

Emerging Markets Equity

Performance (CAD)

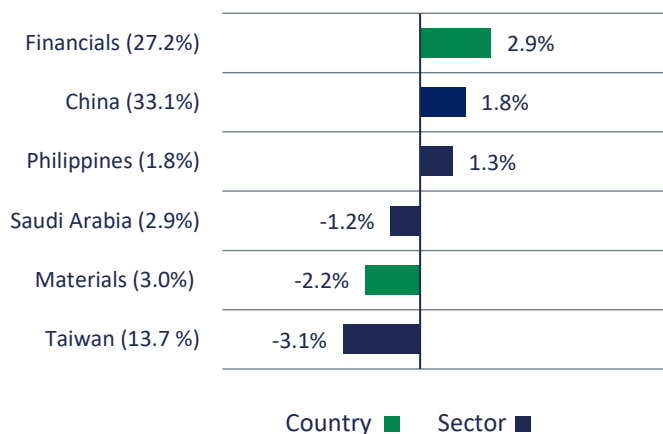
Annualized (%)	3 months	YTD	1 year	3 years	5 years	10 years	Since inception
Hexavest Emerging Markets Composite	4.01	4.01	17.45	4.77	7.22	4.15	4.17
MSCI Emerging Markets (net)	3.00	3.00	14.96	6.35	8.18	5.04	5.01
VALUE ADDED	1.01	1.01	2.49	-1.58	-0.96	-0.89	-0.84

Ten last years (%)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Hexavest Emerging Markets Composite	1.87	3.71	24.61	-2.89	7.86	19.29	-5.11	-15.69	2.65	18.42
MSCI Emerging Markets (net)	2.04	7.34	28.26	-6.88	12.45	16.23	-3.37	-14.28	6.88	17.25
VALUE ADDED	-0.17	-3.63	-3.65	3.99	-4.59	3.06	-1.74	-1.41	-4.23	1.17

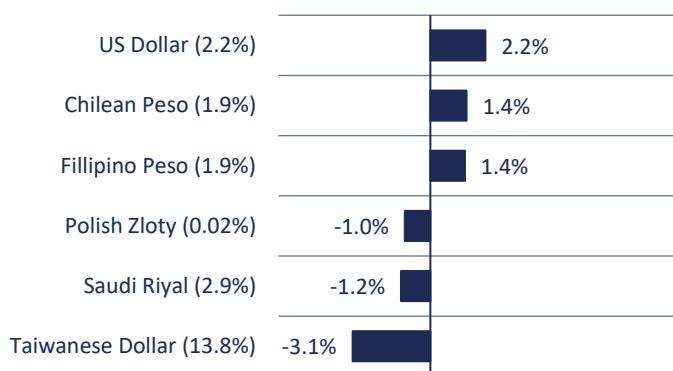
*Since inception: February 1, 2011

Positioning (vs MSCI Emerging Markets)

COUNTRIES AND SECTORS



CURRENCIES



Market Outlook

MACROECONOMIC ENVIRONMENT	VALUATION	SENTIMENT
-	--	+

The economic data are not indicative of a major slowdown, for the time being. Frontloading of U.S. orders before the imposition of tariffs probably supported activity at the start of the year. But it is likely to cause weakness in exports later this year, in addition to the direct impact of the tariffs that will be in effect. In general, Asia seems to have more to lose than Latin America. Economic and political uncertainty is likely to weigh on companies' investment intentions. China has already begun a fiscal expansion that could be increased to address the trade barriers imposed on it. The high level of real interest rates will allow a number of countries to ease their monetary policies to support economic activity.

The valuation of emerging market equities deteriorated slightly in the first quarter of 2025. The valuation of emerging market equities is still very attractive relative to that of developed markets, especially the United States. Extreme valuations are less pronounced at the country level. India has become somewhat less pricey, while the valuation of Chinese equities is no longer as attractive as it was last year. After two years, information technology is no longer the most expensive sector. Conversely, we still consider consumer staples the most attractively valued sector, along with utilities.

Investor sentiment in emerging markets remained in the neutral zone throughout the quarter, in contrast to the deteriorating sentiment in developed markets. This divergence can also be seen in the 5.3% outperformance by emerging markets (+2.6%) relative to developed markets (-2.7%) in the first three months of 2025. Chinese stocks performed especially well after the launch of the DeepSeek chatbot and the Chinese government's encouraging message to private companies. In the rest of the world, however, tech stocks that had benefitted in 2024 from the artificial intelligence craze were sent tumbling.

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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%

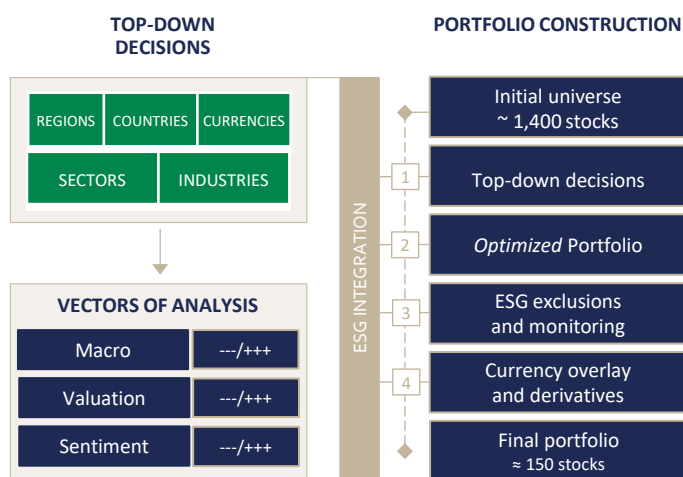
Investment Team

Jean-Benoit Leblanc, M.Sc., CFA Senior Portfolio Manager Experience: 25 years Joined team: 2009	Jean-Pierre Couture, M.Sc. Economist and Senior Portfolio Manager Experience: 29 years Joined team: 2010
Julien Tousignant, M.Sc., CFA Portfolio Manager Experience: 12 years Joined team: 2013	

Investment Approach

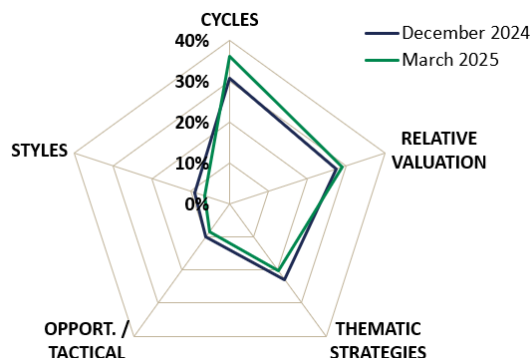
- Capture long term investment opportunities as well as benefit from short term dislocations.
- Top-down approach.
- Diversified sources of alpha: regions, countries, currencies, sectors, industries, and stocks.
- Proprietary ESG process, tailored to emerging markets.

Investment Process



Investment Themes

As a % of total portfolio



Source: DGAM, March 31, 2025

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 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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