



QUARTERLY BULLETIN

MARCH 31, 2007

GLOBAL EQUITIES

Performance (see notes on reverse side)

As of 03/31/07 (US\$)	QTR	1 year	3 years	5 years
Hexavest Composite	1.15%	13.50%	14.69%	15.71%
MSCI World Net	2.50%	15.44%	14.63%	10.44%
Value added	-1.35%	-1.94%	0.06%	5.27%

Positive factors (Quarter)

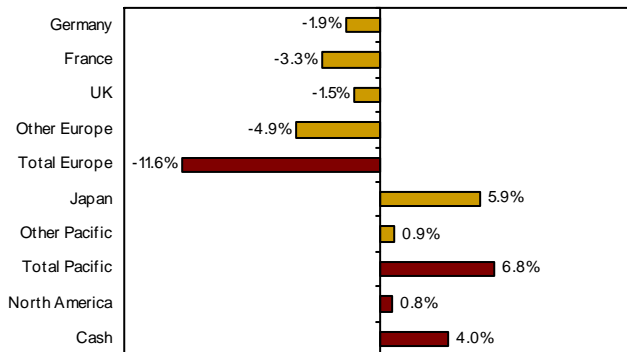
- Sector allocation: Overweight position in Consumer Staples (Europe) and underweight positions in Technology and Financials.
- Stock selection: Tobacco stocks in Europe (Imperial Tobacco and British American Tobacco) and Consumer Staples in Australia (Coles Group, Woolworths, and Goodman Fielder).

Negative factors (Quarter)

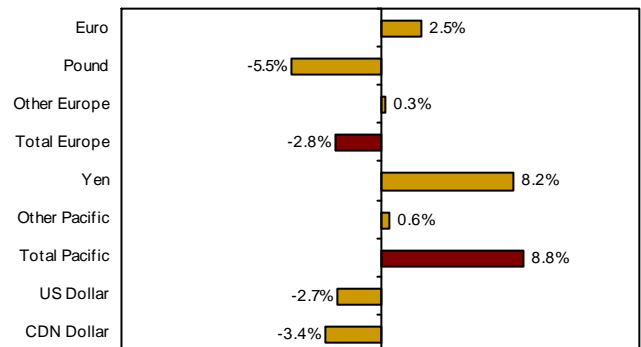
- Regional allocation: Underweight position in Europe.
- Sector allocation: Underweight position in Materials (best performing sector).
- Stock selection: Technology stocks in the US (Nortel, Motorola, AMD, and Intel) and Materials with Bendigo Mining which we sold last January.

Model Portfolio

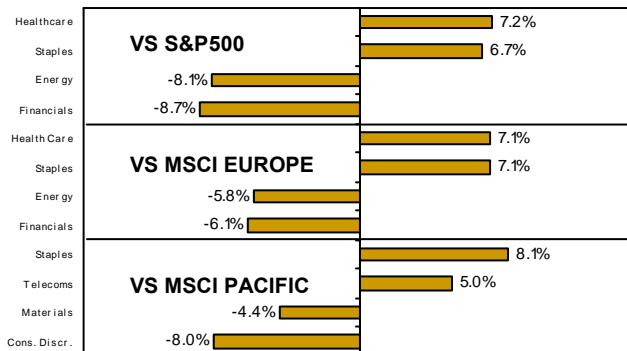
COUNTRY DEVIATIONS VS MSCI WORLD



CURRENCY DEVIATIONS VS MSCI WORLD



MAJOR SECTOR DEVIATIONS (EX. CASH)



TOP 10 STOCK HOLDINGS

Description	Country/Region	% of Portfolio
Altria Group	United States	1.9%
Pfizer	United States	1.6%
Johnson & Johnson	United States	1.5%
General Electric	United States	1.4%
Intel Corp.	United States	1.3%
Merck & Co.	United States	1.3%
Abbott Labs	United States	1.2%
Kimberly-Clark	United States	1.1%
Emerson Electric	United States	1.1%
IBM	United States	1.0%

Strategy

- To date, the U.S. Construction industry and Real Estate market, two entirely domestic sectors of activity, have been hardest hit by the economic slowdown. Not surprisingly, the debate centers on the contagion effect or lack thereof. Uncle Sam's land accounts for 30% of the global economy (5% for China) and is the world's leading importer of goods. Therefore, as in previous U.S. recessions, a drop in American consumer spending will trigger the contagion effect across the globe. **We are therefore maintaining the defensive bias of our portfolio.**
- **We favor Japan from a geographical standpoint.** In May 2007, the new act on M&As will come into force, thus paving the way for foreign companies to merge with or acquire Japanese firms. The Japanese M&A market is in its early stages. In fact, it accounts for only 2% to 3% of that country's market capitalisation; far behind the U.S. and Europe at 10%.
- U.S. banks will have to face many problems in the coming months. In fact, the mortgage default rate of less wealthy homeowners is rising sharply and standard loans will soon become the norm. **We are therefore underweighting Financials.** Globally, **we are also underweighting Energy stocks.** After increasing production capacity, OPEC must now impose production cuts on its member countries in order to stabilize oil prices. Non-OPEC member countries, however, have been increasing their production. What's more, oil companies are facing pressures from rising costs.
- **Few changes in currency management.** The Yen remains heavily undervalued against the Pound.

GLOBAL EQUITIES

Investment Team



Vital Proulx, CFA
Overall Portfolio Strategy



Marc Veilleux, Ph. D.
Pacific Rim
Director of Research
Currency Management
Quantitative Models



Denis Rivest, CFA
Europe
Risk Management



Frédéric Imbeault, M.Sc., CFA
Japan
Quantitative Models



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



Jean-René Adam, M.Sc., CFA
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
- All portfolio managers are shareholders

Clearly defined Philosophy and Style

- Consistently applied for over 10 years

Proprietary process, rigorous and well tested

- Fundamental research supported by proprietary quantitative models
- Continuous risk management
- Internally developed

Client servicing suited to your needs

Philosophy

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

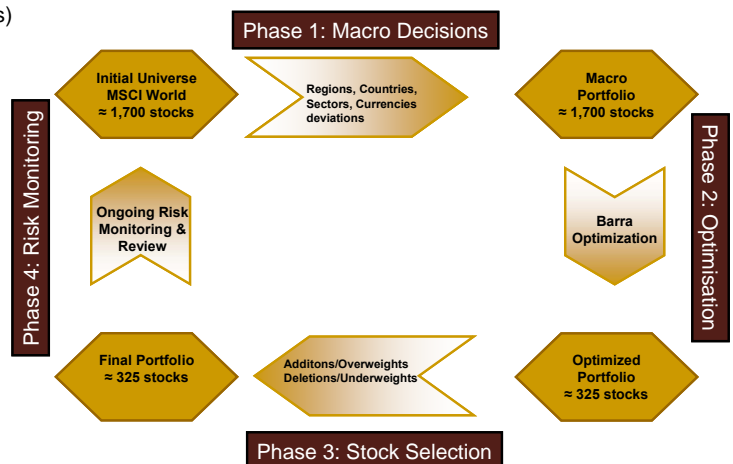
Benchmark:	MSCI WORLD
Value added objective:	2% (4-year moving periods)
Tracking error:	3% to 5%
# of holdings:	325 on average
Derivatives exposure:	0% to 40%
Active currency management:	Yes
Cash:	0% to 10%

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

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.