SEAMARK

March 31, 2026

SEAMARK POOLED BALANCED FUND

Philosophy and Strategy

The SEAMARK Balanced Fund investment philosophy embodies several defining tenets:

- The firm employs an equity bias, recognizing that ownership offers the greatest investment reward.
- Bonds typically offer lower investment potential than equities. In that bonds represent 'safe money', they form a foundation for balanced portfolios and must be both secure and liquid.
- In balanced mandates, the asset mix is varied 'from the bottom up' within predetermined parameters, driven incrementally by the relative valuation of individual securities, one investment at a time.
- Companies selected for investment are made from the SEAMARK Total Equity platform, allowing for the construction of integrated, efficient equity portfolios.
- Careful attention is paid to valuation, attempting always to 'buy well'.
- Once invested in a company, SEAMARK exercises patience on behalf of its clients, with tax efficient low turnover rates, allowing the management of the underlying company to compound high returns on behalf of its shareholders.

The specific objective of the Pooled Balanced Fund is to preserve capital and minimize market value fluctuations while generating superior long-term returns through capital gains augmented by current income. The Fund's performance is benchmarked against a blend of 5% FTSE 91-Day T-Bill Index, 40% FTSE Canada Universe Bond Index, 27% S&P/TSX Composite Index, 20% S&P 500 Index, and 8% Morningstar Developed Markets excluding North America GR Index. Return in excess of this benchmark is an objective only and is not guaranteed by any party.

The fund seeks to achieve its objective within asset mix constraints set forth below:

Asset Class	Min.	Max.
Cash & Short-Term Assets	0%	25%
Fixed Income Assets	20%	70%
Equity Assets	30%	70%

Portfolio Managers' Commentary

Global equity markets delivered mixed results in the first quarter of 2026, as increased volatility and geopolitical factors weighed on investor sentiment. While Canadian equities advanced, supported by strength in commodity prices, U.S. markets declined and international markets weakened throughout the quarter. The portfolio ended the quarter with a return of **3.6%**, outpacing its benchmark's return of **0.8%**.

During the first quarter, the Bank of Canada held rates steady, while the U.S. Federal Reserve signaled a "higher-for-longer" approach as inflation proved more persistent than expected. At the same time, escalating geopolitical tensions—particularly in the Middle East—contributed to rising energy prices, complicating the inflation outlook and prompting bond markets to reprice the path of interest rates. Global bond markets have responded to the shifting macro picture by pushing interest rates higher for all maturities, with yields in many countries now returning to their recent peaks. SEAMARK is focusing on safety by favoring high-quality Federal bonds. Current positioning maintains a shorter duration than the FTSE Canada Universe Bond Index to navigate today's volatile macro landscape. Bond holdings currently represent approximately 28% of the total portfolio, placing the Fund's exposure at the lower limit of its target allocation

The Canadian Equity component (approximately 31% of the Fund) posted a strong return of **8.0%**, outperforming global markets. The S&P/TSX Composite Index increased 3.9% during the quarter, supported by its heavy weighting in Energy and Materials. Oil prices strengthened meaningfully late in the period, supporting the top two performing securities Suncor Energy and Canadian Natural Resources, up 52% and 47.4%, respectively.

The U.S. Equity component (approximately 31% of the Fund) increased 3.7%, ahead of the S&P 500 Total Return Index, which fell 2.6% in Canadian dollar terms. Valuation pressures weighed on U.S stocks, particularly within large-cap Technology and other growth-oriented sectors. Despite a pullback in Technology valuations during the quarter, Applied Materials and KLA Corporation, two semiconductor equipment makers were both in the portfolio's top ten in terms of performance. As investors placed greater emphasis on earnings durability and valuation discipline, more defensive sectors, including Healthcare and Industrials, demonstrated relative resilience.

The International Equity component (approximately 6% of the Fund) eked out a gain of 0.1% reflecting a more subdued backdrop after a year of relative outperformance versus the U.S markets.

Looking ahead, SEAMARK remains mindful that while inflation has moderated from peak levels, risks remain to the upside. In this environment, the portfolio maintains a consistent emphasis on high-quality investments across both equities and fixed income, focusing on businesses with durable earnings, strong balance sheets, and sustainable cash flow generation, alongside bonds characterized by high credit quality and liquidity. Maintaining a disciplined, valuation-conscious approach remains central to navigating an evolving global market landscape, while positioning the Fund to benefit from long-term opportunities across Canadian, U.S., and international equities.

Bob McKim, CFA
Chairman,
Portfolio Manager

Don Wishart, CFA
Portfolio Manager

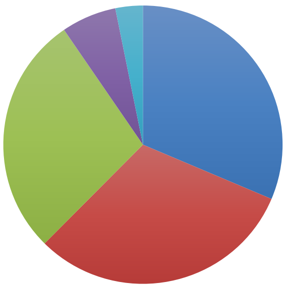
Beste Alpargun, CFA
President & CCO,
Portfolio Manager

René Fantin, MBA, CFA
Senior Portfolio Manager

Portfolio Activity

The Fund added a new position in Intact Financial for its dominant position in Canadian P&C insurance where disciplined underwriting and pricing power support consistent earnings growth. A position was also initiated in Otis Elevators for its high-quality, recurring service revenue base tied to a large installed elevator portfolio. Its asset-light model, strong margins, and exposure to long-term urbanization trends make it an attractive compounder. The Fund exited a position in NFI Group as execution challenges, supply chain disruptions, and margin pressure continued to weigh on earnings visibility and delayed the expected recovery.

Asset Mix

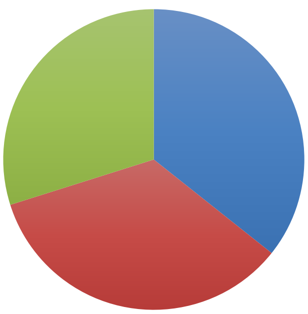


- U.S. Equity 31.4%
- Canadian Equity 31.1%
- Bonds & Debentures 28.0%
- International Equity 6.4%
- Cash & Equivalents 3.2%

Top Ten Equity Holdings (% of Fund)

Toronto Dominion Bank	3.1
Bank of Nova Scotia	2.7
Newmont Corp.	2.7
Alphabet Inc.	2.6
Royal Bank of Canada	2.3
KLA Corp.	2.2
IA Financial Corp Inc.	1.9
Expedia Group Inc.	1.9
Merck & Co	1.8
Finning Int'l	1.8

Fixed Income



- Federal 35.7%
- Provincial 34.4%
- Corporate 29.9%

Fixed Income Duration

Duration	6.7 years
Term	8.7 years
Yield	3.6 %

Calendar Year Performance (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL PORTFOLIO (CAD$)	5.3	8.3	4.3	-4.2	15.2	6.2	18.6	-4.2	10.0	10.6	12.9
BENCHMARK* (CAD$)	3.9	7.8	7.4	-1.4	15.3	9.3	11.6	-9.2	11.9	15.6	13.9

*5% FTSE 91-Day T-Bill Index, 40% FTSE Canada Universe Bond Index, 27% S&P/TSX Composite Index, 20% S&P 500 Index, and 8% Morningstar Developed Markets excluding North America GR Index.

Performance Information (%)

March 31, 2026

	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$)	3.6	3.6	16.4	11.7	10.7	8.2	9.0	12.0	9.3	8.6	7.5	8.0	7.6
BENCHMARK* (CAD$)	0.8	0.8	13.7	12.6	12.3	8.7	8.2	10.3	8.4	8.2	7.7	8.0	6.7

* 5% FTSE 91-Day T-Bill Index, 40% FTSE Canada Universe Bond Index, 27% S&P/TSX Composite Index, 20% S&P 500 Index, and 8% Morningstar Developed Markets excluding North America GR Index.
Fund Inception date: June 30, 1997

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SEAMARK ASSET MANAGEMENT LTD.

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.