JARISLOWSKY FRASER

GLOBAL INVESTMENT MANAGEMENT

Quarterly Report

December 31, 2020

Account

University of Winnipeg Foundation

JF11508

RBC Investor & Treasury Services *

139113002

* Custodian holding the securities for you

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JARISLOWSKY FRASER
GLOBAL INVESTMENT MANAGEMENT

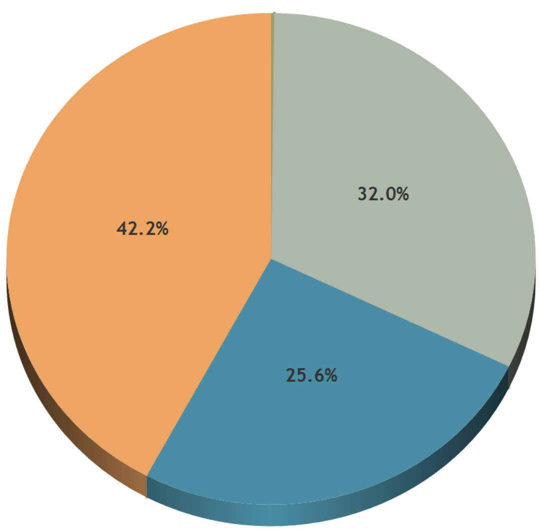
University of Winnipeg Foundation
JF11508

Portfolio Overview

Canadian Dollars
As of Trade Dates: 12/31/2019 - 12/31/2020

Asset Mix	30-Sep-2020 Market Value	30-Sep-2020 % Assets	31-Dec-2020 Market Value	31-Dec-2020 % Assets	Policy Range	Annual Income Estimate	Curr. Yield %
Fixed Income	**42,397**	**33.7**	**42,936**	**32.2**	**30% - 50%**	**1,100**	**2.6**
Cash and Equivalents	114	0.1	267	0.2	**0% - 10%**	0	0.0
Bonds	42,283	33.7	42,669	32.0	**30% - 50%**	1,100	2.6
Equity	**83,235**	**66.3**	**90,331**	**67.8**	**50% - 70%**	**1,064**	**1.2**
Canadian Equity	30,779	24.5	34,078	25.6	**15% - 35%**	684	2.0
Foreign Equity Funds	52,456	41.8	56,253	42.2		380	0.7
Total	**125,632**	**100.0**	**133,267**	**100.0**		**2,165**	**1.6**

Asset Mix as of 12/31/2020



Activity Summary

	Month to Date	Quarter to Date	Year to Date
Beginning Value	**130,874**	**125,632**	**119,440**
Contributions	0	0	0
Withdrawals	0	(197)	(752)
Income	1,450	1,450	2,814
Change in Market Value	942	6,382	11,765
Due to price variations	942	6,382	11,765
Due to foreign exchange variations	0	0	0
Ending Value	**133,267**	**133,267**	**133,267**

Performance Summary

	Month To Date	Quarter To Date	Year To Date
University of Winnipeg Foundation	**1.83**	**6.25**	**12.27**
Benchmark	1.44	5.56	10.21
Value Added	0.38	0.68	2.07

Benchmark as of:
07/31/2018 35.00% MSCI World Index C$ - Net & 40.00% FTSE Canada Universe Bond Index & 25.00% S&P/TSX Composite Index

Note: For more details please refer to the Performance Overview page

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Performance Overview

Gross of Fees | Canadian Dollars
12/31/2020

Performance History

	Month To Date	Quarter To Date	Annualized Latest 1 Year	Year To Date	Annualized Since Inception 1/31/2019
TOTAL PORTFOLIO	**1.83**	**6.25**	**12.27**	**12.27**	**13.74**
Benchmark	*1.44*	*5.56*	*10.21*	*10.21*	*11.30*
Value Added	*0.38*	*0.68*	*2.07*	*2.07*	*2.44*
Bonds	**0.45**	**0.91**	**9.98**	**9.98**	**8.27**
FTSE Canada Universe Bond Index	*0.37*	*0.63*	*8.68*	*8.68*	*7.38*
Canadian Equity	**2.68**	**10.72**	**9.11**	**9.11**	**12.91**
S&P/TSX Composite Index	*1.72*	*8.97*	*5.60*	*5.60*	*9.67*
Foreign Equity Funds	**2.39**	**7.95**	**16.13**	**16.13**	**18.94**
MSCI World Index C$ - Net	*2.48*	*8.69*	*13.87*	*13.87*	*16.14*

***Note(s)**

Benchmark as of:

07/31/2018 35.00% MSCI World Index C$ - Net & 40.00% FTSE Canada Universe Bond Index & 25.00% S&P/TSX Composite Index

Performance Calculation Methodology

- Rates of return are time-weighted, which is a method of measuring performance that is not sensitive to contributions or withdrawals. Returns are calculated daily, using the gross (prior to the deduction of fees) modified Dietz method.
- As of 1/01/2010, returns and index data have been converted using the London 4pm exchange rates. Prior to this date, the Bank of Canada noon exchange rates were used.

The Bank of Nova Scotia (BNS) is the parent company of Jarislowsky, Fraser Limited. BNS securities held in your portfolio are related securities.

Investment Review and Outlook

Highlights

Economic Review

- News of highly effective vaccines, further US federal fiscal support and a Brexit agreement helped to boost investors' risk appetite.
- Interest rate increases over the quarter were concentrated in longer maturities as central banks continue to anchor short rates at very low levels.
- Most developed markets posted strong returns in the quarter, despite spikes in infection rates and tightened restrictions.

Investment Outlook

- While the pace of recovery is expected to slow as a consequence of further COVID-19 outbreaks and the resulting government restriction measures, the impact on economic growth is not expected to be as extreme as it was in 2020.
- Financial markets are not showing significant signs of distress following the surge in virus infections, likely owing to the early deployment of vaccines that allows investors to look past current concerns.
- Policy makers will need to strike a delicate balance between short-term needs and the longer-term impacts of the toll the pandemic has taken on country finances.

Economic Review

The resilience of the economic recovery continues to provide a positive backdrop for financial markets. The final quarter of the year saw relatively strong gains posted by both equities and corporate bonds, capping off an extraordinary year. News of highly effective vaccines, further US federal fiscal support and a Brexit agreement helped to boost investors' risk appetite. In Canada, economic growth increased by 8.9% in the third quarter, coming off an 11.3% decline in the second quarter, but still leaving GDP 5.2% lower than it was at the end of the third quarter 2019. Globally, growth in the quarter was much the same although, broadly speaking, China and Asia are faring much better than the rest of the world. The US dollar continued its slide, which is not surprising given that it typically rises during periods of uncertainty and declines in stronger market environments.

Bond Markets

During the quarter, the Canadian bond market increased 0.6%, registering a more modest return for the quarter but a solid 8.7% gain for the year. Corporate and provincial bonds continued to outperform their federal counterparts. The improving economic prospects raised risk appetites, as did the negative real yields on the highest quality bonds around the world. In general, interest rates rose in the quarter although the increases were concentrated in longer maturities as central banks continue to anchor short rates at very low levels. Within the corporate sector, the strongest returns came from past laggards, as shown by the outperformance of energy and real estate companies. The more defensive names trailed the broader market, in particular corporate bonds of utility and telecommunications companies.

Equity Markets

The fourth quarter continued to see strong gains for global equity markets, with most firmly set in positive territory for the calendar year. Emerging markets led the way (+19.7% in USD), with renewed risk appetite along with better virus containment in key Asian economies, notably China. The Canadian market also posted strong returns (+9.0%) as the Financials and Energy sectors recovered strongly. This was despite a notable weakness in gold-related equities as the precious metal retreated from its highs. While US markets were positive, gains were slightly behind other developed markets in the quarter. Most other developed markets posted strong returns in the quarter as well, despite spikes in infection rates and tightened restrictions.

From a sector standpoint, major rebounds were seen in the Energy and Financial sectors around the world, two areas particularly hard hit during the early stages of the pandemic. In the case of the Financial sector, progress around the development of vaccines has provided hope in the medium term around manageable provisioning for loan losses and the resumption of dividends in some regions. Lagging sectors were those that provided most support early in the pandemic, including Consumer Staples and Healthcare. Overall, most markets staged a vigorous rally from the lows of March 2020 to end firmly in positive territory, despite the volatility brought on by the global pandemic.

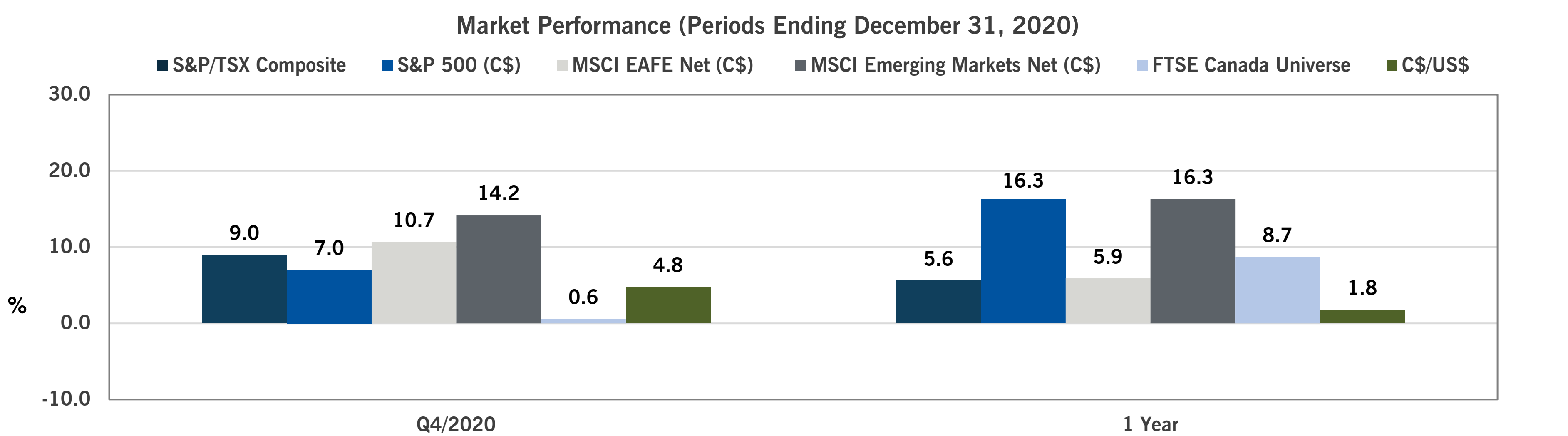
Outlook

While the pace of recovery is expected to slow as a consequence of further COVID-19 outbreaks and the resulting government restriction measures, the impact on economic growth is not expected to be as extreme as it was in 2020. This is due to continued strong policy support: central banks have not even hinted about raising interest rates and the US government is on the cusp of implementing its second largest fiscal stimulus program ever. Savings rates are close to 70-year highs in the US, which suggests that when businesses are fully re-opened and consumers are free to spend as they choose, there will be an extraordinary surge in demand. Supply of services, in particular, will likely be constrained so we expect to see an uptick in inflation, although it may be more of a temporary swell than persistent and repeating pressure.

Financial markets are not showing significant signs of distress as a result of the surge in virus infections, likely owing to the early deployment of vaccines that allows investors to look past the current concerns. Businesses have also seen how quickly the economy recovered from the first wave and, with the promise of vaccines in hand, are more willing to stretch past the valley of the second wave.

Undoubtedly, the prospects for the upcoming year and beyond will depend heavily on the rollout and effectiveness of the various COVID-19 vaccine options. In conjunction with this will be the willingness and ability of central banks and governments to keep monetary and fiscal conditions very easy as economies attempt to re-emerge from the pandemic. Policy makers will need to strike a delicate balance between short-term needs and the longer-term impacts of the toll the pandemic has taken on country finances. A definitive outcome around the US elections calmed another major uncertainty, but as Joe Biden is set to take the presidency, it will be important to assess his major policy platforms on such areas as global trade, regulation on big technology and healthcare.

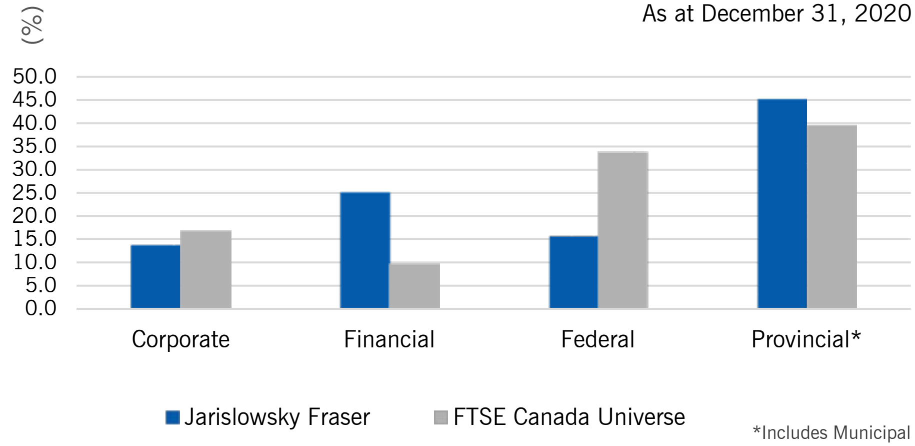
As we look ahead, we continue to believe the market remains fertile ground for active management. Against a relatively positive economic backdrop is a market environment where valuations are elevated, leaving a modest risk premium or margin for error should, for example, the pandemic or virus take a turn for the worse. Our perspective is that, in many cases, a speedy recovery has already been priced in, while in other instances the market is extrapolating what may be temporary trends for a long period into the future. Finally, while we all hope to put the difficulties of 2020 in the rear view mirror, there are going to be some positive permanent changes in behavior, where some companies will see sustainable, long-term benefits.



Portfolio Review

FTSE Canada Universe Sector Performance December 31, 2020		
Sector Index	**Q4**	**1 Year**
Short-term	0.5	5.3
Mid-term	0.6	10.1
Long-term	0.8	11.9
Universe	**0.6**	**8.7**

As at December 31, 2020



*Includes Municipal

The Fossil Fuel Free bond portfolio outperformed its FTSE Universe benchmark for the quarter, and ended the year with a strong performance relative to the benchmark. The higher allocation to corporate and provincial bonds was the major contributor to the strong value-add. Individual security selection and the allocation to Real Return bonds also contributed positively to the relative performance, as did the slightly smaller exposure to interest rate risk.

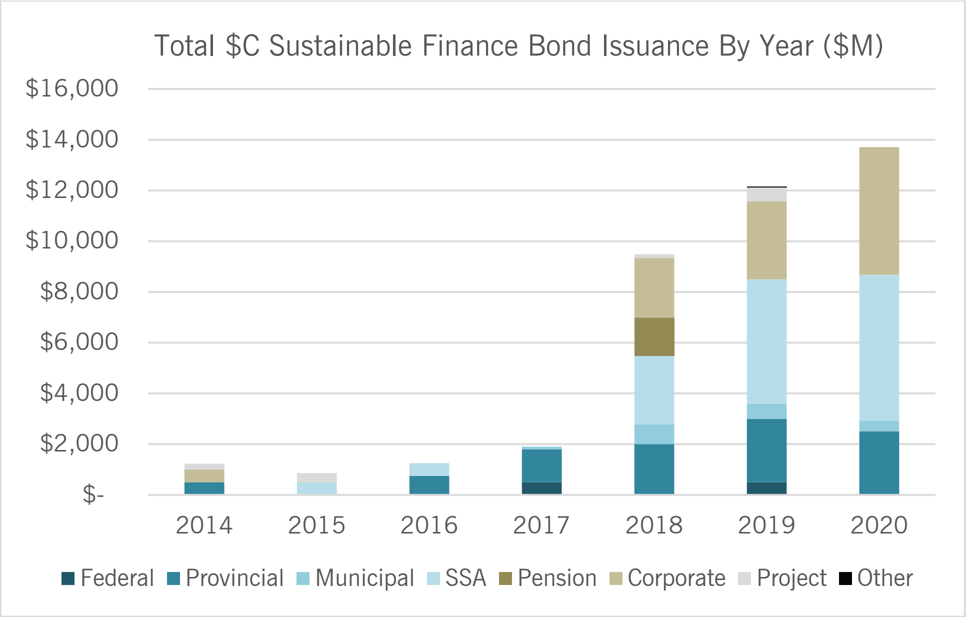
Annualized Returns for Periods Ending December 31, 2020					
	Q4 (%)	**1 Year** (%)	**2 Years** (%)	**3 Years** (%)	**S.I.*** (%)
Total Portfolio	**0.9**	**10.0**	**8.7**	**6.3**	**5.2**
FTSE Canada Universe	0.6	8.7	7.8	5.6	4.8

*Since Inception date: 03/31/17
Rates of return have been calculated using the NAV and are reported gross of fees.

Sustainable Finance Bonds – Market Review

Though 2020 as a whole saw a continuation in the upward trajectory of Canadian-dollar sustainable finance bond issuance, Q4 2020 was a light quarter for sustainable finance bond issuance in Canada. There were no new sustainable finance bonds added to the FFF Bond portfolio last quarter.

The market for sustainable finance ("SF") bonds has developed rapidly in Canada, with annual issuance growing from $1.2 billion in 2014 to $13.7 billion in 2020. In 2020, we again saw sub-sovereign, supranational and agency (SSA) bonds lead the way, with 42% of issuance. The largest issuer was the International Bank for Reconstruction and Development (World Bank), which issued over $3.7 billion worth of sustainability bonds, issues in which JFL was an active participant. The three largest SF bond issuers in the Canadian market are the World Bank, the Province of Ontario and the Province of Quebec. The total $C sustainable finance bond market is now $39.1 billion, which is impressive but still tiny compared to the total Canadian bond market of approximately $1.9 trillion. In fact, only 1.9% of the FTSE Canada Universe Bond Index was comprised of SF bonds as of the end of 2020. In comparison, 28.7% of the FFF Bond Fund is currently comprised of SF bonds, of which 26.3% are green bonds and 2.4% are sustainability bonds.


Total $C Sustainable Finance Bond Issuance By Year ($M)
$16,000
$14,000
$12,000
$10,000
$8,000
$6,000
$4,000
$2,000
$-
2014
2015
2016
2017
2018
2019
2020
Federal
Provincial
Municipal
SSA
Pension
Corporate
Project
Other

Portfolio Review

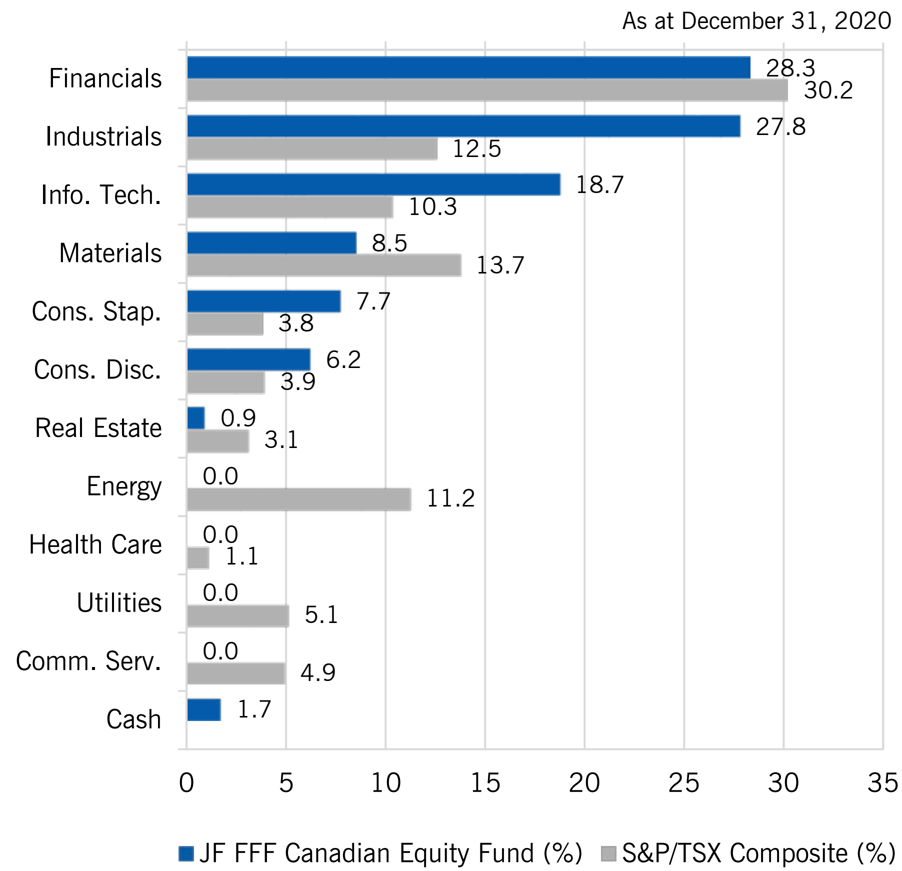
The Fossil Fuel Free Canadian equity portfolio outperformed the S&P/TSX Composite Index in the fourth quarter, attributable largely to a contraction in gold stocks and a rebound in stocks that were significantly impacted by the pandemic, many in which we increased our positions over the course of the year. The decline in gold stocks (-15.5%) was likely attributable to the price of gold retreating from its yearly high following approval of COVID-19 vaccines. While we know that other factors affect the price of gold, such as the US dollar and inflation expectations, we continue to believe that the price of gold is unsustainable at these levels if the vaccines are effective at eventually eliminating the pandemic.

Our top contributors this quarter were **CAE** (+81%), **WSP Global Inc** (+38%), **Gildan** (+36%) and **Magna** (+49%), all of which were caught in the economic throes of the pandemic. **CAE** benefitted from improved sentiment given the COVID-19 vaccine announcements, and government help toward many airlines in the world. As a result, many airlines have stopped reducing staff, creating pent-up demand for pilot training. The company also benefitted from a successful equity issuance to fund the acquisition of Flight Simulation Company in Europe, with management indicating other acquisitions were possible, which we believe reflects good capital allocation discipline.

Gildan continued to progress strongly from its lows, producing a much better than expected recent quarter that showed sales and company fundamentals were firmly improving and trending strongly. The company seems to be taking market share with heavy promotions and access to new retail and e-commerce sales channels, as corporate promotional spend, travel and events are still under pressure. **Magna**, a company we added to the portfolio this year, is benefitting from a recovery in global vehicle production that is ramping up more quickly than expected following Q2 shutdowns, as OEMs (original equipment manufacturers) rebuild inventories. Longer term, the company is well positioned to gain market share, as its recent win to assemble Fisker electric cars would suggest and its past investments in ADAS (advanced driver assistance systems) technology continue to pay off.

Annualized Returns for Periods Ending December 31, 2020	Q4 (%)	1 Year (%)	2 Years (%)	3 Years (%)	S.I.* (%)
Total Portfolio	**10.7**	**9.1**	**16.4**	**9.0**	**9.6**
S&P/TSX Composite	9.0	5.6	13.9	5.7	6.9

*Since Inception date: 05/31/17
Returns 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. Returns for periods greater than 1 year are annualized.



On an annual basis, our portfolio outperformed the benchmark index. Significant contributors to performance for the 2020 calendar year included the absence of Energy, strong performance from our Industrial companies, and specific stocks that we added to, such as **Magna, CAE**, and **WSP**. With Canada attracting high talent amongst developed countries, it is not surprising to see an increasing number of investable Canadian global technology companies. This year, **Enghouse** (+29%) and **Descartes (+34%)**, performed very strongly, with the common denominator being improved corporate productivity, especially with the new COVID realities, which are structural, such as increased e-commerce penetration and more labor flexibility. Some offset to performance was attributable to the strong performance of Materials, where the companies we hold (**CCL, Winpak** and **Nutrien**) could not match the rapid progression of pure Material stocks, most of which are gold stocks. Our underweight position in **Shopify** was another headwind, as it almost tripled in one year and is now the largest stock in the S&P/TSX. While we believe **Shopify** is a great global company with an interesting and enduring competitive advantage, and perhaps represents the stock with highest expected growth in our portfolio over the next 10 years, we are mindful of valuation when adding to our positions.

Noteworthy Changes

During the quarter, we initiated a position in **Boyd Group Services**, a leader in the North America auto repair and body shop industry. Please see below for more detail.

Boyd Group Services (BYD)

Industrials; Commercial Services & Supplies

Market & Industry: The North American repair industry is a $56B CAD business ($40B USD). The industry is fragmented, with the top three players owning about 16% of the industry and dealers another 17%, leaving 77% independent repair shops. This means roughly 27K shops are available to be acquired. Small single shops represent about 61% of the market with MSO (Multi Store Owners) another 10%. Boyd is the second largest player with about 4% share while the largest is now the newly merged CaliberAbra with 10% share and about 1,000 shops across NA. The third largest is Service King at about 3%. Boyd is the only publicly traded competitor - the other two above are owned by private equity and sport leverage levels in the 4-7x, range making incremental M&A a little tougher relative to Boyd's financial position.

Company: Boyd Group Services is the only public auto repair and body shop operating a non-franchised model throughout the United States (85%) and Canada (15%). It is quite simply a geographically diversified pool of body and glass repair shops with a very seasoned business development strategy as acquisitive growth has made this a success over time. It operates through several brand names: Boyd, Gerber Collision, Assured and Glass America with some micro banners within this group of brands. It sources 90% of its revenues from insurance companies and has the scale of certain expensive machines, creating hub-and-spoke arrangements in geographies and barriers to entry for the smaller players.

Management: Brock Bulbuck was the CEO for the last decade until stepping down in 2019. He joined the company in 1993 and was essential to its growth from its earliest days. He was also governor of the CFL. He is now Executive Chair and is no longer involved in decision-making (sits in Winnipeg) unless the new CEO Tim O'Day asks for his help. Tim O'Day came into the company through the Gerber Acquisition in 2004 and was COO prior to being nominated CEO in January 2020.

Valuation: We base our valuation on EV/EBITDA. It is currently valued around 15X forward EBITDA but the price has come up since we began initiating the positon. We realize that M&A will be higher than expected in the short term due to the competitive landscape and are comfortable buying this long-term compounder at current valuations.

ESG Considerations: Boyd's strong corporate governance, including a majority independent board with committees comprised completely of independent members, has led to policies and practices that address the material ESG risks of its industry well.

Boyd is an industry leader in using the most environmentally friendly paints as well as disposal techniques for auto fluids. Collision repair necessarily involves hazardous substances, and Boyd has regular independent audits to ensure it is complying with all of its environmental, health and safety policies. While the company does not disclose its carbon emissions, it does exceed regulations in many jurisdictions by using waterborne, low-VOC paint in 98% of its shops. Its "WOW operating way" ensures disposals are held to the highest of industry standards.

Boyd has robust anti-corruption policies and procedures to ensure that contracts are procured ethically.

Boyd works directly with P&C insurers to ensure the safest of operating environments for its employees and customers.

Climate Spotlight

When we initiated a position in Magna International in the second quarter of 2020, part of our investment thesis was its capabilities in electric and hybrid vehicles. Since the initiation, several events have proven that Magna is becoming a leader in powering the electric vehicle transition.

In October 2020, Magna announced a partnership with Fisker Inc. whereby Magna received a 6% stake in the electric vehicle company and will help engineer and produce its fully electric Ocean SUV, leveraging Magna's EV expertise and EV4 powertrain platform. Magna's EV architecture allows for a range of 590 km, helping to overcome a key barrier to EV adoption. The SUV will hit markets in 2022 and be the first of Fisker's slate of EV options.

In December 2020, Magna announced a joint venture with LG Electronics to produce a global portfolio of EV components and an entire electrified powertrain, including electric motors, inverters and chargers, as well as electric-drive systems under the LG Magna e-Powertrain brand. LG Electronics EV components are used by the Jaguar I-Pace and Chevy Bolt. At the recent CES, Magna announced that its active aerodynamic system reduces emissions and extends the range for EVs, resulting in 3.8 million tonnes of CO2e in emission reductions and further enabling the electric transition.

These new partnerships, combined with Magna's existing ventures, innovations and OEM contracts, further its strategy of being at the forefront of electrification.

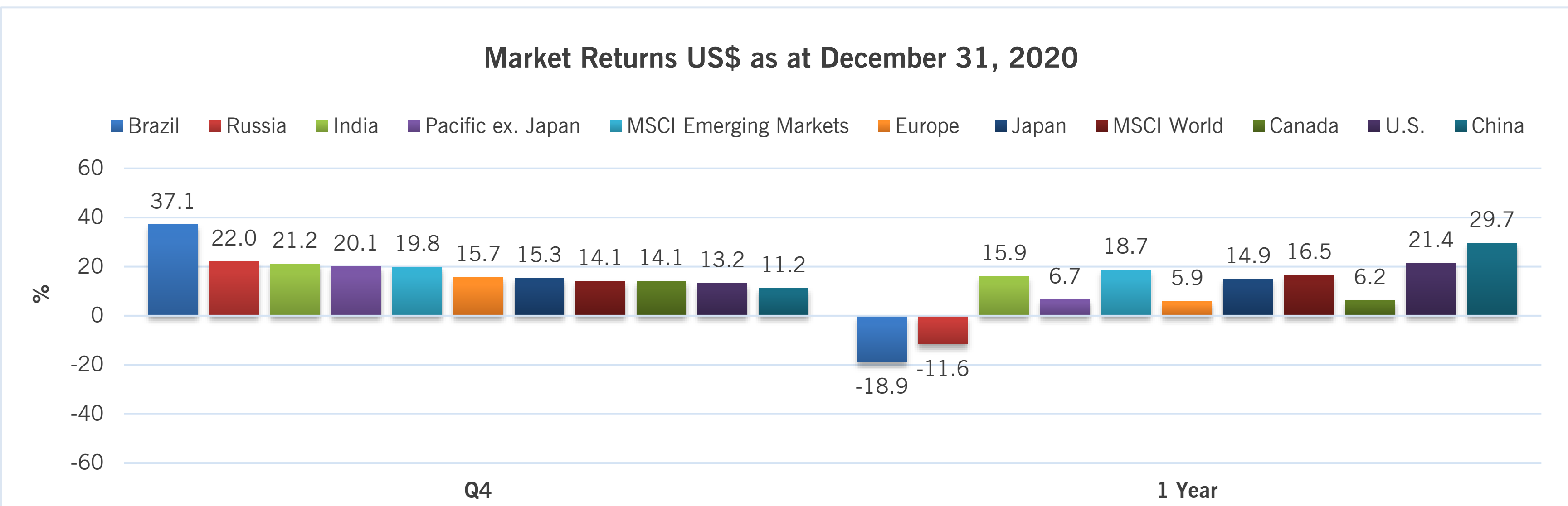
Equity markets around the world were notably strong in the fourth quarter, with the MSCI World Index up 14.0% in USD. With good news on vaccines, markets increasingly bet that any economic weakness induced by the pandemic will not outlast the will of policymakers to maintain stimulus. Further, markets are assuming that central banks' efforts to keep interest rates extremely low for an extended period of time will not be confounded by signs of inflation as the global economy heals. Given elevated valuations in many markets, significant volatility lies in store if investors' hopes are dashed.

Other asset markets largely echoed developments in equities, as commodities like oil (Brent Crude up 27% in USD) rebounded strongly on hopes of economic gains coming out of the pandemic. Longer term interest rates perked up in the U.S., as investors moderated bets on a flat curve considering the potential for inflationary effects stemming from the massive and ongoing fiscal stimulus measures. This helped rate-sensitive financials, which have lagged the market significantly this year.

Portfolio Review

During the fourth quarter, the Fossil Fuel Free Global Equity portfolio slightly lagged the MSCI World Daily Index 8.0% vs. 8.7% (in CAD). With two vaccines already being administered in the West before year-end, and the potential for a continued economic recovery in 2021, cyclicals performed best in the quarter. The hard-hit Energy (+21.3%) sector led the way, while other leaders included Financials (+18.4%) and Materials (+10.5%). The portfolio enjoyed strong performance in the Financial sector, but it was not enough to overcome the strong "risk-on" rally in the market. In particular, the overweight in the more defensive Health Care (+2.0%) and Consumer Staples (+1.7%) sectors hurt, as did the typically underweight positioning in the highly cyclical Materials area and the absence in Energy.

In terms of companies, the biggest headwinds came from a rotation out of "COVID winners" like **Facebook** (-1%), **Microsoft** (+1%), **Amazon** (-1%), and **Alibaba** (-24%), the latter of which also suffered from increased regulatory attention. Information Services holdings like **RELX** (+5%) and **Verisk** (+7%) lagged as investors favored capital goods cyclicals like **Fanuc** (+23%) within the



portfolio. Although not enough to fully offset this weakness, we have been adjusting and increasing the positioning in Financials somewhat over the past year, and saw an early benefit as **Chubb** (+27%), **Bank OZK** (+42%), and **HDFC Bank** (+29%) all performed strongly in a favorable interest rate environment.

For the year, the portfolio outperformed the index by more than 2%. The underweight in sectors that were dramatically affected by COVID, like Energy and Real Estate, was beneficial. Not owning Apple, which alone represented almost a two percentage point headwind to relative performance, masked good stock picking in Industrials and Financials (e.g. **Copart**, **Verisk**, **Interactive Brokers**, and **AIA Group**).

Noteworthy Changes

There were no new positions established in the fourth quarter, but we exited **Anheuser-Busch** and **Costco**. While Anheuser-Busch has rebounded smartly from overblown concerns regarding indebtedness following the SABMiller deal, its size and market share as well as a slower growth outlook for beer consumption constrains its ability to grow and add value via acquisitions. On the other hand, while Costco may have continued attractive growth in the future, consumer and investor interest has been well stoked due to the pandemic, and its high valuation suggests only modest expected investment returns. Funds were reallocated to a diversified roster of existing holdings.

Climate Spotlight

Sika AG is demonstrating climate leadership by targeting two of the most carbon intensive sectors: the transportation and buildings & construction sectors. According to the International Energy Agency, the buildings & construction sector is responsible for almost 40% of energy- and process-related emissions.

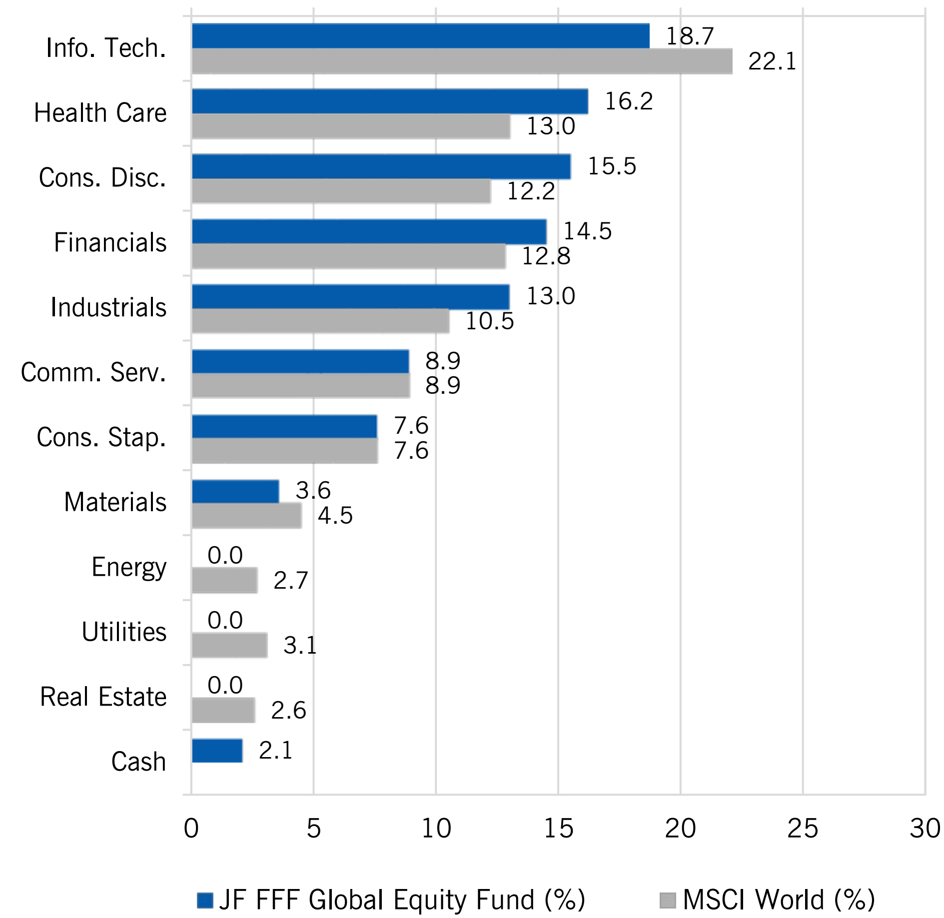
In particular, the cement industry is very water- and carbon-intensive, responsible for an estimated 5-8% of global emissions. Sika produces admixtures that improve the resource efficiency of this integral construction material, meaning that less cement is needed and less waste is generated in each project. Moreover, its products

Annualized Returns for Periods Ending December 31, 2020

	Q4 (%)	1 Year (%)	2 Years (%)	3 Years (%)	S.I.* (%)
Total Portfolio	**8.0**	**16.1**	**19.6**	**13.6**	**13.3**
MSCI World Net	8.7	13.9	17.5	11.2	11.1

*Since Inception date; 03/31/17
Returns have been calculated using the net asset value (NAV), are gross of management fees and in Canadian dollars. Returns for periods greater than 1 year are annualized. C$ Index returns and NAV values have been calculated using the London 4PM closing FX rates.

As at December 31, 2020



enhance the durability and longevity of concrete structures and infrastructure, limiting the use of new resources to replace the embedded carbon in existing structures.

Sika has a target of having all new product developments include positive sustainable solutions by 2023. Some exciting innovations to date include a bio-based superplasticizer that reduces the amount of water and cement needed to make concrete, and cement-reduced tile adhesives that are estimated to save almost 80,000 tonnes of CO2e emissions per year. In the transportation sector, another huge contributor to global emissions, Sika's products aid in reducing emissions through lightweighting automobiles and supporting the safety and longevity of electric motors and batteries with heat-conductive materials.

These innovations help Sika's clients reduce their carbon emissions while also putting Sika on track to meet its 2023 targets of reducing carbon emissions by 12% and water consumption by 15% per tonne of product sold.

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.

The Bank of Nova Scotia (BNS) is the parent company of Jarislowsky, Fraser Limited. BNS securities held in the portfolio are related securities.

Sources: Jarislowsky, Fraser Limited, MSCI Inc., S&P Financial Services LLC. TSX Inc., PC Bond Analytics, Global Industry Classification Standard (GICS) by MSCI and Standard and Poor's, Wilshire Atlas Analytics, Bloomberg, RBC Capital Markets.

Portfolio Appraisal

University of Winnipeg Foundation
JF11508

Canadian Dollars
As of Trade Date: 12/31/2020

Security Description	Book Value: Local Unit Cost	Book Value: Total Cost (CAD)	Market Value at 30-Sep-2020: Quantity	Market Value at 30-Sep-2020: Market Value (CAD)	Market Value at 31-Dec-2020: Quantity	Market Value at 31-Dec-2020: Price	Market Value at 31-Dec-2020: Market Value (CAD)	% of Asset Class	% of Total	Annual Income Estimate (CAD)	Current Yield %
FIXED INCOME		**39,423**		**42,397**			**42,936**		**32.2**	**1,100**	**2.6**
Cash and Equivalents		**267**		**114**			**267**	**100.0**	**0.2**	**0**	**0.0**
Canadian Dollars		267		114			267	100.0	0.2		0.0
Bonds		**39,156**		**42,283**			**42,669**	**100.0**	**32.0**	**1,100**	**2.6**
JF Fossil Fuel Free Bond Fund	9.90	39,156	3,881	42,283	3,955	10.79	42,669	100.0	32.0	1,100	2.6
EQUITY		**69,007**		**83,235**			**90,331**		**67.8**	**1,064**	**1.2**
Canadian Equity		**28,387**		**30,779**			**34,078**	**100.0**	**25.6**	**684**	**2.0**
Group 1		**28,387**		**30,779**			**34,078**	**100.0**	**25.6**	684	**2.0**
Pooled Funds		**28,387**		**30,779**			**34,078**	**100.0**	**25.6**	684	**2.0**
JF Fossil Fuel Free Canadian Equity Fund	10.45	28,387	2,679	30,779	2,718	12.54	34,078	100.0	25.6	684	2.0
Foreign Equity Funds		**40,620**		**52,456**			**56,253**	**100.0**	**42.2**	**380**	**0.7**
Group 1		**40,620**		**52,456**			**56,253**	**100.0**	**42.2**	380	**0.7**
Pooled Funds		**40,620**		**52,456**			**56,253**	**100.0**	**42.2**	380	**0.7**
JF Fossil Fuel Free Global Equity Fund C$	10.71	40,620	3,807	52,456	3,794	14.83	56,253	100.0	42.2	380	0.7
Total Portfolio		**108,430**		**125,632**			**133,267**		**100.0**	**2,165**	**1.6**

Portfolio Appraisal

University of Winnipeg Foundation
JF11508

Canadian Dollars
As of Trade Date: 12/31/2020

Security Description	Book Value: Local Unit Cost	Book Value: Total Cost (CAD)	Market Value at 30-Sep-2020: Quantity	Market Value at 30-Sep-2020: Market Value (CAD)	Market Value at 31-Dec-2020: Quantity	Market Value at 31-Dec-2020: Price	Market Value at 31-Dec-2020: Market Value (CAD)	% of Asset Class	% of Total	Annual Income Estimate (CAD)	Current Yield %
SUMMARY											
Fixed Income		**39,423**		**42,397**			**42,936**		**32.2**	1,100	**2.6**
Equity		**69,007**		**83,235**			**90,331**		**67.8**	1,064	**1.2**

The Bank of Nova Scotia (BNS) is the parent company of Jarislowsky, Fraser Limited. BNS securities held in your portfolio are related securities.

FIXED INCOME

Purchases

Trade Date	Settle Date	Quantity	Security	Unit Cost	Total Cost
Canadian Dollars					
Reinvestments					
12/31/2020	12/31/2020	22.988	JF Fossil Fuel Free Bond Fund	10.79	248.03
12/31/2020	12/31/2020	50.163	JF Fossil Fuel Free Bond Fund	10.79	541.24
Sub-total					**789.27**
Total - Purchases CAD					**789.27**

Dividends

Trade Date	Pay-Date	Security	Amount
Canadian Dollars			
Pooled Fund Distributions			
12/31/2020	12/31/2020	JF Fossil Fuel Free Bond Fund	248.03
Sub-total			**248.03**
Total - Dividends CAD			**248.03**

Capital Gain Distributions

Trade Date	Pay-Date	Security	Amount
Canadian Dollars			
Pooled Fund Distributions			
12/31/2020	12/31/2020	JF Fossil Fuel Free Bond Fund	541.24
Sub-total			**541.24**
Total - Capital Gain Distributions CAD			**541.24**

Transaction Summary

Canadian Dollars
As of Trade Dates: 10/1/2020 - 12/31/2020

CANADIAN EQUITY

Purchases

Trade Date	Settle Date	Quantity	Security	Unit Cost	Total Cost
Canadian Dollars					
Reinvestments					
12/31/2020	12/31/2020	12.506	JF Fossil Fuel Free Canadian Equity Fund	12.54	156.83
12/31/2020	12/31/2020	25.807	JF Fossil Fuel Free Canadian Equity Fund	12.54	323.63
Sub-total					**480.46**
Total - Purchases CAD					**480.46**

Dividends

Trade Date	Pay-Date	Security	Amount
Canadian Dollars			
Pooled Fund Distributions			
12/31/2020	12/31/2020	JF Fossil Fuel Free Canadian Equity Fund	156.83
Sub-total			**156.83**
Total - Dividends CAD			**156.83**

Capital Gain Distributions

Trade Date	Pay-Date	Security	Amount
Canadian Dollars			
Pooled Fund Distributions			
12/31/2020	12/31/2020	JF Fossil Fuel Free Canadian Equity Fund	323.63

CANADIAN EQUITY

Capital Gain Distributions

Trade Date	Pay-Date	Security	Amount
Sub-total			**323.63**
Total - Capital Gain Distributions CAD			**323.63**

FOREIGN EQUITY

Purchases

Trade Date	Settle Date	Quantity	Security	Unit Cost	Total Cost
Canadian Dollars					
Reinvestments					
12/31/2020	12/31/2020	8.838	JF Fossil Fuel Free Global Equity Fund C$	14.83	131.03
12/31/2020	12/31/2020	3.338	JF Fossil Fuel Free Global Equity Fund C$	14.83	49.49
Sub-total					**180.52**
Total - Purchases CAD					**180.52**

University of Winnipeg Foundation
JF11508

Transaction Summary

Canadian Dollars
As of Trade Dates: 10/1/2020 - 12/31/2020

FOREIGN EQUITY

Sales

Trade Date	Settle Date	Quantity	Security	Unit Cost	Total Cost	Unit Price	Proceeds	Gain/Loss	FX Rate	Canadian Dollars Proceeds	Canadian Dollars Gain/Loss
Canadian Dollars											
10/26/2020	10/28/2020	25.226	JF Fossil Fuel Free Global Equity Fund C$	10.69	269.72	13.87				350.00	80.28
Sub-total					**269.72**					**350.00**	**80.28**
Total - Sales CAD					**269.72**					**350.00**	**80.28**
Total Sales										**350.00**	**80.28**

Dividends

Trade Date	Pay-Date	Security	Amount
Canadian Dollars			
Pooled Fund Distributions			
12/31/2020	12/31/2020	JF Fossil Fuel Free Global Equity Fund C$	131.03
Sub-total			**131.03**
Total - Dividends CAD			**131.03**

Capital Gain Distributions

Trade Date	Pay-Date	Security	Amount
Canadian Dollars			
Pooled Fund Distributions			
12/31/2020	12/31/2020	JF Fossil Fuel Free Global Equity Fund C$	49.49
Sub-total			**49.49**
Total - Capital Gain Distributions CAD			**49.49**

OTHER TRANSACTIONS

Expenses

Trade Date	Settle Date	Security	Amount
Canadian Dollars			
Management Fees			
10/29/2020	10/29/2020	Management Fee	196.76
Sub-total			**196.76**
Total - Expenses CAD			**196.76**

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Disclosures and Definitions

JARISLOWSKY FRASER
GLOBAL INVESTMENT MANAGEMENT

This Portfolio Report is produced by Jarislowsky, Fraser Limited (“JFL”). It should not be used for audit or tax purposes. The custodian of the account maintains the book of record for the securities in the portfolio. Please review the report carefully and notify us in writing of any errors or discrepancies. The information in this report is taken from our records and other sources believed to be reliable.

IMPORTANT NOTES REGARDING THE INFORMATION PROVIDED IN THIS REPORT

- In order to properly track performance information, all data is listed as of the Trade Date. Most custodial statements are run as of Settlement Date. Cash values may therefore include the impact of trades which will settle at a future date.
- Unless otherwise indicated, all data is expressed in the reporting currency, indicated at the top right corner of each page.
- The Market Value in this report has been determined based on JFL’s Valuation Policy. A copy of this Policy is available on request.
- The Total Market Value listed includes accrued interest and dividends, as these amounts are receivable as of the report date.
- The Total Cost of securities purchased by JFL reflects the book cost, or original purchase cost, adjusted for corporate actions and distributions. Total Cost information for securities purchased prior to JFL’s management of the portfolio, or for securities transferred in from another source, may not be accurate. Where available, the cost data in our systems is matched with that listed by your custodian through an automatic feed and is reconciled on a quarterly basis. We recommend that you review this information and notify JFL of any discrepancies.
- If cost information was not provided to JFL, or if only partial data is available, then the “transfer in” price, using that day’s foreign exchange rate, when applicable, has been entered as the cost. The “transfer in” price is the market value of the security at the time it was transferred to our books. If your custodian only provided us with the foreign cost, then the “transfer in” price in the reporting currency was calculated by using the exchange rate as of the date the securities were transferred to our books. If the “transfer in” price was used, or if a foreign exchange conversion was made, the security is identified by a footnote in the Portfolio Appraisal report to indicate that the cost shown is not the true book cost.
- Realized gains and losses are calculated using the Total Cost information as described above. We cannot guarantee the accuracy of these calculations except for securities purchased by JFL.
- All conversions use the London 4 pm exchange rate as this is the rate used by the largest index providers.

DEFINITIONS

Change in Market Value – this is the change in the market value of the portfolio between the start date, as indicated, and the date of the Portfolio Report. It includes any unrealized and realized gains, as well as the impact of currency fluctuations.
Contributions – include all cash contributions as well as the market value of all securities contributed to the portfolio during the period. Details of all such transactions for the current period can be found in theTransaction Summary.
Currency Conversion – this represents foreign exchange transactions executed directly by JFL. In addition, if you have chosen not to open a cash account in the currency of the transaction, or if this option was not available at your custodian, these transactions are required to convert foreign income payments or security transactions which appear elsewhere in the Transaction Summary.
Current Yield – this is the Estimated Annual Income divided by the Market Value of the security or asset class as of the report date. Please note that our system will always take the most recent dividend rate on file as of the time the report is generated. Reports for prior periods will therefore reflect the most current dividend rates, and will not accordingly reflect the rate as of the reporting period indicated.
Estimated Annual Income – this is the total of dividend or interest income expected to be received if each listed security is held for a full year. For fixed income securities this is the coupon times the quantity held. For equity securities this is the dividend rate at the time the report was printed (noted at bottom left of report) times the quantity held. As dividend rates may fluctuate, the estimate will also vary.
Income – this is all income accrued during the reporting period and includes any pending dividends, therefore it may not reconcile with your custodial statement.
Pending Dividends – these are dividends accrued to the portfolio as of the report date but not yet received. Accrued dividends are included and reported as Cash & Equivalents. Details of each of these dividends, and their expected payment date, are listed on the Transaction Summary report.
Pending Purchases/Sales – these include transactions traded during the period but which will only settle after the report date. They are contractual obligations of the portfolio. As this report is run on a Trade Date basis, the resulting impact on the security and cash is included and will therefore differ from your custodial statement.
Withdrawals – include all cash withdrawals as well as the market value of any securities transferred out of the portfolio during the period. Withdrawals include any expenses, including fees paid directly from the portfolio to JFL. Details of all such transactions for the current period can be found in the Transaction Summary.

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Jarislowsky, Fraser Fossil Fuel Free Bond Fund

Issuer	CPN %	Earliest Call / Maturity Date	Shares / Units	Average Unit Cost	Total Cost at Purchase	Price	Current or Market Value	% of Total
Federal Bonds								
Canada Housing Trust	2.350	06/15/2027	901,000	109.815	989,433	109.946	990,611	1.4
Canada Housing Trust	1.750	06/15/2022	562,000	102.511	576,112	102.217	574,457	0.8
Canada Housing Trust	1.750	06/15/2030	528,000	106.071	560,057	106.570	562,688	0.8
Canada Housing Trust	1.950	12/15/2025	474,000	106.309	503,905	106.474	504,686	0.7
Canada Housing Trust	2.550	12/15/2023	356,000	106.418	378,848	106.350	378,605	0.5
Canada Housing Trust	2.650	12/15/2028	330,000	112.174	370,175	113.432	374,326	0.5
Canada Housing Trust	0.950	06/15/2025	45,000	100.952	45,428	101.749	45,787	0.1
Canadian Government Bond	5.000	06/01/2037	610,000	163.238	995,753	161.829	987,157	1.4
Canadian Government Bond	1.250	06/01/2030	808,000	106.142	857,626	105.235	850,299	1.2
Canadian Government Bond	1.250	12/01/2047	413,000	138.434	571,731	159.852	660,190	0.9
Canadian Government Bond	2.000	12/01/2051	499,000	122.019	608,877	120.292	600,258	0.9
Canadian Government Bond	1.000	06/01/2027	577,000	104.010	600,138	103.422	596,746	0.8
Canadian Government Bond	2.250	03/01/2024	536,000	106.674	571,772	106.241	569,454	0.8
Canadian Government Bond	2.250	06/01/2029	223,000	113.232	252,507	113.638	253,414	0.4
Canadian Government Bond	2.250	06/01/2025	51,000	108.240	55,202	108.381	55,275	0.1
International Bank for Reconstruction & Development	0.875	09/28/2027	1,300,000	99.824	1,297,712	100.104	1,301,355	1.8
International Bank for Reconstruction & Development	1.800	07/26/2024	350,000	99.796	349,285	104.646	366,263	0.5
					9,584,561		**9,671,570**	**13.7**
Provincial Bonds								
Province of Alberta	2.050	06/01/2030	1,413,000	103.954	1,468,874	105.755	1,494,325	2.1
Province of Alberta	2.200	06/01/2026	683,000	102.517	700,189	107.248	732,507	1.0
Province of Alberta	3.100	06/01/2050	340,000	110.874	376,972	118.464	402,777	0.6
Province of Alberta	2.550	06/01/2027	354,000	108.737	384,928	109.801	388,697	0.6
Province of British Columbia	2.800	06/18/2048	341,000	105.590	360,062	117.575	400,931	0.6
Province of British Columbia	2.550	06/18/2027	344,000	110.396	379,762	110.514	380,170	0.5
Province of British Columbia	4.300	06/18/2042	184,000	135.989	250,220	142.106	261,476	0.4
Province of New Brunswick	1.800	08/14/2025	610,000	104.166	635,413	104.945	640,162	0.9
Province of New Brunswick	3.100	08/14/2028	324,000	109.568	354,999	114.460	370,851	0.5
Province of New Brunswick	3.100	08/14/2048	165,000	95.271	157,197	118.106	194,875	0.3
Province of Newfoundland and Labrador	1.750	06/02/2030	719,000	99.597	716,102	102.435	736,505	1.0
Province of Nova Scotia	3.150	12/01/2051	248,000	123.586	306,493	123.518	306,325	0.4
Province of Ontario	1.850	02/01/2027	2,370,000	102.275	2,423,917	105.887	2,509,532	3.6
Province of Ontario	1.950	01/27/2023	2,000,000	103.547	2,070,940	103.375	2,067,503	2.9
Province of Ontario	2.650	02/05/2025	1,904,000	105.600	2,010,628	108.326	2,062,527	2.9
Province of Ontario	2.800	06/02/2048	1,523,000	112.261	1,709,730	116.349	1,771,997	2.5
Province of Ontario	4.700	06/02/2037	1,234,000	138.902	1,714,049	141.542	1,746,624	2.5
Province of Ontario	2.650	12/02/2050	1,315,000	110.735	1,456,160	114.285	1,502,843	2.1
Province of Ontario	3.450	06/02/2045	749,000	124.689	933,919	127.435	954,489	1.4
Province of Ontario	2.900	12/02/2046	448,000	104.441	467,897	117.486	526,337	0.7
Province of Ontario	1.350	12/02/2030	354,000	98.780	349,681	100.106	354,374	0.5
Province of Ontario	2.900	06/02/2028	253,000	111.862	283,012	113.248	286,516	0.4
Province of Ontario	2.300	09/08/2024	101,000	106.157	107,219	106.394	107,458	0.2
Province of Ontario	2.900	06/02/2049	58,000	101.799	59,043	118.892	68,957	0.1
Province of Quebec	1.850	02/13/2027	3,110,000	101.065	3,143,111	106.166	3,301,770	4.7
Province of Quebec	2.600	07/06/2025	2,698,000	106.125	2,863,242	108.896	2,938,010	4.2
Province of Quebec	5.000	12/01/2041	1,427,000	152.391	2,174,621	153.055	2,184,090	3.1
Province of Quebec	3.100	12/01/2051	503,000	121.503	611,161	125.704	632,292	0.9
Province of Quebec	3.500	12/01/2048	297,000	118.839	352,953	131.777	391,378	0.6
					28,822,494		**29,716,299**	**42.1**
Municipal Bonds								
City of Toronto Canada	2.600	09/24/2039	1,654,000	103.232	1,707,464	108.526	1,795,024	2.5
					1,707,464		**1,795,024**	**2.5**
Corporate Bonds								
407 International Inc.	6.470	07/27/2029	150,000	136.139	204,209	138.195	207,292	0.3
AltaLink, L.P.	4.090	06/30/2045	167,000	115.451	192,803	128.726	214,972	0.3
AltaLink, L.P.	3.990	06/30/2042	10,000	107.689	10,769	124.797	12,480	0.0
Anheuser-Busch InBev Finance Inc.	4.320	05/15/2047	170,000	112.537	191,313	115.337	196,074	0.3
Apple Inc	2.513	08/19/2024	1,383,000	104.463	1,444,721	106.393	1,471,409	2.1
Bank of Montreal	2.890	06/20/2023	1,454,000	104.098	1,513,583	105.756	1,537,691	2.2
Bank of Montreal	2.280	07/29/2024	744,000	104.790	779,638	105.085	781,829	1.1
Bank of Montreal	2.270	07/11/2022	240,000	100.069	240,165	102.811	246,747	0.3
Bank of Nova Scotia	2.380	05/01/2023	1,249,000	102.438	1,279,455	103.994	1,298,884	1.8
Bell Canada	3.800	08/21/2028	449,000	114.083	512,231	115.036	516,511	0.7
Bell Canada	3.350	03/12/2025	250,000	102.557	256,393	109.215	273,037	0.4
Bell Canada	1.650	08/16/2027	150,000	99.603	149,405	101.321	151,981	0.2
Canadian Imperial Bank of Commerce	2.970	07/11/2023	1,102,000	106.170	1,169,995	106.052	1,168,690	1.7
Canadian Imperial Bank of Commerce	2.000	04/17/2025	782,000	99.835	780,711	104.348	815,999	1.2
Canadian Imperial Bank of Commerce	3.300	05/26/2025	326,000	104.144	339,509	110.870	361,437	0.5
Canadian National Railway Company	3.600	02/08/2049	138,000	100.423	138,584	120.891	166,830	0.2

*Includes outstanding accruals except for bond accrued interest and distribution payable which is reinvested in the fund.

In C$ as at December 31 2020

Jarislowsky, Fraser Fossil Fuel Free Bond Fund

Issuer	CPN %	Earliest Call / Maturity Date	Shares / Units	Average Unit Cost	Total Cost at Purchase	Price	Current or Market Value	% of Total
Canadian Tire Corporation, Limited	5.610	09/04/2035	79,000	110.540	87,327	120.042	94,833	0.1
Canadian Western Bank	1.818	12/16/2027	407,000	100.048	407,194	100.893	410,633	0.6
Capital Desjardins inc.	4.954	12/15/2026	211,000	108.506	228,948	104.185	219,831	0.3
CCL Industries Inc Call/28	3.864	04/13/2028	290,000	102.585	297,496	112.641	326,660	0.5
CPPIB Capital Inc	3.000	06/15/2028	1,222,000	104.802	1,280,680	114.153	1,394,948	2.0
Federation des Caisses Desjardins du Quebec	2.856	05/26/2030	382,000	100.383	383,463	106.448	406,631	0.6
Federation des Caisses Desjardins du Quebec	3.056	09/11/2023	224,000	99.746	223,431	106.622	238,833	0.3
Federation des Caisses Desjardins du Quebec	2.091	01/17/2022	103,000	97.763	100,696	101.821	104,876	0.1
Heathrow Funding Ltd	3.661	01/13/2031	428,000	100.360	429,541	106.249	454,747	0.6
Heathrow Funding Ltd	3.782	09/04/2030	233,000	102.725	239,350	107.941	251,503	0.4
Heathrow Funding Ltd	3.400	03/08/2028	166,000	103.751	172,227	106.285	176,433	0.3
HSBC Bank Canada	2.253	09/15/2022	159,000	99.934	158,895	102.905	163,619	0.2
Hydro One Inc	3.640	04/05/2050	958,000	112.826	1,080,872	122.768	1,176,114	1.7
Hydro One Inc	3.020	04/05/2029	75,000	100.199	75,149	113.156	84,867	0.1
Intact Financial Corporation	4.700	08/18/2021	56,000	107.938	60,446	102.550	57,428	0.1
Manulife Financial Corporation CALL/23	3.317	05/09/2028	2,120,000	102.691	2,177,059	105.722	2,241,311	3.2
Mondelez International Inc.	3.250	03/07/2025	739,000	103.869	767,590	108.812	804,122	1.1
National Bank of Canada	2.983	03/04/2024	1,571,000	104.452	1,640,946	106.895	1,679,325	2.4
National Bank of Canada	1.957	06/30/2022	103,000	99.409	102,391	102.332	105,402	0.1
Rogers Communications Inc	3.250	05/01/2029	263,000	106.378	279,775	111.110	292,221	0.4
Rogers Communications Inc.	3.650	03/31/2027	10,000	99.511	9,951	112.871	11,287	0.0
Royal Bank of Canada	3.296	09/26/2023	1,539,000	104.573	1,609,386	107.008	1,646,859	2.3
Royal Bank of Canada	2.949	05/01/2023	297,000	103.237	306,614	105.557	313,506	0.4
Shaw Communications Inc.	4.250	12/09/2049	235,000	101.336	238,140	113.744	267,299	0.4
Shaw Communications Inc.	3.300	12/10/2029	169,000	100.969	170,638	110.517	186,773	0.3
TELUS Corp	4.850	04/05/2044	534,000	118.454	632,546	124.248	663,485	0.9
TELUS Corp	4.750	01/17/2045	107,000	122.834	131,432	123.223	131,849	0.2
TELUS Corp	3.300	05/02/2029	59,000	101.600	59,944	111.666	65,883	0.1
TELUS Corp	3.950	02/16/2050	34,000	106.985	36,375	111.712	37,982	0.1
The Toronto-Dominion Bank	3.105	04/22/2030	620,000	101.055	626,543	108.027	669,766	0.9
The Toronto-Dominion Bank	1.909	07/18/2023	602,000	100.083	602,498	103.451	622,776	0.9
The Toronto-Dominion Bank	3.005	05/30/2023	119,000	99.736	118,686	105.926	126,052	0.2
The Walt Disney Company	3.057	03/30/2027	275,000	104.778	288,141	109.457	301,006	0.4
Toronto-Dominion Bank/The	1.943	03/13/2025	773,000	98.702	762,964	104.295	806,200	1.1
Verizon Communications Inc.	3.625	05/16/2050	1,012,000	100.256	1,014,592	110.042	1,113,622	1.6
Wells Fargo & Company	3.874	05/21/2025	1,115,000	103.780	1,157,147	109.926	1,225,672	1.7
Wells Fargo & Company	2.493	02/18/2027	174,000	98.754	171,833	105.680	183,883	0.3
Wells Fargo & Company	2.975	05/19/2026	156,000	106.839	166,669	107.965	168,425	0.2
					27,501,056		**28,648,524**	**40.6**
Accrued Interest Total					362,644		362,644	0.5
					362,644		**362,644**	**0.5**
Cash & Short Term Investments*					337,023		337,023	0.5
					337,023		**337,023**	**0.5**
Total Portfolio in C$					**68,315,243**		**70,531,084**	**100.0**

*Includes outstanding accruals except for bond accrued interest and distribution payable which is reinvested in the fund.

In C$ as at December 31 2020

Jarislowsky, Fraser Fossil Fuel Free Canadian Equity Fund

Issuer	Shares / Units	Average Unit Cost	Total Cost at Purchase	Price	Current or Market Value	% of Total
Materials						
CCL Industries Inc., Class B	63,380	46.248	2,931,187	57.790	3,662,730	3.6
Nutrien Ltd	58,685	50.855	2,984,442	61.240	3,593,869	3.5
Winpak Ltd.	34,565	43.759	1,512,539	42.820	1,480,073	1.4
			7,428,168		**8,736,673**	**8.5**
Industrials						
Boyd Group Services Inc	3,237	208.161	673,818	219.560	710,716	0.7
CAE Inc.	107,005	22.370	2,393,662	35.270	3,774,066	3.7
Canadian National Railway Company	39,370	118.668	4,671,979	139.940	5,509,438	5.4
Magna International Inc	38,780	63.921	2,478,857	90.110	3,494,466	3.4
SNC-Lavalin Group Inc.	116,645	22.872	2,667,937	21.730	2,534,696	2.5
Stantec Inc.	98,430	40.368	3,973,419	41.280	4,063,190	4.0
Thomson Reuters Corp	31,055	93.843	2,914,308	104.180	3,235,310	3.2
WSP Global Inc.	42,330	86.563	3,664,219	120.590	5,104,575	5.0
			23,438,198		**28,426,457**	**27.8**
Consumer Discretionary						
Gildan Activewear	87,385	24.178	2,112,836	35.590	3,110,032	3.0
Restaurant Brands International Inc	42,090	72.751	3,062,103	77.830	3,275,865	3.2
			5,174,938		**6,385,897**	**6.2**
Consumer Staples						
Empire Company Ltd.	46,490	31.726	1,474,951	34.790	1,617,387	1.6
Metro Inc., Class A	46,830	56.657	2,653,230	56.800	2,659,944	2.6
Premium Brands Holdings Corp	17,165	88.212	1,514,163	100.730	1,729,030	1.7
Saputo Inc.	53,140	34.882	1,853,653	35.630	1,893,378	1.9
			7,495,997		**7,899,740**	**7.7**
Financials						
Brookfield Asset Management Inc	97,735	45.983	4,494,111	52.620	5,142,816	5.0
Canadian Western Bank	102,770	24.323	2,499,640	28.620	2,941,277	2.9
iA Financial Corp Inc	46,025	46.597	2,144,635	55.180	2,539,660	2.5
Intact Financial Corporation	26,615	131.454	3,498,639	150.720	4,011,413	3.9
Manulife Financial Corporation	190,396	18.737	3,567,430	22.650	4,312,469	4.2
The Bank of Nova Scotia	72,275	59.099	4,271,378	68.800	4,972,520	4.9
The Toronto-Dominion Bank	70,145	61.970	4,346,853	71.920	5,044,828	4.9
			24,822,685		**28,964,983**	**28.3**
Information Technology						
CGI Group Inc.	46,025	87.845	4,043,088	100.990	4,648,065	4.5
Enghouse Systems Ltd.	64,345	58.244	3,747,689	61.650	3,966,869	3.9
Open Text Corporation	72,275	54.515	3,940,051	57.840	4,180,386	4.1
Shopify Inc	1,470	978.164	1,437,901	1,437.320	2,112,860	2.1
The Descartes Systems Group Inc.	57,080	62.038	3,541,127	74.450	4,249,606	4.2
			16,709,856		**19,157,786**	**18.7**
Real Estate						
Altus Group Ltd.	19,250	42.627	820,562	49.140	945,945	0.9
			820,562		**945,945**	**0.9**
Cash & Short Term Investments*			1,754,041		1,754,021	1.7
			1,754,041		**1,754,021**	**1.7**
Total Portfolio in C$	**87,644,445**				**102,271,501**	**100.0**

*Includes outstanding accruals except for bond accrued interest and distribution payable which is reinvested in the fund.

In C$ as at December 31 2020

Jarislowsky, Fraser Fossil Fuel Free Global Equity Fund

Issuer	Shares / Units	Average Unit Cost		Total Cost at Purchase (CAD)	Price		Current or Market Value (CAD)	% of Total
Materials								
Air Liquide SA	8,853	182.745	EUR	1,617,877	134.250	EUR	1,852,697	1.3
Sika AG	8,890	195.083	CHF	2,461,240	241.800	CHF	3,098,123	2.2
				4,079,117			**4,950,820**	**3.6**
Industrials								
Atlas Copco AB	35,995	357.565	SEK	1,881,813	421.100	SEK	2,351,355	1.7
Copart Inc	25,590	93.333	USD	3,160,492	127.250	USD	4,148,558	3.0
FANUC CORPORATION	8,370	21,566.306	JPY	2,232,172	25,360.000	JPY	2,619,237	1.9
Intertek Group PLC	18,520	53.267	GBP	1,698,500	56.480	GBP	1,821,618	1.3
Relx PLC	59,320	16.940	GBP	1,729,931	17.925	GBP	1,851,748	1.3
Schneider Electric SA	12,540	92.616	EUR	1,785,950	118.300	EUR	2,312,449	1.7
Verisk Analytics, Inc., Class A	10,880	158.276	USD	2,274,853	207.590	USD	2,877,428	2.1
				14,763,710			**17,982,393**	**13.0**
Consumer Discretionary								
Alibaba Group Holding – SP ADR	7,500	234.647	USD	2,314,687	232.730	USD	2,223,733	1.6
Amazon.com Inc	1,280	2,576.051	USD	4,438,617	3,256.930	USD	5,311,137	3.8
Booking Holdings Inc	1,220	1,814.229	USD	2,919,209	2,227.270	USD	3,461,798	2.5
Hilton Worldwide Holdings Inc	15,940	91.247	USD	1,918,918	111.260	USD	2,259,417	1.6
LCI Industries	13,820	122.116	USD	2,224,636	129.680	USD	2,283,232	1.6
LVMH Moët Hennessy-Louis Vuitton SA	3,780	379.453	EUR	2,207,907	510.900	EUR	3,010,354	2.2
The TJX Companies, Inc.	34,540	55.595	USD	2,529,032	68.290	USD	3,005,028	2.2
				18,553,006			**21,554,699**	**15.5**
Consumer Staples								
Colgate-Palmolive Company	14,820	75.548	USD	1,482,122	85.510	USD	1,614,486	1.2
Diageo plc	54,960	27.477	GBP	2,593,932	28.780	GBP	2,754,604	2.0
PepsiCo, Inc.	14,910	130.718	USD	2,583,064	148.300	USD	2,817,007	2.0
Tsuruha Holdings Inc	9,280	13,502.844	JPY	1,551,748	14,680.000	JPY	1,681,025	1.2
Unilever PLC	22,220	48.299	EUR	1,641,954	49.565	EUR	1,716,758	1.2
				9,852,820			**10,583,879**	**7.6**
Health Care								
Abbott Laboratories	22,970	87.596	USD	2,659,432	109.490	USD	3,204,089	2.3
Becton, Dickinson and Company	12,070	235.126	USD	3,754,966	250.220	USD	3,847,675	2.8
Boston Scientific Corp	88,770	35.460	USD	4,151,693	35.950	USD	4,065,689	2.9
Dechra Pharmaceuticals PLC	38,080	31.179	GBP	2,022,620	34.500	GBP	2,287,904	1.6
IQVIA Holdings Inc	11,620	144.652	USD	2,218,833	179.170	USD	2,652,409	1.9
Roche Holding AG	5,300	289.063	CHF	2,156,932	309.000	CHF	2,360,342	1.7
UnitedHealth Group Incorporated	9,080	282.826	USD	3,394,749	350.680	USD	4,056,635	2.9
				20,359,224			**22,474,743**	**16.2**
Financials								
AIA Group Ltd.	163,120	76.331	HKD	2,116,893	95.000	HKD	2,546,141	1.8
AXA SA	64,200	19.428	EUR	1,910,518	19.512	EUR	1,952,660	1.4
Bank OZK	47,540	27.006	USD	1,692,078	31.270	USD	1,893,896	1.4
Chubb Ltd	20,470	142.574	USD	3,856,735	153.920	USD	4,014,043	2.9
DBS Group Holdings Ltd.	104,640	23.584	SGD	2,397,750	25.040	SGD	2,525,724	1.8
HDFC BANK LTD - ADR	23,290	57.364	USD	1,760,314	72.260	USD	2,144,058	1.5
Interactive Brokers Group Inc	45,380	52.156	USD	3,104,552	60.920	USD	3,522,033	2.5
Nordea Bank ABP	148,630	69.446	SEK	1,523,486	67.220	SEK	1,549,872	1.1
				18,362,326			**20,148,426**	**14.5**
Information Technology								
ASML Holding NV	5,960	269.287	EUR	2,482,680	397.550	EUR	3,693,413	2.7
Fiserv, Inc.	24,540	97.027	USD	3,136,203	113.860	USD	3,559,712	2.6
KEYENCE CORPORATION	5,220	41,709.036	JPY	2,706,996	58,000.000	JPY	3,735,928	2.7
Mastercard Inc., Class A	8,500	262.781	USD	2,951,124	356.940	USD	3,865,300	2.8
Microsoft Corporation	28,510	166.969	USD	6,294,568	222.420	USD	8,078,675	5.8
Oracle Corporation	37,040	56.135	USD	2,736,986	64.690	USD	3,052,651	2.2
				20,308,556			**25,985,679**	**18.7**
Communication Services								
Alphabet Inc. Class A	2,020	1,503.388	USD	4,023,002	1,752.640	USD	4,510,380	3.2
Alphabet Inc. Class C	510	973.998	USD	652,514	1,751.880	USD	1,138,266	0.8
Facebook Inc	12,550	254.024	USD	4,209,735	273.160	USD	4,367,470	3.1
Tencent Holdings Limited	24,800	468.059	HKD	1,971,579	564.000	HKD	2,298,171	1.7
				10,856,830			**12,314,287**	**8.9**
Cash & Short Term Investments*				2,877,140			2,864,958	2.1
				2,877,140			**2,864,958**	**2.1**
Total Portfolio in C$				**120,012,730**			**138,859,883**	**100.0**

*Includes outstanding accruals except for distribution payable which is reinvested in the fund.

In C$ as at December 31 2020

JARISLOWSKY FRASER
GLOBAL INVESTMENT MANAGEMENT

UNIVERSITY OF WINNIPEG FOUNDATION (JF11508)
COMPLIANCE REPORT AS AT DECEMBER 31, 2020

ASSET MIX - AT MARKET VALUE	RANGE (%)	ACTUAL (%)	IN COMPLIANCE
Cash & Cash Equivalents	0 - 10	0.2	Yes
Bonds	30 - 50	32.0	Yes
Canadian Equities	15 - 35	25.6	Yes
Global Equities	25 - 45	42.2	Yes

BONDS	IN COMPLIANCE
• The portfolio will exclude the FTSE TMX Energy corporate group, with the exception of renewable energy entities as defined by Jarislowsky Fraser.	Yes
• The portfolio will exclude the non-energy sector companies that have material proven coal, oil or gas reserves that are used for energy purposes.	Yes
• Green bonds will be considered for inclusion if they have an attractive risk/return profile.	Yes

EQUITIES	IN COMPLIANCE
• The portfolio will exclude the GICS® Energy Sector, with the exception of renewable energy entities as defined by Jarislowsky Fraser.	Yes
• The portfolio will exclude the non-energy sector companies that have material proven coal, oil or gas reserves that are used for energy purposes.	Yes

GENERAL	IN COMPLIANCE
• In the event of a conflict between the investment policy guidelines of the JF Fossil Fuel Free Pooled Funds and the statement of investment policies and guidelines of the University of Winnipeg Foundation the investment policy guidelines of the JF Fossil Fuel Free Pooled Funds shall supersede the statement of investment policies and guidelines of the University of Winnipeg Foundation.	Yes

I believe this to be a factual representation of compliance with the Statement of Investment Policies and Procedures throughout the reporting period.

Compliance verified by:

Chad Van Norman, CFA
Managing Director & Portfolio Manager

January 11, 2021
Date

The JF Pooled Fund compliance reports are attached.

Jarislowsky Fraser Fossil Fuel Free Bond Fund

Certificate of Compliance

as at December 31, 2020

The firm's Investment Strategy Committee (ISC) meets at least weekly to evaluate the market, existing security selections in the Funds (JF Pooled Funds) and prospective new additions to the Funds. The Funds invest in various industries where the Committee sees growth and reasonable valuations. The Funds also tend to avoid highly cyclical industries. If at any time an investment or group of investments within the Funds does not conform with the limitations set out below, the ISC will exercise its best judgment as to the action required to correct the situation. If it appears that the situation will be corrected within a short period, possibly through deployment of new contributions to the Fund, it may elect not to liquidate the non-conforming investments. Under normal circumstances, the liquidity reserve of each Fund will be between 0% and 10% of the Fund's market value. All Funds may include investment in the JF Money Market Funds. All income and capital gains are distributed in the form of additional units of each Fund.

BENCHMARK: FTSE Canada Universe Bond Index

IN COMPLIANCE

Cash & Equivalents

YES

- R-1(L) rating for cash & equivalents
  As rated by DBRS. Should DBRS not rate an issuer, the order of priority for Rating Agencies will be Standard & Poor's, Moody's and then Fitch.

Bonds

YES

- The FTSE Canada Universe Bond Index serves as the benchmark for the Fund and the Fund will use the same credit rating scale as the Index.
- The Fund will exclude the FTSE Energy corporate group, with the exception of renewable energy entities as defined by Jarislowsky Fraser.
- The Fund will also exclude non-energy corporate group companies:
  - That own operating businesses with material proven thermal coal, oil or gas reserves.
  - That have a significant amount of value attributable directly to the extraction and production of fossil fuels, or indirectly through transportation, distribution, equipment and services.
  - With significant exposure to power generation from fossil fuels. Exceptions may be made where a company has a clear strategy to meaningfully increase the percentage of renewables.
- Green bonds will be emphasized subject to availability and prudent portfolio diversification objectives.
- In addition, the portfolio carbon footprint will be managed to deliver a materially reduced emission intensity.
- Depending on the market conditions, the Fund would typically be overweight in quality non-cyclical corporate issuers and diversified between the corporate groups as defined by the Index. An additional component of the Fund may be invested in Provincial or Municipal issuers which are both higher yielding than Federal bonds. Generally the Federal component will be used for the purpose of adjusting duration.
- The average credit rating of all of the holdings in the Fund will be A or better.
- The minimum quality rating of any bond purchased in the Fund will be BBB.
- The maximum aggregate holdings of A or better rated corporate bonds of any one issuer will be 10% of the total market value of the Fund.
- The maximum aggregate holdings of BBB rated bonds will be 20% of the total market value of the Fund.
- The maximum holding in a single BBB corporate issuer will be 5%.
- The Fund may be invested up to 100% in corporate issues.
- Not more than 25% of the total market value of the Fund will be invested in any one Index-defined corporate group, except for Financials where the limit will be 40%.
- Not more than 20% of the total market value of the Fund will be invested in private placements.
- Not more than 20% of the market value of the Fund will be invested in Maple bonds.
- Not more than 20% of the market value of the Fund will be invested in foreign currency issues of Canadian borrowers.
- Quarterly distribution.

Securities Lending:

Jarislowsky Fraser Pooled Funds' Trust Agreements permit securities lending for the benefit of the funds.

To the best of our knowledge, we are in compliance with the guidelines and constraints set out in the investment policy.

Jarislowsky, Fraser Limited

January 21, 2021

JARISLOWSKY FRASER
GLOBAL INVESTMENT MANAGEMENT

Jarislowsky Fraser Fossil Fuel Free Canadian Equity Fund

Certificate of Compliance

as at December 31, 2020

The firm's Investment Strategy Committee (ISC) meets at least weekly to evaluate the market, existing security selections in the Funds (JF Pooled Funds) and prospective new additions to the Funds. The Funds invest in various industries where the Committee sees growth and reasonable valuations. The Funds also tend to avoid highly cyclical industries. If at any time an investment or group of investments within the Funds does not conform with the limitations set out below, the ISC will exercise its best judgment as to the action required to correct the situation. If it appears that the situation will be corrected within a short period, possibly through deployment of new contributions to the Fund, it may elect not to liquidate the non-conforming investments. Under normal circumstances, the liquidity reserve of each Fund will be between 0% and 10% of the Fund's market value. All Funds may include investment in the JF Money Market Funds. All income and capital gains are distributed in the form of additional units of each Fund.

BENCHMARK: S&P/TSX Composite Index

IN COMPLIANCE

Cash & Equivalents

YES

- R-1(L)^ rating for cash & equivalents
  As rated by DBRS. Should DBRS not rate an issuer, the order of priority for Rating Agencies will be Standard & Poor's, Moody's and then Fitch.

Canadian Equities

YES

- The S&P/TSX Composite Index will serve as the benchmark for the Fund. The S&P/TSX60 Fossil Fuel Free Index may serve as a secondary benchmark.
- Securities of the Fund will be categorized as follows with the holdings limited to the ranges set forth:

Category	Minimum	Maximum
Group I - High Quality Growth	50%	100% at market
Group II - Cyclical	0%	35% at market
Group III - Junior Growth	0%	15% at market

- The Fund will exclude the GICS® Energy Sector, with the exception of renewable energy entities as defined by Jarislowsky Fraser.
- The Fund will also exclude non-energy corporate group companies:
  - That own operating businesses with material proven thermal coal, oil or gas reserves.
  - That have a significant amount of value attributable directly to the extraction and production of fossil fuels, or indirectly through transportation, distribution, equipment and services.
  - With significant exposure to power generation from fossil fuels. Exceptions may be made where a company has a clear strategy to meaningfully increase the percentage of renewables.
- Green bonds will be emphasized subject to availability and prudent portfolio diversification objectives.
- In addition, the portfolio carbon footprint will be managed to deliver a materially reduced emission intensity.
- Maximum 10% of the total market value of the Fund will be invested in the securities of any single issuer.
- The Fund may invest up to 20% in non-Canadian equities.
- Quarterly distribution.

Voting Rights:

Voting rights acquired through Fund investments are delegated to the Manager who at all times acts prudently and solely in the interest of Fund clients and beneficiaries.

Securities Lending:

Jarislowsky Fraser Pooled Funds' Trust Agreements permit securities lending for the benefit of the funds.

To the best of our knowledge, we are in compliance with the guidelines and constraints set out in the investment policy.

Jarislowsky, Fraser Limited

January 21, 2021

JARISLOWSKY FRASER
GLOBAL INVESTMENT MANAGEMENT

Jarislowsky Fraser Fossil Fuel Free Global Equity Fund

Certificate of Compliance

as at December 31, 2020

The firm's Investment Strategy Committee (ISC) meets at least weekly to evaluate the market, existing security selections in the Funds (JF Pooled Funds) and prospective new additions to the Funds. The Funds invest in various industries where the Committee sees growth and reasonable valuations. The Funds also tend to avoid highly cyclical industries. If at any time an investment or group of investments within the Funds does not conform to the limitations set out below, the ISC will exercise its best judgment as to the action required to correct the situation. If it appears that the situation will be corrected within a short period, possibly through deployment of new contributions to the Fund, it may elect not to liquidate the non-conforming investments. Under normal circumstances, the liquidity reserve of each Fund will be between 0% and 10% of the Fund's market value. All Funds may include investment in the JF Money Market Funds. All income and capital gains are distributed in the form of additional units of each Fund.

BENCHMARK: MSCI World Net Index (C$)

ASSET MIX RANGES (% of market values)	**Actual**	**IN COMPLIANCE**
• U.S. Equities (30 - 70%)	57.3%	YES
• International Equities (30 - 70%)	40.6%	YES

Cash & Equivalents

YES

- R-1(L) rating for cash & equivalents
  As rated by DBRS. Should DBRS not rate an issuer, the order of priority for Rating Agencies will be Standard & Poor's, Moody's and then Fitch.

Equities

YES

- The Fund will be invested in publicly traded equities of companies domiciled outside of Canada, warrants or debentures convertible into stocks and high quality money market instruments.
- Emerging markets, which are not part of the MSCI World Index, are limited to a 10% maximum weighting. Each emerging country, which is not part of the MSCI World Index, can have a maximum weighting of 5%.
- Securities of the Fund will be categorized as follows with the holdings limited to the ranges set forth:

Category	Minimum	Maximum
Group I - High Quality Growth	80%	100% at market
Group II & III - Junior Growth & Cyclical	0%	20% at market

- 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%.
- The Fund will exclude the GICS® Energy Sector, with the exception of renewable energy entities as defined by Jarislowsky Fraser.
- The Fund will also exclude non-energy corporate group companies:
  - That own operating businesses with material proven thermal coal, oil or gas reserves.
  - That have a significant amount of value attributable directly to the extraction and production of fossil fuels, or indirectly through transportation, distribution, equipment and services.
  - With significant exposure to power generation from fossil fuels. Exceptions may be made where a company has a clear strategy to meaningfully increase the percentage of renewables.
- Green bonds will be emphasized subject to availability and prudent portfolio diversification objectives.
- In addition, the portfolio carbon footprint will be managed to deliver a materially reduced emission intensity.
- Maximum 10% of the total market value of the Fund will be invested in the securities of any single issuer.
- Under normal economic and political conditions, currency positions are not hedged.
- Purchases of stocks are restricted to companies with a minimum US$1 billion market capitalization. However, the threshold for market capitalization is lowered to US$500 million in the case of smaller or emerging markets where few companies meet the US$1 billion market capitalization criterion.
- Semi-annual distribution.

Voting Rights:

Voting rights acquired through Fund investments are delegated to the Manager who at all times acts prudently and solely in the interest of Fund clients and beneficiaries.

Securities Lending:

Jarislowsky Fraser Pooled Funds' Trust Agreements permit securities lending for the benefit of the funds.

To the best of our knowledge, we are in compliance with the guidelines and constraints set out in the investment policy.

Jarislowsky, Fraser Limited

RECENT DEVELOPMENTS

UPDATE | JANUARY 2021

ASSETS UNDER MANAGEMENT[1]

As at December 31, 2020 the firm managed:

	Billions (C$)
Segregated Pensions	8.8
Pooled Funds	10.3
Foundations	3.9
Other Institutional	19.7
Wraps[2] & Sub-Advisory	2.6
Private Wealth	10.9
Total	**56.3**

[1]Incl. assets under administration
[2]Separately Managed Accounts
Total may not add up due to rounding

ORGANIZATIONAL UPDATE

FIRM

On September 1, 2020, Scotia Institutional Asset Management's business was consolidated into Jarislowsky, Fraser Limited. Today, Jarislowsky Fraser is pleased to offer broader institutional investment solutions to investors, managed by both the Jarislowsky Fraser investment team and the 1832 Asset Management L.P. investment team.

PEOPLE

Marie-Claude Jalbert, CFA, was promoted to CFO and Managing Director – Business Operations, and is a member of the firm's Management Committee, effective Sept 30, 2020. She provides strategic direction and oversight of Operations, Finance, Business Controls and Human Resources. Ms. Jalbert has been at Jarislowsky Fraser since 2002 and has been involved in the management of the firm's finances, operations and compliance. She is also a registered portfolio manager and has managed portfolios for both institutional and private clients.

Andrew Melnychuk was named Chief Compliance Officer (Canada), effective September 28, 2020. Nathalie Pierre-Louis, formerly JFL's Chief Compliance Officer (Canada), assumed a new role in Canadian Banking Compliance at Scotiabank.

PRODUCTS

The **JF Emerging Markets Equity Fund** and the **JF Small/Mid Bond Fund** both reached their 5-year mark recently.

- Since its inception on September 30, 2015, the JF Emerging Markets Equity Fund has provided solid value-added performance against its benchmark.

  Adhering to Jarislowsky Fraser's established fundamental investment philosophy, the fund focuses on quality and risk management. Companies in the portfolio typically have superior growth rates, high returns on invested capital, dominant positions in their region and strong balance sheets to reduce financial risk. Our active management limits exposure to companies with weak business models and poor management and/or governance as well as to countries with questionable fundamentals.

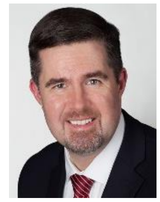
- The JF Short/Mid Bond Fund was created on January 1, 2016 to meet the shorter-term objectives of a diversified bond portfolio. Managed according to our quality-focused philosophy, its objectives are capital preservation, yield optimization through a high concentration of non-cyclical corporate bonds and provincial bonds, and a conservative duration approach.

THE ESG FILES

EXPLORING THE INVESTMENT CONSIDERATIONS OF ESG MATTERS

Dual Class or Second Class?

An Examination of Dual Class Share Structures



Aaron Bennett, CFA

Managing Director, Sustainable Investment Strategy & Research

Heather Sharpe

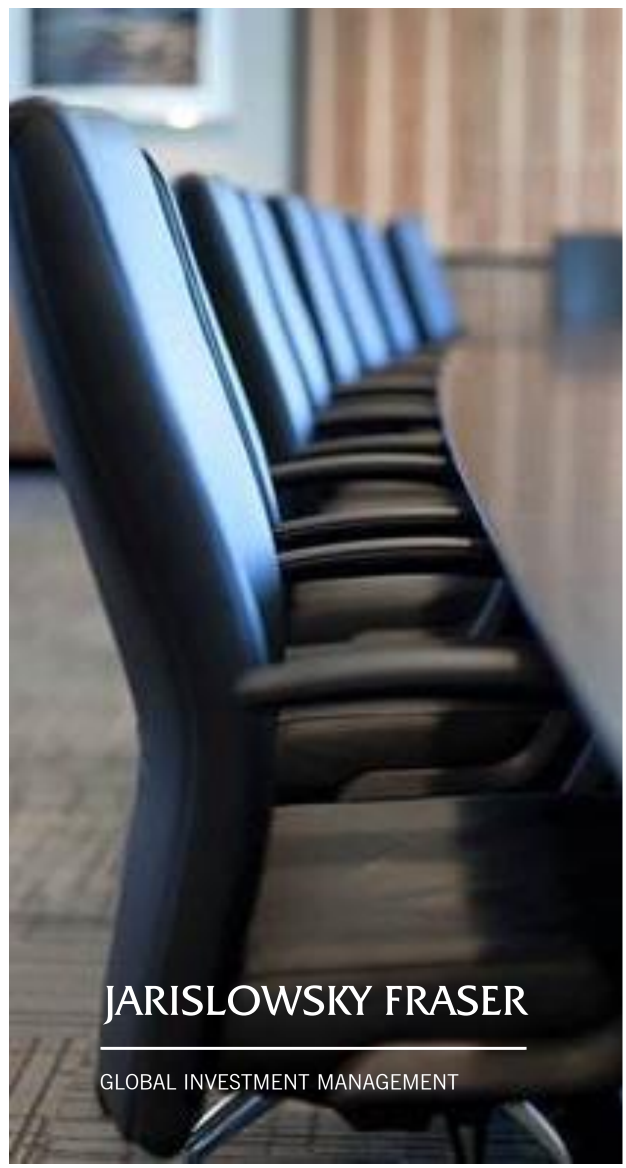
Research Analyst, ESG

Executive Summary:

- The trend for dual class share structures in newly public companies is growing globally, especially within the technology sector.
- Due to the misalignment of voting and economic interest, dual class share structures are not generally considered best practice from a governance perspective.
- There is evidence that, on average, the effect of a dual class share structure is linked, on average, to neutral to positive shareholder value creation for a period of time.
- Jarislowsky Fraser takes a nuanced case-by-case view of dual class share structures that focuses on the alignment and behaviour of the controlling party relative to long-term shareholders, the rationale for unequal voting, and the mitigants against potential abuse of minority shareholders.

What Are Dual Class Shares?

Dual class share structures involve one or more classes of shares with voting rights that are superior to other classes of shares and asymmetric to the holders' economic interest in a company.



Introduction

Jarislowsky Fraser has a longstanding commitment to integrating Environmental, Social and Governance (ESG) factors throughout our research process. We firmly believe that good governance is the foundation for strong financial, social and environmental outcomes. In light of this and recent trends, we examine here the significant governance implications of dual class share structures.

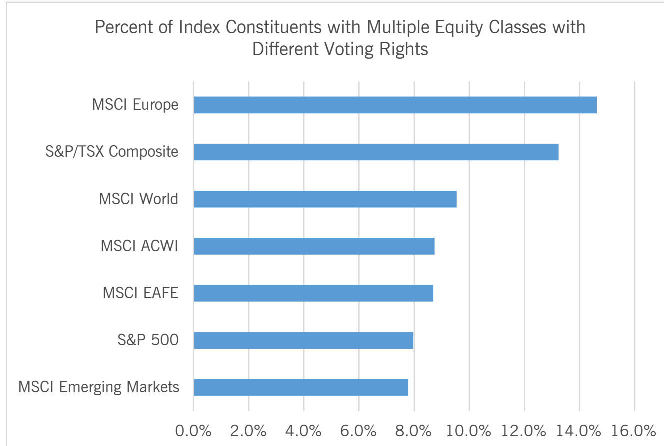
Far from being an anachronism, family-owned businesses and dual class share structures are on the rise globally and remain an important part of global and Canadian markets.

Dual class share structures exist when a company issues different types of shares, each class of which typically has different voting and, possibly, dividend rights. Often, these structures are put in place at family-controlled or founder-controlled firms so the discussion of family firms and dual class shares go hand in hand: 89% of dual class firms in the Russell 3000 Index have the founding family as owners.[1]

Far from being an anachronism, family-owned businesses and dual class share structures are on the rise globally and remain an important part of global and Canadian markets. As illustrated in Exhibit A, 8.7% of all companies listed on the MSCI All Country World Index have multiple equity classes with unequal voting rights, and the prevalence varies by geography, with it being more common in Europe and Canada. In Canada, family firms and dual class share structures have long been a sizeable component of the economy, with 13.2% of companies listed on the S&P/TSX Composite Index having multiple classes of shares with unequal voting rights[2] and publicly listed family firms accounting for ten of Canada's twenty-five largest employers.[3]

Globally, the public listing of US technology firms and the growth in emerging market listings are both trends that highlight the importance of multiple share classes. For example, although only 8.0% of S&P 500 constituents have multiple classes with different voting rights,[4] one-fifth of US IPOs in 2017 involved dual class shares.[5] Similarly, while the MSCI Emerging Markets Index currently has the lowest representation of unequal voting rights, family-owned businesses play a very important role in emerging market economies. In fact, McKinsey forecasts that, by 2025, nearly 40% of the world's companies with revenues greater than $1 billion USD will be emerging market family-owned businesses, up from 15% in 2010.[6]

Exhibit A: Prevalence of Unequal Voting Stocks by Index



JFL Analysis based on MSCI ESG Data.

Advantages and Disadvantages

Advantages of dual class share structures include:

- Access to growth capital for companies without diluting the ability to maintain the long-term vision of the founders/controlling shareholder.
- Allow management to focus on managing the company rather than the short-term interests of some shareholders or hostile takeovers.
- Allow public investors to share in, what can be, better than average economic value creation from founder-controlled companies that may otherwise remain private.

Disadvantages of dual class share structures include:

- Fewer formal accountability measures aimed at reinforcing alignment with minority shareholders, which can lead to poor outcomes for these shareholders.
- Entrenchment of controlling shareholders that can allow entrepreneurs or families to retain control for longer than beneficial to the company and shareholders.
- Fewer channels of communication between the board and minority shareholders.
- The lack of shareholder pressure can contribute to a lack of transparency.

Debate: Control versus Democracy

The conventional view, supported by many of the proxy advisory services, is that dual class share structures are contrary to good governance and shareholder democracy. Institutional Shareholder Services (ISS) and Glass Lewis, the two pre-eminent proxy advisory companies, both support the principle of one share, one vote, with Glass Lewis stating that dual class share structures generally reflect negatively on the company's corporate governance. Both therefore generally recommend that shareholders vote for proposals to eliminate dual class share structures and against proposals to create them, except in the case of strict foreign ownership restrictions that may necessitate them.[7]

Some argue that a dual class share structure plays an important role in the Canadian context.

Organizations in the USA tend to take a more negative view of dual class share structures than in Canada, with the Council of Institutional Investors submitting letters to the NASDAQ and NYSE asking them to require any newly listed companies with a dual class share structure to impose a mandatory seven-year maximum period before the structire is dissolved (commonly referred to as a time-based "sunset clause").[8]

On the other hand, some argue that a dual class share structure plays an important role in the Canadian context, in that this allows founders to take their companies public without fear that they will be taken over by international companies and turned into "branch plants". Similarly, the idea that a dual class structure allows a company to go public but retain ongoing family control may be appealing in that a family-controlled company may be less susceptible to short-termism and actually be more aligned with shareholder interests. The Institute for Governance of Private and Public Organizations (IGOPP) is a strong advocate of dual class share structures, believing that even time-based sunset clauses would have led many successful Canadian companies to either remain private or to have been taken over by American companies.[9] Without this protection, Canada may miss out on the economic and social value of having family-run companies that remain headquartered domestically.[10] The Canadian Coalition for Good Governance (CCGG) recognizes the argument that mandatory single class shares may prevent Canadian entrepreneurs from taking their companies public, thereby hindering Canadian entrepreneurism, but nonetheless states that utilizing a single class of voting common shares is a best practice.[11]

The Rotman School of Management Clarkson Centre for Board Ethics identifies three important characteristics which are common to family-controlled firms and beneficial to long-term shareholders:

1. Commitment to the principles and values underlying the company, which may help to create a productive, unified culture;
2. A long-term view that is inherent in family-controlled firms with a clear plan for family succession and, therefore, an interest in long-term value creation;
3. Ability to change, whereby family-controlled firms may be more willing and able to adopt new strategies quickly.[12]

Overall the historical evidence suggests that dual class share structures, on average, have outperformed the broader markets for a meaningful period of time.

What does history tell us about the share price performance of dual class share companies?

Overall, the historical evidence suggests that dual class share structures, on average, have outperformed the broader markets for a meaningful period of time. Before reviewing some of the findings of these studies, we think it is important to highlight a couple of things about these (and all historical capital markets) studies:

- **"On average" doesn't matter if your head is in the oven and your feet are in the freezer.** There are fewer examples of the proverbial "average" dual class share company and the range of outcomes can be wide. Our experience is that some dual class share companies are able to create significant outperformance over longer periods of time, but others are able to do an equally impressive job of destroying value for minority shareholders. The biggest failures may not even be reflected in the data sets as they may not have survived to the date at which the sample was selected, so survivorship bias likely plays some role.
- **History is a guide not a map.** The conditions that allowed for the performance in the past may not exist in the future. For example, higher levels of scrutiny on ESG or changes to index inclusion of

dual class share issues may lead to changes in the demand for dual class share company subordinated stock.

- **Sector biases.** One only has to look at the performance of tech companies over the last five years to see how the outperformance may be more closely linked to the fundamentals of the business than its governance structure. The same could be said for sector performance seen during various periods, for example, the energy sector that includes few; DCS companies.
- **Correlation ≠ Causation.** Although it can be easily forgotten amongst the compelling charts and articulate theories, these studies highlight interesting, potentially relevant trends, in a dynamic system and are not controlled experiments looking at fundamental laws of nature.

That being said, the evidence and our own experience suggest to us that there are few reasons to dogmatically exclude dual class share companies from our investable universe or to assume that they need a less intense approach to analysis or active ownership. We examine the particular details of each company rather than draw sweeping generalizations, and seek the right mix of companies that meet our standards to form resilient portfolios designed to deliver superior long-term risk-adjusted returns.

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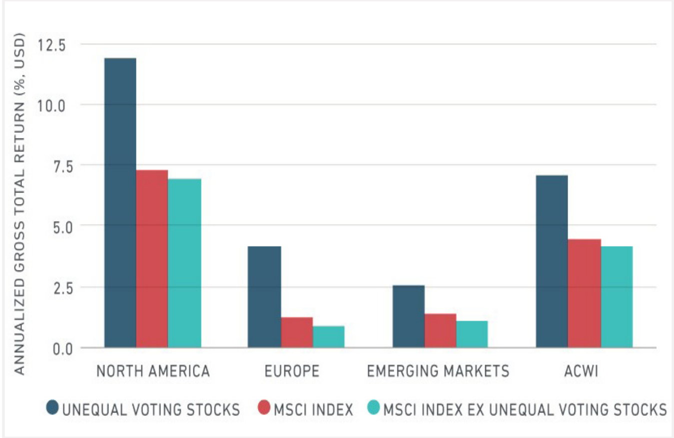
With these caveats in mind, it is nonetheless interesting to examine the relationships between dual class/family control structures and shareholder value creation. In general, the balance of studies appears to suggest that dual class share structures have at least a non-negative impact on financial performance. A 2019 global review by HSBC found that there is no conclusive evidence linking company performance to equal voting rights once controlled for the fact that US technology companies tend to have dual class share structures and have outperformed since 2004.[13] More conclusively, a 2018 MSCI study (See Exhibit B) showed stocks with unequal voting in aggregate outperformed the market from November 2007 through August 2017; though some of this was explained by performance in the technology sector, MSCI found most was due to company-specific effects.[14] This applied to all geographies studied – North America, Europe, Emerging Markets, and the MSCI All Countries World Index.

Exhibit B. MSCI Analysis of Performance of Unequal Voting Stocks by Index[15]



Source: MSCI; data from November 2007 to August 2017

Studies of the effects of family control and dual class structures in the Canadian context tend to find some uniquely Canadian results.

In addition, neither the structures nor their effects are necessarily permanent. A study of American firms undertaken by the European Corporate Governance Institute found that, on average, dual class share firms have higher valuations at and subsequent to their IPO, but that this valuation premium decreases over time, leading the authors to conclude that dual class share structures should be supported during IPOs, but should include time-based sunset provisions.[16] A Harvard Law School discussion paper argues that the potential advantages of dual class share structures decrease, and their potential costs increase as time passes from IPO. It therefore advocates for time-based sunset clauses with non-affiliated shareholders able to vote to extend the structure.[17] However, disagreement exists here as well, with others arguing that mandatory sunset clauses would risk a premature dismantling of the dual class structure that may decrease shareholder value.[18]

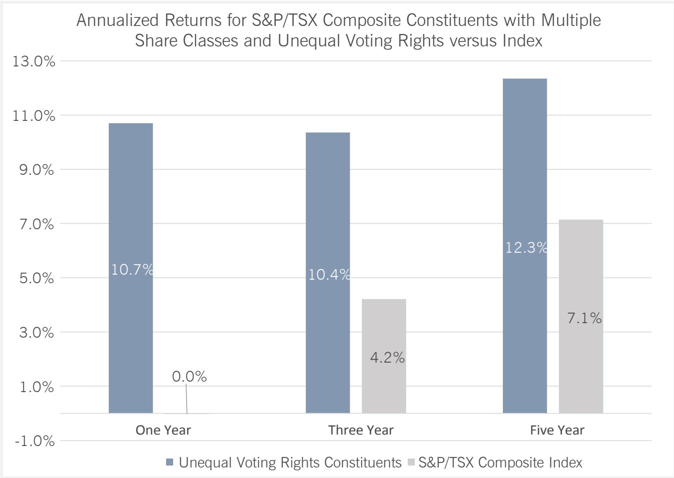
Studies of the effects of family control and dual class structures in the Canadian context tend to find some uniquely Canadian results. IGOPP summarized thirty-seven empirical studies and found either contradictory or inconclusive links between share structure and performance, with a general tendency for more recent studies to be more favourable.[19]

A Rotman School of Management study examined the performance of Canada's largest family-controlled issuers, defined as a company in which a family member or group has at least 30% voting control; 18 of the 23 family-controlled firms in the study have dual class share structures. The study concludes that the family-controlled firms outperformed their non-family-controlled peers and the index between 1998 and 2012: family-controlled firms outperformed non-family firms by 1.6% as measured by total shareholder return compound annual growth.[20] It is the combination of family control and dual class shares that are linked to greater outperformance: family firms with unequal voting rights outperformed non-family firms by 2.7% and outperformed family firms with equal voting rights by 3.7%, though the latter has a small sample size of only five firms. Similarly, controlled non-family firms lagged widely held non-family firms by 1.3%. The same study found that family management also appears to add value, with family-managed family firms outperforming externally managed family firms by 0.9%. A 2017 study also found significant outperformance amongst American dual class firms so long as the superior voting shares are held by the founding family.[21] A 2018 National Bank of Canada study also found that Canadian family-owned companies outperform the index by 2.3%.[22] The study suggests that this is because family-owned companies are often more aligned to shareholders, with longer-term focuses, lower leverage, and lower employee turnover.[23]

Our own analysis created a market-capitalization-weighted index of S&P/TSX Composite listed companies that have multiple share classes and unequal voting rights. When compared to the S&P/TSX Composite Index as a whole, we found that the companies with unequal voting dual class share structures significantly outperformed the index based on one-year, three-year, and five-year annualized total shareholder return. See Exhibit C. Of course, sector biases play a role: for example, energy and real estate firms are less likely to be family-owned or have dual class share structures, while a growing number of technology and media companies have a dual class share structure. As illustrated in Exhibit D, dual class share companies with unequal voting rights continue to outperform the S&P/TSX Composite Index when the Energy Sector is removed, but the outperformance is less extreme. In the Canadian context, the success of Shopify contributes significantly to the outperformance of dual class share structures, though Shopify may be an example of a company that could have delayed going public if dual class share structures were not an option.

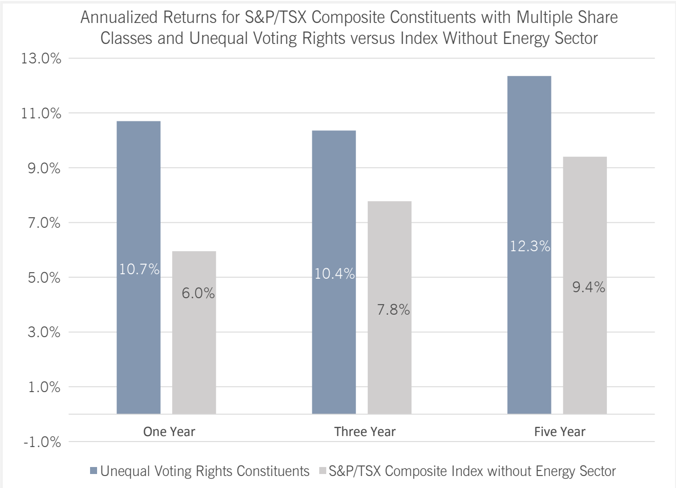
...dual class share companies with unequal voting rights continue to outperform the S&P/TSX Composite Index when the Energy Sector is removed, but the outperformance is less extreme.

Exhibit C. JFL Analysis of the Performance of Unequal Voting Stocks in Canada



Source: JFL Analysis based on Bloomberg and MSCI ESG Data.
As at September 30, 2020.

Exhibit D. JFL Analysis of the Performance of Unequal Voting Stocks in Canada Without Energy Sector



Source: JFL Analysis based on Bloomberg and MSCI ESG Data.
As at September 30, 2020.

Jarislowsky Fraser's Stance: Best Practices—Not Dogma

Consistent with our approach to deep, fundamental analysis that integrates material ESG factors throughout our process, we take a non-dogmatic approach to dual-class structures. We have seen significant shareholder value created by family-controlled firms with these structures, and, where we find good alignment and practices, we may invest in dual class share companies. Although we generally prefer a one-vote-per-share capital structure, we do not systematically object to a capital structure of subordinate voting shares. Instead, we assess each case individually to evaluate:

- Alignment and behaviour of the controlling party;
- Justification for unequal voting; and
- Mitigants against potential abuse of minority shareholders.

...we take a non-dogmatic approach to dual-class structures. We have seen significant shareholder value created by family-controlled firms with these structures, and, where we find good alignment and practices, we may invest in dual class share companies.

We seek the following best practices:

- We expect "skin-in-the-game", meaning we want management and the controlling shareholder to have significant equity and economic interest, even if it could be asymmetric to their voting power.
- We also seek evidence of aligned compensation that is transparent and focused on long-term performance.
- One element we do believe should be mandatory is coattail provisions, which would ensure equal treatment and tag-along rights for any M&A activities.
- In general, we advocate for some level of formal accountability and communication between the board and all minority shareholders, such that all common shares have some voting rights (generally supporting a maximum 4:1 voting ratio).
- In terms of board independence, we seek a strong and suitably empowered Independent Chair or Lead Director, and expect the total number of directors on the board to be proportional to voting interest up to two-thirds for the controlling shareholder. However, if the controlling shareholder is related to management, we expect the board to be two-thirds independent.
- We also look for majority independent committees with independent committee chairs, and note that committee independence is particularly important for Audit and Compensation Committees.
- Other than for foreign ownership rules, we believe that dual class shares should represent a transitional phase between private and full public ownership. We see value in entrepreneurs retaining control of their company but generally believe that rationale for the dual class share structure diminishes once the founder is no longer meaningfully involved. For this reason, we believe it important that the dual class structure should not automatically extend beyond the entrepreneur's tenure, instead requiring periodic subordinate shareholder approval to maintain the structure once ownership and/or involvement declines significantly. We generally believe that these ownership-based sunset clauses will better serve the interests of long-term investors than strict time-based sunset clauses.
- Although not an absolute requirement, we see significant value in a periodic review of the dual class share structure at appropriate points in the life-cycle of a company to ensure alignment with future objectives and needs. Overall we strongly believe that the onus is on the management and board to regularly justify the structure to shareholders.

The following case studies help to elucidate our approach, which is grounded in principles as opposed to rules.

Coattail Provisions: Is this something I can ride?

Since 1987, all companies on the S&P/TSX with multi-class share structures are required to have a coattail provision as a way to bridge the gap in economic and voting interest in case of an attempted company takeover. Typically, the provision mandates that no offer to acquire a class of controlling shares would be valid without the acquirer making a concurrent offer on the same terms to the other class of shareholders. At first glance, this appears to ensure that at least in the case of a takeover offer, the owners of the subordinated share classes would be treated the same as the multi-voting class of shares. However, it appears that the devil is in the details and not all coattails are suitable rides for minority shareholders.

For example, the recent unsolicited offer by Altice and Rogers for Cogeco Inc (69% controlled by Gestion Audem) and Cogeco Communications (83% controlled by Cogeco Inc) had a structure that could have legally allowed the coattail provisions to be circumvented. The result would have allowed the controlling shareholder to reap a significant premium relative to the subordinated shares on the transaction. Although the subordinated shareholders would have still received a premium to the prior share price and had the opportunity to vote on whether or not to waive the coattail provisions at the two entities, their power was not equalized in the process. Ultimately, the refusal of the controlling shareholder to engage in negotiations resulted in the bid expiring without ever being brought to a shareholder vote. This case has some lessons:

1. Not all coattail provisions are created equal: It is important to look into more detailed elements of the governance such as waiver rights for minority shareholders, transfer rights for the controlling shareholder, and whether or not all forms of change in control are covered.
2. Complexity cuts both ways: Complex corporate structures can create opportunities for financial optimization but can also decrease or obscure the true power of coattail provisions.
3. Alignment can come from other sources: A controlling shareholder with similar general goals as a long-term investor, change of control compensation measures and a strong independent board can enhance alignment of outcomes when it comes to transactions, regardless of the share structure.

In general, we view a coattail provision as a minimum standard for companies with a dual class share structure and appreciate more expansive and comprehensive coattail provisions, without relying on them too strongly as part of our value creation thesis.

Big Tech: Who is in charge of the internet?

The role of dual class share structures in rapidly emerging and potentially disruptive sectors like tech is a growing trend with more than one-third of tech IPO's going public with some kind of dual class share structure. The WeWork failed IPO (contemplated to have the founder with a 20:1 advantage in voting rights) and subsequent restructuring highlighted how less accountable governance and poor alignment of management can drive poor shareholder outcomes.

On the other hand, the recent outperformance of companies like Shopify, Facebook, Google and Zoom, all companies with dual class shares, matched their rapid rise in importance in society during the pandemic. Many suggest that the rapidly evolving nature and volatility of these fast growing and innovative industries require a firmer, longer-term steward that may be difficult to get with widely distributed and liquid voting rights. In fact, there is some evidence that higher innovative output is related, for a period of up to ten years post IPO, by these types of structures.[24] In many cases, the visionary founder(s) can provide a long-term strategy and direction that could be more difficult to implement in a timely and orderly fashion with a single class of shareholders.[25] While this may be true for a period, it is unclear that this needs to be true forever or in all cases.

One study showed that the valuation premiums seen at IPO by dual class share companies dissipates due to aggravation of the agency problems and growing gap between voting and economic interest.[26] Certainly as the founders step away from actively managing the business, the need for concentrated control seems less justified. As an industry matures and scales, the pace of growth may moderate or the need for greater representation of more diverse points of view could prove useful. A good management team will likely try to incorporate emerging issues and a broader stakeholder base into their long-term outlook, but that engagement can be encouraged through a more widely distributed and equal voting structure. In addition, there has been success in the sector with single voting classes of shares, notably Amazon and Microsoft.

Ultimately, we believe that there are ways for management and the board of fast-growing dominant tech companies to expand their capacity and accountability and to balance innovation and long-term vision with agency and scale issues in a timely and orderly fashion through:

1. Sunset clauses/dilution triggers: These are provisions that convert all shares to a single class after a specific time period or change in the controlling shareholder holdings or identity. More recently, there have been proposals for a periodic review that allows subordinated shareholders to vote to approve an extension of the dual class share structure beyond a certain date, ownership or involvement threshold.
2. Financial alignment with long-term shareholder outcomes: Three important markers of financial alignment include high equity ownership, aligned compensation and percentage of net worth.

3. Value of diversity: A culture that values and encourages greater diversity and independence on boards and the organization as a whole can have better outcomes. An example of this could be Facebook's recent board additions of women with diverse life and industry experiences.
4. Independent advice and counsel for the board on key issues: Examples of this are Google's external advisory board on Ethical AI use and Facebook's Safety Advisory Board. These can provide improved representation of stakeholders that support the value of the platforms, broader insights on key issues and a general sounding board for CEO's and boards that are clearly brilliant but may not have the (lived) experience necessary to recognize or manage complex and rapidly evolving social issues in a timely and appropriate manner.

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