

## Global Equities

Performance (see notes on reverse side)

As of 03/31/09 (\$US)	QTR	YTD	1 year	3 years	5 years	10 years	Since inception
<b>Hexavest Composite</b>	<b>-11.41%</b>	<b>-11.41%</b>	<b>-32.84%</b>	<b>-8.16%</b>	<b>0.58%</b>	<b>3.11%</b>	<b>3.40%</b>
MSCI World Net	-11.92%	-11.92%	-42.58%	-13.77%	-3.50%	-2.24%	-1.85%
<b>Value added</b>	<b>0.51%</b>	<b>0.51%</b>	<b>9.74%</b>	<b>5.61%</b>	<b>4.08%</b>	<b>5.35%</b>	<b>5.25%</b>

### Positive factors (Quarter)

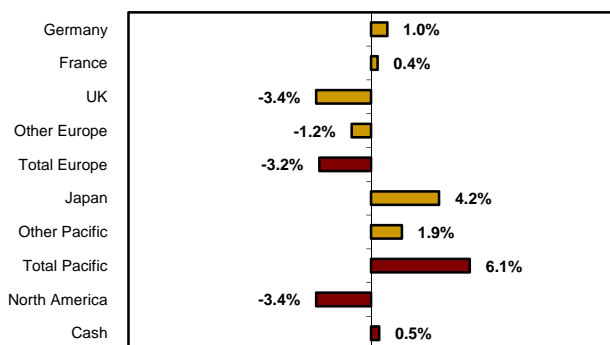
- Regions/Countries: Overweight position in the Pacific region which outperformed Europe and North America.
- Currencies: Underweight position in the Yen, one of the weakest currencies in the quarter.
- Sectors/Industries: Overweight position in Materials (3 regions).
- Stocks: In North America, overweight positions in Petro-Canada, Talisman (Energy), Northern Trust, Bank of NY Mellon (Financials) and Sun Microsystems (Tech.). In Europe, overweight position in Roche, Sanofi-Aventis (Healthcare). In Asia, overweight positions in Rio Tinto, Shin-Etsu Chem. (Materials) and Murata, Hoya (Tech.).

### Negative factors (Quarter)

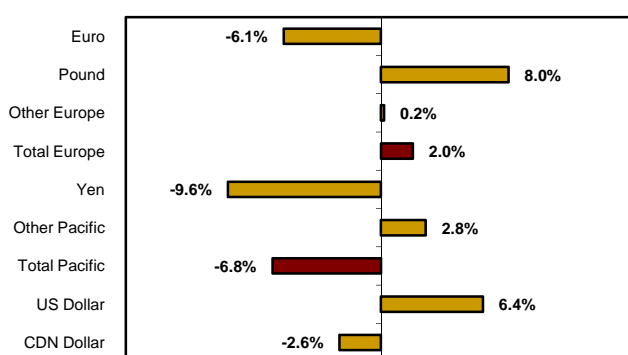
- Regions/Countries: Underweight position in Canada.
- Currencies: Overweight position in the Swiss Franc.
- Sectors/Industries: Underweight position in Energy (Europe and Asia). Overweight position in Financials (3 regions).
- Stocks: In North America, overweight positions in News Corp., Office Max (Cons. Discr.) and DTE Energy, American Electric Power (Utilities). In Europe, overweight positions in Nokia (Tech.) and TUI, JCDecaux (Cons. Discr.). In Asia, overweight positions in Chubu Electric Power (Utilities) and Kao, FamilyMart (Staples).

## Model Portfolio

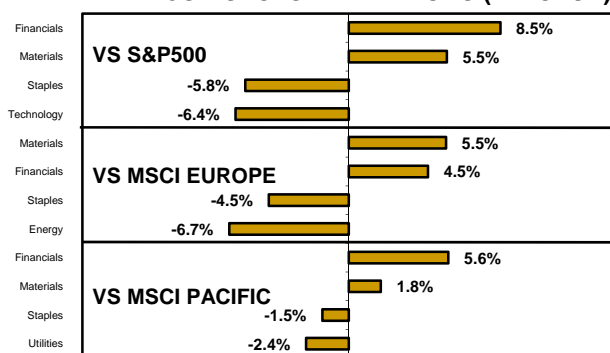
### COUNTRY DEVIATIONS VS MSCI WORLD



### CURRENCY DEVIATIONS VS MSCI WORLD



### MAJOR SECTOR DEVIATIONS (EX. CASH)



### TOP 10 STOCK HOLDINGS

Description	Country/Region	Sectors	% of Portfolio
ETF Financials	US	Financials	4.3%
Freeport McMoran	US	Materials	1.4%
Wyeth	US	Healthcare	1.3%
Pfizer	US	Healthcare	1.2%
Merck	US	Healthcare	1.2%
General Electric	US	Industrials	1.1%
BHP Billiton	Australia	Materials	1.0%
Marathon Oil	US	Energy	1.0%
Bank of NY Mellon	US	Financials	1.0%
Northern Trust	US	Financials	0.9%

## Strategy

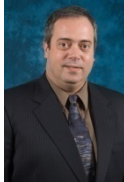
- We anticipate that the stock market rebound that began in mid-March will continue on its upward path over the coming months. **As a result, we are maintaining our more bullish positioning.** Given the unprecedented size and scope of the stimulus packages around the world, it is difficult to predict their long-term effect on the economy. However, on a short-term basis, their impact, combined with a rebuilding of depleted inventories, should allow a recovery in the economy in the next few quarters. Encouraging news about the economy plus financial systems out of intensive care should propel stock markets into positive territory before the end of the second quarter.
- The BoE cut its rates aggressively and was one of the first central banks to adopt quantitative easing policies. The perilous economic picture called for such aggressive action. Recent economic data tend to point towards a stabilization. However, the market is facing marked deleveraging and ROE is likely to fall from its recent level of 18% to 8%. We believe that earnings revisions will be downgraded again in the coming weeks. **We are currently underweighting UK stocks.**
- Although banks will be facing serious challenges in the coming months (loan losses on cars, credit cards, commercial loans, construction loans, credit lines), the tide may be turning regarding their macro-economic environment. Positive factors include Treasury Secretary Tim Geithner's plan to remove troubled assets from banks' balance sheets, changes in accounting rules and positive stress test results. Based on banks' current tangible book value, multiples are below their historic trough and sentiment could not be more depressed. **Therefore, we have significantly increased our allocation to Financials.**

## Global Equities

### Investment Team



*Vital Proulx, CFA*  
Overall Portfolio Strategy



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



*Denis Rivest, CFA*  
PM - Europe



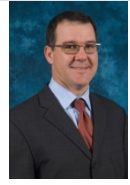
*Frédéric Imbeault, M.Sc., CFA*  
PM - Asia



*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

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.



**Top-down approach**

The vast quantity of economic and financial data requires a structured process.



**Proprietary quantitative models supporting fundamental research**

### Summary

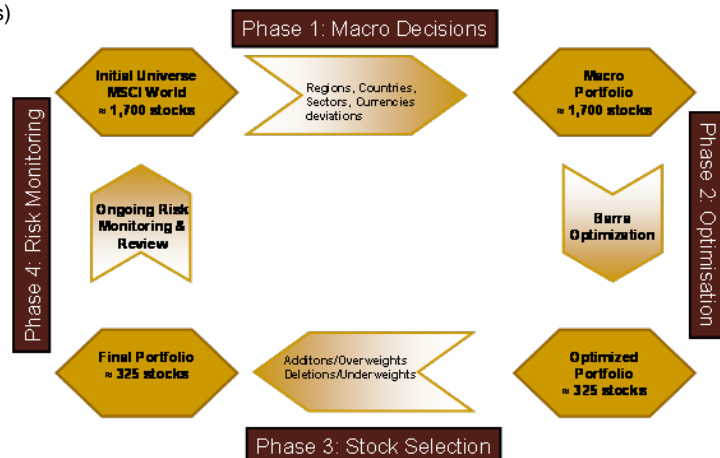
Benchmark:	MSCI WORLD
Value added objective:	2% (4-year moving periods)
Tracking error:	3% to 5%
# of holdings:	325 on average
Derivatives exposure:	0% to 40%
Active currency management:	Yes
Cash:	0% to 10%

#### Deviations vs Benchmark

Regions:	± 15%*
Countries:	± 15%*
Currencies:	± 15%*
Sectors:	± 10%*

\* With minor variations as outlined in the investment guidelines.

### Process



For more information, please contact Robert Brunelle at (514) 390-1225 or [rbrunelle@hexavest.com](mailto:rbrunelle@hexavest.com)

### Notes on performance

The performance shown is that of a composite of Global Equity mandates managed by Mr. Vital Proulx and his team at Natcan (1999 to 2004) and Hexavest (since May 2004).

Performance results are presented gross of investment management fees.

The inception date of the composite is January 1, 1999.

Hexavest is a registered investment adviser specializing in international equity investment management. Hexavest claims compliance with the Global Investment Performance Standards (GIPS®). To receive a complete list and description of Hexavest's composite and/or presentation that complies with the GIPS, contact Robert Brunelle at 514-390-1225.