SEAMARK

March 31, 2017

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% DEX 91-Day T-Bills, 40% DEX Universe Bond Index, 30% S&P/ TSX Composite Total Return Index, and 25% MSCI World (ex-Canada) 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

During the first quarter, International and U.S. equity markets continued to advance at a decent pace. Canadian equities lagged, but still generated positive results. Bonds benefitted from an unexpected decline in interest rates, even though the U.S Federal Reserve opted to raise its benchmark rate by 25 basis points in March. Against this backdrop, the Fund registered a 2.8% return during the quarter. The Canadian dollar, in U.S. dollar terms, increased by 0.58 cents during the period, which slightly diminished U.S. equity returns in Canadian dollar terms.

While there has been noise and bluster coming out of Washington, economic data has been getting better, and confidence indicators are strong. The CBOE Volatility Index, known as Wall Street's 'fear gauge', posted its second-lowest quarterly average on record. The S&P 500 Index posted its biggest quarterly gain since the end of 2015, driven by shares of technology companies. North of the border, Canadian GDP and job levels have both improved recently, but declining prices in the energy sector hampered Canadian equity returns.

The failure of the Republicans' health-care bill, intended to replace the Affordable Care Act, has led to questions surrounding the Trump administration's ability to implement other agenda items like a corporate tax overhaul, reduced regulation, and infrastructure spending.

By quarter-end, the bloom was off the rose for sectors which had been expected to benefit from U.S. policy under the Trump administration. Financials, infrastructure, and energy all gave up some ground. The technology sector was by far the best performer in the S&P 500 during the quarter. The Fund's holding of Apple jumped almost 24% in the quarter, lifted by solid sales for its new iPhone, high hopes for the next model and stabilizing revenue out of China. Shares of semi-conductor capital equipment company KLA-Tencor were also ahead by over 20%.

With recent share price advances, the question for the balance of the year is whether companies can grow their earnings fast enough to match investor expectations inherent in today's valuations. Bond yields have pulled back of late, suggesting that a stronger recovery may be pushed off for a few quarters. Geopolitical sabre rattling could cause investors to take pause.

We maintain a cautiously optimistic outlook for equities, and a slightly negative view toward bond prices. The asset mix of the fund reflects the best opportunities to earn an absolute return for investors. We expect improved earnings for corporations, and believe that U.S. tax reform will be addressed this year. Interest rates have backtracked to lower levels since the first of the year, providing support for dividend paying companies. At quarter-end, the portfolio held a cash reserve of 4.6% which can be used to purchase attractively priced equities on any market correction.

INVESTMENT TEAM

Bob McKim CFA
CEO & Chief Investment Officer

Don Wishart CFA
President

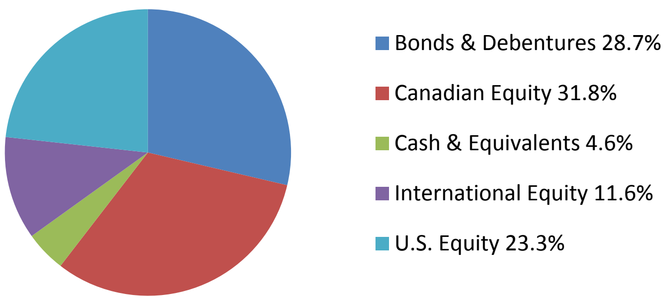
George Loughery CFA
Chief Portfolio Manager

Beste Alpargun CFA
VP Fixed Income, Portfolio Manager

Portfolio Activity

During the quarter, new positions were established in shares of Imperial Oil and Stantec Inc. Imperial is Canada's leading integrated oil company, and should benefit nicely with any improvement in oil prices. Stantec, an engineering concern will benefit from infrastructure spends on both sides of the border. Shares of Agrium were sold on price strength, ahead of its planned merger with Potash Corp. Several positions were trimmed on price strength, including shares of Unilever, Stryker, Badger Daylighting, and KLA-Tencor.

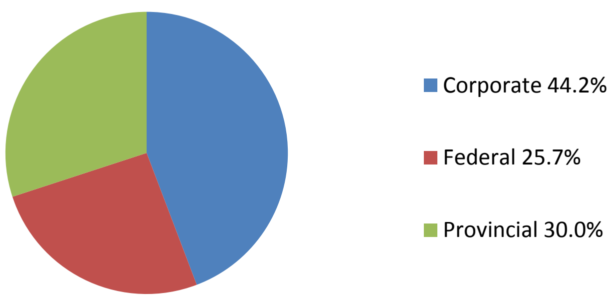
Asset Mix



Top Ten Equity Holdings (% of Portfolio)

Bank of Nova Scotia	2.4
Royal Bank	2.4
Toronto Dominion Bank	2.3
Franco Nevada	1.9
Great-West Lifeco	1.8
Industrial Alliance	1.8
Pfizer	1.7
Walt Disney	1.7
Goldcorp	1.7
Fortis Inc.	1.7

Fixed Income



Fixed Income Duration

Duration	6.4
Term	8.1
Yield	2.0

Calendar Year Performance (%)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
TOTAL PORTFOLIO (CAD$)	13.7	0.0	-12.1	15.5	6.5	-1.3	11.1	16.6	13.4	5.3	8.3
BENCHMARK* (CAD$)	11.4	2.6	-14.7	14.9	10.1	0.6	7.2	11.8	10.7	3.9	7.8

*5% FTSE TMX 91-Day T-Bill Index, 40% FTSE TMX Canada Universe Bond Index, 30% S&P/TSX Composite Index, and 25% MSCI World (ex-Canada) Index

Performance Information (%)

March 31, 2017

	QTD	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$)	2.8	2.8	12.5	5.2	8.1	10.1	10.4	8.9	8.7	9.9	7.1	6.3	7.6
BENCHMARK* (CAD$)	2.7	2.7	10.6	4.4	6.9	8.2	8.0	7.0	7.5	9.0	5.9	5.3	6.2

*5% FTSE TMX 91-Day T-Bill Index, 40% FTSE TMX Canada Universe Bond Index, 30% S&P/TSX Composite Index, and 25% MSCI World (ex-Canada) Index
Fund Inception date: June 30, 1997

Take advantage of Capital Gains Deferrals

Our suite of Pooled Funds is in a unique position of offering the possibility to taxable investors to defer capital gains. Total amount available for the Canadian Equity Fund's capital gain deferrals: $375,665 (Audited Financial Statements, as at December 31, 2016).

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SEAMARK ASSET MANAGEMENT LTD.

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 taxed (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.