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Management discussion and analysis

This interim Management Discussion and Analysis (“MD&A”) supplements the financial statements and contains financial highlights but does not reproduce the complete interim financial statements of Capital régional et coopératif Desjardins (CRCD). It presents management’s assessment of CRCD’s results for the period reported in the financial statements, as well as its financial position and any material changes to it.

CRCD’s annual and compounded returns expressed in this MD&A are net of expenses and income taxes while returns by activity or investment profile represent returns before expenses and income taxes.

This disclosure document contains management’s analysis of forward-looking statements. Caution should be exercised in the interpretation of this analysis and these statements since management often makes reference to objectives and strategies that contain risks and uncertainties. Due to the nature of CRCD’s operations, the associated risks and uncertainties could cause actual results to differ from those anticipated in forward-looking statements. CRCD disclaims any intention or obligation to update or revise such statements based on any new information or new event that may occur after the reporting date.

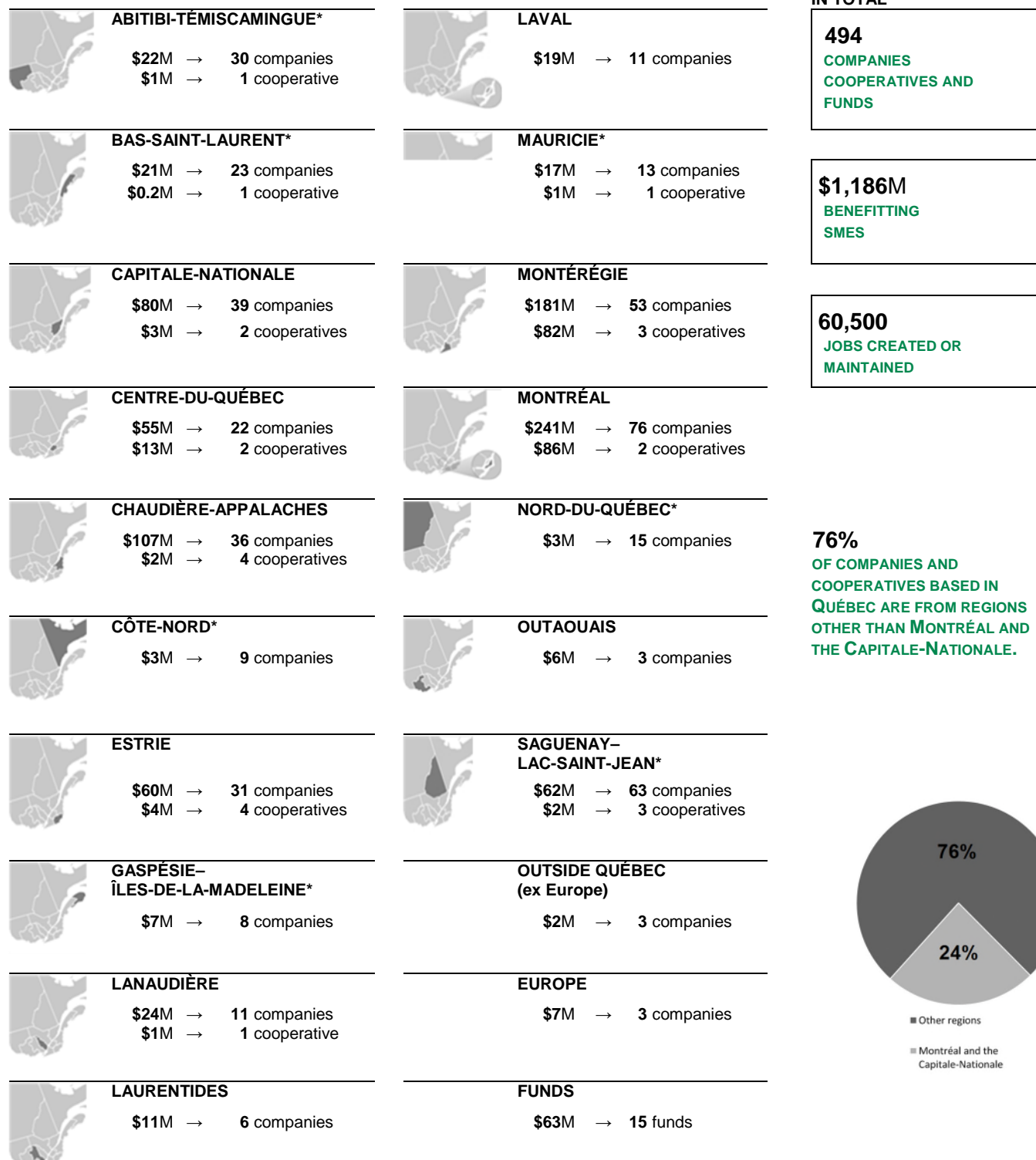
Copies of the interim financial statements may be obtained free of charge, on request, by calling 514 281-2322 or (toll free) 1 866 866-7000, extension 5552322, by writing to 2 Complexe Desjardins, P.O. Box 760, Desjardins Station, Montréal, Québec H5B 1B8, or from our website at www.capitalregional.com or SEDAR at www.sedar.com.

Annual financial information may be obtained in the same way.

1.0 Highlights

1.1 Commitments throughout Québec

CRCD and its ecosystem⁽¹⁾ make a real contribution to the economic development of the regions. As at June 30, 2019, funds committed were as follows:

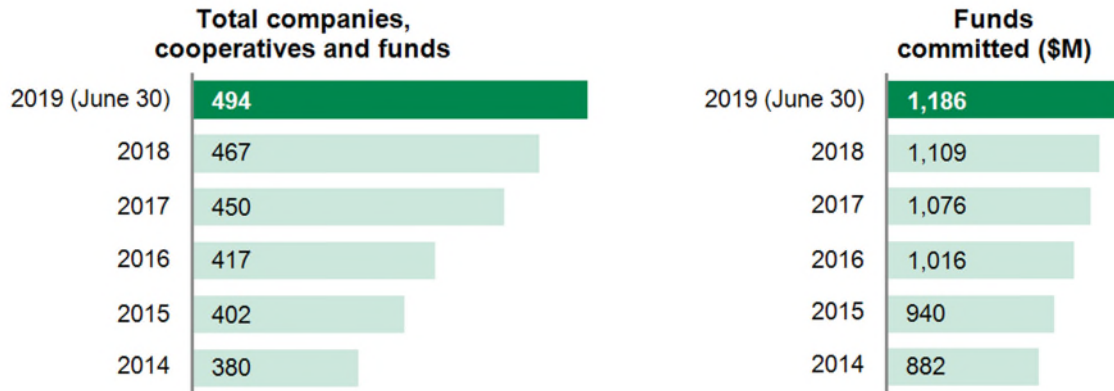


* Resource region

⁽¹⁾ See the Entrepreneurial ecosystem section for a detailed description of the main features of the ecosystem.

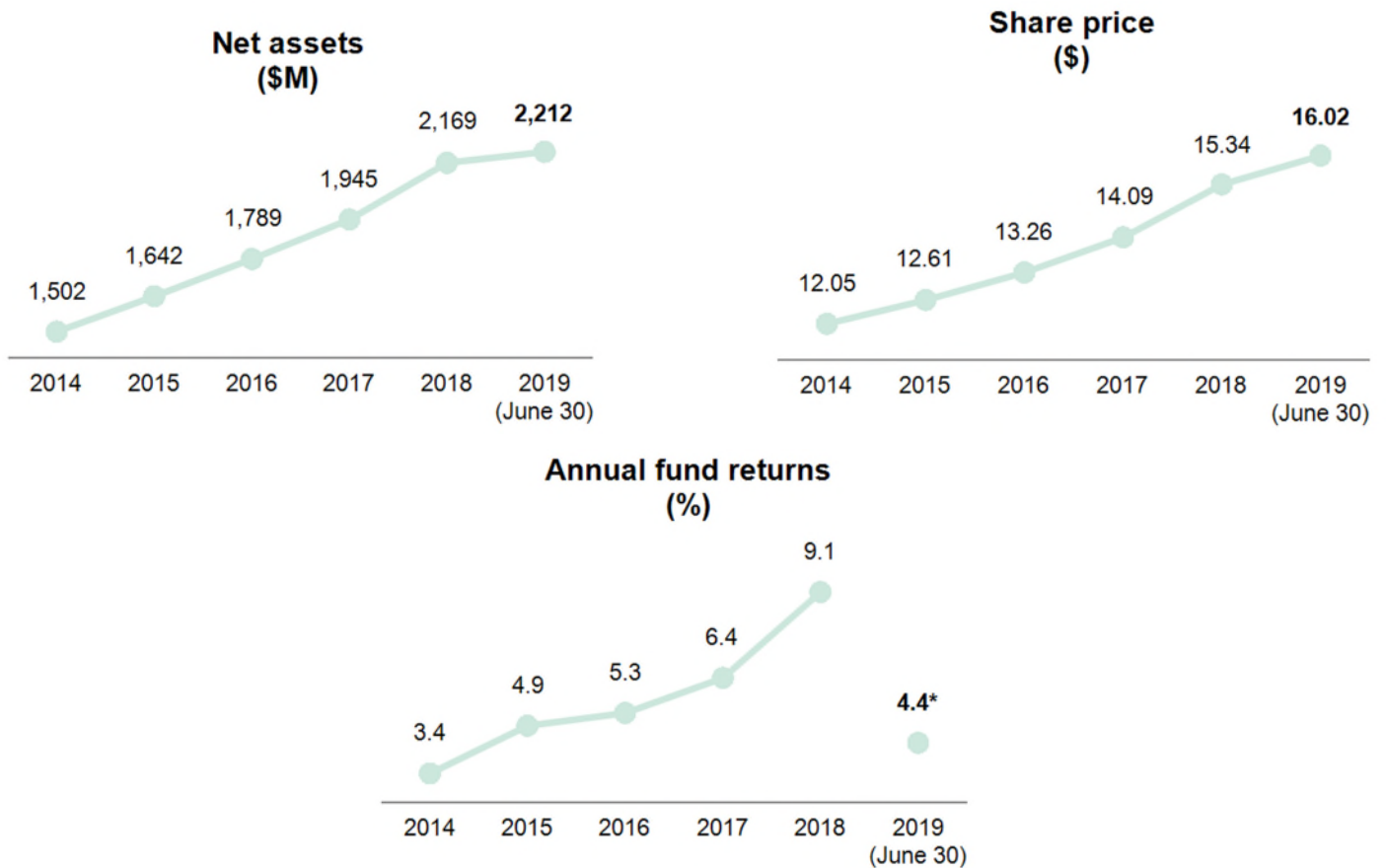
1.2 CRCD and its ecosystem support companies and cooperatives

AS AT JUNE 30, 2019 AND DECEMBER 31



1.3 CRCD financial data

AS AT JUNE 30, 2019 AND DECEMBER 31



* Non-annualized return for the six-month period ended June 30, 2019.

2.0 CRCD financial highlights

The following charts present key financial data and are intended to assist in understanding CRCD's financial results for the preceding five fiscal years and for the six-month period ended June 30, 2019. This information is derived from CRCD's audited separate annual financial statements.

2.1 Ratios and supplemental data

(in thousands of \$, unless indicated otherwise)	June 30, 2019 (6 months)	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014
Revenue	24,178	70,285	51,392	44,449	45,269	44,422
Gains on investments	87,212	138,632	96,541	78,869	64,035	42,884
Net earnings	93,500	174,894	112,757	85,957	74,806	49,245
Net assets	2,212,051	2,168,804	1,945,342	1,789,417	1,642,076	1,502,462
Common shares outstanding (number, in thousands)	138,089	141,391	138,080	134,944	130,183	124,665
Total operating expense ratio and common share issue expense ratio ⁽¹⁾ (%)	1.7	1.6	1.9	2.2	2.0	2.2
Portfolio turnover rate:						
– Investments impacting the Québec economy (%)	4	17	16	11	19	19
- Other investments (%)	42	163	87	126	131	102
Trading expense ratio ⁽²⁾ (%)	-	-	-	-	-	-
Number of shareholders (number)	105,602	107,862	105,614	104,317	102,222	96,236
Issues of common shares – Class A “Issuance”	363	141,179	134,850	133,401	149,882	62,906
Issues of common shares – Class B “Exchange”	99,612	-	-	-	-	-
Common share issue expenses, net of related taxes	-	2,523	2,396	1,579	1,750	764
Redemption of common shares	50,616	90,088	89,285	70,438	83,324	79,501
Investments impacting the Québec economy at cost	884,085	838,258	828,255	787,142	738,596	675,355
Fair value of investments impacting the Québec economy	1,146,806	1,080,069	1,033,951	921,518	817,199	710,923
Funds committed but not disbursed	157,890	192,169	183,606	189,121	171,082	193,764

⁽¹⁾ The ratio of total operating expenses and common share issue expenses is calculated by dividing total expenses (before income taxes) as shown on the separate statements of comprehensive income and common share issue expenses as shown on the separate statements of changes in net assets by net assets as at the end of the period or by average net assets for the financial year, pursuant to Section 68 of the *Regulation respecting Development Capital Investment Fund Continuous Disclosure*.

⁽²⁾ Trading expense includes brokerage fees and other portfolio transaction costs. These expenses are not material to CRCD.

2.2 Changes in net assets per common share

(in \$)	June 30, 2019 (6 months)	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014
Net assets per common share, beginning of period/year	15.34	14.09	13.26	12.61	12.05	11.66
Increase attributable to operations	0.68	1.28	0.84	0.66	0.59	0.40
Interest, dividends, distributions and negotiation fees	0.19	0.51	0.38	0.34	0.35	0.36
Operating expenses	(0.13)	(0.21)	(0.24)	(0.26)	(0.23)	(0.25)
Income taxes	-	(0.03)	(0.02)	(0.03)	(0.03)	(0.06)
Realized gains (losses)	0.14	0.79	0.06	0.18	0.29	0.52
Unrealized gains (losses)	0.48	0.22	0.66	0.43	0.21	(0.17)
Difference attributable to common share issues and redemptions	-	(0.03)	(0.01)	(0.01)	(0.03)	(0.01)
Net assets per common share, end of period/year	16.02	15.34	14.09	13.26	12.61	12.05

3.0 Overview

CRCD ended the first six months of 2019 with net earnings of \$93.5 million (\$77.9 million for the same period of 2018), representing a non-annualized return of 4.4% (4.1% as at June 30, 2018), resulting in an increase in net assets per share to \$16.02 based on the number of shares outstanding as at June 30, 2019, compared with \$15.34 as at the end of fiscal 2018. CRCD aims to strike an appropriate balance between shareholder return and its mission of Québec economic development. The financial asset management strategy adopted by CRCD several years ago provides the benefits of strong complementarity between the Investments impacting the Québec economy and Other investments portfolios. In fact, CRCD has generated favourable returns for over ten years.

Investments impacting the Québec economy posted a non-annualized return of 4.1% for the six-month period ended June 30, 2019, compared with a return of 8.8% for the same period a year earlier. As at June 30, 2019, the cost of Investments impacting the Québec economy totalled \$884.1 million, of which \$83.9 million was disbursed during the first six months of fiscal 2019. As at June 30, 2019, funds committed but not disbursed, which represent investments already agreed upon with companies, cooperatives or funds to be disbursed by CRCD at a later date, amounted to \$157.9 million. New commitments for the year amounted to \$49.7 million. In addition, due to the favourable turnaround in the stock and bond markets, CRCD's Other investments portfolio recorded a non-annualized return of 6.6% for the first six months of 2019, compared with a non-annualized return of 0.9% for the same period in 2018.

During the six-month period, issues of Class A "Issuance" common shares totalled \$0.4 million, or the balance of the 2018 issue which was completed on January 22, 2019. The subscription period for the 2019 issue will begin in the fall. For more information, please see the Subscriptions section of this MD&A. Share redemptions totalled \$50.6 million. CRCD also exchanged Class A "Issuance" shares for Class B "Exchange" shares for a total amount of \$99.6 million. Net assets amounted to \$2,212.1 million. There were 105,602 shareholders as at June 30, 2019. As at June 30, 2019, the balance of shares eligible for redemption amounted to over \$1,139.1 million.

3.1 Our vision for Québec entrepreneurship

Québec faces a huge challenge: developing and growing existing businesses. Businesses in Québec tend to remain too small and to overleverage themselves, putting a healthier capital structure at risk. Undercapitalization has significant repercussions on their performance, including low productivity and a low level of activity in international markets, which ultimately lowers Québec's ability to create and retain its fair share of highly paid jobs – jobs that are needed to maintain a healthy economy for the province.

Together with its manager Desjardins Capital Management Inc. (Desjardins Capital or DC), CRCD, in carrying out its mission, aims to stand tall and play a unique role on these diverse issues that guide its actions every day.

3.2 Growing businesses stronger

From the support, networking or training we offer our partner companies through to enhancing our product offering and sharing our business network, CRCD, through its manager, DC, acts on many levels to grow Québec SMEs and cooperatives.

As a leading player on the Québec development capital scene, we contribute to the vitality of the Québec economy by financing companies' growth initiatives, energizing the regions, and supporting jobs and business successions to build a strong Québec now and for future generations. A Québec leader in business transfers, DC has already completed several hundred transactions contributing to the continuity and sustainability of Québec's flagship companies. In addition, we support start-up or early-stage companies that use technological or industrial innovations and capitalize on new uses of existing technologies.

We also support Québec SMEs in their expansion in Europe with the new Desjardins Capital Transatlantic, L.P. fund which began operations during the 2018 fiscal year. This fund makes a new area of expertise available to Québec entrepreneurs, well beyond financial concerns, through support for international development with a team on the ground. A DC representative is based in France to support Québec entrepreneurs who want to develop new markets by setting up offices or acquiring competitors in Europe.

A real catalyst in the business development process of our existing and potential partners, we maintain close relationships with entrepreneurs throughout the province by creating numerous networking opportunities. These meetings make it possible to bring together entrepreneurs, business partners and experts who have questions on topical matters such as growth challenges and business succession issues.

Our support goes far beyond sharing our vast internal network and external business relationships. Various agreements have been negotiated, with Desjardins Group as well as other specialized external firms, to offer value-added services to our entrepreneurs in achieving their objectives.

Furthermore, we provide our partner companies with tailored support for implementing and monitoring sound SME governance practices, which represents undeniable value added. Very active in this area, we have a network of nearly 250 directors with skills and expertise unequalled in the industry. Their role is to help entrepreneurs set up a governance forum to support business growth and strategy. They have access to work tools and are regularly trained and evaluated to ensure they can effectively meet the needs of the companies they work with. Our entrepreneurial governance model, based on agility, simplicity, strategic thinking and alignment with business needs, is a unique type of support greatly appreciated by partner entrepreneurs.

3.3 Economic conditions

ECONOMIC ENVIRONMENT IN 2019

Global economy

Annual growth in world trade remained very weak in early 2019. But the climate seem to be stabilizing, influenced mainly by emerging Asian countries, which were also the source of much of the earlier declines. While conditions are not yet showing any real sign of improvement, they are no longer actually deteriorating. Nonetheless, the environment remains vulnerable and the global manufacturing sector continues to show signs of weakness, as reflected by the industry's purchasing managers index which have generally continued to trend downward over recent months. In the euro zone, GDP growth was stronger than expected in the first quarter, but several indicators continue to point to slow economic growth. China's economy is continuing along on its strongly slower trend, compounded by current conditions. There also appears to be some weakness in the monthly indicators, especially in industrial production and automobile sales. As regards industrials, this is partly tied to the effect of heightened trade tensions between China and the United States. The Chinese government is aiming to stabilize growth with various expansionary measures, but the slowdown is expected to continue nonetheless. Overall, global real GDP growth is expected to be 3.3% in 2019 and 2020.

The capital markets started the second quarter off on a positive note, with the main stock exchanges continuing their upturn in April. The sudden end of the trade truce between China and the United States in early May, however, when President Trump suddenly announced the introduction of new tariffs on Chinese imports, reignited volatility in the markets and heightened concerns around the global economy. Bond rates declined sharply as investors turned to safe havens and once again started to focus more on accommodative monetary policies, particularly in the U.S. The growing expectation around central bank intervention allowed stock market indices to quickly resume their upward trend and post remarkable performance for the first half of 2019 as a whole, with the S&P 500 and S&P/TSX even reaching new all-time highs in the second quarter. The U.S. Federal Reserve (Fed) lowered its key rates at the end of July for the first time in over ten years.

By presenting the July U.S. key rate cut as a mid-cycle adjustment, the Fed seemed to be trying to curb investors' expectations for additional monetary easing. However, the renewed upswing in trade tensions between China and the United States in early August and the very negative market reaction could prompt the Fed to announce a second cut in key rates as early as September. The President of the European Central Bank also suggested that further monetary easing was likely in the euro zone if economic conditions did not improve. As a consequence, bond rates could remain very low over the short term before rising slightly as trade tensions ease. It would be surprising if the Bank of Canada were to follow the Fed's lead, especially since monetary policies have been more accommodative in Canada. Accordingly, Canadian key interest rates are thus expected to remain stable for several quarters as the Canadian economy is sending encouraging signals while the international environment seems more uncertain. Favourable changes in interest rate spreads could cause the Canadian dollar to strengthen slightly against the U.S. dollar over the next few quarters.

United States

After an annualized increase of 3.1% in the first quarter of 2019, U.S. real GDP grew by 2.1% in the second quarter. Domestic demand picked up again in the spring on a sharp uptick in consumer spending, although non-residential investment was down and exports pulled back, suggesting that uncertainty around foreign trade is affecting the U.S. economy, and the manufacturing industry in particular. Manufacturers are expressing concern over trade issues, and the recent escalation in trade tensions between the United States and China could aggravate the situation. Expected growth in U.S. real GDP for 2019 is 2.3%. A 1.9% gain is expected for 2020. But care must be taken to ensure that certain emerging signs of weakness do not take root too deeply.

Canada

Canada's economy continued to be weak in early 2019. After the last quarter of 2018 turned in an annualized quarterly gain of only 0.3%, the first quarter of 2019 closed up 0.4%. But this seemingly disappointing performance hid some excellent news: domestic demand rebounded in the first quarter with growth of 3.4%, putting an end to two consecutive quarters of decline. What's more, the job market remains highly robust and unemployment reached a new all-time low of 5.4% last May. This means that the weakness in real GDP is being caused by a significant deterioration in the trade balance. Not only did exports decline, mainly due to the reduction in oil production ordered by the Alberta government, but imports rose sharply, driven by stronger domestic demand. Economic growth is expected to pick up in the second quarter of 2019 as the negative effects of the oil production slowdown gradually fade. But real GDP growth may be somewhat lower after that as global economic conditions have deteriorated slightly and uncertainty around trade tensions remains high. Bottom line, forecast growth in Canadian real GDP is 1.5% for 2019 and 1.6% for 2020.

Québec

Québec's economy continues to grow at a good pace, although less strongly than in the second half of 2018. That being said, Québec's annualized real GDP growth reached 2.4% in the first quarter of 2019 on a rebound in the domestic economy. Households stepped up the pace of consumer spending. Amid the buoyant job market, the Bank of Canada key interest rate hikes between mid-2017 and the end of 2018 have faded into the background. Full-time employment is growing rapidly, the unemployment rate remains around 5% and annual wage increases are approaching 3%. Income growth is rapid and the savings rate climbed to 5.9% in the first quarter of 2019. The housing sector remains strong as sales of existing homes are on track to reach a new high this year. Average price increases have been around 5% since early 2019. On the other hand, business indicators are trending downward: investment, international exports and corporate net earnings. All to say that the slowing global economy and tensions around trade are causing headwinds for Québec. Even if the international economic environment continues to deteriorate for businesses, households will help to smooth the bumps. Real GDP growth is expected to be about 2% this year. The removal of U.S. tariffs on steel and aluminum last May was welcome, but ratification of the Canada-U.S.-Mexico Agreement (CUSMA) does not appear to be a shoo-in.

4.0 Management's discussion of financial performance

4.1 Operating results

CRCD'S NET RESULTS AND RETURNS

CRCD ended the first half of the year on June 30, 2019 with net earnings of \$93.5 million, or a non-annualized return of 4.4%, compared with net earnings of \$77.9 million (non-annualized return of 4.1%) for the same period in 2018. Based on the number of common shares outstanding, net assets per share increased to \$16.02 as at the end of the six-month period, compared with \$15.34 at the end of fiscal 2018. For illustrative purposes, at a price of \$16.02 effective August 15, 2019, shareholders who invested seven years earlier would obtain an annual after-tax return of more than 13.5%, taking into account the 50% income tax credit as per the rate applicable on August 16, 2012.

CRCD's performance is driven primarily by Investments impacting the Québec economy and Other investments, which generated non-annualized returns of 4.1% and 6.6%, respectively, while expenses, net of administrative charges and income taxes had an impact of 0.9% on CRCD's non-annualized return.

CRCD's asset allocation strategy allows it to enjoy a more balanced overall portfolio profile, while actively contributing to Québec's economic development.

Return by activity

	As at June 30, 2019			
	Average assets under management	Weighting	Non-annualized return	Non-annualized contribution
	(\$M)	(%)	6 months (%)	6 months (%)
Activities related to Investments impacting the Québec economy ⁽¹⁾	1,145	52.8	4.1	2.1
Other investments and cash	1,022	47.2	6.6	3.2
	2,167	100.0	5.3	5.3
Expenses, net of administrative charges			(0.9)	(0.9)
Income taxes			-	-
CRCD's return			4.4	4.4

⁽¹⁾ Includes Investments impacting the Québec economy, amounts receivable on disposal of investments, financial liabilities and foreign exchange contracts.

Return by activity

	As at June 30, 2018			
	Average assets under management	Weighting	Non-annualized return	Non-annualized contribution
	(\$M)	(%)	6 months (%)	6 months (%)
Activities related to Investments impacting the Québec economy ⁽¹⁾	1,080	56.0	8.8	4.7
Other investments and cash	847	44.0	0.9	0.4
	1,927	100.0	5.1	5.1
Expenses, net of administrative charges			(1.0)	(1.0)
Income taxes			(0.0)	(0.0)
CRCD's return			4.1	4.1

⁽¹⁾ Includes Investments impacting the Québec economy, amounts receivable on disposal of investments, financial liabilities and foreign exchange contracts.

INVESTMENTS IMPACTING THE QUÉBEC ECONOMY

Investments of \$88.1 million and disposals of \$51.4 million were made for a net balance of \$36.7 million. Combined with realized and unrealized net gains of \$30.2 million, these net investments brought the fair value of the investment portfolio, including foreign exchange contracts, to \$1,146.9 million as at June 30, 2019 (\$1,080.0 million as at December 31, 2018). Investments in the funds comprising the entrepreneurial ecosystem, as described below, in the amount of \$31.3 million, and a \$25.0 million aggregate investment in two companies, mainly accounted for the investments of \$88.1 million made during the first half of the year.

In measuring the Investments impacting the Québec economy, funds committed but not disbursed are also to be taken into account, amounting to \$157.9 million as at June 30, 2019, compared with \$192.2 million as at December 31, 2018. Total commitments at cost as at June 30, 2019, amounted to \$1,042.0 million in 114 companies, cooperatives and funds, of which \$884.1 million was disbursed. As at June 30, 2019, backed by its entrepreneurial ecosystem, CRCD supported growth in 494 companies, cooperatives and funds.

As at June 30, 2019, higher value recognized on underlying investments increased a financial liability by \$0.3 million to \$5.0 million (\$4.7 million as at December 31, 2018).

During the first six months of fiscal 2019, Investments impacting the Québec economy generated a positive contribution of \$44.9 million, for a return of 4.1%, compared with \$89.3 million for the same period of 2018 (a return of 8.8%). The return spread between the two periods is mainly due to the significant appreciation of certain portfolio companies during the first six months of 2018, while the majority of partner companies also performed well during the current six-month period.

Contribution generated by Investments impacting the Québec economy

(in thousands of \$)	Six months ended June 30, 2019	Six months ended June 30, 2018
Revenue	14,864	14,137
Gains and losses	30,044	75,180
	44,908	89,317

Revenue, consisting of interest, dividends and negotiation fees related to Investments impacting the Québec economy, provides a solid income base that promotes overall portfolio profitability. Negotiation fees, which amounted to \$1.5 million for the six months ended June 30, 2019 (\$1.6 million for the same period of 2018), are earned by DC, the manager, and a credit for that amount is applied against the management fees paid to DC by CRCD. Negotiation fees are included in the contribution generated by the Investments impacting the Québec economy as they are included in the profitability analysis of the investments. The profile of the investments held by CRCD is changing and the amounts injected into its ecosystem funds continue to grow (see the following section for more details). Therefore, investments held by these ecosystem funds generate revenue in addition to the revenue generated by CRCD's direct investments. This revenue, of which CRCD's share amounted to \$7.3 million for the first six months of fiscal 2019 (\$7.1 million for the same period of 2018), is reported as "Gains and losses," as it makes a positive contribution to the fair value of CRCD's interest in these funds.

CRCD accounts for its Investments impacting the Québec economy at fair value. Two comprehensive portfolio reviews are carried out each year, with one covering the six-month period ending June 30 and the other covering the six-month period ending December 31.

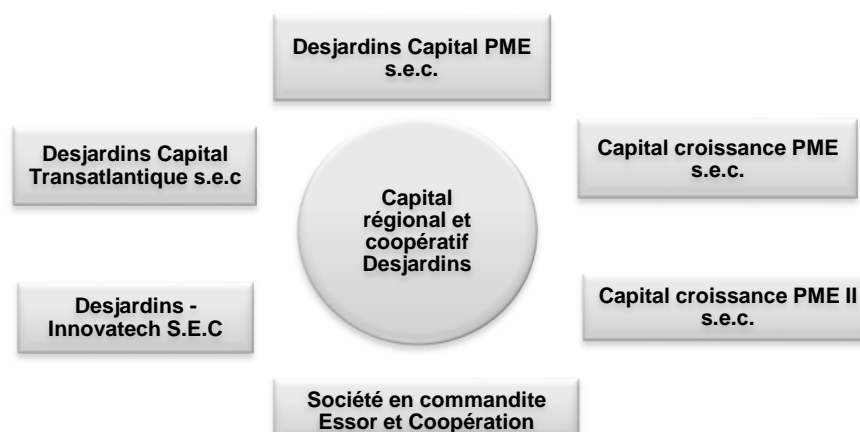
CRCD recorded in its results for the six-month period a realized and unrealized gain of \$30.0 million compared with \$75.2 million for the same period of 2018. For more information, please see Entrepreneurial ecosystem performance in the following section.

As at June 30, 2019, the overall risk level of the Investments impacting the Québec economy portfolio was relatively stable compared with its December 31, 2018 level, as discussed in the Credit and counterparty risk section.

ENTREPRENEURIAL ECOSYSTEM

CRCD invests directly in Québec companies and also fulfils its economic development role via investments through the funds it has helped create with its manager, each of which has a specific mission. With this approach of seeking capital from various partners, CRCD can leverage its resources, thereby enhancing its positive impact on Québec's economic development.

MAIN FUNDS OF THE ENTREPRENEURIAL ECOSYSTEM



These funds, which are also managed by CRCD's manager, DC, are detailed below:

- On January 1, 2018, DC created the Desjardins Capital PME s.e.c. fund. (DCPME) in partnership with Desjardins Private Management. The fund's main goal is to invest in Québec's small- and medium-sized businesses, with an investment limit not exceeding \$10 million. This sustainable fund is an open-ended limited partnership, allowing the number of limited partners to vary. The limited partners' commitments are made on an annual basis. For fiscal 2019, the limited partners, consisting of CRCD and the DIM Private Completion Strategy Fund, committed to pay \$100 million. As at June 30, 2019, CRCD had disbursed \$24.4 million (\$30.4 million as at December 31, 2018) of its \$40.0 million annual commitment and a total of 87 companies and funds benefited from \$154.1 million committed by the DCPME fund.
- On July 4, 2018, DC created two funds jointly with France-based Groupe Siparex: the Desjardins Capital Transatlantic, L.P. fund (DC Transatlantic) and the Siparex Transatlantique – Fonds professionnel de Capital Investissements fund. The purpose of these funds is to co-invest in SMEs in Québec and Europe to support them in their marketing or acquisition efforts on both sides of the Atlantic. CRCD and other investor partners such as Export Development Canada (EDC), Groupe Siparex and French public investment bank BPIFrance committed a total of €75 million, or approximately \$120 million, to the two funds. CRCD has a 60.7% interest in DC Transatlantic, which is managed by DC. As at June 30, 2019, CRCD had disbursed \$6.3 million (\$5.1 million as at December 31, 2018) of its total commitment of \$34.1 million (€22.8 million), allowing four companies to benefit from \$8.3 million committed by the fund.
- The objective of the Société en commandite Essor et Coopération (Essor et Coopération), established on January 1, 2013, is to support the creation, growth and capitalization of cooperatives in Québec. CRCD and other partners, including three from the cooperative sector, have made commitments totalling \$89.9 million. CRCD has a 94.6% interest in the Essor et Coopération fund. Since the fund's inception, CRCD has disbursed \$34.7 million of its total commitment of \$85 million. As at June 30, 2019, Essor et Coopération had made commitments totalling \$29.7 million to support 21 cooperatives.
- CRCD is also the sponsor of the Desjardins-Innovatech S.E.C. fund (DI). DI has undertaken to inject a total of \$85 million to support Québec technology or innovation businesses through each stage of their development. CRCD's interest in DI is 54.5%. In addition to this interest, CRCD has agreed to make an additional investment in the form of a note for a maximum amount of \$5.0 million in DI of which \$0.3 million was disbursed in the first six months of 2019 for a total disbursement of \$2.0 million. This note does not affect the units held by CRCD in this fund. DI helps create innovative business accelerators in partnership with specialized organizations located in various regions of Québec, enabling it to support businesses from the embryonic stage through commercialization. As at June 30, 2019, DI had made commitments of \$67.8 million to support a total of 63 companies and funds.

- The Capital croissance PME s.e.c. fund (CCPME), created on July 1, 2010, had an investment policy similar to that of the DCPME fund, which is to make capital available to Québec companies, with an investment limit not exceeding \$5 million. CRCD and the Caisse de dépôt et placement du Québec (CDPQ), as sponsors of the fund, agreed to invest, on a 50/50 basis, a total initial amount of \$220 million. The 2014 renewal of this agreement resulted in the creation of Capital croissance PME II s.e.c. fund (CCPME II), which allowed an additional \$320 million to be committed, increasing the total commitments in the two funds to \$540 million. As at June 30, 2019, CRCD had disbursed \$249.5 million of its total commitment of \$270 million. As CCPME II's investment period closed on November 30, 2017, funds committed but not disbursed will be used for reinvestment and to pay the fund's operating expenses until its scheduled winding-up date of November 30, 2023. A total of 240 companies and funds benefited from \$209.5 million committed by the CCPME funds as at June 30, 2019. Since their inception, these funds have committed \$456.5 million to 375 companies.

In total, as at June 30, 2019, CRCD and its ecosystem supported the growth of 494 companies, cooperatives and funds in various industries spanning all Québec regions with commitments of \$1,186.0 million, while helping to create and retain 60,500 jobs. Of that total, 21 cooperatives benefited from commitments of \$194.9 million.

Given the size of the amounts allocated to these funds and to better manage and track operations, CRCD monitors changes in asset allocation and performance by investment profile.

Each investment profile includes assets held by CRCD together with similar assets held by the funds in its ecosystem based on CRCD's proportionate share in each fund.

The investment profiles related to Investments impacting the Québec economy are:

- Debt: investments in the form of advances and/or mainly unsecured loans and/or preferred shares;
- Equity: investments comprising common shares that may be combined with advances and/or mainly unsecured loans and preferred shares in companies other than those included under the venture capital profile;
- Venture capital: investments in companies in pre-startup, startup or post-startup stages;
- External funds: investments in funds outside CRCD's entrepreneurial ecosystem.

ENTREPRENEURIAL ECOSYSTEM PERFORMANCE

Return by investment profile

	As at June 30, 2019			
	Average assets under management	Weighting	Non-annualized return 6 months	Non-annualized contribution 6 months
	(\$M)	(%)	(%)	(%)
Debt	347	16.0	5.3	0.8
Equity	657	30.3	3.5	1.1
External funds	43	2.0	4.3	0.1
Venture capital	78	3.6	4.6	0.2
Investment profiles subtotal	1,125	51.9	4.1	2.1
Other asset items held by ecosystem funds	20	0.9	2.1	-
Ecosystem total	1,145	52.8	4.1	2.1

Return by investment profile

	As at June 30, 2018			
	Average assets under management	Weighting	Non-annualized return 6 months	Non-annualized contribution 6 months
	(\$M)	(%)	(%)	(%)
Debt	311	16.1	2.3	0.4
Equity	672	34.9	12.0	4.0
External funds	37	1.9	6.8	0.1
Venture capital	48	2.5	9.5	0.2
Investment profiles subtotal	1,068	55.4	8.9	4.7
Other asset items held by ecosystem funds	12	0.6	(5.3)	(0.0)
Ecosystem total	1,080	56.0	8.8	4.7

The entrepreneurial eco-system's performance, with a non-annualized total return of 4.1%, stems mainly from the Debt and Equity profiles, which represent the core volume of assets under management as of June 30, 2019. The Debt profile, with a non-annualized return of 5.3%, posted a higher return compared with the same period in 2018, owing to lower corporate bond rates between the two periods. The return spread of the Equity profile between the two periods is mainly due to the significant appreciation of certain investments in 2018, while the majority of partner companies also performed well during the current six-month period.

OTHER INVESTMENTS

Managing the Other investments portfolio involves the portion of assets not earmarked for Investments impacting the Québec economy, including temporarily available cash resources prior to their investment in companies.

CRCD has implemented management strategies for the Other investments portfolio to optimize potential returns while retaining the required liquidity to meet liquidity needs arising from redemption requests from shareholders and Investments impacting the Québec economy it expects to make. This portfolio, consisting primarily of liquid assets, includes fixed-income securities, global equity funds, Canadian equity funds, real estate funds and market neutral equity funds. This portfolio provides stable current revenue for CRCD and ensures sound diversification.

As at June 30, 2019, CRCD's Other investments portfolio, including cash but excluding foreign exchange contracts, totalled \$1,003.0 million (\$804.7 million as at June 30, 2018) and consisted of the following:

Other investments portfolio

	As at June 30, 2019		As at June 30, 2018	
	Fair value	%	Fair value	%
	(\$M)	of portfolio	(\$M)	of portfolio
Cash and money market instruments	32.7	3.3	64.8	8.0
Bonds	602.6	60.1	396.8	49.3
Global equity funds	163.0	16.2	156.7	19.5
Canadian equity funds	74.0	7.4	93.9	11.7
Real estate funds	100.2	10.0	92.5	11.5
Market neutral equity funds	30.5	3.0	-	-
Portfolio total	1,003.0	100.0	804.7	100.0

As at June 30, 2019, 73% of portfolio bond securities were government-guaranteed (68% as at June 30, 2018).

The Other investments portfolio represented 45% of total net assets at the end of the first six months of 2019 (41% as at June 30, 2018), an increase mainly arising from significant divestments in the Investments impacting the Québec economy portfolio in the second half of 2018. Commitments already made but not disbursed of \$157.9 million, representing 7% of net assets, will eventually be covered from CRCD's Other investments portfolio and allocated to Investments impacting the Québec economy.

CRCD expects Other investments to represent nearly 35% of total net assets over the long term. In keeping with its core mission, this will allow an increase in funds allocated to Investments impacting the Québec economy.

Contribution generated by Other investments

(in thousands of \$)	Six months ended June 30, 2019	Six months ended June 30, 2018
Revenue	10,755	8,650
Gains and losses	57,168	(876)
	67,923	7,774

Revenue consists mainly of interest, dividends and distributions related to Other investments. Interest income (primarily from bonds) is recognized at the bond rate in effect at the acquisition date.

Current income rose \$2.1 million for the first six months of 2019, compared with 2018, owing to higher average effective interest rates between the two periods combined with growth in the bond portfolio.

Gains of \$57.2 million in the first six months of 2019 stemmed mainly from the following financial assets:

- The bond portfolio posted a \$28.3 million increase in value, owing primarily to lower key interest rates since December 2018 but also to narrower credit spreads fuelled by the central banks' accommodative tone in the first six months of 2019.
- The stock market turnaround during the six-month period favourably impacted CRCD's Other investments portfolio, generating gains of \$13.3 million for global equity funds and \$13.6 million for Canadian equity funds. As portfolio equity funds have low volatility, CRCD did not fully benefit from the favourable stock market environment during the first half of 2019.
- The real estate funds generated a gain of \$1.5 million, owing primarily to the appreciation in value of office, warehousing and distribution properties located in Toronto and Vancouver.

CRCD's financial asset management strategy aims to diversify the market risks associated with the Other investments portfolio through the use of Canadian and global securities unrelated to bond markets. Moreover, CRCD aims to match the average maturity of the bond portfolio with the average maturity of expected cash outflows, thereby limiting the long-term effect of bond rates on CRCD's results.

CAPITAL RAISING

CRCD offers its common shares for subscription through the Desjardins caisse network in Québec, and via AccèsD Internet.

On February 28, 2014, CRCD reached its capitalization limit of \$1.25 billion. Under its constituting act, share issues have since been limited to an amount equal to the preceding issue period's redemptions, up to a maximum of \$150 million. Each issue period lasts 12 months and runs from March 1 to the last day of February of the following year.

However, in recent years, the provincial government has granted CRCD the right to issue shares for an amount greater than the limit stipulated in the Act. In its March 27, 2018 budget, the Québec government authorized CRCD to issue \$140 million in Class A "Issuance" shares for each of the 2018, 2019 and 2020 issues and set the tax credit rate for the purchase of such shares at 35%. To allow as many shareholders as possible to buy such shares under the 2018 and 2019 issues, the maximum annual subscription amount allowable was capped at \$3,000 per investor, for a tax credit of \$1,050.

In the same budget, new provisions were announced concerning the possibility of taking advantage of a new tax credit for a shareholder who defers the redemption of eligible shares for seven years. The Government of Québec authorized CRCD, for the 2018, 2019 and 2020 issue periods only, to exchange its current Class A "Issuance" shares for new Class B "Exchange" shares up to an annual maximum of \$100 million. These new provisions allow CRCD shareholders who have never redeemed shares to exchange their current eligible Class A "Issuance" shares, up to a value of \$15,000 annually, for new Class B "Exchange" shares which they will also be required to hold for seven years, as consideration for a provincial tax credit of 10% of the amounts exchanged.

These provisions were implemented in the fall of 2018 and exchange requests for the maximum authorized amount of \$100 million for the 2018 taxation year were accepted in February 2019. The share exchange process relating to the 2019 taxation year was conducted last spring and the acceptance of applications for a total allowable amount of \$100 million was completed in July 2019.

Accordingly, CRCD's share capital now comprises two classes of shares. Class A shares are issued to raise capital, while the recently created Class B shares are designed to be exchanged for Class A shares.

The minimum holding period for CRCD shares before a shareholder would normally be eligible for a redemption is seven years to the day from the date of purchase. Note, however, that shareholders who withdraw some or all of their shares after the seven-year holding period may no longer claim a tax credit for any subscription or exchange for which the tax credit would apply in the current tax year or in any subsequent tax year.

A special tax is payable by CRCD if it fails to comply with the authorized issuance or exchange amounts, and control mechanisms have been implemented by CRCD to ensure compliance. For the first six months of 2019 and for fiscal 2018, no special tax was paid.

As at June 30, 2019, CRCD had \$1,575.3 million in share capital for 138,088,850 outstanding common shares.

During the six-month period, CRCD raised \$0.4 million through Class A "Issuance" shares, representing the balance of the 2018 issue which was completed on January 22, 2019. The subscription period for the 2019 issue will begin in the fall. Issues of Class B "Exchange" shares resulting from the exchange of Class A "Issuance" shares amounted to \$99.6 million for the first six months of 2019.

During the first six months of 2019, share redemptions totalled \$50.6 million (\$47.7 million for the same period of 2018).

As at June 30, 2019, the balance of shares eligible for redemption amounted to over \$1,139 million. No new shares will become eligible for redemption during the second half of 2019 as the sale of the 2012 issue shares was completed before June 30, 2012. Furthermore, the \$100 million issue of Class B "Exchange" shares in July 2019 for the 2019 issue period will reduce the balance of redeemable shares by the same amount. CRCD feels that the current economic conditions and low interest rates in particular are behind the low volume of redemptions in the last few years.

As at June 30, 2019, shareholders numbered 105,602 compared with 107,862 as at December 31, 2018.

CRCD's policy is to reinvest income from operations rather than pay dividends to its shareholders in order to increase the capital available for investment in eligible entities and to create share value appreciation.

EXPENSES AND INCOME TAXES

Expenses

(in thousands of \$)	Six months ended June 30, 2019	Six months ended June 30, 2018
Management fees	9,701	12,701
Other operating expenses	2,752	2,351
Shareholder services	5,818	2,313
	18,271	17,365

CRCD has entrusted DC with its management and operations, in accordance with the strategies and objectives approved by the Board of Directors. The current three-year management agreement is in effect as of January 1, 2018. Under this agreement, management fees amount to a maximum rate of 1.75% (1.95% for the year ended December 31, 2018) of CRCD's annual average asset value less any amounts payable related to Investments impacting the Québec economy and Other investments. An adjustment is made to the management fees charged to CRCD to avoid double billing relative to CRCD's interest in some funds. DC and CRCD have agreed that, for a given fiscal year, an adjustment could be made to allow CRCD to benefit from the economies of scale achieved by DC with regard to the growth of CRCD's assets and the increase in the balance of CRCD shares eligible for redemption over the last few years. The negotiation fees arising from portfolio companies are earned by DC, and their amount is deducted from the management fees payable by CRCD. The decrease in management fees mainly reflects the economies of scale achieved by DC with regard to the growth of CRCD's assets.

There was no significant change in other operating expenses between the two periods.

The \$3.5 million increase in shareholder services was mainly driven by higher IT expenses and share distribution fees. Firstly, investments in information technology rose \$0.7 million as the work that began in fiscal 2018 to implement a complete online solution for all shareholders continued. Share subscription and redemption will be available online once the project is completed.

Secondly, distribution fees increased by \$2.4 million due to the revised agreement executed on January 1, 2019 between CRCD and the Fédération des caisses Desjardins du Québec with regard to compensation paid by CRCD to the Desjardins caisse network. Under this agreement, CRCD now pays the caisses a fee for all shareholder advisory services, determined annually based on CRCD's assets under management and the degree to which share transactions are automated. Issue expenses were eliminated as a result of this change. Accordingly, greater use of the online solution available to shareholders will be reflected in decreased costs. Furthermore, the 20 bp reduction in the maximum management fee rate accorded by DC reduces the effect of CRCD's growing assets.

Income tax recovery amounted to \$0.4 million for the first six months of fiscal 2019 compared with a \$0.3 million expense for the same period in 2018. The nature of the income has a significant impact on tax expense (recovery) since, unlike interest income, dividends are generally not taxable and capital gains are eligible for tax deductions and refund mechanisms.

LIQUIDITY AND CAPITAL RESOURCES

For the six-month period ended June 30, 2019, cash outflows from issues net of redemptions amounted to \$50.3 million (cash outflows of \$46.1 million for the same period of 2018). Operating activities combined with fees for the development of an intangible asset generated net cash inflows of \$26.8 million (net cash inflows of \$41.7 million in 2018).

Cash outflows related to Investments impacting the Québec economy amounted to \$83.9 million for the first six months of 2019 (\$105.7 million for the first half of 2018). The Other investments portfolio recorded net sale proceeds of \$76.3 million, compared with \$76.5 million for the same period in 2018.

As at June 30, 2019, cash and cash equivalents totalled \$17.8 million (\$41.3 million as at December 31, 2018).

CRCD has an authorized line of credit of \$50 million as at June 30, 2019. In the event that liquidity needs exceed expectations, this line of credit could be used on a temporary basis to cover CRCD's obligations. This additional flexibility optimizes the level of liquid assets held and reduces the risk of having to dispose of assets hastily under potentially less advantageous conditions. The line of credit was undrawn for the first six months ended June 30, 2019 and fiscal 2018.

Given the management approach for Other investments of matching the average maturity of bonds held with the average maturity of its expected cash outflows, CRCD does not anticipate any shortfall in liquidity in the short or medium terms and expects to be able to redeem eligible shares issued at least seven years earlier from those shareholders who make such a request.

4.2 CRCD's vision, mission, strategic priorities and strategies

CRCD was founded on the July 1, 2001 effective date of the *Act constituting Capital régional et coopératif Desjardins* (the Act) adopted on June 21, 2001 by Québec's National Assembly, on the initiative of Desjardins Group. The manager, DC, manages its affairs.

CRCD's vision, mission, objectives and strategies remain substantially similar to those described in its most recent annual MD&A.

4.3 Governance

BOARD OF DIRECTORS

The Board has the general authority to manage the affairs of CRCD and oversee the fulfilment of its mission. In this capacity, it is responsible for guiding and overseeing all of CRCD's affairs and risks, including strategic risk the oversight of which is specifically conferred upon it.

The Board is involved in and makes decisions on matters such as governance, strategic planning, investment, financial reporting, financial asset management, risk management, capitalization, general meetings of shareholders and contracts.

To this end, the Board is supported by six committees that regularly report to it and make appropriate recommendations. Also, the manager reports on outsourced activities through its executives who attend meetings of the Board and the committees.

The committee roles and responsibilities remain substantially similar to those described in the most recent annual MD&A.

4.4 Risk management

POLICIES AND PRACTICES

Sound risk management practices are critical to the success of CRCD. An integrated risk management policy has been put in place to provide the capacity to anticipate and be proactive in mitigating the impact of risk events.

NOTE TO THE READER

The following sections regarding market risks, credit and counterparty risks, concentration risks and liquidity risks have been reviewed by CRCD's independent auditor as part of the audit of the separate financial statements in respect of which an independent auditor's report was issued on August 15, 2019.

MARKET RISKS

Market risks pertain to CRCD's role in the capital markets and, indirectly, to general changes in economic conditions. They also pertain to the impact of capital market movements on the value of CRCD's assets. The various risks that make up market risks directly impacting CRCD are listed below.

In accordance with CRCD's global financial asset management approach, the impact of these interest rate and stock market risks and their interrelatedness are taken into account when determining overall asset allocation.

Interest rate risk

Interest rate fluctuations have an impact on the market value of fixed-income securities and real estate funds held in the portfolio for which fair value is determined based on market conditions. The fair value of these assets as at June 30, 2019 was \$956.6 million (\$986.5 million as at December 31, 2018). Fixed-income securities held in the Other investments portfolio include money market instruments and bonds. Fixed-income securities held in the Investments impacting the Québec economy portfolio include loans and advances and preferred shares.

Money market instruments with a fair value of \$20.6 million (\$51.2 million as at December 31, 2018) are not valued based on changes in interest rates, given their very short maturities and CRCD's intention to hold them until maturity.

Bonds with a fair value of \$602.6 million (\$642.0 million as at December 31, 2018) are directly affected by changes in interest rates. A 1% increase in interest rates would have resulted in a decrease of \$36.0 million in net earnings, representing a 1.6% decrease in CRCD's share price as at June 30, 2019 (\$39.9 million for 1.9% as at December 31, 2018). Similarly, a 1% decrease in interest rates would have had the opposite effect, resulting in a \$38.7 million increase in net earnings, representing a 1.7% increase in the share price (\$42.9 million for 2.0% as at December 31, 2018). CRCD's financial asset management strategy aims to diversify the portfolio securities, resulting in limited exposure to long-term bonds. Given that CRCD matches the maturities of bonds held in its portfolio with the average maturity of expected cash outflows, the long-term effect of interest rates on results should be limited.

Real estate funds with a fair value of \$100.2 million (\$96.4 million as at December 31, 2018) may also be affected by interest rate fluctuations. However, unlike bonds, there is no direct correlation between changes in interest rates and changes in fair value of this asset class.

In the Investments impacting the Québec economy portfolio, loans and advances and preferred shares for which CRCD also holds participating shares in the same company and those that are discounted, totalling a fair value of \$221.1 million (\$225.6 million as at December 31, 2018), are not sensitive to changes in interest rates. Conversely, the other loans and advances and preferred shares included in the portfolio, totalling a fair value of \$233.2 million (\$197.0 million as at December 31, 2018), are sensitive to changes in interest rates. However, the interest rate risk related to the other loans and advances and preferred shares held in the portfolio is limited given the amounts in question.

Stock market risk

Stock market trends have a twofold impact on CRCD. In addition to the direct impact on the market values of publicly traded stocks, the valuations of some private portfolio companies may also be affected by changes in stock prices.

As at June 30, 2019, global and Canadian equity funds, valued at \$237.0 million (\$239.5 million as at December 31, 2018), held in the Other investments portfolio, consisted primarily of listed equities. Accordingly, a 10% increase or decrease in the quoted market prices of listed equities would have resulted in a \$23.7 million increase or decrease in net earnings, representing a 1.2% increase or decrease in CRCD's share price.

Market-neutral equity funds, valued at \$30.6 million at June 30, 2019 (nil as at December 31, 2018), are less exposed to stock market fluctuations as they minimize market risk. Furthermore, since these funds represent low exposure for the portfolio, any fluctuation would not have a significant direct impact on CRCD's net earnings.

The Investments impacting the Québec economy portfolio included listed equities in the amount of \$22.0 million (\$18.4 million as at December 31, 2018). Accordingly, for these investments a 10% increase or decrease in the quoted market prices of listed equities would have resulted in a \$2.2 million increase or decrease in net earnings, representing a 0.1% increase or decrease in CRCD's share price.

Currency risk

Changes in currency values have an impact on the activities of a number of CRCD's partner companies. The net effect of an appreciation in the Canadian dollar is not necessarily always negative for these companies, nor is a depreciation necessarily positive. However, rapid fluctuations in the Canadian dollar heighten the difficulties faced by these companies.

Currency fluctuations impact the fair value of assets valued initially in a foreign currency and subsequently translated into Canadian dollars at the prevailing rate of exchange. In the portfolio of Investments impacting the Québec economy, assets whose values fluctuate due to changes in foreign exchange rates represented a fair value of \$80.7 million or 3.6% of net assets as at June 30, 2019, compared with \$76.4 million or 3.5% of net assets at December 31, 2018.

CRCD aims to systematically hedge currency risk for assets measured in foreign currency, unless the exposure stems from the long-term expected returns of certain asset classes. A \$10 million line of credit has been granted to CRCD for its foreign exchange contract transactions. As at June 30, 2019, CRCD held foreign exchange contracts under which it will be required to deliver US\$60.6 million (US\$53.1 million as at December 31, 2018) at the rate of CAD/USD 1.3092 (CAD/USD 1.3615 as at December 31, 2018), as well as foreign exchange contracts under which it will be required to deliver €4.5 million (€3.6 million as at December 31, 2018) at the rate of CAD/EUR 1.5003 (CAD/EUR 1.5685 as at December 31, 2018) on September 30, 2019. As at June 30, 2019, CRCD had nil collateral on its foreign exchange contracts (\$4.5 million as at December 31, 2018).

As at June 30, 2019, the net exposure of CRCD's Investments impacting the Québec economy portfolio and accounts receivable to foreign currencies was thus limited to \$5.4 million (\$1.8 million as at December 31, 2018). Any fluctuation in the Canadian dollar will therefore not have a significant impact on CRCD's results.

For the Other investments portfolio, the net exposure of investments to foreign currencies amounted to \$167.7 million (137.4 million as at December 31, 2018). A 10% decrease (increase) in value of the Canadian dollar relative to all of the other foreign currencies would have resulted in a \$16.8 million increase (decrease) in net earnings, representing a 0.7% change in CRCD's share price.

CREDIT AND COUNTERPARTY RISKS

In pursuing its Investments impacting the Québec economy mission, CRCD is exposed to credit and counterparty risks related to potential financial losses if a partner company fails to fulfil its commitments or experiences a deterioration of its financial position. By diversifying its investments by investment profile, and by limiting the potential risk of each partner company, CRCD has limited portfolio volatility due to the possibility of negative events.

CRCD does not generally require guarantees to limit credit risk on its loans. Requiring guarantees would contravene the eligibility rules for Investments impacting the Québec economy.

The maximum credit risk is the carrying amount of the financial instruments at the end of the reporting period, in addition to funds committed but not disbursed.

Investments impacting the Québec economy, except those carried out through funds, are first ranked by risk from 1 to 9 based on the criteria defined by Moody's RiskAnalyst tool. Subsequently, all the investments are reviewed monthly to identify those that meet the criteria for a ranking of 10.

Investments impacting the Québec economy made as funds are reported in the Low to acceptable risk category due to the structure of this type of product, and because they generally involve no leverage.

The table below shows the stability in the Investments impacting the Québec economy portfolio, ranked by risk (fair value amounts):

Rating	As at June 30, 2019		As at December 31, 2018	
	(in thousands of \$)	(as a %)	(in thousands of \$)	(as a %)
1 to 6.5 Low to acceptable risk	1,085,861	94.7	1,031,104	95.5
7 to 9 At risk	38,760	3.4	33,458	3.1
10 High risk and insolvent	22,185	1.9	15,507	1.4

Furthermore, CRCD is exposed to credit risk on financial instruments not recognized in assets, which are funds committed but not disbursed in connection with the Investments impacting the Québec economy portfolio. The table below shows the breakdown, by risk rating, of funds committed but not disbursed as at the reporting date:

Rating	As at June 30, 2019		As at December 31, 2018	
	(in thousands of \$)	(as a %)	(in thousands of \$)	(as a %)
1 to 6.5 Low to acceptable risk	155,740	98.6	191,969	99.9
7 to 9 At risk	750	0.5	-	-
10 High risk and insolvent	1,400	0.9	200	0.1

For the bond portfolio, which represented 60.8% of the fair value of the Other investments portfolio (62.4% as at December 31, 2018), credit risk is managed by diversification across numerous issuers with credit ratings as follows:

Rating ⁽¹⁾	As at June 30, 2019		As at December 31, 2018	
	(in thousands of \$)	(in thousands of \$)	(in thousands of \$)	(in thousands of \$)
AAA	288,861		295,820	
AA	175,569		242,163	
A	79,593		56,401	
BBB	58,565		47,571	

⁽¹⁾ Credit risk ratings are established by recognized credit agencies.

Consistent with the global financial asset management policy, money market instruments have a minimum credit rating of R-1 (low), thus limiting the credit risk associated with these financial instruments.

Counterparty risk is limited to the immediate short term and is associated with CRCD's counterparty when entering into cash transactions.

Counterparty risk is low for foreign exchange contracts given the amounts in question and that the contract counterparty is FCDQ.

CONCENTRATION RISKS

Concentration risks arise from the possibility that a significant portion of CRCD's Investments impacting the Québec economy portfolio or Other investments portfolio might become concentrated in a single entity, industry, region or financial product, which could render CRCD vulnerable to any financial difficulties experienced by such entity, industry, region or financial product.

Risk of concentration in an entity

Pursuant to its constituting act, policies and internal guidelines, the amount that CRCD may invest in any one entity or in a group of associates is limited to a percentage of its assets for both the Investments impacting the Québec economy and Other investments portfolios.

The concentration of the five largest Investments impacting the Québec economy and the five largest Other investments is as follows (percentages are based on fair asset value and funds committed but not disbursed):

	As at June 30, 2019		As at December 31, 2018	
	% of portfolio	% of Net assets	% of portfolio	% of Net assets
Investments impacting the Québec economy ⁽¹⁾	32.6	19.2	33.5	19.7
Other investments ⁽²⁾	49.7	22.3	48.8	23.1

⁽¹⁾ CRCD's interest in the ecosystem funds accounted for 62% (63% as at December 31, 2018) of the five largest Investments impacting the Québec economy.

⁽²⁾ Government issuers and issues guaranteed by government entities represented 57% (70% as at December 31, 2018) of the five largest issuers or counterparties in the Other investments portfolio.

Risk of concentration by region

In keeping with its mission of Québec economic development, the Investments impacting the Québec economy portfolio chiefly comprises businesses whose employees are, in the majority, residents of Québec. Furthermore, at least 35% of its investments must be made in companies located in the resource regions or in eligible cooperatives. Portfolio performance therefore depends heavily on economic conditions in Québec and the resource regions. As at June 30, 2019, the Investments impacting the Québec economy portfolio represented 53.3% of net assets (51.3% as at December 31, 2018).

CRCD has adopted a global financial asset management and investment guidelines policy to govern the holding of foreign securities within the Other investments portfolio. As at June 30, 2019, the Other investments portfolio includes a portion of foreign securities resulting primarily from its interest in global equity funds and comprises 85.3% of Canadian securities (86.8% as at December 31, 2018). Other investments portfolio performance therefore depends heavily on economic conditions in Canada. As at June 30, 2019, the Other investments portfolio represented 45.3% of net assets (48.0% as at December 31, 2018).

Risk of concentration in a financial product

The global financial asset management policy favours global integrated management of the Investments impacting the Québec economy and Other investments portfolios. The policy establishes limits by asset class and these limits are applied by the manager. As at June 30, 2019, bond securities represented 27.2% of net assets (29.6% as at December 31, 2018). The lower percentage allocated to this asset class stems from the increase in the weighting for Investments impacting the Québec economy and the addition of new asset classes in order to diversify and strike an overall portfolio balance between risk and return and meet CRCD's cash requirements.

The portfolio summary presented at the end of this MD&A also provides relevant information for assessing concentration risk.

LIQUIDITY RISKS

CRCD must maintain sufficient liquid assets to fund share redemptions and committed Investments impacting the Québec economy. If it failed to do so, CRCD would be dependent on the markets and could be forced to carry out transactions under unfavourable conditions. With liquid investments that should represent approximately 30% of assets under management, and using a management approach that ensures that the average maturity of bonds is close to the average maturity of expected outflows, CRCD can confirm that liquidity risks are adequately covered. Furthermore, credit facilities have been put in place to provide greater cash management flexibility. The credit facilities remained undrawn for the first six months of 2019 and fiscal 2018.

Given the anticipated increase in the balance of the redeemable shares of CRCD, in addition to the initiatives put in place to stimulate share redemptions, new temporary measures announced by the Québec government in March 2018 allow eligible CRCD shareholders to commit their redeemable capital for an additional seven-year period. With an authorized annual amount of \$100 million until 2020, this initiative will ensure greater availability of capital for Investments impacting the Québec economy and reduce cash requirements related to share redemptions. See the Capital raising section for more information.

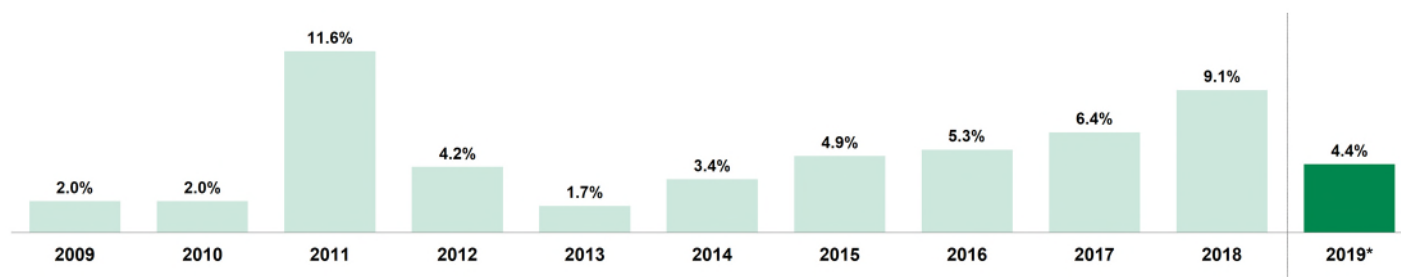
CRCD, through its balanced financial strategy and integrated risk management, has the necessary sources of funding to cover its financial obligations and pursue its mission among Québec businesses.

5.0 Past performance

This section presents CRCD's historical returns. These returns do not include the \$50 administration fee paid by shareholders or the tax credit they enjoy as a result of their investment. Past performance is not necessarily indicative of future returns.

5.1 Annual returns

The following chart shows CRCD's annual returns and illustrates the change in returns from one period to the next for the past ten fiscal years and for the six-month period ended June 30, 2019. Annual return is calculated by dividing earnings (loss) per share for the period by the share price at the beginning of the period.



* Non-annualized return for the six-month period ended June 30, 2019.

5.2 Compounded return of the common share as at June 30, 2019

The compounded return is calculated based on the annualized change in the price of the share over each of the periods shown.

10 YEARS	7 YEARS	5 YEARS	3 YEARS	1 YEAR
5.2%	5.1%	6.1%	7.4%	9.2%

6.0 Portfolio summary

6.1 Core investment profiles

As at June 30, 2019, assets in CRCD's Investments impacting the Québec economy and Other investments portfolios were allocated, on a fair value basis, as follows:

Investment profile	% of net assets
INVESTMENTS IMPACTING THE QUÉBEC ECONOMY*	
Debt	16.7
Equity	29.9
External funds	2.0
Venture capital	3.8
Other asset items held by ecosystem funds	0.9
Total – Investments impacting the Québec economy	53.3
OTHER INVESTMENTS	
Cash and money market instruments	1.5
Bonds	27.2
Global equity funds	7.4
Canadian equity funds	3.3
Real estate funds	4.5
Market neutral equity funds	1.4
Total – Other investments	45.3

* Including foreign exchange contracts

Net assets are made up of 98.6% investment profiles and 1.4% other asset items.

6.2 Main investments held

As at June 30, 2019, on a fair value basis, the issuers of the 25 main investments held by CRCD were as follows:

Issuers as at June 30, 2019	% of net assets
Investments impacting the Québec economy – 14 issuers*	32.7
Government of Canada	6.4
Canada Housing Trust	6.2
Desjardins IBrix Low Volatility Global Equity Fund (I-Class Units)	3.7
Desjardins Global Dividend Fund (I-Class Units)	3.7
Bentall Kennedy Prime Canadian Property Fund	2.3
Fiera Properties CORE Fund	2.3
Province of Québec	1.9
Province of Manitoba	1.8
BMO Low Volatility Canadian Equity ETF	1.7
Fidelity Canadian Low Volatility Equity Institutional Trust	1.6
Province of Ontario	1.6
* The 14 issuers which collectively represent 32.7% of CRCD's net assets are:	
Agropur Cooperative Amisco Industries Ltd. Avjet Holding Inc. Capital croissance PME II s.e.c. Desjardins-Innovatech S.E.C. Desjardins Capital PME s.e.c. Exo-s Inc. Fournier Industries Group Inc. Gecko Alliance Group Inc. Groupe Solotech inc. La Coop fédérée Norbec Group Inc. (10080233 Canada Inc.) Société en commandite Essor et Coopération Télécon Inc.	

This summary of CRCD's portfolio may change at any time due to transactions carried out by CRCD.

August 15, 2019

Management's report

August 15, 2019

CRCD's separate financial statements together with the financial information contained in this interim report are the responsibility of the Board of Directors, which delegates the preparation thereof to management.

In discharging its responsibility for the integrity and fairness of the financial statements, management has ensured that the manager maintains an internal control system to provide reasonable assurance that the financial information is reliable, that it provides an adequate basis for the preparation of the financial statements and that the assets are properly accounted for and safeguarded.

Furthermore, the Desjardins Group Relations director and CRCD's General Manager and Chief Financial Officer have certified that the method used to determine the fair value of each of the Investments impacting the Québec economy complies with the requirements of the Autorité des marchés financiers and have confirmed the reasonableness of the aggregate fair value of the portfolio of Investments impacting the Québec economy.

The Board of Directors fulfils its responsibility for the financial statements principally through its Audit and Risk Management Committee. The Committee meets with the independent auditor appointed by the shareholders with and without management present to review the financial statements, discuss the audit and other related matters and make appropriate recommendations to the Board of Directors. The Committee also analyzes the management discussion and analysis to ensure that the information therein is consistent with the financial statements.

The financial statements present the financial information available as at August 15, 2019. Prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, these statements have been audited by PricewaterhouseCoopers LLP.

The Board of Directors has approved the separate financial statements, together with the information in the management discussion and analysis. The financial information presented elsewhere in this report is consistent with CRCD's separate financial statements.

(signed) Yves Calloc'h, CPA, CA
Chief Financial Officer

Capital régional et coopératif Desjardins

Separate Financial Statements
June 30, 2019 and 2018
(in thousands of Canadian dollars)



Independent auditor's report

To the Shareholders of
Capital régional et coopératif Desjardins

Our opinion

In our opinion, the accompanying separate financial statements (the financial statements) present fairly, in all material respects, the financial position of Capital régional et coopératif Desjardins (CRCD) as at June 30, 2019 and December 31, 2018, and its financial performance and its cash flows for the six-month periods ended June 30, 2019 and 2018 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

CRCD's separate financial statements comprise:

- the separate balance sheets as at June 30, 2019 and December 31, 2018;
- the separate statements of comprehensive income for the six-month periods ended June 30, 2019 and 2018;
- the separate statements of changes in net assets for the six-month periods ended June 30, 2019 and 2018;
- the separate statements of cash flows for the six-month periods ended June 30, 2019 and 2018; and
- The notes to financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of CRCD in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502, www.pwc.com/ca



Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing CRCD's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate CRCD or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CRCD's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CRCD's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CRCD's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CRCD to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP¹

Montréal, Quebec
August 15, 2019

¹ CPA auditor, CA, public accountancy permit No. A111799

Separate Balance Sheets

(in thousands of Canadian dollars, except for number of common shares outstanding and net asset value per common share)

	Notes	As at June 30, 2019 \$	As at December 31, 2018 \$
ASSETS			
Investments impacting the Québec economy	7	1,146,806	1,080,069
Other investments	8	990,956	1,028,968
Intangibles assets	10	2,561	1,023
Income taxes recoverable	19	31,317	26,477
Accounts receivable	11	44,778	45,981
Cash	12	12,174	12,428
		2,228,592	2,194,946
LIABILITIES			
Financial liabilities	13	4,956	4,726
Income taxes payables	19	2,994	15,097
Accounts payable	14	8,591	6,319
		16,541	26,142
NET ASSETS	16	2,212,051	2,168,804
NUMBER OF COMMON SHARES OUTSTANDING		138,088,850	141,391,214
NET ASSET VALUE PER COMMON SHARE		16.02	15.34

On behalf of the Board of Directors of Capital régional et coopératif Desjardins,

Sylvie Lalande, ASC.C.Dir, Director

Chantal Bélanger, FCPA, FCGA, Director

The accompanying notes are an integral part of these separate financial statements.

Separate Statements of Comprehensive Income

For the six-month periods ended June 30

(in thousands of Canadian dollars, except for weighted average number of common shares and net earnings per common share)

	Notes	2019 \$	2018 \$
REVENUE			
Interest	7	13,584	11,715
Dividends and distributions		10,498	9,509
Administrative charges		96	103
		24,178	21,327
GAINS (LOSSES) ON INVESTMENTS			
Realized		20,134	5,855
Unrealized		67,078	68,449
		87,212	74,304
TOTAL REVENUE AND GAINS ON INVESTMENTS			
		111,390	95,631
EXPENSES			
Management fees		9,701	12,701
Other operating expenses	18	2,752	2,351
Shareholder services	18	5,818	2,313
		18,271	17,365
EARNINGS BEFORE INCOME TAXES			
Income taxes	19	(381)	326
NET EARNINGS FOR THE PERIOD			
		93,500	77,940
WEIGHTED AVERAGE NUMBER OF COMMON SHARES			
		139,731,711	136,300,656
NET EARNINGS PER COMMON SHARE			
		0.67	0.57

The accompanying notes are an integral part of these separate financial statements.

Separate Statements of Changes in Net Assets

For the six-month periods ended June 30

(in thousands of Canadian dollars)

	Share capital (note 16)						Retained earnings	Net assets
	"Issuance" Shares ⁽¹⁾		"Exchange" Shares ⁽¹⁾		Total			
	Number	\$	Number	\$	Number	\$		
BALANCE - DECEMBER 31, 2018	141,391,214	1,577,431	-	-	141,391,214	1,577,431	591,373	2,168,804
Net earnings for the period	-	-	-	-	-	-	93,500	93,500
Share capital transactions ⁽²⁾								
Issuance of common shares	24,792	363	-	-	24,792	363	-	363
Redemption of common shares	(3,327,156)	(34,314)	-	-	(3,327,156)	(34,314)	(16,302)	(50,616)
Exchange of common shares	(6,790,166)	(67,831)	6,790,166	99,612	-	31,781	(31,781)	-
BALANCE - JUNE 30, 2019	131,298,684	1,475,649	6,790,166	99,612	138,088,850	1,575,261	636,790	2,212,051
BALANCE - DECEMBER 31, 2017	138,079,685	1,501,550	-	-	138,079,685	1,501,550	443,792	1,945,342
Net earnings for the period	-	-	-	-	-	-	77,940	77,940
Share capital transactions ⁽²⁾								
Issuance of common shares	115,745	1,595	-	-	115,745	1,595	-	1,595
Share issue expenses, net of \$20 in taxes	-	(27)	-	-	-	(27)	-	(27)
Redemption of common shares	(3,401,676)	(33,754)	-	-	(3,401,676)	(33,754)	(13,919)	(47,673)
BALANCE - JUNE 30, 2017	134,793,754	1,469,364	-	-	134,793,754	1,469,364	507,813	1,977,177

⁽¹⁾ Issuance shares refer to Class A "Issuance" common shares and Exchange shares refer to Class B "Exchange" common shares; collectively referred as common shares.

⁽²⁾ This data does not include the redemption requests made within 30 days of subscription.

The accompanying notes are an integral part of these separate financial statements.

Separate Statements of Cash Flows

For the six-month periods ended June 30

(in thousands of Canadian dollars)

	2019 \$	2018 \$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net earnings for the period	93,500	77,940
Non-cash items:		
Losses (gains) on investments	(87,212)	(74,304)
Amortization of premiums and discounts on other investments	(593)	(1,294)
Amortization of intangibles assets	183	-
Deferred taxes	257	746
Capitalized interest and other non-cash items	(360)	(279)
Changes in operating assets and liabilities:		
Income taxes recoverable	(4,840)	2,692
Income taxes payable	(12,360)	-
Accounts receivable	586	(6,115)
Accounts payable	1,457	(6,423)
Acquisition of investments impacting the Québec economy	(83,936)	(105,718)
Proceeds from disposals of investments impacting the Québec economy	45,452	78,558
Acquisition of other investments	(425,570)	(525,232)
Proceeds on disposal of other investments	501,918	601,743
	28,482	42,314
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Acquisition of intangibles assets	(1,721)	(628)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Issuance of common shares	363	1,548
Redemption of common shares	(50,616)	(47,673)
	(50,253)	(46,125)
Net change in cash and cash equivalents during the period	(23,492)	(4,439)
Cash and cash equivalents – Beginning of period	41,253	29,438
CASH AND CASH EQUIVALENTS – END OF PERIOD	17,761	24,999
Supplemental information about cash flows from operating activities		
Interest received	12,933	10,046
Dividends and distributions received	10,537	7,818
Income taxes recovered (paid)	(16,562)	3,112

The accompanying notes are an integral part of these separate financial statements.

Notes to Separate Financial Statements

Note 1 – Governing statute, administration and investments

Governing statute

Capital régional et coopératif Desjardins (“CRCD”) is constituted by an Act of the National Assembly of Québec (C.Q.L.R. chapter C 6.1) (the “Act”) and is deemed to have been constituted by the filing of articles on July 1, 2001. CRCD began its activities on November 5, 2001 and is a legal person with share capital. CRCD has business offices at 2 Complexe Desjardins, East Tower, Suite 1717, Montréal, Québec, Canada, and its head office is located at 100 Rue des Commandeurs, Lévis, Québec, Canada.

Administration

The affairs of CRCD are administered by a Board of Directors consisting of 13 members:

- Eight persons appointed by the President of Desjardins Group;
- Two persons elected by the General Meeting of Shareholders;
- Two persons appointed by the aforementioned 10 members from among the persons considered by those members to be representative of the eligible entities described in the Act;
- The Desjardins Group Relations director appointed by the other directors.

Investments

CRCD may make investments with or without a guarantee or security, mainly in eligible entities. Eligible entities include eligible cooperatives and partnerships or a legal person actively operating an enterprise, the majority of whose employees are resident in Québec and whose assets are less than \$100 million or whose net equity is less than or equal to \$50 million.

CRCD may invest up to 5% of its assets (as established on the basis of the latest valuation by the chartered professional accountants) in the same eligible company or cooperative, and the investment is generally planned for a period of five to fifteen years. The percentage may be increased up to 10% to enable CRCD to acquire securities in an entity carrying on business in Québec but that is not an eligible entity. In such a case, CRCD may not, directly or indirectly, acquire or hold shares carrying more than 30% of the voting rights that may be exercised under any circumstances.

Pursuant to the Act, other investments may qualify, such as investments in certain investment funds, provided the required specific conditions set out in the Act have been met.

As of the fiscal year that began on January 1, 2006, and during each subsequent fiscal year, CRCD’s eligible investments, as defined in the Act, must represent on average at least 60% of CRCD’s average net assets for the preceding year. As of the fiscal year beginning January 1, 2016, this percentage is gradually increased by 1% per year to reach 65% for the fiscal years beginning after December 31, 2019.

Furthermore, a portion representing at least 35% of that percentage (from 60% to 65%) must be made in entities situated in the resource regions of Québec or in eligible cooperatives, as defined in the Act.

If one of these targets is not met, CRCD will be subject to a reduction of the authorized issue of capital for the capitalization period following the end of the fiscal year.

Note 2 – Basis of presentation

Statement of compliance

CRCD has prepared its separate financial statements (the “financial statements”) in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Certain prior period amounts have been reclassified to conform with the current period’s financial statement presentation. These financial statements were approved by the Board of Directors on August 15, 2019.

Basis of measurement

These financial statements have been prepared on a fair value basis, except with respect to cash, accounts receivable, accounts payable and taxes, which are measured at amortized cost and at cost as well as intangible assets which are measured at amortized cost.

Investment entity

CRCD has several shareholders that are not related parties and holds a number of investments directly or indirectly in underlying funds. Ownership interests in CRCD are in the form of redeemable shares, subject to certain conditions, which are reported in net assets, in accordance with the puttable instrument exemption under IAS 32, *Financial Instruments: Presentation*.

CRCD has concluded that it constitutes an investment entity within the meaning of IFRS 10, *Consolidated Financial Statements*, as it obtains funds from multiple shareholders, commits to its shareholders to invest funds for returns from capital appreciation, and measures and evaluates the performance of its investments on a fair value basis. Accordingly, investments in subsidiaries and associates reported in investments impacting the Québec economy are recognized at fair value.

Presentation and functional currency

These separate financial statements are expressed in Canadian dollars, which is also the functional currency of CRCD. Dollar amounts reported in the tables of the notes to the financial statements are in thousands of dollars, unless otherwise stated.

Note 3 – Significant accounting policies

a) Financial instruments

CRCD accounts for its financial instruments at fair value on initial recognition. Purchases and sales of financial assets are recognized at the trade date.

Classification and measurement

Financial assets are classified according to their contractual cash flow characteristics as well as the economic model under which they are held.

Contractual cash flow characteristics

To satisfy the criteria related to the cash flow characteristics for classifying a financial asset, the cash flows related to this asset must consist solely of principal and interest payments on the principal amount outstanding. The principal generally represents the fair value of the financial asset at initial recognition. Interest consists primarily of consideration for the time value of money and credit risk associated with the principal outstanding over a given period.

Business model

CRCD's business models are determined in a manner that reflects how groups of financial assets are managed together to achieve a particular business objective. The business models represent how CRCD manages its financial assets to generate cash flows, that is, they reflect whether the cash flows will arise from the collection of contractual cash flows, the sale of financial assets, or both. CRCD's business models are outlined as follows:

- Held to collect contractual cash flows: The objective of holding financial assets is to collect contractual cash flows
- Held to collect contractual cash flows and for sale: The objective is achieved by collecting contractual cash flows and by selling financial assets
- Other business models: The objective is not consistent with any of the above business models.

The classification and measurement of CRCD's financial assets and liabilities can be summarized as follows :

Investments impacting the Québec economy, Other investments and amounts receivable on disposals of Investments impacting the Québec economy are classified as at fair value through profit or loss because they are held according to an economic model whose aim is to manage and measure investment performance on a fair value basis.

Cash and accounts receivable are measured at amortized cost, which approximates their fair value, since they are held under a business model whose objective is to collect contractual cash flows and they satisfy the criteria of the cash flow characteristics test, that is, they consist solely of payments of principal and interest.

Accounts payable are classified and measured at amortized cost which approximates their fair value, while notes payable and financial liabilities are designated at fair value through profit or loss. Financial liabilities are derecognized when the liability is extinguished, that is, when the obligation specified in the contract is discharged or cancelled, or expires.

b) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of assets and liabilities traded in a market

The fair value of assets and liabilities traded in a market considered as active is based on the quoted price within the bid-ask spread that is most representative of fair value in the circumstances. In certain cases, if the market is not considered an active market, the most recent quoted price between the bid-ask spread may be adjusted to adequately reflect fair value.

Fair value of assets and liabilities not traded in a market

When assets and liabilities are not market traded, fair value is determined using valuation techniques chosen based on set criteria and prevailing market conditions at each reporting date. The principal financial instruments not traded in a market are included in investments impacting the Québec economy. The techniques used are based on valuation principles including guidelines generally used in the industry by business valuation professionals. Those valuation principles have been approved by CRCD's Board of Directors. The valuation method for a financial instrument is generally consistent from period to period, except where a change will result in more accurate estimates of fair value. Given the evolving environment specific to each entity underlying the financial instruments, changes to valuation techniques occur in each reporting period.

[Loans and advances, non-participating shares](#)

The fair value of loans and advances and non-participating shares is determined by discounting CRCD's expected contractual cash flows using a discount rate reflecting the return it would demand in light of entity-specific credit risk.

Participating shares

The main technique used to determine the fair value of participating shares is the capitalization of cash flows. Two key variables used in that technique are representative cash flow and the capitalization rate. To determine representative cash flow, recurring cash flows are estimated using the entity's historical results and/or financial forecasts. A risk weight is subsequently applied to each of the cash flows thus determined to reflect its probability of occurrence. The rate used to capitalize the representative cash flow thus obtained reflects the way in which the entity could fund its operations and the risks associated with the occurrence of that representative cash flow.

Where the price of a recent arm's length market transaction between knowledgeable, willing parties is available, this valuation technique is used. It may also be appropriate to use a technique based on a third party purchase offer when deemed bona fide and credible. The use of judgment is required in determining whether the fair value of the recent transaction or purchase offer is the best evidence of fair value at the measurement date. The period during which it is deemed appropriate to refer to a past transaction or purchase offer depends on the circumstances specific to each investment.

Another valuation technique used is adjusted net assets, which consists in remeasuring all assets and liabilities on the balance sheet of the entity or fund at their fair value at the measurement date. The key adjustments made are related to the fair value of assets and liabilities, newly available information and significant events that occurred between the balance sheet date of the entity or the fund and the measurement date.

Global equities, Canadian equities, real estate funds and market neutral equity funds

Interests in global equity, Canadian equities, real estate funds and market neutral equity funds are recorded at their fair value. Fair value represents the net assets per unit as determined by the funds as at the balance sheet date.

Guarantee

When it is probable that CRCD is required to make a payment under guarantee it has provided, the liability to be recognized is estimated using an asset-based approach and a liquidation value method.

Note

The note receivable is related to an investment impacting the Québec economy and is recognized at fair value, which is the amount that CRCD would receive on the reporting date under the contractual agreement underlying this note receivable.

Financial liabilities

Financial liabilities are related to acquisitions of certain investments impacting the Québec economy and are recognized at fair value, which represents the amount payable by CRCD under the financial liabilities' underlying contractual agreements at the reporting date.

Amounts receivable on disposal of investments impacting the Québec economy

The fair value of amounts receivable on disposal of investments impacting the Québec economy is determined by discounting contractual cash flows and considers the debtor's credit risk in particular. Typically, estimating the amounts receivable and the timing of their collection depends on whether specified future events occur or conditions are met.

c) Intangible assets

IT development consists primarily of costs relating to the development of applications that can be used internally or to provide services to shareholders. Intangible assets are initially recognized at cost and subsequently measured at cost less any accumulated amortization and any impairment losses. These costs are capitalized when the application's development phase begins. The costs incurred prior to this phase are expensed.

Intangible assets are amortized over their estimated useful lives, using the following method and period:

	Method	Period
Intangible assets		
IT development	Straight-line	3 years

Amortization begins when intangible assets are available for use. The amortization method and the useful life are revised at least once per year. Changes are recognized prospectively similarly to changes in accounting estimates.

Impairment of assets

The carrying amount of intangible assets is reviewed at each reporting date to determine whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. For intangible assets that are not yet available for use, an annual impairment test is performed by comparing their carrying amount to their recoverable amount.

d) Cash and cash equivalents

Cash and cash equivalents consist of cash and money market instruments with purchased maturities of less than 90 days.

e) Share capital

The common shares of CRCD are redeemable at the holder's option subject to certain conditions and therefore constitute financial liabilities. However, they are reported in net assets, as they have all of the following features:

- They entitle the shareholder to a pro rata share of CRCD's net assets in the event of CRCD's liquidation;
- They are in the class of instruments that is subordinate to all other classes of instruments of CRCD;
- They have identical features to all other instruments in that class;
- Apart from the contractual obligation for CRCD to repurchase or redeem the instrument for cash or another financial asset, they do not include any contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to CRCD, and it is not a contract that will or may be settled in CRCD's shares;
- The total expected cash flows attributable to the shares over their life are based substantially on net earnings, the change in recognized net assets or the change in fair value of the recognized and unrecognized net assets of CRCD over the life of the shares (excluding any effects of the shares).

On January 1, 2019, a new compensation agreement was entered into with the Desjardins caisse network. Under this new agreement, share issuance costs which were based on the value of the shares issued and reported in the Separate Statements of Changes in Net Assets were eliminated and new distribution costs were introduced. These new distribution costs, which now cover all advisory services provided to shareholders, are reported as expenses in the Separate Statements of Comprehensive Income.

f) Revenue recognition

Interest

For investments impacting the Québec economy, interest is recognized at the contractual rate, as collection is reasonably assured. For other investments, interest is recognized using the effective interest method. Amortization of premiums and discounts, calculated using the effective interest method, is recognized in profit or loss under "Interest."

Dividends and distributions

Dividends are recognized as at the holder-of-record date and when they are declared by the issuing companies or received.

Distributions are recognized when they are declared by the funds in the other investments portfolio.

Administration charges

Administrative charges are recognized at the time of a shareholder's initial subscription and on the closure of that account by the shareholder.

Gains and losses

Realized gains and losses on investments are recognized at the time of sale and represent the difference between sales proceeds and cost. Variations in the fair value of amounts receivable on disposal of investments are considered adjustments to sales proceeds and are therefore recorded as realized gains and losses. Realized gains and losses on a note payable or financial liability are recognized when paid and represent the difference between the amount CRCD paid to settle the note or financial liability and its initial value. The realized gains and losses do not take into account the unrealized gains and losses recognized in previous period, which are reversed and reported in unrealized gains and losses for the current year.

g) Functional currency and foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars, CRCD's functional currency, at the exchange rate prevailing at the end of the reporting period. Revenues and expenses are translated at the exchange rate prevailing on the transaction date. Realized and unrealized gains and losses on investments arising from those translations are accounted for in the Separate Statements of Comprehensive Income under "Gains (losses) on investments". For other monetary assets and liabilities denominated in foreign currencies, changes related to foreign currency translation are reported under "Other operating expenses" in the Separate Statements of Comprehensive Income. CRCD aims to systematically hedge currency risk for assets measured in foreign currency, unless the exposure stems from the long term expected returns of certain asset classes. CRCD has decided not to apply hedge accounting.

h) Taxes

The income tax expense comprises current taxes and deferred taxes. Income taxes are recognized in the Separate Statements of Comprehensive Income, unless they relate to items that were recognized outside earnings directly in the Separate Statements of Changes in Net Assets. In such cases, income taxes are also recognized outside profit or loss directly in net assets.

Current tax is the tax payable on the taxable income for the reporting period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except for deferred tax on unrealized gains, discussed in the following paragraph. Deferred tax is calculated on an undiscounted basis using enacted or substantively enacted tax rates and legislation at the end of the reporting period that are expected to apply in the period in which the deferred tax asset will be realized and the deferred tax liability will be settled. Deferred tax assets are generally recognized only to the extent that it is probable that future taxable income will be available against which temporary differences can be utilized.

CRCD is subject to federal and Québec income taxes. It is also subject to the tax rules applicable to mutual fund corporations. For federal tax purposes, CRCD may, in particular, obtain a refund of its tax paid on capital gains through the redemption of its shares. CRCD considers it is, in substance, exempt from federal income tax related to capital gains (losses) for the purposes of applying IFRS and, accordingly, does not recognize any deferred taxes relating to unrealized gains (losses) on investments or deferred taxes related to unrealized recoveries resulting from tax mechanisms related to refundable capital gains tax on hand. For Québec tax purposes, realized capital gains (losses) are not taxable (deductible).

i) Net earnings per common share

Net earnings per common share are computed by dividing net earnings by the weighted average number of common shares outstanding during the period.

Note 4 – Significant judgments, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires CRCD to make judgments, estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenue and expenses and the related disclosures. Changes in assumptions can have a material effect on the financial statements for the period in which those assumptions were changed. CRCD considers the assumptions used to be appropriate and accordingly that its separate financial statements present fairly its financial position and its results.

The significant accounting policy that required CRCD to make subjective or complex judgments, often about matters that are inherently uncertain, pertains to the fair value measurement of assets and liabilities not traded in an active market.

A significant judgment is made in the assumptions used in the valuation techniques. While those techniques make as much use as possible of observable inputs, fair value is also determined based on internal inputs and estimates (unobservable inputs) that take into account the features specific to the financial instrument and any relevant measurement factor. The use of unobservable inputs requires CRCD to exercise judgment to ensure that those inputs reflect the assumptions that market participants would use to determine fair value based on the best information available in the circumstances. CRCD considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Fair value reflects market conditions on a given date and, for that reason, may not be representative of future fair values.

In accordance with the requirements contained in the *Regulation Respecting Development Capital Investment Fund Continuous Disclosure* issued by the Autorité des marchés financiers, CRCD has implemented various controls and procedures to ensure that financial instruments are appropriately and reliably measured. The valuations have been prepared by a team of qualified valuers relying on a structured process composed of several validation and review stages. The Portfolio Valuation Committee's role, whose members consist mainly of independent qualified valuers, consists in performing semi-annual reviews of all relevant information regarding the valuations of CRCD's portfolio of investments impacting the Québec economy to provide reasonable assurance that the valuation process meets regulatory requirements. In addition, the Audit and Risk Management Committee monitors operational risk related to non-compliance with the portfolio valuation methodology and informs the Portfolio Valuation Committee in case of non-conformity.

Note 5 – Accounting standards issued but not yet adopted

No accounting standards issued by the IASB and not yet effective as at June 30, 2019 could have a material impact on CRCD's financial statements.

Note 6 – Risks associated with financial instruments

The risks associated with financial instruments that affect CRCD's financial position are discussed in detail in the audited sections "Market Risks," "Credit and Counterparty Risk", "Concentration Risk" and "Liquidity Risk" of CRCD's Management's Discussion and Analysis and are an integral part of these audited separate financial statements.

Note 7 – Investments impacting the Québec economy

The Audited Schedule of Cost of Investments Impacting the Québec Economy is available on written request to CRCD's head office or on our website at www.capitalregional.com and on SEDAR at www.sedar.com. The Schedule does not form an integral part of the financial statements.

	As at June 30, 2019		
	Cost \$	Unrealized gain (loss) \$	Fair value \$
Unsecured			
Common shares	256,223	137,876	394,099
Preferred shares	280,918	57,766	338,684
Fund units	229,472	66,518	295,990
Loans and advances	102,960	618	103,578
Note ⁽¹⁾	2,111	298	2,409
Secured			
Loans and advances	12,401	(355)	12,046
	884,085	262,721	1,146,806

	As at December 31, 2018		
	Cost \$	Unrealized gain (loss) \$	Fair value \$
Unsecured			
Common shares	259,388	119,218	378,606
Preferred shares	259,039	58,478	317,517
Fund units	209,690	64,152	273,842
Loans and advances	94,634	278	94,912
Note ⁽¹⁾	1,787	(91)	1,696
Secured			
Loans and advances	13,720	(224)	13,496
	838,258	241,811	1,080,069

⁽¹⁾ On September 28, 2017, CRCD made a commitment to invest, in the form of a note, a maximum amount of \$5.0 million in the Desjardins-Innovatech S.E.C. fund (DI) which will use the amount to make an investment impacting the Québec economy. This note contains a clause under which the amount receivable by CRCD will be equal to the fair value of the investment made by DI. The entire proceeds received by DI upon a partial or full disposal of the investment will be paid to CRCD and deducted from the note receivable.

Investments impacting the Québec economy include investments valued at fair value in U.S. dollars for an amount of \$41.1 million (\$40.1 million as at December 31, 2018) and in euros for an amount of \$6.7 million (\$5.4 million as at December 31, 2018).

Agreements related to investments impacting the Québec economy may include clauses providing conversion and redemption options.

Loans and advances bear interest at a weighted average rate of 8.7% (8.8% as at December 31, 2018). The interest rate is fixed for substantially all interest-bearing loans and advances. For the period ended June 30, 2019, interest income recognized at the contractual rate amounted to \$4.9 million (\$5.2 million for the period ended June 30, 2018). Substantially all of the change in the fair value of loans and advances resulted from changes in credit risk and to a lesser extent, changes in the rates charged on these types of products.

Loans and advances have an annual residual maturity of 3.7 years (2.8 years as at December 31, 2018) and the fair market value of the current portion maturing in less than one year is \$32.0 million (\$19.0 million as at December 31, 2018).

Allocation of investments and funds committed by segment

Investments and funds committed are allocated by segment as follows:

Segment	As at June 30, 2019				
	Investments at cost \$	Unrealized gain (loss) \$	Fair value \$	Funds committed but not disbursed ⁽¹⁾ \$	Total commitment \$
Manufacturing	472,381	83,388	555,769	1,700	557,469
Services	160,152	116,331	276,483	1,900	278,383
Technological innovations	19,969	(3,814)	16,155	400	16,555
Funds	231,583	66,816	298,399	153,890	452,289
Total	884,085	262,721	1,146,806	157,890	1,304,696

Segment	As at December 31, 2018				
	Investments at cost \$	Unrealized gain (loss) \$	Fair value \$	Funds committed but not disbursed ⁽¹⁾ \$	Total commitment \$
Manufacturing	473,564	63,683	537,247	2,648	539,895
Services	138,167	117,835	256,002	200	256,202
Technological innovations	15,050	(3,768)	11,282	-	11,282
Funds	211,477	64,061	275,538	189,321	464,859
Total	838,258	241,811	1,080,069	192,169	1,272,238

⁽¹⁾ Funds committed but not disbursed are not included in assets.

Funds committed but not disbursed

Funds committed but not disbursed represent investments that have already been agreed upon and for which amounts have been committed but not disbursed by CRCD at the reporting date. Future disbursements are subject to certain conditions. Assuming that the conditions are met, the estimated instalments over the coming years ended December 31 will be as follows:

2019 (6 months) \$	2020 \$	2021 \$	2022 \$	2023 and thereafter \$	Total \$
40,672	26,408	27,071	18,570	45,169	157,890

Investments in subsidiaries and associates

Subsequent to quantitative and qualitative analyses, CRCD has determined that it has control (subsidiaries) or exercises significant influence (associates) over the following number of entities:

	As at June 30, 2019		As at December 31, 2018	
	Number	Fair value \$	Number	Fair value \$
Subsidiaries				
Partner companies	8	218,447	9	224,056
Associates				
Partner companies	27	321,453	26	317,697
Funds	10	274,907	10	254,324

The principal place of business of these entities is in Québec, and the country of incorporation is Canada.

Interests in the share capital of these partner companies comprise common shares and preferred shares. The percentage of equity securities held by CRCD in each of the partner companies is equal to or over 50% for the subsidiaries, and between 2% and 45% (9% and 45% as at December 31, 2018) for associates. As at June 30, 2019 and December 31, 2018, the voting rights are equivalent to the proportion of interests held except for two subsidiaries and an associate. During the periods ended June 30, 2019 and 2018, CRCD did not receive any significant dividend from a subsidiary.

As at June 30, 2019 and December 31, 2018, the interests in the funds were made up of units and the holding percentage varied from 13% to 95%.

Note 8 – Other investments

The Unaudited Statement of Other Investments is available on written request to CRCD's head office or on our website at www.capitalregional.com and on SEDAR at www.sedar.com. The Statement does not form an integral part of the financial statements.

	As at June 30, 2019		
	Cost \$	Unrealized gain (loss) \$	Fair value \$
Bonds			
Federal or guaranteed	272,064	7,507	279,571
Provincial, municipal or guaranteed	157,907	8,109	166,016
Financial institutions	85,011	3,744	88,755
Companies	64,920	3,326	68,246
	579,902	22,686	602,588
Money market instruments ⁽¹⁾	20,552	-	20,552
Foreign exchange contracts ⁽²⁾	-	114	114
Canadian equity funds	65,498	8,466	73,964
Global equity funds	152,351	10,639	162,990
Real estate funds	95,587	4,601	100,188
Market neutral equity funds	30,130	430	30,560
Total	944,020	46,936	990,956

	As at December 31, 2018		
	Cost \$	Unrealized gain (loss) \$	Fair value \$
Bonds			
Federal or guaranteed	286,256	1,733	287,989
Provincial, municipal or guaranteed	219,669	1,814	221,483
Financial institutions	82,312	(55)	82,257
Companies	50,353	(127)	50,226
	638,590	3,365	641,955
Money market instruments ⁽¹⁾	51,166	-	51,166
Foreign exchange contracts ⁽²⁾	-	(67)	(67)
Canadian equity funds	93,188	(2,992)	90,196
Global equity funds	151,930	(2,640)	149,290
Real estate funds	93,326	3,102	96,428
Total	1,028,200	768	1,028,968

Breakdown of bonds by maturity date

	As at June 30, 2019			
	Under 1 year \$	1 to 5 years \$	Over 5 years \$	Total \$
Cost	6,363	46,443	527,096	579,902
Par value	6,360	46,621	537,554	590,535
Fair value	6,365	47,200	549,023	602,588
Average nominal rate ⁽³⁾	2.03%	2.20%	2.31%	2.30%
Average effective rate	1.90%	2.32%	2.61%	2.58%

	As at December 31, 2018			
	Under 1 year \$	1 to 5 years \$	Over 5 years \$	Total \$
Cost	3,561	30,337	604,692	638,590
Par value	3,560	30,599	614,673	648,832
Fair value	3,562	30,279	608,114	641,955
Average nominal rate ⁽³⁾	2.41%	2.44%	2.48%	2.48%
Average effective rate	2.37%	2.85%	2.69%	2.69%

⁽¹⁾ As at June 30, 2019, money market instruments consisted of Treasury bills, commercial paper, bankers' acceptances and bearer deposit notes, compared with Treasury bills, term deposits, commercial paper and bankers' acceptances as at December 31, 2018.

⁽²⁾ Foreign exchange contracts to sell US\$60.6 million (US\$53.1 million as at December 31, 2018) and €4.5 million (€3.6 million as at December 31, 2018) have three-month maturities.

⁽³⁾ Substantially all bonds bear are fixed-interest rate issues.

Other investments include investments which represent foreign currency exposure with a fair value of \$167.7 million (\$137.4 million as at December 31, 2018).

As at June 30, 2019, other investments did not include funds committed but not disbursed.

Note 9 – Fair value of financial instruments

Hierarchy levels of financial instruments measured at fair value

CRCO categorizes its financial instruments according to the following three hierarchical levels:

- Level 1 : Measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables show the breakdown by level of the fair value measurements of financial instruments recognized at fair value in the Balance Sheets:

	As at June 30, 2019			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets				
Investments impacting the Québec economy	6,748	15,246	1,124,812	1,146,806
Other investments	709,985	180,783	100,188	990,956
Amounts receivable on disposal of investments impacting the Québec economy	-	-	36,308	36,308
Total financial assets	716,733	196,029	1,261,308	2,174,070
Financial liabilities	-	-	4,956	4,956

	As at December 31, 2018			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets				
Investments impacting the Québec economy	331	18,070	1,061,668	1,080,069
Other investments	758,973	173,567	96,428	1,028,968
Amounts receivable on disposal of investments impacting the Québec economy	-	-	36,925	36,925
Total financial assets	759,304	191,637	1,195,021	2,145,962
Financial liabilities	-	-	4,726	4,726

Transfers between hierarchy levels of financial instruments measured at fair value are made at the reporting date. One transfer between hierarchy levels took place during the six-month period ended June 30, 2019 (one transfer during the year ended December 31, 2018).

Level 3 financial instruments

The following tables present the reconciliation between the beginning and ending balances of Level 3 financial instruments:

	For the six-month period ended June 30, 2019			
	Investments impacting the Québec economy \$	Other investments \$	Amounts receivable on disposal of investments impacting the Québec economy \$	Financial liabilities \$
Fair value as at December 31, 2018	1,061,668	96,428	36,925	(4,726)
Realized gains (losses)	6,366	-	1,543	(230)
Unrealized gains (losses)	17,468	1,499	-	-
Acquisitions/issuances	87,933	2,261	-	-
Disposals/repayments	(48,623)	-	(2,160)	-
Fair value as at June 30, 2019	1,124,812	100,188	36,308	(4,956)
Unrealized gains (losses) in comprehensive income on investments and financial liabilities as at June 30, 2019	14,911	1,499	-	-

	For the six-month period ended June 30, 2018			
	Investments impacting the Québec economy \$	Other investments \$	Amounts receivable on disposal of investments impacting the Québec economy \$	Financial liabilities \$
Fair value as at December 31, 2017	1,033,687	88,845	14,943	(23,413)
Realized gains (losses)	24,850	-	3,246	(7,504)
Unrealized gains (losses)	54,593	1,446	-	7,270
Acquisitions/issuances	105,847	2,223	4,218	-
Disposals/repayments	(104,495)	-	(1,228)	19,701
Fair value as at June 30, 2018	1,114,482	92,514	21,179	(3,946)
Unrealized gains (losses) in comprehensive income on investments and notes payable and financial liabilities as at June 30, 2018	76,345	1,446	-	-

The following tables present the main techniques and inputs used to measure the fair value of Level 3 financial instruments:

	As at June 30, 2019				
	Fair value \$	Main valuation techniques	Unobservable inputs	Input value range (weighted average)	
Investments impacting the Québec economy					
Loans and advances	47,957	Discounted cash flows	Required return	7.3% to 11.2% (8.1%)	
Non-participating shares	198,161	Discounted cash flows	Required return	4.0% to 13.2% (5.5%)	
Participating controlling shares	181,299	Capitalized cash flows	Capitalization rate	9.0% to 12.4% (10.7%)	
			% of representative cash flows ⁽¹⁾	7.2% to 26.9% (11.9%)	
Participating non-controlling shares	37,147	Restated net assets	Entity's net assets	(2)	
			Capitalized cash flows	Capitalization rate	7.9% to 21.6% (10.1%)
				% of representative cash flows ⁽¹⁾	6.6% to 44.9% (15.9%)
			91,057	Recent transactions and bids	Paid/bid price
59,510	Restated net assets	Entity's net assets (2)			
16,666	Other ⁽³⁾	-	-		
Note	2,409	Restated net assets	Fund's net assets	(4)	
Fund units	295,990	Restated net assets	Fund's net assets	(2)	
	1,124,812				
Other investments – Real estate fund	100,188	Restated net assets	Fund's net assets	(2)	
Amounts receivable on disposal of investments impacting the Québec economy	36,308	Discounted cash flows	Required return	0.5% to 10.0% (6.3%)	
Financial liabilities	(4,956)	Miscellaneous	-		

As at December 31, 2018				
	Fair value \$	Main valuation techniques	Unobservable inputs	Input value range (weighted average)
Investments impacting the Québec economy				
Loans and advances	35,025	Discounted cash flows	Required return	6.7% to 16.0% (9.0%)
Non-participating shares	172,649	Discounted cash flows	Required return	4.5% to 13.0% (6.1%)
Participating controlling shares	147,662	Capitalized cash flows	Capitalization rate	8.7% to 12.5% (9.3%)
			% of representative cash flows ⁽¹⁾	7.9% to 27.8% (11.1%)
	52,821	Recent transactions and bids	Paid/bid price	-
	34,559	Restated net assets	Entity's net assets	(2)
Participating non-controlling shares	174,067	Capitalized cash flows	Capitalization rate	7.9% to 21.6% (11.1%)
			% of representative cash flows ⁽¹⁾	6.6% to 49.3% (15.9%)
	96,912	Recent transactions and bids	Paid/bid price	-
	66,234	Restated net assets	Entity's net assets	(2)
	6,201	Other ⁽³⁾	-	-
Note	1,696	Restated net assets	Fund's net assets	(4)
Fund units	273,842	Restated net assets	Fund's net assets	(2)
	1,061,668			
Other investments – Real estate fund	96,428	Restated net assets	Fund's net assets	(2)
Amounts receivable on disposal of investments impacting the Québec economy	36,925	Discounted cash flows	Required return	0.5% to 9.0% (5.7%)
Financial liabilities	(4,726)	Miscellaneous	-	

⁽¹⁾ As the entities comprising the portfolio vary widely in size, representative cash flows are presented as a percentage of sales.

⁽²⁾ As the entities and funds comprising the portfolio vary widely in size, no input value range is provided for the net assets of the entity/fund.

⁽³⁾ Other valuation techniques include discounted transaction value, redemption value and liquidation value methods.

⁽⁴⁾ The note receivable is related to an investment impacting the Québec economy in a fund.

The main valuation techniques used for participating shares take into account investments made in a single entity in the form of loans and advances, and non-participating shares. Accordingly, the fair value of participating shares includes these mixed investments.

Sensitivity of fair value to unobservable inputs

Although CRCD considers that fair value estimates made for the separate financial statements are appropriate, if different assumptions were used for unobservable inputs, the results could be different.

Loans and advances, non-participating shares – Discounted cash flows

An increase (decrease) in the required return, all other factors remaining constant, generally results in a decrease (increase) in fair value. According to CRCD, changing one or more reasonably possible assumptions could result in a change in the required return of about 0.5%. However, such a change in the required return would not have a direct material impact on the fair value of loans and advances, and non-participating shares.

Participating shares – Capitalized cash flows

If different assumptions were used for the two unobservable inputs, namely representative cash flows and capitalization rate, to measure a given investment, the fair value of the investment could increase or decrease. However, since these two unobservable inputs are interrelated, the use of different assumptions for one of these inputs generally leads to a revised assumption for the other input, thereby limiting the impact on fair value.

Typically, CRCD determines a range of acceptable fair values for each investment measured and uses the mid-point of the range for financial statement reporting purposes. If all the ranges are summed up, the cumulative difference between the top and bottom acceptable fair values and the investment fair value expressed as a percentage of CRCD's net assets is approximately:

	As at June 30, 2019 \$	As at December 31, 2018 \$
Participating controlling shares	+/- 0.2 %	+/- 0.2 %
Participating non-controlling shares	+/- 0.3 %	+/- 0.3 %

According to CRCD, for each investment subject to measurement, the impact of a change in the two unobservable inputs to reflect other reasonably possible assumptions should be less than this percentage on the net assets of CRCD.

Participating shares – Recent transactions and bids

According to these techniques, the fair value of participating shares is based on an observable input, namely the price of a recent transaction negotiated between unrelated parties or the price of a bid received. CRCD must use judgment to determine whether the recent transaction is still representative of the fair value as at the measurement date or whether the bid is serious and credible. CRCD may also, if necessary, make any adjustments considered required and include unobservable inputs in the fair value measurement. The amount of the adjustments is generally immaterial compared with the related transaction or bid price used. CRCD considers that the fair value it could have obtained by using unobservable inputs based on different reasonably possible assumptions would not be materially different from the fair value used.

Fund units – Restated net assets

According to this technique, the fair value of fund units is based on an observable input, namely the net assets reported in the most recent audited financial statements of each fund held and adjusted if necessary to reflect the acquisitions or disposals of fund units made by CRCD between the financial statement reporting date for each fund and the valuation date. In certain circumstances, CRCD must make certain other adjustments that are more judgmental in nature. CRCD considers that the fair value it could have obtained by using unobservable inputs based on different reasonably possible assumptions would not have been materially different from the fair value used.

Other valuation techniques

Since the fair value of assets measured using other techniques is not significant, CRCD considers that the fair value it could have obtained by using unobservable inputs based on different reasonably possible assumptions would not have been materially different from the fair value used.

Note 10 – Intangible assets

	IT development (\$)
Cost	
As at December 31, 2017	-
Acquisition	1,096
As at December 31, 2018	1,096
Acquisition	1,721
As at June 30, 2019	2,817
Accumulated depreciation	
As at December 31, 2017	-
Depreciation	(73)
As at December 31, 2018	(73)
Depreciation	(183)
As at June 30, 2019	(256)
Net carrying amount	
As at June 30, 2019	2,561
As at December 31, 2018	1,023

Note 11 – Accounts receivable

	As at June 30, 2019 \$	As at December 31, 2018 \$
Interest, dividends and distributions receivable on investments	8,144	8,033
Amounts receivable on disposal of investments impacting the Québec economy	36,308	36,925
Other	326	1,023
	44,778	45,981

The change in fair value of amounts receivable on disposal of investments impacting the Québec economy is not attributable to changes in credit risk. These amounts receivable include amounts denominated in U.S. dollars for \$32.6 million (\$30.5 million as at December 31, 2018).

Based on the information available as at the reporting date and the assumptions made as to the timing of collection, CRCD expects to collect accounts receivable with a fair value of \$25.5 million (\$26.2 million as at December 31, 2018) no later than 12 months after the reporting date.

Note 12 – Cash and cash equivalents

	As at June 30, 2019 \$	As at December 31, 2018 \$
Cash	12,174	12,428
Money market instruments	5,587	28,825
	17,761	41,253

Note 13 – Financial liabilities

Financial liabilities are amounts that CRCD would have to pay under contractual agreements and whose fair value is determined according to changes in fair value of certain underlying investments impacting the Québec economy.

As at June 30, 2019, financial liabilities with a fair value of \$5.0 million were related to investments impacting the Québec economy measured in U.S. dollars (\$4.7 million as at December 31, 2018).

The payment of financial liabilities is directly related to receipts in connection with disposals of certain investments impacting the Québec economy. Given that the timing of such receipts is contingent on whether future events occur or specific conditions are met, CRCD is not in a position to determine the period during which it will pay the financial liabilities. However, as payment typically follows receipts, liquidity risk is low.

Note 14 – Accounts payable

	As at June 30, 2019 \$	As at December 31, 2018 \$
Trade payables and accrued liabilities	4,730	6,282
Amounts payable on acquisitions of other investments	1,119	-
Other	2,742	37
	8,591	6,319

CRCD expects to pay its accounts payable no later than 12 months after the reporting date.

Note 15 – Line of credit

CRCD has an authorized line of credit of \$50 million with Fédération des caisses Desjardins du Québec (FCDQ), bearing interest at the operating credit rate of FCDQ plus 0.5%. This line of credit is secured by a portion of the money market instruments and bonds recorded in other investments and is renewable annually. As at June 30, 2019 and December 31, 2018, the line of credit was undrawn and was not used in the first semester of 2019, nor in the 2018 fiscal year.

Note 16 – Share capital

Authorized

CRCD is authorized to issue Class A “Issuance” and Class B “Exchange” common shares and fractions of common shares without par value, participating, voting, with the right to elect two representatives to the Board of Directors, redeemable under certain conditions prescribed by the Act.

Despite the provisions of the Act in respect of the capitalization of CRCD, the Minister of Finance of Québec in his *Budget Speech* of March 27, 2018 authorized CRCD to raise an annual maximum of \$140 million as Class A “Issuance” shares for each of its capitalization periods between March 1, 2018 and February 28, 2021, compared with an annual maximum of \$135 million for the capitalization periods between March 1, 2016 and February 28, 2018.

In that same budget, the Minister of Finance also authorized CRCD to exchange Class A “Issuance” shares held for at least seven years for Class B “Exchange” shares up to an annual maximum of \$100 million for each of its capitalization periods between March 1, 2018 and February 28, 2021.

Each capitalization period, which lasts 12 months, begins on March 1 of each year.

Issued

The net assets of CRCD as at June 30, 2019 totalled \$2,212.1 million broken down by issue as follows:

Issue	*Balance \$M			Eligible for redemption
	“Issuance” Shares	“Exchange” Shares	Total	
2001 to 2012	1,139.1	-	1,139.1	Today
2013	206.9	-	206.9	2020
2014	83.9	-	83.9	2021
2015	197.7	-	197.7	2022
2016	166.5	-	166.5	2023
2017	156.5	-	156.5	2024
2018	152.7	108.8	261.5	2025
Net assets	2,103.3	108.8	2,212.1	

* Calculated as net asset value per share as at June 30, 2019.

Note 17 – Capital disclosures

CRCD's objective with respect to capital management is to ensure the availability of sufficient cash resources to fund investments in line with its mission and meet shareholders' demands for share redemptions. CRCD's capital consists of its net assets.

CRCD is not subject to any external capital requirements other than those governing the issuance and redemption of its shares, as indicated in note 16.

CRCD's policy is to reinvest the annual earnings generated by its operations and not to pay dividends to its shareholders, with a view to increasing the capital available for investment and enhancing share valuations.

Note 18 – Expenses

	For the six-month periods ended June 30,	
	2019 \$	2018 \$
Other operating expenses		
IT expenses	1,468	1,295
Professional services fees	454	427
Compensation of members of the Board of Directors and its committees	306	311
Audit fees	93	93
Custodial and trustee fees	84	59
Marketing	238	114
Other expenses	109	52
	2,752	2,351
Shareholder services		
Trustee fees (registration)	1,114	880
Reporting to shareholders	276	165
Share distribution fees	2,614	165
IT expenses	1,606	1,005
Other expenses	208	98
	5,818	2,313

Note 19 – Income taxes

Income tax expense (recovery)

Income tax expense is detailed as follows:

	For the six-month periods ended June 30,			
	2019		2018	
	Statement of Comprehensive Income \$	Statement of Changes in Net Assets \$	Statement of Comprehensive Income \$	Statement of Changes in Net Assets \$
Current (recovered)	(638)	-	(420)	(428)
Deferred	257	-	746	408
	(381)	-	326	(20)

Reconciliation of the income tax rate

The actual income tax rate differs from the basic income tax rate for the following reasons:

	For the six-month periods ended June 30,	
	2019 \$	2018 \$
Income taxes at the combined basic tax rate of 39.6% (39.7% in 2018)	36,875	31,072
Permanent differences between earnings before income taxes and taxable income and other items		
Realized and unrealized losses (gains) on investments	(34,180)	(27,259)
Non-taxable dividends	(3,318)	(2,886)
Other	242	(601)
	(381)	326

Income tax balance

Income tax expense recognized in the Balance Sheets is detailed as follows:

	As at June 30, 2019 \$	Au at December 31, 2018 \$
Assets		
Refundable tax on hand	24,858	26,477
Income taxes recoverable	6,459	-
	31,317	26,477
Liabilities		
Deferred taxes – Share issue expenses	2,363	2,902
Deferred taxes – Other	(5,357)	(5,639)
Income taxes payable	-	(12,360)
	(2,994)	(15,097)

CRCD expects to recover \$9.0 million (\$3.5 million as at December 31, 2018) in income taxes no later than 12 months after the reporting date.

Note 20 – Related party transactions

Related parties include Desjardins Capital Management Inc. (DC), CRCD's manager, which is a subsidiary of FCDQ and is part of Desjardins Group. CRCD is therefore indirectly related to Desjardins Group. Related parties also include CRCD's key management personnel.

- CRCD has entrusted DC with its management and operations, in accordance with the strategies and objectives approved by the Board of Directors. The current management agreement with a three-year term is in effect as of January 1, 2018. Under this agreement, management fees amount to a maximum rate of 1.75% (1.95% for the fiscal year ended December 31, 2018) of CRCD's annual average asset value less any amounts payable related to Investments impacting the Québec economy and Other investments. An adjustment is made to the management fees charged to CRCD to avoid double billing relative to CRCD's interest in some funds. DC and CRCD have agreed that, for a given fiscal year, an adjustment could also be made to allow CRCD to benefit from economies of scale realized by DC with regard to the growth in CRCD's assets and the increase in the balance of CRCD shares eligible for redemption over the last few years. The negotiation fees arising from portfolio companies are earned by DC, and their amount is deducted from the management fees payable by CRCD.
- CRCD has appointed Desjardins Trust Inc. as shareholder registrar and share transfer agent. Desjardins Trust also acts as an intermediary for various shareholder support services. This agreement is effective from July 1, 2016 until December 31, 2020.
- CRCD has entrusted Desjardins Trust Inc. with custody services for its assets. The custody and administration agreement came into effect on May 1, 2009 and will remain in force until December 31, 2020.
- CRCD has appointed FCDQ to oversee the distribution of its shares through the Desjardins caisse network. This agreement is effective from July 1, 2016 until December 31, 2020. CRCD also agreed to pay, as needed, project fees to cover the work required to upgrade the tools and applications supporting the CRCD share distribution processes.
- CRCD has entrusted the Desjardins caisse network with issuing its shares.
- CRCD has entrusted FCDQ with the banking operations related to its day-to-day activities and its role as counterparty in foreign exchange contracts.
- CRCD has appointed Desjardins Securities as its full service broker, to serve as an intermediary for buying and selling shares traded on public markets.
- CRCD has entrusted Desjardins Technology Group Inc. with its IT development strategy (IT master plan), particularly the implementation and upgrading of a new investment management software.

Related party transactions

CRCD has entered into transactions with other Desjardins Group entities in the normal course of business, and all these transactions are measured at the exchange amount. Unless otherwise indicated, none of the transactions incorporated special terms or conditions. The balances are generally settled in cash. The transactions and balances are detailed as follows:

	As at June 30, 2019			As at December 31, 2018		
	DC \$	Other related parties ⁽¹⁾ \$	Total \$	DC \$	Other related parties ⁽¹⁾ \$	Total \$
Balance Sheets						
Assets						
Other investments	-	100	100	-	12,947	12,947
Intangible assets	-	2,561	2,561	-	1,023	1,023
Accounts receivables	-	-	-	827	-	827
Cash	-	12,534	12,534	-	12,482	12,482
Liabilities						
Accounts payable	2,713	4,158	6,871	-	4,859	4,859

	For the six-month periods ended June 30,					
	2019			2018		
	DC \$	Other related parties ⁽¹⁾ \$	Total \$	DC \$	Other related parties ⁽¹⁾ \$	Total \$
Statements of Comprehensive Income						
Revenue						
Interest	-	6	6	-	66	66
Gains (losses) on investments	-	2,993	2,993	-	3,484	3,484
Expenses						
Management fees	9,701	-	9,701	12,701	-	12,701
Other operating expenses	-	1,358	1,358	-	1,216	1,216
Shareholder services	-	5,334	5,334	-	2,050	2,050
Statements of Changes in Net Assets						
Share issue expenses	-	-	-	-	45	45

⁽¹⁾Other related parties include FCDQ and its subsidiaries, namely, Desjardins Securities, Desjardins Venture Capital L.P., Desjardins Technology Group Inc, Desjardins Trust and Desjardins Investment. They also include Desjardins caisse network.

Key management personnel compensation

CRCD's key management personnel are the members of the Board of Directors. For the six-month period ended June 30, 2019, compensation of key management personnel comprised solely short-term benefits in the amount of \$253,000 (\$235,000 for the six-month period ended June 30, 2018).

Capital régional et coopératif Desjardins

Audited schedule of cost of investments
impacting the Québec economy
As at June 30, 2019



Independent auditor's report

To the Shareholders of
Capital régional et coopératif Desjardins

Our opinion

In our opinion, the accompanying schedule of cost of investments impacting the Quebec economy (the schedule) of Capital régional et coopératif Desjardins (CRCD) as at June 30, 2019 is prepared, in all material respects, in accordance with the dispositions of article 18 of the Regulation respecting Development Capital Investment Fund Continuous Disclosure.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the schedule* section of our report.

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

Independence

We are independent of CRCD in accordance with the ethical requirements that are relevant to our audit of the schedule in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – Basis of accounting

We draw attention to note to the schedule, which describes the basis of accounting. The schedule is prepared in order to comply with the dispositions of article 18 of the Regulation respecting Development Capital Investment Fund Continuous Disclosure. As a result, the schedule may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the schedule

Management is responsible for the preparation of the schedule in accordance with the dispositions of article 18 of the Regulation respecting Development Capital Investment Fund Continuous Disclosure, and for such internal control as management determines is necessary to enable the preparation of a schedule that is free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502



In preparing the schedule, management is responsible for assessing CRCD's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate CRCD or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CRCD's financial reporting process.

Auditor's responsibilities for the audit of the schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this schedule.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the schedule, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CRCD's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CRCD's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the schedule or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CRCD to cease to continue as a going concern.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

PricewaterhouseCoopers LLP¹

Montréal, Quebec
August 15, 2019

¹ CPA auditor, CA, public accountancy permit No. A111799

Audited schedule of cost of investments impacting the Québec economy
As at June 30, 2019

(in thousands of dollars)

	Initial investment year	Industry segment	Unsecured investments		Secured investments		Total \$
			Common and Preferredshares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$		
Abitibi-Témiscamingue							
Norbell Électrique inc.	2010	S	-	17	-	-	17
Trim Line de l'Abitibi inc.	2009	S	125	-	-	-	125
Total Abitibi-Témiscamingue			125	17	-	-	142
Bas-Saint-Laurent							
2862-2272 Québec inc. (Quincaillerie Home Hardware Rimouski)	2018	S	-	139	-	-	139
Domaine Élie-Raphaël inc.	2018	S	-	550	-	-	550
Total Bas-Saint-Laurent			-	689	-	-	689
Capitale-Nationale							
Boutique Le Pentagone inc.	2008	S	2,951	-	-	-	2,951
Gecko Alliance Group inc.	2016	M	14,773	6,482	-	-	21,255
Groupe conseil NOVO SST inc.	2013	S	750	276	-	-	1,026
Jobillico inc.	2015	S	1,020	5,488	-	-	6,508
Latéral Innovations inc.	2019	M	-	250	-	-	250
Nuutok Entreprise inc.	2019	TI	-	515	-	-	515
Qohash inc.	2019	TI	1,000	-	-	-	1,000
Total Capitale-Nationale			20,494	13,011	-	-	33,505
Centre-du-Québec							
Avjet Holding inc.	2009	S	3,732	-	-	-	3,732
CBR Laser inc.	2012	M	-	10,728	-	-	10,728
Citadelle, Maple Syrup producer's Cooperative	2016	M	7,500	-	-	-	7,500
Farinart inc.	2010	M	250	-	-	-	250
Fruit d'or inc.	2018	M	20,000	-	-	-	20,000
Groupe Anderson inc.	2007	M	3,740	-	-	-	3,740
Total Centre-du-Québec			35,222	10,728	-	-	45,950
Chaudière - Appalaches							
Amisco Industries Ltd.	2018	M	17,220	20,000	-	-	37,220
C.I.F. Métal Itée	2005	M	1,008	-	-	-	1,008
Cycles Lambert inc.	2018	S	-	-	3,800	-	3,800
Fournier Industries Group inc.	2013	M	17,000	2,529	-	-	19,529
Fertilec Ltd.	2019	M	-	500	-	-	500
Grondin et Nadeau inc.	2019	S	-	500	-	-	500
Groupe Filgo inc.	2012	S	11,735	-	-	-	11,735
Hortau inc.	2010	M	2,167	-	-	-	2,167
Marquis Book Printing inc.	2007	M	2,850	1,250	-	-	4,100
Total Chaudière - Appalaches			51,980	24,779	3,800	-	80,559
Eastern Townships							
Coopérative funéraire de l'Estrie	2006	S	-	312	-	-	312
Engrenages Sherbrooke inc. (Les)	2013	M	-	131	-	-	131
Exo-s-inc.	2012	M	20,572	2,665	-	-	23,237
FilSpec inc.	2004	M	1,291	-	-	-	1,291
Imprimerie Précé-Grafik inc.	2009	M	1,500	519	-	-	2,019
Kemestrie inc.	2010	TI	528	-	-	-	528
Technic-Eau Drillings inc.	2017	M	12,362	3,858	-	-	16,220
Total Eastern Townships			36,253	7,485	-	-	43,738
Gaspésie-Îles-de-la-Madeleine							
Les Entreprises Leblanc 3 inc.	2018	S	-	500	-	-	500
Total Gaspésie-Îles-de-la-Madeleine			-	500	-	-	500
Lanaudière							
Groupe Composites VCI inc.	2007	M	2,250	117	-	-	2,367
Xpertdoc Technologies inc.	2018	S	3,000	970	-	-	3,970
Total Lanaudière			5,250	1,087	-	-	6,337

Audited schedule of cost of investments impacting the Québec economy
As at June 30, 2019

(in thousands of dollars)

	Initial investment year	Industry segment	Unsecured investments		Secured investments	Total \$
			Common and Preferredshares and funds units \$	Loans, advances and notes \$	Loans, advances and notes \$	
Laval						
lonodes inc.	2019	TI	-	369	-	369
Total Laval			-	369	-	369
Mauricie						
Classement Luc Beaudoin inc. (9289-8907 Qc inc.)	2013	S	-	316	-	316
Innovations Voltflex inc.	2006	M	17	-	-	17
Total Mauricie			17	316	-	333
Montérégie						
9349-6347 Québec inc.	2019	S	-	14,580	-	14,580
9523383 Canada inc. (C.A.T.)	2016	S	8,224	-	-	8,224
A. & D. Prévost inc.	2011	M	5,589	-	-	5,589
A.T.L.A.S. Aéronautique inc.	2010	M	6,000	-	-	6,000
Agropur Coopérative	2014	M	74,947	-	-	74,947
Atis Group inc.	2015	M	34,231	1,769	-	36,000
Câbles Ben-Mor inc. (Les)	2009	M	-	1,431	-	1,431
Investissements Brasco inc.	2009	M	-	674	-	674
Norbec Group inc.	2017	M	7,450	1,200	-	8,650
Novo Poultry inc.	2017	M	1,200	795	-	1,995
NSE Automatech inc.	2013	M	2,639	-	-	2,639
Nutri Group inc.	2018	M	15,000	-	-	15,000
Spectra Premium Industries inc.	2006	M	2,589	-	-	2,589
Unicel Architectural Corp.	2017	M	6,000	1,588	-	7,588
Valtech Fabrication inc.	2017	M	14,891	5,377	-	20,268
Total Montérégie			178,760	27,414	-	206,174
Montréal						
10337803 Canada inc.	2019	S	-	-	2,250	2,250
360 Agency inc.	2016	S	9,950	-	-	9,950
Agriculture Concentric inc.	2018	M	2,468	-	642	3,110
Alaya Care inc.	2019	TI	504	-	-	504
Alithya Group inc.	2015	S	22,217	-	-	22,217
Arbell Electronics inc.	2008	S	-	31	-	31
Courchesne, Larose Itée	2015	M	-	6,624	-	6,624
Emballages Deltapac inc. (Les)	2005	M	42	-	-	42
Emovi inc.	2018	M	824	-	-	824
Entreprise Nexmoov inc.	2018	TI	-	639	-	639
Groupe Solotech inc.	2013	S	23,812	-	-	23,812
Heyday Technologies Inc.	2019	TI	500	-	-	500
Keatext inc.	2018	TI	-	1,059	-	1,059
La Coop fédérée	2005	M	80,000	-	-	80,000
Motorleaf (9337-4791 Québec inc)	2018	TI	866	-	-	866
My Intelligent Machines (MIMs), (9813063 Canada inc)	2019	TI	-	773	-	773
Mylo Financial Technologies inc.	2017	TI	1,000	1,000	-	2,000
nGUVU Technologies inc.	2018	TI	-	264	-	264
Ni2 inc.	2017	TI	5,084	-	932	6,016
Optina Diagnostics inc.	2018	TI	868	-	-	868
Phildan inc.	2015	M	8,250	3,634	-	11,884
Potloc inc.	2018	TI	-	823	-	823
Rekruti Solutions inc.	2018	TI	-	327	-	327
Résidences pour aînés Immo 1ere inc.	2019	S	788	-	-	788
SPB Solutions inc.	2016	M	-	-	933	933
Tekalia Aéronautik (2010) inc.	2019	S	2,613	-	-	2,613
Telecon inc.	2011	S	38,149	-	-	38,149
Thorasys Thoracic Medical Systems inc.	2018	TI	-	558	-	558
Total Montréal			197,935	15,732	4,757	218,424
Nord-du-Québec						
Maple Gold Mines Ltd.	2018	M	150	-	-	150
Sirios Resources inc.	2019	M	150	-	-	150
Total Nord-du-Québec			300	-	-	300

Audited schedule of cost of investments impacting the Québec economy
As at June 30, 2019

(in thousands of dollars)

	Initial investment year	Industry segment	Unsecured investments		Secured investments	Total
			Common and Preferredshares and funds units	Loans, advances and notes	Loans, advances and notes	
			\$	\$	\$	\$
Outaouais						
Agrisoma Biosciences inc.	2018	M	-	-	2,963	2,963
Total Outaouais			-	-	2,963	2,963
Outside of Canada						
Pharmaxis Ltd.	2010	I	2,360	-	-	2,360
Total Outside of Canada			2,360	-	-	2,360
Saguenay-Lac-Saint-Jean						
9366-5099 Québec inc. (La Voie maltée - Laurier)	2018	S	-	-	525	525
Groupe Canmec inc.	2004	M	7,014	-	-	7,014
L.S.M. Son & Lumières inc.	2019	S	-	500	-	500
Nokamic inc.	2010	M	-	-	356	356
Produits sanitaires Lépine inc. (Les)	2010	M	1,431	-	-	1,431
Senneco inc.	2013	S	-	333	-	333
Total Saguenay-Lac-Saint-Jean			8,445	833	881	10,159
Funds						
Capital croissance PME II s.e.c.	2014	F	78,384	-	-	78,384
Desjardins - Innovatech S.E.C.	2005	F	42,659	2,111	-	44,770
Desjardins Capital PME s.e.c.	2018	F	54,800	-	-	54,800
Desjardins Capital Transatlantique, L.P.	2018	F	6,286	-	-	6,286
FIER Partenaires, s.e.c.	2005	F	3,683	-	-	3,683
Fonds de transfert d'entreprise du Québec, s.e.c.	2011	F	2,499	-	-	2,499
Fonds d'investissement MSBI, s.e.c.	2004	F	4,619	-	-	4,619
Fonds d'investissement pour la relève agricole (FIRA)	2011	F	8,990	-	-	8,990
Fonds Ecofuel I S.E.C.	2018	F	536	-	-	536
Luge Investment Fund I, L.P.	2018	F	450	-	-	450
Novacap Industries III, L.P.	2007	F	25	-	-	25
Novacap Technologies III, L.P.	2007	F	-	-	-	-
RVOMTL17 Limited Partnership	2017	F	1,592	-	-	1,592
Siparex Transatlantique - Fonds Professionnel de Capital Investissement	2018	F	1,380	-	-	1,380
Société en commandite Essor et Coopération	2013	F	23,569	-	-	23,569
Total Funds			229,472	2,111	-	231,583
Total cost			766,613	105,071	12,401	884,085

Industry segment legend

M: Manufacturing
S: Services
TI: Technological innovations
F: Funds

The schedule of cost of investments impacting the Québec economy is prepared in accordance with the section 18 of the Regulation respecting Development Capital Investment Fund Continuous Disclosure. This audited schedule of cost of investments impacting the Québec economy provides details, per entity, of the sums invested by Capital régional et coopératif Desjardins. This amount appears in note 7 to the financial statements of CRCD, as at June 30, 2019.

Capital régional et coopératif Desjardins

Statement of other investments
As at June 30, 2019

Statement of other investments (unaudited)
As at June 30, 2019

(in thousands of dollars)

Description	Par value \$	Cost \$	Fair Value \$	
Bonds (60.8%)				
Federal and guaranteed bonds (28.2%)				
Canada Housing Trust	12-15-2021, 1.50%	15,950	15,877	15,899
	12-15-2025, 1.95%	22,387	21,746	22,614
	12-15-2025, 2.25%	10,000	10,185	10,284
	09-15-2026, 1.90%	53,475	52,233	53,812
	06-15-2027, 2.35%	33,335	32,795	34,603
Government of Canada	02-01-2020, 1.25%	2,500	2,493	2,493
	03-01-2024, 2.25%	3,890	4,050	4,039
	06-01-2026, 1.50%	22,000	21,860	22,098
	06-01-2027, 1.00%	101,184	94,963	97,816
	06-01-2028, 2.00%	5,100	5,307	5,331
	06-01-2029, 2.25%	9,870	10,555	10,582
Total federal and guaranteed bonds		279,691	272,064	279,571
Provincial, municipal or guaranteed bonds (16.8%)				
Municipal Finance Authority of British Columbia	10-02-2025, 2.65%	3,000	3,005	3,111
Omers Finance Trust	05-14-2029, 2.60%	800	799	822
OPB Finance Trust	10-25-2026, 2.98%	6,330	6,327	6,638
Province of Alberta	06-01-2025, 2.35%	1,800	1,761	1,841
	06-01-2027, 2.55%	6,600	6,480	6,815
	12-01-2028, 2.90%	1,000	1,000	1,061
Province of British Columbia	06-18-2027, 2.55%	1,500	1,486	1,560
	12-18-2028, 2.95%	4,300	4,328	4,621
Province of Manitoba	06-02-2024, 3.30%	1,850	1,905	1,976
	06-02-2025, 2.45%	6,000	5,874	6,167
	06-02-2027, 2.60%	10,000	9,725	10,338
	06-02-2028, 3.00%	10,400	10,251	11,074
	06-02-2029, 2.75%	5,000	4,984	5,231
Province of New Brunswick	08-14-2027, 2.35%	2,500	2,406	2,531
Province of Newfoundland and Labrador	06-02-2025, 2.30%	4,500	4,367	4,563
Province of Nova Scotia	06-01-2027, 2.10%	3,500	3,388	3,502
Province of Ontario	06-02-2025, 2.60%	20,800	20,493	21,583
	06-02-2026, 2.40%	13,165	12,884	13,503
Province of Québec	09-01-2025, 2.75%	30,000	29,845	31,444
	09-01-2026, 2.50%	9,400	9,253	9,721
Province of Saskatchewan	06-02-2026, 2.55%	7,985	8,051	8,253
	12-02-2028, 3.05%	9,000	9,295	9,661
Total provincial, municipal or guaranteed bonds		159,430	157,907	166,016
Financial institutions bonds (9.0%)				
Bank of Montreal	03-06-2024, 2.85%	1,600	1,600	1,634
	09-11-2024, 2.70%	900	900	927
	12-09-2026, 2.70%	8,300	8,047	8,561
	03-01-2028, 3.19%	4,900	4,874	5,244
bcIMC Realty	12-31-2026, 3.00%	600	600	624
Canadian Imperial Bank of Commerce	06-19-2024, 2.95%	1,250	1,250	1,255
	05-26-2025, 3.30%	6,530	6,590	6,942
Canadian Tire Real Estate Investment Trust	03-01-2026, 3.29%	1,750	1,729	1,782
	09-07-2027, 3.87%	750	750	785
Chartwell Retirement Residences	02-28-2025, 4.21%	200	200	211

Statement of other investments (unaudited)
As at June 30, 2019

(in thousands of dollars)

Description	Par value \$	Cost \$	Fair Value \$	
Financial institutions bonds (cont.)				
Choice Properties Real Estate Investment Trust	12-08-2027, 4.18%	1,600	1,594	1,712
	03-11-2029, 3.53%	1,910	1,910	1,938
CI Financial	06-27-2027, 3.90%	350	340	361
First Capital Realty	04-12-2027, 3.75%	800	800	815
Great-West Lifeco	11-28-2027, 3.34%	500	495	535
Honda Canada Finance	05-23-2025, 3.44%	845	843	889
IGM Financial	10-26-2026, 3.44%	600	590	626
Industrial Alliance Insurance and Financial Services	02-23-2022, 2.64%	300	300	302
Intact Financial Corporation	03-07-2027, 2.85%	1,600	1,600	1,614
John Deere Financial	04-04-2024, 2.46%	90	90	91
Manulife Financial Corporation	08-20-2024, 3.05%	750	725	767
National Bank of Canada	10-28-2019, 2.40%	1,500	1,502	1,502
OMERS Realty	01-23-2024, 2.86%	1,000	987	1,029
	07-04-2027, 3.24%	2,500	2,487	2,643
Riocan Real Estate Investment Trust	02-12-2024, 3.29%	551	537	565
Royal Bank of Canada	02-11-2020, 2.56%	800	803	803
	07-17-2020, 1.92%	1,000	993	1,000
	07-16-2025, 4.93%	1,500	1,643	1,733
Scotiabank	06-28-2024, 2.29%	6,800	6,522	6,863
	12-02-2026, 2.62%	900	867	924
	09-06-2027, 4.25%	1,900	1,871	1,958
	02-02-2028, 3.10%	6,000	5,968	6,379
SmartCentres Real Estate Investment Trust	09-21-2027, 3.83%	1,500	1,465	1,554
TMX Group	10-11-2024, 3.00%	250	250	256
Toronto Dominion Bank	02-18-2020, 2.55%	1,500	1,505	1,506
	03-08-2024, 2.85%	2,500	2,512	2,557
	07-24-2024, 3.23%	8,190	8,190	8,650
	07-25-2024, 3.22%	3,150	3,122	3,225
	12-02-2024, 2.50%	2,220	2,220	2,233
	01-26-2027, 3.06%	3,640	3,639	3,652
Toyota Credit Canada	07-24-2020, 2.12%	1,600	1,601	1,600
	03-27-2024, 2.64%	500	500	508
Total financial institutions bonds		85,626	85,011	88,755
Corporate bonds (6.8%)				
407 International	02-04-2027, 2.43%	1,650	1,555	1,669
Alectra	02-17-2027, 2.49%	1,000	950	1,008
Algonquin Power & Utilities	11-17-2026, 4.09%	400	392	423
	10-29-2028, 4.60%	2,900	2,899	3,136
AltaGas	10-15-2024, 3.84%	1,000	1,030	1,045
AltaLink	02-28-2026, 2.75%	1,360	1,342	1,407
Bell Canada	05-12-2026, 2.90%	2,900	2,740	2,928
	06-29-2027, 3.60%	2,000	1,946	2,104
Brookfield Asset Management	12-16-2026, 3.80%	2,950	2,819	3,077
Brookfield Infrastructure Partners	12-22-2023, 3.32%	800	781	816
	06-11-2028, 4.19%	750	732	784
Brookfield Renewable Energy Partners	03-02-2025, 3.75%	750	750	784

Statement of other investments (unaudited)
As at June 30, 2019

(in thousands of dollars)

Description	Par value \$	Cost \$	Fair Value \$	
Corporate bonds (cont.)				
Enbridge	09-02-2019, 4.77%	60	60	
	08-19-2024, 3.95%	750	759	
	06-29-2025, 3.45%	250	248	
	05-10-2026, 3.00%	1,000	967	
	03-08-2027, 3.20%	1,000	968	
	09-27-2027, 5.38%	1,700	1,700	
	04-12-2028, 6.63%	750	750	
	11-22-2028, 3.52%	800	800	
Enbridge Gas Distribution	06-11-2025, 3.31%	2,000	2,005	
FortisAlberta	06-30-2024, 3.30%	250	250	
FortisBC Energy	01-08-2026, 2.58%	975	952	
Greater Toronto Airports Authority	01-03-2029, 2.73%	580	580	
Hydro One	03-05-2024, 2.54%	5,760	5,757	
	11-26-2025, 2.77%	3,150	3,115	
Inter Pipeline	02-18-2024, 2.73%	1,000	1,000	
	12-24-2024, 3.17%	1,000	1,000	
Loblaw Companies Ltd	05-10-2024, 3.92%	180	181	
	09-11-2028, 4.49%	1,100	1,121	
Lower Mattagami Energy	10-21-2026, 2.31%	300	282	
Metro	09-06-2027, 3.39%	470	470	
North West Redwater Partnership	01-24-2026, 3.20%	2,000	1,980	
	03-01-2027, 2.80%	2,543	2,460	
Pembina Pipeline	05-11-2026, 3.71%	1,150	1,171	
	03-15-2027, 4.24%	2,300	2,341	
Reliance	01-15-2025, 3.84%	1,110	1,101	
	01-15-2026, 3.75%	370	369	
Rogers Communications	02-01-2029, 3.25%	1,600	1,596	
Saputo	06-14-2025, 3.60%	550	543	
Shaw Communications	12-01-2026, 3.80%	500	490	
TELUS	10-17-2024, 3.75%	1,800	1,804	
	12-10-2025, 3.75%	1,000	993	
	05-08-2026, 2.75%	1,120	1,119	
	12-01-2027, 3.63%	1,500	1,473	
Toromont Industries	06-30-2025, 3.71%	300	308	
	07-27-2027, 3.84%	750	750	
TransCanada PipeLines	04-17-2025, 3.30%	1,500	1,488	
TransCanada Trust	05-18-2027, 4.65%	1,000	902	
Union Gas	06-17-2025, 3.19%	1,000	997	
	08-22-2027, 2.88%	1,000	973	
Westcoast Energy	09-08-2025, 3.77%	1,160	1,161	
Total corporate bonds		65,788	64,920	68,246
Total bonds		590,535	579,902	602,588
Money market instruments (2.1%)				
Bank of Montreal	07-19-2019, 1.80%	800	799	799
	05-22-2020, 2.00%	1,500	1,473	1,473
Canadian Imperial Bank of Commerce	09-30-2019, 1.94%	900	896	896
	12-02-2019, 1.85%	750	744	744
Énergir	07-31-2019, 1.81%	2,500	2,496	2,496
Greater Toronto Airports Authority	08-06-2019, 1.90%	1,500	1,497	1,497
National Bank of Canada	09-18-2019, 1.82%	1,100	1,096	1,096

Statement of other investments (unaudited)
As at June 30, 2019

(in thousands of dollars)

Description	Par value \$	Cost \$	Fair Value \$
Money market instruments (cont.)			
Province of Manitoba	09-04-2019, 1.74%	1,000	997
	09-18-2019, 1.75%	4,250	4,232
Province of Ontario	11-27-2019, 1.77%	1,000	993
Royal Bank of Canada	06-24-2020, 1.92%	1,800	1,766
Scotiabank	09-17-2019, 1.82%	1,300	1,295
	05-21-2020, 2.02%	1,300	1,277
Toronto Dominion Bank	12-27-2019, 1.85%	1,000	991
Total money market instruments		20,700	20,552
Foreign exchange contracts (0.0%)			
Fédération des caisses Desjardins du Québec	09-30-2019, 1.30924 CAD/US	60,600	0
	09-30-2019, 1.50025 EUR/CA	4,520	0
Total foreign exchange contracts		65,120	0
Number of units			
Canadian Equity Funds (7.5%)			
BMO Low Volatility Equity ETF		1,484	33,037
Fidelity Canadian Low Volatility Equity Institutional Trust		2,614	32,461
Total canadian equity funds		65,498	73,964
Global Equity Funds (16.4%)			
Desjardins Global Dividend Fund		3,856	75,927
Desjardins IBrix Low Volatility Global Equity Fund		6,539	76,424
Total global equity funds		152,351	162,990
Market Neutral Equity Funds (3.1%)			
CC&L Q Market Neutral Fund		97	20,040
DGIA Canadian Equity Market Neutral Fund		981	10,090
Total market neutral equity funds		30,130	30,560
Real Estate Funds (10.1%)			
Bentall Kennedy Prime Canadian Property Fund		6,106	48,699
Fiera Properties CORE Fund		42	46,888
Total real estate funds		95,587	100,188
Total other investments (100.0%)		944,020	990,956

Capital régional et coopératif Desjardins

Index of the Company's share in investments made
by specialized funds and partner funds, at cost
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Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)

As at June 30, 2019

(in thousands of dollars)

Information from Annual Financial Report dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans and advances \$	Loans and advances \$	
31/12/2018 Capital croissance PME s.e.c.	50.00				
Abitibi-Témiscamingue					
2637-1914 Québec inc. (Télévision J. R.)		-	-	11	11
9265-0381 Québec inc. (Barbin Sport)		-	21	-	21
Abitibi Géophysique inc.		-	151	-	151
Cartier Resources inc.		44	-	-	44
Hôtel Forestel Val d'Or inc.		-	651	-	651
Total Abitibi-Témiscamingue		44	823	11	878
Bas-Saint-Laurent					
9048-3538 Québec inc. (Matane Honda) (9244-9396 Qc inc.)		-	74	-	74
Gestion Rima 2013 inc. (Sani-Manic inc.)		-	-	216	216
Total Bas-Saint-Laurent		-	74	216	290
Canada Hors Québec et Ontario					
Eldorado Gold Corporation		57	-	-	57
Total Canada Hors Québec et Ontario		57	-	-	57
Capitale-Nationale					
9101-2492 Québec inc. (Centre médical Le Mesnil)		-	13	-	13
Planifika inc.		-	-	119	119
Radio-Onde inc.		750	-	-	750
Total Capitale-Nationale		750	13	119	882
Centre-du-Québec					
2543-6205 Québec inc. (Groupe MBI)		-	-	190	190
2681871 Canada inc. (Voyages Escapades Victoriaville)		-	78	-	78
Fromagerie L'Ancêtre inc.		-	89	-	89
Total Centre-du-Québec		-	167	190	357
Chaudière - Appalaches					
Autobus Fleur de Lys inc.		-	-	8	8
Entreprises de services BCE Pharma inc. (Les)		-	-	77	77
Fenêtres Sélection inc.		-	36	-	36
Gesdix inc.		-	87	-	87
Humaco Acoustique inc.		-	82	-	82
Investissements Mika inc. (Les)		-	-	216	216
Productions Horticoles Demers (Les)		250	-	-	250
Serres Demers inc. (Les)		-	-	350	350
Umano Médical inc.		-	57	-	57
Total Chaudière - Appalaches		250	262	651	1,163

**Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)
As at June 30, 2019**

(in thousands of dollars)

Information from Annual Financial Report dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans and advances \$	Loans and advances \$	
31/12/2018 Capital croissance PME s.e.c. (cont.)	50.00				
Côte-Nord					
9160-7671 Québec inc. (Pétroles MB)		600	-	-	600
Carrosserie Baie-Comeau inc.		-	-	58	58
Construction Leclerc et Pelletier inc.		-	-	10	10
Entreprises G.M. Mallet inc. (Les)		-	-	86	86
Hôtel Motel Le Q'Artier des Îles inc.		-	-	155	155
Sécurgence inc.		-	-	114	114
Total Côte-Nord		600	-	423	1,023
Eastern Townships					
6358331 Canada inc. (Groupe OEM)		458	-	-	458
Innotex inc.		-	121	-	121
Postech Screw Piles inc.		-	459	-	459
S.E.2 inc.		125	-	-	125
Total Eastern Townships		583	580	-	1,163
Funds					
Fonds Prêt à Entreprendre, s.e.c.		408	-	-	408
Total Funds		408	-	-	408
Laval					
8376905 Canada inc. (Paramédic)		-	202	-	202
Total Laval		-	202	-	202
Mauricie					
Ateliers de l'électro-ménager R. Vallée inc.		75	-	71	146
Investissements Bédard-Hallé inc.		-	-	539	539
Total Mauricie		75	-	610	685
Montérégie					
9120-6094 Québec inc. (Lanla)		-	20	-	20
9223-5845 Québec inc. (Autobus Dufresne)		-	-	225	225
Câbles Ben-Mor inc. (Les)		-	-	676	676
Comax, coopérative agricole		900	-	-	900
Hygie Canada inc.		-	-	348	348
Industries M.R. inc. (Les)		-	-	63	63
Plomberie St-Luc inc.		-	180	-	180
Total Montérégie		900	200	1,312	2,412

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(in thousands of dollars)

Information from Annual Financial Report dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans and advances \$	Loans and advances \$	
31/12/2018 Capital croissance PME s.e.c. (cont.)	50.00				
Montréal					
9106-7645 Québec inc. (Vidéo MTL)		-	1,339	-	1,339
9228-6384 Québec inc. (Sid Lee Technologies)		-	-	300	300
Alta Précision inc.		1,500	-	510	2,010
Balcon Idéal inc.		-	147	-	147
CTA de Negotium		-	585	-	585
DEK Canada inc.		518	163	-	681
Ge-ber Transport inc.		-	-	69	69
LVL Studio inc.		625	-	878	1,503
Total Montréal		2,643	2,234	1,757	6,634
Nord-du-Québec					
9223-3196 Québec inc. (Rona)		-	72	-	72
GeoMegA Resources inc.		18	-	-	18
Midland Exploration inc.		71	-	-	71
Némaska Lithium inc.		9	-	-	9
Total Nord-du-Québec		98	72	-	170
Outaouais					
Gestion S. Kelly (Métro Kelly)		300	-	500	800
Total Outaouais		300	-	500	800
Saguenay-Lac-Saint-Jean					
2737-2895 Québec Inc. (Distribution Fromagerie Boivin)		-	-	41	41
4145275 Canada inc. (Chlorophylle)		200	-	145	345
8439117 Canada inc. (RSI Environnement)		-	195	-	195
9244-7770 Québec inc. (La Voie Maltée)		-	-	59	59
Cuisines G.B.M. inc. (Les)		-	6	-	6
Denis Lavoie & fils ltée		-	-	188	188
Garage Georges Beaudoin inc.		-	-	28	28
Location A.L.R. inc.		-	-	231	231
Messagerie du Fjord inc.		-	-	296	296
Métatube (1993) inc.		-	79	-	79
Sécur inc.		-	63	-	63
Sports Guy Dumas inc.		36	-	-	36
Théka Industries inc.		-	170	-	170
Total Saguenay-Lac-Saint-Jean		236	513	988	1,737
		6,944	5,140	6,777	18,861
Funds committed but not disbursed					134
Total Capital croissance PME s.e.c.					18,995

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(in thousands of dollars)

Information from Annual Financial Report dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans and advances \$	Loans and advances \$	
31/12/2018	Capital croissance PME II s.e.c.	50.00			
	Abitibi-Témiscamingue				
	9063-7547 Québec inc. (Usinage Laquerre)	800	600	-	1,400
	9207-6553 Québec inc. (Pizzeria Noranda)	-	-	5	5
	9222-0201 Québec inc. (Location Dumco)	-	105	-	105
	Abitibi Géophysique inc.	-	69	-	69
	Ace services mécaniques inc.	-	57	-	57
	Autobus Maheux Itée (Les)	-	975	-	975
	Cartier Resources inc.	87	-	-	87
	Centre de camping et propane Amos	-	296	-	296
	Construction Gaston Proulx et Frères inc.	-	54	123	177
	Corporation aurifère Monarques	158	-	-	158
	Falco Resources Ltd	142	-	-	142
	Gestion Martin Dandurand inc.	-	50	-	50
	Groupe Minier CMAc - Thyssen Mining Group	-	66	-	66
	Hôtel des Eskers inc.	-	185	-	185
	Maison des Viandes inc.	-	248	-	248
	Menuiserie Jalbert inc.	-	101	-	101
	Osisko Mining inc.	52	-	-	52
	Probe Metals inc.	88	-	-	88
	Ressources minières Radisson inc.	155	-	-	155
	Yorbeau Resources inc.	53	-	-	53
	Total Abitibi-Témiscamingue	1,535	2,806	128	4,469
	Bas-Saint-Laurent				
	9091-4532 Québec inc. (Cotech)	-	365	-	365
	9164-1134 Québec inc. (Kia Matane)	-	-	110	110
	9188-1441 Québec inc. (Caravane Rimouski)	-	101	-	101
	Bouffard Sanitaire inc.	-	-	327	327
	Gestion AFM-Séma inc.	978	226	-	1,204
	Gestion Brasa inc.	-	190	1,166	1,356
	Gestion Rima 2013 inc. (Sani-Manic inc.)	-	-	70	70
	Groupe PVP inc.	250	-	-	250
	Les Finesses d'Alsace inc.	-	84	-	84
	Location Jesna inc.	-	-	175	175
	Produits métalliques Pouliot Machinerie inc.	-	-	492	492
	Service Diron inc.	-	141	-	141
	Total Bas-Saint-Laurent	1,228	1,107	2,340	4,675

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Information from Annual Financial Report dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans and advances \$	Loans and advances \$	
31/12/2018	Capital croissance PME II s.e.c. (cont.)	50.00			
	Capitale-Nationale				
	9166-4789 Québec inc. (Re/max Référence 2000)	-	-	300	300
	9265-1934 Québec inc. (Centurion Fondation)	-	-	174	174
	9295-4874 Québec inc. (Maison de l'homéopathie de Québec)	-	141	-	141
	9348-0648 Québec inc. (Gestion C.C. Blouin inc.)	-	-	174	174
	Capilex-Beauté Itée	-	-	462	462
	DMB Distribution alimentaire inc.	1,312	221	-	1,533
	Groupe Restos Plaisirs inc. (Le)	-	1,438	-	1,438
	Lasertech industries inc.	-	280	-	280
	Matériaux Blanchet inc.	-	-	767	767
	Multi Options Nursing inc.	-	115	-	115
	Panthera Dental inc.	188	-	-	188
	Pol R Entreprises inc.	2,713	-	-	2,713
	R. Bouffard & Fils inc.	-	-	416	416
	Ruchers Promiel inc. (Les)	-	316	-	316
	Ventilation CDR inc.	-	196	-	196
	Vitrierie Lepage (1995) inc.	205	-	-	205
	Total Capitale-Nationale	4,418	2,707	2,293	9,418
	Centre-du-Québec				
	9138-4529 Québec inc. (GG Telecom)	1,800	-	-	1,800
	9324-9605 Québec inc. (Préscolaire Vision)	84	-	-	84
	Advantag Canada inc.	-	93	242	335
	Davinci Compass inc.	-	-	369	369
	Distribution Pro-Excellence	-	350	-	350
	Fromagerie L'Ancêtre inc.	-	107	-	107
	Lacal Technologie inc.	-	320	-	320
	NMédia Solutions inc.	-	53	-	53
	Produits Mobilicab Canada inc.	-	-	1,474	1,474
	Reflec inc.	-	187	-	187
	Remorques Leblanc (2010) (Bec-Chine inc.)	103	-	-	103
	Sipromac II inc.	-	-	266	266
	Total Centre-du-Québec	1,987	1,110	2,351	5,448
	Chaudière - Appalaches				
	Acriart inc.	-	-	5	5
	Emballages E.B. Itée (Les)	-	344	-	344
	F. Charest Itée	-	-	658	658
	Gestion Maître C inc.	1,695	-	-	1,695
	Groupe Audaz inc.	-	150	-	150
	Humaco Acoustique inc.	-	333	-	333
	I. Thibault inc.	-	37	-	37
	Industries et équipements Laliberté (Les)	-	432	-	432
	Lou-Tec Group inc.	-	288	-	288
	Productions Horticoles Demers (Les)	188	768	-	956
	Résidence intermédiaire Fortier inc.	-	105	-	105
	Techno-Moules P.L.C. inc.	-	-	46	46
	Transport St-Agapit inc.	-	-	391	391
	Total Chaudière - Appalaches	1,883	2,457	1,100	5,440

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Information from Annual Financial Report dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans and advances \$	Loans and advances \$	
31/12/2018 Capital croissance PME II s.e.c. (cont.)	50.00				
Côte-Nord					
9074-9664 Québec inc. (Portes et fenêtres Vaillancourt)		-	-	64	64
9160-7671 Québec inc. (Pétroles MB)		-	132	-	132
Caroline Tremblay, CPA inc.		-	-	107	107
Construction Leclerc et Pelletier inc.		-	-	125	125
Total Côte-Nord		-	132	296	428
Eastern Townships					
6358331 Canada inc. (Groupe OEM)		-	120	-	120
Attraction inc.		-	338	-	338
Avizo Consulting inc.		-	300	-	300
Éco-Pak inc. (9316-3251 Québec inc.)		-	-	406	406
Fruits et légumes de l'Estrie (Les)		-	76	-	76
Innotex inc.		-	156	-	156
Khrome Product - Transport (KPT) inc.		-	330	-	330
Nautic & Art inc.		-	-	423	423
Postech Screw Piles inc.		375	488	-	863
S.E.2 inc.		125	-	-	125
Sherlic inc.		350	-	-	350
Spécialités industrielles Sherbrooke inc.		-	25	-	25
Total Eastern Townships		850	1,833	829	3,512
Gaspésie-Îles-de-la-Madeleine					
9088-6086 Québec inc. (Subaru New Richmond)		-	-	170	170
9144-3036 Québec inc. (Navigue.com)		-	296	-	296
Construction L.F.G. inc.		-	-	1,271	1,271
Entreprises Larebel inc. (Les)		-	188	-	188
Hôtel Baker Itée		125	-	-	125
Total Gaspésie-Îles-de-la-Madeleine		125	484	1,441	2,050
Lanaudière					
Artotech Integration inc.		-	-	38	38
Centre Nouvelle-Vie		-	-	286	286
Cryos Technologies inc.		812	537	-	1,349
La Fromagerie Champêtre inc.		911	-	-	911
Nouveau Monde Graphite inc.		193	-	-	193
Produits de Métal Pointech inc.		-	-	243	243
Total Lanaudière		1,916	537	567	3,020
Laurentians					
9317-5602 Québec inc. (Marché Leblanc inc.)		-	236	-	236
Alimenteurs Orientech inc.		-	132	-	132
Jean-Jacques Campeau inc.		2,000	480	-	2,480
Multi Online Distribution inc.		-	658	-	658
Technoflex International inc.		350	278	-	628
Total Laurentians		2,350	1,784	-	4,134

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Information from Annual Financial Report dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans and advances \$	Loans and advances \$	
31/12/2018 Capital croissance PME II s.e.c. (cont.)	50.00				
Laval					
8376905 Canada inc. (Paramédic)		-	236	-	236
Groupe Lumain inc.		-	-	1,780	1,780
Marina Del Rey Foods inc.		-	167	-	167
Norseco inc.		-	360	-	360
Numesh inc.		-	1,500	-	1,500
Total Laval		-	2,263	1,780	4,043
Mauricie					
Ateliers de l'électro-ménager R. Vallée inc.		-	-	57	57
Maison Isabelle inc.		-	160	-	160
Maison Jamy inc.		-	22	91	113
Placements Le Belvédère inc.		-	720	3,125	3,845
Premont Foods inc.		-	277	-	277
Somnus Société de gestion inc.		-	-	216	216
Total Mauricie		-	1,179	3,489	4,668
Montérégie					
3087-9894 Québec inc. (Habitations Trigone)		-	-	225	225
9008-7826 Québec inc. (Habitations Trigone)		-	-	225	225
9020-5758 Québec inc. (AVRIL)		-	1,450	-	1,450
9120-6094 Québec inc. (Lanla)		1,571	-	250	1,821
9223-5845 Québec inc. (Autobus Dufresne)		-	112	-	112
9286-9890 Québec inc. (Groupe Surmesure)		-	480	-	480
9361-4857 Québec inc. (Acam Transport inc.)		-	-	1,500	1,500
Acema Importations inc.		-	66	-	66
Alarme S.P.P. inc.		-	-	109	109
Autobus Bibeau inc.		-	169	-	169
Brosses Lacasse inc. (Les)		-	-	86	86
Constructions 3P inc.		-	372	-	372
Corflex Partitions inc.		-	788	-	788
Éclairages Électroniques C.B.M. inc. (Les)		-	176	-	176
Groupe Bertrand Éditeurs inc.		-	-	278	278
Groupe Grégor inc.		-	-	1,136	1,136
Groupe Thomas Marine inc.		-	-	550	550
Habitations Deschênes et Pépin inc. (Les)		-	1,767	-	1,767
Helios Group inc.		1,500	696	-	2,196
Industries B. Rainville inc.		-	-	210	210
Logicmed inc.		-	-	338	338
Mométal Structures inc.		-	1,000	-	1,000
MTL Technologies inc.		-	365	-	365
Placements F.I. inc.		-	516	-	516
Pro Action Diesel inc.		-	-	195	195
Rotoplast inc.		-	515	-	515
W. Côté & fils ltée		-	750	-	750
Total Montérégie		3,071	9,222	5,102	17,395

Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)

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(in thousands of dollars)

Information from Annual Financial Report dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans and advances \$	Loans and advances \$	
31/12/2018 Capital croissance PME II s.e.c. (cont.)	50.00				
Montréal					
3236013 Canada inc. (Planète Mobile)		-	-	400	400
9041-9680 Québec inc. (Alco Transport)		-	125	-	125
9168-5909 Québec inc. (Piknic Électronik inc.)		-	-	167	167
9272-6751 Québec inc. (Studio de Yoga Wanderlust)		-	90	-	90
9303-6408 Québec inc. (Atelier d'usinage de précision Innova)		-	-	138	138
Alta Précision inc.		200	-	-	200
Azimet Exploration inc.		158	-	-	158
C.R.H. Oral Design inc.		-	207	-	207
Corporation Ressources Pershimex (ex Exploration Khalkos)		50	-	-	50
CDREM Group inc.		-	400	-	400
Datsit Sphère inc.		1,000	1,402	-	2,402
Éditions Info Presse inc.		-	262	-	262
Faspac Plastiks inc.		-	475	-	475
G. & S. Fer-Aluminium inc.		-	338	-	338
Gorski Group Ltd		-	686	-	686
Groupe Bugatti inc. (Le)		-	1,488	-	1,488
Groupe Shemie inc.		-	-	858	858
JSS Medical Research inc.		2,000	367	-	2,367
M.C. Crystal inc.		-	-	250	250
Masdel inc.		725	1,004	-	1,729
Multiforme Métal inc.		-	-	500	500
Oboxmedia inc.		-	322	-	322
Reftech international inc.		-	-	206	206
Total Montréal		4,133	7,166	2,519	13,818
Nord-du-Québec					
9223-3196 Québec inc. (Rona)		-	-	200	200
9249-2206 Québec inc. (Construction Baie-James inc.)		-	112	-	112
Dios Exploration inc.		62	-	-	62
GeoMegA Resources inc.		164	-	-	164
Harfang Exploration inc.		107	-	-	107
Kintavar Exploration inc.		156	-	-	156
Midland Exploration inc.		76	-	-	76
Sirios Resources inc.		144	-	-	144
Société d'exploration minière Vior inc.		63	-	-	63
Sphinx Resources Ltd		50	-	-	50
Stelmine Canada Ltd		101	-	-	101
Tarku Resources Ltd		50	-	-	50
X-Terra Resources inc.		112	-	-	112
Total Nord-du-Québec		1,085	112	200	1,397

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(in thousands of dollars)

Information from Annual Financial Report dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units	Loans and advances \$	Loans and advances \$	
31/12/2018	Capital croissance PME II s.e.c. (cont.)	50.00			
	Saguenay-Lac-Saint-Jean				
	130395 Canada inc. (Nordex inc.)	1,875	-	-	1,875
	2526-0100 Québec inc. (Terrassement J. Fortin)	-	-	379	379
	2737-2895 Québec inc. (Distribution Fromagerie Boivin)	-	-	69	69
	2956-7062 Québec inc. (NAPA La Baie)	-	49	-	49
	4145275 Canada inc. (Chlorophylle)	-	75	-	75
	9165-8021 Québec inc. (Transport R.C.I.)	-	200	-	200
	9182-6032 Québec inc. (La Bonne Patate)	-	-	103	103
	9216-3146 Québec inc. (Voie Maltée Brasserie)	-	-	73	73
	9244-7770 Québec inc. (Voie Maltée)	-	-	7	7
	9280-3162 Québec inc. (Transport Réal Villeneuve inc.)	-	250	-	250
	9328-9486 Québec inc. (Dém.et Exc. Démex inc. et Centrem)	390	198	-	588
	9348-0739 Québec inc. (Voie Maltée Usine)	-	-	150	150
	9365-4606 Québec inc. (Voie Maltée Holding)	825	-	-	825
	Cervo-Polygaz inc.	-	-	169	169
	Clinique médicale privée Opti-Soins inc.	-	473	-	473
	Communications Télésignal inc.	337	-	-	337
	Constructions Fabmec inc.	-	-	319	319
	Déménagement Tremblay Express Itée (Les)	250	-	175	425
	Dery Telecom inc.	-	-	1,785	1,785
	Équipements industriels Barsatech inc.	-	-	218	218
	Équipements Villeneuve inc.	-	496	-	496
	Fenêtres Réjean Tremblay inc. (Les)	-	320	-	320
	Flash Néon inc.	-	-	128	128
	Foresco Holding inc.	-	209	-	209
	Gestion R. et G.G. inc.	2,000	-	-	2,000
	Groupe E.D.S. inc.	-	107	-	107
	Imprimeurs Associés ICLT-Commerciale inc. (Les)	-	128	-	128
	Industries G.R.C. inc. (Les)	-	100	-	100
	Mermax inc.	-	-	120	120
	Messagerie du Fjord inc.	-	34	-	34
	Métatube (1993) inc.	-	150	-	150
	Pavillon des Mille Fleurs inc.	-	-	2,250	2,250
	Restaurant La Cuisine inc.	-	128	-	128
	Sécuor inc.	-	150	90	240
	Taimi R & D inc.	-	154	-	154
	Télénet Informatique inc.	500	96	-	596
	Total Saguenay-Lac-Saint-Jean	6,177	3,317	6,035	15,528
		30,758	38,216	30,470	99,443
	Funds committed but not disbursed				140
	Total Capital croissance PME II s.e.c.				99,583

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(in thousands of dollars)

Information from Annual Financial Report dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans and advances \$	Loans and advances \$	
31/12/2018 Desjardins Capital PME, S.E.C.	40.00				
Abitibi-Témiscamingue					
2732-2304 Québec inc. (Location Dion)		-	720	-	720
Groupe Minier CMAC - Thyssen Mining Group		-	1,600	-	1,600
Perseus Services-Conseils inc.		-	80	-	80
Total Abitibi-Témiscamingue		-	2,400	-	2,400
Bas-Saint-Laurent					
9024-0177 Québec inc. (Transport Stéphane Ross)		-	192	-	192
Bouffard Sanitaire inc.		-	120	240	360
La Maison du Lac Témiscouata inc.		-	120	-	120
Les Conteneurs Verts inc.		-	-	280	280
Les Finesses d'Alsace inc.		-	49	-	49
Transport Gérard Hallé inc.		-	190	-	190
Total Bas-Saint-Laurent		-	671	520	1,191
Capitale-Nationale					
Oricom Internet inc.		310	297	-	607
Produits Pâtisserie Michaud inc.		-	140	-	140
Total Capitale-Nationale		310	437	-	747
Centre-du-Québec					
Ferblanterie Gilles Laliberté inc.		-	354	-	354
Total Centre-du-Québec		-	354	-	354
Chaudière - Appalaches					
Ancia Personnel inc.		-	238	-	238
Total Chaudière - Appalaches		-	238	-	238
Gaspésie-Îles-de-la-Madeleine					
9368-8828 Québec inc. (Danis Renaud Pêcheur de Homard)		-	252	-	252
Total Gaspésie-Îles-de-la-Madeleine		-	252	-	252
Lanaudière					
EEGT inc.		-	-	300	300
Paul Arbec inc.		-	3,600	-	3,600
PEL International Furniture Ltd		-	300	-	300
Total Lanaudière		-	3,900	300	4,200
Laval					
L. Nardella Associates Ltd		640	1,400	-	2,040
Total Laval		640	1,400	-	2,040

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Information from Annual Financial Report dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units	Loans and advances \$	Loans and advances \$	
31/12/2018 Desjardins Capital PME, S.E.C. (cont.)	40.00				
Montérégie					
3894207 Canada inc. (Barbies TM)		-	200	-	200
9341-3292 Québec inc. (Keg Management)		-	400	-	400
Asselin Mécanique Industrielle inc.		-	715	-	715
Bigo inc.		-	201	-	201
Éveil des Sens Inc.		-	200	-	200
Total Montérégie		-	1,716	-	1,716
Montréal					
3236013 Canada inc. (Planète Mobile)		-	-	480	480
9115-7115 Québec inc. (Résidence des Bâisseurs, Sept-Îles)		-	-	800	800
Azur Group inc.		600	-	-	600
DEK Canada inc.		-	100	-	100
Disprotech inc.		-	-	280	280
Groupe Shemie inc.		-	-	1,800	1,800
IP4B inc.		-	300	-	300
Multiforme Métal inc.		-	-	94	94
Reftech International Maintenance inc.		-	-	400	400
Résidences pour aînés Immo 1ere inc.		3,800	-	-	3,800
Total Montréal		4,400	400	3,854	8,654
Saguenay-Lac-Saint-Jean					
2724600 Canada ltée (Industries Soudex)		-	80	-	80
2331-8884 Québec inc. (Avantage Logistic Group)		240	-	-	240
Câble-Axion Digitel inc.		-	-	1,950	1,950
Clinique médicale privée Opti-Soins inc.		-	268	-	268
Groupe ATCO inc.		-	180	-	180
Société en commandite Lokia Trois-Rivières		-	-	2,043	2,043
STC Manufacturier inc.		-	120	-	120
Total Saguenay-Lac-Saint-Jean		240	648	3,993	4,881
		5,590	12,416	8,667	26,673
Funds committed but not disbursed					4,232
Total Desjardins Capital PME, S.E.C.					30,905

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Information from Annual Financial Report dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans and advances \$	Loans and advances \$	
31/12/2018 Desjardins Capital Transatlantique s.e.c	60.67				
Outside of Canada					
Apside Advance		1,430	374	-	1,804
Texelis Fintex		779	-	-	779
Texelis Mobilitex		-	1,529	-	1,529
Total Outside of Canada		2,209	1,903	-	4,112
Funds committed but not disbursed					-
Total Desjardins Capital Transatlantique s.e.c					4,112

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Information from Annual Financial Report dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans and advances \$	Loans and advances \$	
31/12/2018	Desjardins – Innovatech S.E.C.	54.49			
	7525443 Canada inc. (Inflotrolix)	400	-	-	400
	9088-9148 Québec inc. (Usinage SM)	-	153	-	153
	9310-3760 Québec inc. (Rhéabrio Interface Corporelle)	-	72	-	72
	9324-2568 Québec inc. (Manutech)	-	141	-	141
	9360-4742 Québec inc. (Longpré BP)	-	69	-	69
	9813063 Canada inc. (My Intelligent Machines)	-	143	-	143
	A3 Surfaces inc.	-	82	-	82
	Agriculture Concentric inc.	2,866	-	-	2,866
	Airex Énergie inc.	1,448	-	-	1,448
	Alaya Care inc.	136	-	-	136
	Albert Perron inc.	470	-	-	470
	Ananda Devices inc.	-	148	-	148
	AppMed inc.	-	74	-	74
	AxesNetwork Solutions inc.	1,933	721	-	2,654
	Biocéan Canada inc.	272	54	-	326
	Biomomentum inc.	-	151	-	151
	CmLabs Simulations inc.	817	-	272	1,089
	Delve Laboratories inc.	664	180	-	844
	Dymedso inc.	-	142	-	142
	E2Metrix inc.	348	545	-	893
	Emovi inc.	-	152	-	152
	Énergie Solutions Air (ESA)	-	136	-	136
	FjordAI Aluminium inc.	163	-	-	163
	Fonds Entrepia Nord, s.e.c. (Le)	305	-	-	305
	Fonds Innovexport s.e.c.	974	-	-	974
	Fond-vers inc.	-	52	-	52
	Global LVL inc.	191	-	-	191
	Greybox Solutions inc.	-	72	-	72
	Groupe Icible inc.	-	136	-	136
	Groupe Minier CMAC - Thyssen Mining Group	-	72	-	72
	Gullivert Technologies inc.	109	-	-	109
	Hortau inc.	368	-	-	368
	Imagia Cybernetics inc.	1,333	-	-	1,333
	Imeka Solutions inc.	-	205	-	205
	Inno-3B inc.	-	288	-	288
	Innomalt inc.	-	250	-	250
	Innovative Imaging Technologies inc. (IIT)	1,090	-	-	1,090
	Interactive Validated Solutions 88 Inc.	1,143	-	-	1,143
	Ionodes inc.	316	-	-	316
	Kinesiq inc.	-	145	-	145
	Kube Innovation inc.	-	72	-	72
	Laboratoire M2 inc.	817	-	164	981
	Laserax inc.	1,880	-	-	1,880
	Leadfox technologie inc.	-	210	-	210
	LeddarTech inc.	714	1,047	-	1,761
	Mobilus Technologies inc.	-	96	-	96

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Information from Annual Financial Report dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units	Loans and advances \$	Loans and advances \$	
31/12/2018 Desjardins – Innovatech S.E.C. (cont.)	54.49				
nGUVU Technologies inc.		817	-	-	817
Nippon Dragon Resources inc.		178	-	-	178
o3d inc.		-	74	-	74
Optina Diagnostics inc.		148	-	-	148
OXO Fab inc.		-	145	-	145
OxyNov inc.		611	-	-	611
Prevec Microbia inc.		2,094	-	-	2,094
Produits forestiers LAMCO inc.		311	-	-	311
Rekruti Solutions inc.		-	272	-	272
Société de gestion de projets Ecotierra inc.		296	-	-	296
Technologies Intelia inc.		235	288	-	523
Thorasys Thoracic Medical Systems inc.		-	301	-	301
TSO3 inc.		773	-	-	773
Umanx inc.		-	594	-	594
VIMAC Early Stage Fund L.P.		611	-	-	611
Voltra Technologie - Réseau Synapse inc.		-	44	-	44
		24,831	7,326	436	32,593
Funds committed but not disbursed					2,598
Total Desjardins - Innovatech S.E.C.					35,191

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Information from Annual Financial Report dated	Equity Interest of the Company %	Unsecured investments		Secured investments	Total \$
		Common and Preferred shares and funds units \$	Loans and advances \$	Loans and advances \$	
31/12/2018 Société en commandite Essor et Coopération	94.55				
Agropur Coopérative		4,728	-	-	4,728
Café Cambio, coopérative de travail		174	-	-	174
Camping co-op des Érables de Montmagny		236	-	-	236
Central Café - Coop de solidarité		189	-	-	189
Citadelle, Maple Syrup Producer's Cooperative		4,728	-	-	4,728
Club coopératif de consommation d'Amos		946	-	-	946
Coopérative Actionnaire Les Paramédics d'Urgence Bois-Francis		-	619	-	619
Coopérative de travailleurs actionnaires de Xpertdoc Technologies		473	519	-	992
Coopérative forestière de Petit Paris		-	757	-	757
Coopérative forestière Ferland-Boilleau		-	709	-	709
Coopérative Vision-Éducation		756	-	-	756
École Plein Soleil (Association coopérative)		946	-	-	946
Fédération des coopératives funéraires du Québec		615	-	-	615
Journal de Lévis, coopérative de solidarité (Ie)		-	285	-	285
La Coop Avantis		1,417	-	-	1,417
La Coop fédérée		4,727	-	-	4,727
La Coop Unifrontières		905	-	-	905
Québec Federation of Forestry Cooperatives		284	-	-	284
		21,124	2,889	-	24,013
Funds committed but not disbursed					4,855
Total Société en commandité Essor et Coopération					28,868

This unaudited index provides details of investments made by specialized funds and partner funds in which Capital régional et coopératif Desjardins has invested more than \$10M and by partner funds, in which it holds an equity interest of more than or equal to 50%, that respect the criteria stated in the *Regulation respecting Development Capital Investment Fund Continuous Disclosure*.



2 Complexe Desjardins
P.O. 760, Desjardins Station
Montréal, Québec H5B 1B8

Investor Relations
1 888 522-3222

capitalregional.com