

SEAMARK POOLED CANADIAN EQUITY FUND

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.

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 investment 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.

The Canadian marketplace is predominantly cyclical in nature. To help reduce the volatility inherent in the TSX SEAMARK maintains a 'benchmark agnostic' posture. Leading companies in many attractive industries are held to provide proper portfolio diversification.

Large capitalization companies will generally account for approximately 70% of the total portfolio. 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 10% of the total portfolio weight. SEAMARK's exposure to medium cap stocks will be no more than 30%. Small cap stocks may, from time to time as valuations warrant, represent up to 10% of the portfolio.

Portfolio Manager's Commentary

The Fund is comprised of equity investments, largely representing companies with low volatility characteristics. Many of the holdings have an income tilt. At year-end, equities in the Fund offered an attractive 4.0% yield.

The Fund registered a return of 11.7% in 2024. Although recording this positive result, it underperformed its capitalization weighted benchmark, which was buoyed by Canada's second largest company by capitalization, the digital shopping platform Shopify. The Fund's lower return versus benchmark can be attributed to its income tilt, one of the key considerations in managing to a low volatility experience for investors.

Many diverse companies in the Fund contributed meaningfully to performance. Shares of Park Lawn Corporation delivered a 35% return, when the company was taken private. TC Energy and Enbridge each delivered returns of 37%. Royal Bank shares followed close behind at 34%, and North West Co at 29%. Shares of ATCO, CCL Industries, ATS Corp and Suncor Energy all registered returns in excess of 20%.

In the U.S., the mania of chasing mega cap technology names to new valuation heights is now attracting warning signals not seen since the tech boom/bust of the 2000 era. This time, AI is the driver behind the euphoric push to ever higher capitalizations. Barclays Bank and famed investor Howard Marks have recently dusted off the bubble word, sending a clear warning of caveat emptor – tech investors, be wary of overvaluation. Canada does not have the same high levels of concentration in large technology companies. The Fund would be less susceptible to a correction in the price of technology shares.

The Canadian economy is on a weaker footing than its U.S. counterpart. This has led to inflation retreating to target levels, allowing the Bank of Canada (BOC) to be more aggressive in cutting interest rates by 175 basis points since June. Lower short-term rates are helping Canada's yield curve to normalize. This is good news for banks that are well represented in the Fund. A normal yield curve shape is consistent with the Bank of Canada's less restrictive monetary policy and is an important prerequisite for economic growth.

Based on the BOC's adoption of a more accommodating monetary policy, the Fund began to expand holdings beyond the Low Volatility stock focus of recent years. Now that steps are being taken to set the table for an expansion of corporate earnings, in coming quarters the Fund can continue to expand its holdings to include more economically sensitive companies. Many of Canada's cyclical companies sell their products in U.S. Dollars. The weaker Canadian dollar of late will buoy the value of Canada's exports.

Notwithstanding the positive monetary developments, there are potential headwinds for investors in 2025, including political actions threatened by the incoming U.S. administration. Inflationary tariff walls and saber rattling with its NATO allies would raise concerns for Canadian investors.

Investors can take comfort in SEAMARK's prudent investment management as the Fund is defensively positioned in a selection of attractively valued companies.

INVESTMENT TEAM



Bob McKim, CFA
Chairman & Co-Chief
Investment Officer



Don Wishart, CFA
President & Co-Chief
Investment Officer

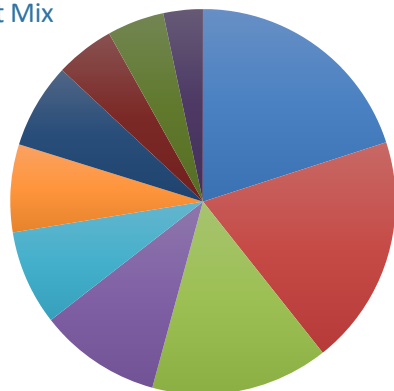


René Fantin, MBA, CFA
Portfolio Manager

Portfolio Activity

In expanding the breadth of holdings beyond the Fund's exclusive focus on Low Vol companies in recent years, new positions were re-established in two companies in the Materials sector, Teck Resources and Stella-Jones. Teck is a leading Canadian resource company positioned well for a future of electrification with its world-class copper operations. The stock has recently pulled back from its all-time high, providing an attractive entry point. Similarly, Stella-Jones was purchased for the Fund at a favourable valuation despite resilient growth from its two largest end markets, utility poles and railway ties. The Fund sold its position in utility company, Algonquin Power during the quarter.

Asset Mix



■ Metals & Minerals 20.0%	■ Financial Services 19.3%
■ Oil & Gas 14.9%	■ Utility Services 10.2%
■ Staples Goods 8.0%	■ Real Estate 7.4%
■ Cash & Equivalents 7.2%	■ Communication Services 4.9%
■ Commercial & Industrial 4.8%	■ Discretionary Goods 3.3%

Top Ten Equity Holdings (% of Fund)

Royal Bank	6.6	Jamieson Wellness Inc.....	4.4
Bank of Nova Scotia	5.8	Barrick Gold Corp.....	4.2
Toronto Dominion Bank	5.2	North West Co. Inc.	4.1
CCL Industries Inc.....	4.9	Emera Inc.	4.1
Enbridge Inc	4.6	Suncor Energy Inc.....	4.0

Calendar Year Performance (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL PORTFOLIO (CAD\$)	12.2	-7.9	19.5	4.8	-12.8	19.1	-2.2	25.6	-4.4	3.4	11.7
S&P/TSX Composite Index (CAD\$)	10.5	-8.3	21.1	9.1	-8.9	22.9	5.6	25.1	-5.8	11.8	21.7

Performance Information (%)

December 31, 2024

	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\$)	-3.5	11.7	11.7	7.5	3.4	8.5	6.3	8.3	5.0	5.0	6.5	5.0	7.5
S&P/TSX Composite Index (CAD\$)	3.8	21.7	21.7	16.6	8.6	12.5	11.1	13.0	9.5	9.5	10.7	8.6	7.5

Fund Inception date: June 30, 1997

Take Advantage of Capital Gains Deferrals

SEAMARK's 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 Canadian Equity Fund's capital gain deferrals: \$4,843,903 (Audited Financial Statements, as at December 31, 2023).

Stay in Touch!

SUBSCRIBE to the Latest

Call: 1 888 303 5055

Email: information@seamark.ca

Visit: www.SEAMARK.ca