

A Focus on Global High-Quality Growth

The Global Equity Strategy focuses primarily on large U.S. and multinational companies that demonstrate global leadership in their sector. These companies generally have steady growth rates that are higher than the global GDP, high returns on invested capital, dominant positions in world markets or their region and strong balance sheets to reduce financial risk. The emphasis is on non-cyclical companies with a competitive advantage in their industry.

Jarislowky Fraser integrates the analysis of material Environmental, Social and Governance (ESG) factors into our bottom-up fundamental analysis and investment decision-making process. We believe assessing investable companies through an ESG lens helps to gauge their quality, furthering our ability to invest in the most sound companies.

The strategy is available as a separate account holding local shares or as an account holding U.S. shares and ADRs.

PORTFOLIO CONSTRUCTION

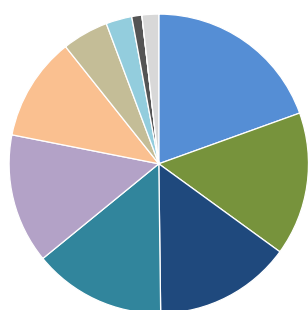
- Market capitalization > U\$1B; EM market capitalization > U\$500M.
- Non-index emerging market limited to 10% weighting; non-index emerging country limited to 5% weighting.
- Maximum sector weight of the Fund as defined by the Global Industry Classification Standard (GICS®) is the greater of 25% or Index sector weight plus 15%.
- Average turnover is typically 10% to 20%.

COMPOSITE ANNUALIZED PERFORMANCE (%)

Preliminary

JF Global Equity As of June 30, 2018 (\$USD)	3 mos.	1 yr	3 yrs	5 yrs	7 yrs	10 yrs	Since Inception (09/30/2005)
Total – Net ²	1.5	10.2	7.9	9.4	9.0	7.2	6.5
Total – Gross	1.7	10.9	8.6	10.1	9.7	7.8	7.1
MSCI World Net ³	1.7	11.1	8.6	10.2	9.2	6.7	6.9

SECTOR WEIGHTINGS⁴



- Information Technology 19.5%
- Health Care 15.5%
- Consumer Staples 14.8%
- Financials 14.3%
- Industrials 14.0%
- Consumer Discretionary 11.2%
- Energy 5.0%
- Materials 2.8%
- Telecom Services 1.1%
- Real Estate 0.0%
- Utilities 0.0%
- Cash 1.8%

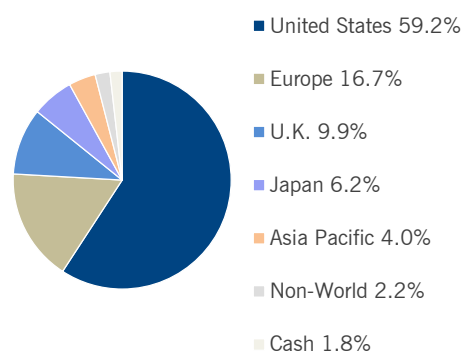
PORTFOLIO CHARACTERISTICS¹

	Fund	Benchmark
Sharpe Ratio	0.84	0.75
Standard Deviation	11.19	11.34
Information Ratio	0.60	-
Turnover	11.92%	-
Yield	1.98%	2.39%
Capitalization (\$B)	\$166.7	\$147.8
Upside Capture	103.51	100.00
Downside Capture	94.72	100.00
Batting Average	0.54	-

LARGEST 10 HOLDINGS⁴

Company	% of Fund
Alphabet Inc. (A&C)	4.4
Microsoft Corporation	4.1
Comcast Corporation	2.8
Davita Inc.	2.5
Relx PLC	2.5
Becton Dickinson	2.5
Mastercard Inc.	2.5
Verisk Analytics	2.4
Fiserv Inc.	2.4
UnitedHealth Group	2.3
Total % of Portfolio	28.4
Total % of MSCI World Index	12.1

GEOGRAPHICAL BREAKDOWN⁴



SUSTAINABLE INVESTING

At Jarislowsky Fraser, sustainable investing is about widening the analysis beyond short-term profit, to favor factors that support long-term value creation. Our view is that a company's Environmental, Social and Governance (ESG) policies and track record are likely to be a helpful lens through which to gauge quality. For this reason, we integrate the analysis of material ESG risks and opportunities into our investment process, and have adopted a Sustainable Investment Policy that formalizes our commitment.

Integration of ESG considerations is a component to our assessment of quality across all of our mandates. In addition, for clients with specific values-based restrictions, or other investment policy considerations, the firm offers a tailored approach to meet their needs. We presently manage over \$2.3 billion USD on behalf of clients with a variety of unique values-based restrictions and recently launched Fossil Fuel Free Funds.

ENGAGED OWNERSHIP APPROACH

Acting as long-term stewards is our fiduciary duty and can be an opportunity to add value for shareholders. We seek constructive engagement with company management, and in some cases with Boards of Directors, on material business concerns including ESG issues. We believe that Jarislowsky Fraser has historically been viewed as a credible shareholder from whom managements seek counsel. This is further reinforced in our proxy voting decision-making:

- Proxy voting is fully integrated into our investment process;
- Our global investment team meets to consider each proxy;
- Decisions are made in-house by the investment professionals.

Our independent point of view is reflected in our voting statistics. Over the 12-month period ending June 30, 2017, our firm voted on more than 2,500 proposals and agenda items in over 25 countries. Our independent point of view is reflected in our voting statistics. For example, of the total proxy meetings during the year, we had at least one point of distinction from management recommendations in 67% of the meetings.

KEY ASSOCIATIONS

Signatory of:



INVESTMENT STRATEGY – Q2 2018

Our perspective is that the global economy remains in a relatively long dated economic expansion in terms of time, but not necessarily vigor. The recovery from the depths of the crisis over eight years ago has been slow and steady, aided significantly by unprecedented monetary stimulus from key central banks globally. This provides a unique environment in a historical context such that the starting point for yields is quite low as we approach the later points in the economic cycle. Given this backdrop, future equity sector performance may not follow the same behaviour than historically seen as policymakers look to normalize monetary conditions in the medium term. Put simply, what may have been defensive in previous downturns could look different this time around.

Incrementally, some areas are showing modest signs of deceleration, while the key US economy remains quite robust. The trade tensions that we are seeing recently may amount to little in substance, but in our discussions with management groups of portfolio holdings there is already uncertainty amongst some as well as reduced confidence for investments. Given the above factors, we maintain a cautious approach in our portfolio positioning, and believe that a diligent approach to security selection with a focus on quality will provide strong support going forward.

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 adheres to the firm's long-standing philosophy and process.

¹ Portfolio characteristics are based on the Global Equity composite; except for Turnover, Yield and Capitalization, which are based on a representative account. Data is for 7 years. Turnover is an average of last 7 calendar years to 12/31/17. Sharpe Ratio was calculated using the Citi 3 Mo. T-Bill. ² Net-of-fees composite returns are calculated by deducting the maximum fee charged from the gross-of-fee return. ³ Prior to January 1, 2016, the benchmark was the MSCI World Gross. The benchmark returns are calculated net of withholding taxes. ⁴ Data based on a representative account.

The Global Equity composite is made up of actual, fee-paying, discretionary portfolios with a market value of over \$5 million CAD. Past performance does not guarantee or indicate future results. The performance information shown reflects the performance of composites of accounts and does not necessarily reflect the performance that any particular account investing in the same or similar securities may have had during the period. Actual account performance is likely to differ from the composite performance shown for a variety of reasons, including but not limited to: differences in market conditions, portfolio turnover and in the number, types, availability and diversity of securities that can be purchased: economies of scale, regulations and other factors applicable to the management of large separate accounts and mutual funds, client-imposed investment restrictions, the timing of investments and cash flows, the deduction of taxes, and other factors. All opinions and estimates contained in this report constitute JFL's judgment as of the time of writing and are provided in good faith. All data, facts and opinions presented in this document may change without notification. No use of the Jarislowsky, Fraser Limited name or any information contained in this report may be copied or redistributed without the prior written approval of JFL.