



HEXAVEST

Canadian Equities

Performance (CAD)

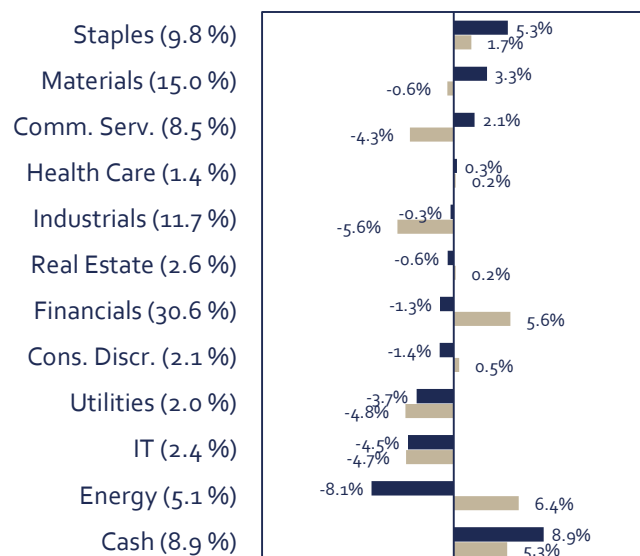
Annualized (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest Canada Macro Opportunities Composite	-28.12	-28.12	-22.17	---	---	---	-14.01
S&P TSX Capped Composite	-20.90	-20.90	-14.21	---	---	---	-8.70
VALUE ADDED	-7.22	-7.22	-7.96	---	---	---	-5.31

Ten last years (%)	2010	2011	2012	2013	2014	2015	2016	2017	2018*	2019
Hexavest Canada Macro Opportunities Composite	---	---	---	---	---	---	---	---	-8.32	19.52
S&P TSX Capped Composite	---	---	---	---	---	---	---	---	-10.91	22.88
VALUE ADDED	---	---	---	---	---	---	---	---	2.59	-3.36

* Since inception on August 31, 2018

Positioning (Representative Account)

SECTOR DEVIATIONS VS. S&P/TSX



■ As of March 31, 2020 ■ As of December 31, 2019

TOP 10 STOCK HOLDINGS

STOCK	COUNTRY	SECTOR	WEIGHT
ROYAL BANK OF CANADA	Canada	Financials	7.9%
TORONTO-DOMINION BANK	Canada	Financials	7.7%
BANK OF NOVA SCOTIA	Canada	Financials	5.7%
BCE	Canada	Comm. Serv.	3.6%
LOBLAW COMPANIES	Canada	Staples	3.5%
METRO	Canada	Staples	3.4%
BARRICK GOLD	Canada	Materials	3.2%
CANADIAN PACIFIC RAILWAY	Canada	Industrials	3.0%
WASTE CONNECTIONS	Canada	Industrials	2.8%
ENBRIDGE	Canada	Energy	2.6%

Market Outlook

MACROECONOMIC ENVIRONMENT

VALUATION

SENTIMENT

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Our analysis of the global economy has prompted us to favor the scenario of a deep recession that will be extended by a cascade of payment defaults, corporate bankruptcies and permanent layoffs. Canada will not escape the downturn and could be more vulnerable given the country's high consumer and corporate debt load in addition to its large exposure to the energy sector. While the Canadian equity market appears cheap, trading at the 36th percentile of its historical range, it's mostly because earnings estimates have been slow to adjust and do not yet reflect the pandemic's impact. Beyond the current level of pessimism, we believe that contrarian opportunities are more likely to arise when our sentiment indicator's three- and six-month moving averages will also reach the pessimism zone. Investor sentiment could therefore remain pessimistic until the extent of the economic damage can be estimated adequately.

MARKET CAPITALIZATION

	HEXAVEST	S&P/TSX
Weighted average (\$M)	60,464	43,974
0 to \$1B	1.2%	1.5%
1 to \$10B	15.9%	18.3%
> \$10B	82.9%	80.2%

PORTFOLIO METRICS

	HEXAVEST	S&P/TSX
Price/earnings	13.4x	13.4x
Price/book	1.7x	1.5x
Dividend yield	3.0%	3.7%
Return on equity	13.9%	12.0%
Earnings growth	24.7%	25.8%

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(SEE NOTES ON NEXT PAGE)



HEXAVEST

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%

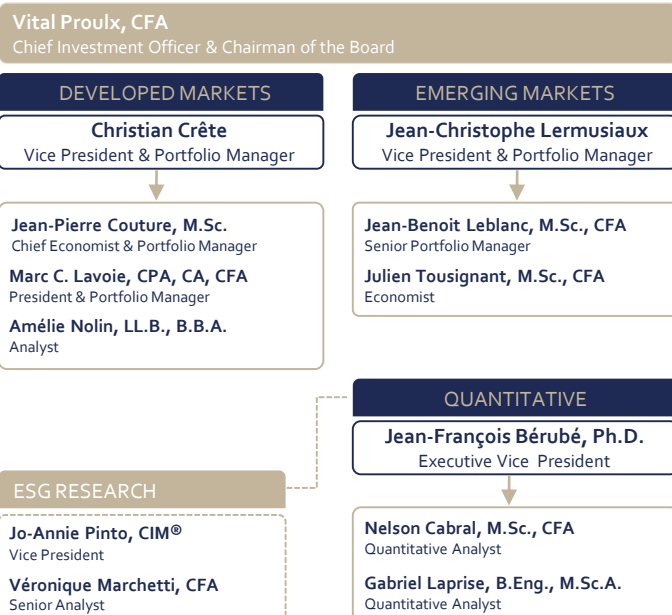
SECTOR DEVIATIONS VS. BENCHMARK

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: 0.10% (2019)	

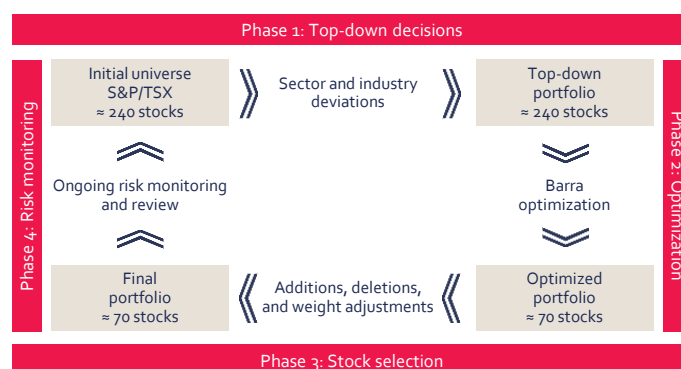
Investment Team



Investment Approach

- Top-down, team-driven process
- Diversified sources of alpha
 - o Sectors, industries, stocks
- Value bias with contrarian style
- Excel in volatile markets, with focus on downside protection
- Clearly defined process, applied for nearly 30 years

Investment Process



Contact Us

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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 representative account. The inception date of the composite is August 31, 2018. 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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