



Report of the  
Independent Review Committee of  
The SEAMARK Pooled Funds  
to Unitholders  
for the Financial Year  
Ended December 31, 2010

March 31, 2011

To the Unitholders of the:

- 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**

As of the beginning of 2010, the following were the members of the Independent Review Committee of the Funds, with one position vacant:

- Richard Rafuse (Chair)
- John Chappell

As of January 15, 2010, SEAMARK Asset Management Ltd. (“SEAMARK” or the “Manager”) experienced a change of control related to a business combination. All outstanding shares of SEAMARK are now held by Matrix Asset Management Inc. (“Matrix”), a publicly traded company listed on the Toronto Stock Exchange. As required by National Instrument 81-107 upon a change of control, each member of the Committee tendered their resignation effective January 15, 2010. Mr. Rafuse and Mr. Chappell were then immediately re-appointed and a third member of the Committee was also appointed at that time. The current members of the Committee are:

- Richard Rafuse (Chair)
- John Chappell
- Karen Henderson

During 2010 the responsibilities of the Independent Review Committee were altered. In July 2010 SEAMARK was replaced as the manager and trustee of the former SEAMARK mutual funds by Matrix Funds Management (a division of Growth Works Capital Ltd.) (“Matrix Funds Management”). SEAMARK and Matrix Funds Management are affiliates of each other and both are subsidiaries of Matrix. The IRC approved the change of trustee and manager. As a result, the IRC continues to act as the independent review committee for the SEAMARK Pooled Funds.

None of the current or former members of the Committee serve on the independent review committee of any other fund family.

Richard Rafuse is a partner in the law firm McInnes Cooper. McInnes Cooper provides legal services to the Manager on an arm's length basis on normal commercial terms and are non-material to McInnes Cooper. John Chappell retired on June 30, 2009 as investment counsel with Scotia Private Client Group, a division of the Bank of Nova Scotia financial group, other divisions of which provide investment dealer services from time to time to the Manager. Karen Henderson is a former Principal and National Partner of Mercer (Canada) Limited, and a former Vice President at Keel Capital Management Inc.

The Committee members do not beneficially own, directly or indirectly, any securities of SEAMARK or Matrix.

### **Compensation and Indemnities**

The Manager annually recommends to the Committee the level of compensation for the Committee members during the year. Upon receiving the Manager's annual recommendation with respect to compensation, the Committee reviews its compensation taking into consideration the following factors:

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

In 2010, the aggregate compensation paid to the Committee members for the financial year ended December 31, 2010 was \$34,589.

As contemplated by National Instrument 81-107, the Manager entered into an agreement with each member of the Committee whereby SEAMARK has 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**

#### **Policies and Procedures**

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

- purchase of shares of Matrix
- allocation of fund expenses;
- correction of NAV errors;
- 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 and procedures annually taking into consideration any changes in the Manager's operations.

**Standing Instructions**

There are no standing instructions currently in place for the Manager.

**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.

The members of the Independent Review Committee:

Richard Rafuse (Chair)

John Chappell

Karen Henderson