FÉRIQUE
MUTUAL FUNDS

ANNUAL MANAGEMENT REPORT

of Fund Performance
for the year ended
December 31, 2023

EQUITY FUNDS

FÉRIQUE **Canadian 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 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.

Management Discussion of Fund Performance

Investment Objective and Strategies

The FÉRIQUE Canadian Equity Fund seeks to maximize the total return through 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.

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

The FÉRIQUE Canadian Equity Fund is managed by two portfolio sub-managers who use different styles, namely Connor, Clark & Lunn Investment Management Ltd. (CC&L), which manages 60% of the portfolio; as well as Franklin Templeton Investments Corp. (Franklin Templeton), which manages 40% of the portfolio.

CC&L's approach consists in identifying opportunities stemming from divergences between the results of its fundamental analyses and current market expectations. It uses detailed macroeconomic and bottom-up analyses to adjust sector and capitalization allocations.

The other portfolio sub-manager, Franklin Templeton, aims to discover well-managed companies with long-term success derived from their 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 centred on research and focuses on superior return on equity and financial health, as well as steady and above-average income, and earnings and cash flow growth throughout the cycle.

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. It can also be used as the core equity component of a diversified investment portfolio. 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 Canadian Equity Fund posted a net return of 8.9% for the fiscal year ended December 31, 2023. Its benchmark, the S&P/TSX Composite Index, posted 11.8% 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 median[1], which posted 9.6%, net of management fees for the period.

CC&L

Heading into 2023, the portfolio sub-manager anticipated that the aggressive interest rate-hiking cycle would cause a global recession. As both the U.S. and Canadian economy proved more resilient in a high-rate environment, the portfolio's defensive positioning detracted value. Stock selection also hampered returns, especially in the Consumer Staples and Consumer Discretionary sectors.

In Financials, overweight positions in more stable property and casualty insurers and underweight positions in cyclical life insurance companies impeded performance. In Consumer Staples, an overweight to Saputo and Pet Valu Holdings detracted. However, an overweight to Information Technology helped performance.

Throughout the year, CC&L had 50 meetings with management teams to discuss environmental, social and governance (ESG) matters. Topics discussed included best practices regarding board composition, executive compensation, packaging practices, carbon governance, carbon reduction targets and other various social issues.

In spring 2023, the portfolio sub-manager exited the position in Precision Drilling Corporation, an energy services contractor, after uncovering governance issues in their executive compensation practices. The portfolio sub-manager had engaged multiple times with the company but was not satisfied that it would lower its stock-based compensation awards.

Franklin Templeton

Security selection detracted from relative returns but was partially offset by positive sector allocation.

Security selection of select holdings within Information Technology and Consumer Staples was the primary driver of underperformance. More specifically, a lack of position in outperforming Shopify and Constellation Software detracted but was partially offset by a position in Open Text. In Consumer Staples, a position in underperforming Saputo weighed on returns, but was partially offset by a position in Alimentation Couche-Tard. In Industrials, TELUS International was negative, but AtkinsRealis (formerly SNC-Lavalin Group) was rewarding. Meanwhile, a lack of positions in Quantum Minerals and Franco-Nevada helped performance in Materials.

From a sector allocation standpoint, the underweight to the underperforming Materials and Energy sectors were the main contributors to relative performance. The allocation to Information Technology also supported relative return but was offset by an overweight to Utilities and Communication Services.

The year 2023 was marked by steady and precise trading activity, as dislocations in equity markets continued to present attractive investment opportunities. As a result, the portfolio sub-manager added eight positions to the portfolio and liquidated six, in addition to rebalancing holdings by adding on weakness and trimming on strength. It introduced TMX Group and Intact Financial Corporation in Financials, Stantec in Industrials, Pembina Pipelines and Cenovus Energy in Energy, Colliers International Group in Real Estate, Canadian Utilities in Utilities and CCL Industries in Material. Conversely, Brookfield Asset Management in Financials, Kinaxis in Information Technology, Suncor Energy, TC Energy and PrairieSky Royalty in Energy and Brookfield Renewable Partners in Utilities were sold off to fund these additions.

In the later part of the year, the portfolio sub-manager continued to bolster portfolio holdings in defensive and non-cyclical Consumer Staples and Utilities. While the portfolio typically follows a low turnover strategy, the portfolio sub-manager will remain decisive when warranted and take advantage of further opportunities as they arise.

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

The portfolio is most exposed to Financials, Industrials, Energy and Consumer Staples. Relative to the benchmark, it is most overweight to defensive and non-cyclical sectors such as Consumer Staples, Utilities and Industrials. Conversely, the portfolio is most underweight to typically value and cyclical sectors such as Financials, Energy and Materials.

When engaging with companies held in the portfolio regarding environmental, social and governance (ESG) issues, the portfolio sub-manager either enters into a purposeful dialogue to influence positive change, with defined objectives or to seek information, monitor the situation, build relationships and better understand the company's strategy and practices.

In the last year, the portfolio sub-manager engaged with most companies held in the portfolio and discussed topics that included operational performance (Parkland Corporation and ATCO), carbon risk and climate disclosures (Royal Bank of Canada, Headwater Exploration and Fortis), environmental considerations and pollution (Waste Connections, AtkinsReali and Brookfield Renewable Partners), mergers and acquisitions risks and considerations (Royal Bank of Canada, Open Text and Canadian National Railway Company), supply chain concerns (Boyd Group Services and Dollarama), executive remuneration and including succession planning (Open Text and Agnico Eagle Mines), human and social capital, including diversity (Canadian National Railway Company, Boyd Group Services and FirstService).

Recent Developments

CC&L

Heading into 2023, the portfolio sub-manager anticipated that the historically aggressive interest rate-hiking cycle would cause a global recession. However, the U.S. and Canadian economy proved more resilient in a high-rate environment, posting a 2.5% and 1.2% gain respectively over the year. The expected scenario did not play out, because the positive impacts of fiscal stimulus, excess consumer savings and a robust labour market on the economy were underestimated.

The Federal Open Market Committee's December meeting greatly affected the outlook for 2024. At the meeting, the U.S. Federal Reserve (Fed) Chair unexpectedly signalled that the central bank would pivot its monetary policy, arguing that loosening financial conditions would not fuel back inflation. In a meaningful reversal from earlier in the year, the Chair also announced that the Fed would take a more accommodative stance with regard to interest rates, which will improve market conditions.

Against this backdrop, the portfolio sub-manager predicts that economic growth will slow in 2024 relative to 2023, but that a global recession will be avoided. The Fed will most likely achieve a "soft landing" of the economy and start cutting interest rates before unemployment spikes. However, macroeconomic conditions remain fairly uncertain and the expected scenario may not materialize.

While the portfolio sub-manager has a bullish outlook on the economy, it believes that the U.S. equity market is now priced for perfection, which means that it will suffer downside pressure if the predicted "soft landing" is not achieved in 2024.

Inflation starting to drift higher or economic growth slowing more than anticipated could trigger heightened equity market volatility. Canadian equities' valuation multiple appears reasonably priced. CC&L expects corporate earnings to increase both in Canada and the United States, but by less than what many investors are currently projecting. Since multiple expansion will likely be limited, corporate earnings growth should propel equity markets to a 5 to 10% gain 2024.

CC&L believes that savvy stock selection will be key for the portfolio, since the nominal GDP (which is real GDP plus inflation) growth will significantly slow down due to inflation moderating and economic growth softening. This will create a revenue headwind for many companies. Against this backdrop, the portfolio sub-manager increased the portfolio allocation to quality companies able to succeed in this challenging environment and drive incremental earnings growth through recession-proof business operations, secular opportunities, accretive acquisitions, operational efficiencies and share buybacks in late 2023. Meanwhile, it reduced the allocation to defensive holdings.

Franklin Templeton

Despite the fastest and largest rate-hiking cycle in decades undertaken by central banks in 2022 and 2023, a regional banking crisis in the spring, and rising geopolitical risks, North American equity markets defied expectations and rebounded nicely in 2023.

Recent optimism has been fuelled by expectations of meaningful rate cuts in 2024 that could help orchestrate a "soft landing" of the economy. However, the outlook for 2024 remains unclear due to residual inflationary pressures, wars in Europe and the Middle East and uncertainty over China's recovery. Earnings growth is expected to reach 7% in 2024 and 10% in 2025 for constituents of the S&P/TSX Composite Index. As the economy is slowing down, these earnings forecasts might not be easily attainable.

While better-than-anticipated GDP growth is making a "soft landing" of the economy, the most likely scenario in the United States, the Canadian economy is in a meaningfully weaker position. In fact, the Canadian GDP contracted in the third quarter of 2023. Franklin Templeton continues to believe that a "hard landing" scenario should not be discounted yet, given the amount of monetary tightening over the past year and a half, a stance yet to be regarded as a possibility by Canadian equity markets.

It is worth remembering that changes to monetary policy have a lagging impact on the broader economy. In the current cycle, the effects could be even slower to come due to the unique nature of the COVID-19 pandemic, during which generous government spending enabled consumers to save more while spending less due to pandemic restrictions, building up large cash balances just now being depleted. Fiscal deficit spending has continued, partially neutralizing the effect of higher rates, but the effects of monetary tightening will ultimately prevail.

Higher interest rates created a detrimental environment for equity financing and, as a result, total funding obtained by S&P/TSX Composite Index constituents declined significantly in 2022 and 2023, down to by half from their 10-year average. In a less liquid environment, only the strongest companies will maintain access to equity capital markets. In 2023, some of these companies were held in the portfolio.

Equity investors are discounting a seemingly ideal scenario characterized by rate cuts, continued economic growth and robust corporate earnings that leaves little room for error. In contrast, the portfolio sub-manager maintains a relatively more defensive positioning than is typical, with an underweight to cyclical sectors and overweight to defensive sectors.

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.

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.

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.

For the fiscal year ended December 31, 2023, portfolio sub-managers CC&L and Franklin Templeton did not enter into any related party transactions as it pertains to the management of the FÉRIQUE Canadian Equity Fund.

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				
Net Assets per Unit [1][5]	**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, beginning of accounting period [4]	**84.12**	92.67	78.26	74.15	61.62
Increase (decrease) from operations					
Total revenues	**2.80**	2.84	2.33	2.11	1.97
Total expenses	**(0.98)**	(1.01)	(1.03)	(0.83)	(0.82)
Realized gains (losses)	**3.48**	6.59	7.88	0.71	1.50
Unrealized gains (losses)	**2.08**	(10.45)	11.33	3.53	10.98
Total increase (decrease) from operations [2]	**7.38**	(2.03)	20.51	5.52	13.63
Distributions					
From dividends	**1.47**	1.56	0.95	1.09	0.98
From capital gains	**2.65**	4.75	5.18	–	–
Total annual distributions [3]	**4.12**	6.31	6.13	1.09	0.98
Net assets, end of accounting period [4]	**87.39**	84.12	92.67	78.26	74.15

(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.

Financial Highlights (continued)

Ratios and Supplemental Data	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)
	Years ended				
Net asset value (in thousands of $)(1)	**691,833**	645,294	704,826	557,334	522,284
Number of units outstanding(1)	**7,916,714**	7,670,851	7,605,533	7,121,159	7,043,822
Management expense ratio (%)(2)	**1.07**	1.05	1.10	1.10	1.10
Management expense ratio before waivers or absorptions by the Manager (%)	**1.07**	1.05	1.10	1.10	1.10
Portfolio turnover rate (%)(3)	**45.23**	51.82	40.56	52.58	40.13
Trading expense ratio (%)(4)	**0.07**	0.06	0.05	0.08	0.06
Net asset value per unit ($)	**87.39**	84.12	92.67	78.26	74.15

(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 Fund's performance.

(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 0.93% and are detailed as follows:

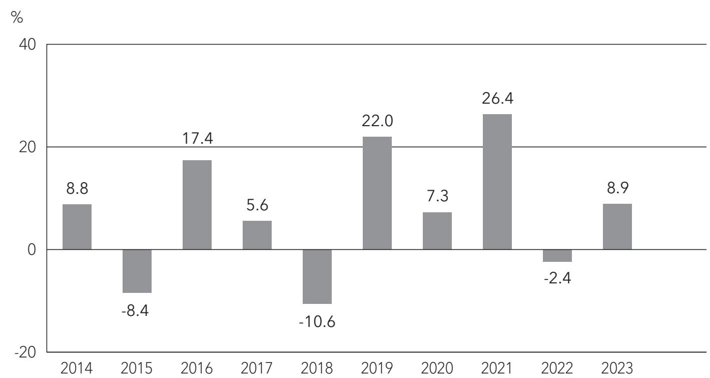
- Management fees: 0.85%
- Administration fees: 0.07%
- Fund expenses: 0.01%

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.



Annual Compound Returns (%)

	1 year	3 years	5 years	10 years
FÉRIQUE Canadian Equity	8.9	10.3	11.9	6.9
S&P/TSX Composite Index	11.8	9.6	11.3	7.6
Median*	9.6	8.2	9.7	6.5

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

S&P/TSX Composite Index

The S&P/TSX Composite Index is the benchmark index used for the entire medium and large capitalization Canadian market securities. This index is the most diversified in Canada, representing close to 90% of market capitalization of all Canadian corporations listed on the Toronto Stock Exchange.

Comparison with the Index

The Fund posted a net return of 8.9% for the fiscal year ended December 31, 2023, compared to 11.8% 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
Royal Bank of Canada	6.1
Toronto-Dominion Bank	5.1
Canadian Pacific Kansas City Railway Co.	3.6
Bank of Montreal	3.2
Canadian National Railway Co.	3.2
Alimentation Couche-Tard Inc.	3.2
Agnico-Eagle Mines Ltd.	2.9
Canadian Natural Resources Ltd.	2.8
Shopify Inc., Class A	2.6
Enbridge Inc.	2.6
Fortis Inc.	2.3
Brookfield Corp.	2.2
Waste Connections Inc.	2.0
TELUS Corp.	1.9
Constellation Software Inc.	1.9
Scotiabank	1.9
Dollarama Inc.	1.7
Open Text Corp.	1.5
Tourmaline Oil Corp.	1.5
Canadian Imperial Bank of Commerce	1.4
ARC Resources Ltd.	1.4
Loblaw Companies Ltd.	1.3
BCE Inc.	1.3
CGI Group Inc., Class A	1.3
SNC-Lavalin Group Inc.	1.1
	60.0

Weighting by Sector	% of net asset value
Financials	26.3
Industrials	16.6
Energy	14.8
Information Technology	9.4
Materials	9.5
Consumer Staples	7.1
Utilities	5.5
Communication Services	4.2
Consumer Discretionary	3.8
Real Estate	2.0
Cash, Money Market and Other Net Assets	0.8
Net Asset Value	**691,833,246**

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

Other Material Information

The S&P/TSX Composite Index (the "Index" or "Indices") and associated data are a product of S&P Dow Jones Indices LLC, its affiliates and/or their licensors and has been licensed for use by Gestion FÉRIQUE© 2023 S&P Dow Jones Indices LLC, its affiliates and/or their licensors. All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. For more information on any of S&P Dow Jones Indices LLC's indices please visit www.spdji.com. S&P® is a registered trademark of Standard & Poor's Financial Services LLC ("SPFS") and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). Neither S&P Dow Jones Indices LLC, SPFS, Dow Jones, their affiliates nor their licensors ("S&P DJI") make any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and S&P DJI shall have no liability for any errors, omissions, or interruptions of any index or the data included therein.

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Gestion FÉRIQUE
Place du Canada
1010 de La Gauchetière Street West
Suite 1400
Montréal, Québec H3B 2N2

ferique.com

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.