



CLIENT BROKERAGE COMMISSIONS STATEMENT

The purpose of this Client Brokerage Commissions Statement is to inform you regarding the use by Hexavest Inc. ("Hexavest") of client commission arrangements and describe its broker selection process.

Hexavest has an ongoing duty to act in the best interest of its clients and to obtain best execution of client transactions. Hexavest utilizes research or brokerage products/services obtained from broker/dealers using client commission arrangements. As a result, a client may pay more than the lowest available commission in return for brokerage and research service.

Broker Selection

Hexavest has the authority to designate the brokers through whom transactions will be made, as well as the rate or rates to be paid for brokerage services. Hexavest selects brokerage firms that provide research or other services where rates may be higher than those charged by other brokers who provide more limited services or who are not considered to be able to provide the same quality of execution.

As a matter of policy and practice, Hexavest seeks to obtain best execution for client transactions, for example, seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances.

Annually, a formal review of brokers/dealers takes place to approve counterparties for all asset classes traded. The criteria used to approve counterparties will be maintained and include such considerations as execution capability, competency on block trading, strength and stability, reliability and accuracy of communications, trading experience, commission rates, financial responsibility, responsiveness, reputation and integrity, facilities, access to underwriting offerings and secondary markets, reliability in executing trades and keeping records, fairness in resolving disputes, and electronic communication networks.

Client Commission Arrangements

Hexavest participates in different brokerage arrangements where the broker/dealer provides goods and services, other than order execution, in exchange for a portion of client brokerage commissions pursuant to the execution of trades. Under these arrangements, dealers have agreed to retain a percentage or portion of each trade's commission to pay for eligible brokerage and research services provided by the dealer itself or by a third party.

While the research and brokerage services that Hexavest receives from brokers/dealers in exchange for client commissions benefit all of Hexavest's clients, the cost of those services may not be borne by all of Hexavest's clients. For example, certain clients may prohibit or limit the payment of client commissions with respect to their transactions.

Products and services obtained by Hexavest with client commission arrangements must provide lawful and appropriate assistance to Hexavest in the performance of its decision-making responsibilities. Hexavest's Brokerage Committee will determine whether the amount of commissions paid is reasonable in relation to the value of the research and brokerage services received by Hexavest, viewed in terms of either the particular transaction or Hexavest's overall responsibilities with respect to the accounts managed by Hexavest.

Hexavest may, from time to time, receive services and products that serve both research and non-research functions. In such event, Hexavest will make a good faith determination of the anticipated research and non-research use of the product or service and allocate brokerage only with respect to the research component.

The following is a list of research and execution of goods and services that Hexavest has received during the past year from broker-dealers using client commission arrangements:

- Market data, financial data, and economic data
- Research reports and information about particular countries, economies, markets, industries, companies and/or securities
- Quantitative analytical software
- Financial newsletters
- Statistical and market data and news services
- Proxy voting advisory services
- Best execution and trade quality evaluation services

Hexavest has adopted procedures to ensure that the Use of Client Commissions policy is observed, properly implemented, monitored, documented and amended or updated, as appropriate.

Additional information concerning Hexavest's client commission arrangements is available upon request.

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