

NBI Jarislowsky Fraser Select Income Fund (E/F 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 Income Fund (E/F Series)	4.0	6.7	4.6	4.7	5.2
Benchmark	2.7	8.4	5.9	5.6	-

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

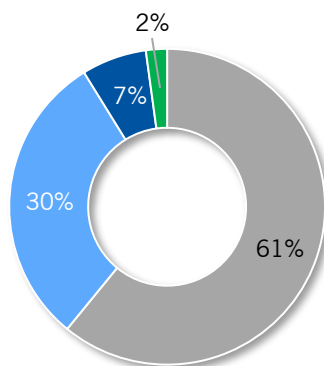
REPRESENTATIVE HOLDINGS

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

BONDS

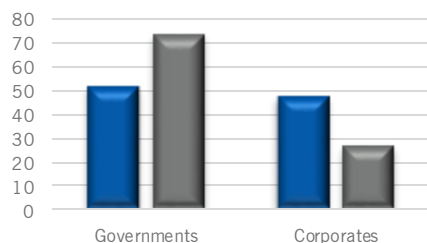
Issuer	Coupon/Maturity
Province of Ontario	2.90%, 06/02/28
Government of Canada	1.25%, 12/01/47
Wells Fargo & Co.	3.87%, 05/21/25
Bank of Montreal	2.27%, 07/11/22
Intact Financial Corp.	4.70%, 08/18/21

ASSET MIX



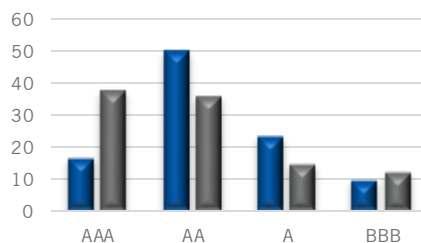
- Fixed Income (61%)
- Canadian Equities (30%)
- Foreign Equities (7%)
- Cash (2%)

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	\$11.26
AUM (\$ Millions)	\$190.5

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.

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PORTFOLIO REVIEW

During the quarter, the Canadian bond market increased 0.6%, registering a more modest return for the quarter but a solid 8.7% gain for the year. Corporate and provincial bonds continued to outperform their federal counterparts. The improving economic prospects raised risk appetites, as did the negative real yields on the highest quality bonds around the world. In general, interest rates rose in the quarter although the increases were concentrated in longer maturities as central banks continue to anchor short rates at very low levels. Within the corporate sector, the strongest returns came from past laggards, as shown by the outperformance of energy and real estate companies. The more defensive names trailed the broader market, in particular corporate bonds of utility and telecommunications companies.

The NBI Select Income Fund outperformed its respective benchmark for the quarter, and ended the year with a strong performance relative to the benchmark. The higher allocation to corporate and provincial bonds was the major contributor to the strong value-add. Individual security selection and the allocation to Real Return bonds also contributed positively to the relative performance, as did the slightly smaller exposure to interest rate risk.

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 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.