SEAMARK

September 30, 2018

SEAMARK POOLED TOTAL 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.

Our 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. This results in low turnover rates, and tax efficiency for the investor.

These company specific tenets have been integral to SEAMARK's Total Equity mandate, which had its genesis at the founding of the company, 30 years ago. The Canadian marketplace is predominantly cyclical in nature, resulting in high volatility inherent in the TSX. In order to avoid these extremes, and to practice as long-term investors, SEAMARK considerably expands the investible universe for its Total Equity mandate. Portfolio construction begins with leading companies in Canada, which are complimented with world class companies in the USA, typically in industries that are shallow or deficient within Canada. The portfolio is completed by the addition of exceptional international companies through the use of ADRs. Leading companies in many attractive industries across the world are then held to provide proper portfolio diversification.

The equity research effort behind Total Equity is carried out along industry lines, not country of domicile. This allows for a full-on comparison of companies in an effort to discover the best operators. The result is an integrated portfolio of our best ideas, versus a mere sum of the parts portfolio construction. Total Equity provides a properly diversified portfolio, constructed efficiently to deliver attractive returns and risk management to the investor.

The investment portfolio of the Total Equity Fund will consist primarily of large-cap companies. A portion of the investment portfolio of the Fund may be invested in medium-cap or small-cap companies as valuations warrant. 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 5% of the book value of the Fund.

Portfolio Manager's Commentary

The Total Equity Pooled Fund recorded a return of 0.2% in Canadian Dollar (CAD) terms for the quarter. Year to date, the fund has earned a 1.5% return. For the three-month period, the S&P 500 Total Return Index earned a 5.9% return in CAD, but the strength in the U.S. equity market has been masking weakness in other world markets this year. In the recent quarter, the S&P/TSX Composite Total Return Index registered a return of -0.6% and the MSCI EAFE Index -0.3% (CAD).

Markets other than the U.S. have been in retreat so far this year, with the MSCI World ex USA Index falling 3.7% in U.S. Dollar terms. Emerging markets and China have been weak and there is angst in Britain as the U.K. attempts to conclude Brexit negotiations. A stronger U.S. Dollar plays havoc with emerging economies that are often indebted in U.S. Dollar denominated instruments. As the USD appreciates, it increases the debt burden on the weaker economies. The portfolio participates in international names via companies that trade on the NYSE via ADRs. These are generally the strongest international companies with sales that are well diversified from around the globe.

Although technology (and growth) companies continued to perform well in the U.S., the third quarter witnessed a broader industry participation in the market's rally. This improving breadth contributed to the Fund's performance in the quarter. The Fund's strongest performing sectors in the U.S. were Health Care and IT. Top performers included Qualcomm, Pfizer and Walgreen.

Here at home, an 11th hour deal has all but replaced NAFTA with its successor, the U.S. Mexico Canada Agreement (USMCA). All that remains is for the triumvirate to formalize the agreement by passing it into law in their respective countries. In the end, Canada made some one-off concessions, most notably in dairy. It was however able to keep the all-important dispute resolution mechanism in place and settled for a 16-year term, rather than the five-year sunset clause that had been proposed. We can live with it, so said the Loonie, that moved steadily higher, touching the 78-cent level as negotiations were concluding.

Hopefully Canada will now turn its attention to the disparaging situation in the oil patch. The revamped National Energy Board may have passed the political test, but has been seen as a failure within industry, and by investors. All one has to look at is the state of pipeline approvals in the country, or lack thereof, and the consequent widening spread of the price between West Texas Intermediate (WTI) and Canada's heavy oil. The Canadian discount has been quoted as high as $50, leaving Canadian producers to realize only $25, or one third of the world price. That differential is stifling energy investment. Concrete steps need to be taken at the political level to alleviate this missed economic opportunity for the country.

INVESTMENT TEAM

Bob McKim, CFA
CEO & Chief Investment Officer

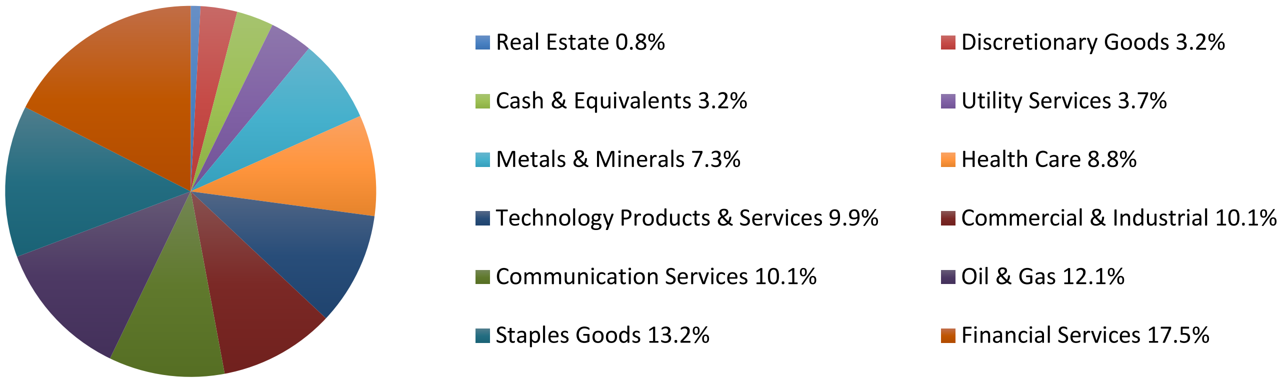
Don Wishart, CFA
President

George Loughery, CFA
Chief Portfolio Manager

Portfolio Activity

During the quarter, the fund established new positions in shares of AbbVie Inc., Kraft Heinz and McDonalds. AbbVie is a major pharmaceutical company, trading at a discount to its potential $10 of EPS by 2021. Kraft Heinz, an iconic consumer staples company, has a penchant to grow, even by acquisition. AbbVie and KHC both offer attractive yields in excess of 4%. Shares of Dollar General were sold from the portfolio on price strength, after its rapid appreciation since its purchase in 2017. Shares of medical device maker Stryker Corp. were sold on price strength, as were shares of Thomson Reuters following the company's announced plans for reorganization.

Asset Mix



Top Ten Equity Holdings (% of Fund)

Holding	% of Fund
Toronto Dominion Bank	2.1
Bank of Nova Scotia	2.1
Manulife Financial Corp	2.0
Royal Bank of Canada	2.0
Industrial Alliance	2.0
Franco Nevada Corp.	1.8
Qualcomm Inc.	1.8
Suncor Energy Inc.	1.6
Pfizer Inc.	1.6
Cisco Systems Inc.	1.6

Calendar Year Performance (%)

	2014	2015	2016	2017
TOTAL PORTFOLIO (CAD$)	15.8	4.3	12.1	5.2

Performance Information (%)

September 30, 2018

	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$)	0.2	1.5	5.1	5.7	8.2	6.5	N/A	N/A	N/A	N/A	N/A	N/A	8.1

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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.