

Condensed interim unaudited

Financial statements

IDEO+ RESPONSIBLE Plan

for the six months periods ended June 30, 2024 and 2023



KALEIDO

The IDEO+ RESPONSIBLE Plan

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Statements of financial position
Condensed interim unaudited
(in thousand of Canadian \$)

	Notes	June 30, 2024	December 31, 2023
Assets			
Cash		90	72
Sales pending settlement		129	-
Other accounts receivable	7	26	-
Dividends receivable		9	3
Interest receivable		74	40
Canada Education Savings Grant (CESG) receivable	9	205	585
Quebec Education Savings Incentive (QESI) receivable		524	822
Investments	4, 9	22,519	13,363
		23,576	14,885
Liabilities			
Purchases pending settlement		134	-
Accounts payable and other liabilities	6	46	36
Quebec Education Savings Incentive (QESI) refundable		1	1
		181	37
Net assets attributable to contracts		23,395	14,848

Approved by

[François Lavoie] _____ Chairman of the Board of Directors

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

Statements of net income and comprehensive income
Condensed interim unaudited
for the six months periods ended June 30
(in thousands of Canadian \$)

	Notes	2024	2023
Revenues from ordinary activities			
Interest income for educational assistance payments		202	33
Dividends		57	20
Realized gain on disposal of investments		1,099	7
Change in unrealized appreciation (depreciation) of investments		90	173
		1,448	233
Operating expenses			
Brokerage fees		3	-
U.S. tax expenses		-	3
Portfolio management fees		19	5
Custodian fees		15	9
Administration fees	7	173	42
		210	59
Net income and comprehensive income attributable to contracts		1,238	174

Statements of changes in the net assets attributable to contracts
Condensed interim unaudited
for the six months period ended June 30, 2024
(in thousands of Canadian \$)

	Subscriber savings	EAP account	Income on savings	CESG	QESI	Income on incentives	Total
Net assets as at December 31, 2023	10,595	12	447	2,608	1,088	98	14,848
Net income and comprehensive income	-	(12)	983	-	-	267	1,238
Increase							
Subscriber savings	6,132	-	-	-	-	-	6,132
Grants received from the government	-	-	-	1,239	584	-	1,823
Transfers from other promoters	-	-	-	72	18	-	90
	6,132	-	-	1,311	602	-	8,045
Decrease							
Refund of savings at maturity	(599)	-	-	-	-	-	(599)
Grants returned to the government	-	-	-	-	(1)	-	(1)
Transfers to other promoters	-	-	-	(3)	(1)	-	(4)
Grants and income on grants	-	-	(24)	(77)	(26)	(4)	(131)
Educational assistance payments (EAPs)	-	-	(1)	-	-	-	(1)
	(599)	-	(25)	(80)	(28)	(4)	(736)
Net assets as at June 30, 2024	16,128	-	1,405	3,839	1,662	361	23,395

Statements of changes in the net assets attributable to contracts

Condensed interim unaudited

for the six months period ended June 30, 2023

(in thousands of Canadian \$)

	Subscriber savings	EAP account	Income on savings	CESG	QESI	Income on incentives	Total
Net assets as at December 31, 2022	2,128		5	521	217	33	2,905
Net income and comprehensive income	-	-	145	-	-	29	174
Increase							
Subscriber savings	2,401	-	-	-	-	-	2,401
Grants received from the government	-	-	-	533	248	-	781
Transfers from other promoters	-	-	-	17	6	-	23
	2,401	-	-	550	254	-	3,205
Decrease							
Refund of savings at maturity	(66)	-	-	-	-	-	(66)
Transfers to other promoters	-	-	-	(1)	-	-	(1)
Grants and income on grants	-	-	(1)	(6)	(1)	-	(8)
	(66)	-	(1)	(7)	(1)	-	(75)
Net assets as at June 30, 2023	4,463	-	149	1,065	470	62	6,209

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

	2024	2023
Cash flows from operational activities		
Income received		
Interest	168	26
Dividends	41	18
	209	44
Operating expenses paid		
Brokerage fees	(3)	-
U.S. tax expenses	-	(3)
Portfolio management fees	(13)	(0)
Custodian fees	(13)	(10)
Administration fees	(171)	(37)
	(200)	(50)
Other operational activities		
Disposal of investments	21,579	3,985
Acquisition of investments	(29,531)	(6,954)
	(7,952)	(2,969)
Net cash flows used in operational activities	(7,943)	(2,975)
Cash flows from financing activities		
Savings received	6,117	2,409
Savings advance	-	(250)
Savings paid to other promoters	(12)	(7)
Refunds of savings to subscribers	(599)	(66)
CESG received	1,688	670
QESI received	900	247
Incentives and income on Incentives paid	(133)	(7)
Income on savings paid	-	(1)
Net cash flows from financing activities	7,961	2,995
Net increase in cash	18	20
Cash, beginning of period	72	135
Cash, end of period	90	155

Schedule of investment portfolio
Condensed interim unaudited
as at 30, 2024

(in thousand of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Short-term investments					
3,013	Cash	1 Aug 2024	-	2,993	2,993
200	Cash swap	24 Jul 2024	-	272	272
34	IVANHOE CAMBRIDGE II INC	12 Dec 2024	2.296	33	34
15	TMX GROUP LTD	11 Dec 2024	2.997	15	15
Total - Short-term investments				3,313	3,314
Bonds issued or guaranteed by a Canadian province					
870	PROV OF ONTARIO	4 Mar 2033	4.100	865	869
640	PROV OF ONTARIO	2 Feb 2032	4.050	635	641
175	PROV OF ONTARIO	2 Jun 2030	2.050	154	158
153	PROV OF ONTARIO	1 Nov 2029	1.550	133	136
10	PROV OF QUEBEC	22 Nov 2032	3.900	10	10
1,084	PROV OF QUEBEC	20 May 2032	3.650	1,055	1,057
432	PROV OF QUEBEC	27 May 2031	2.100	378	385
				3,230	3,256
Bonds issued or guaranteed by a municipality					
120	SOUTH COAST BC TRANSN AUTH	3 Jul 2030	1.600	103	105
40	SOUTH COAST BC TRANSN AUTH	23 Nov 2028	3.250	39	39
				142	144
Bonds issued or guaranteed by a corporation					
25	407 INTERNATIONAL INC	1 Jun 2033	3.430	23	23
35	407 INTERNATIONAL INC	25 May 2032	2.590	31	31
40	407 INTERNATIONAL INC	27 Jul 2029	6.470	44	44
20	ALIMENTATION COUCHE-TARD INC	25 Sep 2030	5.592	20	21
15	ALTALINK L P	29 May 2026	2.747	14	15
15	BANK OF MONTREAL	26 Nov 2082	7.325	15	15
30	BANK OF MONTREAL	26 May 2082	5.625	29	29
50	BANK OF MONTREAL	29 May 2028	5.039	50	51
25	BANK OF MONTREAL	28 May 2026	1.551	22	24
140	BANK OF MONTREAL	10 Mar 2026	1.758	132	134
20	BANK OF NOVA SCOTIA	1 Nov 2027	1.400	17	18
70	BANK OF NOVA SCOTIA	8 Mar 2027	2.950	67	67
30	BCI QUADREAL REALTY	24 Jul 2030	1.747	25	26
118	BCI QUADREAL REALTY	24 Jun 2026	2.551	112	114
95	BELL CANADA	29 May 2028	2.200	85	87
65	BELL CANADA	29 Sep 2027	3.600	63	63
35	CANADIAN IMPERIAL BANK OF COMM	29 Jun 2027	4.950	35	35
140	CANADIAN IMPERIAL BK OF COMM	17 Apr 2025	2.000	135	137
25	CHOICE PROPERTIES REIT	4 Mar 2030	2.981	23	23
25	CHOICE PROPERTIES REIT	8 Mar 2028	4.178	24	25

Schedule of investment portfolio

Condensed interim unaudited

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(in thousand of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
81	CHOICE PROPERTIES REIT	30 Nov 2026	2.456	75	77
15	CT REIT	16 Jun 2027	3.469	14	14
10	CT REIT	9 Jun 2025	3.527	10	10
15	DOLLARAMA INC	8 Jul 2026	1.871	14	14
25	ENBRIDGE GAS INC	9 Aug 2029	2.370	23	23
30	ENBRIDGE INC	12 Apr 2078	6.625	29	30
40	ENBRIDGE INC	21 Sep 2033	3.100	34	34
40	ENERGIR INC	16 Apr 2027	2.100	37	38
10	FEDERATION DES CAISSES	23 Aug 2032	5.035	10	10
5	FEDERATION DES CAISSES	17 Nov 2028	5.467	5	5
130	FEDERATION DES CAISSES	16 Aug 2028	5.475	133	134
160	FEDERATION DES CAISSES	10 Sep 2026	1.587	149	151
15	GRANITE REIT HOLDINGS LP	30 Aug 2028	2.194	13	13
96	GRANITE REIT HOLDINGS LP	4 Jun 2027	3.062	90	92
5	GREAT-WEST LIFECO INC	28 Feb 2028	3.337	5	5
10	HYDRO ONE INC	1 Mar 2034	4.390	10	10
35	HYDRO ONE INC	30 Nov 2029	3.930	34	34
35	HYDRO ONE INC	27 Jan 2028	4.910	36	36
55	HYDRO ONE INC	21 Sep 2026	5.308	55	55
90	HYDRO ONE INC	24 Feb 2026	2.770	87	88
30	IA FINANCIAL CORP INC	30 Sep 2084	6.921	30	30
40	IA FINANCIAL CORP INC	25 Feb 2032	3.187	37	38
30	INTACT FINANCIAL CORPORATION	18 May 2028	2.179	27	28
25	LOBLAW COMPANIES LTD	11 Dec 2028	4.488	25	25
20	MANULIFE FINANCIAL CORP	19 Jun 2082	7.117	19	20
25	MANULIFE FINANCIAL CORP	23 Feb 2034	5.054	25	25
15	METRO INC	6 Dec 2027	3.390	14	15
55	NATIONAL BANK OF CANADA	7 Dec 2026	4.968	55	55
71	NATIONAL BANK OF CANADA	15 Jun 2026	1.534	65	67
198	NATIONAL BANK OF CANADA	3 Nov 2025	5.296	198	199
55	NORTH WEST REDWTR PARTNERSHIP	1 Jun 2027	2.800	51	53
105	OMERS REALTY CORP	14 Nov 2028	5.381	108	108
45	ONTARIO POWER GENERATION INC	8 Apr 2030	3.215	41	42
15	ONTARIO POWER GENERATION INC	4 Oct 2027	3.315	14	15
150	ONTARIO POWER GENERATION INC	8 Apr 2025	2.893	146	148
10	ROGERS COMMUNICATIONS INC	21 Sep 2028	5.700	10	10
30	ROGERS COMMUNICATIONS INC	31 Mar 2027	3.650	28	29
5	ROGERS COMMUNICATIONS INC	1 Mar 2027	3.800	5	5
30	ROYAL BANK OF CANADA	24 Nov 2080	4.500	28	29
20	ROYAL BANK OF CANADA	3 Apr 2034	5.096	20	20
5	ROYAL BANK OF CANADA	1 Feb 2033	5.010	5	5
65	ROYAL BANK OF CANADA	24 Jun 2030	5.228	67	67
35	ROYAL BANK OF CANADA	31 Jul 2028	1.833	30	32
120	ROYAL BANK OF CANADA	1 May 2028	4.632	120	121
35	SUN LIFE FINANCIAL INC	15 May 2036	5.120	35	35
70	SUN LIFE FINANCIAL INC	4 Jul 2035	5.500	71	72
60	TELUS CORP	19 Feb 2030	3.150	55	55
45	TELUS CORP	8 Jul 2026	2.750	43	43

Schedule of investment portfolio

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(in thousand of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
20	THE BANK OF NOVA SCOTIA	27 Jul 2082	7.023	20	20
65	THE BANK OF NOVA SCOTIA	1 Feb 2029	4.680	65	65
65	TORONTO DOMINION BANK	31 Oct 2082	7.283	65	66
20	TORONTO DOMINION BANK	22 Apr 2030	3.105	19	20
45	TORONTO DOMINION BANK	8 Mar 2028	1.888	39	41
45	TORONTO HYDRO CORP	20 Oct 2031	2.470	38	40
25	TORONTO HYDRO CORP	11 Dec 2029	2.430	23	23
45	TORONTO HYDRO CORP	25 Aug 2026	2.520	42	43
35	TORONTO-DOMINION BANK	8 Mar 2028	1.888	31	32
65	TRANSCANADA PIPELINES LTD	5 Apr 2027	3.800	63	64
40	IVANHOE CAMBRIDGE II INC	2 Jun 2028	4.994	40	41
97	LOWER MATTAGAMI ENERGY LP	14 May 2031	2.433	84	86
45	LOWER MATTAGAMI ENERGY LP	21 Oct 2026	2.307	42	43
60	ONTARIO TEACHERS FINANCE TRUST	2 Jun 2032	4.450	62	61
25	FAIRFAX FINL HOLDINGS LTD	16 Dec 2026	4.700	24	25
55	VERIZON COMMUNICATIONS INC	22 Mar 2028	2.375	50	51
30	RELIANCE LP	1 Aug 2028	2.670	27	27
10	RELIANCE LP	15 Jul 2025	3.836	10	10
20	VIDEOTRON LTD	15 Jul 2034	5.000	20	20
165	TORONTO-DOMINION BANKTHE	8 Jan 2029	4.680	165	166
225	55 SCHOOL BOARD TRUST	2 Jun 2033	5.900	248	249
				4,378	4,439
Total - Bonds				7,750	7,839
Number of shares	Security			Cost	Carrying amount
Materials					
271	SHERWIN-WILLIAMS CO/THE			123	111
				123	111
Communication Services					
660	ALPHABET INC			141	165
15	BOOKING HOLDINGS INC			73	81
458	CDW CORP/DE			155	140
1,941	COMCAST CORP			110	104
329	META PLATFORMS INC			219	227
2,870	QUEBECOR INC			87	83
6,609	TELUS CORP			150	137
1,034	THOMSON REUTERS CORPORATION			213	238
				1,148	1,175

Schedule of investment portfolio

Condensed interim unaudited

as at June 30, 2023

(in thousand of Canadian \$)

Number of shares	Security	Cost	Carrying amount
Equities (continued)			
Financials			
490	AMERICAN EXPRESS CO	156	155
149	AMERIPRISE FINANCIAL INC	88	87
1,365	BANK OF MONTREAL	177	157
1,011	BANK OF NEW YORK MELLON CORP/T	78	83
1,094	CITIGROUP INC	94	95
689	IA FINANCIAL CORP INC	60	59
1,022	INTACT FINANCIAL CORP	219	233
609	INTERCONTINENTAL EXCHANGE INC	113	114
268	MASTERCARD INC	172	162
1,648	NATIONAL BANK OF CANADA	179	179
698	RAYMOND JAMES FINANCIAL INC	121	118
1,455	ROYAL BANK OF CANADA	195	212
5,878	TMX GROUP LTD	203	224
1,583	TORONTO DOMINION BANK	129	119
334	VISA INC	126	120
		2,110	2,117
Consumer Staples			
3,181	EMPIRE CO LTD	106	111
1,315	LOBLAW COMPANIES LTD	188	209
2,892	METRO INC	209	219
545	PROCTER & GAMBLE CO/THE	125	123
		628	662
Consumer Discretionary			
2,013	CCL INDUSTRIES INC	133	145
130	COSTCO WHOLESALE CORP	129	151
2,092	DOLLARAMA INC	215	261
158	HOME DEPOT INC/THE	78	74
1,219	RB GLOBAL INC	120	127
1,383	RESTAURANT BRANDS INTL INC	143	133
449	TRACTOR SUPPLY CO	158	166
		976	1,057
Energy			
490	CHENIERE ENERGY INC	106	117
		106	117

Schedule of investment portfolio

Condensed interim unaudited

as at June 30, 2023

(in thousand of Canadian \$)

Number of shares	Security	Cost	Carrying amount
Equities (continued)			
Real Estate			
890	COSTAR GROUP INC	113	90
		113	90
Health			
721	ABBVIE INC	165	169
218	BIOGEN INC	64	69
388	CENCORA INC	126	120
598	DEXCOM INC	110	93
262	ELI LILLY & CO	272	325
252	STRYKER CORP	120	117
544	ZOETIS INC	123	129
		980	1,022
Industrials			
1,223	CANADIAN NATIONAL RAILWAY CO	209	198
2,099	CANADIAN PACIFIC KANSAS CITY	235	226
911	CANADIAN PACIFIC KANSAS CITY L	107	98
1,844	FINNING INTERNATIONAL INC	73	74
291	MOODY'S CORP	156	168
204	ROCKWELL AUTOMATION INC	78	77
1,235	STANTEC INC	134	141
1,694	TOROMONT INDUSTRIES LTD	210	205
305	UNION PACIFIC CORP	100	94
328	VERISK ANALYTICS INC	109	121
918	WASTE CONNECTIONS INC	200	220
		1,611	1,622
Information Technology			
234	ACCENTURE PLC	106	97
1,234	AMPHENOL CORP	98	114
510	APPLIED MATERIALS INC	144	165
345	ARISTA NETWORKS INC	139	165
223	CADENCE DESIGN SYSTEMS INC	93	94
1,579	CGI INC	230	216
71	CONSTELLATION SOFTWARE INC	252	281
518	DATADOG INC	86	92
1,248	DESCARTES SYS GROUP INC	151	165
98	KLA CORP	95	111
557	LATTICE SEMICONDUCTOR CORP	58	44
288	LUMINE GROUP INC	9	11

Schedule of investment portfolio

Condensed interim unaudited

as at June 30, 2023

(in thousand of Canadian \$)

Number of shares	Security	Cost	Carrying amount
Equities (continued)			
Information Technology (continued)			
578	MICROSOFT CORP	331	353
291	MOTOROLA SOLUTIONS INC	139	154
907	NVENT ELECTRIC PLC	93	95
323	TEXAS INSTRUMENTS INC	77	86
575	TOPICUS.COM INC	65	67
		<hr/>	<hr/>
		2,166	2,310
ETF			
10,370	ISHARES ESG ADVANC MSCI EAFE	854	957
		<hr/>	<hr/>
		854	957
Airline			
1,942	DELTA AIR LINES INC	129	126
		<hr/>	<hr/>
		129	126
Total - Equities		<hr/>	<hr/>
		10,944	11,366
Total - Schedule of investment portfolio		<hr/>	<hr/>
		22,007	22,519

Notes to the financial statements
Condensed interim unaudited
for the six months periods ended June 30, 2024 and 2023
(in thousands of Canadian \$)

1. General information about the Plan

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

The publication of these financial statements was authorized by the Audit Committee on August 26, 2024.

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 31, 2023. The significant accounting policies used in preparing these condensed interim financial statements are consistent with those found in the financial statements for the year ended December 31, 2023.

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, 2023, management must make judgments as well as estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results may differ from these estimates.

The main sources of uncertainty regarding estimates and the main judgements made by management for the unaudited interim condensed financial statements are identical to those presented in the annual financial statements for the year ended December 31, 2023

Notes to the financial statements
Condensed interim unaudited
for the six months periods ended June 30, 2024 and 2023
(in thousands of Canadian \$)

4. Investments

	June 30, 2024	December 31, 2023
Short-term investments	3,314	2,509
Bonds	7,839	4,156
Equities	11,366	6,699
	22,519	13,363

5. Current assets and liabilities

The Plan expects to collect dividends receivable, interest receivable, CESG receivable and QESI receivable no later than 12 months following the closing date. In addition, the Plan expects to settle amounts due to suppliers and other accounts payable and QESI payables within 12 months of the balance sheet date.

6. Accounts payable and other liabilities

	Notes	June 30, 2024	December 31, 2023
Amount payable to Kaleido Growth Inc.	7	31	29
Amount payable to the Kaleido Foundation	7	-	1
Other		15	6
		46	36

7. Related party transactions

Kaleido Growth Inc.

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

Kaleido Foundation

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

Administration fees	June 30, 2024	June 30, 2023
Kaleido Growth Inc.	173	42
	173	42

Notes to the financial statements
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for the six months periods ended June 30, 2024 and 2023
(in thousands of Canadian \$)

7. Related party transactions (continued)

Amount receivable	June 30, 2024	December 31, 2023
Kaleido Foundation	26	-
	26	-

Amount payable	June 30, 2024	December 31, 2023
Kaleido Growth Inc.	31	29
Kaleido Foundation	-	1
	31	30

8. Capital management

Investment goals

The fundamental investment objectives of the Plan are to invest subscriber contributions and government grants in a diversified mix of investments in order to generate a reasonable and competitive long-term return, while assuming a level of risk that is considered low to moderate. There is no guarantee of a full return of contributions to the subscriber.

However, the Profile Investment Strategy provides for the adjustment of the asset mix over time to reduce the exposure to risk as the Beneficiary approaches the age of qualifying education and thus promote the preservation of the accumulated Principal over time. The Plan funds are invested primarily in variable income securities (equities, ETFs and mutual fund units), as well as fixed income securities (government securities, corporate debt and money market securities).

The Plan specifically targets investments in securities with a strong positive alignment towards fighting climate change as well as quality education and improving the lives of children. Its investment policy with an evolving profile 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, so that it is surpassed at the end of the plan by the proportion invested in fixed income securities, which are less volatile. The Plan invests in fixed income securities, Canadian equities and U.S. equities, through mutual funds or ETFs. The Plan also invests in foreign equities, real estate and infrastructure through mutual funds or ETFs.

Investment strategies

The primary investment strategy employed by the Plan is to invest contributions, government grants and income in accordance with a rolling investment strategy that seeks to match Beneficiaries' age and expected enrollment in qualifying education with appropriate asset classes and investment allocations. Under this strategy, beneficiaries are categorized by age and with a separate target allocation by investment horizon.

8. Capital management (continued)

Investment strategies (continued)

The Profile Growth Investment Strategy is based on a 19-tiered structure, corresponding to the beneficiary's age range, where, until age 14, the plan's assets are invested in an allocation that gives a predominance to variable income securities (equities, ETFs and mutual funds) and a lesser emphasis on fixed income securities. The asset allocation automatically changes over time based on the investment horizon to reduce risk as the beneficiary approaches age 18. Thus, depending on the investment horizon, the proportion of fixed income securities increases while the proportion of variable income securities decreases.

In the later years of the investment horizon, as the time to apply for an EAP approaches, assets will be allocated in an increasingly conservative manner, with the majority of assets consisting of fixed income securities, cash and cash equivalents.

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

9. Financial instruments

Fair value

- **Establishing fair value**

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

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

- **Fair value measurements**

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

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

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

The fair value of cash, CESG receivable, QESI receivable, other receivables, QESI payable, and trade and other accounts payable approximates their carrying value due to their short-term maturity.

The fair value of net assets attributable to the accounts is equal to their carrying amount as it represents the residual amount allocated to account holders and beneficiaries at the balance sheet date.

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9. Financial instruments (continued)

Fair value (continued)

The fair value of equity investments is established using the bid price values. If quoted prices in active markets are unavailable, the fair value of investments in short-term investments and bonds is determined using current valuation methods such as a model that relies on discounting expected future cash flows or similar techniques. These methods use current observable market data for financial instruments with similar risk profiles and comparable terms. The significant data used in these models include, but are not limited to, yield curves and credit risks.

• **Fair value hierarchy**

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

- **Level 1** - Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities (for example, prices observable on the TSX) and for which the entity can access at the measurement date.
- **Level 2** - Valuation based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices). For example, matrix pricing, yield curves and indices.
- **Level 3** - Valuation in which a significant portion of the inputs used for assets or liabilities are not based on observable market data (unobservable inputs). For example, private investment valuations by portfolio managers.

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

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

As at June 30, 2024	Level 1	Level 2	Level 3	Total
Short-term investments	3,265	49	-	3,314
Bonds	-	7,839	-	7,839
Equities	11,366	-	-	11,366
	14,631	7,888	-	22,519

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9. Financial instruments (continued)

Fair value (continued)

• **Fair value hierarchy (continued)**

As at December 31, 2023	Level 1	Level 2	Level 3	Total
Short-term investments	2,417	92	-	2,509
Bonds	-	4,156	-	4,156
Equities	6,698	-	-	6,698
	9,115	4,248	-	13,363

Over the course of the periods ended June 30, 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.

As at June 30, 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:

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9. Financial instruments (continued)

Risk management related to financial instruments (continued)

• **Credit risk (continued)**

Credit rating	Percentage of total debt securities*	
	June 30, 2024	December 31, 2023
	%	%
AAA	0.1	0.3
AA	50.8	58.4
A	35.3	25.1
BBB	13.8	16.2

*Excludes short-term investments

• **Liquidity risk**

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

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

• **Market risk**

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

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

• **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Plan engages in transactions denominated in foreign currencies and is therefore exposed to currency risk when selling and purchasing investments in U.S. currency and when the Plan has U.S. currency in its cash balance.

At June 30, 2024, the Plan had \$207 (\$3.2 as at December 31, 2023) in US currency representing \$283 (\$4.2 as at December 31, 2023) in cash. The Plan also had \$4.9M (\$4.1M as at December 31, 2023) in U.S. currency shares representing \$6.7M (\$5.5M as at December 31, 2023) in investments.

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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 June 30, 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 \$0.4M (\$0.2M as at December 31, 2023). In practice, actual results may differ materially from this analysis.

Investments that present interest rate risk are as follows:

	June 30, 2024	December 31, 2023
	%	%
Maturing in less than one year	30.5	37.6
Maturing in one to five years	25.8	26.2
Maturing after five years	43.7	36.2

• **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+ Responsible 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 \$1.3M as at June 30, 2024 (\$0.7M 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.

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9. Financial instruments (continued)

Risk management related to financial instruments (continued)

• **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, 2024	December 31, 2023
	%	%
Energy	1.0	0.0
Materials	1.0	0.2
Communication Services	10.3	2.0
Utilities	0.0	0.0
Financials	18.6	4.7
Consumer Staples	5.8	2.0
Consumer Discretionary	9.3	2.5
Health	9.1	0.0
Industrials	14.3	4.2
Information Technology	20.3	2.9
Real Estate	0.8	0.0
ETF	8.4	81.5
Airline	1.1	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	June 30, 2024	December 31, 2023
Gross financial assets	211	593
Financial liabilities offset	(6)	(8)
	205	585

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.

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