



Management Report of Fund Performance

REFLEX Plan

for the financial year ended December 31, 2025

This annual management report of fund performance presents financial highlights but does not contain the complete annual financial statements of the investment fund. You may obtain a copy of the annual financial statements on request at no cost by calling us at 1 877 710-7377, or by writing to us at Centre d'affaires Henri-IV, 1035, Wilfrid-Pelletier Ave., Suite 500, Quebec (QC) G1W 0C5. You may also visit our website (kaleido.ca) or the SEDAR+ website (sedarplus.ca). Subscribers may contact us using one of the above methods to also request a copy of the prior interim financial report.

All decisions relating to proxy voting of the REFLEX Plan's portfolio securities are delegated to our portfolio managers as described in their respective investment management mandates.

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Performance Review

Objectives and Investment Strategies

Given the time horizon of a RESP, the general objective of the Reflex Plan (“the Plan”) consists of achieving a maximum long-term rate of return while maintaining a degree of risk deemed appropriate. The Plan, managed by the Kaleido Foundation (hereinafter “the Foundation”), is designed to guarantee the repayment of subscriber contributions and subscription fees when the contract matures. The income generated by these contributions, combined with government grants and their accumulated earnings, finance beneficiaries’ Education Assistance Payments (EAPs).

To achieve these objectives, the Foundation applies three distinct investment policies, as outlined in the prospectus.

The management of assets is entrusted to the portfolio managers based on their areas of expertise. Accordingly, Jarislowsky Fraser Ltd., Montrusco Bolton Investments Inc., Fiera Capital Corporation and Amundi Canada are responsible for the management of equities. The fixed-income securities are managed by AlphaFixe Capital Inc. and Fiera Capital Corporation.

Unless otherwise indicated, all amounts appearing in this report are expressed in Canadian dollars.

In this Management Report on the Fund’s Performance, the term “Plan portfolio” refers to the net investable assets, which are determined using the Fund’s adjusted accounting data. This portfolio does not exactly correspond to the portfolio presented in the financial statements, as the latter are prepared in accordance with applicable accounting standards and reflect a different presentation of the Fund’s assets.

Risk

The risks associated with the Plan remain unchanged from those indicated in the prospectus, as no new risks were identified during 2025.

Operating Results for 2025

For 2025, the Plan’s portfolio generated a gross rate of return at market value of 5.60%. The total net return was 3.92% after deducting total administration and management fees of 1.68%. These fees include input taxes (GST and QST) on goods and services acquired to provide financial services.

The following table presents the gross return, based on the returns reported by the portfolio managers, as well as the market index and the added value of each investment policy as of December 31, 2025:

Investment policy	Asset Category	Gross Return	Market Index	Added Value
Contributions Before Plan Maturity and Government Grants	Fixed-income securities guaranteed by a government or municipality, corporate bonds	5.04%	4.85%	0.19%
Contributions After Plan Maturity	Money market securities guaranteed by a Canadian government, or held as cash or cash equivalents	3.21%	3.21%	0.00%
Other Funds	Canadian, U.S. and international equities, bonds, money market securities guaranteed by a Canadian government, or held as cash and cash equivalents	12.69%	26.15%	-13.46%

To understand this performance, details of the economic context are presented below.

Economic Overview

Canada's economic context

After a 2024 marked by the start of a monetary easing cycle, the Canadian economy in 2025 navigated an environment that was more balanced, but still fragile. The Bank of Canada continued its easing cycle with four further 0.25% cuts, bringing the Canadian key rate to 2.25% by the end of 2025. In Canada, according to the latest consensus, economic growth is pointing to a moderate result, around 1.70% in 2025, despite the positive effect of rate cuts on financial conditions. In December 2025, the Canadian unemployment rate stood at 6.80%, reflecting a cyclical slowdown without tipping into recession.

However, 2025 was marked by a resurgence of global trade uncertainty, notably with the announcement of new U.S. tariff measures on "Liberation Day." These announcements rekindled fears about supply chains and international trade, temporarily increasing market volatility and weighing on growth prospects, particularly for open economies like Canada.

Global economic context

In the United States, the Federal Reserve made three rate cuts in 2025, bringing key rates down to a range of 3.50-3.75%. This monetary easing, combined with growth in corporate profits and a still-resilient labour market, has supported economic growth which, according to the latest available consensus, is close to 2.00%. In Europe, growth remained relatively weak, despite the start of monetary easing. Political and budgetary tensions continued to weigh on confidence, while in Asia, the latest consensus points to more moderate growth than in previous years for China.

Bond market

Overall, 2025 was a good year for bond markets, boosted by the fall in key rates and the start of a recovery in yield curves. The Canadian bond market generated a return of 2.60%, according to the FTSE Universe Bond Index.

Stock market

Stock markets enjoyed another solid year in 2025. In Canada, the S&P/TSX Composite Index rose sharply by 31.7%, driven mainly by the materials, finance and energy sectors. In the United States, the S&P 500 index in Canadian dollars also had an excellent year, returning 12.4%, buoyed by large-cap technology stocks and the enthusiasm surrounding artificial intelligence.

Recent Events

There are no events to report for this period.

Transactions Between Related Parties

Kaleido Growth Inc. (hereinafter “Kaleido Growth”), the wholly owned subsidiary of the Foundation, is the distributor of the products promoted by the Foundation and the Plan’s investment fund manager. It is authorized, with the assistance of its Investment Committee, to define the Plan’s investment policies and strategies, which is the definition of related parties for accounting purposes. Transactions with Kaleido Growth during the year correspond to the administrative fees the Plan pays the company for its services as investment fund manager, and to the Foundation as the Plan’s promoter.

Furthermore, the subscription fees the Foundation collects from subscribers are transferred to Kaleido Growth, as well as the fees for the management of the Canada Learning Bond the Foundation collects from the Government of Canada. These transactions are carried out during normal operations and are measured based on their exchange amount.

The Plan’s assets are invested and managed—pursuant to the investment policies adopted by Kaleido Growth’s Board of Directors—by two portfolio managers with the mandate to ensure growth. Annual portfolio management fees represent a declining percentage calculated on the total value of assets under management.

The Independent Review Committee (IRC) plays an essential role in monitoring and protecting the interests of plan holders. Composed of independent members, the IRC reviews plan management activities, makes recommendations and ensures that decisions are taken in the best interests of customers. In 2025, the IRC made three recommendations, including one regarding the valuation policy for the IDEO+ Plans and others related to certain amendments to the investment policy. These amendments included, among other things, adjustments to asset allocation, the implementation of a securities lending strategy, and changes to management mandates, including the reallocation of certain assets among managers. These changes were implemented in the Plans.

Eterna Trust Inc. acts as a trustee and as such, assumes custody and safekeeping of the Plan’s assets. It assumes control and acts on behalf of Kaleido Growth and the Foundation, carrying out their responsibilities, with the necessary adjustments, should either one refuse or be unable to act. For these services, the Plan pays Eterna Trust Inc. a fixed annual fee determined by contract. No director or officer of Kaleido Growth or of the Foundation has a material personal interest in this company.

Financial and Operating Highlights

The following table presents key financial data on the Plan (data extracted from the Plan's financial statements) and to help to understand its financial results for the last five (5) financial years:

<i>(In thousands of \$)</i>	REFLEX Plan				
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021
Statement of Financial Position					
Total assets	\$1,365,281	\$1,322,475	\$1,231,288	\$1,128,339	\$1,160,362
Net assets	\$1,357,155	\$1,319,226	\$1,226,598	\$1,124,776	\$1,152,783
Change in net assets (%)	2.88 %	7.55 %	9.05 %	-2.43 %	8.60 %
Statement of net and comprehensive income					
Net investment income	\$24,358	\$25,103	\$21,411	\$11,726	\$9,766
Realized and unrealized gains on investments	\$27,479	\$58,022	\$46,673	\$(101,106)	\$893
Net income attributable to contracts	\$51,837	\$83,125	\$68,084	\$(89,379)	\$10,659
Statement of changes in net assets attributable to contracts					
Education Assistance Payments (EAP)	\$(42,727)	\$(34,355)	\$(26,305)	\$(20,417)	\$(15,584)
Net Canada Education Savings Grant (CESG) received	\$14,854	\$16,629	\$18,861	\$22,020	\$24,214
Net Quebec Education Savings Incentive (QESI) received	\$6,108	\$6,930	\$7,564	\$9,022	\$9,923
Other					
Number of units (in thousands)	545.5	561.2	572.2	582.6	583.1
Change in the total number of units (%)	-2.80 %	-1.92 %	-1.79 %	-0.09 %	2.12 %

Management Fees

Administration Fees

The Plan pays an administration fee to Kaleido Growth as the investment fund manager. The latter is responsible for managing the Plan's operations and activities. Furthermore, Kaleido Growth is responsible for establishing the Plan's investment policies and strategies with the guidance of its Investment Committee.

As of December 31, 2025, the annual administrative fees (including taxes) totalled \$20,009,209 and represented 1.50 % of the Plan's assets under management.

Trustee and Custodian Fees

The Plan pays annual fees to Eterna Trust Inc. as the Plan's trustee. The fees paid to this trustee in 2025 amounted to \$78,824 and represented 0.01% of the Plan's assets under management. The custodians CIBC and RBC IS received in trust the subscribers' savings and all other amounts to which the latter are entitled. The custodians acted as the guardian of securities and other instruments in which these amounts are invested, and as a third-party record keeper for the Plan. In 2025, the custodian's fee was \$197,500, which represents 0.02 % of the Plan's assets under management.

Independent Review Committee Fee

In 2025, the Plan paid the Independent Review Committee a fee totalling \$25,095, which represented 0.002% of the Plan's assets under management.

Portfolio Management Fees

AlphaFixe Capital Inc. and Fiera Capital Corporation are responsible for the management of fixed-income securities. Jarislowsky Fraser Ltd., Montrusco Bolton Investments Inc., Fiera Capital Corporation and Amundi Canada Inc. acted as equity portfolio managers. In 2025, the fees paid to these managers came to \$1,636,711 representing 0.12% of the Plan's assets under management.

Transaction Costs

Transaction costs include processing fees charged on each sale of securities, as well as sales commissions paid to brokers. Fees charged on purchases are included in the carrying cost of the security. In 2025, transaction costs totaled \$57,541, representing 0.004% of the plan's assets under management.

Withholding Taxes on Foreign Dividends

Dividends paid by U.S. corporations to Canadian residents are considered U.S.-source income and are generally subject to U.S. withholding tax. Under the Canada–United States Tax Convention, the statutory rate is reduced to 15% on dividends for RESPs. This tax is non-recoverable. In 2025, withholding taxes on foreign dividends totaled \$276,690, representing 0.02% of the plan's assets under management.

Past Performance

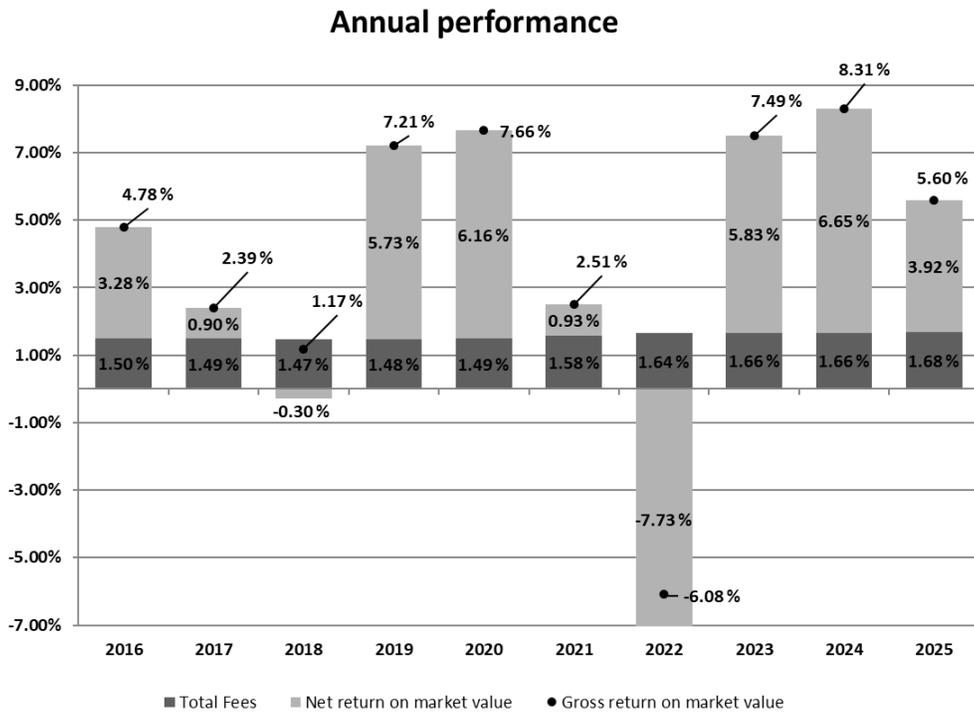
Annual Returns

The Plan's investment returns have been calculated using market values and time-weighted cash flows during the reporting period. Performance information assumes that all income earned, interest, and capital gains net of expenses are reinvested in the Plan.

Total expenses incurred by the Plan are presented and consist of administration and management fees, including the fees paid to the custodian, trustee, portfolio managers, and the Independent Review Committee, as well as any other expenses paid by the Plan, including taxes.

Furthermore, these returns exclude the group plan characteristic of income redistribution within beneficiary groups (attrition). Performance information does not take into account sales, redemption, distribution, or other optional charges that may have reduced returns. Past fund performance is not a guarantee of future results.

The bar graph below presents the annual returns of the Plan's total assets under management for each of the last ten (10) years, i.e., 2016 to 2025. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



Compound Annual Returns

The table below shows the annual compound return of the plan's portfolio for the year ending December 31, 2025. The annual compound return is compared to the index return.

	Returns as of December 31, 2025			
	1 year	3 years	5 years	10 years
Net Return at Market Value	3.92 %	5.46 %	1.78 %	2.45 %
Market Indices ¹	6.71 %	7.46 %	3.71 %	4.12 %

¹It should be noted that benchmarks exclude management fees incurred by an investor and the administration fee of a scholarship plan.

On December 31, 2025, the weighted benchmark index of the Plan was composed as follows, based on the value of the different funds and their respective investment policies, as previously described under the heading "Objectives and Investment Strategies":

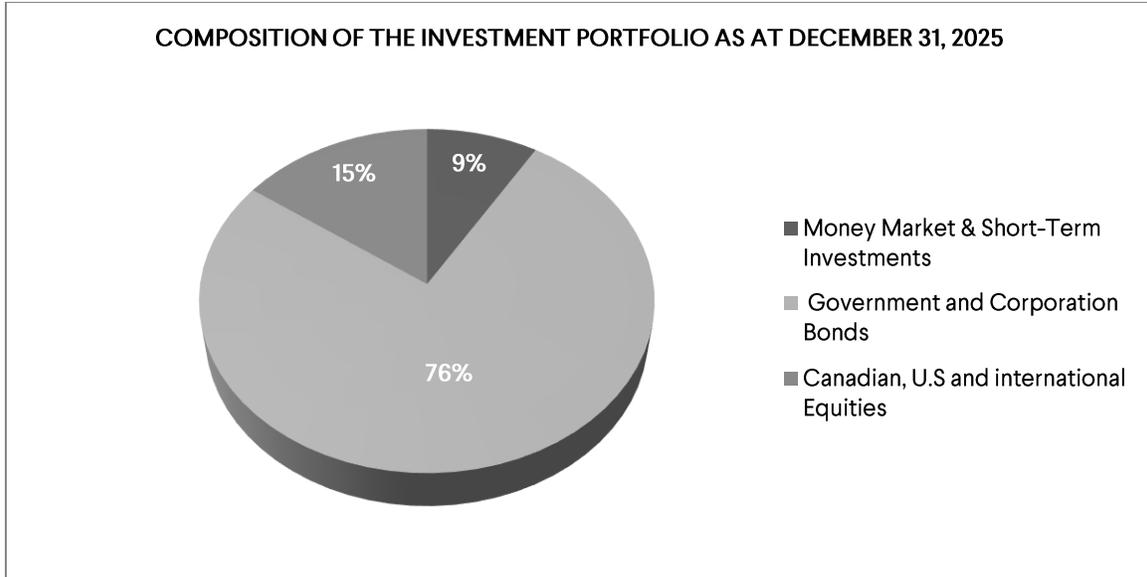
- FTSE TMX Canada Mid Term Provincial Bond Index (11.43%)
- FTSE TMX Canada Short Term Provincial Bond Index (11.43%)
- FTSE TMX Canada Mid Term Corporate Bond Index (19.05%)
- FTSE TMX Canada Short Term Corporate Bond Index (34.30%)
- S&P/TSX Composite Index (6.02%)
- S&P 500 Index (CAD) (3.01%)
- MSCI North America Minimum Volatility Index (3.94%)
- MSCI EAFE Minimum Volatility Index (2.12%)
- 91-Day Treasury Bill Index¹ (8.70%)

¹ The 91-Day Treasury Bill Index is used for money market investments. Otherwise, the index performance is adjusted to that of a high-interest bank account.

Portfolio Overview

Breakdown of the Portfolio into Subgroups

The Plan's investment portfolio comprises three distinct groups, as illustrated in the following pie chart. The chart also presents the percentage of the portfolio's total value invested in each of these groups.



Top Holdings of the REFLEX Plan Portfolio

The table below presents the main holdings of the portfolio on December 31, 2025. It should be noted that these are all presented from a long position. Our investment policy stipulates that margin buying and short sales are not permitted.

Also note that the portfolio overview can change because of the operations carried out by the fund,

Securities	Maturity	Rate (%)	Market value (\$)	Portfolio Assets (%)
Fixed-Income Securities				
PROV OF ONTARIO	3-Feb-34	3.650	48 944 689	3.65%
PROV OF ONTARIO	1-Feb-27	1.850	41 290 381	3.08%
PROV OF ONTARIO	4-Mar-33	4.100	31 754 844	2.37%
PROV OF QUEBEC	22-Nov-32	3.900	22 952 485	1.71%
PROV OF QUEBEC	20-May-32	3.650	20 522 205	1.53%
ROYAL BANK OF CANADA	1-Feb-33	5.010	16 310 291	1.21%
TORONTO-DOMINION BANK	8-Mar-28	1.888	15 935 947	1.19%
HYDRO-ONE	25-Aug-32	3.940	14 481 021	1.08%
BANK OF MONTREAL	7-Dec-27	4.709	14 414 973	1.07%
PROV OF ONTARIO	2-Feb-32	4.050	14 323 598	1.07%
WEST EDMONTON MALL PROPERTY	4-Oct-27	7.791	12 183 536	0.91%
BELL CANADA	17-Mar-31	3.000	12 067 066	0.90%
GOVERNMENT OF CANADA	1-Jun-35	3.250	11 573 831	0.86%
BANK OF NOVA-SCOTIA	26-Sep-30	3.836	11 493 446	0.86%
PROV OF QUEBEC	27-May-31	2.100	10 494 008	0.78%
ONTARIO POWER GENERATION INC	28-Jun-34	4.831	10 152 037	0.76%
FEDERATION DES CAISSES	16-Aug-28	5.475	10 041 448	0.75%
CHOICE PROPERTIES REIT	1-Mar-33	5.400	9 714 184	0.72%
55 SCHOLL BOARD TRUST	2-Jun-33	5.900	9 668 346	0.72%
SUN LIFE FINANCIAL	15-May-36	5.120	9 173 637	0.68%
ROYAL BANK OF CANADA	22-Jul-31	3.985	9 148 619	0.68%
ENBRIDGE	21-Sep-33	3.100	8 918 979	0.66%
DOLLARAMA	26-Apr-30	5.165	8 825 549	0.66%
SUN LIFE FINANCIAL	4-Jul-35	5.500	8 736 194	0.65%
Equities				
ISHARES MSCI EAFE MIN VOL FA			28 469 460	2.12%
Top 25 long positions as a percentage of the total value of securities			411 590 774	30.65%

Kaleido Growth Inc.

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promoted by Kaleido Foundation

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