SEAMARK BALANCED MANDATE

SEAMARK's balanced approach results in carefully constructed portfolios of two complementary asset classes: fixed income and equities.

Fixed Income

SEAMARK's investment philosophy suggests that portfolio risk, in balanced mandates, should be assumed through the purchase of equity investments. The fixed income component of the portfolio is therefore designed to provide a stable foundation, minimizing market value volatility and ensuring the preservation of capital. SEAMARK focuses on investing in issues of superior **credit quality** and **liquidity,** while managing **duration** within a conservative range to enhance returns through interest income and moderate capital gains under appropriate market conditions.

Equities

Equity investments are selected using the firm's bottom-up, fundamental approach of identifying companies with superior long-term investment merit based on three quality characteristics:

- **proven management**
- **strong balance sheets**
- **attractive competitive position**

Preference is given to companies with **durable growth prospects**.

SEAMARK's disciplined bottom-up approach is applied consistently to Canadian, U.S. and International equity securities, thereby adopting **a total equity approach** where relative weighting between countries is determined on a security-by-security basis.

Asset Allocation

SEAMARK's asset allocation process within balanced mandates can be summarized as follows:

- SEAMARK employs a **bottom-up, fundamental analysis** to determine the investment merits of individual securities.
- This results in a **succession of buy/sell decisions** based on where attractive investment opportunities currently lie.
- Leads to **asset allocation changes from the bottom-up,** where the relative weighting of each asset class is determined on a security-by-security basis.