

Condensed interim unaudited

Financial statements

INDIVIDUAL Plan

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

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 INDIVIDUAL Plan

Table of contents

Condensed interim unaudited financial statements

Statements of financial position.....	2
Statements of net income and comprehensive income	3
Statements of changes in net assets attributable to contracts.....	4
Statements of cash flows	6

Condensed interim unaudited schedule of investment portfolio	7
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Condensed interim unaudited notes to the financial statements	13
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Statements of financial position

Condensed interim unaudited

(in thousands of Canadian \$)

Assets	Notes	June 30, 2024	December 31, 2023
Cash		331	357
Sales pending settlement		16	8
Dividends receivable		8	11
Interest receivable		138	142
Canada Education Savings Grant (CESG) receivable	9	-	5
Quebec Education Savings Incentive (QESI) receivable		7	14
Investments	4, 9	30,505	32,110
		31,005	32,647
Liabilities			
Purchases pending settlement		2	8
Accounts payable and other liabilities	6	73	131
Quebec Education Savings Incentive (QESI) refundable		79	247
		154	386
Net assets attributable to contracts		30,851	32,261

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		576	697
Dividends		91	94
Realized gain on disposal of investments		416	128
Change in unrealized appreciation (depreciation) of investments		125	408
		1,208	1,327
Operating expenses			
Brokerage fees		1	2
U.S. tax expenses		-	2
Portfolio management fees		14	11
Custodian fees		10	7
Administration fees	7	235	269
		260	291
Net income and comprehensive income attributable to contracts		948	1,036

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 \$)

	Subscribers savings	EAP account	CESG	Accumulated income CESG	QESI	Accumulated income QESI	Total
Net assets as at December 31, 2023	11,342	1,632	10,427	5,980	1,817	1,063	32,261
Net income and comprehensive income	-	556	-	328	-	64	948
Increase							
Subscribers savings	51	-	-	-	-	-	51
Grants received from the government	-	-	7	-	7	-	14
	51	-	7	-	7	-	65
Decrease							
Refund of savings at maturity	(1,471)	-	-	-	-	-	(1,471)
Grants returned to the government	-	-	-	-	141	-	141
Transfers to other promoters	-	-	(6)	(2)	-	-	(8)
Grants and income on grants	-	-	(554)	(155)	(251)	(49)	(1,009)
Paiement de revenus accumulés (PRA)	-	(3)	-	-	-	-	(3)
Educational assistance payments (EAPs)	-	(73)	-	-	-	-	(73)
	(1,471)	(76)	(560)	(157)	(110)	(49)	(2,423)
Net assets as at June 30, 2024	9,922	2,112	9,874	6,151	1,714	1,078	30,851

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 \$)

	Subscribers savings	EAP account	CESG	Accumulated income CESG	QESI	Accumulated income QESI	Total
Net assets as at December 31, 2022	16,470	634	11,944	5,541	2,739	1,049	38,377
Net income and comprehensive income	-	532	-	423	-	81	1,036
Increase							
Subscribers savings	57	-	-	-	-	-	57
Grants received from the government	-	-	33	-	6	-	39
Others							-
	57	-	33	-	6	-	96
Decrease							
Refund of savings at maturity	(2,686)	-	-	-	-	-	(2,686)
Grants returned to the government	-	-	-	-	(124)	-	(124)
Transfers to other promoters	-	-	(3)	(2)	-	-	(5)
Grants and income on grants	-	-	(842)	(145)	(399)	(52)	(1,438)
Accumulated income payment (AIP)	-	(3)	-	-	-	-	(3)
Educational assistance payments (EAPs)	-	(68)	-	-	-	-	(68)
	(2,686)	(71)	(845)	(147)	(523)	(52)	(4,324)
Net assets as at June 30, 2023	13,841	1,095	11,132	5,817	2,222	1,078	35,185

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	580	688
Dividends	93	90
	673	778
Operating expenses paid		
Brokerage fees	(2)	(2)
U.S. tax expenses	-	(2)
Portfolio management fees	(13)	(12)
Custodian fees	(9)	(10)
Administration fees	(276)	(274)
	(300)	(300)
Other operational activities		
Disposal of investments	8,719	8,730
Acquisition of investments	(6,587)	(5,477)
	2,132	3,253
Net cash flows from operational activities	2,505	3,731
Cash flows from financing activities		
Savings received	27	62
Savings paid to other promoters	-	(4)
Refunds of savings to subscribers	(1,471)	(2,693)
CESG and income on CESG received	5	63
QESI and income on QESI received	14	151
QESI and income on QESI paid	(27)	(11)
Educational assistance payments (EAPs)	(1,079)	(1,508)
Net cash flows used in financing activities	(2,531)	(3,940)
Net decrease in cash	(26)	(209)
Cash, beginning of period	357	542
Cash, end of period	331	333

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

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Short-term investments					
13,407	Encaisse		-	13,407	13,407
14	BSDT RESERVE DEPOSIT ACCOUNTS	31 Dec 2049	0.200	14	14
50	VAL D OR QUEBEC	1 Dec 2024	0.900	50	50
Total - Short-term investments				13,471	13,471
Bonds					
Bonds issued or guaranteed by the Government of Canada					
50	GOVERNMENT OF CANADA	1 Jun 2031	1.500	44	44
				44	44
Bonds issued or guaranteed by a Canadian province					
155	PROV OF ONTARIO	4 Mar 2033	4.100	153	155
285	PROV OF ONTARIO	2 Feb 2032	4.050	281	286
225	PROV OF ONTARIO	2 Dec 2030	1.350	188	192
220	PROV OF ONTARIO	1 Nov 2029	1.550	210	196
100	PROV OF QUEBEC	22 Nov 2032	3.900	99	99
150	PROV OF QUEBEC	20 May 2032	3.650	148	146
200	PROV OF QUEBEC	27 May 2031	2.100	190	178
555	PROVINCE OF ONTARIO	1 Feb 2027	1.850	558	527
				1,827	1,779
Bonds issued or guaranteed by a municipality					
34	GATINEAU QUEBEC	26 Apr 2026	3.150	34	33
44	GATINEAU QUEBEC	26 Apr 2025	3.050	44	43
10	RESEAU DE TRANS METROPOLITAIN	30 Apr 2025	1.100	10	10
40	SOCIETE DE TRANS DE LEVIS QUE	5 Jul 2026	1.350	39	38
75	SOCIETE DE TRANS DE LEVIS QUE	9 Jul 2025	1.200	74	72
40	SOCIETE DE TRANS DE LEVIS QUE	5 Jul 2025	1.150	40	39
30	SOUTH COAST BC TRANSN AUTH	3 Jul 2030	1.600	30	26
				271	261
Bonds issued or guaranteed by a corporation					
24	407 EAST DEVELOPMENT GROUP	23 Jun 2045	4.473	23	23
125	407 INTERNATIONAL INC	25 May 2032	2.590	108	109
50	55 SCHOOL BOARD TRUST	2 Jun 2033	5.900	55	55
40	AEROPORTS DE MONTREAL	17 Sep 2035	5.170	42	41
25	ALIMENTATION COUCHE-TARD INC	25 Sep 2030	5.592	25	26
25	ALTALINK L P	29 May 2026	2.747	25	24

Schedule of investment portfolio
Condensed interim unaudited
as at June 30, 2024
(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a corporation (continued)					
20	ALTALINK LP	28 Nov 2032	4.692	20	20
50	ALTALINK LP	11 Sep 2030	1.509	42	42
45	BANK OF MONTREAL	26 Nov 2082	7.325	44	46
250	BANK OF MONTREAL	7 Dec 2027	4.709	248	252
125	BANK OF MONTREAL	1 Jun 2027	4.309	123	124
50	BANK OF NOVA SCOTIA	1 Nov 2027	1.400	43	46
20	BANK OF NOVA SCOTIA	20 Jun 2025	8.900	26	21
150	BCI QUADREAL REALTY	24 Jun 2026	2.551	147	144
25	BELL CANADA	10 Nov 2032	5.850	25	26
85	BELL CANADA	17 Mar 2031	3.000	75	76
100	BELL CANADA	14 May 2030	2.500	87	89
100	BELL CANADA	29 May 2028	2.200	97	92
20	BELL CANADA	16 Aug 2027	1.650	17	18
30	BRITISH COLUMBIA FERRY SVCS	20 Mar 2037	5.021	30	31
100	BRITISH COLUMBIA INVESTMENT	2 Jun 2033	4.900	100	105
125	CANADIAN IMPERIAL BANK OF COMM	29 Jun 2027	4.950	126	126
135	CANADIAN IMPERIAL BANK OF COMM	7 Mar 2025	2.750	132	133
50	CDP FINANCIAL INC	2 Jun 2027	3.800	50	50
50	CHOICE PROPERTIES REIT	1 Mar 2033	5.400	50	51
50	CHOICE PROPERTIES REIT	24 Jun 2032	6.003	50	53
50	CHOICE PROPERTIES REIT	8 Mar 2028	4.178	49	49
35	CHOICE PROPERTIES REIT	30 Nov 2026	2.456	33	33
75	CT REIT	5 Feb 2029	3.029	72	69
60	DOLLARAMA INC	9 Jul 2029	2.443	59	54
100	DOLLARAMA INC	27 Oct 2025	5.084	100	100
50	ENBRIDGE GAS INC	17 Aug 2032	4.150	49	48
50	ENBRIDGE INC	27 Sep 2077	5.375	46	49
100	ENBRIDGE INC	21 Sep 2033	3.100	83	86
100	ENBRIDGE INC	3 Oct 2029	2.990	88	92
75	ENERGIR LP	27 Sep 2032	4.670	76	75
75	FAIRFAX FINANCIAL HOLDINGS LTD	3 Mar 2031	3.950	72	71
20	FAIRFAX FINL HOLDINGS LTD	16 Dec 2026	4.700	20	20
25	FEDERATION DES CAISSES	17 Nov 2028	5.467	25	26
50	FEDERATION DES CAISSES	16 Aug 2028	5.475	50	52
320	FEDERATION DES CAISSES	10 Sep 2026	1.587	299	302
75	GRANITE REIT HOLDINGS LP	30 Aug 2028	2.194	75	67
75	GREAT WEST LIFECO INC	31 Dec 2081	3.600	75	62
70	GREAT TORONTO AIRPORTS AUTH	4 Jun 2031	7.100	80	80
50	GREAT TORONTO AIRPORTS AUTH	3 Apr 2029	2.730	52	47
15	GREAT-WEST LIFECO INC	28 Feb 2028	3.337	14	15
50	HYDRO ONE INC	1 Mar 2034	4.390	49	49
50	HYDRO ONE INC	17 Sep 2031	2.230	43	43
50	HYDRO ONE INC	28 Feb 2030	2.160	45	45
20	HYDRO ONE INC	30 Nov 2029	3.930	20	20
100	HYDRO ONE INC	27 Jan 2028	4.910	101	102

Schedule of investment portfolio
Condensed interim unaudited
as at June 30, 2024
(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a corporation (continued)					
20	HYDRO ONE INC	24 Feb 2026	2.770	20	19
25	IA FINANCIAL CORP INC	30 Sep 2084	6.921	25	25
60	IA FINANCIAL CORP INC	30 Jun 2082	6.611	60	60
20	IA FINANCIAL CORPORATION INC	25 Feb 2032	3.187	20	19
40	INTACT FINANCIAL CORPORATION	30 Jun 2083	7.338	39	41
50	INTACT FINANCIAL CORPORATION	18 May 2028	2.179	50	46
60	IVANHOE CAMBRIDGE II INC	2 Jun 2028	4.994	60	61
25	LOBLAW COMPANIES LTD	13 Sep 2032	5.008	25	25
45	LOBLAW COMPANIES LTD	11 Dec 2028	4.488	46	45
40	LOWER MATTAGAMI ENERGY LP	31 Oct 2033	4.854	41	41
35	LOWER MATTAGAMI ENERGY LP	21 Oct 2026	2.307	32	33
50	MANULIFE FINANCIAL CORP	19 Jun 2082	7.117	50	50
50	MANULIFE FINANCIAL CORP	23 Feb 2034	5.054	50	50
50	METRO INC	6 Dec 2027	3.390	47	48
50	NATIONAL BANK OF CANADA	16 Aug 2032	5.426	50	51
100	NATIONAL BANK OF CANADA	7 Dec 2026	4.968	100	101
325	NATIONAL BANK OF CANADA	15 Jun 2026	1.534	310	308
25	NORTH WEST REDWTR PARTNERSHIP	1 Jun 2033	4.150	23	24
35	NORTH WEST REDWTR PARTNERSHIP	1 Jun 2031	2.800	30	31
50	NORTH WEST REDWTR PARTNERSHIP	1 Jun 2029	4.250	52	50
110	OMERS REALTY CORP	14 Nov 2028	5.381	114	114
100	ONTARIO POWER GENERATION INC	8 Apr 2030	3.215	94	94
25	ONTARIO POWER GENERATION INC	13 Sep 2029	2.977	23	23
50	ONTARIO POWER GENERATION INC	8 Apr 2025	2.893	49	49
50	ONTARIO TEACHERS FINANCE TRUST	2 Jun 2032	4.450	51	51
17	OTTAWA MACDONALD-CARTIER INTL	25 May 2032	6.973	18	18
30	RELIANCE LP	1 Aug 2028	2.670	27	27
55	ROGERS COMMUNICATIONS INC	1 May 2029	3.250	53	51
50	ROGERS COMMUNICATIONS INC	2 Nov 2028	4.400	46	49
50	ROGERS COMMUNICATIONS INC	21 Sep 2028	5.700	50	52
60	ROGERS COMMUNICATIONS INC	1 Mar 2027	3.800	58	59
20	ROYAL BANK OF CANADA	24 Nov 2080	4.500	21	19
50	ROYAL BANK OF CANADA	3 Apr 2034	5.096	50	50
25	ROYAL BANK OF CANADA	1 Feb 2033	5.010	25	25
100	ROYAL BANK OF CANADA	24 Jun 2030	5.228	99	103
20	ROYAL BANK OF CANADA	31 Jul 2028	1.833	17	18
220	ROYAL BANK OF CANADA	17 Jan 2028	4.642	219	222
50	ROYAL BANK OF CANADA	26 Jul 2027	4.612	50	50
20	ROYAL BANK OF CANADA	28 Jan 2027	2.328	18	19
25	SAPUTO INC	20 Nov 2030	5.492	25	26
55	SAPUTO INC	16 Jun 2027	2.242	56	51
75	SUN LIFE FINANCIAL INC	15 May 2036	5.120	75	76
125	SUN LIFE FINANCIAL INC	4 Jul 2035	5.500	122	129
75	TELUS CORP	13 Nov 2031	2.850	63	65
75	TELUS CORP	2 May 2029	3.300	69	71

Schedule of investment portfolio
Condensed interim unaudited
as at June 30, 2024
(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a corporation (continued)					
50	TELUS CORP	1 Mar 2028	3.625	48	48
25	TELUS CORP	8 Jul 2026	2.750	23	24
50	THE BANK OF NOVA SCOTIA	27 Jul 2082	7.023	50	50
75	THE BANK OF NOVA SCOTIA	3 May 2032	3.934	71	73
130	THE BANK OF NOVA SCOTIA	1 Feb 2029	4.680	130	130
55	THE BANK OF NOVA SCOTIA	8 May 2026	5.500	56	56
50	TORONTO DOMINION BANK	31 Oct 2082	7.283	50	51
300	TORONTO DOMINION BANK	8 Mar 2028	1.888	263	276
50	TORONTO HYDRO CORP	14 Jun 2033	4.610	50	50
70	TORONTO HYDRO CORP	20 Oct 2031	2.470	62	62
35	TORONTO HYDRO CORPORATION	15 Oct 2030	1.500	29	30
100	TORONTO-DOMINION BANK	1 Jun 2027	4.210	98	99
65	TORONTO-DOMINION BANKTHE	8 Jan 2029	4.680	65	65
90	TRANSCANADA PIPELINES LTD	9 Jun 2031	2.970	77	82
25	TRANSCANADA PIPELINES LTD	18 Sep 2029	3.000	22	23
50	VERIZON COMMUNICATIONS INC	22 Mar 2028	2.375	44	46
20	VIDEOTRON LTD	15 Jul 2034	5.000	20	20
50	WELLS FARGO & CO	19 May 2026	2.975	50	48
				7,315	7,351
Total - Bonds				9,457	9,435
Par value	Security			Cost	Carrying amount
Equities					
Energy					
6,946	ENBRIDGE INC			331	338
1,947	PARKLAND CORP			72	74
542	VALERO ENERGY CORP			92	116
				495	528
Materials					
174	SHERWIN-WILLIAMS CO/THE			78	71
				78	71

Schedule of investment portfolio
Condensed interim unaudited
as at June 30, 2024
(in thousands of Canadian \$)

Par value	Security	Cost	Carrying amount
Equities (continued)			
Communication Services			
761	ALPHABET INC	124	190
151	META PLATFORMS INC	54	104
6,511	QUEBECOR INC	192	187
1,839	ROLLINS INC	106	123
6,576	TELUS CORP	153	136
520	THOMSON REUTERS CORPORATION	92	120
		<u>721</u>	<u>860</u>
Utilities			
4,673	BROOKFIELD INFRASTRUCTURE	203	174
4,579	BROOKFIELD RENEWABLE PARTNERS	175	155
649	HYDRO ONE LIMITED	22	26
		<u>400</u>	<u>355</u>
Financials			
5,347	BROOKFIELD ASSET MGMT LTD	272	278
328	CME GROUP INC	89	88
703	CULLEN/FROST BANKERS INC	97	98
3,525	DEFINITY FINANCIAL CORP	127	158
1,933	IA FINANCIAL CORP INC	158	166
357	MARSH & MCLENNAN COS INC	87	103
159	MASTERCARD INC	80	96
2,583	NATIONAL BANK OF CANADA	260	280
2,510	ROYAL BANK OF CANADA	282	364
3,779	TORONTO DOMINION BANK	293	284
		<u>1,745</u>	<u>1,915</u>
Consumer Staples			
639	LAMB WESTON HOLDINGS INC	74	74
6,360	MAPLE LEAF FOODS INC	163	145
402	METRO INC	25	30
566	PREMIUM BRANDS HOLDINGS CORP	57	53
745	SYSCO CORP	81	73
417	WALMART INC	30	39
556	WESTON (GEORGE) LTD	86	109
		<u>516</u>	<u>523</u>

Schedule of investment portfolio
Condensed interim unaudited
as at June 30, 2024
(in thousands of Canadian \$)

Par value	Security	Cost	Carrying amount
Equities (continued)			
Consumer Discretionary			
1,698	ALIMENTATION COUCHE-TARD INC	130	130
662	AMAZON.COM INC	119	175
503	FIVE BELOW INC	117	75
158	LULULEMON ATHLETICA INC	93	65
		459	445
Health			
315	AMGEN INC	110	135
262	DANAHER CORP	76	90
2,190	GRANITE REIT	171	146
370	ZOETIS INC	84	88
		441	459
Industrial			
2,512	CANADIAN NATIONAL RAILWAY CO	376	405
570	WASTE CONNECTIONS INC	104	137
1,683	WSP GLOBAL INC	233	357
		713	899
Information Technology			
144	ADOBE INC	103	109
644	APPLE INC	131	185
209	CONSTELLATION SOFTWARE INC	229	409
262	ENPHASE ENERGY INC	46	36
26	METTLER-TOLEDO INTERNATIONAL I	45	50
490	MICROSOFT CORP	183	300
1,314	NVIDIA CORP	99	222
250	TEXAS INSTRUMENTS INC	56	67
315	WORKDAY INC	98	96
		990	1,474
Real Estate			
178	PUBLIC STORAGE	70	70
		70	70
Total - Equities		6,628	7,599
Total - Schedule of investment portfolio		29,556	30,505

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 INDIVIDUAL Plan (the “Plan”) is a trust maintained by declaration of trust pursuant to the Civil Code of Quebec. It is governed by a trust agreement (the “Agreement”) concluded on July 9, 2010, between the Kaleido Foundation (the “Foundation”), Eterna Trust Inc. and Kaleido Growth Inc. (“Kaleido Growth”) The latter acts as the investment fund manager of the INDIVIDUAL 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 INDIVIDUAL Plan is a group scholarship plan under which the refund of contributions (savings) is guaranteed at all times, as are sales charges refunds, if the plan reaches maturity. The Plan is available only to current subscribers of the INDIVIDUAL Plan who wish to purchase additional units. Since December 14, 2017, eligible studies that qualify for educational assistance payments (EAPs) are general or technical, full-time or part-time (college, community college or university) post-secondary educational programs offered in Canada or a 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. Specified educational programs are post-secondary programs of study with a minimum duration of three consecutive weeks and to which a student must dedicate a 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 1, 2022 and terminated distribution of the Plan on April 30, 2022. Kaleido Growth and the Foundation will continue to honor existing contracts until the scheduled maturity date, including the payment of scheduled contributions.

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 cashflows 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.

Notes to the financial statements
Condensed interim unaudited
for the six months periods ended June 30, 2024 and 2023
(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 31, 2023, management must make judgments 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. Management exercised judgment and made estimates and underlying assumptions regarding the QESI receivable.

4. Investments

	June 30, 2024	December 31, 2023
Short-term investments	13,471	15,986
Bonds	9,435	8,633
Equities	7,599	7,491
	30,505	32,110

5. 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.

6. Accounts payable and other liabilities

	Notes	June 30, 2024	December 31, 2023
Amount payable to Kaleido Growth Inc.	7	21	40
Amount payable to the Kaleido Foundation	7	21	66
Accumulated income on grants for payment to a designated educational institution		16	16
Other		15	9
		73	131

7. 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.

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

7. Related party transactions (continued)

Kaleido Foundation

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

Administration fees	June 30, 2024	June 30, 2023
Kaleido Growth Inc.	235	269
	235	269

Amount payable	June 30, 2024	December 31, 2023
Kaleido Growth Inc.	21	40
Kaleido Foundation	21	66
	42	106

8. Capital management

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

- Preserving the value of subscriber savings and government grants.
- Achieving a maximum net return while maintaining an appropriate degree of risk to reach satisfactory EAP amounts per unit.

To meet these objectives, the portfolio managers are mandated to optimize total returns through high-quality investments, strategic asset diversification and allocation, security selection, duration management and credit analysis. The Plan periodically reviews and revises its policies and procedures.

For the period ended June 30, 2024, the following policies and procedures were applied:

- Subscriber savings: The Plan commits to refund subscriber savings and to invest the savings solely in fixed-income securities (government and corporate bonds) before plan maturity. After plan maturity, the Plan invests these funds solely in cash or cash equivalents to ensure the liquidity of investments, as these sums may be withdrawn at any time.
- Government grants: Grants received before April 20, 2012, are invested with a target allocation of 100% variable-income securities (Canadian and U.S. equities). Government grants received on or after April 20, 2012, are invested entirely in fixed-income securities such as the subscriber savings.
- Income earned on grants, SCROM, and the EAP account: The Plan invests the amounts attributed to these funds with a target allocation of 100% variable-income securities such as government grants received before April 20, 2012.
- For individual plans established following a transfer from a group plan at maturity, the sums held as part of the contract are invested in cash or cash equivalents, as these sums may be withdrawn in the short-term.

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

8. Capital management (continued)

During the period ended June 30, 2024, the Plan maintained the same strategy of prudent portfolio management as that of previous reporting periods by maintaining the investment philosophy adopted by the Investment Committee and portfolio managers.

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

9. Financial instruments

Fair value

- **Establishing fair value**

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

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

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.

Notes to the financial statements
Condensed interim unaudited
for the six months periods ended June 30, 2024 and 2023
(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 June 30, 2024	Level 1	Level 2	Level 3	Total
Short-term investments	13,407	64	-	13,471
Bonds	-	9,435	-	9,435
Equities	7,599	-	-	7,599
	21,006	9,499	-	30,505

As at December 31, 2023	Level 1	Level 2	Level 3	Total
Short-term investments	15,682	304	-	15,986
Bonds	-	8,633	-	8,633
Equities	7,491	-	-	7,491
	23,173	8,937	-	32,110

Over the course 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 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 20, 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.

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

9. Financial instruments (continued)

Risk management related to financial instruments (continued)

• **Credit risk (continued)**

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:

Credit rating	Percentage of total debt securities*	
	June 30, 2024	December 31, 2023
	%	%
AAA	2.7	2.6
AA	29.9	28.3
A	39.6	44.7
BBB	27.8	24.4

*Excludes short-term investments

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

• **Liquidity risk**

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.

• **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.

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.

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

9. Financial instruments (continued)

Risk management related to financial instruments (continued)

• **Currency risk (continued)**

As of June 30, 2024, the Plan had \$25.1 in U.S. currency (\$12.1 as at December 31, 2023), representing \$34.4 in cash (\$15.9 as at December 31, 2023). Lastly, the Plan also had U.S. currency shares totalling \$2.2M (\$2.3M as at December 31, 2023), representing \$3.1M in investments (\$3M as at December 31, 2023). Also, the Plan had 1,4 in sales pending settlement in U.S. currency (0 \$ as at December 31, 2023) representing \$1.9 in assets.

• **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 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 (\$0.4M 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	59.5	64.9
Maturing in one to five years	21.0	18.6
Maturing after five years	19.5	16.5

• **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 mostly influences the value of the equities held by the Plan. It should be noted, however, that this exposure is spread in various market sectors, especially in Canadian and U.S. large-cap securities, which reduces this risk. 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 \$0.7M 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.

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

9. Financial instruments (continued)

Risk management related to financial instruments (continued)

• **Price risk (continued)**

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, 2024	December 31, 2023
	%	%
Energy	7.0	7,3
Materials	0.9	0,9
Communication Services	11.3	10,2
Utilities	4.7	5,6
Financials	25.2	26,0
Consumer Staples	6.9	7,5
Consumer Discretionary	5.9	4,5
Health	6.0	7,4
Industrials	11.8	13,0
Information Technology	19.4	16,6
Real Estate	0.9	1,0

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	5	11
Financial liabilities offset	(5)	(6)
	(0)	5

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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