



Report of the  
Independent Review Committee of  
The SEAMARK Pooled Funds and  
The SEAMARK Mutual Funds  
to Unitholders  
for the Financial Year  
Ending 31 December 2008

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30 March 2009

To the Unitholders of the:

- SEAMARK Dividend & Income Mutual Fund
- SEAMARK North American Equity Mutual Fund
- SEAMARK Canadian Equity Mutual Fund
- SEAMARK Pooled Balanced Fund
- SEAMARK Pooled Canadian Bond Fund
- SEAMARK Pooled Canadian Equity Fund
- SEAMARK Pooled Canadian Small Cap Fund
- SEAMARK Pooled Foreign Equity Fund
- SEAMARK Pooled International Fund
- SEAMARK Pooled Money Market Fund
- SEAMARK Pooled US Equity Fund

### **Composition of the Committee**

SEAMARK Asset Management Ltd., as the Manager of the SEAMARK Pooled Funds and the SEAMARK Mutual Funds (the “Funds”), appointed the members of the Independent Review Committee of the SEAMARK Pooled Funds and the SEAMARK Mutual Funds (the “Committee”) listed below effective October 25, 2007. There have been no changes in composition of the Committee during the Financial Year ending 31 December 2008.

- Richard Rafuse (Chair)
- Lonsdale Holland
- John Chappell

None of the members serve on the independent review committee of any other fund family.

### **Ownership of Securities**

In aggregate, the Committee members beneficially own, directly or indirectly, 0% of SEAMARK Asset Management Ltd. (the “Manager”). Richard Rafuse is a partner in the law firm McInnes Cooper, the lead corporate counsel to the Manager. Lonsdale Holland is the Chairman of Beacon Securities Limited, which provides investment dealer services, from time to time, to the Manager. John Chappell is a consultant to Scotia Private Client Group, a division of the Bank of Nova Scotia financial group, other divisions of which provides investment dealer services, from time to time, to the Manager. The services provided to the Manager to each of McInnes Cooper, Beacon Securities Limited, and the Bank of Nova Scotia financial group are in each instance non-material to these organizations and are provided on an arm’s length basis on normal commercial terms.

## **Compensation and Indemnities**

The Manager recommended and the Committee accepted the Manager's recommendation of the initial compensation of the Committee members. The aggregate compensation paid to the Committee members for the financial year ending December 31, 2008 was \$35,000. The compensation paid to the Committee members for the financial year ending 31 December 2008 was \$15,000 in the case of the Chair and \$10,000 in the case of the other members of the Committee. The Committee reviews its compensation annually taking into consideration:

- the recommendation of the Manager;
- the workload and complexity of the matters under consideration; and,
- industry or regulatory guidance.

As contemplated by National Instrument 81-107, the Manager entered into an agreement with each member of the Committee whereby SEAMARK agreed to indemnify them, on the terms specified in the agreement, with respect to costs and proceedings arising from their service on the Committee. No indemnities were paid to the Committee members during the year.

## **Conflict of Interest Matters**

During the year, the Manager applied for and was granted an Exemptive Relief Application under National Policy 11-203 for relief to permit the SEAMARK Pooled Funds to invest in securities of Manulife subject to conditions that are similar to the conditions that would be applicable if the investment was made by a mutual fund subject to NI 81-102 pursuant to NI 81-107.

## **Policies and Procedures**

The Committee has reviewed and approved the following conflict of interest policies and procedures followed by the Manager:

- allocation of investment opportunities;
- personal trading by SEAMARK employees;
- investment in securities of companies related to SEAMARK's non-management Directors;
- use of soft dollar; and,
- investment in securities of companies who are clients of SEAMARK.

The Committee reviews the conflict of interest policies semi-annually taking into consideration any changes in the Manager's operations.

## **Standing Instructions**

The Committee has established standing instructions relating to the purchase of shares of Manulife Financial Corporation ("Manulife") in the SEAMARK Mutual Funds. Manulife owns approximately 30% of SEAMARK's issued and outstanding shares and is a related issuer to the Manager. The standing instructions establish certain conditions designed to ensure the independence of the Manager's decision making from any influence by Manulife Financial Corporation. During the year, the Manager relied upon the standing instructions to purchase shares of Manulife in the SEAMARK Mutual Funds and provided quarterly reports to the IRC describing each instance that the Manager acted in reliance on the standing instructions.

## **Compliance**

The Committee is not aware of any instances in which the Manager failed to meet the conditions established by the Committee or in which the Manager acted in a conflict of interest matter contrary to the recommendation of the Committee.

Richard Rafuse (Chair)  
Lonsdale Holland  
John Chappell