

## **SEAMARK Canadian Equity Fund**

### **Summary of Investment Portfolio and Fund Manager Commentary**

For the quarter ended September 30, 2009

#### **Fund Manager Commentary**

Global equity markets continued their steady march higher during the 3rd quarter. In the space of four short months markets have rallied fifty percent or more from the lows of early March.

The S&P/TSX Composite Index rose 10.6% for the quarter, led by Financials with banks attributable for the majority of the sector's return. The Materials and Industrial sectors also outperformed the broader index. The Fund also posted strong gains, while trailing the overall index primarily due to the relative under-performance from certain investments such as Husky Energy and Research in Motion as well as our investments in the steadier Consumer Staples and Utilities sector.

The portfolio benefitted from recent trade actions, including increasing our position in gold producer Agnico Eagle. Other very strong performers that outperformed their sector and the broader index include ShawCor, Teck Resources, Gildan Activewear, and Royal Bank of Canada, all of which rose more than 20%, and in the technology sector MacDonald Dettwiler.

Late in the quarter we sold the position in Teck Resources. Its stock price has appreciated remarkably over the past six months and we now view the stock to be fully valued. We have chosen to exit the position with the intent of investing in more attractive opportunities. We also sold the position in Shoppers Drug Mart on concerns that its valuation did not fully reflect the downside risk presented by the pending Province of Ontario government's actions to reduce spending on drugs

The last year has been a year of highs and lows for equity investors. The Fund has done better than most during this period, with the added benefit of being less volatile along the way. We remain patient and cognizant of valuations and risk when making investment decisions. We continue to monitor the portfolio for situations where risk outweighs reward and for new attractive opportunities. As economic conditions improve and markets begin to normalize, we expect quality companies, especially those previously overlooked by the market, to do well.

**SEAMARK Canadian Equity Fund**  
**Summary of Investment Portfolio as at September 30, 2009\* (unaudited)**

<b>Allocation by Sector</b>	<b>% of Net Assets</b>
Cash & Cash Equivalents	6.1%
Consumer Discretionary	10.5%
Consumer Staples	4.7%
Energy	21.6%
Financials	28.3%
Industrials	8.7%
Information Technology	6.5%
Materials	7.5%
Telecommunications	2.8%
Utilities	3.3%
<b>Total</b>	<b>100%</b>

<b>Top 25 Investments</b>	<b>% of Net Assets</b>
Cash & Cash Equivalents	6.1%
Toronto-Dominion Bank (The), common shares	5.8%
Royal Bank of Canada, common shares	5.5%
EnCana Corp., common shares	4.9%
Manulife Financial Corporation, common shares	4.8%
Suncor Energy Inc., common shares	4.6%
Nexen Inc., common shares	4.6%
Agnico Eagle Mines Ltd., common shares	4.0%
Husky Energy Inc., common shares	3.8%
Research In Motion Ltd., common shares	3.8%
Canadian Imperial Bank of Commerce, common shares	3.6%
Shawcor Ltd., class A shares	3.6%
Yamana Gold Inc., common shares	3.4%
TMX Group Inc., common shares	3.4%
Fortis Inc., common shares	3.3%
Canadian National Railway Co., common shares	3.2%
Gildan Activewear, common shares	3.0%
TELUS Corp., common shares	2.8%
Shaw Communications Inc., class B shares	2.8%
MacDonald Dettwiller & Associates Ltd., common shares	2.8%
Sun Life Financial Inc., common shares	2.8%
Tim Hortons Inc., common shares	2.7%
Aecon Group Inc., common shares	2.7%
Loblaw Companies Limited, common shares	2.4%
Empire Company Limited, class A shares	2.3%
<b>Total</b>	<b>92.7%</b>

Total Net Assets: \$ 623,877

\* The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. The prospectus and other information about the Fund is available by calling 1-888-303-5055, by writing to us at SEAMARK Asset Management Ltd., 1801 Hollis Street, Suite 310, Halifax, NS B3J 3N4 or by visiting our website at [www.seamark.ca](http://www.seamark.ca) or SEDAR at [www.sedar.com](http://www.sedar.com).