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ANNUAL MANAGEMENT REPORT

*of Fund Performance
for the year ended
December 31, 2022*

EQUITY FUNDS
**FÉRIQUE Global Sustainable
Development Equity Fund**

This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the Funds that you hold. You can get a copy of the annual financial statements at your request, and at no cost, by calling Services d'investissement FÉRIQUE's client services at 514-788-6485 (toll-free 1-800-291-0337), by writing at Gestion FÉRIQUE, Place du Canada, 1010 de La Gauchetière Street West, Suite 1400, Montréal, Québec H3B 2N2, or by visiting our website at ferique.com or SEDAR at sedar.com. You may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record and quarterly portfolio disclosure.

There may be management fees and expenses associated with an investment in a mutual fund. Management expense ratios vary from one year to another. Please read the Prospectus before investing. Mutual funds are not guaranteed or covered by the Canada Deposit Insurance Corporation or another government deposit insurer. Their values fluctuate frequently and past performance may not be repeated.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Funds, their future performance, strategies or prospects, and possible future Fund actions. The words "may", "could", "should", "would", "suspect", "outlook", "believe", "plan", "anticipate", "estimate", "expect", "intend", "forecast", "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Funds and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Funds. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

As at December 31, 2022

Management Discussion of Fund Performance

Investment Objective and Strategies

The FÉRIQUE Global Sustainable Development Equity Fund aims to maximize long-term returns through capital appreciation. The Fund invests, directly or indirectly (including through investments in ETFs or other mutual funds), in a globally diversified portfolio, composed mainly of equity securities of both developed and emerging market issuers, which aim, through their products, services or actions, to align with the principles of sustainable development.

The Fund is managed by the portfolio sub-manager Impax Asset Management. The portfolio sub-manager uses a bottom-up fundamental investment process, incorporating ESG research systematically, to invest in issuers that contribute and/or are well positioned to benefit from the transition to a more sustainable global economy. This results in a conviction portfolio that is well diversified by sectors and regions.

The portfolio sub-manager uses an internally developed portfolio management model incorporating its ESG research to identify sustainable companies that are best positioned to benefit from the opportunities and mitigate the risks arising from the transition to a more sustainable global economy.

The portfolio sub-manager seeks to invest in companies with a track record of generating consistent earnings, that demonstrate predictable above average free cash flow, and where it believes a company's long-term opportunities are not reflected in today's share price.

The portfolio sub-manager's ESG research, from internal analysis and external data, examines the risk mitigation and insight of a company. ESG analysis is based on a materiality approach, focusing on corporate governance structures, the material environmental and/or social risks for a company, and any controversies that a company has faced.

Securities of issuers in violation of the UN Global Compact should be excluded from investment by the portfolio managers.

Risk

The risks of investing in the Fund remain the same as those described in the Prospectus. This Fund is intended for investors with a medium risk tolerance who want to invest in the long term. This Fund is particularly suitable for investors wishing to adopt a responsible investment approach. It can also be used as the core global equity portion of a diversified investment portfolio.

Results of Operations

The FÉRIQUE Global Sustainable Development Equity Fund posted a net return of -13.3% for the fiscal year ended December 31, 2022. Its benchmark, the MSCI ACWI Sustainable Index (CA\$), posted a -4.7% return for the same period. Contrary to benchmark returns, which include no investment fees, Fund returns are expressed net of management and operating expenses payable by the Fund.

On a relative basis, the Fund underperformed its industry median¹, which posted -12.3%, net of fees for the fiscal year.

The portfolio posted negative returns during the period due to a bearish global stock market that plunged while investors acclimatized to the end of quantitative easing, persistent inflation, heightened geopolitical tensions and slower economic growth outlook.

On a relative basis, the portfolio underperformed the benchmark due to the negative impact of the significant sector rotation from quality and growth companies and into value-oriented sectors early in the year. This major market event was caused by the steepening of the yield curve and a rise in oil and commodity prices.

As the year progressed and the risk of a recession became front of mind, higher-quality companies with more predictable earnings were more attractive to investors. This change in focus bolstered the Fund's relative performance.

During the period, sector allocation was positive overall, and the portfolio's underweight to Real Estate and overweight to Financials contributed the most. The portfolio's underweight to Consumer Staples and overweight to Information Technology detracted the most.

Conversely, stock selection detracted from returns, especially within the Materials and Health Care sectors, whose poor showing contrasted with last year's performance. Health Care companies have been impacted by a combination of factors, including worsening sentiment towards indebted companies, concerns of a slowdown in biotech funding and valuation compression.

In general, companies enjoying favourable earnings, good pricing power or better resilience in the face of inflation tended to perform better during the period.

Among the portfolio's top performers was U.S. biopharmaceutical company Vertex Pharmaceuticals, which released strong financial results and benefitted from an improving outlook for their product pipeline, causing analysts to upgrade their earnings estimates. Hong Kong insurance and financial corporation AIA Group benefitted from China easing its COVID-19 travel restrictions and from the upcoming reopening of the Hong Kong-China border, which brightens the outlook for business growth. While the stock experienced some volatility, the company posted good results relative to the industry and remains focused on expansion. A recently announced share buy-back demonstrates AIA Group's resilience and strong balance sheet.

In contrast, the performance of the portfolio's top detractors was chiefly driven down by the market rotation away from sectors that benefitted from the COVID-19 pandemic and high-valuation, high-quality and growth companies. Among the portfolio's worst performers was Evotec SE, a German drug discovery and development company that suffered from the market rotation away from high valuation growth stocks and from lower-than-expected milestone payments following the decision by partner Bayer to return the rights to one of their development assets.

Dutch health, nutrition and materials multinational Koninklijke DSM suffered from deteriorating market sentiment toward the European chemicals sector, despite the company's large nutrition ingredients division.

¹ Source: Median return of similar funds according to Fundata, as at December 31, 2022.

As at December 31, 2022

Recent Developments

With stubbornly high inflation, slowing economic growth and uncertain upcoming interest rate hikes, the portfolio sub-manager has continued to add to more defensive portfolio companies whose earnings are more resilient.

The portfolio sub-manager will continue to focus on companies delivering consistent growth that are enjoying strong pricing power but with lower debt levels, as they will be better suited to successfully navigate the challenges ahead. Thus, high-quality companies with structural growth drivers that benefit from the transition to a more sustainable economy remain attractive investment opportunities. Areas of interest include businesses benefiting from increased spending for drug discovery and testing or from the acceleration of the digital transformation, as well as companies providing access to the financial market or promoting the sharing economy or circular economy.

There was no change in the composition of the FÉRIQUE Funds Independent Review Committee (IRC) during 2022. The mandate of Mr. Jude Martineau, Chairman of the IRC will end on March 31, 2023. Ms. Louise Sanscartier was appointed as Interim Chairman of the IRC for the period April 1, 2023 to June 9, 2023 and Mr. Yves Frenette was appointed as an IRC member for a three-year term beginning April 1, 2023.

Related Party Transactions

The Manager of the Fund is Gestion FÉRIQUE, a not-for-profit organization. Gestion FÉRIQUE receives management fees to cover its expenses with respect to the day-to-day business and operations of the Fund, as reported under the Management Fees section. These expenses include the portfolio manager's fees, the fees relating to the marketing and distribution of the Fund, as well as the administration fees of the Manager.

Services d'investissement FÉRIQUE (SIF) is a not-for-profit subsidiary of Gestion FÉRIQUE registered as a group savings plan brokerage and financial planning firm, and acts as distributor of units of the Fund. A percentage of the management fees paid by the Fund to Gestion FÉRIQUE is used to cover the expenses of SIF with respect to its day-to-day activities.

Gestion FÉRIQUE is responsible for the operating expenses of the Fund, excluding the expenses of the Independent Review Committee and the filing fees, in return for an administration fee, as reported under the Management Fees section.

For the fiscal year ended December 31, 2022, Impax did not enter into any related party transactions as it pertains to the management of the FÉRIQUE Global Sustainable Development Equity Fund (0\$ as at December 31, 2021).

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help the reader understand the Fund's financial performance for the accounting period shown.

| | Years ended | |
|--|--------------------------------|-------------------------------|
| | Dec. 31 2022 (12 months) | Dec. 31 2021 (345 days) |
| Net Assets per Unit⁽¹⁾⁽⁵⁾ | \$ | \$ |
| Net assets, beginning of accounting period ⁽⁴⁾ | 11.54 | 10.00 |
| Increase (decrease) from operations | | |
| Total revenues | 0.12 | 0.10 |
| Total expenses | (0.15) | (0.17) |
| Realized gains (losses) | (0.29) | 0.22 |
| Unrealized gains (losses) | (1.09) | 1.46 |
| Total increase (decrease) from operations⁽²⁾ | (1.41) | 1.61 |
| Distributions | | |
| From capital gains | – | 0.03 |
| Total annual distributions⁽³⁾ | – | 0.03 |
| Net assets, end of accounting period⁽⁴⁾ | 9.99 | 11.54 |

⁽¹⁾ This information is derived from the Fund's Annual Audited Financial Statements. The net assets per unit presented in the financial statements could differ from the net asset value calculated for fund pricing purposes. The differences are explained in the notes to the financial statements.

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the weighted average number of units outstanding during the accounting period. This table is not intended to show a reconciliation between net assets per unit at the beginning and at the end of the accounting period.

⁽³⁾ Distributions were paid in cash or reinvested in additional units of the Fund, or both.

⁽⁴⁾ The net assets are calculated in accordance with International Financial Reporting Standards (IFRS).

⁽⁵⁾ In this document, the word "units" indicates Series A units.

As at December 31, 2022

Financial Highlights (continued)

| | Years ended | |
|--|--------------------------------|-------------------------------|
| | Dec. 31 2022 (12 months) | Dec. 31 2021 (345 days) |
| Ratios and Supplemental Data | | |
| Net asset value (in thousands of \$) ⁽¹⁾ | 138,592 | 143,627 |
| Number of units outstanding ⁽¹⁾ | 13,871,228 | 12,460,559 |
| Management expense ratio (%) ⁽²⁾ | 1.45 | 1.50 |
| Management expense ratio before waivers or absorptions by the Manager (%) | 1.45 | 1.50 |
| Portfolio turnover rate (%) ⁽³⁾ | 34.81 | 101.60 |
| Trading expense ratio (%) ⁽⁴⁾ | 0.08 | 0.15 |
| Net asset value per unit (\$) | 9.99 | 11.53 |

⁽¹⁾ This information is provided as at December 31 for the comparative accounting periods.⁽²⁾ Management expense ratio is based on total expenses for the stated accounting period (excluding commissions, other portfolio transaction costs and withholding taxes on dividend income) and is expressed as an annualized percentage of the daily average net asset value during the accounting period.⁽³⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once during the accounting period. The higher a Fund's portfolio turnover rate in the accounting period, the greater the trading costs payable by the Fund during the accounting period, and the greater the chance of an investor receiving taxable capital gains during the accounting period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.⁽⁴⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the daily average net asset value during the accounting period.

Management Fees

Fees payable by the Fund include management fees and operating charges. Operating charges are made up of administration fees and Fund expenses. Management and administration fees are calculated and credited daily and paid monthly.

Management fees include, among others, the portfolio manager's and/or sub-manager's fees, the fees relating to the marketing and distribution of the Fund and the Manager's administration fees.

Administration fees include, among others, registrar custodian fees and fiduciary fees, expenses relating to accounting and valuation of the Fund, auditors' and legal advisors' fees and reporting fees to unitholders. Fund expenses are made up of regulatory filing fees and expenses of the Independent Review Committee.

For the year, annualized management fees charged to the Fund before government taxes amounted to 1.26% and are detailed as follows:

- Management fees: 1.14%
- Administration fees: 0.11%
- Fund expenses: 0.01%

Past Performance

The performance information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. The information does not take into account purchase, redemption, investment or other optional charges that would have reduced returns or performance. The Fund's past performance is not necessarily indicative of how it will perform in the future.

Annual Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by December 31 of each financial year or on the last day of the year.



* From January 22 to December 31, 2021

Annual Compound Returns (%)

| | 1 year | 3 years | 5 years | Since inception* |
|---|--------|---------|---------|------------------|
| FÉRIQUE Global Sustainable Development Equity | (13.3) | n/a | n/a | 0.1 |
| MSCI ACWI Sustainable Impact Index (CA\$) | (4.7) | n/a | n/a | n/a |
| Median** | (12.3) | n/a | n/a | n/a |

* The Fund was created on January 8, 2021, but assets were invested in the Fund as of January 22, 2021.

** Median return of all investment funds of the same category according to Fundata.

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MSCI ACWI Sustainable Impact Index

The MSCI ACWI Sustainable Impact Index (CA\$) measures the total return of equity securities of both developed and emerging markets that derive at least 50% of their revenues from products and services that address environmental and social challenges such as basic needs, empowerment, climate change, natural capital and governance.

Comparison with the Index

The Fund posted a net return of -13.3% for the fiscal year ended December 31, 2022, compared to -4.7% for its benchmark index. Contrary to benchmark returns, which include no investment fees, Fund returns are expressed net of management and operating expenses payable by the Fund.

Portfolio Overview

| The Top 25 Holdings in the Portfolio | % of net asset value |
|---|---------------------------------|
| Microsoft Corp. | 4.2 |
| Linde PLC | 3.9 |
| MasterCard Inc., Class A | 3.9 |
| Boston Scientific Corp. | 3.6 |
| Thermo Fisher Scientific Inc. | 3.6 |
| IQVIA Holdings Inc. | 3.6 |
| Alcon AG | 3.5 |
| Hannover ruckversicherung AG | 3.5 |
| HDFC Bank Ltd., ADR | 3.3 |
| Cintas Corp. | 3.2 |
| Alia Group Ltd. | 3.1 |
| Analog Devices Inc. | 3.1 |
| KDDI Corp. | 2.9 |
| Schneider Electric SA | 2.9 |
| Koninklijke DSM NV | 2.9 |
| Lonza Group AG | 2.5 |
| Cadence Design Systems Inc. | 2.5 |
| Keyence Corp. | 2.5 |
| Unilever PLC | 2.3 |
| Equinix Inc. | 2.2 |
| Wolters Kluwer NV | 2.2 |
| Jeronimo Martins SGPS SA | 2.1 |
| Applied Materials Inc. | 2.0 |
| Aptiv PLC | 2.0 |
| Vertex Pharmaceuticals Inc. | 2.0 |
| 73.5 | |

| Weighting by Country | % of net asset value |
|---|---------------------------------|
| United States | 43.8 |
| Switzerland | 9.0 |
| Japan | 7.5 |
| United Kingdom | 7.3 |
| Netherlands | 6.9 |
| Ireland | 5.9 |
| Germany | 5.4 |
| India | 3.3 |
| Hong Kong | 3.2 |
| France | 2.9 |
| Portugal | 2.1 |
| Cash, Money Market and Other Net Assets | 1.8 |
| Denmark | 0.9 |
| Net Asset Value | |
| \$138,592,435 | |

The allocation of the portfolio may vary due to the transactions carried out by the Fund. A quarterly update is available.

Other Material Information

Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for particular purpose with respect to any such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.



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Additional information about the Funds is available in the Funds' Prospectus, Annual Information Form, Fund Facts and Financial Statements.

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

- by contacting the Manager, Gestion FÉRIQUE, at 514-840-9206 (toll-free at 1-888-259-7969);
- by contacting the Principal Distributor, Services d'investissement FÉRIQUE at 514-788-6485 (toll-free at 1-800-291-0337) or client@ferique.com;
- by visiting ferique.com or sedar.com.