

Quarterly Bulletin as at June 30, 2010

Natcan Global Equity Fund

INVESTMENT APPROACH: We are bottom up stock pickers, searching for secular growth opportunities that are reasonably priced. Preference is given to sectors offering sustainable growth and low volatility. The managers seek out and invest in the best business models globally: companies generating stable and persistent earnings growth, expanding and above-average profit margins, and high returns on capital. This combination of attractive characteristics provides a margin of safety and a cushion against a host of inevitable economic and business uncertainties.

MARKET OVERVIEW

During the month of June, global equity markets continued their decline that began at the end of April. The market retreated by 8.3% in the second quarter of 2010. With the exception of Singapore, all local markets declined during the quarter with the biggest losses being Greece (-38%), Finland (-22%) and China (-19%).

Investors were preoccupied by a number of macroeconomic worries, including the sovereign debt situation in the PIIGS countries (Portugal, Ireland, Italy, Greece, Spain), the potential for a double dip recession in Europe and the U.S. triggered by the implementation of austerity packages in various countries, and a slowing Chinese economy dragged down by a deflating housing bubble.

For the reasons mentioned above, risk-aversion increased during the quarter and the month. As a result, one could expect so-called safe-havens, i.e. sectors that are less affected by adverse economic conditions, tend to outperform the market while economically-sensitive areas of the market should under-perform. That is exactly what happened during the quarter. The best performing sectors were Telecommunications, Consumer Staples and Utilities. Underperformers included Energy, Materials and Financials.

PERFORMANCE ANALYSIS

The fund posted a -7.85% return versus a benchmark return of -8.65%. This 80 basis points out-performance was mostly driven by stock selection in Consumer Discretionary, Materials and Health Care sectors.

PERFORMANCE (% - CAD)

	3 months	YTD	1 year	4 years	Since Inception (2004-06)
Fund ¹	-7.85	-7.86	0.80	-5.70	-3.71
Index ²	-8.65	-8.86	0.48	-5.15	-2.55
Added Value	0.80	0.99	0.32	-0.54	-1.16

1 - Everywhere in this bulletin, "Fund" refers to the Natcan Global Equity Fund.
2 - Everywhere in this bulletin, "Index" refers to the MSCI World ex. Canada.

PERFORMANCE ATTRIBUTION VS INDEX

Sectors	Attribution (basis points)	Securities	Contribution (basis points)
Energy	-36	Positives	
Materials	32	Apple Inc.	34
Industrials	-3	Autozone Inc.	26
Consumer Disc.	56	Novo-Nordisk As	19
Consumer Staples	20	Hengan International	18
Health Care	30	Cnooc Ltd.	17
Financials	-26	Négatives	
Technology	18	BP Plc	-32
Telecommunications	-25	Fugro NV	-27
Utilities	-8	Mylan Inc.	-26
Total equities	58	Barclays	-24
Foreign exchange/Liquidity	22	CVS Caremark corp	-23
Total	80		

Performance attribution includes sector allocation and stock selection. In green: not a portfolio holding

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OUTLOOK AND STRATEGY

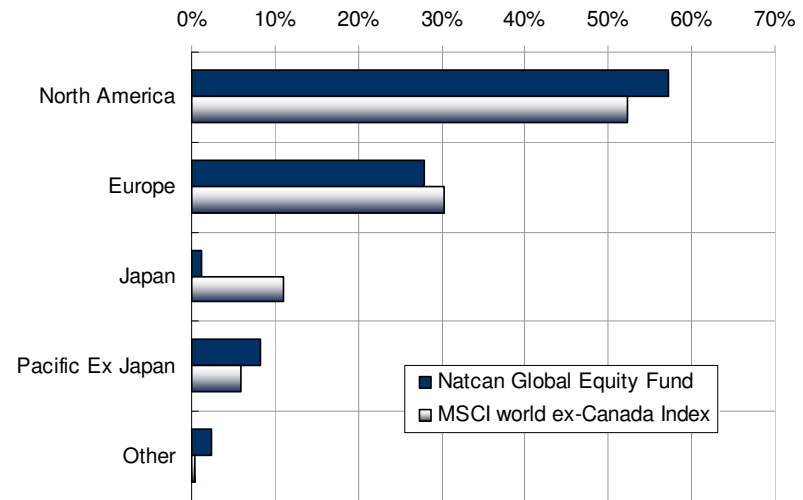
In times of economic uncertainty, predictability is the attribute most sought after by investors. We maintain our focus on strong free cash-flow and reliable dividend payouts as investors are starved for yield in the current low interest rate environment. We encourage the companies in our portfolio to optimize their capital structure through share buy-backs, increased dividends or well-chosen M&A transactions. The sectors currently best providing these attributes are Health Care and Information Technology.

Our biggest sector position currently is Health Care. Cash as a percentage of assets is at a historical high and an additional 30 million Americans will soon have access to medical care for the first time in their lives. We increased our overweight in this sector by adding Community Health Systems and Medco. Both companies offer reliable and predictable income streams, a valuable characteristic in times of increasing risk aversion.

We decreased our underweight position in Europe by mostly focusing on European exporters that stand to benefit from weak local currencies (Assa Abloy, Alfa Laval, Ericsson). We increased our underweight position in Japan by selling mostly exporters (Honda, Hoya) that are saddled with an appreciating currency which reduces their competitiveness in world markets.

Further improvements in the world-wide economic climate coupled with additional softening of the yen would lead us to increase our holdings in Japan. Should a credible solution to the Euro crisis materialize, we would consider moving to an overweight in European equities.

GEOGRAPHIC ALLOCATION



TOP 10 HOLDINGS

Securities	Weight
Apple Inc.	4.4%
Nestle SA	3.4%
Time Warner Cable	2.7%
Novo-Nordisk As	2.5%
Exxon Mobil Corp	2.5%
Cnooc Ltd.	2.3%
Hewlett Packard Co	2.1%
Autozone Inc.	2.0%
Wells Fargo & Co	1.9%
BHP Billiton Ltd	1.9%

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