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**ANNUAL
MANAGEMENT
REPORT**

*of Fund Performance
for the year ended
December 31, 2023*

INCOME FUNDS
FÉRIQUE Short-Term Income 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 sedarplus.ca. You may also contact us using one of these methods to request a copy of the Fund's interim financial report, 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, 2023

Management Discussion of Fund Performance

Investment Objectives and Strategies

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.

In choosing the investments, the portfolio sub-manager considers economic conditions and their impact on interest rates. If he forecasts an increase in interest rates, he will opt for short-term securities. However, if he believes that the rates will decrease, he will choose longer-term securities.

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, money market 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.

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 low risk. During the Period, there were no changes to the Fund that materially affected the overall risk level associated with an investment in the Fund.

Results of Operations

The FÉRIQUE Short-Term Income Fund, managed by CIBC Asset Management Inc. (CIBC), posted a net return of 5.1% for the fiscal year ended December 31, 2023. Its benchmark, composed of the FTSE Canada 91 Day T-Bill Index (50%) and the FTSE Canada 30 Day T-Bill Index (50%), posted a 4.8% return for the same period. Contrary to benchmark returns, which include no investment fees, returns are expressed net of management and operating expenses payable by the Fund.

On a relative basis, the Fund outperformed its industry median¹, which posted 4.3% net of fees for the fiscal year.

The Bank of Canada (BoC) tightened its monetary policy to tamp down inflation. As a result, the central bank raised its overnight interest rate by 75 basis points (bps), to 5% during the year. The BoC then kept rates steady at its last meetings since inflation had moderated and economic activity slowed. As a consequence, investors then started to expect the central bank to be cutting rates in 2024 amid weaker demand and slower economic growth.

In the United States, the U.S. Federal Reserve (Fed) slowed the pace of its interest-rate increases and hinted at multiple rate cuts in 2024.

Environmental, social and governance (ESG) risk assessments are fully integrated into the portfolio sub-manager's investment process and fundamental analysis of all companies held in the portfolio.

During the year, dialogues were initiated with companies held in the portfolio to address ESG issues. In December, the portfolio sub-manager engaged with Toronto-Dominion Bank to discuss their sustainable finance targets and high employee turnover relative to its peers. Following this intervention, the portfolio sub-manager believes that Toronto-Dominion Bank is adequately addressing several of the potential risks that were identified and is satisfied with its long-term sustainability plan.

Recent Developments

The Canadian economy slowed during the year, with the GDP contracting in the third quarter of 2023. Tight financial conditions weighed on household and business spending. Weaker demand stymied the country's key manufacturing sector, which shrank in most months of the year. The inflation rate fell thanks to declining energy prices, but remained well above the BoC's 2% target. Meanwhile, Canada's labour market was robust, but showed signs of a slowdown, with the economy adding fewer jobs and the unemployment rate edging higher as the year went on.

The portfolio sub-manager believes the central bank's aggressive interest-rate hikes over the past two years are succeeding to bring down inflation, as inflationary pressures are easing and economic growth is slowing. As a result, the portfolio sub-manager expects the BoC to cut interest rates at some point in 2024, but perhaps not as quickly as markets are expecting.

Against this backdrop, the portfolio will remain overweight to corporate bonds, while maintaining some exposure to floating rate notes to increase the Fund's yield.

Given that the likelihood of additional interest rate increases is now lower, the portfolio sub-manager will switch the portfolio's average maturity to neutral or overweight as the BoC might have reached the end of its rate-rising cycle.

Mr. Jude Martineau's term as Chair and member of the Independent Review Committee (IRC) ended on March 31, 2023. Ms. Louise Sanscartier was Interim Chair of the Committee from April 1 to June 9, 2023, and was appointed Chair of the IRC Committee on June 9, 2023. Mr. Yves Frenette was appointed as an IRC member for a three-year term beginning April 1, 2023.

Ms. Fabienne Lacoste stepped down as President and Chief Executive Officer of FÉRIQUE Fund Management on July 3, 2023, and was replaced by Mr. Louis Lizotte.

Mr. Francis Fortin joined FÉRIQUE Fund Management as Vice-President, Investment Management, on September 11, 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.

¹ Source: Median return of similar funds according to Fundata, as at December 31, 2023

As at December 31, 2023

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 and Services d'investissement FÉRIQUE held 8.7% of the units of the FÉRIQUE Short-Term Income Fund as at December 31, 2023.

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.

Gestion FÉRIQUE has set up an Independent Review Committee for the Fund in accordance with the requirements of National Instrument 81-107 Independent Review Committee for Investment Funds to review conflicts of interest related to the management of the Fund.

The Fund's portfolio sub-manager, CIBC Asset Management Inc., is a wholly-owned subsidiary of CIBC.

For the fiscal year ended December 31, 2023, in accordance with applicable securities laws, the portfolio sub-manager CIBC Asset Management Inc. relied on the standing instruction of the Independent Review Committee with respect to investments in the securities of issuers for which an entity related to the manager acted as underwriter during the distribution of the securities in question and the 60-day period after the end of the placement. The transactions were carried out in accordance with the standing instruction of the FÉRIQUE Funds Independent Review Committee.

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 periods shown.

	Years ended				
	Dec. 31 2023 (12 months)	Dec. 31 2022 (12 months)	Dec. 31 2021 (12 months)	Dec. 31 2020 (12 months)	Dec. 31 2019 (12 months)
Net Assets per Unit⁽¹⁾⁽⁵⁾					
Net assets, beginning of accounting period ⁽⁴⁾	\$ 34.20	\$ 34.25	\$ 34.24	\$ 34.22	\$ 34.22
Increase (decrease) from operations					
Total revenues	1.62	0.63	0.10	0.36	0.68
Total expenses	(0.06)	(0.05)	(0.08)	(0.09)	(0.09)
Realized gains (losses)	–	–	–	(0.08)	–
Unrealized gains (losses)	0.17	0.11	–	–	–
Total increase (decrease) from operations⁽²⁾	1.73	0.69	0.02	0.19	0.59
Distributions					
From investment net income (excluding dividends)	1.71	0.68	0.01	0.20	0.59
Total annual distributions⁽³⁾	1.71	0.68	0.01	0.20	0.59
Net assets, end of accounting period⁽⁴⁾	34.22	34.20	34.25	34.24	34.22

⁽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, 2023

Financial Highlights (continued)

	Years ended				
	Dec. 31 2023 (12 months)	Dec. 31 2022 (12 months)	Dec. 31 2021 (12 months)	Dec. 31 2020 (12 months)	Dec. 31 2019 (12 months)
Ratios and Supplemental Data					
Net asset value (in thousands of \$) ⁽¹⁾	153,472	115,143	98,774	121,879	88,431
Number of units outstanding ⁽¹⁾	4,486,709	3,365,740	2,885,168	3,558,480	2,583,878
Management expense ratio (%) ⁽²⁾	0.17	0.15	0.24	0.27	0.27
Management expense ratio before waivers or absorptions by the Manager (%)	0.17	0.15	0.24	0.27	0.27
Portfolio turnover rate (%) ⁽³⁾	n/a	n/a	n/a	n/a	n/a
Trading expense ratio (%) ⁽⁴⁾	—	—	—	—	—
Net asset value per unit (\$)	34.21	34.21	34.24	34.25	34.22

⁽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 (including applicable taxes and its proportionate share of the expenses from the underlying funds, where applicable, but 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. The portfolio turnover rate is not applicable for the money market.

⁽⁴⁾ The trading expense ratio represents total commissions and other portfolio transaction costs, including its proportionate share of the trading expenses from the underlying funds, where applicable, expressed as an annualized percentage of the daily average net asset value during the accounting period. The trading expense ratio is not applicable to fixed-income transactions.

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 0.15% and are detailed as follows:

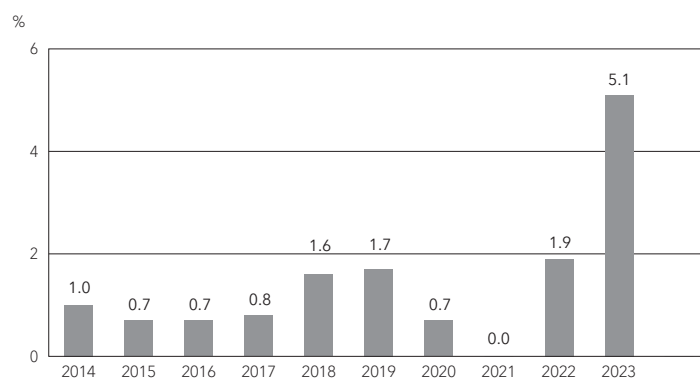
- Management fees: 0.03%
- Administration fees: 0.10%
- Fund expenses: 0.02%

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.



Annual Compound Returns (%)

	1 year	3 years	5 years	10 years
FÉRIQUE Short-Term Income	5.1	2.3	1.9	1.4
Benchmark Index	4.8	2.2	1.8	1.3
Median*	4.3	1.9	1.4	0.9

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

As at December 31, 2023

Benchmark Index

The FTSE Canada 91 Day T-Bill Index (50%) closely mirrors the return of Government of Canada 3-month Treasury bills. The FTSE Canada 30 Day T-Bill Index (50%) closely mirrors the return of Government of Canada 1-month Treasury bills.

Comparison with the Index

The Fund posted a net return of 5.1% for the fiscal year ended December 31, 2023, compared to 4.8% 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
Canadian Master Trust, 4.88%, due April 4, 2024	3.5
Lakeshore Trust, 5.00%, due April 9, 2024	3.5
Storm King Funding Canada, 5.02%, due February 5, 2024	3.2
Newfoundland and Labrador Hydro, 5.02%, due February 22, 2024	3.2
Reliant Trust D/N, 5.02%, due February 26, 2024	3.2
Province of Prince Edward Island, 5.02%, due February 20, 2024	3.0
Newfoundland and Labrador Hydro, 5.02%, due February 12, 2024	2.9
Province of Alberta, 5.02%, due February 20, 2024	2.9
Storm King Funding Canada, 5.00%, due March 20, 2024	2.9
Inter Pipeline Corridor Inc., 5.01%, due January 26, 2024	2.6
Province of New Brunswick, 5.02%, due February 1, 2024	2.6
Inter Pipeline Corridor Inc., 5.00%, due March 19, 2024	2.6
Plaza Trust, 5.00%, due March 21, 2024	2.6
King Street Fund, 4.88%, due April 10, 2024	2.6
Merit Trust, 5.00%, due March 21, 2024	2.5
Fusion Trust, 5.02%, due February 15, 2024	2.4
Clarity trust, 4.88%, due April 8, 2024	2.2
Prime Trust, 4.88%, due April 9, 2024	2.2
Royal Bank of Canada, 5.01%, due January 11, 2024	2.2
Reliant Trust, 4.88%, due March 20, 2024	2.1
Lakeshore Trust, 5.00%, due March 20, 2024	1.9
Bay Street, 4.88%, due April 5, 2024	1.9
Zeus Receivables Trust, 4.88%, due May 8, 2024	1.9
Canadian Master Trust, 4.88%, due June 6, 2024	1.9
Banner Trust, Floating, due February 5, 2024	1.8
	64.3

Asset Mix	% of net asset value
Short-Term Notes	71.5
Provincial T-Bills	15.0
Canadian Corporate Bonds	13.2
Cash and Other Net Assets	0.3
	153,472,188

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

Other Material Information

London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group")[®] LSE Group [2003]. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE[®]" is a trademark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indices or data vest in the relevant LSE Group company that owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indices or data, and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor, or endorse the content of this communication.



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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 sedarplus.ca.