

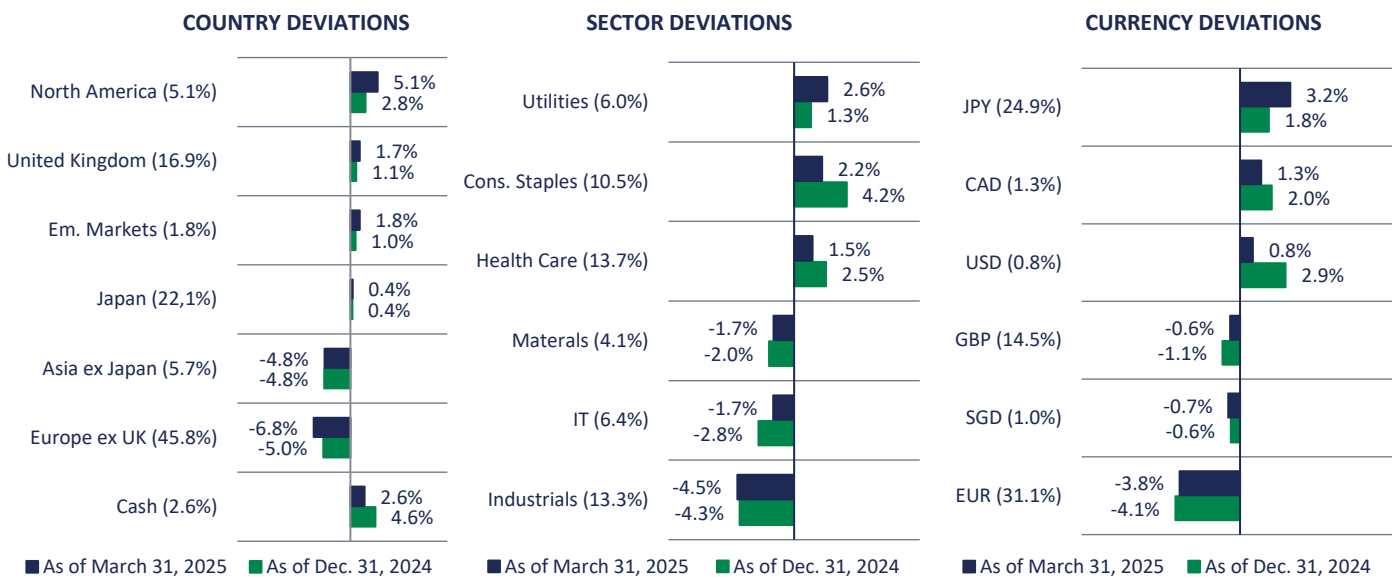
International Equities

Performance (CAD)

Annualized (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest EAFE Composite	12.71	12.71	23.98	17.52	13.80	6.97	7.92
MSCI EAFE (net)	6.94	6.94	11.55	11.18	12.02	6.75	6.19
VALUE ADDED	5.77	5.77	12.43	6.34	1.78	0.22	1.73

Ten last years (%)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Hexavest EAFE Composite	19.02	0.73	10.26	-2.51	11.47	-5.41	6.38	-2.37	18.47	18.29
MSCI EAFE (net)	18.95	-2.49	16.82	-6.03	15.85	5.92	10.32	-8.23	15.07	13.24
VALUE ADDED	0.07	3.22	-6.56	3.52	-4.38	-11.33	-3.94	5.86	3.40	5.05

Positioning (vs MSCI EAFE)



Market Outlook

MACROECONOMIC ENVIRONMENT	VALUATION	SENTIMENT
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In traditional business cycles, monetary authorities adjust credit conditions to dampen or to increase demand in line with changes in inflation and, in the case of the United States, unemployment. Governments and central banks can also respond to exogenous shocks. But when the exogenous shock is deliberate and inflationary, and its outcome is unpredictable, the authorities are left in a fog. The damage will be lasting. A downgrade of the U.S. macroeconomic environment is warranted. On a relative basis, trade agreements, supply-chain reorganization, and stimulus and modernization plans in Europe and Asia warrant an upgrade for these regions. Over the next 12 months, uncertainty will weigh on global growth; for that reason, we are lowering the vector for the macroeconomic environment from neutral to double-negative.

American exceptionalism is still very much in evidence in the absolute valuation of the S&P 500 and the relative valuations of the regions. As at March 31, the U.S. stock market still had an aggregate valuation in the highest decile in its history, and all the other regions were bargains on a relative basis. And there is little chance that the April stock market correction and the inevitable earnings revisions will change this situation significantly. The valuation of global equities, in the 88th percentile as at March 31, would still justify a triple-negative for the valuation vector. But the subsequent market downturn and the partial data at our disposal have prompted us to raise the vector from triple-negative to double-negative.

Peak anxiety has been the most optimistic narrative recently. But an exogenous shock deliberately caused by a single individual whose strategy is based on unpredictability makes any attempt to predict the markets' short-term behaviour (market timing) extremely risky. It's quite likely that this kind of strategy will eventually lead to diminishing returns in terms of investor behaviour and the financial markets. The level of anxiety is high, but investor positioning doesn't yet reflect it, although investors are transitioning toward caution. As a result, we have raised our sentiment vector from double-negative to single-positive.

Our analysis of the three vectors has prompted us to maintain a defensive bias. The euphoria of 2024 has abated, but the economic environment has deteriorated, and the global equity valuation is still too high, especially in such an uncertain environment.

International Equities

Summary

Benchmark	MSCI EAFE (net)
Value added objective	2% (4-year rolling periods)
Active risk	3% to 5%
Number of holdings	200 to 250
Currency management	Active
Maximum cash exposure	10%

DEVIATIONS VS. BENCHMARK

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

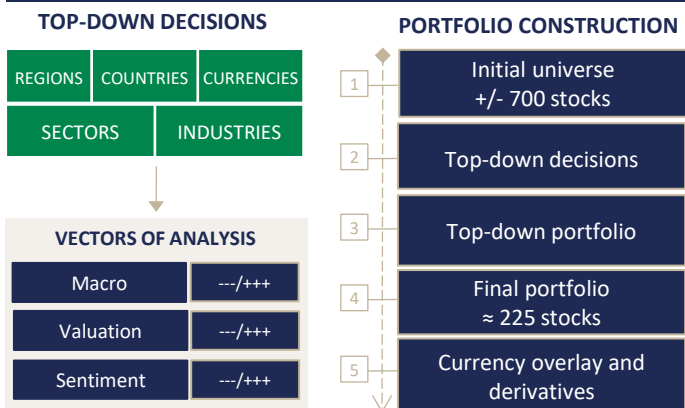
Investment Approach

- 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 Team

<p>Marc C. Lavoie, CPA, CFA Manager, Global Top-down Strategy Experience: 24 years Joined team: 2003</p> <p>Christian Crête, CFA Senior Portfolio Manager Experience: 25 years Joined team: 2012</p> <p>Frédéric-Bouchard Labonté, M.Sc., CFA Senior Analyst Experience: 11 years Joined team: 2024</p>	<p>Jean-Pierre Couture, M.Sc. Economist and Senior Portfolio Manager Experience: 29 years Joined team: 2010</p> <p>Aïcha Traoré, M.Fin., M.Sc. Analyst Experience: 5 years Joined team: 2022</p> <p>Irina Prokopyeva, M.Sc., CFA Senior Analyst Experience: 9 years Joined team: 2024</p>
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Investment Process



Responsible Investment

- We have a team of specialists dedicated exclusively to responsible investment.
- Combine investments and RI expertise to offer high-performance strategies.
 - Develop a simple RI process that can be easily integrated into any mandate.
 - Increase the efficiency of the investment process thanks to ongoing exchanges between portfolio managers and the RI team.

Contact Us

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Sources: MSCI, DGAM, as of March 31, 2025

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The performance shown is that of a composite of international equity mandates managed by 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 May 1, 1991. 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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