

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 -0.7% versus an increase of +0.4% for the TSX Composite. Our underperformance was caused entirely by a -47.5% decline in the share price of Equitable Group without which the Fund's return would have been approximately +1%. Equitable's stock price was hit hard after its largest competitor in the alternative mortgage space, Home Capital, was charged with securities law violations and began suffering a run on deposits. Rumors of contagion then spread throughout the financial sector. Subsequently, on May 1, Equitable's stock price rebounded +29.8% upon announcing record first quarter results and \$2 billion in financing to help fund its growth. Winners during the month included Input Capital (+15.8%), Winpak (+9.9%), Ag Growth (+9.6%), NAPEC (+9.5%), Park Lawn (+6.6%), Loblaw (+6.2%), and Altus Group (+5.8%). Losers included Diamond Estates (-13.6%), D-Box (-12.8%), Newalta (-10.5%), and Cenovus (-9.6%). While most world stock markets continued to rise, we remain cautious in the face of high valuations and numerous geopolitical risks.

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%									2.3%	2.9%	9.1%

*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

Industrials	diversified	17.9%
Staples/Health	wine/food/funerals/medical	16.1%
Financial/R.E.	mortgages/asset mgt/malls	11.8%
Utilities	renewable power	12.9%
Technology	broadband/motion/software	10.0%
Consumer Disc.	broadcasting/auto parts	6.9%
Energy	infrastructure/oil & gas	6.3%
Telecom	wireless/internet/TV	4.7%
Materials	agriculture/lumber/metals	4.7%
Cash	cash & equivalents	9.6%

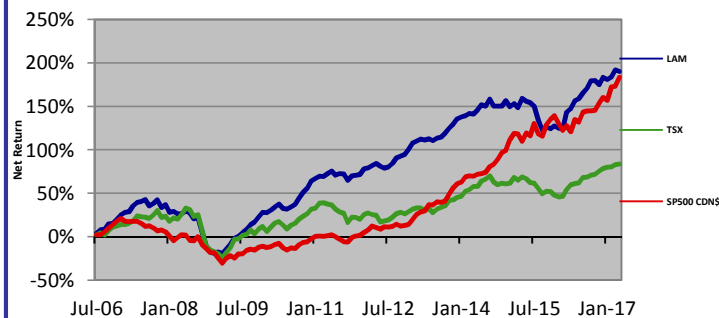
TOP LARGE CAP HOLDINGS

Corus (TV & radio broadcasting)
Pembina (energy infrastructure)
Veresen (energy infrastructure)
Algonquin (renewable power & utilities)
BCE (telecom & media)
Winpak (specialty packaging)
Telus (telecommunications)
Emera (power production & distribution)
Linamar (car/truck parts and lifts)
Loblaw (food & drug retailer)

TOP SMALL / MID CAP HOLDINGS

Park Lawn (cemetaries & funeral homes)
Boralex (renewable power)
Savaria (accessability equipment)
Andrew Peller (wine production & sales)
Innergex (renewable power)
Guardian Capital (investment management)
Input Capital (canola crop financing)
Logistec (marine & environmental services)
Equitable (mortgage lender)
AG Growth (grain handling & storage)

Performance vs. Indices



NET RETURNS

	3 Month	1 Year	3 Year	5 Year	Since July 2006
LAM Cumulative	2.3%	17.3%	20.3%	57.2%	189.9%
TSX Composite TR	2.9%	14.9%	16.2%	47.3%	83.6%
LAM Value Added	-0.6%	2.4%	4.1%	9.9%	106.3%
LAM Annualized		17.3%	6.4%	9.5%	10.3%
TSX Composite TR		14.9%	5.1%	8.1%	5.8%
LAM Value Added		2.4%	1.2%	1.4%	4.6%

INVESTMENT TERMS

Minimum	\$25,000 (accredited)/\$150,000 (non-accredited)	
Net Asset Value	\$16.92 Series F	FundSERV: LAF100
Management Fee	1.5% (plus approx. 0.10% for trading/custodial)	
Fund/Firm AUM	\$47.9 Million/\$295 Million	

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