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**INTERIM  
MANAGEMENT  
REPORT**

*of Fund Performance  
for the period ended  
June 30, 2024*

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**EQUITY FUNDS**  
FÉRIQUE Canadian Equity Fund

This Interim Management Report of Fund Performance contains financial highlights but does not contain the complete interim or annual financial statements of the Fund. You can get a copy of the Interim or Annual Financial Statements at your request, and at no cost, by calling our Advisory Services at 514-788-6485 (toll-free 1-800-291-0337), by writing to us 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). Unitholders may also contact us using one of these methods to request a copy of the 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 June 30, 2024

## Management Discussion of Fund Performance

### Results of Operations

The FÉRIQUE Canadian Equity Fund posted a net return of 6.4% for the period ended June 30, 2024. Its benchmark, the S&P/TSX Composite Index, posted 6.1% 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 5.3%, net of management fees for the period.

### CC&L

In the first half of 2024, the portfolio moderately outperformed the benchmark. Stock picking drove the outperformance while sector positioning detracted value.

In Information Technology, the overweight to Celestica was the top contributor during the period, the company benefitting from the rapid boom in demand for generative artificial intelligence (AI). Within the sector, the overweight to Descartes Systems Group was also positive. In Materials, the underweight to Barrick Gold Corporation and overweight to Kinross Gold Corporation bolstered performance. Conversely, the modest underweight to Energy negatively impacted returns.

Expecting the rebound in global manufacturing activity to continue, the portfolio sub-manager sought to increase exposure to attractively priced companies that outperform in strong manufacturing environments. Consequently, it added to existing portfolio positions in commodity-linked and Industrials companies that usually benefit from such conditions. To do so, it reduced allocations to defensive sectors such as Communication Services and Utilities.

Quality growth companies are also expected to outperform in 2024. As a result, the portfolio sub-manager maintained an overweight to companies with strong free cash flow profiles and the ability to deliver above-average earnings growth.

With regard to environmental, social and governance (ESG) considerations, the portfolio sub-manager exited its position in Barrick Gold Corporation due to operational issues. Barrick Gold is a large and diversified gold producer with about 65% of its operations in emerging markets. It had significant operational issues tied to employment relations and jurisdictional risk. It also reduced the position in Toronto-Dominion Bank to an underweight due to their anti-money laundering failings. The investigation in the bank's anti-money laundering practices prevented the portfolio sub-manager from taking advantage of the stock's recent sell-off and cheaper valuation. Toronto-Dominion Bank will likely be able to handle any ensuing financial penalty thanks to its excess capital levels, but sanctions could hamper the growth of its U.S. operations.

The Fund follows the responsible approach to investing, which is described in the simplified prospectus. This approach is one of the multiple components of the investment strategies used to help reach the objective of the Fund and thus constitutes a limited consideration of ESG factors. The consideration of ESG factors and the engagements with companies are not part of the investment objective of the Fund and, therefore, ESG factors and shareholder engagements are not the primary strategy of the Fund.

### Franklin Templeton

Both sector allocation and stock selection detracted from relative returns.

From a sector allocation standpoint, underweights to the outperforming Energy and Materials sectors were the main detractors from relative performance. Overweights to interest rate-sensitive Communication Services and Utilities further impeded returns. Conversely, underweights to underperforming Information Technology and Consumer Discretionary added to relative returns.

Security selection of top holdings within Information Technology, Industrials and Financials was the primary driver of underperformance. More specifically, overweight positions in Open Text (Information Technology) and Boyd Group Services (Industrials), an off-benchmark position in TELUS International (Information Technology) and lack of exposure to Fairfax Financial Holdings (Financials) detracted the most. This negative performance was partially offset by positive selection in Consumer Discretionary and Utilities. In particular, an overweight position in Dollarama and a lack of exposure to Restaurant Brands International in Consumer Discretionary, and an overweight position in Brookfield Renewable Partners in Utilities were most favourable.

The period was marked by broad-based trading activity, a strong equity market that continued to present attractive opportunities and by a trimming of high-priced holdings from the portfolio. However, weakness in interest-rate sensitive sectors and idiosyncratic situations offered opportunities to introduce new positions and bolster existing ones. As a result, the portfolio sub-manager trimmed its position in a number of value, cyclical and growth stocks on price strength, including AtkinsRéalis and Waste Connections (Industrials), Dollarama (Consumer Discretionary), Alimentation Couche-Tard and Loblaw Companies (Consumer Staples), Brookfield Corporation (Financials), Canadian Natural Resources (Energy) and Agnico Eagle Mines (Materials). Meanwhile, the portfolio sub-manager added positions in Wheaton Precious Metals Corporation and Franco-Nevada Corporation (Materials), Brookfield Renewable Partners and Brookfield Infrastructure Partners (Utilities) and Shopify (Information Technology).

The portfolio is most exposed to Financials, Industrials, Energy, Utilities and Consumer Staples. Relative to the benchmark, it is most overweight to interest rate-sensitive sectors such as Utilities, Consumer Staples and Communication Services, as well as to Industrials. Conversely, the portfolio is most underweight to typically value and cyclical sectors such as Financials, Energy and Materials. It maintains no exposure to Health Care.

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 about ESG issues that could impact its investment thesis.

During the period, the portfolio sub-manager engaged with ATCO about its corporate sustainability strategy, energy transition and collaboration with indigenous communities. The company's strategic priorities have focused on clean fuels, renewable energy and energy infrastructure. It acknowledged that emissions reduction goals will need to be carefully balanced against energy affordability, reliability and security. To achieve this, ATCO would need to collaborate with peers across different industries to create integrated solution. They

<sup>1</sup> Source: Median return of similar funds according to Fundata, as at June 30, 2024.

As at June 30, 2024

also discussed the importance of collaborating and building partnerships with Indigenous communities to bring a shared vision of a cleaner energy future to life. ATCO's focus on advancing Indigenous relations and sharing economic prosperity sets them apart from their competitors.

The Fund follows the responsible approach to investing, which is described in the simplified prospectus. This approach is one of the multiple components of the investment strategies used to help reach the objective of the Fund and thus constitutes a limited consideration of ESG factors. The consideration of ESG factors and the engagements with companies are not part of the investment objective of the Fund and, therefore, ESG factors and shareholder engagements are not the primary strategy of the Fund.

## Recent Developments

### CC&L

Canadian and U.S. economic growth and inflation trends diverged during the first half of 2024. In the United States, growth seemed to be picking back up while it remained sluggish—yet positive—in Canada. Investor optimism surrounding a soft landing of the U.S. economy increased since the start of the year and the Fed maintained its accommodative stance despite higher inflation. In June, the Bank of Canada became the first G7 nation to cut its key interest rate.

Broad optimism for generative AI's potential also bolstered investor sentiment. Commodity prices, especially oil, moved higher as geopolitical tensions remained high. Despite slowing domestic growth, Canadian equities benefitted from the strength of their U.S. counterparts and from high commodity prices. As a result, metals, energy and gold stocks were among the top-performing segments of the Canadian market. Excluding commodity-linked sectors, other cyclical sectors outperformed more defensive ones during the period.

Economic growth continued to exceed expectations during the first quarter of 2024. Canada dodged a recession, while U.S. GDP growth outlook for 2024 was significantly upgraded from 1.2% to 2.1%. The latest Purchasing Managers' Index (PMI) survey indicated that the global manufacturing sector is finally recovering. Meanwhile, emerging market economies are improving, even China and India.

After a strong start to 2024, the portfolio sub-manager believes that conditions will remain favourable for equity markets until the end of the year as economic data is improving and central banks are maintaining their accommodative policies. Canadian market valuations are still significantly cheaper than in the United States. If Canada manages to avoid a severe recession, equity market should yield positive returns over the remainder of 2024.

The portfolio sub-manager believes that the economy is reaching the end of a cycle, a time when economic data is typically mixed and noisy. It will closely monitor economic data, especially in the United States as it has been trending down in recent months.

The portfolio is currently overweight to quality growth stocks and to companies benefitting from the manufacturing recovery. It is also underweight to the more defensive areas of the market. If the Canadian economic slowdown is accelerating or recession risk increases, the portfolio will be rotated into more defensive sectors such as Utilities, Consumer Staples and Communication Services.

### Franklin Templeton

Canadian equities continued to move higher during the first half of 2024, with seven out of eleven GICS sectors posting positive returns. Materials and Energy were the top performers, followed by Consumer Staples and Financials. Within Materials, the mining sub-sector drove performance, while strength was broad-based in the Energy sector. Conversely, Communication Services, Information Technology, Health Care and Real Estate declined the most during the period.

The Canadian stock market is directionless, coming on a 15-month bull market, with inflation ticking up and interest rates cuts being pushed back. Stickier-than-expected U.S. inflation caused bond yields to surge in the United States and Canada, mostly weighing on growth and momentum stocks. More recently, weak U.S. unemployment numbers and lower inflation have increased the likelihood of rate cuts for 2024, sparking a broad equity rebound.

The portfolio sub-manager believes that reaching the 2% inflation target will be crucial for markets. Inflation's decline will dictate monetary policy in Canada and the United States, which has been equity performance's biggest driver this cycle. While consumer spending was still robust, supported by a strong labour market and rising wages, recent employment data is showing signs of hiring fatigue.

Meanwhile, inflation remains stubbornly high in some pockets of the economy, such as shelter, energy and transport. Energy and transport costs are driven up by the geopolitical situation in the Middle East.

Throughout a full market cycle, superior risk-adjusted returns are generally achieved due to the excitement for potential gains in a rising market and the fear of missing profit opportunities, with risk consideration taking the backseat. However, downside protection proved to be crucial throughout the cycle. Ultimately, the compounding of returns over time is heavily influenced by how resilient a portfolio is on the downside. The equity market's recent strength may make investors complacent regarding downside protection. The portfolio sub-manager will still prioritize risk management and downside protection.

The portfolio seeks to achieve visible, high and sustainable profitability and secular growth at a reasonable price and lower volatility relative to the benchmark. It maintains a defensive positioning and will opportunistically capitalize on attractive investment opportunities. While this positioning will cause the portfolio to underperform in a narrow market rally, it ensures consistent returns regardless of market environment. However, the portfolio sub-manager is ready to shift to a more aggressive stance and increase portfolio volatility if market conditions or sentiment warrant it.

Mr. Gérard Guilbault's mandate as a member of the IRC ended on March 31, 2024. Mr. Sylvain Piché replaced Mr. Gérard Guilbault as a member of the IRC under a three (3)-year mandate, starting April 1, 2024.

As at June 30, 2024

## 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 six-month period ended June 30, 2024, 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.

	Six-month period ended	Years ended				
	June 30 2024 (6 months)	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)
<b>Net Assets per Unit</b> <sup>(1)(5)</sup>	\$	\$	\$	\$	\$	\$
Net assets, beginning of accounting period <sup>(4)</sup>	<b>87.39</b>	84.12	92.67	78.26	74.15	61.62
<b>Increase (decrease) from operations</b>						
Total revenues	<b>1.33</b>	2.80	2.84	2.33	2.11	1.97
Total expenses	<b>(0.53)</b>	(0.98)	(1.01)	(1.03)	(0.83)	(0.82)
Realized gains (losses)	<b>2.38</b>	3.48	6.59	7.88	0.71	1.50
Unrealized gains (losses)	<b>2.44</b>	2.08	(10.45)	11.33	3.53	10.98
<b>Total increase (decrease) from operations</b> <sup>(2)</sup>	<b>5.62</b>	7.38	(2.03)	20.51	5.52	13.63
<b>Distributions</b>						
From dividends	<b>0.87</b>	1.47	1.56	0.95	1.09	0.98
From capital gains	<b>–</b>	2.65	4.75	5.18	–	–
<b>Total annual distributions</b> <sup>(3)</sup>	<b>0.87</b>	4.12	6.31	6.13	1.09	0.98
<b>Net assets, end of accounting period</b> <sup>(4)</sup>	<b>92.13</b>	87.39	84.12	92.67	78.26	74.15

<sup>(1)</sup> This information is derived from the Fund's Annual Audited Financial Statements and Interim Unaudited 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.

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## Financial Highlights (continued)

	Six-month period ended	Years ended				
	June 30 2024 (6 months)	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)
<b>Ratios and Supplemental Data</b>						
Net asset value (in thousands of \$) <sup>(1)</sup>	<b>726,760</b>	691,833	645,294	704,826	557,334	522,284
Number of units outstanding <sup>(1)</sup>	<b>7,888,195</b>	7,916,714	7,670,851	7,605,533	7,121,159	7,043,822
Management expense ratio (%) <sup>(2)</sup>	<b>1.11</b>	1.07	1.05	1.10	1.10	1.10
Management expense ratio before waivers or absorptions by the Manager (%)	<b>1.11</b>	1.07	1.05	1.10	1.10	1.10
Portfolio turnover rate (%) <sup>(3)</sup>	<b>22.93</b>	45.23	51.82	40.56	52.58	40.13
Trading expense ratio (%) <sup>(4)</sup>	<b>0.06</b>	0.07	0.06	0.05	0.08	0.06
Net asset value per unit (\$)	<b>92.13</b>	87.39	84.12	92.67	78.26	74.15

<sup>(1)</sup> This information is provided as at June 30, 2024 and 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.

## 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 period, annualized management fees charged to the Fund before government taxes amounted to 0.97% and are detailed as follows:

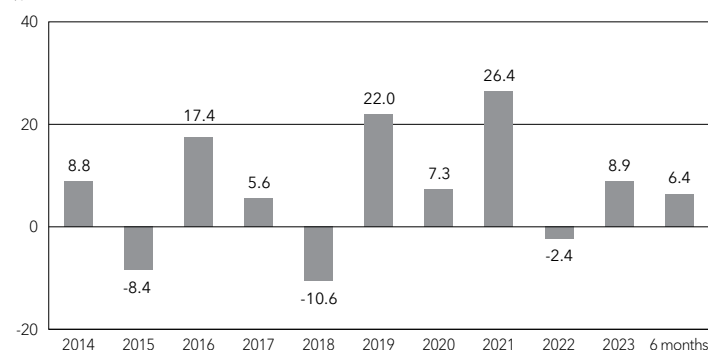
- Management fees: 0.90%
- Administration fees: 0.07%

## 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, with the exception of the last bar, which indicates the Fund's total return for the interim six-month period ended June 30, 2024. 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 six-month period.



As at June 30, 2024

## Portfolio Overview

<b>The Top 25 Holdings in the Portfolio</b>	<b>% of net asset value</b>
Royal Bank of Canada	6.4
Toronto-Dominion Bank	3.7
Canadian Pacific Kansas City	3.6
Canadian National Railway Co.	3.2
Shopify Inc., Class A	2.7
Alimentation Couche-Tard Inc.	2.6
Agnico-Eagle Mines Ltd.	2.6
Manulife Financial Corp.	2.4
Scotiabank	2.4
Constellation Software Inc.	2.2
Bank of Montreal	2.2
Waste Connections Inc.	2.1
Canadian Natural Resources Ltd.	2.0
Enbridge Inc.	2.0
Brookfield Corp.	1.9
Tourmaline Oil Corp.	1.8
Fortis Inc.	1.7
Dollarama Inc.	1.7
Cenovus Energy Inc.	1.7
Canadian Imperial Bank of Commerce	1.7
Cash, Money Market and Other Net Assets	1.5
ARC Resources Ltd.	1.5
Loblaw Companies Ltd.	1.5
TELUS Corp.	1.5
AtkinsRealis Group Inc.	1.4
	<b>58.0</b>

<b>Weighting by Sector</b>	<b>% of net asset value</b>
Financials	26.0
Industrials	17.9
Energy	15.1
Materials	10.1
Information Technology	9.4
Consumer Staples	6.8
Utilities	5.6
Consumer Discretionary	3.2
Communication Services	3.0
Cash, Money Market and Other Net Assets	1.5
Real Estate	1.4
	<b>726,759,982</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® 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](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.

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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).