

The logo for KALEIDO, featuring the word in a stylized, rounded font. The 'K' is light blue, while the 'A', 'L', 'E', 'I', 'D', and 'O' are a darker blue. The 'A' has a unique shape with a pointed top and a wide base.

# KALEIDO

## Financial statements

**UNIVERSITAS Plan**

For the years ended December 31, 2020 and 2019





## The UNIVERSITAS Plan

### Table of content

Independent Auditor's Report.....	4-5
<b>Financial Statements</b>	
Statements of financial position.....	6
Statements of net income and comprehensive income.....	7
Statements of changes in net assets attributable to contracts.....	8-9
Statements of cash flows.....	10
<b>Schedule of investment portfolio</b> .....	11-20
<b>Notes</b> .....	21-34
<b>Appendices</b>	
Scholarship Plan Agreements (unaudited).....	35
Educational Assistance Payments (unaudited).....	36-37



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## Independent Auditor's Report

To the subscribers of  
the UNIVERSITAS Plan

### Opinion

We have audited the financial statements of the UNIVERSITAS Plan (the "Plan"), which comprise the statements of financial position as at December 31, 2020 and 2019, 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 a summary of significant accounting policies (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, 2020 and 2019, 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 and will 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.

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

The engagement partner on the audit resulting in this independent auditor's report is Benoit Patry.

/s/ Deloitte LLP<sup>1</sup>

Quebec City, Quebec

March 25, 2021

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<sup>1</sup> CPA auditor, CA, public accountancy permit No. A110092

## Statements of financial position

	Notes	December 31, 2020	December 31, 2019
<b>(in thousands of Canadian \$)</b>			
<b>Assets</b>			
Cash	10	1,099	2,766
Sales pending settlement		22,550	-
Other accounts receivable	6	-	1,182
Dividends receivable		346	523
Interest receivable		2,345	2,291
Canada Education Savings Grant (CESG) receivable	12	603	604
Quebec Education Savings Incentive (QESI) receivable		2,590	2,787
Investments	4	667,658	658,072
		<b>697,191</b>	<b>668,225</b>
<b>Liabilities</b>			
Purchases pending settlement		22,475	264
Accounts payable and other liabilities	7	5,292	3,011
Quebec Education Savings Incentive (QESI) refundable		373	212
		<b>28,140</b>	<b>3,487</b>
<b>Net assets attributable to contracts</b>		<b>669,051</b>	<b>664,738</b>

### Approved by

[Yves Lacasse] \_\_\_\_\_ 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	2020	2019
<b>Revenues from ordinary activities</b>			
Interest income for educational assistance payments		11,169	12,920
Dividends		5,720	6,889
Insurance experience refunds		-	(146)
Realized gain on disposal of investments		22,506	15,794
Change in unrealized gain on investments		7,117	28,772
		<b>46,512</b>	<b>64,229</b>
<b>Operating expenses</b>			
Brokerage fee		148	92
American tax fees		155	-
Portfolio management fees		688	676
Trustee fee		13	15
Custodian fee		120	105
Administration fee	9	8,655	8,944
Independent Review Committee fee		14	18
		<b>9,793</b>	<b>9,850</b>
<b>Net income and comprehensive income attributable to contracts</b>		<b>36,719</b>	<b>54,379</b>

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
<b>Net assets as at December 31, 2019</b>	335,665	34,624	88,766	109,174	45,806	39,902	10,811	664,738
Net income and comprehensive income	-	-	28,158	-	6,472	-	2,089	36,719
<b>Increase</b>								
Subscribers' savings	25,326	-	-	-	-	-	-	25,326
Change in the SCROM	-	3,435	-	-	-	-	-	3,435
Grants received from the government	-	-	-	5,369	-	2,632	-	8,001
	25,326	3,435	-	5,369	-	2,632	-	36,762
<b>Decrease</b>								
Refund of savings at maturity	(31,200)	-	-	-	-	-	-	(31,200)
Pre-maturity withdrawal of savings	(668)	-	-	-	-	-	-	(668)
Refund of sales charges at maturity	-	(3,008)	-	-	-	-	-	(3,008)
Change in the SCROM	-	-	(3,435)	-	-	-	-	(3,435)
Transfers between plans	(62)	-	-	(50)	(23)	(13)	(3)	(151)
Grants returned to the government	-	-	-	-	-	(514)	-	(514)
Transfers to other promoters	-	-	-	(65)	(22)	(25)	(6)	(118)
Grants and income on grants	-	-	-	(3,666)	(4,620)	(2,989)	(961)	(17,238)
Outflow of accumulated income on grants for payments to a designated educational institution	-	-	(2)	-	(55)	-	(13)	(70)
Educational assistance payments (EAPs)	-	-	(12,759)	-	-	-	-	(12,759)
Others	-	-	(7)	-	-	-	-	(7)
	(31,930)	(3,008)	(16,203)	(8,783)	(4,720)	(3,541)	(983)	(69,168)
<b>Net assets as at December 31, 2020</b>	<b>329,061</b>	<b>35,051</b>	<b>100,711</b>	<b>105,760</b>	<b>47,558</b>	<b>38,993</b>	<b>11,917</b>	<b>669,051</b>



**Statements of changes in net assets attributable to contracts**

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

	Subscribers' savings	SCROM	EAP account	CESSG	Accumulated income CESSG	QESI	Accumulated income QESI	Total
<b>Net assets as at December 31, 2018</b>	343,477	35,706	75,665	114,164	33,246	40,693	6,672	649,623
Net income and comprehensive income	-	-	31,157	-	18,067	-	5,155	54,379
<b>Increase</b>								
Subscribers' savings	27,239	-	-	-	-	-	-	27,239
Change in the SCROM	-	2,168	-	-	-	-	-	2,168
Grants received from the government	-	-	-	5,737	-	2,774	-	8,511
	27,239	2,168	-	5,737	-	2,774	-	37,918
<b>Decrease</b>								
Refund of savings at maturity	(33,478)	-	-	-	-	-	-	(33,478)
Pre-maturity withdrawal of savings	(1,462)	-	-	-	-	-	-	(1,462)
Refund of unclaimed savings	-	-	(5)	-	-	-	-	(5)
Refund of sales charges at maturity	-	(3,250)	-	-	-	-	-	(3,250)
Change in the SCROM	-	-	(2,168)	-	-	-	-	(2,168)
Transfers between plans	(111)	-	-	(87)	(46)	(27)	(8)	(279)
Grants returned to the government	-	-	-	-	-	(45)	-	(45)
Transfers to other promoters	-	-	-	(170)	(51)	(57)	(12)	(290)
Grants and income on grants	-	-	-	(10,470)	(5,314)	(3,436)	(975)	(20,195)
Outflow of accumulated income on grants for payments to a designated educational institution	-	-	(3)	-	(96)	-	(21)	(120)
Educational assistance payments (EAPs)	-	-	(15,888)	-	-	-	-	(15,888)
Others	-	-	(2)	-	-	-	-	(2)
	(35,051)	(3,250)	(18,066)	(10,727)	(5,507)	(3,565)	(1,016)	(77,182)
<b>Net assets as at December 31, 2019</b>	<b>335,665</b>	<b>34,624</b>	<b>88,756</b>	<b>109,174</b>	<b>45,806</b>	<b>39,902</b>	<b>10,811</b>	<b>664,738</b>

## Statements of cash flows

for the years ended December 31	2020	2019
(in thousands of Canadian \$)		
<b>Cash flows from operational activities</b>		
Income received		
Interest	11,115	12,902
Dividends	5,807	6,911
Insurance experience refunds	-	360
	<b>16,922</b>	<b>20,173</b>
Operating expenses paid		
Brokerage fee	(148)	(92)
American tax fees	(155)	-
Portfolio management fees	(708)	(665)
Trustee fee	(14)	(18)
Custodian fee	(109)	(112)
Administration fee	(8,671)	(8,938)
Independent Review Committee fee	(14)	(18)
	<b>(9,819)</b>	<b>(9,843)</b>
Other operational activities		
Disposal of investments	613,078	497,637
Acquisition of investments	(595,280)	(472,335)
	<b>17,798</b>	<b>25,302</b>
Net cash flows from operational activities	<b>24,901</b>	<b>35,632</b>
<b>Cash flows from financing activities</b>		
Savings received	31,009	27,927
Savings paid to other promoters	(207)	(415)
Refunds of savings to subscribers	(31,926)	(34,918)
CESG and income on CESG received	5,283	5,534
QESI and income on QESI received	2,829	3,036
QESI and income on QESI paid	(385)	(328)
Transfers between plans	(150)	(279)
Sales charge refunds	(3,015)	(3,246)
Educational assistance payments (EAPs)	(30,006)	(36,151)
Net cash flows used in financing activities	<b>(26,568)</b>	<b>(38,840)</b>
<b>Net decrease in cash</b>	<b>(1,667)</b>	<b>(3,208)</b>
<b>Cash, beginning of year</b>	<b>2,766</b>	<b>5,974</b>
<b>Cash, end of year</b>	<b>1,099</b>	<b>2,766</b>

## Schedule of investment portfolio

as at December 31, 2020

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
<b>Short-term investments</b>					
72,697	Cash	-	-	72,697	72,697
3,550	Société de transport de l'Outaouais	9 Nov 2021	1.800	3,499	3,583
2,525	City of St-Bruno-de-Montarville	8 Sep 2021	1.850	2,487	2,547
2,500	Municipality of La Prairie	8 Sep 2021	1.850	2,463	2,522
2,350	City of Mirabel	21 Sep 2021	1.800	2,315	2,369
2,185	City of Longueuil	13 Jul 2021	1.850	2,156	2,199
2,010	City of Saint-Lambert	2 Nov 2021	1.900	1,985	2,032
2,000	City of Chateauguay	14 Sep 2021	1.900	1,973	2,017
1,902	Cash sweep	-	-	1,902	1,902
1,500	City of Beaconsfield	26 Jul 2021	1.750	1,478	1,510
1,500	City of Varennes	3 Aug 2021	1.800	1,474	1,509
1,500	City of Saint-Jean-sur-Richelieu	22 Jun 2021	1.650	1,475	1,507
1,325	City of Saint-Constant	23 Aug 2021	1.850	1,305	1,335
1,000	City of Alma	23 Aug 2021	1.850	985	1,007
1,000	City of Gatineau	29 Jun 2021	1.800	988	1,006
1,000	City of Granby	6 Jul 2021	1.750	982	1,005
700	Government of Canada	18 Mar 2021	-	700	700
665	City of Lévis	4 Jun 2021	2.050	661	669
595	Regional Municipality of Niagara	24 Jul 2021	1.950	595	600
600	Transit in Quebec City	18 Nov 2021	0.550	599	599
500	City of Rouyn-Noranda	30 Mar 2021	2.000	492	502
447	City of Sept-Îles	25 Sep 2021	2.050	445	452
259	City of Saint-Jean-sur-Richelieu	11 Jun 2021	1.950	258	261
150	Province of Ontario	2 Jun 2021	4.000	156	152
100	City of Val-d'Or	1 Dec 2021	0.600	100	100
<b>Total - Short-term investments</b>				<b>104,170</b>	<b>104,782</b>
<b>Bonds</b>					
<b>Bonds issued or guaranteed by a Canadian province</b>					
20,591	Province of Ontario	2 Jun 2024	3.500	21,988	22,660
17,029	Province of Ontario	2 Jun 2028	2.900	17,788	19,278
16,928	Province of Ontario	2 Jun 2030	2.050	18,045	18,059
15,833	Province of Quebec	1 Sep 2025	2.750	17,120	17,348
12,916	Province of Quebec	1 Sep 2023	3.000	13,312	13,809
9,753	Province of Ontario	1 Feb 2027	1.850	9,949	10,321
7,317	Province of Quebec	1 Sep 2030	1.900	7,752	7,736
4,923	Province of Ontario	8 Mar 2033	5.850	7,226	7,283
6,784	Province of Quebec	1 Dec 2022	3.500	7,177	7,199
5,465	Province of Quebec	1 Sep 2026	2.500	5,569	5,978
4,749	Province of Ontario	2 Jun 2027	2.600	4,894	5,241
4,567	Province of Quebec	1 Sep 2024	3.750	4,958	5,103
4,404	Province of Quebec	1 Sep 2029	2.300	4,567	4,821
4,065	Province of Quebec	1 Sep 2028	2.750	4,128	4,582
3,222	Province of Ontario	8 Mar 2029	6.500	4,384	4,550

**Schedule of investment portfolio**

as at December 31, 2020

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
<b>Bonds (continued)</b>					
<b>Bonds issued or guaranteed by a Canadian province (continued)</b>					
4,065	Province of Quebec	1 Sep 2027	2.750	4,154	4,548
4,132	Province of Ontario	2 Jun 2025	2.600	4,197	4,478
3,965	Province of Ontario	2 Jun 2026	2.400	4,297	4,297
3,715	Province of Ontario	2 Jun 2029	2.700	3,950	4,167
3,387	Province of Alberta	1 Jun 2027	2.550	3,278	3,716
3,480	Province of Ontario	2 Jun 2023	2.850	3,482	3,686
3,467	Province of Ontario	2 Jun 2022	3.150	3,619	3,608
3,320	Province of Quebec	22 Feb 2024	2.250	3,329	3,510
2,843	Province of Quebec	13 Feb 2027	1.850	2,843	3,017
2,561	Province of Ontario	8 Sep 2025	1.750	2,622	2,683
2,410	OPB Finance Trust	25 Jan 2027	2.980	2,415	2,668
1,809	Province of Quebec	1 Oct 2029	6.000	2,462	2,529
2,095	Province of Ontario	2 Dec 2030	1.350	2,077	2,096
2,000	Province of Alberta	1 Sep 2022	1.600	1,995	2,044
1,967	Province of Ontario	8 Mar 2022	1.350	1,923	1,993
1,420	Province of Quebec	1 Apr 2026	8.500	2,049	1,977
1,570	Province of New Foundland and Labrador	2 Jun 2028	2.850	1,565	1,752
1,508	Province of Ontario	8 Sep 2023	2.600	1,511	1,595
1,353	Province of Alberta	1 Dec 2028	2.900	1,378	1,528
1,253	Province of Quebec	16 Jan 2023	9.375	1,622	1,481
1,349	Province of Saskatchewan	2 Jun 2030	2.200	1,430	1,450
971	Province of Manitoba	2 Jun 2026	2.550	942	1,059
923	Province of Newfoundland & Labrador	2 Jun 2025	2.300	895	985
756	Hydro Québec	15 Jul 2022	9.625	973	864
768	Province of Alberta	1 Jun 2026	2.200	767	823
772	Province of Ontario	8 Sep 2024	2.300	778	821
758	Province of Ontario	5 Feb 2025	2.650	772	821
797	Province of Ontario	8 Sep 2027	1.050	798	801
525	Province of Manitoba	2 Jun 2028	3.000	519	597
465	Province of Quebec	1 Jun 2025	5.350	557	559
379	Ontario Hydro	22 Jun 2026	8.250	543	526
493	Ontario Teachers' Finance Trust	19 Oct 2027	1.100	492	493
337	Province of Ontario	2 Jun 2027	7.600	479	476
434	Province of Ontario	27 Jan 2023	1.950	431	449
367	Province of Ontario	13 Jul 2022	9.500	504	418
352	Province of Quebec	6 Jul 2025	2.600	361	383
352	Province of Quebec	1 Mar 2023	2.450	357	368
352	Province of Quebec	3 Mar 2022	1.650	350	358
225	Province of Ontario	2 Dec 2025	8.500	320	308
245	Province of Ontario	8 Sep 2023	8.100	327	295
179	Province of Ontario	7 Feb 2024	7.500	234	217
134	Province of Ontario	2 Dec 2026	8.000	191	188
167	OPB Finance Trust	24 May 2023	2.900	169	176
129	Ontario Hydro	18 Aug 2022	8.900	176	147
142	OPB Finance Trust	24 Feb 2022	1.880	140	144

**Schedule of investment portfolio**

as at December 31, 2020

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
<b>Bonds (continued)</b>					
<b>Bonds issued or guaranteed by a Canadian province (continued)</b>					
108	OPB Finance Trust	2 Feb 2026	2.950	110	119
				<u>217,240</u>	<u>225,186</u>
<b>Bonds issued or guaranteed by a municipality</b>					
2,500	Transit in Quebec City	18 Nov 2025	1.000	2,471	2,489
2,000	City of Saint-Lambert	17 Oct 2023	3.000	1,974	2,121
2,000	Régie d'assainissement des eaux Terrebonne-Mascouche	9 Sep 2025	1.000	1,966	1,994
1,472	City of Laval	21 Mar 2028	3.000	1,462	1,650
1,500	City of Saguenay	20 Apr 2022	1.850	1,477	1,523
1,395	City of Montreal	1 Sep 2023	3.500	1,358	1,507
1,225	City of Toronto	21 May 2024	3.400	1,221	1,341
1,185	City of Quebec	20 Dec 2027	2.650	1,156	1,298
1,277	City of Saint-Jean-sur-Richelieu	17 Jun 2025	1.300	1,280	1,292
910	Municipal finance of British Columbia	23 Oct 2028	3.050	907	1,043
840	City of Trois-Rivières	18 Apr 2028	3.000	826	933
850	City of Victoriaville	6 Feb 2023	2.500	837	881
840	City of Saguenay	26 Apr 2023	2.750	829	879
790	City of Lévis	4 Jun 2023	2.200	781	817
800	Société de transport de Lévis	9 Jul 2025	1.200	790	806
590	City of Brossard	25 Jul 2023	2.900	584	622
600	Transit in Quebec City	18 Nov 2023	0.800	598	600
600	Transit in Quebec City	18 Nov 2022	0.650	599	599
600	Transit in Quebec City	18 Nov 2024	0.900	595	599
500	TransLink	3 Jul 2030	1.600	500	509
479	City of Sept-Îles	25 Sep 2023	2.150	474	496
462	City of Sept-Îles	25 Sep 2022	2.100	458	473
455	City of Lévis	4 Jun 2022	2.100	451	464
410	City of Lévis	5 Jun 2028	3.250	404	463
400	City of Toronto	29 Sep 2023	3.900	397	437
415	Regional Municipality of Niagara	24 Jul 2022	1.950	415	425
400	City of Candiac	31 Jul 2023	2.750	394	420
395	City of Terrebonne	10 Sep 2024	2.000	390	411
375	City of Saint-Jerome	14 Nov 2029	2.450	366	402
400	City of Val-d'Or	1 Dec 2025	1.000	394	398
350	City of Lévis	9 Mar 2026	2.950	343	382
300	City of Longueuil	19 Jul 2023	2.800	296	315
293	City of Saint-Jean-sur-Richelieu	11 Jun 2022	2.000	291	299
250	City of New Tecumseth	23 Mar 2025	4.800	276	291
247	City of Longueuil	10 Nov 2025	3.200	246	272
250	City of Mascouche	7 Oct 2025	0.950	248	249
225	Société de transport de l'Outaouais	12 Sep 2023	1.950	223	232

**Schedule of investment portfolio**

as at December 31, 2020

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
<b>Bonds (continued)</b>					
<b>Bonds issued or guaranteed by a municipality (continued)</b>					
225	Société de transport de l'Outaouais	12 Sep 2022	1.900	223	230
203	City of Saint-Jean-sur-Richelieu	11 Jun 2023	2.100	201	210
175	City of Rouyn-Noranda	27 Feb 2028	3.100	180	195
162	City of St-Hyacinthe	28 Feb 2028	3.100	167	181
100	City of Val-d'Or	1 Dec 2022	0.700	100	100
100	City of Val-d'Or	1 Dec 2023	0.800	99	100
100	City of Val-d'Or	1 Dec 2024	0.900	99	100
75	Town of Bradford West	21 Sep 2022	3.500	77	79
				29,423	31,127

**Bonds issued or guaranteed by a corporation**

3,019	Greater Toronto Airport Authority	3 Apr 2029	2.730	3,161	3,335
3,000	Fédération des caisses Desjardins du Québec	11 Sep 2023	3.056	3,123	3,197
3,000	Royal Bank of Canada	20 Jan 2026	3.310 (floating)	3,034	3,004
2,300	Toronto-Dominion Bank	13 Mar 2025	1.943	2,300	2,398
2,230	National Bank of Canada	12 Jul 2024	2.545	2,308	2,361
2,050	Altalink, L.P.	29 May 2026	2.747	2,135	2,234
2,046	Manulife Financial Corporation	12 May 2030	2.237 (floating)	2,046	2,133
1,807	Rogers Communications Inc.	1 May 2029	3.250	1,834	2,004
1,875	Royal Bank of Canada	28 Jan 2027	3.250	1,822	1,999
1,644	TransCanada Pipelines Ltd.	5 Apr 2027	3.800	1,641	1,849
1,701	TELUS Corporation	8 Jul 2026	2.750	1,670	1,828
1,650	Toronto Hydro Corporation	10 Apr 2023	2.910	1,719	1,728
1,600	Canadian Imperial Bank of Commerce	17 Apr 2025	2.000	1,599	1,669
1,600	The Bank of Nova Scotia	1 May 2023	2.380	1,626	1,663
1,438	Toronto-Dominion Bank	26 Jan 2032	3.060	1,378	1,570
1,400	Hydro One Inc.	24 Feb 2026	2.770	1,497	1,523
1,400	407 International Inc.	16 May 2024	3.350	1,486	1,514
1,329	Ontario Power Generation	8 Apr 2030	3.215	1,329	1,502
1,398	National Bank of Canada	3 Feb 2025	2.580	1,375	1,490
1,400	Wells Fargo & Company	18 Feb 2027	2.493	1,400	1,477
1,350	Enbridge Inc.	8 Jun 2027	3.200	1,386	1,472
1,218	Enbridge Gas Inc.	1 Apr 2030	2.900	1,240	1,360
1,200	OMERS Realty Corporation	4 Oct 2027	3.244	1,302	1,352
1,098	Suncor Energy Inc.	9 Apr 2030	5.000	1,095	1,340
1,300	Bank of Montreal	1 Jun 2026	3.320 (floating)	1,319	1,315
1,200	bclMC Realty Corporation	3 Jun 2025	2.840	1,260	1,294
1,200	Bank of Montreal	6 Mar 2024	2.850	1,239	1,278
1,200	Bank of Montreal	29 Jul 2024	2.280	1,236	1,260
1,200	The Bank of Nova Scotia	8 Nov 2022	2.360	1,218	1,242
1,200	National Bank of Canada	18 Mar 2022	2.105	1,209	1,225

## Schedule of investment portfolio

as at December 31, 2020

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
<b>Bonds (continued)</b>					
<b>Bonds issued or guaranteed by a corporation (continued)</b>					
1,050	Shaw Communications Inc.	31 Jan 2024	4.350	1,122	1,152
990	Toronto-Dominion Bank	22 Apr 2030	3.105	990	1,069
1,000	Great-West Lifeco Inc.	14 May 2030	2.379	1,000	1,058
1,000	Bell Canada	22 Mar 2023	3.350	1,031	1,051
929	IGM Financial Inc.	26 Jan 2027	3.440	941	1,030
970	Saputo Inc.	16 Jun 2027	2.242	972	1,014
1,000	Sun Life Financial Inc.	1 Oct 2035	2.060	999	1,010
650	407 International Inc.	27 Jul 2029	6.470	856	896
728	North West Redwater Partnership	1 Jun 2029	4.250	812	857
744	Canadian National Railway Company	8 Feb 2029	3.000	791	838
744	Choice Properties Real Estate Investment Trust	11 Jun 2029	3.532	778	826
750	First Capital Realty Inc.	31 Jul 2025	4.323	795	821
750	CT Real Estate Investment	1 Jun 2026	3.289	784	812
743	Enbridge Inc.	3 Oct 2029	2.990	753	801
680	Toronto-Dominion Bank	4 Mar 2031	4.859	763	799
736	Choice Properties Real Estate Investment Trust	4 Mar 2030	2.981	736	782
712	Enbridge Inc.	10 Aug 2026	3.000	739	775
712	Suncor Energy Inc.	24 May 2029	3.100	735	767
751	RioCan Real Estate Investment Trust	10 Mar 2027	2.361	751	764
700	Choice Properties Real Estate Investment Trust	10 Jan 2025	3.546	736	761
712	Bell Canada	29 Jan 2025	2.750	718	760
700	Canadian Tire Corporation Ltd.	6 Jul 2023	3.167	725	739
647	Pembina Pipeline Corporation	27 Mar 2028	4.020	692	733
649	Brookfield Renewable partners	15 Jan 2030	3.380	636	729
650	Intact Financial Corp.	24 Mar 2025	3.691	650	720
665	Enbridge Gas Inc.	9 Aug 2029	2.370	665	717
700	OMERS Realty Corporation	22 Sep 2023	1.298	700	712
660	Sun Life Financial Inc.	10 May 2032	2.580 (floating)	660	707
651	TransCanada Pipelines Ltd.	18 Sep 2029	3.000	655	704
665	Epcor Utilities Inc.	19 May 2023	1.299	665	677
500	Choice Properties Real Estate Investment Trust	21 May 2027	2.848	503	534
465	Shaw Communications Inc.	1 Mar 2027	3.800	484	523
500	Royal Bank of Canada	24 Nov 2080	4.500 (floating)	500	522
500	Canadian Imperial Bank of Commerce	5 Dec 2022	2.470	507	519
494	Omers Finance Trust	21 Apr 2027	1.550	493	508
500	Intact Financial Corp.	16 Dec 2030	1.928	500	504
460	Énergir	16 Apr 2027	2.100	460	488
350	Gaz Métro Inc.	16 May 2025	9.000	456	470
450	Royal Bank of Canada	30 Jun 2030	2.088 (floating)	450	466
395	Omers Finance Trust	14 May 2029	2.600	403	434

## Schedule of investment portfolio

as at December 31, 2020

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
<b>Bonds (continued)</b>					
<b>Bonds issued or guaranteed by a corporation (continued)</b>					
400	TMX Group Inc.	11 Dec 2024	2.997	411	432
300	TransCanada Pipelines Ltd.	15 Jan 2027	7.310	377	385
325	Brookfield Property Partners LP	15 Jan 2029	4.250	341	385
350	Alimentation Couche-Tard Inc.	1 Nov 2022	3.899	371	371
328	Granite Real Estate Investment Trust	4 Jun 2027	3.062	328	356
325	Allied Properties Real Estate Investment Trust	15 Aug 2029	3.394	331	350
330	407 International Inc.	22 May 2025	1.800	330	344
300	Bell Canada	29 Sep 2027	3.600	303	339
300	Rogers Communications Inc.	13 Mar 2024	4.000	319	327
300	TELUS Corporation	1 Apr 2024	3.350	311	322
300	Royal Bank of Canada	2 Jul 2024	2.352	299	316
300	Royal Bank of Canada	1 May 2025	1.936	300	313
275	Loblaw Companies Ltd.	7 May 2020	2.284	275	284
240	Consumers Gas Company Ltd.	5 Jul 2023	6.050	268	270
210	Allied Properties Real Estate Investment Trust	15 May 2028	3.131	210	223
125	Loblaw Companies Ltd.	11 Dec 2028	4.488	146	151
135	Allied Properties Real Estate Investment Trust	8 Apr 2027	3.113	136	144
100	Toronto-Dominion Bank	30 May 2023	3.005	103	106
100	Saputo Inc.	21 Nov 2023	2.827	101	105
65	TMX Group Inc.	5 Jun 2028	3.779	71	75
50	Bell Canada	16 Aug 2027	1.650	50	51
				84,974	89,314
<b>Total - Bonds</b>				<b>331,637</b>	<b>345,627</b>

### Equities

Number of shares	Security	Cost	Carrying amount
<b>Energy</b>			
139,362	Enbridge Inc.	5,679	5,666
9,618	Atmos Energy Corporation	1,472	1,169
18,963	TC Energy Corp.	1,163	981
15,963	Parkland Fuel Corporation	461	644
7,822	Eog Resources Inc.	514	497
		9,289	8,957



## Schedule of investment portfolio

as at December 31, 2020

(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
<b>Equities (continued)</b>			
<b>Materials</b>			
50,768	Nutien Ltd.	3,185	3,107
50,683	CCL Industries Inc.	2,391	2,915
72,296	Osisko Gold Royalties Ltd.	1,005	1,164
3,325	Air Products & Chemicals	1,156	1,157
6,576	AptarGroup Inc.	1,017	1,147
6,881	Franco-Nevada Corporation	764	1,095
15,480	Nucor Corporation	972	1,049
32,250	Pembina Pipeline Corporation	1,255	970
2,617	Linde plc	740	878
17,750	Stella-Jones Inc.	604	818
18,552	Winpak Ltd.	519	792
18,056	Intertape Polymer Group Inc.	282	434
21,402	Amcor PLC	321	321
1,144	Illinois Tool Works	296	297
751	Ecolab Inc.	197	207
		<u>14,704</u>	<u>16,351</u>
<b>Communication Services</b>			
77,783	TELUS Corporation	1,806	1,959
34,190	BCE Inc.	2,021	1,860
31,102	AT&T Inc	1,363	1,139
1,681	FactSet	712	712
18,334	TELUS Corporation	398	398
		<u>6,300</u>	<u>6,068</u>
<b>Utilities</b>			
41,510	Fortis Inc.	2,033	2,154
21,236	Emera Inc.	1,135	1,148
50,204	Algonquin Power & Utilities Corp.	839	1,050
10,296	American States Water Company	1,065	1,043
15,928	Brookfield Renewable partners	618	873
11,676	Brookfield Infrastructure Finance Limited	732	733
23,900	Hydro One Limited	627	684
7,258	Consolidated Edison Inc.	893	668
6,489	Nextera Energy Inc.	576	637
5,484	Eversource Energy	669	604
		<u>9,187</u>	<u>9,594</u>

## Schedule of investment portfolio

as at December 31, 2020

(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
<b>Equities (continued)</b>			
<b>Financials</b>			
116,860	Toronto-Dominion Bank	5,394	8,380
96,107	The Bank of Nova Scotia	5,268	6,603
122,175	Brookfield Asset Management Inc.	4,970	6,406
31,992	Intact Financial Corp.	2,951	4,808
164,263	Manulife Financial Corporation	3,244	3,717
31,281	Royal Bank of Canada	2,782	3,262
33,228	IA Financial corp Inc.	1,458	1,830
55,810	Canadian Western Bank	1,530	1,591
3,289	Mastercard Inc.	1,329	1,493
1,372	BlackRock Inc.	1,006	1,260
11,783	Bank of Montreal	1,143	1,139
10,385	Canadian Imperial Bank of Commerce	1,131	1,129
14,402	Granite Real Estate Investment Trust	904	1,118
9,963	Cullen/Frost Inc.	979	1,107
18,703	Sun Life Financial Inc.	981	1,057
18,019	Canadian Apartment Properties REIT	917	899
16,730	Altus Group Limited	660	820
2,295	Public Storage	661	675
8,493	National Bank of Canada	552	607
6,094	Commerce Bancshares Inc.	521	510
4,792	Interactive Brokers Group Inc.	314	372
2,723	TMX Group Inc.	346	345
1,424	CME Group Inc.	385	330
12,039	Choice Properties Real Estate Investment Trust	157	156
900	Intact Financial Corp.	121	121
		39,704	49,735
<b>Consumer Staples</b>			
64,799	Metro Inc.	2,333	3,677
82,620	Alimentation Couche-Tard Inc.	2,415	3,569
32,582	Premium Brands Holdings Corporation	2,971	3,278
14,363	Pepsico Inc.	2,681	2,712
74,310	Saputo Inc.	2,498	2,638
60,553	Maple Leaf Foods	1,664	1,709
42,843	Empire Company Limited	955	1,489
20,305	Loblaw Companies Ltd.	1,295	1,275
9,547	McCormick & Company Inc.	1,116	1,163
6,479	The Procter & Gamble Company	1,079	1,147
6,665	Kimberly-Clark Corporation	1,274	1,144
5,093	Target Corporation	858	1,144
10,493	Colgate-Palmolive Company	1,031	1,142

## Schedule of investment portfolio

as at December 31, 2020

(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
<b>Equities (continued)</b>			
<b>Consumer Staples (continued)</b>			
6,218	Walmart Inc.	970	1,141
10,273	Church and Dwight Co., Inc.	1,203	1,141
7,686	The J. M. Smucker Company	1,130	1,131
4,378	The Clorox Company	1,128	1,126
18,917	Hormel Foods Corporation	1,224	1,123
34,390	The North West Company Inc.	990	1,114
11,244	George Weston Ltd.	1,200	1,068
8,591	The TJX Companies Inc.	620	748
1,705	MSA Safety Inc.	305	325
921	The Estee Lauder Companies Inc.	237	312
417	Lancaster Colony Corporation	98	98
573	Brown-Forman Corporation	52	58
		31,327	35,472
<b>Health</b>			
5,344	Danaher Corporation	1,130	1,512
3,953	Charles River Laboratories	1,231	1,258
8,641	AbbVie Inc.	1,091	1,178
5,853	Johnson & Johnson	1,151	1,172
7,825	Medtronic	1,166	1,167
8,235	Abbott Laboratories	1,054	1,148
3,598	Becton Dickinson and Company	1,316	1,147
3,154	West Pharmaceutical Services Inc.	767	1,138
3,655	Amgen	1,065	1,070
		9,971	10,790
<b>Consumer Discretionary</b>			
44,108	Thomson Reuters Corporation	3,134	4,588
33,533	Magna International Inc.	2,120	3,018
38,069	Restaurant Brands International Inc.	2,874	2,956
71,937	Gildan Activewear Inc.	2,437	2,552
57,839	Quebecor Inc.	1,753	1,889
2,818	S&P Global	1,178	1,179
6,861	Canadian Tire Corporation Ltd.	931	1,146
11,645	Cogeco Communications Inc.	1,178	1,137
5,054	ADP	1,131	1,135
21,678	Dollarama Inc.	1,060	1,122
29,301	Shaw Communications Inc.	674	654
4,710	Cogeco Inc.	418	385
3,620	John Wiley & Sons Inc.	208	211
		19,096	21,972

## Schedule of investment portfolio

as at December 31, 2020

(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
<b>Equities (continued)</b>			
<b>Industrials</b>			
56,444	Canadian National Railway Company	4,125	7,873
93,880	CAE Inc.	1,471	3,296
27,168	Groupe WSP Global Inc.	1,775	3,264
74,639	Stantec Inc.	2,366	3,068
95,127	SNC-Lavalin Group Inc.	2,304	2,062
9,383	Waste Connections Inc.	1,236	1,226
4,969	Caterpillar Inc.	1,151	1,152
9,428	Expeditors International of Washington	989	1,142
9,426	C. H. Robinson	1,179	1,126
12,574	Ritchie Bros. Auctioneers Inc.	757	1,108
53,215	Transcontinental Inc.	844	1,091
4,118	Boyd Group Services Inc.	768	898
6,028	Allegion plc	865	894
974	W. W. Grainger	506	507
3,203	Toro	329	387
2,336	Toromont Industries Ltd.	153	208
1,511	Finning International Inc.	41	41
		20,859	29,343
<b>Technology</b>			
77,818	Open Text Corporation	2,714	4,494
30,976	CGI Inc.	1,642	3,123
1,907	Shopify Inc.	1,046	2,738
42,150	Enghouse Systems Ltd.	2,430	2,593
505	Amazon.com Inc.	1,773	2,095
7,318	Microsoft Corporation	1,711	2,071
1,012	Constellation Software Inc.	1,432	1,668
7,562	Apple Inc.	744	1,277
16,866	The Descartes Systems Group Inc.	283	1,252
6,766	Proofpoint Inc.	1,030	1,176
7,156	IBM	1,145	1,147
457	Alphabet Inc. Class A	910	1,019
1,596	Adobe Inc.	844	1,016
2,793	FaceBook Inc.	760	971
4,413	Texas Instruments Inc.	754	922
1,076	Netflix Inc.	607	741
2,926	Activision Blizzard Inc.	280	346
109	Booking Holdings Inc.	249	309
1,882	Topicus.com Inc.	9	9
		20,363	28,967
<b>Total - Equities</b>		180,800	217,249
<b>Total - Schedule of investment portfolio</b>		616,607	667,658

## Notes

for the years ended December 31, 2020 and 2019

(in thousands of Canadian \$)

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### 1. General information about the Plan

The UNIVERSITAS 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. The latter acts as the investment fund manager of the UNIVERSITAS 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 UNIVERSITAS Plan is a group scholarship plan under which the refund of contributions is guaranteed at all times, including the sales charges if the plan reaches maturity. The Plan is only available to current subscribers of the UNIVERSITAS Plan who wish to purchase additional units. Since December 14, 2017, eligible studies that qualify for EAPs are general or technical, full-time or part-time post-secondary educational programs (college, community college or university) 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.

The release of these financial statements was authorized by the Board of Directors on March 25, 2021.

### 2. Significant accounting policies

#### Statement of compliance

These financial statements are prepared in accordance and compliance with International Financial Reporting Standards (IFRS) applicable as at December 31, 2020.

#### 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, from the most liquid to the least liquid. Financial assets are accounted for on transaction date. The presentation currency of the financial statements is the Canadian dollar (CAN\$), which is the Plan's functional currency.

#### Investment entity

The Plan satisfies the investment entity definition of IFRS 10, *Consolidated financial statements*, investment entities: Exception to consolidation, since it meets the following conditions:

- the Plan obtains funds from 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.

## Notes

for the years ended December 31, 2020 and 2019  
(in thousands of Canadian \$)

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### 2. Significant accounting policies (continued)

#### Revenue recognition

- **Interest income for educational assistance payments**

The 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. The interest income is accrued on a time basis, with reference to the outstanding principal and the effective interest rate.

- **Dividends**

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

- **Insurance experience refunds**

The Plan offers subscribers an optional life and disability insurance program. Prior to January 1, 2010, all subscribers were required to enrol in the group insurance program, which included an experience refund clause under the life and disability coverage. For all plans opened prior to December 31, 2009, and for each subsequent contract period until September 30, 2017, inclusive, a refund amount is established by calculating the excess of the premiums collected on the incurred liabilities and the retention charges for the contract period. The experience refunds income is recognized at the time the premium eligible for refund is paid by the subscriber.

Liabilities incurred include benefits paid, outstanding or unrecognized benefits known when the experience refund is calculated, and individual life insurance processing costs of \$30 per \$1,000 of life insurance. The following retention costs are calculated on the premiums received: a 0.625% administration fee, a risk premium and a required capital contribution totalling 1.875%, a 5% commission fee (paid to Kaleido Growth Inc.), an administration fee capped at 22.5% (paid to Kaleido Growth Inc.), and a 2.35% tax on the premiums received net of the refund. If the balance is in deficit, it is deferred to the next contract period. In addition, a 9% tax is added to the calculation of excess premiums to determine the final amount of the refund.

The structure of this program was terminated in March 2019. Since then, the insurance programs are managed directly in Kaleido Growth Inc. As a result, there is no longer any balances being recorded in the Plan.

#### Recognition of expenses

- **Brokerage fee**

The brokerage fee paid to the dealer is a commission established by the dealer and usually ranges from \$0.01 to \$0.05 per share purchased or sold.

- **Portfolio management fees**

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

- **Trustee fee**

The trustee's fee is a fixed annual amount established under an agreement with the trustee.

- **Custodian fee**

The custodian's fee represents 0.009% (0.009% in 2019) of the average total assets under management. Transaction fees for the purchase and sale of securities are also charged.

- **Administration fee**

The administration fee paid to the promoter and investment fund manager cannot exceed 1.18% (1.18% in 2019) of the total assets under management. Any portion of the administration fee that is not required to maintain and develop Kaleido Growth Inc. is deducted from any excess in revenue over company expenditures, and any surplus is returned to the Plans UNIVERSITAS, REFLEX and INDIVIDUAL (the "Plans") by reducing the rate of the administration fee.

## Notes

for the years ended December 31, 2020 and 2019

(in thousands of Canadian \$)

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### 2. Significant accounting policies (continued)

#### Recognition of expenses (continued)

- **Independent Review Committee ("IRC") fee**

The Independent Review Committee fee comprises the compensation paid to the IRC members in the form of attendance fees for their 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 statement 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.

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 an 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 the 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. The business model determination is a matter of fact and requires the use of judgment and consideration of all the relevant evidence available 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. In this type of business model, collecting contractual cash flows and selling financial assets are both integral components to achieving the Plan's objective for this portfolio. 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 described in the prospectus and the 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 should be classified at fair value through profit or loss.

## Notes

for the years ended December 31, 2020 and 2019

(in thousands of Canadian \$)

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### 2. Significant accounting policies (continued)

#### Financial instruments (continued)

##### ▪ Business Model (continued)

Cash and cash equivalents, sales pending settlement, other receivables, dividends receivable, interest receivable, CESC receivable and QESI receivable are recorded at amortized cost, since they are managed according to an economic model for which the objective is to collect contractual cash flows that correspond only 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 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 non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and an allowance for credit losses is recorded and measured (at each reporting date) at an amount equal to 12-month expected credit losses. When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and an allowance for credit losses measured (for each reporting period) at an amount equal to lifetime expected losses is recorded. For debts that have no significant financing component, the Plan uses the simplified method, so the allowance for credit losses correspond to an amount equal to lifetime expected credit losses.

In subsequent reporting periods, if the credit risk of the 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, i.e., recognition of 12-month expected credit losses. 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 an allowance for credit losses equal to lifetime expected losses continues to be recorded or the financial asset is written off. The 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 bank deposits made in other financial institutions.

#### Sales and purchases pending settlement

Sales pending settlement are investments sold with a transaction date in 2020 but a settlement date in 2021. Purchases pending settlement are investment purchased with a transaction date in 2020 but a settlement date in 2021.

#### Quebec Education Savings Incentive (QESI) receivable

The QESI is generally received in May following the tax year the contributions were made by subscribers. As at the reporting date of the financial statements, the QESI amount receivable is estimated based on all subscriber contributions made during the annual reporting period ended December 31, 2020. 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 QESI receivable.



## Notes

for the years ended December 31, 2020 and 2019

(in thousands of Canadian \$)

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### 2. Significant accounting policies (continued)

#### Net assets attributable to contracts

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

##### ▪ Subscribers' savings

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

##### ▪ Sales Charge Refund Obligation at Maturity (SCROM)

An amount equal to sales charges is refunded to subscribers directly from the accumulated income on subscribers' savings and grants at contract maturity. This liability is recognized as the sales charge refund obligation at maturity.

The Plan retains the services of an independent actuary to determine the value of the SCROM. Management assesses this value based on the sales charges applicable to the Plan. The assumptions used to determine the value of the SCROM illustrate the management's best estimate regarding the future payments to subscribers and includes 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 net rate of return of equities and bonds according to the directives of the investment policy applicable to the SCROM.

##### ▪ EAP account

The educational assistance payment (EAP) account consists of the Plan's net investment income accumulated on subscribers' savings over time, after deduction of the EAPs made to beneficiaries and the portion of net income used to refund sales charges. This account may only be used to issue EAPs and these 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 adds 20% to each dollar invested in a Registered Education Savings Plan (RESP) by a subscriber who meets all the Canada Education Savings Program (CESP) requirements and submits the necessary information. 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 2020 does not exceed \$49,020 and to 30% for beneficiaries whose adjusted family net income in 2020 falls between \$49,020 and \$98,040. These amounts are indexed every year. Beneficiaries born on or after January 1, 2004, from families who meet the financial criteria established by the federal government 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 which took the form of a refundable tax credit paid directly in the RESP opened with a 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 2020 does not exceed \$44,545. The rate is 15% for beneficiaries whose 2020 adjusted family net income falls between \$44,546 and \$89,080. 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 \$3,600s. 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.

## Notes

for the years ended December 31, 2020 and 2019

(in thousands of Canadian \$)

### 2. Significant accounting policies (continued)

#### Calculation of educational assistance payment (EAP) value 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 November 30, 2019 and January 1, 2020 (between November 30, 2018 and January 1<sup>st</sup>, 2019), the net return generated securities from the portfolio in which the EAP account is invested is added. The amount of EAPs made to beneficiaries 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.

An independent actuary issued an actuarial certificate regarding the methodology and assumptions used to calculate the EAP amounts per unit payable between January 16, 2020 and December 31, 2020 (January 16, 2019, and December 31, 2019).

### 3. Significant accounting judgments, estimates and assumptions

In the application of the Plan's accounting policies, as described in Note 2 of financial statements for the year ended December 31, 2020, management is required to make judgments, 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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, 2020	December 31, 2019
Short-term investments	104,782	90,725
Bonds	345,627	357,133
Equities	217,249	210,214
	<b>667,658</b>	<b>658,072</b>

### 5. Current assets and liabilities

The Plan expects to recover the amounts relating to the dividends receivable, interest receivable, CESG receivable, QESI receivable, the experience refunds receivable and other accounts 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 QESI refundable as well as accounts payable and other liabilities related no later than 12 months following the end date of the reporting period.

## Notes

for the years ended December 31, 2020 and 2019

(in thousands of Canadian \$)

### 6. Other accounts receivable

	Notes	December 31, 2020	December 31, 2019
Amount receivable from Kaleido Foundation	9	-	1,166
Other		-	16
		-	1,182

### 7. Accounts payable and other liabilities

	Notes	December 31, 2020	December 31, 2019
Amount payable to Kaleido Growth Inc.	9	688	688
Amount payable to the Kaleido Foundation	9	4,294	-
Accumulated income on grants for payment to a designated educational institution		147	2,076
Other		163	247
		5,292	3,011

### 8. Sales Charge Refund Obligation at Maturity (SCROM)

	December 31, 2020	December 31, 2019
Discounted value of the SCROM	35,051	34,624
Non-discounted value of the SCROM	37,769	40,502

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

Impact of a change in the discount rate	December 31, 2020	December 31, 2019
Discount rate applied	1.91%	3.56%
Increase of 1.0%	(1,084)	(1,198)
Decrease of 1.0%	1,149	1,276

### 9. 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.

## Notes

for the years ended December 31, 2020 and 2019

(in thousands of Canadian \$)

### 9. Related party transactions (continued)

#### Kaleido Foundation

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

Administration fee	2020	2019
Kaleido Growth Inc.	8,533	8,803
Kaleido Foundation	122	141
	<b>8,655</b>	<b>8,944</b>

Amount receivable (payable)	December 31, 2020	December 31, 2019
Kaleido Growth Inc.	(688)	(688)
Kaleido Foundation	(4,294)	1,166
	<b>(4,982)</b>	<b>478</b>

### 10. Additional information relating to the statements of cash flows

For the purposes of the statements of cash flows, cash includes cash on hand with financial institutions. Cash, at the end of the annual reporting period and as presented in the statements of cash flows, may be reconciled to the items in the statements of financial position as follows:

Cash	December 31, 2020	December 31, 2019
Cash	1,099	2,766

### 11. Capital management

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

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

In order to meet these objectives, the portfolio managers have a mandate to optimize total returns through high-quality investments, diversification and strategic asset allocation, security selection, duration management and credit analysis. The Plan reviews and revises its policies and procedures regularly.

## Notes

for the years ended December 31, 2020 and 2019

(in thousands of Canadian \$)

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### 11. Capital management (continued)

For the year ended December 31, 2020, the following policies and procedures were applied:

- **Subscribers' savings:** The Plan commits to refund subscribers' savings and to invest the savings solely in fixed-income securities guaranteed by a Canadian government or bonds issued or guaranteed by a corporation before plan maturity. After plan maturity, the Plan invests exclusively in money-market securities guaranteed by a Canadian government or held as 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 currently invested entirely in Canadian equities. The government grants received on or after April 20, 2012, are invested entirely in government bonds guaranteed by a Canadian government.
- **Grants earnings, SCROM and EAP account:** The target asset allocation for these funds is 100% Canadian equities.

During the year ended December 31, 2020, 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 requirement concerning its capital.

### 12. Financial instruments

#### Fair value

- **Establishing fair value**

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

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

The fair value of equity investments is established from 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 through the use of current industry-specific valuation methods, such as a model whose application is based on discounting the expected future cash flows or similar techniques. These methods take into account current observable data on the market for financial instruments with a similar risk profile and comparable terms. The important data used in these models include, but are not limited to, yield curves and credit risks.

- **Fair value hierarchy**

For financial reporting, fair value measurements are classified in accordance with a hierarchy (levels 1-2-3). This classification is based on the level at which input data concerning fair value measurements 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 have 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. as prices) or indirectly (i.e. derived from prices).** For example, inputs such as yield curves and indices.
- **Level 3 - Valuation using inputs for assets or liabilities that are not based on observable market data (unobservable inputs).** For example, private investment valuations by investment fund managers.

## Notes

for the years ended December 31, 2020 and 2019  
(in thousands of Canadian \$)

### 12. Financial instruments (continued)

#### Fair value (continued)

##### ▪ Fair value hierarchy (continued)

The hierarchy that applies as part of the determination of fair value requires the use of observable market inputs whenever such inputs exist. Fair values are classified as Level 1 when the security is traded on an active market and a quoted price is available. If a financial instrument classified as Level 1 ceases to trade in an active market, it is transferred to the next level (Level 2). If valuation of its fair value requires significant use of unobservable market inputs, then it is classified as 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, 2020	Level 1	Level 2	Level 3	Total
Short-term investments	74,599	30,183	-	104,782
Bonds	-	345,627	-	345,627
Equities	217,249	-	-	217,249
	291,848	375,810	-	667,658

As at December 31, 2019	Level 1	Level 2	Level 3	Total
Short-term investments	67,936	22,789	-	90,725
Bonds	-	357,133	-	357,133
Equities	210,214	-	-	210,214
	278,150	379,922	-	658,072

Over the course of the years ended December 31, 2019 and 2018, there was no 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 other price risk, currency risk and interest rate risk. The Plan's overall risk management program seeks to maximize the returns achieved without exposing subscribers' savings to undue risks and by minimizing potential adverse impacts on financial performance. All investments present a risk of loss of capital. The main risks stemming from financial instruments to which the Plan is exposed and the main actions taken to manage these are the following:

##### ▪ 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. As for investments related to subscribers' savings and a portion of the government grants received prior to April 20, 2012, the Plan only selects securities issued by the Government of Canada, a provincial government, a municipality or a corporation guaranteed by a government. 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 fair 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, 2020 and 2019

(in thousands of Canadian \$)

### 12. Financial instruments (continued)

#### Fair value (continued)

##### ▪ Credit risk (continued)

As at December 31, 2020, and as at December 31, 2019, the Plan invested in fixed-income securities that are neither past due nor impaired, and presented the following credit rating:

Credit rating	Percentage of total debt securities*	
	December 31, 2020	December 31, 2019
	%	%
AAA	0.3	3.2
AA	63.9	77.0
A	27.8	18.6
BBB	8.0	1.2

\*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

This 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. However, the majority of subscribers hold their investment until the contract's maturity date. The liquidity risk is noticeably reduced by the fact that the subscribers' savings are invested only 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 Plan's contractual maturities of financial liabilities as at December 31, 2020, assuming the subscribers claim their savings at contract maturity (they are also entitled to claim these in full 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
2021 <sup>(1)</sup>	22,475	5,292	373	294,785	322,925
2022				74,136	74,136
2023				78,179	78,179
2024				73,465	73,465
2025				67,081	67,081
2026				43,784	43,784
2027				22,366	22,366
2028				9,326	9,326
2029				4,702	4,702
2030				1,119	1,119
2031				79	79
2032				26	26
2033				3	3
	<b>22,475</b>	<b>5,292</b>	<b>373</b>	<b>669,051</b>	<b>697,191</b>

(1) Including beneficiary groups with plans that reached maturity before 2021.

## Notes

for the years ended December 31, 2020 and 2019

(in thousands of Canadian \$)

### 12. Financial instruments (continued)

#### Fair value (continued)

- **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 other price risk. Certain parameter changes in financial markets influence the Plan's statements of financial position and comprehensive income. The Plan considers these risks when deciding on the global distribution of its assets. More specifically, market risk is reduced through portfolio diversification, meaning the Plan holds a portfolio that includes several asset categories (money market, bond and stock exchange), diverse products with varying risk profiles (participative or fixed-income securities) and 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 United States dollars (USD) and when the Plan has US currency in its cash. As of December 31, 2020, the Plan had USD 224.2 (USD 169.0 as of December 31, 2019) representing \$285.6 (\$219.2 as of December 31, 2019) in cash. The Plan also had shares in USD for a total of USD 51.6M (nil as of December 31, 2019) representing \$65.8M in investments. Finally, the Plan had USD 93.9 in dividends receivable (nil as at December 31, 2019) representing \$119.7 in dividends receivable, sales pending settlement of USD 9.6M (nil as of December 31, 2019) representing \$12.2M in assets and purchase pending settlement of USD 9.9M (nil as of December 31, 2019) representing \$12.6M in liabilities.

- **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. Maturity allocation of bonds is regularly adjusted based on the anticipated movement of interest rates, 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, 2020, a change of 100 basis points in the interest rates on the market, assuming a parallel shift in the yield curve with all other variables remaining constant, would cause the fair value of the bonds held in the Plan's investment portfolio, the net income, the comprehensive income and the net assets attributable to contracts to change by approximately \$17.6M (\$17.3M as at December 31, 2019). In practice, actual results may differ materially.

The Plan's bond portfolio by maturity date is distributed as follows:

	December 31, 2020	December 31, 2019
	%	%
Maturing in less than one year	23.2	20.2
Maturing in one to five years	34.7	40.4
Maturing after five years	42.1	39.4



## Notes

for the years ended December 31, 2020 and 2019

(in thousands of Canadian \$)

### 12. 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 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 its issuer, or factors affecting all similar financial instruments traded in the market. The stock exchange 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 large-cap securities, which reduces risk. The market index related to equities is the S&P/TSX. A 10% variation in the market index, with all other variables held constant, would create a change of approximately \$21.7M as at December 31, 2020 (\$21.0M as at December 31, 2019), 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. Sensitivity analysis on the fair value of bonds and Treasury bills is described in the "Interest rate risk" section.

- **Concentration risk**

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

Market sectors	December 31,	December 31,
	2020	2019
	%	%
Energy	4.1	8.8
Materials	7.5	8.4
Communication Services	2.8	5.5
Utilities	4.4	10.4
Financials	22.9	37.2
Consumer Staples	16.4	9.1
Consumer Discretionary	10.1	8.0
Health	5.0	0.0
Industrials	13.5	8.4
Technology	13.3	4.2

- **Offsetting**

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

	December 31,	December 31,
Canada Education Savings Grant (CESG) receivable	2020	2019
Gross financial assets	672	708
Financial liabilities offset	(69)	(104)
	603	604

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.

## Notes

for the years ended December 31, 2020 and 2019

(in thousands of Canadian \$)

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### 13. COVID-19

Since the first quarter of calendar 2020, global financial markets have experienced, and may continue to experience, significant volatility resulting from the spread of a novel coronavirus known as COVID-19. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. All of this may impact the Plan's performance and the Plan continues to manage its assets within investment and risk parameters that have been established.

The duration and full impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. As a result, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Plan in future periods.

**Scholarship Agreements (unaudited)**

as at December 31, 2020

(in thousands of Canadian \$)

Group	Number of units as at Dec. 31, 2019	Number of subscribed units	Number of cancelled or expired units	Number of units as at Dec. 31, 2020	Subscribers' Savings	Sales Charge Refund Obligation at Maturity	EAP Account	CESG and Accumulated Income on CESG	QESI and Accumulated Income on QESI
2021	184,439	98	(2,408)	182,129	123,022	10,883	73,529	67,209	20,142
2022	20,905	93	(6)	20,992	39,541	3,952	8,063	17,081	5,499
2023	24,386	111	(16)	24,481	41,742	4,502	7,341	18,227	6,367
2024	25,685	116	(106)	25,695	39,873	4,593	5,850	16,876	6,273
2025	26,191	133	(102)	26,222	37,328	4,554	4,033	15,439	5,727
2026	19,376	101	(98)	19,379	25,044	3,268	1,677	10,090	3,705
2027	11,358	71	(29)	11,400	13,284	1,859	286	5,031	1,906
2028	5,278	43	(22)	5,299	5,550	832	42	2,107	795
2029	3,152	18	(28)	3,142	2,903	477	(83)	1,008	397
2030	794	3	17	814	706	120	(24)	226	91
2031	59	-	1	60	51	9	(2)	16	5
2032	11	-	10	21	17	2	(1)	6	2
2033	-	-	-	-	-	-	-	2	1
	<b>321,634</b>	<b>787</b>	<b>(2,787)</b>	<b>319,634</b>	<b>329,061</b>	<b>35,051</b>	<b>100,711</b>	<b>153,318</b>	<b>50,910</b>

**Educational assistance payments (unaudited)**  
for the years ended December 31, 2020 and 2019  
(in Canadian \$)

As at December 31, 2020 <sup>(1)(2)</sup>	Year of		Units	EAP unit Value	Total
	Qualification <sup>(5)</sup>				
				\$	\$
	2020		2,703,751	616	1,665,511
	2019		3,939,907	616	2,426,983
	2018		3,187,005	616	1,963,195
	2017		2,280,177	616	1,404,589
	2016		2,378,888	616	1,465,395
	2015		1,525,625	616	939,785
	2014		941,992	616	580,267
	2013		573,615	616	353,347
	2012		388,361	616	239,230
	2011		169,780	616	104,584
	2010		100,968	616	62,196
	2009		75,629	616	46,587
	2008		62,858	616	38,721
	2007		50,752	616	31,263
	2006		29,145	616	17,953
	2005		17,577	616	10,827
	2004		13,162	616	8,108
	2003		32,305	616	19,900
Experience refunds <sup>(3)</sup>			16,567,147	71	1,176,267
Grants and their income paid					17,209,399
Other income paid <sup>(4)</sup>					239,530
					<b>30,003,637</b>

<sup>(1)</sup> The EAP unit amount does not include the government grants or the income earned on these.

<sup>(2)</sup> The EAP unit amounts are established on July 1<sup>st</sup> every year.

<sup>(3)</sup> The insurance experience refund is only payable for units purchased prior to 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.

<sup>(4)</sup> The "other income paid" refers to income received from other promoters, and income on savings after plans maturity.

<sup>(5)</sup> Since July 1, 2014, a freeze on the 2<sup>nd</sup> and 3<sup>rd</sup> EAP is applied. This means that if a beneficiary applies for a 1<sup>st</sup> EAP, he or she will receive the unit value of the 2<sup>nd</sup> and 3<sup>rd</sup> 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 2<sup>nd</sup> or 3<sup>rd</sup> EAP received the unit amount in force at the time of application.

**Educational assistance payments (unaudited)**  
for the years ended December 31, 2020 and 2019  
(in Canadian \$)

As at December 31, 2019	(1)(2)	Year of Qualification (5)	Units	EAP unit Value	Total
				\$	\$
		2019	2,919,286	593	1,731,904
		2018	4,930,972	593	2,924,688
		2017	3,818,166	593	2,264,163
		2016	3,694,657	593	2,191,058
		2015	3,166,310	593	1,873,627
		2014	1,980,210	593	1,174,259
		2013	1,320,713	593	781,981
		2012	747,240	593	443,111
		2011	389,115	593	230,745
		2010	258,219	593	153,125
		2009	186,119	593	110,367
		2008	79,274	593	47,009
		2007	67,791	593	40,200
		2006	49,791	593	29,526
		2005	35,766	593	21,209
		2004	15,352	593	9,104
		2003	23,952	593	14,204
		2002	13,466	593	8,381
Experience refunds (3)			21,256,599	78	1,658,015
Grants and their income paid					20,194,890
Other income paid (4)					183,026
					36,084,592

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

(2) The EAP unit amounts are established on July 1<sup>st</sup> every year.

(3) The insurance experience refund is only payable for units purchased prior to 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" refers to income received from other promoters, and income on savings after plans maturity.

(5) Since July 1, 2014, a freeze on the 2<sup>nd</sup> and 3<sup>rd</sup> EAP is applied. This means that if a beneficiary applies for a 1<sup>st</sup> EAP, he or she will receive the unit value of the 2<sup>nd</sup> and 3<sup>rd</sup> 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 2<sup>nd</sup> or 3<sup>rd</sup> EAP received the unit amount in force at the time of application.





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