



Fund Summary

January 1st, 2023



Fondaction helps Quebecers save for their retirement and invests this capital in local SMEs. It is a natural ally of all the forces that are mobilizing for the positive transformation of the economy. With savers, employers and businesses, Fondaction is working to make the Quebec economy more productive, inclusive, equitable and green.

“If, in the past, including the social and environmental components to investing meant that some had to sacrifice or compromise their return, today, we can clearly see it’s the opposite.”

Geneviève Morin,
President and Chief Executive
Officer of Fondaction



Who is the fund for?

Individuals who:

- ▶ would like their investment to be a means not only to prepare for their retirement, but also to build the world in which they will retire;
- ▶ encourage the investment in companies whose activities positively transform the economy, making it more productive, inclusive, equitable and green;
- ▶ seek a qualified investment for RRSP and RRIF with additional fiscal benefits;
- ▶ wish to take advantage of tax benefits while saving for retirement in a non-registered investment.
- ▶ seek an accessible investment easing wealth accumulation up to retirement;
- ▶ expect to be able to hold their shares until their retirement;
- ▶ believe it is necessary to promote the active involvement of workers in Quebec’s economic development;
- ▶ pay income tax in Quebec and have sufficient taxable income to benefit from tax credits resulting from the acquisition of Fondaction shares.

Risk factors

An investment in the Fund’s shares involves certain risk factors. These risk factors affect Fondaction’s value and may cause its share value to fluctuate. The main categories of risks are:

- ▶ Risks related to the characteristics of Fondaction’s shares
- ▶ Financial risks related to development capital investments and other investments (financial investments) made by the Fund
- ▶ Risks arising from the current operations of the Fund

For the complete list of risk factors, consult the prospectus at fondaction.com/prospectus.



In addition to the applicable RRSP deduction, a contribution to Fondation gives access to tax credits of 30%*. The shares will be issued on a first come, first served basis, within the limits of the amount of capital that Fondation expects to collect for fiscal year 2022-2023. Priority is given to shareholders who contribute by payroll deduction and pre-authorized contributions.

Advantageous tax credits

15%* ▶ Quebec government tax credit;

15%* ▶ federal government tax credit.

*applicable on the first \$5,000 contributed

Estimate of the Fondation RRSP contribution limit to enjoy tax benefits according to total income before deduction and family status

Total income before deduction	\$20,000	\$24,000	\$28,000	\$32,000	\$36,000	\$40,000	\$46,300 and more
Family status:							
Single person living alone with no dependent child	\$0	\$1,500	\$3,400	\$5,000	\$5,000	\$5,000	\$5,000
Single person with no dependents	\$1,500	\$3,500	\$4,800	\$5,000	\$5,000	\$5,000	\$5,000
Single parent with 1 dependent child	\$0	\$0	\$0	\$0	\$400	\$2,200	\$5,000
Person with a dependent spouse	\$0	\$0	\$0	\$0	\$400	\$2,200	\$5,000

Estimates made by Plandaction based on tax rules in effect as at January 1st, 2023. Despite the fact that it is possible to carry forward the provincial tax credit, the contribution limits were evaluated for contributors to take advantage of the tax credits obtained during the taxation year 2023. Only personal tax credits, QPP, employment insurance and QPIP contributions alongside union dues of 2%, the Canada employment amount and workers' deduction were taken into account for the estimate.

Different ways to save

Type of payment	Receipt of tax benefits	Minimum transaction
Payroll deduction (PD)	Immediate or upon tax return filing, at the contributor's discretion	none
Online Pre-authorized contributions	Upon tax return filing	\$10
Online payment	Upon tax return filing	\$10
Payment made by the employer	Immediate or upon tax return filing, at the contributor's discretion	none

Annual compound returns to the shareholder

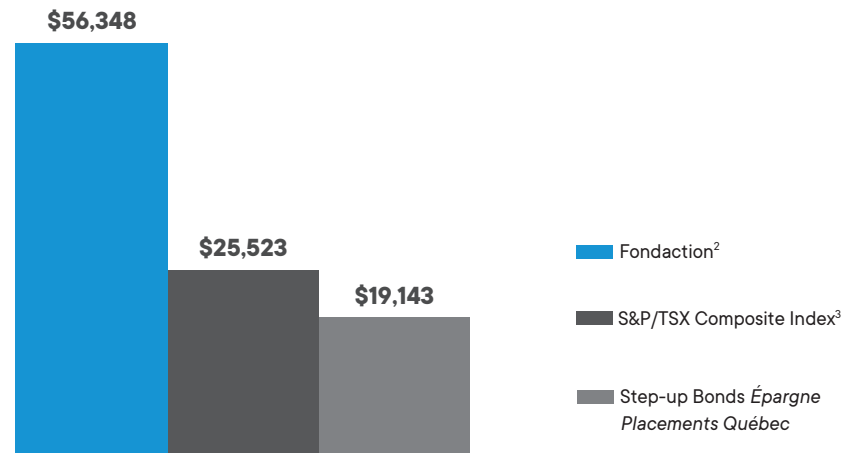
as at November 30, 2022

The compound return is calculated on the basis of the change in share value between its value at the beginning of each specified period and the value of \$15.00 as at December 22, 2022. This calculation assumes that the share was acquired at the beginning of a fiscal year one, three, five or ten years earlier and held during the entire period, without any other purchase. The annual compound return to the shareholder does not take into account the purchase cost reduction due to tax credits for individuals who subscribe to Fondation or the effect of regular reinvestments. The rate of return serves only to illustrate the effects of the historic growth rate and is not intended to reflect any future share values or the return on an investment in the shares.

1 year	3 years	5 years	10 years
-8,9%	5,8%	5,3%	4,9%

RRSP value comparison as at December 31st, 2022¹

10 annual contributions made, one on every January 1st since 2013



1. Annual contribution on January 1st of each year requiring a net disbursement of \$1,000 after tax benefits. The last contribution was made on January 1st, 2022. The marginal tax rate used is 40%.
2. Calculations are made using the number of shares held and the share value according to the financial statements of November 30th, 2022. The total number of shares held is determined by the tax credits in effect and the true share values at the time of the subscriptions.
3. The accumulated value is calculated using the annual returns of each complete year. Source of returns: Bloomberg.

Redemption and purchase by agreement criteria

Fondation may redeem a shareholder's shares under circumstances set forth in the Act to establish Fondation. Fondation may also acquire shares under exceptional circumstances stipulated in the Purchase by Agreement Policy approved by the Quebec Minister of Finance. For details on requirements and the required evidence for each criterion, please consult the prospectus at fondaction.com/prospectus.

Redemption criteria

- ▶ 65 years of age
- ▶ Retirement as of 45 years of age
- ▶ Phased retirement starting at 50 years of age
- ▶ Severe and prolonged disability (physical or mental)
- ▶ Death
- ▶ Death of the person who contributed to a spousal RRSP
- ▶ Redemption within 60 days of subscription

Purchase by agreement criteria

- ▶ Redemption of pension credits for years of past service or to improve a retirement pension plan
- ▶ Home Buyers Plan (HBP) and return to studies
- ▶ Terminal illness
- ▶ Ineligibility for tax credits
- ▶ Capital injection
- ▶ Emigration from Canada
- ▶ Decrease in family income
- ▶ Recourse taken by a creditor
- ▶ Extraordinary and unforeseen necessary health expense
- ▶ Loss affecting the principal residence or an essential automobile

A sustainable fund

Economy. People. Environment. Indivisible and interdependent, these three elements form the basis of sustainable development. For the past 25 years, Fondation has been implementing sustainable finance strategies to promote the harmonious development of these three elements.



An investment portfolio aligned with its mission



Taking action for the climate and biodiversity



Fostering social equity and inclusion



Strengthening the local economies

The Fund's overall approach focuses on medium and long-term objectives. Fondation built its portfolio of capital development investments in Quebec companies in line with its mission to develop jobs in Quebec and drive the positive transformation of the economy. To diversify its portfolio, Fondation has invested a portion of its assets in the financial markets.



+1175 companies financed

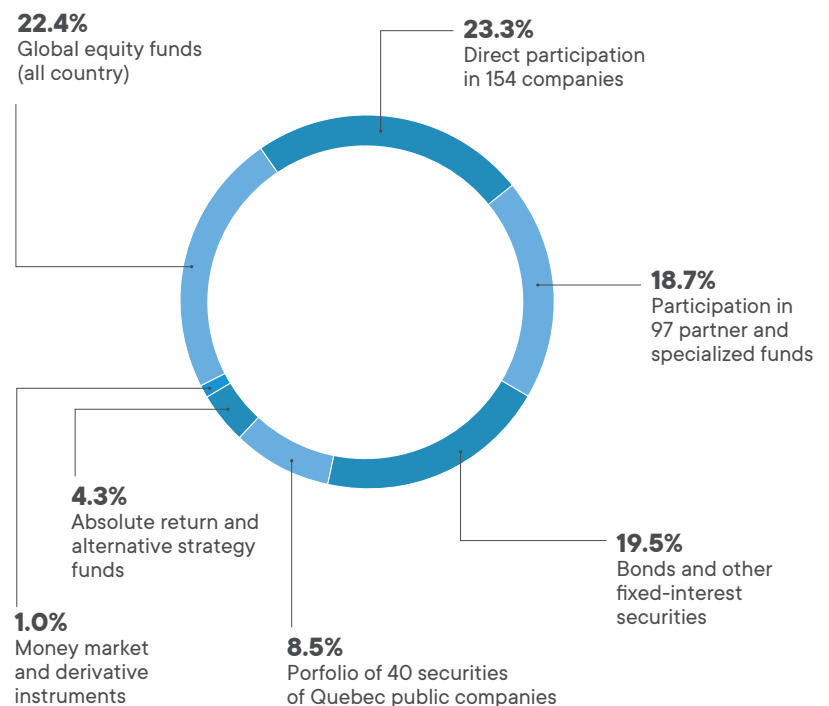
Fondation finances over 1,175 companies in a large variety of sectors across Quebec. Each in their own way, these companies contribute to the well-being of our economy, our communities and our planet.

Many provide goods that are greatly valued by Quebecers, such as **Prana's** organic, plant-based and responsibly sourced products, **Viandes Biologiques de Charlevoix's** organic meats, **Gusta's** vegan products, **Société Laurentide's** water-based, solvent-free paints and the durable and ethically manufactured creations of **Kanuk** and **Quartz**. Fondation supports **Eddyfi** in its mission to ensure the safety of infrastructure, **Equisoft** in its provision of innovative financial services and solutions and the **Huron Wendat Nation** in its involvement in the Rivière-du-Moulin Wind Project, one of the largest wind energy facilities in Canada under a single power purchase agreement.

The Fund's investments have contributed to the maintenance and creation of over **46,000 jobs in Quebec** during the fiscal year ending on May 31st, 2022.

Summary of the portfolio

(in % of the net assets) as at November 30, 2022



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 Fondation.

Highlights

as at november 30, 2022

Net assets

\$3.25 B

Number of shareholders

**Almost
210,000**

Investments in development capital

\$2.03 B

Support for companies

**More than
1,175 companies**

Share value

as at december 22, 2022

\$15.00

Share value update

June and December

Account types available

RRSP, non-registered account
and spousal RRSP

Date of establishment

June 1995

Beginning of operations

January 1996

There are ongoing fees and expenses associated with owning investment fund securities. Each indicated rate of return is the historical annual compounded total return including changes in share value and reinvestment of all dividends or distribution, as applicable, and does not take into account redemption fees or optional fees, if applicable, or income taxes payable by any security holder that would have reduced the return. The value and performance of this investment fluctuate; past performance is not an indicator of future results.

These securities are invested under a prospectus containing important detailed information related to them, including costs. Before investing, please consult the prospectus at fondaction.com/prospectus.
*applicable on the first \$5,000 contributed

Giving money meaning

A forerunner in sustainable finance for more than 25 years, Fondaction brings together individuals and companies that are mobilizing for the positive transformation of society, taking action to make Quebec's economy more equitable, inclusive, green and successful. As a labour-sponsored fund, Fondaction represents tens of thousands of savers and hundreds of companies committed to driving Quebec's progress. It manages \$3.25 billion in net assets invested in several hundred companies and in the financial markets, prioritizing investments that generate positive economic, social and environmental impacts in addition to a financial return. Fondaction helps create and maintain quality jobs, reduce inequalities and fight climate change.



fondaction.com

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