FONDS de solidarité FTQ

INVESTING IN A BETTER SOCIETY.

Simplified Prospectus

Offering of Series 1 Units of the following Funds:

FlexiFonds Conservative Fund
FlexiFonds Balanced Fund
FlexiFonds Growth Fund

May 30, 2022

Fonds de solidarité FTQ Mutual Funds

Simplified Prospectus

FLEXIFONDS CONSERVATIVE FUND (Series 1 Units)

FLEXIFONDS BALANCED FUND (Series 1 Units)

FLEXIFONDS GROWTH FUND (Series 1 Units)

May 30, 2022

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise. The Funds and the securities offered under this simplified prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

TABLE OF CONTENTS

Page

PART A - GENERAL INFORMATION REGARDING THE FONDS DE SOLIDARITÉ FTQ MUTUAL FUNDS

1. INTRODUCTION

In this simplified prospectus, the terms "**you**" and "**your**" refer to the investor and the terms "**we**," "**our**" and the "**Manager**" refer to the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (the "**Fonds de solidarité FTQ**"). Moreover, the FlexiFonds Funds of the Fonds de solidarité FTQ, the units of which are offered pursuant to this simplified prospectus, are individually referred to as a "**Fund**," and collectively as the "**Funds**."

This simplified prospectus contains important information to help you to make a sound investment decision and to understand your rights as an investor in the Funds. As such, this simplified prospectus contains general information about investing in mutual funds as well as specific information about the Funds and the identity of the firms responsible for managing the Fund.

This simplified prospectus is divided into two parts:

- pages 1 to 33 contain general information that applies to mutual funds and to all the Funds;
- pages 34 to 47 contain detailed information about each Fund described in this simplified prospectus.

Additional information about each Fund is available in the following documents:

- the annual information form;
- the most recently filed fund facts;
- the most recently filed annual audited financial statements;
- any interim financial statements filed after those annual audited financial statements;
- the most recently filed annual management reports of fund performance; and
- any interim management reports of fund performance filed after those annual management reports of fund performance.

These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of these documents, at your request and at no cost, by calling toll-free 1-833-383-2121 or by contacting your dealer, FlexiFonds de solidarité FTQ inc., by email at info@flexifondsftq.com.

These documents are also available on our website at fondsftq.com. You can also obtain these documents and other information concerning the Funds on the SEDAR website at sedar.com.

2. WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

A mutual fund is money pooled from investors with shared objectives. Managing these investments is overseen by professionals who act as portfolio managers. The portfolio manager invests the assets of the mutual fund according to the investment objectives of that fund. A particular portfolio may be invested in several different securities at the same time thereby providing a level of investment diversification that may not otherwise be available to an individual investor. The unitholders of the mutual fund share the income, fees and any gains or losses the mutual fund makes on its investments in proportion to the number of units they own.

A mutual fund may own different types of investments (stocks, bonds, cash, units of other funds) depending on the fund's investment objectives. The value of these investments will vary, reflecting changes in interest rates, economic conditions and market and business developments. As a result, the value of a mutual fund's units (the unit price) may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

In addition to investing in equity and debt securities, mutual funds may also employ other investment techniques, in particular, by using derivatives. The use of derivatives is usually designed to reduce risk and/or improve returns. Mutual funds can use derivatives to hedge against losses arising from changes in stock prices, exchange rates or market indexes. They may also use derivatives to make indirect investments or to generate income in order to help a mutual fund achieve its investment objectives. Note that the Funds offering units under this simplified prospectus are authorized to use derivatives for hedging purposes only.

In exceptional circumstances, a mutual fund may suspend redemptions. Please refer to Section 4 "Purchases, Switches, Redemptions and Short-Term Trading" in this prospectus.

The full amount of your investment in any of the Funds is not guaranteed. Unlike bank accounts or guaranteed investment certificates, mutual fund units are not covered by the Canada Deposit Insurance Corporation nor any other government deposit insurer. Moreover, your investment in the Funds does not entitle you to tax credits, including a labour-sponsored funds tax credit.

2.1 What are the Advantages of Investing in a Mutual Fund?

Professional Management. With mutual funds, investors can benefit from the knowledge and experience of portfolio managers.

Diversification. Most investors would benefit from a well-diversified portfolio. By diversification, we mean investing in many different securities and many different asset categories (for example, due to the cost of each investment, average investors may not be able to invest on their own in shares from different sectors such as in the industrial, technology, financial services, consumer, energy, and health sectors, as well as in governmental and corporate bonds).

Range. In the investment market, investors may choose among various types of mutual funds, including income funds, equity funds, diversified funds or specialty funds.

Liquidity. Mutual fund unitholders may quickly and easily dispose of their investment.

2.2 *Risk-Return Trade-off of Investing in Mutual Funds*

Risk and return are closely related. Thus, if you are looking for a higher potential return on your investments, you may have to accept a higher level of risk. A higher-risk mutual fund is generally less stable and is subject to greater fluctuations. The more returns of a mutual fund fluctuate, the higher the risk of that fund. It is important, therefore, to understand the term "fluctuation" - over a set period, securities may fluctuate, i.e., their value may increase or decrease.

Higher-risk investments generally earn higher returns in the long term than more secure investment options. However, because they fluctuate much more, high-risk investments may yield more significant negative returns in the short term compared to more secure investment options.

All investments, including those in mutual funds, carry the risk that you may lose money or break even. The degree of risk varies considerably from one mutual fund to another. Generally speaking, investments with the highest potential return carry the greatest risk.

In deciding how much risk you are prepared to accept, you must determine how soon you will need the money you are investing. Typically, the longer you hold units in a mutual fund or the longer you are able to leave your money invested, the more risk you may be able to tolerate since there is more time for short-term market declines to recover. You will also need to consider your investment goals and what types of other investments you already have in your overall portfolio.

2.3 *Why Are the Funds So Innovative?*

In keeping with the Fonds de solidarité FTQ's mission of supporting Québec's businesses and economy, each proposed Fund has a target investment percentage whereby 70% of its assets are linked to the Québec economy. Of this percentage, each Fund aims to invest 30% of its assets in shares of the Fonds de solidarité FTQ, which shares are considered a Québec asset. **In this prospectus, it is understood that when we refer to asset allocation percentages, such percentages constitute targets.** By doing so, the Fonds de solidarité FTQ adds additional amounts to its assets, which enable it to increase its support of the Québec economy. To invest 30% of the net asset value of each Fund in shares of the Fonds de solidarité FTQ required that the Autorité des marchés financiers grant an exemption from certain restrictions set out in Québec's securities regulations.

In order to allow the Funds to hold shares of the Fonds de solidarité FTQ and to provide their unitholders with a right to redeem their units upon request, the Fonds de solidarité FTQ amended its share capital by amending its articles to be authorized to issue a class of shares designated as "Class "C" Shares." These Class "C" Shares are issued by the Fonds de solidarité FTQ and have the rights, privileges, conditions, and restrictions described under "Important Assets of the Funds – The Class "C" Shares of the Fonds de solidarité FTQ" in the Annual Information Form of the Funds available on the Fonds de solidarité FTQ's website at fondsftq.com or on the SEDAR website at sedar.com.

The exemption ("**Exemption**") granted by the Autorité des marchés financiers allows the Funds to acquire and hold Class "C" Shares of the Fonds de solidarité FTQ in order to maintain an asset allocation that does not exceed 30% of their net asset value. As such, the Funds are exempt from the application of:

- subsection 2.1(1) of *Regulation 81-102 respecting Investment Funds*, CLRQ, c. V 1.1, r. 39 ("**Regulation 81-102**") relating to the concentration restriction which prevents a mutual fund from purchasing a security of an issuer if, immediately after the transaction, more than 10% of its net asset value would be invested in securities of this issuer; and
- subsection 2.5(2)a) of Regulation 81-102 regarding investments in other investment funds, in order to allow the new mutual funds to purchase and hold Class "C" Shares of the Fonds de solidarité FTQ.

To better understand the regulatory framework of the Funds and the mitigation measures regarding the risks, please refer to Section 2.4 "Risks Associated with the Funds' Investments in Class "C" Shares of the Fonds de solidarité FTQ."

2.4 What Are the Risks of Investing in Units of a Fund?

Below are some of the specific risks that can affect the value of your investment in a Fund. The description of each Fund contained in the second part of this simplified prospectus identifies which risks apply to each Fund.

The geopolitical climate, public health crises, acts or threats of terrorism, or any other similar event may have an unforeseen impact on national and international stock markets and economies.

Concentration Risk

When a mutual fund invests a large part of its assets in securities issued by one or a few issuers, there is a risk related to concentration. By holding significant investments in a limited number of issuers, the mutual fund will be less diversified and may be subject to greater volatility from changes in the market value of such issuers.

Canadian securities regulatory authorities have adopted rules and restrictions regarding investments by mutual funds. Among these restrictions, is an investment limit of 10% of the value of the mutual fund in a single issuer. However, if certain conditions are met, mutual funds may be authorized to invest more than 10% of their net assets in the securities of a single issuer.

So that the Funds might invest up to 30% of their net asset value in Class "C" Shares of the Fonds de solidarité FTQ, the Funds obtained an exemptive relief from a restriction provided under Regulation 81-102 that prevents a mutual fund from purchasing securities from a single issuer if, after such a transaction, more than 10% of the net asset value of the mutual fund would be invested in said issuer. Note that the investment objective of the Funds includes investing a significant portion of the Funds' assets in Class "C" Shares of the Fonds de solidarité FTQ.

Thus, the assets of the Funds may be less diversified than those of other mutual funds that have not obtained this Exemption. In addition, such concentration may make the Funds' unit price more volatile and may reduce the liquidity of their portfolios, which may make it more difficult for the Funds to satisfy redemption requests. For a discussion of the specific risks resulting from the Funds investing in Class "C" Shares of the Fonds de solidarité FTQ, please refer to "Risks Associated with the Funds' Investments in Class "C" Shares of the Fonds de solidarité FTQ" below.

We have implemented and maintain policies and procedures to reduce the negative impact of such concentration in the Funds' portfolios. In addition, the *Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.)* (the "**Act**") generally prevents the Fonds de solidarité FTQ from investing in an enterprise that would cause the total amount of its investment in that enterprise to be greater than 5% of the assets of the Fonds de solidarité FTQ. In accordance with the conditions of the Exemption, the Fonds de solidarité FTQ and the portfolio managers of the Funds have provided for investment restrictions such that the Funds' assets, other than the Class "C" Shares of the Fonds de solidarité FTQ, provide a sufficient degree of diversification and liquidity. Moreover, the Fonds de solidarité FTQ has implemented a rebalancing policy to maintain the Funds' target allocation that provides, among other things, (i) for a semi-annual portfolio rebalancing on the date the value of the Class "C" Shares of the Fonds de solidarité FTQ is published; and (ii) that, during the six-month period, should the Class "C" Shares of the Fonds de solidarité FTQ constitute less than 25% or more than 35% of the net asset value of a Fund, the portfolio manager must, as quickly as is commercially reasonable, take all appropriate measures to bring the Class "C" Shares of the Fonds de solidarité FTQ back to the target allocation of 30%. A Fund may not hold more than 35% of its value in Class "C" Shares of the Fonds de solidarité FTQ for more than 90 days.

Liquidity Risk

Liquidity refers to how quickly and easily a mutual fund asset may be sold at a fair price and converted into cash, so that the mutual fund may satisfy redemption requests. Sometimes a mutual fund may invest in illiquid securities, i.e., securities that cannot be sold quickly or easily. Some securities may not be liquid because of legal restrictions, the nature of the investment itself, settlement terms, a shortage of interested buyers, or other reasons. Any difficulty in selling illiquid securities may cause a loss for the mutual fund.

Given their investment objectives, the Funds may invest up to 30% of their assets in Class "C" Shares of the Fonds de solidarité FTQ. Since Class "C" Shares of the Fonds de solidarité FTQ may represent a significant proportion of the Funds' assets, the liquidity of the Class "C" Shares of the Fonds de solidarité FTQ may have a considerable impact on the liquidity of the units of the Funds. A significant negative impact on the level of liquidity of the Fonds de solidarité FTQ may affect its ability to honour redemption requests from the Funds regarding its Class "C" Shares, thereby affecting the liquidity of the units of the Funds.

In accordance with the Act and its mission, the Fonds de solidarité FTQ invests a significant portion of its assets in small and medium enterprises in Québec, investments which are not guaranteed. In addition, a large part of these assets is made up of investments in private enterprises and specialty funds for which there is no public market.

The management of the liquidity risks resulting from the Class "C" Shares of the Fonds de solidarité FTQ is integrated into the governance framework of the Fonds de solidarité FTQ and taken into account by the Fonds de solidarité FTQ, its board of directors and the board's committees, which are mandated to provide a framework for managing risks arising from the operations of the Fonds de solidarité FTQ. The Fonds de solidarité FTQ adopted a policy for the management of liquidity risks that requires the monitoring of and compliance with specific liquidity ratios designed to limit the risk that the Fonds de solidarité FTQ might be unable to satisfy its short-term commitments and redemption requests for Class "C" Shares of the Fonds de solidarité FTQ submitted by the Funds, including an escalation process upon attainment of certain ratio thresholds. The Fonds de solidarité FTQ maintains internal controls to manage the liquidity risk in a manner consistent with prudent business practices and periodically reviews these controls. Lastly, the Fonds de solidarité FTQ performs stress tests using various scenarios and sensitivity analyses, based on, for example, different levels of share repurchases or its cash flow needs.

More precisely, and in accordance with the conditions of the Exemption, the Fonds de solidarité FTQ must maintain the two following liquidity ratios:

Ratio 1
The Fonds de solidarité FTQ will maintain assets, which can be liquidated in an orderly fashion within two days of the transaction, with a value equal to or greater than 1.5 times its liabilities, namely, the value of the issued and outstanding Class "C" Shares of the Fonds de solidarité FTQ. This ratio is monitored on a monthly basis.

Ratio 2
The Fonds de solidarité FTQ will maintain assets, which can be liquidated in an orderly fashion within seven days of the transaction, with a value equal to or greater than 75% of its liabilities and short-term commitments. This ratio is monitored on a quarterly basis.

Conflicts of Interest Risk Relating to the Structure of the Funds

In accordance with their investment objectives, the Funds may invest up to 30% of their assets in Class "C" Shares issued by the Fonds de solidarité FTQ, which is also the investment fund manager and sponsor of the Funds and, initially, the principal unitholder of each Fund. Moreover, FlexiFonds de solidarité FTQ inc., a wholly-owned subsidiary of the Fonds de solidarité FTQ, acts as the principal distributor of the units of the Funds. Various conflicts of interest may arise as a result of this structure under which the Fonds de solidarité FTQ has many roles and responsibilities in respect of the Funds.

The obligations incumbent upon the Fonds de solidarité FTQ under the *Securities Act* (Québec) ("**QSA**"), as investment fund manager, to comply, in the exercise of its duties, with the obligations provided in its constating instrument, by-laws and the law, to act within the limits of the powers conferred on it in a prudent, diligent and competent manner and to discharge its duties honestly, in good faith and loyally in the best interests of the Funds and their holders or the purpose of the Funds, mitigate the risks of such conflicts of interest. The granting of a portfolio management mandate to an established portfolio manager that is not an affiliate of the Fonds de solidarité FTQ and that is bound under the QSA to act in good faith and honestly, fairly and loyally in its dealings with the Funds also helps mitigate conflicts of interest that may result under the organizational structure of the Funds. Moreover, all conflict of interest issues regarding the Funds as well as the policies and procedures implemented by the Fonds de solidarité FTQ to manage such conflicts are submitted to the independent review committee of the Funds for approval or recommendation. Lastly, the Funds have implemented and periodically review their own conflicts of interest policies.

In order to reduce the risks arising from various conflicts of interest and in accordance with the Exemption, the Fonds de solidarité FTQ, as investment fund manager, has implemented the following measures:

- independence of the portfolio manager: management of the Funds' portfolios is delegated to a portfolio manager registered with the Autorité des marchés financiers and not an affiliate of the Fonds de solidarité FTQ. Essentially, the activities of the portfolio manager entail implementing the investment objectives and strategies as well as the rebalancing policy of the Funds;

- independent review committee: the Fonds de solidarité FTQ must submit any conflict of interest issue to the independent review committee, namely, any situation in which a reasonable person would consider that the Fonds de solidarité FTQ, as investment fund manager of the Funds, or any entity related to the Fonds de solidarité FTQ has an interest that may conflict with the ability of the Fonds de solidarité FTQ to act in good faith and in the best interests of the Funds;

- specific obligations of the mutual fund dealer: the mutual fund dealer, which is an affiliate of the Fonds de solidarité FTQ (i.e. FlexiFonds de solidarité FTQ inc.) and exclusively distributes the Funds' units, has implemented controls to ensure that its representatives:

  (i) disclose to subscribers of the Funds, prior to any transaction, the exclusive nature of the products offered; and

  (ii) have sufficient knowledge adapted to the particular nature of the Funds themselves, so that they may provide explanations regarding their specific risks.

FlexiFonds de solidarité FTQ inc. is the sole dealer authorized to distribute units of the Funds. FlexiFonds de solidarité FTQ inc. does not distribute units of any other mutual fund.

Past Performance Risk

The recently established Funds are innovative mutual funds with a unique structure and for which there is only a brief operating history upon which to evaluate their past performance, risk or returns, and their ability to achieve their investment objectives.

However, given that management of the portfolios of the Funds is entrusted to a portfolio manager, the Funds benefit from the cumulative experience of that portfolio manager.

Credit Risk

Credit risk involves the possibility that an issuer of bonds or other fixed-income securities is unable to pay interest on the investment or reimburse the capital upon maturity. This risk is higher if the fixed-income security has a low credit rating or no rating at all. While fixed-income securities with a low credit rating usually offer a better interest rate to compensate for the higher credit risk, they may lead to significant losses.

Currency Risk

The Funds may invest in securities denominated in a currency other than the Canadian dollar. If the Canadian dollar increases (appreciates) against another currency, the investment denominated in that currency will lose value. On the other hand, when the Canadian dollar drops (depreciates) against another currency, the investment denominated in that currency will increase in value. Such exchange rate fluctuations may affect the value of the Funds.

Certain Funds may use derivatives to reduce risks related to exchange rate fluctuations. For more information, see "Hedging Strategies" under "Derivatives Risk" in Section 2.4 of this prospectus.

Derivatives Risk

A derivative is a financial instrument whose value is based on the value of another investment, such as common shares, bonds, market indexes or currencies. Derivatives usually take the form of a contract with another party to buy or sell an asset at a later date. Some of the Funds may enter into various transactions involving derivatives such as futures contracts, options traded on recognized stock exchanges or on other organized trading systems where market prices are readily available, as well as over-the-counter contracts and swaps executed pursuant to an International Swaps and Derivatives Association master agreement. The Funds may only use the derivatives for hedging purposes. For more information, see "Hedging Strategies" in Section 2.4 of this prospectus.

Derivatives have their own risks and can lead to losses. The following are examples of such risks:

- There is no guarantee a market will exist for certain derivatives, which could prevent the mutual fund from selling them or exiting the derivative prior to maturity. As a result, this risk may restrict the mutual fund's ability to realize its profits or limit its losses.

- Stock exchanges may set daily trading limits on options and futures contracts. Such changes to the rules could prevent the mutual fund from completing a futures or options transaction, causing the mutual fund to realize a loss because it would not be able to properly hedge against or limit a loss.

- It is possible that the other party to a derivative contract (a "**Counterparty**") will fail to fulfill its obligations under the contract, causing a loss for the mutual fund.

- When entering into a derivative contract, the mutual fund may be required to provide margin or collateral to the Counterparty. If the Counterparty becomes insolvent, the mutual fund could lose its margin or collateral or incur expenses to recover it.

- Certain mutual funds may use derivatives as a hedging strategy to reduce certain risks relating to the stock market, currencies or interest rates. Hedging may not effectively prevent losses. Moreover, it may reduce the opportunity for gains if the value of the hedged investment rises, because the derivative could incur an offsetting loss. Hedging may also be costly or difficult to implement.

o Hedging Strategies

The Funds may use derivatives only for hedging purposes, to protect against or compensate for the portfolio investment risks of a Fund, such as currency fluctuations, stock market volatility or interest rate changes. A hedging strategy may not yield the expected results. Changes in the value of the derivative being used for hedging purposes may not match changes in the value of the investment being hedged. Even though the Funds may enter into hedging transactions with the intention of reducing risk, such transactions may result in a poorer overall performance for the Funds than if it had not entered into such hedging transactions, and may increase risk.

Exchange-Traded Funds Risk

Certain Funds may invest part of their assets in other funds that are traded on a stock exchange ("**Exchange-Traded Funds**"). Generally, the Funds may only invest in Exchange-Traded Funds that issue index participation units. This means that the only purpose of the Exchange-Traded Fund is to hold the securities that are included in a widely-recognized market index in largely similar proportions to the index, or to invest in a manner so as to replicate the performance of the index. As such, the Exchange-Traded Funds seek to provide returns similar to the performance of a particular index or sector. An Exchange-Traded Fund may not achieve the same return as its benchmark index due to differences between the actual weight of securities held by the Exchange-Traded Fund and the weight of such securities in the relevant index as well as the operating and administrative expenses of the Exchange-Traded Fund.

The securities of Exchange-Traded Funds are traded on financial markets. It is possible that the financial markets on which these securities are traded may not be very liquid, or may not be maintained. As a result, securities of Exchange-Traded Funds may be traded at market values below or above their net asset value. Moreover, Exchange-Traded Funds must ensure that they comply with the listing requirements of the stock exchanges on which their securities are traded. Failure to do so could result in the securities being delisted.

Foreign Investment Risk

This is the risk that investments in foreign companies will be affected by worldwide economic factors, in addition to changes in the value of the Canadian dollar. Information about foreign companies may be incomplete, or may not be subject to the same extensive accounting, auditing, financial reporting standards and practices and other disclosure requirements in effect in Canada and the United States.

Moreover, the investment income that a Fund receives from its foreign investments may be subject to a withholding tax on foreign income, the rate of the withholding tax could increase at any time, any possible reduction in the withholding tax rate or applying for withholding tax refunds could prove to be costlier than the value of the benefits received by a Fund, and any foreign tax credit claimed in Canada could prove to be lower than the foreign tax actually paid.

Different financial, political and social factors can significantly affect the value of an investment in a mutual fund. Certain foreign markets may be volatile or less liquid (for example, due to smaller markets, longer settlement periods or local market conditions), which may cause the unit prices of the Funds to fluctuate more than if the Funds limited their investments to Canadian securities. The costs of buying, selling and holding securities in foreign markets may be higher than those involved in domestic transactions.

Interest Rate Risk

The value of fixed-income securities will tend to drop when interest rates rise. If interest rates fall, the value of fixed-income securities will tend to increase. Changes in interest rates can also affect the value of equity securities.

In certain circumstances, the issuers of fixed-income securities can repay the principal before the scheduled maturity date. Typically, this type of situation occurs when interest rates fall. In such a case, an affected Fund may have to reinvest the amount received in securities offering potentially lower rates of return.

Market Risk

General market risk is the risk that the market will lose value, including the possibility that it drop sharply and unexpectedly. Many factors can influence market trends, such as general economic and market conditions, corporation-specific events or political developments. All investments are exposed to general market risk.

Specialization Risk

Certain mutual funds concentrate their investments in one geographic region, sector or industry. Should an event cause the value of the investments in a region, sector or industry to fall, these mutual funds may experience larger fluctuations than mutual funds with more diversified investment portfolios.

Securities Lending, Repurchase and Reverse Repurchase Transaction Risk

Occasionally, certain of the Funds may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions to the extent permitted by the Canadian securities regulatory authorities. These kinds of transactions carry risks.

In securities lending transactions, a mutual fund lends its portfolio securities for a set period to borrowers who post acceptable collateral. To engage in securities lending, the Manager will appoint a qualified agent under a written agreement that sets out, among other requirements, the duties relating to administrating and supervising the securities lending program. There is a risk that the other party in the securities lending transaction may not fulfill its obligations, thereby leaving the mutual fund holding collateral that could be worth less than the loaned securities if the value of the loaned securities increases relative to the value of the cash or other collateral, causing a loss to the mutual fund. To limit this risk:

(i) the mutual fund must hold a margin that is at least 102% of the value of the loaned securities (where the amount of the collateral is adjusted each trading day to ensure that its value does not fall below the minimum level of 102%);

(ii) the collateral to be held may consist only of cash, qualified securities or securities that can be immediately converted into securities that are identical to those in loan;

(iii) the mutual fund cannot lend more than 50% of the total value of its assets (without including the collateral held by the Fund) through securities lending transactions.

A repurchase transaction is where a mutual fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a designated future date, at an agreed-upon price, using the cash it received from the third party. While the mutual fund retains its exposure to changes in the value of the portfolio securities, it also earns fees for participating in the repurchase transaction. To protect the interests of a mutual fund in a repurchase transaction, the mutual fund will receive, as collateral for the securities sold, cash consideration equal to 102% of the market value of the securities sold. It should be noted that any time the value of the securities sold increases, the purchaser will be required to pay an additional amount of money to maintain the collateral at 102% of the market value of the securities sold.

The primary risk for the mutual fund associated with a repurchase transaction is the purchaser's inability to pay the necessary consideration to maintain the collateral at 102%.

If the purchaser is unable to deliver the securities sold by the end of the agreed-upon period for the repurchase transaction and the market value of the securities sold increases during this same period, the collateral will no longer be sufficient to buy back these same securities on the market. Therefore, the portfolio manager will have to use the money in the mutual fund to repurchase the securities and the mutual fund will sustain a loss. The market value of the securities forming part of a repurchase transaction by a mutual fund may not exceed 50% of its total assets, excluding the value of the collateral.

During a reverse repurchase transaction, a mutual fund purchases certain types of debt securities from a third party and simultaneously agrees to sell the securities back to the third party at a later date at a an agreed-upon price. The difference between the mutual fund’s purchase price for the debt instruments and the resale price provides the mutual fund with additional income. To protect the interests of the mutual fund in a reverse repurchase transaction, the securities purchased must have a market value equal to at least 102% of the amount paid by the mutual fund to purchase them.

The primary risk for the mutual fund associated with a reverse repurchase transaction is the seller’s inability to maintain the collateral at 102% of the cash consideration paid for the securities. The mutual fund could sustain a loss if the seller is unable to buy back the securities sold at the end of the agreed-upon period for the reverse repurchase transaction and the market value of the securities sold decreases during this same period. The amount obtained by selling securities forming part of a reverse repurchase transaction will be less than the cash consideration paid by the mutual fund in exchange for the securities, causing a loss for the mutual fund. The market value of the securities forming part of a reverse repurchase transaction by a mutual fund may not exceed 50% of its total assets, excluding the value of the assets given as collateral.

As indicated above, securities lending, repurchase and reverse repurchase transactions allow the mutual funds to earn additional income and thereby enhance their performance. The risks described above can be minimized by selecting parties with strong reputations that have undergone a stringent credit evaluation.

Large Transactions Risk

Collectively, Fund unitholders may occasionally purchase, hold or redeem a large proportion of a Fund’s units.

Any large purchase of a Fund’s units will create a relatively large cash position in the Fund’s portfolio. This cash position may undermine the Fund’s performance, and investing this cash position may lead to additional, relatively higher trading costs, which are borne by all of the Fund’s investors.

Conversely, a large redemption of a Fund’s units may require the Fund to sell some portfolio investments so that it has the cash resources required to pay the redemption proceeds. This transaction may affect the market value of those portfolio investments and result in additional, relatively higher trading costs, which are borne by all of the investors in the Fund, and may also accelerate or increase the payment of capital gains distributions or capital gains dividends to these investors.

In order to limit the negative consequences related to large transactions, you may not purchase units from the same Fund if, following such a transaction, the units in this Fund that you own are worth more than one million dollars.

Taxation Risk

There is no guarantee that the Canada Revenue Agency (the "**CRA**") will agree with the tax treatment adopted by a Fund in filing its tax return, and the CRA may reassess the Fund on a basis that results in tax being payable by the Fund, more particularly, stemming from amendments to the *Income Tax Act* (Canada) (the "**Tax Act**").

In determining its income for tax purposes, the Fund will treat option premiums received on the writing of covered options and any gains or losses realized on closing out such options in accordance with the CRA's published administrative practice. The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital or income, and no advance income tax ruling has been applied for or received from the CRA. Accordingly, there is a risk that the CRA may not agree with the tax treatment adopted by a Fund. In such a case, the net income of the Fund for tax purposes and the taxable component of distributions to unitholders could increase, and the Fund could be liable for income tax. Any such new determination by the CRA may also result in the Funds being liable for unremitted withholding taxes on prior distributions made to unitholders not residing in Canada for the purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the net asset value, the net asset value per unit or the trading prices of the units.

The CRA requires that capital gains and losses be converted into Canadian dollars. In addition, while certain mutual funds distribute their income in US dollars, this income must be converted into Canadian dollars for purposes of the Tax Act. As a result, all investment income will be converted into Canadian dollars for income tax purposes. You should consult your own tax adviser for more information on this conversion and, more particularly, on its consequences for you.

Portfolio Management Risk

A mutual fund's performance depends on the investment choices of the portfolio manager. A mutual fund's level of diversification also depends on the optimal allocation among asset classes. Despite the benefit of having a portfolio managed by seasoned managers, mutual funds are exposed to the risk that poor security selection or asset allocation decisions will cause a mutual fund to underperform relative to its benchmark or other mutual funds with similar investment objectives.

Equity Risk

Companies issue common shares and other kinds of equity securities to help finance their operations and future growth. Equity security prices will either increase or decrease, depending on the situation of the issuing corporation and the outlook of its industry sectors. The value of equity securities may also vary depending on general economic and prevailing market conditions, interest rates and political events. The prices of equity securities may vary widely, and mutual funds that invest in equity securities are generally more volatile than mutual funds that invest in fixed-income securities.

Asset- and Mortgage-Backed Securities Risk

Asset-backed securities are debt obligations that are backed by pools of consumer or business loans. Some asset-backed securities are short-term debt obligations, called asset-backed commercial paper ("**ABCP**"). Mortgage-backed securities are debt obligations backed by pools of mortgages on commercial or residential real estate. If there are changes in the market's perception of the issuers of these types of securities, or in the creditworthiness of the parties involved, then the value of the securities may be affected. In addition, for ABCP, there is a risk that there may be a delay between the cash flow of the underlying assets backing the security and the repayment obligation of the security upon maturity. In the use of mortgage-backed securities, there is also a risk that there may be a drop in the interest rates charged on mortgages, a mortgagor may default on its obligations under a mortgage or there may be a drop in the value of the property secured by the mortgage.

Cybersecurity Risk

Due to the increased use of information technologies to conduct business, the Manager and each of the Funds are exposed to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or chance events. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malware) for the purpose of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on technology infrastructure (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Funds, the Manager or the Funds' service providers (in particular, the Funds' registrar, custodian or sub-custodians) may disrupt or have an impact on their respective commercial activities. These disruptions may cause financial losses, undermine the Funds' ability to calculate net asset value, create impediments to trading, prevent unitholders from transacting business with the Funds or prevent the Funds from processing transactions, including redeeming units, and may lead to violations of privacy laws or other laws, or regulatory fines or penalties, reputational damage, as well as reimbursements or compensation costs, or additional compliance costs associated with implementing corrective measures. Similar adverse consequences may result from cyber incidents affecting the issuers of securities in which the Funds invest or counterparties with which the Funds engage in transactions.

In addition, although substantial costs have already been incurred to prevent any cyber incidents, even greater additional sums related to this risk may be deployed in the future. While the Manager has established business continuity plans in the event of such cyber incidents, and implemented risk management systems and security measures to prevent them, such plans, systems and measures have inherent limitations, including the possibility that certain risks have not been identified, such as due to the emergence of new threats. Furthermore, the Manager and the Funds cannot control the cybersecurity plans and systems of the Funds' service providers, the issuers of securities in which the Funds invest or any other third parties whose operations may affect the Funds or their unitholders. As a result, the Funds and their unitholders could be negatively affected.

Risks Associated with the Funds' Investments in Class "C" Shares of the Fonds de solidarité FTQ

By virtue of the investment objectives and in accordance with the Exemption, the Funds can invest 30% of their assets in Class "C" Shares of the Fonds de solidarité FTQ. The investment policy of each Fund indicates the target allocation of Class "C" Shares of the Fonds de solidarité FTQ for each Fund and the deviation limits (minimum and maximum) within which the weighting of asset classes must be maintained. In the event that the proportion of Class "C" Shares of the Fonds de solidarité FTQ of a Fund constitutes less than 25% or more than 35% of its portfolio, a given Fund's portfolio manager should take all measures required to bring the percentage in line with the Fund's 30% target net asset value in Class "C" Shares of the Fonds de solidarité FTQ, as quickly as commercially possible. In addition, a Fund may not hold Class "C" Shares of the Fonds de solidarité FTQ representing more than 35% of its net asset value for more than 90 days.

Unlike purchasing Class "A" Shares of the Fonds de solidarité FTQ, Class "C" Share purchases of the Fonds de solidarité FTQ are not eligible for labour-sponsored fund tax credits. Class "C" Shares of the Fonds de solidarité FTQ are not listed on any stock exchange.

The value of Class "C" Shares of the Fonds de solidarité FTQ is determined and published semi-annually. The purchase and redemption of the Fonds de solidarité FTQ Class "C" Shares by the Funds are made in accordance with the Funds' rebalancing policy (i) semi-annually, on the date the value of the Fonds de solidarité FTQ Class "C" share is published; and (ii) in the course of the six-month period, if the Class "C" Shares of the Fonds de solidarité FTQ constitute less than 25% or more than 35% of a Fund's net asset value. Moreover, the Fonds de solidarité FTQ may redeem Class "C" Shares registered under the name of the Funds if the holding of Class "C" Shares has an adverse effect on a Fund or its unitholders, or on the Fonds de solidarité FTQ or its shareholders, or if the Fonds de solidarité FTQ is authorized or required to do so under applicable law or has been instructed to do so by regulatory authorities having jurisdiction.

Since the Fonds de solidarité FTQ Class "C" Shares constitute a significant proportion of the Funds' assets, the Fonds de solidarité FTQ Class "C" Shares can have a significant impact on the value of the Funds' units, and holding Fonds de solidarité FTQ Class "C" Shares can expose the Funds to certain particular risks, as described below. This structure can also contribute to amplifying certain risks typical of mutual funds. For more information, see "Concentration Risk" and "Liquidity Risk" in Section 2.4 of this simplified prospectus.

- Risk of Arbitrage

Generally speaking, the risk of arbitrage means the risk that a holder carries out purchase or redemption transactions in order to take advantage of the anticipated spread between the net asset value of a mutual fund's securities and the market value of its assets, to the detriment of other holders.

In this case, given the difference between the valuation frequency of the value of the Fonds de solidarité FTQ's shares, which is determined semi-annually, and the calculation of the net asset value of the Funds' units, which is determined on a daily basis, a risk of arbitrage exists. In addition, since the Class "C" Shares of the Fonds de solidarité FTQ represent 30% of the Funds' assets, the value of the Class "C" Shares of the Fonds de solidarité FTQ could have a significant impact on the value of the Funds' units.

This structure, specific to the Funds and the Fonds de solidarité FTQ, could create a risk of arbitrage by encouraging investors who own the Funds' units to present purchase or redemption orders for the Funds' units in anticipation of the publication of a revised value for the Class "C" Shares of the Fonds de solidarité FTQ, in order to benefit from an anticipated change in value.

This risk depends on the investor's ability to estimate the next price of the Class "C" Share of the Fonds de solidarité FTQ. Among other things, the extent of the potential arbitrage profit that may be realized depends on the weight of the Class "C" Shares of the Fonds de solidarité FTQ in the Fund at the time of the transaction (the higher the weight, the higher the potential arbitrage profit), the change in value of the Class "C" Share of the Fonds de solidarité FTQ (the higher the spread between the new price and the previous price, the higher the potential arbitrage profit), the size of the investor's portfolio (the greater the investor's ability to purchase a large number of units of a Fund when the net asset value the Fonds de solidarité FTQ is superior to the published price of the Class "C" Share, or the greater the investor's ability to redeem a large number of units of a Fund when the net asset value of the Fonds de solidarité FTQ is below the published price of the Class "C" Share, the higher the potential arbitrage profit).

Certain measures allow the Fonds de solidarité FTQ to mitigate the risks and adverse effects that might result from the risk of arbitrage: a) a framework policy for arbitrage transactions allows for the detection and control of transactions in the Funds' units that suggest that a holder is attempting to leverage the anticipated spread between the net asset value of the Funds' units and the market value of their assets. To determine if a transaction constitutes an arbitrage transaction, the Fonds de solidarité FTQ weighs certain factors including the frequency, value, date, and interrelations of the transactions made by a unitholder. If necessary, the Fonds de Solidarité FTQ will impose enforcement measures, such as sending a notice to the unitholder to cease conducting such transactions, or prohibiting the unitholder from making further purchases, imposing penalties of up to 5% of the value of the transaction or redeeming the units held at the next valuation and closing the unitholder's account; and b) a unitholder will not be able to purchase units of a same Fund if, following this transaction, the value of the Fund's units held by the unitholder exceeds one million dollars.

- Inequity Risk between Holders of Class "A" Shares of the Fonds de solidarité FTQ and Holders of the Funds' Units

Since the Fonds de solidarité FTQ's shares are valuated semi-annually (i.e., their value remains the same over the course of a six-month period) and since transactions in shares may be carried out at any time during such six-month period at the last price published for Class "A" Shares, there is an inequity risk: if, since the last valuation of the price for the Class "A" Share, the net asset value of the Fonds de solidarité FTQ has increased, a shareholder who makes a purchase at the last published price for the Class "A" Share (which is, consequently, inferior to its current value) benefits from this lower price to the detriment of other shareholders of the Fonds de solidarité FTQ; on the contrary, if, since the last valuation of the price for the Class "A" Share, the net asset value of the Fonds de solidarité FTQ has decreased, a shareholder who redeems shares at the last published price for the Class "A" Share (which is, consequently, superior to its current value) benefits from this higher price to the detriment of other shareholders of the Fonds de solidarité FTQ. In such scenarios, the shareholder who carries out one transaction or the other is in fact marginally diluting the interests of other shareholders of the Fonds de solidarité FTQ.

However, since the transactions that one or a few shareholders may normally make only represent a very minor portion of the total net assets of the Fonds de solidarité FTQ, such inequity is in fact only theoretical: the dilution is so slight that it cannot have a significant effect on the price of the Class "A" Shares.

The introduction of the Funds could increase this inequity. In fact, as the value of Funds' assets increases compared to the Fonds de solidarité FTQ's assets, the more opportunities there will be for the Funds to make large transactions with respect to Class "C" Shares of the Fonds de solidarité FTQ, and the more the inequity risk will increase.

Here are two examples:

a) Strong bear market

In a strong bear market, it is likely that the net asset value of the Fonds de solidarité FTQ would decrease significantly, even though such a drop would only be officially noticeable at the next asset valuation. At the same time, it is equally likely that the net asset value of the Funds would also decrease significantly. In fact, the only asset of the Funds whose value would remain the same (until the next publication of its price) would be the Class "C" Shares of the Fonds de solidarité FTQ that the Funds will hold (since the value of this asset is valuated only semi-annually).

In such a scenario, the weight of the Fonds de solidarité FTQ Class "C" Shares in a Fund would probably become too high, forcing the portfolio manager to redeem Class "C" Shares of the Fonds de solidarité FTQ to lower its weight back to its planned target (namely 30% of the net asset value of the Fund). Such a redemption, however, would be made at the last published price for the Class "C" Share of the Fonds de solidarité FTQ, a price which would likely exceed the net asset value of the Fonds de solidarité FTQ at the time of redemption. If the aggregate redemption amount is significant, it could also result in inequity for the other shareholders of the Fonds de solidarité FTQ, including the holders of Class "A" Shares of the Fonds de solidarité FTQ, to the advantage of the Funds and, indirectly, their unitholders.

Moreover, this inequity could be amplified if the Funds had to simultaneously satisfy redemption requests from their unitholders, since such requests would force the Funds to increase their own redemption requests for Class "C" Shares to the Fonds de solidarité FTQ.

b) Strong bull market

In the opposite scenario, that is, a strong bull market, the inequity risk resulting from a dilution of the value of the Fonds de solidarité FTQ's shares remains detrimental to the same group of shareholders.

In fact, in a strong bull market, it is likely that the net asset value of the Fonds de solidarité FTQ, including the portion of its portfolio exposed to markets, would increase significantly. At the same time, it is equally likely that the net asset value of the Funds would increase in a similar fashion. As is the case in the former scenario, the only asset of the Funds whose value would remain the same (until the next publication of its price) would be the Class "C" Shares of the Fonds de solidarité FTQ that the Funds will hold.

As a result, the weight of the Class "C" Shares of the Fonds de solidarité FTQ in a Fund would probably become too low, forcing the portfolio manager to make a large purchase of Class "C" Shares of the Fonds de solidarité FTQ to increase its weight back to its planned target. Since such a purchase would be made at the last published price of the Class "C" Share of the Fonds de solidarité FTQ, a price that would likely be inferior to the net asset value of the Fonds de solidarité FTQ at the time of purchase, this situation could also result in inequity for the other shareholders of the Fonds de solidarité FTQ.

The extent of the inequity will depend on the spread between the net asset value of the Fonds de solidarité FTQ and the published price of the Class "C" Shares of the Fonds de solidarité FTQ, the value of the transactions of the Funds during the six-month period, and the size of the Funds' assets under management in relation to the size of the Fonds de solidarité FTQ's net assets.

However, it should be noted that, barring a situation of extreme market volatility combined with a significant spread between the net asset value of the Fonds de solidarité FTQ and the published price of the Fonds de solidarité FTQ's shares, the resulting inequity risk would have no material impact on the unit price of the Fonds de solidarité FTQ's shares.

In any event, the Fonds de solidarité FTQ will continuously analyze any situation that might qualify as inequitable for the Funds' unitholders and holders of Class "A" Shares of the Fonds de solidarité FTQ, in order to circumscribe the risks and develop contingency plans to limit them.

The Fonds de solidarité FTQ has implemented, among others, a policy for the management of extreme cases. The goal of this policy is to determine whether it is necessary to exceptionally revaluate the price of the Fonds de solidarité FTQ's shares during the six-month period, if the performance of some of its assets exhibits extreme fluctuations. Such a revaluation concerns both the Class "A" Shares and Class "C" Shares, which are of equal value. It should be noted that if, during the six-month period, the applied policy for the management of extreme cases triggers an exceptional revaluation, such a revaluation would not be a standard exhaustive revaluation, but rather a fragmentary update of the valuations based on the same valuation principles as those currently used for semi-annual valuations, which would be prepared or reviewed by qualified valuators reporting to the Vice-President of Financial Control, Taxation and Valuation of the Fonds de solidarité FTQ (as is currently the case during the semi-annual valuation process), the whole in accordance with applicable laws. If a valuation is carried out during a six-month period, the Fonds de solidarité FTQ will communicate with its shareholders and the Funds' unitholders, such as by issuing a press release announcing that the Class "A" Shares and Class "C" Shares revaluation process has begun, followed by a second press release announcing the new price, after a period not exceeding 30 days. The purpose of this policy is to ensure that both shareholders of the Fonds de solidarité FTQ and unitholders of the Funds have access to the same information.

Finally, by investing in units of the Funds, which invest in the Fonds de solidarité FTQ, you will be indirectly exposed to the performance of the Fonds de solidarité FTQ securities and, as a result, also exposed to the risks associated with the Fonds de solidarité FTQ, which are listed below:

- Market Risk
- Credit and counterparty risk
- Liquidity risk
- Operational risk
- Strategic risk
- Reputation risk
- Risk related to the characteristics of the shares of the Fonds de solidarité FTQ
- Risk related to the types of development capital and other investments made by the Fonds de solidarité FTQ
- Risk resulting from day-to-day operations of the Fonds de solidarité FTQ
- Regulatory risk
- Concentration risk

For more information about these risks, please consult the section entitled "What are the risks of investing in the Fonds de solidarité FTQ?" in the most recent simplified prospectus of the Fonds de solidarité FTQ available on the Fond de solidarité FTQ website at fondsftq.com or on the SEDAR website at sedar.com.

3. ORGANIZATION AND MANAGEMENT OF THE FUNDS

INVESTMENT FUND MANAGER Fonds de solidarité des travailleurs du Québec (F.T.Q.) The Manager's head office is located at: 545 Crémazie Boulevard East Suite 200 Montréal, Québec H2M 2W4 1 800 567 3663 fondsftq.com	The Investment Fund Manager manages the overall day-to-day operations of the Funds, including arranging for portfolio management services and for the provision of administration services, and ensuring the distribution of units of each Fund. The Investment Fund Manager also approves the Funds' financial statements. The Fonds de solidarité FTQ is a development capital investment fund created through the initiative of the Fédération des travailleurs et travailleuses du Québec (the "FTQ," known in English as the Québec Federation of Labour).
TRUSTEE AND CUSTODIAN Desjardins Trust Inc. ("**Desjardins Trust**") Montréal, Québec	The Funds are established as private trusts. When you invest in the Funds, you are purchasing units of a trust. The Trustee, Desjardins Trust, holds the title to the Funds' assets. In addition, Desjardins Trust acts as the custodian of the Funds and has the physical custodianship of the assets in the portfolios of the Funds. Desjardins Trust carries out the settlement of portfolio transactions. It may retain sub-custodians to hold, and settle transactions in, Fund portfolio securities in countries other than Canada. Finally, Desjardins Trust acts as the Trustee of your registered plans through which units of the Funds may be held.
PORTFOLIO MANAGER Addenda Capital Inc. Montréal, Québec	The portfolio manager conducts the necessary analysis and research, and makes decisions concerning the purchase and sale of portfolio securities of the Funds, including Class "C" Shares of the Fonds de solidarité FTQ, pursuant to the Funds' investment and rebalancing policies. It is duly registered with the Autorité des marchés financiers as a portfolio manager.

PRINCIPAL DISTRIBUTOR FlexiFonds de solidarité FTQ inc. Montréal, Québec	FlexiFonds de solidarité FTQ inc., a wholly-owned subsidiary of the Fonds de solidarité FTQ incorporated under the *Business Corporations Act* (Québec), is a mutual funds dealer duly registered with the Autorité des marchés financiers, and acts as the principal distributor of the Funds' units and distributes the Funds' units through its representatives who are duly registered with the Autorité des marchés financiers and have received specific training regarding the Fonds de solidarité FTQ. FlexiFonds de solidarité FTQ inc. is the sole dealer authorized to distribute units of the Funds. FlexiFonds de solidarité FTQ inc. does not distribute units of any other mutual fund.
REGISTRAR Fonds de solidarité FTQ Montréal, Québec	The Fonds de solidarité FTQ keeps track of the unitholders of each of the Funds, processes purchase, switch and redemption orders, sends account statements and transaction confirmations to investors, and provides investors with annual tax reporting information.
AUDITOR Deloitte LLP Montréal, Québec	The auditor audits the annual financial statements of the Funds, in accordance with Canadian generally-accepted auditing standards, to ensure that the financial statements of the Funds accurately present, in all material respects, the Funds' financial position as well as their financial performance and cash flow, in accordance with International Financial Reporting Standards (IFRS).
SECURITIES LENDING AGENT Desjardins Trust Inc. Montréal, Québec	Desjardins Trust has been appointed as the securities lending agent and, as such, is responsible for the Funds securities lending program. Desjardins Trust may lend available securities of the Funds to borrowers previously designated by the portfolio manager.

INDEPENDENT REVIEW COMMITTEE	The Independent Review Committee (the "**IRC**") of the Funds consists of three individuals, all of whom are independent from the Manager and its affiliates and have an expertise in the financial services sector. The IRC's mandate is to review the Investment Fund Manager's written policies and procedures that deal with conflict of interest matters involving the Funds and to provide feedback thereon, as well as to review and, in some instances, provide its approval regarding conflict of interest matters. At least once a year, the IRC prepares a report on its activities for unitholders that will be available on the Investment Fund Manager's website at fondsftq.com. This report is also available free of charge from the Manager upon request by calling toll-free at 1-800-567-3663 or by email at info@flexifondsftq.com. For information concerning the compensation and fees and expenses payable to the IRC, see "Operating Expenses" under "Fees and Expenses Payable by the Funds" in Section 6 of this prospectus. Additional information about the IRC, including the names of its members, is also available in the Funds' Annual Information Form.

4. PURCHASES, SWITCHES, REDEMPTIONS AND SHORT-TERM TRADING

4.1 General

4.1.1 Series of Units

Each Fund offers an unlimited number of units, namely, Series 1 units, the only series issued for each of the Funds. Units of the Funds are offered on an ongoing basis.

Series 1 units are offered on a no-load basis, i.e., with no initial or deferred sales charge. Thus, you pay no fees on purchases, redemptions or switches (unless the redemption or switch is made within 90 days of the purchase or switch and we consider that it may constitute an excessive short-term arbitrage transaction; see Section 4.6 "Short-Term Trading" in this prospectus). These units allow you to enjoy free-of-charge the advice of our wholly-owned subsidiary FlexiFonds de solidarité FTQ inc., a dealer duly registered with the Autorité des marchés financiers. The Fonds de solidarité FTQ compensates the FlexiFonds de solidarité FTQ inc. for the distribution of the Fund units out of the Fund Management Fees, such that you pay no direct costs. FlexiFonds de solidarité FTQ inc. distributes units of the Funds in Québec by telephone, toll-free at 1-833-383-2121, or on the Internet using the online platform at fondsftq.com.

4.1.2 Terms of Eligibility and Residency for Investors

The units are offered to individual investors who are 18 years of age or older, who are natural persons residing in Québec, and to registered retirement savings plans ("RRSP"), registered retirement income funds ("RRIF"), or tax-free savings accounts ("TFSA") held by a natural person residing in Québec.

Investors seeking to purchase units must also meet the minimum investment thresholds that we set from time to time, at our discretion, as described in more detail in Section 4.1.3 of this prospectus.

FlexiFonds de solidarité FTQ inc. is not registered in any province or territory other than Québec, and the Funds' prospectus is receipted only in Québec; therefore, you must be a resident of Québec to purchase the Funds' units. For the purposes of this prospectus, the notion of residence has the meaning given to it under the Québec *Taxation Act*.

Certain restrictions may apply to clients who move elsewhere within Canada, or to another country. In such cases, securities regulations require that your account be transferred to a dealer duly registered in your new province or country of residence, then closed with the FlexiFonds de solidarité FTQ inc. in Québec. As a result, the units of the Funds must be liquidated and converted to cash for purposes of the transfer to the authorized dealer. There may be tax consequences as a result. For more information regarding the tax consequences of moving outside of Québec, see "Tax Consequences for Investors" and consult your own tax advisor.

It is incumbent upon our wholly-owned subsidiary, FlexiFonds de solidarité FTQ inc. to determine if you may purchase and continue to hold units, and to allow you to purchase a Fund's units. You may convert your units into units of another Fund, subject to our approval and compliance with the eligibility requirements. Please refer to "Switches" in Section 4.4 of this prospectus.

4.1.3 Minimum Purchase Amounts and Maximum Value of an Investment in the Funds

To open an account and invest in units, you must make an initial investment of at least $10. After your initial investment, you can make further investments of at least $10 each, or buy units through our pre-authorized withdrawal plan described below.

You may not purchase units from the same Fund if, following such a transaction, the units that you hold in this Fund are worth more than one million dollars. In the event of such a situation, your purchase order will be refused.

Each Fund reserves the right to redeem the units held in your account should the aggregate net asset value of all units of all Funds held in your account be less than $250.

4.1.4 Calculation of Net Asset Value

The net asset value per unit is determined as follows: the trustee calculates the fair value of the total assets attributable to the units of a Fund's series, from which is subtracted the total liabilities attributable to the units of the Fund's series, then divides the resulting net assets by the total number of outstanding units of the Fund's series as of the valuation day, rounded up to the nearest one thousandth of a cent.

You purchase, switch and redeem units at the net asset value per unit of a Fund. Typically, the net asset value per unit of a Fund is set at the close of trading at 4:00 p.m., Eastern Time, on each day the Toronto Stock Exchange is open for trading, except on the day after New Year, Easter Monday, the Fête nationale du Québec and Christmas Eve, or any other date on which those days are postponed. Purchase, switch or redemption orders received on days that the Toronto Stock Exchange is closed or on any of the four aforementioned days will be processed at the net asset value calculated at the next close of trading. The day on which the net asset value is determined is referred to in this prospectus as a "Valuation Day".

4.2 Purchases

If you meet the terms of eligibility, you can subscribe by sending a purchase request to our subsidiary FlexiFonds de solidarité FTQ inc., a mutual fund dealer duly registered with the Autorité des marchés financiers.

The net asset value per unit of a Fund must be used for all purchases, switches and redemptions. The cut-off time for same-day processing of orders is 3:00 pm, Eastern Time, each day that the net asset value per unit of the Funds is calculated. All requests received by the registrar or another authorized intermediary before the cut-off time will be processed that same day, at that day's net asset value per unit. In general, FlexiFonds de solidarité FTQ inc. will make reasonable efforts to process requests received between the 3:00 pm cut-off time and 4:00 pm that same day, without however being required to do so. In the event FlexiFonds de solidarité FTQ inc. is unable to process orders received between the 3:00 pm cut-off time and 4:00 pm that same day, the orders will be processed the following Valuation Day, using the net asset value per unit applicable on that same Valuation Day. Our subsidiary FlexiFonds de solidarité FTQ inc. must make a commercially reasonable effort to ensure that orders are sent before the cut-off time.

When purchasing units, you do not pay any sales commissions or purchase fees. The entire amount you invest will be used to purchase units. Please refer to Section 6 "Fees and Expenses" and Section 7 "Dealer Compensation" in this prospectus. If you would like to purchase units, please contact FlexiFonds de solidarité FTQ inc.

We may reject your purchase order within one business day of receiving it. If we do reject your purchase order, all monies received with your order will be returned. We are not required to justify rejecting your request; however, terms of eligibility, minimum and maximum amounts, and short-term trading are the most common reasons.

Further information on the processing of purchase orders is contained in the Annual Information Form.

4.3 Purchase Options

Units of the Funds can be purchased only according to the one-time payment or pre-authorized automatic bank withdrawals options more fully described under the heading "Pre-authorized withdrawal plan" in Section 5.2 of this prospectus.

4.4 Switches

You can switch all or part of your investment from one Fund to another by providing us with instructions. A switch actually consists of the redemption of some or all of the units of a

Fund that you already own and a purchase of units of one or several other Funds. In addition, switches are treated as redemptions for the purpose of applying any applicable short-term trading fees. The imposition of restrictions on the number of switches and related administrative fees aim to discourage excessive switches, which can hurt the Fund's performance and have a negative impact on unitholders, more specifically, on the performance of the Fund in which they have invested and through transaction fees. Although the units are liquid, we discourage investors from trying to outguess the market by purchasing, switching or redeeming units too frequently. Rather, we encourage them to view holding their units as long-term investments. Please refer to Section 4.6 "Short-Term Trading" in this prospectus. We also reserve the right, at any time without prior notice, to limit or withdraw the no-cost switching privilege.

Switching units between Funds constitutes a disposition for the purposes of the Tax Act, and may give rise to capital gains or losses. For the tax consequences of switches, see Section 8 "Income Tax Considerations for Investors" in this prospectus.

There is no fee payable for switches unless the switch is made within 90 days of the purchase and we consider that it may constitute an excessive short-term arbitrage transaction, please refer to Section 4.6 "Short-Term Trading" in this prospectus.

4.5 Redemptions

At any time, you can redeem or direct your FlexiFonds de solidarité FTQ inc. dealer to redeem for you, units of a Fund by sending your dealer a redemption request. FlexiFonds de solidarité FTQ inc. will attempt to notify you promptly if any information needed to process your request is missing. You will find additional information on the processing of redemptions in the annual information form.

When a Fund has received a proper request for redemption, it will pay the proceeds of the redemption no later than two business days following the date the net asset value per unit is calculated to determine the redemption price, provided that the redemption concerns only the acquired units for which the bank clearing period of 10 business days has lapsed. Please refer to "Pre-Authorized Withdrawal Plan" in Section 5.2 of this prospectus for more information pertaining specifically to situations involving pre-authorized withdrawals. If you fail to submit a proper request for redemption within ten business days of the date on which the net asset value was determined for purposes of the redemption, we, on behalf of the Fund, will purchase the units redeemed on the next business day. The proceeds of the redemption, which would have been paid on the failed transaction, will be used to pay the purchase price. If the proceeds of the redemption is higher than the purchase price, the difference belongs to the Fund. If the proceeds of the redemption is less than the purchase price, resulting in a dilution to the Fund, we will collect such amount as well as our bank related fees from the unitholder who failed to submit the redemption request in the proper form.

There are no redemption fees, but short-term trading fees may be applied if you are redeeming units that you have held for less than 90 days. See Section 4.6 "Short-Term Trading" in this prospectus. These fees will not be charged if the redemption is caused by your death within the 90-day period or if you are exercising your statutory right of withdrawal or rescission, as explained under the heading "What Are Your Legal Rights?" in Section 9 of this prospectus.

In exceptional circumstances, we may be required to suspend your right to redeem units. This would occur only in the following circumstances:

- market trading has been suspended on a stock or derivatives exchange on which more than 50% of the Fund's assets are listed, if such securities are not traded on another market or exchange that represents a reasonable and practical alternative; or
- if we receive approval from the Autorité des marchés financiers to temporarily suspend redemptions, particularly if, in accordance with the policy for the management of extreme cases, certain assets of the Fonds de solidarité FTQ and the Funds experience extreme performance variations.

If we suspend the redemption rights before having calculated the redemption price, you may either withdraw your redemption request or redeem your units at the applicable net asset value per unit of that series calculated once the suspension period has ended.

Please refer to "Income Tax Considerations for Investors" in Section 8 of this prospectus for information on the income tax considerations of redeeming your units.

4.6 <u>Short-Term Trading</u>

Although liquid, the Funds should be considered long-term investments, and we discourage investors from purchasing units of the Funds and then redeeming or switching those units with excessive frequency. We consider that redeeming or switching units of the Funds within 90 days of purchasing said units could be detrimental to the Funds and their holders and thus may constitute excessive short-term trading. We monitor these activities and will impose, at our discretion, short-term trading fees of up to 5% of the value attributable to the transaction or we will refuse the purchase requests, in accordance with the Framework Policy for Short-Term Transactions. The short-term trading fees will be deducted from the net asset value otherwise payable upon the redemption or switching of the relevant units and will be retained by the relevant Fund.

In addition and at our discretion, if it is determined that a short-term transaction is also an arbitrage transaction, additional enforcement measures may be imposed in accordance with the Framework Policy for Arbitrage Transactions.

No short-term trading fees will be charged if the units are redeemed as a result of:

- the death of the unitholder within the 90-day period; or
- the unitholder exercising a statutory right of withdrawal or rescission.

5. OPTIONAL SERVICES

5.1 <u>Registered Plans</u>

You may take steps to set up an RRSP, RRIF or a TFSA under which Desjardins Trust, as trustee, or another trustee as we may appoint, will, on your behalf, register such RRSP, RRIF or TFSA under the Tax Act and, if applicable, under the provisions of any similar provincial legislation. All deposits received by the trustee under a RRSP, RRIF or TFSA, will be used to purchase units, as per your instructions, of the relevant Fund at their net asset value per unit. All distributions of units held in a RRSP, RRIF or TFSA will be reinvested in additional units of the same Fund at their current net asset value per unit of the Fund. You can find additional information in the account application forms and the declaration of trust for the RRSPs, RRIFs, and TFSAs, copies of which are available from us or your dealer, FlexiFonds de solidarité FTQ inc.

We encourage you to consult your own tax adviser for more information about the tax consequences of establishing, contributing to and terminating a RRSP, RRIF and TFSA.

5.2 Pre-Authorized Withdrawal Plan

You can purchase units of one or several Funds through our pre-authorized withdrawal plan by authorizing us to withdraw a specific amount in Canadian dollars from your financial institution’s account by automatic bank debit in periodic amounts of no less than $10, provided proper instructions have been provided to us. The investor may select the frequency of investments from the options set out in the Funds’ account application form. The amount of each investment and the frequency of investment may be changed, or the arrangement discontinued by giving FlexiFonds de solidarité FTQ inc. a prior written notice. A request for redemption of all units held by a unitholder under a pre-authorized withdrawal plan or the one-time payment option cannot be processed until the expiry of the bank clearing period of 10 business days for the units of the most recent purchase. Unless otherwise provided, such a request will be deemed to terminate the pre-authorized withdrawal plan.

If you participate in our pre-authorized withdrawal plan, we will credit the units of the Funds to your account at the established net asset value according to the frequency of the payments you choose. There are no fees for participating or for terminating your participation in the plan. Please refer to Section 4.2 “Purchases” and Section 4.5 “Redemptions” and, for charges and fees that are otherwise payable on the purchase or redemption of units, Section 6 “Fees and Expenses.”

If you participate in our pre-authorized withdrawal plan, you will receive a copy of the most recent fund facts and, thereafter, will have the right to request a copy of the fund facts at any time by calling us toll-free at 1-833-383-2121 or by contacting your dealer, FlexiFonds de solidarité FTQ inc., by email at info@flexifondsftq.com. The simplified prospectus of the Funds may also be found online on the SEDAR website at sedar.com or the Fonds de solidarité FTQ website at fondsftq.com.

You do not have a statutory right to withdraw from your undertaking to purchase units of a Fund pursuant to our pre-authorized withdrawal plan, other than in respect of your initial purchase. You will continue, however, to have all other statutory rights under securities law, including certain rights conferred in the event the simplified prospectus or any document incorporated therein by reference contains a misrepresentation (see “What Are Your Legal Rights?” in Section 9 of this prospectus) whether or not you request the fund facts. You will continue to have the right to terminate your participation in the pre-authorized withdrawal plan at any time by notifying us at least two (2) business days before the next scheduled withdrawal date.

6. FEES AND EXPENSES

The total of the management fees, operation expenses and fees related to the underlying funds, if applicable (including taxes), divided by the average daily net asset value of the Fund, constitutes the Fund’s management expense ratio (”**MER**”), which indicates how much you are paying for the management, distribution and administration of the Fund. The MER is published in the management report of fund performance and in the fund facts. If applicable, you will receive a written notice at least 60 days before the effective date of any change that could result in an increase in fees charged to the Funds.

The Funds do not have any commission fees, upfront fees, or other sale charges or switch or redemption fees. However, additional fees could apply to short-term switches and redemptions. For more information, see "Short-Term Trading Fees" in the table below.

This table lists the fees and expenses that you may have to pay if you invest in the Funds. The fees payable by the Funds are fees assumed directly by the latter, and will reduce the value of your investment in the Funds. The fees and expenses payable directly by you represent the fees and expenses that you may have to pay directly.

FEES AND EXPENSES PAYABLE BY THE FUNDS

Management Fees

Management fees are paid to the Investment Fund Manager, the Fonds de solidarité FTQ, which fees cover, among other things, the day-to-day management of the Funds, portfolio management services, investment policies, regulatory compliance monitoring, negotiating contractual agreements with third-party service providers, measures required to ensure the investment of units, commercialization and marketing of the Funds, office facilities and materials, and staffing costs.

A portion of the management fees paid to the Fonds de solidarité FTQ is paid to the principal distributor**,** FlexiFonds de solidarité FTQ inc., in connection with the distribution of the units of the Funds. For more information, see Section 7 "Dealer Compensation."

The management fees of each Fund are calculated at an annual rate of 1.12% (1.28% after applicable sales taxes) of the net asset value of each Fund calculated daily and paid monthly. The Manager may, at its discretion, charge lower management fees than those indicated above.

FlexiFonds Funds	Annual management fees before taxes	Annual management fees after taxes
Conservative	1.12%	1.28%
Balanced	1.12%	1.28%
Growth	1.12%	1.28%

Operating Expenses

In exchange for the administrative expenses (the "**administrative expenses**"), the Manager will pay all the operating expenses of the Funds, except for certain charges that are paid directly by the Funds. The charges paid directly by the Funds are set out below under "Operating expenses paid directly by the Funds."

The administrative expenses include legal, audit fees and custodianship fees, transfer agent and registrar fees, fees related to accounting and the valuation of the Funds, trustee services fees relating to registered plans, filing fees as well as the costs related to the preparation and distribution of financial reports, simplified prospectuses, annual information forms, fund facts, and other communications to investors concerning the Funds. These operating expenses are borne by the Manager to the extent that they are accrued in the ordinary course of business of the Funds.

The administrative expenses for each Fund are calculated at an annual fixed rate of 0.18% (0.21% after applicable sales taxes) of the net asset value of each Fund, calculated daily and paid monthly. The Manager may, at its discretion, charge lower administrative expenses than those indicated below.

FlexiFonds Funds	Annual administrative expenses before taxes	Annual administrative expenses after taxes
Conservative	0.18%	0.21%
Balanced	0.18%	0.21%
Growth	0.18%	0.21%

Operating expenses paid directly by the Funds include:

- fees and expenses payable in connection with the IRC (please see further below for more information);
- interest and sales taxes;
- expenses incurred to comply with new governmental or regulatory requirements, and expenses incurred outside of the ordinary course of business of the Funds.

The fees and expenses of the Funds' IRC, comprised of the compensation paid to the committee members and the committee members' expenses in connection with the IRC, are payable by the Funds. Each Fund pays its proportionate share of the following compensation: $12,500 to the chairman of the IRC and $5,000 to each other member of the IRC as an annual retainer, and a per meeting fee of $1,500 to each member of the IRC. Expenses incurred by members to attend meetings are reimbursed by the Funds. The IRC's legal fees as well as those stemming from the insurance and compensation required of the IRC and its members by regulation are also absorbed by the Funds.

The Fonds de solidarité FTQ may, for certain years and in certain cases, pay a portion of the Funds' operating expenses. The decision to absorb said expenses is reviewed at least once annually and determined at the discretion of the Manager, without notice to unitholders.

Fees Related to the Underlying Funds and Exchange-Traded Funds

The Funds may invest a portion of their assets in underlying funds or exchange-traded funds. In addition to fees and expenses payable by the Funds, there are fees and expenses payable by the underlying funds and exchange-traded funds, which may vary from one mutual fund to another. However, no management or incentive fees will be payable by the Funds that, to a reasonable person, would duplicate fees payable by the underlying funds or exchange-traded funds for the same services. In addition, the Funds are not required to pay purchase or redemption fees as regards their purchases or redemption of the other mutual fund's securities that, for a reasonable person, would result in a duplication of fees payable by an investor in the Funds.

Fonds de solidarité FTQ Fees

The Funds invest a significant portion of their assets in Class “C” Shares of the Fonds de solidarité FTQ. The Funds will pay no purchase or redemption fees on Fonds de solidarité FTQ securities, but will pay management fees and administrative expenses to the Investment Fund Manager, the Fonds de solidarité FTQ, in return for its management and administration of Class “C” Shares of the Fonds de solidarité FTQ, as noted above. These revenues are in addition to the Fonds de solidarité FTQ’s investment income and, as a result, have an impact on the value of Fonds de solidarité FTQ Class “C” Shares and, indirectly, on the value of the Funds’ units.

The Fonds de solidarité FTQ assumes all operating expenses related to its own general operations. For more information about these operating expenses, please see the Fonds de solidarité FTQ prospectus on our website at fondsftq.com or SEDAR’s website at sedar.com.

Portfolio Transaction Fees

All the Funds pay their portfolio transaction fees, which include dealer compensation and other securities transaction fees including derivative and currency transaction costs, if any. Portfolio transaction fees are presented under transaction fees on the statement of comprehensive income in the Funds’ financial statements.

Even if the portfolio transaction fees are the responsibility of the Funds, they are not considered operating expenses and are not included in their MER, but rather in the Funds’ trading expense ratio. The trading expense ratio represents the total transaction fees expressed as an annualized percentage of the daily average net asset value and is published in the management report of fund performance and in the fund facts.

FEES AND EXPENSES PAYABLE DIRECTLY BY YOU

Sales Charges

None.

Switching Fees

None, except for short-term trading fees, if applicable. See “Short-Term Trading Fees” below.

Redemption Fees

None, except for short-term trading fees, if applicable. See “Short-Term Trading Fees” below.

Short-Term Trading Fees

On behalf of a Fund, we can charge you short-term trading fees of up to 5% of the net asset value of the units that you are redeeming or switching.
These short-term trading fees may be imposed when we determine that: a) a redemption or switch of units of the Funds in the 90 days following purchase of these units constitutes an excessive, short-term arbitrage transaction, and b) the goal of a transaction is to take advantage of the anticipated spread between the net asset value of the securities of a Fund and the market value of its assets.

These fees will be collected by the Fonds de solidarité FTQ through the redemption of a sufficient number of your units and then deposited with the Fund from which you redeemed or switched units. For more information, see "Purchases, Switches, Redemptions and Short-Term Trading."

Registered Tax Plan Fees

None. The Funds do not charge you any fees to set up a registered tax plan with Desjardins Trust through FlexiFonds de solidarité FTQ.

Pre-Authorized Withdrawals Fees

None. The Funds do not charge you any fees to participate in the pre-authorized withdrawal plan.

Courier Charges

If you request courier delivery of your redemption proceeds, we will charge you the costs of such courier service.

7. DEALER COMPENSATION

No trailer fees are paid by the investment fund manager or a member of the Funds' organization to the principal distributor, FlexiFonds de solidarité FTQ inc., which is the exclusive distributor of the Funds' units and a wholly-owned subsidiary of the investment fund manager. The principal distributor receives fees from the investment fund manager for distributing the units of the Funds. These fees are paid to the dealer from the management fees of the Funds collected by the investment fund manager; as such, you bear no direct cost.

This compensation, provided for in a principal distributor agreement between the Fonds de solidarité FTQ and FlexiFonds de solidarité FTQ inc., allows the principal distributor to cover its operating expenses (including expenses in connection with salaries, rents, insurance, and certain marketing and communications fees) and to maintain working capital in accordance with the regulation. The principal distributor's representatives are all in its employ and are paid a fixed salary. No other compensation, incentive or other, is paid to the principal distributor or its representatives.

Dealer Compensation from Management Fees

The investment fund manager pays the principal distributor 55% of the management fees. If the compensation paid to the dealer results in a surplus, the Manager reserves the right to reduce the percentage of management fees paid. However, the compensation paid should allow the dealer to cover operating expenses in connection with the distribution of units of the Funds.

8. INCOME TAX CONSIDERATIONS FOR INVESTORS

This summary assumes that you are an individual (other than a trust), that you are a resident of Canada, that you deal at arm's length and are not affiliated with the Funds, and that you hold units as capital property, for the purposes of the Tax Act. This summary does not apply to a unitholder who has entered or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement" as these terms are defined in the Tax Act with respect to the units. This summary is based on the current provisions of the Tax Act and the regulations thereunder, specific proposals to amend the Tax Act and regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof and the current published administrative practices and policies of the CRA. You will find more information regarding taxes in the annual information form. This summary assumes that each of the Funds will at all times qualify or be deemed to qualify as a "mutual fund trust" as defined under the Tax Act. This summary is not exhaustive of all tax considerations and is not intended to constitute legal or tax advice to an investor. Investors should seek professional, independent advice regarding the tax consequences of investing in units, based upon the investors' own particular circumstances.

8.1 <u>For Units Held in a Registered Plan</u>

When units of a Fund are held in a registered plan, distributions from the Fund and capital gains realized from a disposition of the units, including on a redemption, are generally not subject to taxation under the Tax Act until withdrawals are made from the registered plan (withdrawals from a TFSA are not taxable).

The units of a Fund will not be considered a "prohibited investment" for trusts governed by a RRSP, RRIF or TFSA unless the annuitant of the RRSP or RRIF or the holder of the TFSA, as the case may be (i) does not deal at arm's length with the Fund for purposes of the Tax Act, or (ii) has a "significant interest" in the Fund, as defined in the Tax Act. Generally, a holder, annuitant or subscriber, as the case may be, should not hold a significant interest in a Fund unless the holder, annuitant or subscriber, as the case may be, either alone or together with any person or partnership with which the holder, annuitant or subscriber, as the case may be, does not deal at arm's length, holds interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund. In addition, the units of a Fund will not be considered a "prohibited investment" if such units are "excluded property" as defined in the Tax Act.

8.2 <u>For Units Not Held in a Registered Plan</u>

If you hold units outside of a registered plan, you must include in the calculation of your taxable income the amount of the net income and the taxable portion of the net capital gains paid or payable to you by the Fund throughout the year, whether you receive these distributions in cash or they are reinvested in additional units. To the extent that the Funds so designate under the Tax Act, and to the extent permitted by the Tax Act, your share a) of net taxable capital gains of the Funds, b) of the foreign source income of the Funds and

c) of taxable dividends received by the Funds on shares of taxable Canadian corporations paid or payable to you will effectively retain their character and will be treated as such in your hands for purposes of the Tax Act. An enhanced dividend tax credit is available for certain eligible dividends from taxable Canadian corporations. To the extent that the distributions (including management fee distributions) to you by a Fund in any year exceed your share of the net income and net capital gains of that Fund allocated to you for that year, those distributions (except to the extent that they are proceeds of disposition) will be a return of capital and will not be taxable to you, but will reduce the adjusted cost base of your units in the Fund. The non-taxable portion of a Fund's net realized capital gains paid or payable to a unitholder will not be included in the unitholder's income and will not reduce the adjusted cost base of the unitholder's units. If the adjusted cost of your units of a Fund would otherwise be less than zero, you will be deemed to have realized a capital gain equal to the negative amount, and the adjusted cost base of the units will be increased to zero.

You will be taxed on distributions of income and capital gains, even if the income and capital gains were accumulated through the Fund or were realized by the Fund before you acquired the units and were reflected in the purchase price of the units. If you buy units prior to a distribution, you may have to pay tax on income and capital gains that the Fund earned before you bought your units. You should bear this in mind when buying units.

Where a Fund has validly chosen to end its taxation year on December 15 under the Tax Act, the sums that are paid or payable to you by this Fund after December 15 and before the end of the calendar year are deemed to have been paid or payable to you before December 15 of the given year. Moreover, should you buy units after December 15 of the given year, you may be subject to a tax on earned income or capital gains realized during the taxation year of the Funds ended December 15 of the given calendar year, but which did not become payable before the acquisition of your units. The Funds have elected to have a taxation year that ends on December 15 under the Tax Act.

The higher a Fund's portfolio turnover rate in a year, the greater the chance that the Fund will generate capital gains or losses in that year. There is not necessarily a relationship between high turnover rate and the performance of a portfolio.

If you dispose of your units, whether by switching, redemption or otherwise, you will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, minus any costs of disposition, are greater (or less) than the adjusted cost base of the units. Fifty percent of a capital gain (or a capital loss) is generally included in determining your taxable capital gain (or allowable capital loss). An alternative minimum tax may apply to realized capital gains or Canadian dividends received.

In general, the aggregate adjusted cost base of your units in a Fund equals:

- the amount of your initial investment in the Fund (including any sales charges paid);
- **plus** the amount of any additional investments in the Fund (including any sales charges paid);
- **plus** the amount of any reinvested distributions (including management fee distributions);
- **minus** the amount of capital returned in any distributions;
- **minus** the adjusted cost base of any previous redemption.

9. WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in Québec gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the fund facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in Québec also allows you to cancel an agreement to buy mutual fund units and get your money back, or to make a claim for damages, if the simplified prospectus, annual information form, fund facts, or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

For more information, refer to securities legislation in Québec or consult a lawyer.

10. ADDITIONAL INFORMATION

10.1 FUNDAMENTAL CHANGES

Under Regulation 81-102, and to the extent that the master declarations of trust of the Funds allow, the approval of unitholders may not be requested regarding fundamental changes, under the following circumstances:

i) the Fund undertakes a reorganization with or transfers its assets to another Fund to which Regulation 81-107 and Regulation 81-102 apply and which is managed by the Manager of the Funds or an affiliate, (a "**Continued Fund**") if the following conditions exist:

   a. the Fund ceases to continue after the reorganization or transfer of its assets;
   b. the reorganization or transfer of its assets results in unitholders of the Fund becoming unitholders of the Continued Fund; and
   c. the reorganization or transfer of assets meets the conditions provided in subparagraphs a, b, c, d, g, h, i, j and k of section 5.6(1) of Regulation 81-102; or

ii) the Fund changes its auditor.

Although unitholders might not need to approve such changes, they will be informed at least 60 days before the date these changes take effect, which must also be approved by the IRC.

10.2 RESPONSIBLE INVESTMENT

Through its investment in Class "C" Shares of the Fonds de solidarité FTQ, each Fund supports the mission of the Fonds de solidarité FTQ, and its approach to responsible investment and sustainable development, embodied in the adoption by the Fonds de solidarité FTQ of the Sustainable Development Policy Framework.

Each Fund aims to draw inspiration from the Sustainable Development Policy Framework of the Fonds de solidarité FTQ, such as, when selecting the securities in its portfolio as well as by actively exercising its voting rights and excluding certain economic sectors or the securities of particular companies that might be considered as being in conflict with the responsible investment values of the Fonds de solidarité FTQ.

PART B – SPECIFIC INFORMATION ABOUT EACH OF THE MUTUAL FUNDS DESCRIBED IN THIS SIMPLIFIED PROSPECTUS

Overview

In this part of the simplified prospectus, you will find information specific to each Fund to help you compare the Funds and determine which meet your investment needs. The information specific to each Fund is divided into the sections indicated below:

Fund Details

In this section, you will find information about the type of Fund, the available types of securities of the Fund and their series, the date each series of each Fund was launched, and the eligibility of the Fund as an investment for registered plans.

What Does the Fund Invest In?

This section indicates the investment objectives and strategies for each Fund. Each Fund will need the approval of its unitholders to change its fundamental investment objectives.

Investment Objectives = the objectives of a Fund, including the types of securities in which it invests. Investment Strategies = how the Fund's portfolio manager attempts to achieve the objectives.

Except as described in the annual information form, the Funds adopt the standard investment restrictions and practices established by Canadian securities regulatory authorities.

What Are the Risks of Investing in the Fund?

To help you determine if a Fund is suitable for you, the Manager classifies the risk of investing in a Fund in one of the following categories: low, low to medium, medium, medium to high, or high. The risk level of investing in a Fund is reviewed at least once a year and if the investment objective of a Fund has changed significantly. In general, it should be re-established as soon as it is no longer reasonable under the circumstances.

To determine the investment risk rating of each Fund, the Manager followed the risk classification methodology set out in the regulation and adopted by the Canadian Securities Administrators in 2017.

The purpose of adopting a standardized mutual fund risk classification method applicable to all mutual funds is to improve the transparency and consistency of investment risk levels, and to allow investors to more easily compare these risk levels.

This standardized method is useful to investors, as it provides a consistent and comparable basis for measuring the investment risk levels of the different mutual funds.

The method consists of grading the risk associated with a mutual fund on the five-category scale mentioned above, based on the historical volatility of that mutual fund's performance, as measured by the standard deviation of the mutual fund's performance over a 10-year period using the first series created. A mutual fund's standard deviation is calculated by determining the differential between a mutual fund's returns as compared its average returns over a given period. A mutual fund with a high standard deviation is usually classified as risky.

If the performance history falls short of the 10-year period required by regulation to calculate the standard deviation of a Fund, the Manager substitutes the data of a recognized reference index to make up for the Fund's missing performance history. The reference index chosen by the Manager must be a recognized index. Specifically, it must have a composition similar to that of the Fund's investment portfolio with performances that positively correlate with or will in all likelihood positively correlate with those of the Fund.

You can receive, upon request and at no cost, a description of the risk classification method used by the Manager to establish the risk rating of the Fund by calling 1-833-383-2121 (client services) or by emailing us at info@flexifondsftq.com.

Distribution Policy

As a unitholder, you are entitled to your share of a Fund's net income and net capital gains realized on the Fund's investments. Each Fund passes along practically all of its earnings to its unitholders as distributions. A Fund earns income in the form of dividends from stocks and interest from debt securities. A Fund realizes a capital gain when it sells securities at a higher price than the price it paid.

This section tells you how often each Fund listed in this Part will make income and capital gains distributions, if applicable.

Fund Expenses Indirectly Borne by Investors

This section allows you to compare the cumulative costs of investing in units of a Fund, with the similar costs of investing in other mutual funds. For each Fund, the table shows the amount of fees and expenses applicable to the relevant series of units over various time periods for each $1,000 investment you make, assuming that

- the annual return of the Fund has remained constant at 5% per year (i.e., the standard rate of return to be used for illustration purposes only); and

- the management expense ratio of the Fund has remained the same as in its last financial year for the complete 10-year period.

Because the 5% rate of return and the constant management expense ratio are assumptions for comparison purposes only, your actual costs may be lower or higher.

For more information about fees and expenses paid directly by the investor that are not included in the calculation of the management expense ratio, please refer to the Fund-specific information found for each of the Funds under the heading "Fund Expenses Indirectly Borne by Investors" at the end of Sections 11, 12 and 13 of this prospectus.

11. FLEXIFONDS CONSERVATIVE FUND

FlexiFonds Conservative Fund	
TYPE OF MUTUAL FUND	Canadian Fixed-Income Balanced Fund
DATE FUND STARTED	Series 1 Units: May 28, 2019
SECURITIES OFFERED	Mutual Fund Units: Series 1
ELIGIBILITY FOR REGISTERED PLANS	Qualified investment for Registered Plans under the Tax Act
ELIGIBILITY FOR TAX CREDIT	Acquiring units of this Fund does not grant the right to a tax credit related to a labour-sponsored fund
PORTFOLIO MANAGERS	Addenda Capital Inc.

What Does the Fund Invest In?

Investment Objectives

The assets of the FlexiFonds Conservative Fund of the Fonds de solidarité FTQ (for the purposes of this section only, the "Fund") are primarily invested in government bonds, Class "C" shares of the Fonds de solidarité FTQ and, to a lesser extent, in global shares and shares of Québec-based companies, mainly those with a large market capitalization listed on a stock exchange. The Fund aims to provide income and modest long-term capital growth while contributing to the stimulation of Québec's economy by prioritizing assets related to Québec's economy. The maximum exposure to foreign investments is 15%.

Any change to the investment objectives requires the approval of a majority of votes cast at a meeting of the unitholders of the Fund.

Investment Strategies

The Fund invests primarily in Class "C" Shares of the Fonds de solidarité FTQ and government bonds. Essentially, Class "C" Shares of the Fonds de solidarité FTQ are composed of development capital investments in private and public Québec companies, bond portfolios of governments and Canadian corporations, as well as publicly traded Québec, Canadian and global shares. For more information regarding Class "C" Shares of the Fonds de solidarité FTQ held by the Fund, please refer to the heading "Exemptive Relief from Certain Restrictions Set Out in Regulation 81-102 with Respect to the Purchase and Holding of Class "C" Shares of the Fonds de solidarité FTQ" of the annual information form of the Funds or to the heading "Risks Associated with the Funds' Investments in Class "C" Shares of the Fonds de solidarité FTQ" of this simplified prospectus.

For the management of fixed-income securities, the portfolio manager invests in bonds issued or guaranteed by the Québec government and the governments of other Canadian provinces (including their agencies and corporations). The portfolio manager chooses securities in order to manage interest rate risk while maintaining medium-term maturity overall for the bond portfolios.

To maintain a healthy portfolio diversification, the Fund also invests in equity securities of Québec and foreign issuers, through investments that provide exposure to a variety of securities.

For the portfolio of Québec shares, the portfolio manager invests in securities of corporations that have head offices located in Québec and that contribute to economic activity in Québec. The portfolio manager aims for portfolio diversification by reproducing an index of publicly traded corporations with large market capitalization (Québec IQ-30 index) from various sectors of Québec's economy.

For the portfolio of global shares, the portfolio manager will apply an active management approach with a focus on growth at a reasonable price based on a fundamental analysis of companies with a large market capitalization (large-cap companies) in developed countries. The Fund may invest up to 15% of its portfolio in foreign securities.

In accordance with the target allocation detailed in article 2.4 under the heading "Risks Associated with the Funds' Investments in Class "C" Shares of the Fonds de solidarité FTQ," 30% of the assets of the Fund are allocated to Class "C" shares of the Fonds de solidarité FTQ, 55% to fixed-income securities, of which 35% are allocated to bonds issued or guaranteed by the Québec government and its corporations, and 15% to equity securities, of which 5% are invested in Québec shares. Thus, investment in assets related to Québec's economy is a priority and represents 70% of the assets of the Fund.

The portfolio manager rebalances asset classes semi-annually and whenever predetermined benchmarks are reached.

In anticipation of, or in response to, adverse market, economic, or political conditions, for defensive purposes, the portfolio manager may invest provisionally, at the portfolio manager's discretion, a significant portion of the Fund's assets in cash and money market instruments. In such cases, investments may not correspond exactly to the investment objectives of the Fund.

The Fund may use derivatives for hedging purposes, in order to protect against or compensate an investment risk, such as currency fluctuations or interest rate changes. The portfolio manager may use various derivatives such as options, forwards, futures, and swaps. The Fund will only use derivatives in accordance with the requirements of securities regulations. For a description of the risks associated with the use of derivatives, see Section 2.4 "Derivatives Risk" of this prospectus.

In an effort to improve returns, the Fund may engage in securities lending, repurchase and reverse repurchase transactions in accordance with the investment objectives of the Fund and the requirements of securities regulations. Please refer to Section 2.4 "Securities Lending, Repurchase and Reverse Repurchase Transaction Risk" of this prospectus for a description of these transactions and the strategies to be used by the Fund to reduce the risks related to these transactions.

The Fund is not authorized to engage in short selling, nor to invest in illiquid assets.

What are the Risks of Investing in the Fund?

This Fund is exposed to the following risks, which are described in detail in Section 2.4 of this prospectus:

- Concentration Risk
- Liquidity Risk
- Conflicts of Interest Risk Relating to the Structure of the Funds
- Absence of History Risk
- Credit Risk
- Currency Risk
- Derivatives Risk
- Exchange-Traded Funds Risk
- Foreign Investment Risk
- Interest Rate Risk
- Market Risk
- Specialization Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Large Transactions Risk
- Taxation Risk
- Portfolio Management Risk
- Equity Risk
- Asset- and Mortgage-Backed Securities Risk
- Cybersecurity Risk
- Risks Associated with the Funds' Investments in Class "C" Shares of the Fonds de solidarité FTQ

Who Should Invest in this Fund?

The Fund is suitable for investors seeking a portfolio of fixed-rate securities generating regular, moderate interest income while contributing to the stimulation of Québec's economy by prioritizing investment in Québec-based assets.

The Fund is appropriate for investors seeking a medium-term investment and willing to accept a low level of risk.

As the performance history of the Fund is less than 10 years and is therefore insufficient to calculate the standard deviation of the Fund in accordance with the applicable regulation, to substitute for the missing time, the Manager will use a reference index comprised of recognized indices that are representative of the Fund's risk, namely, as to 60%, the FTSE Canada Mid Term Provincial Bond Index, which represents Canadian provincial bonds with maturities of 5 to 10 years (a segment of the flagship FTSE Canada Universe Bond Index), as to 10%, the FTSE Canada Mid Term Corporate Bond Index, which represents Canadian corporate bonds with maturities of 5 to 10 years (a segment of flagship FTSE Canada Universe Bond Index), as to 15%, the S&P/TSX Composite Index, which represents all Canadian companies listed on the Toronto Stock Exchange, and as to 15%, the MSCI World Index (net, C$), which represents large and mid-cap equity performance in developed countries, hedged in Canadian dollars.

Distribution Policy

If applicable, the Fund distributes income quarterly in March, June, September and December, and distributes capital gains in December. We will automatically reinvest distributions in additional units of the Fund at the Fund's current net asset value.

Fund Expenses Indirectly Borne by Investors

The following table shows the amount of fees that will apply to units of each series of the Fund based on the following assumptions, namely a) an initial investment of $1,000; b) a total annual return of the Fund of 5% in each year, and c) the same management expense ratio of the Fund throughout the 10-year period as that of the financial year ended December 31, 2021.

Fees and expenses payable over:

	1 Year	3 Years	5 Years	10 Years
Series 1	$15.39	$48.51	$85.02	$193.53

12. FLEXIFONDS BALANCED FUND

FlexiFonds Balanced Fund	
TYPE OF MUTUAL FUND	Canadian Neutral Balanced Fund
DATE FUND STARTED	Series 1 Units: May 28, 2019
SECURITIES OFFERED	Mutual Fund Units: Series 1
ELIGIBILITY FOR REGISTERED PLANS	Qualified investment for Registered Plans under the Tax Act
ELIGIBILITY FOR TAX CREDIT	Acquiring units of this Fund does not grant the right to a tax credit related to a labour-sponsored fund
PORTFOLIO MANAGERS	Addenda Capital Inc.

What Does the Fund Invest In?

Investment Objectives

The assets of the FlexiFonds Balanced Fund of the Fonds de solidarité FTQ (for the purposes of this section only, the "Fund") are primarily invested in Class "C" Shares of the Fonds de solidarité FTQ, in government bonds and, to a lesser extent, in global shares and shares of Québec-based companies, mainly those with a large market capitalization listed on a stock exchange. The Fund aims to provide a balance between income and capital growth over the long term while contributing to the stimulation of Québec's economy by prioritizing assets related to Québec's economy. The maximum exposure to foreign investments is 25%.

Any change to the investment objectives requires the approval of a majority of votes cast at a meeting of the unitholders of the Fund.

Investment Strategies

The Fund invests primarily in Class "C" Shares of the Fonds de solidarité FTQ and in government bonds. Essentially, Class "C" Shares of the Fonds de solidarité FTQ are composed of development capital investments in private and public Québec companies, bond portfolios of governments and Canadian corporations, as well as publicly traded Québec, Canadian and global shares. For more information regarding Class "C" shares of the Fonds de solidarité FTQ held by the Fund, please refer to the heading "Exemptive Relief from Certain Restrictions Set Out in Regulation 81-102 with Respect to the Purchase and Holding of Class "C" Shares of the Fonds de solidarité FTQ" of the annual information form of the Funds or the heading "Risks Associated with the Funds' Investments in Class "C" Shares of the Fonds de solidarité FTQ" of this simplified prospectus.

For the management of fixed-income securities, the portfolio manager invests in bonds issued or guaranteed by the Québec government and the governments of other Canadian provinces (including their agencies and corporations). The portfolio manager chooses securities in order to manage interest rate risk while maintaining medium-term maturity overall for the bond portfolios.

To maintain a healthy portfolio diversification, the Fund also invests in equity securities of Québec and foreign issuers, through investments that provide exposure to a variety of securities.

For the portfolio of Québec shares, the portfolio manager invests in securities of corporations that have head offices located in Québec and that contribute to economic activity in Québec. The portfolio manager aims for portfolio diversification by reproducing an index of publicly traded corporations with large market capitalization (Québec IQ-30 index) from various sectors of Québec's economy.

For the portfolio of global shares, the portfolio manager will apply active management with a focus on growth at a reasonable price based on a fundamental analysis of companies with a large market capitalization (large-cap companies) in developed countries. The Fund may invest up to 25% of its portfolio in foreign securities.

In accordance with the target allocation detailed in article 2.4 under the heading "Risks Associated with the Funds' Investing in Class "C" Shares of Fonds de solidarité FTQ," 30% of the assets of the Fund are allocated to Class "C" shares of the Fonds de solidarité FTQ, 35% to fixed-income securities, of which 25% are allocated to bonds issued or guaranteed by the Québec government and its corporations, and 35% to equity securities, of which 15% are invested in Québec shares. Thus, investment in assets related to Québec's economy is a priority and represents 70% of the assets of the Fund.

The portfolio manager rebalances asset classes semi-annually and whenever predetermined benchmarks are reached.

In anticipation of, or in response to, adverse market, economic, or political conditions, for defensive purposes, the portfolio manager may invest provisionally, at the portfolio manager's discretion, a significant portion of the Fund's assets in cash and money market instruments. In such cases, investments may not correspond exactly to the investment objectives of the Fund.

The Fund may use derivatives for hedging purposes, in order to protect against or compensate an investment risk, such as currency fluctuations or interest rate changes. The portfolio manager may use various derivatives such as options, forwards, futures, and swaps. The Fund will only use derivatives in accordance with the requirements of securities regulations. For a description of the risks associated with the use of derivatives, see Section 2.4 "Derivatives Risk" of this prospectus.

In an effort to improve returns, the Fund may engage in securities lending, repurchase and reverse repurchase transactions in accordance with the investment objectives of the Fund and the requirements of securities regulations. Please refer to Section 2.4 "Securities Lending, Repurchase and Reverse Repurchase Transaction Risk" of this prospectus for a description of these transactions and the strategies to be used by the Fund to reduce the risks related to these transactions.

The Fund is not authorized to engage in short selling, nor to invest in illiquid assets.

What are the Risks of Investing in the Fund?

This Fund is exposed to the following risks, which are described in detail in Section 2.4 of this prospectus:

- Concentration Risk
- Liquidity Risk
- Conflicts of Interest Risk Relating to the Structure of the Funds
- Absence of History Risk
- Credit Risk
- Currency Risk
- Derivatives Risk
- Exchange-Traded Funds Risk
- Foreign Investment Risk
- Interest Rate Risk
- Market Risk
- Specialization Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Large Transactions Risk
- Taxation Risk
- Portfolio Management Risk
- Equity Risk
- Asset- and Mortgage-Backed Securities Risk
- Cybersecurity Risk
- Risks Associated with the Funds' Investments in Class "C" Shares of the Fonds de solidarité FTQ

Who Should Invest in this Fund?

The Fund is suitable for investors seeking a diversified portfolio comprised of several asset classes, offering a balance between a moderate current income and long-term capital appreciation, while contributing to stimulating Québec's economy by prioritizing investment in Québec-based assets.

The Fund is appropriate for investors seeking a medium- or long-term investment and willing to accept a low level of risk.

As the performance history of the Fund is less than 10 years and is therefore insufficient to calculate the standard deviation of the Fund in accordance with the applicable regulation, to substitute for the missing time, the Manager will use a reference index comprised of recognized indices that are representative of the Fund's risk, namely, as to 40%, the FTSE Canada Mid Term Provincial Bond Index, which represents Canadian provincial bonds with maturities of 5 to 10 years (a segment of the flagship FTSE Canada Universe Bond Index), as to 10%, the FTSE Canada Mid Term Corporate Bond Index, which represents Canadian corporate bonds with maturities of 5 to 10 years (a segment of flagship FTSE Canada Universe Bond Index), as to 25%, the S&P/TSX Composite Index, which represents all Canadian companies listed on the Toronto Stock Exchange, and as to 25%, the MSCI World Index (net, C$), which represents large and mid-cap equity performance in developed countries, hedged in Canadian dollars.

Distribution Policy

If applicable, the Fund distributes income quarterly in March, June, September and December, and distributes capital gains in December. We will automatically reinvest distributions in additional units of the Fund at the Fund's current net asset value.

Fund Expenses Indirectly Borne by Investors

The following table shows the amount of fees that will apply to units of each series of the Fund based on the following assumptions, namely a) an initial investment of $1,000; b) a total annual return of the Fund of 5% in each year; and c) the same management expense ratio of the Fund throughout the 10-year period as that of the financial year ended December 31, 2021.

Fees and expenses payable over:

	1 Year	**3 Years**	**5 Years**	**10 Years**
Series 1	$15.39	$48.51	$85.02	$193.53

13. FLEXIFONDS GROWTH FUND

FlexiFonds Growth Fund	
TYPE OF MUTUAL FUND	Canadian Equity Balanced Fund
DATE FUND STARTED	Series 1 Units: May 28, 2019
SECURITIES OFFERED	Mutual Fund Units: Series 1
ELIGIBILITY FOR REGISTERED PLANS	Qualified investments for Registered Plans under the Tax Act
ELIGIBILITY FOR TAX CREDIT	Acquiring units from this Fund does not grant the right to a tax credit related to a labour-sponsored fund
PORTFOLIO MANAGERS	Addenda Capital Inc.

What Does the Fund Invest In?

Investment Objectives

The assets of the FlexiFonds Growth Fund of the Fonds de solidarité FTQ (for the purposes of this section only, the "Fund") are primarily invested in Class "C" Shares of the Fonds de solidarité FTQ, in global shares, and in shares of Québec-based companies, mainly those with a large market capitalization listed on a stock exchange. The Fund also invests, to a lesser extent, in Québec government bonds. The Fund aims to provide long-term capital growth and, to a lesser extent, income while contributing to the stimulation of Québec's economy by prioritizing assets related to Québec's economy. The maximum exposure to foreign investments is 35%.

Any change to the investment objectives requires the approval of a majority of votes cast at a meeting of the unitholders of the Fund.

Investment Strategies

The Fund invests primarily in Class "C" Shares of the Fonds de solidarité FTQ and in Québec and foreign equity securities through investments that provide to the Fund exposure to a mix of securities in order to maintain a healthy portfolio diversification. Essentially, Class "C" Shares of the Fonds de solidarité FTQ are composed of development capital investments in private and public Québec companies, bond portfolios of government and Canadian corporations, as well as publicly traded Québec, Canadian and global shares. For more information regarding Class "C" Shares of the Fonds de solidarité FTQ held by the Fund, please refer to the heading "Exemptive Relief from Certain Restrictions Set Out in Regulation 81-102 with Respect to the Purchase and Holding of Class "C" Shares of the Fonds de solidarité FTQ" of the annual information form of the Fund or the heading "Risks Associated with the Funds' Investments in Class "C" Shares of the Fonds de solidarité FTQ" of this simplified prospectus.

For the global equity portfolio, the portfolio manager will apply active management with a focus on growth at a reasonable price based on a fundamental analysis of companies with a large market capitalization (large-cap companies) in developed countries. The Fund may invest up to 35% of its portfolio in foreign securities.

For the portfolio of Québec shares, the portfolio manager invests in securities of corporations that have head offices located in Québec and that contribute to economic activity in Québec. The portfolio manager aims for portfolio diversification by reproducing an index of publicly traded corporations with large market capitalization (Québec IQ-30 index) from various sectors of Québec's economy.

The Fund also invests in fixed-income securities. For the management of fixed-income securities, the portfolio manager invests in bonds issued or guaranteed by the Québec government (including its corporations). The portfolio manager chooses securities in order to manage interest rate risk while maintaining medium-term maturity overall for the bond portfolios.

In accordance with the target allocation detailed in article 2.4 under the heading "Risks Associated with the Funds' Investments in Class "C" Shares of the Fonds de solidarité FTQ," 30% of the assets of the Fund are allocated to Class "C" Shares of the Fonds de solidarité FTQ, 15% are allocated to bonds issued or guaranteed by the Québec government and its corporations, and 55% are allocated to equity securities, of which 25% are invested in Québec shares. Thus, investment in assets related to Québec's economy is a priority and represents 70% of the assets of the Fund.

The portfolio manager rebalances asset classes semi-annually and whenever predetermined benchmarks are reached.

In anticipation of, or in response to, adverse market, economic, or political conditions, for defensive purposes, the portfolio manager of the Fund may invest provisionally, at the portfolio manager's discretion, a significant portion of the Fund's assets in cash and money market instruments. In such cases, investments may not correspond exactly to the investment objectives of the Fund.

The Fund may use derivatives for hedging purposes, in order to protect against or compensate an investment risk, such as currency fluctuations or interest rate changes. The portfolio manager may use various derivatives such as options, forwards, futures, and swaps. The Fund will only use derivatives in accordance with the requirements of securities regulations. For a description of the risks associated with the use of derivatives, see Section 2.4 "Derivatives Risk" of this prospectus.

In an effort to improve returns, the Fund may engage in securities lending, repurchase and reverse repurchase transactions in accordance with the investment objectives of the Fund and the requirements of securities regulations. Please refer to Section 2.4 "Securities Lending, Repurchase and Reverse Repurchase Transaction Risk" of this prospectus for a description of these transactions and the strategies to be used by the Fund to reduce the risks related to these transactions.

The Fund is not authorized to engage in short selling, nor to invest in illiquid assets.

What are the Risks of Investing in the Fund?

This Fund is exposed to the following risks, which are described in detail in Section 2.4 of this prospectus:

- Concentration Risk
- Liquidity Risk
- Conflicts of Interest Risk Relating to the Structure of the Funds
- Absence of History Risk
- Credit Risk
- Currency Risk
- Derivatives Risk
- Exchange-Traded Funds Risk
- Foreign Investment Risk
- Interest Rate Risk
- Market Risk
- Specialization Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Large Transactions Risk
- Taxation Risk
- Portfolio Management Risk
- Equity Risk
- Asset- and Mortgage-Backed Securities Risk
- Cybersecurity Risk
- Risks Associated with the Funds' Investments in Class "C" Shares of the Fonds de solidarité FTQ

Who Should Invest in this Fund?

The Fund is suitable for investors seeking long-term capital appreciation and, to a lesser extent, income while contributing to the stimulation of Québec's economy by prioritizing investment in Québec-based assets.

The Fund is appropriate for investors seeking a medium or long-term investment and willing to accept a low to moderate level of risk.

As the performance history of the Fund is less than 10 years and is therefore insufficient to calculate the standard deviation of the Fund in accordance with the applicable regulation, to substitute for the missing time, the Manager will use a reference index comprised of recognized indices that are representative of the Fund's risk, namely, as to 20%, the FTSE Canada Mid Term Provincial Bond Index, which represents Canadian provincial bonds with maturities of 5 to 10 years (a segment of the flagship FTSE Canada Universe Bond Index), as to 10%, the FTSE Canada Mid Term Corporate Bond Index, which represents Canadian corporate bonds with maturities of 5 to 10 years (a segment of flagship FTSE Canada Universe Bond Index), as to 35%, the S&P/TSX Composite Index, which represents all Canadian companies listed on the Toronto Stock Exchange, and as to 35%, the MSCI World Index (net, C$), which represents large and mid-cap equity performance in developed countries, hedged in Canadian dollars.

Distribution Policy

If applicable, the Fund distributes income quarterly in March, June, September and December, and distributes capital gains in December. We will automatically invest distributions in additional units of the Fund at the Fund’s current net asset value.

Fund Expenses Indirectly Borne by Investors

The following table shows the amount of fees that will apply to units of each series of the Fund based on the following assumptions, namely a) an initial investment of $1,000; b) a total annual return of the Fund of 5% in each year; and c) the same management expense ratio of the Fund throughout the 10-year period as that of the financial year ended December 31, 2021.

Fees and expenses payable over:

	1 Year	**2 Years**	**5 Years**	**10 Years**
Series 1	$15.39	$48.51	$85.02	$193.53

Fonds de solidarité des travailleurs du Québec (F.T.Q.) Mutual Funds

FLEXIFONDS CONSERVATIVE FUND
FLEXIFONDS BALANCED FUND
FLEXIFONDS GROWTH FUND

Additional information about the Funds is available in the Funds' annual information form, fund facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this document just as if they had been printed together.

You may receive a copy of these documents upon request and at no cost by calling toll-free 1-833-383-2121 or by contacting your dealer, FlexiFonds de solidarité FTQ inc., by email at info@flexifondsftq.com.

These documents and other information about the Funds, such as management circulars and material contracts, are also available on our website at fondsftq.com, or on SEDAR's website at sedar.com.

MANAGER OF THE FONDS DE SOLIDARITÉ DES TRAVAILLEURS DU QUÉBEC (F.T.Q.) MUTUAL FUNDS

Fonds de solidarité des travailleurs du Québec (F.T.Q.)
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