



25

**ANNUAL
MANAGEMENT
REPORT**

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

INCOME FUNDS
FÉRIQUE **Canadian Bond** 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 Bond Fund seeks to maximize total return through a combination of high income and capital appreciation. Money is therefore mainly invested and reinvested in fixed-income securities issued by governments and corporations.

The FÉRIQUE Canadian Bond Fund is managed by two portfolio managers, namely Addenda Capital Inc. (Addenda) and Baker Gilmore & Associates Inc. (Baker Gilmore).

Addenda's strategy consists in actively positioning the portfolio in accordance with economic conditions by focusing on the following factors: the management of portfolio duration relative to the FTSE Canada Universe Bond Index and allocation and security selection within bond market sectors (bonds issued by Canadian federal, provincial and municipal governments, supranational institutions and corporations). The portfolio manager may also invest in foreign bonds.

Baker Gilmore's strategy consists in actively positioning the portfolio in accordance with economic conditions by focusing on the following factors: sector allocation and security selection within bond market sectors (bonds issued by Canadian federal, provincial and municipal governments, supranational institutions and corporations) and the management of portfolio duration relative to the index. The portfolio manager may also invest in foreign bonds.

The Fund mainly invests and reinvests in bonds, debentures, notes and other securities issued and guaranteed as to principal and interest by the Government of Canada, provincial and municipal governments, supranational institutions or any Canadian school board, corporation or cooperative, as well as bonds backed by assets or receivables, strip coupons, investment certificates, exchange-traded funds and other equivalent securities. Bonds and debentures issued or guaranteed by governments or corporations (including asset-backed securities and commercial mortgages) from developed countries denominated in the currencies of these countries are also allowed. The fund may also invest in money market securities.

Risk

The risks of investing in the Fund remain the same as those described in the Prospectus. The Fund is intended for investors with a low risk tolerance who wish to invest over the medium term. It can also be used as the core component of the allocation to Canadian fixed income in a diversified investment portfolio. During the period, there were no changes that materially affected the Fund's overall investment risk level.

Results of Operations

The FÉRIQUE Canadian Bond Fund posted a net return of 2.2% for the fiscal year ended December 31, 2025. Its benchmark, the FTSE Canada Universe Bond Index, recorded a 2.6% 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,¹ which posted 2.0%, net of management fees, for the fiscal year.

Addenda

Uncertainty prevailed in 2025, fuelled by trade frictions with the United States, concerns around U.S. debt, political pressure on central banks and several geopolitical flashpoints.

Portfolio returns benefited from active management of duration—a measure of the portfolio's sensitivity to interest rate changes—along with security selection that factored in tightening credit spreads.

Early in the year, the Bank of Canada lowered its key rate while the U.S. Federal Reserve (Fed) held its rate steady. Addenda took advantage of the initial rise in interest rates to extend duration (the portfolio's sensitivity to rate movements), then reduced it as rates subsequently fell to protect returns. New tariff announcements by the United States pushed long-term rates higher amid investor concerns about American debt. Addenda gradually increased portfolio duration, particularly through U.S. Treasury bonds, until it stood 1.8 years above its benchmark in July.

Weak job data released over the summer prompted central banks on both sides of the border to cut rates in September. Since the portfolio's duration was already longer than its benchmark, these cuts had a positive effect on relative performance. The portfolio manager later trimmed portfolio duration, ending the year one year above the benchmark amid higher-than-expected rates in Canada.

After widening early in the year, credit spreads rapidly tightened on strong demand despite record volumes of new issuances. The portfolio manager maintained an overweight to corporate bonds while gradually shifting to a more conservative profile and focusing on higher-quality issuers as spreads narrowed.

Provincial bonds followed a similar trend. The portfolio manager increased exposure to provincial bonds early in the year, when credit spreads were wider, and then gradually reduced it as spreads tightened.

Baker Gilmore

The portfolio's additional yield relative to its benchmark, along with duration management, particularly an underweight to long-dated securities amid rising yields in the medium and long segments of the curve, were the main contributors to relative performance. Conversely, underweights to utilities and industrials detracted.

The first half of 2025 saw significant market volatility fuelled by political uncertainty and trade tensions. Markets were shaken in April after the U.S. government announced punitive tariffs of up to 145% on Chinese imports, leading to a drop in equities and wider credit spreads. However, the 90-day suspension of these measures helped calm investor fears. In May, the declaration of a trade truce between the United States and China improved market sentiment and led to a rally in risk assets, driving equity markets higher and tightening credit spreads. Against this backdrop, the portfolio was positioned in anticipation of a steepening yield curve, reflecting the portfolio manager's expectations of persistent inflation and rising government debt. The portfolio's slight credit risk overweight was gradually reduced to an underweight position.

To achieve this, the portfolio manager reduced exposure to provincial bonds, particularly from British Columbia, in response to deteriorating fiscal outlooks. It also expanded the underweight to Quebec

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

As at December 31, 2025

provincial bonds toward the end of the period. A position in municipal bonds issued by the City of Toronto was added. Exposure to asset-backed securities was reinforced with the addition of eStructure Data Centers, Cards II Trust and Glacier Credit Card Trust, which presented attractive credit spreads relative to underlying risk.

The portfolio manager also executed trades in U.S. and U.K. government bonds denominated in local currencies to take advantage of the low yields on Canadian government bonds relative to foreign sovereign debt. However, these bonds remain exposed to persistent inflationary pressure, partly driven by strong wage growth, high public deficits and expectations of large-scale government debt issuances. Toward the end of the period, the portfolio manager sold its U.K. bond holdings amid rising fiscal risk in the country. Risk assets performed well throughout the year, supported by central bank rate cuts, fiscal stimulus measures and deregulation.

With regard to environmental, social and governance (ESG) factors, the portfolio manager added a position in Reliance Industries, an infrastructure company providing heating, air conditioning, water heaters, water purification and other products and services to businesses and households across Canada and the United States. The portfolio manager also met with the company's management to gain a deeper understanding of their ESG and credit risk practices.

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: make shareholder engagement and hire managers who integrate ESG factors. These approaches are among the 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.

Recent Developments

Addenda

In Canada, the impact of tariffs is no longer reflected in the broad index, while real GDP growth has exceeded the Bank of Canada's expectations and the labour market is adding jobs at a rapid pace. Unemployment has fallen sharply from its 7.1% peak. Productivity growth remains insufficient to ensure a return to price stability in the short term amid rising wages. Inflation is expected to spike in April 2026 when the carbon tax rebate stops offsetting the consumer price index. The Bank of Canada may even need to slightly raise its key rate in the second half of the year. In addition, the possible renegotiation—or even termination—of the current trade agreement between Canada and the United States could deal a serious blow to the country's economy.

Uncertainty generated by tariffs and the overly restrictive monetary policy of the U.S. Federal Reserve (Fed) has led to a sharp rise in unemployment in the United States, which now exceeds the central bank's long-term projections. Labour productivity gains have accelerated, keeping the job market from driving inflation, as unit labour costs rose by just 1.2%—well below the Fed's inflation target. While private sector hiring appears far too weak to push job growth back to normal levels, inflation should fall considerably once the impact of tariffs on durable goods drops out of the inflation calculation by mid-2026. Against this backdrop, the Fed should be able to ease monetary policy and cut its key rate to achieve long-term

equilibrium, even if the current administration calls for additional rate cuts and tries to undermine its independence. Forward premiums could rise on the long end of the U.S. yield curve if concerns about the Fed's monetary policy independence persist.

As was the case in 2025, this level of uncertainty makes it difficult to predict U.S. economic policy and its impacts on Canada. Accordingly, the portfolio manager will maintain a cautious approach to risk management.

Baker Gilmore

Global economic prospects remain clouded by significant trade uncertainty, heightened geopolitical tensions and expansionary fiscal policies paired with high deficits. Despite slowing inflation, wages are rising faster than consumer prices and inflationary pressures persist. Household finances remain solid, but falling confidence is likely to curb spending as extra savings accumulated during the pandemic are depleted. While some central banks continue to cut rates, the labour market remains tight and wage growth exceeds inflation targets, increasing the risk of sustained inflation. Despite a more resilient economy than expected and the absence of a recession, the risk of stagflation is on the rise.

Over the past five years, public finances in the majority of developed countries have undergone significant changes. In response to the COVID-19 pandemic, governments enacted broad fiscal and monetary stimulus measures, including direct payments to households and businesses, which pushed deficits to levels not seen since the 1950s. This expansionary approach remains in place, with governments increasing social spending and cutting taxes in an effort to mitigate rising food and energy prices.

Meanwhile, geopolitical tensions have led to a sharp rise in military spending in many advanced and emerging economies, adding further pressure on deficits. With its heavy reliance on trade with the United States, Canada remains exposed to escalating trade tensions. Canadian exports are particularly vulnerable to higher tariffs imposed by the current American administration, which could undermine business confidence and investment. The upcoming CUSMA (Canada-United States-Mexico Agreement) renegotiations will be critical. Monetary policy remains broadly accommodative as core inflation stays above 2%, wages steadily increase and public deficits are high. Combined with the large public debt issuances expected on the horizon, these factors could put upward pressure on medium and long-term bond yields.

In this environment, the portfolio manager is maintaining a shorter duration than the benchmark, particularly in the medium and long-term segments of the yield curve. While inflation has eased, it is likely to remain well above the Bank of Canada's 2% target over the medium term. With that in mind, the portfolio maintains an exposure to attractive real return bonds.

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.

As at December 31, 2025

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, the Fund's portfolio managers, Addenda and Baker Gilmore, paid no commission to any related parties as part of the management of the FÉRIQUE Canadian Bond 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				
	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)
Net Assets per Unit⁽¹⁾⁽⁵⁾	\$	\$	\$	\$	\$
Net assets, beginning of accounting period ⁽⁴⁾	36.74	36.57	35.11	40.35	42.32
Increase (decrease) from operations					
Total revenues	1.49	1.44	1.17	1.07	1.08
Total expenses	(0.29)	(0.28)	(0.26)	(0.26)	(0.31)
Realized gains (losses)	(0.08)	0.03	(0.68)	(2.36)	(0.01)
Unrealized gains (losses)	(0.13)	0.16	2.18	(2.82)	(1.81)
Total increase (decrease) from operations⁽²⁾	0.99	1.35	2.41	(4.37)	(1.05)
Distributions					
From investment net income (excluding dividends)	1.26	1.14	0.91	0.80	0.78
From capital gains	–	–	–	–	0.15
Total annual distributions⁽³⁾	1.26	1.14	0.91	0.80	0.93
Net assets, end of accounting period⁽⁴⁾	36.29	36.74	36.57	35.11	40.35

⁽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.

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Financial Highlights (continued)

	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)
Ratios and Supplemental Data					
Net asset value (in thousands of \$) ⁽¹⁾	587,058	718,488	680,159	626,535	710,952
Number of units outstanding ⁽¹⁾	16,178,486	19,555,526	18,601,190	17,844,527	17,621,130
Management expense ratio (%) ⁽²⁾	0.78	0.78	0.74	0.72	0.77
Management expense ratio before waivers or absorptions by the Manager (%)	0.78	0.78	0.74	0.72	0.77
Portfolio turnover rate (%) ⁽³⁾	148.77	107.12	142.13	166.63	110.78
Trading expense ratio (%) ⁽⁴⁾	—	—	—	—	—
Net asset value per unit (\$)	36.29	36.74	36.57	35.11	40.35

⁽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.

⁽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 0.68% and are detailed as follows:

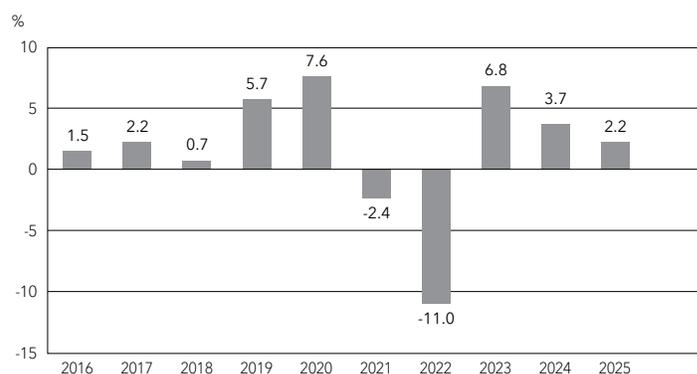
- Management fees: 0.62%
- Administration fees: 0.06%

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 Bond	2.2	4.2	(0.3)	1.6
FTSE Canada Universe Bond Index	2.6	4.5	(0.3)	1.9
Median*	2.0	4.0	(0.9)	1.2

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

Benchmark Index

The FTSE Canada Universe Bond Index includes nearly all marketable Canadian bonds with terms to maturity of over one year. Its objective is to reflect the evolution of the Canadian bond market.

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Comparison with the Index

The Fund posted a net return of 2.2% for the fiscal year ended December 31, 2025, compared to 2.6% for its benchmark index. Unlike 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
Government of Canada, 2.25%, due February 1, 2028	5.2
Government of Canada, 3.25%, due December 1, 2035	4.7
Cash, Money Market and Other Net Assets	3.7
Government of Canada, 3.50%, due September 1, 2029	3.4
Canada Housing Trust, 3.50%, due December 15, 2034	2.5
Province of Ontario, Floating, due February 27, 2026	2.4
Canada Housing Trust, 3.60%, due September 15, 2035	2.0
Government of Canada, 2.75%, due December 1, 2055	2.0
Government of Canada, 4.00%, due December 1, 2031	1.8
Province of Ontario, 3.65%, due February 3, 2034	1.8
Government of Canada, 3.00%, due March 1, 2032	1.7
Government of Canada, 3.25%, due June 1, 2035	1.6
Government of Canada, 2.00%, due June 1, 2028	1.5
Province of Quebec, 4.40%, due December 1, 2055	1.5
Government of Canada, 3.50%, due December 1, 2056	1.4
Province of Ontario, 4.60%, due December 2, 2055	1.3
Province of Ontario, 4.65%, due June 2, 2041	1.2
Province of Ontario, 2.15%, due June 2, 2031	1.2
Province of Manitoba, 2.05%, due September 5, 2052	1.1
Government of Canada, 3.50%, due December 1, 2057	1.0
Province of Quebec, 3.90%, due November 22, 2032	1.0
Province of Ontario, 2.90%, due December 2, 2046	1.0
Transcanada Trust, Floating, due May 18, 2027	1.0
Province of Ontario, 3.45%, due June 2, 2045	1.0
Province of Ontario, due December 2, 2028	1.0
	48.0

Asset Mix

	% of net asset value
Canadian Federal Bonds	32.2
Canadian Corporate Bonds	28.6
Canadian Provincial Bonds	27.0
Canadian Asset- and Mortgage-Backed Securities	4.5
Cash, Money Market and Other Net Assets	3.7
Foreign Bonds	2.5
Canadian Municipal Bonds	1.5

Net Asset Value

587,057,629

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 indices 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.