JARISLOWSKY FRASER

GLOBAL INVESTMENT MANAGEMENT

JF DIVIDEND GROWTH FUND

PROFILE | DECEMBER 31, 2019

Inception Date	**June 30, 2012**
NAV per Unit	**$12.8320**
Quarterly Distribution	**$0.073070**
Fund Size ($M)	**$44.2**
Benchmark	**S&P/TSX Composite**

A Focus on "High-Quality Canadian Leaders"

Our Canadian equity management focuses on large cap, blue chip stocks in non-cyclical industries with strong dividends and steady growth. We tend to de-emphasize cyclical industries and diversify assets across different industries to reduce the concentration in sectors exposed to commodity prices.

Diversification is enhanced by investing in dividend-paying foreign companies in sectors not available in Canada that exhibit consistent growth, high returns, dominant market positions either globally or in their own region, and strong balance sheets in order to reduce financial risks.

PORTFOLIO CONSTRUCTION

- Securities of the Fund are categorized as follows with the holdings limited to the ranges set forth: High-Quality Growth 50%-100%; Cyclical 0%-35%; and Mid to Junior Growth 0%-15%.
- 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%.
- The Fund may invest up to 30% in non-Canadian North American equities.

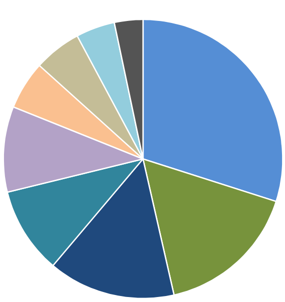
ANNUALIZED PERFORMANCE (%)

As of December 31, 2019	3 mos.	1 yr	2 yrs	3 yrs	5 yrs	7 yrs	Since Inception (06/12)
JF Dividend Growth Fund	3.7	19.5	7.2	6.2	7.1	10.3	10.9
S&P/TSX Composite	3.2	22.9	5.8	6.9	6.3	7.8	8.5

CALENDAR YEAR PERFORMANCE (%)

To December 31st	2019	2018	2017	2016	2015	2014
JF Dividend Growth Fund	19.5	-3.8	4.2	19.3	-1.4	13.0
S&P/TSX Composite	22.9	-8.9	9.1	21.1	-8.3	10.6

SECTOR WEIGHTINGS



- Financials 29.9%
- Energy 16.5%
- Industrials 14.7%
- Information Technology 10.0%
- Consumer Staples 9.9%
- Healthcare 5.6%
- Materials 5.5%
- Consumer Discretionary 4.5%
- Cash & Equivalents 3.3%

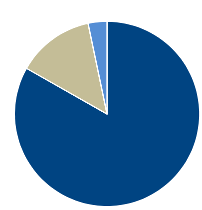
PORTFOLIO CHARACTERISTICS

* 5-year period	Fund	Benchmark
Yield (%)	3.1	3.0
Market Cap (weighted avg. in $B)	$111.5	$50.6
Turnover (5-yr avg. to 12/31/19)	13.5	-
Sharpe Ratio*	0.7	0.6
Standard Deviation*	8.2	10.5
Upside Capture*	90.5	100.0
Downside Capture*	78.6	100.0
Batting Average*	0.6	-

TOP 10 HOLDINGS

	% of Fund
Toronto-Dominion Bank	5.9
Enbridge	5.7
Bank of Nova Scotia	5.3
Royal Bank of Canada	4.6
Brookfield Asset Mgmt.	4.3
Manulife Financial	4.2
Alimentation Couche-Tard	3.9
Thomson Reuters	3.5
CGI Group	3.5
Open Text	3.3
Total for Top 10	**44.1**

ASSET MIX



- Canadian Equities 83.2%
- Foreign Equities 13.5%
- Cash & Equivalents 3.3%

MARKET & ECONOMIC REVIEW

Looking back on 2019, the year started under a dark cloud, with fears that interest rates had risen too far, too fast, and a number of risks needing to be addressed politically, including U.S.-China trade tensions, the USMCA and Brexit, among others. The year finished with movement on all three fronts, as well as lower interest rates in most of the world's major economies, which provided the stimulus for financial markets to generate strong returns for the fourth quarter and for 2019 as a whole.

On the economic front, growth could be characterized as "tepid", with global real GDP growth tracking at 2.8% – the lowest pace in a decade. The US continues to lead the developed economies by a good margin, and will be helped by progress in trade negotiations with China, although policy uncertainty remains in place with Europe. In Canada, growth is trending at around +1.7% per annum, and there is nothing on the near term horizon that is likely to push that significantly higher. The Bank of Canada has refrained from cutting rates this year, preferring to more carefully assess the balance between external issues and domestic resilience; however, the markets are betting on at least one rate cut in 2020.

The fourth quarter saw very strong equity returns, which took many indexes to all-time highs. Positive catalysts in the quarter included tempering of Brexit uncertainty due to a significant majority in the UK election results, progress on the trade front with a U.S.-China "phase one" deal reached, and ongoing monetary accommodation from key central banks globally. Emerging markets fared particularly well as a result, recouping some of the ground given up earlier in the year, in comparison to other equity classes. The Canadian market was a relative laggard, although still posted strong gains for the full year. U.S. markets continued to be very strong, and maintained their lead globally. Over the full year, despite a degree of nervousness and uncertainty, equity markets also generated exceptional returns.

PORTFOLIO REVIEW

In the fourth quarter, the Canadian Equities portion of portfolio slightly outperformed the S&P/TSX Composite Index.

Notable in the quarter was the strong rebound of SNC (+61%), based on improved fundamentals regarding cash flows and margins, along with its strategic decision to gradually exit the construction business that has been responsible for disappointing earnings (because SNC was assuming responsibility for cost overruns). The recently announced legal settlement finally puts an end to that chapter, and enables management to focus on the future. Stantec (+26%) was also a top contributor following a well-received and credible 3-year strategic plan. The company is now well positioned to benefit from the tailwind of numerous engineering projects (water, infrastructure etc…). The main detractors in the quarter were the absence of Canadian Pacific Railway (+13%) and Shopify (+25%) from the portfolio. Gildan (-18%) was another detractor to performance. The company's decline was mainly attributed to cyclical weakness in print wear, due to business clients holding back on purchases given the global uncertainty. Top contributor to performance in the Foreign Equities portion of the portfolio was UnitedHealth (+33%).

INVESTMENT STRATEGY

Looking forward, risks include an election in 2020, the aftermath of impeachment, and a sudden turn towards international adventurism from the President (at least with respect to policy towards Iran). Some key uncertainties remain with Brexit and especially with respect to U.S. – China trade relations.

In this context global investors appear remarkably sanguine and we see the potential for volatility ahead. Despite the ongoing macroeconomic and geopolitical headlines, we continue to focus our abilities where we can add the most value: seeking out quality businesses with sustainable growing economic power. By being patient and opportunistic in our decision-making we aim to provide our investors protection against external shocks and grow capital in a lower risk manner.

In Canada, we have an increasing exposure to Canadian global leaders that operate in non-cyclical industries with secular growth drivers. These companies have strong management teams, balance sheet and cash flow generation providing opportunities for consolidation.

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.

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