



# Global Equities

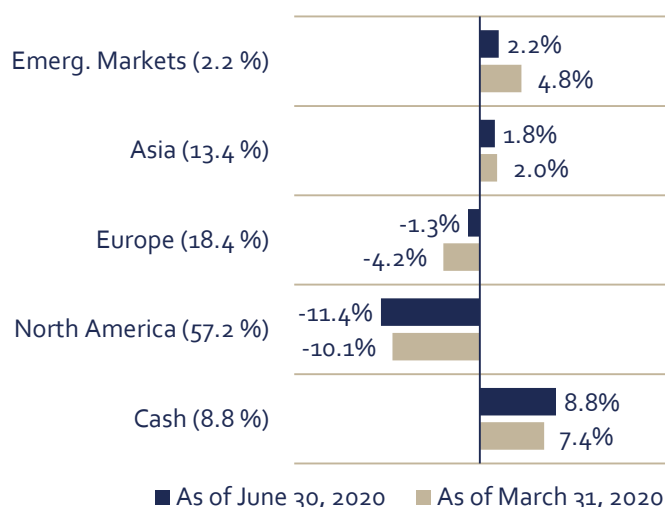
## Performance (CAD)

| Annualized (%)            | 3 months     | YTD          | 1 year        | 3 years      | 5 years      | 10 years     | Since inception |
|---------------------------|--------------|--------------|---------------|--------------|--------------|--------------|-----------------|
| Hexavest Global Composite | 12.41        | -10.29       | -3.61         | 2.57         | 5.99         | 10.36        | 6.19            |
| MSCI World (net)          | 14.21        | -1.03        | 7.19          | 8.41         | 8.78         | 12.72        | 4.39            |
| <b>VALUE ADDED</b>        | <b>-1.80</b> | <b>-9.26</b> | <b>-10.80</b> | <b>-5.84</b> | <b>-2.79</b> | <b>-2.36</b> | <b>1.80</b>     |

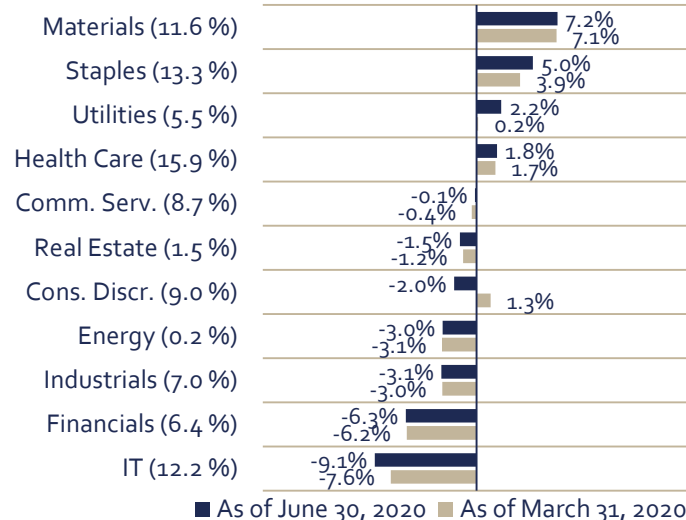
| Ten last years (%)        | 2010         | 2011        | 2012         | 2013         | 2014        | 2015        | 2016        | 2017         | 2018        | 2019         |
|---------------------------|--------------|-------------|--------------|--------------|-------------|-------------|-------------|--------------|-------------|--------------|
| Hexavest Global Composite | 3.52         | 0.08        | 10.10        | 32.38        | 15.06       | 20.20       | 8.81        | 7.72         | 1.16        | 14.51        |
| MSCI World (net)          | 5.93         | -3.20       | 13.26        | 35.18        | 14.39       | 18.89       | 3.79        | 14.36        | -0.49       | 21.22        |
| <b>VALUE ADDED</b>        | <b>-2.41</b> | <b>3.28</b> | <b>-3.16</b> | <b>-2.80</b> | <b>0.67</b> | <b>1.31</b> | <b>5.02</b> | <b>-6.64</b> | <b>1.65</b> | <b>-6.71</b> |

## Positioning (Representative Account)

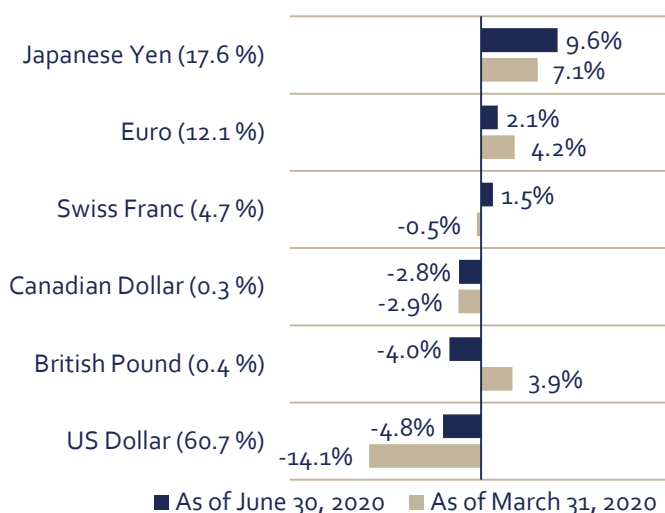
### COUNTRY DEVIATIONS VS. MSCI WORLD



### SECTOR DEVIATIONS VS. MSCI WORLD



### CURRENCY DEVIATIONS VS. MSCI WORLD



## Market Outlook

| MACROECONOMIC ENVIRONMENT | VALUATION | SENTIMENT |
|---------------------------|-----------|-----------|
| --                        | --        | -         |

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

|                              |                                       |
|------------------------------|---------------------------------------|
| <b>Benchmark</b>             | MSCI World (net)                      |
| <b>Value added objective</b> | 2% (4-year rolling periods)           |
| <b>Active risk</b>           | 3% to 5%                              |
| <b>Number of holdings</b>    | 275 to 350 (higher if exposure to EM) |
| <b>Currency management</b>   | Active                                |
| <b>Maximum cash exposure</b> | 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: (2019) | 0.01% | > \$200 million:    | 0.30% |

## Investment Team

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

## ESG RESEARCH

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

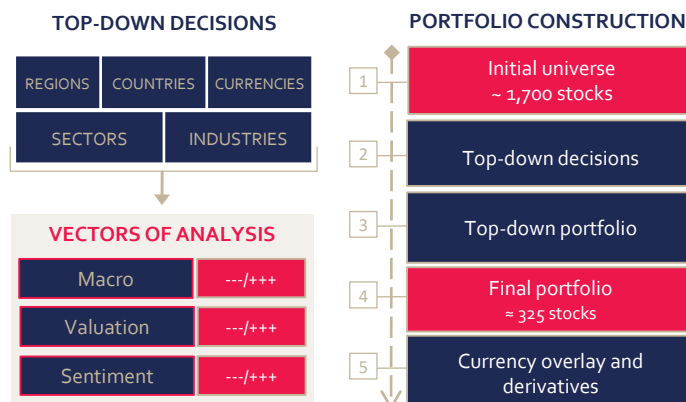
## Investment Approach

- 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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 service@hexavest.com  
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## Investment Process



## FOR CANADIAN INSTITUTIONAL INVESTOR USE ONLY

The performance shown is that of a composite of global equity mandates managed by Mr. Vital Proulx and his team at Natcan (1999 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 January 1, 1999. 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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