Condensed interim unaudited

Financial statements

IDEO+ RESPONSIBLE Plan

for the six months period ended June 30, 2023 and for the 149 days period ended June 30, 2022

KALEIDO

The IDEO+ RESPONSIBLE Plan

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Statements of financial position
Condensed interim unaudited
(in thousand of Canadian $)

	Notes	**June 30, 2023**	December 31, 2022
Assets			
Cash		**155**	135
Dividends receivable		**1**	-
Interest receivable		**12**	5
Canada Education Savings Grant (CESG) receivable		**78**	200
Quebec Education Savings Incentive (QESI) receivable		**222**	215
Investments	4	**5,756**	2,606
		6,224	3,161
Liabilities			
Accounts payable and other liabilities	6	**15**	256
		15	256
Net assets attributable to contracts		**6,209**	2,905

Statements of net income and comprehensive income

Condensed interim unaudited

for the six months period ended June 30, 2023 and the 149 days period ended June 30, 2022

(in thousand of Canadian $)

	Notes	**2023**	2022 (for 149 days)
Revenues from ordinary activities			
Interest income for educational assistance payments		**33**	-
Dividends		**20**	-
Realized gain (loss) on disposal of investments		**7**	-
Change in unrealized appreciation (depreciation) of investments		**173**	-
		233	-
Operating expenses			
U.S. tax expenses		**3**	-
Portfolio management fees		**5**	-
Custodian fees		**9**	-
Administration fees	7	**42**	-
		59	-
Net income and comprehensive income attributable to contracts		**174**	-

Statements of changes in net assets attributable to contracts
Condensed interim unaudited
for the six months period ended June 30, 2023
(in thousand of Canadian $)

	Subscribers savings	Income on savings	CESG	QESI	Income on incentives	Total
Net assets as at December 31, 2022	2,128	5	521	217	33	2,905
Net income and comprehensive income	-	145	-	-	29	174
Increase						
Subscribers savings	2,401	-	-	-	-	2,401
Grants received from the government	-	-	533	248	-	781
Transfers from other promoters	-	-	17	6	-	23
	2,401	-	550	254	-	3,205
Decrease						
Refund of savings at maturity	(66)	-	-	-	-	(66)
Transfers to other promoters	-	-	(1)	-	-	(1)
Grants and income on grants	-	(1)	(6)	(1)	-	(8)
	(66)	(1)	(7)	(1)	-	(75)
Net assets as at June 30, 2023	**4,463**	**149**	**1,065**	**470**	**62**	**6,209**

Statements of changes in net assets attributable to contracts
Condensed interim unaudited
for the 149 days period ended June 30, 2022

(in thousand of Canadian $)

	Subscribers savings	Income on savings	CESG	QESI	Income on incentives	Total
Net assets as at 1 February, 2022	-	-	-	-	-	-
Net income and comprehensive income	-	-	-	-	-	-
Increase						
Subscribers savings	215	-	-	-	-	215
Grants received from the government	-	-	49	27	-	76
Net assets as at June 30, 2022	**215**	**-**	**49**	**27**	**-**	**291**

Statements of cash flows
Condensed interim unaudited
for the six months period ended June 30, 2023 and the 149 days period ended June 30, 2022
(in thousand of Canadian $)

	2023	2022 (for 149 days)
Cash flows from operational activities		
Income received		
Interest	**26**	-
Dividends	**18**	-
	44	-
Operating expenses paid		
U.S. tax expenses	**(3)**	-
Custodian fees	**(10)**	-
Administration fees	**(37)**	-
	(50)	-
Other operational activities		
Disposal of investments	**3,985**	-
Acquisition of investments	**(6,954)**	-
	(2,969)	-
Net cash flows from (used in) operational activities	**(2,975)**	-
Cash flows from financing activities		
Savings received	**2,409**	215
Savings advance	**(250)**	250
Savings paid to other promoters	**(7)**	-
Refunds of savings to subscribers	**(66)**	-
CESG received	**670**	27
QESI received	**247**	-
Incentives and income on incentives paid	**(7)**	**-**
Income on savings paid	**(1)**	**-**
Net cash flows from financing activities	**2,995**	492
Net increase in cash	**20**	492
Cash, beginning of period	**135**	-
Cash, end of period	**155**	492

Schedule of investment portfolio
Condensed interim unaudited
as at 30, 2023

(in thousand of Canadian $)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Short-term investments					
751	Cash		-	751	751
10	BCI QUADREAL REALTY	12 Mar 2024	1.056	10	10
25	INTACT FINANCIAL CORPORATION	21 May 2024	1.207	24	24
Total - Short-term investments				785	785
Bonds					
Bonds issued or guaranteed by a Canadian province					
70	HYDRO-QUEBEC	1 Sep 2028	2.000	65	63
159	PROV OF ONTARIO	2 Jun 2032	3.750	158	156
5	PROV OF ONTARIO	2 Jun 2031	6.200	6	6
135	PROV OF ONTARIO	1 Nov 2029	1.550	118	117
10	PROV OF ONTARIO	2 Jun 2029	2.700	9	9
41	PROV OF ONTARIO	2 Jun 2028	2.900	40	39
24	PROV OF ONTARIO	5 Feb 2025	2.650	23	23
10	PROV OF QUEBEC	22 Nov 2032	3.900	10	10
217	PROV OF QUEBEC	20 May 2032	3.650	214	212
150	PROV OF QUEBEC	27 May 2031	2.100	134	132
10	PROV OF QUEBEC	1 Sep 2029	2.300	9	9
10	PROV OF QUEBEC	1 Sep 2028	2.750	10	9
22	PROV OF QUEBEC	1 Sep 2027	2.750	22	21
85	PROVINCE OF ONTARIO	1 Feb 2027	1.850	80	78
				898	884
Bonds issued or guaranteed by a municipality					
10	SOUTH COAST BC TRANSN AUTH	3 Jul 2030	1.600	8	9
				8	9
Bonds issued or guaranteed by a corporation					
20	407 INTERNATIONAL INC	22 May 2025	1.800	19	19
12	ALLIED PROPERTIES REIT	12 Feb 2026	1.726	11	11
15	ALTALINK L P	29 May 2026	2.747	14	14
5	BANK OF MONTREAL	26 Nov 2082	7.325	5	5
25	BANK OF MONTREAL	28 May 2026	1.551	22	23
20	BANK OF NOVA SCOTIA	1 Nov 2027	1.400	17	17
20	BANK OF NOVA SCOTIA	3 Feb 2025	2.160	19	19
18	BCI QUADREAL REALTY	24 Jun 2026	2.551	17	17
15	BELL CANADA	29 May 2028	2.200	13	13
15	BELL CANADA	29 Jan 2025	2.750	14	14
10	CANADIAN IMPERIAL BK OF COMM	19 Jan 2033	5.330	10	10
10	CANADIAN IMPERIAL BK OF COMM	17 Apr 2025	2.000	9	9
15	CHOICE PROPERTIES REIT	8 Mar 2028	4.178	14	14
27	CHOICE PROPERTIES REIT	30 Nov 2026	2.456	25	25
5	CT REIT	16 Jun 2027	3.469	5	5
10	CT REIT	9 Jun 2025	3.527	10	10
15	DOLLARAMA INC	8 Jul 2026	1.871	14	14

Schedule of investment portfolio
Condensed interim unaudited
as at June 30, 2023
(in thousand of Canadian $)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a corporation					
15	ENBRIDGE INC	8 Jun 2027	3.200	14	14
10	ENERGIR INC	16 Apr 2027	2.100	9	9
10	FEDERATION DES CAISSES	23 Aug 2032	5.035	10	10
15	GRANITE REIT HOLDINGS LP	30 Aug 2028	2.194	13	13
18	GRANITE REIT HOLDINGS LP	4 Jun 2027	3.062	17	17
5	GREAT-WEST LIFECO INC	28 Feb 2028	3.337	5	5
5	HYDRO ONE INC	30 Nov 2029	3.930	5	5
25	HYDRO ONE INC	24 Feb 2026	2.770	24	24
10	INTACT FINANCIAL CORPORATION	18 May 2028	2.179	9	9
5	LOBLAW COMPANIES LTD	11 Dec 2028	4.488	5	5
10	MANULIFE FINANCIAL CORP	19 Jun 2082	7.117	10	10
15	METRO INC	6 Dec 2027	3.390	14	14
36	NATIONAL BANK OF CANADA	15 Jun 2026	1.534	32	32
15	NORTH WEST REDWTR PARTNERSHIP	1 Jun 2027	2.800	14	14
29	OMERS REALTY CORP	14 Nov 2028	5.381	30	29
15	ONTARIO POWER GENERATION INC	4 Oct 2027	3.315	14	14
5	ONTARIO POWER GENERATION INC	8 Apr 2025	2.893	5	5
17	RIOCAN REIT	15 Jun 2026	1.974	15	15
15	ROGERS COMMUNICATIONS INC	31 Mar 2027	3.650	14	14
5	ROGERS COMMUNICATIONS INC	1 Mar 2027	3.800	5	5
5	ROYAL BANK OF CANADA	1 Feb 2033	5.010	5	5
45	ROYAL BANK OF CANADA	31 Jul 2028	1.833	39	39
5	SUN LIFE FINANCIAL INC	13 Aug 2029	2.380	5	5
25	TELUS CORP	8 Jul 2026	2.750	23	23
5	THE BANK OF NOVA SCOTIA	27 Jul 2082	7.023	5	5
10	TMX GROUP LIMITED	5 Jun 2028	3.779	10	10
15	TMX GROUP LTD	11 Dec 2024	2.997	15	14
5	TORONTO DOMINION BANK	31 Oct 2082	7.283	5	5
20	TORONTO DOMINION BANK	22 Apr 2030	3.105	19	19
45	TORONTO DOMINION BANK	8 Mar 2028	1.888	39	39
15	TRANSCANADA PIPELINES LTD	5 Apr 2027	3.800	14	14
17	IVANHOE CAMBRIDGE II INC	12 Dec 2024	2.296	16	16
15	LOWER MATTAGAMI ENERGY LP	14 May 2031	2.433	13	13
10	LOWER MATTAGAMI ENERGY LP	21 Oct 2026	2.307	9	9
25	FAIRFAX FINL HOLDINGS LTD	16 Dec 2026	4.700	24	24
15	FEDERATION DES CAISSES DESJARD	19 May 2027	4.407	15	15
12	DREAM INDL REAL ESTATE INVT TR	13 Apr 2026	3.968	12	11
12	DREAM SUMMIT INDUSTRIAL LP	12 Jan 2027	2.250	11	11
				781	779
Total - Bonds				1,687	1,672

Schedule of investment portfolio
Condensed interim unaudited
as at June 30, 2023

(in thousand of Canadian $)

Number of shares	Security	Cost	Carrying amount
Equities			
Materials			
303	ECOLAB INC	66	75
		66	75
Communication Services			
3,795	TELUS CORP	101	98
1,374	NEW YORK TIMES CO/THE	70	72
		171	170
Financials			
775	ROYAL BANK OF CANADA	100	98
1,498	TORONTO DOMINION BANK	127	123
492	VISA INC	149	154
		376	375
Consumer Staples			
1,624	METRO INC	117	122
		117	122
Utilities			
3,945	BROOKFIELD RENEWABLE PARTNERS	155	154
		155	154
Health			
319	ABBOTT LABORATORIES	44	46
370	DANAHER CORP	120	118
526	ZOETIS INC	118	120
159	WEST PHARMACEUTICAL SERVICES I	75	80
		357	364
Industrials			
845	CANADIAN NATIONAL RAILWAY CO	134	135
650	XYLEM INC/NY	92	97
		226	232
Information Technology			
196	MICROSOFT CORP	77	88
818	FISERV INC	128	136
96	INTUIT INC	54	58
196	SOLAREDGE TECHNOLOGIES INC	73	70
		332	352
ETF			
6,520	ISHARES ESG ADVANC MSCI EAFE	458	525
18,072	ISHARES ESG ADVANCE MSCI USA	743	859
		1,201	1,384

Schedule of investment portfolio
Condensed interim unaudited
as at June 30, 2023

(in thousand of Canadian $)

Number of shares	Security	Cost	Carrying amount
Equities (continued)			
Mutual funds			
7,858	ALPHAFIXED FLOATING RATE BK LN	72	71
		72	71
Total - Equities		3,073	3,299
Total - Schedule of investment portfolio		5,545	5,756

(in thousand of Canadian $)

1. General information about the Plan

The IDEO+ RESPONSIBLE 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 February 1st, 2022, between Kaleido Foundation (the "Foundation"), Eterna Trust Inc. and Kaleido Growth Inc. The latter acts as the investment fund manager of the IDEO+ RESPONSIBLE 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 IDEO+ RESPONSIBLE Plan is an individual scholarship plan. Under an individual scholarship plan, there is only one designated beneficiary at any given time and that beneficiary does not have to be related to the subscriber. In addition, there is no age limit for becoming a beneficiary of the scholarship plan. Subscribers can choose to make one-time contributions or monthly contributions. Beneficiaries may be eligible for several government grants. Contributions and grants are recorded and maintained at the depository. Contributions are returned to the subscriber or beneficiary and the income earned on these contributions and grants are used to make Education Assistance Payments if they meet the terms of the Income Tax Act (Canada).

The publication of these financial statements was authorized by the Audit Committee on August 23, 2023.

2. Significant accounting policies

Statement of compliance

The interim condensed statements of financial position, the interim condensed statements of net and comprehensive income, the interim condensed statements of changes in net assets attributable to contracts, the interim condensed statements of cash flows and the accompanying interim condensed notes were prepared in accordance with IAS 34 Interim Financial Reporting.

These interim condensed financial statements should be read in conjunction with the financial statements for the year ended December 31, 2022. The significant accounting policies used in preparing these condensed interim financial statements are consistent with those found in the financial statements for the year ended December 31, 2022.

3. Significant accounting judgments, estimates and assumptions

When applying the Plan's accounting policies, as described in Note 2 of financial statements for the year ended December 31, 2022, management must make judgments as well as estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results may differ from these estimates.

The main sources of uncertainty regarding estimates and the main judgements made by management for the unaudited interim condensed financial statements are identical to those presented in the annual financial statements for the year ended December 31, 2022

4. Investments

	June 30, 2023	December 31, 2022
Short-term investments	**785**	1,039
Bonds	**1,672**	500
Equities	**3,299**	1,067
	5,756	2,606

(in thousand of Canadian $)

5. Current assets and liabilities

The Plan expects to collect dividends receivable, interest receivable, CESG receivable and QESI receivable no later than 12 months following the closing date. In addition, the Plan expects to settle amounts due to suppliers and other accounts payable and QESI payables within 12 months of the balance sheet date.

6. Accounts payable and other liabilities

		June 30, 2023	December 31, 2022
Amount payable to Kaleido Growth Inc.	7	**8**	252
Amount payable to the Kaleido Foundation	7	**1**	1
Other		**6**	3
		15	256

7. Related party transactions

Kaleido Growth Inc.

Kaleido Growth Inc., a wholly owned subsidiary of the 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 IDEO+ RESPONSIBLE Plan. The Plan and the Foundation report to the same Board of Directors.

Administration fees	**2023**	2022 (for 149 days)
Kaleido Growth Inc.	**42**	-
	42	-

Amount receivable (payable)	**June 30, 2023**	December 31, 2022
Kaleido Growth Inc.	**(8)**	**(252)**
Kaleido Foundation	**(1)**	**(1)**
	(9)	**(253)**

8. Capital management

Investment goals

The fundamental investment objectives of the IDEO+ RESPONSIBLE Plan are to invest subscriber contributions and government grants in a diversified mix of investments in order to generate a reasonable and competitive long-term return, while assuming a level of risk that is considered low to moderate. There is no guarantee of a full return of contributions to the subscriber.

8. Capital management (continued)

Investment goals (continued)

However, the Profile Investment Strategy provides for the adjustment of the asset mix over time to reduce the exposure to risk as the Beneficiary approaches the age of qualifying education and thus promote the preservation of the accumulated Principal over time.

The IDEO+ RESPONSIBLE funds are invested primarily in variable income securities (equities, ETFs and mutual fund units), as well as fixed income securities (government securities, corporate debt and money market securities).

The IDEO+ RESPONSIBLE Plan specifically targets investments in securities with a strong positive alignment towards fighting climate change as well as quality education and improving the lives of children. Its investment policy with an evolving profile involves a low to moderate investment risk depending on the age of the beneficiary, since it provides for a significant proportion of variable-income securities, which gradually decreases as the beneficiary ages. This proportion of variable income securities decreases over time, so that it is surpassed at the end of the plan by the proportion invested in fixed income securities, which are less volatile. The IDEO+ RESPONSIBLE Plan invests in fixed income securities, Canadian equities and U.S. equities, through mutual funds or ETFs. The Plan also invests in foreign equities, real estate and infrastructure through mutual funds or ETFs.

Investment strategies

The primary investment strategy employed by the IDEO+ RESPONSIBLE Plan is to invest contributions, government grants and income in accordance with a rolling investment strategy that seeks to match Beneficiaries' age and expected enrollment in qualifying education with appropriate asset classes and investment allocations. Under this strategy, beneficiaries are categorized by age and with a separate target allocation by investment horizon.

The Profile Growth Investment Strategy is based on a 19-tiered structure, corresponding to the beneficiary's age range, where, until age 14, the plan's assets are invested in an allocation that gives a predominance to variable income securities (equities, ETFs and mutual funds) and a lesser emphasis on fixed income securities. The asset allocation automatically changes over time based on the investment horizon to reduce risk as the beneficiary approaches age 18. Thus, depending on the investment horizon, the proportion of fixed income securities increases while the proportion of variable income securities decreases. In the later years of the investment horizon, as the time to apply for an EAP approaches, assets will be allocated in an increasingly conservative manner, with the majority of assets consisting of fixed income securities, cash and cash equivalents.

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

9. Financial instruments

Fair value

- **Establishing fair value**

The fair value of cash, dividends receivable, interest receivable, CESG receivable, QESI receivable, accounts payable and other liabilities and QESI payables approximates their carrying value due to their short-term maturities.

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

- **Fair value measurements**

The scholarship plans promoted by the Foundation qualify under IFRS as an investment entity as they hold and manage funds from investors (the Subscribers) with the objective of realizing returns in the form of capital gains and investment income. In addition, the scholarship plans evaluate and assess the performance of these investments on a fair value basis.

(in thousand of Canadian $)

9. Financial instruments (continued)

Fair value (continued)

- **Fair value measurements (continued)**

Fair value is defined as the price that would be received for the sale of an asset or paid for the transfer of a liability in an arm's length transaction between market participants at the measurement date, whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or liability, the Scholarship Plans consider the characteristics of the asset or liability if that is what market participants would do to price the asset or liability on the measurement date.

The fair value of cash, CESG receivable, QESI receivable, other receivables, QESI payable, and trade and other accounts payable approximates their carrying value due to their short-term maturity.

The fair value of net assets attributable to the accounts is equal to their carrying amount as it represents the residual amount allocated to account holders and beneficiaries at the balance sheet 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.

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 June 30, 2023	Level 1	Level 2	Level 3	Total
Short-term investments	785	-	-	785
Bonds	-	1,672	-	1,672
Equities	3,228	71	-	3,299
	4,013	1,743	-	5,756

(in thousand of Canadian $)

9. Financial instruments (continued)

Fair value (continued)

- **Fair value hierarchy**

As at December 31, 2022	Level 1	Level 2	Level 3	Total
Short-term investments	1,039	-	-	1,039
Bonds	-	500	-	500
Equities	1,067	-	-	1,067
	2,106	500	-	2,606

Over the course of the periods ended ended June 30, 2023 and December 31, 2022, there w as no significant transfer betw een 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 possibility of incurring financial losses resulting from the inability of a company, an issuer or counterparty to meet its financial commitments to the Plan. 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.

The Plan only selects securities of the Canadian government, provincial governments, municipalities, government guaranteed agencies or corporations that are considered investment grade or in securities issued by corporations provided that such securities have a minimum rating of BBB or equivalent as assigned by a designated rating agency.

Quantitative restrictions have also been established to reduce credit risk. Securities from all borrowers, except a government, are limited to 7.5% of the total fair value of the fixed-income securities entrusted to the portfolio manager.

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

As at June 30, 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:

	Percentage of total debt securities*	
Credit rating	**June 30, 2023**	December 31, 2022
	%	%
AAA	**1.3**	14.1
AA	**56.6**	51.7
A	**24.0**	19.8
BBB	**18.1**	14.4

*Excludes short-term investments

(in thousand of Canadian $)

9. Financial instruments (continued)

Risk management related to financial instruments (continued)

- **Liquidity risk**

Liquidity risk pertains to the Plan's ability to meet its commitments in terms of financial liabilities and therefore, its capacity to carry out payments as required. The Plan is exposed to daily refunds to subscribers, who are entitled to request the refund of their savings at any time.

This risk is significantly reduced by the fact that the majority of Subscribers' savings are invested in fixed income securities that trade in liquid markets and this proportion increases as the contract nears maturity. The Plan carefully manages its cash flow on a daily basis and ensures that it maintains a level of cash flow to meet its liquidity needs.

- **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes three types of risk: currency risk, interest rate risk and price risk. Changes in certain financial market parameters affect the Plan's statement of financial position and comprehensive income.

The Plan takes these risks into account when determining its overall asset allocation. Specifically, the Plan mitigates the effects of these risks by diversifying its investment portfolio across several financial markets (money, bond and equity markets), different products with varying risk profiles (equity and fixed income), as well as across industry sectors (government, municipal, energy, materials, communications, utilities, finance, consumer products, consumer services, industrial and technology).

- **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Plan engages in transactions denominated in foreign currencies and is therefore exposed to currency risk when selling and purchasing investments in U.S. currency and when the Plan has U.S. currency in its cash balance. At June 30, 2023, the Plan had $15.4 ($5 as at December 31, 2022) in US currency representing $20.4 ($6.8 as at December 31, 2022) in cash. The Plan also had $1.9M ($0.8M as at December 31, 2022) in U.S. currency shares representing $2.5M ($1.1M as at December 31, 2022) in investments.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Changes in interest rates have a direct impact on the value of the fixed maturity securities in the investment portfolio. This risk is mitigated by a range of maturities for the active portion of the bond portfolio and the development of a target duration in line with the economic outlook for the passive portion of the bond portfolio.

The maturity distribution of the bonds is adjusted regularly based on anticipated interest rate movements, in accordance with the maturity schedules set forth in the Plan's investment policy. The target duration is established based on an analysis of the economic environment, outlook and risk in relation to the nature of the Plan.

As at June 30, 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 $0.1M ($0.02M as at December 31, 2022). In practice, actual results may differ materially from this analysis.

Investments that present interest rate risk are as follows:

	June 30, 2023	December 31, 2022
	%	%
Maturing in less than one year	**32.0**	67.5
Maturing in one to five years	**31.0**	14.5
Maturing after five years	**37.0**	18.0

(in thousand of Canadian $)

9. Financial instruments (continued)

Risk management related to financial instruments (continued)

- **Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of 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 instrument or its issuer, or by factors affecting all similar financial instruments traded in the market. Stock market volatility primarily affects the value of the Plan's equity holdings. It should be noted that this exposure is spread over various sectors of activity and in predominantly large-cap Canadian and American securities, which reduces this risk. However, based on the evolving profile investment policy, it involves a low to moderate investment risk depending on the age of the beneficiary, since it provides for a significant proportion of variable income securities, which gradually decreases as the beneficiary ages. This proportion of variable-income securities decreases over time and is surpassed at the end of the plan by the proportion invested in fixed-income securities, which are less volatile.

The IDEO+ Responsible Plan invests in fixed income securities, Canadian equities and U.S. equities, generally on a direct basis, although it may also invest through mutual funds or ETFs. The Plan also invests in foreign equities, real estate and infrastructure through mutual funds or ETFs.

A 10% change in the stock market index, with all other variables remaining constant, would create a change of approximately $0.3M as at June 30, 2023 ($0.1M 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:

Market sectors	**June 30, 2023**	December 31, 2022
	%	%
Materials	**2.3**	0.0
Communication Services	**5.1**	0.0
Utilities	**4.7**	0.0
Financials	**11.4**	0.0
Consumer Staples	**3.7**	0.0
Health	**11.0**	0.0
Industrials	**7.0**	0.0
Information Technology	**10.7**	0.0
Mutual funds	**2.1**	0.0
ETF	**42.0**	100.0

9. Financial instruments (continued)

Offsetting

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

Canada Education Savings Grant (CESG) receivable	June 30, 2023	December 31, 2022
Gross financial assets	**80**	204
Financial liabilities offset	**(2)**	(3)
	78	201

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.

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