

Blended Benchmark:
50% S&P/TSX , 50% S&P 500

Style Box	VALUE	VALUE BIAS	CORE	GROWTH BIAS	GROWTH
LARGE CAP	●	●	●	●	●
MID CAP	●	●	●	●	●
SMALL CAP	●	●	●	●	●

Return to Risk Statistics
(as of June 30, 2007)

	3 Year	5 Year
Standard Deviation	7.2%	9.5%
Sharpe Ratio	-0.29	-0.29
Return to Risk	1.34	0.74
Best Quarter	9.3%	9.3%
Worst Quarter	-3.9%	-10.8%

General Information

- Date established: 1955
- Assets under management: CAD \$62.3 billion
- Number of investment professionals: 40
- Average number of holdings: 35-70
- Average annual turnover: 10-15%
- Average market capitalization: CAD \$78.7 billion
- Current yield: 1.74%

Profile

Founded in 1955 as an investment research firm, Jarislowsky Fraser entered the investment management business in the early 1960s. The firm is totally independent and has no corporate affiliations. Jarislowsky Fraser is wholly owned by the partners. The firm has offices in Montreal, Toronto, Calgary and Vancouver.

Investment Philosophy and Style

The firm's philosophy emphasizes the application of fundamental investing principles. Jarislowsky Fraser uses a conservative asset management approach, which focuses on preserving capital and enhancing the real purchasing power of assets under management over the longer term.

The firm relies almost exclusively on internal resources to generate investment ideas. Their research focuses on the following key factors:

- Industry Attractiveness. There is a constant search for industries that offer the potential of long-term profitability and are expected to grow faster than the overall economy.
- Competitive Position. Market leaders with significant and sustainable competitive advantages that translate into above average return on equity are sought.
- Quality and Ethics of Management. The firm identifies companies with a tradition of excellent management and with a proven

track record of working for the benefit of all shareholders.

- Financial Strength. Companies with a strong balance sheet and the capacity to generate large amounts of cash flow are favoured.
- Valuation Analysis. Stocks are purchased when they are discounted below what is believed to be a fair value and sold when they become overvalued relative to their fundamental outlook.

The focus is on large capitalization multinationals that dominate their markets and have consistent growth records and high returns on invested capital. Equity investments are grouped into three categories, which reflect the volatility and expected return potential of the security in order of preference. Group I investments consist of large financially sound companies with proven management teams. Group II investments are typically cyclical in nature. Group III consists of junior companies with exceptional growth opportunities and special situations. At least 80% of the U.S. portfolio is invested in Group I names.

When investing in companies outside of Canada, the objective is to seek opportunities in industries not available domestically. This approach contributes to the diversification of any Canadian-based portfolio, avoids duplication and provides the framework for a comprehensive equity strategy.

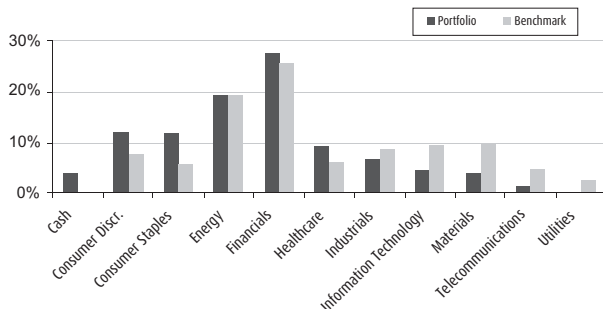
Representative Holdings
(as of June 30, 2007)

Royal BankCanada
Talisman EnergyCanada
NexenCanada
EnbridgeCanada

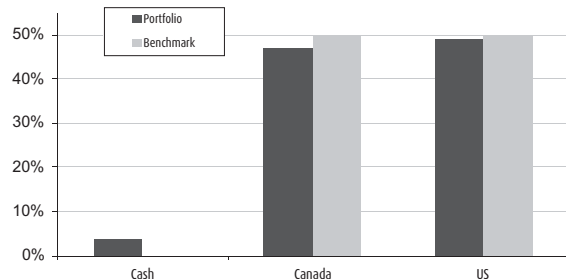
TransCanadaCanada
Emerson ElectricU.S.
WalgreenU.S.
Johnson & JohnsonU.S.

Chevron TexacoU.S.
Fannie MaeU.S.

Sector Allocation



Regional Allocation



Key Personnel

Len Racioppo, CFA

President

Experience: Joined Jarislowsky Fraser in 1989.

Formerly with CN Pension Fund.

Years of Experience: 26

Education: BA, MBA, University of Toronto

Blain W. Caverly

Portfolio Manager

Experience: Joined Jarislowsky Fraser in 1989.

Formerly with CIBC, Bank of America and SEI Financial Services.

Years of Experience: 22

Education: BA, Queen's University

Peter Angelou, CFA

Portfolio Manager

Experience: Joined Jarislowsky Fraser in 1997.

Formerly with Nova Bancorp, Burns Fry Ltd.

Years of Experience: 13

Education: B. Comm, MBA, University of Toronto

Maxime Menard

Portfolio Manager

Experience: Joined Jarislowsky Fraser in 2003.

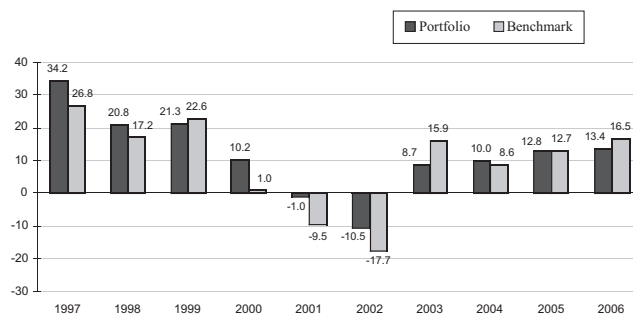
Formerly with Fidelity Investments, Desjardins

Years of Experience: 10

Education: B. Econ, MBA H.E.C.

Calendar Year Performance (%)

(for the years ending December 31)



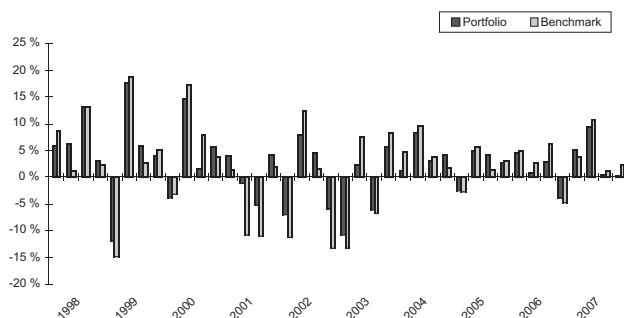
Annualized Rates of Return (%)

(as of June 30, 2007)

	Portfolio	Benchmark*
3 months	0.3	2.2
YTD	0.7	3.4
1 year	15.6	19.0
3 years	9.7	11.7
5 years	7.0	9.8
7 years	5.0	2.0
10 years	9.5	7.3

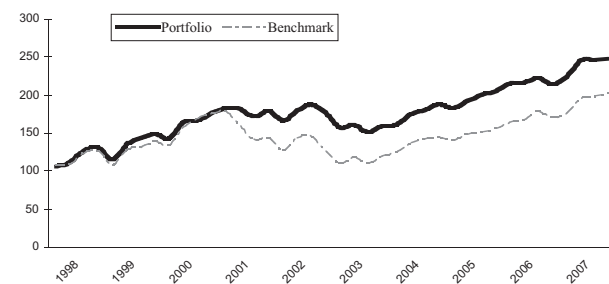
*50% S&P/TSX Composite Index/50% S&P500 Composite Index

Quarterly Rates of Return



Portfolio Growth of \$100

Ending value as of June 30, 2007: Portfolio \$248 Benchmark \$203



PERFORMANCE NOTE: The performance data set forth herein has been obtained from Mercer Investment Consulting based on information provided by BMO Nesbitt Burns. Prior to January 1999, the performance of this mandate was based on composites provided by Jarislowsky Fraser re-weighted to the Managers Investment Model for the program. Effective January 1999, the performance of this mandate is based on a composite of actual Advance portfolios.

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