

FIRM BROCHURE

DATED January 29, 2021

**JARISLOWSKY, FRASER LIMITED
1010 SHERBROOKE STREET WEST
20TH FLOOR
MONTREAL, QUEBEC H3A 2R7**

**FIRM CONTACT: DANA BANKS, CHIEF COMPLIANCE OFFICER (US)
FIRM WEBSITE ADDRESS: WWW.JFLGLOBAL.COM**

This brochure provides information about the qualifications and business practices of Jarislowsky, Fraser Limited.

If you have any questions about the contents of this brochure, please contact us by telephone at (514) 842-2727 or email: compliance@jflglobal.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority.

Additional information about Jarislowsky, Fraser Limited is also available on the SEC's website at www.adviserinfo.sec.gov.

Jarislowsky, Fraser Limited is a registered investment adviser, it should be noted that the word registered does not imply a certain level of skill or training.

ITEM 2. MATERIAL CHANGES TO PART 2A OF FORM ADV: FIRM BROCHURE

Jarislowsky, Fraser Limited (“JFL”) has no material changes to report to our Firm Brochure (“Brochure”) since our last annual update, dated January 28, 2020.

Whenever you would like to receive a complete copy of the JFL Brochure(s) at no charge, please contact us at compliance@jflglobal.com. Complete filings of the Firm’s ADV 1, Brochure 2A, and applicable 2B documents are also available at www.adviserinfo.sec.gov.

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Item 4. Advisory Business

A. Description of our advisory firm, including how long we have been in business and our principal owner(s).

Jarislowsky, Fraser Limited (“JFL”) is a Canadian investment counsel firm, registered as an investment adviser with the SEC. The firm is also registered in all thirteen Canadian provinces and territories. JFL manages pension funds, endowment funds, corporate and private portfolios for clients in North America and overseas. Our firm was founded in 1955. With offices located in Montreal, Toronto, Calgary, Vancouver, and New York, JFL manages investments on behalf of governments, corporations, universities, labor unions, and individuals. Assets under management at JFL were \$35,632,845,146 on October 31, 2020, on a discretionary basis.

B. Description of the types of advisory services we offer.

JFL provides investment management and sub-advisory services. We create diversified balanced portfolios consisting of fixed income assets as well as North American and international equities. The objective is to add value through longer-term asset mix positioning rather than short-term trading. For many of our portfolios, we strive to keep portfolio volatility or risk to a minimum by implementing gradual asset mix changes and often employ a “buy and hold” strategy. Our style has historically emphasized buying long-term growth at a price we have deemed reasonable. We integrate Environmental, Social, and Governance (ESG) considerations in our assessment of quality across many of our strategies.

Mandates offered include Balanced, Canadian Equities, U.S. Equities, Foreign (international, global, and emerging market) Equities, as well as Fixed Income portfolios and variations on each of these, which we can cater to each client’s requirements. The firm specializes in separately managed portfolios but also offers commingled vehicles for certain qualified investors. Additional details regarding these mandates are available upon request.

JFL employs a strong team of investment research professionals which include the personnel of a Participating Affiliate (as defined in Item 8, *Methods of Analysis, Investment Strategies, and Risk of Loss*). Please note that corporate titles reflect legal and business conventions used in Canada and may not carry the

same meaning in the US. The title “Portfolio Manager” (PM) in Canada can refer to an individual that manages client portfolios, among other duties (have Canada compliance confirm), whereas in the US the “Portfolio Manager” title may more specifically only implement client investment plans and not provide client servicing.

See Item 10. *Other Financial Industry Activities and Affiliations* for more information on Participating Affiliates.

C. Explanation of how we tailor our services to the individual needs of clients.

We spend time to get to know you, our client, to review and discuss your financial situation. Areas of review will focus on, but are not limited to, your: (i) goals and objectives; (ii) assets and liabilities; (iii) liquidity needs; (iv) risk tolerance; (v) tax status; and (vi) other variables relevant to understanding your unique investment circumstances. We also spend time explaining our style to ensure that your expectations will be met. Together we develop the investment policy guidelines which outline the overall asset mix we will follow when managing your portfolio. The guidelines also list the investments we may purchase and any restrictions you may want to put into effect.

D. Participation in wrap fee programs

Certain individuals and entities participate in wrap programs which are sponsored by other financial institutions (the wrap sponsor), for which JFL is the manager. These individuals or entities choose to receive the investment advisory services of JFL through this other financial institution. Wrap clients pay one fee (which also encompasses other services such as trading, execution, and brokerage) to the wrap sponsor based on the amount of assets under management. JFL receives a portion of this wrap fee, paid directly to us by the wrap sponsor, for advisory services rendered. With wrap programs, JFL acts as a sub-advisor to the sponsor of the wrap program and rarely meets with the underlying client. In these cases, it is a representative of the wrap sponsor who meets with you to review the items mentioned in 4.C. above in order to determine the asset mix to follow for your portfolio. Only after this has been decided, and you sign on to have JFL manage all or a portion of your assets, do you also become a client of our firm.

Each wrap sponsor works with our firm to establish a policy or policies for the type of portfolios they wish

us to offer. We then determine a framework to follow and invest each new client's assets according to this same framework. The framework we follow for our wrap clients may therefore be different from how we would invest your portfolio if we were to customize holdings specifically for you. The investment style we follow is the same, either way, but wrap clients, for instance, tend to hold more names in their portfolios. Certain wrap sponsors choose to trade each client's portfolio themselves, in which case we simply provide the sponsor with updates to our frameworks. In other cases, JFL logs into a system provided by the sponsor which permits us to review holdings and to enter trades.

E. Client assets managed on a discretionary basis.

JFL manages portfolios on a discretionary basis which means that you sign a contract which gives us the authority to buy and sell securities within your account(s) without having to first ask your permission to do so. JFL had \$35,632,845,146 discretionary assets under management as of October 31, 2020.

Item 5. Fees for Advisory Programs

A. Compensation for our advisory services.

For most of its accounts, JFL earns fees for investment management, based on the value of assets under management in your portfolio. Over the years, JFL has standardized most of its fee schedules according to a declining scale based on mandate, product type, investment vehicle, and the overall size of the client relationship. JFL reserves the right to negotiate fees based on the size of the overall client relationship and mandate(s). The advisory fee paid by each client is set forth on the applicable fee schedule signed by you. The following lists the highest rate charged on the first tier of assets as well as the lowest rate charged (this lower rate generally pertains to assets in excess of \$200 million).

| <u>Type of Mandate</u> | <u>Standard Investment Advisory Fee</u> |
|-------------------------------|--|
| Bonds | 0.40% to 0.10% of quarter end assets |
| Canadian Equity | 0.60% to 0.15% of quarter end assets |
| U.S. Equity | 0.60% to 0.15% of quarter end assets |
| Global Equity | 0.60% to 0.30% of quarter end assets |
| International Equity | 0.70% to 0.30% of quarter end assets |
| Emerging Market Equities | 0.80% to 0.60% of quarter end assets |
| Balanced | 0.60% to 0.15% of quarter end assets |
| Domestic Balanced | 0.60% to 0.15% of quarter end assets |

As sub-advisor for various wrap programs, our fees range from 0.25 and 0.65 of 1% depending on the type of mandate and overall assets, as well as whether our firm or the sponsor is responsible for trading.

In the event that your account is held with a custodian where a significant portion of our work becomes manual, as opposed to receiving automated feeds, an Administration and Service fee of up to \$1,000 per year may be imposed.

The fee schedule may be amended from time to time. You will be provided with sixty days prior written notice of any changes to fees.

Legacy SIAM Accounts

Accounts that had originally been managed by Scotia Institutional Asset Management have been negotiated on an individual client basis, and will fall into or below the following ranges. Please also see *Item 10, Other Financial Industry Activities and Affiliations* for more information regarding Scotia Institutional Asset Management.

| <u>Type of Mandate</u> | <u>Standard Investment Advisory Fee</u> |
|-------------------------------|--|
| Balanced | 0.75% to 0.03% of quarter end assets |
| Equity | 0.50% to 0.15% of quarter end assets |
| Fixed Income | 0.75% to 0.15% of quarter end assets |
| Money Market | 0.25% to 0.05% of quarter end assets |
| US Equity | 0.25% to 0.25% of quarter end assets |

B. Payment of fees

Invoices are prepared quarterly for most clients. Clients choose whether to have their custodian pay our fees directly from their account.

C. Other fees you may pay.

JFL is not a qualified custodian, so you will have to choose a qualified custodian to hold your assets. Custodians will charge fees and/or transaction costs for their services. Several options are available. Traditional custodians or trust companies usually charge a fee based on the value of your portfolio. They may also charge fees for each transaction within the portfolio. The fees are set out in your contract with the custodian you have selected.

Brokerage firms can also provide custody services. They do not, generally, charge a fee on the value of your portfolio; instead they make their money from commissions charged on every purchase and sale within your portfolio.

You will pay brokerage commission fees on equity trades and a “spread” to the broker, which increases the price of bonds and foreign exchange, whenever we trade in your portfolio. When your portfolio is held at a traditional custodian, JFL is able to select any broker to use for trading stocks and bonds in your account. When dealing with a broker that has custody, we are usually limited to trading only with your broker at their commission rates. Where a client has not directed brokerage, JFL will trade to get you the best execution at a broker determined to be an appropriate choice.

JFL has established relationships with certain custodians where we can generally negotiate more favorable commission rates. Some brokerage firms which provide custody allow JFL to use outside brokers for trade execution, either to get access to a particular investment or to obtain a better price for you. In these cases, if your broker also acts as your custodian, you will be charged a DVP or RVP (delivery versus payment or receipt versus payment) fee to settle the trade within your account. Just like custodians, brokers may also charge a fee to wire payments to you or to research information for you (such as printing duplicate tax slips or verifying tax costs). When you hold non-North American securities, both the custody fees you are charged and the brokerage commissions you pay for each transaction will be higher.

Certain clients may choose to custody their accounts with one or more affiliates of JFL, from which JFL is operationally independent. In the event an affiliate is chosen to provide custody, the client will execute an agreement with the affiliate directly for such custodial services and it may charge a fee for its services, which are separate and independent of the services provided by JFL.

Within each of our commingled funds, fees for audit and other expenses are charged. JFL pays the custody fees for each of its funds which is why our fees for institutional clients who own funds are slightly higher than our fees for separate account management. In JFL's International Equity Fund LLC, other types of expenses passed through to investors include an annual franchise tax to the State of Delaware, an annual domestic representation fee to a registered agent service firm, and a monthly month-end reporting fee.

For further information, please also refer to the section of the brochure that discusses brokerage, Section 12.

D. Payment, refunds, and expenses.

Most separately managed client account advisory fees are payable in advance, using the end of quarter market value. In the event that during the quarter in question, cash and/or assets are withdrawn or added in an amount greater than 10% of the previous quarter-end market value then our practice is to equitably prorate our fees with respect to the value of these added or deleted assets. This proration will generally be issued in the form of an adjustment to the next quarter's invoice. If you terminate the advisory contract

before the end of the billing period, the portion of the fees invoiced, or paid, will be credited or refunded as the case may be, from the agreed upon date of termination.

E. Compensation to supervised persons?

We do not pay commissions or sales charges to any JFL employee.

JFL co-launched the NBI Jarislowsky mutual funds in 2010. National Bank Investments is the Manager and JFL sub-advises these mutual funds. Canadian residents may purchase these funds directly through a discount broker at no extra fee or through a broker who may receive a fee from the mutual fund company which will lower the return of the investor.

Item 6. Performance-Based Fees and Side-By-Side Management

Where appropriate, JFL has certain funds that it offers to institutional clients that charge an incentive fee. These funds are not offered or available to US resident customers.

Item 7. Types of Clients and Account Requirements

JFL is an investment advisory firm, managing pension funds, endowment funds, commingled funds (including the JFL International Equities Fund LLC and several Canadian mutual funds that are not available to US investors), corporate and private portfolios for clients in North America and overseas.

The minimum for opening an account directly with our firm is generally \$1 million for separately managed clients and \$1 million for pooled or commingled clients. Individuals and entities with smaller accounts may become clients indirectly through wrap sponsors. In Canada we may take on smaller accounts if invested in our commingled or sub-advised mutual funds.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

A. Description of the methods of analysis and investment strategies and risk of loss.

Investment strategy at JFL is developed through a team approach and is reinforced with extensive in-house research, emphasizing direct contact with the management of companies in which we invest. Our Investment Strategy Committee (ISC) meets weekly and is responsible for risk management and oversight of all investment decisions at the firm; it establishes asset mix, and approves material decisions relating to fixed income and stock purchases or sales. The ISC is comprised of senior investment professionals, and includes our fixed income and regional equity team leaders. Other portfolio managers, fixed income, and equity analysts attend the weekly meetings and participate actively. Analysts present and defend their research in front of the Committee members and their peers from other asset classes. Equity analysts are divided between North American and international securities.

JFL may utilize advice and/or research provided by Jarislowsky, Fraser USA, Inc. (“JF USA”), a wholly-owned subsidiary, opened in New York in late 2012. JF USA is not registered under the Investment Advisers Act of 1940; rather it operates as a Participating Affiliate of JFL pursuant to an Agreement between JFL and JF USA. Under the Agreement, an employee of the Participating Affiliate may serve as an associated person of JFL. Please also see *Item 10, Other Financial Industry Activities and Affiliations* for more information on our Participating Affiliate.

JFL employs a lower risk approach toward the management of portfolios. Securities of companies that we believe to be speculative are avoided. We have a buy and hold investment approach. Overall portfolio risk is minimized by investing only in proven, well-managed, large capitalization companies that we have deemed financially sound. We use a number of risk controls in order to reduce volatility (or risk) and preserve capital over the long term.

These include:

- Emphasis on longer-term trends
- Fundamentally-based research
- High quality bonds and stocks
- Focus on asset class ranges and industry limits
- Low portfolio turnover

We look for companies that can provide superior sustainable earnings and cash flow growth over the long term. We favor companies and industries with above-average cash flow generation. We believe that a company's ESG policies and track record are likely to be a helpful lens through which to gauge quality. For this reason, we integrate the analysis of material ESG risks and opportunities into much of our investment process, and have adopted a Sustainable Investment Policy that formalizes our commitment. Integration of ESG considerations is a component to our assessment of quality across nearly all of our mandates. In effect, all investable stocks and corporate bonds which we identify as a prospect or which we own are reviewed based on a combination of fundamental qualitative and quantitative analysis.

The firm relies primarily on internal resources to develop strategy and generate investment ideas. Fundamental investment analysis has been one of the firm's foremost strengths for more than 60 years and is an integral activity of the firm. An active schedule of company visits and interviews supplements our internal research library and database services. Our research concentrates on identifying companies possessing four main characteristics:

1. Competitive Position: sustainable competitive advantage
2. Quality and Ethics of Management: management's skill, value and reputation; ability to create consistent long-term value
3. Financial Strength: ability to generate, sustain and grow free cash flow
4. Valuation Analysis: high quality, undervalued companies with unrecognized growth potential

Once these companies are identified they are purchased at a reasonable price to improve the potential for future returns.

This same approach is used when investing in Fixed Income securities such as money market instruments or bonds. We focus on quality issuers and tailor the desired return with the client's risk profile.

B. Describe the risk involved in investing for each of our strategies

Investing your money in stocks and bonds involves a risk of loss for which you should be prepared. The stock market may increase and your account could enjoy a gain. It is also possible that the stock market may decrease and your account could suffer a loss. Bonds are generally purchased for safety but they can also lose value – in the extreme the companies or the governments which issue bonds may go bankrupt or default on their responsibilities. It is important that you understand the risks associated with investing in these markets. We help you to identify your risk tolerance, which may change with your age and circumstances. Our goal is to reduce the volatility or risk within your portfolio, through prudent diversification and by giving extra consideration to the safety of principal.

If you choose JFL to manage only a specific portion of your portfolio (ex. international or Canadian equities) then our diversification will be limited to these markets. It will then be up to you and your external investment consultant to review your asset mix to determine the suitability of your overall strategy.

Risk-return trade-off: Risk and return are closely related. This means that to obtain a higher return, you may have to accept a higher level of risk. A higher risk portfolio is generally less stable and fluctuates more. The more a portfolio's return fluctuates, the more risk is associated with the portfolio. It is therefore important to understand what we mean by "fluctuation": within a given period of time, a security may fluctuate, that is, it may suffer losses and realize gains. High-risk investments generally offer higher long- term returns than lower-risk, more conservative investments. Since they fluctuate more, high-risk investments may post more negative short- term returns, compared to lower-risk investments.

What are the general risks of investing? Your investment in securities is not guaranteed. Therefore, the greatest risk to you as an investor is that you could lose all or part of your securities investment. Unlike Canadian dollar bank accounts or guaranteed investment certificates, stocks, bonds, money market securities, and funds are not covered by the Federal Deposit Insurance Corporation, Securities Investor Protection Corporation, Canada Deposit Insurance Corporation, or any other government deposit insurer.

Portfolios own different kinds of investments depending on their investment objectives. The value of investments in any portfolio will fluctuate on a daily basis, reflecting changes in interest rates, economic conditions and markets as well as company news. Therefore, the value of any portfolio's securities may go up or down. This means that the value of your investment when you sell it may be more or less than when you bought it.

The following is a detailed list of risks which may affect your portfolio. While this is not an exhaustive list, we have listed those risks at the top which are most likely to impact JFL clients. Please do not hesitate to contact your Account Manager should you wish to review the specific risks which relate to you.

Risks relating to concentration: If a portfolio invests a large proportion of its assets in securities issued by one issuer, in a single asset class or in a single sector, it will have risk relating to concentration. When a portfolio is not diversified, it could experience greater volatility and will be strongly affected by changes in the market value of these securities.

Risks relating to credit: A portfolio can lose money if the issuer of a bond or other fixed income security cannot pay interest or repay principal when it comes due. This risk is higher if the fixed income security has a low credit rating or no rating at all. Fixed income securities with a low credit rating usually offer a higher yield than securities with a high credit rating but they also have the potential for substantial loss. These are known as "high yield securities".

Risks relating to companies listed on stock markets: The value of a portfolio will increase or decrease with the market value of the securities in it. If a portfolio holds stocks, the value of its securities will fluctuate with the market value of the stocks it holds. The market value of a stock will fluctuate according to the performance of the company that issued the stock, economic conditions, interest rates, stock market tendencies and other factors. Historically, equity securities are more volatile than fixed income securities. Securities of small market capitalization companies can be more volatile than securities of large market capitalization companies.

Risks relating to interest rate fluctuations: Investments are affected by interest rate fluctuations. A drop in interest rates may reduce the return of money market securities. An increase in interest rates may reduce the return of portfolios holding debt or fixed income securities.

Risks relating to currency: Whenever a portfolio buys assets in a currency other than the base currency (for Americans this is generally U.S. dollars), there are risks relating to exchange rates. As the currency changes in value against the other currencies, the value of the portfolio securities purchased in those other currencies will fluctuate.

Some client portfolios denominate the value of their securities in U.S. dollars, but invest in different currencies. The value of their securities will fluctuate as foreign currencies change value in relation to the U.S. dollar. Some client portfolios denominate the value of their securities in other currencies. The value of their securities will fluctuate in relation to these other currencies.

Risks relating to fund on fund: When a portfolio invests some or all of its assets in securities of a pooled or mutual fund (an “underlying fund”), the underlying fund may have to dispose of its investments at unfavorable prices to meet the redemption requests of the portfolio. This could have a harmful effect on the performance of the underlying fund that faces a large redemption. Furthermore, the performance of the portfolio is directly linked to the performance of the underlying fund and is therefore subject to the risks of the underlying fund in proportion to the amount of its investment in the underlying fund.

Risks relating to liquidity: Liquidity refers to the speed and ease with which an asset may be sold and converted into cash. Most of the securities held by a portfolio may be sold easily at a fair price and thus represent investments which are relatively liquid. However, a portfolio may invest in securities which are not liquid, i.e., which may not be sold quickly or easily. Some securities may not be liquid because of legal restrictions, the nature of the investment or certain characteristics of the security. The lack of purchasers interested in a given security or market could also explain why a security may be less liquid. The difficulty of selling illiquid securities may result in a loss or a reduced return for a portfolio.

Risks relating to foreign investments: Portfolios that invest in foreign countries may face increased risk because the standards of accounting, auditing, and financial reporting in these countries are not as stringent as in Canada and the U.S. These countries may be less regulated and portfolio managers may receive less complete information on the securities they buy.

A change of government or a change in the economy can affect foreign markets. Governments may impose exchange controls or devalue currencies. This would restrict the ability of a portfolio manager to withdraw investments. Some foreign stock markets are less liquid and more volatile than the North

American markets. If a market has lower trading volumes, it can restrict the portfolio manager's ability to buy or sell securities. This increases the risk for a portfolio that only invests in foreign securities.

Risks relating to small companies: Small companies can be riskier investments than larger companies. For one thing, they are often newer and may not have a track record, extensive financial resources or a well- established market. This risk is especially true for private companies or companies that have recently become publicly traded. They generally do not have as many shares trading in the market, so it could be difficult to buy or sell small companies' stock when it needs to. All of this means their share prices can change significantly in a short period of time.

Risks relating to specialization: Some clients prefer portfolios which have a mandate to invest in a particular industry or geographic area. When a portfolio specializes in this way, it can be more volatile. Specialization lets the portfolio manager focus on specific areas of the economy, which will affect the performance of the portfolio depending upon changes in the sector and the companies in the sector. Events or developments affecting that sector or part of the world may have a greater effect on the portfolio than if it had been more diversified.

Risks relating to securities lending transactions: Clients and funds may, for a fixed period of time, lend securities of their portfolio in exchange for collateral. To limit the risks, the client will negotiate with its custodian the following: a value of assets given as collateral, minimum level percentage coverage of the loaned securities and the type of collateral provided to the client.

The risk associated with securities lending transactions is mainly the borrower's inability to pay the necessary consideration to maintain the collateral at the determined percentage. The client's portfolio could sustain a loss if the borrower is unable to return the loaned securities by the end of the agreed upon period and the market value of the securities loaned increases before the portfolio buys back the securities. In this case, the collateral will no longer be sufficient to purchase the same securities on the market. Consequently, the client or fund will have to use the money in the portfolio to buy back the securities and will sustain a loss. This risk can be minimized by selecting borrowing parties with solid credentials, which have undergone a stringent credit evaluation.

Clients lose the right to vote the proxies for any assets which are out on loan. In addition, dividend income may be reduced or treated differently from a tax perspective if paid from a security which is out on loan.

Risks relating to the use of derivatives: The use of derivatives is usually designed to reduce risk and/or enhance returns, but its use is not without its own risk. Here are some of the most common ones:

There is no guarantee that a strategy will be able to complete a derivative contract when it needs to. This could prevent the strategy from making a profit or limiting a loss.

A securities exchange could impose limits on trading of derivatives, thereby making it difficult to complete a contract. When using derivatives, the strategy relies on the ability of the counterparty to the transaction to perform its obligations. In the event that a counterparty fails to complete its obligations, the strategy may bear the risk of loss of the amount expected to be received under options, forward contracts or other transactions in the event of the default or bankruptcy of a counterparty.

The other party to the derivative contract may be unable to honor the terms of the contract.

The price of a derivative may not reflect the true value of the underlying security or index.

The price of derivatives based on a stock index could be distorted if some or all of the stocks that make up the index temporarily stop trading.

Derivatives traded on foreign markets may be harder to close than those traded in Canada.

In some circumstances, investment dealers and futures brokers may hold some of a strategy's assets on deposit as collateral in a derivative contract. That increases risk because another party is responsible for the safekeeping of the assets.

A hedging strategy involving the use of derivatives may not always work and could restrict a strategy's ability to increase in value.

Risks relating to short selling. Certain strategies may engage in a limited amount of short selling. A "short sale" is where a strategy borrows securities from a lender which are then sold in the open market (or "sold short"). At a later date, the same number of securities are repurchased by the strategy and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the strategy pays interest to the lender. If the value of the securities declines between the time that the strategy borrows the securities and the time it repurchases and returns the securities, the strategy makes a profit for the difference (less any interest the strategy is required to pay to the lender). Short selling

involves certain risks. There is no assurance that securities will decline in value during the period of the short sale sufficient to offset the interest paid by the strategy and make a profit for the strategy, and securities sold short may instead appreciate in value. The strategy also may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender from whom the strategy has borrowed securities may go bankrupt and the strategy may lose the collateral it has deposited with the lender. Each strategy that engages in short selling will adhere to controls and limits that are intended to offset these risks by short selling only securities of larger issuers for which a liquid market is expected to be maintained and by limiting the amount of exposure for short sales. The strategy also will deposit collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits.

C. Were we to recommend a particular type of security, we would explain the material risks involved.

We do not recommend particular types of securities, other than stocks and bonds, and therefore have nothing to disclose for this section.

Item 9. Disciplinary Information

JFL is required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. There are a number of specific legal and disciplinary events that we must presume are material for this Item. If our advisory firm or a management person has been involved in one of these events, we must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in our or the management person's favor, or was reversed, suspended or vacated, or (2) the event is not material.

If our advisory firm or a management person has been involved in a legal or disciplinary event that is not specifically required to be disclosed, but nonetheless is material to a client's or prospective client's evaluation of our advisory business or the integrity of our management, we must disclose the event. Similarly, even if more than ten years has passed since the date of the event, we must disclose the event if it is so serious that it remains currently material to a client's or prospective client's evaluation of our firm or management.

We have determined that our firm and management have nothing to disclose under the guidelines and standards mentioned above.

Item 10. Other Financial Industry Activities and Affiliations

A. We are to disclose if our firm or our management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

We have nothing to disclose in this regard, and no intentions to engage in any of the above activities.

B. We are required to disclose if our firm or our management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

We are registered as a Commodity Trading Manager (in Ontario), a derivatives portfolio manager (in Quebec), and a derivatives adviser (in Manitoba), based on activities for clients resident of those Canadian provinces. US resident clients do not use strategies that utilize derivatives.

C. We are required to describe any relationship or arrangement that is material to our advisory business or to our clients that we or any of our management persons have with any related person listed below. We are required to identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how we address it.

- 1. broker-dealer, municipal securities dealer, or government securities dealer or broker**
- 2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)**
- 3. other investment adviser or financial planner**
- 4. futures commission merchant, commodity pool operator, or commodity trading advisor**
- 5. banking or thrift institution**

With respect to Item C (1) – Scotiabank Relationships

JFL is a wholly owned subsidiary of Scotiabank. As a result, Scotiabank and its affiliates are related entities of JFL. Companies in which Scotiabank has an investment from time to time may also be considered to be related persons of JFL within the meaning of applicable securities legislation. 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.

JFL is also an affiliate of 1832 Asset Management L.P. (“1832 LP”), which offers a range of wealth management solutions and investment solutions for private clients, institutional clients, and managed

asset programs. 1832 LP is an Ontario limited partnership, the general partner of which is wholly owned by Scotiabank. 1832 LP is registered with the Ontario Securities Commission as a Portfolio Manager.

As mentioned, JFL may establish business relationships with certain parties which similarly have Scotiabank as a principal shareholder, including entities that are regulated under the securities legislation of other countries (“Related Registrants”). As Scotiabank is a related person of JFL, certain affiliates of Scotiabank with which JFL may establish certain business relationships may be considered to be Related Registrants. A list of certain Related Registrants registered under securities legislation is attached in Schedule “A”. Directors and officers of JFL may from time to time act as officers and/or directors of Related Registrants, including the Related Registrants listed in Schedule “A”. The following is a list of certain instances in which JFL may have other business relationships with a Related Registrant:

Investments in Affiliates

JFL will occasionally invest in securities of an affiliate or Related Registrant or an issuer to which an affiliate or Related Registrant acts as manager, trustee, portfolio manager and/or distributor, on behalf of clients. In addition to any other requirements prescribed by law or by the policies of JFL, the decision to make such an investment will be uninfluenced by such affiliate or Related Registrant and will be consistent with the investment objectives of the relevant client.

Sub-Advisory Contracts with Affiliates

From time to time, JFL will appoint, or may be appointed, as a sub-advisor by an affiliate or a Related Registrant to manage the assets of certain clients. All such sub-advisory contracts with affiliates or Related Registrants will be substantially on terms that are no less favorable than would apply if the other party were not an affiliate or Related Registrant.

Custodial Services from Affiliates

Certain clients choose to custody their accounts with one or more affiliates to provide custodial services, such as trade settlement, asset safe-keeping and/or recordkeeping. In such circumstances, the client executes a separate agreement with the affiliate, and the affiliate will charge the client a separate fee for such custodial services.

Policies and Procedures to Minimize Conflict of Interest

To the extent that JFL determines it to be in the interests of its clients to engage the services of,

invest in financial products offered by or otherwise transact with a Related Registrant (the “transactions”), it may be subject to a conflict of interest, given its relationship with the Related Registrant. JFL has established policies and procedures for identifying and minimizing potential conflicts of interest resulting from business relationships with its Related Registrants. JFL ensures that where it selects a Related Registrant with respect to the transactions such decision is based on the determination that such registrant is an appropriate selection having regard to the circumstances. In addition it will conduct the transaction on terms no less favorable to its clients than would apply if the other party were not a Related Registrant.

Integration of SIAM Business

As detailed above, 1832 LP is a Canadian registered investment adviser and wholly-owned subsidiary of The Bank of Nova Scotia. Part of 1832 LP’s business known as Scotia Institutional Asset Management (“SIAM”) had serviced institutional clients of 1832 LP prior to September 1, 2020. On or about September 1, 2020, JFL and 1832 LP reorganized and combined their respective institutional business lines such that the institutional clients of 1832 LP (within SIAM) who consented transferred their investment management agreements from 1832 LP to JFL. As of September 1, 2020, the SIAM brand resides with JFL, and the institutional clients who transferred from SIAM are being serviced by their SIAM advisers, who are now employees of JFL. Certain of their assets continue to be advised by 1832 LP on a sub-advisory basis.

With respect to Item C (2):

As described in Item 4, *Advisory Business* and Item 8, *Methods of Analysis, Investment Strategies and Risk of Loss*, from time to time JFL benefits from the internal research, marketing, and advice of its Participating Affiliate, JF USA as a servicing subsidiary. Employees of JFL USA are not permitted to provide research or investment advice directly to JFL’s clients, potential clients, or third parties. Supervision of JF USA’s activities is the responsibility of the officers and employees of the Participating Affiliate and JFL.

If you have given us permission to do so, we may advise you or exercise our discretionary authority to purchase or sell securities issued by The Bank of Nova Scotia, as well as pooled or commingled funds which are “related” or “connected” to us, including but not limited to the purchase or sale of the following: JFL International Equity Fund LLC, Jarislowsky Fraser Money Market Fund; Jarislowsky Fraser U.S. Money Market Fund; Jarislowsky Special Equity Fund; Jarislowsky International Pooled Fund; Jarislowsky, Fraser Bond Fund; Jarislowsky, Fraser U.S. Equity Fund; Jarislowsky, Fraser

Balanced Fund; Jarislowsky, Fraser Canadian Equity Fund; Jarislowsky, Fraser Global Balanced Fund; Jarislowsky, Fraser Global Equity Fund; Jarislowsky, Fraser Long Term Bond Fund; Jarislowsky, Fraser Dividend Growth Fund; Jarislowsky, Fraser Global Equity (All Countries) Fund; Jarislowsky, Fraser International Equity (All Countries ex US) Fund; Jarislowsky, Fraser Emerging Markets Equity Fund; Jarislowsky, Fraser Short/Mid Bond Fund; Jarislowsky, Fraser Fixed Income Core Plus Fund; Jarislowsky, Fraser Corporate Bond Fund, Jarislowsky, Fraser Small/Mid Cap Equity Fund; Jarislowsky, Fraser Fossil Fuel Free Canadian Equity Fund; Jarislowsky, Fraser Fossil Fuel Free Bond Fund and Jarislowsky, Fraser Fossil Fuel Free Global Equity Fund. The units or shares of these funds are offered to investors in reliance on exemptions from registration and prospectus requirements of applicable securities legislation. These funds are related to us because we act as the manager of the portfolios and distribute units of these funds. In addition to these funds, we act as manager to the Manion Wilkins & Associates Short Term Investment Fund (STIF) and the Fonds de Croissance Select. We also act as portfolio manager to the NBI Jarislowsky Fraser Select Canadian Equity Fund, the NBI Jarislowsky Fraser Select Income Fund, the NBI Jarislowsky Fraser Select Balanced Fund, and the National Bank U.S. Dividend Fund and may exercise discretion on behalf of your portfolio to purchase or sell units of these mutual funds. The above transactions will be entered into where they are permitted under applicable securities law and where they are, in our view, in your best interest.

Of the above funds, only the JFL International Equity Fund LLC is available to U.S. resident taxpayers.

For a full list of Related and Connected Issuers, please visit the following link or contact

compliance@jflglobal.com for a copy:

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

We do not double bill for these funds but the fees for certain of these are more expensive than the fees for a separately managed account.

D. If we recommend or select other investment advisers for our clients and we receive compensation directly or indirectly from those advisers, or we have other business relationships with those advisers, we are required to describe these practices and discuss the conflicts of interest these practices create and how we address them.

We have nothing to disclose in this regard, as JFL does not recommend other investment advisers.

**Item 11. Code of Ethics, Participation
or Interest in Client Transactions and Personal
Trading**

- A. *JFL, like all registered advisers, is required to adopt a code of ethics in accordance with Rule 204A-1 under the Investment Advisers Act of 1940.*

The rule requires an adviser's code of ethics to set forth standards of conduct expected of advisory personnel and addresses conflicts that could arise in personal trading by advisory personnel. JFL has adopted a Code of Ethics under Rule 204A-1 of the Investment Advisers Act of 1940, as amended designed to provide that employees of JFL comply with applicable federal securities laws and place the interests of clients first in conducting personal securities transactions. The Code requires all individuals identified as access persons, among other stipulations, to disclose all covered accounts at account opening and at the time of opening new accounts, and to preclear all applicable transactions. The Compliance Department conducts ongoing reviews of such personal trading activity. Subject to the limitations of the Code of Ethics, employees may buy and sell securities or other investments for their personal accounts, including investments in pooled investment vehicles that are sponsored, managed, or advised by JFL, and may take positions that are the same as or made at different times than positions taken for client accounts. JFL's Code stresses the importance of our fiduciary responsibility to our client(s). The Code reinforces our duty to always act in the client's best interest and specifically requires that all employee trades in equities, quasi-equities, or JFL sub-advised mutual funds be approved in writing before a trade may be executed.

JFL will promptly provide a copy of our Code of Ethics to any client or prospective client upon request received at compliance@jflglobal.com

B. If our firm or a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest (excluding an interest as a shareholder of an SEC-registered, open-end investment company), we must describe our practice and discuss the conflicts of interest it presents.

JFL acts as manager and general partner of the JFL International Equity Fund LLC. As mentioned in section 10.C (2) we only purchase units of this fund for clients who permit us to do so. We receive no benefit from this fund other than the management fees we invoice directly to our clients. Clients who are invested in this fund do not pay management fees on the full value

of their account plus the management fee charged by the fund. We have no conflicts of interest to disclose in this regard.

As noted in section 10.C, if you have given us permission to do so, we may advise you or exercise our discretionary authority to purchase or sell securities issued by The Bank of Nova Scotia, as well as pooled or commingled funds which are “related” or “connected” to us. We may receive commission, management fees, or other forms of compensation in relation to such funds. From time to time, a member of the Scotiabank group may receive periodic trailer fees paid on the portfolio market value.

JFL obtains written consent from clients in order to buy, sell, and hold securities of a related person, including The Bank of Nova Scotia and its affiliates and subsidiaries.

C. If our firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that our firm or a related person recommends to clients, we are required to describe our practice and discuss the conflicts of interest this presents and generally how we address the conflicts that arise in connection with personal trading.

Please see Item 11A above; we put our clients first and the policies we have in place set forth standards of conduct expected of advisory personnel and address conflicts that could arise in personal trading by advisory personnel. Employees may invest in the same securities we recommend to clients, in fact we encourage this practice; however, we do require all personnel to pre-clear each such investment in order to ensure that no conflict exists.

D. If our firm or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for our firm’s (or the related person’s own) account, we are required to describe our practice and discuss the conflicts of interest it presents. We are also required to describe generally how we address conflicts that arise.

JFL does not actively trade in securities for its own accounts. The firm may, from time to time, seed a few small portfolios of \$100,000 in order to establish a track record in a new investment strategy. When this does occur, compliance oversight is involved to ensure no conflicts of interest arise from this practice.

Item 12. Brokerage Practices

- A. *Description of the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).*

It is our duty to minimize transaction costs and to try to obtain “Best Execution” when we select brokers to execute trades on behalf of your account, unless you have directed us otherwise. In order of importance, the criteria for broker selection are as follows:

Primary Importance:

- I. The quality of trade execution by the broker,
- II. The quality and efficiency of back office functions, such as trade settlement etc.

Secondary Importance:

- III. The frequency of company management visits to JFL’s offices sponsored by the broker,
- IV. The quality of a broker’s research material,
- V. The frequency of analyst visits by a broker

Our compliance team reviews commission use on a regular basis, assessing broker execution and the competitiveness of trading costs. While not usual practice, JFL may from time to time pay higher commissions than those obtainable from other brokers.

1. *Research and Other Soft Dollar Benefits. If we receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), we are required to disclose our practices and discuss the conflicts of interest they create. Please note that we must disclose all soft dollar benefits we receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.*

A statutory “safe harbor” allows an investment adviser to pay for research and brokerage services with commission dollars generated by client account transactions. All such services qualify for safe harbor in Section 28(e) of the Securities Exchange Act of 1934 as they aid in investment decision making. In the interest of Best Execution, JFL may choose to trade through one broker-dealer but compensate another via a Commission Sharing Arrangement. While engaging in any trading arrangement, it is understood that this practice should have no adverse effect on the cost or quality of a particular transaction.

Additional details on the firm's use of brokerage commissions may be obtained by contacting compliance@jflglobal.com

a. Explanation of when we use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, and how we receive a benefit because our firm does not have to produce or pay for the research, products, or services.

Much of JFL's research is performed in-house and relies on access to low cost financial information (e.g. company filings, interviews with management and industry association data). In addition to this low cost information, we do pay for certain services indirectly out of a portion of the overall commissions brokers charge to our clients. Certain brokers with whom we have contracts will reserve a share of certain commission revenues generated by orders executed to make payments to registered securities dealers, research providers, and other third parties providing eligible services. Any payments authorized in this manner to service providers will qualify as investment decision-making services or order execution services. Additionally, commission sharing arrangements are occasionally used to enlist the services of expert networks for research purposes. The fee paid for these services may be embedded in the total commission cost (principal trade). In accordance with our investment philosophy, our low portfolio turnover generates a low amount of trading activity and therefore low commission levels.

b. Incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving best execution.

Commissions and the execution quality of each broker are monitored on a regular basis. We have examined the potential conflict of interest and believe that we act in the best interest of our clients and satisfy our obligations to you, including our duty to seek best execution.

c. Causing clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up).

Our clients may pay a commission that is higher than another qualified broker dealer might charge to effect the same transaction where we determine, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determining factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness.

Accordingly, although we do seek competitive rates, for the benefit of all clients for whom we have the discretion to select the broker, we may not necessarily obtain the lowest possible commission rate for every client account transaction.

d. Disclosure of whether we use soft dollar benefits to service all of our clients' accounts or only those that paid for the benefits, as well as whether we seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

We utilize research services to help with investment decision-making for our model portfolios. These services benefit all our clients, including those who cannot participate in firm transactions, such as those clients who have their assets custodied at brokerage firms, and those who recapture a portion of their commissions.

e. Description of the types of products and services our firm or any of our related persons acquired with client brokerage commissions (or markups or markdowns) within our last fiscal year.

JFL has access to company management and industry conferences as well as some brokerage research material used in investment decision-making. All products and services acquired qualify for safe harbor in section 28(e) of the Securities Exchange Act of 1934 as they aid in investment decision making.

f. Explanation of the procedures we used during our last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits we received.

The Investment Strategy Committee reviews and establishes our annual budget for client brokerage commission, taking into account our mix of clients, their mandates, and investment objectives. The firm's compliance team reviews commission use on a quarterly basis, assessing broker execution and the competitiveness of trading costs. Meetings of personnel of the two teams take place to outline a plan of action whenever an imbalance or budgetary concern is raised.

2) Brokerage for Client Referrals. If we use client brokerage to compensate or otherwise reward brokers for client referrals, we must disclose this practice, the conflicts of interest it creates, and any procedures we used to direct client brokerage to referring brokers during the last fiscal year (i.e., the system of controls used by us when allocating brokerage)

Our firm does not compensate brokers for client referrals.

3) *Directed Brokerage.*

- a. *If we routinely recommend, request or require that a client directs us to execute transactions through a specified broker-dealer; we are required to describe our practice or policy. Further, we must explain that not all advisers require their clients to direct brokerage. If our firm and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, we are further required to describe the relationship and discuss the conflicts of interest it presents by explaining that through the direction of brokerage we may be unable to achieve best execution of client transactions, and that this practice may cost our clients more money.*

JFL does not require clients to direct brokerage. It is within the discretion of JFL to select brokers for the purpose of executing trades on behalf of clients. Our duties as investment manager are to minimize transaction costs and to seek to obtain “Best Execution” for all firm clients. As such, we expect the brokers we select to comport with these standards and we regularly review our brokerage practices to ensure that they do.

All brokers used by JFL must be approved by the firm’s Investment Strategy Committee, which reviews broker performance on a regular basis throughout the year. Beyond execution, JFL also requires its brokers to consistently report and settle trades in a timely manner.

- b. *If we permit a client to direct brokerage, we are required to describe our practice. If applicable, we must also explain that we may be unable to achieve best execution of your transactions. Directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices on transactions.*

As noted above, where a client has directed brokerage, we are usually limited to trading only with your broker at their commission rates. This restricts our ability to get best execution as we cannot negotiate the commission paid with the broker, and that broker may not necessarily be able to provide as good a price as we can get from another broker. Lately, as commission rates decline and regulatory and compliance scrutiny has increased, fewer broker-dealers are willing to agree to provide recapture services. We only use agency trades (a transaction involving the payment of a commission) for client directed trading. You must understand that when engaging in a directed-brokerage agreement for the purposes of covering a fee, the dollar amount generated towards the directed account will be based on a percentage of your total account specific commissions. There is a chance that the total dollar amount in the directed account may be less than the amount required to pay for the service you have purchased. However, clients that direct brokerage may receive reduced or zero custodial fees or other administrative services that the custodian provides to the client.

- B. Discussion of whether, and under what conditions, we aggregate the purchase or sale of securities for various client accounts in quantities sufficient to obtain reduced transaction costs (known as bunching). If we do not bunch orders when we have the opportunity to do so, we are required to explain our practice and describe the costs to clients of not bunching.*

JFL may trade certain security names in a “block” or “bunch” in order to trade for many client accounts at the same time and at the same price. Inclusion within these block or bunched trades will depend on clients sharing the same investment objectives and JFL having full discretion with respect to the choice of broker. Under normal circumstances, these trades will be allocated across all included client accounts on a “prorated basis” meaning that all accounts, regardless of size, are treated fairly. We will, however, look to minimize overall trading costs and therefore may impose minimum lot sizes for trades which span several days.

JFL makes investment decisions for your account according to your particular circumstances, investment objectives, and guidelines. We have a duty to not intentionally favor or disfavor any client in the allocation of investment opportunities so that, over a period of time, such opportunities will be allocated among clients on a fair and equitable basis. Because the majority of the portfolios managed by the firm are customized to the specific needs and constraints of each client, and do not fit a “one size fits all approach”, JFL does not automatically rebalance or trade specific security names across all of its client portfolios. Considerable time is spent by each account manager to assess whether an investment opportunity meets the needs of each client portfolio. For this reason, unless a client portfolio follows an exact JFL model account, many trades will be individual and not blocked or bunched.

Item 13. Review of Accounts or Financial Plans

- A. Review of client accounts or financial plans, along with a description of the frequency and nature of our review, and the titles of our employees who conduct the review.*

Your JFL portfolio manager will review the security holdings which make up your portfolio of accounts at least once a month. Letters and portfolio statements are prepared and sent to clients at least quarterly. Your portfolio manager will generally meet with you and review your account and investment policy guidelines on an annual basis. If no meeting occurs, then we will ask you to update a client profile form which may include information required by securities legislation or federal law. Investment policy updates are reviewed by the JFL Compliance team.

B. Review of client accounts on other than a periodic basis, along with a description of the factors that trigger a review.

Other than the required formal monthly review, your account may be reviewed when market conditions change, when a name within your portfolio reaches a specific price target, when a name within your portfolio is more volatile, when the firm's Investment Strategy Committee recommends a new security for purchase or when we receive information or a special request from you regarding your portfolio.

You should feel free to contact us at any time you have a question or concern regarding your portfolio. In order to be in the best position to make suitable investments on your behalf, we ask that you keep us up to date with respect to any changes which might be of impact. Triggers for us to review your investment policy include a change in circumstances or update to the client profile (KYC) form, such as an address change, a job change, a change in your income requirement or tax situation, a change of authorized signatories for your account, if you enter a securities lending arrangement with your custodian or when you change accountant, consultant, custodian, etc.

C. Description of the content and indication of the frequency of written or verbal regular reports we provide to clients regarding their accounts.

Separately-managed high net worth clients receive a monthly or quarterly letter (depending on the arrangement with their account manager) which details the specific changes in their portfolio. Institutional clients receive a detailed quarterly summary of this activity. Meetings or discussions are useful in order to review performance and to ensure your investment policy guidelines still meet your requirements. We encourage clients to let us know how frequently they would like to meet or hold these discussions.

Item 14. Client Referrals and Other Compensation

A. If someone who is not a client provides an economic benefit to our firm for providing investment advice or other advisory services to our clients, we must generally describe the arrangement. For purposes of this Item, economic benefits include any sales awards or other prizes.

JFL has no such arrangements.

B. If our firm or a related person directly or indirectly compensates any person who is not our supervised person for client referrals, we are required to describe the arrangement and the compensation.

From time to time, JFL engages third parties to refer clients to JFL, consistent with applicable laws,

including Rule 206(4)-3 under the Advisers Act. Compensation arrangements are disclosed to clients. Please see Schedule “A”.

A disclosure statement was provided to all clients obtained via referral prior to the signing of an investment management agreement.

Item 15. Custody

If we have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to our clients, we are required to explain that you will receive account statements from the broker-dealer, bank, or other qualified custodian and that you should carefully review those statements.

Each client enters into a separate agreement with a custodian of their choice. Clients receive account statements directly from their qualified custodian as well as account statements and performance reports. Clients should understand that the statements received from the custodian of their funds or securities are the official records for their accounts. Clients are urged to compare the account statements that they receive from their qualified custodian with any that they receive from JFL. If clients discover any discrepancy between the account statement provided by JFL and the account statement provided by their qualified custodian, they should contact JFL promptly.

In cases where we act as manager or general partner for certain of our funds, JFL is deemed to have “custody” of these funds as we have the ability to exercise control over these assets. JFL is responsible for reconciling and forwarding statements directly to its U.S.-based clients. Investors in such funds will receive the fund’s annual audited financial statements conducted in accordance with U.S. Generally Accepted Auditing Standards. Investors should review these statements carefully. If investors in the funds do not receive audited financial statements in a timely manner (120 days for most private funds), then they should contact JFL promptly.

Item 16. Investment Discretion

If we accept discretionary authority to manage securities accounts on behalf of clients, we are required to disclose this fact and describe any limitations our clients may place on our authority. The following procedures are followed before we assume this authority:

We manage portfolios on a discretionary basis which means that JFL has the authority to buy and sell securities within your account(s) without first asking your permission, provided we believe we are selecting investments which suit your needs and we respect your investment policy. To that end, we

spend time to get to know you, including your income requirements and your tolerance to risk. Much of this information is documented in our client profile form which includes various questions which we are legally obligated to ask. Your JFL portfolio manager, together with you, your actuary, financial consultant, or tax advisor will develop the investment policy guidelines for your portfolio. It is very important, therefore, that you read and understand your investment policy statement as it outlines the overall asset mix we will follow when managing your portfolio. It will also list the types of investments we may purchase and any restrictions you wish to put into effect.

Item 17. Voting Client Securities

A. If we have, or will accept, proxy authority to vote client securities, we must briefly describe our voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6.

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.

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 with the Board on the following issues:

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

JFL generally votes against the Board on the following issues:

- Board Structure: JFL 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 sub-committees, 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 JFL 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 favor 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.

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 Requests and Preemptive Rights: Companies need some financing flexibility to take advantage of growth opportunities. To that end, JFL will allow capital issuance up to 10% of issued capital, with or without preemptive rights, so long as it is the same class of shares. JFL will normally oppose the issuance of a new class of shares. Each request will be reviewed on its own merits.
- Shareholder Proposals: Acting as fiduciaries, JFL reviews all shareholder proposals in the context of enhancing long-term 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 favor 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.

JFL 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 honored on a best effort basis.

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 third 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, meets 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 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 which makes up 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 of 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 endeavor to vote all model security proxies received. Together with the external service provider, Proxy Voting personnel 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 proxies voted by the firm is sent out 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.

Item 18. Financial Information

A. If we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we must include a balance sheet for our most recent fiscal year.

We do not require, nor do we solicit, prepayment of more than \$1,200 in fees per client, six months or more in advance. Item 18 is not applicable to JFL.

B. If we are an SEC-registered adviser and have discretionary authority or custody of client funds or securities, or we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we must disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

We have nothing to disclose in this regard.

***Note:** With respect to Items 18.A and 18.B, if we are registered or are registering only with one or more of the state securities authorities, the dollar amount reporting threshold for including the required balance sheet and for making the required financial condition disclosures is more than \$500 in fees per client, six months or more in advance.*

C. If we have been the subject of a bankruptcy petition at any time during the past ten years, we must disclose this fact, the date the petition was first brought, and the current status.

We have nothing to disclose in this regard.

Item 19. Requirements for State-Registered Advisers

We have nothing to disclose in this regard.

SCHEDULE A
RELATED REGISTRANTS AND RELATED COMPANIES
WITH WHOM JFL MAY ESTABLISH A BUSINESS
RELATIONSHIP

The following is a list of certain Related Registrants.

1832 Asset Management L.P.
1832 Asset Management U.S. Inc.
MD Financial Management Inc.
MD Management Ltd.
Scotia Capital Inc.
Scotia Capital (USA) Inc.
Scotia Managed Companies Administration Inc.
Scotia Securities Inc.
Scotia Wealth Insurance Services Inc.
Tangerine Bank
Tangerine Investment Management Inc.
Tangerine Investment Funds Ltd.
The Bank of Nova Scotia
The Bank of Nova Scotia Trust Company