

## NBI Jarislowsky Fraser Select Canadian Equity Fund (Advisor Series)

### PERFORMANCE REVIEW (%)

Annualized for periods greater than 1 year

Annualized Returns / September 30, 2018	3 months	1 year	3 years	5 years	S.I.
NBI Jarislowsky Fraser Select Canadian Equity (Advisor Series)	0.5	5.1	7.4	7.3	6.9
Benchmark	-0.5	5.6	9.3	7.5	-

Calendar Year Returns / December 31	2017	2016	2015	2014	2013
NBI Jarislowsky Fraser Select Canadian Equity (Advisor Series)	3.8	14.8	-2.6	10.8	22.4
Benchmark	8.7	20.0	-7.9	10.1	12.4

### PORTFOLIO

#### REPRESENTATIVE HOLDINGS

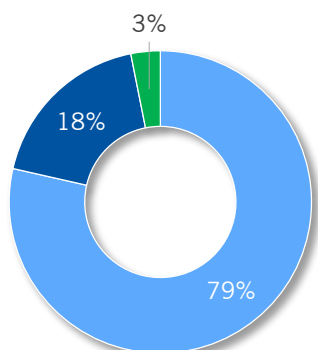
##### CANADIAN EQUITIES

Holdings	Industry
Enbridge	Energy
Canadian National Railway	Industrials
TD Bank	Financials
Alimentation Couche-Tard	Consumer
RBC	Financials

##### FOREIGN EQUITIES

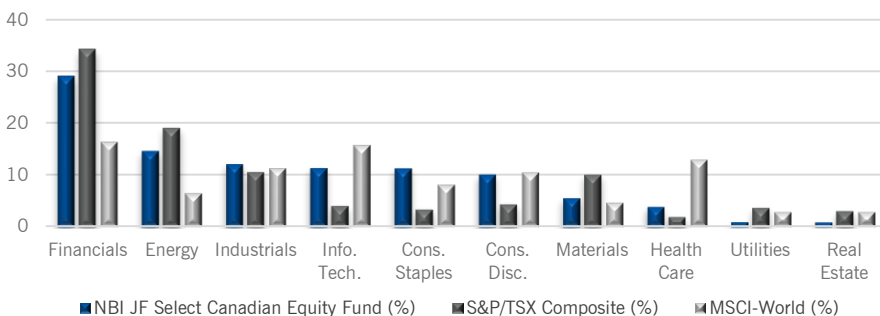
Holdings	Industry
Noble Energy	Energy
Walgreens Boots Alliance	Consumer Staples
Microsoft	Technology
Siemens	Industrials
Berkshire Hathaway	Financials

#### ASSET MIX



- Canadian Equities (79%)
- Foreign Equities (18%)
- Cash (3%)

#### EQUITY SECTOR MIX



#### FUND OBJECTIVE

This Fund's investment objective is to achieve long-term capital growth. The Fund invests, directly or indirectly, in a diversified portfolio comprised mainly of large capitalization Canadian and selected global equity securities.

#### FUND FACTS

Inception Date	October 7, 2010
Price Per Unit	\$16.36
AUM (\$ Millions)	\$99.5

#### MER:

Advisor Series/LSC	2.04%
F-Series	0.90%

#### FUND CODES:

Advisor Series	NBC3402
LS	NBC3602
F-Series	NBC3702

#### BENCHMARK:

-S&P/TSX Capped Composite (95%)  
-FTSE TMX 91 Day T-Bills (5%)

#### ABOUT JARISLOWSKY, FRASER LIMITED

Founded in 1955, Jarislowsky, Fraser Limited is one Canada's largest independent investment management firms. Our primary goal is growing capital, over the long term, for our clients in a low risk manner. The firm's philosophy is founded upon time-proven principles of fundamental investing. This investment approach has produced consistent returns through changing economic environments and has been effective in minimizing the volatility prevalent in today's global markets.

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## QUARTERLY COMMENTARY

In the third quarter, the U.S. continued to lead the developed world with strong equity market results. The U.S. Federal Reserve (Fed) increased the fed funds rate in June, and economic data continued to support additional tightening. In Canada, quarterly results were muted given the weakness in the oil price and the instability over the Trans Mountain pipeline.

Trade tension escalated between the U.S. and China during the quarter. On-and-off trade talks between the negotiators is creating volatility in the markets in the short term, filtering into the broader global landscape.

In Europe, Italian budget negotiations are an area of focus, as the two populist parties try to agree on a budget for October. The markets are monitoring whether the two "Euro-sceptic" coalition populist parties keep to their spending plans and increase the deficit, which concerns the European Union (EU) and increased tensions with its northern partners.

## PORTFOLIO REVIEW

Financials performed well in the Canadian equities portion of the Fund with solid progression from banks, a solid rebound from Intact, which produced excellent results following a couple of disappointing quarters, and Thomson Reuters. The Consumer Discretionary sector backed by good stock selection was a good second contributor, attributable to progression from Gildan and our absence from pricy Dollarama, which declined materially following two consecutive quarters of disappointing earnings. Sectors that declined during the quarter were Energy, due mainly to pipeline congestion affecting spreads between the Canadian and international price of oil, and Materials due to declining gold stocks, but Nutrien did show a solid performance.

In Q3, the Health Care sector was generally a strong performer in the foreign equities portion of the Fund, where Roche posted solid increases.

STRATEGY & INVESTMENT  
OUTLOOK

While leading economic indicators are not predicting a cyclical slowdown in the coming months, there are plenty of other things for investors to fret about. Trade (NAFTA, tariffs, Brexit) is probably the biggest one, but interest rates, elections and financial excess, are also factors demanding consideration.

The market will also be watching closely the results of the mid-term elections in the U.S.; a Republican victory paves the way for further fiscal stimulus, while a shift to the Democrats will result in a split government and lesser likelihood of highly partisan policy decisions.

We continue to focus on high-quality holdings with strong fundamentals and sustainable business models. Our time-tested investment process, which fully integrates a consideration of environmental, social and governance factors (or ESG) is critical to our risk assessment of a current or potential investment. Ultimately, we believe that this strategy and process will provide excess returns over the benchmark at a much lower level of risk.

The Bank of Nova Scotia (BNS) is the parent company of Jarislowsky, Fraser Limited. BNS securities held in the portfolio are related securities.

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Returns of the F Series may vary mainly because of the different fees and expenses: NBI Jarislowsky Fraser Select Canadian Equity Fund 3 months 0.8%, 1 year 6.3%, 3 years 8.7%, 5 years 8.6%, Since Inception 8.1%. The NBI Jarislowsky Fraser Select Funds (the "Funds") are managed by National Bank Securities Inc., a wholly owned subsidiary of National Bank of Canada. **Commissions, trailing commissions, management fees and expenses all may be associated with investments in the Funds. Please read the prospectus of the Funds before investing. The Funds' securities are not insured by the Canada Deposit Insurance Corporation or by any other government deposit insurer. The Funds are not guaranteed, their values change frequently and past performance may not be repeated. The indicated rates of returns are based on the historical annual compounded total returns including changes in securities value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns.**

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Sources: MSCI Inc., S&P Financial Services LLC., TSX Inc., Wilshire Analytics, Bloomberg.