

Financial statements

REFLEX Plan

for the years ended December 31, 2023 and 2022



KALEIDO

The REFLEX Plan

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Independent Auditor's Report

To the subscribers of
the REEFLEX Plan

Opinion

We have audited the financial statements of the REEFLEX Plan (the "Plan"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of net income and comprehensive income, changes in net assets attributable to contracts and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

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.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 the Plan'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 the Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Plan'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 GAAS 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 GAAS, 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 the Plan'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 the Plan'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 the Plan 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.

Deloitte LLP

Quebec City, Quebec
March 21, 2024

¹ CPA auditor, public accountancy permit No. A149702

Statements of financial position

(in thousands of Canadian \$)

Assets	Notes	December 31, 2023	December 31, 2022
Cash		1,274	1,488
Sales pending settlement		92	551
Dividends receivable		110	126
Interest receivable		8,967	6,889
Canada Education Savings Grant (CESG) receivable	10	1,256	1,421
Quebec Education Savings Incentive (QESI) receivable		8,575	9,760
Investments	4, 10	1,211,014	1,108,104
		1,231,288	1,128,339
Liabilities			
Purchases pending settlement		134	576
Accounts payable and other liabilities	6	3,287	1,793
Quebec Education Savings Incentive (QESI) refundable		1,269	1,194
		4,690	3,563
Net assets attributable to contracts		1,226,598	1,124,776

Approved by

[François Lavoie] Chairman of the Board of Directors

[Albert Caponi] Chairman of the Audit and Risk Management Committee

The notes are an integral part of these financial statements

Statements of net income and comprehensive income for the years ended December 31

(in thousands of Canadian \$)

	Notes	2023	2022
Revenues from ordinary activities			
Interest income for educational assistance payments		39,057	27,840
Dividends		1,470	1,969
Realized loss on disposal of investments		(3,055)	(32,332)
Change in unrealized appreciation (depreciation) of investments		49,728	(68,774)
		87,200	(71,297)
Operating expenses			
Brokerage fees		77	106
U.S. tax expenses		53	98
Portfolio management fees		1,384	1,026
Trustee fees		27	26
Custodian fees		188	208
Administration fees	8	17,365	16,595
Independent Review Committee fees		22	23
		19,116	18,082
Net income and comprehensive income attributable to contracts		68,084	(89,379)

The notes are an integral part of these financial statements

**Statements of changes in net assets attributable to contracts
for the years ended December 31**

(in thousands of Canadian \$)

	Subscribers savings	SCROM	EAP account	CESG	Accumulated income CESG	QESI	Accumulated income QESI	Total
Net assets as at December 31, 2022	700,357	75,794	(26,595)	264,701	15,837	92,559	2,123	1,124,776
Net income and comprehensive income	-	-	50,819	-	13,411	-	3,854	68,084
Increase								
Subscribers savings	76,384	-	-	-	-	-	-	76,384
Change in the SCROM	-	5,554	-	-	-	-	-	5,554
Grants received from the government	-	-	-	19,517	-	8,448	-	27,965
Transfers from other promoters	-	-	-	3	-	-	-	3
	76,384	5,554	-	19,520	-	8,448	-	109,906
Decrease								
Refund of savings at maturity	(35,734)	-	-	-	-	-	-	(35,734)
Pre-maturity withdrawal of savings	(4,691)	-	-	-	-	-	-	(4,691)
Refund of sales charges at maturity	-	(2,292)	-	-	-	-	-	(2,292)
Change in the SCROM	-	-	(5,554)	-	-	-	-	(5,554)
Transfers between plans	-	-	-	(3)	-	-	-	(3)
Grants returned to the government	-	-	-	-	-	(679)	-	(679)
Transfers to other promoters	-	-	-	(656)	(18)	(205)	(3)	(882)
Grants and income on grants	-	-	-	(12,040)	(2,536)	(4,468)	(533)	(19,577)
Outflow of accumulated income on grants for payments to a designated educational institution	-	-	(1)	-	(24)	-	(3)	(28)
Educational assistance payments (EAPs)	-	-	(6,728)	-	-	-	-	(6,728)
	(40,425)	(2,292)	(12,283)	(12,699)	(2,578)	(5,352)	(539)	(76,168)
Net assets as at December 31, 2023	736,316	79,056	11,941	271,522	26,670	95,655	5,438	1,226,598

**Statements of changes in net assets attributable to contracts
for the years ended December 31**

(in thousands of Canadian \$)

	Subscribers savings	SCROM	EAP account	CESG	Accumulated income CESG	QESI	Accumulated income QESI	Total
Net assets as at December 31, 2021	647,776	79,054	32,075	251,636	44,804	86,917	10,520	1,152,782
Net income and comprehensive income	-	-	(54,679)	-	(26,778)	-	(7,922)	(89,379)
Increase								
Subscribers savings	85,484	-	-	-	-	-	-	85,484
Change in the SCROM	-	-	1,552	-	-	-	-	1,552
Grants received from the government	-	-	-	22,808	-	9,736	-	32,544
Transfers from other promoters	-	-	-	63	-	15	-	78
	85,484	-	1,552	22,871	-	9,751	-	119,658
Decrease								
Refund of savings at maturity	(28,119)	-	-	-	-	-	-	(28,119)
Pre-maturity withdrawal of savings	(4,784)	-	-	-	-	-	-	(4,784)
Refund of sales charges at maturity	-	(1,708)	-	-	-	-	-	(1,708)
Change in the SCROM	-	(1,552)	-	-	-	-	-	(1,552)
Transfers between plans	-	-	-	(4)	-	-	-	(4)
Grants returned to the government	-	-	-	-	-	(465)	-	(465)
Transfers to other promoters	-	-	-	(848)	(51)	(264)	(10)	(1,173)
Grants and income on grants	-	-	-	(8,954)	(2,089)	(3,380)	(456)	(14,879)
Outflow of accumulated income on grants for payments to a designated educational institution	-	-	(1)	-	(49)	-	(9)	(59)
Educational assistance payments (EAPs)	-	-	(5,542)	-	-	-	-	(5,542)
	(32,903)	(3,260)	(5,543)	(9,806)	(2,189)	(4,109)	(475)	(58,285)
Net assets as at December 31, 2022	700,357	75,794	(26,595)	264,701	15,837	92,559	2,123	1,124,776

Statements of cash flows
for the years ended December 31
(in thousands of Canadian \$)

	2023	2022
Cash flows from operational activities		
Income received		
Interest	36,978	26,212
Dividends	1,429	2,207
	38,407	28,419
Operating expenses paid		
Brokerage fees	(77)	(106)
U.S. tax expenses	(53)	(98)
Portfolio management fees	(1,385)	(1,110)
Trustee fees	(26)	(26)
Custodian fees	(207)	(187)
Administration fees	(15,796)	(16,624)
Independent Review Committee fees	(22)	(23)
	(17,566)	(18,174)
Other operational activities		
Disposal of investments	1,062,129	1,690,686
Acquisition of investments	(1,118,286)	(1,767,303)
	(56,157)	(76,617)
Net cash flows used in operational activities	(35,316)	(66,372)
Cash flows from financing activities		
Savings received	77,778	90,713
Savings paid to other promoters	(1,412)	(1,792)
Refunds of savings to subscribers	(40,493)	(33,301)
CESG and income on CESG received	19,011	22,671
QESI and income on QESI received	9,633	10,668
QESI and income on QESI paid	(812)	(757)
Transfers between plans	(3)	(4)
Sales charge refunds	(2,292)	(1,708)
Educational assistance payments (EAPs)	(26,308)	(20,443)
Net cash flows from financing activities	35,102	66,047
Net decrease in cash	(214)	(325)
Cash, beginning of year	1,488	1,813
Cash, end of year	1,274	1,488

Schedule of investment portfolio

as at December 31, 2023

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Short-term investments					
73,154	Cash		-	73,154	73,154
3,381	Cash sweep		-	3,496	3,486
2,700	407 INTERNATIONAL INC	16 May 2024	3.350	2,867	2,682
800	ALIMENTATION COUCHE-TARD INC	26 Jul 2024	3.056	780	790
600	AUTORITE REGIONALE DE TRANS	1 Nov 2024	1.000	592	579
1,300	BANK OF MONTREAL	29 Jul 2024	2.280	1,318	1,279
5,500	BCI QUADREAL REALTY	12 Mar 2024	1.056	5,347	5,456
1,590	GATINEAU QUEBEC	26 Apr 2024	2.850	1,584	1,576
1,425	INTACT FINANCIAL CORPORATION	21 May 2024	1.207	1,349	1,404
2,000	NATIONAL BANK OF CANADA	12 Jul 2024	2.545	2,037	1,972
3,388	PROV OF ONTARIO	2 Jun 2024	3.500	3,361	3,367
1,243	RESEAU DE TRANS DE LA CAPITALE	18 Nov 2024	0.900	1,234	1,196
1,000	TELUS CORP	1 Apr 2024	3.350	987	995
1,800	TORONTO DOMINION BANK	8 Mar 2024	2.850	1,859	1,792
Total - Short-term investments				99,965	99,728
Bonds					
Bonds issued or guaranteed by the Government of Canada					
2,927	GOVERNMENT OF CANADA	1 Jun 2031	1.500	2,430	2,616
				2,430	2,616
Bonds issued or guaranteed by a Canadian province					
33,866	PROV OF ONTARIO	2 Feb 2032	4.050	33,638	34,747
29,683	PROV OF ONTARIO	1 Nov 2029	1.550	27,751	26,615
2,600	PROV OF ONTARIO	2 Jun 2027	2.600	2,502	2,515
6,500	PROV OF ONTARIO	1 Feb 2027	1.850	5,952	6,159
2,600	PROV OF ONTARIO	2 Jun 2026	2.400	2,448	2,514
16,831	PROV OF ONTARIO	2 Jun 2025	2.600	16,218	16,447
6,300	PROV OF ONTARIO	5 Feb 2025	2.650	6,097	6,176
13,057	PROV OF QUEBEC	22 Nov 2032	3.900	12,926	13,270
16,313	PROV OF QUEBEC	20 May 2032	3.650	16,225	16,302
261	PROV OF QUEBEC	1 Sep 2031	1.500	223	224
16,798	PROV OF QUEBEC	27 May 2031	2.100	16,047	15,183
4,051	PROV OF QUEBEC	1 Sep 2030	1.900	3,667	3,654
2,745	PROV OF QUEBEC	1 Oct 2029	6.000	3,541	3,092
1,342	PROV OF QUEBEC	1 Sep 2029	2.300	1,179	1,259
689	PROV OF QUEBEC	1 Sep 2027	2.750	642	670
6,773	PROV OF QUEBEC	13 Feb 2027	1.850	6,536	6,424
21,692	PROVINCE OF ONTARIO	1 Feb 2027	1.850	21,625	20,554
2,050	PROV OF NEWFOUNDLAND & LABRA	2 Jun 2033	4.150	1,974	2,081
				179,191	177,886

Schedule of investment portfolio

as at December 31, 2023

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a municipality					
4,040	AUTORITE REGIONALE DE TRANS	1 Aug 2028	4.750	3,988	4,100
600	AUTORITE REGIONALE DE TRANS	1 Nov 2025	1.250	589	564
230	BELOEIL VILLE	9 Dec 2026	1.800	226	213
45	CANDIAC QUEBEC	5 Jul 2026	1.350	45	42
35	FOSSAMBAULT SUR LE LAC QUEBEC	26 Nov 2026	1.850	34	33
93	GATINEAU QUEBEC	15 Dec 2025	3.100	99	90
57	LAC BEAUPORT QUEBEC	16 Mar 2025	1.900	59	55
2,128	LAVAL QUEBEC	21 Mar 2028	3.000	2,112	2,047
590	LEVIS QUEBEC	5 Jun 2028	3.250	581	563
43	LEVIS QUEBEC	10 Nov 2025	3.100	46	42
47	LIEVRE REGIE INTERMUNICIPALE	23 Aug 2025	1.200	47	44
54	LONGUEUIL QUEBEC	13 Jul 2026	2.600	57	52
195	LONGUEUIL QUEBEC	10 Nov 2025	3.200	196	190
105	MIRABEL QUEBEC	26 Nov 2026	1.850	103	98
2,265	MONT LAURIER QUEBEC	15 Dec 2027	4.300	2,246	2,257
150	MONT LAURIER QUEBEC	25 Nov 2026	1.850	148	139
330	MONT SAINT HILAIRE QUEBEC	26 Nov 2026	1.850	324	307
1,337	MONT TREMBLANT QUEBEC	30 Nov 2028	4.700	1,315	1,354
325	MONT TREMBLANT QUEBEC	2 Dec 2026	1.850	319	302
56	MONT TREMBLANT QUEBEC	15 Dec 2025	3.200	60	54
1,165	MUNICIPAL FINANCE AUTH OF BC	23 Oct 2028	3.050	1,161	1,139
380	MUNICIPALITE DE PIERREVILLE	9 Dec 2026	1.800	374	353
185	MUNICIPALITE DE SAINT LAMBERT	2 Dec 2026	1.900	182	172
210	MUNICIPALITE DE WICKHAM	8 Mar 2026	1.100	207	195
1,547	MUNICIPALITE REGIONALE DE	6 Feb 2028	4.000	1,519	1,525
338	NEW TECUMSETH ONTARIO	23 Mar 2025	4.800	373	337
100	PREVOST QUEBEC	25 Nov 2026	1.850	99	93
1,850	QUEBEC CITY QUEBEC	20 Dec 2027	2.650	1,800	1,770
130	RAWDON QUEBEC	2 Dec 2026	1.850	127	121
45	REPENTIGNY QUEBEC	27 Oct 2025	3.250	48	44
5,505	RESEAU DE TRANS DE LA CAPITALE	18 Nov 2025	1.000	5,440	5,139
338	ROUYN NORANDA QUEBEC	27 Feb 2028	3.100	349	322
50	SAINT JEAN SUR RICHELIEU QUE	21 Dec 2026	2.850	53	48
44	SAINT JEAN SUR RICHELIEU QUE	18 Dec 2025	3.100	47	43
725	SAINT JEROME QUEBEC	14 Nov 2029	2.450	708	652
100	SAINT JEROME QUEBEC	14 Sep 2026	2.500	104	95
47	SAINT JEROME QUEBEC	14 Oct 2025	3.250	50	46
510	SAINTE AGATHE DES MONTS QUEBEC	2 Dec 2027	4.450	502	511
1,125	SOCIETE DE TRANS DE LEVIS QUE	9 Jul 2025	1.200	1,110	1,065
320	ST HYACINTHE QUEBEC	28 Feb 2028	3.100	330	304
140	TEMISCOUATA SUR LE LAC QUEBEC	26 Nov 2026	1.850	138	130
4,000	TERREBONNE MASCOUCHE REGIE	9 Sep 2025	1.000	3,932	3,756
91	TERREBONNE QUEBEC	27 Jul 2026	2.500	95	87
23	TERREBONNE QUEBEC	27 May 2025	3.000	24	22
53	TERREBONNE QUEBEC	27 Jan 2025	3.000	56	52
1,160	TROIS RIVERES QUEBEC	18 Apr 2028	3.000	1,140	1,098
46	TROIS RIVERES QUEBEC	22 Apr 2025	2.500	48	45
24	CHATEAUGUAY QUEBEC	30 Jun 2025	1.200	24	23
28	RIE VALLEE DU RICHELIEU	28 Apr 2025	2.500	29	27
395	BELOEIL QUEBEC	8 Dec 2027	4.350	389	394

Schedule of investment portfolio

as at December 31, 2023

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a municipality (continued)					
50	PONT ROUGE QUEBEC	27 Jan 2025	2.200	52	48
30	CONTRECOEUR QUEBEC	20 May 2025	1.300	30	29
49	LA PRAIRIE QUEBEC	21 Jul 2025	3.150	52	48
72	SAINT BRUNO QUEBEC	25 Jan 2026	1.000	70	67
1,310	SAINTE BRIGITTE DE LAVAL QUE	2 Feb 2028	4.150	1,292	1,298
29	SAINTE BRIGITTE DE LAVAL QUE	23 Mar 2025	1.150	29	28
563	SALABERRY DE VALLEYFIELD QUE	2 Dec 2027	4.450	554	563
26	SALABERRY DE VALLEYFIELD QUE	29 Apr 2025	2.500	27	25
182	NOTRE DAME DES PRAIRIES QUEBEC	26 Aug 2025	1.150	181	172
65	SAINTE BRIGITTE DE LAVAL QUE	22 Mar 2026	1.350	65	61
44	PAROISSE DE SAINT MALACHIE QUE	16 Mar 2026	1.250	44	41
67	REGIE DE GESTION DES MATIERES	20 Apr 2026	2.700	71	64
59	MUNICIPALITE REGL DE COMTE	29 Jun 2026	2.600	62	56
37	VILLE DE LEBEL SUR QUEVILLON	23 Aug 2025	1.200	37	35
50	VILLE DE RICHMOND QUEBEC	18 Feb 2025	1.950	51	48
38	LAC-BROME QUEBEC	21 Jul 2025	1.200	38	36
43	VILLE DE SAINT COLOMBAN QUEBEC	25 Aug 2025	1.050	42	40
62	BEAUPRE QUEBEC	9 Mar 2025	1.850	63	60
1,000	SAINTE BRIGITTE DE LAVAL QUE	26 Aug 2026	1.250	985	920
160	MUNICIPALITE REGIONALE DE COMT	30 Jun 2025	3.050	170	156
1,290	SAINTE BRIGITTE DE LAVAL QUE	20 Dec 2027	4.250	1,284	1,283
266	MUNICIPALITE DE SAINT-PAUL QUE	15 Dec 2027	4.200	264	264
4,140	RIVIERE-DU-LOUP QUEBEC	1 Dec 2027	4.600	4,085	4,169
363	DRUMMONDVILLE QUEBEC	2 Dec 2027	4.450	357	364
908	CHERTSEY QUEBEC	1 Dec 2027	4.500	891	911
205	SAINTE BRIGITTE DE LAVAL QUE	8 Dec 2027	4.400	202	205
940	BEAUHARNOIS QUEBEC	9 Dec 2027	4.450	930	942
550	ST BASILE LE GRAND QUEBEC	8 Dec 2027	4.500	545	552
770	SAINTE BRIGITTE DE LAVAL QUE	9 Dec 2027	4.450	762	772
760	SAINTE BRIGITTE DE LAVAL QUE	9 Dec 2026	4.500	755	761
730	SAINTE BRIGITTE DE LAVAL QUE	9 Dec 2025	4.550	725	728
570	SAINTE BRIGITTE DE LAVAL QUE	8 Dec 2027	4.350	561	569
2,263	SAINTE BRIGITTE DE LAVAL QUE	15 Dec 2027	4.300	2,244	2,255
1,984	NICOLET QUEBEC	2 Sep 2026	1.200	1,728	1,821
346	MUNICIPALITE DE SAINT-FERREOL	15 Dec 2027	4.200	342	344
3,440	SAINTE BRIGITTE DE LAVAL QUE	16 Feb 2028	4.250	3,400	3,422
1,245	VILLE DE RIVIERE ROUGE QUEBEC	13 Feb 2028	4.100	1,223	1,231
2,570	SAINTE BRIGITTE DE LAVAL QUE	2 Feb 2028	4.100	2,531	2,542
2,139	GRANDE RIVIERE QUEBEC	2 Feb 2028	4.150	2,105	2,120
1,313	RIGAUD QUEBEC	2 Feb 2028	4.150	1,295	1,301
1,358	MUNICIPALITE DE LA PAROISSE DE	2 Feb 2028	4.150	1,337	1,346
1,490	LAC BROME QUEBEC	16 Feb 2028	4.100	1,464	1,474
1,635	LACHUTE QUEBEC	17 Feb 2028	4.250	1,615	1,626
238	LACHUTE QUEBEC	17 Feb 2027	5.000	242	242
228	LACHUTE QUEBEC	17 Feb 2026	5.000	230	230
219	LACHUTE QUEBEC	17 Feb 2025	5.000	219	219
2,542	CITY OF ST-LAMBERT CANADA	28 Jul 2028	4.750	2,522	2,580
1,188	SAINTE BRIGITTE DE LAVAL QUE	30 Nov 2028	4.700	1,168	1,203
2,721	SOCIETE DE TRANS DE L'OUTAOUAI	12 Jul 2028	4.500	2,675	2,734
				74,668	74,159

Schedule of investment portfolio

as at December 31, 2023

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a corporation					
5,000	407 INTERNATIONAL INC	25 May 2032	2.590	4,340	4,453
1,810	407 INTERNATIONAL INC	27 Jul 2029	6.470	2,414	2,005
5,865	407 INTERNATIONAL INC	22 May 2025	1.800	5,559	5,649
3,500	ALIMENTATION COUCHE-TARD INC	25 Sep 2030	5.592	3,500	3,722
1,200	ALLIED PROPERTIES REIT	6 Feb 2032	3.095	1,200	938
640	ALLIED PROPERTIES REIT	15 Aug 2029	3.394	653	553
440	ALLIED PROPERTIES REIT	15 May 2028	3.131	440	390
270	ALLIED PROPERTIES REIT	8 Apr 2027	3.113	273	246
2,700	ALLIED PROPERTIES REIT	12 Feb 2026	1.726	2,525	2,481
5,300	ALTALINK L P	29 May 2026	2.747	5,407	5,131
865	ATHENE GLOBAL FUNDING REGS	9 Jun 2028	2.470	865	770
2,720	BANK OF MONTREAL	26 Nov 2082	7.325	2,699	2,705
494	BANK OF MONTREAL	27 Oct 2032	6.534	494	520
5,000	BANK OF MONTREAL	22 Jul 2031	1.928	4,349	4,643
11,700	BANK OF MONTREAL	7 Dec 2027	4.709	11,609	11,792
6,500	BANK OF MONTREAL	1 Jun 2027	4.309	6,338	6,463
9,925	BANK OF MONTREAL	28 May 2026	1.551	9,012	9,304
800	BANK OF MONTREAL	3 Feb 2025	2.370	755	777
9,050	BANK OF NOVA SCOTIA	1 Nov 2027	1.400	8,128	8,145
3,500	BANK OF NOVA SCOTIA	3 Feb 2025	2.160	3,521	3,390
5,000	BANK OF NOVA SCOTIA	10 Jan 2025	1.950	4,775	4,843
3,900	BCI QUADREAL REALTY	24 Jun 2026	2.551	3,843	3,733
2,325	BCIMC REALTY CORP	31 Mar 2027	3.000	2,245	2,226
1,575	BCIMC REALTY CORP	3 Jun 2025	2.840	1,654	1,534
1,921	BELL CANADA	10 Nov 2032	5.850	1,982	2,085
10,200	BELL CANADA	17 Mar 2031	3.000	8,879	9,246
3,175	BELL CANADA	14 May 2030	2.500	2,724	2,835
1,000	BELL CANADA	10 Sep 2029	2.900	879	928
4,650	BELL CANADA	29 May 2028	2.200	4,355	4,270
2,000	BELL CANADA	29 Sep 2027	3.600	2,139	1,950
500	BELL CANADA	16 Aug 2027	1.650	439	460
2,500	BELL CANADA	29 Jan 2025	2.750	2,399	2,438
3,887	BROOKFIELD ASSET MGMT INC	16 Mar 2027	3.800	3,743	3,810
6,739	BROOKFIELD RENEWABLE ENERGY	28 Oct 2033	5.292	6,739	6,920
564	BROOKFIELD RENEWABLE ENERGY	9 Nov 2032	5.880	586	605
654	BROOKFIELD RENEWABLE ENERGY	15 Jan 2029	4.250	686	644
1,307	BROOKFIELD RENEWABLE PARTNERS	15 Jan 2030	3.380	1,281	1,219
1,000	CANADIAN IMPERIAL BANK OF COMM	29 Jun 2027	4.950	1,007	1,014
5,300	CANADIAN IMPERIAL BANK OF COMM	7 Mar 2025	2.750	5,112	5,164
6,500	CANADIAN IMPERIAL BK OF COMM	7 Oct 2027	5.050	6,491	6,612
13,525	CANADIAN IMPERIAL BK OF COMM	17 Apr 2025	2.000	13,102	13,032
4,862	CDP FINANCIAL INC	2 Jun 2027	3.800	4,861	4,874
2,500	CDP FINANCIAL INC	19 Oct 2026	1.500	2,496	2,348
7,598	CHOICE PROPERTIES REIT	1 Mar 2033	5.400	7,627	7,778
2,525	CHOICE PROPERTIES REIT	24 Jun 2032	6.003	2,525	2,700
3,430	CHOICE PROPERTIES REIT	4 Mar 2030	2.981	3,117	3,101
1,306	CHOICE PROPERTIES REIT	11 Jun 2029	3.532	1,365	1,232
3,870	CHOICE PROPERTIES REIT	30 Nov 2026	2.456	3,619	3,646
1,850	CHOICE PROPERTIES REIT	10 Jan 2025	3.546	1,956	1,818
2,900	CT REIT	5 Feb 2029	3.029	2,632	2,641
1,900	CT REIT	1 Jun 2026	3.289	1,994	1,830
8,815	DOLLARAMA INC	26 Apr 2030	5.165	9,078	9,148

Schedule of investment portfolio

as at December 31, 2023

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a corporation (continued)					
2,900	DOLLARAMA INC	9 Jul 2029	2.443	2,663	2,635
2,500	DOLLARAMA INC	27 Oct 2025	5.084	2,500	2,520
2,025	ENBRIDGE GAS INC	17 Aug 2032	4.150	1,978	2,000
3,167	ENBRIDGE GAS INC	1 Apr 2030	2.900	3,050	2,948
1,891	ENBRIDGE GAS INC	9 Aug 2029	2.370	1,926	1,731
3,000	ENBRIDGE INC	27 Sep 2077	5.375	2,739	2,824
4,038	ENBRIDGE INC	21 Sep 2033	3.100	3,682	3,485
1,249	ENBRIDGE INC	26 May 2033	5.360	1,249	1,293
2,511	ENBRIDGE INC	9 Nov 2032	6.100	2,576	2,725
1,525	ENBRIDGE INC	3 Oct 2029	2.990	1,333	1,408
7,091	ENBRIDGE INC	9 Nov 2027	5.700	7,400	7,385
5,850	ENBRIDGE INC	8 Jun 2027	3.200	5,664	5,617
88	ENBRIDGE PIPELINES INC	22 Feb 2029	3.520	81	84
1,500	ENERGIR INC	16 Apr 2027	2.100	1,408	1,406
5,625	FAIRFAX FINANCIAL HOLDINGS LTD	3 Mar 2031	3.950	5,289	5,289
2,904	FEDERATION DES CAISSES	23 Aug 2032	5.035	2,792	2,901
5,915	FEDERATION DES CAISSES	28 May 2031	1.992	5,207	5,510
700	FEDERATION DES CAISSES	17 Nov 2028	5.467	700	729
3,900	FEDERATION DES CAISSES	16 Aug 2028	5.475	3,900	4,062
11,875	FEDERATION DES CAISSES	10 Sep 2026	1.587	11,032	11,070
4,050	FEDERATION DES CAISSES	1 Oct 2025	5.200	4,048	4,078
125	GAZ METROPOLITAIN INC	16 May 2025	9.000	169	132
6,178	GRANITE REIT HOLDINGS LP	30 Aug 2028	2.194	6,051	5,509
672	GRANITE REIT HOLDINGS LP	4 Jun 2027	3.062	672	636
2,100	GREAT WEST LIFECO INC	31 Dec 2081	3.600	2,100	1,609
1,500	GREATER TORONTO AIRPORTS AUTH	4 Jun 2031	7.100	1,771	1,758
4,250	GREATER TORONTO AIRPORTS AUTH	3 Apr 2029	2.730	4,455	4,026
1,925	GREAT-WEST LIFECO INC	14 May 2030	2.379	1,925	1,731
950	GREAT-WEST LIFECO INC	28 Feb 2028	3.337	895	918
822	H&R REAL ESTATE INVT TR	19 Feb 2027	2.633	822	756
2,000	HYDRO ONE INC	17 Sep 2031	2.230	1,708	1,758
4,500	HYDRO ONE INC	28 Feb 2030	2.160	3,921	4,057
1,000	HYDRO ONE INC	30 Nov 2029	3.930	1,000	1,000
7,894	HYDRO ONE INC	27 Jan 2028	4.910	7,998	8,150
2,850	HYDRO ONE INC	24 Feb 2026	2.770	2,851	2,768
1,033	HYDRO QUEBEC	15 Aug 2031	6.000	1,367	1,191
5,330	HYDRO-QUEBEC	1 Sep 2028	2.000	5,086	4,980
2,587	IA FINANCIAL CORP INC	30 Jun 2082	6.611	2,587	2,553
4,536	IA FINANCIAL CORPORATION INC	20 Jun 2033	5.685	4,536	4,661
5,450	IA FINANCIAL CORPORATION INC	25 Feb 2032	3.187	5,396	5,174
924	IGM FINANCIAL INC	26 Jan 2027	3.440	935	890
3,200	INTACT FINANCIAL CORP	16 Dec 2030	1.928	2,872	2,736
300	INTACT FINANCIAL CORP	7 Jun 2027	2.850	314	286
2,010	INTACT FINANCIAL CORPORATION	30 Jun 2083	7.338	1,982	2,018
1,000	LOBLAW COMPANIES LTD	13 Sep 2032	5.008	1,000	1,035
3,000	LOBLAW COMPANIES LTD	7 May 2030	2.284	2,624	2,663
1,515	LOBLAW COMPANIES LTD	11 Dec 2028	4.488	1,524	1,531
4,067	MANULIFE FINANCIAL CORP	19 Jun 2082	7.117	4,024	4,051
3,500	MANULIFE FINANCIAL CORP	13 May 2035	2.818	2,975	3,109
4,430	MANULIFE FINANCIAL CORP	10 Mar 2033	5.409	4,430	4,519
3,600	MANULIFE FINANCIAL CORP	12 May 2030	2.237	3,530	3,467
1,100	METRO INC	6 Dec 2027	3.390	1,025	1,070

Schedule of investment portfolio

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(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a corporation (continued)					
5,938	NATIONAL BANK OF CANADA	16 Aug 2032	5.426	5,901	6,000
5,000	NATIONAL BANK OF CANADA	7 Dec 2026	4.968	5,000	5,063
8,350	NATIONAL BANK OF CANADA	15 Jun 2026	1.534	7,954	7,801
6,072	NATIONAL BANK OF CANADA	3 Nov 2025	5.296	6,183	6,127
4,950	NATIONAL BANK OF CANADA	3 Feb 2025	2.580	4,761	4,815
2,000	NORTH WEST REDWTR PARTNERSHIP	1 Jun 2033	4.150	1,855	1,943
3,475	NORTH WEST REDWTR PARTNERSHIP	1 Jun 2031	2.800	2,958	3,112
3,642	NORTH WEST REDWTR PARTNERSHIP	1 Jun 2029	4.250	3,844	3,636
2,850	NORTH WEST REDWTR PARTNERSHIP	1 Jun 2027	2.800	2,721	2,716
1,187	OMERS FINANCE TRUST	14 May 2029	2.600	1,180	1,123
1,121	OMERS FINANCE TRUST	21 Apr 2027	1.550	1,099	1,043
7,475	OMERS REALTY CORP	14 Nov 2028	5.381	7,664	7,772
9,231	ONTARIO POWER GENERATION INC	8 Apr 2030	3.215	8,740	8,710
2,000	ONTARIO POWER GENERATION INC	13 Sep 2029	2.977	1,866	1,882
1,244	ONTARIO TEACHERS FINANCE TR	19 Oct 2027	1.100	1,187	1,129
672	OPB FINANCE TRUST	25 Jan 2027	2.980	685	653
760	OPB FINANCE TRUST	2 Feb 2026	2.950	776	741
1,309	PEMBINA PIPELINE CORP	27 Mar 2028	4.020	1,399	1,279
4,600	PEMBINA PIPELINE CORP	15 Jun 2027	4.240	4,430	4,557
7,139	ROGERS COMMUNICATIONS INC	1 May 2029	3.250	6,939	6,700
800	ROGERS COMMUNICATIONS INC	2 Nov 2028	4.400	741	796
8,128	ROGERS COMMUNICATIONS INC	21 Sep 2028	5.700	8,118	8,521
1,100	ROGERS COMMUNICATIONS INC	31 Mar 2027	3.650	1,050	1,073
1,100	ROGERS COMMUNICATIONS INC	1 Mar 2027	3.800	1,062	1,077
2,000	ROYAL BANK OF CANADA	24 Nov 2080	4.500	1,932	1,901
16,969	ROYAL BANK OF CANADA	1 Feb 2033	5.010	16,707	16,993
7,300	ROYAL BANK OF CANADA	3 May 2032	2.940	6,478	6,850
11,254	ROYAL BANK OF CANADA	24 Jun 2030	5.228	11,212	11,732
6,850	ROYAL BANK OF CANADA	31 Jul 2028	1.833	5,865	6,177
3,000	ROYAL BANK OF CANADA	17 Jan 2028	4.642	3,000	3,022
3,525	ROYAL BANK OF CANADA	26 Jul 2027	4.612	3,525	3,545
4,650	ROYAL BANK OF CANADA	28 Jan 2027	2.328	4,194	4,380
1,400	SAPUTO INC	20 Nov 2030	5.492	1,400	1,468
2,100	SAPUTO INC	16 Jun 2027	2.242	2,104	1,952
3,263	SMARTCENTRES REIT	20 Dec 2029	3.526	2,814	2,974
2,828	SUN LIFE FINANCIAL INC	1 Oct 2035	2.060	2,223	2,374
9,116	SUN LIFE FINANCIAL INC	4 Jul 2035	5.500	9,018	9,416
3,434	SUN LIFE FINANCIAL INC	10 Aug 2034	4.780	3,394	3,430
1,791	SUN LIFE FINANCIAL INC	21 Nov 2033	2.800	1,791	1,641
3,450	SUN LIFE FINANCIAL INC	13 Aug 2029	2.380	3,294	3,385
4,442	TELUS CORP	8 Sep 2033	5.750	4,432	4,745
1,806	TELUS CORP	15 Nov 2032	5.250	1,823	1,865
9,993	TELUS CORP	13 Nov 2031	2.850	8,756	8,803
6,369	TELUS CORP	2 May 2029	3.300	5,924	6,035
3,594	TELUS CORP	8 Jul 2026	2.750	3,438	3,458
3,000	THE BANK OF NOVA SCOTIA	27 Jul 2082	7.023	3,000	2,948

Schedule of investment portfolio

as at December 31, 2023

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a corporation (continued)					
12,768	THE BANK OF NOVA SCOTIA	3 May 2032	3.934	12,064	12,326
14,719	THE BANK OF NOVA SCOTIA	8 May 2026	5.500	14,864	15,024
2,325	TMX GROUP LIMITED	5 Jun 2028	3.779	2,271	2,275
2,900	TORONTO DOMINION BANK	31 Oct 2082	7.283	2,902	2,894
2,645	TORONTO DOMINION BANK	26 Jan 2032	3.060	2,506	2,508
2,800	TORONTO DOMINION BANK	4 Mar 2031	4.859	2,894	2,799
8,310	TORONTO DOMINION BANK	22 Apr 2030	3.105	7,954	8,080
3,200	TORONTO DOMINION BANK	8 Jan 2029	4.680	3,200	3,234
23,765	TORONTO DOMINION BANK	8 Mar 2028	1.888	20,850	21,641
768	TORONTO DOMINION BANK	27 Jan 2026	4.344	752	765
2,500	TORONTO HYDRO CORP	14 Jun 2033	4.610	2,499	2,574
5,800	TORONTO HYDRO CORP	20 Oct 2031	2.470	5,135	5,154
1,500	TORONTO-DOMINION BANK	1 Jun 2027	4.210	1,500	1,489
5,225	TRANSCANADA PIPELINES LTD	9 Jun 2031	2.970	4,513	4,638
2,805	TRANSCANADA PIPELINES LTD	18 Sep 2029	3.000	2,632	2,593
13,870	TRANSCANADA PIPELINES LTD	5 Apr 2027	3.800	13,426	13,591
2,600	WELLS FARGO & CO	18 Feb 2027	2.493	2,600	2,438
1,625	WELLS FARGO & CO	19 May 2026	2.975	1,552	1,563
615	BC GAS UTILITY LTD	21 Sep 2029	6.950	830	696
2,250	IVANHOE CAMBRIDGE II INC	2 Jun 2028	4.994	2,250	2,296
2,200	LOWER MATTAGAMI ENERGY LP	31 Oct 2033	4.854	2,275	2,306
615	LOWER MATTAGAMI ENERGY LP	21 Oct 2026	2.307	557	583
5,300	ONTARIO TEACHERS FINANCE TRUST	2 Jun 2032	4.450	5,340	5,516
4,372	ONTARIO TEACHERS FINANCE TRUST	1 Nov 2029	4.150	4,370	4,479
7,394	ALTAGAS LTD	30 May 2028	2.075	6,465	6,661
2,325	ALTAGAS LTD	7 Apr 2026	4.120	2,244	2,301
3,275	ENERGIR LP	27 Sep 2032	4.670	3,298	3,347
1,500	ALTALINK LP	28 Nov 2032	4.692	1,500	1,550
8,523	BROOKFIELD FINANCE II INC	14 Dec 2032	5.431	8,535	8,733
1,700	FAIRFAX FINL HOLDINGS LTD	16 Dec 2026	4.700	1,658	1,699
1,183	ENBRIDGE GAS DISTRIBUTION INC	11 Sep 2025	3.310	1,138	1,157
1,520	RIOCAN REAL ESTATE INVT TR	10 Mar 2027	2.361	1,520	1,397
1,677	PROLOGIS LP	15 Jan 2031	5.250	1,676	1,740
1	DREAM SUMMIT INDUSTRIAL LP	12 Jan 2027	2.250	1	-
4,258	HYUNDAI CAPITAL CANADA INC	8 Mar 2028	5.565	4,258	4,382
6,017	CENTRAL 1 CREDIT UNION	7 Feb 2028	4.648	5,916	5,903
2,000	AEROPORTS DE MONTREAL	17 Sep 2035	5.170	2,100	2,122
5,647	ROYAL OFFICE FINANCE LP	12 Nov 2037	5.209	5,821	5,963
605	OTTAWA MACDONALD-CARTIER INTL	25 May 2032	6.973	644	650
996	407 EAST DEVELOPMENT GROUP	23 Jun 2045	4.473	952	976
7,002	EDF S A	23 May 2030	5.993	7,002	7,316
3,500	VERIZON COMMUNICATIONS INC	22 Mar 2028	2.375	3,073	3,236
4,200	BRITISH COLUMBIA INVESTMENT	2 Jun 2033	4.900	4,185	4,541
6,000	PSP CAPITAL INC	2 Dec 2030	4.400	5,995	6,277
11,450	WEST EDMONTON MALL PROPERTY	4 Oct 2027	7.791	11,449	12,088
2,660	INDEPENDENT ORDER OF FORESTERS	15 Oct 2035	2.885	2,109	2,261
1,000	ENERGIR L P	27 Sep 2032	4.670	956	1,022
				740,841	747,350
Total - Bonds				997,130	1,002,011

Schedule of investment portfolio

as at December 31, 2023

(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
Equities			
Energy			
582	CHEVRON CORP	121	114
831	EXXON MOBIL CORP	118	110
16,268	TC ENERGY CORP	876	841
7,013	TOURMALINE OIL CORP	430	417
7,959	VALERO ENERGY CORP	1,294	1,364
1,836	WILLIAMS COS INC/THE	85	84
239	CHENIERE ENERGY INC	55	54
160	MARATHON PETROLEUM CORP	33	31
427	PHILLIPS 66	71	75
		<u>3,083</u>	<u>3,090</u>
Materials			
6,101	FRANCO-NEVADA CORP	1,019	893
1,397	LINDE PLC	685	757
15,557	WINPAK LTD	633	636
2,140	BARRICK GOLD CORP	49	51
25,931	TRIPLE FLAG PRECIOUS METALS	469	457
463	CORTEVA INC	32	29
2,202	NEWMONT CORP	120	120
168	RELIANCE STEEL & ALUMINUM CO	61	62
		<u>3,068</u>	<u>3,005</u>
Communication Services			
8,593	ALPHABET INC	1,425	1,583
3,987	BCE INC	226	208
2,933	META PLATFORMS INC	1,057	1,369
9,310	QUEBECOR INC	288	293
1,500	ROGERS COMMUNICATIONS INC	88	93
20,286	TELUS CORP	509	476
7,076	THOMSON REUTERS CORPORATION	1,292	1,368
962	FOX CORP	41	38
10,521	ROLLINS INC	594	606
1,582	T-MOBILE US INC	304	334
8,839	VERIZON COMMUNICATIONS INC	425	439
1,395	ELECTRONIC ARTS INC	244	252
		<u>6,493</u>	<u>7,059</u>
Utilities			
1,810	ATMOS ENERGY CORP	278	277
2,472	CONSOLIDATED EDISON INC	307	296
2,843	EVERSOURCE ENERGY	244	231

Schedule of investment portfolio

as at December 31, 2023

(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
Equities (continued)			
Utilities (continued)			
4,000	HYDRO ONE LIMITED	152	158
643	ESSENTIAL UTILITIES INC	33	32
3,294	EXELON CORP	177	156
1,160	PUBLIC SERVICE ENTERPRISE GROU	98	94
1,000	CANADIAN UTILITIES LTD	31	32
861	AMERICAN WATER WORKS CO INC	156	150
220	CONSTELLATION ENERGY CORP	34	34
1,151	EDISON INTERNATIONAL	108	108
1,864	PG&E CORP	44	44
686	SEMPRA	68	68
		<u>1,730</u>	<u>1,680</u>
Financials			
3,027	BANK OF MONTREAL	364	397
16,248	BANK OF NOVA SCOTIA	1,046	1,048
3,176	CME GROUP INC	854	882
5,377	CULLEN/FROST BANKERS INC	771	769
22,312	DEFINITY FINANCIAL CORP	815	836
4,957	EQB INC	350	432
100	FAIRFAX FINANCIAL HOLDINGS LTD	114	122
900	GREAT WEST LIFECO INC	38	39
6,087	IA FINANCIAL CORP INC	499	548
900	IGM FINANCIAL INC	32	31
6,365	INTACT FINANCIAL CORP	1,249	1,295
23,959	MANULIFE FINANCIAL CORP	609	700
5,842	MARSH & MCLENNAN COS INC	1,478	1,460
3,016	MASTERCARD INC	1,579	1,697
9,225	NATIONAL BANK OF CANADA	865	930
5,598	ROYAL BANK OF CANADA	700	750
15,178	TMX GROUP LTD	440	486
4,208	TORONTO DOMINION BANK	353	360
25,805	BROOKFIELD CORPORATION	1,214	1,369
459	CHUBB LTD	129	137
1,184	W R BERKLEY CORP	106	110
1,179	CBOE GLOBAL MARKETS INC	251	278
88	ERIE INDEMNITY CO	32	39
332	ARTHUR J GALLAGHER & CO	103	98
992	TRAVELERS COS INC/THE	234	249
582	VISA INC	188	200
96	EVEREST GROUP LTD	50	45
771	AMERICAN FINANCIAL GROUP INC/O	119	121
47	AMERIPRISE FINANCIAL INC	22	24
813	BERKSHIRE HATHAWAY INC	399	383
831	EQUITABLE HOLDINGS INC	34	36
531	HARTFORD FINANCIAL SERVICES GR	54	56
22	MARKEL GROUP INC	44	41
455	PROGRESSIVE CORP/THE	93	96
		<u>15,228</u>	<u>16,064</u>

Schedule of investment portfolio

as at December 31, 2023

(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
Equities (continued)			
Consumer Staples			
389	CHURCH & DWIGHT CO INC	50	49
2,075	COLGATE-PALMOLIVE CO	213	218
20,999	EMPIRE CO LTD	761	735
720	HORMEL FOODS CORP	36	30
537	J M SMUCKER CO/THE	90	89
826	KIMBERLY-CLARK CORP	142	132
5,671	LAMB WESTON HOLDINGS INC	740	809
3,287	LOBLAW COMPANIES LTD	398	422
14,262	METRO INC	985	977
1,294	PEPSICO INC	302	290
9,424	PREMIUM BRANDS HOLDINGS CORP	877	885
1,758	PROCTER & GAMBLE CO/THE	343	340
7,491	SAPUTO INC	226	201
7,896	WALMART INC	1,601	1,642
1,351	CAMPBELL SOUP CO	80	77
1,006	COCA-COLA CO/THE	80	78
3,385	GENERAL MILLS INC	329	291
884	HERSHEY CO/THE	258	217
3,590	KEURIG DR PEPPER INC	158	158
725	KRAFT HEINZ CO/THE	35	35
3,554	KELLANOVA	273	262
2,127	KROGER CO/THE	131	128
452	MONDELEZ INTERNATIONAL INC	44	43
888	WK KELLOGG CO	16	15
		8,168	8,123
Consumer Discretionary			
11,058	ALIMENTATION COUCHE-TARD INC	737	862
8,674	AMAZON.COM INC	1,473	1,739
3,589	BOYD GROUP SERVICES INC	842	998
16,238	CCL INDUSTRIES INC	971	965
41,202	D2L INC	343	441
6,642	DOLLARAMA INC	592	634
4,047	FIVE BELOW INC	1,018	1,136
13,993	GILDAN ACTIVEWEAR INC	593	612
8,239	MAGNA INTL INC	621	644
935	MCDONALD'S CORP	347	365
15,072	PET VALU HOLDINGS LTD	445	434
11,354	RESTAURANT BRANDS INTL INC	1,035	1,174
10,329	RICHELIEU HARDWARE LTD	428	496
6,755	TJX COS INC/THE	784	835

Schedule of investment portfolio

as at December 31, 2023

(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
Equities (continued)			
Consumer Discretionary (continued)			
8,573	RICHARDS PACKAGING INCOME FD	322	297
2,436	RB GLOBAL INC	196	216
35	AUTOZONE INC	119	119
164	GENUINE PARTS CO	32	30
71	O'REILLY AUTOMOTIVE INC	90	89
682	YUM! BRANDS INC	118	117
423	PULTEGROUP INC	49	58
115	TRACTOR SUPPLY CO	32	33
1	PHINIA INC	-	-
		11,187	12,294
Health			
619	ABBOTT LABORATORIES	86	90
1,964	ABBVIE INC	375	401
4,232	AMGEN INC	1,476	1,608
2,519	CHARLES RIVER LABORATORIES INT	714	785
4,244	DANAHER CORP	1,260	1,296
1,852	JOHNSON & JOHNSON	395	383
1,435	ROYALTY PHARMA PLC	57	53
510	BECTON DICKINSON & CO	171	164
5,063	BRISTOL-MYERS SQUIBB CO	388	342
3,947	GILEAD SCIENCES INC	409	422
166	HUMANA INC	111	100
2,997	INCYTE CORP	236	248
2,777	MERCK & CO INC	397	399
5,972	PFIZER INC	270	227
486	UNITEDHEALTH GROUP INC	336	337
319	VERTEX PHARMACEUTICALS INC	153	171
2,705	ZOETIS INC	647	704
5,187	VITALHUB CORP	21	21
292	CENCORA INC	75	79
107	ELI LILLY & CO	84	82
233	MCKESSON CORP	140	142
648	NEUROCRINE BIOSCIENCES INC	101	113
282	QUEST DIAGNOSTICS INC	50	51
127	REGENERON PHARMACEUTICALS INC	142	147
214	UNITED THERAPEUTICS CORP	65	62
3,801	VIATRIS INC	50	54
		8,209	8,481

Schedule of investment portfolio

as at December 31, 2023

(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
Equities (continued)			
Industrial			
10,825	ANDLAUER HEALTHCARE GROUP INC	472	444
626	AUTOMATIC DATA PROCESSING INC	189	192
20,482	CAE INC	568	584
11,823	CANADIAN NATIONAL RAILWAY CO	1,813	1,966
429	CH ROBINSON WORLDWIDE INC	50	49
1,582	EXPEDITORS INTERNATIONAL OF WA	253	265
441	FASTENAL CO	34	38
5,579	FINNING INTERNATIONAL INC	197	214
935	ROCKWELL AUTOMATION INC	337	383
32,865	SAVARIA CORP	489	499
27,145	SNC-LAVALIN GROUP INC	918	1,157
9,280	STANTEC INC	741	985
4,319	TOROMONT INDUSTRIES LTD	475	501
12,695	WASTE CONNECTIONS INC	2,348	2,501
3,840	WSP GLOBAL INC	629	709
5,630	ATS CORPORATION	284	322
5,501	CANADIAN PACIFIC KANSAS CITY	559	577
7,121	GDI INTEGRATED FAC SVCS INC	285	260
566	BOOZ ALLEN HAMILTON HOLDING CO	90	95
72	CINTAS CORP	51	57
1,863	WASTE MANAGEMENT INC	420	440
2,193	CARRIER GLOBAL CORP	161	166
1,161	EMERSON ELECTRIC CO	149	149
323	PACCAR INC	40	42
334	PAYCHEX INC	54	52
1,171	RTX CORP	136	130
1,647	REPUBLIC SERVICES INC	346	358
292	UNITED PARCEL SERVICE INC	61	61
3,531	VERALTO CORP	370	383
		12,519	13,579
Information Technology			
1,747	ADOBE INC	1,258	1,375
194,313	ALITHYA GROUP INC	400	342
8,632	APPLE INC	2,023	2,191
11,542	CGI INC	1,489	1,636
380	CONSTELLATION SOFTWARE INC	582	680
41,888	COVEO SOLUTIONS INC	370	402
11,575	DESCARTES SYS GROUP INC	1,165	1,285
19,045	ENGHOUSE SYSTEMS LTD	666	668

Schedule of investment portfolio

as at December 31, 2023

(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
Equities (continued)			
Information Technology (continued)			
1,871	INTERNATIONAL BUSINESS MACHINE	369	404
5,045	KINAXIS INC	772	749
6,738	MICROSOFT CORP	2,943	3,340
17,649	OPEN TEXT CORPORATION	888	980
62,536	REAL MATTERS INC	341	394
5,772	SHOPIFY INC	468	595
74,957	SYLOGIST LTD	505	559
16,910	TECSYS INC	517	555
2,728	TEXAS INSTRUMENTS INC	597	613
1,334	TOPICUS.COM INC	120	119
3,723	WORKDAY INC	1,114	1,355
792	LUMINE GROUP INC	17	24
128,344	TINY LTD	361	284
398	AMPHENOL CORP	46	52
5,332	CISCO SYSTEMS INC	355	355
4,543	JUNIPER NETWORKS INC	178	177
875	MOTOROLA SOLUTIONS INC	354	361
292	VERISIGN INC	85	79
305	ACCENTURE PLC	135	141
852	GARMIN LTD	133	144
585	ARROW ELECTRONICS INC	98	94
141	BROADRIDGE FINANCIAL SOLUTIONS	36	38
398	F5 INC	90	94
1,866	GEN DIGITAL INC	52	56
2,175	NVIDIA CORP	1,396	1,420
332	PTC INC	69	77
601	ROPER TECHNOLOGIES INC	420	432
		20,412	22,070
Real Estate			
16,461	ALTUS GROUP LTD	741	692
5,692	COLLIERS INTL GROUP INC	831	953
2,096	PUBLIC STORAGE	799	843
		2,371	2,488
ETF			
124,100	ISHARES MSCI EAFE MIN VOL FA	11,268	11,342
		11,268	11,342
Total - Equities		103,736	109,275
Total - Schedule of investment portfolio		1,200,831	1,211,014

Notes

for the years ended December 31, 2023 and 2022

(in thousands of Canadian \$)

1. General information about the Plan

The REFLEX Plan (the “Plan”) is a trust maintained by declaration of trust pursuant to the Civil Code of Quebec. It is governed by a trust agreement (the “Agreement”) concluded on July 9, 2010, between the Kaleido Foundation, (the “Foundation”), Eterna Trust Inc. and Kaleido Growth Inc. (“Kaleido Growth”). The latter acts as the investment fund manager of the REFLEX Plan promoted by the Foundation. The Plan’s head office and principal place of business is located at 1035 Wilfrid-Pelletier Avenue, Suite 500, Quebec City (Quebec) G1W 0C5.

The REFLEX Plan is a group scholarship plan under which the refund of contributions (savings) is guaranteed at all times, including the sales charges if the plan reaches maturity. The Plan is available to beneficiaries aged 0 to 16 years inclusive. Since December 14, 2017, eligible studies that qualify for Educational Assistance Payment (EAP) are general or technical, full-time or part-time (college, community college or university) post-secondary educational programs offered in Canada or the foreign equivalent. Programs offered in a post-secondary institution intended to provide a person with or improve the skills required in the exercise of a professional activity are also eligible. In all cases, these programs must have a minimum duration of three consecutive weeks, comprising at least 10 hours of courses or schoolwork per week. Specified educational programs are also eligible; they are postsecondary programs of study with a minimum duration of three consecutive weeks and to which a student must dedicate minimum of 12 hours per month on courses. When a beneficiary is registered in a distance learning program for such studies, they are also considered eligible. The Plan invests in equities of Canadian companies, debt securities issued or guaranteed by a Canadian government and Canadian treasury short-term debt securities.

Kaleido Growth and the Foundation launched the IDEO+ product line on May 1, 2022 and terminated distribution of the Plan on April 30, 2022. Kaleido Growth and the Foundation will continue to honor existing contracts until the scheduled maturity date, including the payment of scheduled contributions.

The publication of these financial statements was authorized by the Board of Directors on **March 21, 2024**.

2. Significant accounting policies

Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) applicable as at December 31, 2023.

Basis of preparation

These financial statements are prepared on a going concern and historical cost basis, except for certain financial instruments that have been measured at fair value at the end of each reporting period, as explained in the accounting policies described hereafter.

Assets and liabilities in the statements of financial position are listed in order of most liquid to least liquid. Financial assets are accounted for on the transaction date. The presentation currency of the financial statements is the Canadian dollar (CAN\$), which is also the Plan’s functional currency.

Investment entity

The Plan satisfies the definition of investment entity set out in IFRS 10, *Consolidated Financial Statements*, since it meets the following conditions:

- the Plan obtains funds from multiple investors (subscribers) for the purpose of managing their savings;
- the Plan commits to its investors (subscribers) that its business purpose is to invest funds solely for returns from capital appreciation and investment income, in accordance with its mission;
- the Plan measures and evaluates the performance of its investments on a fair value basis.

Therefore, the Plan does not prepare consolidated financial statements.

2. Material accounting policy information (continued)

Revenue recognition

- **Interest income for educational assistance payments**

Interest income is recognized when it is probable that future economic benefits will flow to the Plan and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the outstanding principal and the effective interest rate.

- **Dividends**

Dividend income is recognized when the Plan's right to receive payment is established, i.e., the dividend declaration date.

Recognition of expenses

- **Brokerage fees**

Brokerage fees paid to dealers represent a commission established by the dealer and usually ranges from \$0.01 to \$0.05 per share or bond purchased or sold.

- **Portfolio management fees**

Fees paid to portfolio managers correspond to a declining percentage established by the managers based on the average total assets invested under their respective management.

- **Trustee fees**

Trustee fees represent a fixed annual amount established under agreements with trustees.

- **Custodian fees**

Fees paid to custodians represent 0.009% (0.009% in 2022) of the average annual assets under management. Transaction fees for the purchase and sale of securities are also charged.

- **Administration fee**

Administration fees paid to promoters and investment fund managers could not exceed 1.305% of the Plan's total assets under management since May 1, 2022. Pricing changed as follows:

- Between January 1, 2021 and June 30, 2021; cap = 1.18%.
- Between July 1, 2021 and April 30, 2022; cap = 1.35%
- **Since May 1, 2022; cap = 1.305%**

Any portion of the administration fee that is not required to maintain and develop the organization is deducted from any excess of revenues over expenses of Kaleido Growth Inc., and any surplus is returned to the Plans UNIVERSITAS, REFLEX and INDIVIDUAL (the "Plans") by reducing the rate of the administration fees.

- **Independent Review Committee fees**

The Independent Review Committee fees comprise the compensation paid to IRC members for attendance fees at meetings and an annual retainer as well as the reimbursement of any expenses incurred to attend these meetings.

Financial instruments

- **Classification and measurement of financial assets**

At initial recognition, all financial assets are recorded at fair value in the statements of financial position. After initial recognition, financial assets must be classified as measured at fair value through other comprehensive income, at amortized cost, or at fair value through profit or loss. The Plan determines the classification based on the contractual cash flow characteristics of the financial assets and on the business model it uses to manage these financial assets.

Notes

for the years ended December 31, 2023 and 2022

(in thousands of Canadian \$)

2. Material accounting policy information (continued)

Financial instruments (continued)

- **Classification and measurement of financial assets (continued)**

In addition, under the fair value option, a financial asset may be irrevocably designated at fair value through profit or loss at initial recognition if certain conditions are met. The Plan has not designated any asset under the fair value option.

- **Contractual cash flow characteristics**

For the purpose of classifying a financial asset, the Plan must determine whether the contractual cash flows associated with a financial asset are solely payments of principal and interest on the principal amount outstanding. The principal generally corresponds to the fair value of the financial asset at initial recognition. Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time, and for other basic lending risks and costs, as well as a profit margin. If the Plan determines that the contractual cash flows associated with a financial asset are not solely payments of principal and interest, the financial assets must be classified as measured at fair value through profit or loss.

- **Business model**

When classifying financial assets, the Plan determines the business model used for each portfolio of financial assets that are managed together to achieve a same business objective. The business model reflects how the Plan manages its financial assets and the extent to which the financial asset cash flows are generated by the collection of the contractual cash flows, the sale of the financial assets, or both. The Plan determines the business model using scenarios that it reasonably expects to occur. Consequently, the business model determination is a matter of fact and requires the use of judgment and consideration of all the relevant evidence available to the Plan at the date of determination.

A financial asset portfolio falls within a “hold to collect” business model when the Plan’s primary objective is to hold these financial assets in order to collect contractual cash flows from them and not to sell them. When the Plan’s objective is achieved both by collecting contractual cash flows and by selling the financial assets, the financial asset portfolio falls within a “hold to collect and sell” business model. Financial assets are measured at fair value through profit or loss if they do not fall within either a “hold to collect” business model or a “hold to collect and sell” business model.

The entire investment portfolio is now classified at fair value through profit or loss as the Plan's strategy, as described in the prospectus, and its decisions are based on the fair value of assets. Although the Plan collects contractual cash flows during the ownership of these assets, they are considered incidental and not essential to achieving the objectives of the Plan's business model. Since this model corresponds to another business model in accordance with IFRS 9, these financial assets are to be classified at fair value through profit or loss.

Cash, sales pending settlement, dividends receivable, interest receivable, CESG receivable and QESI receivable are recorded at amortized cost, since they are managed according to a business model for which the objective is to collect contractual cash flows that correspond solely to payments of principal and interest on the principal amount outstanding. At initial recognition, these assets are recorded at fair value and are subsequently measured at amortized cost using the effective interest method. The assets are presented net of provisions for credit losses (PCLs), if any, in the statements of financial position.

At the end of each reporting period, the Plan applies a three-stage impairment approach to measure the expected credit losses (ECLs) on all debt instruments measured at amortized cost. The ECL model is forward-looking. Measurement of ECLs at each reporting period reflects reasonable and supportable information about past events, current conditions, and forecasts of future events and economic conditions. Any initial and subsequent impairment must be recognized in profit or loss.

The ECL three-stage impairment approach is based on the change in the credit quality of financial assets since initial recognition. If, at the reporting date, the credit risk of financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and a provision for credit losses is recorded in an amount equal to 12-month expected credit losses. When there is a significant increase in credit risk since initial recognition, these financial instruments are migrated to Stage 2, and a provision for credit losses in an amount equal to lifetime expected credit losses is recorded. For trade that have no significant financing component, the Plan uses the simplified method, so the provision for credit losses corresponds to an amount equal to lifetime expected credit losses.

Notes

for the years ended December 31, 2023 and 2022

(in thousands of Canadian \$)

2. Material accounting policy information (continued)

Financial instruments (continued)

- **Business model (continued)**

In subsequent reporting periods, if the credit risk of a financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the ECL model requires reverting to Stage 1. When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and a provision for credit losses equal to lifetime expected credit losses continues to be recorded or the financial asset is written off. Interest income is calculated on the gross carrying amount for financial assets in Stages 1 and 2 and on the net carrying amount for financial assets in Stage 3.

Purchases pending settlement, accounts payable and other liabilities, as well as QESI refundable are classified as financial liabilities at amortized cost. Upon initial recognition, these liabilities are recorded at fair value and are subsequently measured at amortized cost using the effective interest method.

Cash

Cash consists of deposits made in financial institutions.

Sales and purchases pending settlement

Sales pending settlement are investments sold with a transaction date prior to year-end 2023 but a settlement date in 2024. Purchases pending settlement are investments purchased with a transaction date prior to year-end 2023 but a settlement date in 2024.

Quebec Education Savings Incentive (QESI) receivable

The QESI is generally received in the month of May following the tax year in which the contributions were received. As of the reporting date of the financial statements, the QESI amount receivable is estimated based on all subscriber contributions made during the year ended December 31, 2023. This amount is estimated by first applying the methodology of the basic grant. If a subscriber is eligible for the additional grant, a supplementary grant amount receivable is then estimated in accordance with the applicable methodology. The total basic grant and the total additional grant are subject to the annual and lifetime limits, which are also factored into the estimated amount of QESI receivable.

Net assets attributable to contracts

The net assets attributable to contracts represent a financial liability resulting from a unique contract, and the Plan provides a breakdown of this liability according to its use, i.e., subscriber savings, sales charge refund obligation at maturity, EAP account, CESG, QESI or accumulated income on the CESG and QESI.

Subscriber savings

The subscriber savings account consists of the contributions received from subscribers, excluding sales charges. The Plan guarantees the refund of savings to subscribers at all times.

Sales charge refund obligation at maturity (SCROM)

The subscriber savings account consists of the contributions received from subscribers, excluding sales charges. The Plan guarantees the refund of savings to subscribers at all times.

Management assesses this value based on the sales charges applicable to the Plan. The assumptions used to determine the value of the SCROM reflect management's best estimates regarding future payments to subscribers and include economic and non-economic assumptions. The non-economic assumptions include considerations such as the termination of the Plans before maturity. The main economic assumption is the discount rate. The latter corresponds to the weighting of the assumptions for net rate of return of equities and bonds, according to the directives of the investment policy applicable to the SCROM.

2. Material accounting policy information (continued)

Financial instruments (continued)

- **EAP account**

The educational assistance payment (EAP) account consists of the net investment income accumulated on subscriber savings over time, net of the EAPs paid and the portion of net income used to refund sales charges. This account may be used only to issue EAPs, and the EAPs cannot exceed the sum in the eligible beneficiary group's EAP account.

- **Canada Education Savings Grant (CESG)**

Since January 1, 1998, the Government of Canada has been adding 20% to contributions made to a registered education savings plan (RESP), up to the eligible limits, by a subscriber who meets all the Canada Education Savings Program (CESP) requirements and submits the necessary information to the Plan. The annual CESG limit is set at \$500 per beneficiary (i.e., $\$2,500 \times 20\% = \500). Moreover, since January 1, 2005, the CESG rate that applies to the first \$500 of the annual RESP contribution increased from 20% to 40% for beneficiaries whose adjusted family net income in 2023 does not exceed \$53,359 and to 30% for beneficiaries whose adjusted family net income in 2023 falls between \$53,360 and \$106,717. These amounts are indexed every year. Beneficiaries born on or after January 1, 2004, from financially eligible families also qualify for the Canada Learning Bond (CLB), which consists of an initial payment of \$500 into the beneficiary's RESP. Subsequently, this beneficiary can also qualify for additional CLB payments of \$100 each year of eligibility for a maximum of 15 years. The grant is paid as part of the EAPs made to the beneficiary.

- **Quebec Education Savings Incentive (QESI)**

On February 20, 2007, the Government of Quebec introduced the Quebec Education Savings Incentive (QESI), a program to encourage education savings that took the form of a refundable tax credit paid directly in an RESP opened with an RESP provider offering the QESI. The grant's annual limit is set at \$250 per beneficiary (i.e., $\$2,500 \times 10\% = \250). Moreover, the QESI rate on the first \$500 contributed annually to an RESP is 20% for beneficiaries whose adjusted family net income in 2023 does not exceed \$49,275. The rate is 15% for beneficiaries whose 2023 adjusted family net income falls between \$49,276 and \$98,540. These amounts are indexed each year. The credit applies as of the 2007 taxation year to contributions to RESPs after February 20, 2007, for a calendar year after 2006. The cumulative QESI lifetime limit per beneficiary is set at \$3,600. The grant is paid as part of the EAPs made to the beneficiary.

Taxation

The Plan is a trust under a registered education savings plan (RESP) and is exempted from filing a Trust Income Tax Return. Therefore, the Plan does not recognize income tax expenses.

Calculation of educational assistance payment (EAP) amounts per unit

EAP amounts per unit are calculated as at January 1st by determining the adjusted fair market value (AFMV) available to the beneficiary group eligible for EAPs as of this date.

The effect of this methodology is to amortize gains (losses) on investments over a four-year period, thereby protecting EAP amounts per unit from any major market fluctuations. For the period between September 30, 2023 and January 1, 2024, the net return generated by the securities of the portfolio in which the EAP account is invested is added. The amount of EAPs paid during this same period is also deducted, thereby establishing the AFMV as at January 1st. The latter is then distributed among the units held by the beneficiaries eligible to receive an EAP by applying a claim factor. This way, only a portion of these units is considered, since some beneficiaries will not meet the requirements to qualify for EAPs.

When applying the Plan's accounting policies, as described in Note 2 to the financial statements for the year ended December 31, 2023, management must make judgments as well as estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and underlying assumptions are based on historical experience and other factors considered relevant. Actual results may differ from these estimates.

Notes

for the years ended December 31, 2023 and 2022

(in thousands of Canadian \$)

3. Significant accounting judgments, estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year during which the estimate is revised if the revision affects only that year or in the year of the revision and future years if said revision affects both current and future years.

Management exercised judgment and made estimates and underlying assumptions regarding the QESI receivable and the sales charge refund obligation at maturity (SCROM).

4. Investments

	December 31, 2023	December 31, 2022
Short-term investments	99,728	79,364
Bonds	1,002,011	941,952
Equities	109,275	86,788
	1,211,014	1,108,104

5. Current assets and liabilities

The Plan expects to recover the amounts relating to sales pending settlement, dividends receivable, interest receivable, CESC receivable, QESI receivable, no later than 12 months following the end date of the reporting period. In addition, the Plan expects to settle the sums for the purchases pending settlement, the QESI refundable as well as accounts payable and other liabilities no later than 12 months following the end date of the reporting period.

6. Accounts payable and other liabilities

	Notes	December 31, 2023	December 31, 2022
Amount payable to Kaleido Growth Inc.	8	2,831	1,345
Amount payable to the Kaleido Foundation	8	125	60
Accumulated income on grants for payment to a designated educational institution		12	44
Other		319	344
		3,287	1,793

7. Sales charge refund obligation at maturity (SCROM)

	December 31, 2023	December 31, 2022
Discounted value of the SCROM	79,056	75,794
Non-discounted value of the SCROM	101,606	102,965

Given that the underlying conditions evolve over time, especially the rate of return, these assumptions could also change and therefore cause a change in the discounted value of the SCROM.

Notes

for the years ended December 31, 2023 and 2022

(in thousands of Canadian \$)

7. Sales charge refund obligation at maturity (SCROM) (continued)

Impact of a change in the discount rate	December 31, 2023	December 31, 2022
Discount rate applied	3.70%	4.04%
Increase of 1.0%	(4,885)	(5,130)
Decrease of 1.0%	5,411	5,683

8. Related party transactions

Kaleido Growth Inc.

Kaleido Growth Inc., a wholly owned subsidiary of Kaleido Foundation, is the distributor of the products promoted by the Foundation and serves as the Plan's distributor and investment fund manager.

Kaleido Foundation

The Foundation is the promoter of the REFLEX Plan. The Plan and the Foundation report to the same Board of Directors.

Administration fees	December 31, 2023	December 31, 2022
Kaleido Growth Inc.	17,365	16,595
	17,365	16,595

Amount payable	December 31, 2023	December 31, 2022
Kaleido Growth Inc.	(2,831)	(1,345)
Kaleido Foundation	(125)	(60)
	(2,956)	(1,405)

9. Capital management

The Plan's capital corresponds to the net assets attributable to contracts. Capital management objectives are as follows:

- Preserving the value of subscriber savings and government grants.
- Ensuring the refund of sales charges at maturity.
- Achieving a maximum net return while maintaining an appropriate degree of risk to reach satisfactory EAP amounts per unit.

To meet these objectives, the portfolio managers are mandated to optimize total returns through high-quality investments, strategic asset diversification and allocation, security selection, duration management and credit analysis. The Plan periodically reviews and revises its policies and procedures.

Notes

for the years ended December 31, 2023 and 2022

(in thousands of Canadian \$)

9. Capital management (continued)

For the year ended December 31, 2023, the following policies and procedures were applied:

- **Subscriber savings:** The Plan commits to refund subscriber savings and to invest the savings solely in fixed-income securities (government and corporate bonds) before plan maturity. After plan maturity, the Plan invests these funds solely in cash or cash equivalents to ensure the liquidity of investments, as these sums may be withdrawn at any time.
- **Government grants:** Grants received before April 20, 2012, are invested with a target allocation of 100% variable-income securities (Canadian and U.S. equities). Government grants received on or after April 20, 2012, are invested entirely in fixed-income securities such as the subscriber savings.
- **Income earned on grants, SCROM, and the EAP account:** The Plan invests the amounts attributed to these funds with a target allocation of 100% variable-income securities such as government grants received before April 20, 2012.

During the year ended December 31, 2023, the Plan maintained the same strategy of prudent portfolio management as that of previous reporting periods by maintaining the investment philosophy adopted by the Investment Committee and portfolio managers.

These policies and procedures must comply with the provisions of the Securities Act (Quebec) and meet the requirements of Paragraph 146.1 (1) of the Income Tax Act (Canada). The Plan is not subject to any other external capital requirements.

10. Financial instruments

Fair value

- **Establishing fair value**

The fair values of cash, sales pending settlement, dividends receivable, interest receivable, QESI receivable, purchases pending settlement, CESH refundable, QESI refundable, and accounts payable and other liabilities approximate their carrying amounts due to their short-term maturities.

The fair value of net assets attributable to contracts corresponds to its carrying amount given that it is the residual amount allocated to contract holders and to beneficiaries at the reporting date.

The fair value of equity investments is established using the bid price values. If quoted prices in active markets are unavailable, the fair value of investments in short-term investments and bonds is determined using current valuation methods such as a model that relies on discounting expected future cash flows or similar techniques. These methods use current observable market data for financial instruments with similar risk profiles and comparable terms. The significant data used in these models include, but are not limited to, yield curves and credit risks.

- **Fair value hierarchy**

For financial reporting purposes, fair value measurements are classified in accordance with a hierarchy (Levels 1, 2, or 3). This classification is based on the level at which fair value measurement inputs are observable as well as on the significance of a particular input to the fair value measurement in its entirety. The fair value hierarchy consists of the following levels:

- **Level 1** - Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities (for example, prices observable on the TSX) and for which the entity can access at the measurement date.
- **Level 2** - Valuation based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices). For example, matrix pricing, yield curves and indices.
- **Level 3** - Valuation in which a significant portion of the inputs used for assets or liabilities are not based on observable market data (unobservable inputs). For example, private investment valuations by portfolio managers.

Notes
for the years ended December 31, 2023 and 2022
(in thousands of Canadian \$)

10. Financial instruments (continued)

• **Fair value hierarchy (continued)**

The hierarchy that applies when determining fair value requires the use of observable market inputs whenever such inputs exist. Fair values are classified in Level 1 when the security is traded on an active market and a quoted price is available. If a financial instrument classified in Level 1 ceases to trade in an active market, it is transferred to the next level (Level 2). If the valuation of its fair value requires significant use of unobservable market inputs, it is then classified in Level 3.

The following tables present the financial instruments recorded at fair value in the statements of financial position, classified using the fair value hierarchy:

As at December 31, 2023	Level 1	Level 2	Level 3	Total
Short-term investments	76,640	23,088	-	99,728
Bonds	-	1,002,010	-	1,002,010
Equities	109,276	-	-	109,276
	185,916	1,025,098	-	1,211,014

As at December 31, 2022	Level 1	Level 2	Level 3	Total
Short-term investments	58,311	21,053	-	79,364
Bonds	-	941,952	-	941,952
Equities	86,788	-	-	86,788
	145,099	963,005	-	1,108,104

Over the course of the years ended December 31, 2023 and December 31, 2022, there was no significant transfer between Levels 1 and 2.

Risk management related to financial instruments

Due to the nature of its business activities, the Plan is exposed to a variety of financial risks arising from financial instruments, such as credit risk, liquidity risk and market risk (including price risk, currency risk and interest rate risk). The Plan's overall risk management program seeks to maximize the returns achieved without exposing subscriber investments to undue risks and to minimize potential adverse impacts on financial performance. The main risks stemming from financial instruments to which the Plan is exposed and the main actions taken to manage those risks are as follows:

• **Credit risk**

The Plan is exposed to credit risk, which is the risk of a party to a financial instrument failing to meet its obligations, resulting in a financial loss for the other party. The Plan's exposure to credit risk arises from its investments in debt securities. The Plan has established qualitative selection criteria for investments to limit this risk. As for investments related to subscriber savings and to a portion of the government grants received as of April 20, 2012, the Plan selects only securities issued by the Government of Canada, a provincial government, a municipality, an organization that has a government guarantee, or a corporation that is considered investment grade. The other amounts making up the net assets attributable to contracts may also be invested in securities issued by corporations.

Quantitative restrictions have also been established to reduce credit risk. Securities from all borrowers, except a government, are limited to 10% of the total market value of the fixed-income securities entrusted to the portfolio manager. A minimum BBB rating is required when purchasing.

Notes

for the years ended December 31, 2023 and 2022

(in thousands of Canadian \$)

10. Financial instruments (continued)

Risk management related to financial instruments (continued)

- **Credit risk (continued)**

As at December 31, 2023 and as at December 31, 2022, the Plan invested in fixed-income securities that are neither past due nor impaired and that had the following credit ratings:

Credit rating	Percentage of total debt securities*	
	December 31, 2023	December 31, 2022
	%	%
AAA	2.8	1.8
AA	30.8	27.1
A	40.0	47.3
BBB	26.4	23.8

*Excludes short-term investments

The Plan's maximum exposure to credit risk is the carrying amount of the financial instruments presented in the statements of financial position.

- **Liquidity risk**

Liquidity risk refers to the Plan's ability to meet its commitments under financial liabilities and therefore its capacity to make payments as required. The Plan is exposed to daily refunds to subscribers, who are entitled to request a refund of their savings at any time. However, the majority of subscribers hold their investment until the contract's maturity date. Liquidity risk is considerably reduced by the fact that the subscriber savings are entirely invested in fixed-income securities on liquid markets. The Plan carefully manages its cash position daily and ensures the minimum cash level required to meet its liquidity needs is maintained.

The following table presents the contractual maturities of the Plan's financial liabilities as at December 31, 2023, assuming the subscribers claim their savings at contract maturity (subscribers are also entitled to claim these at any time by cancelling part or all of their units):

Maturity	Purchases pending settlement	Accounts payable and other liabilities	QESI refundable	Net assets attributable to contracts	Total
2024 ⁽¹⁾	134	3,287	1,269	307,405	312,095
2025				119,527	119,527
2026				112,451	112,451
2027				110,841	110,841
2028				117,854	117,854
2029				104,801	104,801
2030				95,564	95,564
2031				78,969	78,969
2032				64,568	64,568
2033				47,545	47,545
2034				29,896	29,896
2035				17,454	17,454
2036				10,692	10,692
2037				6,013	6,013
2038				2,752	2,752
2039				266	266
	134	3,287	1,269	1,226,598	1,231,288

(1) Includes beneficiary groups with plans that reached maturity before 2024

Notes

for the years ended December 31, 2023 and 2022

(in thousands of Canadian \$)

10. Financial instruments (continued)

Risk management related to financial instruments (continued)

- **Liquidity risk (continued)**

The following table presents the contractual maturities of the Plan's financial liabilities as at December 31, 2022, assuming the subscribers claim their savings at contract maturity (subscribers are also entitled to claim these at any time by cancelling part or all of their units):

Maturity	Purchases pending settlement	Accounts payable and other liabilities	QESI refundable	Net assets attributable to contracts	Total
2023 ⁽¹⁾	576	1,793	1,194	239,684	243,247
2024				98,824	98,824
2025				105,017	105,017
2026				98,499	98,499
2027				97,224	97,224
2028				102,763	102,763
2029				90,978	90,978
2030				82,182	82,182
2031				67,156	67,156
2032				54,016	54,016
2033				39,076	39,076
2034				23,782	23,782
2035				13,063	13,063
2036				7,376	7,376
2037				3,583	3,583
2038				1,477	1,477
2039				76	76
	576	1,793	1,194	1,124,776	1,128,339

* Includes beneficiary groups with plans that reached maturity before 2023

- **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. Changes in certain financial market parameters can influence the Plan's statements of financial position and comprehensive income. The Plan considers these risks when deciding on the overall asset allocation options.

Market risk is reduced through a diversification of the investment portfolio among multiple financial markets (money market, bond and stock exchange), among diverse products with varying risk profiles (participative or fixed-income securities) and among multiple market sectors (government, municipal, energy, materials, communication services, utilities, financials, consumer staples, consumer discretionary, industrials and technology).

- **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Plan carries out transactions denominated in foreign currencies and is therefore exposed to currency risk when selling and buying investments in U.S. currencies and when the Plan has U.S. currencies in its cash. At December 31, 2022, the Plan had \$303.9 in U.S. currency (\$175.8 at December 31, 2022) representing \$400.8 in cash (\$238.1 at December 31, 2022). The Plan also had \$48.1K in U.S. equity (\$25.6K at December 31, 2022) representing \$63.4K in investments (\$34.6K at December 31, 2022). In the money market, the plan had \$368.3 in U.S. currency, representing \$485.6 in cash in 2023 (vs. \$- at December 31, 2022).

Notes
for the years ended December 31, 2023 and 2022
(in thousands of Canadian \$)

10. Financial instruments (continued)

Risk management related to financial instruments (continued)

• **Currency risk (continued)**

Lastly, the Plan had \$62.4 in U.S. currency of sales pending settlement receivable (\$381.8 as at December 31, 2022), representing \$82.3K in assets (\$517.3K as at December 31, 2022) and purchases pending settlement of \$62.9 in U.S. currency (\$161.7 as at December 31, 2022), representing \$82.9 in liabilities (\$219.1 as at December 31, 2022). The Plan had no dividends receivable in U.S. currency at December 31, 2023 (\$48.2 representing \$64.8 as at December 31, 2022)

• **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Changes in interest rates have a direct impact on the value of the investment portfolio's fixed-maturity securities. This risk is mitigated by a duration range for the active portion of the bond portfolio and by developing a target duration correlated to the economic outlook for the passive portion of the bond portfolio. The maturity allocation of bonds is regularly adjusted based on anticipated interest rate movements, in compliance with the established maturities under the Plan's investment policy. The target duration is based on an analysis of the economic situation, future prospects and risk based on the very nature of the Plan.

As at December 31, 2023, a 100-basis-point change in market interest rates, assuming a parallel shift in the yield curve and all other variables remaining constant, would cause the fair value of bonds held in the Plan's investment portfolio, net income, comprehensive income, and net assets attributable to contracts to change by approximately \$42.5M (\$39.4M as at December 31, 2022). In practice, actual results may differ materially from this analysis.

Investments that present interest rate risk are as follows:

	December 31, 2023	December 31, 2022
	%	%
Maturing in less than one year	9.0	7.8
Maturing in one to five years	45.2	51.1
Maturing after five years	45.8	41.1

• **Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or to its issuer, or factors affecting all similar financial instruments traded in the market.

Stock market volatility mostly influences the value of the equities held by the Plan. It should be noted, however, that this exposure is spread in various market sectors, especially in Canadian and U.S. large-cap securities, which reduces this risk. The stock market index for equities is the S&P/TSX. A 10% change in the stock market index, with all other variables remaining constant, would create a change of approximately \$10.9M as at December 31, 2023 (\$8.7M as at December 31, 2022) in the fair value of the Plan's equity holdings, net income, comprehensive income and net assets attributable to contracts. In practice, actual results may differ materially from this analysis. The sensitivity analysis on the fair value of the bonds is described in the "Interest rate risk" section.

• **Concentration risk**

Concentration risk arises from having positions concentrated within a same category, whether that category is geographical location, product type, market sector or type of counterparty. The following table summarizes the Plan's concentration risk in relation to the total carrying amount of equity investments:

Notes

for the years ended December 31, 2023 and 2022

(in thousands of Canadian \$)

10. Financial instruments (continued)

Risk management related to financial instruments (continued)

- **Concentration risk (continued)**

Market sectors	December 31, 2023	December 31, 2022
	%	%
Energy	2.8	2.9
Materials	2.8	7.5
Communication Services	6.5	7.6
Utilities	1.5	1.8
Financials	14.7	17.7
Consumer Staples	7.4	10.5
Consumer Discretionary	11.3	13.2
Health	7.8	10.4
Industrials	12.4	12.2
Information Technology	20.1	16.2
Real Estate	2.3	0.0
ETF	10.4	0.0

- **Offsetting**

The following table presents the financial instruments that have been offset in the Plan's financial statements:

Canada Education Savings Grant (CESG) receivable	December 31, 2023	December 31, 2022
Gross financial assets	1,466	1,596
Financial liabilities offset	(210)	(175)
	1,256	1,421

The Plan has no other financial instrument subject to an enforceable master netting agreement or similar agreement.

The Plan does not hold assets that can be used as a guarantee for the CESG receivable.

Scholarship Agreements (unaudited)

as at December 31, 2023

(in thousands of Canadian \$)

Group	Number of subscribed units as at December 31, 2022	Number of subscribed units	Number of cancelled or expired units	Number of subscribed units as at December 31, 2023	Subscribers' Savings	Sales Charge Refund Obligation at Maturity	EAP Account	CESG and Accumulated Income on CESG	QESI and Accumulate d Income on QESI
2024	87,892	5	(2,421)	85,477	170,049	10,413	39,581	65,394	21,968
2025	29,195	9	(160)	29,045	69,703	5,181	7,341	27,880	9,422
2026	33,547	8	(216)	33,339	67,393	5,702	3,071	27,174	9,111
2027	42,667	11	(393)	42,285	68,148	6,939	(1,208)	27,679	9,283
2028	51,356	12	(489)	50,879	73,695	8,019	(3,267)	29,501	9,906
2029	51,219	11	(542)	50,688	66,278	7,654	(4,175)	26,104	8,940
2030	52,627	48	(682)	51,992	60,792	7,498	(4,965)	23,901	8,338
2031	49,649	16	(930)	48,735	50,302	6,695	(5,094)	20,043	7,023
2032	46,436	32	(785)	45,683	40,916	5,973	(5,013)	16,814	5,878
2033	40,420	29	(955)	39,494	29,815	4,899	(4,440)	12,856	4,415
2034	31,178	20	(827)	30,370	18,177	3,569	(3,414)	8,707	2,857
2035	22,648	11	(609)	22,050	10,405	2,435	(2,483)	5,359	1,738
2036	18,114	9	(663)	17,459	6,110	1,808	(1,802)	3,451	1,125
2037	14,357	-	(525)	13,832	3,160	1,337	(1,296)	2,114	698
2038	9,889	3	(355)	9,536	1,258	934	(895)	1,101	354
2039	1,388	-	(15)	1,373	115	-	-	114	37
	582,582	224	(10,567)	572,237	736,316	79,056	11,941	298,192	101,093

Educational Assistance Payments (unaudited)

For the years ended December 31, 2023 and 2022

(in thousands of Canadian \$)

As at December 31, 2023 ⁽¹⁾⁽²⁾	Year of Qualification ⁽⁵⁾	Units	EAP unit Value	Total
			\$	\$
	2023	5,519.575	382	2,108,477
	2022	4,854.129	382	1,854,277
	2021	2,608.581	382	996,478
	2020	1,227.265	382	468,815
	2019	602.706	382	230,234
	2018	182.544	382	69,732
	2017	96.351	382	36,806
	2016	31.678	382	12,101
	2015	9.207	382	3,517
	2014	7.495	382	2,863
	2013	2.383	382	910
	2010	1.065	382	407
Experience refunds (3)		9,120.732	76	693,176
Grants and their income paid				19,574,096
Other income paid (4)				250,314
				26,302,202

(1) The EAP unit amount does not include government grants or the income earned thereon.

(2) The EAP unit amounts are established on July 1 of each year

(3) The insurance experience refund is payable only for units purchased before December 8, 2009 and for which the subscriber paid premiums for the mandatory life and disability insurance. Before 2014, this refund was included in the EAP unit amount since all qualified beneficiaries were entitled to it.

(4) The "Other income paid" item refers to income received from other promoters and income on savings after plan maturity

(5) Since July 1, 2014, a freeze on the second and third EAP has been applied. This means that, if a beneficiary qualifies for a first EAP, he or she will receive the unit value of the second and third EAP calculated for the current year of qualification, regardless of when the beneficiary applies for it. Prior to July 1, 2014, any beneficiary who qualified for a second or third EAP received the unit amount in force at the time of application.

Educational Assistance Payments (unaudited)

For the years ended December 31, 2023 and 2022

(in thousands of Canadian \$)

As at December 31, 2022 ⁽¹⁾⁽²⁾	Year of Qualification ⁽⁵⁾	Units	EAP unit Value	Total
			\$	\$
	2022	4,964.716	335	1,663,180
	2021	5,018.828	335	1,681,307
	2020	2,622.850	335	878,655
	2019	1,254.234	335	420,168
	2018	448.111	335	150,117
	2017	212.499	335	71,187
	2016	78.223	335	26,205
	2015	26.983	335	9,039
	2014	28.737	335	9,627
	2013	2.504	335	839
	2012	5.232	335	1,753
	2011	3.771	335	1,263
	2010	1.829	335	613
	2009	1.829	335	613
Experience refunds (3)		6,898.329	79	544,968
Grants and their income paid				14,874,442
Other income paid (4)				82,818
				20,416,793

(1) The EAP unit amount does not include government grants or the income earned thereon.

(2) The EAP unit amounts are established on July 1 of each year

(3) The insurance experience refund is payable only for units purchased before December 8, 2009 and for which the subscriber paid premiums for the mandatory life and disability insurance. Before 2014, this refund was included in the EAP unit amount since all qualified beneficiaries were entitled to it.

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