

Large Cap Dividend Growth Portfolio

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Basket Investment Strategy

The portfolio is invested primarily in low volatility, dividend-paying equities, with a history of dividend growth, in addition to earnings growth. The portfolio's mandate is to be primarily invested in Canada, but may also hold some U.S. and International stocks.

Top 10 Holdings

Issuer	Sector	%
PEPSICO INC	Consumer	5.5%
SAPUTO INC	Food Producer	5.0%
ROYAL BANK OF CANADA	Financial	4.9%
ILLINOIS TOOL WORKS	Industrial	4.9%
KIMBERLY CLARK CORP	Consumer	4.9%
GREAT WEST LIFECO INC	Financial	4.8%
CANADIAN NATIONAL RAILWAY	Transportation	4.8%
CDN TIRE CORP LTD-A NV	Retail	4.7%
HONEYWELL INTL INC	Industrial	4.6%
BANK OF MONTREAL	Financial	4.6%

Performance:

Portfolio Performance					
	YTD	1 Year	2 Years	3 Years	Inception*
Portfolio Performance	3.8%	14.0%	9.3%	10.2%	14.2%
Benchmark	2.4%	18.6%	5.3%	5.8%	9.7%

*Annualized return. Portfolio inception date is June 1, 2012

Value of Portfolio March 31, 2017 \$ 90,095

Fees: Returns presented are gross of fees.

Source:

Index performance information from Morningstar Canada. Indices are shown for comparison purpose only.

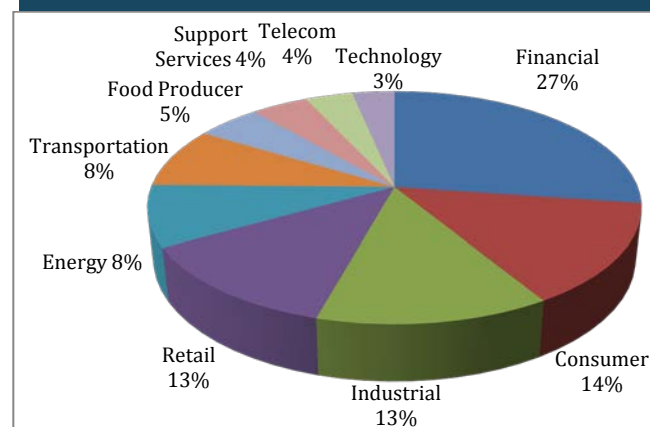
Composition of the benchmark:

Benchmark is the TSX Total Return

Basket Geographical Breakdown

The Portfolio is comprised of 70% Canadian Equities, 23% US Equities, and 4% International Equities.

Basket Sector Breakdown



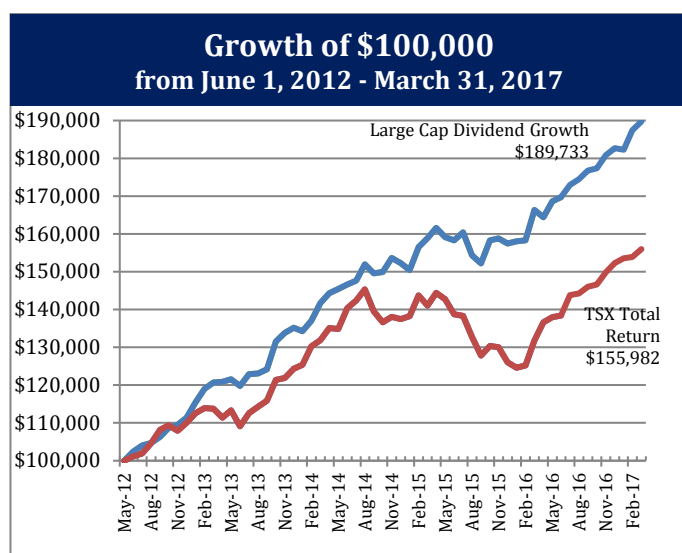
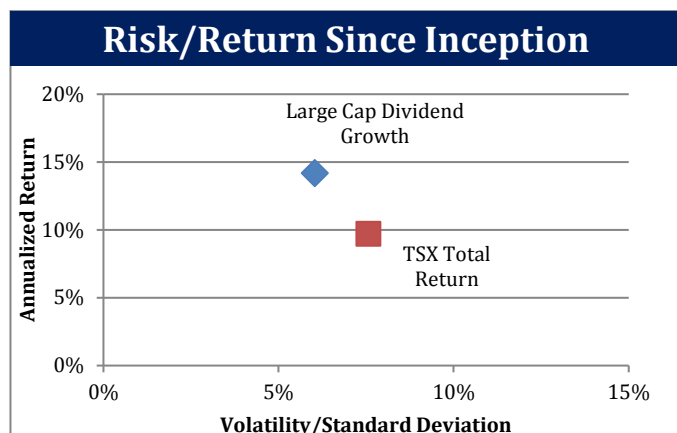
**NATIONAL BANK
FINANCIAL**

WEALTH MANAGEMENT

Performance Data

The average dividend increase for stocks in the portfolio over the past 12 months is 6.2%.

Since inception, the Basket has experienced 20% less volatility, while delivering 46% better performance than the benchmark (TSX).



Transactions Performed During the Fourth Quarter of 2016

Purchase /Sold	Description	Quantity	Price (C\$)
Sell	ILLINOIS TOOL WORKS	6	129.03

Portfolio Manager's Comments

Our focus on companies with highly visible and steady growth, as well as strong and increasing dividends continues to be rewarded this year with excellent returns combined with low volatility.

Year to date 35% of the companies in the current portfolio increased their dividends.

This adds up to solid, risk-adjusted total returns derived from steady growth in our underlying companies combined with an average dividend yield of approximately 3.0%.

We are optimistic that our discipline of quality, value-based stock selection should provide superior risk-adjusted performance for investors.

Who is this Investment for?

This Basket is suitable for investors who:

- want to add a growth component to their portfolio.
- want to receive dividend income.
- are willing to tolerate a moderate level of risk.

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