

Always looking further





35 years of creating the conditions for always looking further

Since the Fonds de solidarité FTQ was created in 1983, hundreds of thousands of Québécois have benefited from a unique savings vehicle to prepare for retirement while participating in a social project focused on job creation and economic development. As a result, Québec businesses in various industries received a remarkable boost to achieve their ambitions.

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Thirty-five years later, the Fonds' mission remains fully relevant, and the number of savers and entrepreneurs who benefit from it continues to grow.

It took a visionary mindset to create a force so adept at supporting Québec on the path to sustainable and responsible prosperity.

Mission

Help Québecers prepare for retirement

Create, maintain or protect jobs

Provide financial and economic training to workers

Contribute to developing the Québec economy

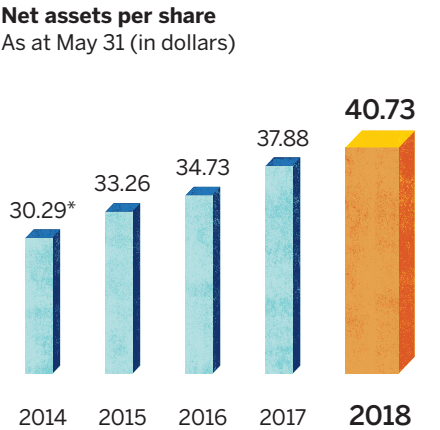
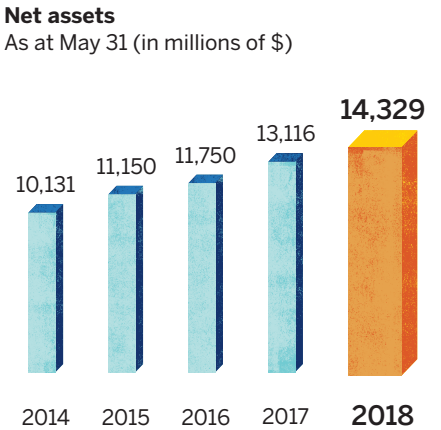
Our results at a glance

As at May 31, 2018, the Fonds’ net assets amounted to \$14.3 billion, up \$1.2 billion compared to the same date a year ago. Net assets per share stood at \$40.73, which resulted in a return to the shareholder of 7.5% for the 2017-2018 financial year.

Return to the shareholder		
Years ended May 31		
2018	.....	7.5%
2017	.....	9.1%
2016	.....	4.4%
2015	.....	9.8%
2014	.....	8.3%

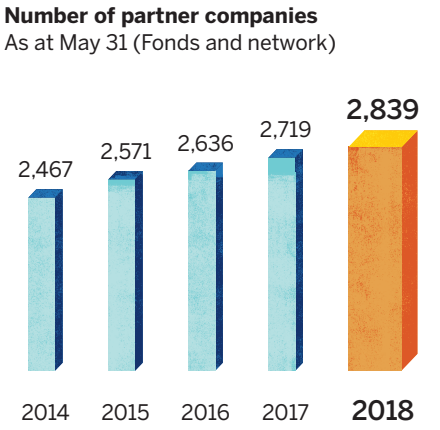
During the year, the Fonds invested approximately \$1.1 billion in development capital, which brought the number of partner companies to 2,839.

Development capital investments**		
Years ended May 31 (in millions of \$)		
2014	548	
2015	640	
2016	686	
2017	873	
2018	1,108	



* As published.

Annual compound returns to the shareholder		
1 year	.....	7.5%
3 years	.....	7.0%
5 years	.....	7.8%
10 years	.....	5.0%
35 years	.....	4.3%



** These investments include funds committed but not disbursed as well as guarantees and suretyships.

Robert Parizeau

Chairman of the Board of Directors

When I agreed to become Chairman of the Board of Directors in 2014, I was convinced that the Fonds was a crucial organization for Québec's companies and economy. Over time, I learned, notably through spending time with representatives of the FTQ and the labour movement, that the Fonds has a rich diversity of insights and a deep understanding of Québec's social and economic issues. Beyond its role as financial player, the Fonds applies a unique approach to economic development, which positions it as a true catalyst for social progress.

As Chairman of the Board of Directors, a significant part of my work was to support the Fonds in modernizing its governance, which had been redefined in early 2014 by an ad hoc committee of the Board chaired by Mr. Pierre-Maurice Vachon. With the valuable cooperation of all the Fonds' and the FTQ's governing bodies, considerable work has been done. It was therefore with a sense of accomplishment that I announced, a few months ago, that I would hand over the reins of the Board of Directors.

Achievements during the last four years were numerous. While ensuring that the FTQ continues to play its role, equivalent to that of a reference shareholder in a listed company, we gave all our shareholders the opportunity to decide on the composition of the Board by asking them to elect a majority of directors, namely 11 out of 19. We also made major changes to the role and composition of the Investment Committees: not only do they have to authorize investments or recommend them to the Board of Directors, they also have to monitor the evolution of the portfolio they oversee.

Three new committees were created : Human Resources, Governance and Ethics and Integrated Risk Management. Each committee is composed of a majority of independent directors, but also includes directors from the labour movement.

In addition to establishing a solid governance structure, the Board of Directors supported the Fonds' management in the strategic review and planning exercises carried out in the last few years. The Fonds is better positioned than ever to support businesses and savers, and is therefore a leading player for Québec.

In my four years at the helm of the Board, I was able to rely on the collaboration of many people. I would like to sincerely thank my colleagues on the Board and the various governing bodies of the Fonds for their hard work and their exceptional commitment. Being a director of the Fonds is very demanding: the Fonds is privileged to benefit from such expertise and dedication. Special thanks go to the President of the FTQ, Mr. Daniel Boyer, and the



General Secretary of the FTQ, Mr. Serge Cadieux, who demonstrated leadership and openness with the changes that were implemented. Their vision enabled the Fonds to move to a new stage of its development while maintaining its mission and values in full.

I would also like to highlight the outstanding work of the President and Chief Executive Officer, Mr. Gaétan Morin, the members of the Management Committee, the officers and all the employees. They bring life to the strategies and main orientations of the Fonds so that it remains an unparalleled savings vehicle and a first-class economic development tool. I would also like to thank the Corporate Affairs professionals who, on a daily basis, support the Chairman of the Board of Directors and the governing bodies. Their support and determination made it possible for the Fonds to establish exemplary governance.

Given all the achievements of the last four years, the Fonds has the means and the resources to grow and continue supporting human-scale economic development. I have no doubt that my successor as Chair of the Board of Directors will carry the organization even further and build on the amazing strengths that made the Fonds one of Québec's most significant socioeconomic players.

Robert Parizeau

Daniel Boyer

President of the FTQ and First Vice-President of the Board of Directors

Thirty-five years after its creation, the Fonds de solidarité FTQ continues to be one of the FTQ's greatest achievements. Over the years, the Fonds became a significant player in Québec as a development capital provider for local businesses. Above all, it was able to maintain its relevance as a labour-sponsored fund, always in keeping with the union values that make it a unique investment vehicle.

We only need to look at our shareholders, who are increasingly diverse, to understand how significant the Fonds is to workers. Many of our over 667,000 shareholders are workers who, by contributing to an RRSP with the Fonds, took the first step in building their retirement savings. In many cases, this was due to local representatives taking action directly in the workplace to promote the benefits of both saving for retirement and becoming a Fonds shareholder.

However, the Fonds' involvement with workers is not limited to promoting retirement savings. From the start, economic training has been an integral part of the Fonds' priorities. On this front, the Fonds also strives to adjust its approach to the evolving work environment in Québec. This year, Economic Training Centre teams deployed a new service offering that is better adapted to the current context facing workers and businesses. This offering aims to help workers better understand their employers' challenges and orientations, and, in turn, become well equipped to put forward their knowledge and skills. A win-win approach for both employees and employers.



Another aspect of the Fonds' activities that required particular attention in recent years was modernizing our governance. Mr. Robert Parizeau brilliantly led this project, and we greatly appreciate his hard work. Through his leadership, the Fonds implemented a robust governance that is aligned with the expectations and values of its stakeholders.

For thirty-five years, the Fonds has consistently shown a tremendous ability to evolve and reinvent itself. Its mission remains as relevant now as it was when the Fonds was created, and we are proud to see all the conditions coming together for it to continue playing a leading role in building a prosperous and socially responsible Québec economy that will benefit future generations.

Daniel Boyer



Gaétan Morin

President and Chief Executive Officer

In this 35th anniversary year, it is a pleasure to report on our 2017-2018 financial year with an initial observation: Our results and achievements show that the Fonds de solidarité FTQ is securely anchored in Québec's economic space.

For instance, during the last financial year, we invested a record \$1.1 billion of development capital in businesses impacting the Québec economy. This was not the only record. The Fonds régionaux de solidarité FTQ welcomed 71 new partner companies, and the Fonds locaux made 370 investments in total, which are new highs for both entities. Following suit, the Fonds immobilier de solidarité FTQ authorized investments of \$180.3 million, a new peak for amounts allocated to the construction of real estate projects in a single year.

For a second straight year, our annual profit passed the billion-dollar mark. This brought the share value to a new high of \$40.73 and resulted in an annual return to shareholders of 7.5%. Over 42,000 savers, the majority of whom are under age 40, subscribed to Fonds shares for the first time in the last financial year, bringing our total number of shareholders to 667,000.

Such results are telling of what we have achieved since implementing this original idea to use the savings of Québécois to support the growth of Québec businesses. Over the years, our activities had an impact that extended well beyond a simple financial return. They encouraged numerous workers to adopt good habits for building retirement savings. We also helped make Montréal a financial centre that ranks favourably among other cities in the world, while developing a close relationship with businesses across Québec, thanks in particular to our regional and local networks.

Mr. Robert Parizeau informed us, at the end of the financial year, that he wished to step down from his role as Chairman of the Board of Directors. On behalf of all the directors, shareholders, employees of the Fonds and myself, I would like to sincerely thank him for all the work he accomplished. His work and leadership have been instrumental in modernizing our governance. To a great extent, that makes it possible for us to now face the future with confidence and determination. There is no doubt that Robert Parizeau has left a lasting mark on our organization and joins the ranks of the great builders of the Fonds.

ALWAYS LOOKING FURTHER

To continuously strengthen our position in the Québec socioeconomic landscape, we had to be agile and adapt our approach to remain relevant both as a savings vehicle and as a development capital organization. This report provides an overview of our achievements on that front in the last financial year. I would like to draw your attention to the aspects that attest to our efforts to better prepare the Fonds for the future. For one, we have deployed the necessary means, including the Épargne positive campaign and the redesign of the Personal section of the website, to attract a new generation of savers and renew our shareholder base, as baby boomers, our very first contributors, are reaching retirement age in large numbers. For another, we strive to develop new solutions to better support partner companies that want to increase their productivity and strengthen their competitive position. We have therefore launched the Solunov initiative to encourage more companies to take the innovation leap, one of the keys to success in business.

We have taken steps towards a fair and respectful energy transition for workers and communities as part of our sustainable development and responsible investment action plan. We started by divesting our investments in companies that own coal reserves for energy production. We were also involved in organizing the *Sommet pour une transition énergétique juste* last May to raise awareness on the importance of supporting this transition among the various forces present in Québec and engage them in these efforts. Other actions will follow.

The uncertain economic environment that has prevailed around the world for some time now reminds us that it is important for Québec businesses to diversify their presence in global markets. Our presence in all regions of Québec will help us support companies that need to review their strategies to better position themselves. At the same time, we remain on the lookout for opportunities to drive company growth. Initiatives announced since the end of the financial year are clear evidence of this, for instance our partnership with the Port of Montreal to stimulate the creation of new businesses related to the logistics chain, or our participation in the Adrenalys group, which plans to propel a second cohort of 30 Québec SMEs to the next level.

I could not end this message without warmly thanking the Fonds' employees and local representatives across Québec for their contribution to the exceptional results we achieved this year.

Lastly, I would like to express my sincere thanks to Mr. Robert Parizeau, who, as Chairman of the Board of Directors, has been instrumental in establishing modern, robust governance at the Fonds. To conclude, if we have achieved that much over the last 35 years, it is first because of the dedication of women and men from various backgrounds who share their respective skills to advance our organization and each of our projects. Their open-mindedness, ability to do things differently and desire to succeed enable us to always look further and contribute to sustainable and responsible prosperity for Québec.

Gaétan Morin

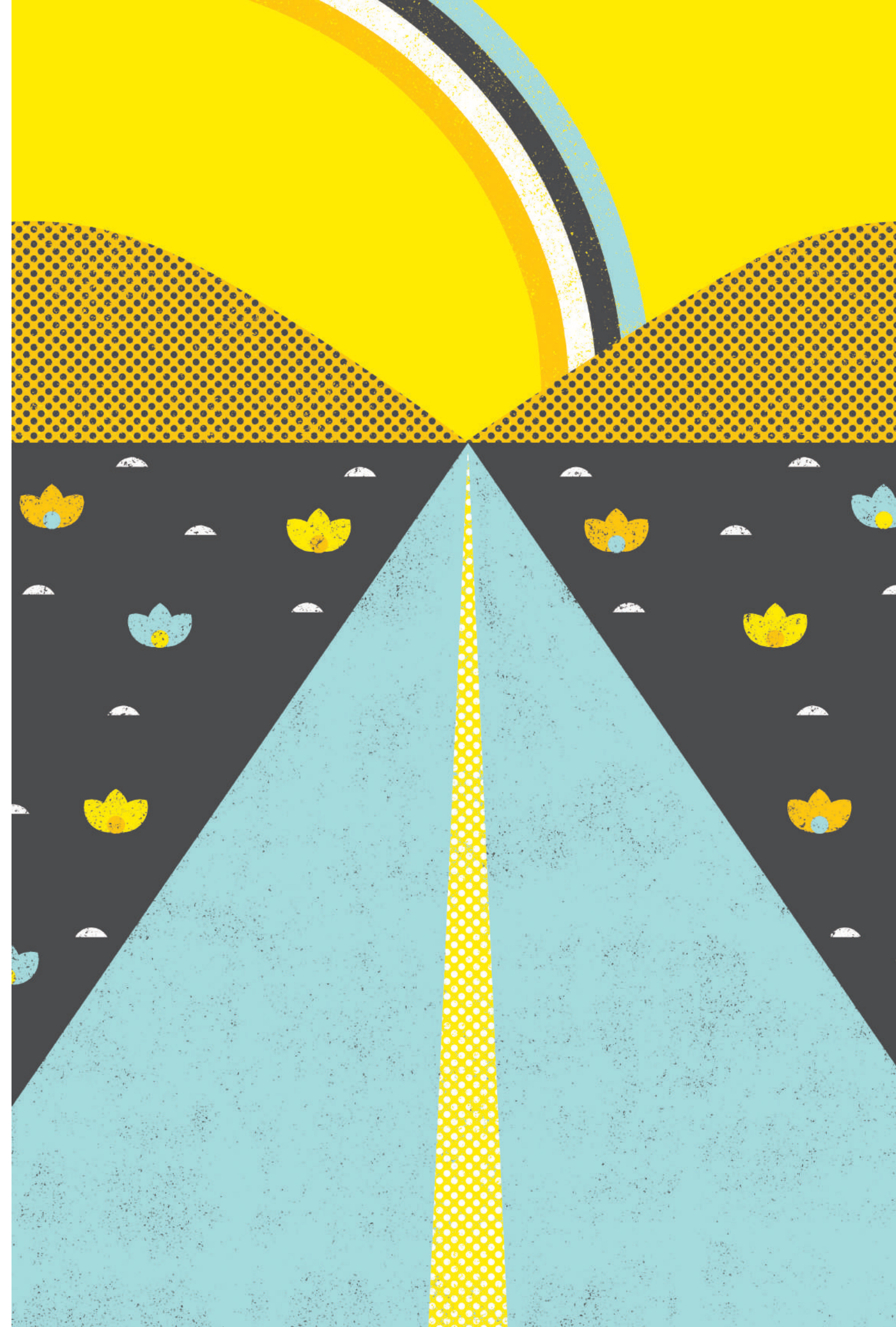
Creating promising prospects

Saving provides the capacity to look ahead, to devise a future filled with the promise of a plan that becomes a reality.

For 35 years, the Fonds de solidarité FTQ has offered Québécois a savings vehicle that is far from ordinary. Beyond allowing them to make additional savings through tax credits (30% more than for a contribution to a regular RRSP), it gives them a unique opportunity to participate in the sustainable and inclusive development of the Québec economy.

Year after year, more and more savers contribute to the Fonds to grow their assets. And with these savings, they can turn their plan into reality when the time comes.

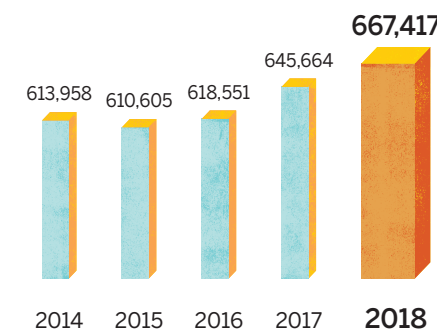
One does not have to wait until retirement to benefit from savings accumulated with the Fonds. It can be used at various times, such as when buying a first home, going back to school or meeting the challenges that life sometimes puts in our path.



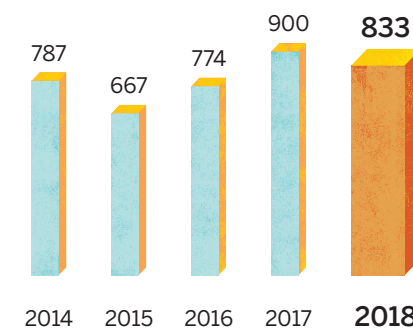
Ever more shareholders

During the 2017-2018 financial year, 42 687 savers subscribed to Fonds shares for the first time, increasing the number of shareholders to 667,417 as at May 31, 2018. As a savings vehicle, the Fonds shares therefore continue to meet the needs of many workers.

Number of shareholders
As at May 31



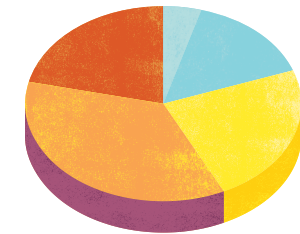
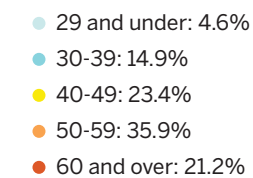
Share issues
Years ended May 31 (in millions of \$)



RENEWING OUR SHAREHOLDER BASE

As many baby boomers are getting close to retirement age and will sooner or later request the redemption of their shares, the Fonds is taking the necessary efforts to attract a new generation of savers and by doing so, maintain its financial capacity to pursue its mission. For the 2017-2018 financial year, workers under the age of 40 represented over half of our new shareholders, in part as a result of information campaigns specifically designed for them.

Shareholders by age group
As at May 31, 2018





The Épargne positive campaign

ÉPARGNE POSITIVE:
A CAMPAIGN WITH IMPACT

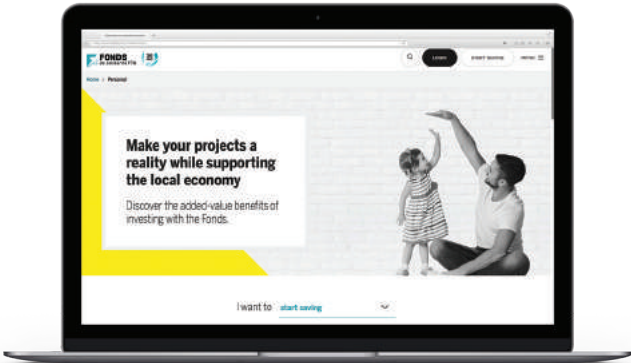
The Fonds has actively worked to increase its recognition among savers throughout the year, unlike in previous years when it concentrated its communication activities during the traditional RRSP period. The **Épargne positive** campaign used various means and channels that enable a strong presence with savers. More specifically, disseminating content that is both fun and educational helped Québécois, especially from younger age groups, become more aware of the benefits of saving and learn smart saving and spending tips.

With this strategy, the Fonds stood out in the media landscape: nearly one in two people saw one or several elements of the campaign. Our videos alone were viewed over 12 million times, not to mention over one hundred thousand interactions on social media and a similar number of hits on the campaign's website.

UPDATED, MORE ACCESSIBLE
ONLINE SERVICES

Concurrently with the efforts to attract an increasing number of young savers, we completely redesigned the Personal section of our website. Offering more dynamic content than the previous version and optimized for tablets and smartphones, this section streamlines and accelerates the online contribution process as well as access to information on retirement savings and the Fonds.

Results confirm that the new Personal section generated considerable interest. In January 2018, only one month after this new section went live, the number of site users was up 40% compared to January 2017. We also saw a remarkable 62% increase in users visiting our website via mobile devices, to close to 25,000.



The new Personal section of our website

LOCAL REPRESENTATIVES:
AN ACTIVE FORCE IN THE WORKPLACE

For many workers, local representatives (LRs) remain the preferred point of contact for questions relating to retirement savings and the process to subscribe to Fonds shares.

During the last financial year, LRs spent the equivalent of 9,719 days promoting the Fonds in the workplace.

Since all LRs are unionized, their involvement ensures that the Fonds maintains solid foundations within the labour movement and remains true to the values it represents. As at May 31, 2018, a majority of the Fonds' shareholders (53%) were unionized workers.



Kathleen Boucher, Fonds shareholder, and Jacques Talbot, LR at Diageo.

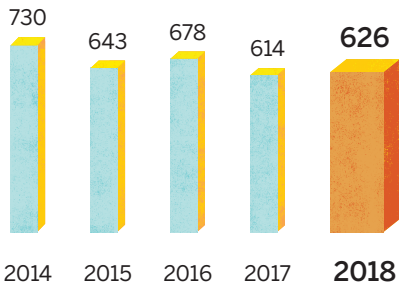
The LR network: a presence across Québec
As at May 31, 2018

Abitibi-Témiscamingue	71
Bas-Saint-Laurent	51
Capitale-Nationale	141
Centre-du-Québec	45
Chaudière-Appalaches	118
Côte-Nord	57
Estrie	63
Gaspésie-Îles-de-la-Madeleine	16
Lanaudière	42
Laurentides	75
Laval	42
Mauricie	48
Montréal	264
Montréal	519
Nord-du-Québec	16
Outaouais	51
Saguenay-Lac-Saint-Jean	95
Total	1,714

Always doing more

Each year, the Fonds invests in businesses to support Québec’s economic development and grow the workers’ savings it holds. Each action is aimed at generating a reasonable return. For the 2017-2018 financial year, the return to the shareholder was 7.5%.

Share redemptions
Years ended May 31 (in millions of \$)



SHARE REDEMPTIONS

Sooner or later, shareholders redeem their shares of the Fonds in order to retire, to complete a project or to cope with a specific situation. During the last financial year, the Fonds processed 42,739 redemption requests, which totalled \$626 million. **In 35 years, the Fonds remitted close to \$9 billion to shareholders who were eligible for share redemptions!**

Reaching retirement age is the main reason given for a share redemption request, but shareholders may be considered eligible in other circumstances, as illustrated in the following table.

Redemption by criterion Year ended May 31, 2018			
Redemptions provided for in the Fonds' incorporation act and in the purchase-by-agreement policy	Number of requests	Value (\$M)	%
Age 65, retirement and early retirement	32,165	523	84
Death, disability, redemption within 60 days	2,384	37	6
Access to home ownership	4,137	40	6
Unforeseen events (job loss and other)	3,422	19	3
Return to studies	373	3	—
Other criteria (capital injection into a business, emigration, redemption of pension credits and ineligibility for tax credits)	258	4	1
TOTAL	42,739	626	100

Creating a multiplier effect

Every time a job is created, maintained or protected, the entire economy of a municipality, a region or Québec as a whole benefits from it. This generates a real multiplier effect, for the business as well, because it consolidates its position in its market as a result.

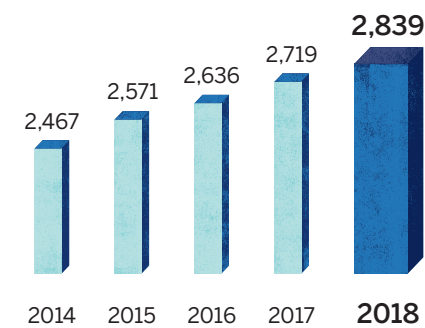
Creating, maintaining or protecting jobs may take many forms: acquiring another business, expanding facilities or developing new markets. Access to appropriate financing, combined with expert advice and patient capital, is key. And that's exactly what the Fonds de solidarité FTQ and its network offer.

Thirty-five years after its creation, the Fonds is Québec's largest development capital investment network. As such, it offers businesses, regardless of their industry, access to tailored and flexible financing that complements the financing offered by traditional financial institutions. As a partner, the Fonds shares its expertise with Québec entrepreneurs to enable them to always look further and make their ambitions a reality.

Ever more partner companies

Throughout the financial year, the various teams of the Fonds worked relentlessly to identify new investment opportunities and help even more entrepreneurs implement their growth strategies. As at May 31, 2018, we had 2,839 partner companies across the province, up 120 over last year.

Number of partner companies
As at May 31 (Fonds and network)



A CUSTOMIZED NETWORK TO SUPPORT THE QUÉBEC ECONOMY
Relying on its close ties, the Fonds pursues the component of its mission that consists of contributing to the development of businesses and creating, maintaining or protecting jobs. Regardless of its region, industry or size, each business can expect a financing offer that is tailored to its needs and specific circumstances.

Record results throughout our investment network

Fonds de solidarité FTQ

\$1.1 billion invested

Fonds régionaux de solidarité FTQ

71 new partner companies

Fonds locaux de solidarité

370 investments made

Fonds immobilier de solidarité FTQ

\$180.3 million

to construct new buildings



The Fonds is composed of investment professionals who have extensive knowledge of some 20 industries. The Montréal head office team offers businesses in any industry competitive financing solutions for projects requiring investments of \$2 million or more.

Special attention is paid to the aerospace, agri-food, forest products and life sciences sectors, which are considered to be especially key for the Québec economy. The same is true for the manufacturing sector and the information and communication technologies sector, given the large number of jobs they generate.



Present in each of Québec's administrative regions, the Fonds régionaux de solidarité FTQ (FRS) are investors of choice for SMEs that wish to get to the next level. The FRS may offer financing solutions of up to \$3 million to these businesses. During its last financial year, the FRS network added a record 71 businesses to its portfolio, bringing its total number of partner companies to 427 and the fair value of its investments to \$241.9 million.

It is worth noting that the FRS are also established experts in business transfers. During the last financial year, they contributed to the successful sale of 28 businesses to new owners, representing a total amount of \$28.9 million.

FRS results

Years ended March 31

Number of investments		Amount invested (in millions of \$)		Number of new partners	
2018	100	2018	82.2	2018	71
2017	93	2017	62.2	2017	55
2016	103	2016	74.7	2016	61



In partnership with the Québec Federation of Municipalities (QFM), the Fonds locaux de solidarité (FLS) are local solidarity funds that promote local economic development through investments of up to \$100,000 per business. In this capacity, the FLS continue to be a tremendous growth lever for local economies, especially in terms of supporting the start-up, expansion and succession of SMEs. The financial year ended December 31, 2017 turned out to be exceptional, with a record 370 investments for the network.

FLS results

Years ended December 31

Number of investments		Amount invested (in millions of \$)		Number of partner companies	
2017	370	2017	10.2	2017	1,193
2016	294	2016	8.0	2016	1,056
2015	237	2015	5.9	2015	1,014

At the end of its 2017 financial year, the FLS network had 73 local funds across Québec. In July 2017, the Québec government and the Fonds announced financial support of approximately \$30 million to create 35 new FLS in regions that were not yet covered. With this initiative, six new FLS were created during the five first months of 2018: MRC des Sources (Estrie), Côte-de-Gaspé (Gaspésie), Des Chenaux (Mauricie), Des Moulins (Lanaudière), Arthabaska (Centre-du-Québec) and Kamouraska (Bas-Saint-Laurent).



The mission of the Fonds immobilier de solidarité FTQ is to invest in profitable, job-creating and socially responsible real estate projects in partnership with real estate development leaders. It targets investments in various asset classes, including mixed-use projects, residential, commercial, office and industrial buildings, as well as social or community projects and socioeconomic infrastructures.

During its financial year ended December 31, 2017, the Fonds immobilier authorized record investments of \$180.3 million, a majority of which will be dedicated to the construction of 23 projects with a total value of \$934 million.

The Fonds immobilier de solidarité FTQ in a few figures

As at December 31, 2017

47 ongoing projects
valued at \$3.1 billion and creating 25,600 jobs

53 buildings
under management

14 million ft²
of land to be developed

EXAMPLES OF INVESTMENTS

Following are some examples of investments made by members of the Fonds network during their last financial year. For a list of companies that benefit from a partnership with the Fonds, please see the **List of financed companies** on our website.



**EBI OPÉRATION
BERTHIERVILLE (LANAUDIÈRE)**

EBI Opération is a family-owned company engaged in residual materials management.

- (\$): \$70 million (joint investment with FRS)
- (P): Accelerating growth through access to new markets.

**ENERKEM
MONTRÉAL**

Enerkem produces biofuels and green chemicals from waste with its proprietary technology that converts residual materials into methanol, ethanol and other widely used chemicals.

- (\$): \$10 million
- (P): Development and implementation of the company's projects to accelerate its growth and meet the pressing challenges of residual materials management.

**GROUPE SOLMAX
VARENNES (MONTÉRÉGIE)**

Groupe Solmax is a world leader in the manufacturing of premium-quality polyethylene geomembranes for industrial and environmental applications.

- (\$): \$88 million
- (P): Acquisition of GSE Environmental, a company based in Houston, Texas, and strengthening of the company's position as a world leader.



**OSISKO GOLD ROYALTIES
MONTRÉAL**

Osisko Gold Royalties is an intermediate precious metal royalty company. It owns a North American-focused portfolio of over 130 royalties, streams and precious metal offtakes.

- (\$): \$81 million
- (P): Acquisition of Orion Mine Finance Group's portfolio of precious metals assets to position itself as the world's premier growth royalty company.

- (\$): Investment
- (P): Purpose of the investment



**IMV
MONTRÉAL**

IMV is a clinical-stage biopharmaceutical company dedicated to making immunotherapy more effective, more broadly applicable and more widely available to people facing cancer and infectious diseases.

- (\$): \$6 million
- (M): Development of new immunotherapies for fighting cancer using DepoVax™, the company's proprietary drug release platform.

**LOGICIELS PARTNER ONE
MONTRÉAL**

Logiciels Partner One is a high-tech company that develops and markets data back-up, storage and organization software solutions for large companies and governments.

- (\$): \$26 million
- (M): Supporting growth through the acquisition of profitable technology companies in the United States and Europe.

**CANAM GROUP
SAINT-GEORGES (CHAUDIÈRE-APPALACHES)**

Canam specializes in designing integrated solutions and manufacturing customized products for the North American construction industry.

- (\$): \$68 million
- (M): Privatization of the company by Québec interests.

**NEW LOOK VISION GROUP
MONTRÉAL**

New Look Vision Group is a leading supplier of retail optical products in Eastern Canada. It operates under the banners New Look Eyewear, Vogue Optical and Greich & Scaff.

- (\$): \$55 million
- (M): Acquisition of IRIS The Visual Group, making New Look the largest player in Canada's optical products industry.

**DESCHÊNES GROUP
MONTRÉAL**

Deschênes Group is a wholesale distributor for plumbing and heating products, electrical and industrial supplies, fire protection products, refrigeration, air-conditioning, ventilation products and waterworks and sewer systems.

- (\$): \$60 million
- (M): Completing the company's largest acquisition ever and penetrating the U.S. market.



**JOSEPH RIBKOFF
MONTRÉAL**

Present in over 64 international markets, Joseph Ribkoff is one of Canada's leading fashion designers.

- (\$): \$33 million
- (M): Acceleration of the company's growth and expansion into new markets.

FONDS
régionaux de solidarité FTQ

**JAYMAR FURNITURE
TERREBONNE (LANAUDIÈRE)**

Jaymar Furniture is a manufacturer of residential and institutional furniture, including sofas, sofa beds, recliners, sectionals and home theater chairs.

- (\$): \$3 million
- (M): Support the growth of the business to enable it to become one of North America's most productive upholstered furniture manufacturing plants.

**HÔTEL ET CENTRE DES CONGRÈS DELTA
JONQUIÈRE (SAGUENAY-LAC-SAINT-JEAN)**

Rated 4 stars, Hôtel et Centre des congrès Delta is a destination of choice for both business and leisure travelers. It has modern, spacious and bright rooms as well as a state-of-the-art convention centre that can seat over 1,000 people, making it the largest hall in the region.

- (\$): \$1.65 million
- (M): Enable local investors to acquire the assets previously held by Calgary business people, while keeping Marriott International's Delta franchise.

**TRANSPORT SAVARD / BÉTON PRÉFABRIQUÉ
DU QUÉBEC
BAIE-COMEAU (CÔTE-NORD)**

Transport Savard specializes in maintenance and snow removal of several access roads for Hydro-Québec and the Ministry of Transport. Béton préfabriqué specializes in the manufacturing of concrete products for large custom projects.

- (\$): \$1 million
- (M): Transfer ownership to ensure the family succession of Béton préfabriqué du Québec and Transport Savard, while ensuring their continuity.

**ST-GEORGES STRUCTURES ET CIVIL
SHERBROOKE (ESTRIE)**

Structural and civil engineering consulting firm specializing in engineering technical services related to buildings of any type and other unconventional structures.

- (\$): \$300,000
- (M): Support the growth and diversification of operations.



**BSL WOOD PRODUCTS
MONT-JOLI (BAS-SAINT-LAURENT)**

BSL Wood Products specializes in the design of distinctive hardwood flooring. It also offers value-added heating products, such as eco-friendly and chimney cleaning logs, as well as a comprehensive range of forest products, all of them made with a material for which the company has the utmost respect.

- (\$): \$1 million
- (M): Support Corporation Financière BDG et associés, an investment company and partner of the Fonds régionaux de solidarité FTQ network, in the acquisition of BSL Wood Products as part of a business transfer.



**MÉCADÉMIC
MONTRÉAL**

Mécadémic designs, manufactures and markets extra-small industrial robots.

- 💰: \$25,000
- 👤: Acquire new equipment, improve the production line and hire four new employees.



**LES ENTREPRISES J.M. ARSENAULT
BONAVENTURE (GASPÉSIE)**

The company has been operating for 60 years and has 14 employees. It sells office furniture, stationery and supplies as well as computer and office automation hardware and services.

- 💰: \$54,000
- 👤: Company buyout by employees.

**TRICA
SAINT-JÉRÔME (LAURENTIDES)**

Trica manufactures high-end bedroom and dining room furniture.

- 💰: \$100,000
- 👤: Acquire equipment to improve productivity.



**GRIFFINTOWN
MONTRÉAL**

The Fonds immobilier and its partner Devimco Immobilier continue to work together on one of the most significant revitalizations of a Montréal industrial neighbourhood: Griffintown. During the 2017 financial year, they authorized three new residential projects: Éléments (a 14-story, 95-unit condo project); Amati (a 14-story, 240-unit condo project) and MaryRobert (a 2-building, 504-unit condo project with a commercial gallery).

**HUMANITI
MONTRÉAL**

The Humaniti project, carried out in partnership with Cogir Immobilier, is the first Québec project aiming to be both WELL™ and LEED® certified. Located in the heart of the Quartier international de Montréal, it will have 316 rental units and 162 condo units, as well as 57,000 ft² of office space and 17,000 ft² of retail space. It will also include a 193-room hotel in which the Fonds de solidarité FTQ is an investing partner.



Humaniti



Solar Uniquartier

**SOLAR UNIQUARTIER
BROSSARD**

The Fonds immobilier and Devimco Immobilier are partners in Québec's largest mixed-use real estate project, Solar Uniquartier, valued at \$1.3 billion. Construction started in August 2017. Once completed, the project will have three main sectors (residential, business and commercial) as well as a hotel, a convention centre and a multi-use complex.

**AM/FM
QUÉBEC CITY**

The Fonds immobilier entered into a new partnership with Bilodeau Immobilier to acquire a 28-unit residential rental building, including a commercial gallery, and build a new 74-unit rental building. As it is located close to the Cité Universitaire district, the project is mainly targeting students.

Creating dynamic work environments

In an ever-changing world, everyone should acquire the knowledge needed to look further. This way, we can do our best and fully contribute to the evolution of our environment. After all, this is what makes a work environment dynamic.

Although the programs offered have evolved over time, economic training for workers has been an integral part of the Fonds' mission since its creation. Training programs cover various topics. For instance, some programs give workers the opportunity to better understand the financial needs during retirement and better prepare for that stage of life. Other programs will help them obtain the tools they need to understand their employer's challenges and orientations and fully contribute to the business's growth.





The workplace training offered by the Fonds is a fundamental aspect of an approach aimed at supporting partner companies. The objective: optimize the social and economic impact of our development capital investments.

SUPPORTING PARTNER COMPANIES: FOCUSING ON PEOPLE TO ACHIEVE RESPONSIBLE AND EFFECTIVE DEVELOPMENT

This year, our Economic Training Centre (ETC) deployed its new service offering. In keeping with its people-oriented approach, the ETC develops its interventions based on three principles: 1) foster an understanding among workers of the business, its development and its environment; 2) enhance the workers' experience and knowledge to support the development of the business; and 3) give the workers the tools to create a dynamic workplace that encourages them to do their best. Partner companies can receive support in the form of up to 150 hours of consulting which may lead to various activities, including training.

Training in partner companies
Year ended May 31, 2018

27 activities
400 participants
720 support hours

since January 1, 2018

Savings and retirement training
Year ended May 31, 2018

12 activities
496 participants

LR training
Year ended May 31, 2018

112 activities
3,266 participants

FLS directors training
Year ended May 31, 2018

25 activities
274 participants

INCREASING WORKERS' KNOWLEDGE OF SAVINGS AND RETIREMENT

An important component of the ETC's mandate is to enable workers to acquire solid knowledge about savings and retirement. On the one hand, interventions are aimed at giving workers the tools needed to adopt appropriate strategies, knowing what public plans offer them and what they must do to get an adequate supplemental plan. On the other hand, the ETC implements programs to support workers in their role as trustees on pension committees and to support union representatives in their role as promoters and administrators of supplemental plans.

ENSURING LOCAL REPRESENTATIVES ARE ALWAYS WELL INFORMED AND ENGAGED

The ETC is also responsible for training local representatives (LRs). The training program enables LRs to acquire the knowledge and skills they require to fully assume their role with savers while meeting the regulatory compliance requirements set out by the Fonds. The program has two components: an initial training plan for new LRs and continuing education activities. Beyond maintaining and updating knowledge and skills, the training program is aimed at bringing the spirit of the network to life and rallying LRs around the strategic orientations of the Fonds.

ENSURING THE INFORMED PARTICIPATION OF FLS DIRECTORS

During the last financial year, the ETC focused on supporting the Fonds locaux de solidarité (FLS) in training the people who represent them on regional county municipality (RCM) investment committees. In particular, this training ensures that representatives have the knowledge required to participate in the decision-making process in an informed and effective manner, based on the economic development objectives specific to each region.

Over the last 35 years, the Fonds de solidarité FTQ has strengthened its position as a leading player in Québec's economic development. Its actions have many beneficial effects on economic, social and environmental well-being.

35

Ever more value

Building on the skills of its employees and the solid performance of its partner companies, the Fonds remains focused on creating value for its shareholders.

For a second year in a row, the Fonds posted comprehensive income – which represents profit – in excess of \$1 billion. This excellent result is due in part to actions taken to use resources as efficiently as possible. The Fonds maintained its total operating expense ratio at 1.4% in the last few years.

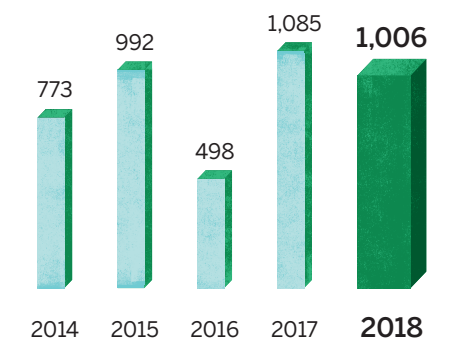
Total operating expense ratio

Years ended May 31

2018	1.4%
2017	1.4%
2016	1.4%
2015	1.4%
2014	1.5%

Comprehensive income

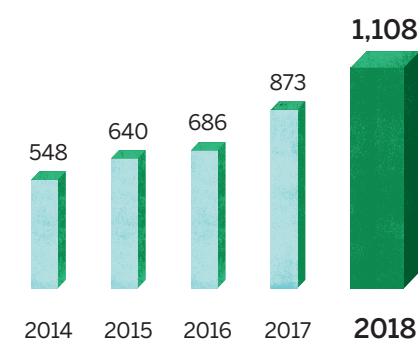
Years ended May 31
(in millions of \$)



Development capital investments in partner companies totalled a record \$1.1 billion. As a result, the fair value of development capital investments stood at \$9.3 billion as at May 31, 2018, up some \$800 million in one year.

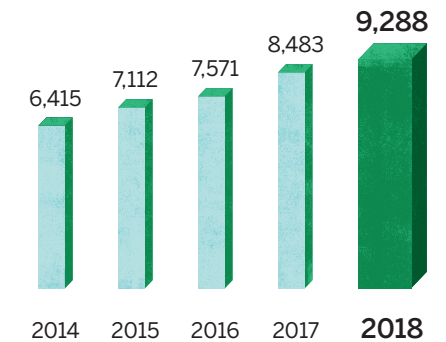
Development capital investments*

Years ended May 31
(in millions of \$)



Fair value of development capital investments*

As at May 31
(in millions of \$)



*These investments include funds committed but not disbursed as well as guarantees and suretyships.

Helping businesses take the innovation leap

Optimizing the impact of the Fonds' actions also means ensuring partner companies are viable in the long term. In many cases, innovation remains the key to success for companies that want to increase their productivity and strengthen their competitive position. The Fonds therefore strives to deploy the resources needed to support them in their innovation projects.

During the 2017-2018 financial year, the Fonds launched the **Solunov** initiative, a three-step approach aimed at encouraging more Québec businesses to take the innovation leap.

This initiative complements the efforts made by the Fonds during the last few years to raise entrepreneurs' awareness on the importance of innovating to increase productivity and, consequently, competitiveness. In fact, innovation is one of the investment priorities set out by the Fonds' management in the most recent strategic plan.



A THREE-STEP APPROACH

Step 1: Performance of a diagnosis by specialists to identify the most promising innovation opportunities.

Step 2: Validation of the effectiveness of the actions under consideration. The Fonds may finance 75% of the costs of a feasibility study, up to \$250,000, while supporting the business with the involvement of subject matter experts.

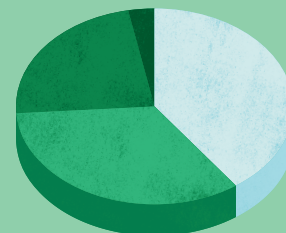
Step 3: Implementation of the innovation project. The Fonds offers financing of \$1 million or more.

The Fonds continues to collaborate with **Inno-centre**, an organization specialized in providing advisory services to innovating SMEs, to support businesses from various industries undertaking an innovation project.

During the last financial year, the Fonds' partner companies undertook 89 new innovation projects, bringing the number of completed or ongoing projects to 149 since the beginning of this collaboration in November 2016. Of this number, 45 were initiated by partner companies of the Fonds, and 104 were driven by companies in the portfolio of the Fonds régionaux de solidarité FTQ (FRS).

Projects by innovation types, as defined by OECD

- Marketing: 40%
- Organizational: 34%
- Process: 23%
- Product: 3%



Our innovation experts also work closely with the investment teams, including the FRS teams, for the solicitation, analysis and follow-up of projects by businesses that take the innovation leap. During the last financial year, this collaboration led to investments of over \$102 million in 14 businesses that identified innovation as a key component of their business plans and in three investment funds dedicated to supporting innovative start-up companies.

At the same time, the Fonds decided to support the launch of **Espace Fabrique**, an initiative aimed at improving access to innovation to entrepreneurs from the Greater Montréal area. Espace Fabrique, Québec's first cooperative in a manufacturing setting, offers an industrial creation collaborative workshop, including private work spaces, training, production support and advisory services.

BUSINESS INNOVATION IS PROFITABLE!

According to a study of 100 businesses conducted by Deloitte, businesses supported by Inno-centre posted an average growth of 45% in sales and 30% in labour within three years.

INNOVATION IN ACTION AT OUR PARTNER COMPANIES

AGF GROUP

A Canadian leader in the design, manufacture and installation of reinforcing steel and post-tensioning, AGF Group has been in business since 1948. It was the first company in Canada to specialize in reinforcing steel. Over its more than 70-year history, a corporate culture emerged which, for customers, has resulted in projects delivered safely, at a competitive cost and on time.

Organizational innovation project: Analyze the company's value chain and moderate a working group tasked with identifying improvement opportunities.

Results: 52 people from all segments of the company participated in this exercise. Over 135 improvement projects were identified, and most do not require any investment and can be implemented quickly. Innovation is now a part of the corporate culture, and all segments must propose projects and engage in a process of continuous improvement.

PCM TECHFAB

PCM Techfab manufactures tooling for the aerospace sector.

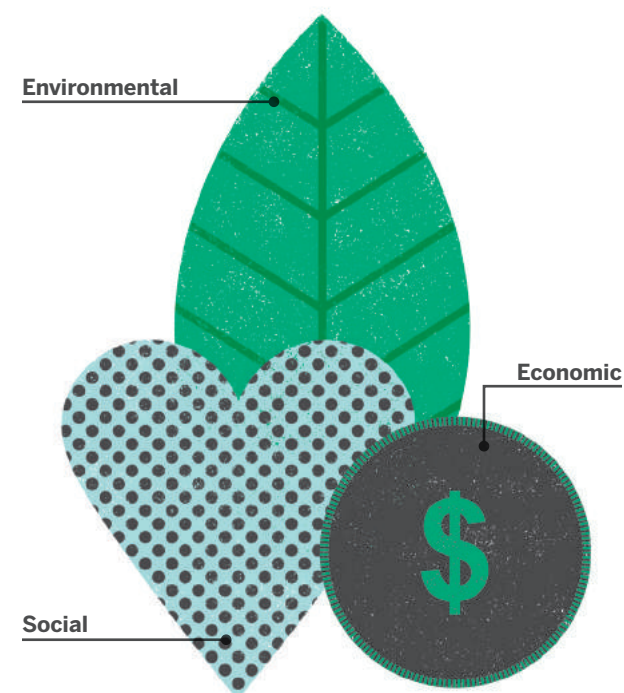
Process innovation project: Optimize the Techfab division's manufacturing cycle. With the Inno-centre consultants, the company conducted a detailed analysis of its processes, from materials purchasing to machine-time planning to procurement.

Result: Reduction of the manufacturing cycle from 12 to 8 weeks.

For responsible and sustainable development

Since its creation, the Fonds has factored sustainable development principles and values into its decision-making process. It therefore considers the economic, social and environmental dimensions of each project, whether the project is related to internal activities management, an investment in a company, a partnership with a real estate developer or is of another nature.

THE THREE DIMENSIONS OF SUSTAINABLE DEVELOPMENT



INCLUSIVE GROWTH AND SOCIALLY RESPONSIBLE INVESTMENT

According to an Institut de recherche en économie contemporaine (IRÉC) study carried out by Nicolas Zorn, Rodolphe Parent and Robert Laplante, labour-sponsored funds can be considered instrumental for inclusive growth, a concept that is becoming increasingly widespread internationally, whereby economic growth concepts and social objectives are linked. These concepts have been an integral part of the Fonds' mission since its creation and are manifested through actions such as our strong commitment to socially responsible investment (SRI) principles.

The Fonds has a solid track record in terms of supporting SRI global governance. Through its adherence to various movements and programs promoting the application of the SRI principles, it remains at the forefront of actions undertaken in this area.

In terms of responsible investment, one of the highlights of the last financial year is without a doubt the decision by the Fonds' management to launch its plan for an energy transition that is fair and respectful of workers and communities. As a first step, the Fonds sold, during the financial year, its investments in companies that own coal reserves for energy purposes and included these companies on its list of excluded securities. It also joined the **CDP** (formerly the **Carbon Disclosure Project**).

As a CDP signatory, the Fonds participates in a process aimed at encouraging listed companies to keep track of and reduce their greenhouse gas (GHG) emissions.

At the same time, the Fonds' Sustainable Development Committee has been tasked to address, among other things, the GHG reduction targets for portfolio companies and the investment sectors that should be prioritized or discontinued.

The Fonds is one of the signatories of the **Declaration of Institutional Investors on Climate-Related Financial Risks**. Issued in October 2017, this declaration is the result of an initiative led by Finance Montréal's Responsible Investment work group. It is a call for more disclosure to better manage the impact of climate change. With more information at their disposal, investors will be able to better assess all the risks faced by their investment portfolios and design investment strategies that integrate climate change issues.

Lastly, the Fonds is taking action as part of its adherence to the United Nations' six **Principles for Responsible Investment (PRI)** and its participation in the activities of the PRI Québec chapter. It is also involved in the Shareholder Association for Research and Education (SHARE) interventions with listed companies (mostly Canadian) related to governance, social responsibility and environment issues.

A FIRST FOR CARBON OFFSETTING

Further in regard to efforts to reduce GHG emissions, we should mention the first sale of carbon credits by Solifor Perthuis, a partnership between Solifor (a company created by the Fonds) and Scierie Dion & Fils. In September 2017, a major Canadian financial institution and Just Energy acquired 140,000 tonnes of carbon credits, the largest transaction of this type to date in Québec.

Recorded in CSA Group's GHG registry, the Solifor Perthuis project was able to generate such a volume of CO₂ reduction through the sequestration of forest carbon from planting. A portion of the proceeds of this sale will be donated to Université Laval to pursue historical and anthropological research on the ancestral customs of the Huron-Wendat Nation. This project demonstrates that it is possible to combine community economic development and GHG emissions reduction.

Note that Solifor was created by the Fonds in 2005 to acquire and manage privately-owned forest properties. Its properties cover 153,000 hectares in Québec and 46,000 hectares in Maine, near the Québec border.

SUPPORTING SOCIAL AND COMMUNITY PROJECTS

The Fonds' Sustainable Development Plan incorporates a set of initiatives for the well-being of the community. It includes the implementation of a donation and sponsorship policy targeting three areas related to its mission: 1) employability and labour market integration; 2) raising awareness on the importance of savings and sustainable consumption; 3) enrichment through culture.



With this in mind, the Fonds decided to support the local employability initiative put forward by **TOHU**, a place located at the centre of the Cité des arts du cirque for creation, experimentation, dissemination and convergence of culture, environment and community involvement. This initiative makes it possible for young people to enhance their employability by participating in a project mentored by experienced artisans.



The Fonds continued its collaboration with the **Literacy Foundation**, also with a view to employability. This collaboration led to the publication, in February 2018, of a study that found that improving Québec's literacy situation could have a close to \$5 billion positive impact on GDP. The study also showed that, by improving literacy skills, close to 300,000 Québec workers could increase their income and over 45,000 beneficiaries of social programs could be employed.

A STRUCTURING EFFECT ON COMMUNITIES

Through its real estate investments, the Fonds creates a structuring effect on communities, in particular by supporting community, social or socioeconomic projects. By promoting social diversity and cohesion, the Fonds immobilier de solidarité FTQ contributes to the emergence of a modern and responsible vision of urban development.

Furthermore, the Fonds immobilier has a \$400 million envelope dedicated to socioeconomic infrastructure projects valued at over \$2 billion.

In partnership with key social and community figures, the Fonds immobilier also committed to spend approximately \$70 million to build or renovate 3,827 quality and affordable housing units.

AFFORDABLE HOUSING FOR PEOPLE WITH REDUCED MOBILITY

Thanks to a partnership between the Fonds immobilier and **Han-Logement**, a not-for-profit organization, residents in the Eastern Townships will have access to affordable, quality housing units adapted to the needs of people with a physical or intellectual disability. The project involves building 100 housing units spread out in fourplexes located in various Eastern Townships municipalities.



From left to right: Paul Champagne, President, Han-Logement; Normand Bélanger, President and Chief Executive Officer, Fonds immobilier de solidarité FTQ; and Maurice Soupras, tenant.



HOUSING FOR HOMELESS WOMEN

In partnership with the Association des groupes de ressources techniques du Québec, the Fonds immobilier participates in the **Cœur en toit** project in Montréal, a building with 22 community housing units for the homeless women of the Les Maisons de l'Ancre organization.

HOUSING FOR MODEST-INCOME FAMILIES

In Deux-Montagnes, in the Laurentides region, the **Train de la vie** project will come to fruition in 2018. This project also results from a partnership between the Fonds immobilier de solidarité FTQ and the Association des groupes de ressources techniques du Québec. This solidarity cooperative will have 47 housing units for low- or modest-income families.

PARAMETERS OF THE OPERATIONS AND SUSTAINABILITY REPORT

This report is for the 2017-2018 financial year, which is the period from June 1, 2017 to May 31, 2018. It mainly covers the activities that are under the direct control of the Fonds de solidarité FTQ. It also includes data and information related to the components of its network, namely the Fonds régionaux de solidarité FTQ, the Fonds locaux de solidarité and the Fonds immobilier de solidarité FTQ. Specialists at the Fonds validated the contents of this report, which were read by our independent auditors. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The GRI Indicators Index, which includes all information required to meet these requirements, is available in the Sustainable Development section of the Fonds' website (fondsftq.com).

The Management Committee



- 1 GAÉTAN MORIN^{A, C, J}**
President and Chief Executive Officer
- 2 GEOFFREY BAINBRIDGE**
Vice-President, Human Resources
- 3 JANIE BÉÏQUE^L**
Executive Vice-President, Investments
- 4 CHANTAL DORÉ**
Senior Vice-President, Information Technology, Project Management and Administration

- 5 DENIS LECLERC**
Executive Vice-President, Savings Market Development, and President of SécuriFonds Inc.
- 6 SYLVAIN PARÉ**
Executive Vice-President, Finance
- 7 MARIO TREMBLAY**
Vice-President, Public and Corporate Affairs, Corporate Secretary, and Chief Compliance Officer

A Member of the Executive Committee
C Member of the Financial Assets Management Committee
J Member of the Fonds immobilier de solidarité FTQ II, s.e.c. Advisory Committee and of the Fonds immobilier de solidarité FTQ inc. Board of Directors
L Member of the Fonds régionaux de solidarité FTQ s.e.c. Advisory Committee

The Board of Directors*



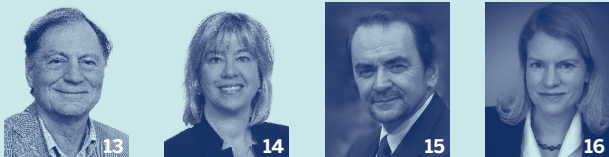
- 1 CHRISTINE BEAUBIEN^{A, B, F, G, I}**
President of Groupe BSC and Corporate Director
- 2 DENIS BOLDUC**
President, Canadian Union of Public Employees (CUPE), Québec, and Vice-President, FTQ
- 3 DANIEL BOYER^{A, E, F, G, K}**
President, Fédération des travailleurs et travailleuses du Québec (FTQ), and First Vice-President of the Board of Directors, Fonds de solidarité FTQ
- 4 SERGE CADIEUX^{A, E, F, G, J, K, L, M}**
General Secretary, Fédération des travailleurs et travailleuses du Québec (FTQ), and Third Vice-President of the Board of Directors, Fonds de solidarité FTQ
- 5 LOUISE CHABOT**
Ex-President, Centrale des syndicats du Québec (CSQ)
- 6 ANOUK COLLET^I**
Executive Assistant to the National President of the United Food and Commercial Workers International Union (UFCW), and Vice-President, FTQ
- 7 MICHÈLE COLPRON^{B, C, E, G, K}**
Corporate Director
- 8 ALAIN CROTEAU^H**
Québec Director, United Steelworkers, and Vice-President, FTQ
- 9 RENAUD GAGNÉ^J**
Québec Director, Unifor, and Vice-President, FTQ
- 10 DENIS LABRÈCHE^{B, D, G, J, K, N}**
Corporate Director
- 11 KATERI LEFEBVRE^I**
Executive Director of the Syndicat des employées et employés professionnels-les et de bureau (SEPB-Québec), and Vice-President, FTQ
- 12 GAÉTAN MORIN^{A, C, J}**
President and Chief Executive Officer, Fonds de solidarité FTQ
- 13 SYLVIE NELSON**
President, Québec Service Employees Union (QSEU), Local 298, and Vice-President, FTQ
- 14 YVES OUELLET**
General Manager, FTQ-Construction, and Vice-President, FTQ
- 15 ROBERT PARIZEAU^{A, E, F}**
Corporate Director and Chairman of the Board of Directors, Fonds de solidarité FTQ
- 16 JEAN-CLAUDE SCRAIRE^{A, E, F, H, J, K}**
Corporate Director
- 17 CLAUDE SÉGUIN^{B, C, E, F, I, K}**
Corporate Director
- 18 PIERRE-AURICE VACHON^{A, F, G, H, L, M}**
Corporate Director and Second Vice-President of the Board of Directors, Fonds de solidarité FTQ

* A director position is vacant due to the departure of Mrs Magali Picard.

A Member of the Executive Committee
B Member of the Audit Committee
C Member of the Financial Assets Management Committee
D Member of the Valuation Committee
E Member of the Governance and Ethics Committee
F Member of the Human Resources Committee
G Member of the Investment Committee – Traditional Sector
H Member of the Investment Committee – Mining Sector
I Member of the Investment Committee – New Economy
J Member of the Fonds immobilier de solidarité FTQ II, s.e.c. Advisory Committee and of the Fonds immobilier de solidarité FTQ inc. Board of Directors
K Member of the Integrated Risk Management Committee
L Member of the Fonds régionaux de solidarité FTQ s.e.c. Advisory Committee
M Member of the Fonds locaux de solidarité FTQ s.e.c. Advisory Committee (only members appointed by the Fonds de solidarité FTQ, on their own or jointly, are indicated in this list)
N Member of the Fonds immobilier de solidarité FTQ Audit Committee

Members of our Boards and Committees who are independent from the Fonds and the FTQ

As at July 14, 2018



- 1** CHRISTINE BEAUBIEN^{A, B, F, G, I}
President of Groupe BSC and Corporate Director
- 2** LYNE BOUCHARD^K
Associate Professor, Faculty of Business Administration, Université Laval
- 3** MICHÈLE COLPRON^{B, C, E, G, K}
Corporate Director
- 4** MARCEL GAGNON^G
Corporate Director
- 5** MARC-ANDRÉ GIRARD^D
Vice-President, Finance, and General Manager, Pro Kontrol
- 6** RICHARD GUAY^C
Full Professor, Department of Finance, Université du Québec à Montréal
- 7** CHANTAL LABERGE^I
Corporate Director and Management Consultant
- 8** DENIS LABRÈCHE^{B, D, G, J, K, N}
Corporate Director
- 9** DENIS LANDRY^H
Financing Advisor to mining companies
- 10** DENIS LESSARD^L
President and Chief Executive Officer, A & R Belley Inc.
- 11** MICHEL M. LESSARD^{J, N}
Corporate Director
- 12** PIERRE MAILLÉ^D
Consultant, PwC Canada
- 13** HUBERT MANSEAU^I
Corporate Director
- 14** JOSÉE MORIN^I
Corporate Director and Consultant
- 15** MICHEL NADEAU^D
Executive Director, Institute for Governance of Private and Public Organizations (IGPPO)
- 16** MARIE HÉLÈNE NOISEUX^C
Full Professor, School of Management, Université du Québec à Montréal

- 17** MARTINE PAIEMENT^L
Corporate Director
- 18** ROBERT PARIZEAU^{A, E, F}
Corporate Director and Chairman of the Board of Directors, Fonds de solidarité FTQ
- 19** LOUISE PELLERIN-LACASSE^K
Risk Management Specialist
- 20** JEAN-CLAUDE PÉRIGNY^L
Territory Director, CIA Informatique, a division of Informatique Côté, Coulombe inc.
- 21** CHRISTIAN PICHETTE^H
Corporate Director
- 22** MARTIN RIVARD^H
Corporate Director
- 23** JULIE SALVAIL^J
Director, Legal Affairs, McMahon Distributeur Pharmaceutique inc.
- 24** MICHELLE SAVOIE^I
Certified Corporate Director
- 25** JEAN-CLAUDE SCRAIRE^{A, E, F, H, J, K}
Corporate Director
- 26** CLAUDE SÉGUIN^{B, C, E, F, I, K}
Corporate Director
- 27** JACQUES SIMARD^I
Full Professor, Université Laval, and Director, Cancer Genomics Laboratory at the CHUQ/CHUL Research Centre
- 28** YVON TESSIER^{J, N}
Corporate Director
- 29** MICHEL THÉRIEN^C
Corporate Director
- 30** PIERRE-MAURICE VACHON^{A, F, G, H, L, M}
Corporate Director and Second Vice-President of the Board of Directors, Fonds de solidarité FTQ

- J** Member of the Fonds immobilier de solidarité FTQ II, s.e.c. Advisory Committee and of the Fonds immobilier de solidarité FTQ inc. Board of Directors
- K** Member of the Integrated Risk Management Committee
- L** Member of the Fonds régionaux de solidarité FTQ s.e.c. Advisory Committee
- M** Member of the Fonds locaux de solidarité FTQ s.e.c. Advisory Committee (only members appointed by the Fonds de solidarité FTQ, on their own or jointly, are indicated in this list)
- N** Member of the Fonds immobilier de solidarité FTQ Audit Committee

The governing bodies of the Fonds de solidarité FTQ

As at July 14, 2018

In addition to the Board of Directors and the Executive Committee, the Fonds has the following governing bodies:

GOVERNANCE AND ETHICS COMMITTEE

Robert Parizeau, Chair²
Daniel Boyer
Serge Cadieux
Michèle Colpron²
Jean-Claude Scraire²
Claude Séguin²

HUMAN RESOURCES COMMITTEE

Claude Séguin, Chair²
Christine Beaubien²
Daniel Boyer
Serge Cadieux
Robert Parizeau²
Jean-Claude Scraire²
Pierre-Maurice Vachon²

AUDIT COMMITTEE

Denis Labrèche, Chair²
Christine Beaubien²
Michèle Colpron²
Claude Séguin²

VALUATION COMMITTEE

Denis Labrèche, Chair²
Marc-André Girard²
Pierre Maillé²
Michel Nadeau²

INVESTMENT COMMITTEE – TRADITIONAL SECTOR¹

Pierre-Maurice Vachon, Chair²
Daniel Boyer
Christine Beaubien²
Serge Cadieux
Michèle Colpron²
Marcel Gagnon²
Denis Labrèche²

1. All investments must be authorized by a governing body, depending on the appropriate economic sector. When an investment reaches a minimum amount of \$15 million for the Mining and New Economy sectors and \$20 million for the Traditional and Real Estate sectors, it must also be submitted to the Fonds' Board of Directors.
2. Indicates directors who are independent from the Fonds and the FTQ.
3. Only members appointed by the Fonds de solidarité FTQ, on their own or jointly, are indicated in this list.

INVESTMENT COMMITTEE – NEW ECONOMY¹

Christine Beaubien, Chair²
Anouk Collet
Chantal Laberge²
Kateri Lefebvre
Hubert Manseau²
Josée Morin²
Michelle Savoie²
Claude Séguin²
Jacques Simard²

INVESTMENT COMMITTEE – MINING SECTOR¹

Pierre-Maurice Vachon, Chair²
Alain Croteau
Denis Landry²
Christian Pichette²
Martin Rivard²
Jean-Claude Scraire²

INTEGRATED RISK MANAGEMENT COMMITTEE

Jean-Claude Scraire, Chair²
Lyne Bouchard²
Daniel Boyer
Serge Cadieux
Michèle Colpron²
Denis Labrèche²
Louise Pellerin-Lacasse²
Claude Séguin²

FINANCIAL ASSETS MANAGEMENT COMMITTEE

Michèle Colpron, Chair²
Richard Guay²
Gaétan Morin
Marie-Hélène Noisieux²
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The union

As at May 31, 2018



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Guillaume Benoit, Secretary
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Guillaume Lemire, Second Vice-Chair
Marie-Claude Rouleau, Chair
Youssef Lemgendez, Advisor
Nathalie Garcia, Treasurer

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Johanne Bissonnette
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Michel Sabourin
Carmen Shaw
Sylvain Tellier
Jean-François Truffert



In Memoriam – Daniel Champagne

It was with great sadness that we learned that our colleague, Daniel Champagne, passed away on September 14, 2017. Daniel joined the Fonds in 2009 as a training advisor and, in 2016, he became President of the Fonds' employees union. A long-time labour activist and a man of principles respected by all, Daniel demonstrated an unwavering commitment to the Fonds. We will miss his generosity, his great wisdom, his dedication and his humanitarianism, but they will continue to inspire us.

WE APPRECIATE YOUR COMMENTS

This report was produced by the Public and Corporate Affairs department. It complements the documents below, issued annually by the Finance department. These documents are all available on the Fonds' website (fondsftq.com) under About us/Financial information.



Financial statements



Management discussion and analysis



Statement of development capital investments



Relevé des autres investissements (In French only)



Index of the share of the Fonds in investments made by the specialized funds

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If you have comments or questions, please contact us by mail or phone, or by email at **vpaffairespubliques@fondsftq.com**

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