HEXAVEST

Quarterly Bulletin

March 31, 2009

Canadian Equities

Performance (see notes on reverse side)

As of 03/31/09 (CAD$)	QTR	YTD	1 year	2 years	Since inception
Hexavest Composite	**1.50%**	**1.50%**	**-19.79%**	**-9.96%**	**-3.40%**
S&P/TSX Capped	-2.00%	-2.00%	-32.42%	-16.17%	-8.71%
Value added	**3.50%**	**3.50%**	**12.63%**	**6.21%**	**5.31%**

Positive factors (Quarter)

- Sectors/Industries: Overweight positions in Materials and Healthcare (January). Underweight position in Staples (March).
- Stocks: Overweight positions in First Quantum Minerals, Inmet Mining, Lundin Mining (Materials). Overweight position in Bell Aliant and no position in Rogers (Telecommunications).

Negative factors (Quarter)

- Country: Modest exposure to the US market.
- Sectors/Industries: Underweight position in Technology.
- Stocks: Overweight position in Bombardier and no position in CN Rail (Industrials). Overweight position in Transalta (Utilities).

Model Portfolio

SECTOR ALLOCATION

Sectors	Hexavest			S&P/TSX	Deviation
	Canada	U.S.	Total		
Energy	23.0%		23.0%	27.7%	-4.7%
Materials	22.2%	2.4%	24.6%	20.0%	4.7 %
Industrials	5.0%		5.0%	5.6%	-0.6%
Consumer Discretionary	6.0%		6.0%	4.4%	1.6 %
Consumer Staples	0.1%		0.1%	3.2%	-3.1%
Healthcare	1.8%	1.8%	1.8%	0.5%	1.3%
Financials	31.4%		31.4%	27.8%	3.6%
Technology	0.1%		0.1%	3.7%	-3.6%
Telecoms	6.1%		6.1%	5.6%	0.5%
Utilities	1.4 %		1.4 %	1.7 %	-0.3%
Cash	0.6%		0.6%	0.0%	0.6%
Total	**95.8%**	**4.2%**	**100.0%**	**100.0%**	**0.0%**
Exposure to currencies	***97.7%***	***2.3%***	***100.0%***		

TOP 10 STOCK HOLDINGS

Description	Sector	% of portfolio
IShares Financials	Financials	8.3%
Royal Bank	Financials	5.1%
TD Bank	Financials	4.3%
Barrick Gold	Materials	3.4%
Goldcorp	Materials	3.3%
Encana	Energy	3.2%
Talisman Energy	Energy	3.1%
Nexen	Energy	3.0%
Bank of Montreal	Financials	2.8%
Telus	Telecommunications	2.6%

CHARACTERISTICS

Characteristic	Hexavest	S&P/TSX
Weighted Avg. Market Cap. ($M) *	15,970	15,390
0 to $1 B	8.1%	5.2%
1 to $10 B	28.5%	28.3%
>$10 B	63.4%	66.5%
P/E (forecasted)	7.6X	9.4X
P/B	1.1X	1.4X
Dividend Yield	4.2%	3.7%
ROE	12.5%	16.9%
Expected earnings growth	23.3%	25.6%

* Market Cap. information is in CAD$

Strategy

- The Canadian economy has deteriorated rapidly in the last few quarters. However, the Canadian stock market, given its higher weightings in Energy and Materials, should benefit from global stimulus packages and their associated spending in infrastructure projects. Valuation and earnings estimates have come down significantly over the past year, in line with the correction in Materials stocks. Sentiment is mixed: investors are bullish on Financials while bearish on Materials. **Consequently, we are maintaining our more bullish positioning.**
- Although Canadian banks are in better shape than their US counterparts, they are still facing a severe recession which will lead to significant losses on their loan portfolio. However, we believe that the short-term performance of Canadian banks will be closely tied to the performance of US banks and that any positive news south of the border should lead to positive returns for Canadian banks. Treasury Secretary Tim Geithner's plan to remove troubled assets from banks' balance sheets is very positive. Furthermore, financials results for US banks in the 1st quarter and results of the stress test could surprise on the upside. This positive news should sustain the US bank rally that began in early March and thereby help Canadian banks. **We have initiated an overweight position in Canadian banks.**
- Although the price of other fertilizer have corrected by 75%, the price of Potash continues to defy gravity. It still trades at 350% above its 2007 price. We believe this is unsustainable considering that buyers have stopped purchasing it at such a high price and that inventories are building-up. Investors are still expecting Potash Corp. to show earnings at $11/share for 2009, in line with 2008 earnings. Based on much lower historical prices for potash, earnings of $0.40 per share are expected, which translates to a P/E multiple of 250X at Potash Corp's current stock price of $100. **It is no surprise that we do not own any shares of Potash Corp.**

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Canadian Equities

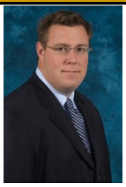
Investment Team

Vital Proulx, CFA
Overall Portfolio Strategy

Marc Veilleux, Ph. D.
Director of Research,
PM - Asia

Denis Rivest, CFA
PM - Europe

Frédéric Imbeault, M.Sc., CFA
PM - Asia



Marc Lavoie, M.Sc., CA, CFA
PM - Europe

Jean-René Adam, M.Sc., CFA
PM - North America

Robert Brunelle, ASA, CFA
Chair of Investment Committee
Client Servicing

Distinctive Elements

Exceptional performance and risk/return profile

Experienced, Stable, and highly motivated team
- Team built steadily over 15 years
- Responsibilities clearly outlined
- Efficient decision making process

Clearly defined Philosophy and Style
- Consistently applied for over 15 years

Proprietary process, rigorous and well tested
- Fundamental research supported by proprietary quantitative models
- Continuous risk management

Client servicing suited to your needs

Philosophy → Style

Philosophy	Style
We believe that by actively managing all drivers of performance we maximize our chances of success and diversify our risks.	**Core portfolio**
We strive to protect the capital of our clients.	**Value bias**
Our competitive edge lies in our analysis of macro-economic factors and excess management at the security decision level.	**Top-down approach**
The vast quantity of economic and financial data requires a structured process.	**Proprietary quantitative models supporting fundamental research**

Summary

Benchmark:	S&P/TSX Capped
Value added objective:	2% (4-year moving periods)
Tracking error:	3% to 5%
# of holdings:	60 to 80
Foreign content:	Maximum 10%
Cash:	maximum 10%

Sector Deviations vs Benchmark

W: Sector weight in Index	Minimum	Maximum
W < 10%	0	W + 10%
10% < W < 20%	W – 10%	W + 10%
W > 20%	50% x W	Min (W + 10% ; 35%)

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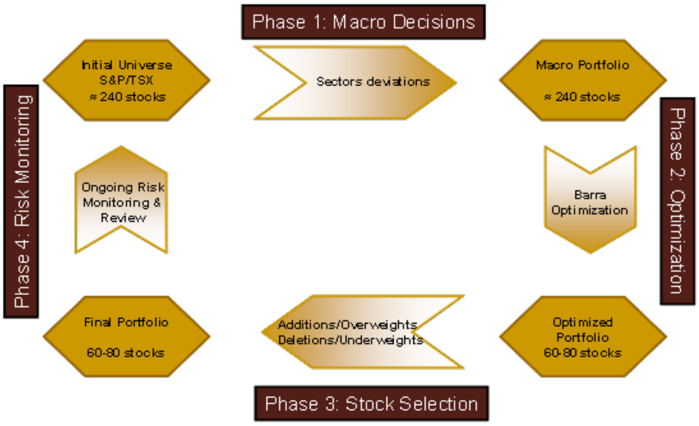
Process



Notes on performance

The inception date of the composite is October 1, 2006.

Performance results are presented gross of management and custodial fees.

As of December 31, 2008, custodial fees were 0.20%.