

INTERNATIONAL EQUITIES

Performance (see notes on reverse side)

As of 06/30/07 (\$US)	QTR	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest Composite	3.38%	6.51%	16.18%	19.03%	18.56%	8.92%	10.40%
MSCI EAFE Net	6.40%	10.74%	27.00%	22.24%	17.73%	7.66%	8.17%
Value added	-3.02%	-4.23%	-10.82%	-3.21%	0.83%	1.26%	2.23%

Positive factors (Quarter)

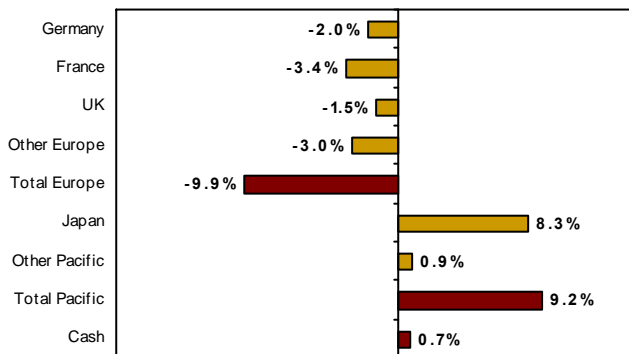
- Sector allocation: In Europe, underweight position in Financials and overweight position in Telecoms.
- Stock selection: Vodafone and Nokia (Europe), Oxiana (Materials in Australia), and Canon, Kyocera and Toshiba (Technology in Japan).

Negative factors (Quarter)

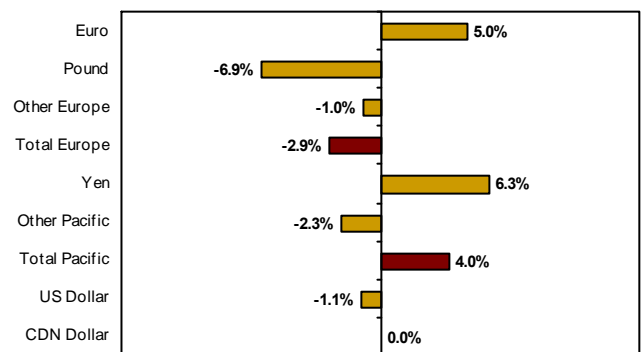
- Regional allocation: Overweight position in Asia vs Europe.
- Sector/Industry allocation: Underweight position in Energy (best performing sector) and overweight positions in Consumer Staples and Healthcare as well as in gold stocks (Materials).
- Stock selection: Chugai Pharma (Healthcare in Japan) and Glaxosmithkline (Healthcare in Europe).

Model Portfolio

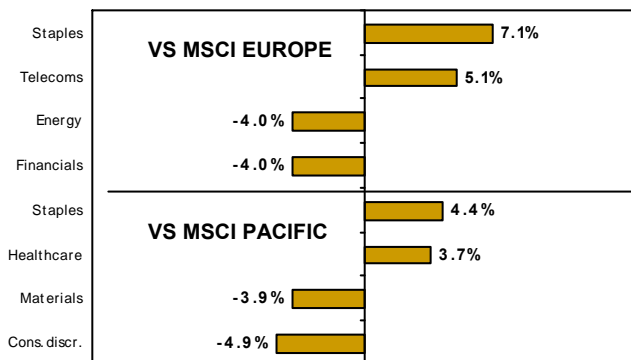
COUNTRY DEVIATIONS VS MSCI EAFE



CURRENCY DEVIATIONS VS MSCI EAFE



MAJOR SECTOR DEVIATIONS (EX. CASH)



TOP 10 STOCK HOLDINGS

Description	Country/Region	% of Portfolio
Nestlé	Switzerland	2.0%
Vodafone Group	United Kingdom	1.8%
Telefonica SA	Spain	1.7%
Roche Holdings	Switzerland	1.5%
Mitsubishi UFJ	Japan	1.5%
Nokia	Finland	1.4%
ING Groep NV	Netherlands	1.4%
Novartis	Switzerland	1.4%
Mizuho Financials	Japan	1.3%
Sumitomo Mitsui	Japan	1.3%

Strategy

- Our defensive strategy, which has been in place since spring 2006, was based on the slowdown of the American housing market. We thought its downturn – the first domino to fall – would curtail US consumer spending, Chinese production, the global economy, profit growth, and stock markets worldwide. At this moment, it appears that this domino fell too far from the second one to effect any kind of chain reaction. The market, however, is barely starting to grasp what kind of implications a subprime market meltdown will have on other financial instruments that stem from it. The closing of two Bear Stearns hedge funds is just the tip of the iceberg. **We are therefore maintaining our defensive bias.**
- Extensive monetary tightening and higher inflation will have a negative effect on the European economy. What's more, based on the median stock, the European market has rarely been so overvalued as it is currently, and crowd sentiment is overly optimistic. **We are therefore underweighting Europe vs Asia.**
- Asian Techs are displaying impressive growth. Stocks are offered at a reasonable price while product demand and sentiment are reviving. We have therefore been accumulating positions on weakness since the beginning of 2007 and **we have transformed our underexposure of 5% into an overexposure of 2%.**
- **We favor the Yen and Euro over the Pound and Aussie Dollar.** Japan's Central Bank has just entered its cycle of normalizing rates while the Bank of England is nearing the end of its cycle. What's more, the Yen, compared to other main currencies, is heavily undervalued.



QUARTERLY BULLETIN

JUNE 30, 2007

INTERNATIONAL 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 15 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

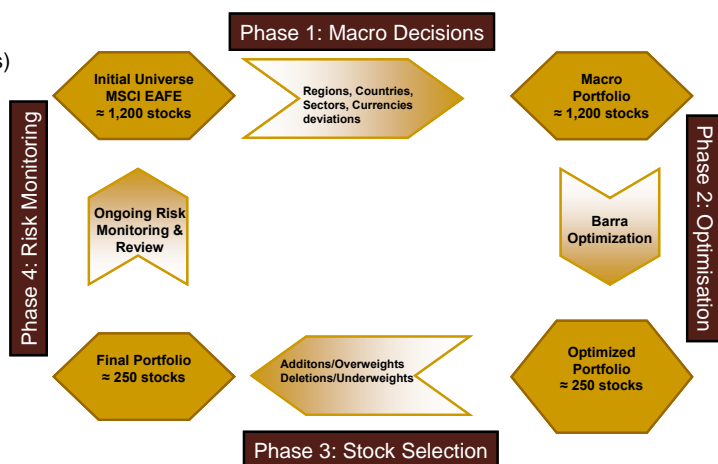
Benchmark:	MSCI EAFE
Value added objective:	2% (4-year moving periods)
Tracking error:	3% to 5%
# of holdings:	250 on average
Derivatives exposure:	0% to 40%
Active currency management:	Yes
Cash:	0% to 10%

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).

Performance results are presented gross of investment management fees.

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

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.