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## **SIMPLIFIED PROSPECTUS**

*June 23, 2020*

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Series A units

### **INCOME FUNDS**

FÉRIQUE **Short-Term Income** Fund  
FÉRIQUE **Canadian Bond** Fund  
FÉRIQUE **Globally Diversified Income** Fund

### **FÉRIQUE PORTFOLIO SOLUTIONS**

FÉRIQUE **Conservative** Portfolio  
FÉRIQUE **Moderate** Portfolio  
FÉRIQUE **Balanced** Portfolio  
FÉRIQUE **Growth** Portfolio  
FÉRIQUE **Aggressive Growth** Portfolio

### **EQUITY FUNDS**

FÉRIQUE **Canadian Dividend Equity** Fund  
FÉRIQUE **Canadian Equity** Fund  
FÉRIQUE **American Equity** Fund  
FÉRIQUE **European Equity** Fund  
FÉRIQUE **Asian Equity** Fund  
FÉRIQUE **Emerging Markets Equity** Fund  
(formerly FÉRIQUE Emerging Markets Fund)  
FÉRIQUE **World Dividend Equity** Fund

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise. The mutual funds and units of the mutual funds offered under this document are not registered with the United States Securities and Exchange Commission, and may only be sold in the United States in reliance on exemptions from registration.

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# A

## GENERAL INFORMATION CONCERNING FÉRIQUE FUNDS

### Introduction

The securities described in this simplified prospectus are available only in Québec and in Ontario. They may be offered only by persons duly registered with the *Autorité des marchés financiers* or with the *Ontario Securities Commission*, as the case may be.

This document contains selected important information to help you make an informed investment decision and understand your rights as an investor. Please note that the terms Fund or Funds refer to any or all of the FÉRIQUE mutual funds described in this document and that the term FÉRIQUE Funds refers to all Funds.

This document is divided into two parts. The first part, from pages 2 to 15 contains general information applicable to all FÉRIQUE Funds and on the risks of investing in the Funds, as well as the names of the firms responsible for the management of the FÉRIQUE Funds. The second part, from pages 16 to 43, contains specific information about each of the FÉRIQUE Funds described in this document.

Additional information about the FÉRIQUE Funds is available in the following documents:

- the Annual Information Form;
- the most recently filed Fund Facts;
- the most recently filed annual financial statements;
- any interim financial statements filed after those annual financial statements;
- the most recently filed annual management report of fund performance;
- any interim management report of Fund performance filed after that annual management report of Fund performance.

These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this document, just as if they were printed as part of this document. You can get a copy of these documents, upon your request, and at no cost, by calling Gestion FÉRIQUE, Manager of the FÉRIQUE Funds at Place du Canada, 1010 de La Gauchetière Street West, Suite 1400, Montréal (Québec) H3B 2N2, 514-840-9206 (Montréal area), 1-888-259-7969 (outside Montréal), or by contacting the Principal Distributor, Services d'investissement FÉRIQUE, at 514-788-6485 (Montréal area), toll-free at 1-800-291-0337 (outside Montréal) or on Gestion FÉRIQUE's Web site at [ferique.com](http://ferique.com).

These documents and other information about the FÉRIQUE Funds are available on the SEDAR (System for Electronic Document Analysis and Retrieval) Web site at [sedar.com](http://sedar.com).

# What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?

## What is a mutual fund and what is a fund of funds?

A mutual fund is created to pool the funds of investors with similar investment objectives.

A fund of funds (like the FÉRIQUE Portfolios and the FÉRIQUE Emerging Markets Equity Fund) is a mutual fund that is designed to offer investors asset allocation and diversification by investing their assets in other mutual funds, which are referred to as underlying funds.

When you invest in a fund, you buy units of that fund. You therefore share the fund's income, expenses, gains and losses in proportion to your investment. The value of your investment in a mutual fund is realized when you redeem the securities held. Some mutual funds may issue units in more than one series. Each series is intended for different kinds of investors and has different fees. Investing in mutual funds can be a simple, accessible and less costly way of achieving diversification without establishing a securities portfolio. The portfolio managers or portfolio sub-managers manage the securities in which the fund invests, and, with respect to the funds of funds the underlying funds in which such Funds invest. The portfolio managers or the portfolio sub-managers make all the decisions about which securities to buy and when to buy and sell them.

- Investments of a mutual fund may include equity securities, bonds, treasury bills, debentures, derivatives, index participation units, investment trusts, securities of other mutual funds, cash or cash equivalents. Investments made by an equity mutual fund may be in equity securities of small-, mid- or large-capitalization Canadian or foreign corporations. The specific nature of the investments of a particular mutual fund depends upon its stated investment objective.
- Mutual funds seek to achieve long-term capital growth and, in some instances, to generate current income.
- Specific details on the investment objectives of the Funds available through this Simplified Prospectus are set out in the second part of this document, which also sets out the types of investments that they will pursue in order to achieve those objectives.

The benefits of investing in mutual funds include some of the following:

- *Convenience* - Various types of portfolios with different investment objectives, requiring only a minimum amount of capital investment, are available to satisfy the needs of investors.
- *Professional Management* - Mutual funds allow investors to take advantage of the knowledge and expertise of seasoned portfolio managers and sub-managers. They have access to the research and information required to make informed investment decisions.
- *Diversification* - Mutual funds invest in a wide variety of securities and industries, and sometimes in different countries. This diversification can lead to reduced risk exposure and helps in the effort to achieve capital appreciation.
- *Liquidity* - Investors are generally able to redeem their investments at any time.
- *Administration* - Recordkeeping, custody of assets, reporting to investors, income tax information and the reinvestment of distributions are among the administrative matters that are handled, or arranged for with a third party, by the Manager.
- *Monitoring* - Investors receive regular statements, financial reports and tax slips. These records allow them to keep track of their investments.

## What are the Risks of Investing in a Mutual Fund?

Mutual funds own different types of investments, depending on their investment objectives. The value of a mutual fund's holdings will vary from day to day, reflecting notably changes in interest rates, economic conditions, and market and company news. As a result, the value of a mutual fund's units may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

Your investment in any mutual fund is not guaranteed. Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. In certain exceptional circumstances, a mutual fund may suspend redemptions. These circumstances are described under "Purchases, Redemptions, Switches and Conversions."

Different investments present different types and levels of risk. Mutual funds also have different kinds and levels of risk, depending on the securities they own. Below is a summary of the most common types of risk that may be applicable to the Fund you decide to purchase. The mutual fund descriptions will tell you which specific risks apply to each Fund. The portfolios and certain mutual funds which invest in one or more underlying fund(s) are also be subject to the risks of their underlying fund(s). To know the principal risks of each Fund, at the date of this Simplified Prospectus, refer to the section "What are the risks of investing in the Fund?" of the Part B "Specific Information about Each of the FÉRIQUE Funds Described in this Document" of this Prospectus. Individuals have different risk tolerances. You must take into account your risk tolerance and the level of risk appropriate to your personal situation and your investment objectives before deciding to invest in a Fund.

### Asset Allocation Risk

Funds that use a "fund on fund" structure allocate their assets among underlying funds with the goal of ensuring that the asset class and geographic allocation for each Fund is optimal. There can be no guarantee that a Fund will allocate its assets successfully. Similarly, there can be no guarantee against losses resulting from the asset allocation.

### Concentration Risk

The net assets of certain Funds are sometimes highly concentrated in the securities of a single issuer or securities of another mutual fund. In such event, the Funds have less diversification, which could have an adverse effect on their returns. By concentrating investments on fewer issuers or securities, there may be increased volatility in the unit price of a Fund, which may, in turn, increase the illiquidity of the portfolio.

### Depository Securities and Receipts risk

In some cases, rather than directly holding securities of non-Canadian and non-U.S. companies, a Fund may hold these securities through a depository security and receipt (an "ADR" -- American Depository Receipt, a "GDR" -- Global Depository Receipt, or an "EDR" -- European Depository Receipt). A depository receipt is issued by a bank or trust company to evidence its ownership of securities of a non-local corporation. The currency of a depository receipt may be different than the currency of the non-local corporation to which it relates. The value of a depository receipt will not be equal to the value of the underlying non-local securities to which the depository receipt relates as a result of a number of factors. These factors include the fees and expenses associated with holding a depository receipt, the currency exchange relating to the conversion of foreign dividends and other foreign cash distributions into local currencies, and tax considerations such as withholding tax and different tax rates between the jurisdictions. In addition, the rights of the Fund, as a holder of a depository receipt, may be different than the rights of holders of the underlying securities to which the depository receipt relates, and the market for a depository receipt may be less liquid than that of the underlying securities. The foreign exchange risk will also affect the value of the depository receipt and, as a consequence, the performance of the Fund holding the depository receipt.

### Derivatives Risk

Some Funds may use derivatives such as options, futures contracts, forward contracts, swaps and other similar instruments for hedging purposes, to reduce potential losses, for purposes other than hedging, to increase their income, to take indirect exposure to certain categories of assets, securities, indices or underlying currencies without investing in them directly or to manage the risks to which the investments are exposed.

A derivative is a contract between two parties that derives its value from securities such as common stocks, bonds, currencies or a market index. Here are some examples of the most common derivatives:

- A forward contract is an agreement to buy or sell currencies, commodities or securities at an agreed price for future delivery. Forward contracts are often used to reduce risk. For example, if you know you will buy goods denominated in US dollars in six months, you might buy US dollars now for delivery in six months to avoid the risk of an increase in value of the US dollar. This is called a hedge.

- A futures contract is basically the same as a forward contract, except that the futures contracts are traded on a public stock exchange while forward contracts are traded over-the-counter (OTC).
- An option gives the buyer the right but not the obligation, to buy or sell currencies or securities at an agreed price before a certain date. For example, you could cover the stock price of a stock you own by buying a put option on this stock at its current price for the next six months. If the share price falls, all you lose is the price of the option. If the price goes up, you will not earn as much since you paid the price of the option.
- A swap is an exchange contract of financial flows between two parties. Two of the most common are interest rate swap and currency swap. For example, two investors could decide to exchange payments of interest at fixed rates against payments of interest at variable rates or revenues in certain foreign currencies against the revenues in another currency.

Although derivatives are often used by mutual funds to reduce risk, they carry their own risks:

- Hedging strategies may not be effective;
- There is no guarantee of the existence of a market when the fund will want to follow the terms and conditions of the derivative contract, which could prevent the fund from making profits or limit its losses;
- The other party to a derivative contract may not be able to meet its obligations;
- Securities exchanges may impose restrictions on the permitted daily trading volume in futures contracts, which may prevent a fund to liquidate a position in a contract;
- The price of stock index options may be distorted if trading of certain stocks included in the index or all of them are interrupted. If the fund could not close out its positions in these options due to interruptions or restrictions, it may suffer losses;
- The price of a derivative may not accurately reflect the value of the security or the underlying index;
- The price of a derivative may be more volatile than the underlying security.

### Emerging Markets Risk

The risks of foreign investments are usually much greater in emerging markets, which may be considered to be speculative. An emerging market includes any country that is defined as emerging or developing by the World Bank, the International Finance Corporation, the United Nations or is included in the MSCI Emerging Markets Free Index (an index taking into account the actual buyable opportunities for global investors, taking into account local market restrictions on share ownership by foreigners, in companies representative of the emerging market countries in Europe, Latin America and the Pacific Basin). The risks of investing in an emerging market are greater because emerging markets tend to be less developed.

Many emerging markets have a history of, and continue to present the risk of, hyperinflation and currency devaluations versus the dollar (which adversely affects returns to Canadian investors). In addition, the securities markets in many of these countries have far lower trading volumes and less liquidity than developed markets. Because these emerging markets are so small, investments in them may suffer sharper and more frequent price changes or long-term price depression due to adverse publicity, investor perceptions or the actions of a few large investors. In addition, traditional measures of investment value used in Canada, such as price-to-earning ratios, may not apply to certain smaller markets.

A number of emerging markets have a history of instability and upheaval in internal politics, which could increase the chances that their governments would take actions that are hostile or detrimental to private enterprises or foreign investments. Certain emerging markets may also face other significant internal or external risks, including the risk of war or ethnic, religious and racial conflicts. Governments in many emerging market countries participate to a significant degree in their economics and securities markets, which may impair investments and economic growth in those countries.

### Equity Risk

The value of the Funds that invest in equity securities, also called stocks or shares, or equity participation units, will be affected by changes in the market price of those securities.

Individual stocks (or equities) rise and fall with the financial health of the companies that issue them. The price of a share is also influenced by general economic, industry and market trends. When the economy is strong, the outlook for many companies will be good, and their share prices will generally

rise. So will the value of the Funds that own these shares. On the other hand, share prices usually decline with an economic or industry downturn.

### Fixed Income Risk

Fixed income securities, such as bonds, are subject to risks resulting from changes in interest rates and from credit risk. The coupon rate on a bond is set when it is issued. When interest rates fall, the price of existing bonds will rise because they pay higher rates than new bonds and are therefore worth more. On the other hand, when interest rates rise, the price of existing bonds will fall, and so will the value of Funds that hold them. The value of fixed income securities that pay a floating or variable rate of interest are generally less price sensitive to interest rate changes. Rising interest rates, other than related to inflation, could reduce the value of inflation-linked bonds. If, however, interest rates rise due to growing inflation, the value of inflation-linked bonds will be well protected.

Under some circumstances, the issuers of fixed-income securities can pay back the principal before the scheduled maturity date. This type of situation usually occurs when interest rates decline. In such a case, the relevant Fund at issue will be required to reinvest the amount received in securities offering potentially lower return rates.

The capital of inflation-linked bonds is adjusted based on the inflation rate, and the amount of interest paid on the adjusted capital will reflect that adjustment. In case of deflation, the capital adjusted based on the rate of inflation of the inflation-linked bonds may diminish proportionally. As a result should there be a net deflation during the bond's term, interest paid on capital would be reduced, and the value of the bond could diminish upon maturity.

Funds that invest in convertible securities also carry interest rate risk. These securities provide a fixed income stream, so their value varies inversely with interest rates, just like bond prices. Because they can be converted into common shares, however, convertible securities are generally less affected by interest rate fluctuations than are bonds.

Credit risk is the possibility that an issuer of a bond or other fixed income investment may not be able to pay interest or repay the principal at maturity. The risk of this occurring is greater with some issuers than with others. For example, the risk of default is quite low for government and high-quality corporate securities. Where this risk is considered greater, the interest rate paid by the issuer is generally higher than for an issuer, where this risk is considered to be lower. The degree of credit risk will also depend on the terms of the bonds in question. A Fund may reduce credit risk by investing in senior bonds, those that have a claim prior to junior obligations and equity securities on the issuer's assets in the event of bankruptcy. Credit risk may also be minimized by investing in bonds that have specific assets pledged to the lender during the term of the debt. This risk could improve or decline during the term of the fixed income investment.

### Foreign Currency Risk

The Funds may invest in securities denominated or traded in currencies other than the Canadian dollar. Changes in the foreign currency exchange rates will affect the value of the securities in the Funds. Generally, when the Canadian dollar rises in value against a foreign currency, your investment is worth fewer Canadian dollars. Similarly, when the Canadian dollar decreases in value against a foreign currency, your investment in a security denominated in the currency of that country gains value because the currency is worth more Canadian dollars.

### Foreign Market Risk

The Canadian investment market represents only a small portion of global equity markets. Therefore, the Funds may take advantage of the investment opportunities available in other countries and may invest in foreign securities. This type of investment offers more diversification than one made only in Canada, since the price movement of securities traded on foreign markets tends to have low correlation with the price movement of securities traded in Canada. Foreign investments, however, involve special risks unapplicable to Canadian investments, which can increase the chances a Fund will lose money. In particular, Funds are subject to the following risks:

- The economics of certain foreign markets often do not compare favourably with that of Canada on such issues as gross national product growth, reinvestment of capital resources and the balance of payments. These economies may rely heavily on particular industries or foreign capital, and may be more vulnerable to diplomatic developments, the imposition of economic sanctions against a particular country or countries, changes in international trading patterns, commercial barriers, and other protectionist or retaliatory measures.

- Investments in foreign markets may be adversely affected by governmental actions, such as the imposition of capital controls, nationalization of companies or industries, expropriation of assets, or the imposition of punitive taxes.
- The governments of certain countries may prohibit or impose substantial restrictions on foreign investment in their capital market or certain industries. Any of these actions could severely affect security prices, impair a Fund's ability to purchase or sell foreign securities or transfer a Fund's assets or income back into Canada, or otherwise adversely affect a Fund's operations.
- Other foreign market risks include foreign exchange controls, difficulties in pricing securities, defaults on foreign government securities, difficulties in enforcing favourable legal judgments in foreign courts, different accounting standards and political and social instability. Legal remedies available to investors in certain foreign countries may be less extensive than those available to investors in Canada or other foreign countries.
- Because there are generally fewer investors and a smaller number of securities traded each day on some foreign exchanges, it may be difficult for a Fund to buy and sell securities on those exchanges. In addition, prices of foreign securities may fluctuate more than prices of securities traded in Canada.

### General Market Risk

General market risk is the risk that markets will go down in value, including the possibility that the equity market will go down sharply and unpredictably. Several factors can influence market trends, such as general economic and market conditions, specific company developments and political changes. All investments are subject to market risk.

### Income Trusts Risk

Although the risk is generally considered remote, a Fund that invests in income trusts, such as real estate income trusts (REITs), royalty trust units and business trust units, may be held liable and subject to levy or execution for satisfaction of all obligations and claims of the trust.

### Large Investor Risk

Units of the Fund may be purchased and redeemed by large investors, such as financial institutions and other mutual funds. These investors may purchase or redeem large number of units of the Fund at one time. This may cause the Fund in which investors have invested to purchase or sell large portions of its portfolio securities. For example, if an investor or a group of investors redeem a large number of shares or units of the Fund, the Fund may be forced to sell securities at unfavourable prices to pay for the redemption. Such an unexpected sale may have a negative impact on the net asset value and the performance of the Fund, and may increase realized capital gains of the Fund. As well, if one or more of these investors decides to increase its investment in the Fund, the Fund may have to hold a relatively large position in cash for a period of time while suitable investments are found. This could negatively impact the Fund's return.

### Legal, Tax and Regulatory Risk

Changes to laws, regulations or administrative practices could adversely affect the Funds and the issuers of securities in which the Funds invest.

Costs of complying with laws, regulations, and policies of regulatory agencies, as well as possible legal actions, have an impact on the value of investments held by a Fund.

### Liquidity Risk

Illiquid assets such as securities with a limited trading market and "restricted securities" may be difficult to value accurately or to sell, and may trade at a price significantly lower than their value. Restricted securities have contractual or legal restrictions on their resale and include "private placement" securities that a Fund may buy directly from the issuer. The value of the Funds that buy these investments may rise and fall substantially. Mutual funds are restricted from purchasing additional illiquid assets if, immediately after the purchase, more than 10% of their assets based on market value at the time of purchase would consist of illiquid assets.

### Lower-Rated Bond Risk

Some Funds invest in lower-rated bonds or unrated bonds that are comparable to lower-rated bonds. The issuers of lower-rated bonds are often less financially secure, so there is a greater chance of the bond issuer defaulting on the payment of interest or principal. Lower-rated bonds may be difficult or impossible to sell at the time and at the price that a Fund would prefer. In addition, the value of lower-rated bonds may be more

sensitive than higher-rated bonds to a downturn in the economy or developments in the company issuing the bond.

### Mortgage-backed and asset-backed securities risk

Asset-backed securities are debt obligations that are backed by pools of consumer or business loans. Some asset-backed securities are short-term debt obligations, called asset-backed commercial paper ("ABCP"). Mortgage-backed securities are debt obligations backed by pools of mortgages on commercial or residential real estate. If there are changes in the market's perception of the issuers of these types of securities, or in the creditworthiness of the parties involved, then the value of the securities may be affected. In addition, for ABCP, there is a risk that there may be a mismatch in timing between the cash flow of the underlying assets backing the security and the repayment obligation of the security upon maturity. In the use of mortgage-backed securities, there is also a risk that there may be a drop in the interest rates charged on mortgages, a mortgagor may default in its obligations under a mortgage or there may be a drop in the value of the property secured by the mortgage.

### Exchange-traded Fund Risk

A mutual fund may invest in a fund whose securities are listed for trading on an exchange (an exchange-traded fund or ETF). The investments of ETFs may include stocks, bonds, commodities, and other financial instruments. Some ETFs, known as index participation units (IPUs), attempt to replicate the performance of a widely-quoted market index. Not all ETFs are IPUs. ETFs and their underlying investments are subject to the same general types of investment risks as mutual funds including these that are outlined in this Simplified Prospectus. The risk of each ETF will be dependent on the structure and underlying investments of the ETF. ETF units may trade below, at, or above their respective net asset value per unit. The trading price of ETF units may fluctuate in accordance with changes in the ETF's net asset value per unit, as well as the market supply and demand on the respective stock exchanges on which they trade.

### Portfolio Manager Risk

A mutual fund is dependent on its portfolio manager or its portfolio sub-manager to select its investments. Mutual funds are subject to the risk that poor security selection or asset allocation decisions will cause a mutual fund to underperform relative to other mutual funds with similar investment objectives. Where a mutual fund has more than one portfolio manager or sub-manager invest in units of more than one mutual fund, there can be overlap of specific securities, industry sectors and/or more than one underlying fund investment themes in the mutual fund's portfolio.

Some of our portfolio sub-managers may not be registered as portfolio managers in accordance with securities legislation in effect in Canada, but are acting as portfolio sub-advisors pursuant to applicable international sub-adviser exemptions. As a result, investors in these Funds may not benefit from the protection that they would have, were these sub-managers registered as advisers under applicable securities legislation in Canada. In addition, it may be difficult to enforce legal rights against them as they reside outside Canada and all, or substantially all, of their assets are located outside Canada. As portfolio manager of the Funds, Gestion FÉRIQUE will at all times have overall responsibility of the Funds' investment portfolios, subject to the control and direction of the trustee.

### Securities Lending, Repurchase and Reverse Repurchase Transactions Risk

*Securities lending* is an agreement whereby a Fund lends securities it holds in its portfolio to a borrower through an authorized agent in exchange for a fee and a form of acceptable collateral. Under a *repurchase transaction*, a Fund agrees to sell securities it holds in its portfolio for cash, while assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. A reverse repurchase transaction is a transaction pursuant to which a Fund buys securities for cash while agreeing to resell the same securities for cash (usually at a higher price) at a later date.

While such transactions are different, all three arrangements involve the temporary exchange of securities for cash with a simultaneous obligation to redeliver a similar quantity of the same securities on a future date.

The risks associated with securities lending, repurchase or reverse repurchase transactions arise when a counterparty (i.e. the borrower, seller or buyer, as the case may be) defaults under the agreement evidencing the transaction and the Fund is forced to make a claim in order to recover its investment. In securities lending or a repurchase transaction, the Fund could incur a loss if the value of the securities loaned or sold has increased in value relative to the value of the collateral held by the Fund. In the case of a reverse repurchase transaction, the Fund could incur a loss if the value of the

securities purchased by the Fund decreases in value relative to the value of the collateral held by the Fund.

The Fund will manage the risks associated with these types of investments by:

- holding collateral not less than 102% of the market value of the securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions);
- adjusting the amount of the collateral provided each business day to ensure the collateral's value relative to the market value of the securities loaned, sold or purchased remains within the 102% limit; and
- limiting the aggregate value of all securities loaned or sold through securities lending and repurchase transactions to no more than 50% of the total assets of the Fund (without including the collateral for loaned securities and cash for sold securities).

### Smaller Companies Risk

The share price of smaller companies is usually more volatile than that of more established larger companies. Smaller companies may be developing new products that have not yet been tested in the marketplace or their products may quickly become obsolete. They may have limited resources, including limited access to funds or unproven management, and may trade less frequently and in smaller volumes than shares of large companies. They may have few shares outstanding, so a sale or purchase of shares will have a greater impact on their share price. The value of the Funds that buy these investments may rise and fall substantially.

### Underlying Funds Risk

Certain Funds invest directly in, or obtain exposure to, other investment funds as part of their investment strategy. Therefore, these Funds will be subject to the risks of the underlying Funds. Some Funds may buy or sell large amounts of units in an underlying Fund. As a result, the underlying Fund may have to alter its portfolio significantly to accommodate large fluctuations in assets. This could negatively affect the security price of the underlying Fund.

### Series Risk

For a mutual fund trust that offers more than one series, each series has its own fees, which are monitored separately. However, if a series is not able to meet its financial obligations, the other series in that Fund will be required to make up any deficiency since the Fund as a whole is liable for the financial obligations of all the series. This may reduce the performance of other series.

See *Purchases, Redemptions, Switches and Conversions and Fees* for more information on each series and the fees associated with each one. See the *Fund details* section of each Fund in the part B of this Prospectus to find out which series are offered by each Fund.

### Cybersecurity Risk

As the use of technology has become more prevalent in the course of business, portfolio managers, service providers and mutual funds like the Funds have become more susceptible to operational risks such as breaches in cybersecurity. A breach in cybersecurity refers to both intentional and unintentional events that may cause a portfolio manager or a Fund to lose proprietary information or other information subject to privacy laws, suffer data corruption, lose operational capacity or have information misused or misappropriated. This in turn can cause a manager of a Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cybersecurity breaches may involve unauthorized access to a manager's digital information systems (e.g., through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cybersecurity breaches of a manager's or a Fund's third-party service providers (e.g., transfer agents, custodians and sub-advisors) or of issuers that a Fund invests in can also subject a Fund to many of the same risks associated with direct cybersecurity breaches. Like with operational risks in general, the managers and the Funds have established risk management systems designed to reduce the risks associated with cybersecurity. However, there is no guarantee that such efforts will succeed. As well, the Funds do not directly control the cybersecurity systems of issuers that a Fund invest in or of third-party service providers.

**The risks specifically related to each Fund are set out in their individual Fund profiles in the second part of this document, starting on page 16.**

# Organization and Management of the FÉRIQUE Funds

The following table presents the companies participating in the management of FÉRIQUE Funds and their service providers.

Role	Name	Tasks
<b>Manager</b>	Gestion FÉRIQUE Place du Canada 1010 de La Gauchetière Street West Suite 1400 Montreal (Québec) H3B 2N2	Gestion FÉRIQUE, a not-for-profit organization constituted under Part II of the <i>Canada Corporations Act</i> , and extended under the <i>Canada Not-for-profit Corporations Act</i> has managed the daily administrative and operational business of the FÉRIQUE Funds since January 1, 2000.
<b>Principal Distributor</b>	Services d'investissement FÉRIQUE Montréal (Québec)	The Principal Distributor of the Funds' units is responsible for marketing the securities and selling them through its own representatives.  The principal distributor is a not-for-profit organization and its sole voting member is Gestion FÉRIQUE.
<b>Trustee, Custodian, Registrar and Securities lending agent</b>	National Bank Trust Inc. Montreal (Québec)	The Funds are investment trusts. When you invest in one of the Funds, you are actually buying units of a trust. The trustee holds the security in respect of the Fund's property (for example, its cash and securities) on behalf of the unitholders. The trustee is responsible for the administration of the Funds, the accounting and evaluation of the Funds.  The Custodian ensures the safekeeping of the securities comprising the Funds.  The Registrar keeps a register of all the Fund units purchased.  The securities lending agent acts as agent for securities lending transactions for those funds that engage in securities lending.  National Bank Trust Inc. is independent of Gestion FÉRIQUE.
<b>Auditors</b>	PricewaterhouseCoopers LLP Montréal (Québec)	The auditors conduct the statutory audit of the Funds' annual financial statements.  The auditors are independent of Gestion FÉRIQUE and the Funds.
<b>Portfolio Managers</b>	Gestion FÉRIQUE Montréal (Québec)	Gestion FÉRIQUE is the portfolio manager of the FÉRIQUE Short-Term Income, FÉRIQUE Canadian Dividend Equity, FÉRIQUE Canadian Equity, FÉRIQUE American Equity, FÉRIQUE European Equity, FÉRIQUE Asian Equity, FÉRIQUE Emerging Markets Equity, FÉRIQUE World Dividend Equity Funds as well as of the FÉRIQUE Conservative, FÉRIQUE Moderate, FÉRIQUE Balanced, FÉRIQUE Growth, FÉRIQUE Aggressive Growth Portfolios.  Gestion FÉRIQUE sets out the objectives and investment policies of the Funds and performs surveillance on the portfolio managers and portfolio sub-managers retained for their investment services. For the Portfolios and the FÉRIQUE Emerging Markets Equity Fund, Gestion FÉRIQUE makes decisions about the underlying funds in which the Fund invests. For all other funds, Gestion FÉRIQUE has delegated responsibility for investment decisions to portfolio sub-managers, or as it relates to the FÉRIQUE Canadian Bond Fund and the FÉRIQUE Globally Diversified Income Fund, to portfolio managers.
	Addenda Capital inc. Montréal (Québec)	As portfolio manager of a portion of FÉRIQUE Canadian Bond Fund, as portfolio manager of the FÉRIQUE Globally Diversified Income Fund and as portfolio sub-manager of the FÉRIQUE Conservative, FÉRIQUE Balanced and FÉRIQUE Aggressive Growth Portfolios for their money market mandate, Addenda researches, selects, buys and sells securities within each Fund portfolio.  Addenda Capital Inc. is independent of Gestion FÉRIQUE.
	Baker Gilmore & Associates inc. Montréal (Québec)	As portfolio manager of a portion of FÉRIQUE Canadian Bond Fund and as portfolio sub-manager of the FÉRIQUE Moderate and FÉRIQUE Growth Portfolios for their money market mandate, Baker Gilmore researches, selects, buys and sells securities within each Fund portfolio.  Baker Gilmore & Associates Inc. is independent of Gestion FÉRIQUE.
<b>Portfolio sub-managers</b>	Integra Capital Limited Oakville (Ontario) Columbia Management Investment Advisers LLC Boston (Massachusetts)	In accordance with an advisory agreement entered into between Integra Capital Limited, Columbia Management Investment Advisers, LLC and Gestion FÉRIQUE, Integra Capital Limited has retained Columbia Management Investment Advisers, LLC to act as its adviser.  As portfolio sub-manager of FÉRIQUE American Equity Fund, Integra Capital, with Columbia, researches, selects, buys and sells securities within each Fund.  Columbia Management Investment Advisers LLC. and its assets may be located outside of Canada and it may be difficult to enforce legal rights against it.  Integra Capital Limited and Columbia Investment Advisers LLC are independent of Gestion FÉRIQUE.

Role	Name	Tasks
	Connor, Clark & Lunn Investment Management Limited Vancouver (British Columbia)	As portfolio sub-manager of portion of FÉRIQUE Canadian Equity Fund, Connor, Clark & Lunn researches, selects, buys and sells securities within the Fund.  Connor, Clark & Lunn Investment Management Limited is independent of Gestion FÉRIQUE.
	CIBC Asset Management Inc. Montreal (Québec)	As portfolio sub-manager for FÉRIQUE Short-Term Income Fund, CIBC Asset Management researches, selects, buys and sells securities within the Fund.  CIBC Asset Management Inc. is independent of Gestion FÉRIQUE.
	Franklin Templeton Investments Corp. Toronto (Ontario)	As portfolio sub-manager of a portion of FÉRIQUE Canadian Equity Fund, Franklin Templeton researches, selects, buys and sells securities within the Fund.  Franklin Templeton is independent of Gestion FÉRIQUE.
	Lazard Asset Management (Canada) Inc. New York (New York)	As portfolio sub-manager for FÉRIQUE European Equity Fund, Lazard researches, selects, buys and sells securities within the Fund.  Lazard Asset Management (Canada) Inc. and its assets may be located outside of Canada and it may be difficult to enforce legal rights against it.  Lazard Asset Management (Canada) Inc. is independent of Gestion FÉRIQUE.
	Lincluden Investment Management Limited Mississauga (Ontario)	As portfolio sub-manager for FÉRIQUE Canadian Dividend Equity Fund, Lincluden researches, selects, buys and sells securities within the Fund.  Lincluden Investment Management is independent of Gestion FÉRIQUE.
	Nomura Asset Management U.S.A. Inc. New York (New York)	As portfolio sub-manager for FÉRIQUE Asian Equity Fund, Nomura researches, selects, buys and sells securities within the Fund.  Nomura Asset Management U.S.A. Inc. and its assets may be located outside of Canada and it may be difficult to enforce legal rights against it.  Nomura Asset Management U.S.A. Inc. is independent of Gestion FÉRIQUE.
	River Road Asset Management LLC Louisville (Kentucky)	As portfolio sub-manager of a portion of FÉRIQUE American Equity Fund, River Road researches, selects, buys and sells securities within the Fund.  River Road Asset Management LLC and its assets may be located outside of Canada and it may be difficult to enforce legal rights against it.  River Road Asset Management LLC is independent of Gestion FÉRIQUE.
	Allianz Global Investors U.S. LLC London (UK)	As portfolio sub-manager of FÉRIQUE Globally Diversified Income Fund, Allianz researches, selects, buys and sells securities within the Fund.  Allianz Global Investors U.S. LLC and its assets may be located outside of Canada and it may be difficult to enforce legal rights against it.  Allianz Global Investors U.S. LLC is independent of Gestion FÉRIQUE.
	Wellington Management Canada ULC Toronto (Ontario)	As portfolio sub-manager for FÉRIQUE World Dividend Equity Fund, Wellington researches, selects, buys and sells securities within the Fund.  Wellington Management Canada ULC is independent of Gestion FÉRIQUE.
<b>Independent Review Committee</b>	<p>The role of the Independent Review Committee of FÉRIQUE Funds (the "IRC") is to offer an authorization or a recommendation concerning conflicts of interest designated as such by Gestion FÉRIQUE in its role as the Manager of the Funds.</p> <p>The Manager is responsible for informing the IRC of any situation in which a reasonable person is likely to believe that the Manager is in a conflict of interest regarding its ability to act in good faith and in the real interest of the Funds. The IRC reviews the cases submitted to it and provides the Manager with its authorization or its recommendation in this regard, after determining whether the measures proposed by the Manager will produce equitable and reasonable results for the Funds.</p> <p>The IRC is composed of three members, who together have vast experience in various sectors, including financial institution regulation, investment fund management and supervision, accounting, and general business. Each IRC member is independent of the Funds, the Manager and the other companies related to the Manager.</p> <p>Annually, the IRC prepares a report of its activities for unitholders, which is available free of charge on Gestion FÉRIQUE's Web site at ferique.com, on SEDAR at sedar.com or by contacting the Principal Distributor at 514-788-6485 (Montréal area), toll free at 1-800-291-0337 (outside Montréal) or by writing at client@ferique.com.</p> <p>More information on the IRC, including the names of its members, can be found in the Annual Information Form.</p>	
<p>Subject to applicable securities legislation, some of the Funds have, pursuant to their investment objectives or investment strategies, the ability to invest in other funds, including funds managed by Gestion FÉRIQUE. Unitholders of such Funds have no right of ownership in the securities of the underlying fund. Where Gestion FÉRIQUE is the Manager of both the Fund and the underlying fund in which the Fund has invested, Gestion FÉRIQUE will not vote the securities of the underlying fund. If applicable, Gestion FÉRIQUE may arrange for the beneficial owner of such securities to vote the securities of the underlying fund.</p> <p>Unless it is specified that Gestion FÉRIQUE is acting as a portfolio manager, it is understood that when referring to Gestion FÉRIQUE in the simplified prospectus, it is generally acting as an investment fund manager.</p>		

# Purchases, Redemptions, Switches and Conversions

The units of series of FÉRIQUE Funds covered by this document may be purchased, redeemed (liquidated), switched (transferred) from one FÉRIQUE Fund to another and converted from one series to another series of the same Fund through the principal distributor or other dealers. There are no fees when trading FÉRIQUE Funds through the principal distributor, Services d'investissement FÉRIQUE, a mutual fund dealer in Québec. You may have to pay certain fees if you deal with another broker.

The principal distributor distributes units of FÉRIQUE Funds in Québec through the following customer service outlets:

- via telephone at 514-788-6485 (Montréal area) or at 1-800-291-0337 (outside Montréal);
- online at ferique.com; and
- meeting with one of Services d'investissement FÉRIQUE's mobile representatives.

## Conditions of Eligibility

The eligibility conditions for membership in FÉRIQUE Funds are as follows:

1. You are a natural or legal person who can freely dispose of his/her property.
2. The following may acquire units of the FÉRIQUE Funds:
  - 2.1 any person who is a member or used to be a member of the *Ordre des ingénieurs du Québec* or of the *Ordre des ingénieurs forestiers du Québec* ("Ordre");
  - 2.2 any student who is a member of the Student Section of the *Ordre*;
  - 2.3 any person who has a University Degree in Engineering;
  - 2.4 any permanent employee of the *Ordre*, *Gestion FÉRIQUE* and *Services d'investissement FÉRIQUE*;
  - 2.5 any other person or organization acceptable to *Gestion FÉRIQUE*.
3. The following may also acquire units of the FÉRIQUE Funds: any employee of a company in which a group RRSP is established, it being understood that a group RRSP may be established in a company where engineers constitute the majority of the shareholders or of the management.
4. The following may also acquire units of the FÉRIQUE Funds:
  - 4.1 children, parents, grandparents, grandchildren, brothers and sisters of the individuals listed in (2) and (3);
  - 4.2 spouse(s) of the individuals listed in (2), (3) and (4.1); and
  - 4.3 companies of the individuals listed in (2), (4.1), and (4.2) under their control.
5. At any time after their initial subscription to a FÉRIQUE Fund, investors have the option of subscribing for additional Fund units.

The aforementioned eligibility conditions apply to any person residing in the provinces of Québec or Ontario.

## About the Series Offered

Each Fund may issue an unlimited number of units and these units may be issued in one or multiple series. As of this simplified prospectus, the FÉRIQUE Funds offer one series of units.

We may offer additional series in the future. The main difference between the series will be related to the type of investor, the management fees that are payable to the Fund manager and the other fees paid by the series of a Fund. Due to the difference of fees between the series, the net asset value will differ for each series.

## Net Asset Value Calculation

Whether you are buying, redeeming, converting or switching fund units, the trustee bases the transaction on the value of a Fund unit of the relevant series ("net asset value per unit"). The net asset value per unit is established on each day that the Toronto Stock Exchange is open for trading (a "valuation day") and is effective at time of market close on the valuation day.

The net asset value per unit is calculated as follows: the trustee calculates the fair value of the total assets attributable to the units of series of the Fund to which it subtracts the total liabilities attributable to the units of series of

the Fund then, divides the resulting net assets by the total number of outstanding units of series for the Fund.

## Purchase of Units

The units may be purchased free of charge through either occasional or periodic payments.

The units must be purchased on each valuation day, namely each day that the Toronto Stock Exchange is open for trading. To be entitled to the net asset value per unit of a valuation day, the application to purchase must be received by the trustee before 4:00 p.m. Eastern Time, on the same day. Any application received by the trustee after 4:00 p.m. Eastern Time will be processed on the next valuation day. Please note that the principal distributor of the Fund must receive the application to purchase earlier in order to transmit it to the trustee before 4:00 p.m. Eastern Time. The Trustee may determine that the net asset value per unit will be calculated at a different time than the usual closing time. Different conditions may apply if the purchase is made by an intermediary, such as a dealer or discount broker. Please consult your intermediary for more information.

The trustee converts your deposit into units in a number equal to the amount of the deposit, divided by the net asset value per unit calculated as at the applicable valuation day.

The trustee determines the net income of the Funds and the net realized capital gains of the Funds, as at the last valuation day of the Funds' fiscal year. It divides these amounts by the number of units outstanding to determine each investor's proportional share. The distribution of the net income and the net realized capital gain for each investor is credited between December 15<sup>th</sup> and 31<sup>st</sup> according to the number of units recorded in the investor's account, as at the valuation day immediately preceding the applicable determination date. The trustee may determine more frequent distributions of the net income of the Funds. At such distributions, the net income payable to each investor is calculated according to the number of units recorded in the investor's account as at the previous valuation day. The net income and the net realized capital gain are credited in the form of additional units, or are paid if the investor has so chosen and the investment is not registered as a registered retirement savings plan (RRSP), registered retirement income fund (RRIF), registered education savings plan (RESP), deferred profit sharing plan (DPSP), tax-free savings account (TFSA), locked-in retirement account (LIRA), life income fund (LIF) or restricted life income fund (RLIF).

As the case may be, the broker, the trustee or other financial institution authorized by the broker will cancel a subscription placed by any investor who, after giving his/her subscription, fails in his obligation to pay the issue price, thus causing the redemption of the units allotted to him/her upon subscription. The broker, the trustee or other financial institution authorized by the broker reserves the right to require the investor to pay any difference if the redemption price is lower than the issue price for these units.

Restrictions could apply to clients of FÉRIQUE Funds who would like to trade from outside Quebec and Ontario. Before leaving, please consult your representative to obtain more information.

The trustee issues to each investor, at the time of each purchase of units, a transaction notice indicating the amount of the subscription and the number of units recorded in his/her name in the Funds' registrar.

## Cash Purchase and Minimum Balance

The initial minimum payment must be \$500 per Fund. After investing \$500 in a Fund, investors may invest additional amounts in that Fund, provided that the amount of any subsequent transaction represents a minimum of \$500 per Fund. This initial payment and/or subsequent transaction of \$500 is not necessary if the pre-authorized contribution plan described on page 10 is used.

Given the high cost of managing small accounts, investors must maintain a minimum balance of \$500 in their account in respect of each Fund they hold. If the value of the respective investment falls below the minimum amount required, *Gestion FÉRIQUE* reserves the right to redeem the units of the Fund and deliver the proceeds to the investor. Before doing so, *Gestion FÉRIQUE* will provide a notice of 30 days to the investor in order to allow the investor the opportunity to purchase additional units and thus raise the balance of such Fund above the minimum amount required.

## Redemption and Switch of Units

You can liquidate your series units of a Fund by selling them back to the Fund. It is called a redemption. The Fund then buys them back at their net asset value.

You can also liquidate units of series of a FÉRIQUE Fund to purchase units of the same series of another FÉRIQUE Fund. It is a switch. When we receive your switch order, we buy back your units of the original Fund and use the proceeds to purchase units of the new Fund.

Units are redeemed on each valuation day, namely on each day that the Toronto Stock Exchange is open for trading. To be entitled to the net asset value per unit established on the valuation day, the application for redemption or transfer must be received by the Trustee before 4:00 p.m. Eastern Time, on the valuation day. Any application received by the Trustee after 4:00 p.m. Eastern Time will be processed on the next valuation day. Please note that the principal distributor of the Fund must receive the application for redemption or transfer earlier in order to transmit it to the trustee before 4:00 p.m. Eastern Time. The Trustee may determine that the net asset value will be calculated at a different time than the usual closing time. Different conditions may apply if the redemption or transfer is made by an intermediary, such as a dealer or discount broker. Please consult your intermediary for more information.

The redemption or transfer amount is equal to the number of series units held by the investor, multiplied by the net asset value per unit established at the valuation day for which the investor is entitled to payment. Reimbursements or transfers are made free of charge or without penalty within three (3) business days after the valuation day.

You may request a redemption of units by telephone at 514-788-6485 or toll-free at 1-800-291-0337 or via the Internet. You may need to provide some documents. Under some circumstances, we may purchase back on your behalf the units you redeemed before we pay you for the units. This will happen if we do not receive the instructions necessary to complete the transaction within ten business days of the redemption (as per securities legislation). If the purchase price is less than the redemption price, the Fund will keep the difference. If the amount of the purchase price exceeds the original redemption, we will pay the difference to the Fund and may collect that amount, plus any costs and interest, from the dealer who placed the order, who may seek reimbursement from you.

Restrictions could apply to clients of FÉRIQUE Funds who would like to trade from outside Quebec and Ontario. Before leaving, please consult your representative to obtain more information.

## Conversion to Another Series of the Same Fund

You will have the right to convert units of series of a Fund into units of another series of the same Fund that may be offered in the future provided you meet the conditions of eligibility for the purchase of units of the other series of the Fund. The value of your investment in the Fund will be the same after the conversion. You will, however, own a different number of series units because each series has a different net asset value per unit.

As of the date of this simplified prospectus, the FÉRIQUE Funds offer one series of units. We may offer additional series in the future.

## Short-Term Trading

Funds are typically long-term investments. As such, we discourage investors from redeeming or switching units frequently. Investors may try to predict the ups and downs of the markets by short-term or excessive trading or trades which take advantage of certain Funds with securities priced in other time zones (market timing). Short-term trading can harm a fund's performance and the value of other investors' holdings in a fund because such trading can increase brokerage and other administrative costs of a fund and interfere with the long-term investment decisions of the portfolio managers and portfolio sub-managers.

To establish if the level of activity is inappropriate, Gestion FÉRIQUE, at its discretion, reviews the value and frequency of every transaction to assess its potential impact on the Fund's securities and other Fund securityholders. We believe that a short-term transaction is inappropriate when it is made within thirty (30) days following the purchase or redemption of a Fund.

If inappropriate trading activity is detected, Gestion FÉRIQUE will take the necessary measures to end such activity. Subject to compliance with any applicable regulatory requirements and compliance with the terms of, fulfillment of any formalities under, or the amendment of, the declaration of trust, Gestion FÉRIQUE may employ preventive and detective measures to discourage and identify excessive short-term trading in the Funds, including:

- Verbal communication with the investor;
- Delivery of a written notice;
- Monitoring of trading activity;
- Imposition of short-term trading fees up to 2% of the value of the units redeemed. The short-term trading fees are paid to the Fund, not to Gestion FÉRIQUE and are added to the other fees to which you would otherwise be subject to under this simplified prospectus;
- Refusal of subsequent trades if the investor continues to perform such operations (see "Right to Refuse a Purchase of a Fund's Units" below);
- Account closure.

The Funds have policies and procedures designed to monitor, detect and deter short-term or excessive trading or trades which take advantage of certain Funds with securities priced in other time zones. In this last case, the trustee has a procedure in place to fair value foreign securities traded in countries outside North America daily, to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market. This procedure is designed to minimize the potential for market timing strategies, which are largely focused on Funds with significant holdings of foreign securities.

For more information, see "Fees and Expenses" in this document, as well as "Valuation of Portfolios Securities" and "Fund Governance-Policies and Procedures Related to Excessive or Short-Term Trading" in the Fund's Annual Information Form.

While these restrictions and our monitoring are aimed to deter inappropriate short-term trading, we cannot ensure that such trading will be completely eliminated. We may reassess what is inappropriate short-term trading in the Funds at any time and may charge short-term trading fees, or exempt transactions from such fees, in our discretion.

## Suspension of Redemption of Units

Under exceptional circumstances, the trustee, on behalf of the Manager, may suspend redemption of the units under either of the following circumstances:

- during any period when normal trading is suspended on a stock market in Canada or abroad, where securities are listed that represent over 50% of the total asset value of a Fund, regardless of its liabilities; and
- if the *Autorité des marchés financiers* and the Ontario Securities Commission permit or require it.

The Fund must not accept any subscription during the redemption suspension period.

For more information on the valuation of units for subscription or redemption, see the Funds' Annual Information Form.

## Right to Refuse a Purchase of a Fund's Units

In certain circumstances, it may happen that a request to purchase is refused in whole or in part. The trustee will exercise this right to refuse any request to purchase within one business day of receiving the request. Any monies received will be immediately returned to the buyer. While we are not obliged to explain why your purchase was refused, the most frequent reason for refusal concerns short-term or excessive trading, such as moving in and out repeatedly of Funds. We also have the right to redeem all units that a unitholder owns in a Fund at any time if we determine, in our sole discretion, that such unitholder is engaging in short-term or excessive trading or trades which take advantage of certain Funds with securities priced in other time zones.

# Optional Services

## FÉRIQUE Fund Plans

### FÉRIQUE Registered Retirement Savings Plan (FÉRIQUE RRSP)

Those who have opted for the FÉRIQUE RRSP, may enjoy tax benefits associated with such plans. Investors may make contributions to FÉRIQUE RRSPs to be invested in the Funds and then deduct them from their taxable income in the proportions prescribed by the Income Tax Act (Canada). A monthly penalty of one percent (1%) will be imposed on any excess contributions. Specific anti-avoidance rules penalize, *inter alia*, deliberate over-contributions, acquisition of prohibited investments and those using RRSPs in certain tax-planning schemes.

### FÉRIQUE Locked-In Retirement Account (FÉRIQUE LIRA)

The FÉRIQUE LIRA is a special RRSP that is established by the transfer of locked-in pension fund assets from a registered pension plan "RPP" or another locked-in retirement savings or income plan such as a LIF or another LIRA. Eligible investors who have opted for the FÉRIQUE LIRA may enjoy the tax benefits associated with RRSPs. However, unlike a regular RRSP, the amounts in a LIRA are locked-in and can only be used for retirement income. Amounts cannot be withdrawn from a LIRA, except under certain circumstances in which a refund is allowed. A person can hold a LIRA until 31 December of the year in which he or she reaches age 71. The holder must transfer the LIRA into a LIF (or purchase a life annuity) before the end of the year in which he or she reaches age 71.

### Investment Plan

Investors may purchase Fund units for their personal accounts.

### FÉRIQUE Registered Retirement Income Fund (FÉRIQUE RRIF)

The FÉRIQUE RRIF enables eligible investors to continue deferring income on the amounts accumulated in an RRSP. A minimum amount must, pursuant to the Income Tax Act (Canada), be withdrawn every year by the beneficiary and such amount is taxable in the beneficiary's income. No income tax is levied at the source on the minimum withdrawal amount. However, source income will be charged on the portion of RRIF payments exceeding the minimum amount. The monies accumulated in a RRIF can be invested in the Funds. Specific anti-avoidance rules penalize, *inter alia*, deliberate over-contributions, acquisition of prohibited investments and those using RRIFs in certain tax-planning schemes.

### FÉRIQUE Life Income Fund (FÉRIQUE LIF)

FÉRIQUE LIF allows those eligible for such plans to benefit from a temporary or regular income funded by a LIRA, a registered pension plan (RPP) or another LIF. A minimum amount must, pursuant to the Income Tax Act (Canada), be withdrawn every year by the beneficiary and such amount is taxable in the beneficiary's income. No income tax is levied at the source on the minimum withdrawal amount. However, source income will be charged on the portion of LIF payments exceeding the minimum amount.

### FÉRIQUE Restricted Life Income Fund (FÉRIQUE RLIF)

An RLIF is a locked-in investment fund that permits individuals aged 55 or older to transfer, in certain circumstances, up to fifty percent of the RLIF's value into a tax-deferred plan with no maximum annual withdrawal limit (that is, either an RRSP or an RRIF), as long as this transfer happens within sixty (60) days of the creation of the RLIF. After this point, the RLIF may be subject to the same limits of withdrawals as a LIF.

### FÉRIQUE Registered Education Savings Plan (FÉRIQUE RESP)

RESP contributions are not tax deductible but may be withdrawn tax free. The maximum contribution by any investor for the same beneficiary is \$50,000. A monthly penalty of one percent (1%) will be imposed on any excess contributions. The contributions made to a RESP may give entitlement to the Canada Education Savings Grant "CESG" and the Quebec Education Savings Incentive "QESI" which are payable directly to the RESP, subject to certain ceilings. The maximum annual amount of CESG that can be paid in any year is \$500 (or \$1,000 if there is unused grant room from previous years). However, low and middle-income families are eligible for an increased (i) CESG percentage on the first \$500 of contributions up to forty percent (40%), and (ii) maximum yearly CESG ceiling up to \$600. The lifetime CESG limit for each beneficiary is \$7,200. The maximum annual basic amount of QESI that can be paid in any year is \$250 (in addition, any benefits accrued during previous years can be added to the basic amount, up to a maximum of \$250). An increase of up to \$50 a year may be added to the basic amount for low and middle-income families. The lifetime QESI limit for each beneficiary is \$3,600. Specific anti-avoidance rules penalize, *inter alia*, deliberate over-contributions, acquisitions of prohibited investments and those using RESPs in certain tax-planning schemes.

### FÉRIQUE Tax-Free Savings Account (FÉRIQUE TFSA)

Eligible investors can contribute up to \$5,000 every year for years 2009 to 2012 and up to \$5,500 for years 2013 and 2014 in a TFSA. In 2015, the annual contribution limit increased to \$10,000 and decreased back to \$5,500 for year 2016 to 2018. For 2019 and 2020, the limit is set at \$6,000. A monthly penalty of one percent (1%) will be imposed on any excess contributions. Specific anti-avoidance rules penalize, *inter alia*, deliberate over-contributions, acquisition of prohibited investments and those using TFSAs in certain tax-planning schemes. Contributions to a TFSA are not deductible for income tax purposes but investment income, including interests, dividends and capital gains, earned in a TFSA are not taxed, even when withdrawn. Unused TFSA contribution room can be carried forward to future years indefinitely. Investors can withdraw funds from the TFSA at any time for any purpose.

### Pre-Authorized Contributions (PAC)

This plan lets you invest a small amount at regular intervals. To benefit from pre-authorized contributions, you must sign a proxy form, by which you authorize the trustee to withdraw from your bank account, at a desired frequency, amounts you have designated, as long as they are at least \$50 per Fund.

### Systematic Withdrawal Plan (SWP)

This plan lets you withdraw a fixed amount from your non-registered accounts as well as your RRIF, your LIF or your RLIF, as long as you have at least \$10,000 in your account when you start the withdrawal plan and the individual withdrawal is at least \$50 per Fund. Payment will be deposited directly into your bank account monthly, quarterly, semi-annually or annually. You can cancel the withdrawal plan by providing written instructions to the trustee.

**It is important to keep in mind that if your regular withdrawals are worth more than what your Fund is earning, you will eventually use up your investment.**

# Fees and Expenses

This table lists the fees and expenses that you may have to pay if you invest in FÉRIQUE Funds. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Funds. Gestion FÉRIQUE may, in some cases, waive all or a portion of a Fund's management fee and/or absorb all or a portion of a Fund's operating fees. The decision to absorb fees is reviewed annually and determined by Gestion FÉRIQUE, without notice to unitholders.

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## Fees and Expenses Payable by the Funds

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### Management Fees

The management fees to be paid by the Funds to Gestion FÉRIQUE are paid in consideration for providing, or arranging for the provision of the daily management and for liaising with companies involved in the management of the Funds. Marketing and distribution expenses, office overhead expenses, indirect costs related to the manager's activities and the fees of the portfolio advisors are paid by Gestion FÉRIQUE out of the management fees received from the funds. The management fees are a percentage of the net asset value of each series of a Fund, calculated on a daily basis and paid monthly. Each Fund is required to pay the applicable taxes, including GST and QST on the management fees paid to Gestion FÉRIQUE.

Because the manager is a not-for-profit organization, the management fees to be paid by the Funds to Gestion FÉRIQUE are variable. The management fees consist of the expenses actually incurred by the manager plus an amount which allows Gestion FÉRIQUE to establish and maintain a reasonable reserve for its operations.

The manager adjusts, as required, the management fees based on the Funds' actual operating expenses so that the management expense ratio remains generally fixed throughout the year. The management expense ratio (MER) is the total of the management fees and the operational expenses.

Management fees vary by Fund and series and are a percentage of the daily average net asset value of each series.

In some cases, Gestion FÉRIQUE may reduce the management fee for certain unitholders. See section "Management Fee Reduction" for more details.

The MER that may be assumed by each Fund is subject to a cap. Gestion FÉRIQUE is entitled to modify the management fees provided that such modifications shall not result in the MER of a Fund exceeding the cap for such Fund (see table hereafter).

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### Operating Expenses

In return for an administration fee (the "Administration Fee"), for each series of a Fund, the Manager assumes all operating expenses except those specific to the funds.

The Administration Fee includes registrar fees, expenses relating to accounting and evaluation of the Funds, custodian fees, fees of the auditors, the legal advisers and other professionals, fees relating to the preparation and distribution of annual and bi-annual management reports and financial statements, prospectus and annual information form, statements and other information transmitted to unitholders. If a Fund offers more than one series of units, the Manager distributes the common operating expenses among its series on a pro rata basis. Any portion of the Administration Fee that is specific to a series is allocated to that series.

The Administration Fee, paid monthly to the Manager, is a percentage of the net asset value of each series of a Fund, calculated on a daily basis. The Administration Fee varies for each Fund and series of a Fund.

The Administration Fee paid to the Manager in respect of each series of a Fund may, in any particular period, be less than or exceed the operating expenses actually incurred for such series. Because the Manager is a not-for-profit organization, the Manager will adjust the Administration Fee from time to time based on the actual operating expenses incurred on behalf of a series of a Fund.

The Administration Fee is charged in addition to the management fees and is subject to taxes.

The Funds also pay the following charges (the 'Fund Expenses'):

- Taxes and duties;
- Regulatory filing fees;
- Costs related to National Instrument 81-107 with regards to the Independent Review Committee for Investment Funds; and
- Any costs that may be imposed on the Funds to comply with securities regulations.

Costs related to compliance with National Instrument 81-107 with regards to the Independent Review Committee for Investment Funds may include annual fees, meeting fees, insurance premiums, continuing education, expense reimbursement for members of the Independent Review Committee ("IRC"), and any other expenses related to the operation of the IRC.

Currently, each member of the IRC receives a \$3,460 compensation (\$4,620 for the President) plus expenses for each meeting of the IRC that the member attends. All of the fees associated with the IRC are allocated among all of the FÉRIQUE Funds in a manner that is considered to be fair and reasonable to the Funds.

Each Fund is also responsible for brokerage fees and other trading expenses of their respective portfolios, including but not limited to forward contracts and foreign exchange transactions, as applicable. These fees and expenses are not considered operating expenses and are not included in the MER.

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**Fees and Expenses Payable by the Funds (continued)**

The following table shows the management fee, the Administration Fee, the total MER as well as the MER cap applicable to each Fund as of January 1, 2020, in each case subject to applicable taxes. The total MER below includes the management fee and the operational expenses. The operational expenses include the Administration Fee and the Fund Expenses. Although not listed in the table below, the Fund Expenses are included in the total MER.

Fund name	Administration Fee	Management Fee	Total MER	MER Cap
Short Term Income	0.11%	0.11%	0.23%	0.65%
Canadian Bond	0.07%	0.60%	0.67%	0.87%
Globally Diversified Income	0.12%	0.72%	0.84%	1.48%
Conservative Portfolio	0.19%	0.49%	0.70%	1.09%
Moderate Portfolio	0.10%	0.68%	0.79%	1.09%
Balanced Portfolio	0.09%	0.85%	0.95%	1.30%
Growth Portfolio	0.10%	0.89%	1.00%	1.74%
Aggressive Growth Portfolio	0.12%	0.90%	1.04%	1.74%
Canadian Dividend Equity	0.08%	0.79%	0.87%	1.30%
Canadian Equity	0.08%	0.87%	0.96%	1.30%
American Equity	0.08%	0.96%	1.04%	1.44%
European Equity	0.13%	1.00%	1.13%	1.52%
Asian Equity	0.13%	0.99%	1.13%	1.52%
Emerging Markets Equity	0.29%	1.03%	1.35%	1.87%
World Dividend Equity	0.12%	1.09%	1.22%	1.52%

**Investing in Other Mutual Funds**

If a Fund holds securities of another Fund:

- fees payable by that other Fund are added to the fees payable by the Fund;
- no management fees or incentive fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by the other Fund for the same service;
- no sales fees or redemption fees are payable by the Fund in relation to its purchases or redemptions of the securities of the other Fund, if the other Fund is managed by Gestion FÉRIQUE, or an affiliate or associate of Gestion FÉRIQUE;
- no sales fees or redemption fees are payable by the Fund in relation to its purchases or redemptions of the securities of the other Fund that, to a reasonable person, would duplicate a fee payable by an investor in the Fund.

**Fees and expenses payable directly by you**

<b>Sales charges</b>	None, if you trade by Services d'investissement FÉRIQUE, which is the Principal Distributor of the Funds
<b>Transfer fees</b>	None, if you trade by Services d'investissement FÉRIQUE, which is the Principal Distributor of the Funds
<b>Redemption fees</b>	None, if you trade by Services d'investissement FÉRIQUE, which is the Principal Distributor of the Funds
<b>Registered plan fees</b>	None, if you trade by Services d'investissement FÉRIQUE, which is the Principal Distributor of the Funds
<b>Short-Term Trading Fees</b>	<p>If you redeem or switch units of the Funds, within thirty (30) days of purchase, Gestion FÉRIQUE may charge you short-term trading fees up to 2% of the value of the units redeemed.</p> <p>This fee is designed to protect unitholders from other investors moving quickly in and out of the Funds. We may impose or waive the fee in other appropriate circumstances at our discretion. For the purpose of determining whether the fee applies, we will consider the units that were held the longest to be the units that are redeemed first. In determining whether a short-term trade is inappropriate, we will consider relevant factors, including:</p> <ul style="list-style-type: none"> <li>• bonafide changes in investor circumstances or intentions;</li> <li>• unanticipated financial emergencies;</li> <li>• the nature of the Fund;</li> <li>• past trading patterns.</li> </ul> <p>Short-term trading fees are paid to the Fund. The fees are deducted from the amount you redeem or switch, or are charged to your account, and are retained by the Fund. For more information, see "Fund Governance - Policies and Procedures Related to Excessive or Short-Term Trading" in the Funds' Annual Information Form.</p>
<b>Brokerage fees</b>	You may be required to pay brokerage or transaction fees if you buy, redeem, transfer or convert Fund units through a representative's firm other than the principal distributor. Such fees would be negotiated between you and your representative and would be payable directly by you.
<b>Fees for any Optional Service</b>	None, if you trade by Services d'investissement FÉRIQUE, which is the principal distributor of the Funds
<b>Other fees</b>	None, if you trade by Services d'investissement FÉRIQUE, which is the principal distributor of the Funds

## Management Fee Reductions

In certain circumstances, Gestion FÉRIQUE may reduce the management fees payable by certain unitholders. The decision to charge a management fee that is less than the usual fees or to reduce the management fees depends on a number of factors, including the size of the investment, the expected level of account activity and the unitholder's total investment with Gestion FÉRIQUE. In fact, these unitholders receive a rebate for the management or operating expenses that apply to their units. Gestion FÉRIQUE does this by reducing the management fee charged to the Fund or reducing the amount charged to the Fund for certain expenses and having the Fund pay out the amount of the reduction to the unitholders as a distribution. These are called management fee and operating expenses distributions, which are financed by Gestion FÉRIQUE and not by the Fund. Gestion FÉRIQUE may increase or decrease the amount of distributions to certain unitholders from time to time. Such rebates or distributions do not have tax consequences on the Fund; the amount of each rebate or distribution consists in additional income for the unitholder.

### Management Fee Reduction Program

Participants who meet the eligibility criteria will benefit from a management fee reduction of ten basis points (10 bps) on all FÉRIQUE Funds, with the exception of the FÉRIQUE Short Term Income Fund.

### Eligibility criteria for the reduction program

Eligibility for the reduction program is subject to two criteria:

- 1- The market value of the securities that a single Participant beneficially owns, controls or directs, directly or indirectly, in all FÉRIQUE Funds (other than the FÉRIQUE Short-Term Income Fund (the "eligible securities") is at least \$1,000,000 AND
- 2- The market value of eligible securities held by a household of investors is at least \$3,000,000 ("household of investors").

A household of investors is a grouping of accounts that allows the Participant to match his or her own accounts with the accounts of his or her spouse residing at the same address. All types of accounts (individual or corporate) may be grouped, to the extent that they are held with one and the same dealer. You must advise your dealer of all accounts you wish to group into a household of investors.

We may, at our sole discretion, make changes to the terms and conditions of the reduction program, such as increasing or decreasing the management fee reduction percentages or changing the applicable levels or eligibility criteria. However, we will send you a 30 days written notice prior to a change should we cease to offer the reduction program, should the eligibility criteria be raised so that you no longer qualify for the reduction plan, or should the reduction percentages that apply to your investments in a FÉRIQUE Fund be lowered. You will not receive any prior written notice in respect of any other change, for example, if you cease to qualify for the Reduction Program due to a redemption request or a distribution request consisting of a return of capital.

### Terms of payment

The management fee reduction amount will be calculated based on the daily market value of your assets invested in the FÉRIQUE Funds, with the exception of the FÉRIQUE Short Term Income Fund. Distribution or remittance on management fees will be made once per calendar quarter. It will be automatically reinvested in additional units of the same series of the applicable FÉRIQUE Funds.

For more information about the tax treatment of these distributions and management fee rebates, please refer to the "Income Tax Considerations for Canadian Investors" section of the Annual Information Form or consult your tax advisor.

## Impact of Sales Charges

The Funds do not charge any sales charges. This means that you do not pay fees when you buy, redeem or transfer Fund units. If you buy units of FÉRIQUE Funds through a broker other than the principal distributor, you could pay fees that would be negotiated between you and this broker.

## Changes in Fees or Expenses

Securities legislation provides that the approval of the unitholders of the Funds shall be obtained when the basis of the calculation of a fee or expense that is charged to the Fund or directly to its unitholders by the Fund, or its manager in connection with the holding of securities of the Fund, is changed in a way that could result in an increase in charges to the Fund or its unitholders. However, such approval is not required when:

- the Fund is at arm's length with the person or company charging the fee or expense subject to the change;
- the simplified prospectus of the Fund discloses that, although the approval of the unitholders will not be obtained before making the changes, unitholders will be sent a written notice at least sixty (60) days before the effective date of the change that could result in an increase in charges to the Fund; and
- such notice is actually sent sixty (60) days before the effective date of the change.

The Funds will provide such notice when there will be a change in the basis of the calculation of a fee or expense subject to such provisions of securities legislation.

The Funds cannot raise the maximum caps of the management expense ratios (MER: total of the management fees and operating expenses) assumed by each Fund, as described at "Fees and Expenses - Fees and Expenses Payable by the Funds - Management Fees", without the approval of unitholders, even if these increases were caused by an increase in third party fees or expenses imposed on the Funds.

## Dealer Compensation

Gestion FÉRIQUE distributes the FÉRIQUE Funds through the sales force of Services d'investissement FÉRIQUE, a not-for-profit organization where Gestion FÉRIQUE is the sole voting member. Gestion FÉRIQUE pays a fee to Services d'investissement FÉRIQUE, the principal distributor of the FÉRIQUE Funds, which is entirely paid from the management fees of the Funds, so that you assume no direct cost. This compensation is provided for in a distribution agreement between Gestion FÉRIQUE and Services d'investissement FÉRIQUE and it enables Services d'investissement FÉRIQUE to cover its operations expenses (salaries, rent, insurance, etc.) and to maintain an excess working capital compliant with regulations.

The Funds do not charge any sales charges, redemption, conversion fees, or transfer fees when investors trade through the principal distributor. There are no trailing commissions payable with respect to the FÉRIQUE Funds.

Services d'investissement FÉRIQUE, an entity established by letters patent on October 24, 2006 pursuant to the *Canada Corporations Act* and extended under the *Canada Not-for-profit Corporations Act*, on July 24, 2014 is registered in Québec with the Autorité des marchés financiers as a Mutual Fund Dealer and financial planning firm since April 24, 2007.



## Dealer Compensation from Management Fees

For the calendar year ended December 31, 2019, Gestion FÉRIQUE paid, to Services d'investissement FÉRIQUE an aggregate cash amount (dealer compensation and marketing support) representing approximately 27.2% of the management fees paid by all of the FÉRIQUE Funds to Gestion FÉRIQUE.

# Income Tax Considerations for Investors

This summary assumes that you are an individual (other than a trust) and that, for the purposes of the *Income Tax Act* (Canada) (the "Tax Act"), you are resident in Canada, have not entered into a "derivative forward agreement" within the meaning of the Tax Act in respect of units of a Fund and hold units of a Fund as capital property or in a registered plan. This is a general overview only. For a more detailed discussion of tax related information, see "Income Tax Considerations for Investors" in the Funds' Annual Information Form. This summary is based on the current provisions of the Tax Act and the regulations thereunder (the "Regulations"), specific proposals to amend the Tax Act and the Regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof, the current published administrative practices and assessing policies of the CRA. This summary is not exhaustive of all tax considerations and is not intended to constitute legal or tax advice to an investor. Investors should seek independent advice regarding the tax consequences of investing in units of a Fund, based on the investors' own particular circumstances.

## For Units Held in a Registered Plan

If you hold units of a Fund in a RRSP, LIRA, RRIF, LIF, RLIF, Deferred Profit Sharing Plan (DPSP), RESP or TFSA, distributions from the Fund and capital gains from a disposition of the units (including on a switch between Funds) are generally not subject to tax under the Tax Act. However, withdrawals from these registered plans (other than contributions to RESPs and contributions and earnings of TFSAs) are generally subject to tax. Specific anti-avoidance rules penalize, *inter alia*, deliberate over-contributions, acquisition of prohibited investments and those using RRSPs, RRIFs, RESPs and TFSAs in certain tax-planning schemes.

You should consult your tax advisor about the special rules that apply to each particular registered plan.

## For Units Not Held in a Registered Plan

If you hold units of a Fund outside of a RRSP, LIRA, RRIF, LIF, RLIF, DPSP, RESP or TFSA, you will be required to include in computing your income for tax purposes the amount of the net income and the taxable portion of the net realized capital gains paid or that becomes payable to you by the Fund in the year, even though the amount paid or payable is reinvested in additional units. To the extent that the Funds so designate under the Tax Act, distributions of net taxable realized capital gains, taxable dividends on shares of taxable Canadian corporations and foreign source income of a Fund (as well as foreign tax eligible for foreign tax credit) paid or payable to you by the Fund will effectively retain their character in your hands and be subject to the special tax treatment applicable to income of that character. The nature of the distributions you may receive from a Fund during the year will not be established with certainty before the end of the taxation year.

## What are Your Legal Rights?

Securities legislation in Québec and Ontario give you the right to withdraw from an agreement to buy Fund units within two business days of receiving the simplified prospectus or the Fund Facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in Québec and Ontario also allows you to cancel an agreement to buy Fund units and get your money back, or to make a claim for damages, if the simplified prospectus, annual information form, Fund

You will be taxed on distributions of income and net capital gains, even if the income and capital gains accrued to the Fund or were realized by the Fund before you acquired the units and were reflected in the purchase price of the units. If you invest in a Fund before a distribution date, you will have to pay tax on that distribution, even though the Fund earned the amount before you owned it. For example, many of the Funds make their only, or most significant, distribution of income and capital gains in December. If you invest in a Fund late in the year, you may have to pay tax on its earnings for the whole year.

You do not have to pay tax on capital distributions (generally, distributions in excess of the net income of the Fund and of the taxable portion of net realized capital gains of the Fund), but such distributions will reduce the adjusted cost base of your units in the Fund, except to the extent that they constitute the non-taxable portion of net realized capital gains of the Fund. However, a capital distribution received by you and that is in excess of the adjusted cost base of your units in the Fund will be treated as capital gains realized by you. The non-taxable portion distributed to you will not be included in your income nor will it reduce the adjusted cost base of your units.

If you dispose of your units, whether by switch (transfer), redemption or otherwise, you will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition, less any costs of disposition, are greater (or less) than the adjusted cost base of the units. One-half of any capital gain (called a "taxable capital gain") is generally included in determining your income, and one-half of any capital loss can be deducted from your taxable capital gains. If the proceeds of a disposition is paid in U.S. dollars, conversion to Canadian dollars at the date of disposition will be required in order to calculate the distribution proceeds for the purposes of the Tax Act.

In general, the aggregate adjusted cost base of your units in a Fund equals:

- (a) your initial investment in the Fund;
- (b) plus the cost of any additional investments in the Fund;
- (c) plus reinvested distributions;
- (d) minus the capital returned in any distributions; and
- (e) minus the adjusted cost base of any previous redemptions.

The adjusted cost base of a unit is simply the adjusted cost base of all your units of a Fund divided by the total number of such units of the Fund held by you. If the cost of a unit of a Fund is paid in U.S. dollars, the purchase cost needs to be converted in Canadian dollars at time of purchase in order to calculate the adjusted cost base of the units.

Capital gains (including distributions of realized capital gains) may result in a liability for alternative minimum tax.

Facts or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or consult your legal advisor.

# Additional Information

## Customer Service

For our customer services, visit our Web site ([ferique.com](http://ferique.com)), call 514-788-6485 (Montréal area), call our toll-free line (1-800-291-0337) (outside Montréal) or contact Services d'investissement FÉRIQUE's mobile representatives. To make an appointment, call 514-788-6485 (Montréal area) or call 1-800-291-0337 (outside Montréal).

## Investment Restrictions

### Restrictions Applicable to Dealer Managed Mutual Funds

Because FÉRIQUE Short-Term Income Fund, FÉRIQUE European Equity Fund and FÉRIQUE Asian Equity Fund are dealer-managed Funds, they are subject to certain restrictions. A dealer-managed Fund is a mutual fund of which the portfolio manager or portfolio sub-manager is a dealer manager.

Given that the FÉRIQUE Short-Term Income Fund's portfolio sub-manager, CIBC Asset Management Inc., is a wholly-owned subsidiary of an entity which is the principal shareholder of a dealer, FÉRIQUE Short-Term Income Fund is a dealer-managed Funds. Given that the portfolio sub-manager of FÉRIQUE European Equity Fund, Lazard Asset Management (Canada) Inc., is a wholly-owned subsidiary of an entity which is the principal shareholder of a dealer, FÉRIQUE European Equity Fund is a dealer-managed Fund. Given that the portfolio sub-manager of FÉRIQUE Asian Equity Fund, Nomura Asset Management U.S.A. Inc., is a wholly-owned subsidiary of an entity which is the principal shareholder of a dealer, FÉRIQUE Asian Equity Fund is a dealer-managed Fund.

CIBC Asset Management Inc., Lazard Asset Management (Canada) Inc. and Nomura Asset Management U.S.A. Inc. have adopted policies and procedures in order to ensure compliance with the requirements of subsections 4.1 and 4.2 of National Instrument 81-102 respecting Investment Funds by the FÉRIQUE Funds for which they are acting as portfolio managers.

## International information reporting

### Foreign Account Tax Compliance Act ("FATCA")

Under the US *Foreign Account Tax Compliance Act* ("FATCA") under the *Canada-United States Enhanced Tax Information Exchange Agreement* and Part XVIII of the *Income Tax Act* (Canada), the Funds and the manager are required to provide the Canada Revenue Agency ("CRA") with certain information with respect to unitholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents or citizens of Canada) and certain other "United States persons" as they are as defined in the *Canada-United States Enhanced tax information exchange agreement* (excluding some registered plans such as RRSPs). As a result, certain unitholders may be required to provide information to the Fund or to their dealer about their citizenship, residence and, if applicable, their U.S. federal tax identification number. The CRA must then disclose the mandatory information (such as account balance) to the US Internal Revenue Service ("IRS").

### Common reporting standard ("CRS")

In addition, due diligence and disclosure requirements similar to FATCA have been enacted in the *Income Tax Act* (Canada) in order to implement the Multilateral Agreement between the Competent Authorities and the Common reporting standard ("CRS") of the OECD. This standard provides for the implementation of a tax information exchange for residents of certain countries other than Canada or the United States. Under the CRS, unitholders will be required to disclose certain information, including their Tax identification number, for the purpose of this information exchange requirement, unless their investments are held under some registered plans. The CRA will have to provide this information to countries committed to the CRS.

For more information about the international disclosure requirements and their possible consequences for you and your investments, please consult your tax advisor.

## Independent Review Committee

The Manager has established the Independent Review Committee as required by National Instrument 81-107 - Independent Review Committee for Investment Funds (NI 81-107). The Charter of the Independent Review Committee sets out its mandate, responsibilities, and functions. Under the Charter, the Independent Review Committee will review conflict of interest matters referred to it by the Manager and will provide to the Manager a recommendation or, where required under in 81-107 or elsewhere in

securities legislation, an approval relating to the matter. Approvals may also be given in the form of standing instructions. The Independent Review Committee and the Manager may agree that the Independent Review Committee will perform additional functions. The Charter provides that the Independent Review Committee has no obligation to identify conflict of interest matters that the Manager should bring before it.

Although your prior approval will not be sought, you will be given at least a sixty (60) days written notice before any changes are made to the Funds' auditors or before any reorganization with, or transfers of assets to, another mutual fund managed by Gestion FÉRIQUE are made by a Fund provided the Independent Review Committee of the Fund operating under NI 81-107 has approved such changes and, in the latter case, the reorganizations or transfers comply with certain criteria described in the applicable securities legislation.

For more information on the Independent Review Committee, please refer to the section under *Fund Governance* in the Annual Information Form.

## Investment Monitoring Committee

The role of the Investment Monitoring Committee is to oversee the efficient management of the FÉRIQUE Funds, particularly with regards to monitoring the portfolio managers' and the portfolio sub-managers' performance.

Below are the names and municipality of residence of the Investment Monitoring Committee members:

Name	Residence
Mr. Jean-Pierre Dumont	Outremont
Mr. Sylvain Choquette	Montréal
Mr. René Delsanne	Longueuil
Mrs. Fabienne Lacoste	Montréal
Mr. Louis Lizotte	Bromont
Mrs. Caroline Samson	Montréal
Mr. Luc Sarrazin	St-Constant
Mr. Gervais Soucy	Sherbrooke

## Responsible investing

"Responsible investing" refers to investment approaches that consider environmental, social and good governance (ESG) factors in the selection and management of investments. Gestion FÉRIQUE believes that such an approach contributes, over long periods, to achieve better risk adjusted returns. Therefore, by embracing such an approach, Gestion FÉRIQUE intends to make a credible, and effective contribution to improving the social balance sheets of businesses, all the while striving to achieve the return and risk objectives of its Funds

### Responsible investing Approach

Gestion FÉRIQUE's approach to responsible investment is based on the following components: exercise of voting rights, shareholder engagement and inclusion of ESG criteria in investment analysis and decision making.

#### 1. Use, when possible, voting rights to promote best practices in terms of ESG.

Our Policy is based on three general principles:

- *Long-term profitability*  
The purpose of proxy voting is to contribute to the management of a business so as to promote its long-term profitability, rather than short-term share-price appreciation.
- *Accountability*  
The board of directors of a business is accountable to its shareholders, just as management is accountable to the directors. Corporate rules and practices must be conducive to such accountability.
- *Transparency*  
Information on businesses must be accessible to permit an evaluation of them. Businesses must also have sound audit practices.

This Policy therefore enables Gestion FÉRIQUE to reconcile two fundamental objectives: to actively encourage businesses to adopt more responsible behaviour and to protect the assets of its clients over the long term. The Proxy Voting Policy and reports are available on Gestion FÉRIQUE's website.

## **2. Use, when possible and relevant, shareholder engagement to improve companies' behavior**

Shareholder engagement is based on a responsible investment strategy with the objective of actively influence portfolio companies so that they improve their ESG practices.

It involves several types of initiatives, the main ones being:

- Communicate with leaders of the targeted company (calls, letters);
- Register a shareholder proposal.

Such initiatives can be carried out individually or in cooperation with other stakeholders.

## **3. Encourage the inclusion of ESG criteria in investment analysis and decision making process of the portfolio managers**

In a collaborative manner, Gestion FÉRIQUE supports the inclusion of ESG criteria into its managers' traditional financial analysis process. Gestion FÉRIQUE believes that this practice enables managers to develop a fuller picture of a business and to consider a more complete range of investment risks as well as all the opportunities associated with such criteria. Consequently, Gestion FÉRIQUE favors hiring portfolio managers and portfolio sub-managers that have an integrated ESG inclusion approach. Gestion FÉRIQUE also evaluates ESG-related risks within the global investment strategies of its portfolio managers and portfolio sub-managers using ESG ratings and engages with them relating to such risks.

# B

## SPECIFIC INFORMATION ABOUT EACH OF THE FÉRIQUE FUNDS DESCRIBED IN THIS DOCUMENT

### Introduction

The following section describes in more detail each Fund in this simplified prospectus in order to help you make an investment decision. Information that is common to most of the Funds is described here. You should refer back to this section when reading the Fund to make sure you have complete information about a particular Fund.

### Eligibility for Registered Plans

All FÉRIQUE Funds are eligible as investments for the following registered plans: RRSPs, RRIFFs, RESPs, LIRAs, DPSPs, LIFs, RLIFs and TFSAs.

### Securities Lending, Repurchase and Reverse Repurchase Transactions

The Funds may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions in order to earn additional income, as described in the section titled “What are the Risks of Investing in a Mutual Fund?” of this prospectus.

Securities lending involves lending securities held by a Fund to qualified borrowers who have posted collateral. The Fund retains its exposure to changes in the value of the borrowed securities while earning additional fees.

A repurchase transaction involves a Fund selling a security at one price and agreeing to buy it back from the same party at a fixed price. While the Fund retains its exposure to changes in the value of the portfolio securities, it also earns fees for participating in the repurchase transaction.

A reverse repurchase transaction involves a Fund buying a security at one price and agreeing to sell it back to the same party at a higher price. The difference between the Fund’s purchase price for the security and the resale price provides the Fund with additional income.

### Investment Risk Classification Methodology

The section “Who Should Invest in This Fund?” of each FÉRIQUE Fund describes the type of investor or portfolio the Fund is most suitable for, depending on the risk tolerance and investment horizon. Each Fund is assigned an investment risk rating in one of the following categories: low, low-to-medium, medium, medium-to-high, or high risk. This section is meant as a general guide only.

The Canadian Securities Administrators have developed a standardized and mandatory risk classification methodology that establishes the historical volatility, measured by the 10-year standard deviation of the returns of the Fund, as the only indicator of the level of investment risk of a mutual fund.

As such, as required by NI 81-101 respecting Mutual Fund Prospectus Disclosure and NI 81-102 respecting Investment Funds (“NI 81-102”), the Manager measures the risk associated with a Fund using the standard deviation of monthly returns over the past 10 years. For Funds with a return history of less than 10 years, the Manager measures the risk associated with each such Funds using a benchmark index to fill past performance information that is missing to calculate the standard deviation on 10 years. The section “Reference Index Description” describes the benchmark used to assess the level of risk of each such Funds and if another mutual fund’s past performance is used to fill in performance information, a brief description of the other mutual fund is provided. The Manager checks at least annually whether the benchmark used for each Fund remains reasonable.

The investment risk rating for each Fund is reviewed at least annually by the Manager, as well as if there is a material change in a Fund’s investment objective and strategy.

You may obtain a copy, at no cost, of the detailed methodology used by the Manager by calling 514-840-9206 (Montréal area) or toll free at 1-888-259-7969 (outside Montréal) or by writing to Gestion FÉRIQUE at 1010, de La Gauchetière Street West, suite 1400, Montréal (Québec) H3B 2N2 or by e-mail at [info@ferique.com](mailto:info@ferique.com) or by fax at 514-840-9216.

## Fund Details

Type of fund	Canadian Money Market
Date established	Series A: August 16, 1974
Nature of securities offered	Series A mutual fund trust units
Eligibility for registered plans	Completely eligible as investment for RRSP, RRIF, RESP, LIRA, DPSP, LIF, RLIF and TFSA

## What Does the Fund Invest In?

### Investment Objectives

The FÉRIQUE Short-Term Income Fund seeks to preserve capital and maximize income. The Fund mainly invests in money market securities, including commercial paper, bank acceptances and government Treasury bills.

The Fund's investment objectives will only be changed with the consent of the majority of the Fund's unitholders who are entitled to vote.

### Investment Strategies

The Fund is managed by the portfolio sub-manager CIBC Asset Management Inc. The portfolio sub-manager considers economic conditions and their effects on interest rates in selecting investments. If it forecasts that interest rates will rise, it will choose short-term securities. However, if it believes that interest rates will decline, it will select longer-term securities. All fixed rate investments mature in at most 12 months. Floating rate investments have a maximum term of 5 years.

Money is mainly invested and reinvested in commercial paper, including asset-backed commercial paper sponsored by Canadian chartered banks, and bank acceptances denominated in Canadian dollars and issued and guaranteed by major Canadian and foreign corporations. Money may also be invested in Treasury bills issued by the Government of Canada and provincial governments. Moreover, short-term debt securities of municipalities and school boards may be purchased. Also, money may be invested in the bond market in securities denominated in Canadian dollars issued by governments, agencies or Canadian or foreign corporations and in investment certificates issued by financial institutions such as banks, trust companies and credit unions. The FÉRIQUE Short-Term Income Fund may invest in securities of foreign issuers to an extent that will vary from time to time but is not generally expected to exceed 30% of the net asset value of the Fund.

The authorized short term securities must have received a minimum credit ratings of R-1 "low" from DBRS\* or its equivalent. Securities of the Government of Canada, provincial governments, agencies with a principal and interest guarantee from one of these governments, as well as those of Québec municipalities, are not subject to this qualitative limit.

To increase its returns, the Fund may enter into securities lending, repurchase and reverse repurchase agreements consistent with its investment objective and as permitted by the Canadian securities administrators. The Fund will invest no more than 50% of its net assets in such transactions and must receive collateral worth 102% of the assets invested in such transactions.

The investment strategies can be modified without notice to the unitholders and without their approval.

The Fund follows, in parts or as a whole, the responsible approach to investing, as described in the sub-section on "Responsible Investing" of the section "Additional Information" in Part A of this document, and supports the inclusion of ESG criteria into the portfolio sub-manager's analysis process as part of the strategy described above.

## What are the Risks of Investing in the Fund?

The specific risks associated with this Fund are listed below:

- general market risk;
- fixed income risk;
- mortgage-backed and asset-backed securities risk;
- large investor risk;
- portfolio manager risk;
- lower-rated bond risk;
- liquidity risk;
- securities lending, repurchase and reverse repurchase transactions risk;
- legal, tax and regulatory risk;
- series risk;
- cybersecurity risk.

For a full discussion of the foregoing risks, see "What are the Risks of Investing in a Mutual Fund?".

## Who Should Invest in this Fund?

Generally, this Fund is intended for investors with a low risk tolerance who want to invest in the short term. It can also be used as the cash plus equivalent portion of a diversified investment portfolio.

We wish to remind you that the risk level involved in a particular investment depends largely on your personal situation. Before deciding if this Fund is suitable for you, you should consider your investment profile, consult your representative and read the description of the risks in "What are the Risks of Investing in a Mutual Fund?".

Additionally, please refer to the "Investment Risk Classification Methodology" on page 17 for details on how we establish the classification of risk associated with investing in this Fund.

## Distribution Policy

This Fund distributes any net income quarterly, at the end of March, June, September and December. The Fund distributes any net income for the last quarter and any net realized capital gains for the year between December 15 and December 31 of each year. If the calculated net revenue is nil or negative, there will not be a distribution. Distributions will be automatically reinvested in additional units of the Fund at their current net asset value. For non-registered accounts, distributions can be made in cash if you advise us in writing in advance of the distribution.

## Fund Expenses Indirectly Borne by Investors

The Fund pays certain expenses from its assets, which means that the Fund's investors indirectly pay these expenses through lower returns. The purpose of the following table is to help you compare the cumulative cost of an investment in this Fund with the cost of investing in another fund. This example assumes that (i) you invest \$1,000 in units of the Fund for the indicated periods and then sell all of your units at the end of these periods; (ii) your investment obtains an annual return of 5% and the management expense ratio remained the same as in its last financial year for the complete 10 years. Although your actual costs may be higher or lower, based on the above assumptions, your costs would have been:

Period	One year	Three years	Five years	Ten years
<b>Fees Payable</b>	\$2.77	\$8.72	\$15.29	\$34.81

As at December 31, 2019

Please see "Fees and Expenses" on page 11 for more details.

\* Dominion Bond Rating Service

## Fund Details

Type of fund	Canadian Fixed Income
Date established	Series A: August 16, 1974
Nature of securities offered	Series A mutual fund trust units
Eligibility for registered plans	Completely eligible as investment for RRSP, RRIF, RESP, LIRA, DPSP, LIF, RLIF and TFSA

## What Does the Fund Invest In?

### Investment Objectives

The FÉRIQUE Canadian Bond Fund seeks to maximize the total return by a combination of high revenues and capital appreciation. The money is thus mainly invested and reinvested in fixed income securities issued by governments and corporations.

The Fund's investment objectives will only be changed with the consent of the majority of the Fund's unitholders who are entitled to vote.

### Investment Strategies

The Fund is managed by two portfolio managers who use different styles, namely Addenda Capital Inc. (Addenda), which manages approximately 50% of the portfolio, and Baker Gilmore & Associates Inc. (Baker Gilmore), which manages approximately 50% of the portfolio (all percentages expressed in the investment strategy are presented as a percentage of the Fund's net asset value).

These weightings may vary according to market fluctuations and investors' transactions in the Fund.

Addenda's strategy consists in actively positioning the portfolio according to economic conditions through the following factors: the management of the portfolio's duration with respect to the FTSE TMX Canada Universe Bond Index, the security allocation and the selection among bond market sector (Canadian, provincial, municipal governments, supranational institutions and corporate bonds). The portfolio manager may also invest in foreign bonds.

Baker Gilmore's strategy consists in positioning the portfolio with respect to economic conditions according to the following factors: the security allocation and the selection within bond market sectors (Canadian government bonds, provincial bonds, municipal bonds, supranational institutions and corporate bonds) and the management of the portfolio's duration with respect to the index. The portfolio manager may also invest in foreign bonds.

The Fund mainly invests and reinvests in bonds, debentures, notes and other securities issued and guaranteed as to principal and interest by the Government of Canada, provincial and municipal governments, or by supranational institutions or any other Canadian School board, Canadian company or cooperative, mortgage backed securities sponsored by a chartered Canadian bank, strip coupons, investment certificates, bank acceptances, exchange-traded funds and other equivalent securities. Bonds and debentures issued or guaranteed by governments or corporations (including asset-backed securities and commercial mortgage) from developed countries denominated in currencies of these countries are also allowed. The Fund may invest in securities of foreign issuers to an extent that will vary from time to time but is not generally expected to exceed 10% of the net asset value of the Fund.

The bonds and debentures must have at least a BBB rating at time of purchase, as defined by the credit rating agency Dominion Bond Rating Service Limited (DBRS) or its equivalent. The bonds and debentures of the Government of Canada and from developed countries, with a principal and interest guarantee from one of these governments, and of municipalities, are not subject to this qualitative limit.

The portfolio managers may invest up to 10% in short-term securities. Authorized short-term securities include cash, Treasury bills from Canadian and U.S. governments, term and demand deposits, commercial paper including bank acceptances and asset-backed commercial paper sponsored by a chartered Canadian bank, investment certificates and equivalent securities issued by Canadian life insurance companies, trust companies, chartered banks and credit unions.

Short-term securities must have a minimum rating of R-1 Low, as defined by DBRS or its equivalent. Securities of the Government of Canada, provincial governments, agencies with a principal and interest guarantee from one of these governments, and municipalities are not subject to this qualitative limit.

The Fund's investment strategy allows the use of derivatives only for hedging purposes of the foreign currency risk. Only forward contracts are permitted to hedge against the currency risk. All other derivative instruments are prohibited. The Fund will only use derivative instruments that are consistent with its investment objectives and in accordance with the requirements of the securities regulations. See "Derivatives Risk" on page 2 for more information.

To increase its returns, the Fund may enter into securities lending, repurchase and reverse repurchase agreements consistent with its investment objective and as permitted by the Canadian securities administrators. The Fund will invest no more than 50% of its net assets in such transactions and must receive collateral worth 102% of the assets invested in such transactions.

It is expected that the Fund enters into frequent securities trading to achieve its investment objectives so the turnover rate of the portfolio securities may exceed 70% during a year. A high turnover rate can affect the performance of the Fund, as the higher the turnover rate, the greater the trading costs payable by the Fund throughout the year, and the more likely an investor is to receive a taxable distribution in the same year.

The investment strategies can be modified without notice to the unitholders and without their approval.

The Fund follows, in parts or as a whole, the responsible approach to investing, as described in the sub-section on "Responsible Investing" of the section "Additional Information" in Part A of this document, and supports the inclusion of ESG criteria into the portfolio manager's analysis process as part of the strategy described above.

## What are the Risks of Investing in the Fund?

The specific risks associated with this Fund are listed below:

- general market risk;
- fixed income risk;
- portfolio manager risk;
- mortgage-backed and asset-backed securities risk;
- large investor risk;
- lower-rated bond risk;
- liquidity risk;
- foreign market risk;
- foreign currency risk;
- derivatives risk;
- exchange-traded fund risk;
- securities lending, repurchase and reverse repurchase transactions risk;
- legal, tax and regulatory risk;
- series risk;
- cybersecurity risk.

As of May 31, 2020, the FÉRIQUE Balanced Portfolio held 36.88% of the outstanding units of the FÉRIQUE Canadian Bond Fund, the FÉRIQUE Growth Portfolio held 11.32% of the outstanding units of the FÉRIQUE Canadian Bond Fund and the FÉRIQUE Moderate Portfolio held 10.64% of the outstanding units of the FÉRIQUE Canadian Bond Fund.

For a full discussion of the foregoing risks, see "What are the Risks of Investing in a Mutual Fund?".

## Who Should Invest in this Fund?

Generally, this Fund is intended for investors with a low risk tolerance who want to invest in the medium term. It can also be used as the core part of the Canadian fixed income portion of a diversified investment portfolio.

We wish to remind you that the risk level involved in a particular investment depends largely on your personal situation. Before deciding if this Fund is suitable for you, you should consider your investment profile, consult your representative and read the description of the risks in "What are the Risks of Investing in a Mutual Fund?".

Additionally, please refer to the "Investment Risk Classification Methodology" on page 17 for details on how we establish the classification of risk associated with investing in this Fund.

### Distribution Policy

This Fund distributes any net income quarterly, at the end of March, June, September and December. The Fund distributes any net realized capital gains for the year between December 15 and December 31 of each year. If the calculated net revenue is nil or negative, there will not be a distribution. Distributions will be automatically reinvested in additional units of the Fund at their current net asset value. For non-registered accounts, distributions can be made in cash if you advise us in writing in advance of the distribution.

### Fund Expenses Indirectly Borne by Investors

The Fund pays certain expenses from its assets, which means that the Fund's investors indirectly pay these expenses through lower returns. The purpose of the following table is to help you compare the cumulative cost of an investment in this Fund with the cost of investing in another fund. This example assumes that (i) you invest \$1,000 in units of the Fund for the indicated periods and then sell all of your units at the end of these periods; (ii) your investment obtains an annual return of 5% and the management expense ratio remained the same as in its last financial year for the complete 10 years. Although your actual costs may be higher or lower, based on the above assumptions, your costs would have been:

Period	One year	Three years	Five years	Ten years
<b>Fees Payable</b>	\$7.89	\$24.88	\$43.61	\$99.27

As at December 31, 2019

Please see "Fees and Expenses" on page 11 for more details.

## Fund Details

Type of fund	Global fixed income balanced
Date established	Series A: May 2, 2016
Nature of securities offered	Series A mutual fund trust units
Eligibility for registered plans	Completely eligible as investment for RRSP, RRIF, RESP, LIRA, DPSP, LIF, RLIF and TFSA

## What Does the Fund Invest In?

### Investment Objectives

The FÉRIQUE Globally Diversified Income Fund seeks to provide income and, to a lesser extent, long-term capital appreciation. The Fund invests primarily in a globally diversified portfolio of fixed income securities and equity securities. The Fund can also invest in exchange-traded funds (ETFs).

The Fund's investment objectives will only be changed with the consent of the majority of the Fund's unitholders who are entitled to vote.

### Investment Strategy

The Fund is managed by the portfolio manager Addenda Capital inc. (Addenda).\* The FÉRIQUE Globally Diversified Income Fund aims to hold a well diversified portfolio composed primarily of Canadian and foreign fixed income and, to a lesser extent, equity securities.

The Fund's current investment policy specifies a long term target portfolio broken down as follows (all percentages expressed in the investment strategy are presented as a percentage of the Fund's net asset value):

- Money market securities: 0% to 10%
- Canadian and foreign fixed income securities (or equivalent ETFs): 75% to 95%
- Canadian and foreign equity securities (or equivalent ETFs): 5% to 15%

Furthermore, the Fund can be invested in Canadian securities in an amount ranging from 0% to 70%. There is no limit to the Fund's foreign content.

This weighting may vary according to the market fluctuations, economic views of the portfolio manager and investors' transactions in the Fund.

The strategy of Addenda is based on the following key elements:

- A comprehensive top-down analysis of global macroeconomic and capital markets that serves to identify general investment themes and changes to critical market factors. The forecasts based on a horizon of 18 to 24 months reflect the expectations of risk and return as well as relative valuation;
- Changes to the asset allocation, when they are made, seek to take advantage of dynamic changes in market conditions and/or assessments while remaining aware of the risks;
- Fixed income investment strategies take advantage of the extensive capabilities of fundamental research by the portfolio manager. The dynamic approach to fixed income management encompasses diversified sources of value added including interest rate forecasts and relative fundamental analysis of all issuers to detect best investment opportunities;
- Equity securities strategies focus on in-depth analysis and on assessments of different industries, favoring stocks with steady growth of income and cash flows.

The Fund primarily invests and reinvests in the following asset classes : government bonds, corporate bonds, asset-backed securities, mortgage backed securities, high yield bonds and real return bonds, preferred shares, convertible bonds and equity securities including common shares and income trust units.

If the portfolio manager decides to invest in ETFs, it must invest in ETFs whose securities are index participation units within the meaning of applicable securities regulations. It will only invest in ETFs that provide exposure to securities that are consistent with the investment objectives and strategies of the Fund. The portfolio manager may change the ETFs in which the Fund invests at all times and a maximum limit of 75% of the

Fund's net asset value is set on the weighting in ETFs in which the Fund may invest.

Authorized short-term securities include cash, Treasury bills from Canadian governments or G-7 countries, term deposits and demand deposits, commercial paper including bankers' acceptances and asset-backed commercial paper sponsored by a chartered Canadian bank, investment certificates and equivalent securities issued by life insurance companies, trust companies and chartered banks or credit unions.

Short-term securities must have a minimum rating of "R-1 Low," as defined by DBRS or equivalent. Securities of the government of Canada securities, provincial governments, agencies with a principal and interest guarantee from one of these governments, and municipalities are not subject to this qualitative limit.

The Fund's investment strategy allows the use of derivatives only for hedging purposes of the foreign currency risk. Only forward contracts are permitted to hedge against the currency risk. All other derivative instruments are prohibited. The Fund will only use derivative instruments that are consistent with its investment objectives and in accordance with the requirements of the securities regulations. See "Derivatives Risk" on page 2 for more information.

To increase its returns, the Fund may enter into securities lending, repurchase and reverse repurchase agreements consistent with its investment objective and as permitted by the Canadian securities administrators. The Fund will invest no more than 50% of its net assets in such transactions and must receive collateral worth 102% of the assets invested in such transactions. These transactions will be used in combination with the Fund's other investment strategies in the most appropriate manner to allow the Fund to meet its investment objective and improve its performance. See "Securities lending, repurchase and reverse repurchase transactions risk" on page 4 for a description of these transactions and the strategies to be used by the Fund to reduce the risks related to these transactions.

The investment strategies can be modified without notice to the unitholders and without their approval.

The Fund follows, in parts or as a whole, the responsible approach to investing, as described in the sub-section on "Responsible Investing" of the section "Additional Information" in Part A of this document, and supports the inclusion of ESG criteria into the portfolio manager's analysis process as part of the strategy described above.

## What are the Risks of Investing in the Fund?

The specific risks associated with this Fund are listed below:

- general market risk;
- fixed income risk;
- equity risk;
- foreign market risk;
- foreign currency risk;
- portfolio manager risk;
- asset allocation risk;
- depository securities and receipts risk;
- exchange-traded fund risk;
- income trusts risk;
- smaller companies risk;
- emerging markets risk;
- derivatives risk;
- lower-rated bond risk;
- mortgage-backed and asset-backed securities risk;
- large investor risk;
- concentration risk;
- liquidity risk;
- securities lending, repurchase and reverse repurchase transactions risk;
- legal, tax and regulatory risk;
- series risk;
- cybersecurity risk.

As of May 31, 2020, the FÉRIQUE Balanced Portfolio held 47.19% of the outstanding units of the FÉRIQUE Globally Diversified Income Fund, the FÉRIQUE Moderate Portfolio held 11.31% of the outstanding units of

\* With the portfolio sub-manager Allianz Global Investors U.S. LLC

the FÉRIQUE Globally Diversified Income Fund and the FÉRIQUE Growth Portfolio held 12.88% of the outstanding units of the FÉRIQUE Globally Diversified Income Fund.

For a full discussion of the foregoing risks, see “What are the Risks of Investing in a Mutual Fund?”.

### Who Should Invest in this Fund?

Generally, this Fund is intended for investors with a low to medium risk tolerance who want to invest in the medium or long term. It can also be used as a basis for the fixed income portion of a diversified investment portfolio.

We wish to remind you that the risk level involved in a particular investment depends largely on your personal situation. Before deciding if this Fund is suitable for you, you should consider your investment profile, consult your representative and read the description of the risks in “What are the Risks of Investing in a Mutual Fund?”.

### Reference Index Description

Gestion FÉRIQUE has rated the volatility of the Globally Diversified Income Fund as low to medium. The method used to determine this investment risk rating is the standardized method based on the standard deviation over the last 10 years. Since the Fund has a performance history of less than 10 years, the manager has used the performance of the Fund’s benchmark index to fill past performance information. The Fund’s benchmark used to determine the Fund’s level of risk reflects the performance of a target portfolio comprised of the FTSE Canada Short Term Overall Bond Index (30%), the Bloomberg Barclays Global Aggregate Index - CAD Hedged (60%) and the Dow Jones Canada Select Dividend Index (10%).

Additionally, please refer to the “Investment Risk Classification Methodology” on page 17 for details on how we establish the classification of risk associated with investing in this Fund.

### Distribution Policy

This Fund distributes any net income quarterly, at the end of March, June, September and December. The Fund distributes any net income for the last quarter and any net realized capital gains for the year between December 15<sup>th</sup> and December 31<sup>st</sup> of each year. If the calculated net revenue is nil or negative, there will not be a distribution. Distributions will be automatically reinvested in additional units of the Fund at their current net asset value. For non-registered accounts, distributions can be made in cash if you advise us in writing in advance of the distribution.

### Fund Expenses Indirectly Borne by Investors

The Fund pays certain expenses from its assets, which means that the Fund’s investors indirectly pay these expenses through lower returns. The purpose of the following table is to help you compare the cumulative cost of an investment in this Fund with the cost of investing in another fund. This example assumes that (i) you invest \$1,000 in units of the Fund for the indicated periods and then sell all of your units at the end of these periods; (ii) your investment obtains an annual return of 5% and the management expense ratio remained the same as in its last financial year for the complete 10 years. Although your actual costs may be higher or lower, based on the above assumptions, your costs would have been:

Period	One year	Three years	Five years	Ten years
<b>Fees Payable</b>	\$9.94	\$31.34	\$54.94	\$125.06

As at December 31, 2019

Please see “Fees and Expenses” on page 11 for more details.

## Fund Details

<b>Type of fund</b>	Canadian fixed income balanced
<b>Date established</b>	Series A: June 20, 2017
<b>Nature of securities offered</b>	Series A mutual fund trust units
<b>Eligibility for registered plans</b>	Completely eligible as investment for RRSP, RRIF, RESP, LIRA, DPSP, LIF, RLIF and TFSA

## What Does the Fund Invest In?

### Investment Objectives

The FÉRIQUE Conservative Portfolio (the Fund) seeks to provide investment income and, to a lesser extent, a capital appreciation by a policy of diversification among different types of investments. The Fund mainly invests in mutual funds that are exposed to bond securities, money market securities and, to a lesser extent, Canadian and foreign equities.

The Fund's investment objectives will only be changed with the consent of the majority of the Fund's unitholders who are entitled to vote.

### Investment Strategies

The Fund aims to hold a well-diversified portfolio composed mainly of Canadian and foreign fixed income securities and, to a lesser extent, Canadian and foreign equity securities.

The Fund's current investment policy specifies a long-term target portfolio broken down into asset categories as follows (all percentages expressed in the investment strategy are presented as a percentage of the Fund's net asset value):

- Fixed income funds and money market securities 85%
- Equity funds 15%

The maximum exposure to foreign securities is approximately 25%.

This weighting may vary according to the market fluctuations and investors' transactions in the Fund. Asset category weights are verified monthly. The Fund is rebalanced when the predetermined limits by the Fund's portfolio manager are exceeded.

The Fund invests mainly in units of underlying funds administered by the manager or by third parties in order to obtain the expected exposure to the different asset classes.

The portfolio manager of the Fund, Gestion FÉRIQUE, is responsible for the assets' allocation among the asset classes. The portfolio manager may, at its sole discretion and, to maximize the potential of achieving the Fund's objectives, select the underlying funds for the different asset classes, change the percentage holding of any underlying fund, remove any underlying fund or add other underlying funds.

The following criteria are taken into account when allocating the assets of the Fund among the underlying funds: the exposure level to the asset class tolerated in the investment policy, the returns and expected level of risk and the fees. There will be no duplication of fees between the Portfolio and the underlying funds.

The underlying funds, as well as the money market, are managed by portfolio managers or portfolio sub-managers that apply proprietary strategies in their security selection.

The investment strategy of certain underlying funds in which the Fund is investing allows the use of standardized derivatives such as futures on stock or bond indices or currency futures contracts for hedging or for purpose other than hedging, provided that the use of such derivatives is consistent with the investment objectives of the underlying funds and is consistent with the requirements of securities regulations. See "Derivative Risk" on page 2 for more information.

To increase its returns, the underlying funds may enter into securities lending, repurchase and reverse repurchase agreements consistent with its investment objective and as permitted by the Canadian securities administrators. The underlying funds will invest no more than 50% of their net assets in such transactions and must receive collateral worth 102% of the assets invested in such transactions.

The investment strategies can be modified without notice to the unitholders and without their approval.

The Fund follows, in parts or as a whole, the responsible approach to investing, as described in the sub-section on "Responsible Investing" of the section "Additional Information" in Part A of this document and through the underlying funds, supports the inclusion of ESG criteria into the portfolio manager's and portfolio sub-manager's analysis process as part of their respective strategies described in each underlying funds' strategies.

## What are the Risks of Investing in the Fund?

The specific risks associated with this Fund are listed below:

- general market risk;
- equity risk;
- foreign market risk;
- foreign currency risk;
- depository securities and receipts risk;
- fixed income risk;
- underlying funds risk;
- asset allocation risk;
- income trusts risk;
- portfolio manager risk;
- smaller companies risk;
- emerging markets risk;
- exchange-traded fund risk;
- derivatives risk;
- lower-rated bond risk;
- mortgage-backed and asset-backed securities risk;
- large investor risk;
- concentration risk;
- liquidity risk;
- securities lending, repurchase and reverse repurchase transactions risk;
- legal, tax and regulatory risk;
- series risk;
- cybersecurity risk.

For a full discussion of the foregoing risks, see "What are the Risks of Investing in a Mutual Fund?"

Over the last 12 months, the Fund invested as much as 61.7% of its net assets in the FÉRIQUE Canadian Bond Fund, as much as 10.2% in the FÉRIQUE Globally Diversified Income Fund and as much as 10.1% in the FÉRIQUE Canadian Dividend Equity Fund. See page 2 for a description of concentration risk.

## Who Should Invest in this Fund?

Generally, this Fund is intended for investors with a low risk tolerance who want to invest in the medium or long term. It can also be used by investors looking for diversification within a single portfolio.

We wish to remind you that the risk level involved in a particular investment depends largely on your personal situation. Before deciding if this Fund is suitable for you, you should consider your investment profile, consult your representative and read the description of the risks in "What are the Risks of Investing in a Mutual Fund?"

## Reference Index Description

Gestion FÉRIQUE has rated the volatility of the FÉRIQUE Conservative Portfolio as low. The method used to determine this investment risk rating is the standardized method based on the standard deviation over the last 10 years.

Since the Fund has a performance history of less than 10 years, the manager has used the performance of the Fund's benchmark index to fill past performance information. The Fund's benchmark used to establish the Fund's level of risk reflects the performance of a target portfolio comprised of the FTSE Canada 91-day Treasury Bill Index (15%), the FTSE Canada Universe Bond Index (60%), the S&P/TSX Composite Dividend Index (10%), the MSCI World Ex-Canada Index (in Canadian dollars) (5%) and the customized benchmark (10%) comprised of the FTSE Canada Short Term Overall Bond Index (30%), the Bloomberg Barclays Global Aggregate Index - CAD Hedged (60%) and the Dow Jones Canada Select Dividend Index (10%).

Additionally, please refer to the "Investment Risk Classification Methodology" on page 17 for details on how we establish the classification of risk associated with investing in this Fund.

### Distribution Policy

This Fund distributes any net income quarterly, at the end of March, June, September and December. The Fund distributes any net realized capital gains for the year between December 15 and December 31 of each year. If the calculated net revenue is nil or negative, there will not be a distribution. Distributions will be automatically reinvested in additional units of the Fund at their current net asset value. For non-registered accounts, distributions can be made in cash if you advise us in writing in advance of the distribution.

### Fund Expenses Indirectly Borne by Investors

The Fund pays certain expenses from its assets, which means that the Fund's investors indirectly pay these expenses through lower returns. The purpose of the following table is to help you compare the cumulative cost of an investment in this Fund with the cost of investing in another fund. This example assumes that (i) you invest \$1,000 in units of the Fund for the indicated periods and then sell all of your units at the end of these periods; (ii) your investment obtains an annual return of 5% and the management expense ratio remained the same as in its last financial year for the complete 10 years. Although your actual costs may be higher or lower, based on the above assumptions, your costs would have been:

Period	One year	Three years	Five years	Ten years
<b>Fees Payable</b>	\$8.20	\$25.85	\$45.31	\$103.14

As at December 31, 2019

Please see "Fees and Expenses" on page 11 for more details.

## Fund Details

<b>Type of fund</b>	Canadian fixed income balanced
<b>Date established</b>	Series A: October 1, 2009
<b>Nature of securities offered</b>	Series A mutual fund trust units
<b>Eligibility for registered plans</b>	Completely eligible as investment for RRSP, RRIF, RESP, LIRA, DPSP, LIF, RLIF and TFSA

## What Does the Fund Invest In?

### Investment Objectives

The FÉRIQUE Moderate Portfolio (the Fund) seeks to maximize investment income and, to a lesser extent, provide long term capital appreciation by a policy of diversification among different types of investments. The Fund mainly invests in mutual funds that are exposed to bond securities, Canadian and foreign equities, as well as money market securities.

The Fund's investment objectives will only be changed with the consent of the majority of the Fund's unitholders who are entitled to vote.

### Investment Strategies

The Fund aims to hold a well-diversified portfolio composed mainly of Canadian and foreign fixed income securities and of Canadian and foreign equity securities.

The Fund's current investment policy specifies a long-term target portfolio broken down into asset categories as follows (all percentages expressed in the investment strategy are presented as a percentage of the Fund's net asset value):

- Fixed income funds and money market securities 70%
- Equity funds 30%

The maximum exposure to foreign securities is approximately 30%.

This weighting may vary according to the market fluctuations and investors' transactions in the Fund. Asset category weights are verified monthly. The Fund is rebalanced when the predetermined limits by the Fund's portfolio manager are exceeded.

The Fund invests mainly in units of underlying funds administered by the manager or by third parties in order to obtain the expected exposure to the different asset classes.

The portfolio manager of the Fund, Gestion FÉRIQUE, is responsible for the assets' allocation among the asset classes. The portfolio manager may, at its sole discretion and, to maximize the potential of achieving the Fund's objectives, select the underlying funds for the different asset classes, change the percentage holding of any underlying fund, remove any underlying fund or add other underlying funds.

The following criteria are taken into account when allocating the assets of the Fund among the underlying funds: the exposure level to the asset class tolerated in the investment policy, the returns and expected level of risk and the fees. There will be no duplication of fees between the Portfolio and the underlying funds.

The underlying funds, as well as the money market, are managed by portfolio managers or portfolio sub-managers that apply proprietary strategies in their security selection.

The investment strategy of certain underlying funds in which the Fund is investing allows the use of standardized derivatives such as futures on stock or bond indices or currency futures contracts for hedging or for purpose other than hedging, provided that the use of such derivatives is consistent with the investment objectives of the underlying funds and is consistent with the requirements of securities regulations. See "Derivative Risk" on page 2 for more information.

To increase its returns, the underlying funds may enter into securities lending, repurchase and reverse repurchase agreements consistent with its investment objective and as permitted by the Canadian securities administrators. The underlying funds will invest no more than 50% of their net assets in such transactions and must receive collateral worth 102% of the assets invested in such transactions.

The investment strategies can be modified without notice to the unitholders and without their approval.

The Fund follows, in parts or as a whole, the responsible approach to investing, as described in the sub-section on "Responsible Investing" of the section "Additional Information" in Part A of this document and through the underlying funds, supports the inclusion of ESG criteria into the portfolio manager's and portfolio sub-manager's analysis process as part of their respective strategies described in each underlying funds' strategies.

## What are the Risks of Investing in the Fund?

The specific risks associated with this Fund are listed below:

- general market risk;
- equity risk;
- foreign market risk;
- foreign currency risk;
- depository securities and receipts risk;
- fixed income risk;
- underlying funds risk;
- asset allocation risk;
- income trusts risk;
- portfolio manager risk;
- smaller companies risk;
- emerging markets risk;
- exchange-traded fund risk;
- derivatives risk;
- lower-rated bond risk;
- mortgage-backed and asset-backed securities risk;
- large investor risk;
- concentration risk;
- liquidity risk;
- securities lending, repurchase and reverse repurchase transactions risk;
- legal, tax and regulatory risk;
- series risk;
- cybersecurity risk.

For a full discussion of the foregoing risks, see "What are the Risks of Investing in a Mutual Fund?"

Over the last 12 months, the Fund invested as much as 58.2% of its net assets in the FÉRIQUE Canadian Bond Fund, as much as 11.4% in the FÉRIQUE World Dividend Equity Fund, as much as 11.3% in the FÉRIQUE Canadian Dividend Equity Fund, as much as 11.3% in the FÉRIQUE Canadian Equity Fund, and as much as 11.2% in the FÉRIQUE Globally Diversified Income Fund. See page 2 for a description of concentration risk.

## Who Should Invest in this Fund?

Generally, this Fund is intended for investors with a low risk tolerance who want to invest in the medium or long term. It can also be used by investors looking for diversification within a single portfolio.

We wish to remind you that the risk level involved in a particular investment depends largely on your personal situation. Before deciding if this Fund is suitable for you, you should consider your investment profile, consult your representative and read the description of the risks in "What are the Risks of Investing in a Mutual Fund?"

Additionally, please refer to the "Investment Risk Classification Methodology" on page 17 for details on how we establish the classification of risk associated with investing in this Fund.

## Distribution Policy

This Fund distributes any net income quarterly, at the end of March, June, September and December. The Fund distributes any net realized capital gains for the year between December 15 and December 31 of each year. If the calculated net revenue is nil or negative, there will not be a distribution. Distributions will be automatically reinvested in additional units of the Fund at their current net asset value. For non-registered accounts, distributions can be made in cash if you advise us in writing in advance of the distribution.

## Fund Expenses Indirectly Borne by Investors

The Fund pays certain expenses from its assets, which means that the Fund's investors indirectly pay these expenses through lower returns. The purpose of the following table is to help you compare the cumulative cost of an

investment in this Fund with the cost of investing in another fund. This example assumes that (i) you invest \$1,000 in units of the Fund for the indicated periods and then sell all of your units at the end of these periods; (ii) your investment obtains an annual return of 5% and the management expense ratio remained the same as in its last financial year for the complete 10 years. Although your actual costs may be higher or lower, based on the above assumptions, your costs would have been:

Period	One year	Three years	Five years	Ten years
<b>Fees Payable</b>	\$9.33	\$29.40	\$51.54	\$117.32

As at December 31, 2019

Please see "Fees and Expenses" on page 11 for more details.

## Fund Details

<b>Type of fund</b>	Global Neutral Balanced
<b>Date established</b>	Series A: August 29, 1980
<b>Nature of securities offered</b>	Series A mutual fund trust units
<b>Eligibility for registered plans</b>	Completely eligible as investment for RRSP, RRIF, RESP, LIRA, DPSP, LIF, RLIF and TFSA

## What Does the Fund Invest In?

### Investment Objectives

The FÉRIQUE Balanced Portfolio (the Fund) seeks to maximize long-term capital gains by a policy of diversification among different types of investments. The Fund mainly invests in mutual funds that are exposed to bond securities, Canadian and foreign equities, as well as money market securities.

The Fund's investment objectives will only be changed with the consent of the majority of the Fund's unitholders who are entitled to vote.

### Investment Strategies

The Fund aims to hold a well-diversified portfolio composed mainly of Canadian and foreign fixed income securities and of Canadian and global equity securities.

The Fund's current investment policy specifies a long-term target portfolio broken down into asset categories as follows (all percentages expressed in the investment strategy are presented as a percentage of the Fund's net asset value):

- Fixed income funds and money market securities 40%
- Equity funds 60%

The maximum exposure to foreign securities is approximately 50%.

This weighting may vary according to the market fluctuations and investors' transactions in the Fund. Asset category weights are verified monthly. The Fund is rebalanced when the predetermined limits by the Fund's portfolio manager are exceeded.

The Fund invests mainly in units of underlying funds administered by the manager or by third parties in order to obtain the expected exposure to the different asset classes.

The portfolio manager of the Fund, Gestion FÉRIQUE, is responsible for the assets' allocation among the asset classes. The portfolio manager may, at its sole discretion and, to maximize the potential of achieving the Fund's objectives, select the underlying funds for the different asset classes, change the percentage holding of any underlying fund, remove any underlying fund or add other underlying funds.

The following criteria are taken into account when allocating the assets of the Fund among the underlying funds: the exposure level to the asset class tolerated in the investment policy, the returns and expected level of risk, and the fees. There will be no duplication of fees between the Portfolio and the underlying funds.

The underlying funds, as well as the money market, are managed by portfolio managers or portfolio sub-managers that apply proprietary strategies in their security selection.

The investment strategy of certain underlying funds in which the Fund is investing allows the use of standardized derivatives such as futures on stock or bond indices or currency futures contracts for hedging or for purpose other than hedging, provided that the use of such derivatives is consistent with the investment objectives of the underlying funds and is consistent with the requirements of securities regulations. See "Derivative Risk" on page 2 for more information.

To increase its returns, the underlying funds may enter into securities lending, repurchase and reverse repurchase agreements consistent with its investment objective and as permitted by the Canadian securities administrators. The underlying funds will invest no more than 50% of their net assets in such transactions and must receive collateral worth 102% of the assets invested in such transactions.

The investment strategies can be modified without notice to the unitholders and without their approval.

The Fund follows, in parts or as a whole, the responsible approach to investing, as described in the sub-section on "Responsible Investing" of the section "Additional Information" in Part A of this document and through the underlying funds, supports the inclusion of ESG criteria into the portfolio manager's and portfolio sub-manager's analysis process as part of their respective strategies described in each underlying funds' strategies.

## What are the Risks of Investing in the Fund?

The specific risks associated with this Fund are listed below:

- general market risk;
- equity risk;
- foreign market risk;
- foreign currency risk;
- depository securities and receipts risk;
- fixed income risk;
- underlying funds risk;
- asset allocation risk;
- income trusts risk;
- portfolio manager risk;
- smaller companies risk;
- emerging markets risk;
- exchange-traded fund risk;
- derivatives risk;
- lower-rated bond risk;
- mortgage-backed and asset-backed securities risk;
- large investor risk;
- concentration risk;
- liquidity risk;
- securities lending, repurchase and reverse repurchase transactions risk;
- legal, tax and regulatory risk;
- series risk;
- cybersecurity risk.

For a full discussion of the foregoing risks, see "What are the Risks of Investing in a Mutual Fund?"

Over the last 12 months, the Fund invested as much as 35.5% of its net assets in the FÉRIQUE Canadian Bond Fund, as much as 15.3% of its net assets in the FÉRIQUE Canadian Dividend Equity Fund, as much as 10.4% of its net assets in the FÉRIQUE Canadian Equity Fund, as much as 16.7% of its net assets in the FÉRIQUE American Equity Fund and as much as 10.2% of its net assets in the FÉRIQUE European Equity Fund. See page 2 for a description of concentration risk.

## Who Should Invest in this Fund?

Generally, this Fund is intended for investors with a low to medium risk tolerance who want to invest in the medium or long term. It can also be used by investors looking for diversification within a single portfolio.

We wish to remind you that the risk level involved in a particular investment depends largely on your personal situation. Before deciding if this Fund is suitable for you, you should consider your investment profile, consult your representative and read the description of the risks in "What are the Risks of Investing in a Mutual Fund?"

Additionally, please refer to the "Investment Risk Classification Methodology" on page 17 for details on how we establish the classification of risk associated with investing in this Fund.

## Distribution Policy

This Fund distributes any net income quarterly, at the end of March, June, September and December. The Fund distributes any net realized capital gains for the year between December 15 and December 31 of each year. If the calculated net revenue is nil or negative, there will not be a distribution. Distributions will be automatically reinvested in additional units of the Fund at their current net asset value. For non-registered accounts, distributions can be made in cash if you advise us in writing in advance of the distribution.

### Fund Expenses Indirectly Borne by Investors

The Fund pays certain expenses from its assets, which means that the Fund's investors indirectly pay these expenses through lower returns. The purpose of the following table is to help you compare the cumulative cost of an investment in this Fund with the cost of investing in another fund. This example assumes that (i) you invest \$1,000 in units of the Fund for the indicated periods and then sell all of your units at the end of these periods; (ii) your investment obtains an annual return of 5% and the management expense ratio remained the same as in its last financial year for the complete 10 years. Although your actual costs may be higher or lower, based on the above assumptions, your costs would have been:

Period	One year	Three years	Five years	Ten years
<b>Fees Payable</b>	\$11.17	\$35.22	\$61.74	\$140.53

As at December 31, 2019

Please see "Fees and Expenses" on page 11 for more details.

## Fund Details

Type of fund	Global Equity Balanced
Date established	Series A: February 20, 2014
Nature of securities offered	Series A mutual fund trust units
Eligibility for registered plans	Eligible as investment for RRSP, RRIF, RESP, LIRA, DPSP, LIF, RLIF and TFSA

## What Does the Fund Invest In?

### Investment Objectives

The FÉRIQUE Growth Portfolio (the Fund) seeks to maximize long-term capital growth by a policy of diversification among different types of investments. The Fund mainly invests in mutual funds that are exposed to Canadian and foreign equities, bond securities, as well as money market securities.

The Fund's investment objectives will only be changed with the consent of the majority of the Fund's unitholders who are entitled to vote.

### Investment Strategies

The Fund aims to hold a well-diversified portfolio composed mainly of Canadian and foreign equity securities and fixed income securities.

The Fund's current investment policy specifies a long-term target portfolio broken down as follows (all percentages expressed in the investment strategy are presented as a percentage of the Fund's net asset value):

- Fixed income funds and money market securities 30%
- Equity funds 70%

The maximum exposure to foreign securities is approximately 65%.

This weighting may vary according to the market fluctuations and investors' transactions in the Fund. Asset category weights are verified monthly. The Fund is rebalanced when the predetermined limits by the Fund's portfolio manager are exceeded.

The Fund invests mainly in units of underlying funds administered by the manager or by third parties in order to obtain the expected exposure to the different asset classes.

The portfolio manager of the Fund, Gestion FÉRIQUE, is responsible for the assets' allocation among the asset classes. The portfolio manager may, at its sole discretion and, to maximize the potential of achieving the Fund's objectives, select the underlying funds for the different asset classes, change the percentage holding of any underlying fund, remove any underlying fund or add other underlying funds.

The following criteria are taken into account when allocating the assets of the Fund among the underlying funds: the exposure level to the asset class tolerated in the investment policy, the returns and expected level of risk, and the fees. There will be no duplication of fees between the Portfolio and the underlying funds.

The underlying funds, as well as the money market, are managed by portfolio managers or portfolio sub-managers that apply proprietary strategies in their security selection.

The investment strategy of certain underlying funds in which the Fund is investing allows the use of standardized derivatives such as futures on stock or bond indices or currency futures contracts for hedging or for purpose other than hedging, provided that the use of such derivatives is consistent with the investment objectives of the underlying funds and is consistent with the requirements of securities regulations. See "Derivative Risk" on page 2 for more information.

To increase its returns, the underlying funds may enter into securities lending, repurchase and reverse repurchase agreements consistent with its investment objective and as permitted by the Canadian securities administrators. The underlying funds will invest no more than 50% of their net assets in such transactions and must receive collateral worth 102% of the assets invested in such transactions.

The investment strategies can be modified without notice to the unitholders and without their approval.

The Fund follows, in parts or as a whole, the responsible approach to investing, as described in the sub-section on "Responsible Investing" of the section "Additional Information" in Part A of this document and through the underlying funds, supports the inclusion of ESG criteria into the portfolio manager's and portfolio sub-manager's analysis process as part of their respective strategies described in each underlying funds' strategies.

## What are the Risks of Investing in the Fund?

The specific risks associated with this Fund are listed below:

- general market risk;
- equity risk;
- foreign market risk;
- foreign currency risk;
- depository securities and receipts risk;
- fixed income risk;
- underlying funds risk;
- asset allocation risk;
- income trusts risk;
- portfolio manager risk;
- smaller companies risk;
- emerging markets risk;
- exchange-traded fund risk;
- derivatives risk;
- lower-rated bond risk;
- mortgage-backed and asset-backed securities risk;
- large investor risk;
- concentration risk;
- liquidity risk;
- securities lending, repurchase and reverse repurchase transactions risk;
- legal, tax and regulatory risk;
- series risk;
- cybersecurity risk.

For a full discussion of the foregoing risks, see "What are the Risks of Investing in a Mutual Fund?"

Over the last 12 months, the Fund invested as much as 27.3% of its net assets in the FÉRIQUE Canadian Bond Fund, as much as 20.4% of its net assets in the FÉRIQUE Canadian Equity Fund, as much as 21.4% of its net assets in the FÉRIQUE American Equity Fund, as much as 15.6% of its net assets in the FÉRIQUE European Equity Fund and as much as 10.5% of its net assets in the FÉRIQUE Asian Equity Fund. See page 2 for a description of concentration risk.

## Who Should Invest in this Fund?

Generally, this Fund is intended for investors with a low to medium risk tolerance who want to invest in the medium or long term. It can also be used by investors looking for diversification within a single portfolio.

We wish to remind you that the risk level involved in a particular investment depends largely on your personal situation. Before deciding if this Fund is suitable for you, you should consider your investment profile, consult your advisor and read the description of the risks in "What are the Risks of Investing in a Mutual Fund?"

## Reference Index Description

Gestion FÉRIQUE has rated the volatility of the FÉRIQUE Growth Portfolio as low to medium. The method used to determine this investment risk rating is the standardized method based on the standard deviation over the last 10 years. Since the Fund has a performance history of less than 10 years, the manager has used the performance of the Fund's benchmark index to fill past performance information. The Fund's benchmark used to establish the Fund's level of risk reflects the performance of a target portfolio comprised of the FTSE Canada 91-day Treasury Bill Index (1%), the FTSE Canada Universe Bond Index (24%), the S&P/TSX Composite Index (20%), the S&P 500 Index (in Canadian dollars) (20%), the MSCI Europe Index (in Canadian dollars) (15%), the MSCI Asia Pacific All Countries Index (in Canadian dollars) (10%), the MSCI Emerging Markets Index (in Canadian dollars) (5%) and the customized benchmark (5%) comprised of the FTSE Canada Short Term Overall Bond Index (30%), the Bloomberg Barclays

Global Aggregate Index - CAD Hedged (60%) and the Dow Jones Canada Select Dividend Index (10%).

Additionally, please refer to the "Investment Risk Classification Methodology" on page 17 for details on how we establish the classification of risk associated with investing in this Fund.

### Distribution Policy

This Fund distributes any net income quarterly, at the end of March, June, September and December. The Fund distributes any net income for the last quarter and any net realized capital gains for the year between December 15<sup>th</sup> and December 31<sup>st</sup> of each year. If the calculated net revenue is nil or negative, there will not be a distribution. Distributions will be automatically reinvested in additional units of the Fund at their current net asset value. For non-registered accounts, distributions can be made in cash if you advise us in writing in advance of the distribution.

### Fund Expenses Indirectly Borne by Investors

The Fund pays certain expenses from its assets, which means that the Fund's investors indirectly pay these expenses through lower returns. The purpose of the following table is to help you compare the cumulative cost of an investment in this Fund with the cost of investing in another fund. This example assumes that (i) you invest \$1,000 in units of the Fund for the indicated periods and then sell all of your units at the end of these periods; (ii) your investment obtains an annual return of 5% and the management expense ratio remained the same as in its last financial year for the complete 10 years. Although your actual costs may be higher or lower, based on the above assumptions, your costs would have been:

Period	One year	Three years	Five years	Ten years
<b>Fees Payable</b>	\$11.79	\$37.16	\$65.13	\$148.26

As at December 31, 2019

Please see "Fees and Expenses" on page 11 for more details.

## Fund Details

Type of fund	Global Equity Balanced
Date established	Series A: June 20, 2017
Nature of securities offered	Series A mutual fund trust units
Eligibility for registered plans	Eligible as investment for RRSP, RRIF, RESP, LIRA, DPSP, LIF, RLIF and TFSA

## What Does the Fund Invest In?

### Investment Objectives

The FÉRIQUE Aggressive Growth Portfolio (the Fund) seeks to maximize long-term capital growth by a policy of diversification among different types of investments. The Fund mainly invests in mutual funds that are exposed to Canadian and foreign equities and, to a lesser extent, bond securities and money market securities.

The Fund's investment objectives will only be changed with the consent of the majority of the Fund's unitholders who are entitled to vote.

### Investment Strategies

The Fund aims to hold a well-diversified portfolio composed mainly of Canadian and foreign equity securities and, to a lesser extent, Canadian and foreign fixed income securities.

The Fund's current investment policy specifies a long-term target portfolio broken down into asset categories as follows (all percentages expressed in the investment strategy are presented as a percentage of the Fund's net asset value):

- Fixed income funds and money market securities 15%
- Equity funds 85%

The maximum exposure to foreign securities is approximately 75%.

This weighting may vary according to the market fluctuations and investors' transactions in the Fund. Asset category weights are verified monthly. The Fund is rebalanced when the predetermined limits by the Fund's portfolio manager are exceeded.

The Fund invests mainly in units of underlying funds administered by the manager or by third parties in order to obtain the expected exposure to the different asset classes.

The portfolio manager of the Fund, Gestion FÉRIQUE, is responsible for the assets' allocation among the asset classes. The portfolio manager may, at its sole discretion and, to maximize the potential of achieving the Fund's objectives, select the underlying funds for the different asset classes, change the percentage holding of any underlying fund, remove any underlying fund or add other underlying funds.

The following criteria are taken into account when allocating the assets of the Fund among the underlying funds: the exposure level to the asset class tolerated in the investment policy, the returns and expected level of risk and the fees. There will be no duplication of fees between the Portfolio and the underlying funds.

The underlying funds, as well as the money market, are managed by portfolio managers or portfolio sub-managers that apply proprietary strategies in their security selection.

The investment strategy of certain underlying funds in which the Fund is investing allows the use of standardized derivatives such as futures on stock or bond indices or currency futures contracts for hedging or for purpose other than hedging, provided that the use of such derivatives is consistent with the investment objectives of the underlying funds and is consistent with the requirements of securities regulations. See "Derivative Risk" on page 2 for more information.

To increase its returns, the underlying funds may enter into securities lending, repurchase and reverse repurchase agreements consistent with its investment objective and as permitted by the Canadian securities administrators. The underlying funds will invest no more than 50% of their net assets in such transactions and must receive collateral worth 102% of the assets invested in such transactions.

The investment strategies can be modified without notice to the unitholders and without their approval.

The Fund follows, in parts or as a whole, the responsible approach to investing, as described in the sub-section on "Responsible Investing" of the section "Additional Information" in Part A of this document and through the underlying funds, supports the inclusion of ESG criteria into the portfolio manager's and portfolio sub-manager's analysis process as part of their respective strategies described in each underlying funds' strategies.

## What are the Risks of Investing in the Fund?

The specific risks associated with this Fund are listed below:

- general market risk;
- equity risk;
- foreign market risk;
- foreign currency risk;
- depository securities and receipts risk;
- fixed income risk;
- underlying funds risk;
- asset allocation risk;
- income trusts risk;
- portfolio manager risk;
- smaller companies risk;
- emerging markets risk;
- exchange-traded fund risk;
- derivatives risk;
- lower-rated bond risk;
- mortgage-backed and asset-backed securities risk;
- large investor risk;
- concentration risk:
- liquidity risk;
- securities lending, repurchase and reverse repurchase transactions risk;
- legal, tax and regulatory risk;
- series risk;
- cybersecurity risk.

For a full discussion of the foregoing risks, see "What are the Risks of Investing in a Mutual Fund?"

Over the last 12 months, the Fund invested as much as 25% of its net assets in the FÉRIQUE Canadian Equity Fund, as much as 25.2% of its net assets in the FÉRIQUE American Equity Fund, as much as 15% of its net assets in the FÉRIQUE European Equity Fund and as much as 10.1% in the FÉRIQUE Asian Equity Fund. See page 2 for a description of concentration risk.

## Who Should Invest in this Fund?

Generally, this Fund is intended for investors with a medium risk tolerance who want to invest in the long term. It can also be used by investors looking for diversification within a single portfolio.

We wish to remind you that the risk level involved in a particular investment depends largely on your personal situation. Before deciding if this Fund is suitable for you, you should consider your investment profile, consult your advisor and read the description of the risks in "What are the Risks of Investing in a Mutual Fund?"

## Reference Index Description

Gestion FÉRIQUE has rated the volatility of the FÉRIQUE Aggressive Growth Portfolio as medium. The method used to determine this investment risk rating is the standardized method based on the standard deviation over the last 10 years. Since the Fund has a performance history of less than 10 years, the manager has used the performance of the Fund's benchmark index to fill past performance information.

The Fund's benchmark used to establish the Fund's level of risk reflects the performance of a target portfolio comprised of the FTSE Canada 91-day Treasury Bill Index (1%), the FTSE Canada Universe Bond Index (9%), the S&P/TSX Composite Index (25%), the S&P 500 Index (in Canadian dollars) (25%), the MSCI Europe Index (in Canadian dollars) (15%), the MSCI Asia Pacific All Countries Index (in Canadian dollars) (10%), the MSCI Emerging Markets Index (in Canadian dollars) (10%) and the customized benchmark (5%) comprised of the FTSE Canada Short Term Overall Bond Index (30%), the Bloomberg Barclays Global Aggregate Index - CAD Hedged (60%) and the Dow Jones Canada Select Dividend Index (10%).

Additionally, please refer to the "Investment Risk Classification Methodology" on page 17 for details on how we establish the classification of risk associated with investing in this Fund.

### Distribution Policy

This Fund distributes any net income quarterly, at the end of March, June, September and December. The Fund distributes any net income for the last quarter and any net realized capital gains for the year between December 15<sup>th</sup> and December 31<sup>st</sup> of each year. If the calculated net revenue is nil or negative, there will not be a distribution. Distributions will be automatically reinvested in additional units of the Fund at their current net asset value. For non-registered accounts, distributions can be made in cash if you advise us in writing in advance of the distribution.

### Fund Expenses Indirectly Borne by Investors

The Fund pays certain expenses from its assets, which means that the Fund's investors indirectly pay these expenses through lower returns. The purpose of the following table is to help you compare the cumulative cost of an investment in this Fund with the cost of investing in another fund. This example assumes that (i) you invest \$1,000 in units of the Fund for the indicated periods and then sell all of your units at the end of these periods; (ii) your investment obtains an annual return of 5% and the management expense ratio remained the same as in its last financial year for the complete 10 years. Although your actual costs may be higher or lower, based on the above assumptions, your costs would have been:

Period	One year	Three years	Five years	Ten years
<b>Fees Payable</b>	\$12.30	\$38.78	\$67.97	\$154.71

As at December 31, 2019

Please see "Fees and Expenses" on page 11 for more details.

## Fund Details

<b>Type of fund</b>	Canadian Dividend and Income Equity
<b>Date established</b>	Series A: October 1, 2009
<b>Nature of securities offered</b>	Series A mutual fund trust units
<b>Eligibility for registered plans</b>	Completely eligible as investment for RRSP, RRIF, RESP, LIRA, DPSP, LIF, RLIF and TFSA

## What Does the Fund Invest In?

### Investment Objectives

The FÉRIQUE Canadian Dividend Equity Fund seeks to achieve a balance between high dividend income and long-term capital growth. The Fund mainly invests in Canadian equity securities that produce dividend income.

The Fund's investment objectives will only be changed with the consent of the majority of the Fund's unitholders who are entitled to vote.

### Investment Strategies

The Fund is managed by the portfolio sub-manager Lincluden Investment Management Limited. The investment philosophy of the portfolio sub-manager of the Fund is grounded in research for value.

The team believes that inefficiencies in the short-term and medium-term are opportunities to discover undervalued companies. A rigorous combination of quantitative analysis and qualitative analysis enables the team to identify companies trading at significant discounts from their true values. The team believes that cash flows are an important factor in the growth of a company.

Money is mainly invested and reinvested in all classes of common shares of Canadian corporations listed on a stock exchange and in convertible bonds, preferred shares, rights, income trust, exchange-traded funds and warrants.

The Fund may invest in securities of foreign issuers to an extent that will vary from time to time but is not generally expected to exceed 10% of the net assets of the Fund.

A Canadian corporation is generally defined as a company that may be included in a benchmark in the Canadian market, has its headquarters or principal location of operations in Canada or whose primary listing is on a Canadian securities exchange or market.

The portfolio sub-manager may invest up to 10% of the net assets of the Fund in short-term securities. Authorized short-term securities include cash, Treasury bills from Canadian governments, term and demand deposits, commercial paper including bank acceptances and asset backed commercial paper sponsored by a chartered Canadian bank, investment certificates and equivalent securities issued by life insurance companies, trust companies, chartered banks and credit unions.

Short term securities must have a minimum rating of R-1 Low, as defined by DBRS or its equivalent. Securities of the Government of Canada, provincial governments, agencies with a principal and interest guarantee from one of these governments, and municipalities are not subject to this qualitative limit.

The Fund's investment strategy allows the use of standardized derivatives such as futures on stock or bond indices or currency futures. If the Fund decides in the future to use derivative instruments, it may use these instruments for hedging purposes or for purposes other than hedging. Thus the Fund may use these instruments to hedge against certain investment risks, such as fluctuations in exchange rates and interest rates and stock market volatility. It may also invest in these instruments for other purposes, for example to participate in various financial markets or to facilitate portfolio transactions and reduce costs. It will only use derivatives that are consistent with its investment objectives and in accordance with the requirements of the securities regulations. Gestion FÉRIQUE will ensure that the portfolio sub-managers of the Fund are registered as derivatives portfolio managers when the Fund anticipates using, in the short term, derivatives for the first time. See "Derivatives Risk" on page 2 for more information.

To increase its returns, the Fund may enter into securities lending, repurchase and reverse repurchase agreements consistent with its investment objective and as permitted by the Canadian securities administrators. The Fund will invest no more than 50% of its net assets in such transactions and must receive collateral worth 102% of the assets invested in such transactions.

The investment strategies can be modified without notice to the unitholders and without their approval.

The Fund follows, in parts or as a whole, the responsible approach to investing, as described in the sub-section on "Responsible Investing" of the section "Additional Information" in Part A of this document, and supports the inclusion of ESG criteria into the portfolio sub-manager's analysis process as part of the strategy described above.

## What are the Risks of Investing in the Fund?

The specific risks associated with this Fund are listed below:

- general market risk;
- equity risk;
- income trusts risk;
- portfolio manager risk;
- fixed income risks;
- smaller companies risk;
- large investor risk;
- foreign market risk;
- foreign currency risk;
- exchange-traded fund risk;
- derivatives risk;
- liquidity risk;
- securities lending, repurchase and reverse repurchase transactions risk;
- legal, tax and regulatory risk;
- series risk;
- cybersecurity risk.

As of May 31, 2020, the FÉRIQUE Balanced Portfolio held 59.16% of the outstanding units of the FÉRIQUE Canadian Dividend Equity Fund.

For a full discussion of the foregoing risks, see "What are the Risks of Investing in a Mutual Fund?".

## Who Should Invest in this Fund?

Generally, this Fund is intended for investors with a medium risk tolerance, who want to invest in the medium or long term. The Fund is also intended for investors seeking dividend income and the potential of capital appreciation. It can also be used as the equity component of a diversified investment portfolio.

We wish to remind you that the risk level involved in a particular investment depends largely on your personal situation. Before deciding if this Fund is suitable for you, you should consider your investment profile, consult your representative and read the description of the risks in "What are the Risks of Investing in a Mutual Fund?".

Additionally, please refer to the "Investment Risk Classification Methodology" on page 17 for details on how we establish the classification of risk associated with investing in this Fund.

## Distribution Policy

This Fund distributes any net income quarterly, at the end of March, June, September and December. The Fund distributes any net realized capital gains for the year between December 15 and December 31 of each year. If the calculated net revenue is nil or negative, there will not be a distribution. Distributions will be automatically reinvested in additional units of the Fund at their current net asset value. For non-registered accounts, distributions can be made in cash if you advise us in writing in advance of the distribution.

### Fund Expenses Indirectly Borne by Investors

The Fund pays certain expenses from its assets, which means that the Fund's investors indirectly pay these expenses through lower returns. The purpose of the following table is to help you compare the cumulative cost of an investment in this Fund with the cost of investing in another fund. This example assumes that (i) you invest \$1,000 in units of the Fund for the indicated periods and then sell all of your units at the end of these periods; (ii) your investment obtains an annual return of 5% and the management expense ratio remained the same as in its last financial year for the complete 10 years. Although your actual costs may be higher or lower, based on the above assumptions, your costs would have been:

Period	One year	Three years	Five years	Ten years
<b>Fees Payable</b>	\$10.25	\$32.31	\$56.64	\$128.92

As at December 31, 2019

Please see "Fees and Expenses" on page 11 for more details.

## Fund Details

Type of fund	Canadian Equity
Date established	Series A: August 16, 1974
Nature of securities offered	Series A mutual fund trust units
Eligibility for registered plans	Completely eligible as investment for RRSP, RRIF, RESP, LIRA, DPSP, LIF, RLIF and TFSA

## What Does the Fund Invest In?

### Investment Objectives

The FÉRIQUE Canadian Equity Fund seeks to maximize the total return by capital appreciation rather than income maximization. The value of the capital thus varies and the investment horizon is long-term. For this purpose, the portfolio is essentially composed of all classes and categories of common shares.

The Fund's investment objectives will only be changed with the consent of the majority of the Fund's unitholders who are entitled to vote.

### Investment Strategies

The Fund is managed by two portfolio sub-managers who use different investment strategies, namely Connor, Clark & Lunn Investment Management Limited (CC&L) which manages approximately 60% of the portfolio and Franklin Templeton Investments Corp. (Franklin Templeton) which manages approximately 40% of the portfolio (all percentages expressed in the investment strategy are presented as a percentage of the Fund's net asset value).

These weightings may vary according to market fluctuations and investors' transactions in the Fund.

The portfolio sub-manager, Franklin Templeton, aims to discover well-managed companies with long-term success derived from their solid and sustainable business model. The team believes that these companies will provide stable earnings and dividend growth thereby contributing to an increase in the stocks' prices. The investment process is centered on research and focuses on superior return on equity and financial health, as well as steady and above-average income, earnings and cash flow growth throughout the cycle.

The portfolio sub-manager CC&L's approach consists of identifying opportunities resulting from variations between the results of its fundamental analysis and current market expectations. Comprehensive macro-economic and bottom-up analysis are used to adjust sector and capitalization positioning.

Money is mainly invested and reinvested in all classes of common shares of Canadian corporations listed on a stock exchange and in convertible bonds, preferred shares of Canadian corporations, rights, income trust, exchange-traded funds and warrants. The FÉRIQUE Canadian Equity Fund does not invest in securities of foreign corporations.

A Canadian corporation is generally defined as a company that may be included in a benchmark in the Canadian market, has its headquarters or principal location of operations in Canada or whose primary listing is on a Canadian securities exchange or market.

The portfolio sub-managers may invest up to 10% in short-term securities. Authorized short-term securities include cash, Treasury bills from Canadian governments, term and demand deposits, commercial paper including bank acceptances and asset backed commercial paper sponsored by a chartered Canadian bank, investment certificates and equivalent securities issued by life insurance companies, trust companies, chartered banks and credit unions.

Short term securities must have a minimum rating of R-1 Low, as defined by DBRS or its equivalent. Securities of the Government of Canada, provincial governments, agencies with a principal and interest guarantee from one of these governments, and municipalities are not subject to this qualitative limit.

The Fund's investment strategy allows the use of standardized derivatives such as futures on stock or bond indices or currency futures. If the Fund decides in the future to use derivative instruments, it may use these instruments for hedging purposes or for purposes other than hedging. Thus the Fund may use these instruments to hedge against certain investment risks, such as fluctuations in exchange rates and interest rates and stock market volatility. It may also invest in these instruments for other purposes, for example to participate in various financial markets or to facilitate portfolio transactions and reduce

costs. It will only use derivatives that are consistent with its investment objectives and in accordance with the requirements of the securities regulations. Gestion FÉRIQUE will ensure that the portfolio managers of the Fund are registered as derivatives portfolio managers when the Fund anticipates using, in the short term, derivatives for the first time. See "Derivatives Risk" on page 2 for more information. To increase its returns, the Fund may enter into securities lending, repurchase and reverse repurchase agreements consistent with its investment objective and as permitted by the Canadian securities administrators. The Fund will invest no more than 50% of its net assets in such transactions and must receive collateral worth 102% of the assets invested in such transactions.

The investment strategies can be modified without notice to the unitholders and without their approval.

The Fund follows, in parts or as a whole, the responsible approach to investing, as described in the sub-section on "Responsible Investing" of the section "Additional Information" in Part A of this document, and supports the inclusion of ESG criteria into the portfolio sub-manager's analysis process as part of the strategy described above.

## What are the Risks of Investing in the Fund?

The specific risks associated with this Fund are listed below:

- general market risk;
- smaller companies risk.
- equity risk;
- portfolio manager risk;
- income trusts risk;
- exchange-traded fund risk;
- derivatives risk;
- large investor risk;
- liquidity risk;
- securities lending, repurchase and reverse repurchase transactions risk;
- legal, tax and regulatory risk;
- series risk;
- cybersecurity risk.

As of May 31, 2020, the FÉRIQUE Balanced Portfolio held 19.18% of the outstanding units of the FÉRIQUE Canadian Equity Fund and the FÉRIQUE Growth Portfolio held 15.64% of the outstanding units of the FÉRIQUE Canadian Equity Fund.

For a full discussion of the foregoing risks, see "What are the Risks of Investing in a Mutual Fund?"

## Who Should Invest in this Fund?

Generally, this Fund is intended for investors with a medium risk tolerance, who want to invest in the long term. It can also be used as the core equity component of a diversified investment portfolio.

We wish to remind you that the risk level involved in a particular investment depends largely on your personal situation. Before deciding if this Fund is suitable for you, you should consider your investment profile, consult your representative and read the description of the risks in "What are the Risks of Investing in a Mutual Fund?"

Additionally, please refer to the "Investment Risk Classification Methodology" on page 17 for details on how we establish the classification of risk associated with investing in this Fund.

## Distribution Policy

This Fund distributes any net income quarterly, at the end of March, June, September and December. The Fund distributes any net realized capital gains for the year between December 15 and December 31 of each year. Distributions will be automatically reinvested in additional units of the Fund at their current net asset value. For non-registered accounts, distributions can be made in cash if you advise us in writing in advance of the distribution.

## Fund Expenses Indirectly Borne by Investors

The Fund pays certain expenses from its assets, which means that the Fund's investors indirectly pay these expenses through lower returns. The purpose of the following table is to help you compare the cumulative cost of an investment in this Fund with the cost of investing in another fund. This example assumes that (i) you invest \$1,000 in units of the Fund for the indicated periods and then sell all of your units at the end of these periods;

(ii) your investment obtains an annual return of 5% and the management expense ratio remained the same as in its last financial year for the complete 10 years. Although your actual costs may be higher or lower, based on the above assumptions, your costs would have been:

Period	One year	Three years	Five years	Ten years
<b>Fees Payable</b>	\$11.28	\$35.54	\$62.30	\$141.82

As at December 31, 2019

Please see "Fees and Expenses" on page 11 for more details.

## Fund Details

Type of fund	U.S. Equity
Date established	Series A: October 20, 1995
Nature of securities offered	Series A mutual fund trust units
Eligibility for registered plans	Completely eligible as investment for RRSP, RRIF, RESP, LIRA, DPSP, LIF, RLIF and TFSA

## What Does the Fund Invest In?

### Investment Objectives

The FÉRIQUE American Equity Fund seeks to maximize long-term return by capital appreciation. The Fund mainly invests in all classes and categories of common shares on the US market.

The Fund's investment objectives will only be changed with the consent of the majority of the Fund's unitholders who are entitled to vote.

### Investment Strategies

The Fund is managed by two portfolio sub-managers who use different styles, namely River Road Asset Management LLC (River Road) which manages approximately between 20% and 35% of the portfolio and Integra Capital Limited (Integra Capital)\*, which manages approximately between 65% and 80% of the portfolio (all percentages expressed in the investment strategy are presented as a percentage of the Fund's net asset value).

These weightings may vary according to market fluctuations and investors' transactions in the Fund or according to the projected capital markets conditions and expected inherent risks given the portfolio sub-managers' strategies.

Approximately 85% or more of the net assets of the Fund will be invested in foreign equities.

The portfolio sub-manager, River Road, is invested in a diversified all capitalization portfolio of income producing equity securities. The portfolio sub-manager employs a value-driven, bottom-up approach that seeks to identify companies that pay high and growing dividends, are financially strong, are trading below their absolute value as assessed by the portfolio sub-manager, have an attractive business model, and have shareholder-oriented management.

The portfolio sub-manager, Integra Capital, uses a core investment strategy based on the selection of quality companies that are temporarily out of favor in the market. The strategy is based entirely on stocks selection. Sector and industry positioning is the result of this approach and the risk management process.

Money is mainly invested and reinvested in all classes of common shares of US corporations listed on a stock exchange and in convertible bonds, preferred shares, rights, income trust, exchange-traded funds, warrants, and in foreign depository receipt.

A US corporation is generally defined as a company that may be included in a benchmark in the US market, has its headquarters or principal location of operations in the US or whose primary listing is on a US securities exchange or market.

The portfolio sub-managers may invest up to 10% in short-term securities. Authorized short-term securities include cash, Treasury bills from Canadian governments, term and demand deposits, commercial paper including bank acceptances and asset backed commercial paper sponsored by a chartered Canadian bank, investment certificates and equivalent securities issued by life insurance companies, trust companies, chartered banks and credit unions.

Short term securities must have a minimum rating of R-1 Low, as defined by DBRS or its equivalent. Securities of the Government of Canada, provincial governments, agencies with a principal and interest guarantee from one of these governments, and municipalities are not subject to this qualitative limit.

The Fund's investment strategy allows the use of standardized derivatives such as futures on stock or bond indices or currency futures. If the Fund decides in the future to use derivative instruments, it may use these instruments for hedging purposes or for purposes other than hedging. Thus

\* With the portfolio sub-manager Columbia Management Investment Advisers LLC

the Fund may use these instruments to hedge against certain investment risks, such as fluctuations in exchange rates and interest rates and stock market volatility. It may also invest in these instruments for other purposes, for example to participate in various financial markets or to facilitate portfolio transactions and reduce costs. It will only use derivatives that are consistent with its investment objectives and in accordance with the requirements of the securities regulations. Gestion FÉRIQUE will ensure that the portfolio sub-managers of the Fund are registered as derivatives portfolio managers when the Fund anticipates using, in the short term, derivatives for the first time. See "Derivatives Risk" on page 2 for more information.

To increase its returns, the Fund may enter into securities lending, repurchase and reverse repurchase agreements consistent with its investment objective and as permitted by the Canadian securities administrators. The Fund will invest no more than 50% of its net assets in such transactions and must receive collateral worth 102% of the assets invested in such transactions.

The investment strategies can be modified without notice to the unitholders and without their approval.

The Fund follows, in parts or as a whole, the responsible approach to investing, as described in the sub-section on "Responsible Investing" of the section "Additional Information" in Part A of this document, and supports the inclusion of ESG criteria into the portfolio sub-manager's analysis process as part of the strategy described above.

## What are the Risks of Investing in the Fund?

The specific risks associated with this Fund are listed below:

- general market risk;
- equity risk;
- foreign market risk;
- foreign currency risk;
- portfolio manager risk;
- depository securities and receipts risk;
- smaller companies risk;
- income trusts risk;
- exchange-traded fund risk;
- derivatives risk;
- large investor risk;
- liquidity risk;
- securities lending, repurchase and reverse repurchase transactions risk;
- legal, tax and regulatory risk;
- series risk;
- cybersecurity risk.

As of May 31, 2020, the FÉRIQUE Balanced Portfolio held 33.10% of the outstanding units of the FÉRIQUE American Equity Fund and the FÉRIQUE Growth Portfolio held 17.14% of the outstanding units of the FÉRIQUE American Equity Fund.

For a full discussion of the foregoing risks, see "What are the Risks of Investing in a Mutual Fund?"

## Who Should Invest in this Fund?

Generally, this Fund is intended for investors with a medium risk tolerance, who want to invest in the long term. It can also be used as the US equity component of a diversified investment portfolio.

We wish to remind you that the risk level involved in a particular investment depends largely on your personal situation. Before deciding if this Fund is suitable for you, you should consider your investment profile, consult your representative and read the description of the risks in "What are the Risks of Investing in a Mutual Fund?"

Additionally, please refer to the "Investment Risk Classification Methodology" on page 17 for details on how we establish the classification of risk associated with investing in this Fund.

## Distribution Policy

The Fund distributes any net income and any net realized capital gains for the year between December 15 and December 31 of each year. If the calculated net revenue is nil or negative, there will not be a distribution. Distributions will be automatically reinvested in additional units of the Fund

at their current net asset value. For non-registered accounts, distributions can be made in cash if you advise us in writing in advance of the distribution.

### Fund Expenses Indirectly Borne by Investors

The Fund pays certain expenses from its assets, which means that the Fund's investors indirectly pay these expenses through lower returns. The purpose of the following table is to help you compare the cumulative cost of an investment in this Fund with the cost of investing in another fund. This example assumes that (i) you invest \$1,000 in units of the Fund for the indicated periods and then sell all of your units at the end of these periods; (ii) your investment obtains an annual return of 5% and the management expense ratio remained the same as in its last financial year for the complete 10 years. Although your actual costs may be higher or lower, based on the above assumptions, your costs would have been:

Period	One year	Three years	Five years	Ten years
<b>Fees Payable</b>	\$12.30	\$38.78	\$67.97	\$154.71

As at December 31, 2019

Please see "Fees and Expenses" on page 11 for more details.

## Fund Details

Type of fund	European Equity
Date established	Series A: June 23, 2003
Nature of securities offered	Series A mutual fund trust units
Eligibility for registered plans	Completely eligible as investment for RRSP, RRIF, RESP, LIRA, DPSP, LIF, RLIF and TFSA

## What Does the Fund Invest In?

### Investment Objectives

The FÉRIQUE European Equity Fund seeks to maximize long-term return by capital appreciation. The Fund mainly invests in all classes and categories of common shares on the European market.

The Fund's investment objectives will only be changed with the consent of the majority of the Fund's unitholders who are entitled to vote.

### Investment Strategies

The Fund is managed by the portfolio sub-manager Lazard Asset Management (Canada) Inc. The portfolio sub-manager uses a strategy with a core bias based on stock selection. It selects companies that have a sustainable high return on capital or that's improving, combined with an interesting valuation in relation to securities of other companies. Most of the investments are in large-cap or mid-cap companies, and occasionally in small-cap companies.

Approximately 90% or more of the net assets of the Fund will be invested in foreign equities.

Money is mainly invested and reinvested in all classes of common shares of European corporations listed on a stock exchange and in convertible bonds, preferred shares, rights, income trust, exchange-traded funds warrants and in foreign depository receipt.

An European corporation is generally defined as a company that may be included in a benchmark in the European market, has its headquarters or principal location of operations in the Europe or whose primary listing is on a European securities exchange or market. The portfolio sub-manager may also occasionally invest in emerging European markets.

The portfolio sub-manager may invest up to 10% of the net assets of the Fund in short-term securities. Authorized short-term securities include cash, Treasury bills from Canadian governments, term and demand deposits, commercial paper including bank acceptances and asset backed commercial paper sponsored by a chartered Canadian bank, investment certificates and equivalent securities issued by life insurance companies, trust companies, chartered banks and credit unions.

Short term securities must have a minimum rating of R-1 Low, as defined by DBRS or its equivalent. Securities of the Government of Canada, provincial governments, agencies with a principal and interest guarantee from one of these governments, and municipalities are not subject to this qualitative limit.

The Fund's investment strategy allows the use of standardized derivatives such as futures on stock or bond indices or currency futures. If the Fund decides in the future to use derivative instruments, it may use these instruments for hedging purposes or for purposes other than hedging. Thus the Fund may use these instruments to hedge against certain investment risks, such as fluctuations in exchange rates and interest rates and stock market volatility. It may also invest in these instruments for other purposes, for example to participate in various financial markets or to facilitate portfolio transactions and reduce costs. It will only use derivatives that are consistent with its investment objectives and in accordance with the requirements of the securities regulations. Gestion FÉRIQUE will ensure that the portfolio sub-manager of the Fund is registered as a derivatives portfolio manager when the Fund anticipates using, in the short term, derivatives for the first time. See "Derivatives Risk" on page 2 for more information.

To increase its returns, the Fund may enter into securities lending, repurchase and reverse repurchase agreements consistent with its investment objective and as permitted by the Canadian securities administrators. The Fund will invest no more than 50% of its net assets in such transactions and must receive collateral worth 102% of the assets invested in such transactions.

The investment strategies can be modified without notice to the unitholders and without their approval.

The Fund follows, in parts or as a whole, the responsible approach to investing, as described in the sub-section on "Responsible Investing" of the section "Additional Information" in Part A of this document, and supports the inclusion of ESG criteria into the portfolio sub-manager's analysis process as part of the strategy described above.

## What are the Risks of Investing in the Fund?

The specific risks associated with this Fund are listed below:

- general market risk;
- equity risk;
- foreign market risk;
- foreign currency risk;
- portfolio manager risk;
- depository securities and receipts risk;
- smaller companies risk;
- emerging markets risk;
- income trusts risk;
- exchange-traded fund risk;
- derivatives risk;
- large investor risk;
- liquidity risk;
- securities lending, repurchase and reverse repurchase transactions risk;
- legal, tax and regulatory risk;
- series risk;
- cybersecurity risk.

As of May 31, 2020, the FÉRIQUE Balanced Portfolio held 39.27% of the outstanding units of the FÉRIQUE European Equity Fund and the FÉRIQUE Growth Portfolio held 24.59% of the outstanding units of the FÉRIQUE European Equity Fund.

For a full discussion of the foregoing risks, see "What are the Risks of Investing in a Mutual Fund?".

## Who Should Invest in this Fund?

Generally, this Fund is intended for investors with a medium risk tolerance, who want to invest in the long term. It can also be used as an international equity component of a diversified investment portfolio.

We wish to remind you that the risk level involved in a particular investment depends largely on your personal situation. Before deciding if this Fund is suitable for you, you should consider your investment profile, consult your representative and read the description of the risks in "What are the Risks of Investing in a Mutual Fund?".

Additionally, please refer to the "Investment Risk Classification Methodology" on page 17 for details on how we establish the classification of risk associated with investing in this Fund.

## Distribution Policy

The Fund distributes any net income and any net realized capital gains for the year between December 15 and December 31 of each year. If the calculated net revenue is nil or negative, there will not be a distribution. Distributions will be automatically reinvested in additional units of the Fund at their current net asset value. For non-registered accounts, distributions can be made in cash if you advise us in writing in advance of the distribution.

### Fund Expenses Indirectly Borne by Investors

The Fund pays certain expenses from its assets, which means that the Fund's investors indirectly pay these expenses through lower returns. The purpose of the following table is to help you compare the cumulative cost of an investment in this Fund with the cost of investing in another fund. This example assumes that (i) you invest \$1,000 in units of the Fund for the indicated periods and then sell all of your units at the end of these periods; (ii) your investment obtains an annual return of 5% and the management expense ratio remained the same as in its last financial year for the complete 10 years. Although your actual costs may be higher or lower, based on the above assumptions, your costs would have been:

Period	One year	Three years	Five years	Ten years
<b>Fees Payable</b>	\$13.33	\$42.01	\$73.63	\$167.60

As at December 31, 2019

Please see "Fees and Expenses" on page 11 for more details.

## Fund Details

Type of fund	Asia-Pacific Equity
Date established	Series A: June 23, 2003
Nature of securities offered	Series A mutual fund trust units
Eligibility for registered plans	Completely eligible as investment for RRSP, RRIF, RESP, LIRA, DPSP, LIF, RLIF and TFSA

## What Does the Fund Invest In?

### Investment Objectives

The FÉRIQUE Asian Equity Fund seeks to maximize long-term return by capital appreciation. The Fund mainly invests in all classes and categories of common shares on the Asian market.

The Fund's investment objectives will only be changed with the consent of the majority of the Fund's unitholders who are entitled to vote.

### Investment Strategies

The Fund is managed by the portfolio sub-manager Nomura Asset Management U.S.A. Inc. The portfolio sub-manager uses an investment process that combines the selection of countries and sectors with stock selection. The goal is to select undervalued companies with solid fundamentals. It also considers other factors that may have a positive impact on the price of the company. Most of the investments are in large-cap or mid-cap companies, and occasionally in small-cap companies. The majority of the portfolio holdings will be located in so-called developed countries and a portion of the portfolio will be invested in companies located in developing countries (also called emerging countries).

Approximately 90% or more of the net assets of the Fund will be invested in foreign equities.

Money is mainly invested and reinvested in all classes of common shares of Asian corporations listed on a stock exchange and in convertible bonds, preferred shares, rights, income trust, mutual funds, exchange-traded funds, warrants and in foreign depository receipt.

An Asian corporation is generally defined as a company that may be included in a benchmark in the Asian market, has its headquarters or principal location of operations in Asia or whose primary listing is on a Asian securities exchange or market.

The portfolio sub-manager may invest up to 10% of the net assets of the Fund in short-term securities. Authorized short-term securities include cash, Treasury bills from Canadian governments, term and demand deposits, commercial paper including bank acceptances and asset backed commercial paper sponsored by a chartered Canadian bank, investment certificates and equivalent securities issued by life insurance companies, trust companies, chartered banks and credit unions.

Short term securities must have a minimum rating of R-1 Low, as defined by DBRS or its equivalent. Securities of the Government of Canada, provincial governments, agencies with a principal and interest guarantee from one of these governments, and municipalities are not subject to this qualitative limit.

The Fund's investment strategy allows the use of standardized derivatives such as futures on stock or bond indices or currency futures. If the Fund decides in the future to use derivative instruments, it may use these instruments for hedging purposes or for purposes other than hedging. Thus the Fund may use these instruments to hedge against certain investment risks, such as fluctuations in exchange rates and interest rates and stock market volatility. It may also invest in these instruments for other purposes, for example to participate in various financial markets or to facilitate portfolio transactions and reduce costs. It will only use derivatives that are consistent with its investment objectives and in accordance with the requirements of the securities regulations. Gestion FÉRIQUE will ensure that the portfolio sub-manager of the Fund is registered as a derivatives portfolio manager when the Fund anticipates using, in the short term, derivatives for the first time. See "Derivatives Risk" on page 2 for more information.

To increase its returns, the Fund may enter into securities lending, repurchase and reverse repurchase agreements consistent with its investment objective and as permitted by the Canadian securities administrators. The Fund will invest no more than 50% of its net assets in such transactions and must receive collateral worth 102% of the assets invested in such transactions.

The investment strategies can be modified without notice to the unitholders and without their approval.

The Fund follows, in parts or as a whole, the responsible approach to investing, as described in the sub-section on "Responsible Investing" of the section "Additional Information" in Part A of this document, and supports the inclusion of ESG criteria into the portfolio sub-manager's analysis process as part of the strategy described above.

## What are the Risks of Investing in the Fund?

The specific risks associated with this Fund are listed below:

- general market risk;
- equity risk;
- foreign market risk;
- foreign currency risk;
- portfolio manager risk;
- depository securities and receipts risk;
- emerging markets risk;
- smaller companies risk;
- income trusts risk;
- exchange-traded fund risk;
- derivatives risk;
- large investor risk;
- liquidity risk;
- securities lending, repurchase and reverse repurchase transactions risk;
- legal, tax and regulatory risk;
- series risk;
- cybersecurity risk.

As of May 31, 2020, the FÉRIQUE Balanced Portfolio held 29.17% of the outstanding units of the FÉRIQUE Asian Equity Fund and the FÉRIQUE Growth Portfolio held 24.83% of the outstanding units of the FÉRIQUE Asian Equity Fund.

For a full discussion of the foregoing risks, see "What are the Risks of Investing in a Mutual Fund?".

## Who Should Invest in this Fund?

Generally, this Fund is intended for investors with a medium to high risk tolerance, who want to invest in the long term. It can also be used as an international equity component of a diversified investment portfolio.

We wish to remind you that the risk level involved in a particular investment depends largely on your personal situation. Before deciding if this Fund is suitable for you, you should consider your investment profile, consult your representative and read the description of the risks in "What are the Risks of Investing in a Mutual Fund?".

Additionally, please refer to the "Investment Risk Classification Methodology" on page 17 for details on how we establish the classification of risk associated with investing in this Fund.

## Distribution Policy

The Fund distributes any net income and any net realized capital gains for the year between December 15 and December 31 of each year. If the calculated net revenue is nil or negative, there will not be a distribution. Distributions will be automatically reinvested in additional units of the Fund at their current net asset value. For non-registered accounts, distributions can be made in cash if you advise us in writing in advance of the distribution.

## Fund Expenses Indirectly Borne by Investors

The Fund pays certain expenses from its assets, which means that the Fund's investors indirectly pay these expenses through lower returns. The purpose of the following table is to help you compare the cumulative cost of an investment in this Fund with the cost of investing in another fund. This

example assumes that (i) you invest \$1,000 in units of the Fund for the indicated periods and then sell all of your units at the end of these periods; (ii) your investment obtains an annual return of 5% and the management expense ratio remained the same as in its last financial year for the complete 10 years. Although your actual costs may be higher or lower, based on the above assumptions, your costs would have been:

Period	One year	Three years	Five years	Ten years
<b>Fees Payable</b>	\$13.33	\$42.01	\$73.63	\$167.60

As at December 31, 2019

Please see "Fees and Expenses" on page 11 for more details.

## Fund Details

Type of fund	Emerging Markets Equity
Date established	Series A: October 20, 2016
Nature of securities offered	Series A mutual fund trust units
Eligibility for registered plans	Completely eligible as investment for RRSP, RRIF, RESP, LIRA, DPSP, LIF, RLIF and TFSA

## What Does the Fund Invest In?

### Investment Objectives

The FÉRIQUE Emerging Markets Equity Fund aims to maximize long-term return by capital appreciation by investing directly in equity securities located primarily in emerging markets or in securities of one or more mutual funds whose objective is to invest primarily in emerging countries.

The Fund's investment objectives will only be changed with the consent of the majority of the Fund's unitholders who are entitled to vote.

### Investment Strategy

The FÉRIQUE Emerging Markets Equity Fund obtains exposure to the emerging markets by investing up to 100% of its net assets in equity securities or in underlying funds. As of the date of this simplified prospectus, the Fund invests substantially all of its net assets in one or more underlying funds managed by third parties. The Fund may invest up to 100% of its net assets in foreign securities.

The portfolio manager, Gestion FÉRIQUE, may, at its sole discretion, to maximize the potential of achieving the Fund's objectives, select the underlying funds, change the percentage holding of any underlying fund, remove any underlying fund or add other underlying funds, without notice to unitholders. When selecting an underlying fund in which to invest, the portfolio manager will consider the degree of exposure to emerging market countries that the underlying fund will provide to the portfolio, the market capitalization of the underlying fund, the performance of the underlying fund, and the fees (if any) payable by the portfolio which may be associated with the investment. There will be no duplication of fees between the Portfolio and the underlying funds.

The Fund may also invest up to 10% of its net assets in short-term securities. Permitted short-term securities are cash and units of money market mutual funds. The allocation of assets among the underlying funds and equity securities can change at the discretion of the manager and without notice to unitholders. This weighting may also vary according to market fluctuations and investors' transactions in the Fund.

The underlying funds are managed by portfolio managers that apply proprietary strategies in their security selection. The underlying funds in which the Fund is investing allow the use of standardized derivatives such as futures on stock or bond indices or futures currency contracts for hedging purposes or for purposes other than hedging.

The investment strategy of the Fund allows the use of standardized derivatives such as futures on stock or bond indices or currency futures. If the Fund decides in the future to use derivative instruments, it may use these instruments for hedging purposes or for purposes other than hedging. Thus, the Fund may use these instruments to hedge against certain investment risks, such as fluctuations in exchange rates and interest rates and stock market volatility. It may also invest in these instruments to other purposes, for example to participate in various financial markets or to facilitate portfolio transactions and reduce costs. It will only use derivatives that are consistent with its investment objectives and in accordance with the requirements of the securities regulations. Gestion FÉRIQUE will ensure that the portfolio manager of the Fund is registered as a derivatives portfolio manager when the Fund anticipates using, in the short term, derivatives for the first time.

See "Derivatives Risk" on page 2 for more information.

To increase its returns, the Fund may enter into securities lending, repurchase and reverse repurchase agreements consistent with its investment objective and as permitted by the Canadian securities administrators. The Fund will invest no more than 50% of its net assets in such transactions and must receive collateral worth 102% of the assets invested in such transactions. These transactions will be used in combination with the Fund's other investment strategies in the most appropriate manner to allow the Fund to meet its investment objective and improve its performance. See "Securities lending, repurchase and reverse repurchase transactions risk" for a description of these transactions and the strategies to be used by the Fund to reduce the risks related to these transactions.

The investment strategies can be modified without notice to the unitholders and without their approval.

## What are the Risks of Investing in the Fund?

The specific risks associated with this Fund are listed below:

- general market risk;
- equity risk;
- emerging market risk;
- foreign market risk;
- foreign currency risk;
- portfolio manager risk;
- asset allocation risk;
- underlying funds risk;
- exchange traded fund risk;
- smaller companies risk;
- fixed income risk;
- derivatives risk;
- large investor risk;
- concentration risk;
- liquidity risk;
- securities lending, repurchase and reverse repurchase transactions risk;
- legal, tax and regulatory risk;
- series risk;
- cybersecurity risk.

For a full discussion of the foregoing risks, see "What are the Risks of Investing in a Mutual Fund?"

Over the last 12 months, the Fund invested as much as 50.1% of its net assets in the NEI Northwest Emerging Markets Fund, class I, as much as 49.4% in the TD Emerging Markets Fund, class O and as much as 33.3% of its net assets in the Templeton Emerging Markets Fund, class O.

## Who Should Invest in this Fund?

Generally, this Fund is intended for investors with a high risk tolerance who want to invest in the long term. It can also be used as part of the international equities portion of a diversified investment portfolio.

We wish to remind you that the risk level involved in a particular investment depends largely on your personal situation. Before deciding if this Fund is suitable for you, you should consider your investment profile, consult your representative and read the description of the risks in "What are the Risks of Investing in a Mutual Fund?"

## Reference Index Description

Gestion FÉRIQUE has rated the volatility of the FÉRIQUE Emerging Markets Equity Fund as high. The method used to determine this investment risk rating is the standardized method based on the standard deviation over the last 10 years. Since the Fund has a performance history of less than 10 years, the manager has used the performance of the Fund's benchmark index to fill past performance information. The Fund's benchmark used to establish the Fund's level of risk is the MSCI Emerging Markets Index (in Canadian dollars).

Additionally, please refer to the "Investment Risk Classification Methodology" on page 17 for details on how we establish the classification of risk associated with investing in this Fund.

### Distribution Policy

This Fund distributes any net income and any net realized capital gains for the year between December 15<sup>th</sup> and December 31<sup>st</sup> of each year. If the calculated net revenue is nil or negative, there will not be a distribution. Distributions will be automatically reinvested in additional units of the Fund at their current net asset value. For non-registered accounts, distributions can be made in cash if you advise us in writing in advance of the distribution.

### Fund Expenses Indirectly Borne by Investors

The Fund pays certain expenses from its assets, which means that the Fund's investors indirectly pay these expenses through lower returns. The purpose of the following table is to help you compare the cumulative cost of an investment in this Fund with the cost of investing in another fund. This example assumes that (i) you invest \$1,000 in units of the Fund for the indicated periods and then sell all of your units at the end of these periods; (ii) your investment obtains an annual return of 5% and the management expense ratio remained the same as in its last financial year for the complete 10 years. Although your actual costs may be higher or lower, based on the above assumptions, your costs would have been:

Period	One year	Three years	Five years	Ten years
<b>Fees Payable</b>	\$15.89	\$50.09	\$87.79	\$199.83

As at December 31, 2019

Please see "Fees and Expenses" on page 11 for more details.

## Fund Details

<b>Type of fund</b>	Global Equity
<b>Date established</b>	Series A: December 22, 1993
<b>Nature of securities offered</b>	Series A mutual fund trust units
<b>Eligibility for registered plans</b>	Completely eligible as investment for RRSP, RRIF, RESP, LIRA, DPSP, LIF, RLIF and TFSA

## What Does the Fund Invest In?

### Investment Objectives

The FÉRIQUE World Dividend Equity Fund seeks to provide income and long-term capital growth. The Fund mainly invests in dividend-paying stocks and other classes and categories of securities of companies throughout the world.

The Fund's investment objectives will only be changed with the consent of the majority of the Fund's unitholders who are entitled to vote.

### Investment Strategies

The Fund is managed by the portfolio sub-manager Wellington Management Canada ULC. The portfolio sub-manager resorts to an investment strategy that uses an approach that seeks to provide long-term total returns, by investing in high-quality, undervalued companies in out-of-favor industries, and without taking greater-than-average risk. It focuses on the significance of dividends, positive capital stewardship, and franchise value. From a financial perspective, the portfolio sub-manager seeks to identify companies with a below-average debt/capital ratio relative to their industry, higher-than-average and improving return on capital, and market share leadership. From a qualitative perspective, the emphasis is on strength and depth of management and a sustainable cost, customer, or competitive advantage.

Approximately 90% or more of the net assets of the Fund will be invested in foreign equities.

Money is mainly invested and reinvested in all classes of common shares of foreign corporations listed on a stock exchange and in convertible bonds, preferred shares, rights, income trust, warrants, exchange-traded funds and in foreign depository receipt.

The portfolio sub-manager may invest up to 10% of the net assets of the Fund in short-term securities. Authorized short-term securities include cash, Treasury bills from Canadian governments, term and demand deposits, commercial paper including bank acceptances and asset backed commercial paper sponsored by a chartered Canadian bank, investment certificates and equivalent securities issued by life insurance companies, trust companies, chartered banks and credit unions.

Short term securities must have a minimum rating of R-1 Low, as defined by DBRS or its equivalent. Securities of the Government of Canada, provincial governments, agencies with a principal and interest guarantee from one of these governments, and municipalities are not subject to this qualitative limit.

The Fund's investment strategy allows the use of standardized derivatives such as futures on stock or bond indices or currency futures. If the Fund decides in the future to use derivative instruments, it may use these instruments for hedging purposes or for purposes other than hedging. Thus the Fund may use these instruments to hedge against certain investment risks, such as fluctuations in exchange rates and interest rates and stock market volatility. It may also invest in these instruments for other purposes, for example to participate in various financial markets or to facilitate portfolio transactions and reduce costs. It will only use derivatives that are consistent with its investment objectives and in accordance with the requirements of the securities regulations. Gestion FÉRIQUE will ensure that the portfolio sub-manager of the Fund is registered as a derivatives portfolio manager when the Fund anticipates using, in the short term, derivatives for the first time. See "Derivatives Risk" on page 2 for more information.

To increase its returns, the Fund may enter into securities lending, repurchase and reverse repurchase agreements consistent with its investment objective and as permitted by the Canadian securities administrators. The Fund will invest no more than 50% of its net assets in such transactions and must receive collateral worth 102% of the assets invested in such transactions.

The investment strategies can be modified without notice to the unitholders and without their approval.

The Fund follows, in parts or as a whole, the responsible approach to investing, as described in the sub-section on "Responsible Investing" of the section "Additional Information" in Part A of this document, and supports the inclusion of ESG criteria into the portfolio sub-manager's analysis process as part of the strategy described above.

## What are the Risks of Investing in the Fund?

The specific risks associated with this Fund are listed below:

- general market risk;
- equity risk;
- foreign markets risk;
- foreign currency risk;
- portfolio manager risk;
- depository securities and receipts risk;
- emerging markets risk;
- smaller companies risk;
- income trusts risk;
- exchange-traded fund risk;
- derivatives risk;
- large investor risk;
- liquidity risk;
- securities lending, repurchase and reverse repurchase transactions risk;
- legal, tax and regulatory risk;
- series risk;
- cybersecurity risk.

As of May 31, 2020, the FÉRIQUE Moderate Portfolio held 13.70% of the outstanding units of the FÉRIQUE World Dividend Equity Fund.

For a full discussion of the foregoing risks, see "What are the Risks of Investing in a Mutual Fund?"

## Who Should Invest in this Fund?

Generally, this Fund is intended for investors with a medium risk tolerance, who want to invest in the long term. It can also be used as the core global equity component of a diversified investment portfolio.

We wish to remind you that the risk level involved in a particular investment depends largely on your personal situation. Before deciding if this Fund is suitable for you, you should consider your investment profile, consult your representative and read the description of the risks in "What are the Risks of Investing in a Mutual Fund?"

Additionally, please refer to the "Investment Risk Classification Methodology" on page 17 for details on how we establish the classification of risk associated with investing in this Fund.

## Distribution Policy

The Fund distributes any net income and any net realized capital gains for the year between December 15 and December 31 of each year. If the calculated net revenue is nil or negative, there will not be a distribution. Distributions will be automatically reinvested in additional units of the Fund at their current net asset value. For non-registered accounts, distributions can be made in cash if you advise us in writing in advance of the distribution.

## Fund Expenses Indirectly Borne by Investors

The Fund pays certain expenses from its assets, which means that the Fund's investors indirectly pay these expenses through lower returns. The purpose of the following table is to help you compare the cumulative cost of an investment in this Fund with the cost of investing in another fund. This example assumes that (i) you invest \$1,000 in units of the Fund for the indicated periods and then sell all of your units at the end of these periods; (ii) your investment obtains an annual return of 5% and the management expense ratio remained the same as in its last financial year for the complete 10 years. Although your actual costs may be higher or lower, based on the above assumptions, your costs would have been:

Period	One year	Three years	Five years	Ten years
<b>Fees Payable</b>	\$14.35	\$45.24	\$79.29	\$180.49

As at December 31, 2019

Please see "Fees and Expenses" on page 11 for more details.

## **INCOME FUNDS**

FÉRIQUE **Short-Term Income** Fund  
FÉRIQUE **Canadian Bond** Fund  
FÉRIQUE **Globally Diversified Income** Fund

## **FÉRIQUE PORTFOLIO SOLUTIONS**

FÉRIQUE **Conservative** Portfolio  
FÉRIQUE **Moderate** Portfolio  
FÉRIQUE **Balanced** Portfolio  
FÉRIQUE **Growth** Portfolio  
FÉRIQUE **Aggressive Growth** Portfolio

## **EQUITY FUNDS**

FÉRIQUE **Canadian Dividend Equity** Fund  
FÉRIQUE **Canadian Equity** Fund  
FÉRIQUE **American Equity** Fund  
FÉRIQUE **European Equity** Fund  
FÉRIQUE **Asian Equity** Fund  
FÉRIQUE **Emerging Markets Equity** Fund  
(formerly FÉRIQUE Emerging Markets Fund)  
FÉRIQUE **World Dividend Equity** Fund



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[ferique.com](http://ferique.com)

Additional information about the Funds is available in the Funds' Annual Information Form, Fund Facts and the Fund's management reports of fund performance and financial statements. These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You may obtain a copy of these documents, free of charge and on demand:

- by calling the manager, Gestion FÉRIQUE, at 514-840-9206 (Montréal area) or toll free at 1-888-259-7969 (outside Montréal);
- by contacting the Principal Distributor, Services d'investissement FÉRIQUE, at 514-788-6485 (Montréal area) or toll free at 1-800-291-0337 (outside Montréal); or
- by visiting the Web site at [ferique.com](http://ferique.com).

These documents and other information about the Funds, such as information circulars and material contracts are also available at [sedar.com](http://sedar.com).