

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"). You can find further details in the Fund's simplified prospectus. For a copy, visit the website at fondaction.com/prospectus, or contact Shareholder Services by mail, at 2175 De Maisonneuve Boulevard East, suite 103, Montréal, Québec H2K 4S3 or by phone at 514-525-5505 or 1 800-253-6665.

FUND SUMMARY

**Class A shares Series 1 for transfer to an RRSP
and Class A shares Series 2 for holding outside an RRSP**

Before you invest in Fondaction shares, consider how the shares would work with your other investments and your tolerance for risk.

Quick facts

JUNE 22, 1995	June 22, 1995
TOTAL OPERATING EXPENSES RATIO AS AT MAY 31, 2024	2.19%
NET ASSETS AS OF MAY 31, 2024	\$3.99 billion
FUND MANAGER	Fondaction
METHODS OF SUBSCRIPTION	Payroll deduction, pre-authorized contributions and lump-sum payment (when available). Minimum amount of \$10 per subscription.

There is no market for trading Class "A" shares and it is not expected that such a market will be created, except with regard to the redemption rights provided by the Act, which include redemption within 60 days of the date of subscription, of the first payroll deduction or of the first account withdrawal, as the case may be, and with regard to purchases by agreement, redemptions at the option of Fondaction or transfers authorized by Fondaction, subject to certain conditions set forth in policies to this effect. This affects the liquidity of Class "A" shares.

Fondaction's mission focuses on two aspects:

1. Supporting Québec workers in their efforts to increase their savings for retirement, in particular through awareness-raising and by offering an accessible savings product;
2. Channelling these collective savings for Québec's economic, social and environmental benefit, by investing with an approach that aims to meet people's needs while protecting our environment and respecting the limits of natural ecosystems.

What does Fondaction invest in?

Since June 1, 2019, the eligible investment requirement percentage, as defined in the Act, is set at not less than 65% of the average net assets of the Fund. Even though changes have been made as to how the investment rule is calculated since June 1, 2024, the 65% threshold remains in place. As at May 31, 2024, taking into account the eligible investments at the fiscal year-end, Fondaction exceeded the minimum required average of \$2.07 billion.

Fondaction may invest in any enterprise, regardless of the industry sector. However, in accordance with its mission, the Fund is determined to invest in socially responsible enterprises concerned with different aspects of sustainable development (economic and financial, social and environmental). Fondaction further seeks to invest in enterprises and sectors whose activities help develop a more equitable, more inclusive, greener and stronger economy.

NUMBER OF COMPANIES SUPPORTED
BY CAPITAL AND DEVELOPMENT
INVESTMENTS:

1 356

DEVELOPMENT CAPITAL
INVESTMENTS
(including commitments, guarantees
and sureties)

\$2.62 billion

FUND SUMMARY

December 23, 2024

Following the 6-month period ended November 30, 2024

Fondaction's asset allocation

in % of net 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

13.2%	Real estate, public sector services and energy
13.1%	Consumer discretionary and basic consumer goods
12.9%	Industries
12.6%	Information technology, communications and healthcare
1.6%	Energy and materials

% OTHER INVESTMENTS

20.4%	Global equity funds (all countries)
20.3%	Bonds and other fixed-interest securities
2.7%	Absolute return and alternative strategy funds
1.0%	Money market and derivative financial instruments

Issuers of the top 25 positions held by Fondaction

DEVELOPMENT CAPITAL INVESTMENTS

14 issuers representing, as a group,

17.1% of Fondaction's net assets (in alphabetical order):

- ▶ 9388-7628 Québec inc. (JLD-Transdiff)
- ▶ Agropur coopérative
- ▶ Équisoft inc.
- ▶ Fonds immobilier Angus, s.e.c.
- ▶ Fonds PGEQ, s.e.c. - classe L
- ▶ Innergex énergie renouvelable inc.
- ▶ Novacap TMT V Co-Investissement (Previan), s.e.c.
- ▶ Savaria corp.
- ▶ Société immobilière Solar, s.e.c.
- ▶ Sollio Groupe Coopératif
- ▶ Tecsys inc.
- ▶ Telecon inc.
- ▶ Teralys Capital Fonds d'innovation 2018, s.e.c.
- ▶ WSP Global inc.

OTHER INVESTMENTS

11 issuers representing, as a group

37.7% of Fondaction's net assets (in alphabetical order):

- ▶ Fonds AlphaFixe Obligations vertes
- ▶ Fonds Baillie Gifford Positive Change Equity
- ▶ Fonds d'actions mondiales sans combustibles fossiles Montrusco Bolton
- ▶ Fonds Hexavest actions mondiales ESG Systématique
- ▶ Fonds institutionnel dette des pays émergents Franklin Templeton
- ▶ Fonds MBI/TCC Multi Strategies Fiducie Canadienne
- ▶ Fonds Mirova d'obligations mondiales vertes – Canada
- ▶ Fonds Obligations Durables Bonifiées Nymbus
- ▶ Fonds Triasima actions mondiales tous les pays sans énergie fossile
- ▶ Government of Canada
- ▶ Province of Ontario

Main risks

The main risks associated with the acquisition of Fondaction shares are: (a) risks related to development capital investments and to other financial investments made by the Fund, b) risks related to characteristics of the shares, such as the fact that there is no public market for the shares and that the latter may only be the subject of a redemption or purchase by agreement under certain circumstances, and c) risks resulting from the Fund's day-to-day operations.

The value of Fondaction's shares may increase or decrease. You could lose money.

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's 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.

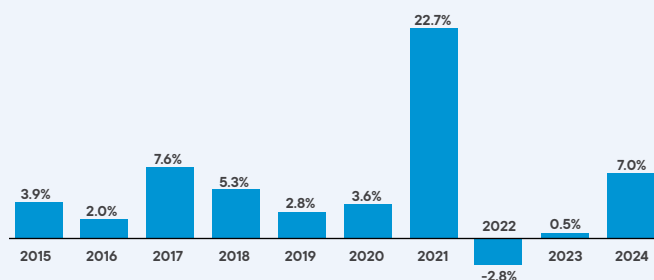
AVERAGE RETURN

As at November 30, 2024, the Fund's compound return to the shareholder was 5.4% 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 \$1,685 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 generally determined twice a year.

Are Fondaction shares redeemable?

Redemption and purchase by agreement criteria

A shareholder may request at his or her option the redemption of his or her shares under the circumstances set forth in the Act. A shareholder and Fondaction may also agree to a purchase by agreement under the exceptional circumstances set forth in a policy adopted by the Board of Directors of the Fund and approved by the Minister of Finance of Québec. Fondaction may also redeem at its option a shareholder's shares under the circumstances set forth in a policy adopted by the Board of Directors of the Fund and approved by the Minister of Finance of Québec.

For a redemption in situations of retirement, pre-retirement or when reaching the age of 65, a minimum holding period of the shares applies.

For details on the requirements and required evidence for each criterion, please consult the prospectus at fondaction.com/prospectus.

CRITERIA FOR A REDEMPTION AT THE SHAREHOLDER'S OPTION

- ▶ 65 years of age
- ▶ Retirement or pre-retirement
- ▶ Severe and prolonged disability
- ▶ (physical or mental)
- ▶ Death
- ▶ Death of the contributor to an RRSP
- ▶ for the benefit of the spouse
- ▶ Redemption within 60 days of subscription
- ▶ RRSP deadline

PURCHASE BY AGREEMENT CRITERIA

- ▶ Purchase by agreement criteria
- ▶ Redemption of pension credits for years of past service or to improve a retirement
- ▶ pension plan
- ▶ Home Buyers' Plan (HBP)
- ▶ Terminal illness
- ▶ Ineligibility for tax credits
- ▶ Capital injection
- ▶ Emigration from Canada
- ▶ Decrease in family income
- ▶ Recourse exercised by a creditor
- ▶ Extraordinary and unexpected necessary
- ▶ health expense
- ▶ Loss
- ▶ Return to studies/LLP
- ▶ Cases of decrease in net or gross income

CRITERIA FOR REDEMPTION AT FONDATION'S OPTION

- ▶ Unclaimed property
- ▶ Conflict of interest
- ▶ Non-resident
- ▶ Proceeds of crime
- ▶ Absence of instructions concerning the
- ▶ maturity of an RRSP
- ▶ Minimal account

Who is Fondaction for?

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

- ▶ workers wishing to promote investment in enterprises in order to foster the creation, maintenance or preservation of high-quality employment in Québec from a sustainable development perspective;
- ▶ persons who want their savings to contribute to the positive transformation of society through a more equitable, inclusive, green and efficient economy;
- ▶ Quebecers who pay income tax in Québec and are looking for an RRSP-eligible investment that offers (RRSP or non-registered) an additional tax benefit in the form of tax credits, subject to their eligibility, as described in greater detail under the "Tax credits" section of the prospectus. Check your eligibility: fondaction.com/taxcredits;

FUND SUMMARY

December 23, 2024

Following the 6-month period ended November 30, 2024

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.

On March 1, 2024, the Government of Québec announced in Information Bulletin 2024-3 that the tax legislation would be modified to defer starting from taxation year 2027, the rule providing that the tax credit would be available only to

individuals whose taxable income for a given taxation year in Québec was below the last tax bracket.

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 you may need to pay to buy, own and sell shares of the Fund.

SUMMARY OF FEES PAYABLE BY INVESTORS as at May 31, 2024

•Subscription fee for new shareholders	None
•Annual fee	None
•Redemption or transfer fee	None
•Fee for transferring to an RRSP	None
•Fee to open an RRSP	None
•Total operating expense ratio	2.19%
•Trading expense ratio	0.00%

1. Expenses to Fondaction

You don't pay these expenses directly. However, they affect you because they reduce Fondaction's return to the shareholder. As at May 31, 2024, expenses to Fondaction, including the total operating expense ratio of 2.19% and the trading expense ratio of 0.00%, translate into expenses of \$21.90 for each \$1,000 investment. Fondaction expects to pay the costs relating to the current issuance from its working capital as operating expenses.

2. Other fees

No other fees are charged to a shareholder.

What if I change my mind?

Fondaction must redeem your shares, at your request, at the price at which you acquired them, provided that you make a written request within 60 days of the date of your subscription or of your first payroll deduction, as the case may be, by completing Fondaction's form entitled "Share redemption application – Redemption within 60 days of subscription".

Furthermore, at your request, Fondaction must also redeem the shares that you hold, at their value on the redemption date, in certain cases prescribed by the Act, and it may also purchase your shares by agreement under certain circumstances only.

For more information, please refer to the Securities Act (Québec) or to our prospectus, or consult a legal adviser.

FONDATION

Shareholder Services

2175 De Maisonneuve Blvd. East, suite103

Montréal, Québec H2K 4S3

Telephone: 514-525-5505

Toll-free: 1 800-253-6665

fondaction.com