

INTERNATIONAL EQUITIES

Performance (see notes on reverse side)

As of 03/31/08 (CAD\$)	QTR	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest Composite	-0.36%	-0.36%	-9.77%	7.02%	13.59%	5.83%	9.05%
MSCI EAFE Net	-5.30%	-5.30%	-13.46%	7.26%	12.97%	2.77%	6.50%
Value added	4.94%	4.94%	3.69%	-0.24%	0.62%	3.06%	2.55%

Positive factors (Quarter)

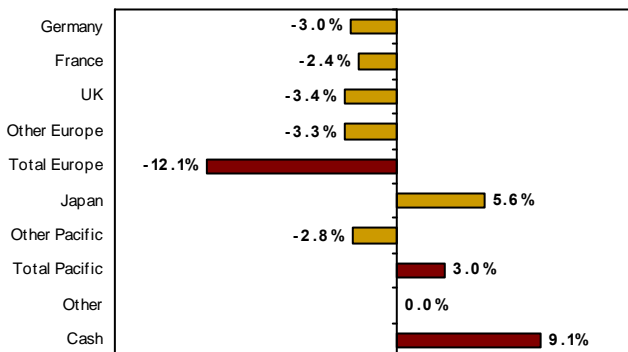
- Regions/Countries: Cash and put options in declining markets.
- Currencies: Overweight position in the Yen and the Swiss Franc.
- Sectors/Industries: Overweight position in Consumer Staples in both regions.
- Stocks: Overweight position in Gold stocks.

Negative factors (Quarter)

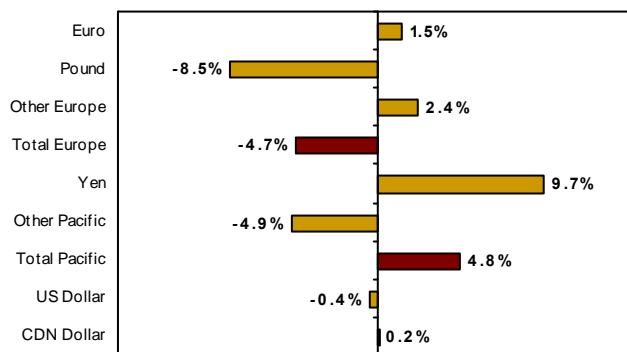
- Regions/Countries: Overweight position in Asia against Europe.
- Sectors/Industries: Overweight position in Telcos (Europe) and Healthcare (Asia).
- Stocks: In Europe, underperformance in Technology (Nokia) and Industrials (EADS, Siemens). In Asia, underperformance in Industrials (Airlines, Mitsubishi Electric, Mitsubishi Corp.) and Consumer Discretionary (Daito Trust).

Model Portfolio

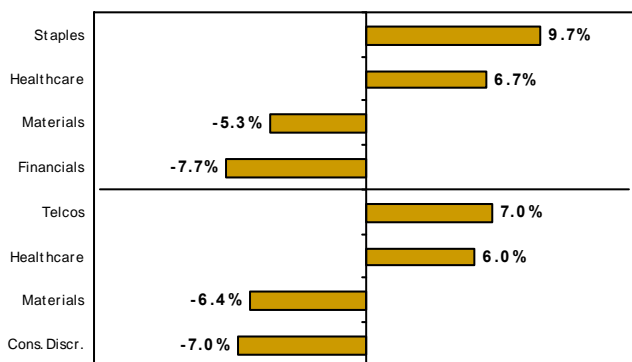
COUNTRY DEVIATIONS VS MSCI EAFE



CURRENCY DEVIATIONS VS MSCI EAFE



MAJOR SECTOR DEVIATIONS (EX. CASH)



TOP 10 STOCK HOLDINGS

Description	Country/Region	Sector	% of Portfolio
Nestlé	Switzerland	Staples	2.5%
Roche Holdings	Switzerland	Healthcare	1.9%
Novartis	Switzerland	Healthcare	1.8%
Vodafone Group	UK	Telecommunication	1.6%
British American Tobacco	UK	Staples	1.4%
Telefonica	Spain	Telecommunication	1.3%
Nokia	Finland	Technology	1.3%
E.ON	Germany	Utilities	1.3%
Glaxosmithkline	UK	Healthcare	1.2%
Diageo	UK	Staples	1.1%

Strategy

- Consensus from economists is still indicating a slowdown in the economies of developed markets in 2008 followed by a v-shape recovery in 2009. However, the loss of 80,000 jobs in March all but confirms that the US economy is in recession. Recent actions by the Federal Reserve, including the emergency salvage of Bear Stearns, have limited the downside in Financials. That being said, the credit crisis is still unresolved. Banks are tightening credit standards as they strive to clean up their balance sheets. Given the Financial sector's woes, we doubt we'll witness a strong recovery in 2009.
- High inflation in Europe remains an important concern of the ECB and it impairs its flexibility when reducing rates in a declining economy. Furthermore, European banks have significantly tightened their credit standards thereby curbing consumer growth. Credit spreads are at a record high which provides a challenge for companies to get financing and also increase their borrowing costs. **We remain significantly underweight in Europe.**
- We are at a loss as to why oil prices are so high. The weakness of the US dollar barely explains the surge; over the last six months, the US dollar has dropped by 8% while oil has increased by a whopping 40%. Furthermore, oil inventory levels are normal. Even agencies that measure global oil demand have made downward revisions of their forecasts in light of the global economic slowdown. It seems that speculation is the main culprit behind higher oil prices as evidenced by the record breaking pace of exposure to oil via derivative positions. We are therefore maintaining our underweight position in Energy.
- Although the Yen has gained significant ground against the US dollar, we believe it still has farther to go. Underlying this belief is the positive correlation between the Yen and volatility (as measured by the VIX) and the negative correlation between the Yen and the performance of stock markets. In our opinion, we are in the beginning of a global stock market correction which should lead to a significant increase in volatility. **We continue to favor the Yen.**

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
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 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 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

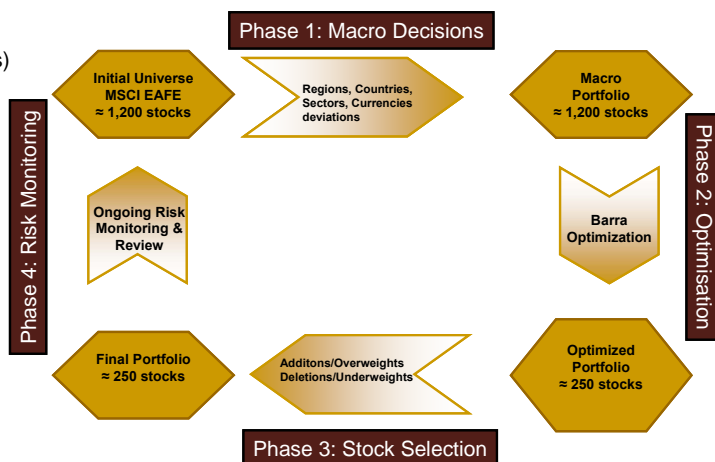
Benchmark:	MSCI EAFE
Value added objective:	2% (4-year moving periods)
Tracking error:	3% to 5%
# of holdings:	250 on average
Derivatives exposure:	0% to 40%
Active currency management:	Yes
Cash:	0% to 10%

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

As of December 31, 2007, custodial fees were 0.09%.