

NBI Jarislowsky Fraser Select Income 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 Income Fund (E/F Series)	0.6	14.9	5.1	4.5	5.2
Benchmark	-1.9	11.2	5.6	4.8	-

Calendar Year Returns / December 31	2020	2019	2018	2017	2016
NBI Jarislowsky Fraser Select Income Fund (E/F Series)	6.7	9.6	-2.2	3.2	6.7
Benchmark	8.4	10.8	-1.2	4.1	6.2

PORTFOLIO

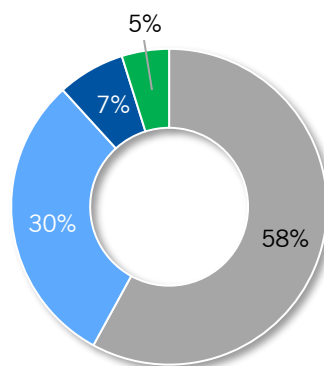
REPRESENTATIVE HOLDINGS

Holdings	Industry
Enbridge	Energy
Saputo Inc.	Consumer Staples
Microsoft	Technology
Canadian National Railway	Industrials
Bank of Nova Scotia	Financials

BONDS

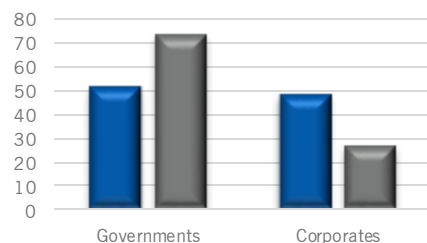
Issuer	Coupon/Maturity
Province of Ontario	2.90%, 06/02/28
Canada Housing Trust	1.95%, 12/15/25
Wells Fargo & Co.	3.87%, 05/21/25
Toronto-Dominion	1.91%, 07/18/23
Bank of Montreal	2.27%, 07/11/22

ASSET MIX



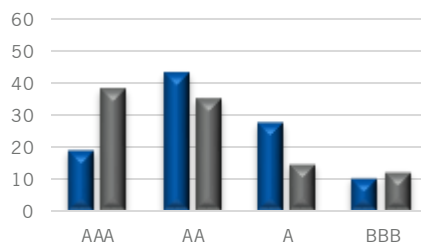
- Fixed Income (58%)
- Canadian Equities (30%)
- Foreign Equities (7%)
- Cash (5%)

CORPORATE BOND WEIGHT



■ NBI JF Select Income Fund (%) ■ FTSE Canada Universe (%)

CREDIT QUALITY



FUND OBJECTIVE

This Fund's investment objective is to provide regular income and 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	\$11.21
AUM (\$ Millions)	\$188.7

MER:

E-Series	0.78%
F-Series	0.80%

FUND CODES:

E-Series	NBC3900
F-Series	NBC3700

BENCHMARK:

- FTSE Canada Universe Bond (70%)
- S&P/TSX Capped Composite (25%)
- 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.

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

PORTFOLIO REVIEW

Bond markets gave back some of the very strong gains from 2020, as shown by the FTSE Universe benchmark declining -5% for the quarter. The NBI Select Income Fund outperformed its respective benchmark for the quarter.

Much as in recent quarters, the higher allocation to corporate and provincial bonds was a key factor to the value added quarterly performance. The allocation to Real Return bonds also contributed notably to the Fund's outperformance, as did the Fund's slightly lower exposure to interest rate risk relative to the benchmark. The steepening of the yield curve, with long-term rates rising more than short-term rates, was also a positive contribution to performance as the fund had an overweight in mid-term bonds. With government bond yields now over 100 basis points higher than at their trough last year, we have a much more neutral outlook on interest rates.

There may be some further increases in interest rates as confidence in the recovery builds; however, current interest rates already reflect much of the positive economic news, and therefore increases from this point should be limited. After maintaining an overweight, our risk exposure to corporate bonds is now more neutral as we took advantage of the rally early in the quarter to sell positions that had reached expensive valuations.

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%).

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.

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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Source of data: PC Bond Analytics, Wilshire Analytics, Bloomberg, FTSE Canada Global Debt Capital Markets Inc.