



Tax credits granted to Fondaction shareholders decreased to 30% as of June 1st

Fondaction

More Québécois will be able to enjoy accessible savings with Fondaction.

MONTRÉAL, March 25, 2021 - The budget that the Québec government tabled today confirms that the tax credit rate granted by the Québec government to Fondaction shareholders will be decreased to 15% as of June 1, 2021, as set out in the 2018-2019 budget; the rate will remain at 20% until May 31.

By saving with Fondaction, Québec taxpayers will therefore benefit from tax credits amounting to 30%, as the Federal government also provides them with a 15% tax credit.

Important increase in the issuance of shares as of June 1, 2021

Furthermore, Fondaction will be able to increase its annual issuance of shares as of the fiscal year starting on June 1, 2021. As a counterpart to the increase in the tax credit rate set out in the 2018-2019 budget, an annual limit to the issuance of Fondaction shares was also established (up to \$250 million (\$M) for fiscal year 2018-19, and \$275 million for fiscal years 2019-20 and 2020-21). This limit will not be renewed. Fondaction will now be able to independently manage its issuance level and thereby facilitate retirement savings for a growing number of Québécois.

“An increasing number of Québécois wish to invest with Fondaction. They want their savings to contribute to the positive transformation of society through a more equitable, inclusive, green, and successful economy, all the more so given that Fondaction has demonstrated that their financial return will not be compromised by these positive impact objectives. We are pleased that we can now manage our issuance volume ourselves and welcome more people who are mobilizing for this transformation and who are attracted by this accessible and successful savings vehicle,” stated Geneviève Morin, President and Chief Executive Officer of Fondaction.

Considering the growing investment needs involved in the sustainable recovery of our economy and that an increasing number of Québécois would like their savings to have a positive impact on their environment and their community, Fondaction intends to increase its share issuance substantially as of June 1, 2021.

By increasing the tax credit, it grants between June 1, 2018 and May 31, 2021, the Québec government aimed to support Fondaction in its mission to contribute to Québec’s sustainable development while facilitating its growth. In turn, Fondaction made a commitment to the Québec government to invest at least \$100 million over three years in the fight against climate change, natural resource conservation, niche and centre of excellence development strategies and a more equitable and inclusive development.

Fondaction met and even greatly surpassed this commitment; it announced in its last annual report, on May 31, 2020, that it had invested more than \$120 million in these areas. Other investments with a strong societal impact have also been made since then, such as the creation of the *Fonds économie circulaire*, the first of its kind in Canada, announced early this week.

About Fondaction

A forerunner for the past 25 years, Fondaction is the investment fund for individuals and companies that are mobilizing for the positive transformation of Québec's economy, making it more productive, equitable, inclusive, and green.

As a labour-sponsored fund, Fondaction represents tens of thousands of savers and hundreds of companies committed to driving Québec's progress. It manages net assets of more than \$2.6 billion invested in hundreds of businesses and on the financial markets, favouring investments that generate positive economic, social, and environmental spinoffs in addition to a financial return. Fondaction helps create and maintain jobs and reduce inequalities while contributing to the fight against climate change. For more information, go to fondaction.com or our LinkedIn page.

There are ongoing fees and expenses associated with owning investment fund securities. Fondaction's shares are not guaranteed. The value and performance of this investment fluctuate; past performance is not an indicator of future results. Before investing, please consult the prospectus at fondaction.com/prospectus.