SEAMARK

December 31, 2023

SEAMARK POOLED LOW VOLATILITY EQUITY FUND

Philosophy and Strategy

The genesis of SEAMARK's Low Volatility Equity mandate arises from investors' needs to achieve equity-like rates of return, but with less volatility than that inherent in the predominant stock market indexes. Conservative investors, defined benefit pension funds, shared risk plans, life cycle funds, and foundations/endowments would benefit from SEAMARK's Low Volatility approach to investment.

The backbone of the mandate derives from SEAMARK's Total Equity platform, from which qualifying companies are selected in the construction of an 'integrated' investment solution, consisting of companies domiciled in Canada, the U.S. and abroad, the latter through the use of ADRs. The portfolio is well-balanced, by geography and by industry subgroup, and is not held hostage to equity indexes that are often significantly overweight one industry group or more.

The portfolio is more purposed to deliver against defined metrics - key performance indicators - rather than competing with an index benchmark. Various metrics of the portfolio are held up against the S&P TSX, simply for illustrative purposes.

The portfolio attempts to achieve five key objectives: 1) attain a 4% going-in yield; 2) that 75% of portfolio names raise dividends year-over-year; 3) that the dividend growth rate be two times the rate of GDP growth; 4) achieve a consistent growth in yield on original cost; and, 5) better protect capital by delivering less downside capture than the S&P/TSX Composite Index.

To deliver on these performance indicators, the portfolio has a risk-off look and often correlates to how a value style is performing in the marketplace.

The SEAMARK Low Vol portfolio has a history of *exceeding the key performance indicators* set out in the mandate. Investors appreciate the opportunity to build wealth by way of the portfolio's low risk profile.

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 a 6.2% return in the fourth quarter, lifting its annual return into positive territory, a 3.3% return for the year.

Inflation rates declined markedly in the face of rising short term interest rates which peaked at 5.0% in Canada, and at 5.5% in the U.S. 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.

Against this background, fixed income markets rallied into 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. U.S. ten-year Treasury rates, after peaking at 5.02%, fell to just 3.87% by year end. Canadian rates followed suit, with ten-year Canada rates falling to 3.10% at Dec 31, down from a high of 4.28%. Dividend stocks rallied in concert with lower bond yields.

Consistent with the Low Volatility mandate and its key performance indicators, most of the Fund's holdings are selected to satisfy the Fund's objective of offering a going-in blended dividend yield of 4.0%. But dividend payers were very much out of favour in 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 interest rate headwind, 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 central banks. Interest rate cuts by monetary authorities would mean that investors will no longer be 'fighting the Fed', which sets up a better investment environment for all equity investors, but particularly for income investors.

The first trading days of the new year gave evidence that investors recognize the undervaluation of Low Vol type companies. In just the first week of trading, S&P 500 Value outperformed S&P 500 Growth by almost 300 basis points. Even with that, there remains a lot of room for a higher re-rating of dividend paying companies in 2024.

The Fund offers an attractive risk/return opportunity for investors. At year end the dividend yield of the Fund was 4.3%. 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 scenario for the economy in 2024.

INVESTMENT TEAM

Bob McKim, CFA
CEO & Chief Investment Officer

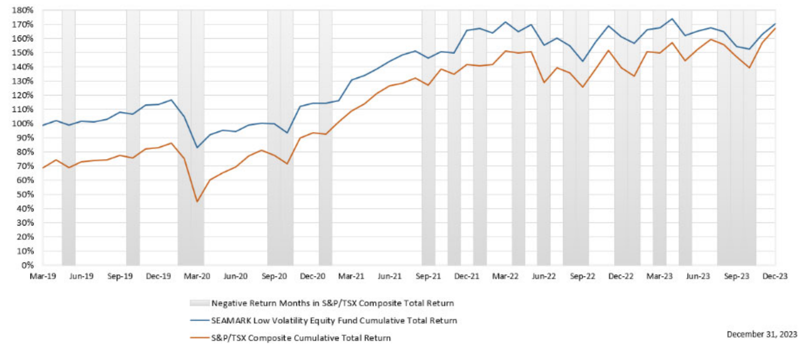
Don Wishart, CFA
President

George Loughery, CFA
Chief Portfolio Manager

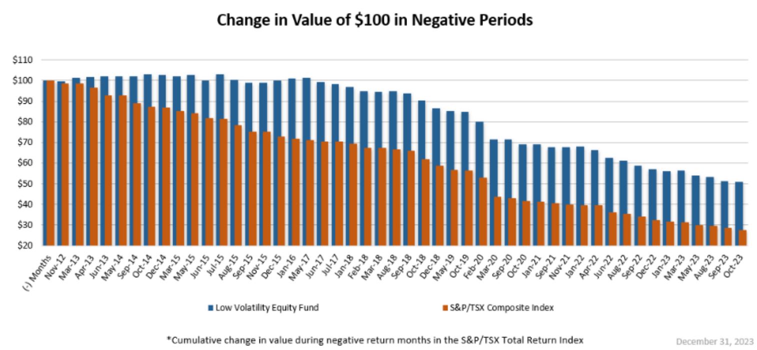
Portfolio Activity

The Fund established a starter position in shares of Medtronic, the world's largest medical device maker. The company is in a strong financial condition and is poised to benefit from the launch of new products. Shares were purchased at an attractive PE of only 15 times 2024 earnings, a discount valuation for this quality company. Medtronic shares provided an attractive 3.7% yield at time of purchase.

Cumulative Total Returns (CAD)



Downside Capture



Low Volatility Equity Fund Characteristics

Annualized Return [a]	8.8%
S&P/TSX Composite Index [a]	8.3%
Dividend Yield (ex. cash)	4.3%
Yield on Original Cost (ex. cash)	4.8%
Companies with Dividend Increases [b]	83.0%
Average Rate of Dividend Increases [b]	7.8%
Standard Deviation [a,b]	9.0%
Standard Deviation – S&P/TSX Composite Index [a,b]	12.0%
Portfolio Beta [a,c]	0.61
Weighted Average Market Cap (billions) [d]	$109 b
Upside Capture [a,c]	70.5%
Downside Capture [a,c]	56.6%

a) Since Inception August 31, 2012
b) 12 months ended December 31, 2023
c) As compared to the S&P/TSX Composite Index
d) As at December 31, 2023

Calendar Year Performance (%)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
TOTAL PORTFOLIO (CAD$)	23.7	15.3	5.9	12.3	6.4	-2.7	15.2	0.0	23.6	-2.0	3.3
S&P/TSX Composite Index (CAD$)	13.0	10.6	-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$)	6.2	3.3	3.3	0.6	7.7	5.7	7.6	5.8	5.9	6.7	6.6	7.4	8.8
S&P/TSX Composite Index (CAD$)	8.1	11.8	11.8	2.6	9.6	8.6	11.3	7.7	7.9	9.4	7.3	7.6	8.3

Fund Inception date: August 31, 2012

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 Low Volatility Equity Fund's capital gain deferrals: $1,697,814 (Audited Financial Statements, as at December 31, 2022).

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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.