

Emerging Market Equities

Performance (CAD)

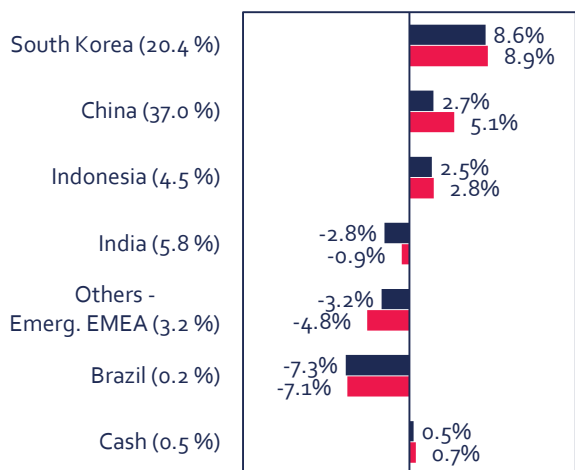
Annualized (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest Emerging Markets Composite	9.50	7.86	7.86	9.28	6.64	---	4.47
MSCI Emerging Markets (net)	9.54	12.45	12.45	10.33	8.02	---	5.48
VALUE ADDED	-0.04	-4.59	-4.59	-1.05	-1.38	---	-1.01

Ten last years (%)	2010	2011*	2012	2013	2014	2015	2016	2017	2018	2019
Hexavest Emerging Markets Composite	---	-11.78	11.38	4.91	3.94	1.87	3.71	24.61	-2.89	7.86
MSCI Emerging Markets (net)	---	-14.64	15.61	3.93	6.63	2.04	7.34	28.26	-6.88	12.45
VALUE ADDED	---	2.86	-4.23	0.98	-2.69	-0.17	-3.63	-3.65	3.99	-4.59

*Since inception on February 1, 2011.

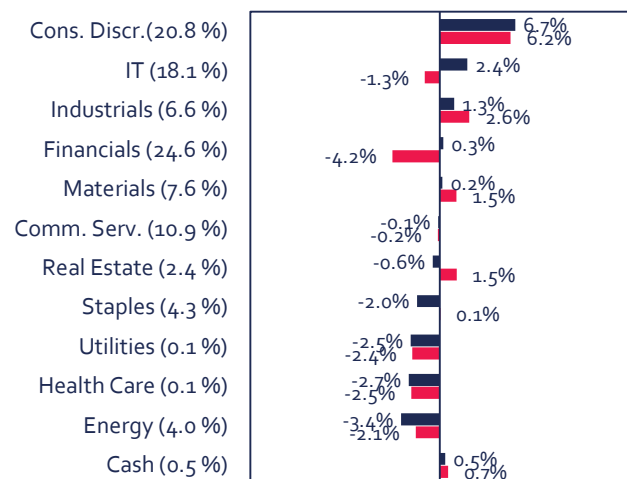
Positioning (Model Portfolio)

COUNTRY DEVIATIONS VS. MSCI EMERGING



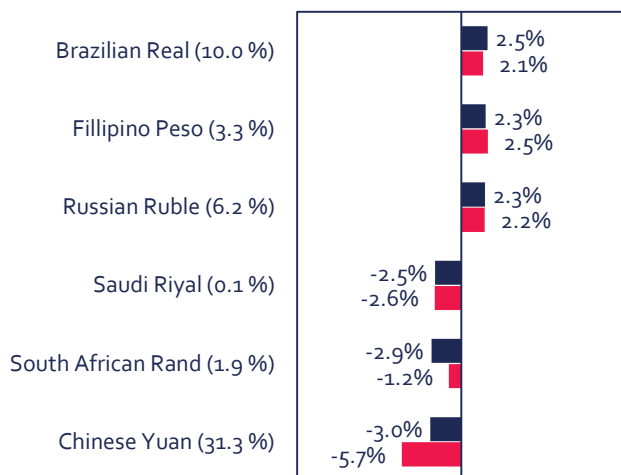
■ As of December 31, 2019 ■ As of September 30, 2019

SECTOR DEVIATIONS VS. MSCI EMERGING



■ As of December 31, 2019 ■ As of September 30, 2019

CURRENCY DEVIATIONS VS. MSCI EMERGING



■ As of December 31, 2019 ■ As of September 30, 2019

Market Outlook

MACROECONOMIC ENVIRONMENT	VALUATION	SENTIMENT
++	Neutral	+

Whilst demand from developed markets continues to be weak, some de-escalation of the trade war between the USA and China as well as the ongoing stimulus in several emerging countries will help those economies to accelerate in 2020. Valuations are not as attractive as in 3Q post December rebound but are not expensive yet. Inflows into EM equities have turned positive on a low base, which is positive for the sentiment. We therefore kept our exposure to countries that are stimulating their economies as well as to cyclical stocks, resulting in sizeable overweight positions in Korea and China, and in the consumer discretionary and technology sectors. We started to gradually increase positions in financials, which should benefit from better macroeconomic conditions.

Emerging Market Equities

Summary

Benchmark	MSCI Emerging Markets (net)
Value added objective	2% (4-year rolling periods)
Active risk	3% to 5%
Number of holdings	130 to 170
Currency management	Active
Maximum cash exposure	10%

DEVIATIONS VS. BENCHMARK

Regions:	+/- 15%
Countries:	+/- 15%
Currencies:	+/- 15%
Sectors:	+/- 10%

MANAGEMENT FEES

Commingled vehicle		Separate accounts	
First \$10 million:	0.70%	First \$50 million:	0.75%
Next \$30 million:	0.60%	Next \$50 million:	0.60%
> \$40 million:	0.50%	Next \$100 million:	0.50%
		> \$200 million:	0.40%

Investment Team

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

- Macroeconomic backdrop
- Country data & trends
- Equity market valuation

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

- Portfolio construction
- Country, sector and stock selection
- Risk management tools

Jean-Christophe Lermusiaux
MBA
Vice President &
Portfolio Manager

- Risk assessment
- Country trends
- Sector and stock selection

Julien Tousignant
M.Sc., CFA
Economist

- Currencies
- Monetary policies
- Investor sentiment

ESG Research

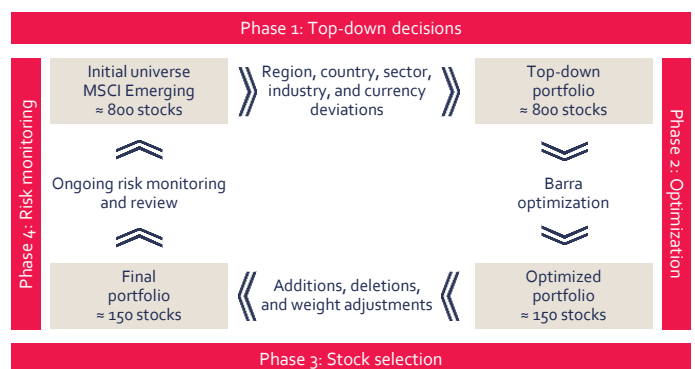
Jo-Annie Pinto, CIM®
Vice President

Véronique Marchetti, CFA
Senior Analyst

Investment Approach

- Top-down, team-driven process
- Capturing solid structural themes while remaining opportunistic on shorter time periods
- Diversified sources of alpha
 - o Regions, countries, currencies, sectors, industries, stocks
- Value bias with contrarian style
- Clearly defined process
- Integration of ESG factors

Investment Process



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The performance shown is that of a composite of emerging markets 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 February 1, 2011. 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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