

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 world economy showed improvement in the third quarter, thanks to unprecedented levels of monetary and fiscal stimulus. Massive spending, in combination with lower interest rates was thrown at major economies as the price of a restart after forced shutdowns in the spring.

Second quarter earnings came in better than anticipated, considering expectations had been dramatically lowered in the face of the pandemic. Equity prices continued to edge higher in Q3, reflecting the improvement in economic activity.

The Fund registered a 3.7% return in the quarter. The largest advances were recorded by Major Drilling, UPS and Apple. For the nine months ending September 30, the Fund recorded a return of -6.6%, still somewhat below year-end levels.

North American Index returns this year have reflected the dramatic impact of technology companies which have benefitted from no-touch economics. In the U.S., the five largest companies in the capitalization weighted S&P 500 Index, have almost single-handedly driven that index higher. The S&P 500 Equal Weight Index, which measures the same 500 companies, registered a -4.8% return year to date, more reflective of an economy that has failed to recover to pre-COVID levels. In Canada, a similar large cap phenomenon existed, with shares of Shopify accounting for 438 basis points of the S&P/TSX Composite Index YTD return as at September 30.

The world economy faces many uncertainties as we head into the fall season. The biggest unknown is of course the impact of COVID-19. Health authorities have been concerned about a second wave as the weather cools and people spend more time inside with a circulating virus. Cases are already on the rise in many parts of Europe and North America. The U.S. is negotiating a new stimulus bill, and the timing of potential benefits is still unclear. The Trudeau government has proposed additional support to see the country through a resurgence of the virus, but investors would prefer to see the economy on sustainably strong footing. That may not evolve until mid-2021.

The U.S. is facing a particularly divisive election on November 3, with partisans on both sides anxious to make their voices heard. With mail-in ballots, the count, and timing of the election result is likely to extend beyond voting day. Wrangling over the legitimacy of the election result may see investors choose to stay on the sidelines until there is a clear election outcome.

With that background, the Fund trimmed some of its holdings on price strength, particularly in the overbought/overvalued technology sector. That group's strong performance is reminiscent of prior tops of momentum-driven sectors. Proceeds from sales were invested in companies with traditional businesses that would generate sales as COVID-19 persists.

The Fund is well positioned with companies that should show stronger relative performance in the year ahead. Emergence from the Coronavirus pandemic will provide greater recovery potential for businesses that have potential for revenues and earnings to rebound, post COVID. Companies that have underperformed this year but are likely to deliver stronger year-over-year earnings comparisons in 2021, should perform better. At September 30, the Fund maintained a healthy cash position of 9.7%, available to take advantage of any volatility that lies ahead.

INVESTMENT TEAM



Bob McKim, CFA
CEO & Chief Investment Officer



Don Wishart, CFA
President

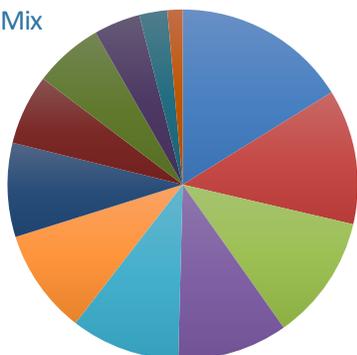


George Loughery, CFA
Chief Portfolio Manager

Portfolio Activity

The Fund took advantage of the recovery in equity prices in the third quarter. With a strong potential for a resurgence of Coronavirus cases in the months ahead, positions in APTIV PLC, Anheuser Busch and Canadian Western Bank were sold as share prices recovered. Several positions were trimmed on price strength including Albemarle, United Rentals and UPS. Holdings in Apple, KLA Corp and SAP were reduced on price strength, as valuations of technology shares rose to concerning new heights. New positions were established in traditional companies with businesses with COVID-related aspects, including medical equipment company Beckton Dickinson (rapid test kits and syringes) and Service Corporation International (cemeteries and funeral services). At the end of the quarter the Fund had a cash position of 9.7%, available to take advantage of market volatility that might unfold in the fourth quarter.

Asset Mix



■ Financial Services 16.2 %	■ Staples Goods 12.5 %
■ Technology Products & Services 11.6 %	■ Commercial & Industrial 10.2 %
■ Pharma & Health Care 10.1 %	■ Cash & Equivalents 9.7 %
■ Communication Services 8.7 %	■ Oil & Gas 6.5 %
■ Metals & Minerals 6.4 %	■ Discretionary Goods 4.3 %
■ Utility Services 2.6 %	■ Real Estate 1.4 %

Top Ten Equity Holdings (% of Fund)

Royal Bank of Canada	2.6	Applied Materials	2.2
Toronto Dominion Bank	2.6	Manulife	2.2
Alimentation Couche-Tard	2.5	Alphabet Inc.	2.2
IA Financial Corp.	2.3	Canadian National Railway	2.1
Apple Inc.	2.3	Bank of Nova Scotia	2.0

Calendar Year Performance (%)

	2014	2015	2016	2017	2018	2019
TOTAL PORTFOLIO (CAD\$)	15.8	4.3	12.1	5.2	-6.2	19.6
BENCHMARK* (CAD\$)	14.2	5.3	13.2	12.1	-4.0	22.8

*50 % S&P/TSX Composite Index, 35% S&P 500 Index, 15% Morningstar Developed Markets ex North America GR Index

Performance Information (%)

September 30, 2020

	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\$)	3.7	-6.6	-1.4	1.6	2.8	3.6	5.5	4.8	N/A	N/A	N/A	N/A	6.1
BENCHMARK* (CAD\$)	5.3	1.0	6.0	6.0	7.9	8.7	9.5	8.4	N/A	N/A	N/A	N/A	9.2

*50 % S&P/TSX Composite Index, 35% S&P 500 Index, 15% Morningstar Developed Markets ex North America GR Index

Fund Inception date: December 31, 2013

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 Total Equity Fund's capital gain deferrals: \$17,800,236 (Audited Financial Statements, as at December 31, 2019).

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