

25

---

**ANNUAL  
MANAGEMENT  
REPORT**

*of Fund Performance  
for the year ended  
December 31, 2025*

---

**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 or interim 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, 2025

## 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 of 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 25.3% for the fiscal year ended December 31, 2025. Its benchmark, the S&P/TSX Composite Index, posted 31.7% 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 22.4%, net of management fees for the fiscal year.

### CC&L

In 2025, the portfolio slightly underperformed the benchmark. Sector positioning detracted value while security selection was slightly positive. The large overweight to Industrials and moderate underweight to Materials dragged down returns.

In Information Technology, an overweight to electronics manufacturing services company Celestica contributed the most to performance over the period.

In 2025, the portfolio sub-manager held 99 engagements with 58 different companies held in the portfolio to discuss a wide range of environmental, social and governance (ESG) issues, including board composition, compensation, climate change, energy transition, waste management, human rights and communities.

The Fund's responsible approach to investing is described in the simplified prospectus. The Fund, which is an ESG limited consideration Fund, follows the following approaches: exercise our voting rights as shareholder, make shareholder engagement and hire managers who integrate ESG factors. These approaches are one of multiple components of the investment strategies used to help achieve the Fund's objectives. ESG factors are not part of the Fund's investment objectives and, consequently, ESG factors do not constitute the Fund's core strategy.

### Franklin Templeton

During the period, the portfolio underperformed its benchmark, with both security selection and sector allocation weighing on returns. An underweight to outperforming Materials and stock picks within the sector detracted the most from relative performance. Overweights to underperforming Industrials, Consumer Staples and Communication Services further hampered relative returns. This was partially offset by an underweight to the underperforming Information Technology, Energy and Health Care sectors, which added value.

Select holdings in the Materials, Information Technology, Energy and Communication Services sectors drove down returns. The lack of exposure to Celestica (Information Technology), Barrick Mining Corporation and Kinross Gold Corporation (Materials) and, the overweight positions in CGI (Information Technology) and Canadian National Railway Company (Industrials) weighed most heavily on performance.

Amid increased market volatility, the portfolio sub-manager saw plenty of attractive opportunities to make changes to the portfolio. The portfolio sub-manager increased exposure to out-of-favour cyclical names and durable high-quality businesses, including Intact Financials and EQB in Financials, Teck Resources and Wheaton Precious Metals in Materials and Thomson Reuters in Industrials. Meanwhile, stocks in more resilient, defensive sectors, including Consumer Staples and Utilities, were trimmed. As a result, positions in Saputo (Consumer Staples), MEG Energy and Parkland Fuel Corporation (Energy), TELUS Digital (Industrials), Nutrien (Materials), Allied Properties Real Estate Investment Trust (Real Estate) and ATCO and Brookfield Renewable Partners (Utilities) were sold off.

Relative to the benchmark, Industrials was the largest overweight, followed by the interest-rate sensitive Utilities and Consumer Staple sectors. Conversely, the portfolio was most underweight to Materials and Financials and had no exposure to Health Care.

<sup>1</sup> Source: Median return of similar funds according to Fundata, as at December 31, 2025.

As at December 31, 2025

## Recent Developments

### CC&L

The portfolio sub-manager continues to expect the economic environment to improve in the coming year due to ongoing deregulation and accommodative monetary and fiscal policy in both the United States and Canada. Such conditions have historically fostered growth and should help broaden market leadership and bolster cyclical sectors and small cap stocks that have lagged in recent years. In the United States, robust nominal GDP growth is forecast, driven by both inflation and real GDP. In Canada, the economic outlook is expected to improve thanks to the new government's business-friendly policies and the lagged positive impact of significant rate cuts implemented by the Bank of Canada in 2025, which will provide a supportive backdrop into 2026.

Despite elevated valuations, the portfolio sub-manager remains constructive on equities as earnings growth is expected to drive returns in 2026 and current multiples are supported by the economic backdrop. Strong nominal growth, moderating wage inflation and AI adoption lifting margins more than expected support a positive earnings outlook for 2026. The soft but stable labour market supported accommodative monetary policy and remains an important risk to monitor. While global monetary policy remains supportive, the correlation between unemployment and inflation has become more intricate, which could lead to higher volatility. Overall, equity returns are expected to be positive but lower than in recent years in 2026, and market dispersion will likely be greater.

Against this backdrop, the portfolio is positioned to take advantage of a cyclical recovery, with significant exposure to early-cycle cyclicals and smaller cap stocks that should benefit from a broadening market and attractive relative valuations. Over the period, the portfolio sub-manager increased exposure to cyclicals, especially to companies involved in base metals, the Financials sector and the automotive industry, and added a few holdings in more stable industries with the ability to borrow as the economy grows. The portfolio sub-manager added high-quality mid-cap gold producers given expectations for elevated spot prices and strong free cash flow generation in 2026. Infrastructure investment remains essential to meeting AI demand in Canada – regardless of return concerns at large technology companies. For this reason, the portfolio is now exposed to infrastructure companies to benefit from increased capital spending driven by deglobalization and protectionist policies.

### Franklin Templeton

Canadian equities closed the year on a positive note, supported by steady fundamentals, a meaningful shift in the macroeconomic environment and U.S. tariffs. Through much of the interest rate cycle, markets had priced in an extended period of higher interest rates, investor sentiment became increasingly cautious as inflation pressures moderated and growth proved more resilient than feared. The yield curve has also normalized, with the prior inversion that many viewed as a consensus recession signal easing.

While uncertainty persists, a clearer investment and infrastructure development pathway would be highly beneficial. Heightened uncertainty, fuelled by a new U.S. policy stance, Canada-United States-Mexico Agreement negotiations and both risks and opportunities tied to AI, highlights the need to stay focused on long-term fundamentals. As it stands today, high valuations are the greatest risk to the portfolio.

The portfolio sub-manager is focused on long-term value creation and will ignore short-term fluctuations, making informed decisions based on a rigorous valuation framework grounded in discounted cash flow analysis. As a result, the portfolio sub-manager tends to favour predictable companies trading at a significant discount to their estimated intrinsic value. The bottom-up process remains centered on identifying market inefficiencies and generating robust returns. The portfolio sub-manager will use this strategy to capitalize on attractive opportunities while benefitting from superior predictability and downside protection.

IRC: The mandate of Mrs. Louise Sanscartier ended on March 31st, 2025. Mr. Yves Frenette was appointed Interim President starting April 1st, 2025. Mr. Yves Frenette has temporarily withdrawn from the IRC as of June 3rd, 2025 and submitted his resignation as member of the IRC as of June 13th, 2025. Mr. Sylvain Piché has been appointed as IRC Interim President from June 3rd to June 6th, 2025 and as IRC President as of June 6th, 2025. Mrs. Hélène Bond has replaced Mrs. Sanscartier as a member of the IRC for a three (3)-year term, starting April 1st, 2025. Mr. Simon Blanchard joined as a member of the IRC on December 1st 2025 for a three (3)-year term.

## 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 principal 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, 2025, 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.

As at December 31, 2025

## 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 2025 (12 months)	Dec. 31 2024 (12 months)	Dec. 31 2023 (12 months)	Dec. 31 2022 (12 months)	Dec. 31 2021 (12 months)
<b>Net Assets per Unit<sup>(1)(5)</sup></b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net assets, beginning of accounting period <sup>(4)</sup>	98.05	87.39	84.12	92.67	78.26
<b>Increase (decrease) from operations</b>					
Total revenues	2.61	2.70	2.80	2.84	2.33
Total expenses	(1.26)	(1.12)	(0.98)	(1.01)	(1.03)
Realized gains (losses)	9.52	7.40	3.48	6.59	7.88
Unrealized gains (losses)	13.79	7.88	2.08	(10.45)	11.33
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>24.66</b>	<b>16.86</b>	<b>7.38</b>	<b>(2.03)</b>	<b>20.51</b>
<b>Distributions</b>					
From dividends	1.11	1.35	1.47	1.56	0.95
From capital gains	5.88	4.81	2.65	4.75	5.18
<b>Total annual distributions<sup>(3)</sup></b>	<b>6.99</b>	<b>6.16</b>	<b>4.12</b>	<b>6.31</b>	<b>6.13</b>
<b>Net assets, end of accounting period<sup>(4)</sup></b>	<b>115.71</b>	<b>98.05</b>	<b>87.39</b>	<b>84.12</b>	<b>92.67</b>

<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> Distributions were paid in cash or reinvested in additional units of the Fund, or both.

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

<sup>(5)</sup> In this document, the word "units" indicates Series A units.

	Years ended				
	Dec. 31 2025 (12 months)	Dec. 31 2024 (12 months)	Dec. 31 2023 (12 months)	Dec. 31 2022 (12 months)	Dec. 31 2021 (12 months)
<b>Ratios and Supplemental Data</b>					
Net asset value (in thousands of \$) <sup>(1)</sup>	974,638	801,886	691,833	645,294	704,826
Number of units outstanding <sup>(1)</sup>	8,422,978	8,178,435	7,916,714	7,670,851	7,605,533
Management expense ratio (%) <sup>(2)</sup>	1.11	1.11	1.07	1.05	1.10
Management expense ratio before waivers or absorptions by the Manager (%)	1.11	1.11	1.07	1.05	1.10
Portfolio turnover rate (%) <sup>(3)</sup>	53.74	54.58	45.23	51.82	40.56
Trading expense ratio (%) <sup>(4)</sup>	0.07	0.08	0.07	0.06	0.05
Net asset value per unit (\$)	115.71	98.05	87.39	84.12	92.67

<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 Fund's performance.

<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.

As at December 31, 2025

## 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 0.97% and are detailed as follows:

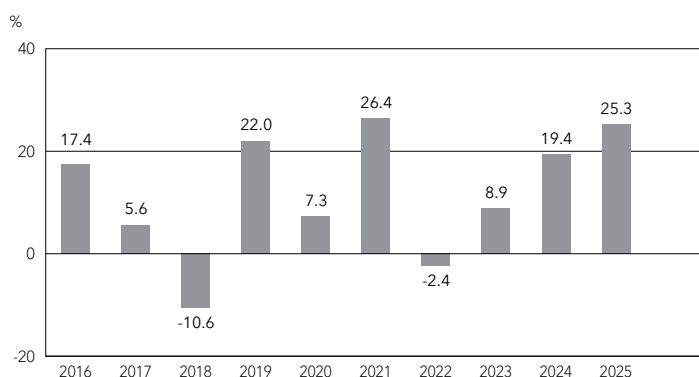
- Management fees: 0.91%
- Administration fees: 0.06%

## 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	25.3	17.7	15.0	11.3
S&P/TSX Composite Index	31.7	21.4	16.1	12.7
Median*	22.4	16.3	12.6	9.7

\*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 25.3% for the fiscal year ended December 31, 2025, compared to 31.7% 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
Royal Bank of Canada	7.3
Toronto-Dominion Bank	5.5
Shopify Inc., Class A	5.3
Agnico-Eagle Mines Ltd.	2.9
Canadian Pacific Kansas City	2.8
Brookfield Corp.	2.2
Scotiabank	2.0
Bank of Montreal	1.9
Barrick Mining Corp.	1.9
Manulife Financial Corp.	1.9
Canadian Imperial Bank of Commerce	1.8
Dollarama Inc.	1.8
Canadian National Railway Co.	1.5
Kinross Gold Corp.	1.5
National Bank of Canada	1.4
Loblaw Companies Ltd.	1.4
Fortis Inc.	1.4
Franco-Nevada Corp.	1.4
Intact Financial Corp.	1.4
Alimentation Couche-Tard Inc.	1.3
TC Energy Corp.	1.3
Canadian Natural Resources Ltd.	1.2
Celestica Inc.	1.2
Waste Connections Inc.	1.2
Open Text Corp.	1.2

54.7

As at December 31, 2025

<b>Weighting by Sector</b>	<b>% of net asset value</b>
Financials	29.8
Materials	15.6
Energy	14.0
Industrials	13.4
Information Technology	10.9
Utilities	4.4
Consumer Staples	4.1
Consumer Discretionary	3.7
Communication Services	1.7
Real Estate	1.0
Health Care	0.7
Cash, Money Market and Other Net Assets	0.7
<b>Net Asset Value</b>	<b>974,637,996</b>

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® 2025 S&P Dow Jones Indices LLC, its affiliates and/or their licensors. All rights reserved. Redistribution or reproduction in whole or in part is 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](http://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.

TSX® Copyright [2025] TSX Inc. All rights reserved.



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

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