

Quarterly Bulletin as at March 31, 2009

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

The global financial crisis deepened during the first quarter of 2009, and governments from around the world had to once again extend a helping hand to ailing financial institutions (AIG, Bank of America, Royal Bank of Scotland, Lloyds TSB, etc.) to insure a certain level of functionality within the global financial system. Concurrently, many economic indicators crossed or neared readings not breached since the Great Depression, prompting unprecedented policy reaction from a majority of central banks. Consequently, short-term interest rates were lowered to near zero in most industrialized countries and stimulus packages valued in the trillions of dollars were introduced. Nonetheless, investors remained unconvinced that these measures would succeed in restoring normalcy, a lack of confidence that pushed equity prices further into the red.

As a consequence, the MSCI World Index declined by 10.1% during the quarter, despite a 6.69% gain in March on continued worries about the survival of many financial services companies, which dragged the sector down 20.5%. Elsewhere, the Industrials sector shed 15.8% during the period, as did the Utilities sector. Technology bucked the overall trend as it rose 2.8%, a reflection of strong company balance sheets and net cash positions. Meanwhile, Materials fell by only 1.4%, on renewed inflation concerns that provided a boost for mining shares. Lastly, Consumer Discretionary stocks declined by a mild 5.9%, on signs of stabilization in the U.S. retail consumption space, while Energy shares continued to retreat, losing 6.3% this quarter, on weaker demand forecasts.

PERFORMANCE REVIEW

For the quarter, the Fund declined by 11.4%. This slight underperformance was mainly the result of security selection within the Financials sector, namely Aflac, Axa and Aviva, as investor worries shifted to the solvency of insurance companies. Results were also hindered by selection within the Technology sector, namely Nintendo, whose stock fell in reaction to a revised sales outlook, and within Telecommunications, and more particularly KDDI, which declined in reaction to lower-than-expected handset sales. The setback was however mitigated by the underweight allocation to Financials and Utilities.

PERFORMANCE (% - CAD)

	3 months	YTD	1 year	4 years	Since Inception (2004-04)
Fund ¹	-11.39	-11.39	-29.65	-6.97	-5.58
Index ²	-10.58	-10.58	-29.51	-6.05	-5.42
Added value	-0.81	-0.81	-0.14	-0.92	-0.16

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	10	Positive	
Materials	13	General Electric	38
Industrials	9	Apple Inc.	28
Consumer Disc.	-14	Bank of America Corp.	27
Consumer Staples	36	Hengan International	25
Health Care	61	Monsanto Co.	24
Financials	-73	Negative	
Technology	-33	Aflac Inc.	-83
Telecommunications	-30	Aviva	-66
Utilities	6	AXA	-58
Total equities	-15	KDDI Corp.	-49
Foreign exchange/Liquidity	-66	Zurich Fin. Serv. Group	-36
Total	-81		

Natcan Global Equity Fund as at March 31, 2009

OUTLOOK AND STRATEGY

The portfolio remains defensively positioned, with a major underweight position in the Financial Services sector and overweight positions in the Health Care and Consumer sectors. We continue to favour strong cash-flow generators such as Nestle, BG Group, Roche, Monsanto and British American Tobacco.

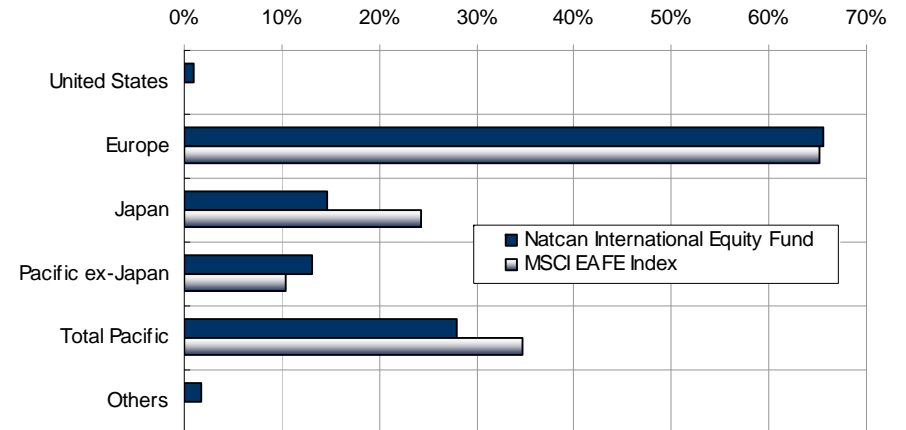
However, recent actions taken by governments and central banks are leading us to become more optimistic. Monetary and fiscal authorities remain on the offensive, increasing spending and moving interest rates lower, in order to fight rising unemployment and reduced corporate spending. Consequently, the portfolio's weighting in the Materials and Energy sectors was increased, while exposure to Health Care, Consumer Staples and the overall cash position was reduced. The weighting of Staples was reduced by trimming Danone and Procter & Gamble, while the change in Health Care came from the sale of Genentech. We increased exposure to Materials via the purchase of Syngenta and Freeport MacMoran, and to Energy, through a position in Petrobras.

Should evidence of a sustained recovery and a credible solution to the banking crises materialize, we would further decrease our defensive stance and reduce the underweight in Financials. Furthermore, we would continue to increase the underweight in the Japanese yen, as its allure as a defensive currency will decrease in the context of an economic recovery.

TECHNICAL CHARACTERISTICS

	P/E	Div.	Net Margin	ROE	Growth Pot.	Net Debt/Equity
Fund	11,7 x	3,0 %	9,2 %	20,1 %	13,0 %	37,7 %
Index	11,4 x	3,6 %	5,8 %	15,6 %	9,2 %	45,4 %

GEOGRAPHIC ALLOCATION



TOP 10 HOLDINGS

Securities	Weight
Exxon Mobil Corp.	3.7%
Nestle SA	3.1%
Roche Holdings AG	2.4%
Microsoft Corp.	2.4%
BG Group	2.3%
Chevron Corp.	2.1%
Apple Inc.	2.1%
British American Tobacco	2.0%
Wal Mart Stores Inc.	2.0%
Monsanto Co	2.0%

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