Large Cap Dividend Growth Portfolio September 30, 2017

Portfolio Manager:

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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	5.2%
ILLINOIS TOOL WORKS	Industrial	5.1%
CANADIAN NATIONAL RAILWAY	Transportation	5.0%
HONEYWELL INTL INC	Industrial	4.9%
ROYAL BANK OF CANADA	Financial	4.9%
NATIONAL BANK OF CDA	Financial	4.7%
SAPUTO INC	Food Producer	4.7%
ACCENTURE PLC CL-A	Support Services	4.7%
CDN TIRE CORP LTD	Retail	4.7%
GREAT WEST LIFECO INC	Financial	4.7%

Performance:

Portfolio Performance						
	YTD	3 Months (July 1 – Sept 30)	1 Year	2 Years	3 Years	* Since Inception
Portfolio Performance	4.9%	1.2%	7.9%	12.0%	8.5%	12.9%
Benchmark	4.5%	3.7%	9.2%	11.7%	4.5%	9.1%

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

Value of Portfolio September 30, 2017

\$88,464.02

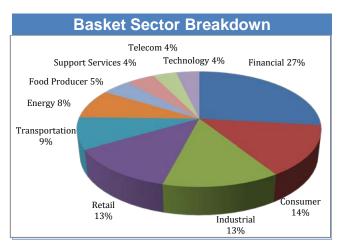
Fees: Returns presented are gross of fees.

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

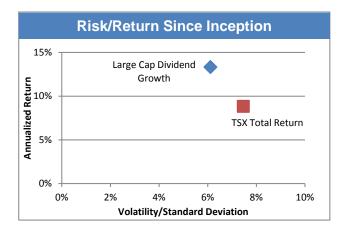
The Portfolio is comprised of 71% Canadian Equities, 23% US Equities, and 5% International Equities.



Performance Data

The average dividend increase for stocks in the portfolio over the past 12 months is 8.4%.

Since inception, the Basket has experienced 16% less volatility, while delivering 41% better performance than the benchmark (TSX).





Transactions Performed During the Third Quarter of 2017

Purchase /Sold	Description	Quantity	Price (C\$)

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 91% 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, valuebased stock selection should provide superior riskadjusted 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.





I have prepared this commentary to give you my thoughts on various financial aspects and considerations. This commentary reflects my opinion alone, and may not reflect the views of National Bank Financial Group. In expressing these opinions, I bring my best judgement and professional experience from the perspective of someone who surveys a broad range of investments. Therefore, this report should be viewed as a reflection of my informed opinions rather than analyses produced by the Research Department of National Bank Financial. • National Bank Financial is an indirect wholly-owned subsidiary of National Bank of Canada. The National Bank of Canada is a public company listed on the Toronto Stock Exchange (NA: TSX). • National Bank Financial may act as financial advisor, fiscal agent or underwriter for certain companies mentioned herein and may receive remuneration for its services. National Bank Financial and/or its officers, directors, representatives or associates may have a position in the securities mentioned herein and may make purchases and/or sales of these securities from time to time on the open market or otherwise. The particulars contained herein were obtained from sources we believe to be reliable, but are not guaranteed by us and may be incomplete. Unit values and returns will fluctuate and past performance is not necessarily indicative of future performance.