

Unconstrained Multi-Asset Fund

Performance (in CAD)

Annualized	3 months	YTD	1 year	2 years	3 years	Since inception
Hexavest Fund	1.30%	0.19%	0.23%	1.68%	4.47%	4.40%
FTSE TMX 91-Day Canada T-Bills	0.31%	0.92%	1.15%	0.81%	0.69%	0.68%
VALUE ADDED	0.99%	-0.73%	-0.92%	0.87%	3.78%	3.72%

Risk-Return Profile

Standard deviation (annualized volatility)	3.1%
Information ratio (since inception)	1.3

Up capture	18.5%	Best quarter	5.00%
Down capture	13.0%	Worst quarter	-2.04%

Note: Daily returns of the fund divided by the daily returns of the MSCI ACWI Index (hedged in CAD) during days of up-market and down-market, multiplied by 100.

Positioning

ASSET ALLOCATION

ASSET CLASS	MINIMUM	CURRENT WEIGHT	MAXIMUM	ANNUAL YIELD
EQUITIES	0%	29%	100%	4.6% (div.)
PREFERRED SHARES	0%	11%	25%	4.8% (div.)
FIXED INCOME	0%	15%	50%	4.1% (int.)
CASH	0%	41%	50%	--
PRECIOUS METALS & COMMODITIES	0%	4%	25%	--

Compared to 2017, financial markets experienced more volatility in recent quarters but valuations remain too rich for the fundamental backdrop. At the same time, investors are not paying attention to mounting risks as highlighted by the high allocation to risky assets. We do not believe that investors are properly compensated with US equity risk premium back to pre-2008 levels and high-yield debt spreads still below their long-term average. We keep our equity allocation to a minimum while our cash allocation was increased slightly towards the maximum permitted. Investors are starting to exhibit signs of nervousness that, if escalated, could lead to further downside in equity prices.

CURRENCY ALLOCATION

CURRENCY	MINIMUM	CURRENT WEIGHT	MAXIMUM
CAD	50%	96%	100%
USD	-25%	-9%	25%
BRL	-15%	2%	15%
JPY	-15%	3%	15%
EUR	-15%	5%	15%
GBP	-15%	5%	15%
SEK	-15%	1%	15%
AUD	-15%	-4%	15%
MXN	-15%	1%	15%
ZAR	-15%	-1%	15%
KRW	-15%	0%	15%
IDR	-15%	1%	15%

Market Outlook

MACROECONOMIC ENVIRONMENT	VALUATION	SENTIMENT
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The macro backdrop is threatened by forthcoming negative revisions to GDP and earnings growth, while our assessments for Valuation and Sentiment stand in double negative territory. Hence, our strategy remains cautious with an important allocation to cash and a preference for defensive and quality stocks. Rising yields could help value take over leadership until defensive sectors take the outright lead when the tightening cycle ends.

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Summary

Inception date	June 30, 2015
Benchmark	FTSE TMX Canada 91-Day T-Bills
AUM	\$49,468,683
Approach	Top-down, fundamental and opportunistic
Style	Capital preservation, value bias, long-only
Asset classes	Equities, fixed income, precious metals, preferred shares, commodities, cash and currencies
Target return	Index + 4%
Target volatility	< 50% vs. MSCI ACWI (hedged in CAD)
Number of holdings	63
Fund liquidity	Monthly
Objectives	<ul style="list-style-type: none"> - Strong risk-adjusted returns over full market cycles - Less than 50% of the volatility of the MSCI ACWI Index hedged in CAD - Global diversification

Investment Team

Strategy Team

Vital Proulx, CFA
Co-CIO & Chairman of the Board

Vincent Delisle, CFA
Co-CIO

Emerging Markets

Jean-Pierre Couture, M.Sc.
Chief Economist & Portfolio Manager

Jean-Benoit Leblanc, M.Sc., CFA
Portfolio Manager

Jean-Christophe Lermusiaux, MBA
Portfolio Manager

Europe

Christian Crête*, CFA
Portfolio Manager

Marc C. Lavoie, CPA, CA, CFA
President & Portfolio Manager

Catherine Bilodeau
Analyst

* Lead Portfolio Manager of the strategy

Quantitative Research

Jean-François Bérubé, Ph.D.
Vice President, Quantitative Analysis & IT

North America

Kevin LeBlanc, CFA
Portfolio Manager

Mathieu Roy, M.Sc., CFA
Portfolio Manager

Asia Pacific

Etienne Durocher-Dumais, CFA
Portfolio Manager

Chester Ntonfor
Analyst

Multi-Region

Julien Tousignant, M.Sc., CFA
Economist

Management Fees

Commingled vehicle

First \$10 million:	0.60%
Next \$30 million:	0.50%
Next \$60 million:	0.40%
> \$100 million:	0.30%

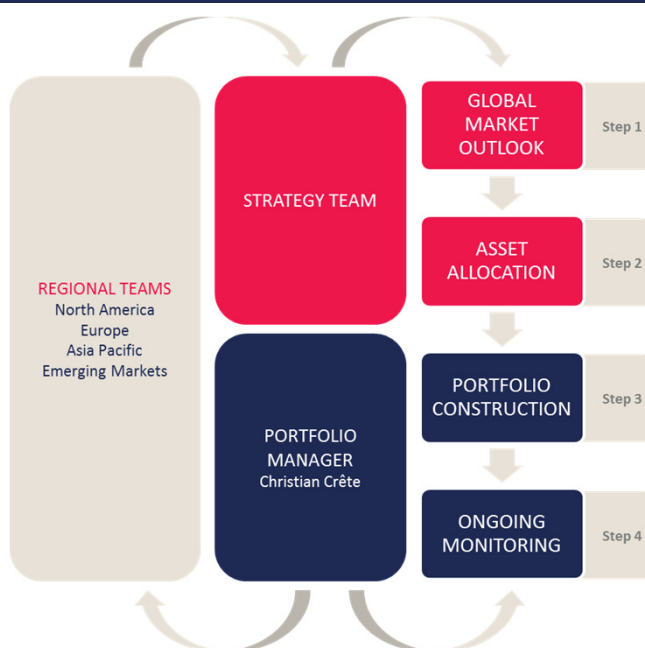
Separate accounts

First \$20 million:	0.70%
Next \$30 million:	0.60%
Next \$50 million:	0.50%
Next \$100 million:	0.40%
> \$200 million:	0.30%

Contact Us

514-390-8484 or 1-855-HEXAVES
service@hexavest.com
hexavest.com

Investment Process



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The performance shown is that of the Hexavest Unconstrained Multi-Asset Fund managed by Hexavest. The inception date of the fund is June 30, 2015. Performance results are presented gross of management fees and net of administrative and trading fees. Returns for periods greater than 12 months are annualized. Past performance is not necessarily indicative of future performance. The information and opinions herein are provided for informational purposes only, and are subject to change based on market and other conditions. It should not be relied upon as the basis for your investment decisions. This document is not and should not be construed as a solicitation or offering of units of any fund or other security in any jurisdiction. No part of this document may be reproduced in any manner without the prior written permission of Hexavest Inc.