

**UNDER EMBARGO UNTIL 5:00 P.M.**

## **Solidarity Fund QFL Announces Results for the Fiscal Year Ended May 31, 2008**

**Montréal, July 4, 2008** – Despite the economic slowdown in North America, turbulence on the capital markets and major disruptions that affected businesses, notably, the strong Canadian dollar and rising oil prices, the Solidarity Fund QFL (“Fund”) held its own and limited the decrease in its return, which reached -1.2% for the fiscal year ended May 31, 2008. Small caps suffered the most from the tough business climate impacting public companies. Share value therefore fell to \$25.05, down \$0.31 from the price published July 5, 2007.

Net assets rose \$46 million over last year to \$7.3 billion at year-end. The Fund continued to carefully manage its operations with the result that the operating expense ratio held steady at 1.4% of average net assets, a level that compares favourably with the industry’s top performers.

### **Two records set on the occasion of the Fund’s 25th anniversary**

The Fund set a new investment record of \$730 million in fiscal 2008. Together with its regional Funds, the organization backed a total of 140 partner companies. By making so many investments, the Fund was able to help businesses facing economic and market challenges as well as those pursuing growth and expansion.

Shareholder contributions amounted to \$611 million dollars, including a record \$446 million through systematic savings, i.e., payroll deduction and pre-authorized withdrawals. This performance is thanks to the ongoing efforts of the Fund’s local representatives in the workplace and the quality of service offered by the Shareholder Services team to the Fund’s 575,000 shareholders.

“Despite a difficult economic and financial situation, our teams demonstrated tremendous rigour. Our local representatives also continued to actively promote the Fund in the workplace. On the occasion of the Fund’s 25th anniversary, the members of the Board and I would like to reiterate our confidence in all those who contribute to its development. I would also like to thank our shareholders for their loyalty and acknowledge our dynamic partner companies,” said Michel Arsenault, Chairman of the Fund’s Board of Directors and President of the QFL.

“Although share value fell in fiscal 2008, the Fund’s performance compares favourably with a number of stock indices<sup>1</sup> and other balanced funds, especially when you consider our unique mission to serve Québec businesses and our asset classes. I am particularly proud of our investment volume this past year. Going into the next financial year, we will continue to provide patient capital and help businesses develop at a time when credit is hard to come by. We will support them in their drive for more productivity and competitiveness and with their expansion or acquisition projects. We will also continue encouraging people to save more, especially young people. After 25 years, the Fund is still unique thanks to, among other things, the economic training it offers workers. Our positive economic impact on Québec is stronger than ever,” added the Fund’s president and chief executive officer, Yvon Bolduc.

### **The 60% rule**

During the last fiscal year, the fund complied with its 60% rule following temporary easing by the Québec government. For the fiscal year ending May 31, 2009, the Board of Directors has set the share issue limit at \$700 million for shares giving rise to labour-sponsored fund tax credits, allowing more Quebecers to save for retirement while contributing to the economic development of Québec.

<b>Highlights as at May 31</b>	<b>2008</b> (in millions of \$)	<b>2007</b> (in millions of \$)
Net assets	<b>7,284.9</b>	7,239.0
Revenue	<b>9.7</b>	590.5
Net earnings (net loss)	<b>(89.2)</b>	475.0
Annual return	<b>(1.2)%</b>	7.1%
Average annual return since inception: 4.8%		
	(in dollars)	(in dollars)
Net value per share	<b>25.05</b>	25.36

<sup>1</sup> From June 1, 2007 to May 31, 2008, Canadian balanced mutual funds returned -3.3% on average (source: Global neutral balanced funds compiled by globefund.com), the Québec Nesbitt Index was down 25%, the S&P 500 lost 8.5%, the Nasdaq slipped 3.1% and the Russell 2000 fell 11.7%. For its part, the S&P/TSX was up 4.7% for the same period.

**Note:** *The telephone number provided below is for the exclusive use of journalists and other media representatives.*

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