SEAMARK CANADIAN EQUITY MANDATE

SEAMARK's Canadian Equity approach results in carefully constructed portfolios of industry-leading companies in terms of financial strength, competitive position, and management's ability to deliver results for shareholders. Working as a team, SEAMARK's investment professionals apply **proven investment principles** to identify Canadian companies capable of succeeding over the long-term in an increasingly competitive global market.

SEAMARK's **bottom-up, fundamental approach** identifies 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**. Companies that satisfy these SEAMARK quality standards are added to the firm's proprietary Master List and are considered "buyable" when the price is right.

SEAMARK benchmarks Canadian companies against the best operators in the U.S. and internationally, to get a true sense of the company's long-term competitive position. The same proven investment standards applied to all of SEAMARK's equity selections are applied to these Canadian leaders, ensuring that the Canadian Equity portfolio consists of the **best world-class investment opportunities available in the Canadian market.**

These quality considerations lead to a bias towards established, large capitalization companies, which have typically represented at least 70% of a portfolio's holdings. Small capitalization companies, representing no more than 10% of the portfolio, are carefully selected for their superior growth potential, with preference given to companies in industries that complement the larger holdings, providing a natural diversification to the overall portfolio.

Consistent with the **viewpoint of a business owner**, SEAMARK aims to determine the company's potential worth in order to take advantage of opportunities that occur when the value of the company and the price of the stock are not in alignment. This potential worth is based on the company's prospects over at least the next four years, and is quantified in an 18-24 month price target, based on rigourous fundamental analysis. This process provides the discipline to look past short-term conditions, either unusually good or unusually bad, to the true underlying worth of the business. When sufficient upside exists, companies on the Master List will be rated a "buy". When overvaluation of the company's stock price compared to the business' expected value is apparent, the holding may be trimmed or sold.