



Emerging Market Equities

Performance (CAD)

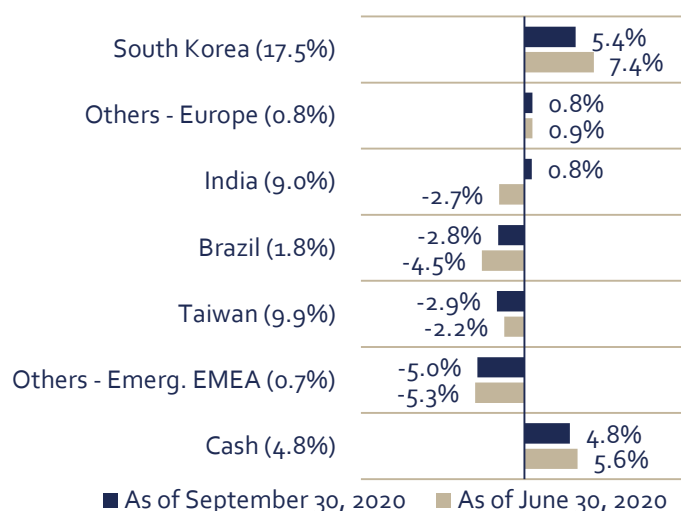
Annualized (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest Emerging Markets Composite	10.18	3.96	13.84	5.42	7.42	---	4.54
MSCI Emerging Markets (net)	7.45	1.81	11.52	4.69	8.89	---	5.24
VALUE ADDED	2.73	2.15	2.32	0.73	-1.47	---	-0.70

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

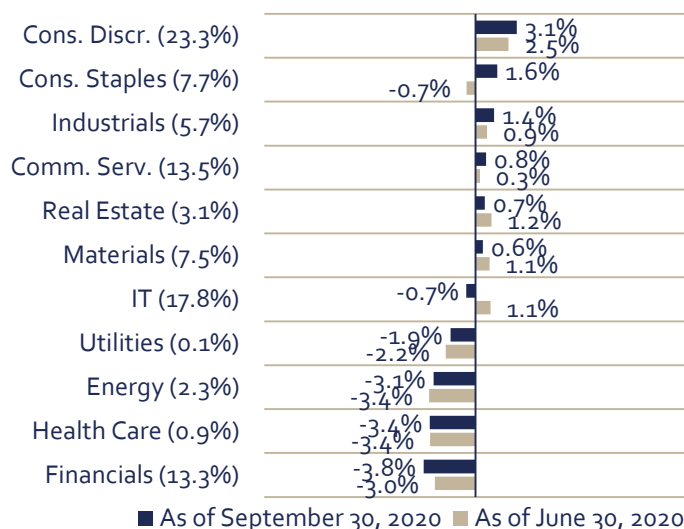
*Since inception on February 1, 2011.

Positioning (Model Portfolio)

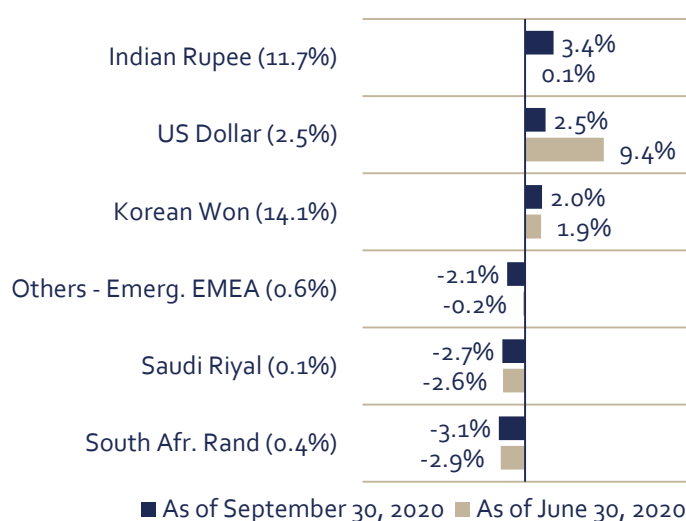
COUNTRY DEVIATIONS VS. MSCI EMERGING



SECTOR DEVIATIONS VS. MSCI EMERGING



CURRENCY DEVIATIONS VS. MSCI EMERGING



Market Outlook

MACROECONOMIC ENVIRONMENT	VALUATION	SENTIMENT
+	--	+

The economic backdrop is favorable for emerging markets (EM) thanks in part to accommodating global monetary and fiscal policies, in developed and emerging countries. North East Asia remains the world's factory, and it benefits from developed countries stimuli as consumers are spending more on online goods. Our enthusiasm is tempered by the uncertainty caused by the global pandemic and geopolitical tensions. Therefore, our assessment for our macroeconomic vector is a single positive. Our analysis of the second vector, investor valuation, reveals an optimism too high for the current macro backdrop. EM equities are much less attractive than at the end of the first quarter; they are trading at the 83rd percentile of their historical valuation distribution. Even though profitability levels are depressed, valuations are clearly anticipating a recovery. As a result, our valuation vector stands at double negative. On the positive side, institutional investors holdings are low and inflows have started to resume. The MSCI Emerging Markets index is up a tepid 3% so far in 2020, leaving some room for a better ranking. We remain cautious as we see signs of over-heating (retail investors rushing in to buy stocks in several Asian markets) and the market is fragile. Our sentiment vector stands at a single positive.



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-Christophe Lermusiaux, MBA
Vice President & Portfolio Mgr
Experience: 21 years
Team member since 2017

Jean-François Bérubé, Ph.D.
Executive Vice President
Experience: 13 years
Team member since 2009

Jean-Benoit Leblanc, M.Sc., CFA
Senior Portfolio Manager
Experience: 21 years
Team member since 2009

Nelson Cabral, M.Sc., CFA
Quantitative Analyst
Experience: 9 years
Team member since 2011

Julien Tousignant, M.Sc., CFA
Economist
Experience: 7 years
Team member since 2013

Gabriel Laprise, B.Eng., M.Sc.A.
Quantitative Analyst
Experience: 2 years
Team member since 2018

ESG RESEARCH

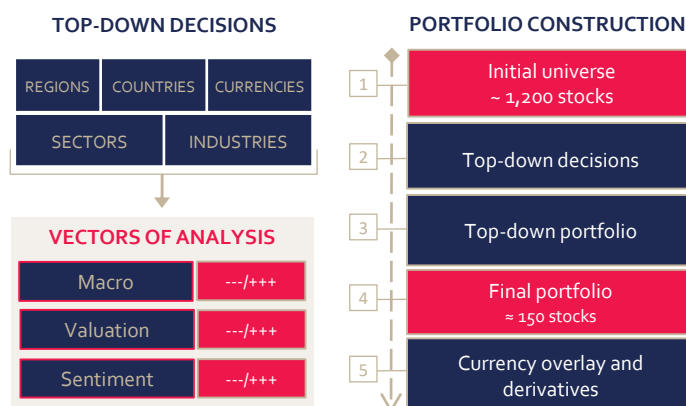
Jo-Annie Pinto, CIM®
Vice President
Experience: 22 years
Team member since 2012

Véronique Marchetti, CFA
Senior Analyst
Experience: 15 years
Team member since 2010

Investment Approach

- Top-down approach
- Capturing solid structural themes while remaining opportunistic on shorter time periods
- Diversified sources of alpha: regions, countries, currencies, sectors, industries, stocks
- Systematic integration of ESG factors
- Experienced and nimble investment team
- 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 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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