



SEAMARK Pooled Canadian Bond Fund

June 30, 2011

Philosophy & Strategy

SEAMARK's investment philosophy recognizes that Fixed Income investments represent an important foundation for investors.

Accordingly, SEAMARK manages the Fund in a prudent manner, emphasizing safety of principal and reliability of income.

Three key variables, credit quality, term to maturity, and liquidity, are used to identify those fixed income securities that meet SEAMARK's exacting standards.

SEAMARK maintains a high credit quality standard in the Bond Fund. Each security must be rated BBB (low), or better, by the Dominion Bond Rating Service, or the equivalent. Focusing on high quality issues reduces volatility while providing attractive returns on a risk-adjusted basis. The Canadian Bond Fund will invest primarily in Canadian dollar denominated fixed income investments.

SEAMARK employs an interest rate anticipation approach to add value to the Bond Fund. SEAMARK will vary the average term to maturity and duration of the portfolio within a conservative range, seeking to enhance returns through moderate capital gains under appropriate market conditions, while preventing capital losses under adverse conditions.

SEAMARK will also seek to add value by varying the relative weights of different fixed income sectors (Federal, Provincial, Municipal and Corporate issuers) within a conservative range.

Portfolio Managers' Commentary

The bond market rallied during the quarter as investors' comfort with risky assets lessened. A renewal of the sovereign debt crisis in Europe and signs that the global economic recovery may be stalling created a positive environment for Canadian fixed income securities.

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. The Fed, however, is in no rush to raise its key overnight rate as the economic recovery in the U.S. is still fragile. Increased risks internationally, combined with a still strong loonie, also 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 before year end.

During the quarter, yields were down across the curve in both Canada and the U.S. The 10-year Government of Canada yield and the 10-year U.S. Treasury yield both fell below 3.0% during the quarter before closing the quarter with a yield of 3.1%. All sectors and all areas of the yield curve generated positive returns, with long-term bonds and provincial bonds being the best performers. The Fund generated positive returns that slightly underperformed the DEX Universe Bond Index return of 2.48%, reflecting our shorter average term compared to the index.

Portfolio Activity

Early in the quarter, the bond market was driven by stronger fundamental economic conditions and the yield curve was moving higher, in line with our positioning and expectations. Then European sovereign debt problems re-emerged as concerns about the Greek debt situation resurfaced. Similar to last year, this initiated a turn around in the market, with interest rates moving lower as part of a flight to quality bias. We adjusted our strategy in the portfolio as it became apparent that the Bank of Canada would have to postpone its tightening cycle for another one or two quarters. This involved a number of trades over the quarter to sell bonds in areas of the yield curve that had become expensive, and re-position to areas that we considered to offer better value going forward.

Investment Team

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

The lead Portfolio Managers for the Fund are Rémi Roger and Beste Alpargun.



Rémi Roger



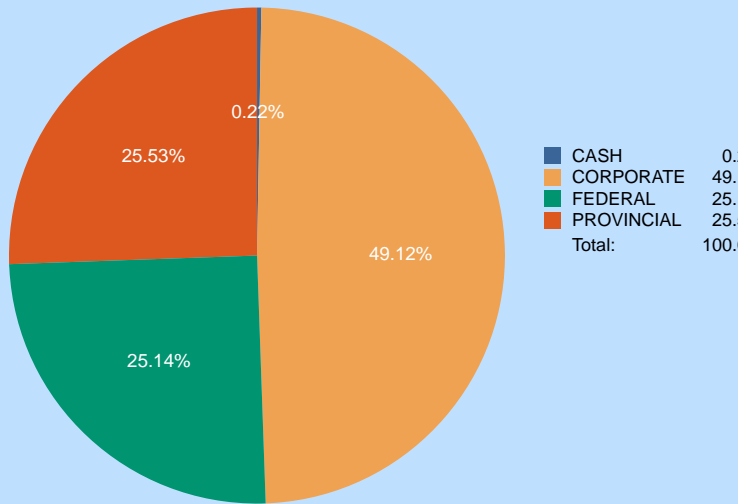
Beste Alpargun



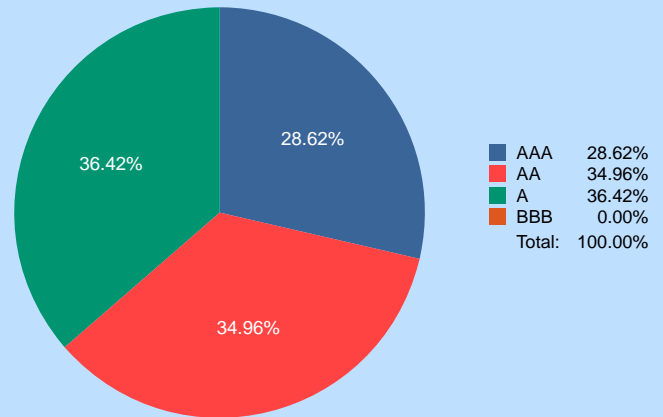
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Portfolio Structure



Credit Quality



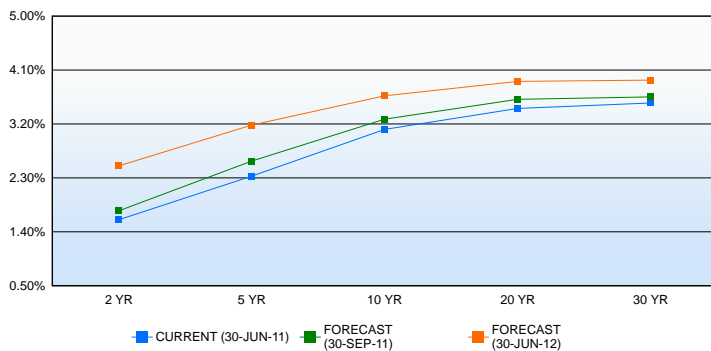
Market Value of the Fund

BONDS & DEBENTURES	18,339,669
CASH & EQUIVALENTS	958,859
\$	19,298,528

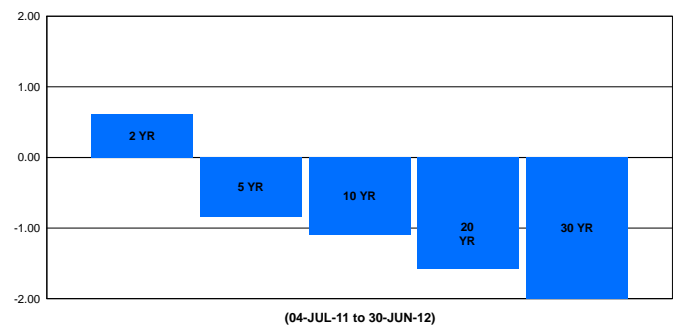
Fixed Income Information

Duration: 5.85
Term: 7.80

Government of Canada Yield Curve



12 Month Expected Rate of Return of Canadas



Performance Information

Inception Date of Fund: June 30, 1997

ROR Since Inception of Fund: 6.40%	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	2.3	2.4	5.1	6.0	6.7	6.8	6.6	5.3	6.0	5.6	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

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.