

NBI Jarislowsky Fraser Select Canadian Equity Fund (Advisor Series)

PERFORMANCE REVIEW (%)

Annualized for periods greater than 1 year

Annualized Returns / December 31, 2020	3 months	1 year	3 years	5 years	S.I.
NBI Jarislowsky Fraser Select Canadian Equity (Advisor Series)	10.1	5.4	5.5	6.9	6.8
Benchmark	8.5	5.5	5.6	8.9	-

Calendar Year Returns / December 31	2020	2019	2018	2017	2016
NBI Jarislowsky Fraser Select Canadian Equity (Advisor Series)	5.4	19.1	-6.6	3.8	14.8
Benchmark	5.5	21.8	-8.4	8.7	20.0

PORTFOLIO

REPRESENTATIVE HOLDINGS

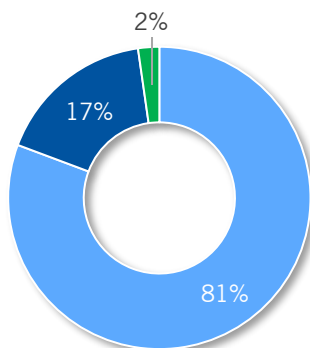
CANADIAN EQUITIES

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

FOREIGN EQUITIES

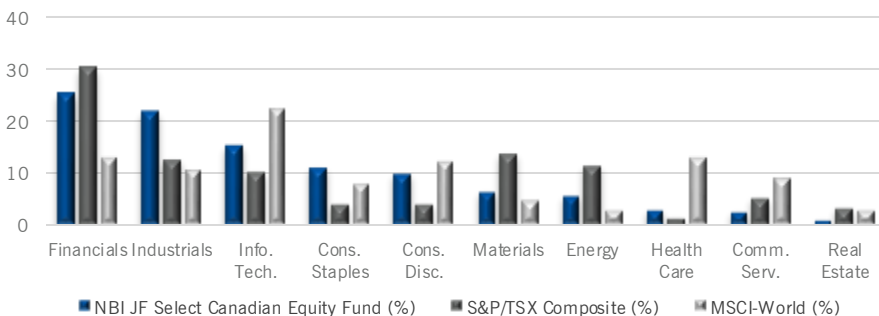
Holdings	Industry
Alphabet	Comm. Services.
Unilever	Consumer Staples
Microsoft	Technology
Atlas Copco	Industrials
Chubb Limited	Financials

ASSET MIX



- Canadian Equities (81%)
- Foreign Equities (17%)
- Cash (2%)

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	\$18.43
AUM (\$ Millions)	\$141.4

MER:

Advisor Series/LSC	2.06%
F-Series	0.93%

FUND CODES:

Advisor Series	NBC3402
LS	NBC3602
F-Series	NBC3702

BENCHMARK:

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

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

The Canadian equity portfolio outperformed the S&P/TSX Composite Index in the fourth quarter, attributable largely to a contraction in gold stocks and a rebound in stocks that were significantly impacted by the pandemic, many in which we increased our positions over the course of the year. The decline in gold stocks (-15.5%) was likely attributable to the price of gold retreating from its yearly high following approval of COVID-19 vaccines. While we know that other factors affect the price of gold, such as the US dollar and inflation expectations, we continue to believe that the price of gold is unsustainable at these levels if the vaccines are effective at eventually eliminating the pandemic.

Our top contributors this quarter were CAE (+81%), Gildan (+36%) and Magna (+49%), all of which were caught in the economic throes of the pandemic. CAE benefitted from improved sentiment given the COVID-19 vaccine announcements, and government help toward many airlines in the world. Gildan continued to progress strongly from its lows, producing a much better than expected recent quarter that showed sales and company fundamentals were firmly improving and trending strongly. The company seems to be taking market share with heavy promotions and access to new retail and e-commerce sales channels, as corporate promotional spend, travel and events are still under pressure. Magna is benefitting from a recovery in global vehicle production that is ramping up more quickly than expected following Q2 shutdowns, as OEMs (original equipment manufacturers) rebuild inventories.

Contributing negatively to relative performance this quarter was our absence in oil & gas producers and specifically CNQ (+45%) and Suncor (+33%), which rebounded strongly. The vaccines and the improved environment have increased oil demand; however, inventories will remain very high for quite a while, and we do not see the global industry dynamics improving enough to justify a sustainably higher price of oil. Our absence in Royal Bank (+13%) also detracted our relative performance, as many Financials (+16.7%) rebounded with the improved outlook for the Canadian economy.

On an annual basis, our portfolio came up slightly short of the benchmark index. This was attributable to the strong performance of Materials, where the companies we hold could not match the rapid progression of pure Material stocks, most of which are gold stocks. Our underweight position in Shopify was another headwind, as it almost tripled in one year and is now the largest stock in the S&P/TSX. Significant contributors to performance for the 2020 calendar year included the underweight in Energy, followed by specific stocks that we added to, such as Magna, CAE, and WSP.

STRATEGY & INVESTMENT
OUTLOOK

The outlook for financial markets is positive as we believe the economic recovery is self-sustaining, and there is significant visibility that the monetary and fiscal policy will remain stimulative. Of course, this is with the current “normal” caveat that the virus does not take a more troubling path and that there will be a vaccine available in the first half of next year.

We proceed cautiously into the final quarter of the year. As ever, discipline around what to buy and how much to pay is critical given significant bifurcations in valuations in markets today. We have seen in previous periods the danger of extrapolating temporary trends on a more permanent basis, both to the positive and negative. In this context, we find now more than ever that the case for an active approach to security selection will be invaluable.

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 5.5%, 1 year 0.0%, 3 years 4.4%, 5 years 6.6%, Since Inception 7.2%. 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.