SEAMARK

March 31, 2020

SEAMARK POOLED BALANCED FUND

Our Philosophy and Strategy

The SEAMARK Balanced Fund investment philosophy embodies several defining tenets:

- The firm employs an equity bias, recognizing that ownership offers the greatest investment reward.
- Bonds typically offer lower investment potential than equities. In that bonds represent 'safe money', they form a foundation for balanced portfolios and must be both secure and liquid.
- In balanced mandates, the asset mix is varied 'from the bottom up' within predetermined parameters, driven incrementally by the relative valuation of individual securities, one investment at a time.
- Companies selected for investment are made from our Total Equity platform, allowing for the construction of integrated, efficient equity portfolios.
- Careful attention is paid to valuation, attempting always to 'buy well'.
- Once invested in a company, SEAMARK exercises patience on behalf of its clients, with tax efficient low turnover rates, allowing the management of the underlying company to compound high returns on behalf of its shareholders.

The specific objective of the Pooled Balanced fund is to preserve capital and minimize market value fluctuations while generating superior long-term returns through capital gains augmented by current income. The Fund's performance is benchmarked against a blend of 5% FTSE 91-Day T-Bill Index, 40% FTSE Canada Universe Bond Index, 27% S&P/TSX Composite Index, 20% S&P 500 Index, and 8% Morningstar Developed Markets excluding North America GR Index. Return in excess of this benchmark is an objective only and is not guaranteed by any party.

The fund seeks to achieve its objective within asset mix constraints set forth below:

Asset Class	Min.	Max.
Cash & Short-Term Assets	0%	25%
Fixed Income Assets	20%	70%
Equity Assets	30%	70%

Portfolio Managers' Commentary

Investment markets continued to regain some footing in the first quarter. Share prices advanced, but bond prices declined in the face of continued economic recovery. Equity markets turned in a broad-based performance, with most industry groups contributing. Information technology took a back seat to the more economically sensitive sectors of the market. This broad sector participation was a positive development for SEAMARK's properly diversified Balanced Fund.

During the quarter, the S&P/TSX Composite Index earned an 8.1% total return, versus the 4.9% return of the S&P 500 Index (in CAD $). Bond markets did not fare as well, with the FTSE Canada Universe Bond Index recording a return of -5.0%. The negative return was simply a matter of sharply rising yields during the period. U.S. 10 Year Treasury yields jumped from 0.92% at year end to 1.74% at March 31. During the same timeframe, Canada 10 Year bond yields rose from 0.67% to 1.56%.

Against this backdrop, the Fund achieved a return of 5.2% in the quarter, 400 basis points above its benchmark. This continued the positive trend that began in the previous quarter. Over the one-year period the Fund achieved a 28.4% return, versus its benchmark return of 21.5%. The one-year period is from a market low point, when equities had declined with the realization that Covid-19 was indeed a pandemic that would ravage the world's economies.

A year ago, we suggested that the Fund's underperformance at the time was principally a function of the asset mix that had been tilted toward equities before the advent of the pandemic. We expected that underperformance to reverse quite quickly. Looking back that has certainly been the case. And the Fund's two-year return, which encompasses both before and ongoing stages of the pandemic, holds up well. Over this period the Fund's 10.0% annualized return stands 130 basis points above its benchmark.

Looking ahead, we expect markets to ebb and flow as the world's economy attempts to regain normality. Share prices have already advanced nicely in anticipation of economic recovery and may be subject to some correction. Bond prices have fallen in concert with rising yields on marketable bonds but may reverse some of the decline if the economic recovery should falter. Longer term, fixed income investors are becoming concerned with the potential for inflation, based on the expansionary monetary and fiscal policies that were initiated to rescue the economy.

The Fund is well positioned for continued recovery in the economy. The Fund's bonds are positioned with a slightly lower duration than that of the FTSE Canada Universe Bond Index and may be further reduced in the coming months. The Fund will maintain a strong equity bias at these early stages of the economic cycle.

INVESTMENT TEAM

Bob McKim, CFA
CEO & Chief Investment Officer

Don Wishart, CFA
President

George Loughery, CFA
Chief Portfolio Manager

Beste Alpargun, CFA
VP Fixed Income, Portfolio Manager

Portfolio Activity

During the quarter, new positions were established in shares of American Tower, VISA, and Teck Corporation, each purchase taking advantage of share price corrections. American Tower rents space on its towers to cell, cable, and dish companies to provide voice and data services for their clients. The advent of 5G will accelerate tower usage in the U.S., while the company expands its international presence through acquisition. VISA is expected to be a continued beneficiary of on-line purchases and pent-up consumer spending, post Covid. Teck Corporation's mining business should benefit from a rebound in economic activity and higher commodity prices as a new economic cycle gets underway. Sales in the period included shares of Honeywell and IBM. In Fixed Income BMW 2025, Capital 1 2026, Saskatchewan 2030, and Honda 2028 are all the new issues we participated in this quarter.

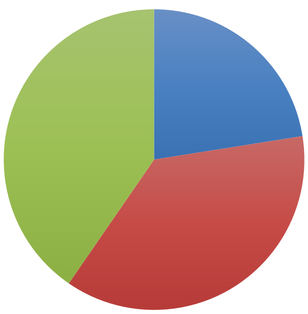
Asset Mix

- Cash & Equivalents 5.1 %
- International Equity 8.2 %
- Bonds & Debentures 25 %
- U.S. Equity 26.5 %
- Canadian Equity 35.3 %

Top Ten Equity Holdings (% of Fund)

Bank of Nova Scotia	2.5
Royal Bank	2.4
Toronto Dominion Bank	2.4
Alphabet Inc.	2.4
IA Financial Corp.	2.3
Manulife Financial	2.3
KLA Corp.	2.3
Applied Materials	2.3
ATS Automation Tooling Systems Inc.	2.2
Walt Disney	2.2

Fixed Income



- Federal 22.5 %
- Corporate 37.1 %
- Provincial 40.4 %

Fixed Income Duration

Duration	7.8 years
Term	9.5 years
Yield	1.9 %

Calendar Year Performance (%)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL PORTFOLIO (CAD$)	6.5	-1.3	11.1	16.6	13.4	5.3	8.3	4.3	-4.2	15.2	6.2
BENCHMARK* (CAD$)	10.1	0.6	7.2	11.8	10.7	3.9	7.8	7.4	-1.4	15.3	9.3

*5% FTSE 91-Day T-Bill Index, 40% FTSE Canada Universe Bond Index, 27% S&P/TSX Composite Index, 20% S&P 500 Index, and 8% Morningstar Developed Markets excluding North America GR Index.

Performance Information (%)

March 31, 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$)	5.2	5.2	28.4	10.0	8.0	5.7	7.1	5.6	6.8	7.9	8.3	7.6	7.3
BENCHMARK* (CAD$)	1.2	1.2	21.5	8.7	8.2	7.1	7.8	6.2	7.0	7.6	7.6	7.0	6.3

* 5% FTSE 91-Day T-Bill Index, 40% FTSE Canada Universe Bond Index, 27% S&P/TSX Composite Index, 20% S&P 500 Index, and 8% Morningstar Developed Markets excluding North America GR Index.

Fund Inception date: June 30, 1997

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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.