Quarterly Bulletin as at March 31, 2009

Natcan Corporate Bond Fund

INVESTMENT APPROACH: Based on rigorous risk management, our approach focuses on capital preservation. Our experts share a global market perspective, and favour a disciplined investment process rooted in the belief that security and industry selection plays a central role in portfolio performance. The portfolio is actively managed without duration deviations. Our management process begins with the duplication of the index through vigorous security selection. We then proceed to an in-depth analysis of relative values with the help of derivatives in order to increase the yield of the portfolio while avoiding additional credit risk. We then analyse economic, fundamental, and technical factors to try to predict Canada and U.S. credit spreads over a 6-month horizon. Finally, we initiate different tactical deviations, and conclude with the management, in real time, of these deviations by evaluating the risk and expected return of the portfolio.

MARKET OVERVIEW

After a period of increased volatility and a fairly moderate performance in 2008, the first quarter of 2009 saw renewed interest in corporate bonds. In this context, the Canadian corporate sector outperformed its U.S. counterpart, which more closely followed stock market trends.

In Canada, the spreads of the DEX Mid-Term Corporate Index tightened by 27 basis points in the first three months of the year to close the quarter at +411 basis points. The pace of new issues has increased in both Canada and the U.S. due to strong demand from retail clients. As a result, the concessions granted for new issues have decreased and corporate bonds performed extremely well on secondary markets in comparison with the fourth quarter of 2008. This situation especially favoured the senior and subordinated debt of banks, but was less favourable for insurance company securities.

The DEX Mid-Term Corporate Index ended the quarter with a return of 4.66 compared to +1.28% for the DEX Mid-Term Federal Index. In this context, higher-quality medium-term securities (rated AAA/AA) were the most profitable, generating a return of 5.34%.

PERFORMANCE ANALYSIS

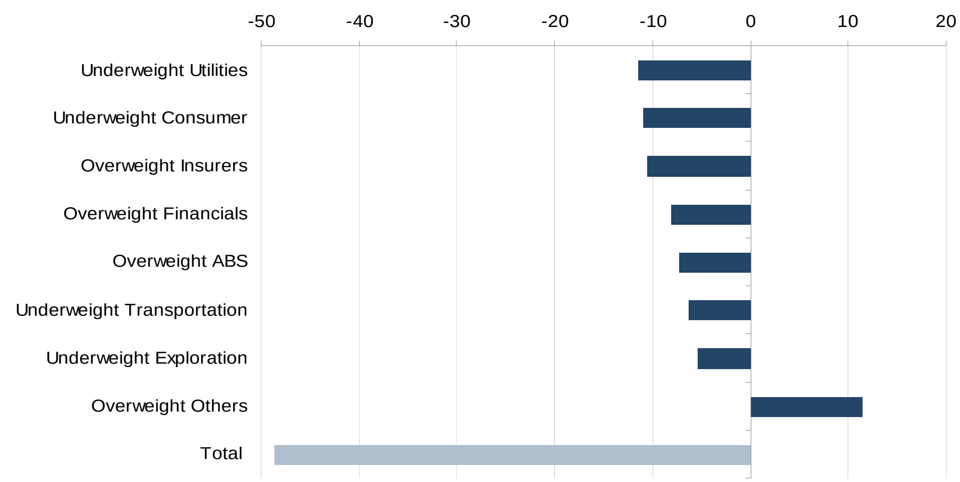
During the quarter, the Fund's performance was positive, although below that of the benchmark. This underperformance was mainly due to the portfolio's more defensive positioning, a strategy that reduced portfolio risk, but did not enable the portfolio to take full advantage of the rise in this asset class. In this context, the underweight positions in securities in the utilities, consumer, transportation and exploration sectors detracted from performance. Overweight positions in asset-backed securities, insurance companies and financial services also limited the portfolio's performance.

PERFORMANCE (%)

	3 months	YTD	1 year	4 years	Since Inception (1999-11)
Fund[1]	4.17	4.17	1.25	3.51	6.76
Index[2]	4.66	4.66	0.97	3.48	6.61
Added value	-0.49	-0.49	0.28	0.03	0.15

1 – Everywhere in this bulletin, "Fund" refers to the Natcan Corporate Bond Fund.
2 – Everywhere in this bulletin, "Index" refers to the DEX Mid Term Corporate Bond Index.

PERFORMANCE ATTRIBUTION VS INDEX



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OUTLOOK AND STRATEGY

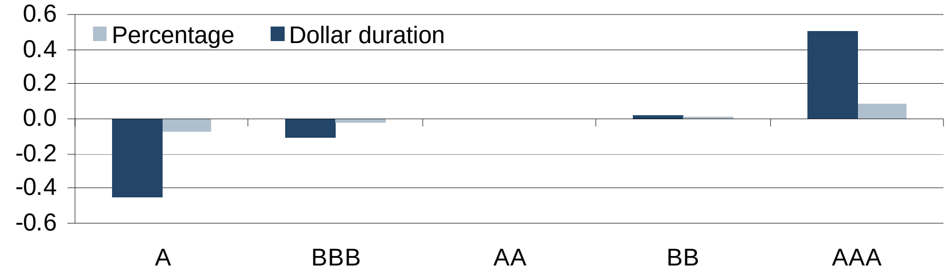
During the quarter, the overweight position in government bonds (federal and provincial) was reduced from 9.8% at the beginning of the year to 6.5% at the end of March, justified by the acquisition of hybrid securities and subordinated debt of banks and insurance companies at attractive levels.

Although we acquired some bank subordinated debt during the quarter, the portfolio remains underweight in this sector. We would gradually increase the weighting if new issues were offered at attractive terms. Since insurance company securities have historically outperformed bank securities, we have increased weighting in this sector.

We are maintaining the underweight position in infrastructures because securities in this sector are fairly costly in the current environment. However, the most significant underweight is in industrials, as we believe the current economic slowdown could harm manufacturers and retailers.

Although economic uncertainty persists, the many actions of central banks and governments worldwide are setting the stage for a possible improvement in economic conditions. If investor interest in securities considered as higher risk continues and the volume of new issues does not rise excessively, credit spreads between government and corporate bonds may continue to shrink. We therefore expect to adopt a more proactive approach over the next few weeks by participating in new issues offering advantageous terms. In the current situation, a sound selection of securities remains essential to protect the portfolio against depreciation.

CREDIT RATING DEVIATIONS



Note: Dollar duration = duration spread x weighting spread

MAIN DEVIATIONS

Overweights	Natcan	Index	Deviation	Natcan Duration	Index Duration	Dollar / Duration
Government of Canada	4,27%	0,00%	4,27%	6,54	0,00	0,28
Scotia Bank	4,00%	1,88%	2,12%	5,43	5,43	0,12
Investors Group	2,01%	0,25%	1,76%	6,99	6,60	0,12
Industrial Alliance & Financial	1,79%	0,23%	1,56%	4,10	4,36	0,06
TD Bank	12,79%	11,31%	1,48%	6,07	6,04	0,09
Thompson	4,81%	3,43%	1,38%	5,31	5,23	0,08
SCORE (TACT credit cards)	1,34%	0,00%	1,34%	4,20	0,00	0,06
BCCTR (TACT credit cards)	1,27%	0,00%	1,27%	4,26	0,00	0,05
Enmax Corporation	2,03%	0,92%	1,11%	6,70	5,57	0,09
Alliance Pipeline	1,58%	0,57%	1,01%	4,17	2,72	0,05

Underweights	Natcan	Index	Deviation	Natcan Duration	Index Duration	Dollar / Duration
Bank of Montreal	9,57%	13,93%	-4,37%	6,19	5,51	-0,24
National Bank	0,00%	2,21%	-2,21%	0,00	5,47	-0,12
Shaw Communications	0,00%	2,18%	-2,18%	0,00	5,12	-0,11
Hydro One	0,00%	1,89%	-1,89%	0,00	6,36	-0,12
EnCana	0,00%	1,27%	-1,27%	0,00	6,69	-0,09
Molson/Coors	0,17%	1,43%	-1,26%	5,41	5,41	-0,07
Enbridge	0,62%	1,76%	-1,15%	7,02	6,22	-0,07
Greater Toronto Airport Authority	1,66%	2,80%	-1,14%	6,89	6,17	-0,06
Fortis Inc.	0,76%	1,56%	-0,79%	4,59	4,99	-0,04
Deere	0,00%	0,63%	-0,63%	0,00	5,33	-0,03

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