



SEAMARK Pooled Balanced Fund

June 30, 2011

Philosophy & Strategy

The Balanced Fund will seek to preserve capital and minimize market value fluctuations while generating superior long-term returns by investing in fixed income and equity investments.

Fixed income investments will be rated A (low), or better, by the Dominion Bond Rating Service, or its equivalent. The composition of the fixed income portfolio, including term to maturity, will be varied within a conservative range to add value. SEAMARK's emphasis on safety of capital in fixed income portfolios is an important contributor to low portfolio volatility.

Equity investments will be selected using the firm's bottom-up, fundamental approach of identifying Canadian, U.S. and International companies with superior long-term investment merit based on proven management, competitive position, and strong balance sheets. Preference is given to companies with durable growth prospects. SEAMARK's emphasis on high quality equity investments is consistent with its objective of owning a company for the long-term.

Asset mix is derived by a bottom-up process driven by the availability of attractive individual investments at reasonable valuations. Asset mix shifts are therefore determined on a security by security basis.

Portfolio Managers' Commentary

After three strong quarters, the second quarter of 2011 saw modest declines across major global equity indices as concerns over the sustainability of the economic recovery re-surfaced. Despite another gain in the Canadian dollar versus the U.S. dollar, foreign equity markets generally outperformed Canada, as falling commodity prices had a greater impact on the resource heavy S&P/TSX Composite Index. Bonds benefitted in this environment as investors bid government bond prices up. At times during the quarter this resulted in current yields on 10-year issues falling below 3% in both Canada and the U.S.

The mood on the markets remains far from bullish, and the volatility that has characterized the post-2009 market recovery continued unabated in the second quarter. Weak economic data from the U.S., the post-disaster hangover in Japan, fears of a slowdown in China's economy, and ongoing government debt challenges in Europe and the U.S. contributed to growing risk aversion during the quarter. Amid the deteriorating economic outlook, central banks remained on the sidelines again this quarter. The U.S. Federal Reserve took a first step towards eventual normalization of their monetary policy by winding up the second round of quantitative easing as scheduled at the end of June. Increased risks internationally, combined with a still strong loonie, led the Bank of Canada to keep its key rate unchanged. Inflation is trending higher, however, which may pressure the Bank of Canada to resume monetary tightening.

The Fund's bonds generated positive returns that slightly underperformed the DEX Universe Bond Index return of 2.48%, reflecting our shorter average term compared to the index. We continue with this defensive positioning in order to protect against the potential for rising rates going forward as the economic recovery continues. Despite relatively strong performance across most of the portfolio, the Fund's Canadian equities underperformed the S&P/TSX Composite's primarily due to continued weakness in the share price of Research in Motion. The Fund's foreign equities generally performed in line with benchmark indices, with health care holdings an area of strength while U.S. banks underperformed.

Portfolio Activity

Our investment discipline of selling when stocks approach our valuation targets and buying when they represent good value compared to our targets resulted in significant activity during the volatile markets of this quarter. Some of the positions trimmed on price strength include Nike, American Express, Becton Dickenson, Norfolk Southern, Praxair, Royal Bank of Canada, and Telus. New positions we added during the quarter include Deere, Illinois Tool Works, Schlumberger, Target, Intercontinental Hotels, Volkswagen, Brookfield Asset Management, and Talisman Energy.

Investment Team

All SEAMARK Pooled Funds are managed under the direction of the Executive Portfolio Manager Team.

The lead Portfolio Managers for this Fund are: Richard W. Fewell, CFA, Angela S. Eaton, CFA, and Rémi Roger, CFA.



Richard W.
Fewell



Angela S.
Eaton



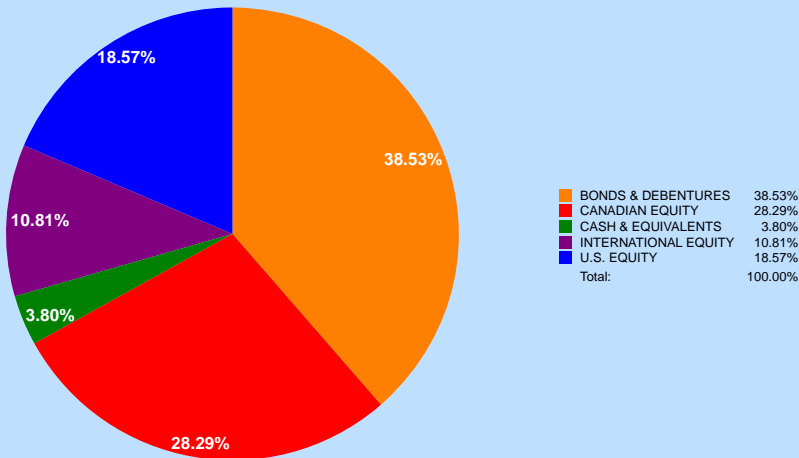
Rémi Roger



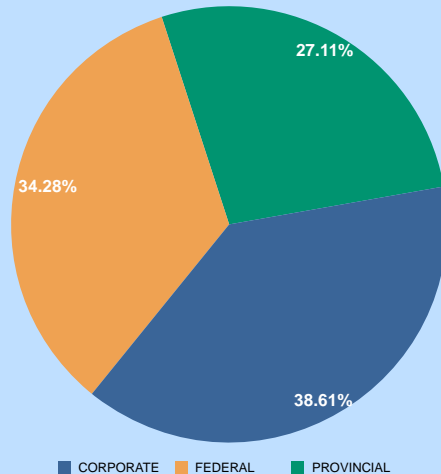
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Asset Mix



Fixed Income



Market Value of the Fund

BONDS & DEBENTURES	152,239,416
CANADIAN EQUITY	111,774,338
CASH & EQUIVALENTS	15,019,695
INTERNATIONAL EQUITY	42,726,824
U.S. EQUITY	73,370,819
Total	\$ 395,131,092

Fixed Income Information

Duration: 5.58
Term: 7.57

Top Ten Holdings (% of portfolio)

TORONTO DOMINION BK	1.70
ROYAL BANK CDA	1.68
GOLDCORP INC	1.58
SUNCOR ENERGY INC	1.54
TRANSCANADA CORP	1.21
CDN NATURAL RES	1.19
SHAW COMMUNICATIONS	1.09
DIAGEO P L C	1.09
NESTLE S A	0.99
ASTRAL MEDIA INC	0.98

Best Performing Securities of the Quarter

NIKE INC	17.07%
AMERICAN EXPRESS CO	13.74%
WELLPOINT INC	12.29%
JOHNSON & JOHNSON	12.19%
NOVARTIS AG	11.48%

Worst Performing Securities of the Quarter

RESEARCH IN MOTION	-49.15%
PETROBAKKEN ENERGY	-26.79%
THOMPSON CREEK MTL	-21.59%
AMERICAN EAGLE OUTFIT	-20.38%
SHAWCOR LTD	-18.55%

Performance Information

Inception Date of Fund: June 30, 1997

ROR Since Inception of Fund: 6.86%	3 Mths	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	6 Yrs	7 Yrs	8 Yrs	9 Yrs	10 Yrs
TOTAL PORTFOLIO	-0.8	1.2	11.8	8.3	3.4	1.9	4.3	4.5	5.1	6.1	5.7	5.0
Balanced Fund Benchmark*	-0.6	1.6	12.7	9.6	2.7	2.2	4.4	4.8	5.6	6.6	6.0	5.2
SHORT TERM NOTES	0.3	0.4	0.9	0.6	0.9	1.6	2.1	2.2	2.2	2.3	2.4	2.2
DEX 91 Day T-Bill Index	0.2	0.5	0.9	0.6	1.1	1.8	2.3	2.5	2.4	2.5	2.5	2.6
BONDS & DEBENTURES	2.4	2.4	4.8	5.7	6.3	6.6	6.3	5.0	5.8	5.5	6.1	6.4
DEX Universe Bond Index	2.5	2.2	4.7	5.8	6.2	6.3	6.0	4.9	5.9	5.5	6.2	6.4
CANADIAN EQUITY	-6.2	-1.6	17.2	11.4	0.1	0.3	4.5	6.8	8.7	10.4	9.3	8.8
S&P/TSX Composite Index	-5.1	0.2	20.9	16.3	0.2	1.8	5.7	7.9	9.3	11.1	9.7	8.0
FOREIGN EQUITY	-0.2	1.9	18.8	9.8	2.1	-3.7	0.0	-0.2	-1.2	1.1	-0.2	-2.4
MSCI World exCanada Index (CAD\$)	0.0	2.4	18.6	9.1	-1.2	-5.0	-0.8	0.2	0.2	2.7	0.9	-0.9
U.S. EQUITY	-1.4	0.5	16.6	9.9	1.7	-4.5	-1.1	-1.4	-2.3	0.0	-1.0	-2.8
S&P 500 Index (CAD\$)	-0.7	3.0	18.7	11.5	1.6	-3.4	0.1	-0.2	-0.6	1.5	0.1	-1.8
INTERNATIONAL EQUITY	1.9	4.4	22.9	9.9	3.0	-1.8	3.0	3.2	2.4	4.8	1.9	-1.7
MSCI EAFE Index (CAD\$)	0.8	2.0	18.4	7.1	-3.4	-6.4	-1.4	1.2	1.6	4.8	2.2	1.0

* 5% DEX 91-Day T-Bills, 40% DEX Universe Bond Index, 30% S&P/TSX Composite Total Return Index, and 25% MSCI World (ex Canada) Index.

Performance Data is calculated on an actual basis for periods of less than one year, and on an annualized basis for periods of one or more years. Performance data assumes the reinvestment of all distributions and does not take into account management fees or income taxes (except for withholding tax, if any, on foreign income) payable by any unitholder that would have reduced returns. Past performance is not necessarily indicative of future returns.