Quarterly Bulletin

December 31, 2009

HEXAVEST

International Equities

Performance (see notes on reverse side)

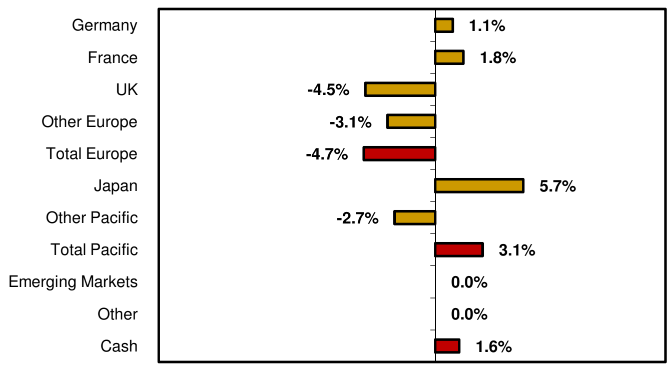
As of 12/31/09 (CAD)	QTR	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest Composite	**-2.04%**	**11.48%**	**11.49%**	**-4.21%**	**3.31%**	**1.89%**	**7.90%**
MSCI EAFE Net	-0.20%	11.91%	11.91%	-9.25%	0.81%	-2.06%	4.87%
Value added	**-1.84%**	**-0.43%**	**-0.42%**	**5.04%**	**2.50%**	**3.95%**	**3.03%**

Positive factors (Quarter)
- Currencies: Underweight the Yen against the US dollar.
- Sectors/Industries: Overweight Consumer Discretionary in Asia.
- Stocks: Overweight Nestlé, L'Oréal, Coca-Cola Amatil (Staples), Nissan (Cons. Disc.), and Philips (Industrials).

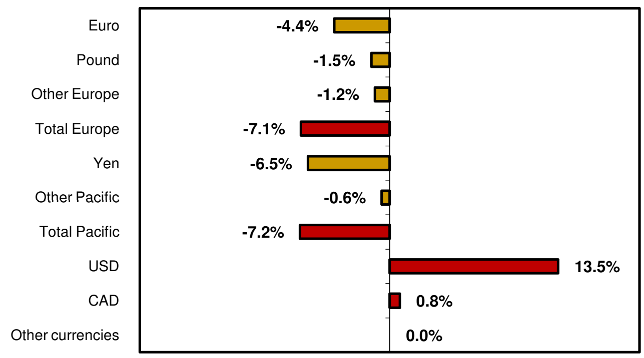
Negative factors (Quarter)
- Regions/Countries: Overweight Japan and underweight the UK.
- Sectors/Industries: Overweight Financials and underweight Materials.
- Stocks: Overweight Barclays, Seven Bank, Sumitomo Mitsui (Financials), and Nokia (Technology), as well as underweight Anglo American and Rio Tinto (Materials).

Model Portfolio

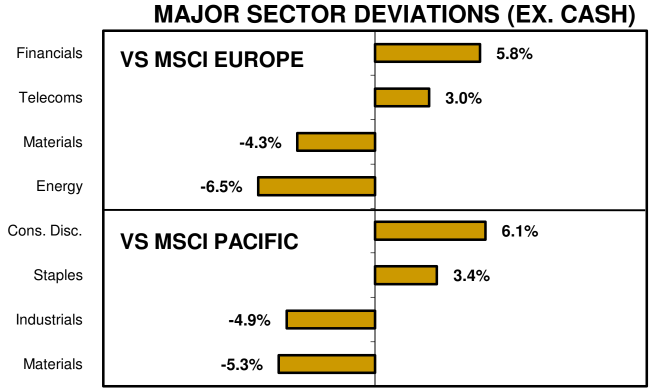
COUNTRY DEVIATIONS VS MSCI EAFE



CURRENCY DEVIATIONS VS MSCI EAFE



MAJOR SECTOR DEVIATIONS (EX. CASH)



TOP 10 STOCK HOLDINGS

Description	Country/Region	Sector	% of Portfolio
Nestlé SA	Switzerland	Cons. Staples	2.6%
HSBC Holdings	United Kingdom	Financials	2.3%
Toyota Motor Corp.	Japan	Cons. Disc.	2.1%
Vodafone Group	United Kingdom	Telecoms	1.9%
Telefonica SA	Spain	Telecoms	1.4%
Novartis AG	Switzerland	Healthcare	1.3%
GlaxoSmithKline Inc.	United Kingdom	Healthcare	1.3%
E.On AG	Germany	Utilities	1.3%
Roche Holding AG	Switzerland	Healthcare	1.2%
Vivendi SA	France	Cons. Disc.	1.2%

Strategy

- The colossal fiscal and monetary stimulus packages are having a greater impact on economic activity than we had anticipated. Although we doubt the economic recovery will last, all the ingredients are currently in place to recreate conditions for a financial assets bubble. On the valuation front, we remain neutral despite the impressive rally of 2009. Earnings growth could exceed 2010 expectations as additional cost-cutting measures, albeit less significant than in 2009, will continue to prop up margins. Sales volumes could surprise on the upside owing to expectations of an improving labor market and a healthy global economy. In terms of sentiment, very few investors are overweight in the stock markets as many fear a second leg to the recession. If economic data continues to be positive, cash that is sitting on the sidelines could be redeployed towards equities in the coming months. **We are anticipating positive stock market returns for the first half of 2010 and, consequently, we are maintaining our bullish positioning.**
- Despite the clear improvement of Japan's economy, its stock market significantly underperformed in 2009 as investors were scared of policy inaction, a stronger yen, deflation, and a high level of public debt. The new government and the BoJ finally started cooperating to fight deflation and to weaken the yen in order to avoid any economic relapse before the Senate election next summer. We believe that the end of policy inaction will reduce investors' anxiety and reconnect them to the improved economic and earnings realities of Japan, especially when earnings are expected to rebound significantly next year. **Consequently, we are maintaining our overweighting in Japanese stocks.**
- In terms of sector allocation, we are currently underweight in Energy. Worldwide demand has fallen off a cliff, with revival seen only in developing countries. Inventories and spare capacity are very high and, in our opinion, do not support a barrel of oil at $80. Stocks are expensive at 17X next year's earnings - a trough cycle multiple. Moreover, investors are massively overweighting energy stocks and net long future positions are already back at a record level: a negative indicator for our contrarian sentiment vector. **We are therefore underweight in the Energy sector by 5%.**

Quarterly Bulletin

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International Equities

Investment Team

Vital Proulx, CFA
Overall Portfolio Strategy

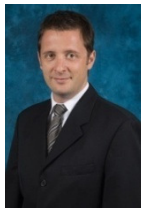
J.-R. Adam, M.Sc., CFA
PM - North America

Denis Rivest, CFA
PM - Europe

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

J.-B. Leblanc, M.Sc., CFA
Analyst - Europe

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



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

Robert Brunelle, CFA, a.s.a.
Chair of Investment Committee
Client Services

Distinctive Elements

Exceptional performance and risk/return profile

Experienced, stable, and highly motivated team
- Team built steadily over 18 years
- Responsibilities clearly outlined
- Efficient decision making process

Clearly defined Philosophy and Style
- Consistently applied for over 18 years

Proprietary process, rigorous and well tested
- Fundamental research supported by proprietary quantitative models
- Continuous risk management

Client service 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

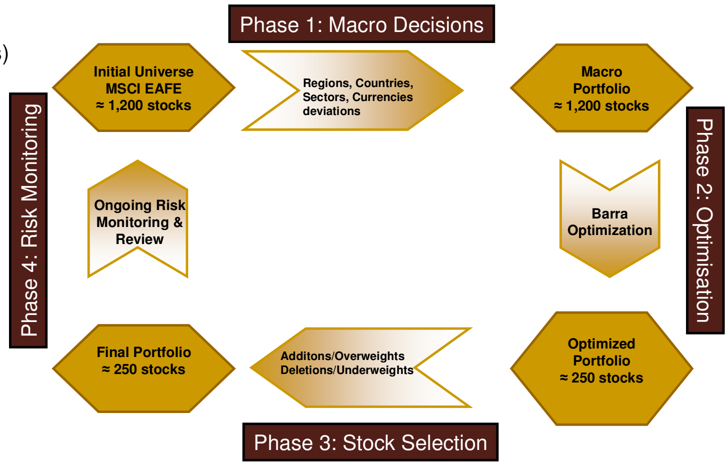
Benchmark:	MSCI EAFE
Value added objective:	2% (4-year moving periods)
Tracking error:	3% to 5%
# of holdings:	250 on average
Derivatives exposure:	0% to 40%
Active currency management:	Yes
Cash:	0% to 10%

Deviations vs Benchmark

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

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 EAFE mandates managed by Mr. Vital Proulx and his team at St. Lawrence Financial Consultants (from 1991 to 1996), Kogeva (from 1997 to 1998), Natcan (1998 to April 2004), and Hexavest (Since May 2004).

The inception date of the composite is May 1, 1991.

Performance results are presented gross of management and custodial fees. Management fees for pooled fund mandates are:

0 to $10M:	0.60%
$10 M to $40M:	0.50%
> $40M:	0.40%

As of June 30, 2009, fund expenses were 0.09%.