Quarterly Bulletin

March 31, 2009

US Equities

Performance (see notes on reverse side)

As of 03/31/09 (CAD$)	QTR	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest Composite	**-7.67%**	**-7.67%**	**-11.66%**	**-5.43%**	**-1.75%**	**-0.44%**	**8.21%**
S&P 500	-9.31%	-9.31%	-24.08%	-10.84%	-5.59%	-4.77%	6.98%
Value added	**1.64%**	**1.64%**	**12.42%**	**5.41%**	**3.84%**	**4.33%**	**1.23%**

Positive factors (Quarter)

- Countries: Overweight position in Canada.
- Sectors/Industries: Overweight positions in Materials and in the Drug Distributors and Refiners industries.
- Stocks: Overweight positions in Petro-Canada, Talisman (Energy), Northern Trust, Bank of NY Mellon (Financials), Freeport McMoran (Materials) and Sun Microsystems (Tech.).

Negative factors (Quarter)

- Sectors/Industries: Overweight position in Financials and underweight position in Technology.
- Stocks: Overweight positions in News Corp., Office Max (Cons. Discr.) and DTE Energy, American Electric Power (Utilities).

Model Portfolio

SECTOR DEVIATIONS

Sectors	Hexavest			S&P 500	Deviation
	U.S.	Canada	Total		
Energy	6.9%	4.3%	11.2%	13.0%	-1.8%
Materials	7.9%	0.9%	8.8%	3.3%	5.5%
Industrials	9.4%		9.4%	9.7%	-0.3%
Consumer Discretionary	9.0%	0.7%	9.7%	8.8%	0.9%
Consumer Staples	6.9%		6.9%	12.8%	-5.9%
Healthcare	14.2%		14.2%	15.3%	-1.1%
Financials	19.3%		19.3%	10.8%	8.4%
Technology	11.6%		11.6%	18.0%	-6.4%
Telecoms	3.0%	1.0%	4.0%	4.0%	0.0%
Utilities	4.5 %		4.5 %	4.3 %	0.2%
Cash	0.5%		0.5%	**0.0%**	0.5%
Total	**93.0%**	**7.0%**	**100.0%**	**100.0%**	**0.0%**
Currency exposure	*99.6%*	*0.4%*	*100.0%*		

TOP 10 STOCK HOLDINGS

Description	Sector	% of portfolio
ETF Financials	Financials	8.8%
Freeport McMoran	Materials	3.0%
Wyeth	Healthcare	2.6%
Pfizer	Healthcare	2.5%
Merck	Healthcare	2.5%
General Electric	Industrials	2.1%
Marathon Oil	Energy	2.1%
Bank of NY Mellon	Financials	2.0%
Northern Trust	Financials	1.8%
ETF Home Builders	Cons. Discretionary	1.7%

CHARACTERISTICS

Characteristic	Hexavest	S&P 500
Weighted Avg. Market Cap. ($M) *	44,548	66,869
0 to $10 B	20.0%	18.9%
10 to $50 B	47.8%	38.9%
>$50 B	32.3%	42.2%
P/E (forecasted)	7.0X	8.9X
P/B	1.2X	1.7X
Dividend Yield	4.0%	3.1%
ROE	10.1%	21.2%
Expected earnings growth	12.6%	11.8%

* Market Cap information is in US$

Strategy

- We anticipate that the stock market rebound that began in mid-March will continue on its upward path over the coming months. **As a result, we are maintaining our more bullish positioning.** Given the unprecedented size and scope of the stimulus packages around the world, it is difficult to predict their long-term effect on the economy. However, on a short-term basis, their impact, combined with a rebuilding of depleted inventories, should allow a recovery in the economy in the next few quarters. Encouraging news about the economy plus financial systems out of intensive care should propel stock markets into positive territory before the end of the second quarter.
- Although banks will be facing serious challenges in the coming months (loan losses on cars, credit cards, commercial loans, construction loans, credit lines), the tide may be turning regarding their macro-economic environment. Positive factors include Treasury Secretary Tim Geithner's plan to remove troubled assets from banks' balance sheets, changes in accounting rules and positive stress test results. Based on banks' current tangible book value, multiples are below their historic trough and sentiment could not be more depressed. **Therefore, we have significantly increased our allocation to Financials.**
- **We have increased our allocation to General Electric to an overweight position.** GE has been severely punished by investors who feared its financial arm, GE Capital, might bring the whole company down. However, according to stress test results, GE Capital is in better shape than many financial institution. Furthermore, GE Industrial is solid and well diversified and should benefit from infrastructure programs. GE Industrial now trades at a discount of 20% to its peers whereas it generally trades at a premium of 20%. As bankruptcy fears dissipate, we believe GE could experience a significant multiple expansion.

Quarterly Bulletin

March 31, 2009

HEXAVEST

US Equities

Investment Team

Vital Proulx, CFA
Overall Portfolio Strategy

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

Denis Rivest, CFA
PM - Europe

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

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

Jean-René Adam, M.Sc., CFA
PM - 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
- Responsibilities clearly outlined
- Efficient decision making process

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

Client servicing suited to your needs

Philosophy ⇨ Style

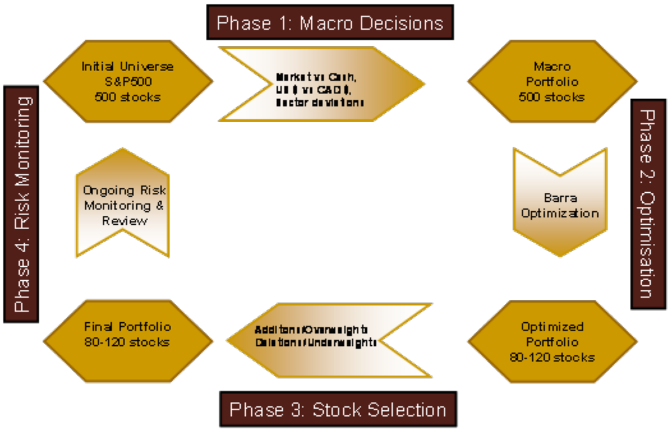
Philosophy	Style
We believe that by actively managing all drivers of performance we maximize our chances of success and diversify our risks.	**Core portfolio**
We strive to protect the capital of our clients.	**Value bias**
Our competitive edge lies in our analysis of macro-economic factors and excess 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:	S&P 500
Value added objective:	2% (4-year moving periods)
Tracking error:	3% to 5%
# of holdings:	80 to 120
Derivatives exposure:	0% to 20%
Active currency management:	Yes
Cash:	0% to 20%
Deviations vs Benchmark	
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 S&P500 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 2008, custodial fees were 0.06%.