

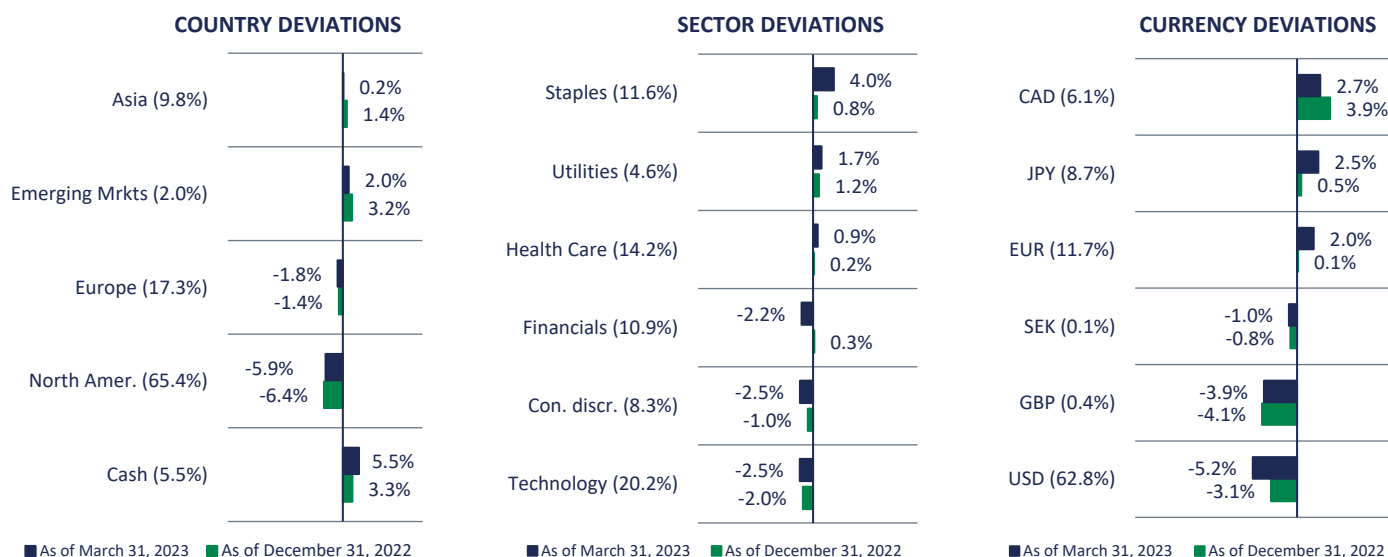
Global Equities

Performance (CAD)

Annualized (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest Global Composite	7.85	7.85	8.30	14.61	6.86	10.37	6.74
MSCI World (net)	7.60	7.60	0.74	14.46	9.06	12.02	5.05
VALUE ADDED	0.25	0.25	7.56	0.15	-2.20	-1.65	1.69

Ten last years (%)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Hexavest Global Composite	32.38	15.06	20.20	8.81	7.72	1.16	14.51	-1.45	17.15	-3.52
MSCI World (net)	35.18	14.39	18.89	3.79	14.36	-0.49	21.22	13.87	20.78	-12.19
VALUE ADDED	-2.80	0.67	1.31	5.02	-6.64	1.65	-6.71	-15.32	-3.63	8.67

Positioning (vs MSCI World)



Market Outlook

MACROECONOMIC ENVIRONMENT	VALUATION	SENTIMENT
--	--	Neutral

Global economic activity was rather resilient at the start of the year. The effects of monetary tightening may start to make themselves felt only in the second half of 2023. More stringent lending standards in Europe and North America are amplifying the tightening, however, and could accelerate its impact. The abundant cheap credit of the past decade has come to an abrupt end. Historically, such a change in conditions has always resulted in a recession. We have maintained a double-negative rating (--).

Global equities are expensive and offer no margin of safety in a difficult economic scenario. On a relative basis, the low equity risk premium in relation to bonds also makes the stock market very unattractive. On the sector level, a very optimistic scenario is again expected in the relative valuations of the cyclical and defensive sectors. The optimism is not uniform across regions. Finally, the surge in global equity prices in the first quarter was due strictly to multiple expansion rather than an improved earnings outlook. We have lowered our rating for the valuation vector from simple negative to double negative (--).

At the end of 2022, the vast majority of our sentiment indicators reflected investor caution. Three months later, the picture is very different. The stock market rally rests on a fragile base of just a few stocks and record share buybacks. As for institutional investors, their persistently high allocation to equities relative to bonds, as well as their high exposure to technology stocks, points to a return of risk appetite. All these indicators have prompted us to lower our assessment of the sentiment vector from double positive to neutral.

Our analysis of the three vectors has prompted us to maintain a defensive bias. We are concerned about the deteriorating economic growth outlook and its impact on corporate earnings.

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%

Investment Approach

- Clearly defined process, applied for nearly 30 years
- 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

Investment Team

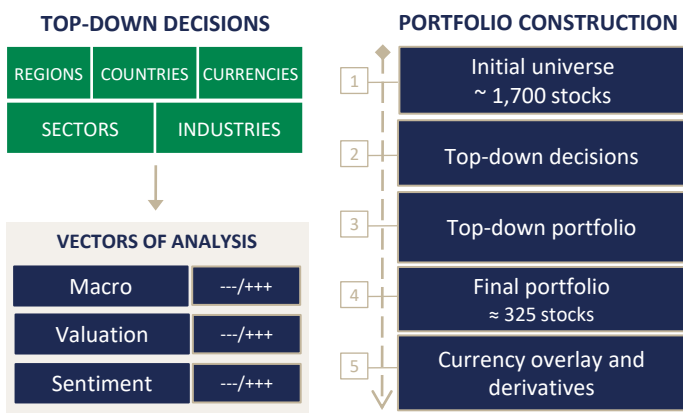
Marc C. Lavoie, CPA, CFA
Manager, Global Top-down Strategy
Experience: 22 years
Team member since 2003

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

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

Aïcha Traoré, M.Sc.
Analyst
Experience: 2 years
Team member since 2022

Investment Process



Responsible Investment

Christian Felx
Manager and Head of Responsible investment

- + We have a team of 8 specialists dedicated exclusively to responsible investment.

- Combine investments and RI expertise to offer high-performance strategies
- Development of a simple RI process that can be easily integrated into any mandate
- Ongoing exchanges between portfolio managers and the RI team increasing the efficiency of the investment process

Contact Us

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Sources: MSCI, DGAM, as of March 31, 2023

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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), Hexavest (from May 2004 to August 2021) and DGAM (since September 2021). 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.

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