

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

The Fund is comprised of a portfolio of companies with defensive investment characteristics, selected from Canada, the U.S. and abroad. Its equity selections are constructed with the objective of delivering attractive absolute returns with lower volatility—specifically, reduced downside risk relative to the S&P/TSX Composite Index. A yield-oriented approach, emphasizing companies with a consistent track record of dividend growth, remains a key criterion for inclusion. The Fund's key performance indicators are designed to prioritize capital preservation while participating in long-term equity market returns.

This approach proved beneficial in the first quarter of 2026, as global equity markets experienced increased volatility and divergence in performance. The Fund generated a return of 6.4% for the quarter, reflecting the resilience of its defensive positioning. Since inception (August 2012), the Fund has achieved an annualized return of **10.3%**, continuing to compare favourably to the S&P/TSX Composite Index, while exhibiting meaningfully lower volatility over time. In an environment where traditional fixed income has faced renewed uncertainty due to shifting interest rate expectations, the Fund has continued to serve as a complementary allocation for investors seeking income and stability. With an equity yield of approximately 3.4% at quarter end, the Fund remains competitive relative to bond yields.

Market conditions during the quarter reinforced the value of a low volatility approach. Canadian equities advanced, supported by strength in commodity prices, while U.S. markets declined as growth pressures weighed on valuations, particularly within the Technology sector. Heightened geopolitical tensions, including ongoing conflict in the Middle East, contributed to higher energy prices and increased macro uncertainty. In addition, early signs of stress in certain segments of the private credit market—particularly in areas tied to higher-growth borrowers—highlighted the importance of balance sheet strength and disciplined capital allocation.

Against a mixed equity market backdrop, many of the Fund's holdings contributed meaningfully to performance. Energy-related positions remained a key source of strength, as the price of oil rose throughout the quarter. Suncor Energy and Canadian Natural Resources were among the notable contributors during the quarter, up 52% and 47%, respectively. The Healthcare sector also performed strongly, with holdings in pharmaceutical companies Merck, Pfizer and Novartis benefitting from their defensive characteristics and attractive valuations. These companies were further supported by investor demand for lower-volatility, income-generating assets in an uncertain environment.

The start to 2026 has underscored the importance of downside protection within equity portfolios. Increased volatility, shifting monetary policy expectations, and geopolitical uncertainty have driven investors toward strategies that emphasize capital preservation and stability. The companies held within the Low Volatility Fund—characterized by durable earnings, strong balance sheets, and consistent dividend growth—remain well positioned to navigate this environment. SEAMARK continues to maintain a disciplined, valuation-conscious approach, focusing on high-quality businesses that can deliver resilient performance across market cycles.

INVESTMENT TEAM



Bob McKim, CFA
Chairman, Portfolio
Manager



Don Wishart, CFA
Portfolio Manager

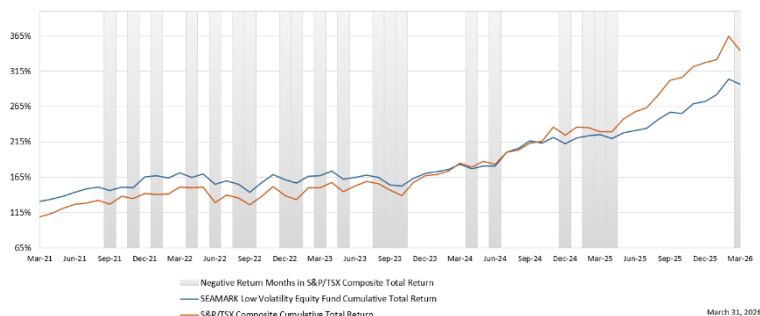


René Fantin, MBA, CFA
Senior Portfolio Manager

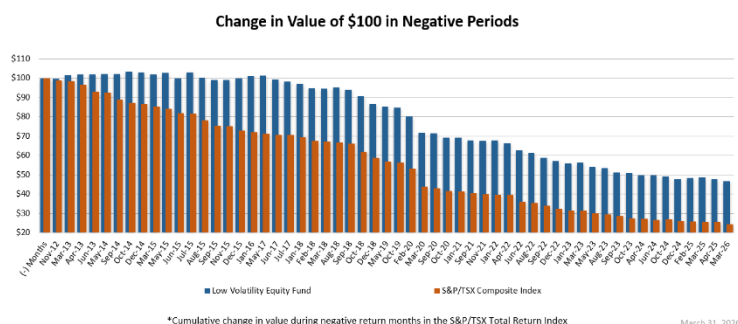
Portfolio Activity

The Fund added Mondelez for its global snacking leadership and strong brand portfolio, which enables consistent pricing power and margin resilience in inflationary environments. The business generates robust free cash flow and offers a balanced mix of steady growth and shareholder returns through dividends and buybacks.

Cumulative Total Returns (CAD)



Downside Capture



Low Volatility Equity Fund Characteristics

Annualized Return ^a	10.3%
S&P/TSX Composite Index ^a	11.0%
Dividend Yield (ex. cash)	3.5%
Yield on Original Cost (ex. cash)	4.8%
Companies with Dividend Increases ^b	74.5%
Average Rate of Dividend Increases ^b	5.5%
Standard Deviation ^{a,b}	8.9%
Standard Deviation – S&P/TSX Composite Index ^{a,b}	11.9%
Portfolio Beta ^{a,c}	0.61
Weighted Average Market Cap (billions) ^d	\$136 b
Upside Capture ^{a,c}	69.8%
Downside Capture ^{a,c}	56.7%

- a) Since Inception August 31, 2012
b) 12 months ended March 31, 2026
c) As compared to the S&P/TSX Composite Index
d) As at March 31, 2026

Calendar Year Performance (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL PORTFOLIO (CAD\$)	5.9	12.3	6.4	-2.7	15.2	0.0	23.6	-2.0	3.3	14.9	19.1
S&P/TSX Composite Index (CAD\$)	-8.3	21.1	9.1	-8.9	22.9	5.6	25.1	-5.8	11.8	21.7	31.7

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\$)	6.4	6.4	21.7	18.0	13.7	9.6	11.1	13.4	10.0	9.9	8.6	8.8	10.3
S&P/TSX Composite Index (CAD\$)	3.9	3.9	34.8	25.0	21.2	14.0	15.2	19.6	14.0	13.3	11.9	12.6	11.0

Fund Inception date: August 31, 2012

Stay in Touch!

SUBSCRIBE to the Latest

Call: 1 888 303 5055

Email: information@seamark.ca

Visit: www.SEAMARK.ca