



Canadian Equities

HEXAVEST

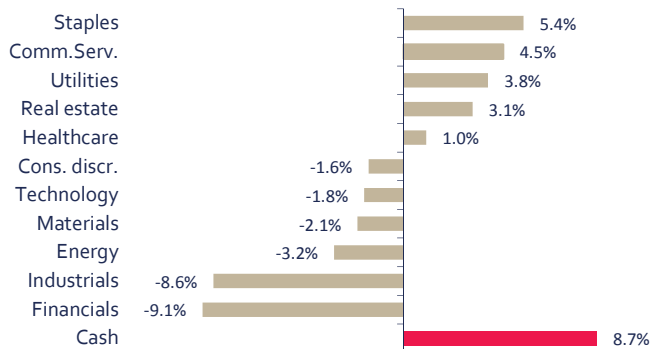
Performance (CAD)

Annualized	3 months	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest Composite	-3.00%	-5.02%	-2.34%	6.67%	6.03%	6.73%	6.22%
S&P/TSX Capped	-0.57%	1.36%	5.87%	9.70%	7.80%	6.30%	5.66%
VALUE ADDED	-2.43%	-6.38%	-8.21%	-3.03%	-1.77%	0.43%	0.56%

Ten last years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Hexavest Composite	-21.93%	45.90%	13.41%	-6.25%	8.52%	5.35%	12.63%	-6.85%	17.57%	9.84%
S&P/TSX Capped	-33.00%	35.05%	17.61%	-8.71%	7.19%	12.99%	10.55%	-8.32%	21.08%	9.10%
VALUE ADDED	11.07%	10.85%	-4.20%	2.46%	1.33%	-7.64%	2.08%	1.47%	-3.51%	0.74%

Positioning (Model Portfolio)

SECTOR DEVIATIONS VS. S&P/TSX



TOP 10 STOCK HOLDINGS

STOCK	COUNTRY	SECTOR	WEIGHT
BANK OF NOVA SCOTIA	Canada	Financials	5.4%
ROYAL BANK OF CANADA	Canada	Financials	5.1%
MANULIFE FINANCIAL CORP	Canada	Financials	4.3%
CANADIAN NATUR. RESOUR.	Canada	Energy	4.3%
BANK OF MONTREAL	Canada	Financials	4.1%
ALIMENTATION COUCHE B	Canada	Staples	3.4%
FORTIS INC	Canada	Utilities	2.6%
TELUS CORP	Canada	Comm.Services	2.5%
LOBLAW COMPANIES LTD	Canada	Staples	2.5%
ENCANA CORP	Canada	Energy	2.5%

MARKET CAPITALIZATION

	HEXAVEST	S&P/TSX
Weighted average (\$M)	56,252	48,864
0 to \$1B	1.9%	0.8%
1 to \$10B	27.8%	22.8%
> \$10B	70.3%	76.4%

PORTFOLIO METRICS

	HEXAVEST	S&P/TSX
Price/earnings	14.3x	15.4x
Price/book	1.6x	1.8x
Dividend yield	2.8%	2.7%
Return on equity	14.5%	15.0%
Earnings growth	7.8%	7.9%

Market Outlook

MACROECONOMIC ENVIRONMENT	VALUATION	SENTIMENT
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Given our negative analysis of all three vectors, we believe the risk of a market correction is high over our investment horizon. We are therefore maintaining a defensive positioning that includes a high cash level and an overweight in defensive sectors.

Canadian Equities

Summary

Benchmark	S&P/TSX Capped
Value added objective	2% (4-year rolling periods)
Active risk	3% to 5%
Number of holdings	60 to 80
Currency management	Active
Maximum foreign exposure	10%
Maximum cash exposure	10%

Investment Team

Kevin LeBlanc, CFA
Portfolio Manager

Mathieu Roy, M.Sc., CFA
Portfolio Manager

SECTOR DEVIATIONS VS. BENCHMARK

If weight < 10%:	Min: 0% / Max: W + 10%
10% < weight < 20%:	Min: W - 10% / Max: W + 10%
If weight > 20%:	Min: W x 50% / Min of (W + 10%) or 35%

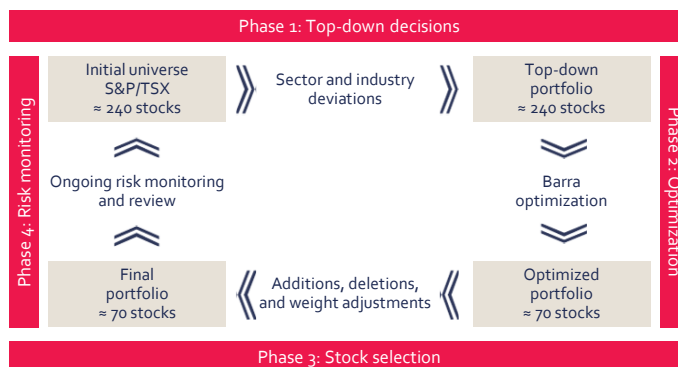
MANAGEMENT FEES

Commingled vehicle		Separate accounts	
First \$10 million:	0.40%	First \$20 million:	0.50%
Next \$30 million:	0.30%	Next \$30 million:	0.40%
> \$40 million:	0.20%	Next \$50 million:	0.30%
		> \$100 million:	0.20%
Administrative fees: (2017)	0.04%		

Investment Approach

- Top-down, team-driven process
- Diversified “core” portfolio with value bias
- Contrarian style
- Strong focus on downside protection
- Diversified sources of alpha (sectors, industries, stocks)
- Clearly defined process

Investment Process



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The performance shown is that of a composite of Canadian equity mandates managed by Hexavest. Accounts in the composite may have investment guidelines that differ from those of the model portfolio. The inception date of the composite is October 1, 2006. Performance results are presented gross of management and custodial fees but net of all trading commissions. Returns for periods greater than 12 months are annualized. Past performance is not necessarily indicative of future performance.

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