March 31, 2019

SEAMARK POOLED CANADIAN EQUITY FUND

Our Philosophy and Strategy

SEAMARK's bottom-up, fundamental approach to equity investing seeks to identify companies with superior long-term investment merit based on proven management, competitive position, and strong balance sheets. Preference is given to companies with durable growth prospects.

SEAMARK's focus is on individual companies, rather than on the stock market. This focus on "buying the company" is consistent with the objective of owning the company for the long-term. SEAMARK seeks to invest in companies when their current market price represents value relative to their long-term potential and maintains an investment so long as it continues to offer attractive return potential.

The Canadian marketplace is predominantly cyclical in nature. To help reduce the volatility inherent in the TSX, and allow us to practice as long-term investors, SEAMARK maintains a 'benchmark agnostic' posture. Leading companies in many attractive industries are held to provide proper portfolio diversification.

Large capitalization companies will generally account for approximately 70% of the total portfolio. The weight of a specific core holding at any time will reflect SEAMARK's confidence in the stability and durability of the idea, but will not exceed 10% of the total portfolio weight. SEAMARK's exposure to medium cap stocks will be no more than 30%. Small cap stocks may, from time to time as valuations warrant, represent up to 10% of the portfolio.

Portfolio Manager's Commentary

Equity markets across the world rallied in concert during the first quarter of 2019. This was a welcome development following the world wide decline in equity markets in Q4 2018.

The Canadian S&P TSX Composite Index recovered its Q4 losses, helped by a near 50% return in the health care sector. That subgroup is home to the fledgling cannabis companies and renamed Valeant Pharmaceutical (Bausch Health), so is not for the faint of heart. Information technology also outperformed significantly. More conservative subgroups, financials – telecommunications – golds, all underperformed in the quarter.

Despite all the market's concerns at year end, we remained confident that the economy could slow, without tipping into recession in 2019. That view allowed us to remain fully invested for the first quarter. Against this background, the Fund achieved an 8.4% return, more than recovering from its -8.1% result of the fourth quarter. We are pleased that the Fund quickly recovered the loss incurred in Q4 2018. The lower range of the Fund's returns in the last two quarters compared to the wider ranging ups and downs of the S&P TSX speaks to the advantage of the portfolio's more conservative positioning.

The first quarter rally in capital markets can largely be attributed to a change of view by Central Banks toward interest rates. In a remarkable reversal of outlook, the U.S. Federal Reserve has now taken a more dovish view of rates. At quarter end, long term interest rates in the U.S. and Canada were in fact lower than short rates (an interest rate inversion), which puts some pressure on North American economies. Central Bankers in the U.S. and Canada may need to consider rate cuts sometime in 2019 to correct the yield curve inversions.

Financial firms, which make up a healthy portion of the Fund, face a headwind with an inverted yield curve. Financials underperformed late in the quarter, just when the curve inverted. Banks borrow short to lend long, pocketing the yield spread. An inverted curve plays havoc with that formula. In the past, an inverted yield curve has led to slower economic growth, so this too has had a negative impact on shares of financial firms. The underperformance of financials has been a meaningful contributor to the divergence of performance between the value and growth sectors. Financials could begin to reverse that underperformance, if the yield curve were to normalize.

Some caution is warranted with the Fund's equity holdings, now that the business cycle is in its tenth year and continued economic growth is less assured. At this advanced stage of the cycle, the economy is more prone to any outside shocks that may materialize. We also observe that there is a heavy calendar of new issues slated for this year in the U.S., which could dampen demand for existing companies. That wouldn't directly impact Canada, but any restraint on the U.S. market could set a more subdued tone for Canadian markets too. The Fund's conservative positioning is prudent, given the various uncertainties that lie ahead for the balance of the year.

INVESTMENT TEAM

Bob McKim, CFA
CEO & Chief Investment Officer

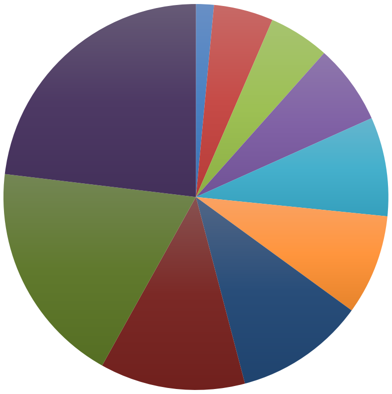
Don Wishart, CFA
President

George Loughery, CFA
Chief Portfolio Manager

Portfolio Activity

Shares of Inter Pipeline and Goldcorp were sold during the quarter. Goldcorp rallied on a proposed takeover from Newmont Mining. Proceeds of the sales were reinvested in a variety of other portfolio holdings.

Asset Mix



Top Ten Equity Holdings (% of Fund)

Toronto Dominion Bank	4.5	Bank of Nova Scotia	4.0
Royal Bank of Canada	4.4	Canadian Natural Resources	3.7
Franco Nevada	4.4	Suncor Energy	3.5
Manulife Financial	4.2	Alimentation Couche-Tard	3.4
IA Financial Corp. Inc.	4.0	Canadian National Railway	3.3

Calendar Year Performance (%)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
TOTAL PORTFOLIO (CAD$)	-30.2	27.9	13.3	-9.9	5.5	20.1	12.2	-7.9	19.5	4.8	-12.8
S&P/TSX Composite Index (CAD$)	-33.0	35.0	17.6	-8.7	7.2	13.0	10.5	-8.3	21.1	9.1	-8.9

Performance Information (%)

March 31, 2019

	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$)	8.4	8.4	1.0	-1.1	3.7	1.8	3.2	5.7	5.9	3.5	4.9	7.5	7.6
S&P/TSX Composite Index (CAD$)	13.3	13.3	8.1	4.9	9.3	5.1	5.4	7.1	7.0	4.7	6.4	9.5	6.5

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: $4,955,751 (Audited Financial Statements, as at December 31, 2018).

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SEAMARK ASSET MANAGEMENT LTD.