

Large Cap Dividend Growth Portfolio

June 30, 2021

Portfolio Manager:

Jim Van Vliet, Senior Investment Advisor

2019 Awards of Excellence

Portfolio Management Excellence
National Winner

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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	%
THOMSON REUTERS CORP-NEW	Industrials	5.1%
HONEYWELL INTL INC	Industrials	5.0%
TFI INTERNATIONAL INC	Industrials	4.9%
ABBOTT LABORATORIES	Health care	4.8%
ROYAL BANK OF CANADA	Financials	4.6%
CANADIAN NATIONAL RAILWAY	Industrials	4.6%
NATIONAL BANK OF CDA	Financials	4.5%
LOBLAW COMPANIES LTD	Consumer staples	4.4%
PARKER-HANNIFIN CORP	Industrials	4.4%
MSCI INC	Financials	4.4%

Performance:

Portfolio Performance						
	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception*
Portfolio Performance	1.8%	5.8%	32.2%	12.6%	11.1%	12.3%
Benchmark	2.5%	8.5%	33.9%	10.8%	10.8%	9.7%

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

Value of Portfolio June 30, 2021	\$120,227
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Fees: Returns presented are gross of fees.

Source:

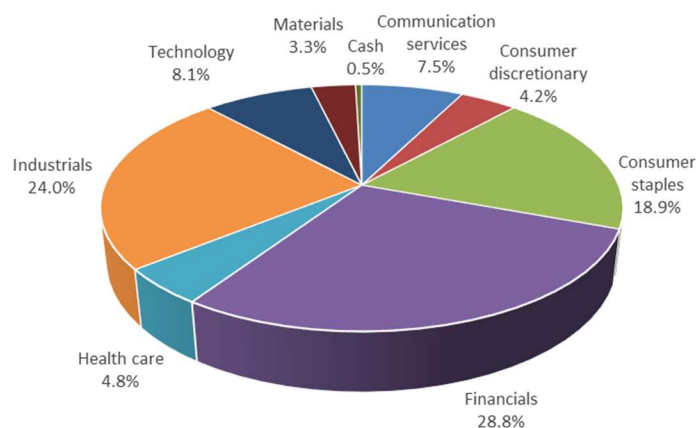
Index performance information from Morningstar Canada. Indices are shown for comparison purpose only.

Composition of the benchmark:

Benchmark is the TSX Total Return

Basket Geographical Breakdown

The Portfolio is comprised of 73% Canadian Equities, 23% US Equities, and 4% International Equities.



**NATIONAL BANK
FINANCIAL**

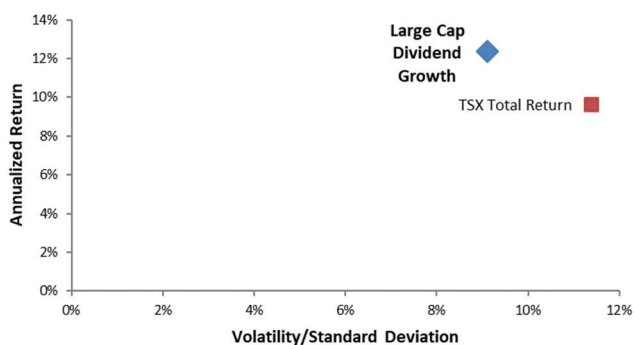
WEALTH MANAGEMENT

Performance Data

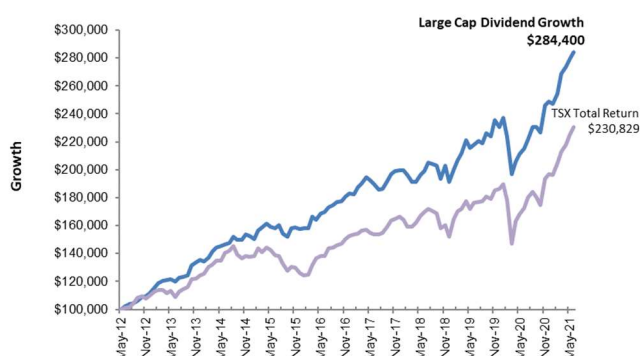
The average dividend increase for stocks in the portfolio over the past 12 months is 6.5%.

Since inception, the Basket has experienced 19.8% less volatility, while delivering 27.8% better performance than the benchmark (TSX Total Return).

Risk/Return Since Inception



Growth of \$100,000 from June 1, 2012 - June 30, 2021



Transactions Performed During the Second Quarter of 2021

BUY / SELL	Description	Price (CAD\$)
SELL	PURPOSE HIGH INT SVGS ETF	\$50.01
BUY	EMPIRE CO CL-A NV	\$41.48
BUY	TECK RESOURCES LTD -B- SV	\$30.39
BUY	PURPOSE HIGH INT SVGS ETF	\$50.02
SELL	NATIONAL BANK OF CDA	\$91.65
BUY	LOBLAW COMPANIES LTD	\$72.14
SELL	CDN IMPERIAL BK COMMERCE	\$132.39
SELL	ACCENTURE PLC CL-A	\$288.21 USD\$
BUY	WESTON GEORGE LIMITED	\$111.90
BUY	TELUS CORP	\$25.70
SELL	PURPOSE HIGH INT SVGS ETF	\$50.02
BUY	LOBLAW COMPANIES LTD	\$69.50
BUY	INTACT FINANCIAL CORP	\$163.37
BUY	CDN IMPERIAL BK COMMERCE	\$126.91
BUY	BCE INC	\$57.83
BUY	BANK OF NOVA SCOTIA	\$78.18

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 year with excellent downside protection combined with low volatility.

Year to date, 42% 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 2.3%.

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 long-term 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)."