

FINANCIAL STATEMENTS

AS AT NOVEMBER 30, 2012

INDEPENDENT AUDITORS' REPORT

To the Shareholders of the Fonds de solidarité des travailleurs du Québec (F.T.Q.)

We have audited the accompanying financial statements of the Fonds de solidarité des travailleurs du Québec (F.T.Q.), which comprise the balance sheets as at November 30, 2012 and as at May 31, 2012, and the statements of operations, changes in net assets and cash flows for the six-month periods ended November 30, 2012 and 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

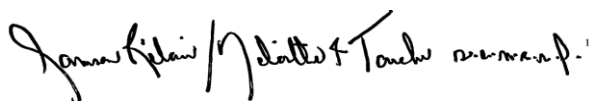
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fonds de solidarité des travailleurs du Québec (F.T.Q.) as at November 30, 2012 and as at May 31, 2012 and the results of its operations and its cash flows for the six-month periods ended November 30, 2012 and 2011 in accordance with Canadian generally accepted accounting principles.



¹ CPA auditor, CA, public accountancy permit No. A105976



² CPA auditor, CA, public accountancy permit No. A125741

Montréal, December 21, 2012

BALANCE SHEETS

(In thousands \$, except net assets per share)

November 30, 2012

May 31, 2012

Assets

Development capital investments (Note 4)	5,104,821	4,918,765
Other investments (Note 5)	4,015,964	4,123,020
Accounts receivable and other assets (Note 8)	629,111	656,836
Cash	9,974	13,789
Capital assets (Note 9)	60,549	61,076
Income taxes	3,008	93
Future income taxes (Note 17)	595	-
	<u>9,824,022</u>	<u>9,773,579</u>

Liabilities

Notes (Note 10)	448,891	428,544
Accounts payable and other liabilities (Note 12)	608,613	816,434
Future income taxes (Note 17)	3,111	3,913
	<u>1,060,615</u>	<u>1,248,891</u>

Net assets (Note 13)

Number of Class A shares outstanding (Note 13)	<u>322,158</u>	<u>320,629</u>
Net assets per Class A share	<u>27.20</u>	<u>26.59</u>

Contingencies (Note 14)

The accompanying notes form an integral part of these financial statements.

On behalf of the Board of Directors,



Yvon Bolduc, Director



Michel Arsenault, Director

STATEMENTS OF OPERATIONS

FOR THE SIX-MONTH PERIODS ENDED NOVEMBER 30

(In thousands \$, except earnings per share)	2012	2011
Revenues		
Interest (Note 15)	86,158	87,573
Dividends	40,277	33,255
	<u>126,435</u>	<u>120,828</u>
Expenses (Note 16)		
Corporate expenses	20,300	17,958
Development capital investment and other investment expenses	16,298	16,927
Shareholder Services and Economic Training development and administration expenses	20,052	17,395
Amortization of property and equipment and information systems development	2,777	2,323
	<u>59,427</u>	<u>54,603</u>
Net investment income before income taxes	67,008	66,225
Income taxes (Note 17)	10,500	12,960
Net investment income	56,508	53,265
Gains (losses) on development capital investments and other investments		
Realized	36,865	(25,806)
Change in unrealized appreciation or depreciation	105,294	(7,286)
Transaction costs	(727)	(1,121)
	<u>141,432</u>	<u>(34,213)</u>
Net earnings	197,940	19,052
Weighted average number of Class A shares	321,566	315,552
Earnings per Class A share	0.62	0.06

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS

FOR THE SIX-MONTH PERIODS ENDED NOVEMBER 30

(In thousands \$)	Share Capital – Class A (Note 13)			Contributed Surplus (Note 13)	Retained Earnings	Net Assets
	Series 1	Series 2	Subscribed			
2012						
Balance at beginning of period	7,010,355	76,483	760	972,070	465,020	8,524,688
Net earnings					197,940	197,940
Share issues	245,131	3,768				248,899
Net change in share subscriptions			120			120
Share redemptions	(176,870)	(2,904)		(26,398)	(8,575)	(214,747)
Change in outstanding redemptions	5,339			947	221	6,507
Transfer (Note 13)	75,000				(75,000)	–
Balance at end of period	7,158,955	77,347	880	946,619	579,606	8,763,407
2011						
Balance at beginning of period	6,676,628	78,428	727	1,052,330	369,698	8,177,811
Net earnings					19,052	19,052
Share issues	232,023	3,464				235,487
Net change in share subscriptions			23			23
Share redemptions	(208,335)	(4,580)		(32,760)	(10,321)	(255,996)
Change in outstanding redemptions	(5,307)			(1,913)	879	(6,341)
Transfer (Note 13)	95,000				(95,000)	–
Balance at end of period	6,790,009	77,312	750	1,017,657	284,308	8,170,036

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED NOVEMBER 30

(In thousands \$)	2012	2011
Operating activities		
Net investment income	56,508	53,265
Non-cash items and change in non-cash items		
Interest capitalized on development capital investments	(1,104)	(1,062)
Interest capitalized on notes	8,714	8,205
Amortization of property and equipment and information systems development	2,777	2,323
Future income taxes	(1,397)	1,989
Accounts receivable and other assets	83,500	(340,784)
Accounts payable and other liabilities	(83,150)	394,420
Income taxes	(2,915)	(6,422)
Other	1,239	(926)
Transaction costs	(726)	(1,101)
	<u>63,446</u>	<u>109,907</u>
Financing activities		
Issuance of notes	61,292	109,686
Repayment of notes	(49,659)	(65,696)
Shares issued and subscribed	249,019	235,510
Shares redeemed	(216,025)	(255,933)
	<u>44,627</u>	<u>23,567</u>
Investing activities		
Acquisition of development capital investments	(458,250)	(372,641)
Proceeds of disposal of development capital investments	291,694	204,933
Acquisition of other investments	(2,814,739)	(3,602,449)
Proceeds of disposal of other investments	2,871,673	3,640,298
Acquisition of property and equipment	(1,304)	(1,695)
Information systems development	(962)	(862)
	<u>(111,888)</u>	<u>(132,416)</u>
Increase (decrease) in cash	(3,815)	1,058
Cash at beginning of period	13,789	6,372
Cash at end of period	9,974	7,430

Cash flows from operating activities include income taxes paid of \$16.3 million (November 30, 2011: \$18.6 million).

The accompanying notes form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

1. INCORPORATION ACT

STATUTES AND OBJECTIVES OF THE FONDS

The Fonds de solidarité des travailleurs du Québec (F.T.Q.) (the “Fonds”), incorporated by an Act of the Québec National Assembly, is a joint-stock company with the following objectives:

- a) to invest in Québec business enterprises and provide them with services in order to create, maintain or protect jobs;
- b) to promote the training of workers in economic matters to enable them to increase their influence on Québec’s economic development;
- c) to stimulate the Québec economy by making strategic investments that will be of benefit to Québec workers and business enterprises;
- d) to promote the development of qualified business enterprises by inviting workers to participate in that development by purchasing the Fonds’ shares.

To this end, the Fonds endeavours to concentrate most of its development capital investments in unsecured investments, mainly in small and medium-sized enterprises (“SMEs”), located in Québec. As a general rule, the Fonds will take a minority interest in the projects in which it invests.

60% RULE

The Fonds may make development capital investments in any business enterprise with or without security. However, in any given financial year, the proportion of unsecured development capital investments made in qualified business enterprises must represent an average of at least 60% of the Fonds’ average net assets of the previous financial year.

If the Fonds fails to reach this percentage, the share issues giving rise to tax credits for the following financial year are limited to a prescribed percentage of the total value of shares issued in the preceding financial year, except for shares acquired through payroll deductions and employer contributions stipulated in agreements concluded at the end of the preceding financial year.

The percentage of average qualified development capital investments to the average net assets of the preceding year was 67.0% as at May 31, 2012 (May 31, 2011: 71.0%).

Since the minimum percentage prescribed by the 60% rule has been reached as at May 31, 2012, the amount of share issues will not be limited for the 2012–2013 financial year.

2. SIGNIFICANT ACCOUNTING POLICIES

The Fonds is an investment company as defined in the Accounting Guideline on investment companies contained in the Canadian Institute of Chartered Accountants (“CICA”) Handbook and, as such, applies the accounting principles stated therein.

A Statement of Comprehensive Income is not provided as there are no items to include therein.

USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions, in particular when determining allowances and the fair value of development capital investments and other investments, that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

RECOGNITION OF FINANCIAL INSTRUMENTS

Financial instruments are recognized at fair value on the transaction date. The cost presented corresponds to the amount paid and is determined based on average cost, excluding transaction costs.

Financial assets classified as loans and receivables comprise Accounts receivable and other assets, excluding securities purchased under reverse repurchase agreements and financial instruments related to securities sold under repurchase agreements. Financial liabilities classified as other liabilities comprise Notes and Accounts payable and other liabilities, excluding securities sold under repurchase agreements and derivative financial instruments. All these instruments are recognized at amortized cost, which approximates their fair value.

NOTES TO FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

MEASUREMENT OF FINANCIAL INSTRUMENTS

All development capital investments and other investments are measured at fair value, established as follows:

a) Unlisted financial instruments

Unlisted financial instruments consist of shares, units and loans and advances.

These instruments are measured at fair value using appropriate valuation techniques and models that may not be principally based on observable market information. Observable market information is used in valuation models if it is available.

The fair value is established based on reasonable assumptions that would be considered by parties to an arm's length transaction. Certain assumptions may have a material impact on fair value, including those used to determine characteristic cash flows and the level of risk and future growth rate associated with such cash flows considering economic conditions, the outlook for the relevant industry segment and conditions specific to the business enterprise.

Hedge fund units are measured at the fair value set by their respective manager at the date closest to the Fonds' balance sheet date.

b) Listed financial instruments

Listed financial instruments consist of shares, bonds and money market instruments. These instruments are measured at bid price at the close of trading at balance sheet date. In exceptional instances, when the market for a financial instrument is not active, such instrument is then measured using appropriate valuation techniques, including the techniques used for unlisted financial instruments.

c) Derivative financial instruments

Listed derivative financial instruments are measured at bid price at the close of trading at balance sheet date. Unlisted derivative financial instruments are measured using appropriate valuation techniques, including discounting future cash flows at the current rate of return.

SECURITIES LENDING, SECURITIES PURCHASED UNDER REVERSE REPURCHASE AGREEMENTS AND SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

To generate additional revenues, the Fonds participates in the securities lending program put in place by its trustee for securities of which it is the custodian. Under this program, the Fonds can enter into securities lending transactions, as well as short-term purchases and sales of securities with a simultaneous commitment to resell and repurchase them at a specified price and date. Reverse repurchase agreements and repurchase agreements are recognized as secured lending and borrowing transactions. Reverse repurchase agreements are recorded on the balance sheet at their fair value, while repurchase agreements are recorded on the balance sheet at the repurchase price determined by the commitment. The revenues resulting from the Fonds' participation in this program are recorded under Interest in the Statement of Operations.

CAPITAL ASSETS

Capital assets are stated at cost and are amortized over their estimated useful life using the following methods and annual rates:

	Methods	Rates (%)
Property and equipment		
Buildings	straight-line	2.5
Office furniture and equipment	diminishing balance	20.0
Computer hardware	straight-line	25.0
Information systems development	straight-line	33.3

Capital assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recorded when their carrying amount exceeds the undiscounted cash flows that would result from their use and eventual disposition. The recognized impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value.

NOTES TO FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

REVENUE RECOGNITION

a) Interest

Interest is recorded on an accrual basis.

b) Dividends

Dividends are recorded as income when they are declared, except for cumulative dividends which are recorded on an accrual basis.

c) Gains and losses on development capital investments and other investments

Realized gains and losses on disposals of development capital investments and other investments, including derivative financial instruments, are recorded at the time of sale and presented under Gains (losses) on development capital investments and other investments in the Statement of Operations. The amount is the difference between the proceeds of disposal and the average cost.

INCOME TAXES

The Fonds uses the asset and liability method of accounting for income taxes. Under this method, future income taxes are recognized based on the expected future tax consequences of differences between the carrying amounts of balance sheet items and their tax bases, multiplied by the enacted or substantively enacted income tax rates for the years in which the differences are expected to reverse. Future income tax assets are recognized to the extent that it is more likely than not that they will be realized.

FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities and assets and liabilities measured at fair value are translated into Canadian dollars at the exchange rate prevailing at the balance sheet date. Revenues and expenses denominated in foreign currencies are translated at the exchange rate prevailing at the transaction date. Foreign exchange gains and losses are recognized in the Statement of Operations.

EMPLOYEE FUTURE BENEFITS

The cost of pensions and other retirement benefits earned by managers and employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected return on plan assets, salary escalation and retirement ages of employees.

For the purposes of calculating the expected return on plan assets, those assets are valued at fair value.

Net actuarial gains or losses which are greater than 10% of the accrued benefit obligation or the fair value of the plan assets, whichever is higher, are amortized over the average remaining service period of active employees. The average remaining service period of covered active employees is between 9.5 and 12.1 years (May 31, 2012: between 8.5 and 12.1 years).

3. FUTURE CHANGES IN ACCOUNTING POLICIES

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In 2008, the Accounting Standards Board of Canada ("AcSB") confirmed that Canadian GAAP will be replaced by IFRS for the years beginning on or after January 1, 2011, for publicly accountable enterprises. In December 2011, the AcSB confirmed that investment companies, as defined in the Accounting Guideline on investment companies of the CICA Handbook, will have to apply IFRS for the first time to interim and annual financial statements for the years beginning on or after January 1, 2014. The Fonds complies with its conversion plan and will present its first interim financial statements prepared in accordance with IFRS as at November 30, 2014.

NOTES TO FINANCIAL STATEMENTS

4. DEVELOPMENT CAPITAL INVESTMENTS

The audited *Statement of Development Capital Investments, at Cost*, is available at the Fonds' head office, on its Website at www.fondsftq.com or at www.sedar.com.

(In thousands \$)	November 30, 2012			May 31, 2012		
	Cost	Unrealized appreciation (depreciation)	Fair value	Cost	Unrealized appreciation (depreciation)	Fair value
Unsecured						
Listed shares	741,637	21,525	763,162	666,736	45,502	712,238
Unlisted shares and units	2,411,687	309,706	2,721,393	2,381,376	231,649	2,613,025
Loans, bonds and advances	1,630,765	(18,968)	1,611,797	1,592,344	(24,144)	1,568,200
Secured						
Loans and advances	13,788	(5,319)	8,469	29,173	(3,871)	25,302
	4,797,877	306,944	5,104,821	4,669,629	249,136	4,918,765

Development capital investments include securities denominated in foreign currencies, mainly the U.S. dollar, with a fair value of \$290.2 million (May 31, 2012: \$283.7 million).

Investment agreements may include clauses providing for conversion and redemption options.

BREAKDOWN BY MATURITY OF LOANS, BONDS AND ADVANCES AT FAIR VALUE

(In thousands \$)	Variable rates	Fixed rates			Total
		Less than 1 year	1 to 5 years	5 years and more	
November 30, 2012					
Unsecured	96,880	354,071	518,986	641,860	1,611,797
Average effective rate (%)	9.4	1.0 ¹	8.8	7.3	
Secured		200	8,269	-	8,469
Average effective rate (%)		5.7	13.2	9.6	
May 31, 2012					
Unsecured	104,134	362,866	335,348	765,852	1,568,200
Average effective rate (%)	9.1	2.8 ¹	8.5	7.3	
Secured	413	7,429	150	17,310	25,302
Average effective rate (%)	5.0	14.4	8.1	11.6	

1. This average rate includes non-interest bearing advances repayable on demand of \$314.7 million (May 31, 2012: \$294.2 million) to a wholly-owned company. Excluding these advances, the average effective rate would be 6.8% (May 31, 2012: 12.0%).

NOTES TO FINANCIAL STATEMENTS

4. DEVELOPMENT CAPITAL INVESTMENTS (continued)

BREAKDOWN BY INDUSTRY SEGMENT

(In thousands \$)	Technology	Manufacturing and primary	Services and tourism	Regional or local and real estate funds	Total
November 30, 2012					
Cost	830,300	1,170,996	1,939,348	857,233	4,797,877
Unrealized appreciation (depreciation)	(164,434)	(16,001)	258,357	229,022	306,944
Fair value	665,866	1,154,995	2,197,705	1,086,255	5,104,821
Allocation of investments made by the regional or local funds	24,122	79,616	89,229	(192,967)	-
Funds committed but not disbursed ¹	398,406	137,639	126,680	70,407	733,132
Guarantees and suretyships ²		6,898	9,010		15,908
	1,088,394	1,379,148	2,422,624	963,695	5,853,861
May 31, 2012					
Cost	874,966	1,150,805	1,825,158	818,700	4,669,629
Unrealized appreciation (depreciation)	(176,520)	(17,855)	241,706	201,805	249,136
Fair value	698,446	1,132,950	2,066,864	1,020,505	4,918,765
Allocation of investments made by the regional or local funds	21,723	78,430	85,302	(185,455)	-
Funds committed but not disbursed ¹	415,625	118,234	215,802	72,141	821,802
Guarantees and suretyships ²		6,898	9,331		16,229
	1,135,794	1,336,512	2,377,299	907,191	5,756,796

- Funds committed but not disbursed represent development capital investments that have already been agreed to and for which amounts have been committed by the Fonds but have not been disbursed at balance sheet date. Disbursements are subject to compliance with the agreement's terms and conditions. Of funds committed but not disbursed, an amount of \$104.5 million (May 31, 2012: \$248.1 million) represents credit facilities and project financing for operating companies, having a weighted average maturity of 18 months (May 31, 2012: 15 months); and an amount of \$628.6 million (May 31, 2012: \$573.7 million) represents commitments that will be disbursed to specialized funds in tranches, having a weighted average maturity of 9.2 years (May 31, 2012: 9.3 years). Commitments amounting to \$60.8 million (May 31, 2012: \$89.9 million) are denominated in foreign currencies, mainly the U.S. dollar.
- Under Section 17 of its Incorporation Act, when the Fonds makes a development capital investment in the form of a guarantee or a suretyship, it must establish and maintain a reserve equal to at least 50% of the guarantee or suretyship amount for the term thereof. This reserve is established from Other investments.

GUARANTEES AND SURETYSHIPS

The Fonds granted guarantees and suretyships that do not generally include a specific maturity and that are irrevocable commitments by the Fonds to make the payments of partner companies that cannot meet their obligations to third parties for an undiscounted total maximum amount and for the following purposes:

(In thousands \$)	November 30, 2012	May 31, 2012
Operating activities and operating lines of credit – without recourse	7,510	7,831
Operating activities and operating lines of credit – with recourse	8,398	8,398
	15,908	16,229

As at November 30, 2012, the allowance for guarantees and suretyships amounts to \$3.5 million (May 31, 2012: \$4.5 million) and is presented under Accounts payable and other liabilities.

As well, in the normal course of business, the Fonds enters into various indemnification agreements, usually related to sales of development capital investments, for the representations and warranties made as well as to the liability of the Fonds' directors, officers or representatives toward partner companies. The latter liability is covered, subject to certain conditions, by liability insurance. Due to the nature of these agreements, it is impossible to reasonably estimate the maximum amount that the Fonds may have to pay to counterparties. In management's opinion, it is highly unlikely that these commitments will result in material additional expenses, taking into consideration the provisions recorded.

NOTES TO FINANCIAL STATEMENTS

5. OTHER INVESTMENTS

The unaudited *Statement of Other Investments* is available at the Fonds' head office, on its Website at www.fondsftq.com or at www.sedar.com.

(In thousands \$)	November 30, 2012			May 31, 2012		
	Cost	Unrealized appreciation (depreciation)	Fair value	Cost	Unrealized appreciation (depreciation)	Fair value
Listed shares and unlisted units	1,585,209	(27,019)	1,558,190	1,607,277	(92,976)	1,514,301
Hedge fund units	238,841	(9,552)	229,289	238,510	2,540	241,050
Bonds	2,019,024	107,163	2,126,187	2,032,824	120,890	2,153,714
Money market instruments	94,577	68	94,645	207,346	129	207,475
	3,937,651	70,660	4,008,311	4,085,957	30,583	4,116,540
Derivative financial instruments	-	7,653	7,653	43	6,437	6,480
	3,937,651	78,313	4,015,964	4,086,000	37,020	4,123,020

Other investments include securities denominated in foreign currencies with a fair value of \$1,344.3 million (May 31, 2012: \$1,338.5 million), mainly including \$803.2 million (May 31, 2012: \$825.9 million) in U.S. dollars, \$175.8 million (May 31, 2012: \$153.2 million) in Euros and \$164.4 million (May 31, 2012: \$170.0 million) in pounds sterling.

BREAKDOWN BY MATURITY

Bonds

(In thousands \$)	Less than 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 to 30 years	30 years and more	Total
November 30, 2012							
Fair value	176,321	631,330	663,118	221,343	391,534	42,541	2,126,187
Cost	179,184	622,898	630,156	198,736	343,969	44,081	2,019,024
Par value	177,639	607,613	598,748	170,838	308,453	42,695	1,905,986
Average effective rate (%)	1.9	2.6	3.4	4.5	4.2	2.6	3.3
Average nominal rate (%)	2.4	3.5	4.2	5.9	4.9	2.7	4.1
May 31, 2012							
Fair value	206,858	699,972	575,566	221,241	395,104	54,973	2,153,714
Cost	209,031	696,094	538,235	196,441	338,660	54,363	2,032,824
Par value	205,856	674,956	516,919	167,872	306,258	53,559	1,925,420
Average effective rate (%)	2.0	2.7	3.8	4.4	4.5	3.0	3.4
Average nominal rate (%)	3.1	3.9	4.4	5.8	5.2	3.1	4.3

Money market instruments

(In thousands \$)	Less than 1 month	1 to 6 months	Total
November 30, 2012			
Fair value	93,417	1,228	94,645
Average effective rate (%)	1.1	1.0	1.1
May 31, 2012			
Fair value	56,991	150,484	207,475
Average effective rate (%)	1.0	1.1	1.1

NOTES TO FINANCIAL STATEMENTS

5. OTHER INVESTMENTS (continued)

BREAKDOWN BY MATURITY (continued)

Derivative financial instruments

(In thousands \$)	Less than 1 month	1 to 6 months	6 months and more	Total
November 30, 2012				
Fair value ¹				
Foreign currency forward contracts				
Purchases	(132)	4		(128)
Sales	7,064	(5)		7,059
Interest rate futures	-	-		-
Interest rate forward contracts	(214)	(1,878)		(2,092)
Stock index futures	-			-
Commodity futures	-			-
Over-the-counter interest rate swaps			(3,551)	(3,551)
	<u>6,718</u>	<u>(1,879)</u>	<u>(3,551)</u>	<u>1,288</u>
Notional amount				
Foreign currency forward contracts				
Purchases	574,917	4,474		579,391
Sales	899,748	558,368		1,458,116
Interest rate futures	1,700	89,496		91,196
Interest rate forward contracts	56,949	263,045		319,994
Stock index futures	32,179			32,179
Commodity futures	510			510
Over-the-counter interest rate swaps			25,000	25,000

NOTES TO FINANCIAL STATEMENTS

5. OTHER INVESTMENTS (continued)

BREAKDOWN BY MATURITY (continued)

Derivative financial instruments (continued)

(In thousands \$)	Less than 1 month	1 to 6 months	6 months and more	Total
May 31, 2012				
Fair value ¹				
Listed stock index option contracts				
Purchased put options		80		80
Written call options		(45)		(45)
Foreign currency forward contracts				
Purchases	237	8		245
Sales	(22,000)	(36)		(22,036)
Interest rate futures				
Interest rate forward contracts	(246)	(4,884)		(5,130)
Stock index futures				
Over-the-counter interest rate swaps			(3,774)	(3,774)
	(22,009)	(4,877)	(3,774)	(30,660)
Notional amount				
Listed stock index option contracts				
Purchased put options		2,693		2,693
Written call options		9,012		9,012
Foreign currency forward contracts				
Purchases	568,341	10,525		578,866
Sales	881,848	547,637		1,429,485
Interest rate futures				
Interest rate forward contracts	147,743	359,854		507,597
Stock index futures				
Over-the-counter interest rate swaps			25,000	25,000

1. The fair value of instruments with positive values is \$7.7 million (May 31, 2012: \$6.4 million) and is presented under Other investments. The fair value of those with negative values is \$6.4 million (May 31, 2012: \$37.1 million) and is presented under Accounts payable and other liabilities.

NOTES TO FINANCIAL STATEMENTS

5. OTHER INVESTMENTS (continued)

BREAKDOWN OF FAIR VALUE BY INDUSTRY SEGMENT¹

(In thousands \$)	Listed shares, unlisted units and hedge fund units	Bonds	Money market instruments	Total
November 30, 2012				
Government and government agencies		1,356,127	52,244	1,408,371
Financial institutions	104,935	503,272	2,568	610,775
Technology	225,915	82,542	8,998	317,455
Manufacturing and primary	926,534	78,383	30,835	1,035,752
Services and tourism	530,095	105,863		635,958
Fair value	1,787,479	2,126,187	94,645	4,008,311
Funds committed but not disbursed ²	25,333			25,333
	1,812,812	2,126,187	94,645	4,033,644
May 31, 2012				
Government and government agencies		1,302,050	112,471	1,414,521
Financial institutions	79,313	529,820	35,243	644,376
Technology	223,457	98,970	19,957	342,384
Manufacturing and primary	901,526	105,998	39,804	1,047,328
Services and tourism	551,055	116,876		667,931
Fair value	1,755,351	2,153,714	207,475	4,116,540
Funds committed but not disbursed ²	26,324			26,324
	1,781,675	2,153,714	207,475	4,142,864

1. This breakdown does not take into account changes in asset allocation resulting from derivative financial instruments.
2. Funds committed but not disbursed to international infrastructure funds represent other investments that have already been agreed to and for which amounts have been committed by the Fonds but have not been disbursed at balance sheet date. Disbursements are subject to compliance with the agreement's terms and conditions. These commitments, having a weighted average maturity of 0.5 year (May 31, 2012: 1.0 year), are denominated in U.S. dollars.

6. FAIR VALUE HIERARCHY

Financial instruments measured at fair value are classified using a hierarchy that reflects the significance of the inputs used in making the measurements. This hierarchy has the following levels:

Level 1: Fair value based on quoted market prices (unadjusted) observed on active markets for identical financial instruments.

Level 2: Fair value based on quoted prices for similar financial instruments or based on valuation techniques for which all significant inputs are based on observable market information.

Level 3: Fair value based on valuation techniques for which all significant inputs are not based on observable market information.

NOTES TO FINANCIAL STATEMENTS

6. FAIR VALUE HIERARCHY (continued)

(In thousands \$)	Level			Total
	1	2	3	
November 30, 2012				
Development capital investments				
Unsecured				
Listed shares	763,159	3	–	763,162
Unlisted shares and units			2,721,393	2,721,393
Loans, bonds and advances		446,792	1,165,005	1,611,797
Secured				
Loans and advances			8,469	8,469
	763,159	446,795	3,894,867	5,104,821
Other investments				
Listed shares and unlisted units	1,490,906		67,284	1,558,190
Hedge fund units			229,289	229,289
Bonds		2,116,386	9,801	2,126,187
Money market instruments		94,645		94,645
Derivative financial instruments	–	7,653		7,653
	1,490,906	2,218,684	306,374	4,015,964
	2,254,065	2,665,479	4,201,241	9,120,785
Financial instruments related to securities sold under repurchase agreements				
		153,669		153,669
Securities purchased under reverse repurchase agreements				
		224,046		224,046
Cash	9,974			9,974
Derivative financial instruments	–	(6,365)		(6,365)
Securities sold under repurchase agreements		(377,715)		(377,715)
	2,264,039	2,659,114	4,201,241	9,124,394
May 31, 2012				
Development capital investments				
Unsecured				
Listed shares	703,132	9,106	–	712,238
Unlisted shares and units			2,613,025	2,613,025
Loans, bonds and advances		463,393	1,104,807	1,568,200
Secured				
Loans and advances			25,302	25,302
	703,132	472,499	3,743,134	4,918,765
Other investments				
Listed shares and unlisted units	1,436,719		77,582	1,514,301
Hedge fund units			241,050	241,050
Bonds		2,144,909	8,805	2,153,714
Money market instruments		207,475		207,475
Derivative financial instruments	80	6,400		6,480
	1,436,799	2,358,784	327,437	4,123,020
	2,139,931	2,831,283	4,070,571	9,041,785
Financial instruments related to securities sold under repurchase agreements				
		131,507		131,507
Securities purchased under reverse repurchase agreements				
		325,443		325,443
Cash	13,789			13,789
Derivative financial instruments	(45)	(37,095)		(37,140)
Securities sold under repurchase agreements		(456,950)		(456,950)
	2,153,675	2,794,188	4,070,571	9,018,434

NOTES TO FINANCIAL STATEMENTS

6. FAIR VALUE HIERARCHY (CONTINUED)

The following table shows the reconciliation from beginning balances to ending balances for Level 3 fair values.

DEVELOPMENT CAPITAL INVESTMENTS

(In thousands \$)	Listed shares	Unlisted shares and units	Loans, bonds and advances		Total
			Unsecured	Secured	
November 30, 2012					
Fair value as at May 31, 2012	-	2,613,025	1,104,807	25,302	3,743,134
Realized gains (losses)		(11,913)	(2,563)	(360)	(14,836)
Change in unrealized appreciation or depreciation		78,058	(6,222)	(1,450)	70,386
Purchases		174,262	109,068	4,000	287,330
Sales and settlements		(132,039)	(55,085)	(19,023)	(206,147)
Transfers to Level 3			15,000 ¹		15,000
Fair value as at November 30, 2012	-	2,721,393	1,165,005	8,469	3,894,867
Change in unrealized appreciation or depreciation of development capital investments held as at November 30, 2012	-	39,627	(10,402)	(1,601)	27,624
November 30, 2011					
Fair value as at May 31, 2011	-	2,097,834	997,759	31,161	3,126,754
Realized gains (losses)	(5,113)	18,631	(8,421)	(491)	4,606
Change in unrealized appreciation or depreciation	5,652	165,729	14,383	29,685	215,449
Purchases		141,194	78,658	7,029	226,881
Sales and settlements	(539)	(103,587)	(59,553)	(37,674)	(201,353)
Fair value as at November 30, 2011	-	2,319,801	1,022,826	29,710	3,372,337
Change in unrealized appreciation or depreciation of development capital investments held as at November 30, 2011	-	144,573	(9,205)	(60)	135,308

1. An unsecured debenture has been transferred from Level 2 to Level 3 since its measurement method is no longer based on observable market data.

NOTES TO FINANCIAL STATEMENTS

6. FAIR VALUE HIERARCHY (CONTINUED)

OTHER INVESTMENTS

(In thousands \$)	Listed shares and unlisted units	Hedge fund units	Bonds	Total
November 30, 2012				
Fair value as at May 31, 2012	77,582	241,050	8,805	327,437
Realized losses	(55)		-	(55)
Change in unrealized appreciation or depreciation	(7,837)	(12,092)	1,001	(18,928)
Purchases	612	331		943
Sales and settlements	(3,018)		(5)	(3,023)
Fair value as at November 30, 2012	67,284	229,289	9,801	306,374
Change in unrealized appreciation or depreciation of other investments held as at November 30, 2012	(7,837)	(12,092)	1,001	(18,928)
November 30, 2011				
Fair value as at May 31, 2011	76,742	216,439	11,742	304,923
Realized losses		(5,229)		(5,229)
Change in unrealized appreciation or depreciation	3,505	9,926	(1,193)	12,238
Purchases	460	60,419		60,879
Sales and settlements	(6,720)	(48,051)	(3)	(54,774)
Fair value as at November 30, 2011	73,987	233,504	10,546	318,037
Change in unrealized appreciation or depreciation of other investments held as at November 30, 2011	3,505	4,809	(1,193)	7,121

All Level 3 financial instruments, except for certain units, are measured at fair value using valuation techniques and models whose outputs depend on significant assumptions that are based on data that are not observable on the market. Even though management believes that its fair value measurements are appropriate, using reasonably possible alternative assumptions could result in different fair values. Whenever possible, a sensitivity analysis of changes in significant assumptions is performed. Management assessed the situation and determined that using reasonably possible alternative assumptions would not result in significantly different fair values.

Since the Fonds does not have access to information on the underlying investments, the fair value of hedge fund units and of certain units classified as Level 3 is based on the value provided by the general partner or the external manager. Therefore no other reasonably possible assumption could be used.

7. SECURITIES LENDING

As part of the securities lending program, the trustee receives, in exchange for the securities loaned, guarantees or assets equivalent to the minimum percentage prescribed by any applicable law or agreement or to a percentage that may vary according to best practices. Depending on the securities loaned, this percentage ranges from 102% to 107% as at November 30, 2012 (May 31, 2012: from 102% to 106%), and the fair value of the securities loaned is \$163 million (May 31, 2012: \$133 million).

8. ACCOUNTS RECEIVABLE AND OTHER ASSETS

(In thousands \$)	November 30, 2012	May 31, 2012
Accounts receivable relating to development capital investments and other investments sold	145,025	89,399
Accrued dividends and interest	69,992	73,315
Financial instruments related to securities sold under repurchase agreements	153,669	131,507
Securities purchased under reverse repurchase agreements	224,046	325,443
Other	36,379	37,172
	629,111	656,836

NOTES TO FINANCIAL STATEMENTS

9. CAPITAL ASSETS

(In thousands \$)	Cost	Accumulated amortization	Net carrying amount
November 30, 2012			
Buildings ¹	67,715	18,093	49,622
Office furniture and equipment	18,317	15,779	2,538
Computer hardware	13,710	9,205	4,505
Information systems development	18,971	15,087	3,884
	118,713	58,164	60,549
May 31, 2012			
Buildings ¹	67,715	17,179	50,536
Office furniture and equipment	17,945	15,449	2,496
Computer hardware	12,966	8,353	4,613
Information systems development	17,928	14,497	3,431
	116,554	55,478	61,076

1. The net carrying amount of the portion of building that is leased out is \$20.2 million (May 31, 2012: \$20.6 million).

10. NOTES

Notes are repayable on demand and bear interest at a rate based on the rate of return of Other investments. Consequently, the fair value of these notes arising from excess liquidities of regional and local funds and of certain specialized funds corresponds to their carrying amount. As at November 30, 2012 and May 31, 2012, the interest rate is 4.0%.

11. CREDIT FACILITIES

As at November 30, 2012 and May 31, 2012, the Fonds has credit facilities amounting to \$80 million, bearing interest at prime rate and renewable annually. As at November 30, 2012 and May 31, 2012, these facilities are unused.

12. ACCOUNTS PAYABLE AND OTHER LIABILITIES

(In thousands \$)	November 30, 2012	May 31, 2012
Accounts payable relating to development capital investments and other investments purchased	119,903	204,982
Derivative financial instruments	6,365	37,140
Share redemptions	19,728	28,072
Securities sold under repurchase agreements	377,715	456,950
Accrued expenses and other	84,902	89,290
	608,613	816,434

13. NET ASSETS

SHARE CAPITAL

Authorized

CLASS A SHARES

Unlimited number of Class A shares to be issued in Series 1 and 2, without par value, voting, redeemable and inalienable unless approved by a resolution of the Board of Directors.

Class A shares, Series 1 and 2 can be exchanged for shares of another series and rank pari passu. However, Class A shares, Series 1 may be issued only to an individual requesting their transfer to a trustee under a registered retirement savings plan.

NOTES TO FINANCIAL STATEMENTS

13. NET ASSETS (CONTINUED)

SHARE CAPITAL (CONTINUED)

Authorized (CONTINUED)

CLASS B SHARES

Unlimited number of Class B shares, without par value, non-voting, entitled to a preferential dividend at the rate determined by the Board of Directors. In the event of liquidation, the Class B shares rank prior to Class A shares.

Subscribed

Subscribed capital is money cashed but for which no Class A share can be issued in consideration thereof pursuant to the Fonds' purchase-by-agreement policy. These Class A shares will be issued at the time set out in such policy at the share price in effect at that date.

Redemption terms

The Fonds is required to redeem shares in the circumstances set out in its Incorporation Act or to redeem them by mutual agreement in exceptional situations provided under a policy for such purpose adopted by the Fonds' Board of Directors and approved by the Minister of Finance of Québec. The redemption price is determined semi-annually based on the value of the Fonds.

Contributed surplus

Contributed surplus arises from the reduction in issued and paid-up capital resulting from transfers and the excess of the average value of share capital over the redemption price. This excess is reduced when shares are redeemed at a price exceeding the average value of issued share capital, prorata to the redeemed shares.

Transfer

During the period, the Board of Directors approved an increase in the issued and paid-up capital on Class A shares, Series 1 of \$75 million through a transfer from retained earnings (November 30, 2011: \$95 million).

As at November 30, 2012, the Fonds had transferred a cumulative amount of \$1,792 million from retained earnings to share capital.

NET ASSETS – CLASS A

(In thousands)	Series 1		Series 2		Subscribed	Total
	Number	\$	Number	\$	\$	\$
November 30, 2012						
Net assets at beginning of period	317,218	8,433,242	3,411	90,686	760	8,524,688
Net earnings		195,830		2,110		197,940
Share issues	9,257	245,131	142	3,768		248,899
Net change in share subscriptions					120	120
Share redemptions	(7,986)	(211,322)	(129)	(3,425)		(214,747)
Change in outstanding redemptions	245	6,507				6,507
Net assets at end of period	318,734	8,669,388	3,424	93,139	880	8,763,407
November 30, 2011						
Net assets at beginning of period	311,941	8,084,720	3,563	92,364	727	8,177,811
Net earnings		18,823		229		19,052
Share issues	9,010	232,023	135	3,464		235,487
Net change in share subscriptions					23	23
Share redemptions	(9,711)	(250,630)	(207)	(5,366)		(255,996)
Change in outstanding redemptions	(245)	(6,341)				(6,341)
Net assets at end of period	310,995	8,078,595	3,491	90,691	750	8,170,036

NOTES TO FINANCIAL STATEMENTS

14. CONTINGENCIES

In the normal course of business, the Fonds is party to claims and litigations that could result in losses. A contingent loss is recognized when it is likely and can be estimated. Management believes that the aggregate amount of contingent losses, net of losses recognized, would not have a material adverse effect of the Fonds' financial position.

15. REVENUES

Interest totalling \$8.7 million (November 30, 2011: \$8.2 million) on the notes is recorded against Interest in the Statement of Operations and capitalized under Notes.

16. OPERATING EXPENSES

(In thousands \$)	Six-month periods	
	November 30, 2012	November 30, 2011
Salaries and benefits	37,811	34,301
Advertising and information	6,816	5,394
Occupancy expenses and rent	4,484	4,458
Management fees	3,475	3,697
Professional fees	3,032	3,749
Stationery and office supplies	1,632	1,491
Travel and entertainment	1,549	1,730
Shareholder reporting costs	1,240	1,276
Custodial fees and trustee's fees	437	501
Fees and other income	(1,810)	(2,281)
Rental income	(2,016)	(2,036)
Amortization of property and equipment	2,187	1,936
Amortization of information systems development	590	387
	59,427	54,603

NOTES TO FINANCIAL STATEMENTS

17. INCOME TAXES

For purposes of the *Income Tax Act* (Canada), the Fonds is subject to the rules applicable to mutual fund corporations. As such, the Fonds can receive a refund of the income taxes paid on its capital gains by redeeming its shares or by increasing its issued and paid-up share capital through a transfer from retained earnings. Since these income taxes are refundable and that, in management's opinion, the issued and paid-up share capital will be increased sufficiently to recover them, these income taxes are not presented in the Statement of Operations, but are included in Accounts receivable and other assets. The balance of these income taxes is \$10.5 million (May 31, 2012: \$10.3 million).

The Fonds, as a private company, can receive a refund of a portion of the income taxes paid on its investment income through the refundable dividend tax on hand (RDTOH). The RDTOH is recoverable by increasing the issued and paid-up share capital through a transfer from retained earnings. This tax of \$17.8 million (May 31, 2012: \$31.9 million) was entirely applied against income taxes payable following a transfer approved by the Board of Directors during the period.

Under the *Taxation Act* (Québec), the Fonds is an open-ended investment company. As such, the Fonds can, in calculating its Québec taxes, deduct taxable capital gains from its taxable income. Consequently, capital gains realized by the Fonds are not subject to taxes in Québec.

Income taxes on net investment income before income taxes are detailed as follows:

(In thousands \$)	Six-month periods	
	November 30, 2012	November 30, 2011
Current	11,897	10,971
Future	(1,397)	1,989
	10,500	12,960

The above income taxes are different from the amounts that would be obtained by applying the combined basic tax rate (federal and provincial) to net investment income before income taxes. The difference is explained as follows:

(In thousands \$)	Six-month periods	
	November 30, 2012	November 30, 2011
Income taxes based on combined income tax rate of 46.6%	31,226	30,861
Non-taxable dividends	(9,115)	(6,336)
Refundable dividend tax on hand	(17,775)	(16,362)
Other items	6,164	4,797
	10,500	12,960

Items giving rise to future income taxes are as follows:

(In thousands \$)	Capital assets	Development capital investments and other	Total
November 30, 2012			
Future income tax assets	(711)	1,306	595
Future income tax liabilities	949	2,162	3,111
May 31, 2012			
Future income tax liabilities	1,749	2,164	3,913

NOTES TO FINANCIAL STATEMENTS

18. EMPLOYEE FUTURE BENEFITS

On January 1, 2001, the Fonds implemented funded and unfunded defined benefit pension plans, which guarantee pension benefits to most of its employees. Pension benefits under these plans are based on years of service and average annual salary, which represents the average annual salary over the period of 36 months of consecutive service which results in the highest average.

Also, since July 1, 2003, the Fonds has had an optional personal insurance plan for retired employees.

The accrued benefit obligation of these plans as determined by independent actuaries and the fair value of plan assets are as at September 30, 2012. The most recent actuarial valuation of the pension plans for funding and solvency purposes was as at December 31, 2011 and the next valuation will take place as at December 31, 2012.

Information about the plans is as follows:

(In thousands \$)	Six-month periods			
	November 30, 2012		November 30, 2011	
	Pension plans	Insurance plan	Pension plans	Insurance plan
Accrued benefit obligation				
Balance at beginning of period	160,030	2,217	120,826	1,833
Current service cost	7,398	56	6,785	43
Interest cost	3,757	51	3,330	49
Benefits paid	(831)	(15)	(625)	(12)
Actuarial loss	15,841	170	5,586	69
Balance at end of period	186,195	2,479	135,902	1,982
Plan assets				
Balance at beginning of period	112,379	-	93,246	-
Fonds contributions	6,465	15	3,904	12
Employee contributions	1,868		2,643	
Benefits paid	(831)	(15)	(625)	(12)
Actual return on plan assets	4,167		(4,010)	
Balance at end of period	124,048	-	95,158	-
Reconciliation of accrued benefit obligation and plan assets				
Funded status – deficit	(62,147)	(2,479)	(40,744)	(1,982)
Unamortized net actuarial loss	47,616	804	26,256	509
Unamortized past service cost (gain)	275	(118)	448	(158)
Accrued benefit liabilities	(14,256)	(1,793)	(14,040)	(1,631)

These accrued benefit liabilities are presented under Accounts payable and other liabilities.

ADDITIONAL INFORMATION ABOUT PLAN ASSETS

Funded plan assets are held in trust and their breakdown is as follows:

(in %)	November 30, 2012	November 30, 2011
Equity mutual funds	62.4	62.4
Bond mutual funds	37.4	37.3
Cash and other	0.2	0.3
	100.0	100.0

NOTES TO FINANCIAL STATEMENTS

18. EMPLOYEE FUTURE BENEFITS (CONTINUED)

ADDITIONAL INFORMATION ABOUT PLAN ASSETS (CONTINUED)

Costs recognized in the period were as follows:

(In thousands \$)	Six-month periods			
	November 30, 2012		November 30, 2011	
	Pension plans	Insurance plan	Pension plans	Insurance plan
Current service cost, net of employee contributions	5,530	56	4,142	43
Interest cost	3,757	51	3,330	49
Actual return on plan assets	(4,167)		4,010	
Actuarial loss	15,841	170	5,586	69
Cost before adjustments to recognize the long-term nature of employee future benefits	20,961	277	17,068	161
Difference between actual and expected return on plan assets	698		(6,987)	
Difference between actuarial loss or gain recognized and actual actuarial loss or gain on accrued benefit obligation	(15,037)	(151)	(5,411)	(57)
Difference between amortization of past service cost or gain and actual plan amendments	87	(20)	87	(20)
Costs recognized in the period	6,709	106	4,757	84

Cash payments for employee future benefits, which comprise contributions made by the Fonds to these funded pension plans and amounts paid directly to members under unfunded plans totalled \$6.5 million (November 30, 2011: \$3.9 million).

SIGNIFICANT ACTUARIAL ASSUMPTIONS

The significant actuarial assumptions used to determine the accrued benefit obligation and the costs recognized for the plans are as follows:

(in %)	November 30, 2012		November 30, 2011	
	Pension plans	Insurance plan	Pension plans	Insurance plan
Accrued benefit obligation				
<i>Rate at end of period</i>				
Discount rate	4.00	4.00	5.00	5.00
Rate of compensation increase	3.50		3.50	
Accrued benefit costs recognized				
<i>Rate at end of previous period</i>				
Discount rate	4.50	4.50	5.25	5.25
Expected rate of return on plan assets	6.00		6.25	
Rate of compensation increase	3.50		3.50	

The Fonds set the maximum annual insurance premium it will assume per retiree and does not expect any increases in the future.

NOTES TO FINANCIAL STATEMENTS

19. RELATED PARTY TRANSACTIONS

In the normal course of business, the Fonds conducts transactions with related companies that are either controlled by the Fonds or subject to significant influence by the Fonds. Many of the development capital investments are of such an amount and nature that the investee is considered a related company. These transactions consist predominantly of interest and dividend revenues on investments and certain expenses, in particular premiums paid under insurance plans.

The Fonds, of which a majority of directors are elected by the FTQ, agreed to pay \$1.0 million to the FTQ for the six-month period ended November 30, 2012 (November 30, 2011: \$0.9 million) under an agreement that calls for compensation to be paid for services rendered in respect of economic training, social audits, shareholder development, and support and guidance of certain activities. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Fonds incorporated the Fondation de la formation économique du Fonds de solidarité des travailleurs du Québec (F.T.Q.) (the "Fondation") under Part III of the *Québec Companies Act* and appoints the members of the Fondation's Board of Directors. The Fonds granted a loan of \$5 million to the Fondation at a variable, contingent interest rate, with a fair value of \$3.8 million (May 31, 2012: \$3.6 million).

The Fonds granted non-interest bearing loans of \$20 million with a fair value of \$13.9 million as at November 30, 2012 and May 31, 2012 to the Fonds étudiants solidarité travail du Québec (FESTQ), which are considered related to the Fonds because the Fonds appoints some of their directors together with the Government of Québec.

These loans are presented in the Balance Sheet under Accounts receivable and other assets.

20. RISK MANAGEMENT

Risks arising from financial instruments are an integral part the audited Financial Statements and are discussed in the "Risk management" section of the *Interim Management Discussion and Analysis for the Six-month Period Ended November 30, 2012*, which is available at the Fonds' head office, on its Website at www.fondsftq.com or at www.sedar.com.

21. COMPARATIVE FIGURES

Certain prior period figures have been reclassified to be comparable with those of the current period.

22. ADDITIONAL INFORMATION

The audited *Statement of Development Capital Investments, at Cost*, the unaudited *Statement of Other Investments* and the unaudited *Index of the Share of the Fonds in Investments Made by the Specialized Funds, at Cost*, are available at the Fonds' head office, on its Website at www.fondsftq.com or at www.sedar.com.