

This document contains key information which you should be aware of about Fondaction, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi ("Fondaction" or "Fund") created on the initiative of the Confédération des syndicats nationaux under the Act to establish Fondaction, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (the "Act").

An investment in the Fund is intended for retirement and cannot usually be redeemed before then. An investor should not invest in the Fund if they need a liquid investment. Please refer to the section "Are Fondaction shares redeemable?" for more information. The value of the shares is assessed twice a year, usually in June and December. There is no market for trading Fondaction shares and it is not expected that such a market will be created, except with respect to transfer, redemption or purchase by agreement rights provided by the Act. This affects the liquidity of the investment.

## FUND SUMMARY

Class A shares – Series 1 and Series 2

### Quick facts

FUND ESTABLISHMENT DATE	June 22, 1995
TOTAL OPERATING EXPENSES RATIO AS AT MAY 31, 2025	2.32%
NET ASSETS	\$4.28 billion
FUND MANAGER	9525-9495 Québec Inc., also known as Le Regroupement entre Bâtirente et Fondaction
METHODS OF SUBSCRIPTION	Payroll deduction, pre-authorized contributions and lump-sum payment (when available).
MINIMUM INVESTMENT	\$10 per subscription
DISTRIBUTION	No dividend
ELIGIBILITY FOR SAVINGS PLANS	RRSP (Series 1) and non-registered savings plan (Series 2)

### Fondaction's mission focuses on two aspects:

1. **Supporting Québec workers in their efforts to save more for their retirement**, in particular by raising awareness and offering an accessible savings product;
2. **Channelling these accrued savings for the economic, social, and environmental benefit of Québec** by investing them using an approach that is mindful of meeting people's needs while protecting our environment and respecting the limits of natural ecosystems.

### What does Fondaction invest in?

Fondaction may invest in any company, regardless of the industry. Development capital investments, **central to Fondaction's mission**, focus mainly on Québec SMEs' actual economic activity, and are made with publicly listed and private companies, as well as with partner or sector-specific funds.

The proportion of eligible **development capital investments** within the meaning of the Act must represent at least **65% of the Fund's average net assets** calculated over three years. As at May 31, 2025, Fondaction complied with this standard and expects to comply with it for the following year.

### Fondaction's asset allocation on commitment basis

Fondaction's assets are diversified and divided into two main categories:

#### Development capital investments:

▶ direct holdings in companies ▶ a portfolio of securities from publicly listed Québec companies ▶ subscriptions to partner or sector-specific funds.

#### Other investments (public markets):

▶ consisting mainly of liquid financial assets.

It should be noted that the composition of the portfolios and the main investments held may change at any time due to operations performed by Fondaction.

#### % DEVELOPMENT CAPITAL INVESTMENTS

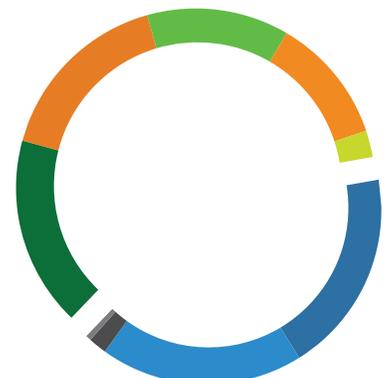
17.1%	Finance, real estate and community services
16.4%	Information technology, communications and healthcare
12.8%	Industries
11.4%	Consumer discretionary and basic consumer goods
2.4%	Energy and materials

60.1%

#### % OTHER INVESTMENTS

18.9%	Global equity funds (all countries)
18.8%	Bonds and other fixed-interest securities
1.7%	Absolute return and alternative strategy funds
0.5%	Money market and derivative financial instruments

39.9%



## Issuers of the top 25 positions held by Fondaction

### Development capital investments

13 issuers representing, as a group, 13.9% of Fondaction's net assets (in alphabetical order):

- ▶ Agropur Cooperative
- ▶ Boralex Inc.
- ▶ Centre agricole J.L.D. Inc. (via 9388-7628 Québec Inc.)
- ▶ Equisoft Inc.
- ▶ Fonds immobilier Durabilier, L.P.
- ▶ G.C.L. Équipements Inc.
- ▶ Grandio Group (13401537 Canada Inc.)
- ▶ Novacap TMT V Co-Investment (Logibec), L.P.
- ▶ Savaria Corporation
- ▶ Société immobilière Solar, L.P.
- ▶ Telecon Inc.
- ▶ Teralys Capital Innovation Fund 2018 L.P.
- ▶ WSP Global Group Inc.

### Other investments

12 issuers representing, as a group, 37.9% of Fondaction's net assets (in alphabetical order):

- ▶ AlphaFixe ESG Fund – Green Bonds
- ▶ ELS BMP Fund L.P.
- ▶ Fonds Investi RF
- ▶ Franklin Emerging Market Debt Institutional Fund
- ▶ Government of Canada
- ▶ Hexavest Systematic ESG World Equity Fund
- ▶ Mirova Global Green Bond Fund – Canada
- ▶ Mirova Global Sustainable Equity Fund
- ▶ Montrusco Bolton Global Equity ex Fossil Fuels Fund
- ▶ Nymbus Sustainable Enhanced Bonds Fund
- ▶ Province of Ontario
- ▶ Triasima Global Equity All Countries Excluding Fossil Fuels Fund

### Billions invested, thousands of homegrown businesses

# 1,518

NUMBER OF COMPANIES SUPPORTED BY DEVELOPMENT CAPITAL INVESTMENTS

# \$2.82 B

DEVELOPMENT CAPITAL INVESTMENTS  
(including commitments, guarantees, and sureties)

### Main risks

The main risks associated with the acquisition of Fondaction shares are described in Section 8 of the prospectus, which is available at [fondaction.com/prospectus](http://fondaction.com/prospectus)

### No guarantees

Like most investment funds, Fondaction doesn't provide any guarantees. You may not get back all the money you invest. However, this will not affect tax credits that have already been obtained.

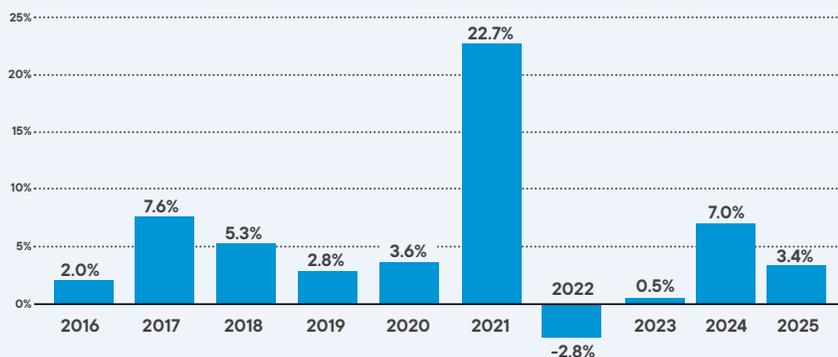
## What has been the Fund's return to the shareholder?

This section presents Fondaction's return to the shareholder over the past 10 years, after expenses have been deducted, but before tax credits. These expenses reduce the Fund's return to the shareholder.

It is important to note that Fondaction's past return to the shareholder is not necessarily indicative of how the Fund will perform in the future. Also, your actual after-tax return will depend on your personal tax situation.

### Average return

As at November 30, 2025, the Fund's compound return to the shareholder was **5.5% for the past 10 years**, which means that if you invested \$1,000 in these shares 10 years ago, your investment would be valued at \$1,634 today.



### Annual returns

The following chart shows the Fund's annual return to the shareholder and illustrates how such return has changed from period to period for the past **10 financial years** ended May 31. The returns shown and their annual variation can help you assess how risky Fondaction's shares have been in the past. However, they do not tell you how Fondaction's shares will perform in the future.

On a financial year basis, Fondaction's shares dropped in value for one of the last 10 years. The shares' value is determined twice a year.

## Who is Fondaction for?

For individuals 18 years of age or older who are residents of Québec, **can generally afford to keep their shares until retirement** and have a certain tolerance for risk, including:

- ▶ workers wishing to promote investment in companies in order to **foster the creation, maintenance or preservation of high-quality jobs in Québec** from a sustainable development perspective;
- ▶ people who want their **savings to contribute to the positive transformation of society** through a **fairer, more inclusive, greener and more performant economy**;
- ▶ **Quebecers** who are looking for an **RRSP-eligible investment** that offers (RRSP or non registered savings plan) an **additional tax benefit** in the form of tax credits, subject to their eligibility.

## Are Fondaction shares redeemable?

A shareholder may request at their option the redemption of their shares under the circumstances set forth in the Act. Also, under the circumstances provided for in policies adopted by the Fund's Board of Directors and approved by the Québec Minister of Finance, a shareholder and Fondaction may agree to a purchase by agreement, and Fondaction may, at its option, redeem a shareholder's shares.

For a redemption in situations of retirement, pre-retirement or when reaching the age of 65, a minimum holding period of the shares applies. Depending on the redemption date, this minimum holding period may vary between two and five years.

For details on the requirements and required evidence for each criterion, please refer to the prospectus at [fondaction.com/prospectus](http://fondaction.com/prospectus). Fondaction's Shareholder Services department can also provide you with more information on events and options for redeeming or purchasing shares.

### CRITERIA FOR A REDEMPTION AT THE SHAREHOLDER'S OPTION

- ▶ 65 years of age ▶ Retirement or pre-retirement ▶ Severe and prolonged disability
- ▶ Death ▶ Death of the person who contributed to a spousal RRSP
- ▶ Redemption within 60 days of subscription ▶ RRSP maturity

### CRITERIA FOR A REDEMPTION AT THE SHAREHOLDER'S OPTION

- ▶ Redemption of pension credits ▶ Home Buyers' Plan (HBP) ▶ Terminal illness
- ▶ Ineligibility for tax credits ▶ Capital injection ▶ Emigration from Canada
- ▶ Decrease in family income ▶ Recourse taken by a creditor
- ▶ Extraordinary and unexpected necessary health expense
- ▶ Loss ▶ Return to studies/LLP

## A word about taxation

- ▶ You are responsible for ensuring that your subscriptions of shares of Fondaction are eligible to labour-sponsored fund tax credits of 15% at the Québec level and 15% at the federal level and for RRSP-related deductions.
- ▶ The maximum amount eligible for tax credits for a given year is \$5,000.
- ▶ Situations in which you would not be eligible for tax credits are detailed in the prospectus available at [fondaction.com/prospectus](http://fondaction.com/prospectus). These include, but are not limited to, reaching the

age of 65 or redeeming shares due to retirement, pre-retirement or disability. A summary of these situations is also available at [fondaction.com/taxcredits](http://fondaction.com/taxcredits).

- ▶ The redemption or purchase by agreement of your shares of Fondaction entails a disposition of your shares for tax purposes whereby a capital gain or loss may result if the value of your shares at the time of redemption or purchase by agreement differs from the amount paid to acquire them and they were not registered in an RRSP.

## How much does it cost?

The following table shows the fees associated with acquiring, holding, or selling shares of the Fund.

### FEES PAYABLE BY THE INVESTOR as at May 31, 2025

• Participation fees for new shareholders	None
• Annual fees	None
• Redemption or transfer fees	None
• Fees for transferring to an RRSP	None
• Fees for opening an RRSP	None

### EXPENSES TO FONDATION

You do not pay these expenses directly. However, they affect you because they reduce Fondaction's return to the shareholder. As at May 31, 2025, expenses to Fondaction, including the total operating expense ratio of 2.32% and the trading expense ratio of 0.00%, translate into expenses of \$23.20 for each \$1,000 investment. The total unconsolidated operating expense ratio was 2.28% on May 31, 2025. Fondaction expects to pay the costs relating to the current issuance from its working capital as operating expenses.

## What if I change my mind?

Fondaction is required to redeem your shares, at your request, at the purchase price, provided that you submit a written application within 60 days of the date of your subscription or of your first payroll deduction, as the case may be, by completing Fondaction's "Share redemption application – Redemption within 60 days of subscription" form.

For more information, please refer to our prospectus or consult a legal advisor.