SEAMARK

September 30, 2020

SEAMARK POOLED U.S. 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.

The U.S. Equity Fund seeks to preserve and enhance capital through a selection of companies offering current dividend income and good potential for long-term capital gains.

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.

SEAMARK's U.S. equity investment philosophy is founded on the recognition that superior investment opportunities exist in U.S. growth companies. While leading companies in many attractive industries are held to provide diversification, there is a preference to focus on U.S. companies growing faster than the overall average.

Investments in U.S.-based multi-national companies also provide a geographically diversified base of earnings, and a low-risk participation in the growth of emerging economies.

Portfolio Manager's Commentary

The U.S. economy showed improvement in the third quarter, thanks to unprecedented levels of monetary and fiscal stimulus. Massive spending, approximating 12% of U.S. GDP, was thrown at the economy as the price of a restart after its forced shut down in the spring.

Q2 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 2.5% (CAD) return during the quarter. The largest advances were recorded by UPS, Mosaic Company and Apple. For the nine months ending September 30, the Fund recorded a return of -1.6% (CAD), regaining most of its value since year-end, despite the Coronavirus pandemic.

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% (CAD) return year to date, much more in keeping with an economy that has failed to recover to pre-COVID levels.

The U.S. 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 that the U.S. will experience 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 the country. The U.S. is negotiating a new stimulus bill, and the timing of potential benefits is still unclear. Additional support to see the country through a resurgence of the virus would help, but investors would prefer to have the economy on sustainably strong footing, which 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. As the public chooses to safely vote from home with mail-in ballots, the count, and timing of the election result is likely to extend beyond November 3. Wrangling over the legitimacy of the election result is a strong possibility. Investors may choose to stay on the sidelines in the event of an unclear 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 10.9%, available to take advantage of any volatility that lies ahead.

INVESTMENT TEAM

Bob McKim, CFA
CEO & Chief Investment Officer

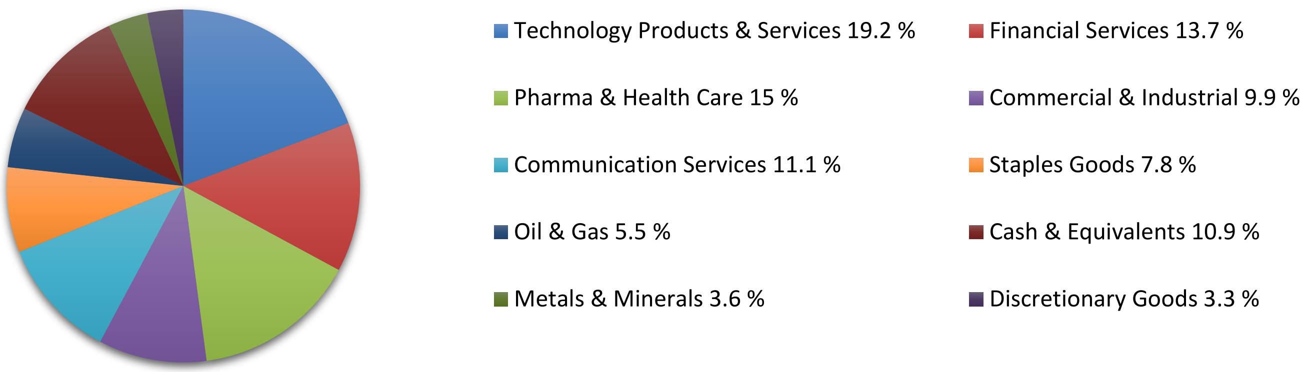
Don Wishart, CFA
President

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, several names in the portfolio were trimmed on price strength, including United Rentals, Albemarle, KLA Corp, UPS and Apple. New positions were established in traditional companies with COVID-related businesses, 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 was defensively positioned with a healthy cash position of 10.9%.

Asset Mix



Top Ten Equity Holdings (% of Fund)

Apple	6.1
Alphabet Inc.	4.8
Applied Materials	4.7
KLA Corp.	4.5
United Parcel Service	4.4
Walt Disney Co.	4.1
State Street Corp.	3.9
Pfizer Inc.	3.9
Northern Trust	3.9
Merck & Co.	3.8

Calendar Year Performance (%)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
TOTAL PORTFOLIO (CAD$)	20.3	5.6	-0.4	16.5	34.9	18.7	13.8	13.6	3.3	1.9	17.3
S&P 500 Index (CAD$)	8.1	9.4	4.4	13.5	41.5	24.0	21.0	8.6	13.8	4.0	25.2

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$)	2.5	-1.6	7.2	3.3	7.1	7.4	8.8	8.8	11.0	12.7	13.8	12.0	7.3
S&P 500 Index (CAD$)	6.6	8.4	16.0	11.2	14.8	14.3	14.0	14.8	16.9	17.9	18.5	16.7	7.4

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 US Equity Fund's capital gain deferrals: $21,670,194 (Audited Financial Statements, as at December 31, 2019).

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