



Canadian Equities

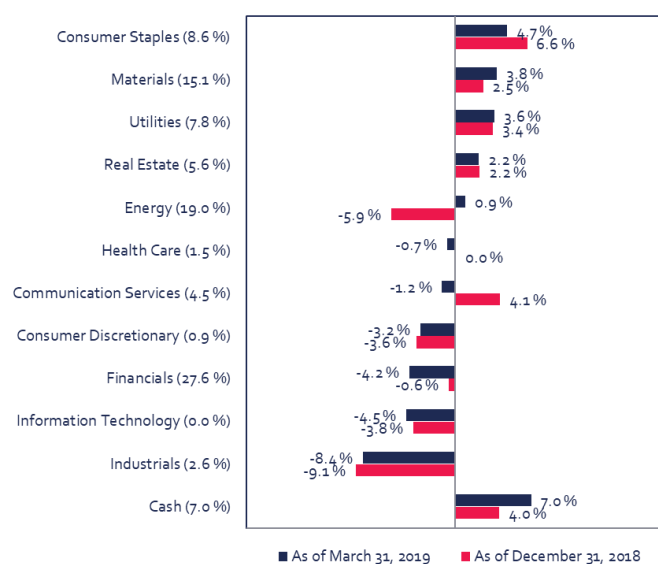
Performance (CAD)

Annualized (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest Canada Composite	10.38	10.38	4.82	5.32	4.40	8.71	6.17
S&P TSX Capped Composite	13.29	13.29	8.11	9.26	5.44	9.49	5.58
VALUE ADDED	-2.91	-2.91	-3.29	-3.94	-1.04	-0.78	0.59

Ten last years (%)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Hexavest Canada Composite	45.90	13.41	-6.25	8.52	5.35	12.63	-6.85	17.57	9.84	-11.80
S&P TSX Capped Composite	35.05	17.61	-8.71	7.19	12.99	10.55	-8.32	21.08	9.10	-8.89
VALUE ADDED	10.85	-4.20	2.46	1.33	-7.64	2.08	1.47	-3.51	0.74	-2.91

Positioning (Model Portfolio)

SECTOR DEVIATIONS VS. S&P/TSX



TOP 10 STOCK HOLDINGS

STOCK	COUNTRY	SECTOR	WEIGHT
TORONTO-DOMINION BANK	Canada	Financials	6.8%
BANK OF NOVA SCOTIA	Canada	Financials	4.5%
ROYAL BANK OF CANADA	Canada	Financials	4.5%
ALIMENTATION COUCHE	Canada	Staples	4.0%
BROOKFIELD ASSET MGT	Canada	Financials	4.0%
SUNCOR ENERGY	Canada	Energy	3.9%
ENBRIDGE	Canada	Energy	3.3%
BANK OF MONTREAL	Canada	Financials	3.3%
FORTIS	Canada	Utilities	2.9%
TRANSCANADA	Canada	Energy	2.9%

MARKET CAPITALIZATION

	HEXAVEST	S&P/TSX
Weighted average (\$M)	51,060	48,115
0 to \$1B	0.2%	0.7%
1 to \$10B	26.4%	21.1%
> \$10B	73.4%	78.2%

PORTFOLIO METRICS

	HEXAVEST	S&P/TSX
Price/earnings	14.6x	15.9x
Price/book	1.6x	1.8x
Dividend yield	2.5%	2.8%
Return on equity	12.9%	12.5%
Earnings growth	13.8%	10.0%

Market Outlook

MACROECONOMIC ENVIRONMENT

VALUATION

SENTIMENT

-

Neutral

-

While the Canadian and global macroeconomic data has been tepid in recent months, we are starting to see some green shoots in China and stabilization in key indicators. However, valuations are less attractive, owing to the market's robust performance in the face of decelerating growth expectations, and the Canadian market is looking overbought. As a result, we are maintaining a defensive positioning with a high cash level.



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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%

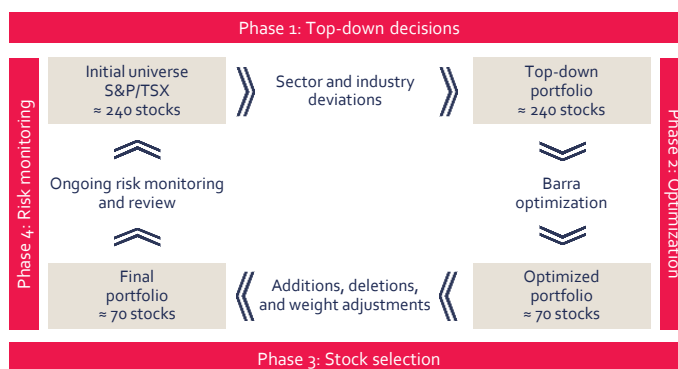
MANAGEMENT FEES

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: (2018)	0.08%		

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



Contact Us

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

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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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