

SEAMARK POOLED LOW VOLATILITY EQUITY FUND

Our Philosophy and Strategy

The genesis of SEAMARK's Low Volatility Equity mandate arises from investors' needs to achieve equity-like rates of return, but with less volatility than that inherent in the predominant stock market indexes. Conservative investors, defined benefit pension funds, shared risk plans, life cycle funds, and foundations/endowments would benefit from SEAMARK's Low Volatility approach to investment.

The backbone of the mandate derives from SEAMARK's Total Equity platform, from which we select companies to efficiently construct an 'integrated' investment solution, consisting of companies domiciled in Canada, the U.S. and abroad, the latter through the use of ADRs. The portfolio is well-balanced, by geography and by industry subgroup, and is not held hostage to equity indexes that are often significantly overweight one industry group or more.

The portfolio is more purposed to deliver against defined metrics - key performance indicators - rather than to compete relative to an index benchmark. Various metrics of the portfolio are held up against the S&P TSX, simply for illustrative purposes.

The portfolio attempts to achieve four key objectives: 1) attain a 4% going-in yield; 2) that 75% of portfolio names raise dividends year-over-year; 3) that the dividend growth rate be two times the rate of GDP growth; and, 4) achieve a consistent growth in yield on original cost.

To deliver on these performance indicators, the portfolio has a risk-off look and often correlates to how a value style is performing in the marketplace.

The SEAMARK Low Vol portfolio has a history of *exceeding the key performance indicators* set out in the mandate. Investors appreciate the opportunity to build wealth by way of the portfolio's low risk profile.

Portfolio Manager's Commentary

We continue to observe recent history as the proof statement that Low Volatility equities should play an important role in investors' portfolios. For conservative investors seeking income, the Fund continues to deliver an attractive combination of income and consistency of return.

One of the attractive attributes of the SEAMARK Low Vol strategy is the low downside capture (better protection of capital) in declining markets. That relative price resiliency pays dividends for investors, in that a smaller rebound in prices is required to make the investor whole again, following a downturn.

This principle is well demonstrated in the recent two quarters of market volatility. In the fourth quarter of 2018, world equity markets suffered double digit losses in local currencies. The S&P 500 Index declined by 14%, and the S&P TSX Composite Index fell by 10.9%. The Fund, buoyed by its 4% dividend yield, recorded a modestly negative return of -3.2% in the fourth quarter. With that, a 3.3% return is all that is required to recover the fourth quarter loss.

The first quarter of 2019 witnessed a general reversal of the declines in share prices suffered throughout the world in Q4. Despite the S&P 500 registering its strongest first quarter since 1998, its 13.1% rise fell shy of its 14.0% decline in the previous quarter. The TSX, driven by cannabis companies, fared better and managed to recover the losses it incurred in the sell-off of late 2018.

The Fund achieved a return of 7.5% in the first quarter, recovering Q4's -3.2% return by more than a 2-1 margin. Over the last 12 months the Fund recorded an 8.8% return, and a 10.7% annualized return since its inception in August 2012.

Interest sensitive investments within the Fund have led to its recent performance, buoyed by changing expectations for interest rates. Lower bond yields have spurred the performance of high dividend paying stocks, allowing them to make up the ground lost in the first half of 2018.

Interest rates remain the wildcard for the balance of 2019. In a remarkable reversal of outlook, the U.S. Federal Reserve has taken a more dovish view of rates in the new year. At the moment, long rates are in fact lower than short rates, which puts some pressure on the economy and Central Bankers in Canada and the U.S. to consider rate cuts sometime in 2019. That would sustain the positive backdrop for dividend yielding equities. The Fund's defensive characteristics also offer the investor shelter in the event of an economy that slows enough to impact the earnings of more cyclical companies.

INVESTMENT TEAM

Bob McKim, CFA
CEO & Chief Investment Officer



Don Wishart, CFA
President

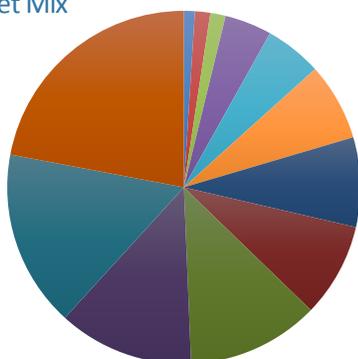


George Loughery, CFA
Chief Portfolio Manager

Portfolio Activity

Shares of AltaGas Limited and AT&T were sold during the quarter. A new partial position was established in shares of gold company Newmont Mining. Gold, and gold company shares, often outperform in periods of market anxiety, providing an important element of diversification for the Fund.

Asset Mix



Top Ten Equity Holdings (% of Fund)

Franco Nevada	3.9	Emera Inc.	3.0
Bank of Nova Scotia.....	3.9	Fortis Inc.	2.8
Royal Bank	3.9	Verizon Communications	2.7
Toronto Dominion Bank	3.9	Transcanada Corp.	2.7
Alimentation Couche-Tard	3.2	Telus Corp.	2.7

Calendar Year Performance (%)

	2013	2014	2015	2016	2017	2018
TOTAL PORTFOLIO (CAD\$)	23.7	15.3	5.9	12.3	6.4	-2.7
S&P/TSX Composite Index (CAD\$)	13.0	10.6	-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\$)	7.5	7.5	8.8	3.9	6.1	5.9	7.9	9.5	N/A	N/A	N/A	N/A	10.7
S&P/TSX Composite Index (CAD\$)	13.3	13.3	8.1	4.9	9.3	5.1	5.4	7.1	N/A	N/A	N/A	N/A	7.8

Fund Inception date: August 31, 2012

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 Low Volatility Equity Fund's capital gain deferrals: \$4,178,160 (Audited Financial Statements, as at December 31, 2018).

Stay in Touch!

SUBSCRIBE to the Latest

Call: 1 888 303 5055

Email: information@seamark.ca

Visit: www.SEAMARK.ca