7%
LAM Value Added	4.0%	4.5%	10.1%	13.1%	115.6%
LAM Annualized		11.3%	5.7%	10.4%	10.3%
TSX Composite TR		6.8%	2.6%	8.6%	5.4%
LAM Value Added		4.5%	3.1%	1.8%	4.8%

INVESTMENT TERMS

Minimum	\$25,000 (accredited)/\$150,000 (non-accredited)				
Net Asset Value	\$17.23	Series F	FundSERV: LAF100		
Management Fee	1.5% (plus approx. 0.10% for trading/custodial)				
Fund/Firm AUM	\$51.3 Million/\$300 Million				