

GLOBAL EQUITIES

Performance (see notes on reverse side)

| As of 06/30/06 (US\$) | QTR | YTD | 1 year | 3 years | 5 years |
|---------------------------|--------------|--------------|---------------|---------------|---------------|
| Hexavest Composite | 1.41% | 7.71% | 21.33% | 21.37% | 11.96% |
| MSCI World Net | -0.51% | 6.06% | 16.93% | 16.86% | 5.72% |
| Value added | 1.92% | 1.65% | 4.40% | 4.51% | 6.24% |

Positive contributors (quarter)

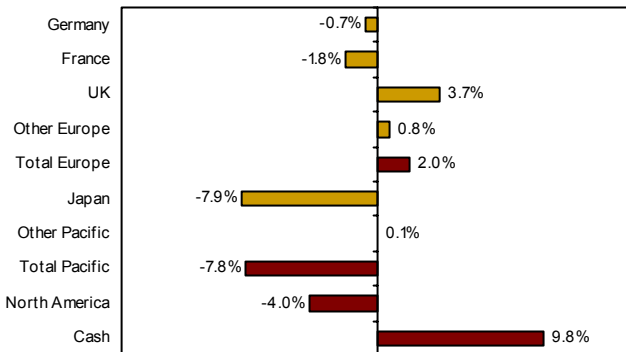
- Regional allocation: Underweighting in Japan and overweighting in the UK.
- Sector allocation: Overweighting in defensive sectors (Consumer Staples, Telecoms, and Healthcare).
- Currencies: Underexposure of the US dollar against the Euro and the Singapore dollar.
- Cash position in a sluggish market.

Negative contributors (quarter)

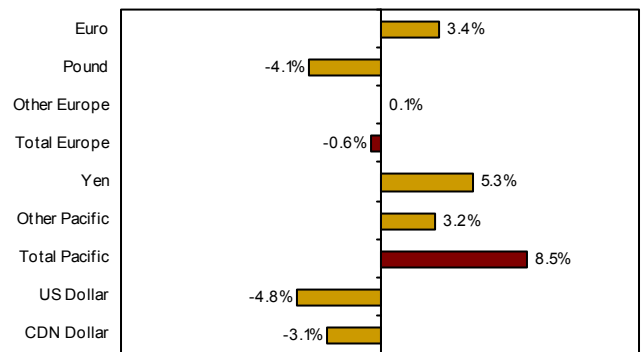
- Sector allocation: Underweighting in Utilities and overweighting in Healthcare in the US.

Model Portfolio

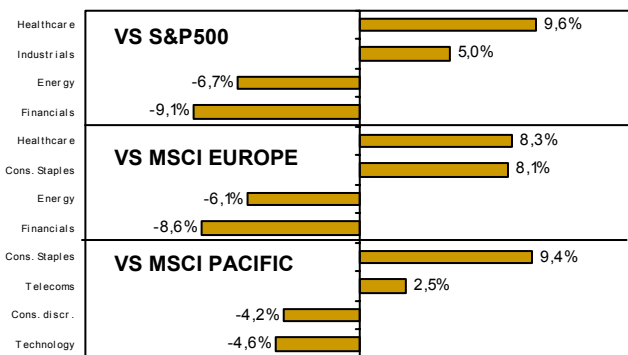
COUNTRY DEVIATIONS VS MSCI WORLD



CURRENCY DEVIATIONS VS MSCI WORLD



MAJOR SECTOR DEVIATIONS (EX. CASH)



TOP 10 STOCK HOLDINGS

| Description | Country/Region | % of Portfolio |
|----------------------|----------------|----------------|
| Intel Corp. | United States | 2.2% |
| Merck & Co. | United States | 2.0% |
| Pfizer | United States | 1.8% |
| Johnson & Johnson | United States | 1.7% |
| Altria Group | United States | 1.6% |
| General Electric | United States | 1.4% |
| Glaxosmithkline | United Kingdom | 1.4% |
| Unilever | Netherlands | 1.3% |
| Kimberly-Clark | United States | 1.1% |
| Emerson Electric Co. | United States | 1.1% |

Strategy

- The quarter-end rally that followed May's correction seems to indicate that investors aren't wary of higher energy and commodity prices, global interest rate hikes, slowdown in real estate, and geopolitical tensions. But given our contrarian views, we remain very cautious and are **increasing the defensive bias of our portfolio**.
- Our defensive bias results in a **relatively high cash position and a significant exposure to sectors less affected by monetary tightening (Consumer Staples, Telecoms, and Healthcare)**. We have also significantly reduced our exposure to cyclicals (Energy and Materials).
- The Japanese stock market, after a correction of nearly 11% since its peak, remains shaky due to fears of a global economic slowdown, low forecasted earnings growth for 2006 and the strength of the Yen. **Japan remains our largest underweight position**.
- Global imbalances could take a heavy toll on the greenback whereas global monetary tightening is likely to weaken currencies, like the Canadian dollar and Australian dollar, that are powered by basic materials. **We therefore prefer the Yen, the Singapore dollar, and the Euro**.

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



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

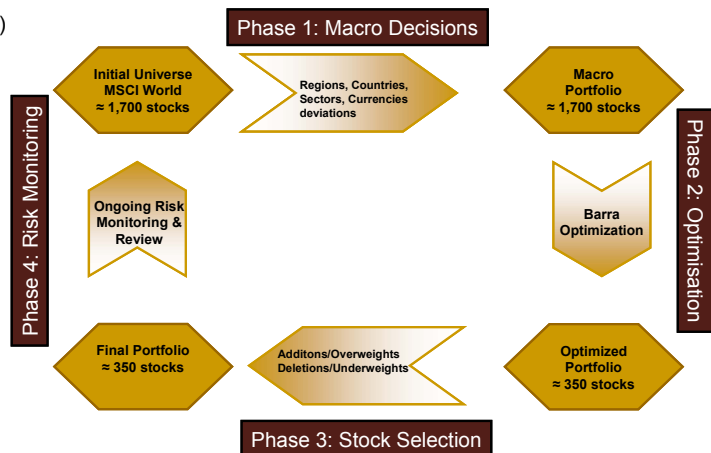
| | |
|-----------------------------|----------------------------|
| Benchmark: | MSCI WORLD |
| Value added objective: | 2% (4-year moving periods) |
| Tracking error: | 3% to 5% |
| # of holdings: | 325 to 375 |
| Derivatives: | 0% to 40% |
| Active currency management: | Yes |
| Cash: | 0% to 10% |

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.

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