

Date: May 21, 2010

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
NOVA SCOTIA AND ONTARIO  
(the "Jurisdictions")**

**AND**

**IN THE MATTER OF  
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS  
IN MULTIPLE JURISDICTIONS**

**AND**

**IN THE MATTER OF  
SEAMARK ASSET MANAGEMENT LTD.  
(the "Filer")**

**AND**

**IN THE MATTER OF  
SEAMARK DIVIDEND & INCOME FUND,  
SEAMARK CANADIAN EQUITY FUND AND  
SEAMARK NORTH AMERICAN EQUITY FUND  
(the "Funds")**

**DECISION**

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions (the "Decision Maker") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the time limits pertaining to the distribution of securities of the Funds be extended to those time limits that would be applicable if the lapse date of the simplified prospectus and annual information form of the Funds were July 15, 2010 (the "Exemption Sought").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the Nova Scotia Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (“MI 11-102”) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Prince Edward Island and Newfoundland and Labrador, and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

### **Interpretation**

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

### **Representations**

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation incorporated under the laws of Canada with its head office in Halifax, Nova Scotia. The Filer is the manager, trustee and portfolio advisor to the Funds.
2. Each of the Funds is an open-end mutual fund trust governed under the laws of Ontario by a master declaration of trust and a regulation specific to that Fund dated September 26, 2007.
3. The Funds are reporting issuers under the Legislation, and are not in default of any of the requirements of the Legislation.
4. The Funds are currently qualified for distribution in all Jurisdictions under a simplified prospectus and annual information form dated May 27, 2009 (together, the “SEAMARK Prospectus”).
5. Pursuant to the Legislation, the lapse date (the “SEAMARK Lapse Date”) for the distribution of securities of the Funds under the SEAMARK Prospectus is May 27, 2010. In each Jurisdiction, provided a pro forma simplified prospectus is filed 30 days prior to May 27, 2010, a final version is filed by June 6, 2010, and a receipt for the simplified prospectus is issued by the securities regulatory authorities by June 16, 2010, the securities of the Funds may continue to be distributed without interruption throughout this prospectus renewal period.
6. SEAMARK is an affiliate of Mavrix Fund Management Inc. (“Mavrix”), which is the manager and promoter of the Mavrix Funds, a group of 18 mutual funds that are qualified for distribution in all Jurisdictions as well as the Northwest

Territories, Yukon Territory and Nunavut (the “Additional Jurisdictions”) under a simplified prospectus and annual information form dated July 15, 2009 (together, the “Mavrix Prospectus”).

7. Pursuant to the securities legislation of the Jurisdictions and the Additional Jurisdictions, the lapse date for the distribution of securities of the Mavrix Funds under the Mavrix Prospectus is July 15, 2010 (the “Mavrix Lapse Date”). Provided a pro forma simplified prospectus is filed 30 days prior to July 15, 2010, a final version is filed by July 25, 2010, and a receipt for the simplified prospectus is issued by the securities regulatory authorities by August 4, 2010, the securities of the Mavrix Funds may continue to be distributed without interruption throughout this prospectus renewal period.
8. The Filer filed an application dated November 18, 2009 (the “Change of Control Application”) with the securities regulatory authorities in the Jurisdictions for approval of the change of control (the “Change of Control”) of the Filer resulting from a business combination (the “Business Combination”) between the Filer and Growth Works Ltd. (“GrowthWorks”). Pursuant to a decision document (the “Change of Control Decision”) dated December 14, 2009, regulatory approval for the Change of Control was granted. The Business Combination closed on January 15, 2010.
9. As a result of the Business Combination, both the Filer and Mavrix became subsidiaries of a new asset management company, Matrix Asset Management Inc. (“Matrix”), a reporting issuer the securities of which are traded on the Toronto Stock Exchange. Matrix manages combined assets of approximately \$3 billion through three operating divisions: institutional asset management (through the Filer), conventional and specialty mutual funds (through Mavrix), and venture capital/private equity (through GrowthWorks).
10. It is proposed (the “Proposed Transaction”) that the Filer be replaced by Mavrix as the trustee and manager of the Funds. The Proposed Transaction will result in all conventional mutual funds within the Matrix group of companies, including the Funds, being managed and administered by Mavrix. The Filer will become the investment sub-advisor to Mavrix in respect of the Funds pursuant to an investment sub-advisory agreement. The Proposed Transaction will not result in any change to the fundamental investment objectives or principal investment strategies pursued by any of the Funds, or to the portfolio management team which manages the investment portfolios of the Funds.
11. Because the Filer and Mavrix are affiliates of each other, the change of manager of the Funds does not require the approval of securities regulators or of unitholders of the Funds. Also, given the small asset base of the Funds, the costs of holding unitholder meetings would be uneconomical and not in the best interests of unitholders. However, the Proposed Transaction is subject to the approval or recommendation of the independent review committee of the Funds and the independent review committee of the Mavrix Funds, as well as approvals

from certain other parties. If such approvals are obtained, the Proposed Transaction is expected to be completed on or about July 15, 2010.

12. The Proposed Transaction is not, and was never intended to be, part of a broader series of transactions that were structured to effect a change of manager of the Funds without unitholders' approval.
13. The Filer confirms that, as of the dates of the Change of Control Application and the Change of Control Decision, and as represented therein by the Filer, the role of the Filer as the manager of the Funds was not expected to change as a result of the Change of Control. However, subsequent to the Change of Control Decision, it became apparent to the Filer and Matrix that combining the Funds with the Mavrix Funds under a single, combined Mavrix Prospectus would help achieve significant cost efficiencies for the benefit of unitholders. In order to effect this, it was determined that a single subsidiary of Matrix should act as manager and trustee of all the mutual funds within the Matrix family of funds. The individuals within the Matrix group of companies who have the most expertise in the management and trusteeship of mutual funds come primarily from Mavrix and GrowthWorks, rather than the Filer, and the large majority of funds within the Matrix family of mutual funds already have Mavrix (rather than the Filer) as their manager and trustee. For these reasons, it was determined in April 2010 that Mavrix should be the Matrix subsidiary that acts as the manager and trustee for all the mutual funds within the Matrix family of funds.
14. The Proposed Transaction has been disclosed by way of a news release that was disseminated through Marketwire on April 15, 2010, a material change report dated April 15, 2010, and an amendment dated May 17, 2010 to the SEAMARK Prospectus. Copies of such news release, material change report and prospectus amendment have been filed on SEDAR with the securities regulatory authorities in all Jurisdictions.
15. As a result of the Proposed Transaction, the Funds will become part of the Mavrix Funds family and are intended to be distributed under a common simplified prospectus with the Mavrix Funds rather than under a separate SEAMARK Prospectus. Consequently, there will be a single renewal date each year for the combined simplified prospectus and annual information form of the Funds and the Mavrix Funds (the "Consolidated Prospectus"), which will help to streamline and consolidate the administration of the Funds, create operational efficiencies and reduce the costs borne by the Funds (and ultimately by investors in the Funds). It is proposed that such single renewal date will be July 15, 2010, which is the lapse date of the Mavrix Prospectus.
16. It is intended that a pro forma Consolidated Prospectus will be filed no later than June 15, 2010 (that is, at least 30 days before the Mavrix Lapse Date), a final Consolidated Prospectus will be filed within 10 days following July 15, 2010, and the final receipt for the Consolidated Prospectus will be issued by the securities regulatory authorities within 20 days following July 15, 2010.

17. The extension of the SEAMARK Lapse Date from May 27, 2010 to July 15, 2010 is for a limited period of time and will permit the orderly completion of the Proposed Transaction, as a result of which the Funds will cease being offered under a separate SEAMARK Prospectus and will commence being offered under the Consolidated Prospectus together with the Mavrix Funds.
18. The intended offering of the Funds under the Consolidated Prospectus with the Mavrix Funds is consistent with the Funds becoming part of the Mavrix Funds group and having Mavrix as their common manager, and will result in significant administrative efficiencies and cost savings. Having a single renewal date each year for the Consolidated Prospectus, rather than separate renewal dates for a SEAMARK Prospectus and a Mavrix Prospectus, will help to streamline and consolidate the administration of the Funds, eliminate duplication, create operational efficiencies and reduce the costs borne by the Funds (and ultimately by investors in the Funds).
19. If the Exemption Sought is not granted, a pro forma simplified prospectus and a final prospectus for the Funds would have to be filed by April 27, 2010 and June 6, 2010 respectively in accordance with the existing time limits for the renewal of the SEAMARK Prospectus. At the time of filing such pro forma simplified prospectus, the Funds would be required to pay all regulatory filing fees normally payable in connection with a pro forma simplified prospectus. However, the Funds would only be in distribution under the (final) renewal simplified prospectus for a period of less than two months (and as little as one month), being the period commencing upon the issuance of a final receipt for a renewal simplified prospectus (which could be issued as late as June 16, 2010 under the Legislation) and ending when the distribution of the Funds under the Consolidated Prospectus commences on or shortly after July 15, 2010.
20. The financial costs that would be borne by the Funds (and ultimately by investors in the Funds) as well as the additional administrative burden of preparing, filing and paying all regulatory filing fees in connection with a renewal simplified prospectus of the Funds, and less than two months later preparing, filing and paying further regulatory filing fees in connection with the Consolidated Prospectus, would be unduly costly in light of the very brief period of time during which such renewal simplified prospectus of the Funds would be relied upon.
21. In order to avoid the significant additional costs resulting from filing a renewal simplified prospectus of the Funds and then, less than two months later, filing the Consolidated Prospectus, the Funds do not intend to file a pro forma renewal simplified prospectus on or before the SEAMARK Lapse Date. If the Exemption Sought is not granted, the Filer intends to cease distribution of securities of the Funds from the SEAMARK Lapse Date until the distribution of the Funds recommences upon the issuance of a final receipt for the Consolidated Prospectus.
22. Since May 17, 2010, the date of the most recent amendments to the SEAMARK Prospectus, no undisclosed material change has occurred in respect of the Funds.

The Exemption Sought will not affect the currency or accuracy of the information contained in the SEAMARK Prospectus and accordingly will not be prejudicial to the public interest.

**Decision**

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted.



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Kevin G. Redden, CMA, CFA

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Director, Corporate Finance

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Nova Scotia Securities Commission

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