JARISLOWSKY FRASER LIMITED
GLOBAL EQUITY FUND REPORT
3rd QUARTER 2011

Details of the Fund	
Inception Date	September 30, 2005
Net Asset Value per Unit	C$ 7.77 US$ 7.46
Distribution (12/31/2010)	C$ 0.1243
Fund Size ($ Million)	C$ 38.8

Global economic prospects continued to worsen this quarter. Europe is now heading for a recession, almost certainly to be followed by the United States. We've come full circle since the financial crisis of 2008/2009, as once again the global banking system is in trouble due to banks' widespread holdings of riskier sovereign credits on their balance sheets. The problem now involves not only central bankers but also the politicians. A consensus on policy and an action plan seems beyond reach at this point, making matters worse for all parties.

The Japanese economy is expected to rebound in the second half of the year, after shrinking 2.1% in the second quarter, due to supply chain disruptions caused by the March 11th earthquake. Export-driven industrial production continues to bounce back, but the outlook is threatened by the financial crisis in Europe, prospects of an economic slowdown in the U.S. and the strength of the Yen.

Emerging markets continue to lead the world with respect to economic growth as their GDP is expected to increase by 6.0% in 2011 and 2012. But with the developed world slowing, prospects are starting to fade as witnessed by China's latest manufacturing indicators showing a contraction is under way. China's ability to transition from export-oriented to a more sustainable internal growth economic model is unlikely to be as smooth as most investors seem to believe.

Performance Review

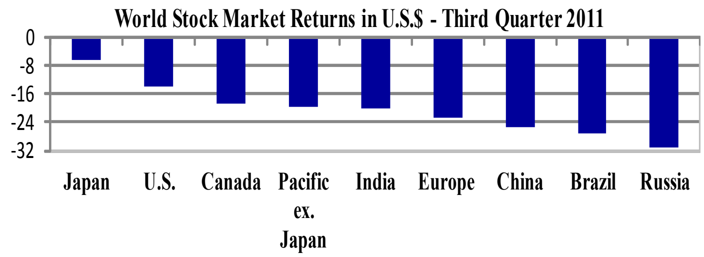
Sept. 30th, 2011	3 mths (%)	YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	Since inc. (%)
JF Global Equity	**-9.3**	**-4.5**	**0.3**	**0.9**	**1.9**	**-2.7**	**-0.8**
MSCI World Ex-Cdn	-9.7	-7.2	-2.1	0.1	-0.2	-3.2	-1.1
MSCI World	-9.9	-7.5	-2.3	0.1	-0.2	-3.0	-0.9
JF Global Eq. U.S.$	**-16.0**	**-9.0**	**-1.3**	**2.4**	**2.6**	**-1.4**	**1.0**
MSCI World (U.S.$)	-16.5	-11.8	-3.8	1.6	0.5	-1.7	0.9
MSCI EAFE Net*	-12.5	-10.8	-7.9	-4.4	-1.5	-4.4	-1.4
S&P 500	-7.0	-4.2	2.7	4.0	0.6	-2.5	-1.1

Returns are in C$ unless indicated as of Sept. 30th, 2011. C$ Index returns and NAV values have been calculated using the London 4PM closing FX rates. *MSCI EAFE: Europe, Australia & Far East. *Prior to Dec. 31st 2010 the index is the MSCI EAFE Index. Fund inception is Oct. 1st, 2005.

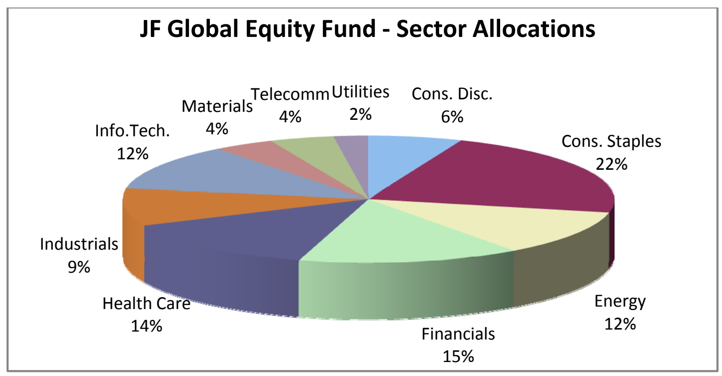
The portfolio outperformed the MSCI World Ex-Canada Index this quarter, returning -9.3% versus -9.7%. For the year ending September 30th, 2011, the index dropped by -2.1%. The portfolio, on the other hand, posted a positive return of +0.3%, outperforming by over +2%.

International Business Machines Corporation (+10.7%) was the top performer this quarter thanks to strong operational execution and cash flow generation. **Colgate-Palmolive Company** (+10.3%) and **Procter & Gamble Company** (+8.2%) also performed well as investors embraced quality companies with solid dividends.

This quarter's outperformance came from sector allocation as investors fled to less economically sensitive companies at the expense of those in the Material, Financial and Industrial sectors. As a result, the portfolio's overweight to Health Care and particularly Consumer Staples paid off as did our underrepresentation to the three lower performing sectors.



We initiated a new position in **BG Group Plc**, exited from **Terumo Corporation** and reduced **Cisco**. We added to **Bayer AG**, **Standard Chartered Plc** and **Anheuser-Busch Inbev NV** on weakness.



Strategy

We have been speaking of a slower economy for some time now, but it appears even our conservative outlook was overly optimistic. Global economic growth is now expected to deteriorate for some time as Western economies, led by Eurozone countries, are once again grappling with a banking crisis just three years after the last one. Consensus and action from European leaders is critical and delays will only worsen the situation and fuel volatility. That said, the portfolio has been positioned for a difficult environment for some time and is structured to protect value in a challenging economic environment at a lower level of risk.

Representative Holdings

Holdings	Country	Sector
Colgate-Palmolive	U.S.	Consumer Staples
Exxon Mobil	U.S.	Energy
Johnson & Johnson	U.S.	Health Care
Procter & Gamble	U.S.	Consumer Staples
Vodafone	U.K.	Telecommunications