Condensed interim unaudited

Financial statements

REFLEX Plan

for the six months periods ended June 30, 2026 and 2025

The accompanying semi-annual financial statements have not been reviewed by the external auditors of the Plans in accordance with assurance standards applicable to a review of interim financial statements.

KALEIDO

The REFLEX Plan

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Statements of financial position

Condensed interim unaudited

(in thousands of Canadian $)

Assets	Notes	**June 30, 2026**	December 31, 2025
Cash		**3,952**	3,403
Sales pending settlement		**5**	2,290
Other accounts receivable	5	**60**	34
Dividends receivable		**166**	159
Interest receivable		**10,040**	9,844
Canada Education Savings Grant (CESG) receivable	10	**1,028**	873
Quebec Education Savings Incentive (QESI) receivable	10	**2,534**	5,984
Investments	4,10	**1,355,370**	1,342,694
		1,373,155	1,365,281
Liabilities			
Purchases pending settlement		**46**	5,743
Accounts payable and other liabilities		**2,791**	2,383
		2,837	8,126
Net assets attributable to contracts		**1,370,318**	1,357,155
Represented by :			
Subscribers savings		**773,023**	772,080
Educational assistance account(EAP)		**91,305**	82,847
Sales Charge Refund Obligation at Maturity (SCROM)		**83,190**	80,904
Canada Education Savings Grant (CESG)		**269,803**	270,305
Quebec Education Savings Incentive (QESI)		**96,789**	96,631
Cumulative revenue from government subsidies		**56,208**	54,388
		1,370,318	1,357,155

[François Lavoie] Chairman of the Board of Directors

[Benoit Patry] 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
Condensed interim unaudited
for the six-month periods ended June 30
(in thousands of Canadian $)

	Notes	2026	2025
Revenues from ordinary activities			
Interest		**22,130**	21,259
Dividends		**1,998**	1,448
Realized net gain on disposal of investments		**13,535**	12,469
Change in unrealized appreciation(depreciation) of investments		**(4,424)**	4,773
		33,239	39,949
Operating expenses			
Portfolio management fees		**785**	826
Trustee fees		**52**	26
Custodian fees		**106**	105
Administration fees	9	**10,104**	9,829
Independent Review Committee fees		**15**	13
U.S. tax expenses		**20**	-
Transaction cost		**171**	-
		11,253	10,799
Net income and comprehensive income attributable to contracts		**21,986**	29,150

The notes are an integral part of these financial statements.

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

	2026	2025
Net assets attribuable to contracts as at begening of year	1,357,155	1,319,225
Net income and comprehensive income	21,986	29,150
Increase		
Subscribers savings	29,432	32,946
Change in the SCROM	(729)	2,173
CESG received from the government, net of repayments	6,440	7,237
QESI received from the government, net of repayments	2,740	2,829
	37,883	45,185
Decrease		
Refund of savings at maturity	(26,394)	(21,807)
Pre-maturity withdrawal of savings	(2,098)	(2,545)
Refund of sales charges at maturity	(1,931)	(1,571)
Change in the SCROM	729	(2,173)
Transfers between plans	(2)	(17)
CESG Transferred to other promoters	(423)	(405)
QESI Transferred to other promoters	(133)	(125)
CESG and income on grants	(8,576)	(6,979)
QESI and income on grants	(3,008)	(2,433)
Outflow of accumulated income on grants for payments to a designated educational institution	(34)	(65)
Accumulated income payment (AIP)	(5)	(2)
Educational assistance payments (EAPs)	(4,831)	(3,934)
	(46,706)	(42,056)
Net assets attribuable to contracts as at end of year	**1,370,318**	**1,351,504**

Statements of cash flows
Condensed interim unaudited
for the six-month periods ended June 30
(in thousands of Canadian $)

	2026	2025
Cash flows from operational activities		
Income received		
Interest	**21,934**	21,610
Dividends	**1,989**	1,700
	23,923	23,310
Operating expenses paid		
Portfolio management fees	**(785)**	(507)
Trustee fees	**(52)**	(14)
Custodian fees	**(106)**	(89)
Administration fees	**(10,145)**	(9,825)
Independent Review Committee fees	**(15)**	(13)
Transaction cost	**(20)**	-
Withholding taxes on foreign dividends	**(171)**	-
	(11,294)	(10,448)
Other operational activities		
Disposal of investments	**2,010,119**	349,973
Acquisition of investments	**(2,017,096)**	(369,481)
	(6,977)	(19,508)
Net cash flows from (used in) operational activities	**5,652**	(6,646)
Cash flows from financing activities		
Savings received	**29,405**	33,636
Savings paid to other promoters	**(1,556)**	(884)
Refunds of savings to subscribers	**(27,080)**	(24,132)
CESG and income on CESG received (net of payments)	**6,257**	5,746
QESI and income on QESI paid (net of amounts received)	**3,768**	6,898
Transfers between plans	**(2)**	(17)
Sales charge refunds	**(1,931)**	(1,552)
Educational assistance payments (EAPs)	**(13,963)**	(13,278)
Withholding Tax (Provincial & Federal)	**(1)**	1
Net cash flows from (used in) financing activities	**(5,103)**	6,418
Net increase (decrease) in cash	**549**	(228)
Cash, beginning of period	**3,403**	3,451
Cash, end of period	**3,952**	3,223

Schedule of investment portfolio
Condensed interim unaudited
as at June 30, 2026
(in thousands of Canadian $)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Short-term investments					
151,228	Cash		-	151,228	151,228
75	CANADA TREASURY BILLS	15 Jul 2026	-	75	75
335	CANADA TREASURY BILLS	2 Jul 2026	-	334	335
180	CANADA TREASURY BILLS	2 Jul 2026	-	179	180
975	CANADA TREASURY BILLS	26 Aug 2026	-	971	972
300	CANADA TREASURY BILLS	26 Aug 2026	-	298	299
15	CANADA TREASURY BILLS	26 Aug 2026	-	15	15
225	CANADA TREASURY BILLS	23 Sep 2026	-	224	224
155	CANADA TREASURY BILLS	29 Jul 2026	-	154	155
225	CANADA TREASURY BILLS	29 Jul 2026	-	224	225
75	CANADA TREASURY BILLS	29 Jul 2026	-	75	75
1,117	BROOKFIELD ASSET MGMT	16 Mar 2027	0.038	1,076	1,122
3,500	CIBC	29 Jun 2027	0.050	3,577	3,562
1	DREAM SUMM	12 Jan 2027	0.023	1	1
672	GRANITE REI	4 Jun 2027	0.031	672	672
550	NATL BK	7 Dec 2026	0.050	551	555
700	PEMBINA PIPELINE	15 Jun 2027	0.042	674	706
425	SAPUTO	16 Jun 2027	0.022	421	422
5,245	TRANSCANADA PIPELINES	5 Apr 2027	0.038	5,069	5,267
2,600	WELLS FARGO	18 Feb 2027	0.025	2,600	2,594
Total - Short-term investments				168,418	168,684
Bonds					
Bonds issued or guaranteed by the Government of Canada					
12,000	GOVERNMENT OF CANADA	1 Mar 2036	0.033	11,774	11,898
				11,774	11,898
Bonds issued or guaranteed by a Canadian province					
9,175	ONTARIO	2 Feb 2032	0.041	9,100	9,540
1,300	ONTARIO	2 Jun 2034	0.042	1,337	1,353
23,882	ONTARIO	2 Jun 2036	0.039	23,973	24,097
28,450	ONTARIO	3 Feb 2034	0.037	28,080	28,726
46,353	ONTARIO	3 Feb 2034	0.037	46,171	46,803
24,800	ONTARIO	4 Mar 2033	0.041	25,132	25,851
5,069	ONTARIO	4 Mar 2033	0.041	5,193	5,284
13,430	QUEBEC	20 May 2032	0.037	13,340	13,675
8,000	QUEBEC	22 Nov 2032	0.039	8,165	8,242
10,280	QUEBEC	22 Nov 2032	0.039	10,141	10,591
1,900	QUEBEC	1 Sep 2034	0.045	1,991	2,010
4,000	QUEBEC	1 Sep 2036	0.040	4,013	4,046
1,300	QUEBEC	27 May 2031	0.021	1,262	1,238
6,400	SOUTH COAST BC TRANSPORTA	1 Dec 2035	0.039	6,360	6,396
				184,258	187,852

Schedule of investment portfolio
Condensed interim unaudited
as at June 30, 2026

(in thousands of Canadian $)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a municipality					
8,485	55 SCHOOL BOARD TRUST	2 Jun 2033	0.059	9,519	9,656
2,123	55 SCHOOL BOARD TRUST	2 Jun 2033	0.059	2,433	2,416
4,040	AUTORITE TR	1 Aug 2028	0.048	3,988	4,159
5,000	BEAUHARNOIS	24 Mar 2030	0.033	4,908	4,951
940	BEAUHARNOIS	9 Dec 2027	0.045	930	958
750	BLAINVILLE	18 Jul 2030	0.038	749	753
363	DRUMMONDVILLE	2 Dec 2027	0.045	357	370
2,139	GRANDE RIVIÈRES	2 Feb 2028	0.042	2,105	2,173
1,547	JACQUES-CARTIER	6 Feb 2028	0.040	1,519	1,568
143	LA POCATIÈRE	24 Jul 2030	0.036	142	143
1,490	LAC BROME	16 Feb 2028	0.041	1,464	1,513
1,358	L'ASCENSION	2 Feb 2028	0.042	1,337	1,380
2,128	LAVAL	21 Mar 2028	0.030	2,112	2,131
1,290	LINLAU	20 Dec 2027	0.043	1,284	1,312
3,500	LONGUEUIL	2 May 2029	0.035	3,498	3,508
2,265	MONTLV	15 Dec 2027	0.043	2,246	2,305
1,337	MONT-TREMBLANT	30 Nov 2028	0.047	1,315	1,378
1,697	MTL EAST	4 Mar 2029	0.044	1,677	1,740
346	MUN DE ST	15 Dec 2027	0.042	342	352
1,165	MUNICIPAL FINANCE AUTH OF BC	23 Oct 2028	0.031	1,161	1,168
1,500	OTTAWA	2 Oct 2034	0.038	1,479	1,508
2,721	OUTAOU	12 Jul 2028	0.045	2,675	2,786
1,850	VILLE DE QUÉBEC	20 Dec 2027	0.027	1,800	1,845
1,037	REPENTIGNY	25 Mar 2029	0.044	1,023	1,062
1,313	RIGAUD	2 Feb 2028	0.042	1,295	1,334
3,640	RIVIÈRE-DU-LOUP	1 Dec 2027	0.046	3,593	3,718
1,245	RIVIÈRE-ROUGE	13 Feb 2028	0.041	1,223	1,264
3,800	SAINT-BRUNO	30 Jun 2030	0.035	3,747	3,783
495	SAINT-LAMBERT	28 Jul 2030	0.037	493	496
563	SALABARRY	2 Dec 2027	0.045	554	573
2,263	ST-AMBROISE	15 Dec 2027	0.043	2,244	2,303
550	ST-BASILE	8 Dec 2027	0.045	545	561
770	ST-EUSTACHE	9 Dec 2027	0.045	762	785
3,440	ST-GABRIEL	16 Feb 2028	0.043	3,400	3,500
2,570	ST-HONORÉ	2 Feb 2028	0.041	2,531	2,609
725	ST-JÉRÔME	14 Nov 2029	0.025	708	701
2,542	SAINT-LAMBERT	28 Jul 2028	0.048	2,522	2,616
205	ST MRTN	8 Dec 2027	0.044	202	209
266	ST PAUL	15 Dec 2027	0.042	264	270
1,188	ST-SAUVEUR	30 Nov 2028	0.047	1,168	1,225
510	STE-AGATHE	2 Dec 2027	0.045	502	520
1,310	STE-BRIGITTE	2 Feb 2028	0.042	1,292	1,331
570	ST-GEORGES	8 Dec 2027	0.044	561	580
395	TOWN	8 Dec 2027	0.044	389	402
3,800	TROIS-RIVIÈRES	16 Oct 2029	0.036	3,723	3,812
5,000	VARENNES	24 Mar 2030	0.033	4,908	4,951
				86,689	88,678

(in thousands of Canadian $)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a corporation					
851	407 EAST DEVL GRP	23 Jun 2045	0.045	814	856
2,000	407 INTL	3 Dec 2035	0.060	2,254	2,277
7,000	407 INTL	25 May 2032	0.026	6,109	6,672
4,373	407 INTL	14 Aug 2031	0.045	4,557	4,489
1,000	407 INTL	3 Oct 2035	0.041	982	1,001
500	AÉROPORTS DE MONTRÉAL	16 Oct 2037	0.057	549	556
2,000	AÉROPORTS DE MONTRÉAL	17 Sep 2035	0.052	2,100	2,159
2,000	ALPHABET	15 May 2036	0.044	2,029	2,038
3,134	ALPHABET	15 May 2036	0.044	3,123	3,194
4,548	ALPHABET	15 May 2031	0.037	4,522	4,587
4,700	ALTALINK	28 Nov 2032	0.047	4,853	4,935
3,200	AMAZON	12 Jun 2033	0.040	3,195	3,224
3,000	AT&T	12 Mar 2036	0.045	2,972	3,004
1,170	ATHENE GLO	19 Sep 2035	0.046	1,170	1,159
1,300	BC FERRY	20 Mar 2037	0.050	1,307	1,357
615	BC GAS UTILITY	21 Sep 2029	0.070	830	677
2,000	BCI QUADRE	14 Mar 2028	0.033	2,000	2,004
3,650	BELL	29 May 2028	0.022	3,419	3,589
8,350	BELL	17 Mar 2031	0.030	7,628	8,138
4,150	BELL	17 Mar 2031	0.030	3,567	4,045
1,921	BELL	10 Nov 2032	0.059	1,982	2,102
4,175	BELL	14 May 2030	0.025	3,623	4,030
1,903	BELL	24 Aug 2034	0.052	1,896	2,008
11,700	BK SCOTIA	26 Sep 2030	0.038	11,849	11,811
7,118	BK SCOTIA	26 Sep 2030	0.038	7,118	7,186
4,000	BK SCOTIA	15 Nov 2035	0.044	4,055	4,096
3,800	BK SCOTIA	1 Feb 2029	0.047	3,888	3,924
4,968	BK SCOTIA	3 May 2032	0.039	4,676	5,002
3,000	BK SCOTIA	27 Jul 2082	0.070	3,000	3,092
3,000	BMO	5 Mar 2035	0.041	3,000	3,028
12,500	BMO	7 Dec 2027	0.047	12,414	12,757
494	BMO	27 Oct 2032	0.065	494	515
2,720	BMO	26 Nov 2082	0.073	2,699	2,838
2,343	BNP PARIBAS	3 Sep 2035	0.045	2,343	2,372
4,558	BPCE	15 Apr 2036	0.047	4,558	4,611
1,307	BROOKFIELD RENEWABLE	15 Jan 2030	0.034	1,281	1,299
6,239	BROOKFIELD RENEWABLE	28 Oct 2033	0.053	6,239	6,654
564	BROOKFIELD RENEWABLE	9 Nov 2032	0.059	586	618
7,023	BROOKFIELD	14 Dec 2032	0.054	7,033	7,526
3,857	BROOKFIELD INFRA	6 Jan 2031	0.037	3,857	3,844
9,200	DESJARDINS	25 Aug 2032	0.041	9,318	9,356
1,805	DESJARDINS	16 Jul 2031	0.037	1,805	1,806
5,100	CANADIAN	7 Oct 2027	0.051	5,093	5,215
3,000	CGI	7 Sep 2027	0.040	3,000	3,026
2,500	CGI	5 Sep 2029	0.042	2,525	2,535
4,000	CHOICE REIT	1 Mar 2033	0.054	4,014	4,277
5,098	CHOICE REIT	1 Mar 2033	0.054	5,109	5,452
2,130	CHOICE REIT	4 Mar 2030	0.030	1,936	2,084

(in thousands of Canadian $)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a corporation (continued)					
1,306	CHOICE REIT	11 Jun 2029	0.035	1,365	1,307
2,525	CHOICE REIT	24 Jun 2032	0.060	2,525	2,774
4,558	CIBC	16 Jan 2034	0.053	4,558	4,746
7,788	CN NATL RLWY	10 May 2033	0.044	7,960	8,028
1,403	CO-OP FINL	13 May 2030	0.033	1,231	1,378
925	CT REIT	6 Jan 2031	0.024	861	866
2,900	CT REIT	5 Feb 2029	0.030	2,632	2,858
6,017	CTRL 1 CRED	7 Feb 2028	0.046	5,916	6,127
4,472	DEFINITY FINANCIAL	12 Sep 2030	0.037	4,472	4,472
1,704	DEFINITY FINANCIAL	12 Sep 2035	0.044	1,704	1,713
2,900	DOLLARAMA	9 Jul 2029	0.024	2,663	2,824
6,868	DOLLARAMA	26 Apr 2030	0.052	7,073	7,233
4,460	EDF	6 Feb 2035	0.046	4,460	4,485
1,866	EMPIRE LIFE	26 May 2036	0.042	1,866	1,887
2,250	ENBRIDGE	30 Sep 2035	0.042	2,256	2,254
9,500	ENBRIDGE	25 Feb 2035	0.046	9,695	9,669
2,291	ENBRIDGE	9 Nov 2027	0.057	2,391	2,361
1,000	ENBRIDGE	9 Nov 2032	0.061	1,000	1,111
1,511	ENBRIDGE	9 Nov 2032	0.061	1,577	1,679
2,025	ENBRIDGE	17 Aug 2032	0.042	1,978	2,066
3,000	ENBRIDGE	27 Sep 2077	0.054	2,739	3,051
88	ENBRIDGE	22 Feb 2029	0.054	88	88
7,275	ENERGIR	27 Sep 2032	0.047	7,328	7,606
5,000	EPCOR	30 Jun 2031	0.024	4,693	4,732
2,789	ESTRUXTURE	20 Jul 2055	0.021	2,789	2,788
5,625	FAIRFAX FIN	3 Mar 2031	0.040	5,289	5,672
2,000	FAIRFAX FIN	6 Dec 2027	0.043	2,021	2,024
2,128	FAIRSTONE	23 Feb 2029	0.036	2,128	2,112
4,729	FAIRSTONE	18 Sep 2028	0.039	4,729	4,738
2,904	FED CAISSE	23 Aug 2032	0.050	2,792	2,963
9,500	FED CAISSE	16 Aug 2028	0.055	9,853	9,924
2,450	FNFA	16 Jun 2030	0.017	2,328	2,322
2,800	FORTIS	26 Mar 2032	0.041	2,800	2,834
2,575	FORTIS	16 Oct 2030	0.034	2,586	2,557
3,870	GA GLOBAL	22 Jul 2033	0.049	3,870	3,919
4,460	GLENCORE	28 Jul 2031	0.040	4,456	4,476
3,000	GOLDMAN SACHS	5 Mar 2037	0.043	2,948	2,976
850	GR TOR RPT	3 Apr 2029	0.027	891	843
4,400	GRANITE REI	30 Aug 2028	0.022	4,273	4,296
2,000	GRANITE REI	18 Dec 2030	0.024	1,839	1,883
1,925	GREAT WEST	14 May 2030	0.024	1,925	1,869
950	GREAT WEST	28 Feb 2028	0.033	895	952
2,100	GREAT WEST	31 Dec 2081	0.036	2,100	2,066
3,000	GREATER TORONTO AIRPORT AU	4 Jun 2031	0.071	3,490	3,459
3,750	GREATER TORONTO AIRPORT AU	1 Jun 2037	0.033	3,338	3,453
3,871	HONDA CANADA	25 Feb 2031	0.035	3,871	3,835
1,000	HYDRO ONE	17 Sep 2031	0.022	854	948
4,042	HYDRO ONE	4 Jan 2035	0.043	4,176	4,125

(in thousands of Canadian $)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a corporation (continued)					
2,350	HYDRO ONE	1 Mar 2034	0.044	2,348	2,428
3,100	HYDRO ONE	27 Jan 2028	0.049	3,100	3,184
2,125	HYDRO ONE	21 Nov 2033	0.039	2,124	2,137
10,200	HYDRO ONE	25 Aug 2032	0.039	10,251	10,342
2,090	HYDRO ONE	25 Aug 2032	0.039	2,090	2,119
4,525	HYDRO-QUÉBEC	1 Sep 2032	0.036	4,580	4,563
2,000	HYDRO-QUÉBEC	1 Sep 2033	0.036	1,967	2,009
2,316	HYUNDAI CAP	14 Jan 2030	0.036	2,316	2,314
2,295	HYUNDAI CAP	26 Jul 2027	0.045	2,295	2,329
1,950	IA FINL CORP	25 Feb 2032	0.066	1,931	1,952
6,149	IA FINL CORP	20 Jun 2033	0.069	6,186	6,414
1,800	IA FINL CORP	30 Jun 2082	0.069	1,800	1,845
787	IA FINL CORP	30 Jun 2082	0.029	787	807
2,000	IA FINL CORP	30 Sep 2084	0.074	2,000	2,102
1,275	IA FINL CORP	30 Sep 2084	0.050	1,275	1,340
2,660	INDEPENDANT	15 Oct 2035	0.029	2,109	2,534
2,010	INTACT FIN	30 Jun 2083	0.073	1,982	2,123
2,201	INTACT FIN	28 Feb 2038	0.038	2,201	2,177
4,350	IVANHOE CAMB	2 Jun 2028	0.050	4,372	4,490
3,000	LOBLAW	7 May 2030	0.023	2,624	2,897
865	LOBLAW	11 Dec 2028	0.045	870	886
3,800	LOWER MATTA	14 May 2031	0.024	3,470	3,641
4,700	LOWER MATTA	31 Oct 2033	0.049	4,964	4,992
2,154	MANULIFE	13 May 2035	0.028	1,831	2,091
3,950	MANULIFE	23 Feb 2034	0.051	3,950	4,097
2,400	MANULIFE	19 Jun 2082	0.071	2,398	2,468
2,267	MANULIFE	19 Jun 2082	0.071	2,233	2,331
1,930	MANULIFE	20 May 2031	0.040	1,930	1,950
3,585	MET LIFE	12 Jan 2033	0.040	3,591	3,589
3,500	METRO	6 Dec 2027	0.034	3,400	3,512
7,450	NATL BANK	23 Jun 2031	0.037	7,450	7,463
1,351	NATL BANK	13 Jan 2031	0.035	1,351	1,349
2,000	NATL BANK	14 Jun 2028	0.052	2,035	2,073
2,372	NATL BANK	15 Feb 2035	-	2,372	2,408
347	NEW YORK LIFE	17 Jun 2032	0.040	346	349
1,592	NORTH WEST REDWATER	1 Jun 2029	0.043	1,783	1,626
2,000	NORTH WEST REDWATER	1 Jun 2033	0.042	1,855	2,027
2,623	NORTH WEST REDWATER	1 Jun 2033	0.042	2,669	2,658
1,691	NOVERCO	28 Jan 2035	0.046	1,691	1,728
1,625	NORTH WEST REDWATER	1 Jun 2031	0.028	1,392	1,565
1,850	NORTH WEST REDWATER	1 Jun 2031	0.028	1,568	1,782
1,187	OMERS	14 May 2029	0.026	1,180	1,171
5,925	OMERS REALT	14 Nov 2028	0.054	6,114	6,195
4,372	ONT TEACH	1 Nov 2029	0.042	4,370	4,517
4,100	ONT TEACH	2 Jun 2032	0.045	4,143	4,330
1,200	ONT TEACH	2 Jun 2032	0.045	1,196	1,267
7,650	ONTARIO POWER	8 Apr 2030	0.032	7,115	7,583

Schedule of investment portfolio
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(in thousands of Canadian $)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a corporation (continued)					
3,800	ONTARIO POWER	28 Jun 2034	0.048	3,884	3,994
6,400	ONTARIO POWER	28 Jun 2034	0.048	6,695	6,727
472	OTTAWA MACDONALD CARTIER A	25 May 2032	0.070	503	510
1,808	PACIFIC LIFE	24 Jan 2033	0.039	1,808	1,802
4,000	PEMBINA	10 Dec 2031	0.035	3,845	3,952
2,000	PEMBINA	28 Jun 2033	0.052	2,102	2,126
4,000	PROJECT RE	22 Jun 2033	0.038	4,000	4,014
1,150	RBC	31 Jul 2028	0.018	985	1,126
300	RBC	3 May 2032	0.029	266	300
1,000	RBC	17 Jan 2028	0.046	999	1,022
1,500	RBC	1 Feb 2033	0.050	1,471	1,539
5,819	RBC	1 Feb 2033	0.050	5,731	5,969
3,400	RBC	3 Apr 2034	0.051	3,400	3,532
2,471	RÉSEAU DE TRANSPORT	20 Mar 2031	0.034	2,431	2,440
4,000	RÉSEAU METR	27 Apr 2031	0.035	3,938	3,963
1,627	RÉSEAU TRAN	16 Oct 2029	0.036	1,635	1,632
3,000	RLNCE	16 Apr 2032	0.044	3,001	3,050
2,000	RLNCE	1 Aug 2028	0.027	1,804	1,970
5,500	ROGERS	1 May 2029	0.033	5,206	5,466
692	ROGERS	1 May 2029	0.033	732	688
3,100	ROGERS	15 Apr 2032	0.043	3,081	3,138
800	ROGERS	2 Nov 2028	0.044	741	815
3,328	ROGERS	21 Sep 2028	0.057	3,324	3,482
9,000	RBC	22 Jul 2031	0.040	9,000	9,127
7,294	ROYAL OFFICE	12 Nov 2032	0.052	5,691	5,365
3,735	SAGICOR	20 Jun 2029	0.064	3,735	3,895
1,400	SAPUTO	20 Nov 2030	0.055	1,400	1,499
2,359	SMARTCENTRES REIT	5 Aug 2031	0.047	2,359	2,414
2,507	SMARTSHOP	24 Sep 2030	0.039	2,507	2,495
4,000	SUNLIFE FIN	15 May 2036	0.051	4,000	4,223
4,677	SUNLIFE FIN	15 May 2036	0.051	4,677	4,938
7,750	SUNLIFE FIN	4 Jul 2035	0.055	7,653	8,247
4,036	SUNLIFE FIN	4 Jul 2035	0.055	4,301	4,295
9,050	TELUS	13 Nov 2031	0.029	8,002	8,694
1,229	TELUS	19 Feb 2030	0.032	1,131	1,213
2,700	TELUS	2 May 2029	0.033	2,521	2,693
35	TELUS	15 Nov 2032	0.053	35	37
2,080	TELUS	8 Sep 2033	0.058	2,075	2,271
4,200	TD BANK	8 Jan 2029	0.047	4,203	4,334
2,900	TD BANK	31 Oct 2082	0.073	2,902	3,020
2,812	TD BANK	9 Apr 2034	0.052	2,812	2,926
210	TD BANK	9 Jan 2033	0.052	210	213
18,500	TD BANK	7 Apr 2032	0.039	18,497	18,619
5,800	TORONTO HYDRO	20 Oct 2031	0.025	5,135	5,540
2,000	TORONTO HYDRO	26 Sep 2034	0.040	1,962	2,004
2,500	TORONTO HYDRO	14 Jun 2033	0.046	2,499	2,618
3,275	TRANSCANADA PIPELINES	9 Jun 2031	0.030	2,789	3,185
1,500	TRANSCANADA PIPELINES	18 Sep 2029	0.030	1,319	1,482

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Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a corporation (continued)					
4,000	TRANSCANADA PIPELINES	20 Feb 2035	0.046	3,986	4,079
1,420	TRANSCANADA PIPELINES	15 Feb 2056	0.052	1,420	1,427
8,416	TRISUMMIT	14 Nov 2035	0.044	8,412	8,378
4,500	VERIZON	22 Mar 2028	0.024	4,055	4,432
1,000	VERIZON	16 May 2030	0.025	963	960
1,700	VIDEOTRON	15 Jul 2034	0.050	1,694	1,778
11,450	WEST EDMONT REST	4 Oct 2027	0.078	11,450	11,945
				667,225	686,731
Total - Bonds				949,946	975,159

Number of shares	Security	Cost	Carrying amount
Equities			
Energy			
311	AMERN ELEC PWR INC	56	60
9,209	ATKINSREALIS GRO COMMON	553	811
1,400	ATMOS ENERGY CORPORATION COMMON	296	342
15,140	CANADIAN NATURAL RES LTD	846	850
4,251	CONSOLIDATED EDISON INC	581	667
191	CONST ENRG CO-WI COMMON	70	67
1,914	DUKE ENERGY CORP NEW COM NEW	313	344
2,051	EDISON INTERNATIONAL	206	217
1,613	EVERSOURCE ENERGY COMMON	157	165
6,448	EXELON CORPORATION COMMON	394	426
4,352	EXXON MOBIL CORPORATION COMMON	699	844
2,156	FIRST ENERGY CORP	137	145
186	FIRST SOLAR INC COMMON	80	62
868	GE VERNOVA INC COMMON	1,204	1,447
1,589	LINDE PLCCOMMON	1,091	1,170
2,675	NISOURCE INC COMMON	171	180
18,263	PEMBINA PIPELINE CORP COMMON	966	1,198
9,558	PG & E CORP	224	228
960	PUBLIC SVC ENTERPRISE GROUP INC	106	111
10,938	SUNCOR ENERGY INC NEW COMMON	818	835
328	TARGA RESOURCES CORP COMMON	122	125
13,803	TC ENERGY CORPORATION COMMON	820	1,296
1,330	TECHNIPFMC LTD COMMON	127	125
11,976	TOURMALINE OIL CORP COMMON	742	710
3,851	VALERO ENERGY CORPORATION COMMON	784	1,423
1,480	WILLIAMS COMPANIES INC.	150	156
		11,713	14,004

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Number of shares	Security	Cost	Carrying amount
Equities (continued)			
Communication Services			
28,687	AT&T INC COMMON	986	842
22,950	QUEBECOR INC CL B SUB VTG	964	1,553
23,209	ROGERS COMMUNICATION INC CL B	1,241	1,071
44,574	TELUS CORPORATION COM	983	669
14,976	THOMSON REUTERS	2,634	1,735
2,230	T-MOBILE US INC COMMON	601	531
16,840	VERIZON COMMUNICATIONS COMMON	992	1,012
		8,401	7,413
Utilities			
1,914	AMERICAN WATER WORKS CO LTD COMMON NEW	361	357
24,987	CANADIAN NATIONAL RAILWAY	3,635	4,229
15,833	CANADIAN PACIFIC KANSAS CITY LTD COMMON	1,676	1,947
2,174	PUBLIC STORAGE COMMON REIT	897	982
2,327	REPUBLIC SVCS INC COM	673	703
10,497	TRACTOR SUPPLY CO COMMON	787	471
7,949	UBER TECHNOLOGIES INC COMMON	814	814
2,041	VERALTO RG-WI COMMON	249	257
18,546	WASTE CONNECTIONS INC COMMON	4,391	4,384
2,433	WASTE MANAGEMENT INC COMMON	695	769
		14,178	14,913
Financials			
788	ALLSTATE CORP	230	266
492	ANTHEM INC COMMON PAR USD0.01	263	270
2,995	ARCH CAPITAL GROUP LTD COMMON	371	412
17,112	BANK OF MONTREAL	2,588	4,289
2,000	BANK OF NOVA SCOTIA	227	247
1,383	BERKLEY W R CORP	128	138
831	BERKSHIRE HATHAWAY INC CL B NEW	583	590
385	BLACKROCK RG COMMON	554	525
1,338	BROADRIDGE FINANCIAL SOLUTIONS INC COMMON	285	260
38,168	BROOKFIELD CORP CL-A	1,685	2,310
1,213	CBOE GLOBAL MARKETS INC COM COMMON	477	418
1,872	CHUBB LTD COMMON	756	905
1,042	CME GROUP INC COMMON	348	326
21,527	DEFINITY FINANCIAL CORPORATION COMMON	1,279	1,620
7,588	EQB RG	764	1,009
235	EVEREST RE GROUP LIMITED COMMON	105	119
2,121	HARTFORD FINANCIAL SVCS GROUP INC COM	376	399
6,091	IA FINANCIAL CORPORATION INC COMMON	839	1,193
11,854	INTACT FINANCIAL CORP COMMON	2,926	3,470
4,335	JPMORGAN CHASE & CO	1,698	2,013
1,617	LOEWS CORP	214	260

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Number of shares	Security	Cost	Carrying amount
Equities (continued)			
Financials (continued)			
64	MARKEL CORP HOLDING COMPANY COMMON	177	177
1,248	MARSH & MCLENNAN COS	309	295
2,553	MASTERCARD INCORPORATED CLASS A COMMON	1,876	1,860
1,747	METLIFE INC COMMON	203	210
14,832	NATIONAL BANK CANADA	1,960	3,321
2,091	PROGRESSIVE CORP OHIO	620	648
10,986	ROYAL BANK OF CANADA	2,092	3,226
14,313	RYAN SPECIALTY RG-A COMMON	1,166	767
846	STATE STREET CORP	192	204
9,028	SUN LIFE FINANCIAL INC	811	1,005
24,537	TMX GROUP LIMITED COMMON	1,128	1,139
23,643	TORONTO DOMINION BANK	2,571	4,077
1,653	TRAVELERS COS COS INC/THE COMMON	611	774
704	VISA INC COMMON CL A	312	343
		30,724	39,085
Consumer Staples			
20,229	ALIM COUCHE-TARD RG COMMON	1,513	1,829
9,590	AMAZON.COM INC	2,639	3,243
1,635	ARCHER-DANIELS-MIDLAND CO	151	177
203	CASEY'S GENERAL STORES INC	215	229
14,960	CHIPOTLE MEXICAN GRILL INC CLASS A COMMON	1,052	722
5,901	CHURCH & DWIGHT INC	781	811
4,139	COCA COLA CO	440	477
3,934	COLGATE PALMOLIVE CO	490	512
404	COSTCO WHOLESALE CORP	535	536
5,543	DOLLARAMA INC COMMON	873	1,040
27,851	EMPIRE CO LTD CL A NON VTG	1,279	1,383
6,227	GENERAL MILLS INC COMMON	326	307
12,893	GILDAN ACTIVEWEAR INC COMMON	764	943
707	HERSHEY CO/THE	180	176
3,519	JOHNSON & JOHNSON	866	1,268
7,329	KEURIG DR PEPPER INC COMMON	309	340
5,068	KROGER COMPANY COMMON	447	399
27,446	LOBLAW COS LTD	1,344	1,766
2,801	MCCORMICK & CO NON VTG	228	200
1,322	MCDONALDS CORP	545	507
30,365	METRO INC COMMON	2,606	2,753
7,046	MONDELEZ INTL INC CLASS A COMMON	614	578
12,636	MONSTER BEVERAGE CORP COM NEW NPV	1,099	1,723
1,736	PEPSICO INC	375	333
19,701	PET VALU RG-UNTY-WI COMMON	506	362
11,598	PREMIUM BRANDS HOLDINGS CORP COMMON	1,021	975
2,829	PROCTER & GAMBLE CO.	611	589
18,468	RESTAURANT BRANDS INTL INC COMMON	1,718	1,900
2,501	TJX COMPANIES INC COMMON	441	538

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Number of shares	Security	Cost	Carrying amount
Equities (continued)			
Consumer Staples (continued)			
3,234	TYSON FOODS INC	262	263
5,025	WALMART INC	700	807
1,508	YUM BRANDS INC COMMON	308	342
		25,238	28,028
Consumer Discretionary			
841	ACCENTURE PLC CLS'A' SHARES	311	148
19,035	API GROUP RG COMMON	1,063	1,144
944	CINTAS CORP	250	228
49	COMFORT SYSTEMS USA INC	131	138
187	JABIL INC	97	102
18,256	RB GLOBAL INC COMMON	2,587	3,014
15,903	STANTEC INC COMMON	1,819	1,556
388	TYLER TECHNOLOGIES INC COM NEW	275	161
1,504	XYLEM INC COMMON	231	252
		6,764	6,743
Health			
2,424	ABBVIE INC COMMON	743	865
915	AGILENT TECHNOLOGIES INC COMMON	176	172
214	ALNYLAM PHARMACEUTICALS INC COMMON	90	91
1,118	AMERISOURCEBERGEN CORPORATION COMMON	426	449
779	AMGEN INC COMMON	342	400
2,871	BRISTOL-MYERS SQUIBB CO	241	235
863	CARDINAL HEALTH INC	245	291
6,650	DANAHER CORP	1,978	1,797
1,735	GILEAD SCIENCES INC COMMON	262	311
2,042	IDEXX LABORATORIES INC COMMON	1,581	1,525
1,363	INCYTE CORPORATION COMMON	157	219
584	MCKESSON CORP	545	626
5,342	MERCK & CO INC NEW COMMON	746	974
427	NATERA INC COMMON	134	164
3,565	PFIZER INC	127	122
653	RESMED INC COMMON	177	181
3,716	ROYAL PHARM RG -A COMMON	285	296
673	STERIS PLC COMMON	199	201
143	UNITED THERAPEUTICS CORP COMMON	109	110
1,311	VERTEX PHARMACEUTICALS INC	815	924
360	WEST PHARMACEUTICAL SERVICES	160	183
5,551	ZOETIS INC CL A COMMON	1,105	566
		10,643	10,702

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Number of shares	Security	Cost	Carrying amount
Equities (continued)			
Industrial			
1,684	3M COMPANY COMMON	359	387
565	ADVANCED MICRO DEVICES INC COMMON	412	466
1,000	AGNICO-EAGLE MINES COMAGNICO EAGLE MINES LIMITED	263	220
996	ALLEGION PLC COMMON PAR USD0.01	181	199
3,725	AMPHENOL CORPORATION CL A	740	932
299	APPLIED MATERIALS INC COMMON	214	307
719	AUTODESK INC.AUTODESK INC	247	198
8,500	BARRICK MINING CORPORATION COMMON	450	443
4,581	BOYD GROUP SVC RG COMMON	951	615
27,442	C A E INC	840	974
60	CATERPILLAR INCCATERPILLAR INC.	79	91
24,389	CCL INDUSTRIES INC CL B	1,809	2,255
783	CORNING INC	150	284
1,287	DOVER CORP	368	410
2,955	EMERSON ELECTRIC COMPANY COMMON	546	600
8,700	EQUINOX GOLD CORP COMMON	138	120
412	FABRINET COM	403	329
4,515	FRANCO-NEVADA CORP COMMON	925	1,336
3,200	KINROSS GOLD CORP COM NO PAR	126	107
3,669	LAM RESEARCH CORP COMMON	843	2,256
337	MARTIN MARIETTA MATERIALS	272	276
595	MASTEC INC COMMON	313	351
100	METTLER TOLEDO INTERNATIONAL INC COMMON	165	181
611	NORDSON CORPORATION	244	262
293	ON SEMICONDUCTOR CORPORATION COMMON	53	39
517	PARKER HANNIFIN CORP	632	717
797	RTX RG REGISTERED SHS COMMON	178	215
604	SNAP-ON TOOLS CORP COMMON	320	345
432	TE RG COMMON	132	124
153	TELEDYNE TECHNOLOGIES INC NPV COMMON	114	145
407	TEXAS INSTRS INC.	172	172
2,342	TFI INTERNATIONAL INC COMMON	298	478
7,833	TOROMONT INDUSTRIES LTD	1,112	1,827
464	TRANE TECHNOLOGIES PLC COMMON	300	323
4,969	WSP GLOBAL INC COMMON	982	874
		15,331	18,858
Information Technology			
1,609	ADOBE SYSTEMS INC	604	468
6,479	ALPHABET INC CAPITAL STOCK CL A COMMON	1,796	3,285
6,153	AMPHENOL CORPORATION CL A	1,254	1,539
4,943	APPLE INC	1,542	2,029
5,583	BROADCOM INC COMMON	2,802	2,992
400	CELESTICA RG COMMON	202	207
22,948	CGI GROUP INC -A COMMON	2,965	2,104
1,002	CIRC INTERNET RG -A- COMMON	125	89

Schedule of investment portfolio
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(in thousands of Canadian $)

Number of shares	Security	Cost	Carrying amount
	Equities (continued)		
	Information Technology (continued)		
4,968	CISCO SYSTEMS INC COMMON	450	828
3,157	COGNIZANT TECHNOLOGY SOLUTIONS CORP CL A COMMON	313	173
1,189	CONSTELLATION SOFTWARE INC COMMON	4,304	3,175
357	CORPAY INC COMMON	177	169
11,629	DESCARTES SYSTEMS GROUP INC	1,330	1,142
10,090	ENGHOUSE SYSTEMS LTD -COM	290	162
620	F5 NETWORKS INC COMMON	277	366
1,726	FACEBOOK INC CL A COMMON	1,304	1,379
60	FAIR ISAAC & COMPANY INC COM	107	102
5,039	GEN DIGITAL INC COMMON	173	178
1,799	IBM CORPCOMMON	644	718
543	INTUIT INC	317	201
6,396	KINAXIS INC COMMON	957	974
952	MICRON TECHNOLOGY INC	1,064	1,559
6,503	MICROSOFT CORP	3,706	3,442
721	MOTOROLA SOLUTIONS INC COMMON NEW	425	425
3,083	NETFLIX.COM INCCOM USD0.001	348	312
13,511	NVIDIA CORPORATION COMMON	2,568	3,836
47,429	OPEN TEXT CORP COMMON	1,902	1,489
290	ORACLE CORPORATION	62	60
2,541	PALANTIR TCHNL-A RG COMMON	495	421
1,378	PTC INC COMMON	320	222
766	ROCKWELL AUTOMATION INC COMMON	403	538
1,137	ROPER TECHNOLOGIES INC COMMON	796	546
2,637	SALESFORCE.COM INC COMMON	728	586
13,209	SHOPIFY INC CLASS A SUBORDINATE VTG SHS	1,724	2,143
1,030	SYNOPSYS INC COMMON	699	652
1,449	TOPICUS COM INC COMMON	197	131
1,134	TRADEWEB MARKETS INC -A- COMMON	158	160
769	VEEVA SYSTEMS INC CL A COM	191	194
701	VERISIGN INC	226	250
1,444	WORKDAY INC CLASS A COMMON	299	251
776	ZOOM COMMUNICATIONS INC COMMON	89	95
		38,333	39,592
	Real Estate		
10,402	ALTUS GROUP LIMITED COMMON	520	469
6,329	COLLIERS INTL GROUP INC SUBORDIATE VOTING COMMON	1,032	842
2,705	FIRSTSERVICE CORP COMMON	534	546
3,068	GAMING & LEISURE PPTYS INC COMMON	197	194
3,223	REALTY INCOME CORP REITS	267	283
7,238	VICI PROPERTIES INC REIT	277	273
1,476	WELLTOWER INC REIT	392	476
		3,219	3,083

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Number of shares	Security	Cost	Carrying amount
	Equities (continued)		
	ETF		
233,900	ISHARES EDGE MSCI MIN VOL EAFE ETF	25,007	29,106
		25,007	29,106
	Total - Equities	189,551	211,527
	Total - Schedule of investment portfolio	1,307,915	1,355,370

1. General information about the Plan

The REFLEX 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 9th, 2010, between the Kaleido Foundation, (the "Foundation"), Eterna Trust Inc. and Kaleido Growth Inc. ("Kaleido Growth"). The latter acts as the investment fund manager of the REFLEX 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 REFLEX Plan is a group scholarship plan under which the refund of contributions (savings) is guaranteed at all times, including the sales charges if the plan reaches maturity. The Plan is available to beneficiaries aged 0 to 16 years inclusive. Since December 14th, 2017, eligible studies that qualify for Educational Assistance Payment (EAP) are general or technical, full-time or part-time (college, community college or university) post-secondary educational programs 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.

Kaleido Growth and the Foundation launched the IDEO+ product line on May 1st, 2022, and terminated distribution of the Plan on April 30th, 2022. Kaleido Growth and the Foundation will continue to honor existing contracts until the scheduled maturity date, including the payment of scheduled contributions.

The release of these financial statements was authorized by the Audit and Risk Management Committee on August 27th, 2026.

2. Significant accounting policies

Statement of compliance

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

These interim condensed financial statements should be read in conjunction with the financial statements for the year ended December 31st, 2025. The significant accounting policies used in preparing these condensed interim financial statements are consistent with those found in the financial statements for the year ended December 31st, 2025.

(in thousands of Canadian $)

3. Significant accounting judgments, estimates and assumptions

When applying the Plan's accounting policies, as described in Note 2 to the financial statements for the year ended December 31st, 2025, management must make judgement as well as estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and underlying 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 and the sales charge refund obligation at maturity (SCROM).

4. Investments

	June 30, 2026	December 31, 2025
Short-term investments	**168,684**	148,136
Bonds	**975,159**	992,219
Equities	**211,527**	202,339
	1,355,370	1,342,694

5. Others receivables

Amount receivable	Notes	**June 30, 2026**	December 31, 2025
Kaleido Foundation	9	**60**	34
		60	34

6. Current assets and liabilities

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

(in thousands of Canadian $)

7. Accounts payable and other liabilities

	Notes	June 30, 2026	December 31, 2025
Amount payable to Kaleido Growth Inc.	9	**1,703**	1,693
Accumulated income on grants for payment to a designated educational institution		**203**	168
Other		**885**	522
		2,791	2,383

8. Sales charge refund obligation at maturity (SCROM)

	June 30, 2026	December 31, 2025
Discounted value of the SCROM	**83,190**	80,904
Non-discounted value of the SCROM	**93,371**	95,341

Given that the underlying conditions evolve over time, 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	June 30, 2026	December 31, 2025
Discount rate applied	**2.22%**	3.00%
Increase of 1.0%	**(3,968)**	(4,015)
Decrease of 1.0%	**4,348**	4,414

9. Related party transactions

Kaleido Growth Inc.

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

Administration fees	June 30, 2026	June 30, 2025
Kaleido Growth Inc.	**10,104**	9,829
	10,104	9,829

Amount payable	June 30, 2026	December 31, 2025
Kaleido Growth Inc.	**1,703**	1,693
	1,703	1,693

9. Related party transactions (continued)

Kaleido Foundation

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

Amount receivable	**June 30, 2026**	December 31, 2025
Kaleido Foundation	**60**	34
	60	34

10. Financial instruments

Fair value

- **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.

(in thousands of Canadian $)

10. Financial instruments (continued)

Fair value (continued)

- **Fair value hierarchy (continued)**

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

The following tables present the financial instruments recorded at fair value in the statements of financial position, classified using the fair value hierarchy:

As at June 30, 2026	**Level 1**	**Level 2**	**Level 3**	**Total**
Short-term investments	**151,228**	**17,456**	**-**	**168,684**
Bonds	**-**	**975,159**	**-**	**975,159**
Equities	**211,527**	**-**	**-**	**211,527**
	362,755	**992,615**	**-**	**1,355,370**

As at December 31, 2025	Level 1	Level 2	Level 3	Total
Short-term investments	118,593	29,543	-	148,136
Bonds	-	992,219	-	992,219
Equities	202,339	-	-	202,339
	320,932	1,021,762	-	1,342,694

Over the course of the periods ended ended June 30, 2026 and December 31, 2025, 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:

(in thousands of Canadian $)

10. Financial instruments (continued)

Risk management related to financial instruments (continued)

- **Credit risk**

The Plan is exposed to credit risk, which is the risk of a party to a financial instrument failing to meet its obligations, resulting in a financial loss for the other party. 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 subscriber savings and to a portion of the government grants received as of April 20th, 2012, the Plan selects only securities issued by the Government of Canada, a provincial government, a municipality, an organization that has a government guarantee, or a corporation that is considered investment grade. 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 market value of the fixed-income securities entrusted to the portfolio manager. A minimum BBB rating is required when purchasing.

As at June 30th, 2026 and as at December 31st, 2025, the Plan invested in fixed-income securities that are neither past due nor impaired and that had the following credit ratings:

	Percentage of total debt securities*	
Credit rating	**June 30, 2026**	December 31, 2025
	%	%
AAA	**3.2**	2.1
AA	**31.1**	31.0
A	**38.5**	37.2
BBB	**27.2**	29.7

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

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**

Liquidity risk refers to the Plan's ability to meet its commitments under financial liabilities and therefore its capacity to make payments as required. The Plan is exposed to daily refunds to subscribers, who are entitled to request a refund of their savings at any time. However, the majority of subscribers hold their investment until the contract's maturity date. Liquidity risk is considerably reduced by the fact that the subscriber savings are entirely invested 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 contractual maturities of the Plan's financial liabilities as at June 30th, 2026 assuming the subscribers claim their savings at any time by cancelling part or all their units:

Maturity	Purchases pending settlement	Accounts payable and other	QESI refundable	Net assets attributable to contracts	Total
	46	**2,791**	**-**	**1,370,318**	**1,373,155**

(in thousands of Canadian $)

10. Financial instruments (continued)

Risk management related to financial instruments (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 price risk. Changes in certain financial market parameters can influence the Plan's statements of financial position and comprehensive income. The Plan considers these risks when deciding on the overall asset allocation options. More specifically, market risk is reduced through a diversification of the investment portfolio among multiple financial markets (money market, bond and stock exchange), among diverse products with varying risk profiles (participative or fixed-income securities) and among 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 U.S. currencies and when the Plan has U.S. currencies in its cash.

The Plan's U.S. dollar-denominated holdings as at June 30th are as follows:

Foreign currency balance sheet item	**June 30, 2026**		December 31, 2025	
	CAD $	**USD $**	CAD $	USD $
Cash	**487.1**	**343.3**	1,704.3	1,243.4
Sales pending settlement	**4.5**	**3.2**	1,873.7	1,367.0
Dividends receivable	**45.4**	**32.0**	36.4	26.6
Equities	**123,179.8**	**86,819.7**	115,512.4	84,272.6
Purchases pending settlement	**-**	**-**	4,388.5	3,201.6

- **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. The maturity allocation of bonds is regularly adjusted based on anticipated interest rate movements, in compliance with the established maturities under the Plan's investment policy. The target duration is based on an analysis of the economic situation, prospects and risk based on the very nature of the Plan.

As at June 30th, 2026, 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 $43.6M ($42.2M as at December 31st, 2025). In practice, actual results may differ materially from this analysis.

(in thousands of Canadian $)

10. Financial instruments (continued)

Risk management related to financial instruments (continued)

- **Currency risk (continued)**

Investments that present interest rate risk are as follows:

	June 30, 2026	December 31, 2025
	%	%
Maturing in less than one year	**14.7**	13.0
Maturing in one to five years	**31.4**	35.5
Maturing after five years	**53.9**	51.5

- **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 to its issuer, or factors affecting all similar financial instruments traded in the market.

Stock market volatility mainly influences the value of the shares held by the Plan. It should be noted, however, that this exposure is spread across a variety of sectors, and in predominantly large-cap Canadian and U.S. stocks, which reduces this risk. The Plan also invests in foreign equities, real estate and infrastructure, via mutual funds or ETFs.

The stock market index for equities is the S&P/TSX. A 10% change in the stock market index, with all other variables remaining constant, would create a change of approximately $19.3M as at June 30th,2026 ($18.0M as at December 31st, 2025) in the fair value of the Plan's equity holdings, net income, comprehensive income and net assets attributable to contracts. In practice, actual results may differ materially from this analysis. The sensitivity analysis on the fair value of the bonds is described in the "Interest rate risk" section.

- **Concentration risk**

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

Market sectors	**June 30, 2026**	December 31, 2025
	%	%
Energy	**6.6**	6.1
Communication Services	**3.5**	2.8
Utilities	**7.1**	7.8
Financials	**18.4**	17.1
Consumer Staples	**13.2**	12.8
Consumer Discretionary	**3.2**	4.2
Health	**5.1**	6.0
Industrials	**8.9**	7.9
Information Technology	**18.7**	20.4
Real Estate	**1.5**	0.9
ETF	**13.8**	14.1

(in thousands of Canadian $)

10. Financial instruments (continued)

Offsetting

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

Canada Education Savings Grant (CESG) receivable	June 30, 2026	December 31, 2025
Canada Education Savings Grant (CESG) receivable	1,314	1,154
Canada Education Savings Grant (CESG) refundable	(286)	(281)
	1,028	873

Quebec Education Savings Incentive (QESI) receivable	June 30, 2026	December 31, 2025
Quebec Education Savings Incentive (QESI) receivable	3,526	7,070
Quebec Education Savings Incentive (QESI) refundable	(992)	(1,086)
	2,534	5,984

The Plan has no other financial instrument subject to an enforceable master netting agreement or similar agreement. The Plan does not hold any assets as collateral for the grants to be received.

11. Capital management policies

The capital of the REFLEX 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.

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).

Kaleido Growth Inc.

Distributor and manager of the scholarship plans
promoted by Kaleido Foundation

1035 Wilfrid-Pelletier Ave., Suite 500
Quebec QC G1W 0C5

Phone: 1 877 710-7377
Fax: 418 651-8030
Email: info@kaleido.ca