

## DFS GIF – CANADIAN EQUITY – JARISLOWSKY FRASER

### QUARTERLY COMMENTARY AS OF DECEMBER 31, 2017

PERFORMANCE	3 months
Series 6	2.81
Series 7	2.96

Portfolio Manager: Jarislowsky, Fraser Limited

Inception Date: February 24, 2014

#### CONTRIBUTORS TO PERFORMANCE

- Good performance from some of our largest positions, such as Alimentation Couche-Tard (+15.4%) and Open Text (+11.5%) added value.
- The top performers within the JF Special Equity Fund were Enghouse Systems (+19.3%), Canadian Western Bank (+17.2%) and Empire Ltd. (+11.4%).

#### DETRACTORS FROM PERFORMANCE

- Our holdings in the Energy sector caused the majority of the underperformance.
- The weak natural gas prices and the continued weakness in Metro Inc. (-5.8%) due to competitive threats (such as amazon's acquisition of Whole Foods) contributed to reduce the relative performance.
- The exceptionally strong returns seen in the new area of cannabis production, e.g. Canopy Growth Corp. (+177.4%), was a substantial contributor to the benchmark's strong return.

#### MAJOR CHANGES TO PORTFOLIO

- There were no new names in the portfolio this quarter.
- We exited all our positions of Cameco early in the quarter on the basis of longer than expected imbalances between supply and demand of uranium.
- We reduced our exposure to Canadian Tire given its strong progression and the increasing competitive threat to its business model from on-line retailers.

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