SEAMARK

March 31, 2026

SEAMARK POOLED U.S. EQUITY FUND

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 investment 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

As the first quarter of 2026 unfolded, U.S. equity markets faced a more challenging environment, reversing some of the gains achieved in 2025 amid rising volatility and increased scrutiny on valuations. While economic data remained resilient in the wake of tariffs, persistent inflationary pressures, shifting interest rate expectations and the threat of Artificial Intelligence disrupting business models weighed on investor sentiment. Navigating these headwinds, the Fund generated a return of **4.1%** for the quarter, compared with the S&P 500, which declined 2.6**%** in Canadian dollar terms. The portfolio's diversified exposure across Technology, Financials, Industrials, and Healthcare provided relative resilience during the period.

Monetary policy and interest rate expectations re-emerged as dominant market drivers. After a period of easing in 2025, the U.S. Federal Reserve adopted a more cautious stance, as progress on inflation slowed and economic growth showed some signs of moderation. Markets adjusted to a "higher-for-longer" rate environment, despite the nomination of a new Fed Chair that is described as aligned with the U.S Administration's advocacy for lower rates. This shift placed more pressure on equity valuations, particularly within long-duration growth sectors.

The Technology sector, which had led markets in prior periods, experienced increased volatility as investors reassessed growth expectations and valuation levels. Artificial intelligence remained a key long-term theme; however, leadership narrowed, with investors placing greater emphasis on companies demonstrating clear monetization and earnings visibility. In contrast, sectors such as Healthcare and Industrials showed relative strength, supported by more attractive valuations and improving fundamentals.

The portfolio's top contributors during the quarter reflected this rotation in market leadership. While select Technology holdings remained resilient, such as semiconductor equipment companies Applied Materials and KLA Corporation, increased contributions came from Industrials, Healthcare and Energy positions. The top performing holdings were Generac, an industrial company that sells generators, up 43.2% during the quarter, followed by two oil producers, Exxon and Chevron, up 42% and 37%, respectively.

Looking ahead, SEAMARK remains mindful that while economic growth in the United States has proven resilient, risks remain elevated. Sticky inflation, higher interest rates, and ongoing geopolitical uncertainty continue to shape the investment landscape. Additionally, emerging strains within segments of the private credit market—particularly in areas tied to higher-growth, technology-oriented borrowers—highlight the importance of disciplined capital allocation and risk management.

In this environment, the Fund continues to focus on high-quality U.S. businesses with durable competitive advantages, strong balance sheets, and consistent cash flow generation. A disciplined, valuation-conscious approach remains central to portfolio construction, ensuring the Fund is well positioned to navigate near-term volatility while participating in long-term growth opportunities across the U.S. market.

INVESTMENT TEAM

Bob McKim, CFA
Chairman, Portfolio Manager

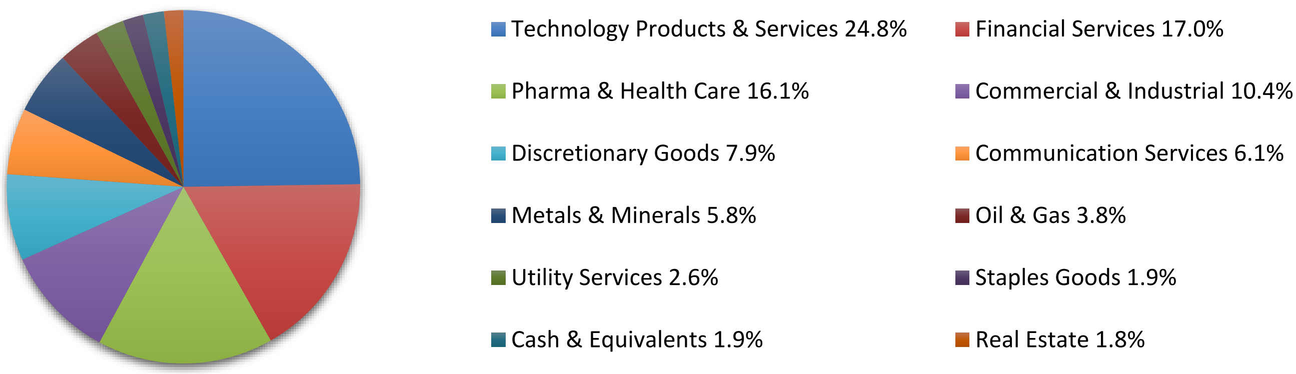
Don Wishart, CFA
Portfolio Manager

René Fantin, MBA, CFA
Senior Portfolio Manager

Portfolio Activity

The Fund added 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 new 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



Top Ten Equity Holdings (% of Fund)

Applied Materials	6.4
KLA Corporation	5.7
Alphabet Inc.	4.5
Newmont Corp.	4.3
JPMorgan Chase & Co.	3.8
Johnson & Johnson	3.7
Northern Trust	3.6
Apple Inc.	3.6
State Street	3.6
Cisco Systems Inc.	3.6

Calendar Year Performance (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL PORTFOLIO (CAD$)	13.8	13.6	3.3	1.9	19.6	10.8	31.0	-1.6	10.9	17.7	16.5
S&P 500 Index (CAD$)	21.0	8.6	13.8	4.0	22.8	16.1	28.2	-12.5	23.3	35.9	12.4

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$)	4.1	4.1	22.5	14.8	15.2	12.0	12.9	17.9	14.1	13.1	11.8	12.9	9.0
S&P 500 Index (CAD$)	-2.6	-2.6	14.2	14.7	19.5	14.3	14.4	18.1	15.1	14.9	14.4	15.0	8.9

Fund Inception date: June 30, 1997

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SEAMARK ASSET MANAGEMENT LTD.