

Jarislowsky, Fraser Limited

MANDATE: TOTAL EQUITY STRATEGY CONSERVATIVE

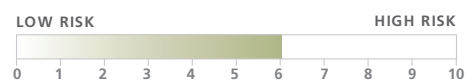
OBJECTIVE

To manage non-taxable total equity portfolios for the Summit Program where the objective is to outperform the benchmark.

BACKGROUND

- Jarislowsky, Fraser Limited is a leading Canadian investment-counselling firm, managing pension funds, endowment funds, corporate and private portfolios, including wrap accounts, for clients throughout North America.
- Founded in 1955 in Montreal by Stephen Jarislowsky, the firm began as an investment research company, conducting management interviews with Canadian companies and, following its analysis, released the results to Canadian and American clients. In the early 1960s, in response to client requests, the firm began to use this research to counsel individual investors, and in 1966 the firm's client list expanded to include institutional portfolios. The firm takes an active role in protecting the interests of minority shareholders, and has been recognized as a leader in corporate governance issues.

RISK CATEGORY



BIOGRAPHIES OF KEY PERSONNEL

Peter Angelou, CFA, Portfolio Manager, joined Jarislowsky Fraser in 1997. Formerly with Nova Bancorp, Burns Fry Ltd. B.Comm, MBA, University of Toronto

Blain W. Caverly, Portfolio Manager, joined Jarislowsky in 1989. Formerly with CIBC, Bank of America and SEI Financial Services. BA, Queen's University

Maxime Menard, Portfolio Manager, joined Jarislowsky in 2003. Formerly with Fidelity Investments & Desjardins. B.Econ, MBA H.E.C.

INVESTMENT PHILOSOPHY AND PROCESS

- The firm's philosophy is founded upon conservative, time proven principles of fundamental investing. They construct diversified, high quality portfolios that are designed to protect existing capital and achieve long-term growth for their clients. Their investment approach has produced consistent, above-average investment returns through changing economic environments. It has been particularly effective in minimizing the volatility prevalent in today's global markets. Jarislowsky Fraser's investment philosophy has been consistent throughout the history of the firm.
- They employ a low risk approach toward the management of portfolios. Securities of companies that they believe to be speculative are avoided. Overall portfolio risk is minimized by investing only in proven, well-managed, large capitalization companies that are financially sound.

They use a number of risk controls in order to reduce volatility and preserve capital over the long term:

- Emphasis on longer-term trends
- Fundamentally-based research
- High quality stocks
- Diversified portfolios
- Low portfolio turnover (promoting tax efficiency)

RESEARCH

The firm relies primarily on internal resources to develop strategy and generate investment ideas. Fundamental investment analysis is one of the firm's foremost strengths, and is an integral activity of the firm. Each year the investment professionals visit more than 200 Canadian companies and are in contact with as many American and other foreign companies. An active schedule of company visits and interviews supplements their internal research, library and database services. Their research concentrates on identifying companies possessing three main characteristics:

- Strong management
- Sound balance sheets
- Sustainable cash flows

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

SUMMARY

Location: Toronto, Ontario
 Founded: 1955
 Ownership: 100% by Partners
 Staff: 120
 Managers/
 Analysts: 42

Turnover
 Should not exceed 75% per annum

Assets:
 Segregated Pensions: \$13.78 billion
 Foundations/
 Endowments: \$2.37 billion
 Pooled Funds: \$5.79 billion
 High Net Worth: \$4.45 billion
 Other Institutional: \$6.89 billion
 TOTAL: \$33.28 billion

Portfolio Characteristics:
 Style: Bottom-up, GARP
 Earnings Growth: Similar to market
 ROE: Higher/Similar to market
 P/E: Lower than market
 P/B: Similar to market
 Yield: Similar to market
 Average Capitalization: Large Cap

STYLE

	Value	Blend	Growth
Large		●	
Medium			
Small			

The Summit Program

The material presented herein is prepared by Northern Trust Global Advisors and is gathered from sources we believe to be reliable. It is current as of issue date (December, 2008). These profiles are intended for use by ScotiaMcLeod Summit Program clients who are selecting an investment manager for their account. All performance data represents past performance and is not indicative of future performance. Please note that representative composite returns were used for managers that have been in ScotiaMcLeod Summit Program less than five years to the date of this report.



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