JARISLOWSKY FRASER

GLOBAL INVESTMENT MANAGEMENT

Quarterly Report

September 30, 2022

Account

University of Winnipeg Foundation

JF11508

RBC Investor & Treasury Services *

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* Custodian holding the securities for you

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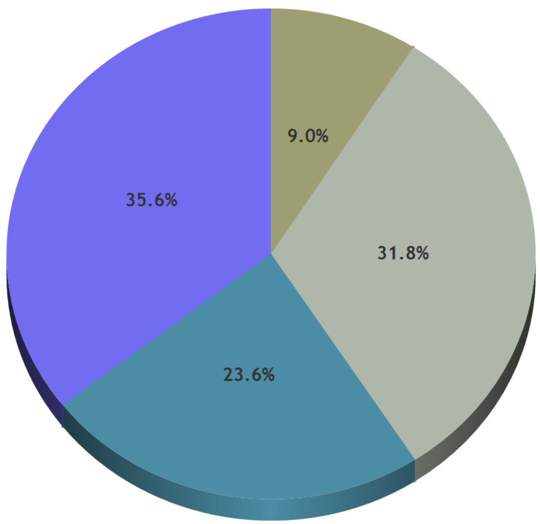
Portfolio Overview

Canadian Dollars
As of Trade Dates: 12/31/2021 - 9/30/2022

Asset Mix	30-Jun-2022 Market Value	30-Jun-2022 % Assets	30-Sep-2022 Market Value	30-Sep-2022 % Assets	Policy Range	Annual Income Estimate	Curr. Yield %
Fixed Income	**47,107**	**36.5**	**51,684**	**40.8**	**30% - 50%**	**1,196**	**2.3**
Cash and Equivalents	2,547	2.0	11,443	9.0	**0% - 10%**	0	0.0
Bonds	44,559	34.6	40,242	31.8	**30% - 50%**	1,196	3.0
Equity	**81,802**	**63.5**	**74,879**	**59.2**	**50% - 70%**	**1,067**	**1.4**
Canadian Equity	33,223	25.8	29,860	23.6	**15% - 35%**	578	1.9
Foreign Equity Funds	48,579	37.7	45,019	35.6		489	1.1
Total	**128,909**	**100.0**	**126,564**	**100.0**		**2,263**	**1.8**

Asset Mix as of 9/30/2022



Activity Summary

	Month to Date	Quarter to Date	Year to Date
Beginning Value	**130,575**	**128,909**	**156,072**
Contributions	0	0	1,425
Withdrawals	0	(3,413)	(3,882)
Income	486	491	1,718
Change in Market Value	(4,497)	576	(28,769)
Due to price variations	(4,497)	576	(28,769)
Due to foreign exchange variations	0	0	0
Ending Value	**126,564**	**126,564**	**126,564**

Performance Summary

	Month To Date	Quarter To Date	Year To Date
University of Winnipeg Foundation	**-3.07**	**0.72**	**-17.37**
Benchmark	-2.97	-0.14	-14.05
Value Added	-0.11	0.86	-3.32

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

Performance History

	Month To Date	Quarter To Date	Year To Date	Latest 1 Year	Annualized Latest 2 Years	Annualized Latest 3 Years	Annualized Since Inception 1/31/2019
TOTAL PORTFOLIO	-3.07	0.72	-17.37	-13.51	0.11	2.94	5.27
Benchmark	-2.97	-0.14	-14.05	-9.91	0.81	2.88	4.66
Value Added	-0.11	0.86	-3.32	-3.60	-0.69	0.06	0.61
Bonds	-0.66	0.55	-11.60	-10.28	-6.62	-1.90	0.16
FTSE Canada Universe Bond Index	-0.53	0.52	-11.78	-10.48	-6.98	-2.51	-0.40
Canadian Equity	-4.73	0.94	-17.22	-13.65	6.85	4.94	7.45
S&P/TSX Composite Index	-4.26	-1.41	-11.14	-5.39	10.06	6.59	8.02
Foreign Equity Funds	-4.35	0.62	-22.71	-16.85	0.63	5.00	7.59
MSCI World Index C$ - Net	-4.83	-0.07	-18.88	-12.83	3.20	5.86	7.54

***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

- Globally, over 80% of central banks are raising interest rates which is the most synchronized interest rate tightening cycle in at least the past four decades.
- The major move in bond markets was with their yield curves: short-term bond yields increased dramatically more than long-term bond yields, further inverting the yield curve.
- Equities were lower in the third quarter as markets continued to digest higher inflation and interest rates globally. Currencies also had a significant impact on returns for foreign investors as many major currencies depreciated 6-8% relative to the U.S. dollar.

Investment Outlook

- Bond markets typically bottom before the last interest rate increases in the cycle, which suggests we are near the end of this harsh bear market.
- While the prospect of a deeper than expected economic downturn remains a possibility, we are of the view that a good portion of this skepticism has now been priced into equity markets.

Economic Review

Globally, over 80% of central banks are raising interest rates which is the most synchronized interest rate tightening cycle in at least the past four decades. Judging by their recent commentary, central banks are willing to accept economic recessions and job losses in order to reach their inflation targets, confirming their level of commitment to achieve their goals.

Monetary policy in developed markets works mainly through financial conditions. If these conditions cause enough pain in corporate bond, stock, and currency markets, declining economic growth will eventually ensue, particularly for heavily-indebted countries like Canada. Indeed, the current inversion of the yield curve (where short-term interest rates are higher than long-term interest rates) is a well-known market indicator of an impending recession, yet the central banks continue to project further interest rate increases. There is a method to the perceived madness, however, as central banks do not want to take the risk of long-term inflation expectations becoming unanchored should they back off too early in their inflation fight.

Bond Markets

The Canadian bond market eked out a positive return in the quarter, in contrast to the losses in the U.S. bond market and, more broadly, global equity markets. Early in the quarter, however, it looked as if the markets were on the path to recovery with interest rates declining and stocks advancing. Central banks subsequently quashed any sentiment that they were even close to reaching interest rate levels that would deliver on their 2% inflation target in the near future.

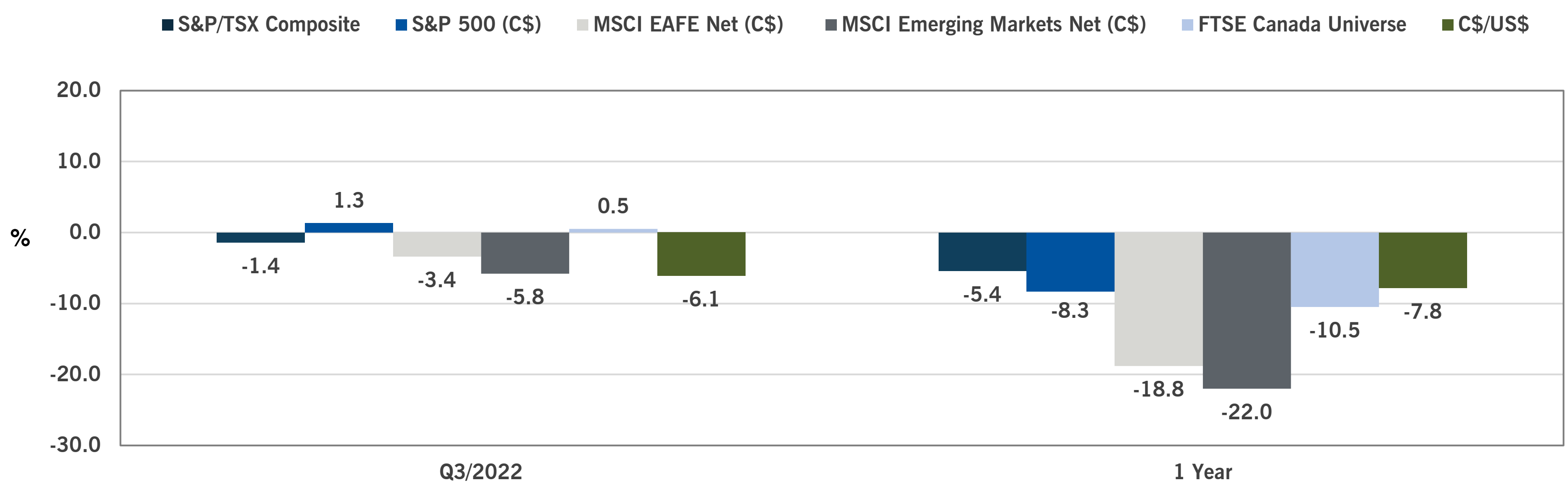
The Bank of Canada delivered an outsized 1.00% increase in July and followed it up with a 0.75% increase in September to bring the overnight bank rate to 3.25%. The U.S. Federal Reserve (Fed) raised rates in two 0.75% announcements. The major move in bond markets was with their yield curves: short-term bond yields increased by dramatically more than long-term bond yields, further inverting the yield curve. In fact, short bonds recorded negative returns in the quarter while long-bond returns were positive. The extreme level of yield curve inversion has historically been a signal from the bond market that a recession is a near certainty. Corporate and provincial bonds saw their yields rise by slightly more than federal bonds of equivalent maturity. It is worth noting that Canadian bond markets outperformed the U.S. markets, as more negative prospects for the Canadian economy was perceived as more favourable for bond yields (rising less).

Equity Markets

Equities were lower in the third quarter as markets continued to digest higher inflation and interest rates globally. U.S. markets fared relatively better than other foreign markets, as investors followed a strong USD relative to all other major global currencies. Emerging markets were weaker, driven primarily by decline in Chinese equities. China continues to suffer the twin effects of rolling lockdowns related to COVID and significant concerns around the property sector. Other developed markets saw varied results, with currencies having a significant impact on returns for foreign investors: major currencies depreciated between 6-8% relative to the U.S. dollar in the quarter alone. From a sector standpoint, consumer areas with a discretionary aspect were weak as consumers reined in purchasing intentions in the face of greater inflation and lower disposable income. Other lagging sectors included interest-rate-sensitive real estate and telecommunications. Conversely, sectors that fared better included energy and financials.

Year to date, the energy sector remains a standout performer in global markets as prices have remained supported by the ongoing conflict in Ukraine and tighter markets generally. Conversely, the IT sector has lagged as investors have pivoted away from longer duration assets in the wake of higher interest rates. Regionally, Canada has continued to fare better than most others, as foreign markets, both developed—excluding the U.S. —and emerging, have lagged.

Market Performance (Periods Ending September 30, 2022)



Outlook

In the last two years, the driving force for economies and financial markets has been the dramatic volatility in inflation. Prior to the pandemic, the 10-year average for inflation in Canada was near 1.5%, and we just recently saw an 8.1% peak in the summer. Ultimately, we expect inflation to come down, possibly rapidly, next year as the embedded interest rate hikes and reduced fiscal stimulus lead to slower consumer spending and declining inflation.

Canada is already seeing signs of inflation peaking on a monthly basis as growth slows. While this does not mean that the Bank of Canada is finished raising interest rates—the very high absolute levels of inflation suggest they will be cautious—it does allow us to contemplate the beginning of the end of the rising interest rate cycle. Bond markets typically bottom before the last interest rate increases in the cycle, which suggests we are near the end of this harsh bear market.

There is a greater than normal level of uncertainty surrounding our current assessment of market risks, but we believe that a large proportion of risks seem to be reflected in the market. More restrictive monetary and fiscal policy is well telegraphed, the dire energy situation and military conflict in the eurozone, and the problems in China are all well understood and reflected in negative investor sentiment presently.

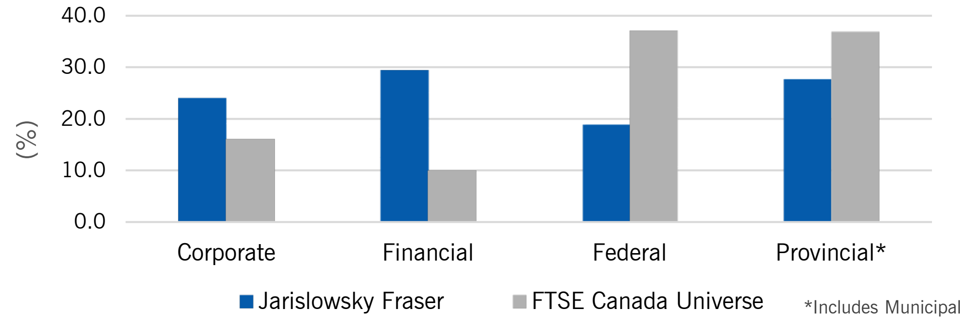
With absolute yields of over 6% on safe corporate bonds, the prospects for outsized gains are the best they have been in recent years. On the equity side, recent declines have moved equity valuations into attractive levels. While the prospect of a deeper than expected economic downturn remains a possibility, we are of the view that a good portion of this skepticism has now been priced into equity markets. In that regard, we believe there are attractive opportunities for long term-oriented investors.

JF Fossil Fuel Free Bond Fund Portfolio Report | Third Quarter 2022

Portfolio Review

FTSE Canada Universe Sector Performance September 30, 2022		
Sector Index	**Q3**	**1 Year**
Short-term	-0.3	-5.2
Mid-term	0.8	-10.3
Long-term	1.5	-17.2
Universe	**0.5**	**-10.5**

As at September 30, 2022



For the quarter, the Fossil Fuel Free Bond Fund tracked the FTSE Canada Universe Bond Index's return of 0.5%. A slightly longer maturity profile than the benchmark was a modest positive contributor to performance, however, this was offset by the overweight in Financial and Corporate bonds.

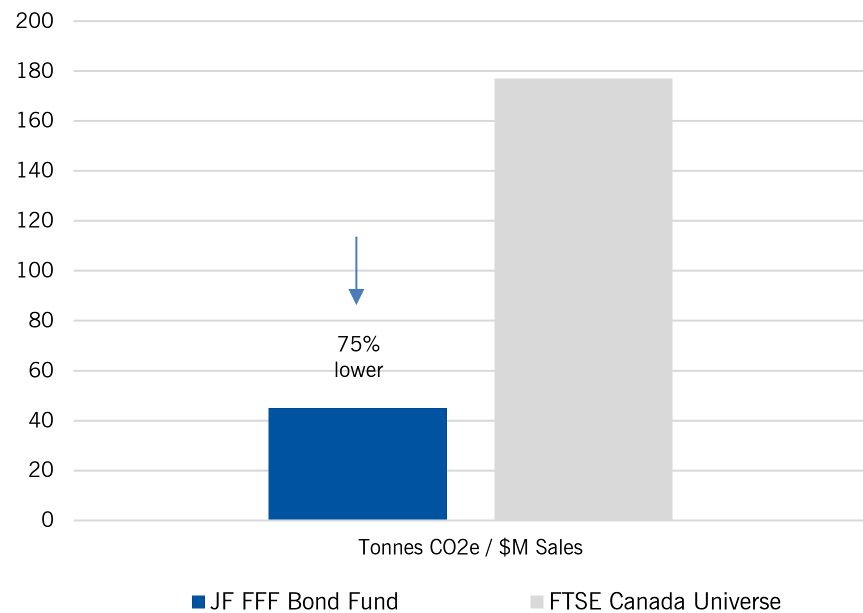
Annualized Returns for Periods Ending September 30, 2022	Q3 (%)	1 Year (%)	2 Years (%)	3 Years (%)	4 Years (%)	S.I.* (%)
Total Portfolio	**0.5**	**-10.4**	**-6.7**	**-1.9**	**0.9**	**0.8**
FTSE Canada Universe	0.5	-10.5	-7.0	-2.5	0.4	0.5

Annual Returns for Years Ending December 31st	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Total Portfolio	**-2.4**	**10.0**	**7.5**	**1.6**
FTSE Canada Universe	-2.5	8.7	6.9	1.4

*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.

Carbon Footprint

As at September 30, 2022



Holdings as at September 30, 2022. Carbon metrics and reporting generated on October 4, 2022. Portfolio weights are ex cash. Carbon Intensity = t CO2e/$M USD Sales. Emissions include Scope 1 and Scope 2 Emissions. For portfolio, data availability is 60.8% with 11.5% comprised of MSCI estimates; for benchmark, data availability is 34.9% with 12.5% comprised of MSCI estimates.

Sustainable Finance Bonds

TELUS Sustainability-Linked Bond 5.25%, 15-Nov-32 (C$1.1 billion Issue)

Sustainability-Linked Bonds ("SLBs") are bonds for which the financial and/or structural characteristics can vary depending on whether the issuer achieves predefined Sustainability objectives. For the TELUS SLB, the coupon is tied to TELUS' company-wide Scope 1 and 2 greenhouse gas emission target. Specifically, if it fails to meet its 2030 target of reducing its absolute Scope 1 & 2 emissions by 46% over 2019 levels, the interest payable will increase by 0.75% per annum.

JFL performs an assessment of SLBs to ensure that their targets are sufficiently ambitious and relevant, and that the bond is structured following International Capital Market Association (ICMA) principles.

Highlights of our assessment:

- The target is relevant, core, and material to the overall business: it includes 100% of Scope 1 and 2 emissions.
- The target is clearly defined and measurable, with a clear, consistent methodology.
- The target is timebound, externally verifiable and can be benchmarked: TELUS has its benchmark assured by Deloitte and has committed to releasing annual reporting with external verification.
- The target must be ambitious and additional: our analysis of TELUS' emissions reductions to date indicate that the target is reasonably ambitious. In addition, the deployment of 5G, fibre, and the growing demand for data will lead to an increase in energy requirements, meaning that the target will not simply be met naturally through business-as-usual strategies. It will require meaningful action.
- The SLB framework has a Second-Party opinion and refers to external target regimes: Sustainalytics has provided a Second-Party Opinion that TELUS' framework aligns with ICMA principles, and TELUS' 2030 emissions target has been validated by the Science-Based Targets Initiative, meaning that it is aligned with limiting global warming to 1.5 degrees.
- The potential variation of the coupon is meaningful, providing clear incentive to meet targets: the 0.75% increase per year is greater than the 0.25% variation typically seen in SLBs globally.

Portfolio Review

The Canadian equity market continued to reflect the uncertainty related to rising interest rates, high inflation, geopolitical tensions in many areas of the world and continued supply chain issues. Domestic issues relate to the highly indebted Canadian consumer and the consequent impact of rising financing costs and food and energy prices on disposable income and debt service. Although there is still limited evidence — apart from decreasing car sales and lower housing prices and sales — we still expect some deterioration in consumer balance sheets and consumption in upcoming quarters.

The S&P/TSX declined -1.4% in the third quarter, while our portfolio made some gains (0.9%). On a year-to-date basis, the market fell -11.1%, and our portfolio declined -17.2%. The relative lag is mainly due to the Fund's Energy sector exclusion, where oil and gas prices have gone up materially due to the geopolitical risk premium caused by the war in Ukraine.

For the quarter, index returns were quite mixed across sectors, with interest-sensitive sectors such as Real Estate (-6.4%), Communication Services (-7.5%) and Technology (-4.7%) down more than the index, and Consumer Discretionary (+4.2%) and Consumer Staples (+2.6%), as well as Industrials (+4.2%) exceeding the index. Energy (-5.3%) was also down due to the weakening economy's impact on oil demand. Financials (-1.2%) were in-line, already reflecting risks in the economy. We outperformed in every sector except IT, due primarily to the drop in Open Text (-24.4%) following its acquisition of Micro Focus.

Apart from the decline in Energy stocks, the most important contributors to the portfolio in the quarter were CCL (+10.5%), Restaurant Brands International (+14.9%) and Boyd (+25.6%). Restaurant Brands performed well in the quarter due to strong same-store sales from Tim Hortons as Canada continues to recover from the pandemic, augmented by wins from its "Back to Basics" strategy. Additionally, the company announced a multi-year plan to reinvigorate Burger King USA, a notable area of concern for investors. Boyd rebounded somewhat from a

Annualized Returns for Periods Ending September 30, 2022	Q3 (%)	1 Year (%)	2 Years (%)	3 Years (%)	4 Years (%)	S.I.* (%)
Total Portfolio	**0.9**	**-13.6**	**6.8**	**4.9**	**6.5**	**7.0**
S&P/TSX Composite	-1.4	-5.4	10.1	6.6	6.7	6.7

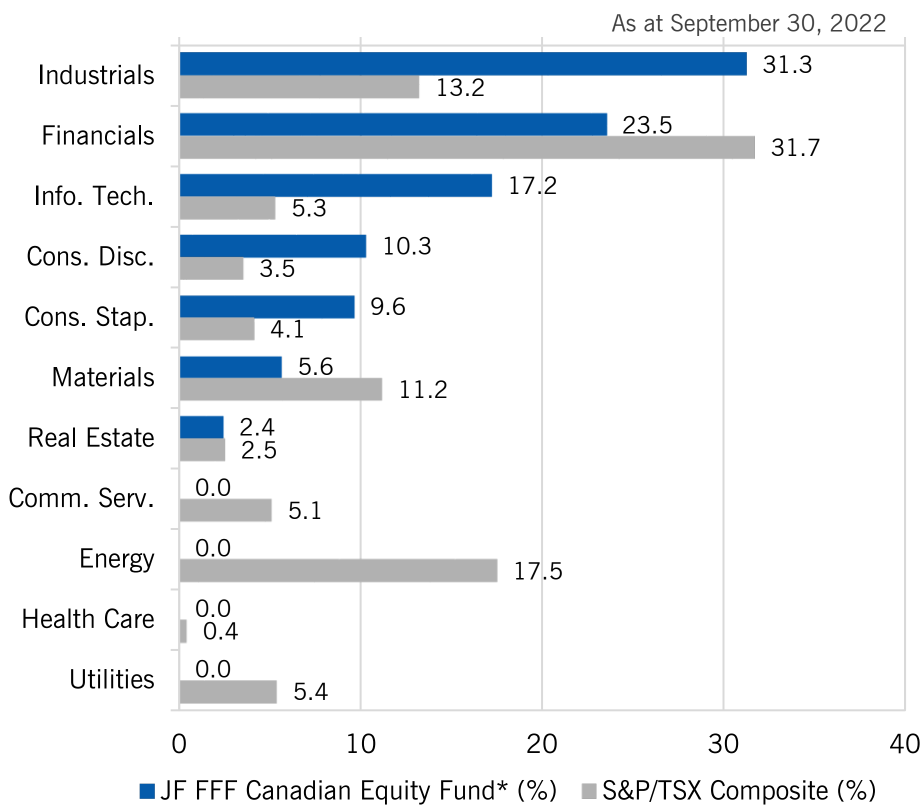
Annual Returns for Years Ending December 31st	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Total Portfolio	**24.6**	**9.1**	**24.1**	**-4.4**
S&P/TSX Composite	25.1	5.6	22.9	-8.9

*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.

tough beginning of the year due to supply chain issues impacting its ability to get car parts and labour issues, thereby limiting its capacity. Although margins are still not back to previous levels, recent results showed improving fundamentals, particularly on the supply chain and the ability to push higher prices to insurers.

CCL Industries, a specialty packaging and labelling company, was a top performer in the quarter due to continued strength in the business, with second-quarter sales up 10.9% organically. The company has done a good job pricing out cost inflation, and with commodity costs expected to wane, profitability should continue to improve over the medium term. Management is active on buying back stock opportunistically ($200m completed year to date), which also provides some downside support.

Detractors in the portfolio this quarter were Open Text (-24.4%), **CAE** (-33.2%) and **BNS** (-12.6%). Scotiabank declined despite producing in-line results and good growth in all segments except the market-sensitive ones. Specifically, the market was disappointed in the lack of net interest margin expansion in its Latin American operations, given the rise in interest rates. We believe this is a timing issue, given it has fewer low-cost deposits. Weighing on the stock is the noted political instability in its Latin American footprint, none of which has transpired into deteriorating economic or company metrics yet. CAE declined after announcing a disappointing quarter due to a negative surprise related to a contract in its defense segment, surprising investors since it came shortly after presenting a positive investor day. OTEX reacted negatively following the announced acquisition of Micro Focus International for $6 billion, its largest acquisition yet. The market is quite unfamiliar with the target company, concerned with the higher level of leverage, the declining growth profile (revenues have declined over the past five years), and the integration risk. We take comfort in the fact that management has an impressive record at making and integrating acquisitions, that the debt ratio is expected to decline to previous levels over the following eight quarters as a result of high and recurring cash flow generation, and that the valuation paid makes it quite accretive.



**Ending weights presented ex. cash*

Noteworthy Changes

During the quarter, we were opportunistic in adding to our CAE position. Given that valuation has once again become very attractive, the civil segment is doing well and is expected to continue. We believe problems in the defense segment are unlikely to reoccur. We were also opportunistic in adding to some of our existing positions, such as **WSP** and **SNC**. Finally, we initiated a position in **Definity Financial**, the recently demutualized P&C insurance company.

Definity Financial (DFY)

Financials

Market & Industry: The P&C industry in Canada is a $63B industry, considered mature and growing at about 5% per year, roughly in line with nominal GDP. It is still very fragmented with the top five companies representing a bit more than 50% of total market share. Current underwriting conditions are favorable because interest rates are low, which is forcing insurers to be disciplined on pricing (because investment returns are contributing less). Also, industry profitability remains stubbornly low, which is also forcing price increases, and most likely more consolidation going forward. Cyclically, lower frequency in auto (due to COVID-related different driving patterns) is temporarily boosting the combined ratios, only partially offset by higher severity.

Company: We initiated a position because we believe this P&C insurance company has many attributes to do well in this industry. Definity operates across Canada (with a dominant portion of its premiums from Ontario), is #7 in size with approximately 5% market share, but is a stone throw away from #4. Although it doesn't have the scale of Intact (owned in our large cap portfolio), it has strong management, interesting and innovative direct channel technology with Sonnet and Vyne, as well as disciplined underwriting principles. Important management changes were made a few years prior to demutualizing, which include members with impressive accomplishments. The upside comes from the expected organic growth, improving ROE from reducing the excess capital and optimizing the balance sheet, emerging profitability from the new digital initiatives, as well as a potential M&A eventually.

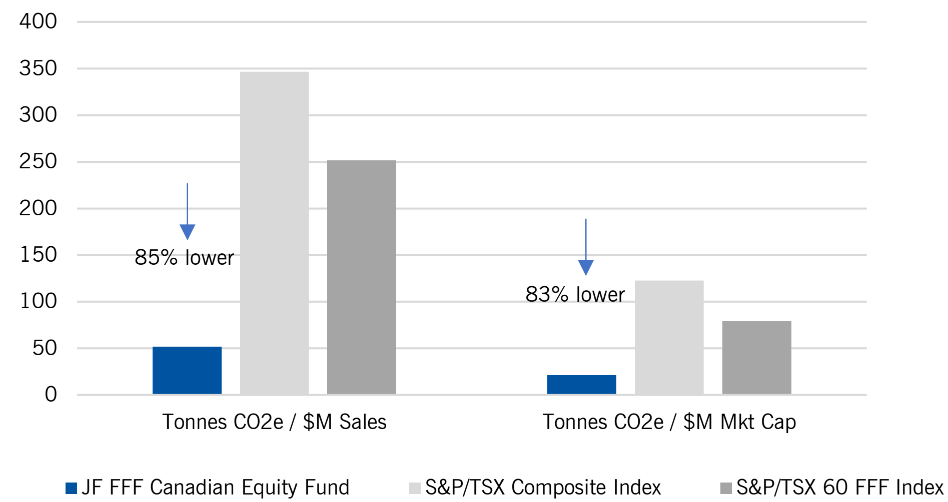
Management and Board: Rowan Saunders, the CEO has been with the company for 5 years and is well respected in the industry. Prior to joining DFY, he was CEO of RSA Canada from 2003-2016. There, he achieved quite a lot, including developing the affinity program, improving its market share from 4% to 7% (#10 player to #3), as well as improving its claims ratio and ROE to better-than-industry average. Rowan upgraded the management team since he joined, replacing 7 out of the top 10, including new hires from McKinsey and Intact. Management has positioned the company well before demutualizing, investing heavily in the on-line platforms (Sonnet, and Vyne). The 10-person Board has credible people with diversified backgrounds (financial, accounting, technology, academia).

Valuation: Definity trades at 2x BV, which is skewed by the fact that its ROE is held back by the significant excess capital on its balance sheet. Management will fix this over time by optimizing the leverage ratio and deploying capital appropriately.

ESG Considerations: Definity has strong ESG principles. ESG considerations are key inputs to the company's corporate strategy and investments, and disclosures are aligned with Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD) standards. Overall, Definity has an impressive commitment to material ESG factors, especially considering its size and recent IPO. For example, Definity is committed to diversity and inclusion, which is actively promoted across the organization and evident in its comprehensive disclosures and targets. Also, it has an independent chair of the board, the CEO and chair roles are independent, and 30% of board members are women. It has also incorporated key climate change risks into its strategy, with a target to achieve net zero emissions from its operations and portfolio by 2040. It has a Climate Change Working Group to ensure it is incorporating climate change factors into its products and services, pricing, reserving, and reinsurance strategies.

Carbon Footprint

As at September 30, 2022



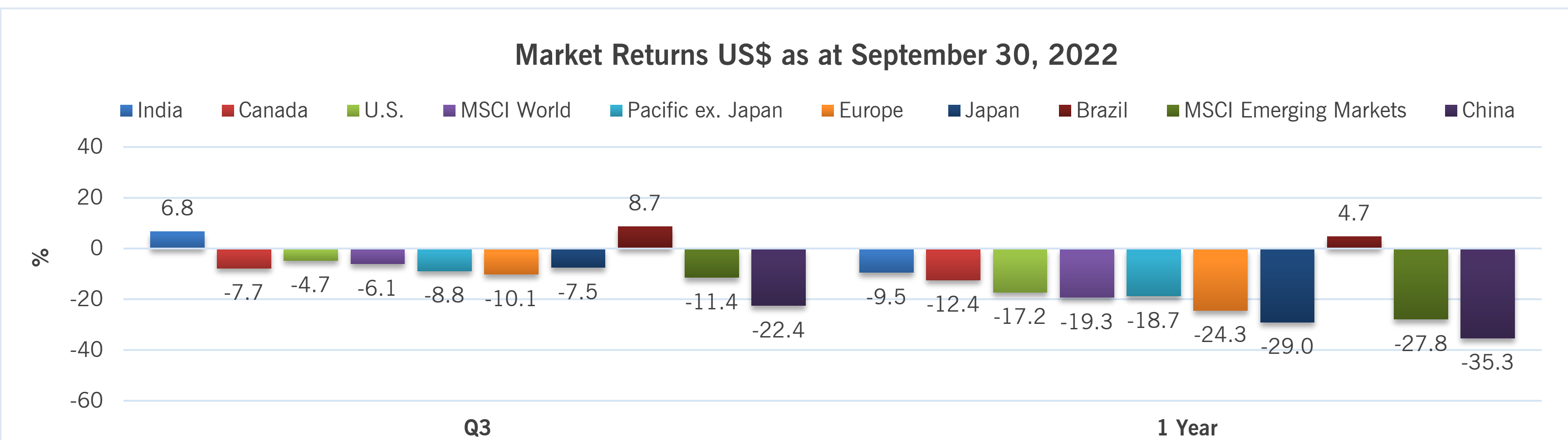
Holdings as at September 30, 2022. Carbon metrics and reporting generated on October 11, 2022. Portfolio weights are ex cash. Carbon Intensity = t CO_2e/$M USD Sales. Emissions include Scope 1 and Scope 2 Emissions. For portfolio, data availability is 100% with 13.9% comprised of MSCI estimates; for S&P/TSX Composite Index, data availability is 99.6% with 12.0% comprised of MSCI estimates; for S&P/TSX 60 FFF Index, data availability is 100% with 6.9% comprised of MSCI estimates.

Inflation continues to run at levels not seen in decades across all major European markets, with eurozone inflation reaching 10% at its last reading. Core inflation, which excludes more volatile energy and food effects, was also running at elevated levels in key economies ranging from 4-6.5%. To keep inflation expectations anchored, central banks in most developed markets pushed rates higher, guiding for more increases in the future. The notable outlier continues to be the Bank of Japan, which has maintained a more dovish stance given the ongoing deflationary pressures its economy has experienced for some time.

A large part of the inflation backdrop is the rising energy cost due to the ongoing conflict in Ukraine. European, U.K. and Japanese governments are enacting legislation to cap the energy cost to retail consumers to help ease this burden. Concurrently, businesses are being told to find efficiencies and reduce demand. While a necessary interim measure, these programs will put pressure on government balance sheets and broadly reduce economic output. Further impacting the inflation backdrop is the strength of the U.S. dollar against the pound sterling, yen and euro, given all these regions are significant energy importers.

Two significant monetary interventions occurred during the quarter as central banks looked to tame volatility. The Japanese Treasury announced it would intervene to support the yen for the first time since 1988, given its significant decline year to date. This came after the Bank of Japan announced it would maintain its dovish monetary stance. Shortly after, the Bank of England announced it would purchase long-dated Gilts in a program to maintain financial stability in its pension system and domestic mortgage origination industry. This followed the new Conservative government mini-budget, which cut taxes for top-income earners and created large spending commitments. Consequently, this prompted concerns over the U.K.'s fiscal stability with spreads widening, currency weakness and a stern rebuke from the International Monetary Fund.

In regards to emerging markets (EM), equities have already sold off ~30% in the past year, which is the second largest pullback in two decades behind the GFC. Valuations were reasonable before the sell-off and now look depressed on practically every relative and absolute measure – this should provide some valuation support. Most EM economies are quite advanced in their monetary tightening cycles and/or have relatively manageable core inflation trends – they look well-positioned to avoid the type of monetary policy shock we are seeing in the U.S. Major EM economies are far less sensitive to a rising U.S. dollar than they were in the past, and EM stress indicators have not deteriorated as the dollar surged in recent weeks. EM equities will not be immune to global volatility in the near term, but we think there is a strong case for relative resilience in the intermediate and longer term.



Gross returns. Source: MSCI.

Annualized Returns for Periods Ending September 30, 2022							
	Q3 (%)	1 Year (%)	2 Years (%)	3 Years (%)	4 Years (%)	5 Years (%)	S.I.* (%)
Total Portfolio	**0.6**	**-16.8**	**0.6**	**5.0**	**5.9**	**7.8**	**7.6**
MSCI World Net	-0.1	-12.8	3.2	5.9	5.5	7.3	7.1

Annual Returns for Years Ending December 31st				
	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Total Portfolio	**21.4**	**16.1**	**23.2**	**2.3**
MSCI World Net	20.8	13.9	21.2	-0.5

*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.

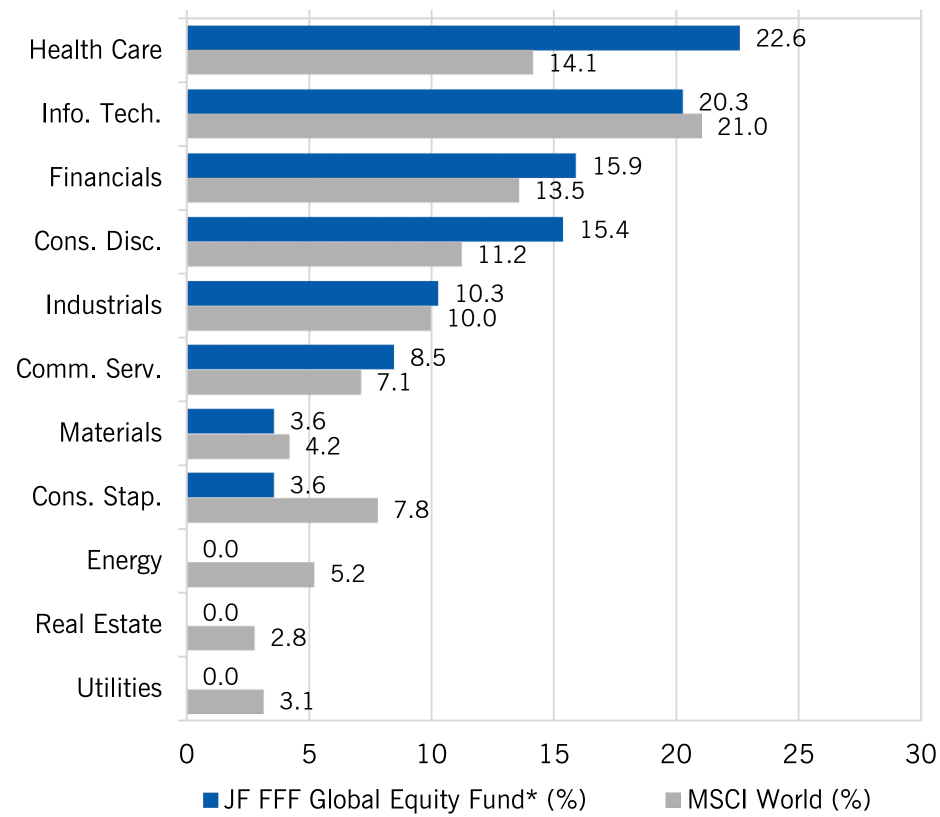
Portfolio Review

During the third quarter, the Fossil Fuel Free Global Equity Fund did slightly better than the MSCI World (Net) Index: 0.6% vs. -0.1% in Canadian dollar terms. These results were helped by a falling currency, as the performance was about 7% weaker in U.S. dollar terms. U.S. market dynamics continued to be dominated by the outlook for inflation and interest rates, while country-specific factors tended to dominate elsewhere: energy pricing in Europe, fiscal policy in the U.K., and the property market in China. Most large global markets fell moderately in local currency, with those losses compounded by a strong U.S. dollar, which gained a remarkable 7% versus a basket of global currencies. It was a volatile quarter, with an equity rally followed by a sell-off, higher interest rates and inverted yield curves, and lower oil prices.

In this volatility context, the portfolio began to recoup some performance lost earlier in the year due to the commodity shock and the "growth-to-value" rotation. Financials (+0.2%) and Health Care (-0.6%) were both strong sectors for the portfolio, with a standout performance from the likes of **Interactive Brokers** (+24.0%) and **Boston Scientific** (+10.7%). Interactive Brokers benefits from market volatility and higher rates. Boston Scientific is returning to strong growth following the interruption of hospital procedures during the pandemic and has a good line-up of innovative new products. On the other hand, **Alibaba** (-25.8%) and **Tencent** (-20.0%) suffered, as Chinese consumers grappled with Covid lockdowns and a weak housing market.

For the one-year period, the portfolio underperformed the index -16.8% vs. -12.7% in Canadian dollar terms. The headwind from the commodity shock in the first quarter was significant, explaining nearly 40% of the lag. The headwind from higher rates on higher-growth stocks was also a significant factor, with companies like **Guidewire** (-43.8%), **Sika** (-29.8%), **ASML** (-37.7%), and **Dechra Pharmaceuticals** (-51.0%) seeing significant earnings multiple contractions even as the fundamental performance continued to be strong. We believe most of the damage from higher rates in this "growth to value" rotation has been done, and look forward to the market recognizing the good underlying performance of these businesses. To that end, year-to-date, we have added to our positions in Guidewire, **Amazon**, and Dechra Pharmaceuticals.

As at September 30, 2022



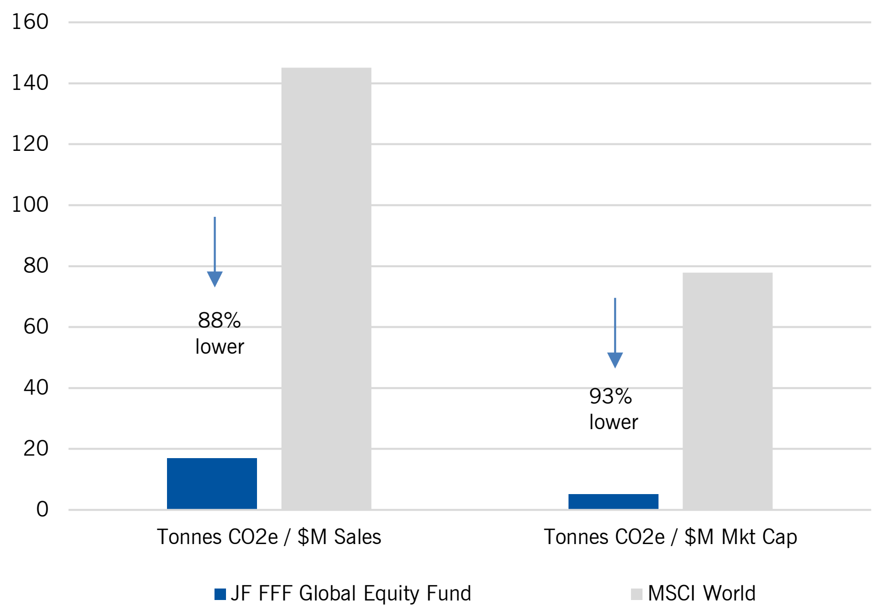
*Ending weights presented ex. cash

Noteworthy Changes

There were no new positions or exits this quarter, and trading activity overall was minimal amidst the volatility. Earlier in the year, we increased several key positions where we believe we have a differentiated viewpoint and a strong risk/reward profile, notably Amazon, Meta, Interactive Brokers, and Guidewire. Following the sell-off to end the quarter, our antennas have again perked up, and we regularly review both existing holdings and our Watch List names. In addition, we anticipate the ability to further upgrade the portfolio should we see more weakness in equity markets.

Carbon Footprint

As at September 30, 2022



Holdings as at September 30, 2022. Carbon metrics and reporting generated on October 7, 2022. Portfolio weights are ex cash. Carbon Intensity = t CO_2e/$M USD Sales. Emissions include Scope 1 and Scope 2 Emissions. For portfolio, data availability is 100% with 17.6% comprised of MSCI estimates; for benchmark, data availability is 99.9% with 7.8% comprised of MSCI estimates.

Portfolio Strategy

We remain firmly focused on the fundamentals of our companies and how they are likely to evolve over the coming years. The most important considerations for us include competitive positioning and management skill. A strong balance sheet is also required so our holdings do not just survive, but thrive whenever the economy turns sour. We avoid businesses that will suffer permanent impairment from rising commodity prices, higher inflation, and higher rates. Still, we believe that volatility caused by these factors will not materially impact the higher-quality businesses we invest in or their cash flows over the long term. We expect higher costs to be passed through to customers, commodity prices to fall, and the enthusiasm over cyclically-exposed companies to fade with the cycle. We believe the earnings power of strong businesses will endure, and we intend to hold our share of those businesses for many years.

As always, despite the ongoing macroeconomic and geopolitical headlines, we continue to focus our abilities where we can add the most value: seeking out higher-quality companies with resilient and growing earnings power. By being patient and opportunistic in our decision-making, we aim to temper the impact from external shocks and grow capital in a lower-risk manner.

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.

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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

JARISLOWSKY FRASER
GLOBAL INVESTMENT MANAGEMENT

University of Winnipeg Foundation
JF11508

Canadian Dollars
As of Trade Date: 9/30/2022

Security Description	Book Value: Local Unit Cost	Book Value: Total Cost (CAD)	Market Value at 30-Jun-2022: Quantity	Market Value at 30-Jun-2022: Market Value (CAD)	Market Value at 30-Sep-2022: Quantity	Market Value at 30-Sep-2022: Price	Market Value at 30-Sep-2022: Market Value (CAD)	% of Asset Class	% of Total	Annual Income Estimate (CAD)	Current Yield %
FIXED INCOME		**56,320**		**47,107**			**51,684**		**40.8**	**1,196**	**2.3**
Cash and Equivalents		**11,443**		**2,547**			**11,443**	**100.0**	**9.0**	**0**	**0.0**
Canadian Dollars		11,443		2,547			11,443	100.0	9.0		0.0
Bonds		**44,877**		**44,559**			**40,242**	**100.0**	**31.8**	**1,196**	**3.0**
JF Fossil Fuel Free Bond Fund	9.92	44,877	4,994	44,559	4,523	8.90	40,242	100.0	31.8	1,196	3.0
EQUITY		**62,719**		**81,802**			**74,879**		**59.2**	**1,067**	**1.4**
Canadian Equity		**25,839**		**33,223**			**29,860**	**100.0**	**23.6**	**578**	**1.9**
Group 1		**25,839**		**33,223**			**29,860**	**100.0**	**23.6**	578	**1.9**
Pooled Funds		**25,839**		**33,223**			**29,860**	**100.0**	**23.6**	578	**1.9**
JF Fossil Fuel Free Canadian Equity Fund	10.63	25,839	2,716	33,223	2,430	12.29	29,860	100.0	23.6	578	1.9
Foreign Equity Funds		**36,879**		**48,579**			**45,019**	**100.0**	**35.6**	**489**	**1.1**
Group 1		**36,879**		**48,579**			**45,019**	**100.0**	**35.6**	489	**1.1**
Pooled Funds		**36,879**		**48,579**			**45,019**	**100.0**	**35.6**	489	**1.1**
JF Fossil Fuel Free Global Equity Fund C$	10.94	36,879	3,660	48,579	3,372	13.35	45,019	100.0	35.6	489	1.1
Total Portfolio		**119,039**		**128,909**			**126,564**		**100.0**	**2,263**	**1.8**

Security Description	Book Value: Local Unit Cost	Book Value: Total Cost (CAD)	Market Value at 30-Jun-2022: Quantity	Market Value at 30-Jun-2022: Market Value (CAD)	Market Value at 30-Sep-2022: Quantity	Market Value at 30-Sep-2022: Price	Market Value at 30-Sep-2022: Market Value (CAD)	% of Asset Class	% of Total	Annual Income Estimate (CAD)	Current Yield %
SUMMARY											
Fixed Income		**56,320**		**47,107**			**51,684**		**40.8**	1,196	**2.3**
Equity		**62,719**		**81,802**			**74,879**		**59.2**	1,067	**1.4**

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University of Winnipeg Foundation
JF11508

Transaction Summary

Canadian Dollars
As of Trade Dates: 7/1/2022 - 9/30/2022

FIXED INCOME

Purchases

Trade Date	Settle Date	Quantity	Security	Unit Cost	Total Cost
Canadian Dollars					
Reinvestments					
09/30/2022	09/30/2022	37.603	JF Fossil Fuel Free Bond Fund	8.90	334.53
Sub-total					**334.53**
Total - Purchases CAD					**334.53**

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											
08/24/2022	08/26/2022	121.832	JF Fossil Fuel Free Bond Fund	9.93	1,209.78	9.03				1,100.00	(109.78)
Sub-total					**1,209.78**					**1,100.00**	**(109.78)**
Pending Sales											
09/28/2022	10/03/2022	386.552	JF Fossil Fuel Free Bond Fund	9.93	3,838.41	9.05				3,500.00	(338.41)
Sub-total					**3,838.41**					**3,500.00**	**(338.41)**
Total - Sales CAD					**5,048.19**					**4,600.00**	**(448.19)**
Total Sales										**4,600.00**	**(448.19)**

Dividends

Trade Date	Pay-Date	Security	Amount
Canadian Dollars			
Pooled Fund Distributions			
09/30/2022	09/30/2022	JF Fossil Fuel Free Bond Fund	334.53

Transaction Summary

Canadian Dollars
As of Trade Dates: 7/1/2022 - 9/30/2022

FIXED INCOME

Dividends

Trade Date	Pay-Date	Security	Amount
Sub-total			**334.53**
Total - Dividends CAD			**334.53**

Interest

Trade Date	Settle Date	Security	Amount
Canadian Dollars			
07/29/2022	07/29/2022	Canadian Dollars	2.26
08/31/2022	08/31/2022	Canadian Dollars	3.25
09/29/2022	09/29/2022	Canadian Dollars	2.52
Sub-total			**8.03**
Total - Interest CAD			**8.03**

Withdrawals

Trade Date	Settle Date	Quantity	Security	Total Cost
Canadian Dollars				
08/29/2022	08/29/2022		Canadian Dollars	3,201.95
Sub-total				**3,201.95**
Total - Withdrawals CAD				**3,201.95**

Transaction Summary

Canadian Dollars
As of Trade Dates: 7/1/2022 - 9/30/2022

CANADIAN EQUITY

Purchases

Trade Date	Settle Date	Quantity	Security	Unit Cost	Total Cost
Canadian Dollars					
Reinvestments					
09/30/2022	09/30/2022	12.121	JF Fossil Fuel Free Canadian Equity Fund	12.29	148.93
Sub-total					**148.93**
Total - Purchases CAD					**148.93**

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											
08/24/2022	08/26/2022	90.204	JF Fossil Fuel Free Canadian Equity Fund	10.62	958.38	13.30				1,200.00	241.62
Sub-total					**958.38**					**1,200.00**	**241.62**
Pending Sales											
09/28/2022	10/03/2022	207.575	JF Fossil Fuel Free Canadian Equity Fund	10.62	2,205.40	12.53				2,600.00	394.60
Sub-total					**2,205.40**					**2,600.00**	**394.60**
Total - Sales CAD					**3,163.78**					**3,800.00**	**636.22**
Total Sales										**3,800.00**	**636.22**

CANADIAN EQUITY

Dividends

Trade Date	Pay-Date	Security	Amount
Canadian Dollars			
Pooled Fund Distributions			
09/30/2022	09/30/2022	JF Fossil Fuel Free Canadian Equity Fund	148.93
Sub-total			**148.93**
Total - Dividends CAD			**148.93**

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											
Pending Sales											
09/28/2022	10/03/2022	288.949	JF Fossil Fuel Free Global Equity Fund C$	10.94	3,160.67	13.50				3,900.00	739.33
Sub-total					**3,160.67**					**3,900.00**	**739.33**
Total - Sales CAD					**3,160.67**					**3,900.00**	**739.33**
Total Sales										**3,900.00**	**739.33**

Transaction Summary

Canadian Dollars
As of Trade Dates: 7/1/2022 - 9/30/2022

OTHER TRANSACTIONS

Expenses

Trade Date	Settle Date	Security	Amount
Canadian Dollars			
Management Fees			
08/02/2022	08/02/2022	Management Fee	210.62
Sub-total			**210.62**
Total - Expenses CAD			**210.62**

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Disclosures and Definitions

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	2.550	12/15/2023	522,000	98.309	513,173	98.359	513,436	0.4
Canada Housing Trust	1.750	06/15/2030	526,000	98.412	517,646	87.670	461,145	0.4
Canada Housing Trust No 1	3.550	09/15/2032	2,610,000	102.168	2,666,585	99.493	2,596,770	2.1
Canada Housing Trust No 1	3.800	06/15/2027	488,000	100.711	491,467	100.700	491,417	0.4
Canada Housing Trust No 1	2.150	12/15/2031	218,000	92.290	201,192	88.746	193,467	0.2
Canada Housing Trust No 1	1.550	12/15/2026	32,000	96.316	30,821	91.801	29,376	0.0
Canadian Government Bond	2.250	06/01/2025	3,067,000	101.113	3,101,141	96.562	2,961,557	2.4
Canadian Government Bond	4.000	06/01/2041	2,651,000	128.605	3,409,307	110.863	2,938,966	2.4
Canadian Government Bond	2.000	12/01/2051	3,695,000	95.951	3,545,384	78.939	2,916,788	2.4
Canadian Government Bond	1.500	12/01/2031	1,741,000	87.011	1,514,857	86.744	1,510,219	1.2
Canadian Government Bond	3.500	12/01/2045	873,000	105.910	924,594	105.305	919,313	0.8
Canadian Government Bond	1.250	06/01/2030	776,000	92.862	720,608	86.829	673,793	0.6
Canadian Government Bond	2.250	12/01/2029	505,000	98.261	496,217	94.076	475,085	0.4
Canadian Government Bond	1.750	12/01/2053	500,000	72.840	364,200	73.415	367,074	0.3
Canadian Government Bond	2.250	06/01/2029	226,000	100.993	228,244	94.382	213,303	0.2
Canadian Government Bond	1.500	06/01/2031	242,000	90.640	219,349	87.181	210,977	0.2
Canadian Government Bond	2.750	12/01/2048	71,000	113.842	80,828	93.355	66,282	0.1
CPPIB Capital Inc	3.000	06/15/2028	3,620,000	99.153	3,589,354	95.911	3,471,968	2.9
International Bank for Reconstruction & Development	0.875	09/28/2027	1,395,000	99.067	1,381,989	87.250	1,217,141	1.0
International Bank for Reconstruction & Development	1.800	07/26/2024	375,000	99.677	373,789	96.276	361,036	0.3
					24,370,745		**22,589,114**	**18.7**
Provincial Bonds								
Hydro-Quebec	2.000	09/01/2028	968,000	91.979	890,357	90.585	876,865	0.7
Hydro-Quebec	2.100	02/15/2060	645,000	82.553	532,469	62.255	401,546	0.3
Ontario Power Generation Inc	3.215	04/08/2030	1,681,000	91.160	1,532,407	90.306	1,518,047	1.3
Province of Alberta	2.050	06/01/2030	1,408,000	100.182	1,410,565	88.103	1,240,484	1.0
Province of Alberta	3.050	12/01/2048	833,000	82.967	691,117	82.592	687,992	0.6
Province of Alberta	3.100	06/01/2050	248,000	104.987	260,367	83.454	206,965	0.2
Province of British Columbia	2.750	06/18/2052	1,445,000	79.606	1,150,305	77.426	1,118,808	0.9
Province of British Columbia	4.300	06/18/2042	234,000	129.825	303,791	101.182	236,765	0.2
Province of British Columbia	2.800	06/18/2048	193,000	84.831	163,724	78.932	152,338	0.1
Province of Manitoba	3.900	12/02/2032	316,000	99.462	314,300	99.202	313,478	0.3
Province of New Brunswick	3.100	08/14/2048	230,000	92.801	213,443	81.904	188,378	0.2
Province of New Brunswick	3.100	08/14/2028	127,000	106.536	135,301	96.169	122,135	0.1
Province of Newfoundland and Labrador	1.750	06/02/2030	976,000	96.162	938,543	85.154	831,103	0.7
Province of Nova Scotia	3.150	12/01/2051	1,025,000	105.635	1,082,759	82.693	847,602	0.7
Province of Ontario	2.800	06/02/2048	2,955,000	90.051	2,661,001	78.540	2,320,865	1.9
Province of Ontario	2.650	12/02/2050	2,363,000	98.512	2,327,843	75.498	1,784,014	1.5
Province of Ontario	2.650	02/05/2025	1,706,000	105.024	1,791,716	97.130	1,657,035	1.4
Province of Ontario	1.850	02/01/2027	1,634,000	100.250	1,638,082	92.315	1,508,433	1.2
Province of Ontario	4.700	06/02/2037	1,219,000	131.176	1,599,038	105.140	1,281,656	1.1
Province of Ontario	2.900	06/02/2028	1,339,000	96.455	1,291,535	95.542	1,279,301	1.1
Province of Ontario	3.450	06/02/2045	947,000	118.409	1,121,335	88.954	842,397	0.7
Province of Ontario	2.900	12/02/2046	338,000	95.915	324,194	80.493	272,066	0.2
Province of Ontario	2.300	09/08/2024	131,000	104.407	136,773	96.904	126,944	0.1
Province of Quebec	1.850	02/13/2027	4,299,000	99.253	4,266,870	92.411	3,972,760	3.3
Province of Quebec	5.000	12/01/2041	2,764,000	134.884	3,728,205	110.112	3,043,492	2.5
Province of Quebec	3.100	12/01/2051	2,154,000	106.544	2,294,965	83.228	1,792,722	1.5
Province of Quebec	2.850	12/01/2053	2,036,000	87.845	1,788,520	78.802	1,604,407	1.3
Province of Quebec	3.250	09/01/2032	1,272,000	95.523	1,215,046	94.630	1,203,692	1.0
Province of Quebec	3.500	12/01/2048	630,000	113.147	712,825	89.713	565,192	0.5
Province of Saskatchewan	2.800	12/02/2052	692,000	78.332	542,057	77.414	535,705	0.4
Province of Saskatchewan	3.100	06/02/2050	278,000	103.385	287,409	82.828	230,261	0.2
					37,346,863		**32,763,449**	**27.1**
Municipal Bonds								
City of Toronto Canada	2.600	09/24/2039	2,204,000	100.437	2,213,637	77.345	1,704,687	1.4
					2,213,637		**1,704,687**	**1.4**
Corporate Bonds								
407 International Inc.	6.470	07/27/2029	1,200,000	119.828	1,437,940	109.990	1,319,877	1.1
407 International Inc.	4.450	08/14/2031	207,000	99.974	206,946	95.760	198,224	0.2
Air Lease Corp	2.625	12/05/2024	140,000	95.165	133,231	93.960	131,544	0.1
AltaLink, L.P.	3.668	11/06/2023	239,000	105.720	252,671	98.948	236,485	0.2
AltaLink, L.P.	3.990	06/30/2042	35,000	94.407	33,042	89.496	31,324	0.0
Anheuser-Busch InBev Finance Inc.	4.320	05/15/2047	559,000	97.699	546,138	83.064	464,328	0.4
Bank of Montreal	2.280	07/29/2024	1,644,000	101.204	1,663,789	95.446	1,569,140	1.3
Bank of Montreal	3.650	04/01/2027	1,254,000	97.212	1,219,037	94.559	1,185,775	1.0
Bank of Montreal	2.700	09/11/2024	1,092,000	100.956	1,102,437	96.408	1,052,770	0.9
Bank of Montreal	5.625	05/26/2082	227,000	100.290	227,659	93.725	212,756	0.2
Bank of Nova Scotia	2.380	05/01/2023	949,000	102.513	972,850	98.677	936,445	0.8

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

In C$ as at September 30 2022

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
BCI QuadReal Realty	1.747	07/24/2030	1,501,000	88.170	1,323,424	80.419	1,207,087	1.0
Bell Canada	2.900	09/10/2029	1,118,000	89.734	1,003,227	87.016	972,836	0.8
Bell Canada	1.650	08/16/2027	190,000	97.119	184,526	85.548	162,541	0.1
Calgary Airport Authority	3.554	10/07/2053	679,000	91.043	618,181	79.503	539,827	0.4
Calgary Airport Authority	3.199	10/07/2036	100,000	83.558	83,558	82.664	82,664	0.1
Canadian Imperial Bank of Commerce	2.000	04/17/2025	1,612,000	97.384	1,569,832	92.890	1,497,387	1.2
Canadian Imperial Bank of Commerce	2.250	01/07/2027	1,074,000	97.414	1,046,225	89.380	959,946	0.8
Canadian Imperial Bank of Commerce	4.950	06/29/2027	807,000	99.847	805,765	99.621	803,941	0.7
Canadian Imperial Bank of Commerce	4.200	04/07/2032	567,000	99.518	564,268	94.244	534,363	0.4
Canadian Imperial Bank of Commerce	2.430	06/09/2023	530,000	102.412	542,785	98.429	521,676	0.4
Canadian Imperial Bank of Commerce	2.750	03/07/2025	405,000	97.381	394,393	94.867	384,211	0.3
Canadian Imperial Bank of Commerce	7.150	07/28/2082	309,000	99.813	308,422	99.368	307,046	0.3
Canadian Tire Corporation, Limited	5.610	09/04/2035	129,000	106.462	137,337	97.400	125,646	0.1
CCL Industries Inc Call/28	3.864	04/13/2028	53,000	102.585	54,370	93.519	49,565	0.0
Federation des Caisses Desjardins du Quebec	1.992	05/28/2031	1,862,000	97.554	1,816,450	87.881	1,636,346	1.4
Federation des Caisses Desjardins du Quebec	4.407	05/19/2027	1,029,000	100.000	1,029,000	97.251	1,000,714	0.8
Federation des Caisses Desjardins du Quebec	1.587	09/10/2026	1,044,000	97.055	1,013,259	87.985	918,562	0.8
Federation des Caisses Desjardins du Quebec	5.035	08/23/2032	861,000	100.000	861,000	97.270	837,493	0.7
Federation des Caisses Desjardins du Quebec	2.856	05/26/2030	804,000	100.278	806,235	93.229	749,563	0.6
Federation des Caisses Desjardins du Quebec	1.093	01/21/2026	519,000	97.839	507,786	88.122	457,355	0.4
First Nations Finance Authority	2.850	06/01/2032	76,000	94.348	71,705	90.847	69,044	0.1
Greater Toronto Airports Authority	1.540	05/03/2028	927,000	93.346	865,317	85.708	794,509	0.7
Greater Toronto Airports Authority	3.150	10/05/2051	104,000	93.585	97,329	75.444	78,462	0.1
Great-West Lifeco Inc.	3.337	02/28/2028	1,852,000	96.505	1,787,275	92.910	1,720,688	1.4
Heathrow Funding Ltd	3.661	01/13/2031	1,437,000	99.347	1,427,612	87.356	1,255,305	1.0
Heathrow Funding Ltd	3.782	09/04/2030	783,000	102.266	800,740	88.851	695,705	0.6
Heathrow Funding Ltd	3.400	03/08/2028	396,000	100.877	399,473	90.779	359,485	0.3
Hydro One Inc	3.640	04/05/2050	3,896,000	103.026	4,013,885	82.131	3,199,817	2.6
Hydro One Inc	2.230	09/17/2031	1,542,000	93.572	1,442,877	82.655	1,274,538	1.1
Hydro One Inc	2.540	04/05/2024	610,000	102.981	628,183	97.012	591,772	0.5
Hydro One Inc	3.910	02/23/2046	471,000	104.556	492,459	86.891	409,256	0.3
Loblaw Companies Limited	5.008	09/13/2032	1,576,000	100.007	1,576,109	98.787	1,556,879	1.3
Loblaw Companies Limited	5.336	09/13/2052	191,000	100.000	191,000	99.480	190,006	0.2
Manulife Financial Corp	7.117	06/09/2082	238,000	100.000	238,000	99.602	237,052	0.2
Mondelez International Inc.	3.250	03/07/2025	999,000	103.329	1,032,254	96.251	961,545	0.8
National Bank of Canada	1.534	06/15/2026	2,807,000	93.870	2,634,941	88.497	2,484,109	2.1
National Bank of Canada	2.983	03/04/2024	2,464,000	103.438	2,548,710	97.337	2,398,383	2.0
National Bank of Canada	5.426	08/16/2032	701,000	100.612	705,289	98.978	693,835	0.6
National Grid Electricity Transmission PLC	2.301	06/22/2029	3,686,000	96.918	3,572,414	84.449	3,112,782	2.6
Nestlé S.A.	2.192	01/26/2029	1,321,000	88.887	1,174,191	87.016	1,149,480	0.9
Rogers Communications Inc	5.250	04/15/2052	318,000	97.637	310,486	90.762	288,623	0.2
Royal Bank of Canada	3.296	09/26/2023	2,454,000	103.885	2,549,328	98.481	2,416,726	2.0
Royal Bank of Canada	2.352	07/02/2024	1,316,000	99.041	1,303,381	95.787	1,260,561	1.0
Royal Bank of Canada	4.612	07/26/2027	706,000	99.473	702,279	98.345	694,318	0.6
Royal Bank of Canada	2.740	09/25/2029	341,000	96.395	328,707	95.370	325,213	0.3
Sun Life Financial Inc.	3.150	11/18/2036	948,000	98.749	936,142	83.636	792,866	0.7
TELUS Corp	5.250	11/15/2032	718,000	99.673	715,652	98.922	710,262	0.6
TELUS Corp	5.650	09/13/2052	626,000	99.613	623,577	99.052	620,066	0.5
The Toronto-Dominion Bank	3.105	04/22/2030	1,523,000	98.804	1,504,780	94.319	1,436,477	1.2
The Walt Disney Company	3.057	03/30/2027	3,989,000	103.129	4,113,835	92.553	3,691,924	3.1
The Walt Disney Company	2.758	10/07/2024	107,000	99.429	106,389	96.277	103,017	0.1
Toronto-Dominion Bank	4.210	06/01/2027	1,505,000	98.799	1,486,929	96.769	1,456,373	1.2
Toronto-Dominion Bank	2.850	03/08/2024	1,484,000	98.749	1,465,438	97.180	1,442,154	1.2
Verizon Communications Inc.	3.625	05/16/2050	927,000	94.617	877,100	72.677	673,719	0.6
Wells Fargo & Company	3.874	05/21/2025	1,602,000	102.409	1,640,588	96.071	1,539,065	1.3
Wells Fargo & Company	2.509	10/27/2023	317,000	100.520	318,648	97.278	308,371	0.3
Wells Fargo & Company	2.493	02/18/2027	224,000	97.184	217,692	89.135	199,662	0.2
					67,366,497		**62,279,481**	**51.5**
Accrued Interest Total					968,522		968,522	0.8
					968,522		**968,522**	**0.8**
Cash & Short Term Investments*					726,561		726,561	0.6
					726,561		**726,561**	**0.6**
Total Portfolio in C$					**132,992,826**		**121,031,813**	**100.0**

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

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	123,858	55.125	6,827,676	66.960	8,293,532	4.0
Winpak Ltd.	68,213	42.559	2,903,074	44.930	3,064,810	1.5
			9,730,750		**11,358,342**	**5.5**
Industrials						
Boyd Group Services Inc	24,397	189.322	4,618,886	173.950	4,243,858	2.1
CAE Inc.	192,667	25.677	4,947,053	21.190	4,082,614	2.0
Canadian National Railway Company	80,440	133.592	10,746,174	149.180	12,000,039	5.9
Ritchie Bros Auctioneers Inc	47,011	74.733	3,513,252	86.310	4,057,519	2.0
SNC-Lavalin Group Inc.	258,474	25.374	6,558,540	23.000	5,944,902	2.9
Stantec Inc.	192,340	49.345	9,490,933	60.580	11,651,957	5.7
Thomson Reuters Corp	58,568	108.836	6,374,334	141.800	8,304,942	4.1
WSP Global Inc.	82,715	114.304	9,454,685	152.120	12,582,606	6.1
			55,703,858		**62,868,438**	**30.7**
Consumer Discretionary						
Gildan Activewear	170,757	33.358	5,696,149	39.050	6,668,061	3.3
Magna International Inc	87,918	79.522	6,991,428	65.530	5,761,267	2.8
Restaurant Brands International Inc	112,118	75.429	8,456,964	73.480	8,238,431	4.0
			21,144,541		**20,667,758**	**10.1**
Consumer Staples						
Empire Company Ltd.	122,899	36.549	4,491,804	34.360	4,222,810	2.1
Metro Inc., Class A	91,513	60.541	5,540,314	69.170	6,329,954	3.1
Premium Brands Holdings Corp	52,482	98.340	5,161,055	85.000	4,460,970	2.2
Saputo Inc.	132,869	34.784	4,621,672	32.930	4,375,376	2.1
			19,814,845		**19,389,110**	**9.5**
Financials						
Brookfield Asset Management Inc	192,288	53.900	10,364,405	56.510	10,866,195	5.3
Brookfield Asset Management Reinsurance Partners Ltd	30	63.939	1,918	56.520	1,696	0.0
Definity Financial Corp	5,875	33.313	195,712	38.820	228,068	0.1
iA Financial Corp Inc	89,938	58.578	5,268,418	70.190	6,312,748	3.1
Intact Financial Corporation	52,012	151.327	7,870,829	195.490	10,167,826	5.0
Manulife Financial Corporation	290,443	22.293	6,474,832	21.680	6,296,804	3.1
National Bank of Canada	48,129	89.475	4,306,328	86.580	4,167,009	2.0
The Bank of Nova Scotia	141,231	70.493	9,955,851	65.700	9,278,877	4.5
			44,438,293		**47,319,222**	**23.1**
Information Technology						
CGI Group Inc.	89,938	96.564	8,684,800	103.990	9,352,653	4.6
Enghouse Systems Ltd.	131,568	45.148	5,940,096	29.000	3,815,472	1.9
Kinaxis Inc	24,237	142.823	3,461,611	137.070	3,322,166	1.6
Open Text Corporation	141,231	55.289	7,808,538	36.510	5,156,344	2.5
Shopify Inc	143,580	95.550	13,719,081	37.190	5,339,740	2.6
The Descartes Systems Group Inc.	86,637	71.258	6,173,574	87.710	7,598,931	3.7
			45,787,700		**34,585,305**	**16.9**
Real Estate						
Altus Group Ltd.	50,838	48.437	2,462,445	44.780	2,276,526	1.1
Colliers International Group Inc	20,806	168.079	3,497,051	126.590	2,633,832	1.3
			5,959,496		**4,910,357**	**2.4**
Cash & Short Term Investments*			3,796,582		3,796,582	1.9
			3,796,582		**3,796,582**	**1.9**
Total Portfolio in C$			**206,376,066**		**204,895,114**	**100.0**

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

In C$ as at September 30 2022

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
Information Technology								
Kinaxis Inc	24,032	149.871	CAD	3,601,711	137.070	CAD	3,294,066	1.9
				3,601,711			**3,294,066**	**1.9**
Materials								
Sika AG	9,510	226.076	CHF	2,989,430	200.700	CHF	2,664,531	1.6
The Sherwin-Williams Co	11,610	247.147	USD	3,647,942	204.750	USD	3,266,300	1.9
				6,637,372			**5,930,831**	**3.5**
Industrials								
AMETEK Inc	19,370	133.570	USD	3,261,977	113.410	USD	3,018,428	1.8
Atlas Copco AB	144,930	98.173	SEK	2,046,638	104.800	SEK	1,880,590	1.1
Copart Inc	31,090	102.026	USD	4,113,010	106.400	USD	4,545,297	2.7
Intertek Group PLC	30,600	53.640	GBP	2,811,076	37.070	GBP	1,739,895	1.0
Schneider Electric SA	19,330	115.216	EUR	3,311,888	116.940	EUR	3,042,738	1.8
Verisk Analytics, Inc., Class A	12,030	171.013	USD	2,666,081	170.530	USD	2,818,813	1.7
				18,210,670			**17,045,762**	**10.0**
Consumer Discretionary								
Alibaba Group Holding Ltd.	127,820	178.980	HKD	3,700,849	77.950	HKD	1,744,017	1.0
Amazon.com Inc	62,270	137.096	USD	11,008,716	113.000	USD	9,668,458	5.7
B&M European Value Retail SA	320,980	5.716	GBP	3,121,606	3.061	GBP	1,507,025	0.9
Booking Holdings Inc	1,630	1,946.288	USD	4,106,004	1,643.210	USD	3,680,277	2.2
Industria de Diseno Textil SA	87,050	25.662	EUR	3,365,893	21.280	EUR	2,493,504	1.5
LCI Industries	21,146	122.767	USD	3,360,157	101.460	USD	2,947,969	1.7
LVMH Moët Hennessy-Louis Vuitton SA	4,230	456.504	EUR	2,883,622	610.400	EUR	3,475,558	2.0
				31,546,846			**25,516,808**	**14.9**
Consumer Staples								
Diageo plc	73,270	30.112	GBP	3,757,020	37.975	GBP	4,267,790	2.5
Tsuruha Holdings Inc	20,480	12,545.972	JPY	2,997,598	8,490.000	JPY	1,650,570	1.0
				6,754,617			**5,918,360**	**3.5**
Health Care								
Abbott Laboratories	30,390	97.986	USD	3,855,437	96.760	USD	4,040,419	2.4
Abcam PLC	142,624	13.905	GBP	3,345,851	13.450	GBP	2,942,347	1.7
Becton, Dickinson and Company	13,030	238.663	USD	4,028,936	222.830	USD	3,989,495	2.3
Boston Scientific Corp	108,900	37.954	USD	5,351,771	38.730	USD	5,795,291	3.4
Danaher Corp	11,760	287.443	USD	4,281,294	258.290	USD	4,173,638	2.4
Dechra Pharmaceuticals PLC	55,669	33.932	GBP	3,141,744	26.220	GBP	2,238,851	1.3
Hoya Corp	26,500	13,330.705	JPY	3,852,624	13,880.000	JPY	3,491,658	2.0
IQVIA Holdings Inc	13,660	170.653	USD	3,010,203	181.140	USD	3,399,891	2.0
UnitedHealth Group Incorporated	10,700	339.982	USD	4,698,909	505.040	USD	7,425,222	4.3
				35,566,769			**37,496,812**	**22.0**
Financials								
AIA Group Ltd.	220,197	79.970	HKD	2,944,258	65.450	HKD	2,522,649	1.5
Bank OZK	76,900	32.956	USD	3,285,121	39.560	USD	4,180,060	2.4
Chubb Ltd	13,300	156.274	USD	2,694,113	181.880	USD	3,323,812	1.9
HDFC BANK LTD - ADR	49,470	62.807	USD	3,988,713	58.420	USD	3,971,032	2.3
Interactive Brokers Group Inc	69,990	57.735	USD	5,203,316	63.910	USD	6,146,172	3.6
London Stock Exchange Group PLC	36,870	78.406	GBP	4,914,363	76.280	GBP	4,313,828	2.5
Nordea Bank ABP	162,690	76.791	SEK	1,805,937	95.670	SEK	1,927,131	1.1
				24,835,822			**26,384,684**	**15.5**
Information Technology								
ASML Holding NV	4,950	352.896	EUR	2,605,074	433.600	EUR	2,889,110	1.7
Fiserv, Inc.	37,760	102.812	USD	5,010,988	93.570	USD	4,854,768	2.8
Guidewire Software Inc	37,140	105.574	USD	4,854,286	61.580	USD	3,142,545	1.8
KEYENCE CORPORATION	6,970	45,381.817	JPY	3,736,564	47,900.000	JPY	3,169,309	1.9
Mastercard Inc., Class A	13,870	303.948	USD	5,442,048	284.340	USD	5,418,940	3.2
Microsoft Corporation	33,920	197.378	USD	8,658,530	232.900	USD	10,854,885	6.4
				30,307,490			**30,329,556**	**17.8**
Communication Services								
Alphabet Inc. Class A	62,600	90.971	USD	7,347,130	95.650	USD	8,227,335	4.8
Alphabet Inc. Class C	1,600	48.700	USD	102,355	96.150	USD	211,383	0.1
Meta Platforms Inc	18,380	253.192	USD	6,026,104	135.680	USD	3,426,583	2.0
Tencent Holdings Limited	47,100	455.321	HKD	3,560,158	266.400	HKD	2,196,296	1.3
				17,035,748			**14,061,597**	**8.2**
Cash & Short Term Investments*				4,503,403			4,734,623	2.8
				4,503,403			**4,734,623**	**2.8**
Total Portfolio in C$				**179,000,448**			**170,713,099**	**100.0**

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

In C$ as at September 30 2022

UNIVERSITY OF WINNIPEG FOUNDATION (JF11508)
COMPLIANCE REPORT AS AT SEPTEMBER 30, 2022

ASSET MIX - AT MARKET VALUE	RANGE (%)	ACTUAL (%)	IN COMPLIANCE
Cash & Cash Equivalents	0 - 10	9.0	Yes
Bonds	30 - 50	31.8	Yes
Canadian Equities	15 - 35	23.6	Yes
Global Equities	25 - 45	35.6	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

October 7, 2022
Date

The JF Pooled Fund compliance reports are attached.

Jarislowsky Fraser Fossil Fuel Free Bond Fund

Certificate of Compliance

as at September 30, 2022

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

JARISLOWSKY FRASER
GLOBAL INVESTMENT MANAGEMENT

Certificate of Compliance

as at September 30, 2022

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

JARISLOWSKY FRASER
GLOBAL INVESTMENT MANAGEMENT

Certificate of Compliance

as at September 30, 2022

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 (20 - 80%)	61.6%	YES
• International Equities (20 - 80%)	33.6%	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 30% or Index sector weight plus 20%.
- 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

Please find herein our annual Due Diligence package. Note that the Privacy Policy is currently being revised and will be provided when it is completed later this year. Our Stewardship Report, an overview of our engagement and proxy voting activities, was provided in the Q2 reporting package, and is available on our website. The proxy voting record for the 12-month period ended June 30, 2022 is available for download via at https://jflglobal.com/en-ca/proxy-voting-record/.

If you have any questions or require any other specific policy, please do not hesitate to contact your institutional portfolio manager.

DUE DILIGENCE PACKAGE – OCTOBER 2022

POLICIES OF GOVERNANCE

1. Relationships with and Responsibilities to the Employer:

1.1 All employees are required to complete the Scotiabank Code of Conduct mandatory training and acknowledgement on an annual basis. The Code of Conduct has six guiding principles:

i. Follow the law wherever Scotiabank does business
ii. Avoid putting yourself or Scotiabank in a conflict of interest position
iii. Conduct yourself honestly and with integrity
iv. Respect confidentiality, and protect the integrity and security of assets, communications, information and transactions
v. Treat everyone fairly, equitably, and professionally
vi. Honour our commitments to the communities in which we operate

In addition, all personnel adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct ("Code of Ethics") and must follow the JF Manual of Policies and Procedures.

1.2 Responsibilities of Supervisors:

- Supervisors monitor that employees under their supervision comply with Compliance policies and securities regulations.
- Supervisors notify the Compliance department immediately upon discovery of any suspected violation.

1.3 Disclosure of Conflicts and Additional Compensation Arrangements:

- All personnel are required to disclose current or potential outside employment and compensation activities to Management in writing. Activities representing a potential conflict of interest are reported to supervising personnel. Every member of Jarislowsky, Fraser Limited shall comply with limitations/prohibitions on his/her activities if a conflict of interest exists or is perceived to exist.

2. Relationships with and Responsibilities to the Client:

2.1 The Firm adheres to the CFA Institute Code of Ethics.

2.2 Investment Process:

- Investment Managers must disclose the investment process by which securities are selected and portfolios constructed.

2.3 Investment Policy Recommendations and Actions:

- Written investment policy statements are developed for all clients. Statements document detailed information regarding clients' investment objectives and constraints. Investments will not be considered unless they meet clients' stated objectives.
- Investment Managers develop an understanding of each client's financial situation, investment experience, and objectives.
- Investment Managers consider the appropriateness and suitability of policy recommendations. All recommendations must be suitable to the client's financial situation, investment experience, and objectives.
- In addition to reviewing all accounts monthly, Investment Managers also review all information sent to clients. Letters to clients are retained and regular contact with clients is maintained to keep current.

2.4 Confidentiality and Privacy:

Personal information will not be used or disclosed for purposes other than for which it was collected, except with consent or as required by law. Access to and disclosure of personal information is restricted to individuals who need access in order to provide specific client services.

- Jarislowsky, Fraser Limited provides clients with any material updates to its Privacy Policy.

2.5 Personal Investing:

- Employees are required to put the interest of clients over and above self-interest. Transactions for clients have priority over employee transactions. Clients shall not be disadvantaged by employee transactions..
- Each employee must comply with the JFL Personal Trading Policy, which specifies that each transaction in publicly specified securities is to be approved, in writing, by the Compliance department prior to execution. The Compliance department has the authority to kill or force the reversal of any non-approved trade.

2.6 Error Policy:

- It is the policy of the firm to investigate all errors and to ensure clients are made whole.

2.7 Complaints:

- Jarislowsky, Fraser Limited has established procedures for handling and resolving complaints in a timely and fair manner.
- We strive to provide the best possible service to clients, which includes the prompt, effective and fair resolution of any complaint you may have about the handling of your account(s).
- If you have a complaint related to service or an administrative error, we ask that you direct your complaint to your JFL Account Manager to see if there is an immediate resolution. These types of complaints will generally be resolved quickly.
- Alternatively, if you have concerns about a complaint already in progress or if your concern is regarding an allegation of misconduct relating to the handling of your account or dealings with our firm, you should contact our Chief Compliance Officer at complaints@jflglobal.com.
- If you are dissatisfied with our response, you may voluntarily refer your complaint to the Scotiabank Ombudsman, who will undertake an impartial review of your complaint.
- For residents of Québec, if you are not satisfied with how the complaint was handled or with the outcome, you can request that your complaint file be transferred to the Autorité des marchés financiers ("AMF") which will examine the complaint. The AMF may act as mediator if it considers it appropriate and all parties agree. Please note that the transfer of your file to the AMF does not interrupt the prescriptive period for civil remedies.
- For residents of all other provinces, should you remain dissatisfied after the Scotiabank Ombudsman has provided its recommendation, you can escalate your concern to the Ombudsman for Banking Services and Investments ("OBSI"), an independent, industry–based dispute resolution agency available to consumers of financial services. OBSI's services are free.

2.8 Disclosure of Conflicts:

- On an annual basis, Institutional Clients will be provided an updated Statement of Policies and Conflicts of Interest Disclosure Statement.

SUSTAINABLE INVESTMENT POLICY

Consistent with our investment philosophy, as long-term investors in quality businesses, we integrate material Environmental, Social and Governance (ESG) factors into fundamental investment analysis. ESG integration is intrinsic to our long-standing investment process, where we take a pragmatic, rather than ideological, approach to deliver value for our clients.

At Jarislowsky Fraser, sound investment decision-making goes beyond consideration of short-term profits and includes factors that favour long-term value creation. We consider well-developed and well-executed ESG practices as essential characteristics of high-quality businesses.

In essence, sustainable investing and the analysis of material ESG factors have always been core elements of our bottom-up, fundamental investment approach. As the world around us and the issues that impact it continue to evolve, we use the following principles to guide us in our investment process.

Our Principles

- **Integrate** the analysis of material ESG factors throughout our investment process. We recognize ESG factors as both risks and opportunities that are potentially material business value drivers that may not necessarily be reported in the historical financials of a company.
- **Be engaged investors,** where acting as long-term stewards is part of our active management responsibility and can be an opportunity to add value. As such, we will engage with both management and the board in an ongoing dialogue to improve ESG practices that are material to long-term sustainable value creation. Proxy voting plays a key role in our engaged ownership strategy through an investment team-led approach that is fully integrated into our investment process. Our Engagement Policy (included herein) and Proxy Voting Policy provide more details on our engagement objectives and process.
- **Encourage disclosure** of information that is relevant to the analysis of material ESG factors by companies and stakeholders where commercially reasonable. We value management candor and believe that transparency and accountability contributes to the quality and ethics of management and can drive excellence.
- **Collaborate** with other organizations and peers, in order to advance sustainable investment practices for the benefit of all stakeholders.

April 2021

ENGAGEMENT POLICY

As a responsible active investor on behalf of our clients, we believe that engagement is a critical part of our investment stewardship. Our Engagement Policy serves to formalize the related guidelines and principles that we use as part of the implementation of our overall Sustainable Investment Policy, our Proxy Voting Policy and the ongoing efforts to continuously enhance our ability to create sustainable long-term value and manage risk for our clients.

What does engagement mean?

Direct and ongoing dialogues with the board and management of investee companies is an integral part of our investment approach and process. Engagement form, frequency and intensity can vary according to the needs of the situation. In the case of collaborative engagements, other participants are included with varying levels of participation. Consultations and dialogues with regulators and industry associations may also be part of the process.

There are three broad types of engagement:

i. **Proactive engagements:** When investors initiate dialogue with companies based on their analysis of current or prospective material issues and secular trends.

ii. **Reactive engagements:** When investors initiate dialogue with companies in reaction to an action or event that may present a significant financial and reputational risk.

iii. **Company-led outreach:** When the board or management reach out to existing or potential investors to discuss a specific topic and/or expectations.

The specific focus of engagement(s) may be financial or non-financial (including ESG issues) in nature; however, they are generally divided into two overlapping topic categories:

Idiosyncratic: These issues are likely to be significantly material to a specific company's (or industry's) value creation model. An example of an idiosyncratic engagement topic could be the form and nature of executive compensation at a financial services company or the policies and oversight of product safety at a medical device company.

Systemic: These are issues that may or may not be obviously material to an individual company's operations or outlook, but do have significant potential to disrupt the orderly and efficient functioning of society, economies and financial markets if there is an insufficient cross-market response or coordination. An example of a systemic risk topic is a request for certain minimum climate change or diversity-related disclosures from a larger group of companies in order to quantify market inefficiencies and manage the potential market-wide risks of disruption.

When do we engage?

We will engage when we see opportunities to better understand the inherent quality of the businesses we research and to enhance long-term risk-adjusted returns for our clients. Potential opportunities to create value through engagement include:

Improved Disclosure

- Signaling the importance of an issue as well as the expectations related to its disclosure
- Drive disclosure of decision-useful information

Advance Understanding:

- Gain deeper understanding of a company's governance, approach and performance on an issue
- Share best practices and encourage adoption

Drive Change:

- Improve alignment with long-term shareholders
- Improve idiosyncratic and/or systemic risk management

Prioritization and identification

In preparation for the engagement, the investment teams will rely primarily on internal proprietary research generated through our integrated approach to investment analysis that includes material ESG and traditional financial risks and opportunities. The investment team will support and supplement its own work with research from other teams and third-party research.

In the case of idiosyncratic engagements, the investment professionals accountable for making the investment decisions are also accountable for identifying potentially material topics and determining the priority of engagements for an individual company and within a portfolio, with the help of other members of the Research team.

In the case of systemic engagements, investment professionals, with input from the Investment Strategy Committee (ISC), Sustainable Investment Committee (SIC) and subject-matter experts, will identify the need and determine the specific topic and priority.

In the case of collaborative engagements with other investors and stakeholders, the investment team will critically appraise and incorporate the research contributions from the group where appropriate, with the help of the broader research team, ISC, SIC and subject matter experts.

What methods do we use?

We will use a variety of methods (voting proxies, in-person meeting, calls, emails, etc.) depending on the context and nature of engagement, responsiveness of the company, and net benefit to long-term company value. We believe that engagements with portfolio companies are generally more likely to be successful if they are:

- Constructive and private
- Focused
- Led by the individuals with the deepest understanding of the business
- Dynamic and responsive to the overall context, people involved and resources available

In cases with a high expected impact, low responsiveness and unsatisfactory progress, we may escalate and intensify our efforts. In general, the methods and escalation sequence are determined by the investment professionals involved in the investment with the support of other members of the research team. Examples of methods we have used in the past, or may use in the future, include**:**

- Direct dialogue with management and/or the board
- Proxy voting
- Collaboration with other shareholders/groups
- Formal letters to the board
- Public statements
- Director nominations
- Legal/regulatory filings

The rare occurrence of a prolonged engagement on an urgent matter that has a high impact on our investment thesis may result in re-examining whether to continue holding the securities of the company in question relative to other opportunities.

How do we measure and communicate our progress?

Progress may be measured by quantitative and/or qualitative metrics and goals determined by the investment professionals most knowledgeable of the investment. In the case of systemic engagements, some of the metrics and goals will be developed and set by the broader investment team, including the subject matter experts. In collaborative engagements, we take an active but collegial role in the collective determination of goals and metrics.

Significant engagements will be documented and, if relevant, discussed with the broader investment team to ensure integration of the work into the specific analysis of the investment and continuous improvement of our investment and stewardship programs. We will report relevant progress annually to our clients, collaborators and select external parties.

PROXY VOTING POLICY AND PROCEDURES

Jarislowsky, Fraser Limited ("JFL") may vote on a client's behalf based on the following policy and procedures, provided the client has made such arrangements with its custodian.

JFL operates from a model portfolio and a list of approved securities in the management of funds for our clients. We receive and vote proxies for each of the companies that make up this list.

General Principles

Our goal is to accrue and enhance economic value for our clients. This entails voting along with the board of directors (or independent board members in cases where a conflict of interest with management or a significant owner are evident), who as shareholder representatives must act in the best interest of the shareholder.

In cases where we strongly believe that a certain proposal will unduly increase the risk level or reduce the economic value of the relevant security, and that value will be enhanced by voting against a board of directors, we will do so. In the same vein, if we believe that the voting of a particular proxy may reduce the economic value of the security, then we may elect not to participate in such a vote.

JFL generally votes <u>with</u> the Board on the following issues:

- Stock splits
- Regular annual meetings
- Election of directors
- Re-appointment of auditors

JFL generally votes <u>against</u> the Board on the following issues:

- **Board Structure:** Jarislowsky, Fraser Limited generally discourages the existence and creation of boards that: are not independent from management; lack a distinction between the CEO and the Chair; and, have key subcommittees, such as the nominating, audit, or executive compensation committees, dominated by management, a controlling shareholder or non-independent directors.
- **Poison Pills:** Otherwise known as shareholder rights plans, are where the shareholder is not allowed or is severely restricted in his/her ability to vote on any takeover offer or any other significant issue. The policy of Jarislowsky, Fraser Limited is to vote against such poison pills if the shareholder does not retain the ultimate decision making authority.
- **Dual Capitalization:** Any new attempts to create a two class common share structure from a single class, or consolidate a two class structure into a single class subordinated class.
- **Blank Cheque Preferred Shares:** The creation of any class of shares that are superior in voting or have the potential to be superior in voting.
- **Excessive Compensation:** Involves the granting of options and/or the creation or modification of incentive compensation plans for employees, officers, directors and ongoing service providers of the company.

JFL is in favour of *reasonable competitive compensation* for company executives, officers and Board members. Said compensation should align executives and their directors with mid to long term shareholder value creation goals. While we prefer incentive compensation plans that reward executives solely on long-term value creation for shareholders, we recognize that, for practical reasons, part of executive pay has to be fixed.

In recent years, the emergence of compensation consultants and the ever widespread use of option issuance have distorted the meaning of reasonable and competitive compensation. Overall levels of yearly compensation have become too high and, in many cases, have focused on a disproportionately small group of executives, front end loading total compensation and shifting management's focus to short term profit goals. Most compensation plans have also become very complex.

The most common excess with regard to compensation has been the use and amendment of option plans that increase the number of shares that can be issued. Option plans do not align the objectives of management with those of shareholders, they provide holders with a levered participation in share price appreciation and little or no risk of loss in share price declines. Options have also been subject to abuses such as short term share price promotion, re-pricing, reissuing and backdating.

JFL agrees with the executive compensation principles of the Canadian Coalition for Good Governance (CCGG) and reviews proxy circulars for reasonableness and with the following guidelines in mind:

- "Pay for performance" should be a large component of executive compensation
- "Performance" should be based on measurable risk adjusted criteria, matched to the time horizon needed to ensure the criteria have been met
- Compensation should be simplified to focus on key measures of corporate performance
- Executives should build equity in their company to align their interests with shareholders
- Companies should limit pensions, benefits, severance and change of control entitlements
- Effective succession planning reduces paying for retention

JFL will only support Boards and their committees when overall compensation is reasonable and built with long-term sustainable growth in mind. The same criteria apply for an advisory vote on executive or board compensation, including executive severance agreements. The Firm prefers annual advisory votes on compensation matters.

Capital Issuance: Companies need some financing flexibility to take advantage of growth opportunities but shareholders should have input into significant transactions; to that end, Jarislowsky, Fraser Limited will

- Support proposals requiring a shareholder vote for material transactions involving the issuance of capital.
- Generally support proposals that allow capital issuance of up to 10% of issued capital, with or without pre-emptive rights, so long as it is the same class of shares and the management has exhibited a responsible use of issuance.
- Vote against requests for approval to issue more than 10% of issued capital without pre-emptive rights.
- Assess requests for issuance of more than 10% of issued capital with pre-emptive rights on a case-by-case basis considering size of the issuance, use of proceeds, duration of the approval, past use of equity issuance and quality of governance

Shareholder Proposals:

Acting as fiduciaries, Jarislowsky, Fraser Limited reviews all shareholder proposals in the context of enhancing longterm business value. We use the following framework to assess each proposal:

1. **Goal:** Is the proposal focused on creating long-term value and supporting long-term business resiliency?
2. **Risks and Opportunities:** Does it focus on the potential opportunities as well as potential risks to the company and its shareholders?
3. **Principles vs. Rules-Based:** We generally favour principles-based, rather than rules-based approaches. When assessing proposals, we consider the following: does it suggest potential ideas and focus on providing sufficient disclosure for investors to engage management and make investment decisions; and does the proposal presume specific outcomes about uncertain future events to dictate specific actions?
4. **Materiality:** We will assess whether the information requested is likely to be material to investment decisions and the long-term business outlook. Proposals that focus on operational and strategically meaningful initiatives, which do not ask for disclosure of proprietary or commercially sensitive information, are favored.

Jarislowsky, Fraser Limited generally supports shareholder propositions that:

- Focus on increasing quality of disclosure and risk management frameworks, as we believe that transparency drives accountability.
- Ask for Proxy Access rights, with reasonable eligibility requirements.
- Encourage board independence.
- Propose separation of Chair and CEO functions.
- Ask for a non-binding “Say-on-Pay”.
- Allow minority shareholders who represent 10% or more of shareholding to call a meeting.
- Oppose the use of adjustments to set financial compensation metrics and/or the use of revenue enhancements (“gross-ups”) for the sole purpose of enhancing company executive compensation at the expense of shareholder funds and without merit.

For segregated, or separately managed, portfolios our policies can be superseded by those of the client, provided the client provides us with specific written instructions sufficiently in advance of a vote. Client requests will be honoured on a best-efforts basis.

Conflict of Interest Provisions

There is the potential for a conflict of interest between the interests of the clients and the interests of JFL or its employees in connection with the exercise of voting rights of the accounts attached to the shares of Scotiabank or other related entities. There is also the potential for a conflict of interest in connection with the exercise of the clients’ voting rights attached to the shares of another issuer, where the outcome of the vote may directly impact the price of the shares of Scotiabank or other related entities.

Where proxy voting could give rise to a conflict of interest or perceived conflict of interest, in order to balance the interests of the clients in voting proxies with the desire to avoid the perception or actual occurrence of a conflict of interest, JFL has instituted procedures to help ensure that a client’s proxy is voted: uninfluenced by considerations other than the best interests of the client;. The relevant research professionals will review the proxy ballot and determine if there are any items that present an actual, potential or perceived conflict of interest. If a potential conflict of interest is noted, all items on the proxy will be voted according to a 3rd party proxy research firm’s policy recommendations without alteration and with appropriate documentation for clients.

The Investment Strategy Committee, together with all members of the firm’s Global Investment Team, meet on a weekly basis to review and debate upcoming proxy issues and events. Decisions are documented in writing and communicated to Proxy Voting personnel as well as to all investment professionals. As mentioned above, should a material conflict of interest arise, written notice is sent to all clients concerned.

All proxy decisions are made internally. The Global Investment Team typically receives independent reports from at least two external sources for each company that is held in the model portfolio. In addition, JFL has contracted a third party to notify the Global Investment Team of upcoming votes and to electronically pre-screen and “recommend” votes based on JFL’s own proxy voting policies and procedures. Once JFL has confirmed its voting instructions, the third party will generally cast and reconcile all votes received electronically.

Proxy Voting personnel at JFL maintain:

- documentation all decisions (including the basis for each decision)
- copies of all proxy statements (either in electronic or paper form or online)
- records of each vote cast
- records of all written requests from clients (and the JFL responses thereto)

JFL will endeavour to vote all model security proxies received. Together with the external service provider, Proxy Voting personnel will attempt to reconcile records of stock held against proxies received. Where possible missing proxies are tracked, with attempts made to receive the proxy prior to the vote date. In the event of a problem with a particular custodian, both the JFL account manager and administrator are brought in to help rectify the situation. If unresolved, the account manager will communicate such issues to the client.

JFL uses third-party providers to generate custom reports. A complete listing of all model security proxies voted by the firm is made available to institutional clients and posted on our website on an annual basis, each August. More frequent information is available upon request from your Account Manager.

Please Note: It has been our experience that the client's choice of custodian will impact whether we will be set up to vote their proxies. In addition, those clients who participate in Securities Lending programs generally forfeit their right to vote proxies for securities which are out on loan. For contentious proxy votes, JFL will make every effort to recall securities prior to the record date, and asks that all clients ensure that their securities lending contracts give JFL the specific authority to do so.

JARISLOWSKY FRASER

GLOBAL INVESTMENT MANAGEMENT

STATEMENT OF POLICIES

In the course of providing investment counseling and portfolio management services to you, Jarislowsky, Fraser Limited ("JFL", "we", or "us") may from time to time advise or recommend to you or exercise discretion on your behalf for your account with us with respect to the purchase or sale or other trade of securities issued by persons or companies which are related or connected to us, as described below. The purpose of this document is to provide you with disclosure of such relationships. We recognize that these transactions may create a conflict or appearance of conflict between our interests (or our affiliates' interests) and yours and believe that it is important that you are fully informed regarding the circumstances in which we may enter into them. Clients should refer to the applicable provisions of these securities legislations for the particulars of these rules and their rights or consult with a legal adviser. If there is any significant change contained in this statement, we will provide you with a revised copy.

Generally, for the above purposes a party is "related to us" if, through the ownership or direction or control over voting securities, we exercise a controlling influence over that party, that party exercises a controlling influence over us or we are influenced by the same third party. A party is "connected to us" if, due to indebtedness or certain other relationships, prospective purchasers of securities of the connected party might question our independence from that party.

From time to time, we may advise or recommend to you or exercise discretionary authority over your portfolio with us with respect to the purchase or sale or other trading of securities from or to, or issued by, persons or companies which are "related" or "connected" to us. In particular, but not limited to:

Company	**Relationship**
The Bank of Nova Scotia	JFL parent company
Goodfellow Inc.	Stephen A. Jarislowsky (director)
Clearwater Seafoods	Jane Craighead (director)

JFL has restricted the trading in the securities of Goodfellow Inc. and Clearwater Seafoods. All securities issued by BNS or a BNS affiliate are "BNS related securities". JFL may purchase BNS related securities where written client consent has been obtained.

In addition, we may advise you or exercise discretionary authority over your portfolio with respect to the purchase or sale of securities issued by private or public investment funds, including **Jarislowsky, Fraser Money Market Fund; Jarislowsky, Fraser U.S. Money Market Fund; Jarislowsky, Fraser Bond Fund; Jarislowsky, Fraser Long Term Bond Fund; Jarislowsky, Fraser Short/Mid Bond Fund; Jarislowsky, Fraser Fixed Income Core Plus Fund; Jarislowsky, Fraser Corporate Bond Fund; Jarislowsky, Fraser Fossil Fuel Free Bond Fund; Jarislowsky, Fraser Global Credit Opportunities Fund; Jarislowsky, Fraser Canadian Equity Fund; Jarislowsky, Fraser Fossil Fuel Free Canadian Equity Fund; Jarislowsky Special Equity Fund; Jarislowsky, Fraser Small/Mid Cap Equity Fund; Jarislowsky, Fraser U.S. Equity Fund; Jarislowsky International Pooled Fund; Jarislowsky, Fraser Dividend Growth Fund; Jarislowsky, Fraser Balanced Fund; Jarislowsky, Fraser Global Balanced Fund; Jarislowsky, Fraser Global Equity Fund; Jarislowsky, Fraser Global Equity All Countries Fund; Jarislowsky, Fraser Fossil Fuel Free Global Equity Fund; Jarislowsky, Fraser International Equity All Countries ex-U.S. Fund; Jarislowsky, Fraser Emerging Markets Equity Fund; JFL International Equity Fund LLC; Fonds de Croissance Select; the Manion Wilkins & Associates Short Term Investment Fund; the DynamicFunds family of funds; the Scotiafunds family of funds; the MD family of funds; and/or the Tangerine family of funds** managed, advised, sub-advised, administered or distributed by us and/or any of our affiliates, including 1832 Asset Management L.P., MD Financial Management Inc. and Tangerine Investment Management Inc. (the "Related or Connected Funds"). In addition to the above mentioned funds, we act as sub-advisor to other Related or Connected Funds managed by parties that are not our affiliates, including the **NBI Jarislowsky Fraser Select Canadian Equity Fund, the NBI Jarislowsky Fraser Select Income Fund, the NBI Jarislowsky Fraser Select Balanced Fund, the NBI North American Dividend Private Portfolio and the National Bank U.S. Dividend Fund.** The above transactions will be entered into where they are permitted under applicable securities law or an exemption, and where they are, in our view, suitable for your portfolio.

The list of Related or Connection Funds or related or connected issuers, including the particular issuers or Related or Connected Funds listed above, is not exhaustive and will change from time to time. Please refer to the Statement of Policies on the following website or contact your JFL Account Manager if you would like the most current list.

https://www.scotiabank.com/content/dam/scotiabank/canada/common/documents/Related_and_Connected_Issuer_list.pdf

JARISLOWSKY FRASER

GLOBAL INVESTMENT MANAGEMENT

CONFLICTS OF INTEREST DISCLOSURE

There will be situations where a conflict will arise between the interests of Jarislowsky, Fraser Limited (JFL) and/or its representatives and your interest. These conflicts may be actual conflicts of interest or you may perceive that JFL or its representatives have a conflict of interest. Conflicts can give rise to a concern that JFL or its representatives may act or will act with a view to their own business or personal interest. Conflicts can also arise in circumstances where there are differing interests amongst clients, which may lead to a perception that JFL will be favouring a client or set of clients over other clients.

Canadian securities laws require JFL to take reasonable steps to identify and respond to material conflicts of interest in your best interest and tell you about them, including how the conflicts might impact you and how JFL addresses them in your best interest.

We seek to avoid or minimize conflicts where reasonably possible. We seek to avoid actual or perceived unequal treatment of clients and to ensure that no client receives preferential treatment over another in the operation and management of their account and execution of trades. Some conflicts cannot be avoided, including those conflicts that are inherent in our relationship with The Bank of Nova Scotia (Scotiabank) and with its affiliates arising out of our membership in the Scotiabank group. It is important that you are fully informed regarding our conflicts, including how we address them in your best interests.

This conflicts disclosure sets out important information regarding our material conflicts of interest. We have identified which conflicts of interest we consider are material when we manage your account. These are described in this conflicts disclosure, along with the potential impact on and risk that the conflict could pose to you and how we address the conflict to minimize its impact and risks to you and our other clients.

In situations where we do not or cannot avoid a material conflict of interest or where our interests may compete with yours, we will always give your interests priority over ours, which allows you to be confident that we address these conflicts in your best interest. Generally speaking, we deal with and manage conflicts as follows:

- We avoid conflicts which are prohibited by law as well as conflicts that we cannot effectively control.
- Our employees and representatives are required to comply with various policies and procedures, which compel our employees and representatives to follow ethical and client-first business practices. These policies and procedures include Scotiabank's Code of Conduct, Anti-Bribery & Anti-Corruption Policy and the Global Third Party Risk Management Handbook.
- We control or manage acceptable conflicts by physically separating different business functions and restricting the internal exchange of information.
- Our internal compensation practices are designed to ensure that representatives are not incented or influenced to make investments in your account in specific issuers or financial products.
- For each material conflict, we seek to resolve it in your best interest.
- We disclose information about material conflicts so that you are informed about them and can assess independently how these conflicts may impact you.

Material Conflicts Arising from Being a Member of the Scotiabank Group:

JFL is a wholly-owned indirect subsidiary of The Bank of Nova Scotia (Scotiabank). Our relationship to Scotiabank and its other financial services subsidiaries (the Scotiabank group) creates conflicts of interest when we provide products and services to you that are sourced from or provided by other members of the Scotiabank group.

Scotiabank and its various subsidiaries, including JFL are commercial businesses and seek to maximize profits while providing fair, honest and appropriate services to clients. This means we may encourage you to do more business with us and the other members of the Scotiabank group, and we may engage affiliates to provide us with products and services for your account, but will always do so in a way that we consider to be in your best interests. We will only enter into these transactions or arrangements where they are permitted under applicable securities laws and where we believe they are in your best interests.

Although JFL is under common ownership with the other members of the Scotiabank group and may from time to time have directors and officers in common with these other firms, JFL is a separate and distinct corporate entity.

JFL generally carries on its advising activities independent of the other firms owned by Scotiabank. However, from time to time there may be certain cooperative business arrangements between us and the other firms, such as arrangements relating to introduction of clients, distribution of products, advisory relationships or administrative support.

In addition to applicable regulatory provisions and contractual provisions respecting any business arrangements that may exist between JFL and the other Scotiabank group firms, the directors, officers and employees of each of the firms are subject to Guidelines or Codes of Conduct governing their actions. These Guidelines are supplemented by our internal compliance policies and procedures.

In all cases, the conflicts described in this section raise perceptions that we will favour the business interests of the various members of the Scotiabank group, rather than your interests. These conflicts and how we manage them to ensure that we act in your best interests are described below.

Related Canadian Registrants: The following is a list of registrants under the *Securities Act* (Ontario) or other Canadian securities legislation which are wholly-owned, directly or indirectly, by The Bank of Nova Scotia and hence are related to JFL:

- 1832 Asset Management L.P. - provides sub-advisory services and shares certain common management and back office and oversight functions
- MD Financial Management Inc. – shares certain common management and back office and oversight functions
- MD Management Limited – shares certain common management and back office and oversight functions
- Scotia Capital Inc. – through its divisions Global Banking and Markets, ScotiaMcLeod and Scotia iTRADE
- Scotia Managed Companies Administration Inc.
- Scotia Securities Inc.
- Tangerine Investment Funds Limited
- Tangerine Investment Management Inc.

Related Service Providers: Scotiatrust and Scotia Capital Inc. may act as the Custodian of the account and are affiliates of JFL and members of the Scotiabank group. Scotia Wealth Insurance Services Inc. is the insurance subsidiary of Scotia Capital Inc. and provides insurance services to JFL.

Distribution Activities of our Affiliates: Affiliates of JFL may participate as a dealer, including as a member of a selling group, in distributing securities, including securities of issuers that are related to the Scotiabank group. We may take investment actions for your account in securities that are distributed by our affiliates. We mitigate conflicts of interest inherent in these circumstances because, among other things, the business of JFL is separate from the corporate finance and research activities of our affiliates. Information barriers are in place to prevent the transfer of material non-public and other confidential client information between JFL and our affiliates.

Investments in Related and Connected Issuers for the Account

Under certain circumstances we may cause your account to invest in securities where the issuer of the securities or another party to the transaction is a party having an ownership or business relationship with us. Since these transactions may create a conflict or the appearance of a conflict between our interests and yours, JFL has adopted policies and procedures to assist in identifying and minimizing any conflicts of interest that may arise.

Issuers are "related" or "connected" to us if they fall within the following definitions:

- **Related Issuer** – Generally, a person or company is a related issuer to the firm if they are an influential securityholder of JFL; if JFL is an influential securityholder of theirs; or each of us is a related issuer of the same third person or company. Generally, an influential securityholder exercises influence over an issuer on the basis of direct or indirect ownership of securities aggregating more than 20% of the voting rights or entitlements to distributions of an issuer (or more than 10% if accompanied by the entitlement to nominate at least 20% of a board of directors).

- **Connected Issuer** – Generally, an issuer or selling securityholder is a connected issuer of the firm if they are distributing securities and one of them, or a related issuer of one of them, has a relationship with the firm; a related issuer to the firm; a director, officer or partner employed by the firm; or a director, officer or partner of a related issuer to the firm that may lead a reasonable prospective purchaser of the securities to question if we are independent of the issuer or selling securityholder for the distribution.

JFL is required to make certain disclosures where we advise you, or exercise discretion on your behalf with respect to securities that are securities of a related issuer or, in the course of a distribution, a connected issuer.

JFL has a relationship with the issuers listed below. If you wish further information concerning the relationship between JFL and these issuers, please contact us. We update this information annually and post a complete list of related and connected issuers on the Scotiabank website.

(A) Related Issuers

The Bank of Nova Scotia wholly owns, directly and indirectly, JFL. Based on information provided to JFL by Scotiabank, the following parties or issuers, by reason of their relationship with Scotiabank, may also be considered to be related to JFL.

The Bank of Nova Scotia
Goodfellow Inc.
Clearwater Seafoods
Banco del Caribe (Venezuela)
Crediscotia Financiera S.A. (*formerly* Banco del Trabajo, S.A.)
Profuturo AFP S.A.
Scotia Investments Jamaica Limited
Scotia Group Jamaica Limited
Scotiabank Capital Trust
Scotiabank Inverlat Casa de Bolsa, S.A. de C.V.
Scotiabank Inverlat, S.A.
Scotiabank, Peru S.A.A
Scotiabank Chile (formerly Scotiabank Sud)
Americano, S.A. (Chile)

Scotiabank Tier 1 Trust
Scotiabank Trinidad and Tobago Limited

(B) Connected Issuers

The following is a list of entities and investment fund families that are, or may be deemed to be, connected issuers of JFL.

Funds managed by JFL

The following funds or fund families are managed by JFL:

- Jarislowsky, Fraser Funds: A family of funds known as the Jarislowsky, Fraser Funds. The name of each of the funds within the Jarislowsky Funds family includes the name “Jarislowsky”.

Jarislowsky, Fraser Limited acts as sub advisor for the following funds:

- Desjardins Dividend Growth Fund
- Fonds de Croissance Select
- Fonds actions canadiennes FMOQ
- Fonds omnibus FMOQ
- iProfile Canadian Equity Pool
- National Bank Canadian Equity Fund
- National Bank US Dividend Fund
- NBI Jarislowsky Fraser Select Income Fund
- NBI Jarislowsky Fraser Select Balanced Fund
- NBI Jarislowsky Fraser Select Canadian Equity Fund
- NBI North-American Dividend Private Portfolio
- REEEFLEX Plan
- Universitas Plan
- Manion Wilkins & Associates Short Term Investment Fund
- NEI Canadian Equity Pool
- First Trust JFL Fixed Income Core Plus ETF
- First Trust JFL Global Equity ETF

We may cause your account to be invested in funds managed by JFL or its affiliates (Related Funds). The Related Funds and any other investment considered potentially appropriate for your account are subject to the same due diligence, selection and ongoing monitoring process. We will determine that investing in the Related Fund, and as appropriate, an investment which is not a Related Fund, is suitable for you and puts your interest first.

The conflict of interest matters relating to our management of the Related Funds, including causing the Related Funds to invest in securities issued by or traded by other members of the Scotiabank group and investing in securities underwritten by dealers that are members of the Scotiabank group, are addressed in the best interests of the Related Funds by JFL according to our written policies and procedures. Under applicable Canadian securities laws, we are required to identify and refer conflict of interest matters to the Independent Review Committee for the Related Funds that are publicly offered investment funds for its review and approval or recommendation, as applicable, to ensure that the proposed action achieves a fair and reasonable result for the Related Funds.

Funds managed by Tangerine Investment Management Inc.

This fund family is comprised of mutual fund trusts managed by Tangerine Investment Management Inc., a wholly-owned subsidiary of The Bank of Nova Scotia.

- Tangerine Funds: A family of funds known as the Tangerine Funds. The name of each of the funds within the Tangerine Funds family includes the name “Tangerine”.

Funds managed by MD Financial Management Inc.

This fund family is comprised of mutual fund trusts and pooled funds managed by MD Financial Management Inc., a wholly-owned subsidiary of The Bank of Nova Scotia.

- MD Funds: A family of funds known as the MD Funds. The name of each of the funds within the MD Funds family includes the name “MD or MDPIM”.

Funds managed by 1832 Asset Management L.P.

This fund family is comprised of mutual fund trusts and pooled funds managed by 1832 Asset Management L.P., a subsidiary whose general partner is owned, directly or indirectly, by The Bank of Nova Scotia.

- ScotiaFunds: A family of funds known as the ScotiaFunds. The name of each of the funds within the ScotiaFunds family includes the word “Scotiafunds”.
- Scotia Private Pools: A family of funds known as the Scotia Private Pools. The name of each of the funds within the Scotia Private Pools family includes the word “Scotia”.
- Dynamic Funds: A family of funds known as the Dynamic Funds. The name of each of the funds within the Dynamic Funds family includes the word “Dynamic or “DMP.” The Dynamic Funds are comprised of mutual fund trusts or are classes of shares of Dynamic Global Fund Corporation. The DMP Funds are classes of shares of Dynamic Managed Portfolios Ltd.
- Dynamic Hedge Funds: A family of funds known as the Dynamic Hedge Funds. As with the Dynamic Funds above, the name of each of the funds within the Dynamic Hedge Funds family includes the word “Dynamic.” The Dynamic Hedge Funds are sold through an offering memorandum and are generally available to investors that can meet a certain minimum amount of money to invest.
- Dynamic Pooled Funds: A family of funds known as the Dynamic Pooled Funds. The name of each of the funds within this fund family includes the name “1832.”
- Marquis Investment Program: Marquis Institutional Solutions and Marquis Portfolio Solutions are the names of the Marquis Investment Program fund families. The name of each of the funds within the Marquis Funds family includes the name “Marquis.”
- Pinnacle Balanced Portfolio

In addition, in certain circumstances issuers with whom Scotiabank, Scotia Capital Inc. or their related issuers has a business relationship (such as being borrowers from Scotiabank or issuers in which Scotiabank has a significant investment) may be considered connected issuers of Scotiabank. In certain provinces, the issuers listed as connected issuers may be considered to be related issuers of Scotia Capital Inc. because Scotia Capital Inc. has the power to exercise a controlling influence over the issuer’s management or policy.

(C) Other Related or Connected Issuers

The following is a list of entities that are, or may be deemed to be, related issuers or connected issuers of JFL.

Scotia Managed Companies Administration Inc. acts as administrator of these entities for a fee and certain directors or officers of the entities may be employees of related parties to JFL.

- Advantaged Canadian High Yield Bond Fund
- Allbanc Split Corp II

- BNS Split Corp II
- Moneda Latam Corporate Bond Fund
- NewGrowth Corp.
- Top 20 Dividend Trust

Funds where Scotia acts as sub advisor:

- CI Global Infrastructure Fund
- Sun Life Dynamic Energy Fund
- Sun Life Dynamic Strategic Yield Fund
- Continuum Private Wealth
- Maritime Life Champion Growth Fund
- Axa Multimanager Large Cap Growth Portfolio

(D) Other Relationships

Related Registrants

The following is a list of registrants under the Securities Act (Ontario) which are wholly owned, directly or indirectly, by The Bank of Nova Scotia:

- 1832 Asset Management L.P.
- Jarislowsky, Fraser Limited
- MD Financial Management Inc.
- MD Management Limited
- Scotia Capital Inc.
- Scotia Managed Companies Administration Inc.
- Scotia Securities Inc.
- Tangerine Investment Funds Limited
- Tangerine Investment Management Inc.

Special Purpose Entities

The following is a list of special purpose entities which are managed by Scotia Capital Inc. or The Bank of Nova Scotia:

- Scotia Capital Inc. is the administrator of the following asset backed commercial paper conduits:
    - Bay Street Funding Trust
    - King Street Funding Trust
    - Hollis Receivables Term Trust II: Scotia Capital Inc. is a dealer for the medium term note program of the trust, which purchases interests in a revolving pool of receivables established by The Bank of Nova Scotia.

Revenues from Your Account

JFL earns compensation through the fees you pay it to manage and operate your account.

JFL and its affiliates may also earn revenue from other sources derived from the management and operation of your account, some of which may be seen as involving a conflict of interest or potential conflict of interest. All such business conducted by JFL and its affiliates is on market terms and conditions, and we monitor such business on a periodic basis to determine whether it and its applicable affiliates provide appropriate service to JFL and its clients in ways they would do if the affiliates were not related to JFL.

The relevant revenue sources are:

- Brokerage commissions earned by affiliated dealers where JFL directs trades for the account to those affiliated dealers
- Management fees earned by JFL or affiliates on Related Funds invested in for the account
- Revenues earned by affiliated dealers transacting with the account as principal in selling securities to the account.

Compensation of Representatives

JFL's compensation program for its Account Managers has been developed around best practices, is designed to support its business objectives and plays a significant role in its ability to attract, retain and motivate a highly skilled workforce. While we have taken measures to limit and mitigate conflicts of interest including adopting a neutral grid, Account Managers are compensated, in part, on the retention of existing and solicitation of new assets under management. It is important for you to understand the various components of an Account Manager's compensation so you can better evaluate the services JFL provides and the recommendations you may receive. Compensation arrangements which may influence the provision of advice include variable compensation, deferred compensation, accelerator payments and revenue recognition awards. High variable compensation or performance incentives may encourage representatives to accumulate assets as quickly as possible. This may create a conflict between the long term needs of the client and short term revenue targets, however, JFL considers this is addressed through the suitability assessments carried out by JFL in respect of clients' accounts. Compensation arrangements are assessed annually by JFL.

A. Referral Arrangements

Referral arrangements may exist from time to time within Scotiabank group. Referral arrangements are arrangements in which an existing or prospective client is referred to or from a registrant within Scotiabank group, and compensation is provided to or by a registrant in respect of the referral service provided. Referrals may be made for a variety of reasons, including to provide specific products or services suited to your financial planning needs, geographic location, or as part of a transition to another relationship manager or firm.

The amount and calculation of compensation that may be paid for a referral varies. Fees may be calculated by reference to the number or size of referrals, the business resulting, or some combination. A calculation may involve a fixed or variable amount based on revenue or assets, and may be a one-time payment or ongoing. Referral payments may also depend on certain conditions, such as a relationship being established.

Securities regulations require that you be referred to a party with the appropriate qualifications and registrations to provide the services. Other regulations may require individual employees and members within Scotiabank group to be authorized to deal in specific products or services provided to a referred client. In limited circumstances, referral arrangements may be entered into by members of Scotiabank group with persons or organizations outside of Scotiabank group.

Specific Referrals

You may have been referred to us by another member of Scotiabank group; JFL may pay the other member for this referral. Or you may have been referred by us to another member of Scotiabank group that is qualified and registered to offer you products or services not offered by JFL. The purpose of these referrals is to introduce you to experts within Scotiabank group who are best suited to help you achieve your financial goals. A brief description of the members of the Scotiabank group who may have referred you to JFL or to whom you may be referred, and the general nature of the services each provides, is set out below.

< **The Bank of Nova Scotia (Scotiabank®)** is a federally regulated bank that provides a broad range of **banking services**, including day-to-day banking, power savings accounts, chequing accounts, registered savings accounts, GICs, lending services, mortgages, credit cards, electronic banking, and financial planning through both domestic and international business lines.

< **Scotia Wealth Insurance Services Inc.** is a provincially regulated insurance firm and provides **insurance** products and strategies for income and asset protection to its clients.

< **Scotia Capital Inc. (SCI)** is a registered investment dealer in all provinces and territories of Canada that provides **investment advisory, securities trading, financial planning, and related services** to individual and non-individual clients through its full-service brokerage division, ScotiaMcLeod®, and **self-directed, electronic securities trading services** through its on-line, self-directed, non-advisory brokerage division Scotia iTRADE®.

< **The Bank of Nova Scotia Trust Company (Scotiatrust®)** is a federally regulated trust company that provides a broad range of **trust services**, including estate and trust management, will and estate planning, philanthropic advisory services and custody.

Fees for Referral Services

A referral fee may be paid or received, directly or indirectly, by a member of Scotiabank group or by a referring employee of a member of Scotiabank Group. **The amount of any referral fee paid by JFL or received by JFL for referral services will not affect the fees paid or payable by you**. Particulars of the referral arrangements involving JFL and fees paid in respect of its referral arrangements are provided below. If you would like more information on these referral arrangements, please ask your Account Manager. Our goal is to ensure that you have a rewarding experience working with us and that our services are tailored to your needs.

Current Referral Arrangements Involving JFL

I. *By Scotiabank to JFL*

If a referral is made by Scotiabank (Retail) to JFL that results in new business for JFL, JFL may pay a referral fee to Scotiabank, calculated as a percentage of JFL's gross fees earned from the referred business during the initial year following the referral.

II. *By JFL to Scotia Wealth Insurance Services Inc.*

An advisor of JFL will receive a one-time payment for a referral of new business that results in a new client for Scotia Wealth Insurance Services Inc. equal to a percentage of the commission derived from the initial sale of the new business by Scotia Wealth Insurance Services Inc.

III. *By Scotia Wealth Insurance Services Inc. to JFL*

If a referral is made by Scotia Wealth Insurance Services Inc. to JFL that results in new business for JFL, JFL may pay a referral fee to Scotia Wealth Insurance Services Inc., calculated as a percentage of JFL's management fees earned from the referred business during the initial year following the referral.

IV. *By Scotiabank (International Private Banking) to JFL*

Scotiabank (International Private Banking) may refer eligible clients to JFL that result in the opening of an account by JFL. Compensation for these referrals may be paid by JFL to Scotiabank (International Private Banking) as a percentage of JFL's gross fees earned from the referred business during the first year following the referral, subject to the referred client remaining as a client of JFL for a minimum period of time.

V. *By JFL to Scotiabank (International Private Banking)*

An advisor of JFL will receive a perpetual referral payment for a referral of new business that results in a new client for Scotiabank (International Private Banking) equal to a percentage of the Net Spread.

Policies and procedures have been adopted by Scotiabank group to assist in identifying and addressing any conflicts of interest that may arise from these referral arrangements.

A referral fee may also be paid if a referral arrangement is entered into between JFL and a person or entity outside of Scotiabank group. As with referral arrangements between JFL and another member of Scotiabank group, details of these referral arrangements, including the manner in which the referral fee for referral services is calculated and the party to whom it is paid, will be provided to referred clients. All services resulting from a referral arrangement relating to your account which require registration under applicable securities laws will be provided by the registrant receiving the referral.

Other Material Conflicts of Interest

Allocation of Investment Opportunities

JFL has adopted the following policy to ensure fairness in the allocation of investment opportunities among clients:

(a) When orders are placed simultaneously for execution at the same price, such orders and their commission will be allocated on a pro rata basis amongst all client accounts participating in the order.

(b) In the case of a new securities issue, where the allotment received is insufficient to meet the full requirements of all accounts on whose behalf orders have been placed, allocation shall be made on a pro rata basis. However, if such prorating should result in an inappropriate position for any account, such allotment shall be reallocated to other accounts. Depending on the number of new issues over a period of time, every effort shall be made to ensure that these prorating and reallocation policies result in fairness and equal treatment of all accounts.

Use of Brokerage Commission

In selecting a broker-dealer to provide execution services, JFL seeks to obtain best execution of trades on behalf of its clients taking into account all relevant factors, including security price, speed of execution, certainty of execution, transaction size, liquidity of the security, market conditions, and commission costs/spreads relative to the transaction. We also take into consideration brokerage commissions which may be generated through security purchases and sales.

JFL may direct these commissions to pay for order execution as well as services used in the investment decision-making process that will be of benefit to all clients' investment portfolios. Annually, we will provide the clients with the names of the persons or companies who received payment through brokerage commissions, and the nature of the services purchased.

Any use of brokerage commissions in this way will comply with applicable securities laws which regulate the use of client brokerage commissions. The types of services generally obtained through the use of client brokerage commissions, other than execution services include the following: i) advice as to the value of securities, investment related analysis, research, publications, seminars, reports and advice, ii) and databases and software that are used to support the provision of investment advice or strategies. Annually, JFL will provide the clients with the names of any affiliates who received payment through brokerage commissions, and the nature of the services purchased. Clients can ask their Manager for the names of any other dealer that provided a good or service to JFL in respect of transaction in the account during the past year.

JFL conducts ongoing assessments to ensure that brokerage commissions are only used for goods and services that assist it in the investment decision-making process, that the brokerage commissions paid are reasonable in relation to the research and execution services received, and that, at all times, the best price and execution was obtained for each transaction. Commission arrangements with broker-dealers are negotiated in advance, including those with affiliated entities, and JFL is under no contractual obligation to allocate brokerage business to any specific firm.

Outside Business Activities: At times, executive and representatives of JFL may participate in outside business activities such as serving on a board of directors, participating in community events or pursuing personal outside business interests. JFL has policies in place which require individuals to disclose situations where a conflict of interest may arise prior to engaging in any outside business activity in order to determine how such conflicts may be addressed. Employees of JFL may only engage in such outside business activities if approved by an applicable supervisor pursuant to JFL's policies.

Gifts and Entertainment: JFL's executive and representatives are not permitted to accept gifts or entertainment beyond what JFL considers consistent with reasonable business practice and applicable laws. JFL sets maximum thresholds for such permitted gifts and entertainment so that there cannot be a perception that the gifts or entertainment will influence decision-making.

Personal Trading: JFL has implemented a personal trading policy that places certain limitations and restrictions on individuals and their respective household members ability to trade in securities in their personal brokerage accounts. Requests are reviewed on a pre-trade and post trade basis to ensure our employees are not advantaged and the interests of our clients are always placed first.

Personal Dealings with Clients: From time to time, executive and representatives of JFL may have a relationship with clients. JFL has policies in place which prohibit any personal financial arrangements between an employee of JFL and its clients which may give rise to the employee obtaining a personal interest, receiving a benefit or consideration outside of the normal rewards of employment or result in the creation of a sense of obligation or indebtedness.

Proxy Voting: At times, JFL may be required to vote securities of its affiliates, other related parties or issuers in which affiliated entities maintain sizeable positions. JFL has policies and procedures governing the solicitation and voting of proxies that considers and puts first its clients' respective investment objectives and best interests.

Other Conflicts of Interest: From time to time, other conflicts of interest may arise. We will continue to take appropriate measures to identify and respond to such situations fairly and reasonably and always in the best interests of our clients.

JARISLOWSKY FRASER

GLOBAL INVESTMENT MANAGEMENT

TRADE ALLOCATION POLICY

The Investment Strategy Committee ("ISC") discusses material changes to the firm's Model Portfolios on a regular basis. When changes are made, or when market fluctuations dictate a rebalancing of holdings, the Portfolio Management team for each asset class will either coordinate the trade for those accounts and strategies of the firm which follow the Model or communicate the changes to each Account Manager to carry out for his/her accounts. In general, trades are coordinated when timing/price is an issue or in cases of illiquidity.

In the case of a coordinated trade, the designated trader reports to the Portfolio Manager all information relating to the size of the trade, current market activity and trading volumes – decisions on choice of broker, price, lots, commission and whether to "warehouse" the order with a broker are made at that time. The trader logs all details of conversations with the Portfolio Manager and the broker. Two signatures are required before the trade is executed and two signatures are required to sign off on the completed trade. (*One of each set must be a member of the Investment Strategy Committee.*)

It is the responsibility of each Account Manager to inform the trader of any information which may require a change in the allocation of stock for a specific account (ex. pending transfers of cash, receipt of assets, the start-up of a new account etc).

Once a decision is made to "ticket" the transaction, trading for accounts which share the same policies and objectives is allocated on a <u>pro-rata basis</u> at a common price and commission. Trades are generally rounded to the nearest 10 shares. Where <u>pro-rata</u> allocations are not practical, the trader must consult with Compliance. A rotation policy may be used when market conditions warrant as well as to accommodate strategies on various platforms.

Trades entered for client-specific reasons, such as those to meet cash flow requirements, are authorized by the Account Manager and executed by a trader.

A cross trade may be entered in the event that we are buying or selling a security in a portfolio at the same time that we are selling or buying the same security within another portfolio. Cross trading allows us to reduce transaction costs but is only permitted under certain regulatory conditions, where not prohibited by the client, and when internal compliance guidelines are followed.

Trade settlement personnel will usually "bulk" coordinated trades by custodian, reducing the number of trade tickets for the broker and thereby increasing the probability of prompt settlement. Both bulk and individual account allocations and orders are transmitted electronically to each custodian and broker. The ability to electronically match trade details and transmit trade confirmations will depend upon the Client's choice of custodian and whether the Client has placed any restrictions with respect to the use of certain broker-dealers. Where JFL has full discretion, electronic matching and confirmation is in place.

August 2017

JARISLOWSKY FRASER

GLOBAL INVESTMENT MANAGEMENT

INSURANCE COVERAGE

As per the Canadian Securities Administrators (National Instrument 31-103), Item 12.4 & Item 12.5, Jarislowsky, Fraser Limited ("JFL") has obtained a Financial Institution Bond Form #14 in the amount of $25,000,000, with Liberty Mutual Insurance Company. This includes coverage for (A) Fidelity; (B) On Premises; (C) In Transit; (D) Forgery or Alteration; (E) Securities; (F) Counterfeit Currency, and Registered Mail.

Jarislowsky, Fraser Limited also maintains Excess Financial Institutional Bond with Lloyd's and others in the amount of $300 million per loss, in excess of underlying $25 million each loss, on a follow through basis.

As a wholly owned subsidiary of The Bank of Nova Scotia, JFL is self-insured with respect to Errors & Omissions, including losses resulting from Wrongful Acts arising out of the rendering or failure to render Professional Services.

JFL also maintains Directors and Officers liability coverage (Side A) which provides cover to individual Directors and Officers in circumstances where The Bank of Nova Scotia is either unable, prohibited or chooses not to indemnity. In cases where The Bank of Nova Scotia is permitted to indemnity individual Directors and Officers, it will, as per the provisions articulated within the Corporate Indemnity.

September 2021

SCOTIABANK GLOBAL PERSONAL TRADING POLICY

May 2022

This document highlights relevant sections of the Scotiabank Global Personal Trading Policy (the "Policy") that apply to Jarislowsky, Fraser Limited (JFL) employees.

Account Disclosure	New and existing employees are required to disclose all employee investment accounts, related party investment accounts and managed accounts within 30 days of: • becoming subject to the Policy; • opening a new account; and • any changes to an existing account.
Pre-Clearance	To obtain approval, an employee must submit a pre-clearance request to the Compliance Department. Approved pre-clearance requests are only valid for the day they are requested.
Holding Period	All non-exempt securities bought (including securities options or other security-based derivative contracts) must be held for a minimum of 30 calendar days (the Holding Period) calculated on a First-in-First-Out (FIFO) basis.
Watch and Restricted List	It is prohibited to trade a security in an employee investment account or in a related party investment account if it is on the restricted list.
Product Restrictions	Derivatives on foreign exchange, cryptocurrency, and commodities including, among others, forwards, swaps, options, and futures are within the Policy and subject to its restrictions. Pre-clearance is required for foreign exchange transactions over $250,000.
Role Restrictions	All employees are deemed Access Persons and are subject to additional restrictions. Employees that are classified as Access Persons may not trade securities in their personal accounts on a day when there is an open order being worked on the trading desk for that security. Employees that are involved in making trading decisions for portfolios – Portfolio Managers, Associate Portfolio Managers, Portfolio Analysts, and/or other employees who are involved in making trading decisions for portfolios – may not trade securities in their personal accounts which have been traded within the previous 2 days in the portfolios or client accounts for which they are involved in making trading decisions.
Exceptions, Violations and Recording Keeping	Unless specified in the Policy, individual exceptions from the Policy are to be approved by the Compliance Department. Violations of this Policy may be reported to Compliance, Human Resources, Business Management, and other committees called for by local procedure. Disciplinary actions may be imposed for violations of the Policy. Compliance is responsible for maintaining appropriate personal trading records to demonstrate compliance with legal and regulatory requirements, privacy legislation, and relevant Scotiabank policies and procedures.

POLICY ON THE USE OF CLIENT BROKERAGE COMMISSIONS
AS PAYMENT FOR *ORDER EXECUTION GOODS AND SERVICES* OR *RESEARCH GOODS AND SERVICES*

Objective

Inherent to our fiduciary duty, Jarislowsky Fraser Limited (JFL) must act in the best interest of our managed accounts. Consequently, JFL must not use client brokerage commissions ("soft dollars") to pay for products or services that benefit JFL, rather than its managed accounts.

A soft dollar transaction is a brokerage transaction initiated by JFL where the executing broker apportions all or part of the commission to pay for products or services that benefit JFL's managed accounts.

The Heads of Research and the Compliance Department are responsible for overseeing soft dollar commission transactions to ensure that these transactions are compliant with this Policy. The Chief Compliance Officer (CCO) must, in advance, approve any new arrangements, products and services with broker dealers regarding soft dollars.

Uses of Client Brokerage Commissions

JFL may only direct client brokerage commissions to pay for investment decision-making and order execution services.

Investment decision-making services means:

- Advice as to the value of securities and the advisability of effecting transactions in securities;
- Analyses and reports concerning securities, portfolio strategy or performance, issuers, industries, or economic or political factors and trends; and
- Databases or software to the extent they are designated mainly to support the services referred to above.
- Access to research on companies, industries or their management via industry conferences or one-on-one meetings

Order execution services means: order execution and services directly related to order execution such as clearance, settlement and custody, whether the services are provided by a dealer directly or by a third party.

Without limitations to the following list, these activities are strictly prohibited:

- The use of commission dollars to promote the sale of mutual funds or to be used as reciprocal business in return for mutual fund sales;
- Directing portfolio transactions to a broker in consideration for the broker having referred clients to the firm; and
- Using commissions for the payment of services that do not benefit fiduciary assets.

Approval of Client Brokerage Commissions Use

All requests for the use of client brokerage commissions must be submitted to the Heads of Research and the Compliance Department.

The Compliance Department and Heads of Research are responsible for:

- Determining the products and services that are eligible for payment with client brokerage commissions;

- Documenting the reasons for approval (reasons for approving arrangements involving the use of client brokerage commissions must fit within the confines described above);
- Ensuring all agreements with brokers are documented; and
- Approving any change to the terms of an agreement.

Material changes in pricing for a particular product or service must be approved by the CCO and the Heads of Research before any client brokerage commission payments are made.

Annual Budget Process

The Heads of Research perform an annual budget review of all products and services that are paid for with client brokerage commissions. The budget process includes an assessment of new items to be included in the budget, changes in pricing of existing products and services, elimination of existing products and services, and generally, the appropriateness of all products and services received from the use of client brokerage commissions. This formal process must be adequately documented for audit and record-keeping purposes.

Client Brokerage Commissions' Agreements

The Heads of Research are responsible for ensuring that all agreements involving client brokerage commissions with brokers are in writing, copies of which are maintained and readily available for inspection within the records of JFL. The Compliance Department will perform an annual review to ensure agreements are in place with all brokers for which client brokerage commissions are used for payments.

Record Keeping

The Heads of Research are responsible for ensuring that records of all transactions involving the use of client brokerage commissions are maintained, including:

1) The amount of client brokerage commissions generated in total and with each broker; and
2) The product or services paid for.

Annual Disclosure

On an annual basis, JFL provides to each client certain information, as required by regulatory expectations, regarding the use of the commissions generated by trading in client accounts. The Compliance Department will verify that the Portfolio Managers provide this disclosure to each of their clients annually.

Annually, the Ultimate Designated Person (UDP) will be provided with a report from the Heads of Research concerning all soft dollars generated by JFL client accounts. The CCO will be copied on the report.

Regulatory Reference: NI 23-102 Part 3 and 4 and Companion Policy

JARISLOWSKY FRASER

GLOBAL INVESTMENT MANAGEMENT

PERFORMANCE COMPOSITES AND BENCHMARKS

Each composite is made up of discretionary, institutional portfolios. Composites are audited or verified annually by an external audit firm and valued each month on a trade date basis and are asset-weighted using beginning of the month market values.

Total return figures for each composite include the return on cash and cash equivalents. The results are a reflection of past performance, and should not be inferred to represent future performance. Performance presentations and a list of composite descriptions is available to clients and qualified potential clients upon request.

Composites

The following composites are currently maintained:

1. **Balanced Foundation C$**
2. **Balanced Pension C$**
3. **Bonds C$ and U$**
4. **Canadian Equity C$ and U$**
5. **Corporate Bonds C$**
6. **Dividend Growth C$**
7. **Emerging Markets C$ and U$**
8. **Fixed Income Core Plus Diversified C$**
9. **Fossil Fuel-Free Bond C$**
10. **Fossil Fuel-Free Canadian Equity C$**
11. **Fossil Fuel-Free Global Equity ADR C$ and U$**
12. **Fossil Fuel-Free Global Equity C$ and U$**
13. **Fossil Fuel-Free International Equity ADR C$ and U$**
14. **Global Credit Opportunities C$ and U$**
15. **Global Equity (ADR) C$ and U$**
16. **Global Equity (All Countries) C$ and U$**
17. **Global Equity C$ and U$**
18. **Global Equity Concentrated C$ and U$**
19. **International Equity (ADR) C$ and U$**
20. **International Equity (All Countries - Ex-USA) C$ and U$**
21. **International Equity (EAFE) C$ and U$**
22. **International Equity (EAFE+) C$ and U$**
23. **International Equity Concentrated C$ and U$**
24. **Long-Term Bonds C$**
25. **Short/Mid-Term Bonds C$**
26. **Small/Mid-Cap C$**
27. **U.S. Dividend C$ and U$**
28. **U.S. Equity C$ and U$**
29. **U.S. Opportunities U$**

Benchmarks

A benchmark is a standard against which the performance of a portfolio can be compared. A benchmark is commonly an index of securities which are similar in nature to the underlying portfolio. Stock portfolios are usually compared against stock markets and bond portfolios against bond markets. For example, the S&P/TSX Index of the largest public Canadian companies is the most widely followed benchmark for Canadian stocks. The Standard & Poor's 500 Index (S&P500) is one of the most widely followed benchmarks, or indicators, of the U.S. market for large company stocks.

When an actual portfolio is invested in a range of different markets then a **custom benchmark** is generally more appropriate. A good benchmark should reflect the actual portfolio's policy and strategy and may evolve overtime. A market index does not take into account management fees, commissions or withholding taxes. In addition, unless your portfolio is invested in the entire list of securities within the benchmark index, with exactly the same weights, then your portfolio will always either under or outperform the benchmark index. The difference in returns is the "value added". Several options for benchmarks and custom benchmarks exist. Do not hesitate to speak to your Account Manager if you would like more information or options for your portfolio.

July 2019

Research Insights

VOLUME 5

Inflation and the lessons of history

Introduction

Inflation has reappeared as an economic, policy and financial market challenge for the first time in decades. The current inflationary period began in mid-2020, as the global economy began to emerge from the nadir of the pandemic panic, and it has proven to be longer and more severe than many market-watchers – and central bankers – initially forecasted.

For many investors who had grown used to low inflation and low rates, this is unfamiliar and unpleasant territory. Financial markets, in both equities and fixed income, have been decimated as central banks tighten and fears of recession mount. Understandably, the current environment has prompted a search for precedents, in hopes that history might provide clues as to how long above-trend inflation will last, how severe it will get, how much monetary policymakers will tighten financial conditions to defeat it, and how much damage will be done to the economy and to markets in order to achieve that victory – if, indeed, victory can be achieved at all.

One of the more alarming and recently popular analogies, for example, is to the inflation crisis of the 1970s – the most recent of its kind, even though it occurred five decades ago. That long period was characterized by high inflation, low growth and high unemployment, creating a stagflationary environment that did not end until the U.S. Federal Reserve's federal funds rate capped out at close to 20%. Is that scenario likely now? We tend not to think so – and would suggest that other historical periods are more relevant to today. Understanding why, however, requires a closer analysis of how inflation occurs and of the economic, social and demographic drivers that impact its severity and its duration.

Chris Kresic, CFA
Head of Fixed Income &
Asset Allocation

JARISLOWSKY FRASER

GLOBAL INVESTMENT MANAGEMENT

Inflation in historical context

Prior to the early part of the 20th century, inflation was generally low or non-existent. When it did occur, it was typically related to wars or crop failures. The French and American revolutions in the late 18th century, for example, debased their respective currencies and sparked hyperinflation; during the U.S. Civil War, consumer price increases peaked in 1864 at an estimated 27%. However, inflation as a long-run phenomenon remained rare. And the 19th century, during which most governments tied their currencies to the gold standard (and/or the silver standard, at least for a time), could be seen as an extended period of disinflation.

The environment changed rapidly in the early 20th century, with the advent of central banks and the gradual disengagement from the gold standard among developed economies. Since 1920, annual inflation in the United States has averaged just over 3%. During certain periods of the 20th century, however, above-trend inflation did occur. As in previous eras, war was a common cause. For example, U.S. consumer prices rose by 17.8% in 1917, during the First World War, and by 10.9% in 1942, during the Second World War. Periods of high inflation also occurred during the immediate postwar years, from 1919 to 1920 and from 1946 through 1948 . Such inflationary periods tended to be transitory, and we would characterize them as shock-related – resulting from specific events or crises that were limited in their duration.

The most significant outlier in the history of modern inflation is also the most recent: the so-called Great Inflation of the 1970s and early 1980s. During this period, U.S. CPI increases were somewhat more subdued, peaking at 13.5% in 1980, but unlike other periods of above-trend inflation, this one proved durable.

Assessing historical precedents: 1970s redux?

With U.S. inflation expected to hit 8.6% in 2022, it may be natural to think we are entering a similar environment to the Great Inflation – the last time inflation was this high. We are dubious of such comparisons, however.

As discussed above, there are really two kinds of inflation: shock-related and secular. For much of the modern era, instances of above-trend inflation have been caused by specific cyclical events; they tend to wane when events dissipate. Longer-term inflation is a different and rarer beast. Beyond the general inflationary trend that set in beginning in the early 20th century, such long periods of rising prices are rare; in fact, in the United States there has been only one. Wherever they occur, however, they are usually driven by the same force: a loss of confidence in the currency.

> **"For much of the modern era, instances of above-trend inflation have been caused by specific cyclical events; they tend to wane when events dissipate."**

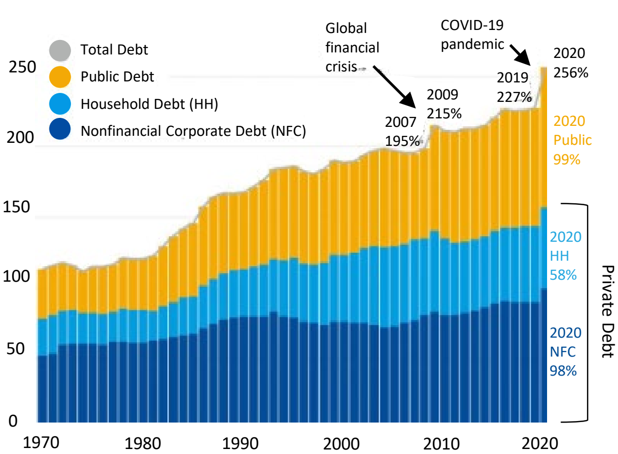
That was certainly the case for the U.S. in the 1970s. The most significant factor, perhaps, was the complete abandonment of the gold standard in 1972, which was the culmination of a process of disentanglement from currency pegging that began decades earlier. The Vietnam War and its hangover following the withdrawal of U.S. troops in 1973, as well as a more generalized loss of faith in institutions, also played a part. And while the OPEC oil embargo of 1973 is commonly cited as a *cause* of inflation, it can also be interpreted as an *effect* of currency depreciation – a response by oil producers to declining U.S. dollar revenues.

Are we facing a similar inflation spiral today? We tend not to think so. The prime indicator of long-term inflation – a loss of confidence in the dollar – is nowhere to be seen. In fact, the U.S. dollar index, which measures the greenback's value relative to a basket of other currencies, hit its highest levels in more than 20 years in September 2022. Gold, which should boom if expectations for long-term above-trend inflation were high, has not done so; it ended Q3 2022 at about the same price as in April 2020. In fixed income markets, meanwhile, the five-year, five-year forward inflation expectation rate in September 2022 was about 2.3% – higher than the years immediately before the pandemic, but hardly the stuff of inflation nightmares.

We would also remark that economic, demographic and workforce characteristics are far different than in the 1970s. In the past 50 years, global debt has doubled, and highly leveraged economies tend to grow less quickly. Meanwhile, the rate of union participation in North America has been cut in half. The U.S. birth rate has declined by nearly 30% since 1970 , when many baby boomers were entering their prime earning and spending years; today, that huge cohort is in or entering retirement. Weak working-age population growth is a global phenomenon. The United Nations recently reduced its world population estimate for the end of the 21st century by 800 million – or about 10% – which reflects the fact that birth rates are declining as the worldwide urbanization continues.

Historic Highs

In 2020, global debt experienced the largest surge in 50 years (debt as a percent of GDP)



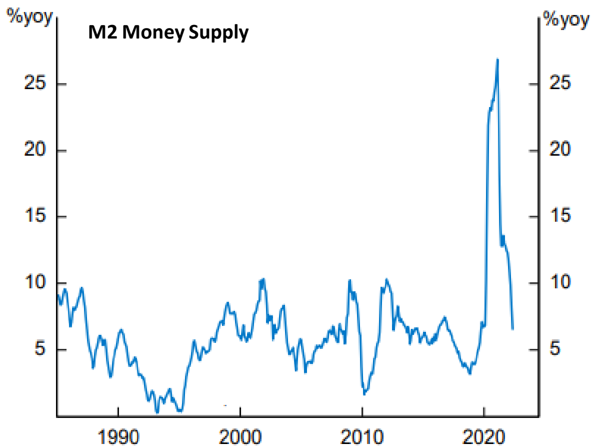
Source: IMF Global Debt Database and IMF staff calculations. Note: The estimated ratios of global debt to GDP are weighted by each country's GDP in US dollars.

In our view, a better, though hardly perfect, historical comparison is the inflationary period following the Second World War in the late 1940s, which falls into the category of "shock-related" inflation events. As soldiers returned home from the war, demand for household goods surged even as supply was low (a hangover of the wartime economy). Inflation in the U.S. and Canada increased dramatically, peaking at 17.5% in Canada in 1948 before falling to zero by 1950. Similarly to today, the economy was coming off a period of extremely stimulative fiscal policy and interest rate suppression, and debt levels were high.

The outlook for inflation and rates

If we are correct in judging that the current inflation environment is a shock-induced phenomenon, then the important questions for fixed income investors in the near term are how long it will last and how much more aggressive central banks will be before it ends. In the long term, the question is different: do we go back to the pre-pandemic (low) inflation environment, or are we on a secular higher-growth path for inflation?

First, let's consider the cyclical outlook, which is defined in large part by the fiscal and monetary contraction currently under way. During the pandemic period, fiscal and monetary policy expansion was massive, amounting to 45% of GDP in the U.S. compared with 12% during the Great Financial Crisis. Now, government is rapidly taking money off the table. In the second quarter of 2022 alone, the U.S. reduction in fiscal spending equalled 4.5% of GDP. At the same time, monetary expansion, which skyrocketed during the pandemic response, halted and reversed. Year-over-year M2 money supply growth in the U.S. plummeted by about 20 percentage points between early 2020 and mid-2022.



*Annual change in federal deficits as % of GDP, shown inverted

The economy is much more highly leveraged today than it was in the 1970s, which should make it more susceptible to interest rate hikes. (This applies in particular to Canada, where household debt levels are higher than in the U.S.) Indeed, there are already signs that central banks' draining of liquidity is having its desired effect and destroying demand. Leading economic indicators point to recession, while data for the goods sector show that inventories (wholesale and retail) are growing while final demand is flat. Commodity prices have rolled over. In services, we expect recent price declines in travel to broaden out into other sectors.

Taken together, these developments suggest that inflation may have already peaked and will be on a cyclical decline through the next year. There are risks to this outlook, however. Chief among them is wages, because job vacancies remain high relative to the employment rate; a tight labour market could well make inflation "stickier" than expected. Employment data, however, are lagging indicators, and we expect lower employment/slowing wage growth to be the next domino to fall in an inflation rollback. As it stands, our base case is that U.S. CPI growth will fall to ~3% by Q3 2023.

The price of that "victory," of course, will be measured in slowing economic growth, and a recession seems likely. The chances of a deep, severe recession are contingent on how persistent inflation proves to be and how sharply central banks, especially the Fed, react. Given that long-term inflation expectations are still well anchored, it seems likely that the Fed will not need to be overly aggressive in hiking real rates. High indebtedness across the public and private sectors creates both greater sensitivity to rate increases and a constraint on how far the Fed can go. Political considerations may create another constraint, if unemployment rises sharply along with rates and an economic slowdown impairs wages, corporate profits and, ultimately, government revenue.

For those reasons, we expect the Fed to raise rates into a recession to around 4% at the low end of the range before taking a pause. That is significantly lower than many economists' forecasts or even current FOMC "dot plot" estimates of 2023 rates. On the other hand, the expectation is that the pause at around 4% could continue for some time; we do not anticipate rate cuts in 2023, but rather that the Fed will maintain "lower, but for longer" rates until the inflation picture becomes clearer.

That view is informed by the long-term inflation outlook. As much as history and current conditions suggest that this is a shock-induced, cyclical inflationary period, there is no guarantee that inflation will reset to its decade-long pre-pandemic level of about 1.5%. The secular decline in inflation (and rates) that persisted for more than a decade may well be history, and we would not be surprised to see a reset towards 2.5% inflation over the long term.

While demographic forces militate against a significant secular trend towards higher growth, other trends could create inflation tailwinds. Among them is the so-called Great Resignation inspired by the pandemic; should it persist, labour market tightness could lead to continuing wage inflation. On a broader level, de-globalization (of which Russia's invasion of Ukraine and China's increasingly muscular geopolitical stance are signs), the end of cheap energy and rising global labour costs could spell higher prices over the long term.

Another consideration: as trend growth has declined this century, governments have become more interventionist, trying to offset weakening demand with policies that support current consumption, leading to increasing deficits. Politically, a subtle yet detectable shift from capital to labour, especially in the wake of COVID-19, has occurred in many jurisdictions, including Canada. That rebalancing might well reflect the will of the people, but it will also tend to be inflationary.

In summary, the likelihood is that short-term inflation will moderate, but it might not sustainably revert to the familiar pre-pandemic range of 1.5%. The secular decline in inflation (and rates) that persisted for more than a decade may well be history, and we would not be surprised to see a reset towards 2.5% inflation over the long term.

Implications for fixed income

The FTSE Canada Universe Bond Index ended Q3 down more than 11%, marking its worst performance on record. That unprecedented blowout has been replicated by bond markets and around the world. Long bonds in the U.S. have suffered their worst selloff since their introduction in the 1970s. Yields have risen dramatically as credit spreads widened – a highly unusual combination. The culprit: a hard reset of investors' inflation expectations.

"The secular decline in inflation that persisted for more than a decade may well be history, and we would not be surprised to see a reset towards 2.5% inflation over the long term."

If, however, one accepts the characterization of the inflationary environment as a cyclical rather than secular phenomenon, then fixed income markets appear to be extremely oversold. For long-term investors seeking to generate alpha – and JFL is among them – that makes the opportunity set much wider than it was in 2021.

"Some investment-grade bonds not only represent an opportunity for solid returns even if the outlook for inflation shifts, but also provide a 'coupon cushion' against price volatility."

The opportunities lie both in realizing alpha from a peaking rate environment and in mitigating downside risks. A moderate outlook for cyclical inflation and central banks' strong commitment to bringing it in check suggest that long rates are close to peaking, if they have not already done so; that supports a shift to longer average duration in a fixed income portfolio. Yields on many individual corporate securities have become increasingly attractive, especially considering subdued long-term inflation expectations. Some investment-grade bonds are offering yields above 7%, despite relatively low risk profiles. Such yields not only represent an opportunity for solid returns even if the outlook for inflation shifts, but also provide a "coupon cushion" against price volatility.

Finally, after a devastating year for bonds so far, our operating hypothesis is that much of the bad news and significant forward risks (rate hikes, energy crises, lockdowns in China, military conflict in Europe) have already been priced into fixed income markets. Yet uncertainty around that market assessment is high. The world has not seen inflation this high for decades. An ebb tide lowers all boats, and tighter financial conditions might expose previously undetected shipwrecks. Cyclical trends often end with a crisis, and so we are keeping some powder dry – just in case.

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Jarislowsky Fraser

A Tradition of Trust.