

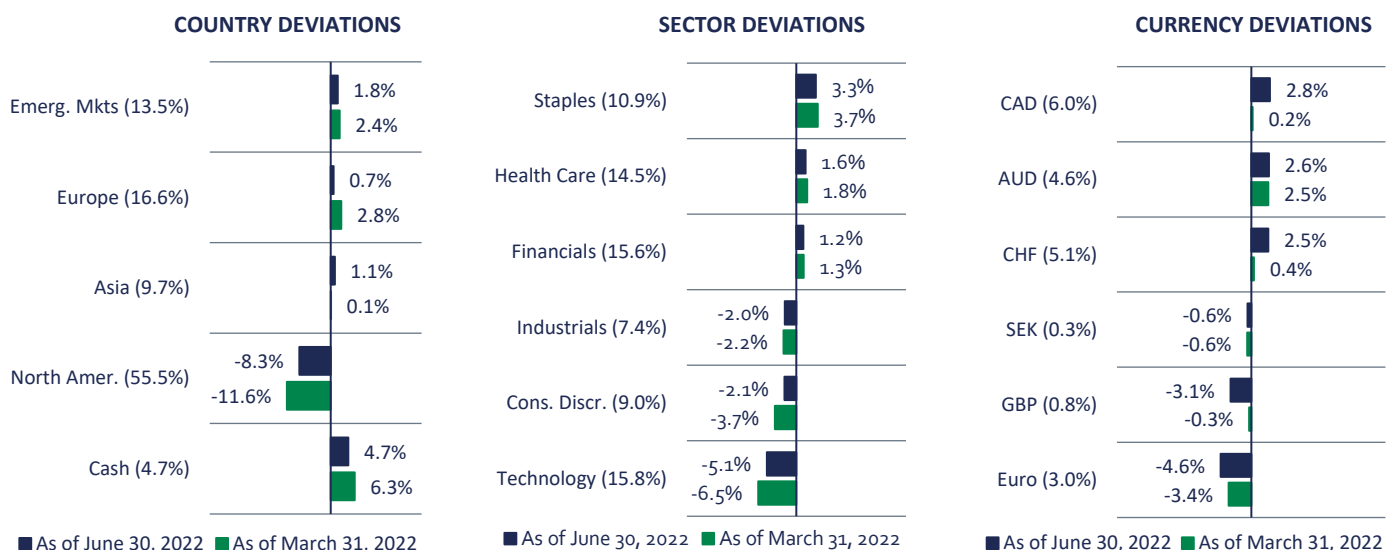
All-Country Equities

Performance (CAD)

Annualized (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest All-Country Composite	-8.83	-12.57	-6.41	2.09	3.38	9.21	8.59
MSCI ACWI (net)	-12.90	-18.49	-12.24	5.75	6.86	11.35	10.12
VALUE ADDED	4.07	5.92	5.83	-3.66	-3.48	-2.14	-1.53

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
---	--	+

The risks of an economic recession increased sharply. Declining demand will amplify the earnings recession that we were already anticipating in the first quarter of the year as a result of spiraling business production costs. This scenario contrasts with that of analysts who are still expecting strong earnings growth in 2022 and 2023. If the recession is short and shallow, it may not be enough to contain inflation and to moderate wage growth, especially in a context of labour scarcity. The scenario of a minor recession where inflation is again under control seems optimistic to us. Given the significant contrast between our expectations and those of the consensus on earnings growth and economic activity, we have revised our macroeconomic vector downward, from double negative to triple negative (---).

The US equity market is still the most expensive and is slow to adjust not only to the recession scenario but also to the rise in risk-free interest rates. Even so, the general improvement in valuation. Even so, the general improvement in valuation has prompted us to raise our valuation vector from triple negative to double negative (--).

Even though retail investors have gone from buying on weakness to selling on strength, institutional investors are purchasing protection and seeking safe havens, their equity exposure is still high relative to the historical norm – a sign that they still haven’t thrown in the towel. That being said, amid growing pessimism, the sustained decline in our investor sentiment index continued in the second quarter. Its level now shows that investor sentiment is depressed. We will need to see a shift in sentiment, namely an improvement from a low level, to become much more optimistic about this vector. But as our sentiment indicators generally reflect growing concern, we have raised our rating for this vector by two notches, from simple negative to simple positive (+).

Our analysis of the three vectors has prompted us to maintain a defensive positioning. We are concerned about relatively high equity valuations in the context of a generally deteriorating macroeconomic environment.

All-Country Equities

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: 0.06% (2021)	> \$200 million: 0.30%

Investment Team

Marc C. Lavoie, CPA, CA, CFA
Manager, Core strategies
Experience: 22 years
Team member since 2003

Jean-Benoit Leblanc, M.Sc., CFA
Senior Portfolio Manager
Experience: 23 years
Team member since 2009

Christian Crête, CFA
Senior Portfolio Manager
Experience: 23 years
Team member since 2012

Julien Tousignant, M.Sc., CFA
Portfolio Manager
Experience: 9 years
Team member since 2013

Jean-Pierre Couture, M.Sc.
Economist and Portfolio Manager
Experience: 27 years
Team member since 2010

Hao Feng, MBA, CFA
Senior Portfolio Manager
Experience: 11 years
Team member since 2021

ESG Research

Véronique Marchetti, CFA
Analyst
Experience: 17 years
Team member since 2010

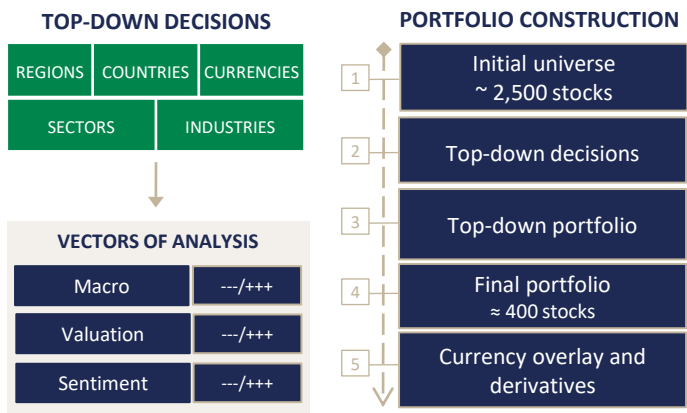
Investment Approach

- 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

clientexperience.dgia@desjardins.com

Investment Process



Sources: MSCI, DGAM, as of June 30, 2022

FOR CANADIAN INSTITUTIONAL INVESTOR USE ONLY

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.

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 DGAM.