

SEAMARK POOLED U.S. EQUITY FUND

Our 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.

The U.S. Equity Fund seeks to preserve and enhance capital through a selection of companies offering current dividend income and good potential for long-term capital gains.

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 company 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.

SEAMARK's U.S. equity investment philosophy is founded on the recognition that superior investment opportunities exist in U.S. growth companies. While leading companies in many attractive industries are held to provide diversification, there is a preference to focus on U.S. companies growing faster than the overall average.

Investments in U.S.-based multi-national companies also provide a geographically diversified base of earnings, and a low-risk participation in the growth of emerging economies.

Portfolio Manager's Commentary

The first quarter saw the U.S. equity market continue to recover from the decline it suffered at the hands of the Covid-19 pandemic. In fact, the S&P 500 Index recorded several new highs during the quarter, closing 5.8% higher as at March 31. A rise in the value of the Canadian dollar to 79.52 from 78.54 at year-end, reduced the price advance of the S&P 500 to 4.5% for a Canadian investor.

We are now about a year into the Covid-19 pandemic that has ravaged the world's economies and caused an initial sharp decline in equity prices. Investors can be thankful that central banks came to the rescue of the world economy with accommodative monetary policy and fiscal stimulus packages. The belief that 'the Fed has our back' has allowed investors to stay invested for a significant market recovery, notwithstanding the carnage suffered by the economy.

The Fund has participated in the market's sharp recovery. In the recent quarter the Fund achieved an 11.4% return in CAD \$, well ahead of the 4.9% (CAD) total return of the S&P 500 Index. This outperformance continued a trend that began in Q3 2020, when the U.S. market's performance became broader based, rather than being led by just a few mega technology companies. For the one-year period, the Fund achieved a 46.6% return, 800 basis points greater than the S&P 500 Index return (measured in CAD). The two-year period ending March 31 encompasses a full year of the pandemic, and one year prior. Over the two years, the Fund achieved a 17.3% annualized return in Canadian funds, ahead of the 17.0% recorded by the S&P 500 Index.

The U.S. market has successfully weathered the ongoing effects of Covid-19, and a 'messy' transfer of power from the Trump Administration to the Biden Administration. The urgency of Trump's facilitation of the development of several vaccines has been matched by Biden's focus on getting vaccine doses into arms. The U.S. now leads in this effort, which is quickly becoming a race against new variants that may be more resistant to the current vaccines.

The Biden administration is aggressively touting Relief and Recovery stimulus packages, in the order of \$1.9 Trillion and \$2.2 Trillion respectively. These packages, in concert with an accommodative Fed will likely buoy the U.S. economy sufficiently to sustain the recovery's momentum. Many Americans are still out of work, so there is slack to be taken up in the economy.

Against this background, the Fund remains fully invested in high quality companies, broadly diversified across several industry groups. Share prices may need a bit of a breather after a year of robust returns, but it is safe to say that we are at the early stages of economic recovery. The cyclical recovery in share prices should persist as earnings continue to expand with economic recovery.

INVESTMENT TEAM

Bob McKim, CFA
CEO & Chief Investment Officer



Don Wishart, CFA
President

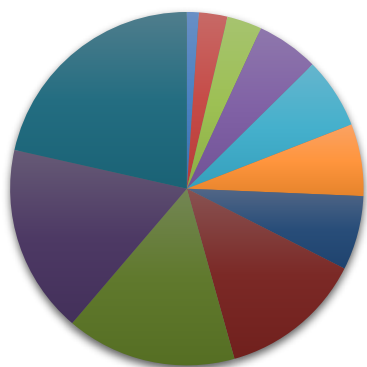


George Loughery, CFA
Chief Portfolio Manager

Portfolio Activity

During the quarter, new positions were established in shares of American Tower and VISA, 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. Positions in Emerson Electric, Kroger, and Abbvie Inc. were sold during the quarter.

Asset Mix



■ Cash & Equivalents 1.1 %	■ Real Estate 2.6 %
■ Discretionary Goods 3.2 %	■ Oil & Gas 5.7 %
■ Metals & Minerals 6.5 %	■ Commercial & Industrial 6.6 %
■ Staples Goods 6.8 %	■ Communication Services 13.2 %
■ Pharma & Health Care 15.6 %	■ Financial Services 17.3 %
■ Technology Products & Services 21.5 %	

Top Ten Equity Holdings (% of Fund)

Applied Materials	5.5	Apple Inc.	4.7
KLA Corporation	5.3	JPMorgan & Chase	4.4
Alphabet Inc.	5.1	State Street	4.2
Walt Disney	5.1	Northern Trust	4.0
Bank of America	4.9	Cisco Systems Inc.	3.9

Calendar Year Performance (%)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL PORTFOLIO (CAD\$)	5.6	-0.4	16.5	34.9	18.7	13.8	13.6	3.3	1.9	19.6	10.8
S&P 500 Index (CAD\$)	9.4	4.4	13.5	41.5	24.0	21.0	8.6	13.8	4.0	22.8	16.1

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\$)	11.4	11.4	46.6	17.3	13.6	10.4	12.9	10.3	11.9	13.6	14.1	13.7	8.2
S&P 500 Index (CAD\$)	4.9	4.9	38.6	17.0	15.8	14.4	15.6	13.6	15.7	17.7	17.5	16.9	7.8

Fund Inception date: June 30, 1997

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 US Equity Fund's capital gain deferrals: \$21,459,189 (Audited Financial Statements, as at December 31, 2020).

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