SEAMARK

March 31, 2021

SEAMARK POOLED LOW VOLATILITY EQUITY FUND

Our 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 we select companies to efficiently construct 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 to compete relative to 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) to 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 markets continued to make progress in the first quarter of 2021. The recovery in share prices that took hold in the second half of 2020 remained on track, despite a meaningful increase in interest rates for marketable bonds. Notwithstanding the jump in yields for ten-year debt securities, the dividend focused Fund lodged a return of 7.5% during the quarter. A rise in the value of the Canadian dollar to 79.52 from 78.54 at year-end, reduced returns on U.S. assets held in the Fund by 1.2% for Canadian investors. Over the twelve months ended March 31, the Fund recorded a 25.6% return.

Despite the ravaging impact of the Coronavirus on the economy, the business operations of the companies that comprise the Fund performed well. Many of the Fund's conservative selections provide products or services that are needed, regardless of the state of the economy. The low-risk nature of these business operations forms the backbone of the Fund.

Over the last twelve months the Fund has demonstrated less volatility than that experienced by most equity indexes. At the end of the quarter, it provided a dividend yield of 3.6%. Notwithstanding the economic devastation brought on by Covid, 70% of the Fund's holdings raised their dividends over the 12-month period.

Absent from the dividend increase column, were financials. Due to the economic uncertainty related to the pandemic, banking regulators in the U.S. and Canada imposed capital restrictions on financial entities, to strengthen their balance sheets and help preserve their financial health. These restrictions eliminated share buy backs and dividend increases for the financial sector. Regulators on both sides of the border have already indicated a timeframe for the possible relaxation of the restrictive rules. We expect most of the Fund's financial holdings to announce dividend increases early in the third quarter.

Much has been made of the performance of growth stocks versus value stocks in recent years, primarily due to growth's outperformance, often driven by just a few mega tech companies. At the onset of Covid -19, growth stocks continued their outperformance. But as 2020 progressed, investor interest began to widen to additional sectors of the market, recognizing that companies in sectors other than technology would demonstrate a robust bounce back in earnings, post pandemic. This change in market psychology has sparked new interest in more traditional sectors of the market, many of which comprise the core of the Fund. Several of the Fund's holdings have yet to regain the ground lost from the outset of the pandemic. This suggests that the Fund still has attractive recovery potential in the coming months.

INVESTMENT TEAM

Bob McKim, CFA
CEO & Chief Investment Officer

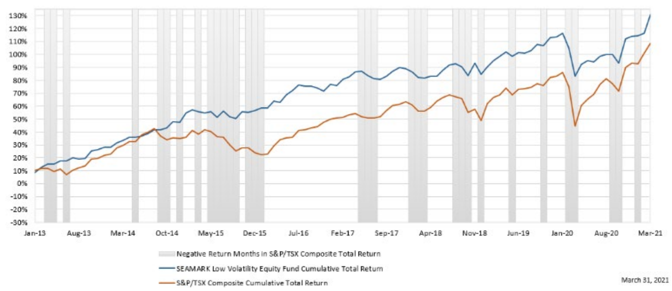
Don Wishart, CFA
President

George Loughery, CFA
Chief Portfolio Manager

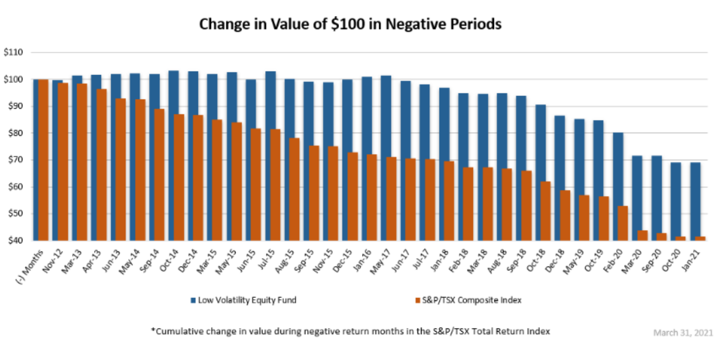
Portfolio Activity

During the quarter, new positions were established at attractive levels in shares of American Tower, Franco Nevada and Suncor. 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. Franco Nevada is a low-risk gold streaming company which derives royalties from certain gold mining companies. Franco will benefit in the event of higher inflation and a higher price for precious metals. Shares of integrated oil company SUNCOR were purchased at a discount price, relative to the recovering price of oil. The Fund wrote put options on shares of ABB Ltd, Emerson Electric and TransAlta Renewables to protect the capital value of these investments.

Cumulative Total Returns (CAD)



Downside Capture



Low Volatility Equity Fund Characteristics

Annualized Return [a]	9.9%
S&P/TSX Composite Index [a]	8.6%
Dividend Yield (ex. cash)	3.6%
Yield on Original Cost (ex. cash)	4.3%
Companies with Dividend Increases [b]	70.2%
Average Rate of Dividend Increases [b]	14.8%
Standard Deviation [a,b]	8.6%
Standard Deviation – S&P/TSX Composite Index [a,b]	11.7%
Portfolio Beta [a,c]	0.58
Weighted Average Market Cap (billions) [d]	$101 b
Upside Capture [a,c]	71.6%
Downside Capture [a,c]	45.6%

a) Since Inception August 31, 2012
b) 12 months ended March 31, 2021
c) As compared to the S&P/TSX Composite Index
d) As at March 31, 2021

Calendar Year Performance (%)

	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL PORTFOLIO (CAD$)	23.7	15.3	5.9	12.3	6.4	-2.7	15.2	-0.0
S&P/TSX Composite Index (CAD$)	13.0	10.6	-8.3	21.1	9.1	-8.9	22.9	5.6

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$)	7.5	7.5	25.6	7.4	7.8	5.6	6.6	6.4	7.8	9.0	N/A	N/A	9.9
S&P/TSX Composite Index (CAD$)	8.1	8.1	44.2	11.2	10.2	8.0	10.1	7.1	7.1	8.1	N/A	N/A	8.6

Fund Inception date: August 31, 2012

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 Low Volatility Equity Fund's capital gain deferrals: $4,541,288 (Audited Financial Statements, as at March 31, 2021).

Stay in Touch!

SUBSCRIBE to the Latest

Call: 1 888 303 5055 Email: information@seamark.ca Visit: www.SEAMARK.ca