

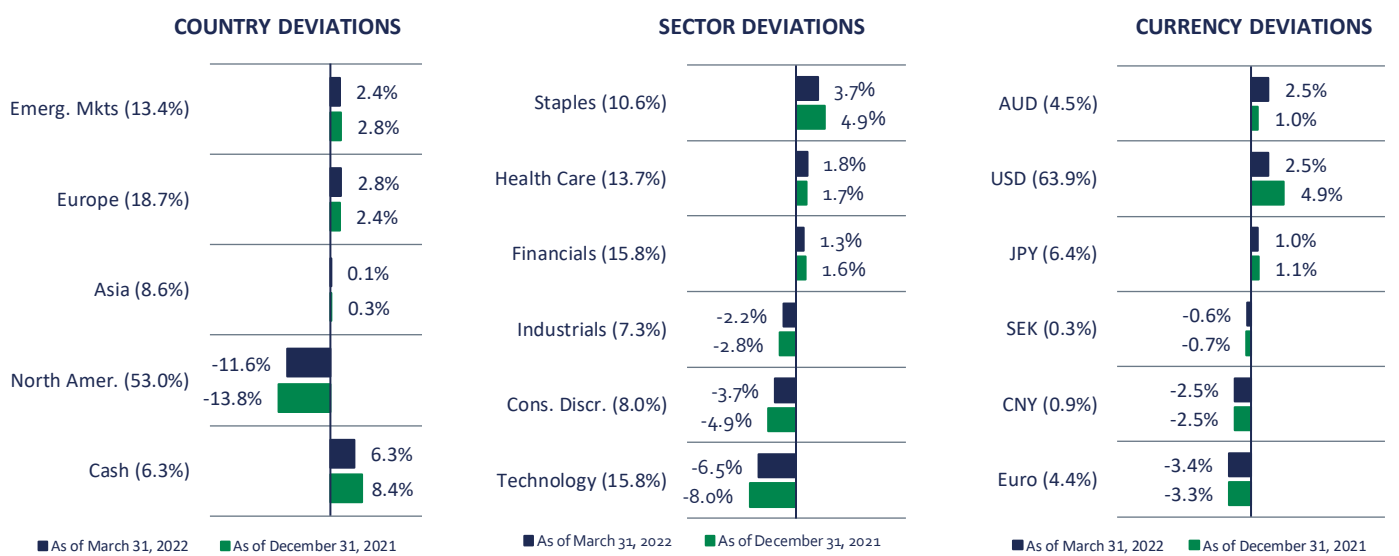
# All-Country Equities

## Performance (CAD)

Annualized (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest All-Country Composite	-4.10	-4.10	6.43	5.27	5.29	10.09	9.68
MSCI ACWI (net)	-6.42	-6.42	6.61	11.23	10.19	12.48	11.71
VALUE ADDED	2.32	2.32	-0.18	-5.96	-4.90	-2.39	-2.03

Ten last years (%)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Hexavest All-Country Composite	11.00	28.63	13.78	18.13	8.32	8.80	0.51	13.44	0.80	12.79
MSCI ACWI (net)	13.56	31.04	13.55	17.10	4.13	15.83	-1.26	20.20	14.22	17.53
VALUE ADDED	-2.56	-2.41	0.23	1.03	4.19	-7.03	1.77	-6.76	-13.42	-4.74

## Positioning (vs MSCI ACWI)



## Market Outlook

MACROECONOMIC ENVIRONMENT	VALUATION	SENTIMENT
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Signs of a change in the inflation scenario are accumulating: a tight labour market, inflation in services and declining global trade flows. Central banks are hardening their tone and tightening credit conditions. On average, an oil price spike implies an earnings recession 12 months later. We expect the combined effects of all these factors to depress corporate earnings in the coming quarters. Accordingly, we have revised our macroeconomic vector downward from single negative to double negative (- -).

Interest rates that stayed very low for a number of years pushed stock prices to extremely expensive levels. The rise in interest rates should have the opposite effect. The combination of rising interest rates and high prices has resulted in global equities that are at their least attractive level in more than a decade. We are maintaining a triple negative for the valuation vector (- - -).

Volatility is back, along with large differences across sector returns. Our sentiment index captured the rising uncertainty well, but the equity markets were very resilient despite the build-up of financial and geopolitical risks. Investor sentiment is no longer euphoric; instead, it is rather pessimistic and continues to deteriorate. As a result, we have revised the sentiment vector upward from double negative to single negative (-).

Our analysis of the three vectors has prompted us to maintain a defensive positioning. We are concerned about high equity valuations and high-risk investor positioning at a time of increasing economic uncertainty.

# All-Country Equities

## Summary

<b>Benchmark</b>	MSCI ACWI (net)
<b>Value added objective</b>	2% (4-year rolling periods)
<b>Active risk</b>	3% to 5%
<b>Number of holdings</b>	375 to 470
<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: 0.06% (2021)	> \$200 million: 0.30%

## Investment Team

**Marc C. Lavoie, CPA, CA, CFA**  
Manager, Core strategies  
Experience: 21 years  
Team member since 2003

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

**Christian Crête, CFA**  
Senior Portfolio Manager  
Experience: 22 years  
Team member since 2012

**Julien Tousignant, M.Sc., CFA**  
Portfolio Manager  
Experience: 8 years  
Team member since 2013

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

**Hao Feng, MBA, CFA**  
Senior Portfolio Manager  
Experience: 10 years  
Team member since 2021

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

## ESG Research

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

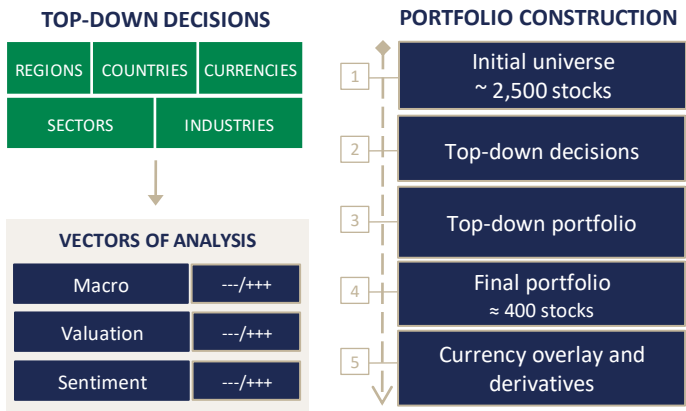
## Investment Approach

- 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

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## Investment Process



Sources: MSCI, DGAM, as of March 31, 2022

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The performance shown is that of a composite of all-country equity mandates managed by DGAM. 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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