JARISLOWSKY FRASER

GLOBAL INVESTMENT MANAGEMENT

JF GLOBAL EQUITY FUND

PROFILE | SEPTEMBER 30, 2018

Inception Date	September 30, 2005
NAV per Unit	C$17.0142
Semi-Annual Distribution	C$0.1625 (06/30/18)
Fund Size ($M)	C$283.0
Benchmark	MSCI World Net[1]

A Focus on Global High-Quality Growth

Global equity management focuses primarily on large U.S. and multinational companies that demonstrate global leadership in their sector. These companies generally have steady growth rates, high returns on invested capital, dominant positions in world markets or their region and strong balance sheets to reduce financial risk.

Our approach targets U.S. and international companies that benefit from exposure to economies typically growing at a rate higher than global GDP. The emphasis is on non-cyclical companies with a competitive advantage in their industry.

PORTFOLIO CONSTRUCTION

- Market capitalization > U$1B; EM market capitalization > U$500M.
- Non-index emerging market limited to 10% weighting; non-index emerging country limited to 5% weighting.
- Maximum sector weight of the Fund as defined by the Global Industry Classification Standard (GICS®) is the greater of 25% or Index sector weight plus 15%.
- Maximum market value in a single issuer: 10%.

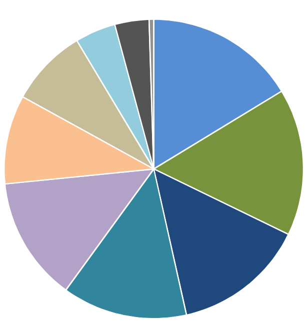
ANNUALIZED PERFORMANCE (%)

As of September 30, 2018	3 mos.	1 yr	3 yrs	5 yrs	7 yrs	10 yrs	Since Inc. (09/05)
JF Global Equity Fund	3.7	15.5	12.4	14.6	16.6	12.0	8.2
MSCI World Net C$[1]	3.3	15.1	12.3	14.7	16.4	11.2	8.1

CALENDAR YEAR PERFORMANCE (%)

To December 31st	2017	2016	2015	2014	2013	2012	2011
JF Global Equity Fund	14.6	4.6	18.7	14.0	34.0	17.3	0.9
MSCI World Net C$[1]	14.4	3.8	19.5	15.0	35.9	14.0	-2.7

SECTOR WEIGHTINGS



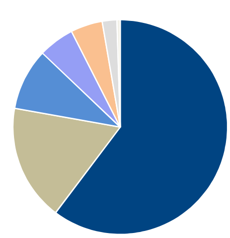
PORTFOLIO CHARACTERISTICS

*5-year period	Fund	Benchmark
Yield (%)	1.9	2.3
Weighted Avg. Market Cap ($B)	$238.0	$217.7
Turnover (5-yr avg. to 12/31/17)	12.6	-
Sharpe Ratio*	1.5	1.5
Standard Deviation*	8.8	8.9
Upside Capture*	98.7	100.0
Downside Capture*	94.7	100.0
Batting Average*	0.6	-

TOP 10 HOLDINGS

	% of Fund
Alphabet (Class A&C)	4.5
Microsoft	3.8
Comcast Corporation	2.9
UnitedHealth Group	2.7
Mastercard	2.7
Abbott Laboratories	2.7
Becton Dickinson & Co.	2.6
Verisk Analytics	2.6
Fiserv Inc.	2.6
Berkshire Hathaway	2.5
Total for Top 10	**29.5**

GEOGRAPHICAL BREAKDOWN



MARKET & ECONOMIC REVIEW

In the third quarter, the U.S. continued to lead the developed world with strong equity market results. Higher inflation and fears around the impact of tariffs and trade were overshadowed by solid economic growth, low unemployment, improved productivity and above-consensus corporate earnings. The U.S. Federal Reserve (Fed) increased the fed funds rate in June, and economic data continued to support additional tightening. This hawkish dynamic sustained the upward momentum in the U.S. dollar, and consequently has put several emerging market currencies under pressure. The acute weakness of the Turkish lira, in particular, affected sentiment on a number of European banks that have small but manageable exposures. In Canada, quarterly results were muted given the weakness in the oil price and the instability over the Trans Mountain pipeline.

Trade tension escalated between the U.S. and China during the quarter as President Trump announced in late September, additional tariffs ($200B) at an initial rate of 10%. China retaliated with its own set of measures. This ongoing gamesmanship is creating volatility in the markets in the short term, filtering into the broader global landscape.

In Europe, Italian budget negotiations are an area of focus, as the two populist parties try to agree on a budget for October. The markets are monitoring whether the two "Eurosceptic" coalition populist parties keep to their spending plans and increase the deficit, which concerns the European Union (EU) and increased tensions with its northern partners.

PORTFOLIO REVIEW

The U.S. Equity portion of the portfolio generated solid returns in the quarter. After many quarters where market leadership was held by the Technology and Discretionary sectors, Q3 marked a sharp change. While both of those sectors were reasonably strong, the market’s rally with marked strength in Health Care and Industrials. Broader participation in the rising market was an important factor in the portfolio’s outperformance, as it remains underweight in many of the popular and highly valued growth stocks that have led the Technology sector.

Strong performance also came from our diverse Technology holdings, where cheap and overlooked companies like Oracle (+15%) attracted attention. Providing some offset was the negative performance of Nielsen (-11%).

In Health Care, diversified health care company Abbott Laboratories (+19%) is posting robust organic growth driven by successful diabetes and cardiovascular product launches, while the turnaround of its nutritional franchise in China is on track. Other positive contributors were Walgreens (+20%) and IQVIA (+27%).

Ongoing trade tensions between the US and China resulted in some adverse effects on equities focused on emerging Asian markets. Notable among those was Tencent (-19%).

INVESTMENT STRATEGY

Headlines continue to focus on the ongoing trade disputes globally, and no doubt, sentiment played a part in increasing risk aversion in equity markets. As long term investors, we are often faced with the task of separating fundamentals from reality, as markets tend to overreact on both the upside and the downside. To make this distinction, we assess what is happening in the businesses we own and how the current environment is affecting the long term fundamentals of the company’s business prospects.

Looking forward, there are always risks to manage and, as such, it is important to keep an open perspective and to continually update our perceptions. We continue to believe that a balanced approach at this point is prudent, given a global expansion that has now lasted over eight years. That said, we think there is no cause for panic, and that the environment remains broadly supportive for risk assets. Volatility may increase in the future, but this should provide good opportunities for long term investors to take advantage of the disconnect between sentiment and reality.

INVESTMENT TEAM

Jarislowsky Fraser has a team-based approach that anchors a culture of collaborative decision-making. The Investment Strategy Committee (ISC), our central risk and investment oversight body, oversees the entire investment process to ensure that investment decisions adhere to the firm’s long-standing philosophy and process.

[1] Prior to 01/01/2016, the benchmark was MSCI World C$ gross.

Returns for the JF Pooled Funds have been calculated using the net asset value (NAV), are gross of management fees and in Canadian dollars. C$ Index returns and NAV values have been calculated using the London 4PM closing FX rates. Complete Investment Policy guidelines are available upon request.

Source: TD Securities, S&P, Bloomberg, MSCI Inc. and FTSE TMX Global Debt Capital Markets Inc.