

Large Cap Dividend Growth Portfolio

December 31, 2019

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	%
ACCENTURE PLC CL-A	Technology	5.3%
HONEYWELL INTL INC	Industrials	4.9%
PEPSICO INC	Consumer staples	4.8%
CANADIAN NATIONAL RAILWAY	Industrials	4.8%
NATIONAL BANK OF CDA	Financials	4.8%
CAE INC	Industrials	4.7%
THOMSON REUTERS CORP-NEW	Financials	4.5%
ROYAL BANK OF CANADA	Financials	4.4%
ABBOTT LABORATORIES	Health care	4.4%
ABBVIE INC	Health care	4.2%

Performance:

Portfolio Performance						
	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception*
Portfolio Performance	-2.1%	1.8%	20.4%	8.1%	8.9%	11.8%
Benchmark	0.5%	3.2%	22.9%	6.9%	6.3%	8.6%

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

Value of Portfolio December 31, 2019 \$ 102,919.53

Fees: Returns presented are gross of fees.

Source:

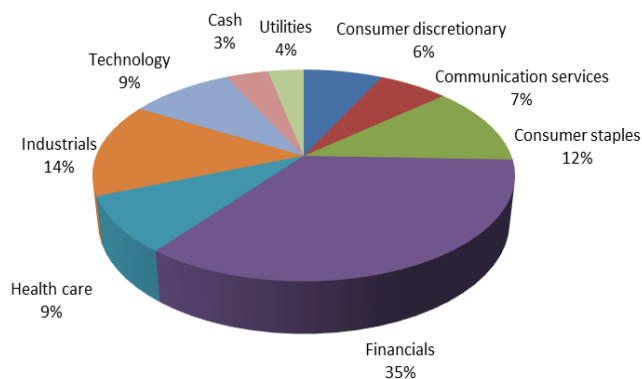
Index performance information from Morningstar Canada. Indices are shown for comparison purpose only.

Composition of the benchmark:

Benchmark is the TSX Total Return

Basket Geographical Breakdown

The Portfolio is comprised of 70% Canadian Equities, 22% US Equities, and 5% International Equities.



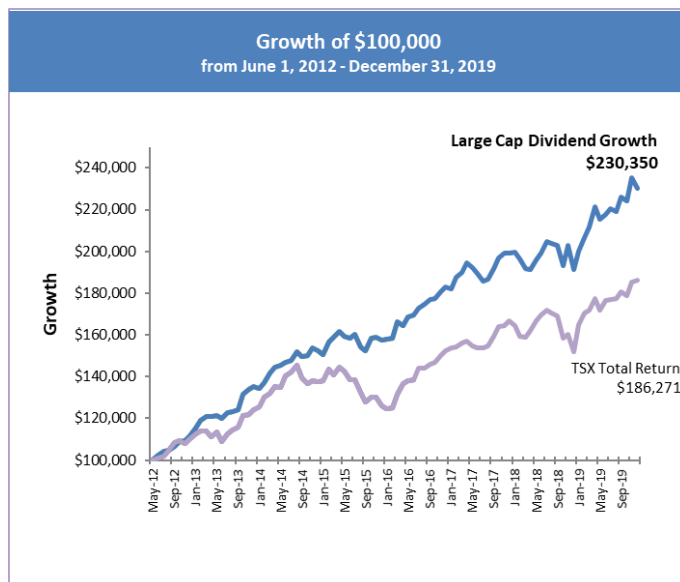
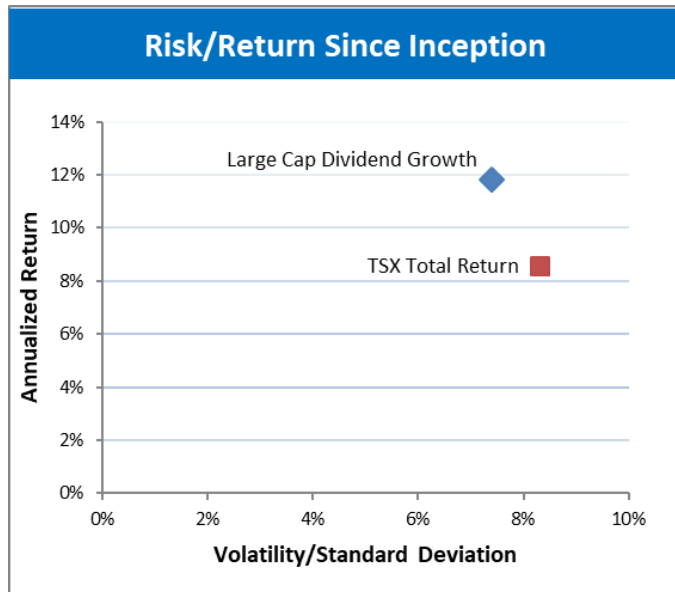
**NATIONAL BANK
FINANCIAL**

WEALTH MANAGEMENT

Performance Data

The average dividend increase for stocks in the portfolio over the past 12 months is 9.1%.

Since inception, the Basket has experienced 10.8% less volatility, while delivering 37.2% better performance than the benchmark (TSX).



Transactions Performed During the Second Quarter of 2019

BUY / SELL	Description	Quantity	Price
BUY	PURPOSE HIGH INTEREST SAVINGS	8	50.07 C\$
BUY	ABBOTT LABORATORIES	40	87.00 US\$
SELL	ILLINOIS TOOL WORKS	22	171.98 US\$

Portfolio Manager's Comments

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

For 2019, 96% 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 current dividend yield of approximately 3.1%.

We are optimistic that our discipline of quality, value-based stock selection should continue to 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.

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 - Wealth Management (NBFWM) is a division of National Bank Financial Inc. (NBF Inc.), as well as a trademark owned by National Bank of Canada (NBC) that is used under license by NBF Inc. NBF Inc. is a member of the Investment Industry Regulatory Organization of Canada (IIROC) and the Canadian Investor Protection Fund (CIPF), and is a wholly-owned subsidiary of NBC, a public company listed on the Toronto Stock Exchange (TSX: NA)."