

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

### PERFORMANCE REVIEW (%)

Annualized for periods greater than 1 year

Annualized Returns / September 30, 2020	3 months	1 year	3 years	5 years	S.I.
NBI Jarislowsky Fraser Select Income Fund (E/F Series)	2.4	3.6	4.0	4.2	5.0
Benchmark	1.5	5.7	5.8	5.1	-

Calendar Year Returns / December 31	2019	2018	2017	2016	2015
NBI Jarislowsky Fraser Select Income Fund (E/F Series)	9.6	-2.2	3.2	6.7	0.8
Benchmark	10.8	-1.2	4.1	6.2	0.4

### PORTFOLIO

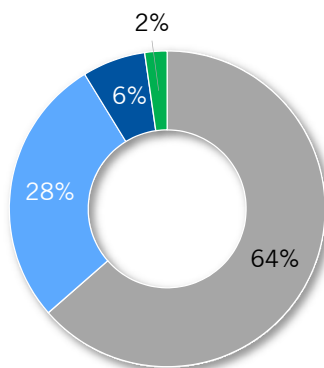
#### REPRESENTATIVE HOLDINGS

Holdings	Industry
Enbridge	Energy
Metro	Consumer Staples
Microsoft	Technology
Canadian National Railway	Industrials
TD Bank	Financials

#### BONDS

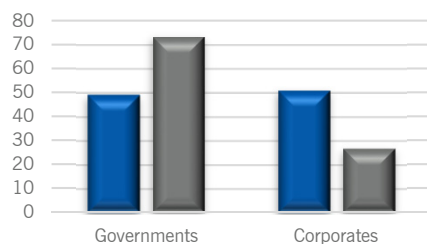
Issuer	Coupon/Maturity
Province of Ontario	2.90%, 06/02/28
Government of Canada	1.25%, 12/01/47
Wells Fargo & Co.	3.87%, 05/21/25
Bank of Montreal	2.27%, 07/11/22
Intact Financial Corp.	4.70%, 08/18/21

#### ASSET MIX



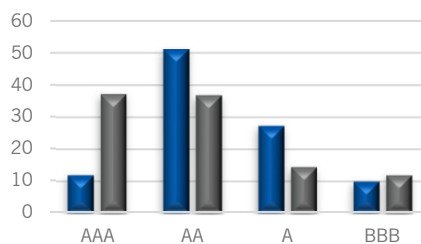
- Fixed Income (64%)
- Canadian Equities (28%)
- Foreign Equities (6%)
- Cash (2%)

#### 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	\$10.94
AUM (\$ Millions)	\$187.8

#### 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

The Canadian universe bond market was up 0.4% in the quarter, bringing the year-to-date return to 8.0%. Interest rates on government bonds stayed in a very narrow trading range while corporate and provincial bond yields declined as investors continued to seek higher yields given the impact of lower policy rates and historical levels of quantitative easing. The yield curve steepened, with longer-term bonds underperforming, incorporating some of the improving economic outlook and rising inflation expectations. The short end of the yield curve remained anchored by the Bank of Canada's stated intention to keep policy rates very low for a number of years.

The bond portfolio continues to outperform its FTSE Universe benchmark, providing value-add returns for the quarter and year-to-date. The allocation to corporate bonds and their outperformance relative to federal government bonds, as well as exposure to higher-yielding provincial bonds, were the main positive contributors. In addition, our inflation-linked bond holdings outperformed nominal bonds as inflation expectations rose over the period. The supply of corporate bonds remains robust with levels running over 20% higher than last year as corporations look to lock in historically low interest costs.

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" caveats 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 are optimistic that human ingenuity will prevail.

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. Longer term, we remain steadfast in our conviction that a well selected portfolio of higher quality sustainable businesses will deliver attractive long-term returns for clients.

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.