QUARTERLY BULLETIN

SEPTEMBER 30, 2004

HEXAVEST

INTERNATIONAL EQUITIES

Performance (see notes on reverse side)

As at 09/30/04 (US$)	QTR	YTD	1 year	3 years	5 years	10 years
Hexavest Composite	**0.73%**	**6.39%**	**23.54%**	**15.79%**	**4.60%**	**7.89%**
MSCI EAFE	-5.82%	4.62%	22.52%	9.52%	-0.51%	4.34%
Value added	**0.96%**	**1.77%**	**1.02%**	**6.27%**	**5.11%**	**3.55%**

Positive contributors (quarter)

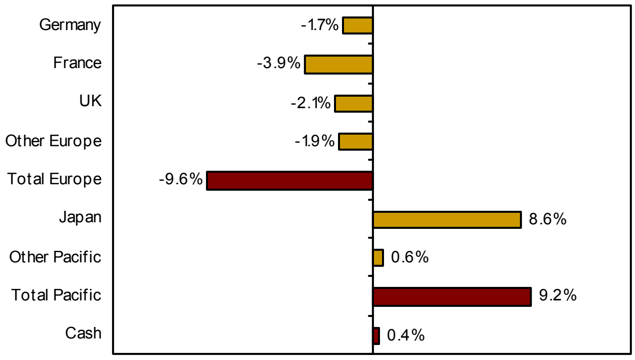
- Sector allocation: Overweight position in Energy and Basic Materials
- Relatively high level of cash at the beginning of the quarter

Negative contributors (quarter)

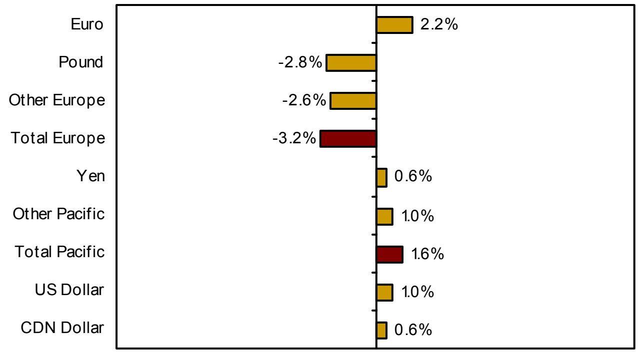
- Regional allocation: Underweight position in Europe
- Country Allocation: Overweight position in Japan

Model Portfolio

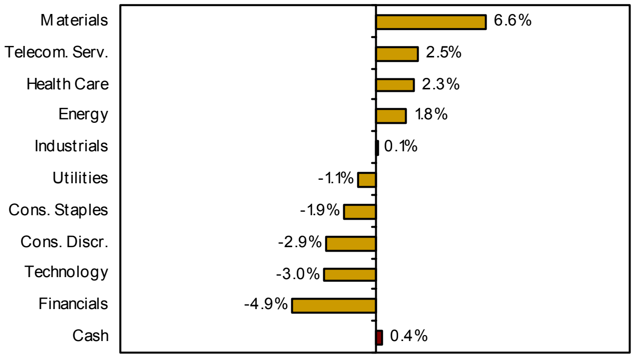
COUNTRY DEVIATIONS VS MSCI EAFE



CURRENCY DEVIATIONS VS MSCI EAFE



SECTOR DEVIATIONS VS MSCI EAFE



TOP 10 HOLDINGS

Description	Country/Region	% of Portfolio
FTSE 100	UK	10.8%
Topix	Japan	6.1%
DJ Euro Stoxx	Europe	2.9%
Deutsche Telekom	Germany	2.2%
Glaxosmithkline	UK	1.9%
ENI	Italy	1.7%
SMI	Switzerland	1.4%
UPM-Kymmene-Oy	Finland	1.3%
Norsk Hydro	Norway	1.3%
Vodafone Group	UK	1.3%

Strategy

- **Countries – Japan**: The financial health of Japanese companies continues to improve. Sales are rising, costs are declining and over-indebtedness of these companies relative to GDP is now in the past. We are maintaining our overweight position in Japan.
- **Sectors – Materials**: We continue to favour Materials. Demand from China is still strong and producers have been very disciplined over the past few years.
- **Currencies**: We feel currencies are fairly valued. Consequently, we do not have any currency bets vs the index at the moment.

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SEPTEMBER 30, 2004

HEXAVEST

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
Analyst - Materials

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

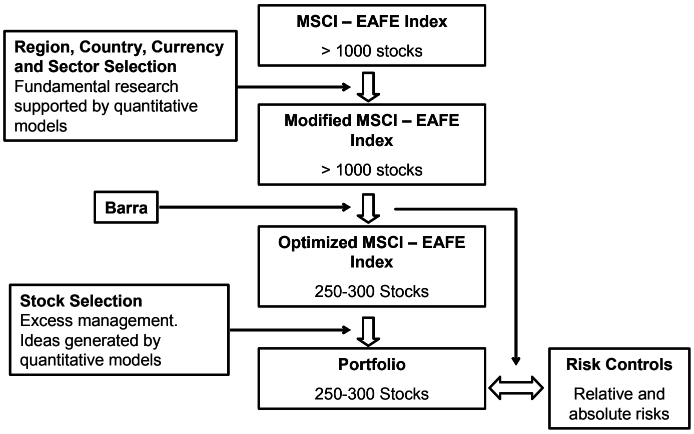
Philosophy	Style
We believe that by actively managing all drivers of performance we maximize our chances of success and diversify our risks.	**Core portfolio**
We strive to protect the capital of our clients.	**Value bias**
Our competitive edge lies in our analysis of macro-economic factors and excess 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%

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). 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 and approximately 12 basis points annually from 1991 to 2004.