



# International Equities

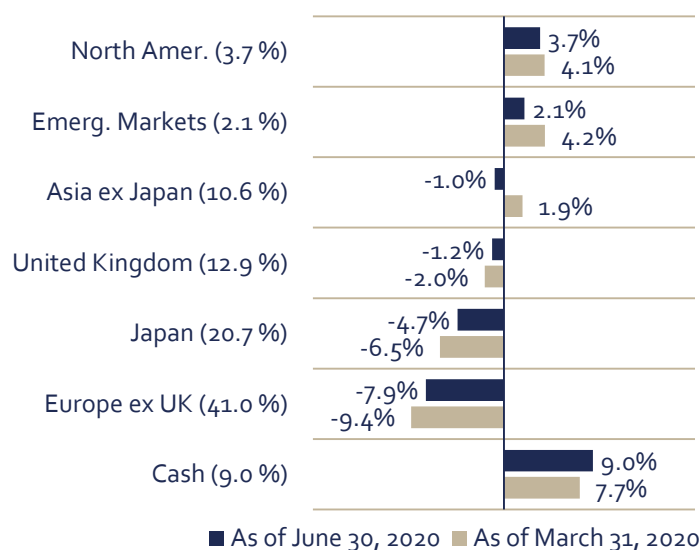
## Performance (CAD)

Annualized (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest EAFE Composite	9.33	-11.11	-6.15	-0.42	2.61	7.32	7.20
MSCI EAFE (net)	9.93	-6.88	-1.12	2.42	3.85	8.39	5.51
VALUE ADDED	-0.60	-4.23	-5.03	-2.84	-1.24	-1.07	1.69

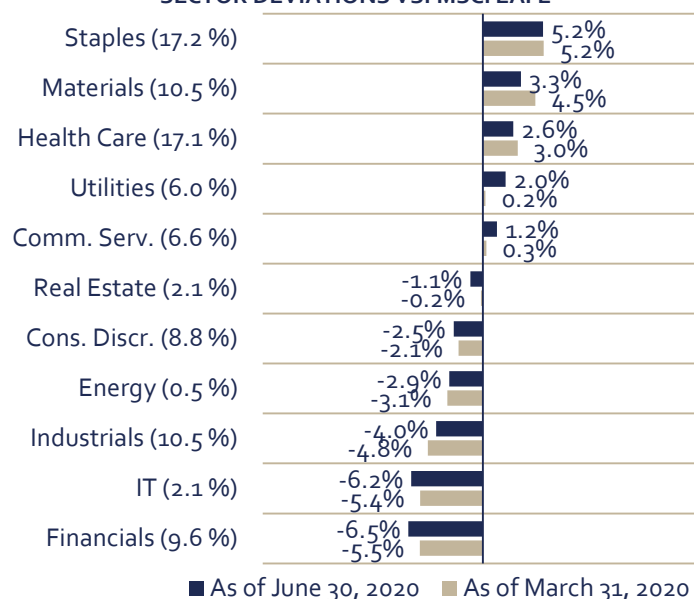
Ten last years (%)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Hexavest EAFE Composite	0.92	-6.43	11.99	29.69	4.97	19.02	0.73	10.26	-2.51	11.47
MSCI EAFE (net)	2.13	-9.97	14.72	31.02	3.67	18.95	-2.49	16.82	-6.03	15.85
VALUE ADDED	-1.21	3.54	-2.73	-1.33	1.30	0.07	3.22	-6.56	3.52	-4.38

## Positioning (Representative Account)

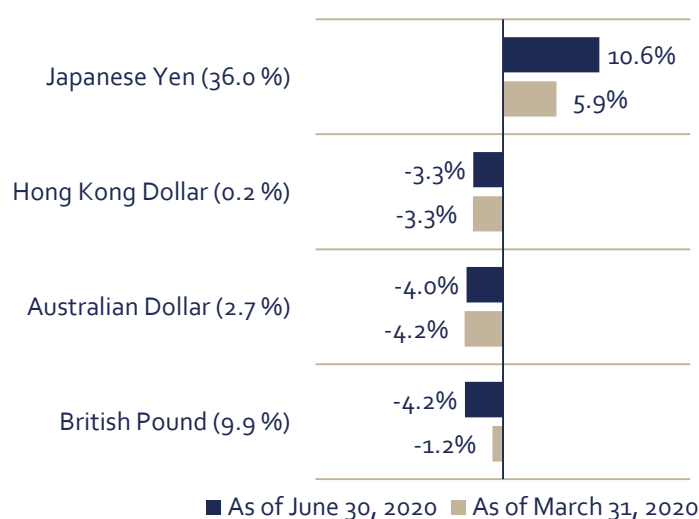
### COUNTRY DEVIATIONS VS. MSCI EAFE



### SECTOR DEVIATIONS VS. MSCI EAFE



### CURRENCY DEVIATIONS VS. MSCI EAFE



## Market Outlook

MACROECONOMIC ENVIRONMENT	VALUATION	SENTIMENT
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The consensus forecast is still calling for a strong V-shaped economic recovery. Even though a significant rebound is expected this summer as the economy reopens, we think the recovery will be much slower and chaotic thereafter. That being said, the determination of governments and central banks to support businesses and households has exceeded our expectations. For this reason, we adjusted our macroeconomic environment rating slightly upward. Market valuations are priced for perfection. Neither the current recession nor the risks to the recovery are reflected in valuations, in fact quite the opposite is true. The global equity valuation was in the highest quintile of its historical distribution as at June 30, mainly because of the high prices of U.S. equities, whose valuation was in the most expensive decile of its history. Markets are expensive, thus, our valuation vector deteriorated in the second quarter. As for our last vector, investor sentiment, we see speculative fever among small investors. Despite the health crisis and the deep global recession, investors showed a strong appetite for risk in the second quarter. Institutional investors seem to have shown more restraint. As a result, we downgraded our contrarian investor sentiment vector by one notch.



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## Summary

Benchmark	MSCI EAFE (net)
Value added objective	2% (4-year rolling periods)
Active risk	3% to 5%
Number of holdings	200 to 250 (higher if exposure to EM)
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:	0.60%	First \$20 million:	0.70%
Next \$30 million:	0.50%	Next \$30 million:	0.60%
> \$40 million:	0.40%	Next \$50 million:	0.50%
		Next \$100 million:	0.40%
Administrative fees:	0.05%	> \$200 million:	0.30%

(2019)

## Investment Team

<b>Vital Proulx, CFA</b> Chief Investment Officer Experience: 31 years Team member since 1991	<b>Jean-Christophe Lermusiaux, MBA</b> Vice President & Portfolio Mgr Experience: 21 years Team member since 2017
<b>Christian Crête, CFA</b> Vice President & Portfolio Mgr Experience: 21 years Team member since 2012	<b>Jean-Benoît Leblanc, M.Sc., CFA</b> Senior Portfolio Manager Experience: 21 years Team member since 2009
<b>Jean-Pierre Couture, M.Sc.</b> Chief Economist & Portfolio Mgr Experience: 25 years Team member since 2010	<b>Julien Tousignant, M.Sc., CFA</b> Economist Experience: 7 years Team member since 2013
<b>Marc C. Lavoie, CPA, CA, CFA</b> President & Portfolio Mgr Experience: 20 years Team member since 2003	<b>Jean-François Bérubé, Ph.D.</b> Executive Vice President Experience: 13 years Team member since 2009
<b>Amélie Nolin, LL.B., B.B.A.</b> Analyst Experience: 1 year Team member since 2019	<b>Nelson Cabral, M.Sc., CFA</b> Quantitative Analyst Experience: 9 years Team member since 2011
	<b>Gabriel Laprise, B.Eng., M.Sc.A.</b> Quantitative Analyst Experience: 2 years Team member since 2018

## ESG RESEARCH

<b>Jo-Annie Pinto, CIM®</b> Vice President Experience: 22 years Team member since 2012	<b>Véronique Marchetti, CFA</b> Analyst Experience: 15 years Team member since 2010
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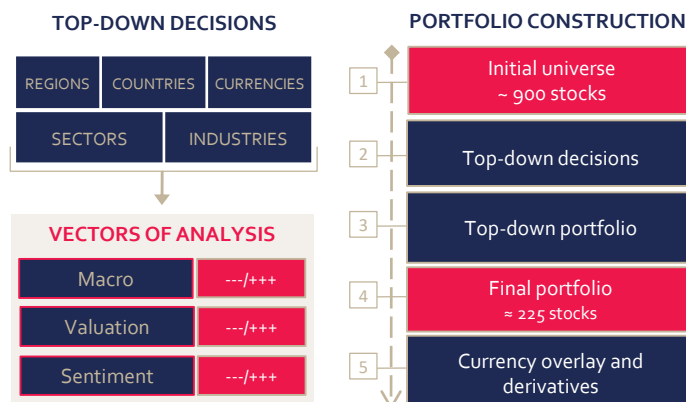
## Investment Approach

- Top-down and contrarian approach
- Diversified sources of alpha: regions, countries, currencies, sectors, industries, stocks
- Strong focus on downside protection
- Systematic integration of ESG factors
- Experienced and nimble investment team
- Clearly defined process, applied for nearly 30 years

## Contact Us

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## Investment Process



## FOR CANADIAN INSTITUTIONAL INVESTOR USE ONLY

The performance shown is that of a composite of international equity mandates managed by Mr. Vital Proulx and his team at St. Lawrence Financial Consultants (1991 to 1996), Kogeva (1997 to 1998), Natcan (1998 to 2004), and Hexavest (since May 2004). Accounts in the composite may have investment guidelines that differ from those of the representative account. The inception date of the composite is May 1, 1991. 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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