

GLOBAL EQUITIES

Performance (see notes on reverse side)

As of 09/30/08 (US\$)	<u>QTR</u>	<u>YTD</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>Since inception</u>
Hexavest Composite	-7.37%	-12.81%	-13.19%	4.71%	10.85%	6.78%
MSCI World Net	-15.25%	-24.21%	-26.05%	0.75%	7.32%	1.88%
Value added	7.88%	11.40%	12.86%	3.96%	3.53%	4.90%

Positive factors (Quarter)

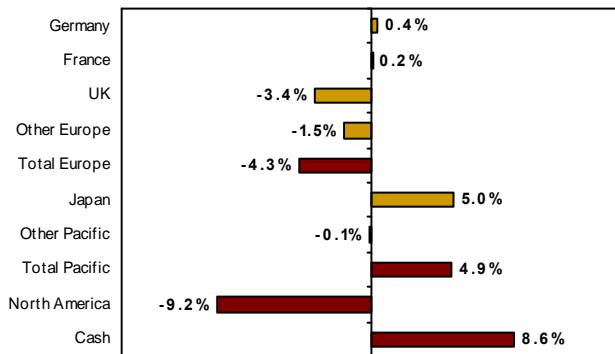
- Regions/Countries: Cash and put options in declining markets. Underweight in Canada.
- Sectors/Industries: Underweight positions in Energy and Materials (3 regions). Overweight positions in Healthcare and Staples (3 regions).
- Currencies: Overweight position in the Yen. Overweight position in the US dollar against an underweight position in the Euro initiated during the 3rd quarter.

Negative factors (Quarter)

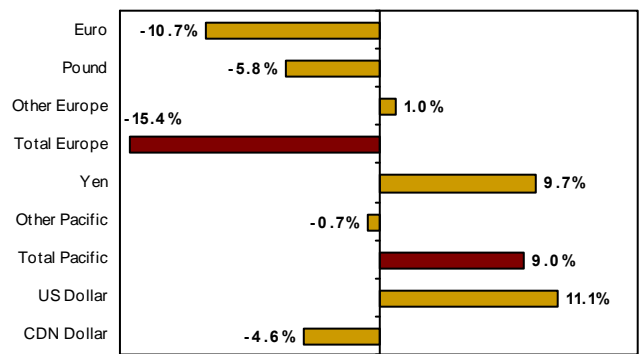
- Sectors/Industries: Underweight positions in Financials and Consumer Discretionary in all regions.

Model Portfolio

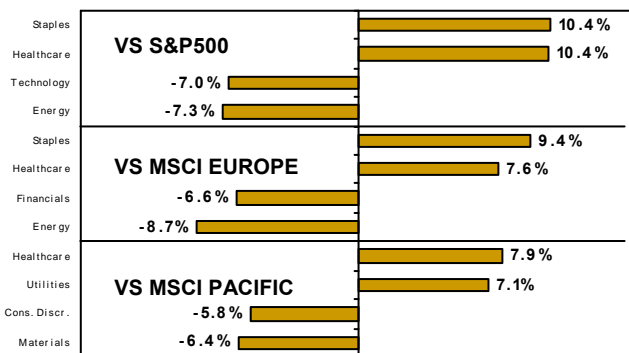
COUNTRY DEVIATIONS VS MSCI WORLD



CURRENCY DEVIATIONS VS MSCI WORLD



MAJOR SECTOR DEVIATIONS (EX. CASH)



TOP 10 STOCK HOLDINGS

Description	Country/Region	Sectors	% of Portfolio
Microsoft Corp.	US	Technology	1.7%
Johnson & Johnson	US	Healthcare	1.6%
Procter & Gamble	US	Staples	1.4%
General Electric	US	Industrials	1.3%
Pfizer	US	Healthcare	1.3%
Philip Morris Intl.	US	Staples	1.3%
Nestlé	Switzerland	Staples	1.0%
Abbott Labs	US	Healthcare	0.9%
Walmart	US	Staples	0.9%
Kraft Foods	US	Staples	0.9%

Strategy

- It goes without saying that stock markets around the world are currently in turmoil. The foundations of financial systems in the US, Europe, and Asia are shaking. **The conditions for reducing our defensive bias are not present yet.** Given the current capitulation in markets our Sentiment vector is now positive (we are contrarian). Our Macro-economic vector remains very negative and we would need to see a stabilization in the US housing market, better credit conditions, and a recovery in the employment statistics before changing that assessment. Regarding Valuation, our internal model points to markets being undervalued. However, earnings expectations are still too optimistic. This vector is thus slightly negative but that could change rapidly should markets continue falling.
- In the next six to twelve months, **we anticipate maintaining a neutral position in Financials versus the benchmark.** Although this crisis is far from over, investors are close to a capitulation in Financials. While the credit crisis is pounding the financial economy, its effects on the real economy are just beginning to be felt. **There may be additional challenging situations ahead, namely in Energy and Materials, where we continue to remain significantly underweight.**
- We have significantly increased our weighting in the US dollar against the Euro in the last quarter.** Although the \$700B bailout plan will add to the US debt as a percentage of GDP, it is still not alarming by OECD standards. The US dollar and the Yen will continue to benefit from the deleveraging process. Investors have come to realize that Europe is not immune to the US recession and that the BCE will not be able to hold the fort much longer in their fight against inflation.

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

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

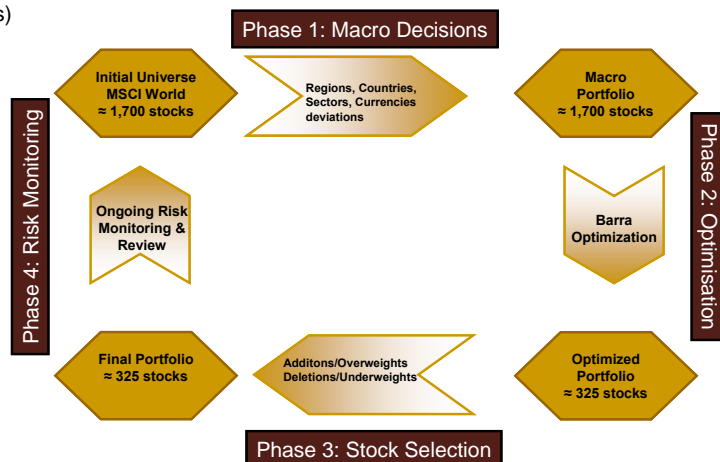
Benchmark:	MSCI WORLD
Value added objective:	2% (4-year moving periods)
Tracking error:	3% to 5%
# of holdings:	325 on average
Derivatives exposure:	0% to 40%
Active currency management:	Yes
Cash:	0% to 10%

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.