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**ANNUAL  
MANAGEMENT  
REPORT**

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

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**EQUITY FUNDS**

**FÉRIQUE Global Innovation 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](http://ferique.com) or SEDAR+ at [sedarplus.ca](http://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 Objective and Strategies

The FÉRIQUE Global Innovation 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 for innovation or benefit from innovation or trends related to innovation.

The Fund is managed by the portfolio sub-manager Wellington Management Canada ULC. The portfolio sub-manager seeks to achieve long-term capital appreciation by investing in equity securities of issuers with high growth potential through innovation. While the approach is unconstrained/non-benchmark-driven, it aims to achieve long-term returns that outperform the broader stock market. The bottom-up approach of the sub-manager is based on its vision that investment opportunities can be found regardless of global growth and the business cycle, by focusing on innovative companies and beneficiaries of innovation and trends related to innovation.

The portfolio construction process begins by ranking companies based on a fundamental and quantitative evaluation of different factors related to innovation, such as growth trends in the industry, the potential to rely on or benefit from the development of new products or services, technological improvements and advancements in scientific research, barriers of entry applicable to the market or technology which provide the company with a competitive edge, and the risks affecting the company. The portfolio sub-manager then assesses the attractiveness of the stock's valuation from a long-term perspective. Position sizes in the portfolio are based upon conviction in the company's fundamentals, relative attractiveness of valuation and the security's contribution to risk. The portfolio sub-manager also monitors the diversity of themes, industries, and countries within the portfolio.

### 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 to high tolerance for risk who want to invest in the long term. It can also be used as a core component of the global equity portion 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 Global Innovation Equity Fund posted a net return of 29.7% for the fiscal year ended December 31, 2023. Its benchmark, the MSCI ACWI Index (CA\$), posted a 19.5% 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 outperformed its industry median<sup>1</sup>, which posted 14.3%, net of fees for the period.

Both stock selection and sector allocation contributed to performance during the year. Positive stock selection within Consumer Discretionary, Health Care and Industrials helped the most relative returns, while selection within Materials detracted. A result of the bottom-up stock-selection process, sector allocation also added to relative returns, thanks to an underweight to Financials and Consumer Staples and lack of exposure to Energy. Meanwhile, the overweight to Health Care dragged down returns.

From a regional perspective, the portfolio's overweight to the United States was most rewarding.

At the end of the year, the portfolio was most overweight to Consumer Discretionary and Health Care and most underweight to Financials and Industrials.

From a stock allocation standpoint, Amazon.com and NVIDIA, were the top contributors to relative performance, while UnitedHealth Group and a lack of position in Apple were the top detractors. Shares of Amazon.com rose on sustained demand for its Amazon Web Services (AWS) product after the company launched its generative AI algorithm, Amazon Bedrock, in late September. NVIDIA, a top designer of industry-leading graphics processing unit chips, rose substantially on the back of accelerating demand for its GPU chips from data centres looking to hyperscale their computational workload and from companies trying to power their artificial intelligence (AI) services. Conversely, shares of UnitedHealth Group, a leading U.S.-based managed health care and insurance provider, dropped after releasing quarterly earnings that fell below market expectations due to lower utilization rates and higher medical costs.

Over the year, the portfolio sub-manager initiated a position in leading U.S.-based computer software company Adobe on attractive valuation. The rollout of new products powered by generative AI, such as Firefly, presents the company with fresh opportunities to drive new subscriber growth, strengthen customer engagement and improve its user base productivity. Adobe is well positioned to monetize this opportunity through a multi-year price increase strategy levied against a portion of existing Creative Cloud users.

The portfolio sub-manager also added to its position in Microsoft Corporation due to the stock's attractive valuation. The company's earnings continued to beat expectation across multiple verticals, and rising sales of Microsoft Office 365 ahead of the launch of its Copilot AI assistant could drive upside and increase margins. Microsoft also released positive guidance on its Azure cloud computing platform on the back of increased cloud penetration and accelerating digital transformation.

Meanwhile, the portfolio sub-manager trimmed its position in NVIDIA into strength as the company outperformed thanks to a strong product cycle driven by the development of generative AI technology, alongside strong momentum in its data centre, gaming and automotive segments. The portfolio sub-manager reinvested the proceeds into more attractive opportunities. The portfolio sub-manager also sold off its position in U.S.-based multinational media and entertainment conglomerate The Walt Disney Company over moderating expectations due primarily to weaker subscriber growth in its linear networks division.

<sup>1</sup> Source: Median return of similar funds according to Fundata, as at December 31, 2023.

*As at December 31, 2023*

The portfolio sub-manager actively engaged with companies held in the portfolio on environmental, social and governance (ESG) matters throughout the year. For example, they engaged with Livent Corporation, a global lithium chemicals producer, to understand its objectives in achieving carbon neutrality by 2040. Livent has committed to reaching net zero emissions in alignment with the Paris Agreement's 1.5 degree threshold and the Task Force on Climate-related Financial Disclosures (TCFD) framework. In 2022, Livent extended its collaboration with ERM CVS, a leading independent sustainability assurance and certification services provider, to screen its scope 3 emissions.

## Recent Developments

The portfolio sub-manager invests in companies that could drive long-term growth by harnessing innovation and challenge the cyclical nature of the economy. While global equity markets remain macro-driven and tend to overlook fundamentals, the portfolio sub-manager continues to seek companies that are truly innovative or benefitting from structural change will provide attractive return opportunities at attractive multiples.

The global economy is still facing significant uncertainty and, in the near term, the portfolio sub-manager expects markets to remain volatile because of interest rates, energy prices and international conflicts. Market volatility will affect the companies held in the portfolio, but the portfolio sub-manager believes in its ability to look for companies generating sustainable growth through innovation to perform well throughout the economic cycle.

The portfolio sub-manager is seeking to invest in growth companies with very compelling return profiles that leverage key secular trends such as digital transformation, cloud migration, artificial intelligence and machine learning, sustainability, direct-to-consumer models and health care innovation. While some major investors believe that generative AI is overhyped and that stock market performance caused by the technology is only temporary, the portfolio sub-manager believes that machine learning and artificial intelligence are a decade in the making and that the trend will either continue or accelerate as new technologies are created and adopted. It should be noted that the portfolio has been a long-time investor in some of the companies that recently benefitted from the AI boom, including NVIDIA, Advanced Micro Devices, MongoDB, Alphabet, Amazon.com and Microsoft Corporation, and is focused on the long-term growth this technology has driven and will continue to drive.

Portfolio turnover is low and the portfolio is overweight to Consumer Discretionary, Health Care, Communication Services, Financials and Real Estate. The portfolio is resilient in times of economic weakness as it is mainly invested in companies able to do well in an economic downturn.

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, Wellington did not enter into any Related Party Transactions as it pertains to the management of the FÉRIQUE Global Innovation Equity Fund.

As at December 31, 2023

## 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 2023 (12 months)	Dec. 31 2022 (12 months)	Dec. 31 2021 (345 days)
	\$	\$	\$
<b>Net Assets per Unit</b> <sup>(1)(4)</sup>			
Net assets, beginning of accounting period <sup>(3)</sup>	6.76	9.90	10.00
<b>Increase (decrease) from operations</b>			
Total revenues	0.05	0.04	0.03
Total expenses	(0.12)	(0.11)	(0.15)
Realized gains (losses)	(0.41)	(0.43)	(0.48)
Unrealized gains (losses)	2.48	(2.14)	0.54
<b>Total increase (decrease) from operations</b> <sup>(2)</sup>	2.00	(2.64)	(0.06)
<b>Net assets, end of accounting period</b> <sup>(3)</sup>	8.77	6.76	9.90

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> The net assets are calculated in accordance with International Financial Reporting Standards (IFRS).

<sup>(4)</sup> In this document, the word "units" indicates Series A units.

	Years ended		
	Dec. 31 2023 (12 months)	Dec. 31 2022 (12 months)	Dec. 31 2021 (345 days)
<b>Ratios and Supplemental Data</b>			
Net asset value (in thousands of \$) <sup>(1)</sup>	172,725	130,163	130,612
Number of units outstanding <sup>(1)</sup>	19,693,874	19,245,033	13,185,528
Management expense ratio (%) <sup>(2)</sup>	1.47	1.45	1.50
Management expense ratio before waivers or absorptions by the Manager (%)	1.47	1.45	1.50
Portfolio turnover rate (%) <sup>(3)</sup>	30.77	26.03	114.51
Trading expense ratio (%) <sup>(4)</sup>	0.04	0.04	0.09
Net asset value per unit (\$)	8.77	6.76	9.91

<sup>(1)</sup> This information is provided as at December 31 for the comparative accounting periods.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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 1.28% and are detailed as follows:

- Management fees: 1.15%
- Administration fees: 0.13%

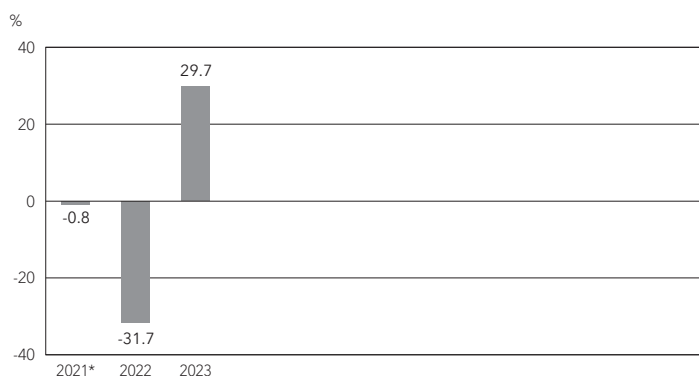
As at December 31, 2023

## 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 Innovation Equity	29.7	n/a	n/a	(4.3)
MSCI World All Country Index (CA\$)	19.5	n/a	n/a	n/a
Median**	14.3	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.

### MSCI World All Country

The MSCI World All Country (CA\$) measures the total return of equity securities of both developed and emerging markets.

### Comparison with the Index

The Fund posted a net return of 29.7% for the fiscal year ended December 31, 2023, compared to 19.5% 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
Cash, Money Market and Other Net Assets	5.9
Alphabet Inc., Class A	5.9
Amazon.com Inc.	5.6
Microsoft Corp.	5.5
Chipotle Mexican Grill Inc.	3.8
Eli Lilly & Co.	3.6
UnitedHealth Group Inc.	3.5
MasterCard Inc., Class A	3.4
ProLogis Inc.	3.4
Visa Inc., Class A	3.4
Adobe Systems Inc.	2.6
Uber Technologies Inc.	2.5
Wingstop Inc.	2.5
Monster Beverage Corp.	2.3
Skyline Champion Corp.	2.3
Icon PLC	2.1
Advanced Micro Devices Inc.	2.1
Dynatrace Inc.	2.0
MercadoLibre Inc.	1.8
Aptiv PLC	1.7
Trainline PLC	1.7
Netflix Inc.	1.6
ASML Holding N.V., ADR	1.6
NVIDIA Corporation	1.6
Airbnb Inc.	1.5

**73.9**

### Weighting by Country

	% of net asset value
United States	74.5
Cash, Money Market and Other Net Assets	5.9
Ireland	5.1
United Kingdom	4.2
Japan	2.6
Argentina	1.8
Netherlands	1.6
Canada	1.5
China	1.0
Brazil	0.9
South Korea	0.9

### Net Asset Value

**172,724,852**

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



*As at December 31, 2023*

## 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](mailto:client@ferique.com);
- by visiting [ferique.com](http://ferique.com) or [sedarplus.ca](http://sedarplus.ca).