SEAMARK

June 30, 2021

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 five 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; 4) achieve a consistent growth in yield on original cost; and, 5) to better protect capital by delivering less downside capture than the S&P/TSX Composite Index.

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

Over the last year, investors have been handsomely rewarded for remaining fully invested, despite the impact that the Covid pandemic had on the economy. Equity markets continued to make more progress in Q2, as the recovery in share prices that took hold in the second half of 2020 remained on track. And in the most recent quarter, a decline in bond yields removed one of the potential headwinds for the dividend-focused SEAMARK Low Volatility Fund.

Despite the lingering impact of the Coronavirus on the economy, the business operations of companies that comprise the Fund have performed well. Many of the conservative selections provide products or services that are needed, regardless of the state of the economy. The low-risk nature of these business operations forms the backbone of the Fund. During the second quarter, the Fund lodged a return of 5.5%. Over the twelve months ended June 30, the Fund recorded a 25.1% return, a strong result for a portfolio of defensive stock selections.

The Fund continues to score well on all volatility measures, exhibiting a low portfolio beta, and a low measure of downside capture. At the end of June, 72% of the Fund's holdings had increased their dividends year over year, (during the pandemic), with the average rate of increase exceeding 10%. The yield on the portfolio's equities was 3.52%, artificially low, due to dividend restrictions on financial companies.

Banking regulators in the U.S. and Canada imposed capital restrictions on financial entities to strengthen their balance sheets and help preserve their financial health during Covid. These restrictions eliminated share buy backs and dividend increases for the financial sector. At the end of the second quarter, U.S. banking regulators began granting relief for banks that sufficiently met their 'stress tests'. As a result, we saw banks telegraphing their plans. State Street Bank, one of the Fund's holdings, has announced plans to increase their dividend by 10%, and to reinstate their share buy-back program. Canadian banks have not yet been granted that relief, but we expect to see positive announcements for the Fund's Canadian bank holdings on dividends in the next few months.

One of the peculiarities of the pandemic period has been the unexpected disconnect between the bond market, and the performance of many of the dividend stalwart companies in the Fund. Bond yields have long been seen as the competition for dividend yields. But when bond yields collapsed last year, share prices of these conservative dividend payers declined. Their lower prices made dividend yields even more attractive relative to the bond competition. Then, in the first quarter of 2021, when investors began to recognize the relative value in dividend payers, their prices were bid higher. The hitch? That price recovery was happening at precisely the time when bond yields were ratcheting significantly higher. So, for a full year, one could almost point to an inverse of the historic relationship between dividend yields and bond yields.

Today, several of the Fund's holdings have an opportunity to regain some of the ground lost from the outset of the pandemic. This is true of more than just the dividend stalwarts. Broadly, investors have looked elsewhere from the defensive sectors, leaving the Fund with broad based recovery potential.

INVESTMENT TEAM

Bob McKim, CFA
CEO & Chief Investment Officer

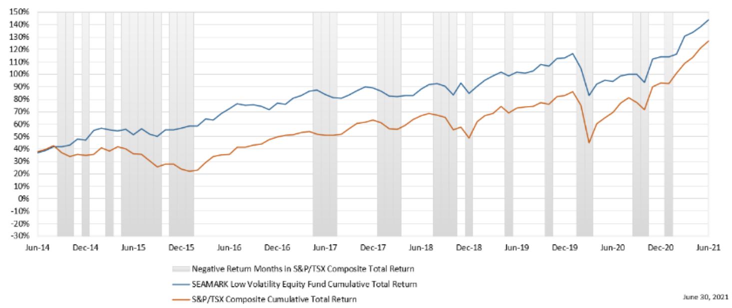
Don Wishart, CFA
President

George Loughery, CFA
Chief Portfolio Manager

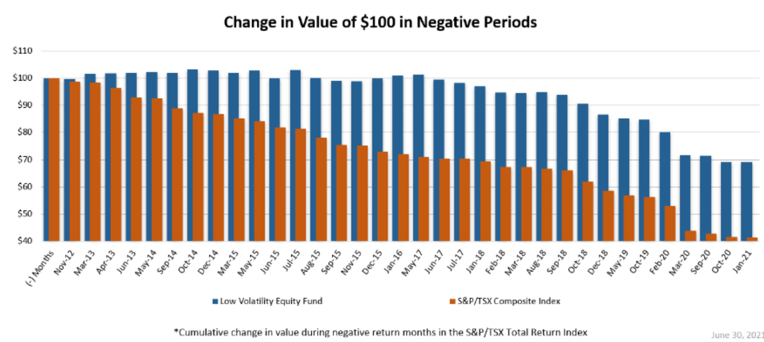
Portfolio Activity

The Fund did not establish any new positions during the quarter. Additional shares were purchased in Algonquin Power and Utilities following a price pull-back in its shares. Algonquin is a growth utility, with a focus on renewable power generation that supports dividend growth targeted at 10% per annum. Shares of Emerson Electric were eliminated from the Fund on price strength.

Cumulative Total Returns (CAD)



Downside Capture



Low Volatility Equity Fund Characteristics

Annualized Return [a]	10.3%
S&P/TSX Composite Index [a]	9.4%
Dividend Yield (ex. cash)	3.5%
Yield on Original Cost (ex. cash)	4.3%
Companies with Dividend Increases [b]	71.7%
Average Rate of Dividend Increases [b]	10.6%
Standard Deviation [a,b]	8.5%
Standard Deviation – S&P/TSX Composite Index [a,b]	11.6%
Portfolio Beta [a,c]	0.58
Weighted Average Market Cap (billions) [d]	$104 b
Upside Capture [a,c]	71.2%
Downside Capture [a,c]	45.6%

a) Since Inception August 31, 2012
b) 12 months ended June 30, 2021
c) As compared to the S&P/TSX Composite Index
d) As at June 30, 2021

Calendar Year Performance (%)

	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL PORTFOLIO (CAD$)	23.7	15.3	5.9	12.3	6.4	-2.7	15.2	-0.0
S&P/TSX Composite Index (CAD$)	13.0	10.6	-8.3	21.1	9.1	-8.9	22.9	5.6

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$)	5.5	13.5	25.1	9.5	8.6	6.9	6.8	7.8	8.2	9.2	N/A	N/A	10.3
S&P/TSX Composite Index (CAD$)	8.5	17.3	33.9	14.4	10.8	10.7	10.8	8.9	7.4	9.8	N/A	N/A	9.4

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: $4,541,288 (Audited Financial Statements, as at March 31, 2021).

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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.