



QUARTERLY BULLETIN

MARCH 31, 2005

HEXAVEST

INTERNATIONAL EQUITIES

Performance (see notes on reverse side)

As at 03/31/05 (US\$)	QTR	YTD	1 year	3 years	5 years	10 years
Hexavest Composite	-0.28%	-0.28%	13.49%	18.01%	4.86%	9.30%
MSCI EAFE	-0.10%	-0.10%	15.49%	12.06%	-0.81%	5.73%
Value added	-0.18%	-0.18%	-2.00%	5.95%	5.67%	3.57%

Positive contributors (quarter)

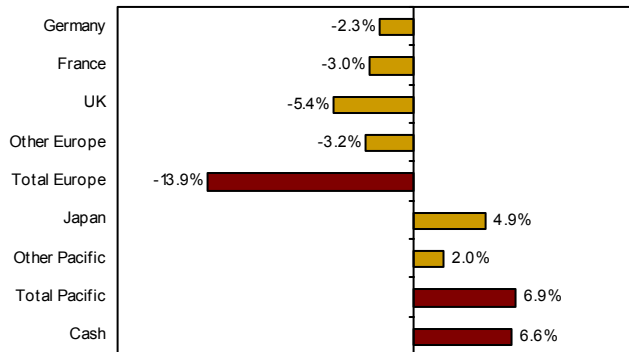
• Sector allocation: Overweight position in Energy and Materials and underweight position in Financials and Technology.

Negative contributors (quarter)

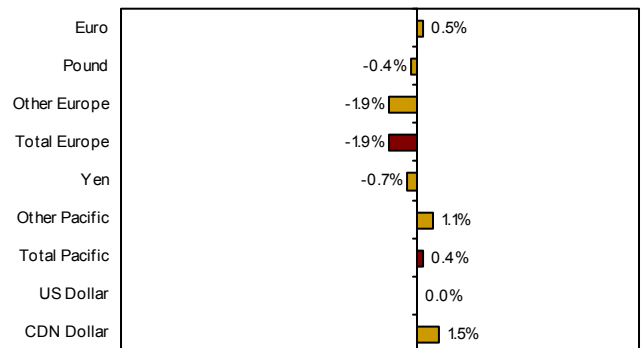
• Country allocation: Overweight position in Asia (Japan) which underperformed Europe.

Model Portfolio

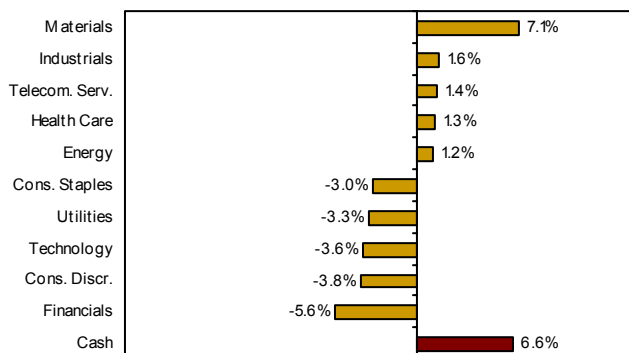
COUNTRY DEVIATIONS VS MSCI EAFE



CURRENCY DEVIATIONS VS MSCI EAFE



SECTOR DEVIATIONS VS MSCI EAFE



TOP 10 HOLDINGS

Description	Country/Region	% of Portfolio
FTSE 100	UK	4.5 %
Total	France	2.7 %
Glaxosmithkline	UK	2.6 %
Deutsche Telekom	Germany	1.9 %
Royal Dutch Petroleum	Netherlands	1.8 %
ENI	Italy	1.8 %
UPM-Kymmene-Oy	Finland	1.8 %
Telefonica	Spain	1.6 %
Portugal Telecom	Portugal	1.5 %
Stora Enso	Finland	1.5 %

Strategy

- After a successful restructuring process, the next influx of capital into Japanese stocks might come from massive dividend increases. After five years of cost cutting, large Japanese companies are sitting on a surplus of over 150 billion \$. However, they still post lower dividend yields than Western economies. **We are maintaining our overweight position in Japan.**
- Even if China's economic growth remains healthy in 2005, a lagging US economy will dampen investor's enthusiasm towards Resource sectors (Energy and Basic Materials). **Therefore, we have taken our profits in these sectors** early in the second quarter and **reinvested them in Health Care** which trades at historically low multiples.

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



Robert Brunelle, ASA, CFA
Business Development
Client Servicing

Distinctive Elements

Exceptional performance and risk/return profile

Experienced, stable and highly motivated team

- Team built steadily over 15 years
- All investment team members 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 and excess management at the security decision level.



Top-down approach

The vast quantity of economic and financial data requires a structured process.



Proprietary quantitative models supporting fundamental research

Summary

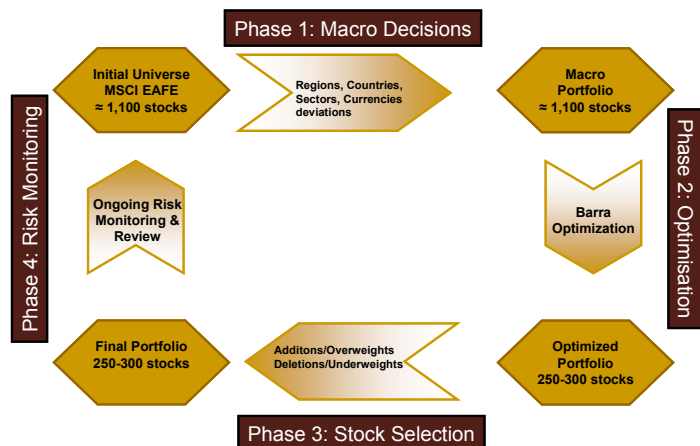
Benchmark:	MSCI EAFE
Value added objective:	2% (4-year moving periods)
Tracking error:	3% to 5%
# of holdings:	250 to 300
Derivatives:	0% to 40%
Active currency management:	Yes
Cash:	0% to 10%

Deviations vs Benchmark

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

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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). Despite changes in the accounts' structure, the investment decision-making process has not undergone any significant changes between 1991 and 2004.

Performance results are presented gross of custodial fees. These represent approximately 45 basis points annually from 1991 to 1998, approximately 12 basis points annually from 1998 to May 2004 and 20 basis point thereafter.