



HEXAVEST

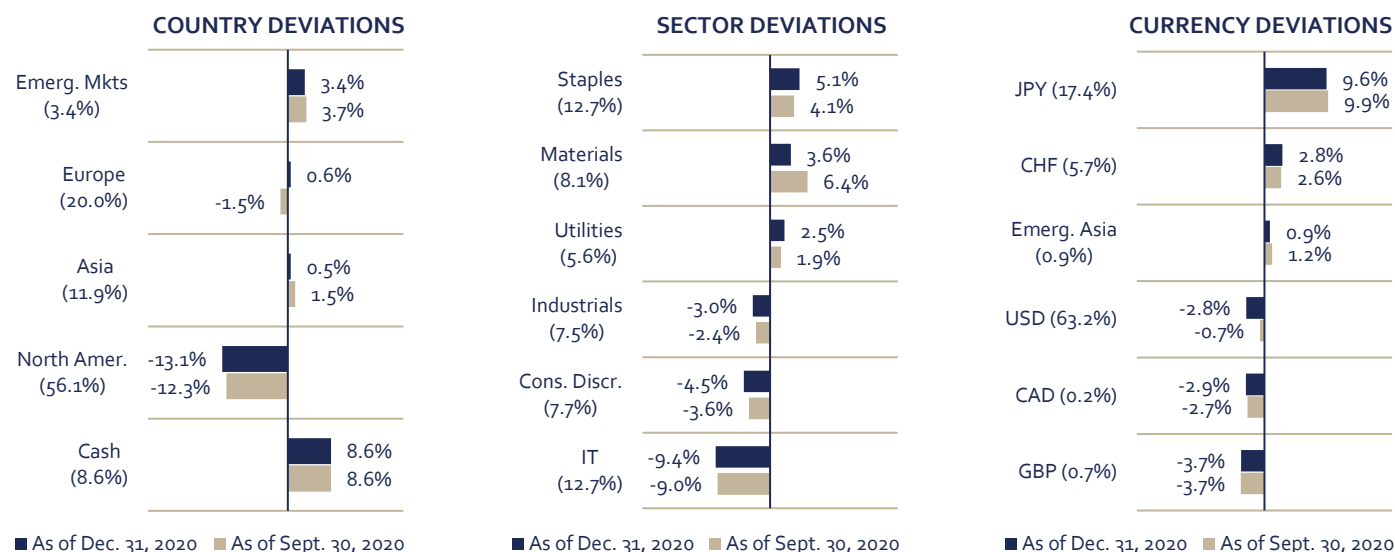
Global Equities

Performance (CAD)

Annualized (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest Global Composite	5.33	-1.45	-1.45	4.51	6.00	10.44	6.49
MSCI World (net)	8.69	13.87	13.87	11.16	10.27	12.63	4.95
VALUE ADDED	-3.36	-15.32	-15.32	-6.65	-4.27	-2.19	1.54

Ten last years (%)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Hexavest Global Composite	0.08	10.10	32.38	15.06	20.20	8.81	7.72	1.16	14.51	-1.45
MSCI World (net)	-3.20	13.26	35.18	14.39	18.89	3.79	14.36	-0.49	21.22	13.87
VALUE ADDED	3.28	-3.16	-2.80	0.67	1.31	5.02	-6.64	1.65	-6.71	-15.32

Positioning vs MSCI World (Representative Account)



Market Outlook

MACROECONOMIC ENVIRONMENT

+

VALUATION

SENTIMENT

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 95th 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 (---).



Global Equities

Summary

Benchmark	MSCI World (net)
Value added objective	2% (4-year rolling periods)
Active risk	3% to 5%
Number of holdings	275 to 350 (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: 0.01% (2019)	> \$200 million: 0.30%

Investment Team

Vital Proulx, CFA
Chief Investment Officer
Experience: 32 years
Team member since 1991

Christian Crête, CFA
Vice President & Portfolio Mgr
Experience: 22 years
Team member since 2012

Jean-Pierre Couture, M.Sc.
Chief Economist & Portfolio Mgr
Experience: 26 years
Team member since 2010

Marc C. Lavoie, CPA, CA, CFA
President & Portfolio Mgr
Experience: 21 years
Team member since 2003

Amélie Nolin, LL.B., M.Sc.
Analyst
Experience: 2 years
Team member since 2019

Samuel Proulx, M.Sc.
Analyst
Experience: 1 year
Team member since 2020

Jean-Christophe Lermusiaux, MBA
Vice President & Portfolio Mgr
Experience: 23 years
Team member since 2017

Jean-Benoit Leblanc, M.Sc., CFA
Senior Portfolio Manager
Experience: 22 years
Team member since 2009

Julien Tousignant, M.Sc., CFA
Economist
Experience: 8 years
Team member since 2013

Jean-François Bérubé, Ph.D.
Executive Vice President
Experience: 14 years
Team member since 2009

Nelson Cabral, M.Sc., CFA
Portfolio Manager
Experience: 10 years
Team member since 2011

Gabriel Laprise, B.Eng., M.Sc.A.
Quantitative Analyst
Experience: 3 years
Team member since 2018

ESG RESEARCH

Jo-Annie Pinto, CIM®
Vice President
Experience: 23 years
Team member since 2012

Véronique Marchetti, CFA
Senior Analyst
Experience: 16 years
Team member since 2010

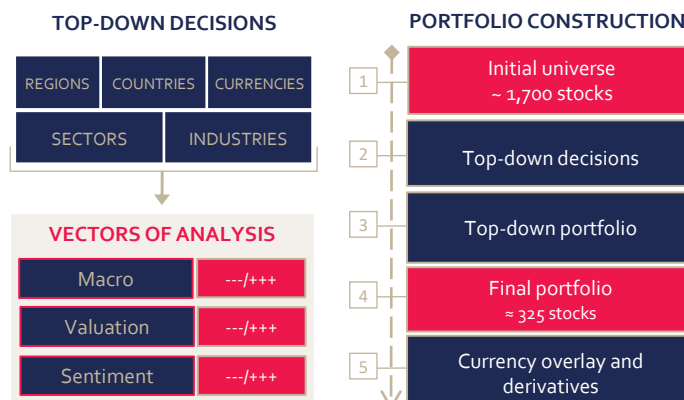
Investment Approach

- 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

514-390-8484 or 1-855-HEXAVES
service@hexavest.com
hexavest.com

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.

The information and opinions herein are provided for informational purposes only, and are subject to change based on market and other conditions. It should not be relied upon as the basis for your investment decisions. This document is not and should not be construed as a solicitation or offering of units of any fund or other security in any jurisdiction. No part of this document may be reproduced in any manner without the prior written permission of Hexavest Inc.