



# All-Country Equities

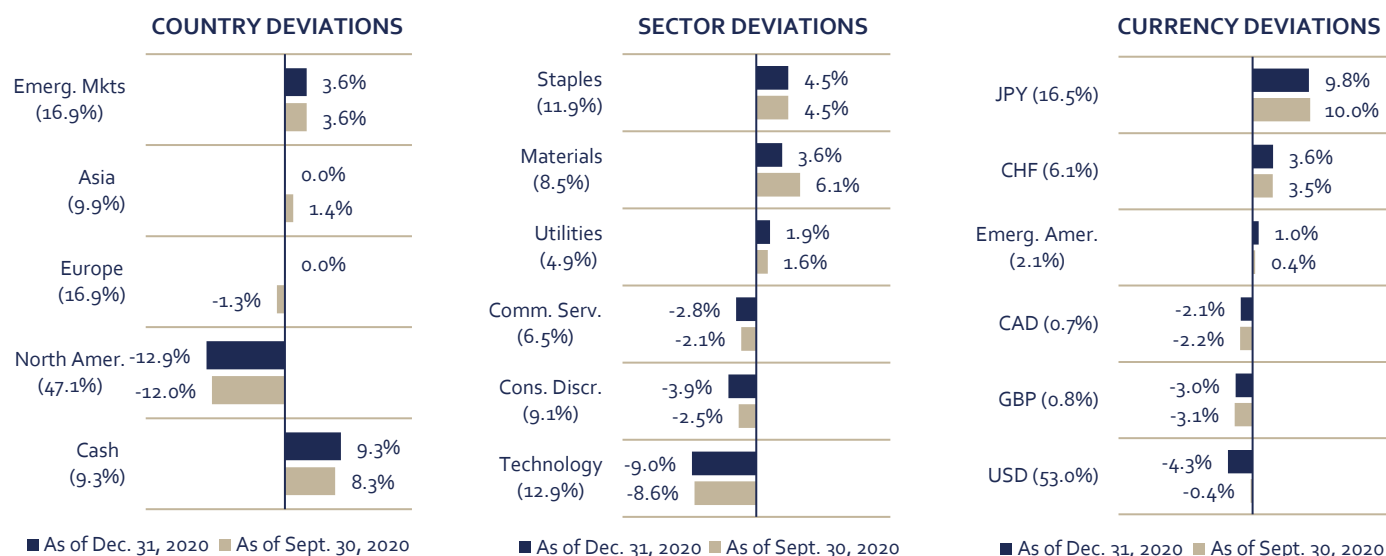
## Performance (CAD)

Annualized (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest All-Country Composite	6.25	0.80	0.80	4.75	6.25	9.79	10.08
MSCI ACWI (net)	9.38	14.22	14.22	10.67	10.33	11.88	12.19
VALUE ADDED	-3.13	-13.42	-13.42	-5.92	-4.08	-2.09	-2.11

Ten last years (%)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Hexavest All-Country Composite	-2.05	11.00	28.63	13.78	18.13	8.32	8.80	0.51	13.44	0.80
MSCI ACWI (net)	-5.05	13.56	31.04	13.55	17.10	4.13	15.83	-1.26	20.20	14.22
VALUE ADDED	3.00	-2.56	-2.41	0.23	1.03	4.19	-7.03	1.77	-6.76	-13.42

\* The inception date of the composite is December 1, 2010.

## Positioning vs MSCI ACWI (Representative Account)



## Market Outlook

### MACROECONOMIC ENVIRONMENT

+

### VALUATION

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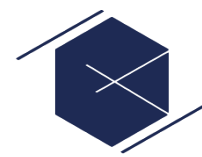
### SENTIMENT

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While we are concerned about the near-term outlook, we expect a synchronized global recovery to begin in 2021 as a result of mass vaccination. The first six months of the year could see false starts and setbacks, depending on how the pandemic unfolds and how virulent the latest mutation of the virus proves to be. However, the vaccines' positive impact on economic activity, starting in the second half of 2021, justifies an upward adjustment of our macroeconomic vector from double negative to single positive (+).

Global equities are in the most expensive decile; on average, the main valuation metrics of the MSCI World Index are in the 95<sup>th</sup> percentile of their historical distribution. The only period when such rich valuation was the technology bubble of 2000. Low interest rates are often cited to justify the high price of global equities. However, rates are low today because of the risk of persistent economic weakness, which is a very negative scenario for earnings growth and is a far cry from the one reflected in share prices. Our valuation vector is therefore still triple negative (---).

There are increasing signs of exuberance in the markets. The euphoria gripping the equity markets, which was previously confined to the technology sector, has become more widespread. The large volume of liquidity injected by central banks in 2020 appears to be fuelling speculation in some market segments, including initial public offerings and cryptocurrencies. For these reasons, our assessment of the sentiment vector has gone from double negative to triple negative (---).



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## Summary

Benchmark	MSCI ACWI (net)
Value added objective	2% (4-year rolling periods)
Active risk	3% to 5%
Number of holdings	375 to 470
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: 0.02% (2019)	> \$200 million: 0.30%

## Investment Team

<b>Vital Proulx, CFA</b> Chief Investment Officer Experience: 32 years Team member since 1991	<b>Jean-Christophe Lermusiaux, MBA</b> Vice President & Portfolio Mgr Experience: 23 years Team member since 2017
<b>Christian Crête, CFA</b> Vice President & Portfolio Mgr Experience: 22 years Team member since 2012	<b>Jean-Benoît Leblanc, M.Sc., CFA</b> Senior Portfolio Manager Experience: 22 years Team member since 2009
<b>Jean-Pierre Couture, M.Sc.</b> Chief Economist & Portfolio Mgr Experience: 26 years Team member since 2010	<b>Julien Tousignant, M.Sc., CFA</b> Economist Experience: 8 years Team member since 2013
<b>Marc C. Lavoie, CPA, CA, CFA</b> President & Portfolio Mgr Experience: 21 years Team member since 2003	<b>Jean-François Bérubé, Ph.D.</b> Executive Vice President Experience: 14 years Team member since 2009
<b>Amélie Nolin, LL.B., M.Sc.</b> Analyst Experience: 2 years Team member since 2019	<b>Nelson Cabral, M.Sc., CFA</b> Portfolio Manager Experience: 10 years Team member since 2011
<b>Samuel Proulx, M.Sc.</b> Analyst Experience: 1 year Team member since 2020	<b>Gabriel Laprise, B.Eng., M.Sc.A.</b> Quantitative Analyst Experience: 3 years Team member since 2018

## ESG RESEARCH

<b>Jo-Annie Pinto, CIM®</b> Vice President Experience: 23 years Team member since 2012	<b>Véronique Marchetti, CFA</b> Senior Analyst Experience: 16 years Team member since 2010
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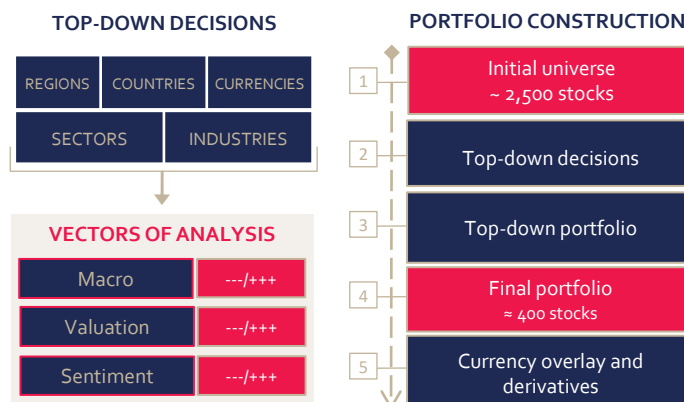
## Investment Approach

- 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 all-country 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 December 1, 2010. 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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