



SEAMARK FOREIGN EQUITY MANDATE

SEAMARK's Foreign Equity approach results in carefully constructed portfolios made up of industry-leading, geographically diverse U.S. and International businesses displaying financial strength, a strong competitive position, and a management team capable of delivering results for shareholders. Working as a team, SEAMARK's investment professionals apply **proven investment principles** to identify U.S. and international companies capable of superior long-term growth.

SEAMARK's **bottom-up, fundamental approach** to equity investing seeks to identify 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. Multi-national companies with a **geographically diversified base of earnings** are preferred as they provide participation in the growth of emerging economies while limiting country-specific risk.

SEAMARK's investment team focuses on the merits of individual companies and their corresponding return potential, rather than the address of the company's headquarters or their local stock market. This bottom-up approach to security selection drives both **country allocation and industry selection one company at a time**, and results in a portfolio of leading companies in many attractive industries. By comparing the best operators in the U.S. to best operators internationally, SEAMARK is able to gain insight into the company's potential worth and long-term competitive position.

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 value 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 rigorous 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.