

Quarterly Bulletin as at September 30, 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

Financial markets exhibited remarkable strength during the third quarter, on confidence that the worst of the economic recession has passed.

Global equities climbed by 8.7% in Canadian dollars, as the view that an economic recovery could be in the making. Sentiment indicators at the consumer and the business levels improved markedly, a change in attitude that was mainly driven by better than expected economic data and corporate financial results. Furthermore, investors were comforted by continued signs of improvement of credit conditions in the banking sector, as well as by a G-20 communiqué stipulating that interest rates should remain low for the foreseeable future.

In this context, all ten sectors ended the quarter with gains, with cyclical sectors, namely Industrials, Materials and Consumer Discretionary as well as Finance performing best. Elsewhere, Energy shares underperformed the overall market, an outcome that was replicated by defensive sectors, Utilities and Health Care.

PERFORMANCE REVIEW

Over the period, the Fund performed largely in line with the index, trailing slightly however, as a judicious selection within the Financials, Technology and Energy sectors fell short of completely offsetting the negative impact stemming from selection within the Consumer Discretionary, Materials, Industrials and Health Care areas.

PERFORMANCE (% - CAD)

	3 months	YTD	1 year	4 years	Since Inception (2004-06)
Fund ¹	8.09	2.91	-5.30	-3.42	-2.32
Index ²	8.50	7.75	-1.46	-2.20	-1.48
Added Value	-0.41	-4.84	-3.84	-1.22	-0.84

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	12	Positive	
Materials	-25	Banco Santander SA	58
Industrials	-19	Macquarie Gp Ltd	44
Consumer Disc.	-44	JPMorgan Chase & Co	34
Consumer Staples	3	Apple Inc.	34
Health Care	-19	Samsung Electronic	29
Financials	37	Negative	
Technology	28	HSBC Holdings	-24
Telecommunications	-1	Bank of America Corp.	-20
Utilities	36	McGraw Hill Cos Inc.	-19
Total equities	8	Lockheed Martin Corp.	-13
Foreign exchange/Liquidity	-42	Citigroup Inc.	-10
Total	-34		

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

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OUTLOOK AND STRATEGY

Despite recent signs of economic bottoming, we remain cautious about the overall strength of the recovery, while maintaining a view that a short-term pause maybe in the offing. Our strategy continues to favour quality companies with high free cash flow yields, which in our view is a best measure for outperformance during periods of slow growth. At present, these opportunities are found in the Technology, Industrials and Consumer Staples sectors.

Consequently, we initiated positions in Lorrillard and Wellpoint and added to attractively valued existing holdings such as EBay, Goldman Sachs, GE and. On the other hand, we exited our position in Nintendo, as well as Wal-Mart. Elsewhere, we realized profits in some positions where valuations have become less attractive, namely H&M, Toyota, Assa Abloy and Kurita Water.

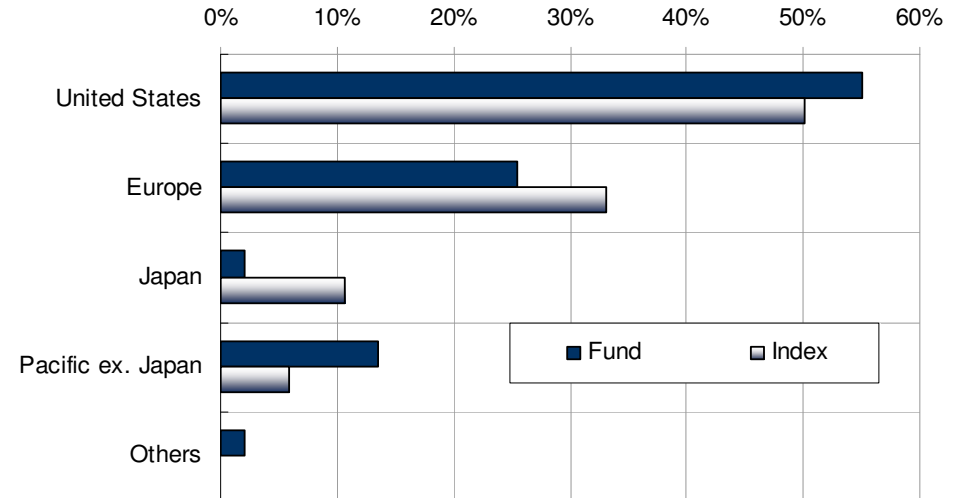
Overall, we are continuing to overweight the Technology sector, an area of the market that bodes a high number of free cash flow producing companies and favourable deployment of capital. Conversely, the weighting of Financials is being maintained at underweight, despite the recent increase, on fears of a second wave of losses that could stem from non-performing assets, such as commercial real estate.

Regionally, the Fund's exposure to Japan (and the yen) was kept at underweight, as the country's export driven economy is continuing to struggle, while investors' appetite for a safe haven is waning.

TECHNICAL CHARACTERISTICS

	P/E	Div.	Net Margin	ROE	Growth Pot.	Net Debt/Equity
Fund	14.7x	2.2%	9.1%	19.9%	13.5%	40.4%
Index	15.8x	2.5%	4.3%	14.9%	9.1%	45.9%

GEOGRAPHIC ALLOCATION



TOP 10 HOLDINGS

Securities	Weight
Banco Santander SA	3.4%
Apple Inc.	2.8%
JPMorgan Chase & Co	2.6%
Goldman Sachs Group	2.4%
Microsoft Corp.	2.1%
Barclays	1.9%
Transocean Ltd	1.9%
Hewlett Packard Co	1.9%
Nestle SA	1.9%
Time Warner Cable	1.7%

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