



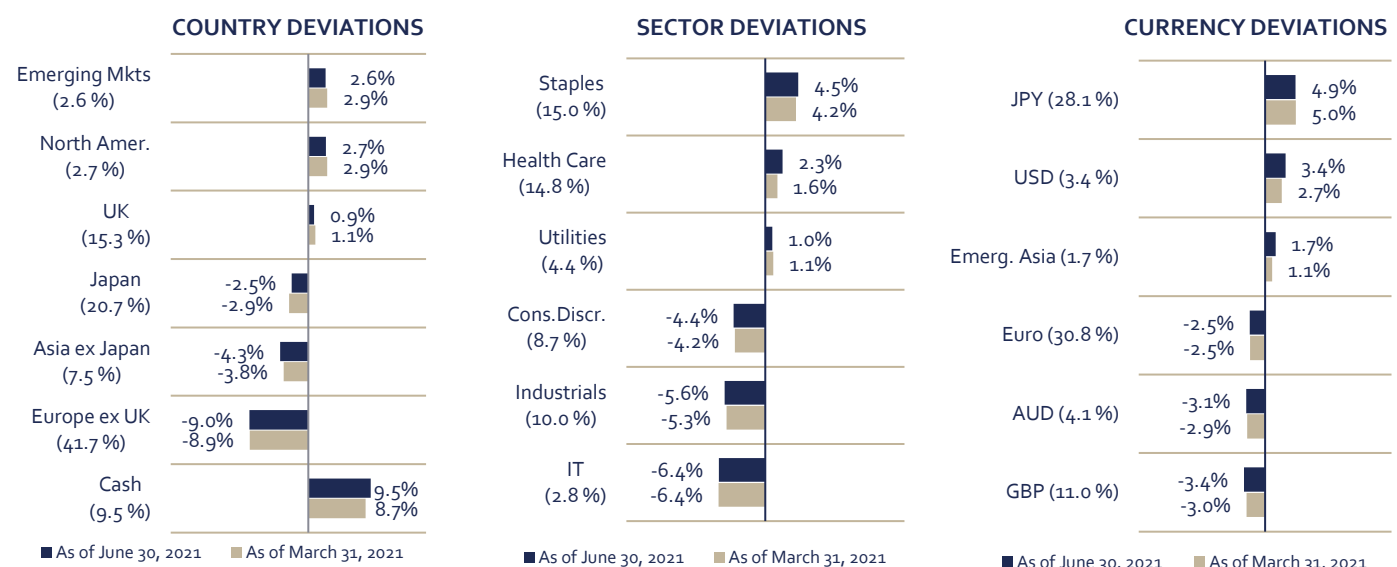
International Equities

Performance (CAD)

Annualized (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest EAFE Composite	3.58	2.77	9.37	1.38	4.51	7.02	7.27
MSCI EAFE (net)	3.62	5.78	20.33	6.11	9.23	8.56	5.97
VALUE ADDED	-0.04	-3.01	-10.96	-4.73	-4.72	-1.54	1.30

Ten last years (%)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Hexavest EAFE Composite	-6.43	11.99	29.69	4.97	19.02	0.73	10.26	-2.51	11.47	-5.41
MSCI EAFE (net)	-9.97	14.72	31.02	3.67	18.95	-2.49	16.82	-6.03	15.85	5.92
VALUE ADDED	3.54	-2.73	-1.33	1.30	0.07	3.22	-6.56	3.52	-4.38	-11.33

Positioning (vs MSCI EAFE)



Market Outlook

MACROECONOMIC ENVIRONMENT	VALUATION	SENTIMENT
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Slightly more than 18 months after the start of a pandemic that has severely disrupted the global economy, forecasters have turned optimistic. Vaccination campaigns are accelerating, economies are gradually reopening, monetary policy remains extremely accommodative and governments' stimulus packages continue to support growth. While we have no concerns about short-term growth (12 to 18 months), we have doubts about the global economy's ability to meet high expectations once all the efforts that are boosting short-term growth come to an end and interest rates begin to normalize. We are maintaining a double-positive rating for the macroeconomic environment (+ +).

The economic scenario implicit in the valuation of world stocks is one of strong, sustainable economic growth, combined with interest rates that remain very low. On average, the major valuation metrics were at the highest levels since the 2000 tech bubble. Such high prices leave very little room for bad news about economic growth, inflation, or health-related matters. Our valuation vector therefore remains at triple negative (- - -).

The international market continued to rise in the second quarter. The decline in interest rates favored growth-large caps, which until then had underperformed in 2021. The technology and consumer discretionary sectors are back in favour with investors, who have abandoned the topic of the "reflation trade", at least for the time being. Very few investors are daring to take a contrarian stance. We are concerned about the sustainability of overheating markets and for that reason we are keeping our sentiment vector at triple negative (- - -).



International Equities

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:	0.08%	> \$200 million:	0.30%

(2020)

Investment Team

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

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

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

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

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

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

ESG Research

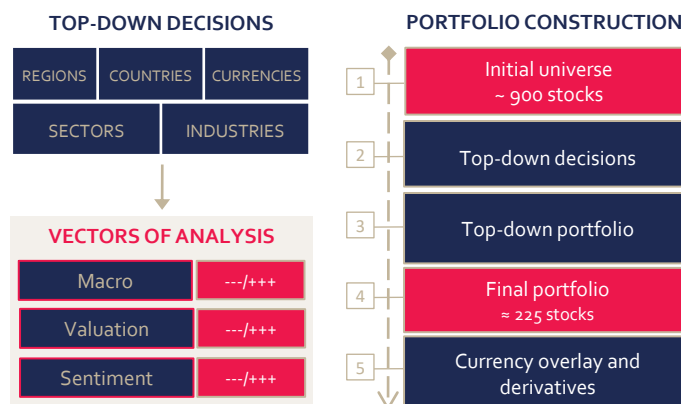
Jo-Annie Pinto, CIM®
Vice President
Experience: 23 years
Team member since 2012

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

Investment Process



Contact Us

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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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