

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

Equity investment markets turned around in the fourth quarter, making up for negative returns in Q3. In the face of high inflation and rising short-term interest rates in the first half, strong returns in Q4 helped stocks deliver positive results over the 12-month period. Notwithstanding the uncertain economic backdrop, the Fund registered an 8.1% return in the fourth quarter, lifting its annual return into positive territory, a 3.4% return for the year.

Inflation rates declined markedly in the face of rising short term interest rates which peaked at 5.0% in Canada. Quarterly inflation rates in Canada and the U.S. had fallen to just over 3% by year end. Investors concluded that 2024 would see the start of a decline in short term interest rates.

With a slowing economy, the Fund has favoured investment in conservative companies with historically compelling valuations. This positioning is also in keeping with the Fund's tilt toward Low Volatility companies in recent years. At year-end, the dividend yield of the stocks that make up the Fund was 4.7%.

With dividend yield so prominent in the Fund's holdings, the direction of interest rates is an important determinant of future return. Fixed income markets rallied into the year end, setting the stage for higher prices for dividend paying securities. Even though administered short term rates hadn't begun their decline, longer term rates staged a significant rally. Ten-year Canada rates fell to 3.10% at Dec 31, down from a high of 4.28%. Dividend stocks rallied in concert with lower bond yields, as evidenced by the Fund's robust return in Q4. Those dividend payers were very much out of favour in the first three quarters of 2023, facing the headwind of higher interest rates. In 2024, short term rates are likely to decline, which would turn last year's headwind into a tailwind for the Fund's holdings.

Notwithstanding the rise in interest rates for much of the year, many companies made significant contributions to the Fund's return. Shares of Stella Jones (specialty wood products) returned 59%; shares of Great-West Lifeco, 40.2%; shares of Alimentation Couche-Tard 31.2%, and shares of K-Bro Linen returned 20.9%.

Heading into 2024, inflation is much lower than a year ago, which should result in monetary conditions being loosened by the Bank of Canada. Interest rate cuts by monetary authorities would mean that investors will no longer be 'fighting the Fed', or in Canada, "fighting the Bank of Canada", which sets up a better investment environment for all equity investors. Income investors will especially benefit from the Fund's attractive dividend yield, but capital appreciation will also contribute to total return in an environment of falling interest rates.

The Fund is fully invested, well positioned to benefit from the expected soft landing and lower interest rate environment for the economy in 2024. As that scenario unfolds, the Fund may find opportunities to tilt new purchases to companies that would benefit from a new economic expansion.

INVESTMENT TEAM



Bob McKim, CFA
CEO & Chief Investment Officer



Don Wishart, CFA
President

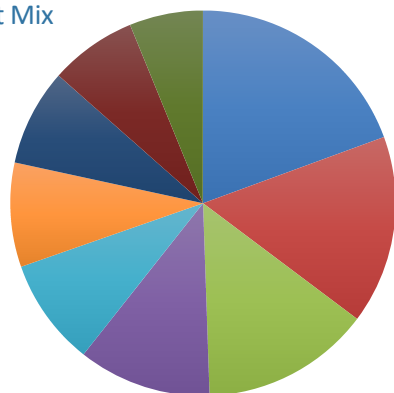


George Loughery, CFA
Chief Portfolio Manager

Portfolio Activity

During the quarter the Fund added to positions in Park Lawn Corp. and Telus on price weakness.

Asset Mix



Financial Services 19.4%	Metals & Minerals 15.8%
Oil & Gas 14.2%	Utility Services 11.2%
Real Estate 9.0%	Staples Goods 8.7%
Discretionary Goods 8.1%	Communication Services 7.3%
Cash & Equivalents 6.2%	

Top Ten Equity Holdings (% of Fund)

Toronto Dominion Bank	6.1	CCL Industries Inc.	4.5
Royal Bank	5.7	Restaurant Brands Int'l Inc	4.4
Bank of Nova Scotia	5.5	Jamieson Wellness Inc.	4.3
Barrick Gold	5.1	Rogers Communication	4.3
North West Co. Inc.	5.0	Park Lawn Corp.....	4.2

Calendar Year Performance (%)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
TOTAL PORTFOLIO (CAD\$)	20.1	12.2	-7.9	19.5	4.8	-12.8	19.1	-2.2	25.6	-4.4	3.4
S&P/TSX Composite Index (CAD\$)	13.0	10.5	-8.3	21.1	9.1	-8.9	22.9	5.6	25.1	-5.8	11.8

Performance Information (%)

December 31, 2023

	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\$)	8.1	3.4	3.4	-0.5	7.5	5.0	7.7	4.0	4.1	5.9	4.2	5.0	7.4
S&P/TSX Composite Index (CAD\$)	8.1	11.8	11.8	2.6	9.6	8.6	11.3	7.7	7.9	9.4	7.3	7.6	7.0

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: \$4,844,990 (Audited Financial Statements, as at December 31, 2022).

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