

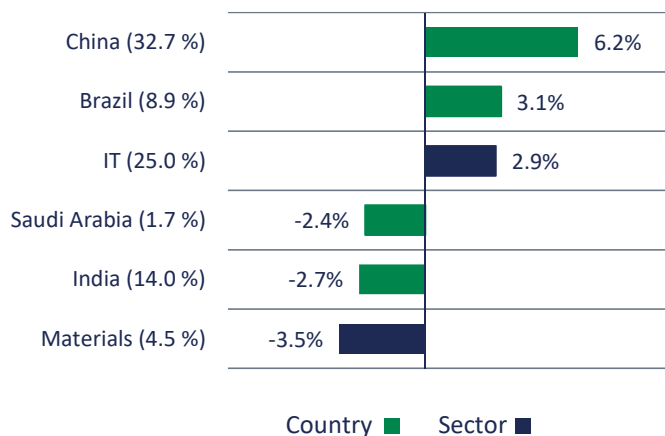
Emerging Markets Equity

Performance (CAD)

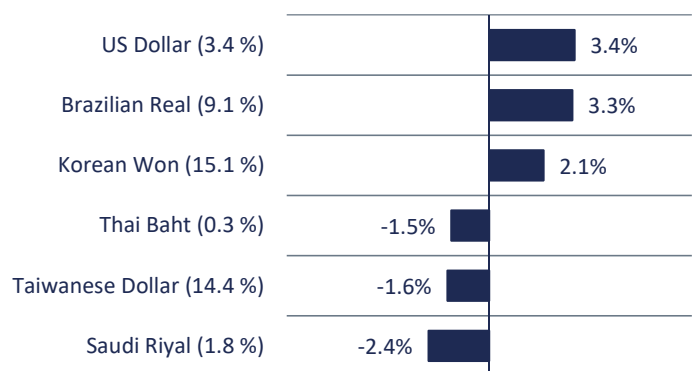
Annualized (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since inception			
Hexavest Emerging Markets Composite	2.98	2.65	2.65	-6.35	1.11	3.45	2.90			
MSCI Emerging Markets (net)	5.20	6.88	6.88	-3.98	2.96	4.90	3.98			
VALUE ADDED	-2.22	-4.23	-4.23	-2.37	-1.85	-1.45	-1.08			
Ten last years (%)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Hexavest Emerging Markets Composite	3.94	1.87	3.71	24.61	-2.89	7.86	19.29	-5.11	-15.69	2.65
MSCI Emerging Markets (net)	6.63	2.04	7.34	28.26	-6.88	12.45	16.23	-3.37	-14.28	6.88
VALUE ADDED	-2.69	-0.17	-3.63	-3.65	3.99	-4.59	3.06	-1.74	-1.41	-4.23

Positioning (vs MSCI Emerging Markets)

COUNTRIES AND SECTORS



CURRENCIES



Market Outlook

MACROECONOMIC ENVIRONMENT

+

VALUATION

Neutral

SENTIMENT

Neutral

Emerging market earnings forecasts for the next 12 months have been revised significantly upward for the first time in almost two years. This development was required for us to raise our rating on the macroeconomic environment.

The emerging market equity valuation deteriorated somewhat in the fourth quarter, rising from the 45th to the 57th percentile of its historical distribution. In terms of regions, emerging market equities are still very attractive relative to U.S. equities but have a valuation similar to those of European and Asia-Pacific equities.

After negative returns in 2021 and 2022, EM shares posted a solid gain of 9.8% in 2023. EM currencies performed less well, given the hawkish tone of the U.S. Federal Reserve for much of the year and high U.S. bond yields. The year-end stock market rally lifted our in-house investor sentiment index into the neutral zone after more than two years in pessimistic territory. The Fed's more dovish tone toward the end of the year definitely helped. Institutional investors gradually increased their exposure to emerging market equities in 2023 but continued to underweight this asset class.

Emerging Markets Equity

Summary

Benchmark	MSCI Emerging Markets (net)
Exclusions	Tobacco, coal production and controversial weapons
Value added objective	2% (4-year rolling periods)
Active risk	2% to 4%
Number of holdings	130 to 170
Currency management	Active

DEVIATIONS VS. BENCHMARK

Regions:	+/- 15%
Countries:	+/- 15%
Currencies:	+/- 15%
Sectors:	+/- 10%

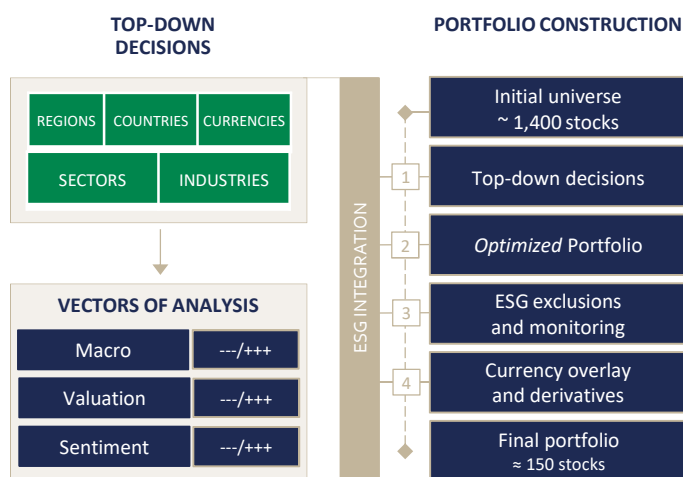
Investment Team

Jean-Benoit Leblanc, M.Sc., CFA Senior Portfolio Manager Experience: 24 years Team member since 2009	Jean-Pierre Couture, M.Sc. Economist and Senior Portfolio Manager Experience: 28 years Team member since 2010
Julien Tousignant, M.Sc., CFA Portfolio Manager Experience: 10 years Team member since 2013	Hao Feng, MBA, CFA Portfolio Manager Experience: 12 years Team member since 2021

Investment Approach

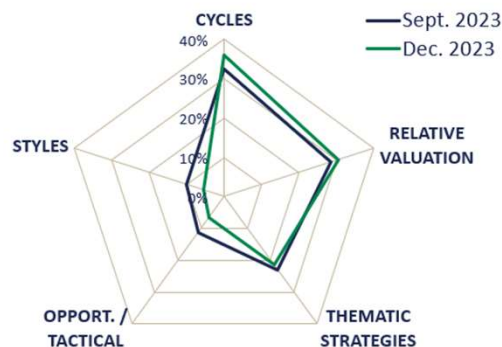
- Capture long term investment opportunities as well as benefit from short term dislocations
- Top-down approach
- Diversified sources of alpha: regions, countries, currencies, sectors, industries, and stocks
- Proprietary ESG process, tailored to emerging markets

Investment Process



Investment Themes

As a % of total portfolio



Source: DGAM, December 31, 2023

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

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Sources: MSCI, DGAM, as of December 31, 2023.

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The performance shown is that of a composite of emerging markets equity mandates managed by DGAM. Accounts in the composite may have investment guidelines that differ from those of the model portfolio. The inception date of the composite is February 1, 2011. 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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