

NBI Jarislowsky Fraser Select Canadian Equity Fund (E/F Series)

PERFORMANCE REVIEW (%)

Annualized for periods greater than 1 year

Annualized Returns / March 31, 2019	3 months	1 year	3 years	5 years	S.I.
NBI Jarislowsky Fraser Select Canadian Equity (E/F Series)	11.9	9.5	7.9	6.4	8.0
Benchmark	12.6	7.8	8.9	5.2	-

Calendar Year Returns / December 31	2018	2017	2016	2015	2014
NBI Jarislowsky Fraser Select Canadian Equity (E/F Series)	-5.5	5.0	16.1	-1.5	12.1
Benchmark	-8.4	8.7	20.0	-7.9	10.1

PORTFOLIO

REPRESENTATIVE HOLDINGS

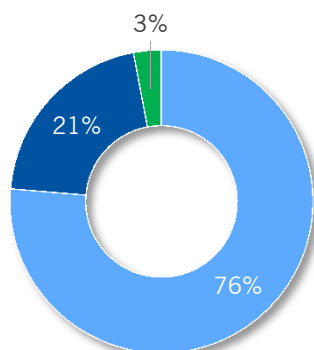
CANADIAN EQUITIES

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

FOREIGN EQUITIES

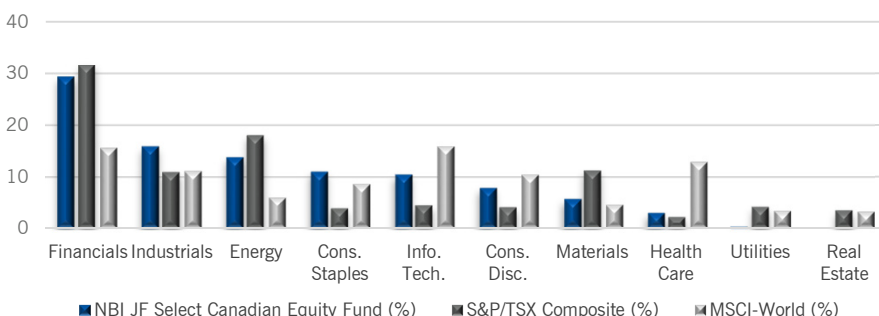
Holdings	Industry
EOG Resources	Energy
Walgreens Boots Alliance	Consumer Staples
Microsoft	Technology
Siemens	Industrials
Berkshire Hathaway	Financials

ASSET MIX



- Canadian Equities (76%)
- Foreign Equities (21%)
- 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	\$16.90
AUM (\$ Millions)	\$51.5

MER:

E-Series	0.90%
F-Series	0.90%

FUND CODES:

E-Series	NBC3902
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.

NBI Jarislowsky Fraser Select Canadian Equity Fund (E/F Series)

QUARTERLY COMMENTARY

The final month of the first quarter continued the positive trend in markets seen since the turn of the year. Almost all markets, both bond and equity saw strong returns, and for the quarter as a whole it would seem that the concerns felt in December 2018 have all but dissipated. The December collapse was driven predominantly by three factors: fears that higher interest rates would cause a premature end to U.S. economic expansion, concerns over the potential escalation of the trade war between the U.S. and China, and the potential for a broader-based slowdown in global GDP growth. The correction in December reduced the pressure on China to increase tariffs and led to a more considered approach on the part of the U.S. Federal Reserve, to the extent that the market is now betting that the next change in rates is most likely to be a cut.

With politics and economics so intertwined, there are a number of non-fundamental factors that investors have been watching closely. Brexit may be top of mind, with the already extended deadline for a deal fast approaching. The effect on the U.K. economy and markets hangs in the balance. In the U.S., the extended government shutdown came to an end, but uncertainties around trade with China, the ratification of the “new” USMCA and slowing economic growth are cause for concern.

PORTFOLIO REVIEW

The Canadian equity portfolio generated very strong returns, but slightly lagged the benchmark in the first quarter. Several of the companies in the portfolio performed very strongly in the quarter following good results. Top contributors were Restaurant Brands and Thomson Reuters, as the market rerated the company post the disposition of 55% of the financial division to Blackstone. The two main remaining divisions in the financial operations are the legal and tax divisions, and they have higher organic growth and margins. Another strong contributor was Saputo, while top detractor to performance was SNC-Lavalin. We are reviewing the overall impact of the news flow over the last few months, namely the earnings announcement in late January regarding the short-term impact of the loss related to the mining contract in Chile and the sale of 10% of SNC's 16.67% stake in Highway 407 ETR.

STRATEGY & INVESTMENT
OUTLOOK

As is often the case with predicting the path of financial markets, it is hard to argue that all of the uncertainty that abounded in late 2018 has gone away. We still cannot be sure that the more dovish tone expressed by the U.S. and Canadian central banks means that we have reached the peak of short-term interest rates.

For the most part, the global economy still looks to be in reasonable shape. However, a number of leading indicators are pointing to slower growth; a range of surveys of Purchasing Managers shows lower levels of confidence in the continuation of the current expansion, the U.S. yield curve (the difference between 3-month and 10-year rates) has inverted, and business investment is slowing. We also know that in the late stages of most economic expansions, market returns tend to be strong. Our strategy is to maintain our focus on Canada's best companies that have strong management and sustainable growth prospects.

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

The Global Industry Classification Standard (“GICS”) was developed by and is the exclusive property and a service mark of MSCI Inc. (“MSCI”) and Standard & Poor's Financial Services LLC (“S&P”) and is licensed for use by Jarislowsky, Fraser Limited. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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.**

This document is provided for information purposes only, it is not intended to convey investment, legal, tax or individually tailored investment advice. All opinions and estimates contained in this report constitute Jarislowsky, Fraser Limited's judgment as of the time of writing and are provided in good faith. All data, facts and opinions presented in this document may change without notification.

Source of data: MSCI Inc., S&P Financial Services LLC., TSX Inc., Wilshire Analytics, Bloomberg.