

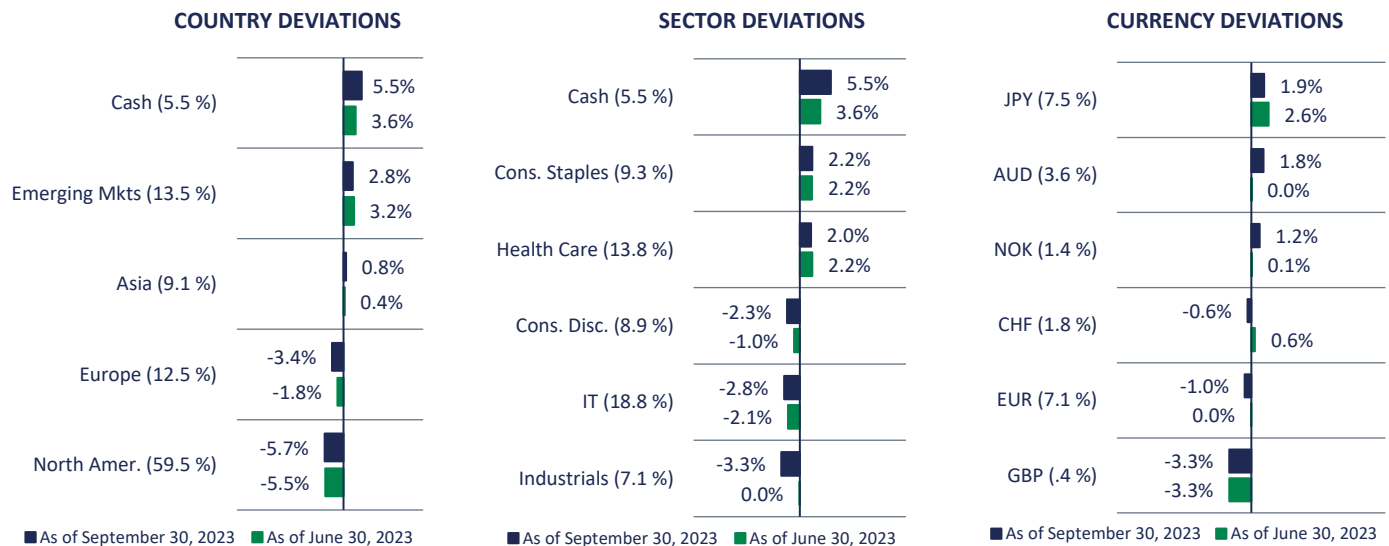
# All-Country Equities

## Performance (CAD)

Annualized (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest All-Country Composite	-0.55	9.43	18.98	7.45	5.21	8.84	9.15
MSCI ACWI (net)	-1.30	9.82	18.86	7.33	7.42	10.55	10.51
VALUE ADDED	0.75	-0.39	0.12	0.12	-2.21	-1.71	-1.36

Ten last years (%)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Hexavest All-Country Composite	28.63	13.78	18.13	8.32	8.80	0.51	13.44	0.80	12.79	-5.41
MSCI ACWI (net)	31.04	13.55	17.10	4.13	15.83	-1.26	20.20	14.22	17.53	-12.43
VALUE ADDED	-2.41	0.23	1.03	4.19	-7.03	1.77	-6.76	-13.42	-4.74	7.02

## Positioning (vs MSCI ACWI)



## Market Outlook

MACROECONOMIC ENVIRONMENT	VALUATION	SENTIMENT
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Neutral

We do not believe in either a soft-landing scenario or a deep recession scenario. The disinflation seen this year is encouraging, and in our view no further interest rate hikes are required. Our analysis points instead to a classic end of cycle, namely a moderate economic contraction caused by the sharp rise in interest rates and the tightening of credit standards. We are maintaining a double-negative rating for our macroeconomic environment vector.

The high valuation levels and expansion of multiples seen this year on the S&P 500 and NASDAQ indexes are consistent with an acceleration of economic growth and corporate earnings. The valuations of the global small- and mid-cap stock indexes are already pricing in a recession, as well for some industries, particularly banks. It's also worth noting that when you subtract the seven largest stocks in the S&P 500, the so-called magnificent seven, the index has a valuation that is more reasonable, albeit not cheap. In other words, at the end of September the extreme valuations were concentrated in a handful of U.S. mega caps. We are maintaining a double-negative valuation rating.

The relative performances of the sectors and investor positioning reflect hopes for a soft landing. The euphoria we saw in some markets only a few months ago abated during the summer, as can be seen from the MSCI World's third-quarter return of -2.6% in local currency. The improvement in our investor sentiment index echoes this context. What has changed very little, is the high concentration of returns in the so-called magnificent seven this year. In this context, we are raising our investor sentiment vector from single negative 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 at a time when market valuations and investor positioning are not pricing in a slowdown.**

# 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%

## Investment Team

**Marc C. Lavoie, CPA, CFA**  
Manager, Global Top-down Strategies  
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

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

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

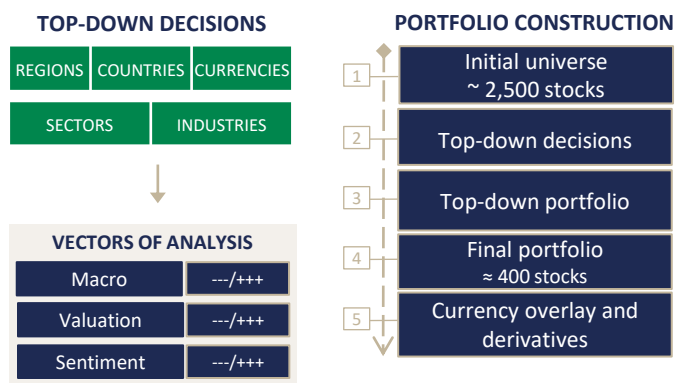
**Hao Feng, MBA, CFA**  
Portfolio Manager  
Experience: 11 years  
Team member since 2021

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

## 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



## Responsible Investment

### Christian Felx

Manager and Head of Responsible investment

- + We have a team of 10 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

[clientexperience.dgia@desjardins.com](mailto:clientexperience.dgia@desjardins.com)

Sources: MSCI, DGAM, as of September 30, 2023

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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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