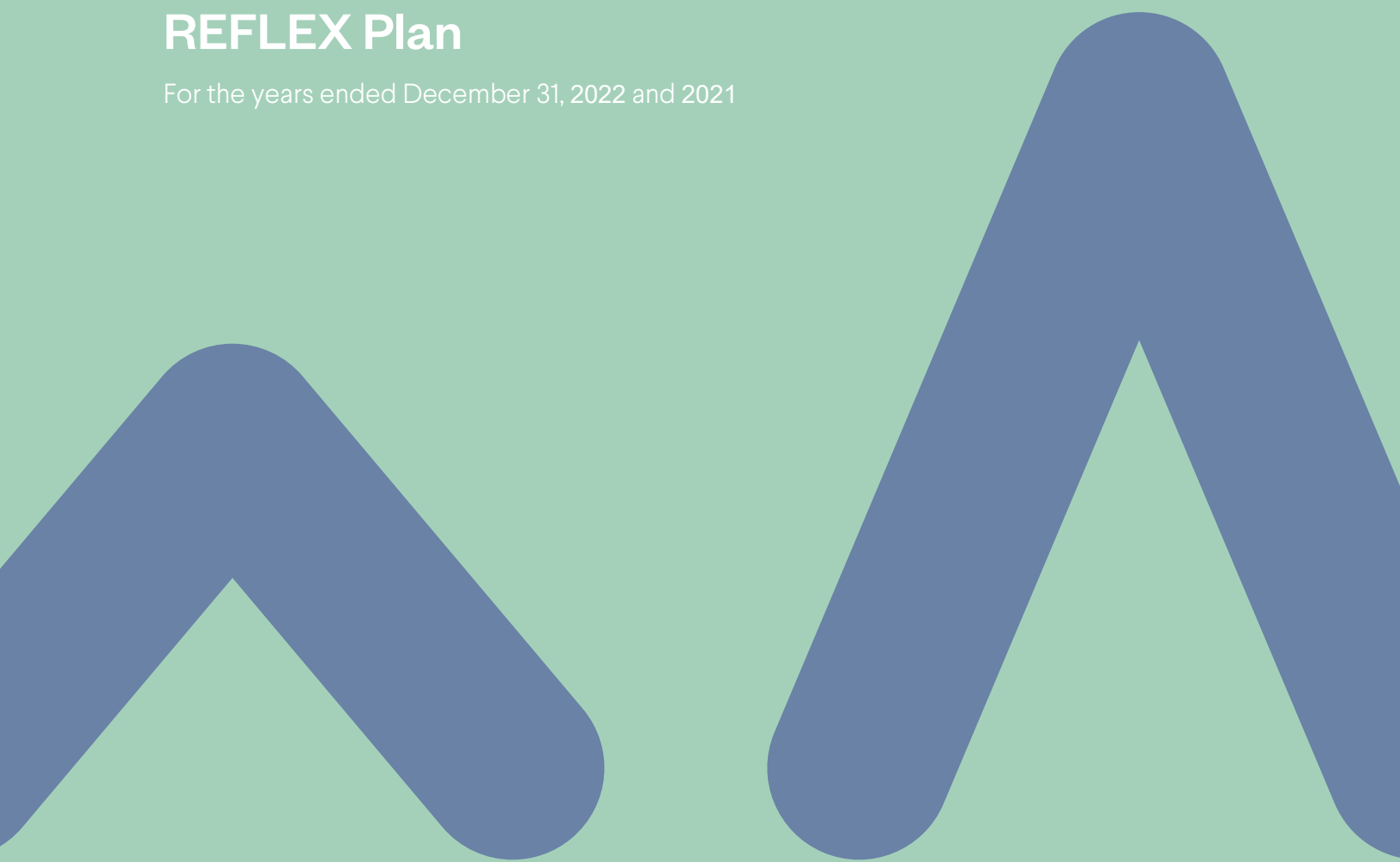


# Financial statements

## REFLEX Plan

For the years ended December 31, 2022 and 2021



**KALEIDO**

# The REFLEX Plan

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# Independent Auditor's Report

To the subscribers of  
the REFLEX Plan

## Opinion

We have audited the financial statements of the REFLEX Plan (the "Plan"), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of net income and comprehensive income, changes in net assets attributable to contracts and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

## Basis for Opinion

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

## Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Plan's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP<sup>1</sup>

Quebec City, Quebec

March 23, 2023

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<sup>1</sup> CPA auditor, public accountancy permit No. A110092

## Statements of financial position

		December 31, 2022	December 31, 2021
<b>(in thousands of Canadian \$)</b>			
<b>Assets</b>			
Cash		1,488	1,813
Sales pending settlement		551	4,086
Other accounts receivable	6	-	3,421
Dividends receivable		126	305
Interest receivable		6,889	5,261
Canada Education Savings Grant (CESG) receivable	11	1,421	2,120
Quebec Education Savings Incentive (QESI) receivable		9,760	10,677
Investments	4, 11	1,108,104	1,132,679
		<b>1,128,339</b>	<b>1,160,362</b>
<b>Liabilities</b>			
Purchases pending settlement		576	4,140
Accounts payable and other liabilities	7	1,793	2,228
Quebec Education Savings Incentive (QESI) refundable		1,194	1,212
		<b>3,563</b>	<b>7,580</b>
<b>Net assets attributable to contracts</b>		<b>1,124,776</b>	<b>1,152,782</b>

### Approved by

[Yves Lacasse] Chairman of the Board of Directors

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

The notes are an integral part of these financial statements

## Statements of net income and comprehensive income

for the years ended December 31

Notes

2022

2021

(in thousands of Canadian \$)

### Revenues from ordinary activities

Interest income for educational assistance payments	27,840	22,679
Dividends	1,969	4,232
Realized gain (loss) on disposal of investments	(32,332)	23,621
Change in unrealized gain (loss) of investments	(68,774)	(22,728)
	<b>(71,297)</b>	27,804

### Operating expenses

Brokerage fees	106	53
U.S. tax expense	98	153
Portfolio management fees	1,026	1,043
Trustee fees	26	23
Custodian fees	208	182
Administration fees	9 16,595	15,669
Independent Review Committee fees	23	22
	<b>18,082</b>	17,145

<b>Net income and comprehensive income attributable to contracts</b>	<b>(89,379)</b>	10,659
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The notes are an integral part of these financial statements

## Statements of changes in net assets attributable to contracts

for the years ended December 31

(in thousands of Canadian \$)

	Subscriber savings	SCROM	EAP account	CESG	Accumulated income CESG	QESI	Accumulated income QESI	Total
<b>Net assets as at December 31, 2021</b>	647,776	79,054	32,075	251,636	44,804	86,917	10,520	1,152,782
Net income and comprehensive income for the period	-	-	(54,679)	-	(26,778)	-	(7,922)	(89,379)
<b>Increase</b>								
Subscriber savings	85,484	-	-	-	-	-	-	85,484
Change in the SCROM	-	-	1,552	-	-	-	-	1,552
Transfers between plans	-	-	-	-	-	-	-	-
Grants received from governments	-	-	-	22,871	-	9,751	-	32,622
	85,484	-	1,552	22,871	-	9,751	-	119,658
<b>Decrease</b>								
Refund of savings at maturity	(28,119)	-	-	-	-	-	-	(28,119)
Withdrawal of savings before maturity	(4,784)	-	-	-	-	-	-	(4,784)
Refund of sales charges at maturity	-	(1,708)	-	-	-	-	-	(1,708)
Change in the SCROM	-	(1,552)	-	-	-	-	-	(1,552)
Transfers between plans	-	-	-	(4)	-	-	-	(4)
Grants returned to governments	-	-	-	-	-	(465)	-	(465)
Transfers to other promoters	-	-	-	(848)	(51)	(264)	(10)	(1,173)
Grants and income on grants paid	-	-	-	(8,954)	(2,089)	(3,380)	(456)	(14,879)
Outflow of accumulated income on grants for payments to a designated educational institution	-	-	(1)	-	(49)	-	(9)	(59)
Educational assistance payments (EAPs)	-	-	(5,542)	-	-	-	-	(5,542)
	(32,903)	(3,260)	(5,543)	(9,806)	(2,189)	(4,109)	(475)	(58,285)
<b>Net assets as at December 31, 2022</b>	<b>700,357</b>	<b>75,794</b>	<b>(26,595)</b>	<b>264,701</b>	<b>15,837</b>	<b>92,559</b>	<b>2,123</b>	<b>1,124,776</b>

## Statements of changes in net assets attributable to contracts

for the years ended December 31

(in thousands of Canadian \$)

	Subscriber savings	SCROM	EAP account	CESG	Accumulated income CESG	QESI	Accumulated income QESI	Total
<b>Net assets as at December 31, 2020</b>	584,077	75,852	35,052	233,742	42,898	79,509	10,350	1,061,480
Net income and comprehensive income for the period	-	-	5,673	-	4,228	-	758	10,659
<b>Increase</b>								
Subscriber savings	91,454	-	-	-	-	-	-	91,454
Change in the SCROM	-	4,502	-	-	-	-	-	4,502
Transfers between plans	-	-	-	-	-	-	-	-
Grants received from governments	-	-	-	25,417	-	10,760	-	36,177
Transfers from other promoters	-	-	-	69	-	11	-	80
	91,454	4,502	-	25,486	-	10,771	-	132,213
<b>Decrease</b>								
Refund of savings at maturity	(22,425)	-	-	-	-	-	-	(22,425)
Withdrawal of savings before maturity	(5,298)	-	-	-	-	-	-	(5,298)
Refund of sales charges at maturity	-	(1,300)	-	-	-	-	-	(1,300)
Change in the SCROM	-	-	(4,502)	-	-	-	-	(4,502)
Transfers between plans	(32)	-	-	(67)	(12)	(7)	(1)	(119)
Grants returned to governments	-	-	-	-	-	(501)	-	(501)
Transfers to other promoters	-	-	-	(1,205)	(137)	(340)	(27)	(1,709)
Grants and income on grants paid	-	-	-	(6,320)	(2,065)	(2,515)	(538)	(11,438)
Outflow of accumulated income on grants for payments to a designated educational institution	-	-	(1)	-	(108)	-	(22)	(131)
Educational assistance payments (EAPs)	-	-	(4,146)	-	-	-	-	(4,146)
	(27,755)	(1,300)	(8,650)	(7,592)	(2,322)	(3,363)	(588)	(51,570)
<b>Net assets as at December 31, 2021</b>	<b>647,776</b>	<b>79,054</b>	<b>32,075</b>	<b>251,636</b>	<b>44,804</b>	<b>86,917</b>	<b>10,520</b>	<b>1,152,782</b>

## Statements of cash flows

for the years ended December 31  
(in thousands of Canadian \$)

	2022	2021
<b>Cash flows from (used in) operational activities</b>		
Income received		
Interest	26,212	22,304
Dividends	2,207	4,135
	<b>28,419</b>	26,439
Operating expenses paid		
Brokerage fees	(106)	(53)
U.S. tax expense	(98)	(153)
Portfolio management fees	(1,110)	(850)
Trustee fees	(26)	(24)
Custodian fees	(187)	(193)
Administration fees	(16,624)	(15,400)
Independent Review Committee fees	(23)	(22)
	<b>(18,174)</b>	(16,695)
Other operational activities		
Disposal of investments	1,690,686	792,154
Acquisition of investments	(1,767,303)	(878,942)
	<b>(76,617)</b>	(86,788)
Net cash flows used in operational activities	<b>(66,372)</b>	(77,044)
<b>Cash flows from (used in) financing activities</b>		
Savings received	90,713	90,428
Savings paid to other promoters	(1,792)	(2,225)
Refunds of savings to subscribers	(33,301)	(27,708)
CESG and income on CESG received	22,671	24,132
QESI and income on QESI received	10,668	10,500
QESI and income on QESI paid	(757)	(791)
Transfers between plans	(4)	(119)
Sales charge refunds	(1,708)	(1,298)
Educational assistance payments (EAPs)	(20,443)	(15,591)
Net cash flows from financing activities	<b>66,047</b>	77,328
<b>Net increase (decrease) in cash</b>	<b>(326)</b>	284
<b>Cash, beginning of year</b>	<b>1,813</b>	1,529
<b>Cash, end of year</b>	<b>1,488</b>	1,813

## Schedule of investment portfolio

as at December 31, 2022

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
<b>Short-term investments</b>					
57,124	Cash		-	57,124	57,124
1,188	Cash sweep		-	1,187	1,187
600	AUTORITE REGIONALE DE TRANS	1 Nov 2023	0.900	596	579
300	BANK OF MONTREAL	20 Jun 2023	2.890	307	297
3,000	BANK OF NOVA SCOTIA	1 May 2023	2.380	3,048	2,973
1,800	BROSSARD QUEBEC	25 Jul 2023	2.900	1,780	1,777
1,400	CANADIAN TIRE CORP LTD	6 Jul 2023	3.167	1,449	1,386
625	CANDIAC QUEBEC	31 Jul 2023	2.750	615	616
200	CONSUMERS GAS CO LTD	5 Jul 2023	6.050	227	201
-	EPCOR UTILITIES INC	19 May 2023	1.299	-	-
1,800	LEVIS QUEBEC	4 Jun 2023	2.200	1,780	1,777
480	MASCOUCHE QUEBEC	7 Oct 2023	0.700	477	464
3,700	OMERS REALTY CORPORATION	22 Sep 2023	1.298	3,619	3,598
300	SAINT JEAN SUR RICHELIEU QUE	11 Jun 2023	2.100	297	296
2,000	SAINT LAMBERT QUEBEC	17 Oct 2023	3.000	1,974	1,966
300	SOCIETE DE TRANS L'OUTAOUAIS	12 Sep 2023	1.950	297	293
1,852	ST HYACINTHE QUEBEC	17 Oct 2023	3.000	1,828	1,822
300	VAL D OR QUEBEC	1 Dec 2023	0.800	298	288
2,750	IVANHOE CAMBRIDGE II INC	27 Jun 2023	2.909	2,735	2,720
<b>Total - Short-term investments</b>				<b>79,638</b>	<b>79,364</b>

### Bonds

#### Bonds issued or guaranteed by a Canadian province

1,033	HYDRO QUEBEC	15 Aug 2031	6.000	1,367	1,179
13,330	HYDRO-QUEBEC	1 Sep 2028	2.000	12,719	12,072
1,244	ONTARIO TEACHERS FINANCE TR	19 Oct 2027	1.100	1,187	1,087
672	OPB FINANCE TRUST	25 Jan 2027	2.980	685	639
760	OPB FINANCE TRUST	2 Feb 2026	2.950	776	730
2,100	PROV OF MANITOBA	2 Jun 2028	3.000	2,066	2,010
7,821	PROV OF ONTARIO	2 Dec 2030	1.350	7,103	6,431
35,000	PROV OF ONTARIO	1 Nov 2029	1.550	32,924	30,053
14,296	PROV OF ONTARIO	2 Jun 2029	2.700	14,008	13,318
-	PROV OF ONTARIO	2 Jun 2028	2.900	-	-
-	PROV OF ONTARIO	8 Mar 2028	3.600	-	-
793	PROV OF ONTARIO	8 Sep 2027	1.050	762	700
-	PROV OF ONTARIO	2 Jun 2026	2.400	-	-
2,577	PROV OF ONTARIO	8 Sep 2025	1.750	2,463	2,428
10,675	PROV OF ONTARIO	2 Jun 2025	2.600	10,477	10,315
12,181	PROV OF ONTARIO	5 Feb 2025	2.650	12,493	11,818
4,119	PROV OF QUEBEC	22 Nov 2032	3.900	4,113	4,076
8,409	PROV OF QUEBEC	1 Sep 2032	3.250	7,952	7,887
16,200	PROV OF QUEBEC	20 May 2032	3.650	16,100	15,771
18,898	PROV OF QUEBEC	27 May 2031	2.100	18,432	16,411
14,129	PROV OF QUEBEC	1 Sep 2030	1.900	13,991	12,231

## Schedule of investment portfolio

as at December 31, 2022

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
<b>Bonds (continued)</b>					
<b>Bonds issued or guaranteed by a Canadian province (continued)</b>					
2,745	PROV OF QUEBEC	1 Oct 2029	6.000	3,541	3,077
8,223	PROV OF QUEBEC	1 Sep 2029	2.300	8,096	7,456
199	PROV OF QUEBEC	1 Sep 2027	2.750	194	190
6,718	PROV OF QUEBEC	13 Feb 2027	1.850	6,705	6,218
1,711	PROV OF QUEBEC	22 Feb 2024	2.250	1,740	1,670
19,456	PROVINCE OF ONTARIO	1 Feb 2027	1.850	20,108	17,991
1,806	PROV OF SASKATCHEWAN	2 Jun 2030	2.200	1,914	1,602
1,500	PROV OF BRITISH COLUMBIA	18 Jun 2032	3.200	1,401	1,404
				<b>203,317</b>	<b>188,764</b>
<b>Bonds issued or guaranteed by a municipality</b>					
600	AUTORITE REGIONALE DE TRANS	1 Nov 2025	1.250	589	543
600	AUTORITE REGIONALE DE TRANS	1 Nov 2024	1.000	592	558
230	BELOEIL VILLE	9 Dec 2026	1.800	226	206
575	BLAINVILLE QUEBEC	29 Oct 2026	1.600	560	512
45	CANDIAC QUEBEC	5 Jul 2026	1.350	45	40
35	FOSSAMBAULT SUR LE LAC QUEBEC	26 Nov 2026	1.850	34	31
134	GATINEAU QUEBEC	14 Sep 2026	2.500	141	124
93	GATINEAU QUEBEC	15 Dec 2025	3.100	99	88
1,590	GATINEAU QUEBEC	26 Apr 2024	2.850	1,584	1,543
57	LAC BEAUPORT QUEBEC	16 Mar 2025	1.900	59	53
2,128	LAVAL QUEBEC	21 Mar 2028	3.000	2,112	1,999
590	LEVIS QUEBEC	5 Jun 2028	3.250	581	546
70	LEVIS QUEBEC	28 Nov 2027	4.500	70	69
650	LEVIS QUEBEC	9 Mar 2026	2.950	637	614
43	LEVIS QUEBEC	10 Nov 2025	3.100	46	41
1,424	LIEVRE REGIE INTERMUNICIPALE	23 Aug 2026	1.350	1,402	1,261
47	LIEVRE REGIE INTERMUNICIPALE	23 Aug 2025	1.200	47	43
54	LONGUEUIL QUEBEC	13 Jul 2026	2.600	57	50
195	LONGUEUIL QUEBEC	10 Nov 2025	3.200	196	186
3,030	MASCOUCHE QUEBEC	7 Oct 2025	0.950	3,000	2,724
105	MIRABEL QUEBEC	26 Nov 2026	1.850	103	94
2,265	MONT LAURIER QUEBEC	15 Dec 2027	4.300	2,246	2,213
150	MONT LAURIER QUEBEC	25 Nov 2026	1.850	148	134
330	MONT SAINT HILAIRE QUEBEC	26 Nov 2026	1.850	324	296
325	MONT TREMBLANT QUEBEC	2 Dec 2026	1.850	319	291
56	MONT TREMBLANT QUEBEC	15 Dec 2025	3.200	60	53
231	MONTMAGNY QUEBEC	8 Feb 2026	0.900	228	205
1,165	MUNICIPAL FINANCE AUTH OF BC	23 Oct 2028	3.050	1,161	1,112
380	MUNICIPALITE DE PIERREVILLE	9 Dec 2026	1.800	374	340
575	MUNICIPALITE DE SAINT JACQUES	24 Feb 2026	1.000	565	511
185	MUNICIPALITE DE SAINT LAMBERT	2 Dec 2026	1.900	182	166
80	MUNICIPALITE DE WICKHAM	31 Mar 2027	2.850	79	74
210	MUNICIPALITE DE WICKHAM	8 Mar 2026	1.100	207	187
400	MUNICIPALITE REGIONALE DE	23 Feb 2026	1.000	395	356

## Schedule of investment portfolio

as at December 31, 2022

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
<b>Bonds (continued)</b>					
<b>Bonds issued or guaranteed by a municipality (continued)</b>					
338	NEW TECUMSETH ONTARIO	23 Mar 2025	4.800	373	337
100	PREVOST QUEBEC	25 Nov 2026	1.850	99	90
1,850	QUEBEC CITY QUEBEC	20 Dec 2027	2.650	1,800	1,715
130	RAWDON QUEBEC	2 Dec 2026	1.850	127	117
305	REPENTIGNY QUEBEC	28 Mar 2027	2.750	300	281
45	REPENTIGNY QUEBEC	27 Oct 2025	3.250	48	43
5,505	RESEAU DE TRANS DE LA CAPITALE	18 Nov 2025	1.000	5,441	4,937
1,243	RESEAU DE TRANS DE LA CAPITALE	18 Nov 2024	0.900	1,234	1,152
338	ROUYN NORANDA QUEBEC	27 Feb 2028	3.100	349	312
605	SAINT FELIX DE VALOIS QUEBEC	22 Apr 2027	3.350	598	571
50	SAINT JEAN SUR RICHELIEU QUE	21 Dec 2026	2.850	53	47
44	SAINT JEAN SUR RICHELIEU QUE	18 Dec 2025	3.100	47	42
725	SAINT JEROME QUEBEC	14 Nov 2029	2.450	708	622
100	SAINT JEROME QUEBEC	14 Sep 2026	2.500	104	92
47	SAINT JEROME QUEBEC	14 Oct 2025	3.250	50	45
410	SAINT JOSEPH DE BEAUCE QUEBEC	24 Mar 2027	2.700	404	378
244	SAINT RAYMOND QUEBEC	9 Feb 2026	0.900	241	216
75	SAINT ZOTIQUE QUEBEC	25 Mar 2027	2.700	74	69
510	SAINTE AGATHE DES MONTS QUEBEC	2 Dec 2027	4.450	502	502
155	SAINTE AGATHE DES MONTS QUEBEC	10 Dec 2026	1.800	153	139
435	SAINT-JEAN-SUR-RICHELIEU QUE	14 Dec 2026	1.850	431	390
1,125	SOCIETE DE TRANS DE LEVIS QUE	9 Jul 2025	1.200	1,110	1,027
1,000	SOUTH COAST BC TRANSN AUTH	3 Jul 2030	1.600	1,000	843
320	ST HYACINTHE QUEBEC	28 Feb 2028	3.100	330	295
140	TEMISCOUATA SUR LE LAC QUEBEC	26 Nov 2026	1.850	138	126
4,000	TERREBONNE MASCOUCHE REGIE	9 Sep 2025	1.000	3,932	3,611
160	TERREBONNE QUEBEC	13 Dec 2026	1.800	157	143
91	TERREBONNE QUEBEC	27 Jul 2026	2.500	95	84
23	TERREBONNE QUEBEC	27 May 2025	3.000	24	22
53	TERREBONNE QUEBEC	27 Jan 2025	3.000	56	51
1,160	TROIS RIVIERES QUEBEC	18 Apr 2028	3.000	1,140	1,062
46	TROIS RIVIERES QUEBEC	22 Apr 2025	2.500	48	44
-	VAL D OR QUEBEC	1 Dec 2025	1.000	-	-
300	VAL D OR QUEBEC	1 Dec 2024	0.900	297	278
210	VILLAGE DE VAL-DAVID	25 Apr 2027	3.300	207	198
505	VILLE DE SAINT-AMABLE QUEBEC	23 Feb 2026	0.950	495	448
24	CHATEAUGUAY QUEBEC	30 Jun 2025	1.200	24	22
3,000	SAINTE-MARTHE-SUR-LE-LAC QUE	9 Sep 2025	1.100	2,984	2,716
28	RIE VALLEE DU RICHELIEU	28 Apr 2025	2.500	29	26
395	BELOEIL QUEBEC	8 Dec 2027	4.350	389	387
-	BELOEIL QUEBEC	15 Oct 2025	0.950	-	-
374	BELOEIL QUEBEC	15 Oct 2024	0.850	371	347
50	PONT ROUGE QUEBEC	27 Jan 2025	2.200	52	47
30	CONTRECOEUR QUEBEC	20 May 2025	1.300	30	28
49	LA PRAIRIE QUEBEC	21 Jul 2025	3.150	52	47
72	SAINT BRUNO QUEBEC	25 Jan 2026	1.000	70	64
29	SAINTE BRIGITTE DE LAVAL QUE	23 Mar 2025	1.150	29	27

## Schedule of investment portfolio

as at December 31, 2022

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
<b>Bonds (continued)</b>					
<b>Bonds issued or guaranteed by a municipality (continued)</b>					
563	SALABERRY DE VALLEYFIELD QUE	2 Dec 2027	4.450	554	553
26	SALABERRY DE VALLEYFIELD QUE	29 Apr 2025	2.500	27	25
182	NOTRE DAME DES PRAIRIES QUEBEC	26 Aug 2025	1.150	181	165
65	SAINT PHILIPPE QUEBEC	22 Mar 2026	1.350	65	58
44	PAROISSE DE SAINT MALACHIE QUE	16 Mar 2026	1.250	44	39
67	REGIE DE GESTION DES MATIERES	20 Apr 2026	2.700	71	63
59	MUNICIPALITE REGL DE COMTE	29 Jun 2026	2.600	62	55
37	VILLE DE LEBEL SUR QUEVILLON	23 Aug 2025	1.200	37	34
50	VILLE DE RICHMOND QUEBEC	18 Feb 2025	1.950	51	47
38	LAC-BROME QUEBEC	21 Jul 2025	1.200	38	35
43	VILLE DE SAINT COLOMBAN QUEBEC	25 Aug 2025	1.050	42	39
62	BEAUPRE QUEBEC	9 Mar 2025	1.850	63	58
1,000	SAINT JOSEPH DE SOREL QUEBEC	26 Aug 2026	1.250	985	882
160	MUNICIPALITE REGIONALE DE COMT	30 Jun 2025	3.050	170	153
1,290	SAINT LIN LAURENTIDES QUEBEC	20 Dec 2027	4.250	1,284	1,258
266	MUNICIPALITE DE SAINT-PAUL QUE	15 Dec 2027	4.200	264	259
2,125	JOLIETTE QUEBEC	1 Dec 2027	4.500	2,086	2,095
3,127	RIMOUSKI QUEBEC	1 Dec 2027	4.500	3,069	3,084
4,140	RIVIERE-DU-LOUP QUEBEC	1 Dec 2027	4.600	4,086	4,100
363	DRUMMONDVILLE QUEBEC	2 Dec 2027	4.450	357	357
908	CHERTSEY QUEBEC	1 Dec 2027	4.500	891	895
205	SAINT MARTIN PAROISSE QUEBEC	8 Dec 2027	4.400	202	201
940	BEAUHARNOIS QUEBEC	9 Dec 2027	4.450	930	925
550	ST BASILE LE GRAND QUEBEC	8 Dec 2027	4.500	545	542
770	SAINT EUSTACHE QUEBEC	9 Dec 2027	4.450	762	758
760	SAINT EUSTACHE QUEBEC	9 Dec 2026	4.500	755	752
730	SAINT EUSTACHE QUEBEC	9 Dec 2025	4.550	725	723
570	SAINT GEORGES QUEBEC	8 Dec 2027	4.350	561	558
149	VAUDREUIL DORION QUEBEC	22 Nov 2027	4.800	151	149
2,263	SAINT AMBROISE DE KILDARE	15 Dec 2027	4.300	2,244	2,211
1,984	NICOLET QUEBEC	2 Sep 2026	1.200	1,728	1,746
346	MUNICIPALITE DE SAINT-FERREOL	15 Dec 2027	4.200	342	337
				<b>68,035</b>	<b>64,459</b>

### Bonds issued or guaranteed by a corporation

2,500	407 INTERNATIONAL INC	25 May 2032	2.590	2,164	2,113
1,810	407 INTERNATIONAL INC	27 Jul 2029	6.470	2,414	1,987
5,865	407 INTERNATIONAL INC	22 May 2025	1.800	5,559	5,497
2,700	407 INTERNATIONAL INC	16 May 2024	3.350	2,867	2,646
2,450	ALIMENTATION COUCHE-TARD INC	2 Jun 2025	3.600	2,394	2,374
800	ALIMENTATION COUCHE-TARD INC	26 Jul 2024	3.056	780	775
1,200	ALLIED PROPERTIES REIT	6 Feb 2032	3.095	1,200	946
640	ALLIED PROPERTIES REIT	15 Aug 2029	3.394	653	552
440	ALLIED PROPERTIES REIT	15 May 2028	3.131	440	387
270	ALLIED PROPERTIES REIT	8 Apr 2027	3.113	273	244

## Schedule of investment portfolio

as at December 31, 2022

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
<b>Bonds (continued)</b>					
<b>Bonds issued or guaranteed by a corporation (continued)</b>					
2,700	ALLIED PROPERTIES REIT	12 Feb 2026	1.726	2,525	2,393
5,300	ALTALINK L P	29 May 2026	2.747	5,407	5,005
865	ATHENE GLOBAL FUNDING REGS	9 Jun 2028	2.470	865	736
1,970	BANK OF MONTREAL	26 Nov 2082	7.325	1,970	1,965
494	BANK OF MONTREAL	27 Oct 2032	6.534	494	513
5,000	BANK OF MONTREAL	22 Jul 2031	1.928	4,349	4,397
9,000	BANK OF MONTREAL	17 Jun 2030	2.077	8,220	8,278
3,725	BANK OF MONTREAL	7 Dec 2027	4.709	3,725	3,675
11,500	BANK OF MONTREAL	1 Jun 2027	4.309	11,209	11,205
9,925	BANK OF MONTREAL	28 May 2026	1.551	9,012	8,878
9,000	BANK OF MONTREAL	3 Feb 2025	2.370	8,493	8,517
6,300	BANK OF MONTREAL	29 Jul 2024	2.280	6,387	6,032
8,300	BANK OF MONTREAL	6 Mar 2024	2.850	8,369	8,075
9,050	BANK OF NOVA SCOTIA	1 Nov 2027	1.400	8,128	7,698
11,000	BANK OF NOVA SCOTIA	3 Feb 2025	2.160	10,536	10,362
5,000	BANK OF NOVA SCOTIA	10 Jan 2025	1.950	4,775	4,700
3,900	BCI QUADREAL REALTY	24 Jun 2026	2.551	3,843	3,615
5,500	BCI QUADREAL REALTY	12 Mar 2024	1.056	5,347	5,242
325	BCIMC REALTY CORP	31 Mar 2027	3.000	344	303
2,575	BCIMC REALTY CORP	3 Jun 2025	2.840	2,705	2,455
2,071	BELL CANADA	10 Nov 2032	5.850	2,066	2,163
4,550	BELL CANADA	17 Mar 2031	3.000	3,888	3,913
3,175	BELL CANADA	14 May 2030	2.500	2,724	2,682
1,000	BELL CANADA	10 Sep 2029	2.900	879	883
3,905	BELL CANADA	29 May 2028	2.200	3,799	3,412
5,697	BELL CANADA	29 Sep 2027	3.600	5,694	5,395
1,100	BELL CANADA	16 Aug 2027	1.650	965	957
2,500	BELL CANADA	29 Jan 2025	2.750	2,399	2,388
3,887	BROOKFIELD ASSET MGMT INC	16 Mar 2027	3.800	3,743	3,690
714	BROOKFIELD RENEWABLE ENERGY	9 Nov 2032	5.880	714	742
654	BROOKFIELD RENEWABLE ENERGY	15 Jan 2029	4.250	686	628
1,307	BROOKFIELD RENEWABLE PARTNERS	15 Jan 2030	3.380	1,281	1,175
3,875	CANADIAN IMPERIAL BANK OF COMM	29 Jun 2027	4.950	3,901	3,868
5,000	CANADIAN IMPERIAL BANK OF COMM	7 Mar 2025	2.750	4,827	4,763
8,850	CANADIAN IMPERIAL BK OF COMM	7 Oct 2027	5.050	8,847	8,850
6,000	CANADIAN IMPERIAL BK OF COMM	19 Jan 2026	1.100	5,306	5,341
17,525	CANADIAN IMPERIAL BK OF COMM	17 Apr 2025	2.000	16,823	16,377
6,000	CANADIAN IMPERIAL BK OF COMM	28 Aug 2024	2.350	5,722	5,737
4,862	CDP FINANCIAL INC	2 Jun 2027	3.800	4,861	4,837
7,000	CDP FINANCIAL INC	19 Oct 2026	1.500	6,988	6,395
2,525	CHOICE PROPERTIES REIT	24 Jun 2032	6.003	2,525	2,591
3,430	CHOICE PROPERTIES REIT	4 Mar 2030	2.981	3,117	2,930
1,506	CHOICE PROPERTIES REIT	11 Jun 2029	3.532	1,574	1,354
1,100	CHOICE PROPERTIES REIT	21 May 2027	2.848	1,107	998
3,870	CHOICE PROPERTIES REIT	30 Nov 2026	2.456	3,619	3,485
1,850	CHOICE PROPERTIES REIT	10 Jan 2025	3.546	1,956	1,781
700	CT REIT	5 Feb 2029	3.029	700	611

## Schedule of investment portfolio

as at December 31, 2022

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
<b>Bonds (continued)</b>					
<b>Bonds issued or guaranteed by a corporation (continued)</b>					
1,900	CT REIT	1 Jun 2026	3.289	1,994	1,772
9,815	DOLLARAMA INC	26 Apr 2030	5.165	10,108	9,814
2,289	DOLLARAMA INC	9 Jul 2029	2.443	2,203	1,961
2,650	DOLLARAMA INC	20 Sep 2027	1.505	2,282	2,273
2,500	DOLLARAMA INC	27 Oct 2025	5.084	2,500	2,503
675	ENBRIDGE GAS INC	17 Aug 2032	4.150	673	642
3,167	ENBRIDGE GAS INC	1 Apr 2030	2.900	3,050	2,832
1,891	ENBRIDGE GAS INC	9 Aug 2029	2.370	1,926	1,656
1,788	ENBRIDGE INC	21 Sep 2033	3.100	1,785	1,446
1,986	ENBRIDGE INC	9 Nov 2032	6.100	1,985	2,086
1,525	ENBRIDGE INC	3 Oct 2029	2.990	1,333	1,337
10,091	ENBRIDGE INC	9 Nov 2027	5.700	10,531	10,345
7,850	ENBRIDGE INC	8 Jun 2027	3.200	7,618	7,286
1,588	ENBRIDGE PIPELINES INC	22 Feb 2029	3.520	1,457	1,464
3,075	ENERGIR INC	16 Apr 2027	2.100	2,887	2,799
3,525	FAIRFAX FINANCIAL HOLDINGS LTD	3 Mar 2031	3.950	3,476	3,084
1,904	FEDERATION DES CAISSES	23 Aug 2032	5.035	1,824	1,852
5,915	FEDERATION DES CAISSES	28 May 2031	1.992	5,207	5,231
11,875	FEDERATION DES CAISSES	10 Sep 2026	1.587	11,032	10,536
9,250	FEDERATION DES CAISSES	1 Oct 2025	5.200	9,245	9,275
125	GAZ METROPOLITAIN INC	16 May 2025	9.000	169	136
5,178	GRANITE REIT HOLDINGS LP	30 Aug 2028	2.194	5,178	4,385
672	GRANITE REIT HOLDINGS LP	4 Jun 2027	3.062	672	612
2,100	GREAT WEST LIFECO INC	31 Dec 2081	3.600	2,100	1,570
4,250	GREATER TORONTO AIRPORTS AUTH	3 Apr 2029	2.730	4,455	3,859
1,925	GREAT-WEST LIFECO INC	14 May 2030	2.379	1,925	1,623
950	GREAT-WEST LIFECO INC	28 Feb 2028	3.337	895	887
822	H&R REAL ESTATE INVT TR	19 Feb 2027	2.633	822	729
3,557	HYDRO ONE INC	17 Sep 2031	2.230	3,143	2,950
4,500	HYDRO ONE INC	28 Feb 2030	2.160	3,921	3,862
12,694	HYDRO ONE INC	27 Jan 2028	4.910	12,991	12,949
4,150	HYDRO ONE INC	24 Feb 2026	2.770	4,277	3,934
2,587	IA FINANCIAL CORP INC	30 Jun 2082	6.611	2,587	2,487
5,450	IA FINANCIAL CORPORATION INC	25 Feb 2032	3.187	5,396	4,963
924	IGM FINANCIAL INC	26 Jan 2027	3.440	935	864
1,200	INTACT FINANCIAL CORP	16 Dec 2030	1.928	1,200	959
300	INTACT FINANCIAL CORP	7 Jun 2027	2.850	314	277
1,300	INTACT FINANCIAL CORP	24 Mar 2025	3.691	1,300	1,263
1,000	INTACT FINANCIAL CORPORATION	18 May 2028	2.179	1,000	874
3,675	INTACT FINANCIAL CORPORATION	21 May 2024	1.207	3,479	3,480
3,800	LAURENTIAN BANK OF CANADA	3 Jun 2024	1.150	3,710	3,573
500	LOBLAW COMPANIES LTD	7 May 2030	2.284	500	418
1,515	LOBLAW COMPANIES LTD	11 Dec 2028	4.488	1,524	1,491
1,200	MANULIFE FINANCIAL CORP	19 Jun 2082	7.117	1,200	1,179
3,500	MANULIFE FINANCIAL CORP	13 May 2035	2.818	2,975	2,945
3,600	MANULIFE FINANCIAL CORP	12 May 2030	2.237	3,530	3,340
350	METRO INC	6 Dec 2027	3.390	319	329

## Schedule of investment portfolio

as at December 31, 2022

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
<b>Bonds (continued)</b>					
<b>Bonds issued or guaranteed by a corporation (continued)</b>					
4,938	NATIONAL BANK OF CANADA	16 Aug 2032	5.426	4,938	4,881
2,500	NATIONAL BANK OF CANADA	18 Aug 2026	1.573	2,246	2,285
8,350	NATIONAL BANK OF CANADA	15 Jun 2026	1.534	7,954	7,453
1,650	NATIONAL BANK OF CANADA	3 Feb 2025	2.580	1,592	1,567
7,140	NATIONAL BANK OF CANADA	12 Jul 2024	2.545	7,337	6,862
1,625	NORTH WEST REDWTR PARTNERSHIP	1 Jun 2031	2.800	1,357	1,383
3,642	NORTH WEST REDWTR PARTNERSHIP	1 Jun 2029	4.250	3,844	3,521
2,850	NORTH WEST REDWTR PARTNERSHIP	1 Jun 2027	2.800	2,721	2,634
4,717	NORTH WEST REDWTR PARTNERSHIP	24 Apr 2026	3.200	4,479	4,481
1,187	OMERS FINANCE TRUST	14 May 2029	2.600	1,180	1,087
1,121	OMERS FINANCE TRUST	21 Apr 2027	1.550	1,099	1,013
3,350	OMERS REALTY CORP	14 Nov 2028	5.381	3,350	3,441
3,925	OMERS REALTY CORP	4 Oct 2027	3.244	4,098	3,667
2,981	ONTARIO POWER GENERATION INC	8 Apr 2030	3.215	2,981	2,699
7,072	ONTARIO POWER GENERATION INC	4 Oct 2027	3.315	6,705	6,690
1,309	PEMBINA PIPELINE CORP	27 Mar 2028	4.020	1,399	1,243
4,600	PEMBINA PIPELINE CORP	15 Jun 2027	4.240	4,430	4,446
4,639	ROGERS COMMUNICATIONS INC	1 May 2029	3.250	4,610	4,139
1,600	ROGERS COMMUNICATIONS INC	31 Mar 2027	3.650	1,517	1,509
300	ROGERS COMMUNICATIONS INC	13 Mar 2024	4.000	319	295
1,000	ROYAL BANK OF CANADA	24 Nov 2080	4.500	1,000	922
5,772	ROYAL BANK OF CANADA	28 Jan 2033	1.670	5,275	4,774
6,300	ROYAL BANK OF CANADA	3 May 2032	2.940	5,579	5,642
4,500	ROYAL BANK OF CANADA	23 Dec 2029	2.880	4,244	4,262
6,850	ROYAL BANK OF CANADA	31 Jul 2028	1.833	5,865	5,820
3,525	ROYAL BANK OF CANADA	26 Jul 2027	4.612	3,525	3,477
5,617	ROYAL BANK OF CANADA	28 Jan 2027	2.328	5,248	5,071
4,000	ROYAL BANK OF CANADA	2 Nov 2026	5.235	4,000	4,032
9,700	ROYAL BANK OF CANADA	29 Sep 2025	3.369	9,236	9,293
6,500	ROYAL BANK OF CANADA	1 May 2025	1.936	6,449	6,063
725	ROYAL BANK OF CANADA	2 Jul 2024	2.352	696	696
2,100	SAPUTO INC	16 Jun 2027	2.242	2,104	1,872
800	SHAW COMMUNICATIONS INC	2 Nov 2028	4.400	741	765
1,100	SHAW COMMUNICATIONS INC	1 Mar 2027	3.800	1,157	1,041
2,100	SHAW COMMUNICATIONS INC	31 Jan 2024	4.350	2,245	2,073
3,263	SMARTCENTRES REIT	20 Dec 2029	3.526	2,814	2,826
1	SUMMIT INDUSTRIAL INCOME REIT	12 Jan 2027	2.250	1	1
7,483	SUN LIFE FINANCIAL INC	1 Oct 2035	2.060	6,308	5,883
3,434	SUN LIFE FINANCIAL INC	10 Aug 2034	4.780	3,394	3,312
1,791	SUN LIFE FINANCIAL INC	21 Nov 2033	2.800	1,791	1,563
5,450	SUN LIFE FINANCIAL INC	13 Aug 2029	2.380	5,204	5,177
-	SUN LIFE FINL INC	10 May 2032	2.580	-	-
956	TELUS CORP	15 Nov 2032	5.250	953	949
3,369	TELUS CORP	2 May 2029	3.300	3,208	3,056
10,794	TELUS CORP	8 Jul 2026	2.750	10,198	10,031
5,893	TELUS CORPORATION	13 Nov 2031	2.850	5,262	4,900
3,000	THE BANK OF NOVA SCOTIA	27 Jul 2082	7.023	3,000	2,926
12,768	THE BANK OF NOVA SCOTIA	3 May 2032	3.934	12,064	11,903

## Schedule of investment portfolio

as at December 31, 2022

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
<b>Bonds (continued)</b>					
<b>Bonds issued or guaranteed by a corporation (continued)</b>					
14,719	THE BANK OF NOVA SCOTIA	8 May 2026	5.500	14,864	14,939
1,325	TMX GROUP LIMITED	5 Jun 2028	3.779	1,327	1,262
2,875	TMX GROUP LTD	11 Dec 2024	2.997	2,828	2,760
1,000	TORONTO DOMINION BANK	31 Oct 2082	7.283	1,000	992
1,645	TORONTO DOMINION BANK	26 Jan 2032	3.060	1,593	1,495
2,800	TORONTO DOMINION BANK	4 Mar 2031	4.859	2,894	2,748
8,710	TORONTO DOMINION BANK	22 Apr 2030	3.105	8,330	8,248
3,200	TORONTO DOMINION BANK	8 Jan 2029	4.680	3,200	3,150
13,465	TORONTO DOMINION BANK	8 Mar 2028	1.888	11,739	11,595
10,618	TORONTO DOMINION BANK	27 Jan 2026	4.344	10,457	10,407
10,400	TORONTO DOMINION BANK	13 Mar 2025	1.943	10,028	9,737
2,800	TORONTO DOMINION BANK	8 Mar 2024	2.850	2,892	2,724
1,500	TORONTO-DOMINION BANK	1 Jun 2027	4.210	1,500	1,456
5,742	TORONTO-DOMINION BANK	2 Dec 2024	2.496	5,456	5,470
2,375	TRANSCANADA PIPELINES LIMITED	9 Jun 2031	2.970	2,065	1,997
1,305	TRANSCANADA PIPELINES LTD	18 Sep 2029	3.000	1,312	1,148
18,870	TRANSCANADA PIPELINES LTD	5 Apr 2027	3.800	18,278	17,991
2,600	WELLS FARGO & CO	18 Feb 2027	2.493	2,600	2,338
1,625	WELLS FARGO & CO	19 May 2026	2.975	1,552	1,513
615	BC GAS UTILITY LTD	21 Sep 2029	6.950	830	692
2,200	LOWER MATTAGAMI ENERGY LP	31 Oct 2033	4.854	2,275	2,220
615	LOWER MATTAGAMI ENERGY LP	21 Oct 2026	2.307	557	568
5,700	ONTARIO TEACHERS FINANCE TRUST	2 Jun 2032	4.450	5,682	5,790
7,394	ALTAGAS LTD	30 May 2028	2.075	6,465	6,311
4,625	ALTAGAS LTD	7 Apr 2026	4.120	4,464	4,469
3,275	ENERGIR LP	27 Sep 2032	4.670	3,298	3,243
1,000	LOBLAW COMPANIES LIMITED	13 Sep 2032	5.008	1,000	991
1,500	ALTALINK LP	28 Nov 2032	4.692	1,500	1,499
7,673	BROOKFIELD FINANCE II INC	14 Dec 2032	5.431	7,673	7,510
1,700	FAIRFAX FINL HOLDINGS LTD	16 Dec 2026	4.700	1,658	1,651
4,633	ENBRIDGE GAS DISTRIBUTION INC	11 Sep 2025	3.310	4,458	4,464
5,200	FEDERATION DES CAISSES DESJARD	19 May 2027	4.407	5,169	5,076
1,520	RIOCAN REAL ESTATE INVT TR	10 Mar 2027	2.361	1,520	1,327
1,677	PROLOGIS LP	15 Jan 2031	5.250	1,676	1,679
				711,648	688,729
<b>Total - Bonds</b>				983,000	941,952

## Schedule of investment portfolio

as at December 31, 2022

(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
<b>Equities</b>			
<b>Energy</b>			
373	CHEVRON CORP	80	91
5,997	ENBRIDGE INC	311	317
5,150	EOG RESOURCES INC	807	904
2,196	EXXON MOBIL CORP	238	328
1,320	IMPERIAL OIL LTD	69	87
15,078	TC ENERGY CORP	907	813
		<hr/>	<hr/>
		2,412	2,540
<hr/>			
<b>Materials</b>			
3,779	AGNICO EAGLE MINES LIMITED	260	266
744	AIR PRODUCTS AND CHEMICALS INC	276	311
17,453	AMCOR PLC	273	282
1,695	APTARGROUP INC	254	253
21,221	CCL INDUSTRIES INC	1,243	1,224
0	ECOLAB INC	-	-
7,672	FRANCO-NEVADA CORP	1,319	1,414
2,143	LINDE PLC	874	947
859	PEMBINA PIPELINE CORP	39	39
374	PPG INDUSTRIES INC	70	64
1,203	ROYAL GOLD INC	171	184
146	SHERWIN-WILLIAMS CO/THE	48	47
827	STELLA-JONES INC	33	40
90	STEPAN CO	14	13
3,593	WHEATON PRECIOUS METALS CORP	177	190
14,998	WINPAK LTD	623	630
7,409	BARRICK GOLD CORP	158	172
2,437	RICHARDS PACKAGING INCOME FD	112	105
16,636	TRIPLE FLAG PRECIOUS METALS	273	312
		<hr/>	<hr/>
		6,217	6,493
		<hr/>	<hr/>

## Schedule of investment portfolio

as at December 31, 2022

(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
<b>Equities (continued)</b>			
<b>Communication Services</b>			
7,118	ALPHABET INC	963	851
10,380	AMAZON.COM INC	1,464	1,181
955	AUTOMATIC DATA PROCESSING INC	267	309
5,306	BCE INC	321	315
2,449	COGECO COMMUNICATIONS INC	219	187
1,135	COGECO INC	84	72
1,311	JOHN WILEY & SONS INC	78	71
4,009	META PLATFORMS INC	800	654
648	NETFLIX INC	251	259
11,437	QUEBECOR INC	333	345
526	S&P GLOBAL INC	236	239
17,133	TELUS CORP	452	430
10,696	THOMSON REUTERS CORP	1,326	1,649
		<b>6,794</b>	<b>6,562</b>
<b>Utilities</b>			
2,491	AMERICAN STATES WATER CO	284	312
1,942	ATMOS ENERGY CORP	297	295
235	CALIFORNIA WATER SERVICE GROUP	18	19
1,728	CONSOLIDATED EDISON INC	215	223
3,416	EMERA INC	187	177
1,305	EVERSOURCE ENERGY	152	148
3,507	FORTIS INC	188	190
1,477	NEXTERA ENERGY INC	151	167
1,925	KEYERA CORP	57	57
		<b>1,549</b>	<b>1,588</b>
<b>Financials</b>			
15,726	ALTUS GROUP LTD	814	849
3,477	BANK OF MONTREAL	452	426
29,534	BANK OF NOVA SCOTIA	2,096	1,957
3,663	CANADIAN IMPERIAL BK OF COMM	218	200
4,313	CME GROUP INC	1,049	983
6,292	COLLIERS INTL GROUP INC	919	782
3,509	COMMERCE BANCSHARES INC/MO	297	323
240	COMMUNITY BANK SYSTEM INC	20	20
3,347	CULLEN/FROST BANKERS INC	560	606
13,056	DEFINITY FINANCIAL CORP	478	502
4,958	EQB INC	300	281
521	FACTSET RESEARCH SYSTEMS INC	262	283
8,338	IA FINANCIAL CORP INC	540	659

## Schedule of investment portfolio

as at December 31, 2022

(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
<b>Equities (continued)</b>			
<b>Financials (continued)</b>			
8,738	INTACT FINANCIAL CORP	1,464	1,702
6,385	INTERACTIVE BROKERS GROUP INC	557	626
37,582	MANULIFE FINANCIAL CORP	850	908
2,114	MARSH & MCLENNAN COS INC	458	474
1,683	MASTERCARD INC	762	793
10,938	NATIONAL BANK OF CANADA	996	998
1,711	PROSPERITY BANCSHARES INC	156	168
1,699	PUBLIC STORAGE	703	645
632	RLI CORP	95	112
3,811	ROYAL BANK OF CANADA	452	485
1,053	TMX GROUP LTD	143	143
4,598	TORONTO DOMINION BANK	369	403
		<b>15,010</b>	<b>15,328</b>
<b>Consumer Staples</b>			
1,629	ARCHER-DANIELS-MIDLAND CO	171	205
656	BROWN-FORMAN CORP	60	58
2,841	CHURCH & DWIGHT CO INC	321	310
1,558	CLOROX CO/THE	333	296
2,906	COLGATE-PALMOLIVE CO	296	310
21,310	EMPIRE CO LTD	751	760
4,668	HORMEL FOODS CORP	291	288
1,466	J M SMUCKER CO/THE	257	315
1,691	KIMBERLY-CLARK CORP	307	311
6,364	LAMB WESTON HOLDINGS INC	623	771
521	LANCASTER COLONY CORP	122	139
3,219	LOBLAW COMPANIES LTD	322	385
8,361	MAPLE LEAF FOODS INC	215	204
2,623	MCCORMICK & CO INC/MD	301	295
17,402	METRO INC	1,111	1,301
7,889	NORTH WEST CO INC (THE)	259	279
1,284	PEPSICO INC	277	314
13,991	PREMIUM BRANDS HOLDINGS CORP	1,296	1,150
1,528	PROCTER & GAMBLE CO/THE	282	314
26,840	SAPUTO INC	913	899
1,470	WESTON (GEORGE) LTD	204	246
		<b>8,712</b>	<b>9,150</b>

## Schedule of investment portfolio

as at December 31, 2022

(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
<b>Equities (continued)</b>			
<b>Consumer Discretionary</b>			
19,773	ALIMENTATION COUCHE-TARD INC	989	1,175
5,212	BOYD GROUP SERVICES INC	1,007	1,088
1,118	CANADIAN TIRE CORP LTD	162	158
42,926	D2L INC	294	278
2,463	DOLLARAMA INC	190	195
2,775	FIVE BELOW INC	569	665
23,420	GILDAN ACTIVEWEAR INC	872	863
13,698	MAGNA INTL INC	1,046	1,040
531	MCDONALD'S CORP	174	190
8,486	PET VALU HOLDINGS LTD	298	332
14,484	RESTAURANT BRANDS INTL INC	1,141	1,265
906	RITCHIE BROS AUCTIONEERS INC	69	71
20,269	STANTEC INC	1,108	1,311
1,122	TARGET CORP	222	227
3,912	TJX COS INC/THE	359	422
32,007	TRANSCONTINENTAL INC	522	488
6,396	UNI-SELECT INC	228	274
6,643	WALMART INC	1,267	1,276
828	WASTE CONNECTIONS INC	147	149
		<b>10,664</b>	<b>11,467</b>
<b>Health</b>			
1,783	ABBOTT LABORATORIES	247	265
1,424	ABBVIE INC	248	312
2,476	AMGEN INC	843	881
8,414	ANDLAUER HEALTHCARE GROUP INC	421	398
919	BECTON DICKINSON AND CO	312	317
17,511	CANADIAN NATIONAL RAILWAY CO	2,479	2,811
2,564	CANADIAN PACIFIC RAILWAY LTD	258	259
1,892	CARDINAL HEALTH INC	192	197
1,405	CHARLES RIVER LABORATORIES INT	435	414
39,692	CHARTWELL RETIREMENT RESIDENCE	352	331
3,852	DANAHER CORP	1,306	1,386
19,499	ENVISTA HOLDINGS CORP	967	889
1,319	JOHNSON & JOHNSON	289	316
2,028	MEDTRONIC PLC	258	214
		<b>8,607</b>	<b>8,990</b>

## Schedule of investment portfolio

as at December 31, 2022

(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
<b>Equities (continued)</b>			
<b>Industrials</b>			
1,704	3M CO	324	277
26,588	CAE INC	694	696
979	CATERPILLAR INC	263	318
1,751	CH ROBINSON WORLDWIDE INC	224	217
1,904	EXPEDITORS INTERNATIONAL OF WA	243	268
3,434	FASTENAL CO	223	220
2,062	FINNING INTERNATIONAL INC	66	69
1,117	GRACO INC	101	102
1,056	ILLINOIS TOOL WORKS INC	291	315
675	LINCOLN ELECTRIC HOLDINGS INC	118	132
402	MSA SAFETY INC	70	78
1,161	NORDSON CORP	351	374
7,150	RICHELIEU HARDWARE LTD	269	259
1,549	ROCKWELL AUTOMATION INC	496	541
19,939	SAVARIA CORP	290	279
50,965	SNC-LAVALIN GROUP INC	1,294	1,213
13,746	TECSYS INC	422	365
1,821	TOROMONT INDUSTRIES LTD	186	178
6,078	WASTE CONNECTIONS INC	1,073	1,092
7,341	WSP GLOBAL INC	975	1,151
229	WW GRAINGER INC	146	173
8,229	ATS CORPORATION	341	346
9,194	BROOKFIELD ASSET MGMT LTD	370	356
36,779	BROOKFIELD CORPORATION	1,688	1,562
		<b>10,518</b>	<b>10,581</b>

## Schedule of investment portfolio

as at December 31, 2022

(in thousands of Canadian \$)

<b>Technology</b>				
1,492	ADOBE INC	749	680	
168,012	ALITHYA GROUP INC	449	341	
3,069	ANALOG DEVICES INC	667	682	
4,501	APPLE INC	810	792	
351	BADGER METER INC	46	52	
12,968	CGI INC	1,311	1,509	
95	CONSTELLATION SOFTWARE INC	193	201	
57,813	COVEO SOLUTIONS INC	387	525	
12,811	DESCARTES SYS GROUP INC	1,012	1,206	
24,498	ENGHOUSE SYSTEMS LTD	925	880	
1,623	INTERNATIONAL BUSINESS MACHINE	284	310	
6,267	KINAXIS INC	913	951	
5,565	MICROSOFT CORP	1,841	1,806	
31,966	OPEN TEXT CORPORATION	1,432	1,280	
38,274	REAL MATTERS INC	187	160	
22,327	SHOPIFY INC	1,509	1,049	
42,715	SYLOGIST LTD	284	263	
2,124	TEXAS INSTRUMENTS INC	478	475	
490	TOPICUS.COM INC	34	35	
129,059	WECOMMERCE HOLDINGS LTD	341	245	
2,856	WORKDAY INC	646	647	
		14,498	14,089	
<b>Total - Equities</b>		84,981	86,788	
<b>Total - Schedule of investment portfolio</b>		1,147,619	1,108,104	

## **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 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 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 14, 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 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 Board of Directors on March 23, 2023.

## **2. Significant accounting policies**

### **Statement of compliance**

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) applicable as at December 31, 2022.

### **Basis of preparation**

These financial statements are prepared on a going concern and historical cost basis, except for certain financial instruments that have been measured at fair value at the end of each reporting period, as explained in the accounting policies described hereafter.

Assets and liabilities in the statements of financial position are listed in order of most liquid to least liquid. Financial assets are accounted for on the transaction date. The presentation currency of the financial statements is the Canadian dollar (CAN\$), which is also the Plan’s functional currency.

### **Investment entity**

The Plan satisfies the definition of investment entity set out in IFRS 10, *Consolidated Financial Statements*, since it meets the following conditions:

- the Plan obtains funds from multiple investors (subscribers) for the purpose of managing their savings;
- the Plan commits to its investors (subscribers) that its business purpose is to invest funds solely for returns from capital appreciation and investment income, in accordance with its mission;
- the Plan measures and evaluates the performance of its investments on a fair value basis.

Therefore, the Plan does not prepare consolidated financial statements.

## 2. Significant accounting policies (continued)

### Revenue recognition

- **Interest income for educational assistance payments**

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

- **Dividends**

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

### Recognition of expenses

- **Brokerage fees**

Brokerage fees paid to dealers represent a commission established by the dealer and usually ranges from \$0.01 to \$0.05 per share or bond purchased or sold.

- **Portfolio management fees**

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

- **Trustee fees**

Trustee fees represent a fixed annual amount established under agreements with trustees.

- **Custodian fees**

Fees paid to custodians represent 0.009% (0.009% in 2021) of the average annual assets under management. Transaction fees for the purchase and sale of securities are also charged.

- **Administration fee**

Administration fees paid to promoters and investment fund managers could not exceed 1.305% of the Plan's total assets under management since May 1, 2022. Pricing changed as follows:

- Between January 1, 2021 and June 30, 2021; cap = 1.18%.
- Between July 1, 2021 and April 30, 2022; cap = 1.35%
- **Since May 1, 2022; cap = 1.305%**

Any portion of the administration fee that is not required to maintain and develop the organization is deducted from any excess of revenues over expenses of Kaleido Growth Inc., and any surplus is returned to the Plans UNIVERSITAS, REFLEX and INDIVIDUAL (the "Plans") by reducing the rate of the administration fees.

- **Independent Review Committee fees**

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

### Financial instruments

- **Classification and measurement of financial assets**

At initial recognition, all financial assets are recorded at fair value in the statements of financial position. After initial recognition, financial assets must be classified as measured at fair value through other comprehensive income, at amortized cost, or at fair value through profit or loss. The Plan determines the classification based on the contractual cash flow characteristics of the financial assets and on the business model it uses to manage these financial assets.

## Notes

for the years ended December 31, 2022 and 2021

(in thousands of Canadian \$)

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## 2. Significant accounting policies (continued)

### Financial instruments (continued)

- **Classification and measurement of financial assets (continued)**

In addition, under the fair value option, a financial asset may be irrevocably designated at fair value through profit or loss at initial recognition if certain conditions are met. The Plan has not designated any asset under the fair value option.

- **Contractual cash flow characteristics**

For the purpose of classifying a financial asset, the Plan must determine whether the contractual cash flows associated with a financial asset are solely payments of principal and interest on the principal amount outstanding. The principal generally corresponds to the fair value of the financial asset at initial recognition. Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time, and for other basic lending risks and costs, as well as a profit margin. If the Plan determines that the contractual cash flows associated with a financial asset are not solely payments of principal and interest, the financial assets must be classified as measured at fair value through profit or loss.

- **Business model**

When classifying financial assets, the Plan determines the business model used for each portfolio of financial assets that are managed together to achieve a same business objective. The business model reflects how the Plan manages its financial assets and the extent to which the financial asset cash flows are generated by the collection of the contractual cash flows, the sale of the financial assets, or both. The Plan determines the business model using scenarios that it reasonably expects to occur. Consequently, the business model determination is a matter of fact and requires the use of judgment and consideration of all the relevant evidence available to the Plan at the date of determination.

A financial asset portfolio falls within a "hold to collect" business model when the Plan's primary objective is to hold these financial assets in order to collect contractual cash flows from them and not to sell them. When the Plan's objective is achieved both by collecting contractual cash flows and by selling the financial assets, the financial asset portfolio falls within a "hold to collect and sell" business model. Financial assets are measured at fair value through profit or loss if they do not fall within either a "hold to collect" business model or a "hold to collect and sell" business model.

The entire investment portfolio is now classified at fair value through profit or loss as the Plan's strategy, as described in the prospectus, and its decisions are based on the fair value of assets. Although the Plan collects contractual cash flows during the ownership of these assets, they are considered incidental and not essential to achieving the objectives of the Plan's business model. Since this model corresponds to another business model in accordance with IFRS 9, these financial assets are to be classified at fair value through profit or loss.

Cash, sales pending settlement, other accounts receivable, dividends receivable, interest receivable, CESG receivable and QESI receivable are recorded at amortized cost, since they are managed according to a business model for which the objective is to collect contractual cash flows that correspond solely to payments of principal and interest on the principal amount outstanding. At initial recognition, these assets are recorded at fair value and are subsequently measured at amortized cost using the effective interest method. The assets are presented net of provisions for credit losses (PCLs), if any, in the statements of financial position.

At the end of each reporting period, the Plan applies a three-stage impairment approach to measure the expected credit losses (ECLs) on all debt instruments measured at amortized cost. The ECL model is forward-looking. Measurement of ECLs at each reporting period reflects reasonable and supportable information about past events, current conditions, and forecasts of future events and economic conditions. Any initial and subsequent impairment must be recognized in profit or loss.

The ECL three-stage impairment approach is based on the change in the credit quality of financial assets since initial recognition. If, at the reporting date, the credit risk of financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and a provision for credit losses is recorded in an amount equal to 12-month expected credit losses. When there is a significant increase in credit risk since initial recognition, these financial instruments are migrated to Stage 2, and a provision for credit losses in an amount equal to lifetime expected credit losses is recorded. For trade and other accounts receivable that have no significant financing component, the Plan uses the simplified method, so the provision for credit losses corresponds to an amount equal to lifetime expected credit losses.

## **2. Significant accounting policies (continued)**

### **Financial instruments (continued)**

- **Business model (continued)**

In subsequent reporting periods, if the credit risk of a financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the ECL model requires reverting to Stage 1. When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and a provision for credit losses equal to lifetime expected credit losses continues to be recorded or the financial asset is written off. Interest income is calculated on the gross carrying amount for financial assets in Stages 1 and 2 and on the net carrying amount for financial assets in Stage 3.

Purchases pending settlement, accounts payable and other liabilities, as well as QESI refundable are classified as financial liabilities at amortized cost. Upon initial recognition, these liabilities are recorded at fair value and are subsequently measured at amortized cost using the effective interest method.

### **Cash**

Cash consists of deposits made in financial institutions.

### **Sales and purchases pending settlement**

Sales pending settlement are investments sold with a transaction date prior to year-end 2022 but a settlement date in 2023. Purchases pending settlement are investments purchased with a transaction date prior to year-end 2022 but a settlement date in 2023.

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

The QESI is generally received in the month of May following the tax year in which the contributions were received. As of the reporting date of the financial statements, the QESI amount receivable is estimated based on all subscriber contributions made during the year ended December 31, 2022. This amount is estimated by first applying the methodology of the basic grant. If a subscriber is eligible for the additional grant, a supplementary grant amount receivable is then estimated in accordance with the applicable methodology. The total basic grant and the total additional grant are subject to the annual and lifetime limits, which are also factored into the estimated amount of QESI receivable.

### **Net assets attributable to contracts**

The net assets attributable to contracts represent a financial liability resulting from a unique contract, and the Plan provides a breakdown of this liability according to its use, i.e., subscriber savings, sales charge refund obligation at maturity, EAP account, CESG, QESI or accumulated income on the CESG and QESI.

### **Subscriber savings**

The subscriber savings account consists of the contributions received from subscribers, excluding sales charges. The Plan guarantees the refund of savings to subscribers at all times.

### **Sales charge refund obligation at maturity (SCROM)**

The subscriber savings account consists of the contributions received from subscribers, excluding sales charges. The Plan guarantees the refund of savings to subscribers at all times.

In 2021, the Plan has retained an independent actuary to determine the value of the SCROM.

Management assesses this value based on the sales charges applicable to the Plan. The assumptions used to determine the value of the SCROM reflect management's best estimates regarding future payments to subscribers and include economic and non-economic assumptions. The non-economic assumptions include considerations such as the termination of the Plans before maturity. The main economic assumption is the discount rate. The latter corresponds to the weighting of the assumptions for net rate of return of equities and bonds, according to the directives of the investment policy applicable to the SCROM.

## Notes

for the years ended December 31, 2022 and 2021

(in thousands of Canadian \$)

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## 2. Significant accounting policies (continued)

### Financial instruments (continued)

- **EAP account**

The educational assistance payment (EAP) account consists of the net investment income accumulated on subscriber savings over time, net of the EAPs paid and the portion of net income used to refund sales charges. This account may be used only to issue EAPs, and the EAPs cannot exceed the sum in the eligible beneficiary group's EAP account.

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

Since January 1, 1998, the Government of Canada has been adding 20% to contributions made to a registered education savings plan (RESP), up to the eligible limits, by a subscriber who meets all the Canada Education Savings Program (CESP) requirements and submits the necessary information to the Plan. The annual CESG limit is set at \$500 per beneficiary (i.e.,  $\$2,500 \times 20\% = \$500$ ). Moreover, since January 1, 2005, the CESG rate that applies to the first \$500 of the annual RESP contribution increased from 20% to 40% for beneficiaries whose adjusted family net income in 2022 does not exceed \$50,197 and to 30% for beneficiaries whose adjusted family net income in 2022 falls between \$50,198 and \$100,392. These amounts are indexed every year. Beneficiaries born on or after January 1, 2004, from financially eligible families also qualify for the Canada Learning Bond (CLB), which consists of an initial payment of \$500 into the beneficiary's RESP. Subsequently, this beneficiary can also qualify for additional CLB payments of \$100 each year of eligibility for a maximum of 15 years. The grant is paid as part of the EAPs made to the beneficiary.

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

On February 20, 2007, the Government of Quebec introduced the Quebec Education Savings Incentive (QESI), a program to

encourage education savings that took the form of a refundable tax credit paid directly in an RESP opened with an RESP provider offering the QESI. The grant's annual limit is set at \$250 per beneficiary (i.e.,  $\$2,500 \times 10\% = \$250$ ). Moreover, the QESI rate on the first \$500 contributed annually to an RESP is 20% for beneficiaries whose adjusted family net income in 2022 does not exceed \$46,295. The rate is 15% for beneficiaries whose 2022 adjusted family net income falls between \$46,296 and \$92,580. These amounts are indexed each year. The credit applies as of the 2007 taxation year to contributions to RESPs after February 20, 2007, for a calendar year after 2006. The cumulative QESI lifetime limit per beneficiary is set at \$3,600. The grant is paid as part of the EAPs made to the beneficiary.

### Taxation

The Plan is a trust under a registered education savings plan (RESP) and is exempted from filing a Trust Income Tax Return. Therefore, the Plan does not recognize income tax expenses.

### Calculation of educational assistance payment (EAP) amounts per unit

EAP amounts per unit are calculated as at January 1 by determining the adjusted fair market value (AFMV) available to the beneficiary group eligible for EAPs as of this date.

The effect of this methodology is to amortize gains (losses) on investments over a four-year period, thereby protecting EAP amounts per unit from any major market fluctuations. For the period between September 30, 2022 and January 1, 2023 (between November 30, 2021 and January 1, 2022), the net return generated by the securities of the portfolio in which the EAP account is invested is added. The amount of EAPs paid during this same period is also deducted, thereby establishing the AFMV as at January 1. The latter is then distributed among the units held by the beneficiaries eligible to receive an EAP by applying a claim factor. This way, only a portion of these units is considered, since some beneficiaries will not meet the requirements to qualify for EAPs.

An independent actuary issued an actuarial certificate regarding the methodology and assumptions used to calculate the EAP amounts per unit payable between January 15, 2021 and December 31, 2021.

## Notes

for the years ended December 31, 2022 and 2021

(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, 2022, 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.

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

	December 31, 2022	December 31, 2021
Short-term investments	79,364	77,319
Bonds	941,952	876,014
Equities	86,788	179,346
	<b>1,108,104</b>	<b>1,132,679</b>

### 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. Other accounts receivable

	Notes	December 31, 2022	December 31, 2021
Amount receivable from Kaleido Foundation	9	-	3,421
		-	3,421

### 7. Accounts payable and other liabilities

	Notes	December 31, 2022	December 31, 2021
Amount payable to Kaleido Growth Inc.	9	1,345	1,418
Amount payable to Kaleido Foundation	9	60	-
Accumulated income on grants for payment to a designated educational institution		44	372
Other		344	438
		<b>1,793</b>	<b>2,228</b>

## Notes

for the years ended December 31, 2022 and 2021

(in thousands of Canadian \$)

### 8. Sales charge refund obligation at maturity (SCROM)

	December 31, 2022	December 31, 2021
Discounted value of the SCROM	75,794	79,054
Non-discounted value of the SCROM	102,965	101,356

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	December 31, 2022	December 31, 2021
Discount rate applied	4.04%	2.97 %
Increase of 1.0%	(5,130)	(5,757)
Decrease of 1.0%	5,683	6,421

### 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.

#### Kaleido Foundation

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

Administration fee	December 31, 2022	December 31, 2021
Kaleido Growth Inc.	16,595	15,669
	16,595	15,669

Amount receivable (payable)	December 31, 2022	December 31, 2021
Kaleido Growth Inc.	(1,345)	(1,418)
Kaleido Foundation	(60)	3,421
	(1,405)	2,003

### 10. 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.
- Ensuring the refund of sales charges at maturity.
- Achieving a maximum net return while maintaining an appropriate degree of risk to reach satisfactory EAP amounts per unit.

## **10. Capital management (continued)**

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 year ended December 31, 2022, 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.

During the year ended December 31, 2022, 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.

## **11. 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.

## Notes

for the years ended December 31, 2022 and 2021

(in thousands of Canadian \$)

### 11. Financial instruments (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 December 31, 2022	Level 1	Level 2	Level 3	Total
Short-term investments	58,311	21,053	-	79,364
Bonds	-	941,952	-	941,952
Equities	86,788	-	-	86,788
	145,099	963,005	-	1,108,104

As at December 31, 2021	Level 1	Level 2	Level 3	Total
Short-term investments	41,064	36,255	-	77,319
Bonds	-	876,014	-	876,014
Equities	179,346	-	-	179,346
	220,410	912,269	-	1,132,679

Over the course of the years ended December 31, 2022, and December 31, 2021, 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

for the years ended December 31, 2022 and 2021

(in thousands of Canadian \$)

### 11. Financial instruments (continued)

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

- **Credit risk (continued)**

As at December 31, 2022 and as at December 31, 2021, 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*	
	December 31, 2022	December 31, 2021
	%	%
AAA	1.8	0.8
AA	27.1	71.1
A	47.3	16.4
BBB	23.8	11.7

\* 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.

The following table presents the contractual maturities of the Plan's financial liabilities as at December 31, 2022, assuming the subscribers claim their savings at contract maturity (subscribers are also entitled to claim these at any time by cancelling part or all of their units):

Maturity	Purchases pending settlement	Accounts payable and other liabilities	QESI refundable	Net assets attributable to contracts	Total
2023 <sup>(1)</sup>	576	1,793	1,194	239,684	243,247
2024				98,824	98,824
2025				105,017	105,017
2026				98,499	98,499
2027				97,224	97,224
2028				102,763	102,763
2029				90,978	90,978
2030				82,182	82,182
2031				67,156	67,156
2032				54,016	54,016
2033				39,076	39,076
2034				23,782	23,782
2035				13,063	13,063
2036				7,376	7,376
2037				3,583	3,583
2038				1,477	1,477
2039				76	76
	576	1,793	1,194	1,124,776	1,128,339

\* Includes beneficiary groups with plans that reached maturity before 2023

## Notes

for the years ended December 31, 2022 and 2021

(in thousands of Canadian \$)

### 11. Financial instruments (continued)

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

- Liquidity risk (continued)**

The following table presents the contractual maturities of the Plan's financial liabilities as at December 31, 2021, assuming the subscribers claim their savings at contract maturity (subscribers are also entitled to claim these at any time by cancelling part or all of their units):

Maturity	Purchases pending settlement	Accounts payable and other liabilities	QESI refundable	Net assets attributable to contracts	Total
2022 <sup>(1)</sup>	4,139	2,228	1,212	202,575	210,154
2023				94,876	94,876
2024				99,459	99,459
2025				105,560	105,560
2026				98,100	98,100
2027				96,503	96,503
2028				101,449	101,449
2029				88,809	88,809
2030				79,245	79,245
2031				63,592	63,592
2032				50,060	50,060
2033				35,058	35,058
2034				20,183	20,183
2035				10,045	10,045
2036				4,901	4,901
2037				1,958	1,958
2038				410	410
	4,139	2,228	1,212	1,152,783	1,160,362

\* Includes beneficiary groups with plans that reached maturity before 2022

- 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. At December 31, 2022, the Plan had \$175.8 in U.S. currency (\$213.5 at December 31, 2021) representing \$238.1 in cash (\$269.7 at December 31, 2021). The Plan also had \$25.6K in U.S. equity (\$47.2K at December 31, 2021) representing \$34.6K in investments (\$59.6K at December 31, 2021). Lastly, The Plan had \$48.2 in dividends receivable in U.S. currency (\$81.1 as at December 31, 2021), representing \$64.8 in dividends receivable (\$102.5 as at December 31, 2021) sales pending settlement receivable of \$381.8 in U.S. currency (\$2.1K as at December 31, 2021), representing \$517.3K in assets (\$2.7K as at December 31, 2021) and purchases pending settlement of \$161.7 in U.S. currency (\$1.4K as at December 31, 2021), representing \$219.1 in liabilities (\$1.8K as at December 31, 2021).

## Notes

for the years ended December 31, 2022 and 2021

(in thousands of Canadian \$)

### 11. 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 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, future prospects and risk based on the very nature of the Plan.

As at December 31, 2022, 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 \$39.4M (\$43M as at December 31, 2021). In practice, actual results may differ materially from this analysis.

Investments that present interest rate risk are as follows:

	December 31, 2022	December 31, 2021
	%	%
Maturing in less than one year	7.8	8.1
Maturing in one to five years	51.1	43.8
Maturing after five years	41.1	48.1

- **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 \$8.7M as at December 31, 2022 (\$17.9M as at December 31, 2021) 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	December 31, 2022	December 31, 2021
	%	%
Energy	2.9	3.4
Materials	7.5	9.3
Communication Services	7.6	2.6
Utilities	1.8	3.6
Financials	17.7	20.9
Consumer Staples	10.5	17.7
Consumer Discretionary	13.2	10.0
Health	10.4	4.3
Industrials	12.2	14.3
Technology	16.2	13.9

## Notes

for the years ended December 31, 2022 and 2021

(in thousands of Canadian \$)

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### 11. 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	December 31, 2022	December 31, 2021
Gross financial assets	1,596	2,305
Financial liabilities offset	(175)	(185)
	1,421	2,120

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.

### 12. Economic situation

The consequences of the pandemic, the Russian invasion in Ukraine and the Chinese zero tolerance policy towards Covid (leading to numerous shortages) have weighed heavily in the slowdown of the world economy in 2022. This has led to strong inflationary pressure with multiple rate hikes in a relatively short period of time and a de facto effect on prices. All of these factors have had an impact on the Plan's annual return on both variable income securities (correlated to market fluctuations) and fixed income securities, whose bond market had a disastrous year.

The Plan continues to manage its assets in accordance with established investment and risk policies.

**Scholarship Agreements (unaudited)**  
as at December 31, 2022  
(in thousands of Canadian \$)

Group	Number of units as at Dec. 31 2021	Number of subscribed units	Number of cancelled or expired units	Number of units as at Dec. 31 2022	Subscribers' Savings	Sales Charge Refund Obligation at Maturity	EAP Account	CESG and Accumulated Income on CESG	QESI and Accumulated Income on QESI
2023	66,019	130	(1,758)	64,390	138,024	8,100	24,665	51,506	17,389
2024	23,534	152	(184)	23,502	59,338	4,165	3,966	23,462	7,893
2025	29,252	211	(268)	29,195	64,426	4,936	1,918	25,258	8,479
2026	33,629	255	(337)	33,547	61,854	5,405	(1,390)	24,469	8,161
2027	42,810	312	(456)	42,667	62,386	6,560	(4,959)	24,920	8,317
2028	51,587	410	(640)	51,356	66,923	7,541	(6,940)	26,417	8,822
2029	51,560	464	(805)	51,219	59,807	7,158	(7,237)	23,315	7,935
2030	53,016	534	(924)	52,627	54,221	6,971	(7,549)	21,191	7,348
2031	49,994	689	(1,033)	49,649	44,227	6,218	(7,076)	17,648	6,139
2032	46,855	726	(1,145)	46,436	35,263	5,493	(6,449)	14,633	5,076
2033	40,722	762	(1,064)	40,420	25,121	4,499	(5,377)	11,065	3,768
2034	31,466	769	(1,058)	31,178	14,660	3,250	(3,875)	7,362	2,385
2035	22,959	632	(942)	22,648	7,762	2,190	(2,647)	4,365	1,393
2036	18,168	722	(777)	18,114	4,057	1,605	(1,839)	2,687	866
2037	13,960	976	(579)	14,357	1,690	1,106	(1,191)	1,492	486
2038	7,546	2,738	(395)	9,889	598	597	(615)	690	207
2039	-	1,451	(63)	1,388	-	-	-	59	17
	<b>583,077</b>	<b>11,933</b>	<b>(12,428)</b>	<b>582,582</b>	<b>700,357</b>	<b>75,794</b>	<b>(26,595)</b>	<b>280,539</b>	<b>94,681</b>

**Educational assistance payments (unaudited)**  
for the years ended December 31, 2022 and 2021  
(in Canadian \$)

As at December 31, 202 <sup>(1)(2)</sup>	Year of qualification <sup>(5)</sup>	Units	EAP unit value	Total
			\$	\$
	2022	4,964.716	335	1,663,180
	2021	5,018.828	335	1,681,307
	2020	2,622.850	335	878,655
	2019	1,254.234	335	420,168
	2018	448.111	335	150,117
	2017	212.499	335	71,187
	2016	78.223	335	26,205
	2015	26.983	335	9,039
	2014	28.737	335	9,627
	2013	2.504	335	839
	2012	5.232	335	1,753
	2011	3.771	335	1,263
	2010	1.829	335	613
	2009	1.829	335	613
Experience refunds <sup>(3)</sup>		6,898.329	79	544,968
Grants and their income paid				14,874,442
Other income paid				82,818
				20,416,793

<sup>(1)</sup> The EAP unit amount does not include government grants or the income earned thereon.

<sup>(2)</sup> The EAP unit amounts are established on July 1 of each year.

<sup>(3)</sup> The insurance experience refund is payable only for units purchased before December 8, 2009 and for which the subscriber paid premiums for the mandatory life and disability insurance. Before 2014, this refund was included in the EAP unit amount since all qualified beneficiaries were entitled to it.

<sup>(4)</sup> The "Other income paid" item refers to income received from other promoters and income on savings after plan maturity.

<sup>(5)</sup> Since July 1, 2014, a freeze on the second and third EAP has been applied. This means that, if a beneficiary qualifies for a first EAP, he or she will receive the unit value of the second and third EAP calculated for the current year of qualification, regardless of when the beneficiary applies for it. Prior to July 1, 2014, any beneficiary who qualified for a second or third EAP received the unit amount in force at the time of application.

**Educational assistance payments (unaudited)**  
for the years ended December 31, 2022 and 2021  
(in Canadian \$)

As at December 31, 202 <sup>(1)(2)</sup>	Year of qualification <sup>(5)</sup>	Units	EAP unit value \$	Total \$
	2021	3,298.180	387	1,276,396
	2020	3,252.943	387	1,258,889
	2019	1,695.862	387	656,299
	2018	612.059	387	236,867
	2017	343.873	387	133,079
	2016	127.962	387	49,521
	2015	31.553	387	12,211
	2014	42.376	387	16,400
	2013	12.207	387	4,724
	2012	6.909	387	2,674
	2011	3.280	387	1,269
	2010	1.499	387	580
	2009	-	387	-
Experience refunds <sup>(3)</sup>		4,946.551	85	420,457
Grants and their income paid				11,437,920
Other income paid				76,337
				15,583,623

<sup>(1)</sup> The EAP unit amount does not include government grants or the income earned thereon.

<sup>(2)</sup> The EAP unit amounts are established on July 1 of each year.

<sup>(3)</sup> The insurance experience refund is payable only for units purchased before December 8, 2009 and for which the subscriber paid premiums for the mandatory life and disability insurance. Before 2014, this refund was included in the EAP unit amount since all qualified beneficiaries were entitled to it.

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