

**MAURICIE AND CENTRE-DU-QUÉBEC BUSINESSES AND INVESTORS  
WILL BE AFFECTED BY  
THE LATEST FEDERAL BUDGET**

*Regional business people are asking Minister Flaherty to  
reconsider his decision to eliminate labour fund tax credits*

**Trois-Rivières, April 4, 2013 –**

In the Federal Budget tabled on March 21st, the government announced the phasing out of the 15% tax credit granted to shareholders of labour-sponsored funds. The credit will remain unchanged until March 1, 2015, but will then be reduced by 5% per year until 2017. The Fonds de solidarité FTQ is asking the federal government to reconsider this decision, which will adversely affect Québec SMEs and investors alike, and is asking everyone to do their part to convince the government to back down. Meanwhile, on March 28, the Québec National Assembly spoke with one voice, asking the federal government to reverse its decision.

At a press conference with business owners, economic actors and Fonds de solidarité FTQ shareholders, the Fonds' executive vice-president corporate development and investment, Gaétan Morin, said "Minister Flaherty's decision will weaken Québec's financial ecosystem, because labour funds offer unsecured venture capital that is subordinated to traditional loans. These are much riskier investments but an important source of financing for SMEs. And these are precisely the type of investments the Fonds makes, as required by its incorporating act and in which 67% of its assets are currently invested."

The Fonds de solidarité has been delivering on its mission, with \$6.3 billion invested in Québec businesses over the last decade. In the past fiscal year, ended May 31, 2012, the Fonds alone invested \$908 million. Seventy percent of these investments were made in the regions, and 80% of the 2,239 companies backed have fewer than 100 employees.

**An active presence in Mauricie and Centre-du-Québec**

Together with its network of regional and local funds, the Fonds de solidarité FTQ has made its mark in the Mauricie and Centre-du-Québec regions over the years, investing some \$260 million in over 420 companies of all sizes, creating or maintaining upwards of 19,000 jobs. Examples include **GDG Environnement**, a company specializing in the biological control of biting insects, which secured a loan

from the Fonds in 2008 as part of its succession plan, and **Kruger Wayagamack**, backed in 2001 in order to enable the company to modernize its Trois-Rivières plant.

### **37,500 Fonds shareholders in Mauricie and Centre-du-Québec**

The Fonds de solidarité FTQ offers an accessible way to save to its 600,000 shareholders, 36% of whom made their first RRSP contribution at the Fonds. "When you consider that Québec has one of the lowest savings rates in the country – just 2% - and that nearly 50% of workers don't have a company pension plan, thousands of middle-class investors will see their standard of living decrease in the long run as a result of the federal government's decision," concluded Mr. Morin.

### **About the Fonds de solidarité FTQ**

The Fonds de solidarité FTQ has been driving the Québec economy for 30 years. With net assets of \$8.8 billion as at November 30, 2012, the Fonds is a development capital fund that channels the savings of Quebecers into investments in all sectors of the economy to help create and maintain jobs and further Québec's development. The Fonds is a partner, either directly or through its network members, in over 2,000 companies. With more than 600,000 owner-shareholders, the organization has helped create, maintain or protect almost 170,000 jobs. For more information, visit [www.fondsftq.com](http://www.fondsftq.com).

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