# Financial statements

## IDEO+ CONSERVATIVE Plan

For the years ended December 31, 2024 and 2023

KALEIDO

# The IDEO+ CONSERVATIVE Plan

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# Independent Auditor's Report

To the subscribers of
the IDEO+ CONSERVATIVE Plan

## Opinion

We have audited the financial statements of the IDEO+ CONSERVATIVE Plan (the "Plan"), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of net income and comprehensive income, changes in net assets attributable to contracts and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, 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.

/S/ Deloitte LLP [1]

Quebec City, Quebec
March 20, 2025

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[1] CPA auditor, public accountancy permit No. A149702

# Statements of financial position

## (in thousand of Canadian $)

| | Notes | **December 31, 2024** | December 31, 2023 |
|---|---|---|---|
| **Assets** | | | |
| Cash | | **247** | 352 |
| Sales pending settlement | | **-** | 10 |
| Dividends receivable | | **9** | 14 |
| Interest receivable | | **451** | 331 |
| Canada Education Savings Grant (CESG) receivable | 9 | **1,770** | 2,003 |
| Quebec Education Savings Incentive (QESI) receivable | | **2,826** | 2,996 |
| Investments | 5, 9 | **91,491** | 60,336 |
| | | **96,794** | 66,042 |
| **Liabilities** | | | |
| Purchases pending settlement | | **-** | 12 |
| Accounts payable and other liabilities | 7 | **154** | 173 |
| Quebec Education Savings Incentive (QESI) refundable | | **18** | 7 |
| | | **172** | 192 |
| **Net assets attributable to contracts** | | **96,622** | 65,850 |

**Approved by**

[François Lavoie] Chairman of the Board of Directors

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

*The notes are an integral part of these financial statements*

# Statements of net income and comprehensive income
## for the years ended December 31
**(in thousand of Canadian $)**

| | Notes | **2024** | 2023 |
|---|---|---|---|
| **Revenues from ordinary activities** | | | |
| Interest income | | **2,450** | 1,194 |
| Dividends | | **139** | 136 |
| Realized gain on disposal of investments | | **1,573** | 90 |
| Change in unrealized appreciation of investments | | **1,616** | 1,526 |
| | | **5,778** | 2,946 |
| **Operating expenses** | | | |
| Brokerage fees | | **6** | 6 |
| U.S. tax expenses | | **-** | 3 |
| Portfolio management fees | | **100** | 53 |
| Custodian fees | | **47** | 23 |
| Administration fees | 8 | **1,389** | 721 |
| Independent Review Committee fees | | **2** | 1 |
| | | **1,544** | 808 |
| **Net income and comprehensive income attributable to contracts** | | **4,234** | 2,138 |

*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 thousand of Canadian $)**

| | Subscriber savings | Income on savings | CESG | QESI | Income on incentives | Total |
|---|---|---|---|---|---|---|
| **Net assets as at December 31, 2023** | 47,163 | 1,624 | 11,665 | 4,977 | 421 | 65,850 |
| Net income and comprehensive income | - | 3,147 | - | - | 1,087 | 4,234 |
| **Increase** | | | | | | |
| Subscriber savings | 33,458 | - | - | - | - | 33,458 |
| Transfers between plans | - | - | 11 | - | - | 11 |
| Grants received from the government | - | - | 7,478 | 3,027 | - | 10,505 |
| Transfers from other promoters | - | - | 160 | 43 | - | 203 |
| | 33,458 | - | 7,649 | 3,070 | - | 44,177 |
| **Decrease** | | | | | | |
| Refund of savings | (13,033) | - | - | - | - | (13,033) |
| Transfers between plans | (3) | - | - | - | - | (3) |
| Grants returned to the government | - | - | - | (21) | - | (21) |
| Transfers to other promoters | - | - | (25) | (6) | - | (31) |
| Grants and income on grants | - | (589) | (2,636) | (1,168) | (147) | (4,540) |
| Educational assistance payments (EAPs) | - | (10) | - | - | - | (10) |
| | (13,036) | (599) | (2,661) | (1,195) | (147) | (17,638) |
| **Net assets as at December 31, 2024** | **67,586** | **4,172** | **16,653** | **6,852** | **1,361** | **96,622** |

## Statements of changes in net assets attributable to contracts
### for the years ended December 31
**(in thousand of Canadian $)**

| | Subscriber savings | Income on savings* | CESG | QESI | Income on incentives | Total |
|---|---|---|---|---|---|---|
| **Net assets as at December 31, 2022** | 22,326 | (20) | 5,282 | 2,264 | (10) | 29,842 |
| Net income and comprehensive income | - | 1,699 | - | - | 439 | 2,138 |
| **Increase** | | | | | | |
| Subscriber savings | 32,550 | - | - | - | - | 32,550 |
| Transfers between plans | - | - | 6 | - | - | 6 |
| Grants received from the government | - | - | 7,552 | 3,206 | - | 10,758 |
| Transfers from other promoters | - | - | 69 | 21 | - | 90 |
| | 32,550 | - | 7,627 | 3,227 | - | 43,404 |
| **Decrease** | | | | | | |
| Refund of savings | (7,713) | - | - | - | | (7,713) |
| Grants returned to the government | - | - | - | (7) | | (7) |
| Transfers to other promoters | - | - | (7) | (1) | | (8) |
| Grants and income on grants | | (55) | (1,237) | (506) | (8) | (1,806) |
| | (7,713) | (55) | (1,244) | (514) | (8) | (9,534) |
| **Net assets as at December 31, 2023** | **47,163** | **1,624** | **11,665** | **4,977** | **421** | **65,850** |

** To harmonize with the presentation of savings income for the financial year ended December 31, 2024, the PAE account presented separately in the financial statements for the year ended December 31, 2023 has been merged with the Savings income account in the above statement.*

## Statements of cash flows
### for the years ended December 31
### (in thousand of Canadian $)

| | 2024 | 2023 |
|---|---|---|
| **Cash flows from operational activities** | | |
| Income received | | |
| Interest | **2,339** | 956 |
| Dividends | **137** | 130 |
| | **2,476** | 1,086 |
| Operating expenses paid | | |
| Brokerage fees | **(6)** | (6) |
| U.S. tax expenses | **-** | (3) |
| Portfolio management fees | **(97)** | (41) |
| Trustee fees | **(1)** | (1) |
| Custodian fees | **(37)** | (24) |
| Administration fees | **(1,397)** | (600) |
| Independent Review Committee fees | **(2)** | (1) |
| | **(1,540)** | (676) |
| Other operational activities | | |
| Disposal of investments | **177,045** | 59,745 |
| Acquisition of investments | **(205,022)** | (93,436) |
| | **(27,977)** | (33,691) |
| Net cash flows used in operational activities | **(27,041)** | (33,281) |
| **Cash flows from financing activities** | | |
| Savings received | **33,493** | 32,323 |
| Savings advance | **-** | - |
| Savings paid to other promoters | **(67)** | (10) |
| Refunds of savings to subscribers | **(13,019)** | (7,713) |
| CESG received | **7,846** | 7,934 |
| QESI received | **3,241** | 2,485 |
| QESI paid | **(16)** | - |
| Incentives and income on Incentives paid | **(4,553)** | **(1,751)** |
| Income on savings paid | **-** | **(55)** |
| Transfers between plans | **11** | 6 |
| Net cash flows from financing activities | **26,936** | 33,219 |
| **Net decrease in cash** | **(105)** | (62) |
| **Cash, beginning of year** | **352** | 414 |
| **Cash, end of year** | **247** | 352 |

# Schedule of investment portfolio
## as at December 31, 2024
## (in thousands of Canadian $)

| Par value | Security | Maturity | Rate (%) | Cost | Carrying amount |
|---|---|---|---|---|---|
| **Short-term investments** | | | | | |
| 26,330 | Encaisse | 12 Mar 2025 | - | 26,144 | 26,169 |
| 80 | Cash Swap | 21 Jan 2025 | - | 114 | 115 |
| 1,230 | ONTARIO POW | 8 Apr 2025 | 2.893 | 1,204 | 1,228 |
| 1,400 | NATL BK OF CANADA | 3 Nov 2025 | 5.296 | 1,408 | 1,422 |
| **Total - Short-term investments** | | | | 28,870 | 28,934 |
| **Bonds** | | | | | |
| **Bonds issued or guaranteed by a Canadian province** | | | | | |
| 4,725 | QUEBEC(PROV OF) | 20 May 2032 | 3.650 | 4,652 | 4,762 |
| 1,985 | QUEBEC(PROV OF) | 27 May 2031 | 2.100 | 1,728 | 1,839 |
| 3,125 | QUEBEC(PROV OF) | 1 Sep 2034 | 4.450 | 3,280 | 3,276 |
| 3,860 | ONTARIO(PROV OF) | 2 Feb 2032 | 4.050 | 3,828 | 3,994 |
| 6,700 | ONTARIO(PROV OF) | 4 Mar 2033 | 4.100 | 6,713 | 6,917 |
| | | | | 20,201 | 20,788 |
| **Bonds issued or guaranteed by a municipality** | | | | | |
| 500 | FIRST NATIONS FIN | 1 Jun 2034 | 4.100 | 504 | 507 |
| 275 | VANCOUVER(CITY OF) | 3 Nov 2033 | 4.900 | 301 | 298 |
| 450 | RESEAU METR RESEAU | 4 Jun 2029 | 4.400 | 458 | 460 |
| 175 | TROIS-RIVIERES | 16 Oct 2029 | 3.600 | 171 | 173 |
| 700 | SOUTH COAST BC TRA | 3 Jul 2030 | 1.600 | 596 | 639 |
| | | | | 2,030 | 2,077 |
| **Bonds issued or guaranteed by a corporation** | | | | | |
| 275 | 407 INTL INC | 27 Jul 2029 | 6.470 | 303 | 308 |
| 150 | 407 INTL INC | 1 Jun 2033 | 3.430 | 139 | 144 |
| 400 | NORTH WEST REDWATE | 1 Jun 2027 | 2.800 | 372 | 394 |
| 200 | ALTALINK | 29 May 2026 | 2.747 | 189 | 199 |
| 200 | 407 INTL INC | 25 May 2032 | 2.590 | 173 | 184 |
| 210 | RELIANCE LP | 1 Aug 2028 | 2.670 | 185 | 201 |
| 300 | GAZ METROPO | 16 Apr 2027 | 2.100 | 275 | 291 |
| 225 | ALTALINK | 11 Sep 2030 | 1.509 | 199 | 200 |
| 185 | GTR TORONTO AIRPOR | 3 May 2028 | 1.540 | 163 | 175 |
| 500 | HYDRO ONE INC | 21 Sep 2026 | 3.843 | 500 | 501 |
| 300 | LOWER MATTAGAMI EN | 21 Oct 2029 | 2.307 | 281 | 295 |
| 200 | BANK OF MONTREAL | 26 May 2082 | 5.625 | 192 | 202 |
| 225 | ROGERS WIRELESS IN | 10 Dec 2029 | 3.300 | 218 | 218 |

# Schedule of investment portfolio
## as at December 31, 2024
## (in thousands of Canadian $)

| Par value | Security | Maturity | Rate (%) | Cost | Carrying amount |
|---|---|---|---|---|---|
| **Bonds (continued)** | | | | | |
| **Bonds issued or guaranteed by a corporation (continued)** | | | | | |
| 125 | RBC | 3 Apr 2034 | 5.096 | 125 | 130 |
| 200 | IA FINL CORP | 30 Sep 2084 | 6.921 | 200 | 210 |
| 500 | CGI INC | 7 Sep 2027 | 3.987 | 501 | 505 |
| 350 | CHOICE PROPERTIES | 3 Aug 2028 | 4.178 | 350 | 355 |
| 100 | CT REAL ESTATE | 16 Jun 2027 | 3.469 | 94 | 99 |
| 325 | FAIRFAX FINL HLDGS | 16 Dec 2026 | 4.700 | 321 | 331 |
| 150 | BELL | 29 Sep 2027 | 3.600 | 147 | 150 |
| 650 | METRO INC | 6 Dec 2027 | 3.390 | 641 | 651 |
| 15 | GREAT WEST LIFECO | 28 Feb 2028 | 3.337 | 14 | 15 |
| 150 | TORONTO HYDRO CORP | 11 Dec 2029 | 2.430 | 138 | 143 |
| 200 | TORONTO HYDRO CORP | 25 Aug 2026 | 2.520 | 187 | 198 |
| 215 | ONTARIO POW | 4 Oct 2027 | 3.315 | 207 | 215 |
| 250 | ENBRIDGE GAS | 9 Aug 2029 | 2.370 | 225 | 237 |
| 200 | ENBRIDGE INC | 12 Apr 2078 | 6.625 | 188 | 210 |
| 425 | RBC | 31 Jul 2028 | 1.833 | 368 | 403 |
| 200 | MANULIFE FINL CAP | 23 Feb 2034 | 5.054 | 200 | 209 |
| 250 | NAV CANADA | 29 May 2030 | 2.063 | 228 | 231 |
| 200 | ONTARIO POW | 8 Apr 2030 | 3.215 | 181 | 195 |
| 200 | TELUS CORP | 13 Nov 2031 | 2.850 | 182 | 184 |
| 475 | FED CAISS | 10 Sep 2026 | 1.587 | 431 | 462 |
| 150 | CHOICE PROPERTIES | 4 Mar 2030 | 2.981 | 137 | 143 |
| 300 | BANK OF MONTREAL | 28 May 2026 | 1.551 | 268 | 293 |
| 450 | TRANSCANADA PIPELN | 5 Apr 2027 | 3.800 | 437 | 452 |
| 225 | ROGERS COMMS INC | 31 Mar 2027 | 3.650 | 216 | 225 |
| 175 | TORONTO-DOMINION | 22 Apr 2030 | 3.105 | 168 | 175 |
| 555 | RBC | 1 May 2028 | 4.632 | 549 | 573 |
| 435 | VERIZON COMMUN | 22 Mar 2028 | 2.375 | 398 | 420 |
| 450 | TORONTO-DOMINION | 31 Oct 2082 | 7.283 | 451 | 474 |
| 250 | TELUS CORP | 19 Feb 2030 | 3.150 | 229 | 240 |
| 425 | SUN LIFE FINL INC | 4 Jul 2035 | 5.500 | 424 | 456 |
| 625 | TORONTO-DOMINION | 8 Mar 2028 | 1.888 | 549 | 596 |
| 275 | BK SCOTIA | 11 Jan 2027 | 1.400 | 235 | 260 |
| 225 | RBC | 24 Nov 2080 | 4.500 | 214 | 225 |
| 225 | SCOTIA BANK | 27 Jul 2082 | 7.023 | 222 | 234 |
| 135 | GRANITE REIT HLDGS | 30 Aug 2028 | 2.194 | 117 | 127 |
| 50 | FED CAISS | 23 Aug 2032 | 5.035 | 49 | 52 |
| 300 | LOWER MATTAGAMI EN | 14 May 2031 | 2.433 | 255 | 277 |
| 100 | ROGERS COMMS INC | 21 Sep 2028 | 5.700 | 100 | 106 |
| 150 | INTACT FINL CORP | 18 May 2028 | 2.179 | 132 | 144 |
| 200 | DOLLARAMA INC | 7 Aug 2026 | 1.871 | 185 | 196 |
| 350 | GRANITE REIT HLDGS | 4 Jun 2027 | 3.062 | 331 | 345 |
| 205 | SCOTIA BANK | 3 May 2032 | 3.934 | 195 | 206 |
| 300 | NATL BK OF CANADA | 15 Jun 2026 | 1.534 | 270 | 292 |
| 225 | ENBRIDGE INC | 21 Sep 2033 | 3.100 | 193 | 207 |
| 1,040 | BANK OF MONTREAL | 10 Mar 2026 | 1.758 | 1,001 | 1,023 |
| 65 | ROGERS WIRELESS IN | 1 Mar 2027 | 3.800 | 63 | 65 |
| 400 | TORONTO HYDRO CORP | 20 Oct 2031 | 2.470 | 338 | 369 |
| 785 | BELL | 29 May 2028 | 2.200 | 699 | 751 |
| 160 | MANULIFE FINL | 12 May 2030 | 2.237 | 153 | 159 |
| 150 | MANULIFE FINL CAP | 19 Jun 2082 | 7.117 | 144 | 156 |
| 540 | CHOICE PROPERTIES | 30 Nov 2026 | 2.456 | 507 | 531 |
| 100 | FED CAISS | 17 Nov 2028 | 5.467 | 100 | 106 |
| 510 | BCI QUADREA | 24 Jun 2026 | 2.551 | 484 | 504 |
| 600 | BCI QUADREA | 24 Jul 2030 | 1.747 | 533 | 539 |
| 250 | TORONTO-DOMINION | 8 Jan 2029 | 4.680 | 251 | 259 |

# Schedule of investment portfolio
## as at December 31, 2024
## (in thousands of Canadian $)

| Par value | Security | Maturity | Rate (%) | Cost | Carrying amount |
|---|---|---|---|---|---|
| **Bonds (continued)** | | | | | |
| **Bonds issued or guaranteed by a corporation (continued)** | | | | | |
| 175 | BANK OF MONTREAL | 26 Nov 2082 | 7.325 | 171 | 185 |
| 250 | BK OF AMERICA CORP | 16 Mar 2028 | 3.615 | 249 | 250 |
| 315 | HYDRO ONE INC | 30 Nov 2029 | 3.930 | 311 | 321 |
| 175 | LOWER MATTAGAMI EN | 31 Oct 2033 | 4.854 | 185 | 185 |
| 100 | RBC | 1 Feb 2033 | 5.010 | 98 | 103 |
| 140 | HYDRO ONE INC | 27 Jan 2028 | 4.910 | 142 | 146 |
| 190 | CANADIAN IMP BANK | 29 Jun 2027 | 4.950 | 191 | 196 |
| 415 | OMERS RLTY CORP | 14 Nov 2028 | 5.381 | 428 | 440 |
| 250 | RBC | 2030-06.24 | 5.228 | 259 | 267 |
| 650 | ONT TEACH | 2 Jun 2032 | 4.450 | 670 | 683 |
| 1,425 | 55 ONT SCH BRD | 2 Jun 2033 | 5.900 | 1,576 | 1,619 |
| 150 | CT REAL ESTATE | 9 Jun 2025 | 3.527 | 146 | 150 |
| 300 | HYDRO ONE INC | 24 Feb 2026 | 2.770 | 287 | 298 |
| 170 | TORONTO-DOMINION | 4 Mar 2031 | 4.859 | 169 | 172 |
| 265 | SUN LIFE FINL INC | 15 May 2036 | 5.120 | 267 | 280 |
| 65 | LOBLAWS COS LTD | 11 Dec 2028 | 4.488 | 64 | 67 |
| 250 | BANK OF MONTREAL | 29 May 2028 | 5.039 | 249 | 261 |
| 250 | IVANHOE CAMBRiDGE | 2 Jun 2028 | 4.994 | 249 | 262 |
| 1,075 | FED CAISS | 16 Aug 2028 | 5.475 | 1,115 | 1,141 |
| 250 | SCOTIA BANK | 1 Feb 2029 | 4.680 | 251 | 259 |
| 100 | HYDRO ONE INC | 3 Jan 2034 | 4.390 | 100 | 103 |
| 375 | NATL BK OF CANADA | 7 Dec 2026 | 4.968 | 376 | 386 |
| 100 | VIDEOTRON LTEE | 15 Jul 2034 | 5.000 | 99 | 102 |
| | | | | 26,366 | 27,501 |
| **Total - Bonds** | | | | 48,597 | 50,366 |

| Number of shares | Security | Cost | Carrying amount |
|---|---|---|---|
| **Equities** | | | |
| **Materials** | | | |
| 294 | SHERWIN-WILLIAMS | 136 | 144 |
| | | 136 | 144 |
| **Communication Services** | | | |
| 730 | ALPHABET INC CAPITAL STOCK | 160 | 199 |
| 4,180 | QUEBECOR INC | 129 | 132 |
| 369 | META PLATFORMS | 255 | 311 |
| 26 | BOOKING HLD | 134 | 186 |
| 7,297 | TELUS CORP | 157 | 142 |
| 1,062 | THOMSON-REUTERS CP | 228 | 245 |
| 2,107 | COMCAST | 120 | 114 |
| | | 1,183 | 1,329 |

# Schedule of investment portfolio
**as at December 31, 2024**
**(in thousands of Canadian $)**

| Number of shares | Security | Cost | Carrying amount |
|---|---|---|---|
| | **Equities (continued)** | | |
| | **Financials** | | |
| 502 | AMER EXPRESS CO | 163 | 214 |
| 765 | RAYMOND JAMES FINL | 136 | 170 |
| 1,739 | RBC | 247 | 301 |
| 164 | AMERIPRISE FINANCI | 101 | 126 |
| 292 | MASTERCARD INCORPO | 191 | 221 |
| 362 | VISA INC | 138 | 165 |
| 661 | INTERCONT EXCHANGE | 126 | 142 |
| 1,507 | BANK OF MONTREAL | 199 | 210 |
| 1,623 | NATL BK OF CANADA | 189 | 213 |
| 1,114 | INTACT FINL CORP | 252 | 292 |
| 799 | IA FINL CORP | 74 | 107 |
| 1,053 | WASTE CONNECTIONS | 247 | 259 |
| 1,101 | BK OF NY MELLON CP | 90 | 122 |
| 1,207 | CITIGROUP INC | 106 | 122 |
| 1,315 | TORONTO-DOMINION | 107 | 101 |
| 5,305 | TMX GROUP INC | 198 | 235 |
| | | 2,564 | 3,000 |
| | **Consumer Staples** | | |
| 555 | PROCTER & GAMBLE | 128 | 134 |
| 1,363 | LOBLAWS COS LTD | 212 | 258 |
| 3,641 | METRO INC | 275 | 328 |
| 3,743 | SOBEYS INC | 130 | 164 |
| | | 745 | 884 |
| | **Consumer Discretionary** | | |
| 2,424 | TRACTOR SUPPLY CO | 172 | 185 |
| 2,104 | CCL INDUSTRIES INC | 149 | 156 |
| 2,146 | DOLLARAMA INC | 235 | 301 |
| 1,682 | RB GLOBAL INC | 184 | 218 |
| 275 | HOME DEPOT INC | 139 | 154 |
| 1,778 | RESTAURANT BRNDS I | 183 | 167 |
| 822 | TJX COS INC | 128 | 143 |
| 140 | COSTCO WHOLESALE | 145 | 184 |
| | | 1,335 | 1,508 |
| | **Energy** | | |
| 535 | CHENIERE ENERGY IN | 121 | 165 |
| | | 121 | 165 |
| | **Real Estate** | | |
| 988 | COSTAR GROUP INC | 122 | 102 |
| | | 122 | 102 |

# Schedule of investment portfolio
as at December 31, 2024
(in thousands of Canadian $)

| Number of shares | Security | Cost | Carrying amount |
|---|---|---|---|
| **Equities (continued)** | | | |
| **Health** | | | |
| 297 | LILLY ELI & CO | 315 | 330 |
| 421 | CENCORA | 138 | 136 |
| 801 | ABBVIE INC COM | 188 | 205 |
| 591 | ZOETIS INC | 136 | 138 |
| 275 | STRYKER CORP | 133 | 142 |
| | | 910 | 951 |
| **Industrials** | | | |
| 334 | UNION PACIFIC CORP | 110 | 110 |
| 998 | CDN PAC KAN CTY | 116 | 104 |
| 1,503 | CDN NATL RAILWAYS | 260 | 219 |
| 2,325 | CDN PAC KAN CTY | 272 | 242 |
| 222 | ROCKWELL AUTOMATIO | 86 | 91 |
| 341 | VERISK ANALYTICS | 116 | 135 |
| 1,228 | STANTEC INC | 137 | 138 |
| 321 | MOODYS CORP | 180 | 219 |
| 1,959 | TOROMONT INDUSTRIE | 249 | 223 |
| | | 1,526 | 1,481 |
| **Information Technology** | | | |
| 244 | CADENCE DESIGN SYS | 102 | 105 |
| 643 | LATTICE SEMICONDUC | 64 | 52 |
| 251 | ACCENTURE PLC CLS | 116 | 127 |
| 565 | DATADOG | 97 | 116 |
| 355 | TEXAS INSTRUMENTS | 87 | 96 |
| 577 | APPLIED MATERIALS | 160 | 135 |
| 1,338 | AMPHENOL CORP CLASS A | 109 | 134 |
| 629 | MICROSOFT CORP | 363 | 381 |
| 318 | MOTOROLA SOLUTIONS | 161 | 211 |
| 1,515 | ARISTA NETWORKS IN ARISTA NETWORKS INC | 163 | 241 |
| 1,052 | DESCARTES SYSTEMS | 137 | 172 |
| 1,846 | CGI INC | 276 | 290 |
| 555 | TOPICUS | 68 | 66 |
| 71 | CONSTELLATION SOFT | 269 | 316 |
| | | 2,172 | 2,442 |
| **Airline** | | | |
| 2,128 | DELTA AIRLINES INC | 143 | 185 |
| | | 143 | 185 |
| **Total - Equities** | | 10,957 | 12,191 |
| **Total - Schedule of investment portfolio** | | 88,424 | 91,491 |

## 1. General information about the Plan

The IDEO+ CONSERVATIVE Plan (the “Plan”) is a trust maintained by declaration of trust pursuant to the Civil Code of Quebec. It is governed by a trust agreement (the “Agreement”) concluded on February 1st, 2022, between Kaleido Foundation (the “Foundation”), Eterna Trust Inc. and Kaleido Growth Inc. The latter acts as the investment fund manager of the IDEO+ CONSERVATIVE Plan promoted by the Foundation. The Plan’s head office and principal place of business is located at 1035 Wilfrid-Pelletier Avenue, Suite 500, Quebec City (Quebec) G1W 0C5.

The IDEO+ CONSERVATIVE Plan is an individual scholarship plan. Under an individual scholarship plan, there is only one designated beneficiary at any given time and that beneficiary does not have to be related to the subscriber. In addition, there is no age limit for becoming a beneficiary of the scholarship plan. Subscribers can choose to make one-time contribution or monthly contributions. Beneficiaries may be eligible for several government grants. Contributions and grants are recorded and maintained at the depository. Contributions are returned to the subscriber or beneficiary and the income earned on these contributions and grants are used to make Education Assistance Payments if they meet the terms of the Income Tax Act (Canada).

The release of these financial statements was authorized by the Board of Directors on March 20, 2025.

## 2. Material accounting policy information

### Statement of compliance

These financial statements are prepared in accordance with IFRS® Accounting Standards applicable as at December 31, 2024.

### 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 registered on the trade 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*, 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.

### Revenue recognition

#### Interest income

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

## 2. Material accounting policy information (continued)

**Dividends**

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

**Recognition of expenses**

- **Brokerage fees**

Brokerage fees paid to dealers represent a commission established by the dealer for each share or bond purchased or sold.

- **Portfolio management fees**

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

- **Trustee fees**

Trustee fees represent a fixed annual amount established under agreements with trustees. For the financial year ending December 31, 2024, the fees where below $1.

- **Custodian fees**

Fees paid to custodians represent 0.008% of the average annual assets under management. Transaction fees for the purchase and sale of securities are also charged.

- **Administration fees**

The administration fees paid to the investment fund manager could not exceed 1.65% of the total assets under management.

- **Independent Review Committee fees**

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

**Financial instruments**

- **Classification and valuation 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.

## 2. Material accounting policy information (continued)

**Financial instruments (continued)**

- **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 as fair value through profit or loss due to the Plan's strategy as well as decisions being 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.

Cash and cash equivalents, dividends receivable, interest receivable, CESG receivable, 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-phase impairment method to measure expected credit losses for all debt instruments measured at amortized cost. Prospective in nature, this impairment method is based on changes in the credit quality of financial assets since initial recognition. If the credit risk of an asset increases significantly, a provision is calculated based on expected credit losses between the 12 months following the balance sheet date and the life of the asset, depending on the phase of impairment. Initial and subsequent impairment losses are recognized in net income.

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 and cash equivalents**

Cash and cash equivalents include deposits with financial institutions.

**Sales and purchases pending settlement**

Sales pending settlement are investments sold with a transaction date prior to year-end 2024 but a settlement date in 2025. Purchases pending settlement are investments purchased with a transaction date prior to year-end 2024 but a settlement date in 2025.

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

The payment of the incentive is generally made in May following the fiscal year of the contributions received. As at the date of the financial statements, the amount of QESI receivable is estimated based on the contributions made by each subscriber during the period ended December 31, 2024 by first applying the terms and conditions of the basic incentive. In addition, if the Subscriber is eligible for the enhancement, an additional incentive amount receivable is estimated based on the applicable terms and conditions. The total of the basic incentive and the enhancement is subject to annual and lifetime maximums and these are also considered in estimating the amount of QESI receivable.

## 2. Material accounting policy information (continued)

### Net assets attributable to contracts

The net assets attributable to contracts represent a financial liability resulting from a unique contract, and the Plan provides a breakdown of this liability according to its use, i.e., subscriber savings, CESG, QESI, Income on Savings and Income of incentives.

- **Subscribers' savings**

The subscribers' savings account consists of the contributions received.

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

Since January 1, 1998, the Government of Canada has been adding 20% to eligibles contributions. The annual CESG limit is set at $500 per beneficiary. 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 2024 does not exceed $55,867 and to 30% for beneficiaries whose adjusted family net income in 2024 falls between $55,867 and $111,733. These amounts are indexed every year.

Beneficiaries born on or after January 1, 2004, from financially eligible families also qualify for the Canada Learning Bond (CLB), which consists of an initial payment of $500 into the beneficiary's RESP. Subsequently, this beneficiary can also qualify for additional CLB payments of $100 each year of eligibility for a maximum of 15 years. The grant is paid as part of the EAPs made to the beneficiary.

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

On February 20, 2007, the Government of Quebec introduced the Quebec Education Savings Incentive (QESI), a program to encourage education savings that took the form of a refundable tax credit paid directly in an RESP opened with an RESP provider offering the QESI. The grant's annual limit is set at $250 per beneficiary (i.e., $2,500 x 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 2024 does not exceed $51,780. The rate is 15% for beneficiaries whose 2024 adjusted family net income falls between $51,780 and $103,754. These amounts are indexed each year. The credit applies as of the 2007 taxation year to contributions to RESPs after February 20, 2007, for a calendar year after 2006. The cumulative QESI lifetime limit per beneficiary is set at $3,600. The grant is paid as part of the EAPs made to the beneficiary.

### Method of Calculating Educational assistance payment (EAP) Amount

EAPs are made up of income earned on contributions, government grants and income earned on these grants. The EAPs that the beneficiary may receive depend on the income generated by the investments made by the portfolio managers on contributions, government grants and the income accumulated on all these amounts.

The subscriber's assets are pooled with those of other subscribers. Given that each asset class generates a different gross return, and that certain fees and operating expenses borne by the plan may vary from one asset class to another, Kaleido Croissance inc. allocates the net return specific to the subscriber monthly. The subscriber decides the amount of EAP to be paid to, or on behalf of, the beneficiary, subject to limits.

### 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.

(in thousands of Canadian $)

## 3. Significant accounting judgments, estimates and assumptions

When applying the Plan's accounting policies, as described in Note 2 of financial statements for the year ended December 31, 2024, management must make judgments as well as estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results may differ from these estimates.

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

Management exercised judgment and made estimates and underlying assumptions regarding the QESI receivable.

## 4. New standards and interpretations not yet adopted

At the date of approval of these financial statements, the following new standards, amendments to standards and interpretations had been published but had not yet come into force

- **IFRS 18 Financial Statements**

On April 9, 2024, the IASB published a new standard: IFRS 18 Presentation and Disclosure of Financial Statements. This will replace IAS 1 Presentation of Financial Statements and will have an impact on all entities currently using IFRS accounting standards. The objective of the standard is to improve disclosures in an entity's financial statements, particularly in the income statement and in the notes to the financial statements.

The provisions of this amendment will apply to financial statements for periods beginning on or after January 1, 2027. Early adoption is permitted.

The Plan plans to begin preparing for these changes as early as 2025.

## 5. Investments

| | **December 31, 2024** | December 31, 2023 |
|---|---|---|
| Short-term investments | **28,934** | 14,952 |
| Bonds | **50,366** | 37,402 |
| Equities | **12,191** | 7,982 |
| | **91,491** | 60,336 |

## 6. Current assets and liabilities

The Plan expects to collect dividends receivable, interest receivable, CESG receivable and QESI receivable no later than 12 months following the closing date.

In addition, the Plan expects to settle amounts due to suppliers and other accounts payable within 12 months of the balance sheet date.

(in thousands of Canadian $)

## 7. Accounts payable and other liabilities

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Amount payable to Kaleido Growth Inc. | **104** | 123 |
| Amount payable to the Kaleido Foundation | **5** | 29 |
| Accumulated income on grants for payment to a designated educational institution | **2** | - |
| Other | **43** | 21 |
| | **154** | 173 |

## 8. Related party transactions

**Kaleido Growth inc.**

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

**Kaleido Foundation**

The Foundation is the promoter of the IDEO+ CONSERVATIVE Plan. The Plan and the Foundation report to the same Board of Directors.

| Administration fees | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Kaleido Growth Inc. | **1,389** | 721 |
| | **1,389** | 721 |

| Amount payable | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Kaleido Growth Inc. | **104** | 123 |
| Kaleido Foundation | **5** | 29 |
| | **109** | 152 |

## 9. Financial instruments

**Fair value**

- **Establishing fair value**

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

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

## 9. Financial instruments (continued)

**Fair value (continued)**

- **Fair value measurements**

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

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

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

- **Establishing fair value**

Fair value is defined as the price that would be received for the sale of an asset or paid for the transfer of a liability in an arm's length transaction between market participants at the measurement date, whether that price is directly observable or estimated using another valuation technique. When estimating the fair value of an asset or liability, scholarship plans take into account the characteristics of the asset or liability in a manner consistent with what market participants would do to price the asset or liability at the measurement date.

The fair value of equity investments is based on closing prices. The fair value of bond investments is based on median closing prices.

For short-term investments and bonds, if quoted prices in active markets are not available, fair value is determined using current valuation methods, such as a model based on discounted expected cash flows or other similar techniques. These methods take into account current observable market data for financial instruments with a similar risk profile and comparable terms and conditions. Important inputs to these models include yield curves and credit risks.

- **Fair value hierarchy**

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

- **Level 1** - Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities (for example, prices observable on the TSX) and for which the entity can access at the measurement date.

- **Level 2** - Valuation based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices). For example, matrix pricing, yield curves and indices.

- **Level 3** - Valuation in which a significant portion of the inputs used for assets or liabilities are not based on observable market data (unobservable inputs). For example, private investment valuations by portfolio managers.

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

(in thousands of Canadian $)

## 9. Financial instruments (continued)

### Fair value (continued)

- **Fair value hierarchy (continued)**

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, 2024 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Short-term investments | - | 28,934 | - | 28,934 |
| Bonds | - | 50,366 | - | 50,366 |
| Equities | 12,191 | - | - | 12,191 |
| | 12,191 | 79,300 | - | 91,491 |

| As at December 31, 2023 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Short-term investments | 14,089 | 863 | - | 14,952 |
| Bonds | - | 37,402 | - | 37,402 |
| Equities | 7,982 | - | - | 7,982 |
| | 22,071 | 38,265 | - | 60,336 |

Over the course of the years ended ended December 31, 2024 and December 31, 2023, there was no significant transfer between Levels 1 and 2.

### Risk management related to financial instruments

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

- **Credit risk**

The Plan is exposed to credit risk, which is the possibility of incurring financial losses resulting from the inability of a company, an issuer or counterparty to meet its financial commitments to the Plan. The Plan's exposure to credit risk arises from its investments in debt securities. The Plan has established qualitative selection criteria for investments to limit this risk.

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

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

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

(in thousands of Canadian $)

## 9. Financial instruments (continued)

**Risk management related to financial instruments(continued)**

- **Credit risk (continued)**

As at December 31, 2024 and as at December 31, 2023, the Plan invested in fixed-income securities that are neither past due nor impaired and that had the following credit ratings:

| | Percentage of total debt securities* | |
|---|---|---|
| Credit rating | **December 31, 2024** | December 31, 2023 |
| | **%** | % |
| AAA | **1.9** | 0.5 |
| AA | **51.1** | 52.8 |
| A | **29.0** | 29.3 |
| BBB | **18.0** | 17.4 |

*Excludes short-term investments. Unclassified securities are included in the BBB category.

- **Liquidity risk**

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

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

The following table presents the contractual maturities of the Plan's financial liabilities as at December 31, 2024 assuming the subscribers claim their savings at any time by cancelling part or all of their units:

| Purchases pending settlement | Accounts payable and other liabilities | QESI refundable | Net assets attributable to contracts | Total |
|---|---|---|---|---|
| **-** | **154** | **18** | **96,622** | **96,794** |

- **Market risk**

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

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

- **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Plan engages in transactions denominated in foreign currencies and is therefore exposed to currency risk when selling and purchasing investments in U.S. currency and when the Plan has U.S. currency in its cash balance. At December 31, 2024, the Plan had $0.8 in US currency ($0.7 as at December 31, 2023) representing $1.1 in cash ($1.0as at December 31, 2023). The Plan also had $4.7M in U.S. currency shares ($3.8M as at December 31, 2023) representing $6.7M in investments ($4.9M as at December 31, 2023).

(in thousands of Canadian $)

## 9. Financial instruments (continued)

**Risk management related to financial instruments (continued)**

- **Interest rate risk**

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

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

As at December 31, 2024, a 100-basis-point change in market interest rates, assuming a parallel shift in the yield curve and all other variables remaining constant, would cause the fair value of bonds held in the Plan's investment portfolio, net income, comprehensive income, and net assets attributable to contracts to change by approximately $2.5M ($1.8M as at December 31, 2023). In practice, actual results may differ materially from this analysis.

Investments that present interest rate risk are as follows:

| | **December 31, 2024** | December 31, 2023 |
|---|---|---|
| | **%** | % |
| Maturing in less than one year | **36.5** | 28.6 |
| Maturing in one to five years | **23.0** | 27.6 |
| Maturing after five years | **40.5** | 43.8 |

- **Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or by factors affecting all similar financial instruments traded in the market. Stock market volatility primarily affects the value of the Plan's equity holdings. It should be noted that this exposure is spread over various sectors of activity and in predominantly large-cap Canadian and American securities, which reduces this risk.

However, based on the evolving profile investment policy, it involves a low to moderate investment risk depending on the age of the beneficiary, since it provides for a significant proportion of variable income securities, which gradually decreases as the beneficiary ages. This proportion of variable-income securities decreases over time and is surpassed at the end of the plan by the proportion invested in fixed-income securities, which are less volatile.

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

A 10% change in the stock market index, with all other variables remaining constant, would create a change of approximately $1.0M as at December 31, 2024 ($0.8M as at December 31, 2023) in the fair value of the Plan's equity holdings, net income, comprehensive income and net assets attributable to contracts. In practice, actual results may differ materially from this analysis. The sensitivity analysis on the fair value of the bonds is described in the "Interest rate risk" section.

- **Concentration risk**

Concentration risk arises from having positions concentrated within a same category, whether that category is geographical location, product type, market sector or type of counterparty.

(in thousands of Canadian $)

## 9. Financial instruments (continued)

**Risk management related to financial instruments (continued)**

- **Concentration risk (continued)**

The following table summarizes the Plan's concentration risk in relation to the total carrying amount of equity investments:

| Market sectors | December 31, 2024 | December 31, 2023 |
|---|---|---|
| | % | % |
| Energy | 1.4 | 4.9 |
| Materials | 1.2 | 3.9 |
| Communication Services | 10.9 | 6.2 |
| Utilities | 0.0 | 0.9 |
| Financials | 24.5 | 15.3 |
| Consumer Staples | 7.3 | 3.9 |
| Consumer Discretionary | 12.4 | 8.4 |
| Health | 7.8 | 7.1 |
| Industrials | 12.1 | 8.3 |
| Information Technology | 19.9 | 19.3 |
| Real Estate | 0.8 | 2.7 |
| ETF | 0.0 | 19.1 |
| Airline | 1.5 | 0.0 |

**Offsetting**

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

| Canada Education Savings Grant (CESG) receivable | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Canada Education Savings Grant (CESG) receivable | 1,793 | 2,048 |
| Canada Education Savings Grant (CESG) refundable | (23) | (45) |
| | 1,770 | 2,003 |

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.

## 10. Capital management

The capital of the Conservative Plan consists of the net assets attributable to subscribers and beneficiaries.

The Plan's principal is subject to daily variation as it is continually subject to contributions and terminations. The investment strategy aims to invest subscriber contributions, government grants and income in a diversified mix of investments in order to generate a reasonable and competitive long-term return, while assuming a lower level of risk.

This strategy involves adjusting the asset mix over the years, so as to reduce exposure to risk as the beneficiary approaches the age of eligible studies, and thus promote the preservation of accumulated capital over time. In line with this investment horizon, the proportion of fixed-income securities increases, while that of variable-income securities decreases.

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

## Scholaship Agreements (unaudited)

### for the years ended December 31, 2024

### (in thousands of Canadian $)

| Number of units as at Dec. 31, 2023 | Number of subscribed units | Number of cancelled or expired units | Number of units as at Dec. 31, 2024 | Subscrivers' Savings | Incentive income / Income on savings / EAP account | CESG | QESI |
|---|---|---|---|---|---|---|---|
| **24,530** | **8,954** | **(247)** | **33,237** | **67,586** | **5,532** | **16,653** | **6,852** |

# Educational Assistance Payments (unaudited)

**for the years ended December 31, 2024 and 2023**

**(in thousands of Canadian $)**

| **Paid educational assistance payments** | **December 31, 2024** | December 31, 2023 |
|---|---|---|
| EAP paid excluding government grants and accrued income thereon | **10** | - |

**Kaleido Growth Inc.**

Distributor and manager of the scholarship plans
promoted by Kaleido Foundation

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**Quebec QC G1W 0C5**

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