

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 -1.1% versus an increase of +1.8% for the TSX Composite Total Return. Our underperformance was mainly due to a massive +12.3% rise in energy stocks in which we are very underweight, combined with declines in several of our small cap stocks including several companies that issued public equity at large discounts to the market. Most world stock markets rebounded after two months of negative returns as investors calmed down following the threat of trade wars between the U.S. and China. Top gainers included Equitable Group (+8%), Centric Health (+5%), CN Railway (+5%), D-Box Technology (+4%), Keyera (+3%) and Plaza Corp (+3%). Losers included Grande West Transportation (-24%), Baylin (-11%), Solium (-9%), GoodFood (-9%), TVA Group (-6%) and Savaria (-5%). Markets remain volatile and stock valuations remain stretched amid increasing concerns regarding inflation and rising interest rates. As a result, we continue holding higher than normal cash balances.

MONTHLY NET RETURNS *

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	LAM**	TSX**	S&P500**	S&P500 \$C
2006							4.1%	3.9%	0.3%	5.6%	0.3%	4.4%	20.0%	12.5%	12.7%	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%	5.5%	-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%	-37.0%	-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%	26.5%	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%	15.1%	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%	2.1%	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%	16.0%	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%	32.4%	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%	13.7%	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%	1.4%	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%	12.0%	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%	21.8%	14.2%
2018	-1.7%	-1.7%	1.0%	-1.1%									-3.5%	-2.8%	-0.4%	2.4%

*Dollar-weighted average returns net of fees for LAM's equity composite up to December 2011. Lester Canadian Equity Fund Series F as of January 2012.

** Including dividends.

INDUSTRY WEIGHTINGS

Consumer S&D	food & bevs/deathcare	19.1%
Industrial	diversified	18.2%
Technology	IT/software/wireless	10.3%
Utilities	renewables/power	11.1%
Financial/R.E.	lending/asset mgt/retail	8.3%
Healthcare	mobility/pharma/homes	6.1%
Energy	pipelines/midstream	5.9%
Telecom	wireless/TV/internet	5.0%
Materials	packaging/minor metals	3.0%
Cash	cash & equivalents	13.0%

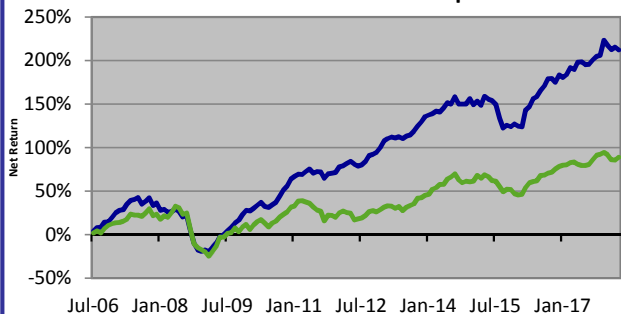
TOP LARGE CAP HOLDINGS

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

TOP SMALL / MID CAP HOLDINGS

Andrew Peller (wine production & sales)
Logistec (marine & environmental services)
Boralex (renewable power)
Sienna Senior Living (retirement residences)
K-Bro Linen (industrial laundry services)
NeuLion (video streaming)
Badger Daylighting (hydrovac excavation)
Baylin Technologies (wireless antennae)
Altus Group (real estate software & services)
Equitable Group (residential mortgages)

LAM Net Performance vs. TSX Composite Index



NET RETURNS	3 Month	1 Year	3 Year	5 Year	10 Year	1-Jul-06
LAM Cumulative	-1.8%	7.7%	20.5%	47.8%	146.7%	212.1%
TSX Composite TR	-1.4%	3.1%	12.0%	45.3%	50.7%	89.3%
LAM Value Added	-0.4%	4.6%	8.5%	2.5%	96.0%	122.8%
LAM Annualized		7.7%	6.4%	8.1%	9.5%	10.1%
TSX Composite TR		3.1%	3.8%	7.8%	4.2%	5.5%
LAM Value Added		4.6%	2.6%	0.4%	5.3%	4.6%

INVESTMENT TERMS

Minimum	\$25,000 (accredited)/\$150,000 (non-accredited)
Net Asset Value	\$18.21 Series F FundSERV: LAF100
Management Fee	1.5% (plus approx. 0.10% for trading/custodial)
Fund/Firm AUM	\$61.7 million/\$323 million



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