

NBI Jarislowsky Fraser Select Balanced Fund (E/F Series)

PERFORMANCE REVIEW (%)

Annualized for periods greater than 1 year

Annualized Returns / March 31, 2021	3 months	1 year	3 years	5 years	S.I.
NBI Jarislowsky Fraser Select Balanced Fund (E/F Series)	3.0	24.8	8.7	7.4	7.5
Benchmark	1.6	24.0	8.4	7.9	-

Calendar Year Returns / December 31	2020	2019	2018	2017	2016
NBI Jarislowsky Fraser Select Balanced Fund (E/F Series)	8.9	15.4	-2.4	4.5	8.7
Benchmark	9.7	16.2	-2.8	7.8	8.2

PORTFOLIO

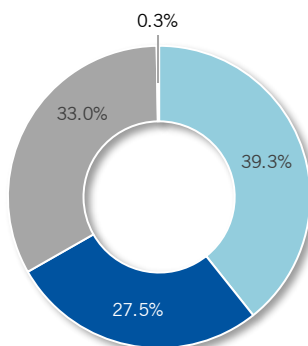
REPRESENTATIVE HOLDINGS

Holdings	Industry
Brookfield Asset Management	Financials
Enbridge	Energy
CN Railway	Industrials
Microsoft	Technology
UnitedHealth Group	Health Care

BONDS

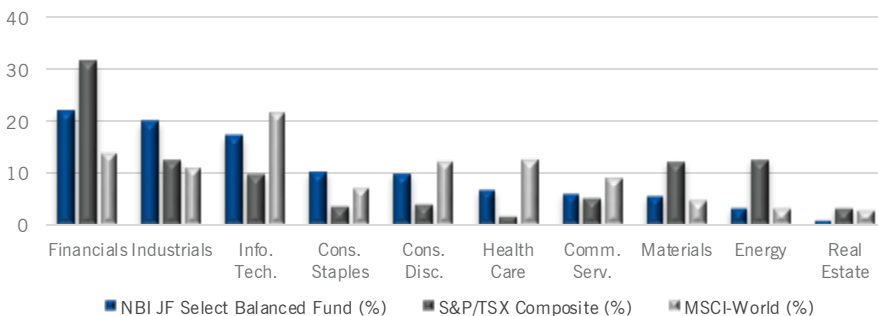
Issuer	Coupon/Maturity
Desjardins	3.06%, 09/11/23
Wells Fargo & Co.	3.87%, 05/21/25
TD Bank	1.91%, 07/18/23
Province of Ontario	2.90%, 06/02/28
Canada Housing Trust	1.75%, 06/15/22

ASSET MIX



- Canadian Equities (39.3%)
- Foreign Equities (27.5%)
- Fixed Income (33.0%)
- Cash (0.3%)

EQUITY SECTOR MIX



FUND OBJECTIVE

This Fund's investment objective is to achieve moderate capital growth. The Fund invests, directly or indirectly, in a diversified portfolio comprised mainly of Canadian fixed income and equity securities.

FUND FACTS

Inception Date	October 7, 2010
Price Per Unit	\$16.66
AUM (\$ Millions)	\$138.6

MER:

E-Series	0.84%
F-Series	0.86%

FUND CODES:

E-Series	NBC3901
F-Series	NBC3701

BENCHMARK:

- FTSE Canada Universe Bond (40%)
- S&P/TSX Capped 10% Composite (35%)
- MSCI-World ex-Canada (25%)

ABOUT JARISLOWSKY, FRASER LIMITED

Founded in 1955, Jarislowsky, Fraser Limited is one Canada's largest 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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PORTFOLIO REVIEW

Balanced portfolios performed well on both an absolute and relative basis during the first quarter. The primary reason was the overweight in equities, where most markets delivered strong returns, along with the commensurate underweight in bonds, where rising yields led to losses. Strong relative performance from the Canadian and U.S. equity sections was also helpful as many markets shifted from a focus on less cyclical areas such as Information Technology to more value-oriented and cyclical areas such as the commodity complex.

The tone in equity markets remained positive in Q1, despite mixed progress around containment of the COVID-19 pandemic. The Canadian market was amongst the strongest globally, as higher rates propelled financial shares higher and commodity exposed stocks also advanced. US markets were also firm (+4.7% in CAD), as progress around vaccinations and the passing of a major \$1.9T stimulus program provided continued support for an economic recovery.

Notable contributors during the quarter were the engineering companies **Stantec** (+31%) and **SNC-Lavalin** (+24%), life insurance companies **Manulife** (+21%) and **Industrial Alliance** (+25%), as well as **CCL Industries** (+21%), a specialized labeling company, and **Magna** (+23%).

Bond markets posted one of their weakest performances in history while equity markets touched new highs in the quarter. Corporate bonds modestly outperformed their government counterparts although the tone weakened into quarter-end as rising government yields weighed on overall bond market sentiment. Some large mergers and acquisitions also contributed to the softer market environment as investors weighed the possibility of increased corporate issuance to lock in rates.

Given that markets bottomed in March 2020, it is not surprising the portfolio has generated quite stunning returns over the past 12 months. Many of the world's equity markets have risen by over 30% off their lows and are back to reaching new highs. Relative performance has met expectations over this period, lagging in some of the areas that have rebounded most strongly, but benefitting from good performance in many of the more stable parts of the market.

STRATEGY & INVESTMENT
OUTLOOK

Global markets continue to recover as prospects improve for an eventual normalization. In many regions, the vaccine rollout has been slower than many would have liked; however, the second quarter should bring about a dramatic rise in vaccine availability in most major markets, hopefully paving the way for a return to a more normalized environment.

In the medium term, it will be once again important to monitor how the global economy reacts to a reduced level of monetary and fiscal stimulus. The unprecedented levels of support given as we faced this pandemic are unsustainable over the longer term, and there will undoubtedly be consequences as the stimulus is tapered off.

Our approach remains to focus our efforts on identifying higher quality, resilient businesses that can thrive in many scenarios. The future, as always, remains uncertain although a patient long-term approach with risk management at the forefront will likely provide long-term benefits in client portfolios.

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