Condensed interim unaudited

Financial statements

IDEO+ ADAPTIVE Plan

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

KALEIDO

The IDEO+ ADAPTIVE Plan

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Statements of financial position
Condensed interim unaudited

(in thousands of Canadian $)

	Notes	**June 30, 2023**	December 31, 2022
Assets			
Cash		**124**	145
Dividends receivable		**-**	7
Interest receivable		**17**	8
Canada Education Savings Grant (CESG) receivable		**78**	305
Quebec Education Savings Incentive (QESI) receivable		**226**	291
Investments	4	**6,882**	3,495
		7,327	4,251
Liabilities			
Purchases pending settlement		**-**	100
Accounts payable and other liabilities	6	**15**	260
Quebec Education Savings Incentive (QESI) refundable		**1**	-
		16	360
Net assets attributable to contracts		**7,311**	3,891

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 thousands of Canadian $)

	Notes	**2023**	2022 (for 149 days)
Revenues from ordinary activities			
Interest income for educational assistance payments		**45**	-
Dividends		**35**	-
Realized gain (loss) on disposal of investments		**9**	-
Change in unrealized appreciation (depreciation) of investments		**112**	-
		201	-
Operating expenses			
Brokerage fees		**1**	-
U.S. tax expenses		**1**	-
Portfolio management fees		**5**	-
Custodian fees		**7**	-
Administration fees	7	**53**	-
		67	-
Net income and comprehensive income attributable to contracts		**134**	-

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

	Subscriber savings	Income on savings	CESG	QESI	Income on incentives	Total
Net assets as at December 31, 2022	2,863	-	731	294	3	3,891
Net income and comprehensive income	-	112	-	-	22	134
Increase						
Subscriber savings	2,566	-	-	-	-	2,566
Grants received from the government	-	-	543	268	-	811
Transfers from other promoters	-	-	4	1	-	5
	2,566	-	547	269	-	3,382
Decrease						
Refund of savings at maturity	(86)	-	-	-	-	(86)
Grants returned to the government	-	-	-	(1)	-	(1)
Transfers to other promoters	-	-	(1)	-	-	(1)
Grants and income on grants	-	(1)	(6)	(2)	-	(9)
	(86)	(1)	(7)	(2)	-	(97)
Net assets as at June 30, 2023	**5,343**	**111**	**1,272**	**561**	**25**	**7,311**

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

	Subscriber savings	Income on savings	CESG	QESI	Income on incentives	Total
Net assets as at 1 February, 2022	-	-	-	-	-	-
Net income and comprehensive income	-	-	-	-	-	-
Increase						
Subscriber savings	294	-	-	-	-	294
Grants received from the government	-	-	63	30	-	93
Net assets as at June 30, 2022	**294**	**-**	**63**	**30**	**-**	**387**

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 thousands of Canadian $)

	2023	2022 (for 149 days)
Cash flows from operational activities		
Income received		
Interest	**36**	-
Dividends	**44**	-
	80	-
Operating expenses paid		
Brokerage fees	**(1)**	-
U.S. tax expenses	**(1)**	-
Portfolio management fees	**(3)**	-
Custodian fees	**(9)**	-
Administration fees	**(46)**	-
	(60)	-
Other operational activities		
Disposal of investments	**4,607**	-
Acquisition of investments	**(7,975)**	-
	(3,368)	-
Net cash flows from (used in) operational activities	**(3,348)**	-
Cash flows from financing activities		
Savings received	**2,569**	294
Savings advance	**(250)**	250
Savings paid to other promoters	**(4)**	-
Refunds of savings to subscribers	**(86)**	-
CESG received	**774**	23
QESI received	**333**	-
Incentives and income on Incentives paid	**(8)**	-
Income on savings paid	**(1)**	-
Net cash flows from financing activities	**3,327**	567
Net increase (decrease) in cash	**(21)**	567
Cash, beginning of period	**145**	-
Cash, end of period	**124**	567

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

(in thousands of Canadian $)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Short-term investments					
744	Cash		-	744	744
20	TELUS CORP	1 Apr 2024	3.350	20	20
40	LOBLAW COMPANIES LIMITED	10 Jun 2024	3.918	40	39
Total - Short-term investments				804	803
Bonds					
Bonds issued or guaranteed by a Canadian province					
45	HYDRO-QUEBEC	1 Sep 2028	2.000	41	41
45	PROV OF ALBERTA	1 Jun 2031	1.650	38	38
30	PROV OF ALBERTA	20 Sep 2029	2.900	29	28
30	PROV OF ALBERTA	1 Dec 2028	2.900	29	28
45	PROV OF MANITOBA	2 Dec 2032	3.900	44	45
45	PROV OF MANITOBA	2 Jun 2030	2.050	40	40
30	PROV OF MANITOBA	5 Sep 2029	3.250	29	29
65	PROV OF ONTARIO	2 Jun 2033	3.650	63	63
30	PROV OF ONTARIO	2 Jun 2032	3.750	30	29
90	PROV OF ONTARIO	2 Feb 2032	4.050	93	92
30	PROV OF ONTARIO	2 Jun 2031	2.150	27	26
30	PROV OF ONTARIO	2 Dec 2030	1.350	25	25
45	PROV OF ONTARIO	1 Nov 2029	1.550	39	39
40	PROV OF ONTARIO	2 Jun 2029	2.700	38	37
60	PROV OF QUEBEC	22 Nov 2032	3.900	60	60
45	PROV OF QUEBEC	27 May 2031	2.100	40	39
35	PROV OF QUEBEC	1 Sep 2030	1.900	31	31
35	PROV OF QUEBEC	1 Sep 2029	2.300	33	32
25	PROV OF SASKATCHEWAN	2 Jun 2031	2.150	22	22
25	PROV OF SASKATCHEWAN	2 Jun 2030	2.200	23	22
30	PROV OF SASKATCHEWAN	2 Dec 2028	3.050	29	29
30	PROV OF BRITISH COLUMBIA	18 Jun 2032	3.200	29	28
30	PROV OF BRITISH COLUMBIA	18 Jun 2031	1.550	25	25
45	PROV OF BRITISH COLUMBIA	18 Jun 2030	2.200	41	40
30	PROV OF BRITISH COLUMBIA	18 Dec 2028	2.950	29	28
30	PROV OF NOVA SCOTIA	1 Sep 2030	2.000	27	26
				954	942
Bonds issued or guaranteed by a corporation					
40	BANK OF MONTREAL	17 Jun 2030	2.077	37	37
45	BANK OF MONTREAL	10 Mar 2026	1.758	41	41
100	BELL CANADA	29 May 2028	2.200	88	87
40	CANADIAN IMPERIAL BK OF COMM	21 Jul 2030	2.010	37	37
35	CANADIAN IMPERIAL BK OF COMM	19 Jun 2029	2.950	34	34
45	CDP FINANCIAL INC	1 Sep 2029	3.950	45	45
50	FEDERATION DES CAISSES	23 Aug 2032	5.035	49	49
40	FEDERATION DES CAISSES	10 Sep 2026	1.587	36	36

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

(in thousands of Canadian $)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a corporation (continued)					
15	GREATER TORONTO AIRPORTS AUTH	3 May 2028	1.540	13	13
40	HYDRO ONE INC	30 Nov 2029	3.930	40	39
40	MANULIFE FINANCIAL CORP	12 May 2030	2.237	37	38
40	NATIONAL BANK OF CANADA	3 Nov 2025	5.296	40	40
40	NATIONAL BANK OF CANADA	3 Feb 2025	2.580	38	38
45	OMERS FINANCE TRUST	14 May 2029	2.600	42	41
35	OMERS REALTY CORP	14 Nov 2028	5.381	36	36
35	OMERS REALTY CORP	5 Jun 2025	3.331	34	34
30	ONTARIO POWER GENERATION INC	8 Apr 2025	2.893	29	29
75	ROYAL BANK OF CANADA	3 Nov 2031	2.140	67	67
15	ROYAL BANK OF CANADA	1 May 2028	4.632	15	15
20	ROYAL BANK OF CANADA	2 Jul 2024	2.352	19	19
40	TELUS CORP	1 Mar 2028	3.625	38	38
50	THE BANK OF NOVA SCOTIA	3 May 2032	3.934	47	47
75	TORONTO DOMINION BANK	26 Jan 2032	3.060	69	67
40	TORONTO DOMINION BANK	4 Mar 2031	4.859	39	39
40	IVANHOE CAMBRIDGE II INC	12 Dec 2024	2.296	38	38
40	ONTARIO TEACHERS FINANCE TRUST	2 Jun 2032	4.450	41	41
45	NAV CANADA	9 Feb 2026	0.937	41	41
40	ALGONQUIN POWER CO	17 Feb 2027	4.090	38	38
50	HYDRO ONE LTD	15 Oct 2027	1.410	44	44
				1,172	1,168
Total - Bonds				2,126	2,110

Number of shares	Security	Cost	Carrying amount
ETF			
21,608	ISHARES CORE S&P/TSX CAPPED	697	692
825	ISHARES S&P/TSX SMALLCAP INDEX	15	14
5,160	ISHARES ESG SCREEN SP SMALL	239	239
29,721	ISHARES ESG SCREENED S&P500	1,207	1,331
2,327	ISHARES ESG MSCI CDA INDEX ETF	57	57
30,577	ISHARE ESG MSCI EMERGING	555	558
24,308	ISHARES ESG MSCI EAFE	533	553
1,923	ISHARES MSCI EAFE SMALL-CAP	150	150
3,048	ISHARES GLOBAL INFRASTRUCTUR	193	189
6,121	ISHARES GLOBAL REIT ETF	192	186
		3,838	3,969
Total - Equities		3,838	3,969
Total - Schedule of investment portfolio		6,768	6,882

(in thousands of Canadian $)

1. General information about the Plan

The IDEO+ ADAPTIVE 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+ ADAPTIVE 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+ ADAPTIVE 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 cashflows 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	**803**	1,474
Bonds	**2,110**	699
Equities	**3,969**	1,322
	6,882	3,495

(in thousands 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	**10**	253
Amount payable to the Kaleido Foundation	7	**1**	3
Other		**4**	4
		15	260

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+ ADAPTIVE Plan. The Plan and the Foundation report to the same Board of Directors.

Administration fees	**June 30, 2023**	2022 (for 149 days)
Kaleido Growth Inc.	**53**	-
	53	-

Amount receivable (payable)	**June 30, 2023**	December 31, 2022
Kaleido Growth Inc.	**(10)**	(253)
Kaleido Foundation	**(1)**	(3)
	(11)	(256)

8. Capital management

Investment goals

The fundamental investment objectives of the IDEO+ ADAPTIVE Plan are to invest subscriber contributions and government grants in a diversified mix of investments in accordance with an investment strategy with a changing profile in order to generate a reasonable and competitive long-term return while assuming a low level of risk. There is no guarantee of a full return of subscriber contributions.

8. Capital management (continued)

Investment goals (continued)

However, the profile investment strategy provides for the adjustment of the asset mix over time in order to reduce risk exposure as the beneficiary approaches the age of eligibility for education and to encourage the preservation of accumulated principal over time.

The investment policy of the IDEO+ ADAPTIVE Plan has 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 gets older. 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+ ADAPTIVE 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+ ADAPTIVE 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 approach, 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.

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.

(in thousands of Canadian $)

9. Financial instruments (continued)

Fair value (continued)

- **Fair value measurements (continued)**

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 value as it represents the residual value 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	**803**	**-**	**-**	**803**
Bonds	**-**	**2,110**	**-**	**2,110**
Equities	**3,969**	**-**	**-**	**3,969**
	4,772	**2,110**	**-**	**6,882**

(in thousands of Canadian $)

9. Financial instruments (continued)

Fair value (continued)

- **Fair value hierarchy (continued)**

As at December 31, 2022	Level 1	Level 2	Level 3	Total
Short-term investments	1,474	-	-	1,474
Bonds	-	699	-	699
Equities	1,322	-	-	1,322
	2,796	699	-	3,495

Over the course of the periods ended ended June 30, 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 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	**2.1**	3.6
AA	**48.8**	45.3
A	**29.7**	32.0
BBB	**19.4**	19.1

*Excludes short-term investments

(in thousands 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. As at June 30, 2023, the Plan had $0.7 ($57.5 as at December 31, 2022) in US currency representing $0.9 ($77.9 as at December 31, 2022) in cash. The Plan also had $1.6M ($0.4M as at December 31, 2022) in U.S. currency shares representing $2.1M ($0.6M 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 ($0.03M 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	**27.6**	67.8
Maturing in one to five years	**18.9**	10.1
Maturing after five years	**53.5**	22.1

(in thousands 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+ Adaptive 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 $0.4M 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
	%	%
ETF	**100.0**	100.0

Offsetting

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

Canada Education Savings Grant (CESG) receivable	**June 30, 2023**	December 31, 2022
Gross financial assets	**87**	**310**
Financial liabilities offset	**(9)**	**(5)**
	78	305

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.

Kaleido Growth Inc.

Distributor and manager of the scholarship plans
promoted by Kaleido Foundation

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