SEAMARK

March 31, 2026

SEAMARK POOLED CANADIAN BOND FUND

Philosophy and Strategy

SEAMARK's investment philosophy recognizes that Fixed Income investments represent an important foundation for investors.

Accordingly, SEAMARK manages the Fund in a prudent manner, emphasizing safety of principal and reliability of income.

Three key variables, credit quality, term to maturity, and liquidity, are used to identify those fixed income securities that meet SEAMARK's exacting standards.

SEAMARK maintains a high credit quality standard in the Bond Fund. Each security must be rated BBB (low), or better, by DBRS Morningstar, or the equivalent. Focusing on high quality issues reduces volatility while providing attractive returns on a risk-adjusted basis. The Canadian Bond Fund will invest primarily in Canadian dollar denominated fixed income investments.

SEAMARK employs an interest rate anticipation approach to add value to the Bond Fund. SEAMARK will vary the average term to maturity and duration of the portfolio within a conservative range, seeking to enhance returns through moderate capital gains under appropriate market conditions, while preventing capital losses under adverse conditions.

SEAMARK will also seek to add value by varying the relative weights of different fixed income sectors (Federal, Provincial, Municipal and Corporate issuers) within a conservative range.

Portfolio Manager Commentary

The Fund ended the quarter with a return slightly below the FTSE Canada Universe Bond Index's 0.2% gain.

The global economy is navigating a fragile balance. China faces uneven growth, burdened by property sector weakness and cautious consumers, while geopolitical tensions – including the ongoing wars in Ukraine and Iran – continue to disrupt energy markets and supply chains. Meanwhile, Europe faces sluggish growth, and periodic recession risks due to high energy costs, tighter financial conditions, and structural challenges, leaving central banks globally constrained between supporting growth and containing inflation.

The United States economy remains resilient. GDP growth has recently been around 2%, and inflation, still above target at roughly 3%, would barely balance the economy, but consumer demand remains robust despite higher interest rates, keeping the economy on a respectable course. However, elevated business inventories in some sectors suggest softer forward demand. The federal deficit, hovering near 6% of GDP, continues to provide fiscal stimulus but raises longer-term concerns about debt sustainability, leaving policymakers balancing persistent inflation pressures against signs of gradual economic cooling.

The Canadian economy is growing slowly, with GDP expansion in the 1–2% range. Inflation has eased from previous peaks but remains sticky, hovering just above 2%, keeping the Bank of Canada cautious on rate cuts. Housing remains a key factor, with high interest rates continuing to suppress affordability. Household debt levels remain elevated relative to income, while commodity volatility and soft global demand limit upside potential. Fiscal policy is moderately expansionary, with deficits persisting but not at their highest levels, leaving the economy in a slow-growth, high-debt, but stable equilibrium.

Monetary policy in the United States and Canada has followed the same inflation-fighting path, but with different timing and constraints. The Fed's cuts were more aggressive, but the target rate remains high enough to support the USD. The Fed target rate peaked at 5.25 -5.50% before being reduced to 3.5–3.75%. In Canada, the overnight rate reached 5% and is now 275 basis points lower, at 2.25%.

Bond markets are shifting from being policy-driven to macro-driven. Before the Bank of Canada begins tightening, it will assess incoming data. SEAMARK, focused on safeguarding your investments, will balance sector allocation – typically favouring federal paper – maintain a shorter duration, and target yields above those of the FTSE Canada Universe Bond Index. As growth slows but avoids contraction, fixed income returns are likely to be defined less by policy pivots and more by the balance between slowing demand and structurally higher issuance.

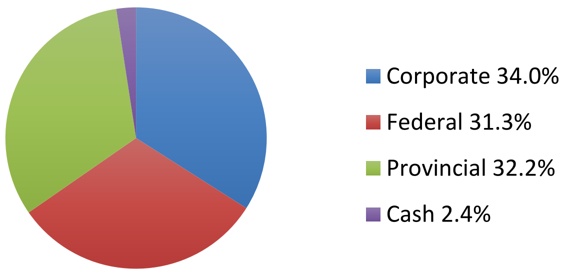
PORTFOLIO MANAGER

Beste Alpargun, CFA
President & CCO, Portfolio Manager

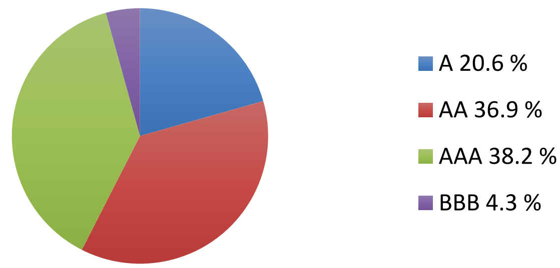
Portfolio Activity

SEAMARK participated in new issues of Manitoba 2035 and Saskatchewan 2035 and also switched from Toyota 2028 to 2031 to take advantage of the yields. Participating in the new issue of Canada Housing Trust enabled us to sell some odd lots of bonds.

Portfolio Structure



Credit Quality



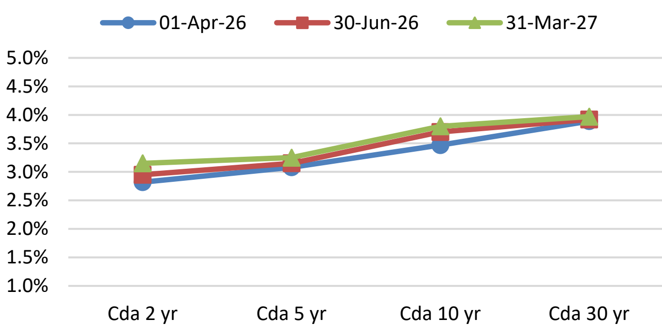
Top Five Fixed Income Holdings (% of Fund)

Canada Government 5.0% Jun 01, 2037	5.3
Canada Government 4.0% Jun 01, 2041	4.6
Canada Government 3.0% Jun 01, 2034	4.2
Province of Saskatoon 3.8% Jun 02, 2035	3.8
Manulife Bank FRN Aug 27, 2027	3.8

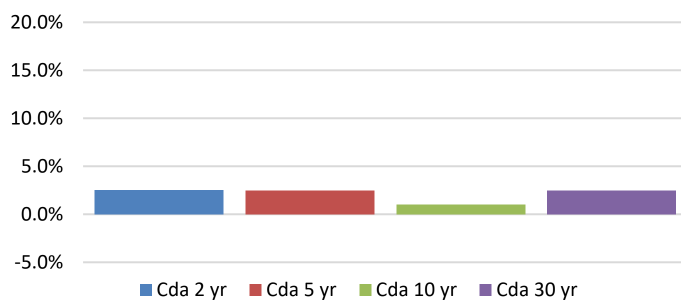
Fixed Income Information

Duration	6.7 years
Term	8.8 years
Yield to Maturity	3.7%

Government of Canada Yield Curve



12 Month Expected Rate of Return of Canada*



**SEAMARK Fixed Income Team Estimates*

Calendar Year Performance (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL PORTFOLIO (CAD$)	3.5	1.4	2.3	1.3	4.9	8.7	-3.6	-10.3	6.7	4.8	2.7
FTSE Canada Universe Bond Index (CAD$)	3.5	1.7	2.5	1.4	6.9	8.7	-2.5	-11.7	6.7	4.2	2.6

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$)	0.0	0.0	1.0	4.2	3.8	2.6	0.9	1.1	1.4	1.7	1.7	1.6	4.4
FTSE Canada Universe Bond Index (CAD$)	0.2	0.2	0.8	4.2	3.5	2.1	0.7	0.9	1.4	1.9	1.8	1.8	4.4

Fund Inception Date: June 30, 1997

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