QUARTERLY BULLETIN

MARCH 31, 2008

HEXAVEST

GLOBAL EQUITIES

Performance (see notes on reverse side)

As of 03/31/08 (US$)	QTR	YTD	1 year	3 years	5 years	Since inception
Hexavest Composite	**-3.54%**	**-3.54%**	**1.61%**	**11.11%**	**18.85%**	**8.34%**
MSCI World Net	-9.06%	-9.06%	-3.25%	9.65%	15.96%	4.01%
Value added	**5.52%**	**5.52%**	**4.86%**	**1.46%**	**2.89%**	**4.33%**

Positive factors (Quarter)

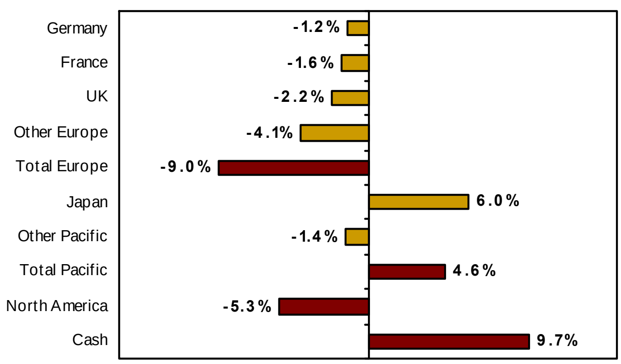
- Regions/Countries: Cash and put options in declining markets.
- Currencies: Overweight position in the Yen and the Swiss Franc.
- Sectors/Industries: In the US, underweight positions in Financials and Technology. Overweight position in Consumer Staples in all three regions.
- Stocks: Overweight position in Gold stocks.

Negative factors (Quarter)

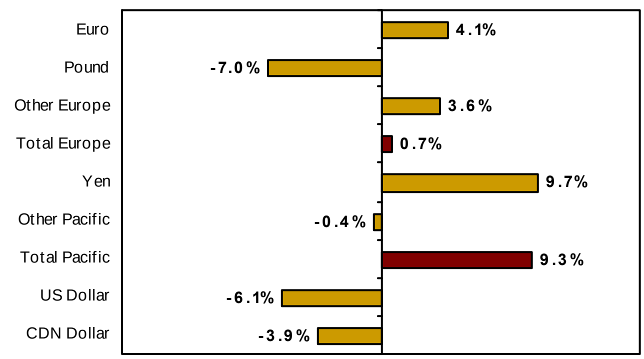
- Regions/Countries: Overweight position in Asia against Europe.
- Sectors/Industries: Overweight position in Telcos (Europe) and Healthcare (Asia).
- Stocks: In Europe, underperformance in Technology (Nokia) and Industrials (EADS, Siemens). In Asia, underperformance in Industrials (Airlines, Mitsubishi Electric, Mitsubishi Corp.) and Consumer Discretionary (Daito Trust).

Model Portfolio

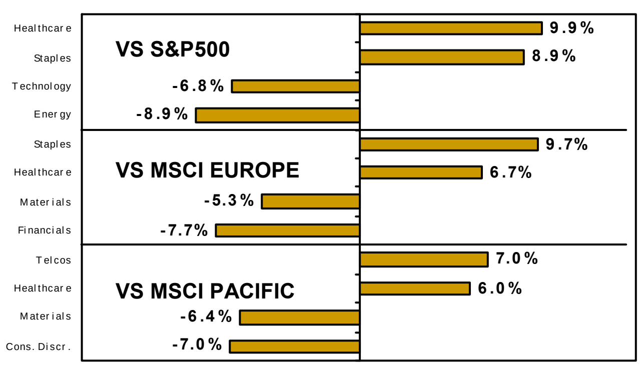
COUNTRY DEVIATIONS VS MSCI WORLD



CURRENCY DEVIATIONS VS MSCI WORLD



MAJOR SECTOR DEVIATIONS (EX. CASH)



TOP 10 STOCK HOLDINGS

Description	Country/Region	Sectors	% of Portfolio
Pfizer	US	Healthcare	1.5%
Johnson & Johnson	US	Healthcare	1.5%
Procter & Gamble	US	Staples	1.5%
General Electric	US	Industrials	1.4%
IBM	US	Technology	1.1%
Philip Morris	US	Staples	1.1%
Walgreen	US	Staples	1.1%
Nestlé	Switzerland	Staples	1.0%
Microsoft	US	Technology	1.0%
Wyeth	US	Healthcare	1.0%

Strategy

- Consensus from economists is still indicating a slowdown in the economies of developed markets in 2008 followed by a v-shape recovery in 2009. However, the loss of 80,000 jobs in March all but confirms that the US economy is in recession. Recent actions by the Federal Reserve, including the emergency salvage of Bear Stearns, have limited the downside in Financials. That being said, the credit crisis is still unresolved. Banks are tightening credit standards as they strive to clean up their balance sheets. Given the Financial sector's woes, we doubt we'll witness a strong recovery in 2009.
- **We are reducing our position in the US market from neutral to underweight.** Despite warning signs of a recession, the US stock market is resilient; since last October's highs, the market is down only 13%. European and Asian markets fared worse during the same period. Current valuation multiples are far from what we normally see in a recession. In fact, during a recession, P/E ratios should fall below 12X on average but they are currently at 18X. The same applies to dividend yields and the book/value ratio.
- We are at a loss as to why oil prices are so high. The weakness of the US dollar barely explains the surge : over the last six months, the US dollar has dropped by 8% while oil has increased by a whopping 40%. Furthermore, oil inventory levels are normal. Even agencies that measure global oil demand have made downward revisions of their forecasts in light of the global economic slowdown. It seems that speculation is the main culprit behind higher oil prices as evidenced by the record breaking pace of exposure to oil via derivative positions. **We are therefore maintaining our underweight position in Energy.**
- Interest rate differentials mostly explain why the US dollar is falling against the Euro. The Federal Reserve has been very aggressive in cutting interest rates since last summer and we believe the European Central Bank will follow suit shortly in order to stem the economic slowdown in that region. **We are currently underweight in the US dollar versus the Euro but we are considering reversing this position in the coming months.**

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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
Pacific Rim
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 ⇨ 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.	**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%

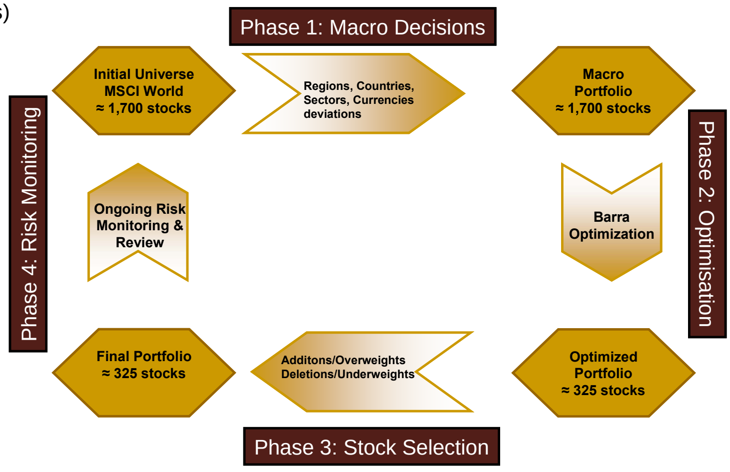
Deviations vs Benchmark

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

* With minor variations as outlined in the investment guidelines.

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

Process



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.