June 30, 2021

SEAMARK POOLED BALANCED FUND

Our Philosophy and Strategy

The SEAMARK Balanced Fund investment philosophy embodies several defining tenets:

- The firm employs an equity bias, recognizing that ownership offers the greatest investment reward.
- Bonds typically offer lower investment potential than equities. In that bonds represent 'safe money', they form a foundation for balanced portfolios and must be both secure and liquid.
- In balanced mandates, the asset mix is varied 'from the bottom up' within predetermined parameters, driven incrementally by the relative valuation of individual securities, one investment at a time.
- Companies selected for investment are made from our Total Equity platform, allowing for the construction of integrated, efficient equity portfolios.
- Careful attention is paid to valuation, attempting always to 'buy well'.
- Once invested in a company, SEAMARK exercises patience on behalf of its clients, with tax efficient low turnover rates, allowing the management of the underlying company to compound high returns on behalf of its shareholders.

The specific objective of the Pooled Balanced fund is to preserve capital and minimize market value fluctuations while generating superior long-term returns through capital gains augmented by current income. The Fund's performance is benchmarked against a blend of 5% FTSE 91-Day T-Bill Index, 40% FTSE Canada Universe Bond Index, 27% S&P/TSX Composite Index, 20% S&P 500 Index, and 8% Morningstar Developed Markets excluding North America GR Index. Return in excess of this benchmark is an objective only and is not guaranteed by any party.

The fund seeks to achieve its objective within asset mix constraints set forth below:

Asset Class	Min.	Max.
Cash & Short-Term Assets	0%	25%
Fixed Income Assets	20%	70%
Equity Assets	30%	70%

Portfolio Managers' Commentary

Over the last year, investors have been handsomely rewarded for remaining fully invested, despite the Covid pandemic's impact on the economy. The second quarter of 2020 represented the worst of the lockdown's impact on corporate earnings, indeed on the lifestyles we had become accustomed to. But since that low point of the economy, much headway has been made against the virus, and expansionary monetary and fiscal policy has put the economy on much stronger footing.

During the quarter, the S&P/TSX Composite Index earned an 8.5% total return, while the S&P 500 Index registered a 7.0% return (in CAD $). The Canadian dollar advanced 1.5% during the quarter (and 9.95% over the last year). Bond markets surprised, with the FTSE Canada Universe Bond Index recording a return of 1.66%. The positive return reflected a bit of a reversal to sharply rising yields during Q1. Although U.S. 10 Year Treasury yields jumped from 0.92% at year end to 1.74% at March 31, they yielded just 1.47% at mid-year. Canada 10 Year bond yields rose from 0.67% to 1.56% in Q1, but reversed to yield 1.39% at June 30.

The Fund experienced a period of underperformance in early 2020, principally a function of the asset mix that had been tilted toward equities before the advent of the pandemic. That underperformance reversed quickly. In the most recent quarter, the Fund's return of 4.7% marginally exceeded its benchmark, contributing to the Fund exceeding its benchmark by 430 basis points in the first half of this year. Over the one-year period the Fund achieved a 22.8% return, versus its benchmark return of 14.6%. The Fund's two-year return of 11.3%, encompasses periods before and during the pandemic, and stands 140 basis points above its benchmark.

Share prices have continued to advance nicely in anticipation of further economic expansion. They may be subject to some near-term correction, but we expect higher share prices a year ahead. Bond prices have risen in the last quarter, as yields back tracked somewhat after their quick run-up in Q1. But yields are likely to trend higher over the next year. Notwithstanding the bond rally this quarter, fixed income investors are expressing more concern with the potential for inflation based on expansionary monetary and fiscal policies that were initiated to rescue the economy. There will be higher inflation, the question of whether it will only be transitory during the recovery cycle is debatable.

The Fund remains well positioned for continued recovery in the economy. At mid-year, the Fund's bonds comprised 25.3% of the total portfolio and are positioned with a slightly lower duration than that of the FTSE Canada Universe Bond Index. The Fund's exposure to bonds, and their duration may be reduced even further in coming months. The Fund will maintain a strong equity bias as the economy continues its transition to being demand driven, and less dependent on monetary and fiscal policy.

INVESTMENT TEAM

Bob McKim, CFA
CEO & Chief Investment Officer

Don Wishart, CFA
President

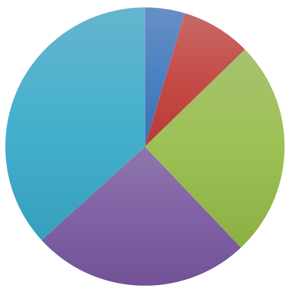
George Loughery, CFA
Chief Portfolio Manager

Beste Alpargun, CFA
VP Fixed Income, Portfolio Manager

Portfolio Activity

The Fund established a new full position in Algonquin Power, along with partial weights in Major Drilling Group and NFI Group. Algonquin is a growth utility with a focus on renewable power generation that supports dividend growth targeted at 10% per annum. Major Drilling is a worldwide specialty driller that is enjoying an early ramp-up of activity from gold and base metal producers. NFI Group, a bus and motor coach manufacturer, is well positioned to benefit from the conversion of municipal bus fleets to all electric vehicles over the next several years. Cenovus Energy Warrants were eliminated from the Fund on price strength. Several holdings were trimmed to keep the equity component of the Fund within its upper limit. Trades in Fixed Income were mainly small this quarter, but we participated in a new Province of New Brunswick 2026 issue.

Asset Mix

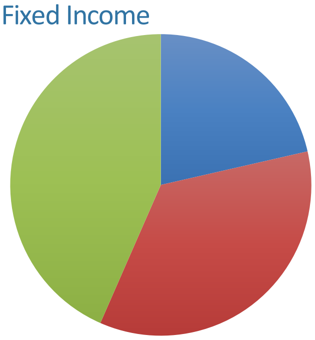


- Cash & Equivalents 4.6 %
- International Equity 8.1 %
- Bonds & Debentures 25.2 %
- U.S. Equity 25.3 %
- Canadian Equity 36.7 %

Top Ten Equity Holdings (% of Fund)

ATS Automation Tooling Systems Inc.	2.4
Royal Bank	2.2
Bank of Nova Scotia	2.2
Toronto Dominion Bank	2.2
IA Financial Corp.	2.2
Alphabet Inc.	2.1
Royal Dutch Shell	2.0
Applied Materials	2.0
Manulife Financial	2.0
KLA Corporation	2.0

Fixed Income



- Federal 21.43 %
- Corporate 35.15 %
- Provincial 43.43 %

Fixed Income Duration

Duration	7.6 years
Term	9.2 years
Yield	1.7 %

Calendar Year Performance (%)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL PORTFOLIO (CAD$)	6.5	-1.3	11.1	16.6	13.4	5.3	8.3	4.3	-4.2	15.2	6.2
BENCHMARK* (CAD$)	10.1	0.6	7.2	11.8	10.7	3.9	7.8	7.4	-1.4	15.3	9.3

*5% FTSE 91-Day T-Bill Index, 40% FTSE Canada Universe Bond Index, 27% S&P/TSX Composite Index, 20% S&P 500 Index, and 8% Morningstar Developed Markets excluding North America GR Index.

Performance Information (%)

June 30, 2021

	QTR	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	6 Yrs	7 Yrs	8 Yrs	9 Yrs	10 Yrs	Since Inception
TOTAL PORTFOLIO (CAD$)	4.7	10.2	22.8	11.3	8.5	7.2	7.4	6.8	7.2	8.4	9.0	8.2	7.4
BENCHMARK* (CAD$)	4.6	5.9	14.6	9.9	8.7	8.2	8.1	7.2	7.2	8.4	8.3	7.6	6.5

* 5% FTSE 91-Day T-Bill Index, 40% FTSE Canada Universe Bond Index, 27% S&P/TSX Composite Index, 20% S&P 500 Index, and 8% Morningstar Developed Markets excluding North America GR Index.

Fund Inception date: June 30, 1997

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