



Management Report of Fund Performance

IDEO+ CONSERVATIVE Plan

for the financial year ended December 31, 2024

This annual management report of fund performance presents financial highlights but does not contain the complete annual financial statements of the investment fund. You may obtain a copy of the annual financial statements on request at no cost by calling us at 1 877 710-7377, or by writing to us at Centre d'affaires Henri-IV, 1035, Wilfrid-Pelletier Ave., Suite 500, Quebec (QC) G1W 0C5. You may also visit our website (kaleido.ca) or the SEDAR+ website (sedarplus.ca). Subscribers may contact us using one of the above methods to also request a copy of the prior interim financial report.

All decisions relating to proxy voting of the IDEO+ CONSERVATIVE Plan's portfolio securities are delegated to our portfolio managers as described in their respective investment management mandates.

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Performance Review

Objectives and Investment Strategies

The fundamental investment objectives of the IDEO+ Conservative Plan consist of investing subscriber contributions and government grants in a diversified combination of investments according to a flexible investment strategy to generate a reasonable and competitive return on long-term investments while assuming a level of risk considered low. The flexible investment strategy provides for the adjustment of the asset allocation over the years to reduce exposure to risk as the beneficiary approaches the age of undertaking eligible postsecondary studies and thus promote the preservation of the capital accumulated over time.

The management of assets is entrusted to the portfolio managers based on their areas of expertise. Accordingly, from January to March 2024, the fixed-income securities are managed by AlphaFixe Capital Inc. and by Montrusco Bolton Investments Inc., and the variable-income securities are managed by Montrusco Bolton Investments Inc. alone. Since April, AlphaFixe Capital inc has been responsible for management of fixed-income securities, while management of variable-income securities has been entrusted to Fiera Capital Corporation.

Risk

The risks associated with the Plan remain unchanged from those indicated in the prospectus, as no new risks were identified during 2024.

Operating Results for 2024

For 2024, the Plan's portfolio generated a gross rate of return at market value of 7.98 %. The total net return was 5.85 %, after a 2.13 % deduction for total administrative and management fees. These fees include input taxes (GST and QST) on goods and services acquired to provide financial services.

In 2024, the annual administration fee rate was set at 1.65 % plus taxes.

The following chart presents the gross return, the market index, and the added value for each investment policy as of December 31, 2024:

Asset Category	Gross Return	Market Index	Added Value
Fixed-income securities guaranteed by a government or municipality and corporate bonds	5.88 %	6.09 %	-0.21 %
Money market securities guaranteed by a Canadian government, or held as cash and cash equivalents	4.65 %	4.96 %	-0.31 %
Canadian and US equities	24.01 %	28.19 %	-4.18 %

The performance of investment policies over the past year can largely be explained by the global economic conditions that shaped 2024. Despite moderate inflation, this period was characterized by a gradual economic recovery, supported by prudent monetary policies. Variable and fixed-income markets posted solid returns. To understand this performance, details of the economic context are presented below.

Economic Overview

Canada's Economic Context

While the year began with concerns about a possible recession, the Canadian economy ultimately showed notable resilience in 2024. Indeed, by keeping interest rates at high levels for most of the year, there was concern that the restrictive policy would significantly dampen business spending and investment and thus cause the unemployment rate to rise.

As the Bank of Canada's objective is to bring inflation back within its target range of 1 % to 3 % on an annual basis, it waited until June before making its first rate cut. It went on to make a total of five rate cuts in 2024, reducing the key rate from 5 % to 3.25 %.

Finally, the Canadian economy grew by a moderate 1.5 % in 2024 (annualized after three quarters), and the unemployment rate rose slightly over the year, reaching 6.8 % in November, up from 5.8 % a year earlier.

Global Economic Context

In the United States, the Federal Reserve (the Fed), responsible for American monetary policy, maintained a restrictive monetary policy during the first half of the year, with the federal funds rate reaching 5.5 %. However, faced with signs of economic slowdown and a sustained decline in inflation, the Fed began cutting interest rates in September, bringing them down to 4.25 % in December. This stimulated consumption and investment, contributing to estimated economic growth of 2.7 % for the year.

In Europe, the European Central Bank lowered its key rates four times during the year, to prop up an ailing economy. Political and economic tensions also affected European markets, particularly in France, Italy and Spain.

In Asia, Japan suffered a stock market crash in August, triggered by economic concerns and geopolitical tensions. China, meanwhile, continued to navigate between economic stimulus policies and structural challenges. Chinese markets experienced significant fluctuations, influenced by government policies and trade tensions with the United States.

Bond Market

The year 2024 was shaped by persistent inflation in the first half of the year, which delayed the first cuts to the Bank of Canada's key interest rate. Despite a gradual decline, inflation remained above expectations, leading to higher bond yields and downward pressure on bond prices.

However, from the third quarter onwards, signs of economic stabilization and interest rate cuts by the Bank of Canada restored investor confidence. The Bank of Canada cut its key interest rate by 25 basis points in June, the first of five cuts before the end of 2024.

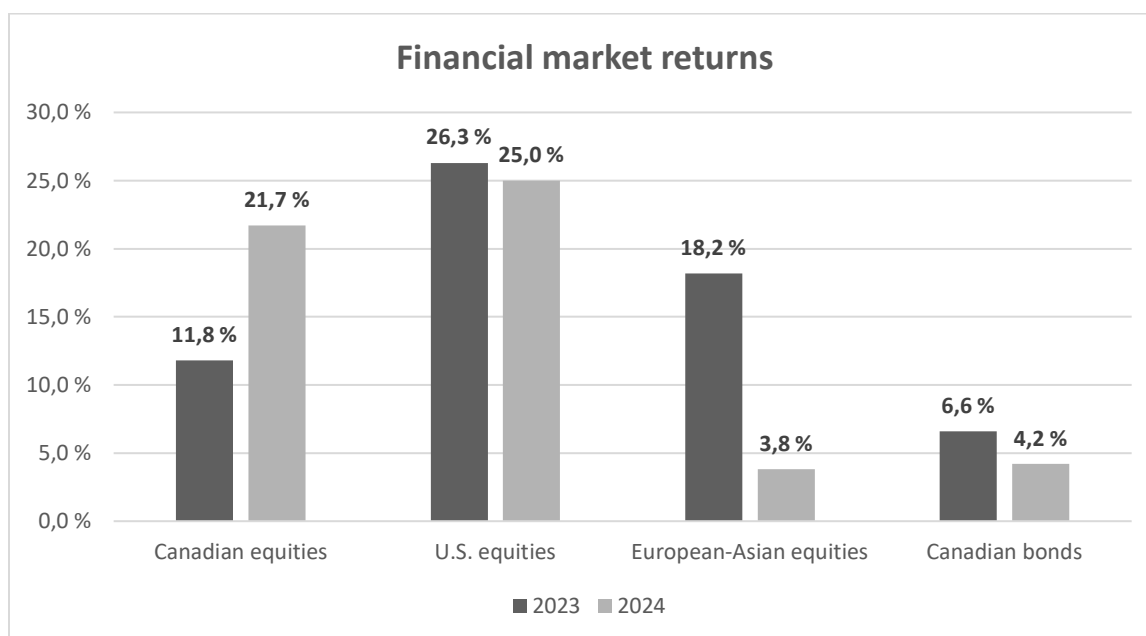
Finally, the Canadian bond market recorded gains of 4.2 % in 2024, as measured by the FTSE Universe bond index. Although these gains are slightly lower than in 2023, they compare favourably with the more volatile performances of previous years. The yield curve remained inverted for much of the year, with short-term bond yields higher than long-term ones.

Stock Market

In 2024, global stock markets maintained their positive momentum of the previous year. In Canada, the S&P/TSX Composite index, representing the Canadian market, recorded an 22 % rise over the year, following the 12 % gain achieved in 2023. The best-performing subsectors in the index were information technology (+38 %), finance (+30 %) and energy (+24 %). Conversely, the subsectors that performed the least well were telecommunications (-21 %) and real estate (+6 %).

In the United States, stock markets had an exceptional year. The S&P 500 index climbed 25 %, buoyed by a resilient economy, sustained growth in corporate earnings and an accommodating U.S. Federal Reserve that cut its key interest rates. The technology sector was the year's big winner, recording gains of 37 %. Companies specializing in artificial intelligence and semiconductors, such as NVIDIA, did particularly well.

Investors also did well elsewhere in the world, with MSCI World, the composite index of global equities, recording growth of 19 %, underpinned by significant gains in the technology and health care sectors. The MSCI EAFE index, representing the Europe-Asia zone, gained 4 %. Finally, in Japan, the Nikkei index on the Tokyo Stock Exchange climbed 21 %, buoyed by the weak yen and solid earnings from exporting companies.



Source Kaleido: S&P/TSX, S&P 500 in US\$, MSCI EAFE in US\$, FTSE Universe Canada Bond

Recent Events

Important Change to the Plan

Change of Manager

In April 2024, Fiera Capital Corporation was awarded exclusive responsibility for the variable-income management mandate, which had previously been entrusted to Montrusco Bolton Investment inc. In fixed-income, AlphaFixe Capital inc has been appointed exclusive manager, drawing on its recognized expertise in fixed-income management. Prior to this reorganization, the fixed-income mandate was shared by

AlphaFixe Capital inc and Montrusco Bolton Investment inc. AlphaFixe Capital inc was also entrusted with money market management, previously handled by the Royal Bank of Canada.

Change of Custodian

In October 2024, the custodian CIBC Mellon was replaced by RBC Investor Services Trust (RBC IS).

Transactions Between Related Parties

Kaleido Growth inc. (hereinafter “Kaleido Growth”), the wholly owned subsidiary of Kaleido Foundation (hereinafter “The Foundation”, is the distributor of the products promoted by the Foundation and the Plan’s investment fund manager. It is authorized, with the assistance of its Investment Committee, to define the Plan’s investment policies and strategies, which is the definition of related parties for accounting purposes. Transactions with Kaleido Growth during the year correspond to the administrative fees the Plan pays the company for its services as investment fund manager, and to the Foundation as the Plan’s promoter.

The Plan’s assets are invested and managed—pursuant to the investment policies adopted by Kaleido Growth’s Board of Directors—by two portfolio managers with the mandate to ensure growth. Annual portfolio management fees represent a declining percentage calculated on the total value of assets under management. These management fees total 0.14 % of assets under management for 2024.

The Independent Review Committee (IRC) at Kaleido plays an essential role in monitoring and protecting the interests of plan holders. Composed of independent members, the IRC reviews plan management activities, makes recommendations and ensures that decisions are taken in the best interests of customers. In 2024, the IRC issued two important recommendations concerning the plans. The first involved proposed changes to harmonize the investment policy of IDEO+ plans, review asset allocation between portfolio managers and appoint a money market manager. The second recommendation concerned the replacement of CIBC Mellon by RBC IS as custodian of the Plans. Kaleido has carried out the recommended changes.

Eterna Trust Inc. acts as a trustee and as such, assumes custody and safekeeping of the Plan’s assets. It assumes control and acts on behalf of Kaleido Growth and the Foundation, carrying out their responsibilities, with the necessary adjustments, should either one refuse or be unable to act. For these services, the Plan pays Eterna Trust Inc. a fixed annual fee determined by contract. No director or officer of Kaleido Growth or of the Foundation has a material personal interest in this company.

Financial and Operating Highlights

The following table shows key financial data for the Plan and its financial results:

IDEO+ Conservative Plan			
<i>(in thousands of \$)</i>	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022 (Since May 1 st)
Statement of financial position			
Total assets	\$96,793	\$66,042	\$30,525
Net assets	\$96,621	\$65,850	\$29,842
Changes in net assets (%)	46.73 %	120.66 %	n/a
Statement of net and comprehensive income			
Net investment income	\$1,045	\$521	\$47
Realized and unrealized gains on investments	\$3,189	\$1,616	\$(77)
Net income attributable to contracts	\$4,234	\$2,138	\$(30)
Statement of changes in net assets attributable to contracts			
Net income/savings	\$2,548	\$1,710	\$(10)
Net income/incentive	\$940	\$431	\$(20)
Net Canada Education Savings Grant (CESG) received	\$7,624	\$7,620	\$5,287
Net QESI received	\$3,043	\$3,219	\$2,264
Others			
Total number of contracts in the plan	29,674	27,664	11,379
Change in total number of contracts	7.27 %	143.11 %	n/a

Management Fees

Administration Fees

The Plan pays an administration fee to the Foundation as the Plan's promoter, and to Kaleido Growth as the investment fund manager. The latter is responsible for managing the Plan's operations and activities. Furthermore, Kaleido Growth is responsible for establishing the Plan's investment policies and strategies with the guidance of its Investment Committee.

As of December 31, 2024, the annual administrative fees totalled \$1,387,540 and represented 1.91 % (including applicable taxes) of the Plan's assets under management.

Trustee and Custodian Fees

The Plan pays annual fees to Eterna Trust Inc. as the Plan's trustee. The fees paid to this trustee in 2024 amounted to \$1,590 and represented 0.002% of the Plan's assets under management. CIBC Mellon and RBC IS received in trust the subscribers' savings and all other amounts to which the latter are entitled. The custodian acted as the guardian of securities and other instruments in which these amounts are invested, and as a third-party record keeper for the Plan. In 2024, the custodian's fee was \$46,724, which represents 0.06 % of the Plan's assets under management.

Independent Review Committee Fee

In 2024, the Plan paid the Independent Review Committee a fee totalling \$2,216, which represented 0.003% of the Plan's assets under management.

Portfolio Management Fees

AlphaFixe Capital Inc. and Montrusco Bolton Investments Inc. acted as managers of the fixed-income portfolio, Montrusco Bolton Investments Inc. and Fiera Capital Corporation acted as equity portfolio managers. In 2024, the fees paid to these managers came to \$99,743, representing 0.14 % of the Plan's assets under management.

Brokerage Fees

Brokerage fees paid to brokers represent a commission calculated as a percentage of the purchase or sale of securities. This percentage is determined by the broker and was \$6,164 in 2024, representing 0.01 % of the Plan's assets under management.

U.S. Tax Fees

Since 2020, the Foundation has been trading on the U.S. stock markets. The Internal Revenue Service charges an income tax on U.S. stock sales. In 2024, no fees were charged to the Plan.

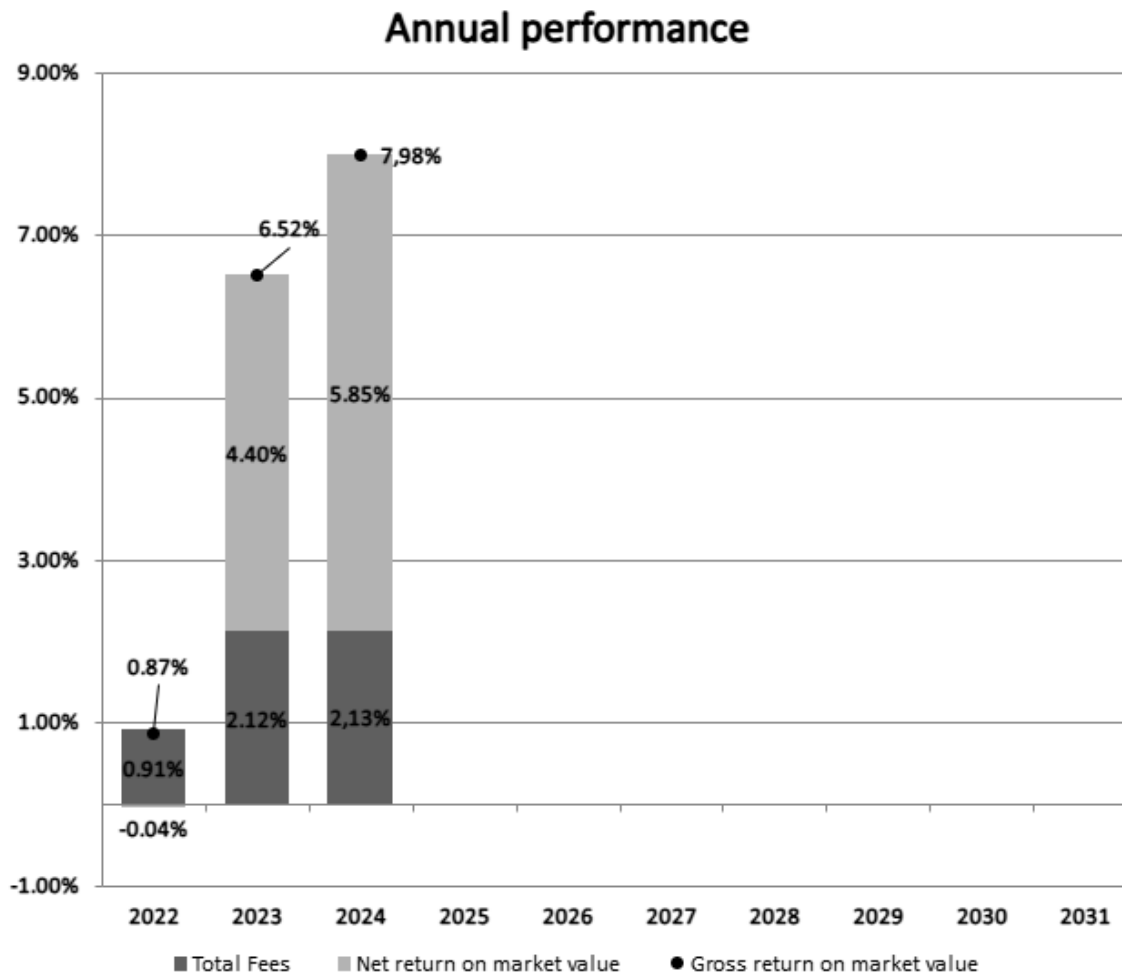
Past Performance

Annual Returns

The Plan's investment returns have been calculated using market values and time-weighted cash flows during the reporting period. Performance information assumes that all income earned, interest, and capital gains are reinvested in the Plan.

Total expenses incurred by the Plan are presented below and consist of administration and management fees, including the fees paid to the custodian, trustee, portfolio managers, and the Independent Review Committee, as well as any other expenses paid by the Plan, including taxes. Performance information does not take into account sales, redemption, distribution, or other optional charges that may have reduced returns. Past fund performance is not a guarantee of future results.

The bar chart below shows the annual returns on all assets under management for the Plan for the last two years, 2022 to 2024. Note that this plan has been available since May 1, 2022. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



Compound Annual Returns

	Returns as of December 31, 2024, for a period of			
	1 year	3 years	5 years	Since creation
Gross Return at Market Value	7.98 %	n/a	n/a	5.74%
Market Indices ¹	8.53 %	n/a	n/a	6.09 %
Total costs	2.13 %	n/a	n/a	1.94 %
Net Return at Market Value	5.85 %	n/a	n/a	3.80 %

¹ It should be noted that benchmarks exclude management fees incurred by an investor and the administration fee of a scholarship plan.

On December 31, 2024, the weighted benchmark index of the Plan was composed as follows, based on the value of the different funds and their respective investment policies:

- FTSE TMX Canada Mid Term Provincial Bond Index (29.08 %)
- FTSE TMX Canada Short Term Corporate Bond Index (29.08 %)
- S&P/TSX Canada Large Cap Index (4.72 %)
- S&P/TSX Canada Small Cap Index (1.33 %)
- S&P 500 Large Cap Index (6.03 %)
- Russell 2500 Growth Index (1.32 %)
- 91-Day Treasury Bill¹ Index (28.44 %)

¹ The 91-Day Treasury Bill Index is used for money market investments. Otherwise, the index performance is adjusted to that of a high-interest bank account.

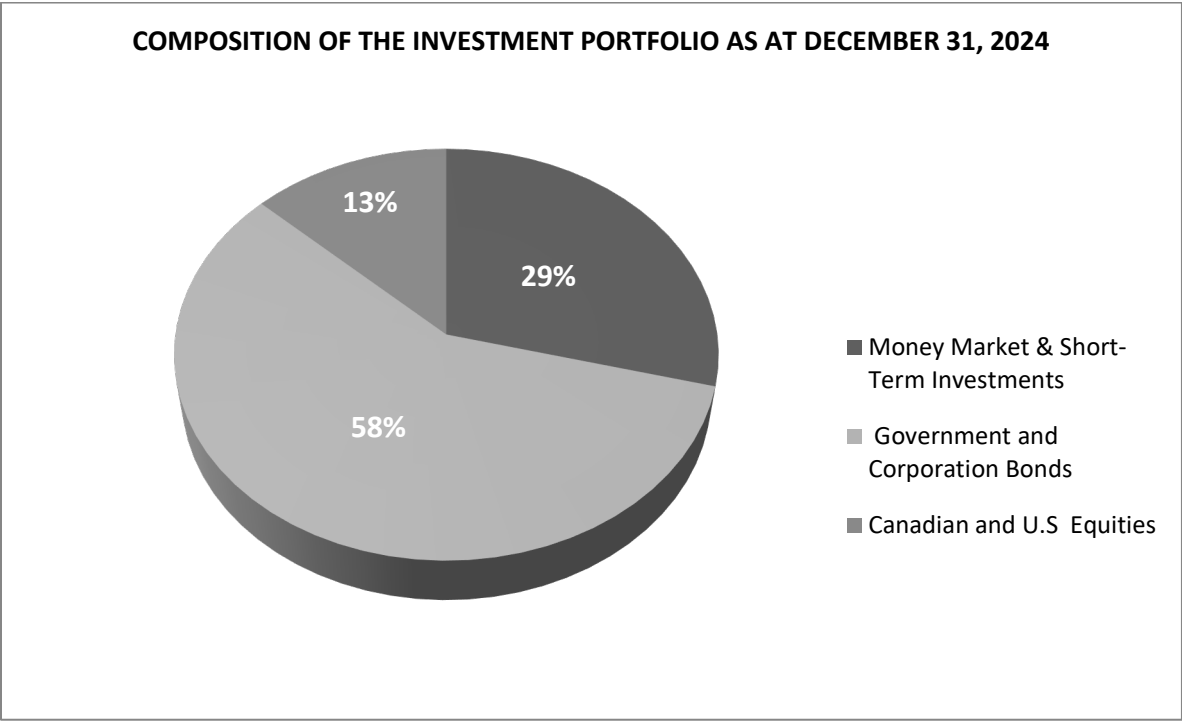
Here is a brief description of the Plan's benchmarks:

- The FTSE TMX Canada bond indices used for the Plan measure the performance of Canadian fixed-income securities under several issuer segments (provincial or corporate bonds) and at various maturities (short- or mid-term). The provincial indices cover the bonds issued by the Canadian provinces as well as by the various Canadian municipalities. These securities are guaranteed by the provinces. The corporate indices cover the Canadian universe of corporate issuers with a credit rating equal to or greater than BBB.
- The S&P/TSX Composite Index is Canada's leading stock market index. It covers approximately 95% of the Canadian equity market and is the primary indicator of Canadian companies listed on the Toronto Stock Exchange.
- The S&P/TSX Small Cap Composite Index is considered a good measure of performance for a small cap strategy in the Canadian equity market. The companies in this index are selected based on their capitalization-weighted index.
- The S&P 500 Index is considered a good indicator of the performance of U.S. large-capitalization stocks. The index includes 500 leading companies and covers approximately 80% of the market capitalization in the United States.
- The Russell 2500 Growth Index is a subset of the Russell 2500 Index, which represents approximately 2,500 small and mid-sized U.S. companies. This index focuses on companies with high growth characteristics.

Portfolio Overview

Breakdown of the Portfolio into Subgroups

The Plan’s investment portfolio comprises three distinct groups, as illustrated in the following pie chart. The chart also presents the percentage of the portfolio’s total value invested in each of these groups.



Top Holdings of the IDEO+ Conservative Plan Portfolio

The table below presents the main holdings of the portfolio on December 31, 2024. It should be noted that these are all presented from a long position. Our investment policy stipulates that margin buying and short sales are not permitted.

Also note that the portfolio overview can change as a result of operations carried out by the fund,

Securities	Maturity	Rate (%)	Market value (\$)	Portfolio Assets (%)
Fixed-Income Securities				
TREASURY BILLS GOVERNMENT OF CANADA	2-Mar-25		26,169,387	28.60%
PROV OF ONTARIO	4-Mar-33	4.100	6,916,738	7.56%
PROV OF QUEBEC	20-May-32	3.650	4,762,465	5.21%
PROV OF ONTARIO	2-Feb-32	4.050	3,993,761	4.37%
PROV OF QUEBEC	1-Sep-34	3.650	3,275,888	3.58%
PROV OF QUEBEC	27-May-31	2.100	1,839,132	2.01%
55 SCHOLL BOARD TRUST	2-Jun-33	5.900	1,618,430	1.77%
NATIONAL BANK OF CANADA	3-Nov-25	5.296	1,422,096	1.55%
ONTARIO POWER GENERATION INC	8-Apr-25	2.893	1,228,257	1.34%
FEDERATION DES CAISSES	16-Aug-28	5.475	1,139,277	1.25%
BANK OF MONTREAL	10-Mar-26	1.758	1,021,399	1.12%
BELL CANADA	29-May-28	2.200	750,537	0.82%
ONTARIO TEACHERS FINANCE	2-Jun-32	4.450	682,892	0.75%
METRO INC.	6-Dec-27	3.390	648,642	0.71%
SOUTH COAST BC TRANSPORTATION	3-Jul-30	1.600	639,413	0.70%
TORONTO DOMINION BANK	8-Mar-28	1.888	596,196	0.65%
ROYAL BANK OF CANADA	1-May-28	4.632	573,261	0.63%
BCI QUADREAL REALTY	24-Jul-30	1.747	539,252	0.59%
CHOICE PROPERTIES REIT	30-Nov-26	2.456	530,502	0.58%
FIRST NATIONS FINANCE AUTHORITY	1-Jun-34	4.100	506,507	0.55%
CGI INC	7-Sep-27	3.987	505,134	0.55%
BCI QUADREAL REALTY	24-Jun-26	2.551	504,486	0.55%
HYDRO ONE INC	21-Sep-26	5.562	500,658	0.55%
TORONTO DOMINION BANK	31-Oct-82	7.283	474,413	0.52%
FEDERATION DES CAISSES	10-Sep-26	1.587	462,076	0.51%
Equities				
Top 25 long positions as a percentage of the total value of securities			61,300,799	67.02 %

Kaleido Growth Inc.

Distributor and manager of the scholarship plans
promoted by Kaleido Foundation

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