

A Focus on High Quality Global Leaders

The international equity portfolio is comprised primarily of large multinational companies that demonstrate global leadership in their industry and have at least US\$1 billion in market capitalization. These companies generally have steady growth rates, high returns on invested capital, dominant world market positions and strong balance sheets, reducing their financial risk.

Our approach targets international companies that benefit from exposure to economies 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 > US\$1B; EM market capitalization > US\$500M.
- Non-index emerging market limited to 15% 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 (%)

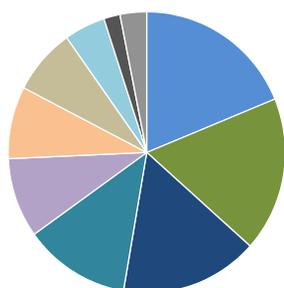
As of December 31, 2019

	3 mos.	1 yr	3 yrs	5 yrs	7 yrs	10 yrs	15 yrs
JF Intl Pooled Fund	6.7	20.6	10.3	9.2	10.9	9.6	6.4
MSCI EAFE Net C\$ ¹	5.9	15.8	8.3	8.1	10.4	7.8	5.6

CALENDAR YEAR PERFORMANCE (%)

To December 31 st	2019	2018	2017	2016	2015	2014	2013
JF Intl Pooled Fund	20.6	-6.7	19.2	-1.2	17.0	3.4	28.2
MSCI EAFE Net C\$ ¹	15.8	-6.0	16.8	-2.5	19.0	3.7	31.0

SECTOR WEIGHTINGS



- Financials 18.8%
- Consumer Staples 17.8%
- Industrials 16.1%
- Health Care 12.4%
- Information Technology 9.2%
- Consumer Discretionary 8.3%
- Materials 7.6%
- Energy 4.8%
- Communication Services 1.9%
- Cash & Equivalents 3.1%

Inception Date	April 1, 1995
NAV per Unit	C\$29.3454 US\$22.6300
Semi-Annual Distribution	C\$0.9252(12/31/19)
Fund Size (\$M)	C\$1,606.6
Benchmark	MSCI EAFE Net ¹

PORTFOLIO CHARACTERISTICS

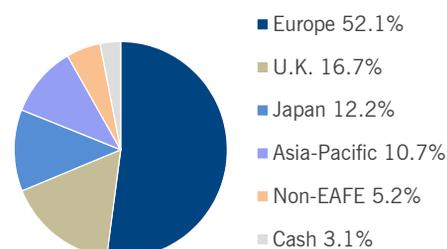
* 5-year period

	Fund	Benchmark
Yield (%)	2.6	3.3
Weighted Avg. Market Cap (\$B)	\$157.2	\$89.0
Turnover (5-yr avg. to 12/31/19)	13.5	-
Sharpe Ratio*	0.7	0.6
Standard Deviation*	11.3	11.2
Upside Capture*	108.5	100.0
Downside Capture*	102.7	100.0
Batting Average*	0.5	-

TOP 10 HOLDINGS

Company	% of Fund
Roche Holdings	4.1
Novartis AG	4.1
Nestlé	4.1
Keyence Corp.	3.8
Unilever NV	3.6
Air Liquide	3.6
Relx PLC	3.5
SAP AG	3.3
Tsuruha Holdings	3.2
Intertek Group	3.0
Total for Top 10	36.2

GEOGRAPHICAL BREAKDOWN



MARKET & ECONOMIC REVIEW

Looking back on 2019, equity markets were buoyant in the fourth quarter as continued sluggish global growth was overlooked in favor of positive developments in the U.S.–China trade dispute and Brexit situation. Despite volatile rhetoric from the U.S., the trade war seemed to be moving slowly in the direction of resolution, perhaps catalyzed by the U.S. election cycle. In the U.K., Boris Johnson and his Conservatives won a convincing majority and provided the markets with increased certainty over the timing of withdrawal from the European Union.

U.S. equities delivered very strong returns with the high-octane Information Technology sector leading the way, as it had all year, fueled in part by the U.S. Federal Reserve's (Fed) mid-cycle easing which appeared to conclude in October. Japan continued to perform well, recovering from weaker results earlier this year. Emerging markets were the region with the strongest performance in the fourth quarter of 2019. Notably, the U.K. market was relatively weak but positive developments in the Brexit saga saw a dramatic recovery in the pound, resulting in strong returns for foreign investors.

Perhaps the most interesting development in 2019 was the expansion in valuation multiples that came as a consequence of strong stock performance against moderate growth. This was most evident in the U.S. market where multiple expansion accounted for effectively all stock gains during the year. Assistance from central banks around the world, which maintained or increased easy money policies, was also an important factor. As a result, valuations, especially in the U.S., are left at elevated levels and likely dependent on earnings growth for material stock price appreciation.

PORTFOLIO REVIEW

During the quarter, the International Pooled Fund outperformed the MSCI EAFE Net index, which had a return of 5.9%. Our portfolio fared better than the index, as a result of strong stock selection in the Industrials (+7.8%), Information Technology (+10.3%), Consumer Discretionary (+7.2%) and Materials (+8.3%) sectors.

One of our more recent additions in the Industrials space, Atlas Copco (+28%), was a top contributor to performance. Atlas is a high quality company with an exceptional culture, driving leading positions in the markets that they operate. Within the Consumer Discretionary sector, Alibaba (+24%) rallied up. Alibaba has significant exposure in China, and as trade tensions eased, there has been increased optimism around the attractive growth prospects for Alibaba's assets. In Materials, Swiss specialty chemicals maker Sika (+26%) was also a strong contributor to performance. Top detractors to performance during the quarter were Anheuser Busch InBev (-15%), Australia & New Zealand Bank (-8%) and Unilever (-6%).

INVESTMENT STRATEGY

While asset markets were particularly vibrant in the fourth quarter, economic data from many core areas continues to be subdued. In the Eurozone, manufacturing and survey data continue to indicate a fairly muted environment. While this data is not generally forward looking, it points to a growing disconnect between asset prices and economic fundamentals, as well as the continued effects of accommodative monetary conditions underpinning much of the current market movements. We are monitoring the recent "stabilization" in European PMI's for a potential positive turn in economic activity in Europe as we move forward.

We continue to maintain a measured approach to both positioning and selection with an emphasis on quality conservative companies. With many of the key worries in the market seemingly moving towards resolution, sentiment has shifted considerably and some valuations have moved towards levels that are more elevated. This should be considered in the context of limited data pointing to any type of meaningful fundamental recovery, which will be needed to justify the recent strong move in equity markets.

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 Dec. 31, 2010 the index used was MSCI EAFE 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.

JF Pooled Funds are only available to Canadian residents. Past performance is not a guide to future performance. Future returns are not guaranteed. Investment return and principal value of an investment in the fund will fluctuate so that an investor's shares when redeemed may be worth more or less than their original cost. This document is prepared by Jarislowsky, Fraser Limited (JFL) and is provided for information purposes only, it is not intended to convey investment, legal, tax or individually tailored investment advice. 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.