KALEIDO

Financial statements

INDIVIDUAL Plan

For the years ended December 31, 2020 and 2019

The INDIVIDUAL Plan

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Independent Auditor's Report

To the subscribers of
the INDIVIDUAL Plan

Opinion

We have audited the financial statements of the INDIVIDUAL Plan (the "Plan"), which comprise the statements of financial position as at December 31, 2020 and 2019, 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, 2020 and 2019, 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 and will 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Benoit Patry.

/s/ Deloitte LLP[1]

Quebec City, Quebec

March 25, 2021

[1] CPA auditor, CA, public accountancy permit No. A110092

Statements of financial position

(in thousands of Canadian $)

	Notes	**December 31, 2020**	December 31, 2019
Assets			
Cash	8	**471**	174
Sales pending settlement		**39**	-
Other accounts receivable	7	**2,230**	941
Dividends receivable		**16**	31
Interest receivable		**89**	69
Canada Education Savings Grant (CESG) receivable	10	**1,114**	1,045
Quebec Education Savings Incentive (QESI) receivable		**1,223**	867
Investments	4	**38,327**	30,089
		43,509	33,216
Liabilities			
Purchases pending settlement		**2**	23
Accounts payable and other liabilities	6	**128**	96
Quebec Education Savings Incentive (QESI) refundable		**121**	113
		251	232
Net assets attributable to contracts		**43,258**	32,984

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.

KALEIDO
Individual Plan

Statements of net income and comprehensive income

for the years ended December 31 (in thousands of Canadian $)	Notes	**2020**	2019
Revenues from ordinary activities			
Interest income for educational assistance payments		**443**	445
Dividends		**246**	286
Realized gain on disposal of investments		**949**	375
Change in unrealized gain on investments		**1,019**	1,059
		2,657	2,165
Operating expenses			
Brokerage fee		**18**	11
American tax fees		**6**	-
Portfolio management fees		**36**	22
Trustee fee		**1**	-
Custodian fee		**24**	16
Administration fee	7	**393**	320
Independent Review Committee fee		**1**	1
		479	370
Net income and comprehensive income attributable to contracts		**2,178**	1,795

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 $)

	Subscribers' savings	EAP account	CESG	Accumulated income CESG	QESI	Accumulated income QESI	Total
Net assets as at December 31, 2019	15,604	784	9,743	3,324	2,974	555	32,984
Net income and comprehensive income	-	865	-	1,054	-	259	2,178
Increase							
Subscribers' savings	12,505	-	-	-	-	-	12,505
Transfers between plans	234	-	281	61	56	8	640
Grants received from the government	-	-	2,834	-	1,238	-	4,072
Transfers from other promoters	-	-	2	-	-	-	2
	12,739	-	3,117	61	1,294	8	17,219
Decrease							
Refund of savings at maturity	(6,985)	-	-	-	-	-	(6,985)
Grants returned to the government	-	-	-	-	(14)	-	(14)
Transfers to other promoters	-	-	(15)	(5)	-	-	(20)
Grants and income on grants	-	-	(1,188)	(154)	(496)	(39)	(1,877)
Outflow of accumulated income on grants for payments to a designated educational institution	-	(4)	-	(1)	-	-	(5)
Accumulated income payment (AIP)	-	(5)	-	-	-	-	(5)
Educational assistance payments (EAPs)	-	(217)	-	-	-	-	(217)
	(6,985)	(226)	(1,203)	(160)	(510)	(39)	(9,123)
Net assets as at December 31, 2020	21,358	1,423	11,657	4,279	3,758	783	43,258

Statements of changes in net assets attributable to contracts

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

	Subscribers' savings	EAP account	CESG	Accumulated income CESG	QESI	Accumulated income QESI	Total
Net assets as at December 31, 2018	12,228	638	7,756	2,145	2,324	294	25,385
Net income and comprehensive income	-	246	-	1,263	-	286	1,795
Increase							
Subscribers' savings	8,979	-	-	-	-	-	8,979
Transfers between plans	694	-	611	109	126	17	1,557
Grants received from the government	-	-	2,456	-	959	-	3,415
Outflow of accumulated income on savings	-	11	9	-	1	-	21
	9,673	11	3,076	109	1,086	17	13,972
Decrease							
Refund of savings at maturity	(6,297)	-	-	-	-	-	(6,297)
Grants returned to the government	-	-	-	-	5	-	5
Transfers to other promoters	-	-	(11)	(4)	-	(1)	(16)
Grants and income on grants	-	-	(1,078)	(183)	(441)	(33)	(1,735)
Outflow of accumulated income on grants for payments to a designated educational institution	-	(1)	-	(6)	-	(8)	(15)
Accumulated income payment (AIP)		(22)	-	-	-	-	(22)
Educational assistance payments (EAPs)	-	(88)	-	-	-	-	(88)
	(6,297)	(111)	(1,089)	(193)	(436)	(42)	(8,168)
Net assets as at December 31, 2019	15,604	784	9,743	3,324	2,974	555	32,984

KALEIDO
Individual Plan

Statements of cash flows

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

	2020	2019
Cash flows from operational activities		
Income received		
Interest	**422**	419
Dividends	**253**	279
	675	698
Operating expenses paid		
Brokerage fee	**(18)**	(11)
American tax fees	**(6)**	-
Portfolio management fees	**(32)**	(21)
Trustee fee	**(1)**	-
Custodian fee	**(20)**	(17)
Administration fee	**(387)**	(313)
Independent Review Committee fee	**(1)**	(1)
	(465)	(363)
Other operational activities		
Disposal of investments	**46,441**	21,749
Acquisition of investments	**(52,748)**	(27,978)
	(6,307)	(6,229)
Net cash flows used in operational activities	**(6,097)**	(5,894)
Cash flows from financing activities		
Savings received	**11,215**	9,500
Savings paid to other promoters	**(1)**	(2)
Refunds of savings to subscribers	**(6,987)**	(6,279)
CESG and income on CESG received	**2,747**	2,115
QESI and income on QESI received	**882**	630
QESI and income on QESI paid	**(6)**	(90)
Transfers between plans	**640**	1,557
Educational assistance payments (EAPs)	**(2,096)**	(1,846)
Net cash flows from financing activities	**6,394**	5,585
Net increase (decrease) in cash	**297**	(309)
Cash, beginning of year	**174**	483
Cash, end of year	**471**	174

Schedule of investment portfolio

as at December 31, 2020
(in thousands of Canadian $)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Short-term investments					
7,214	Cash	-	-	7,214	7,214
520	Province of Quebec	1 Dec 2021	4.250	552	540
75	City of Boucherville	28 Sep 2021	2.000	74	76
53	City of Alma	23 Aug 2021	1.850	52	53
52	City of Sainte Catherine	23 Apr 2021	2.050	52	52
50	Société de transport de l'Outaouais	9 Nov 2021	3.850	53	51
50	City of Beaconsfield	26 Jul 2021	1.750	49	50
50	City of Varennes	3 Aug 2021	1.800	49	50
50	City of Val-d'Or	1 Dec 2021	0.600	50	50
43	City of Saint-Constant	23 Aug 2021	1.850	42	43
40	City of Saint-Jean-sur-Richelieu	22 Jun 2021	1.650	39	40
37	City of Kirkland	2 Feb 2021	2.050	36	37
27	Cash sweep	-	-	27	27
25	City of Magog	2 Oct 2021	2.650	25	25
25	Société de transport de l'Outaouais	9 Nov 2021	1.800	25	25
25	City of Granby	6 Jul 2021	1.750	25	25
25	Transit in Quebec City	18 Nov 2021	0.550	25	25
20	City of Sept-Îles	25 Sep 2021	2.050	20	20
20	City of Longueuil	13 Jul 2021	1.850	20	20
20	City of Saint-Jean-sur-Richelieu	11 Jun 2021	1.950	20	20
19	Municipality of La Prairie	8 Sep 2021	1.850	19	19
15	Regional Municipality of Niagara	24 Jul 2021	1.950	15	15
10	City of Lévis	4 Jun 2021	2.050	10	10
Total - Short-term investments				8,493	8,487
Bonds					
Bonds issued or guaranteed by the Government of Canada					
585	Canada Housing Trust	15 Mar 2024	1.318 (floating)	586	588
Bonds issued or guaranteed by a Canadian province					
1,415	Province of Ontario	2 Jun 2023	2.850	1,479	1,499
1,150	Province of Quebec	1 Dec 2022	3.500	1,222	1,220
1,075	Province of Ontario	2 Jun 2028	2.900	1,149	1,217
820	Province of Quebec	1 Sep 2025	2.750	898	898
800	Province of Ontario	8 Mar 2022	1.350	811	811
575	Province of Ontario	1 Feb 2027	1.850	578	609
400	Province of Quebec	13 Feb 2027	1.850	400	424
370	Province of Ontario	2 Jun 2026	2.400	377	401
400	Province of Ontario	2 Dec 2030	1.350	398	400
310	Province of Ontario	2 Jun 2024	3.500	335	341
225	Province of Quebec	1 Sep 2028	2.750	236	254
100	Province of Quebec	22 Feb 2024	2.250	100	106
55	Province of Ontario	2 Jun 2022	3.150	57	57

Schedule of investment portfolio

as at December 31, 2020
(in thousands of Canadian $)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a Canadian province (continued)					
25	Province of Manitoba	2 Jun 2028	3.000	25	28
25	Province of Alberta	1 Sep 2022	1.600	25	26
				8,090	8,291
Bonds issued or guaranteed by a municipality					
223	Société de transport de l'Outaouais	11 Apr 2023	2.550	232	233
200	City of Saint-Jean-sur-Richelieu	17 Jun 2025	1.300	200	202
200	Transit in Quebec City	18 Nov 2025	1.000	198	199
175	City of Val-d'Or	1 Dec 2025	1.000	172	174
150	Régie d'assainissement des eaux Terrebonne-Mascouche	9 Sep 2025	1.000	147	150
150	City of Brossard	5 Nov 2025	0.950	148	149
140	City of Mascouche	7 Oct 2025	0.950	139	139
106	Réseau de transport de Longueil	17 Dec 2024	2.100	110	111
110	City of Beloeil	15 Oct 2025	0.950	109	109
100	Transit in Quebec City	18 Nov 2024	0.900	99	100
75	Société de transport de Lévis	9 Jul 2025	1.200	74	76
75	City of Sainte-Marthe-Sur-Le-Lac	9 Sep 2025	1.100	75	75
69	City of Sainte Catherine	23 Apr 2022	2.100	68	70
50	City of St-Hyacinthe	17 Oct 2022	2.900	49	52
50	City of Magog	2 Oct 2022	2.750	49	52
50	City of Saguenay	20 Apr 2022	1.850	49	51
50	City of Brossard	5 Nov 2022	0.700	50	50
50	City of Val-d'Or	1 Dec 2022	0.700	50	50
50	City of Brossard	5 Nov 2023	0.800	50	50
50	City of Val-d'Or	1 Dec 2023	0.800	50	50
50	City of Brossard	5 Nov 2024	0.900	50	50
50	City of Val-d'Or	1 Dec 2024	0.900	50	50
50	City of Mascouche	7 Oct 2024	0.800	50	50
40	City of Brossard	25 Jul 2023	2.900	40	42
39	City of Beloeil	7 May 2023	2.200	39	40
31	City of Sainte Catherine	23 Apr 2023	2.200	31	32
30	City of Sorel-Tracy	11 Jun 2023	2.100	30	31
30	TransLink	3 Jul 2030	1.600	30	31
25	City of Toronto	21 May 2024	3.400	25	27
25	City of Longueuil	19 Jul 2023	2.800	25	26
25	Transit in Quebec City	18 Nov 2023	0.800	25	25
25	Transit in Quebec City	18 Nov 2022	0.650	25	25
20	City of Sept-Îles	25 Sep 2023	2.150	20	21
20	City of Saint-Jean-sur-Richelieu	11 Jun 2023	2.100	20	21
20	City of Sept-Îles	25 Sep 2022	2.100	20	20
20	City of Saint-Jean-sur-Richelieu	11 Jun 2022	2.000	20	20
20	City of Mascouche	7 Oct 2023	0.700	20	20

Schedule of investment portfolio

as at December 31, 2020
(in thousands of Canadian $)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a municipality (continued)					
15	City of Candiac	31 Jul 2023	2.750	15	16
10	City of Lévis	4 Jun 2023	2.200	10	10
10	Société de transport de l'Outaouais	12 Sep 2023	1.950	10	10
10	Regional Municipality of Niagara	24 Jul 2022	1.950	10	10
10	City of Lévis	4 Jun 2022	2.100	10	10
10	Société de transport de l'Outaouais	12 Sep 2022	1.900	10	10
10	City of Beloeil	15 Oct 2024	0.850	10	10
				2,713	2,749
Bonds issued or guaranteed by a corporation					
400	Toronto-Dominion Bank	13 Mar 2025	1.943	408	417
325	Canadian Imperial Bank of Commerce	5 Dec 2022	2.470	333	337
250	Bank of Montreal	29 Jul 2024	2.280	260	263
210	Fédération des caisses Desjardins du Québec	11 Sep 2023	3.056	219	224
200	Royal Bank of Canada	26 Sep 2023	3.296	211	214
175	Greater Toronto Airport Authority	3 Apr 2029	2.730	183	193
170	National Bank of Canada	12 Jul 2024	2.545	176	180
175	Royal Bank of Canada	20 Jan 2026	3.310	177	175
150	Altalink, L.P.	29 May 2026	2.747	156	163
148	Lower Mattagami Energy L.P.	20 Jun 2024	3.416	162	162
150	Toronto Hydro Corporation	10 Apr 2023	2.910	156	157
150	Canadian Imperial Bank of Commerce	17 Apr 2025	2.000	150	156
150	The Bank of Nova Scotia	1 May 2023	2.380	156	156
140	Enbridge Inc.	8 Jun 2027	3.200	147	153
125	Shaw Communications Inc.	31 Jan 2024	4.350	135	137
130	Saputo Inc.	16 Jun 2027	2.242	132	136
100	OMERS Realty Corporation	4 Oct 2027	3.244	108	113
100	Hydro One Inc.	24 Feb 2026	2.770	107	109
100	CT Real Estate Investment	1 Jun 2026	3.289	106	108
100	407 International Inc.	16 May 2024	3.350	106	108
100	bcIMC Realty Corporation	3 Jun 2025	2.840	105	108
100	National Bank of Canada	4 Mar 2024	2.983	103	107
100	Choice Properties Real Estate Investment Trust	21 May 2027	2.848	103	107
100	Bank of Montreal	6 Mar 2024	2.850	103	106
100	Canadian Tire Corporation Ltd.	6 Jul 2023	3.167	104	106
100	Wells Fargo & Company	18 Feb 2027	2.493	100	106
100	Bell Canada	22 Mar 2023	3.350	103	105
100	Manulife Financial Corporation	12 May 2030	2.237	100	104
100	The Bank of Nova Scotia	8 Nov 2022	2.360	102	103

Schedule of investment portfolio

as at December 31, 2020
(in thousands of Canadian $)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a corporation (continued)					
100	National Bank of Canada	18 Mar 2022	2.105	101	102
100	Bank of Montreal	1 Jun 2026	3.320	101	101
90	TELUS Corporation	8 Jul 2026	2.750	92	97
70	The Bank of Nova Scotia	20 Jun 2025	8.900	91	93
80	Toronto-Dominion Bank	22 Apr 2030	3.105	80	86
80	Alimentation Couche-Tard Inc.	1 Nov 2022	3.899	85	85
75	The Bank of Nova Scotia	18 Jan 2029	3.890	78	81
75	Great-West Lifeco Inc.	14 May 2030	2.379	75	79
75	Sun Life Financial Inc.	1 Oct 2035	2.060	75	76
60	Epcor Utilities Inc.	19 May 2023	1.299	60	61
50	TransCanada Pipelines Ltd.	5 Apr 2027	3.800	50	56
50	Intact Financial Corp.	24 Mar 2025	3.691	50	55
50	Rogers Communications Inc.	13 Mar 2024	4.000	53	55
50	Choice Properties Real Estate Investment Trust	10 Jan 2025	3.546	53	54
50	TMX Group Inc.	11 Dec 2024	2.997	51	54
50	TELUS Corporation	1 Apr 2024	3.350	52	54
50	Sun Life Financial Inc.	10 May 2032	2.580	50	54
50	OMERS Realty Corporation	22 Sep 2023	1.298	50	51
50	Bell Canada	16 Aug 2027	1.650	50	51
50	Intact Financial Corp.	16 Dec 2030	1.928	50	50
40	Rogers Communications Inc.	1 May 2029	3.250	39	44
40	Énergir	16 Apr 2027	2.100	40	42
35	Royal Bank of Canada	24 Nov 2080	4.500	35	37
30	Shaw Communications Inc.	1 Mar 2027	3.800	31	34
30	407 International Inc.	22 May 2025	1.800	30	31
30	Royal Bank of Canada	30 Jun 2030	2.088	30	31
25	Enbridge Gas Inc.	1 Apr 2030	2.900	25	28
25	Allied Properties Real Estate Investment Trust	15 Aug 2029	3.394	25	27
25	Loblaw Companies Ltd.	7 May 2030	2.284	25	26
20	Allied Properties Real Estate Investment Trust	15 May 2028	3.131	20	21
15	Royal Bank of Canada	1 May 2025	1.936	15	16
10	Loblaw Companies Ltd.	11 Dec 2028	4.488	12	12
10	TMX Group Inc.	5 Jun 2028	3.779	11	12
10	Allied Properties Real Estate Investment Trust	8 Apr 2027	3.113	10	11
				6,206	6,380
Total - Bonds				17,595	18,008

KALEIDO
Individual Plan

Schedule of investment portfolio

as at December 31, 2020
(in thousands of Canadian $)

Par value	Security	Cost	Carrying amount
Equities			
Energy			
3,539	Enbridge Inc.	149	144
3,420	Parkland Fuel Corporation	106	138
1,762	Eog Resources Inc.	116	112
1,278	TC Energy Corp.	77	66
		448	460
Materials			
551	Linde plc	154	185
		154	185
Communication Services			
10,980	TELUS Corporation	258	276
2,843	BCE Inc.	165	155
		423	431
Utilities			
4,211	Fortis Inc.	212	218
3,408	Brookfield Renewable partners	133	187
2,498	Brookfield Infrastructure Finance Limited	157	157
5,114	Hydro One Limited	131	146
5,602	Algonquin Power & Utilities Corp.	106	117
		739	825
Financials			
4,357	Royal Bank of Canada	392	455
741	Mastercard Inc.	301	337
4,341	Toronto-Dominion Bank	268	312
309	BlackRock Inc.	225	284
4,948	Brookfield Asset Management Inc.	222	259
1,694	Intact Financial Corp.	208	255
2,244	Cullen/Frost Inc.	221	249
2,991	The Bank of Nova Scotia	174	205
3,855	Canadian Apartment Properties REIT	196	192
2,254	Granite Real Estate Investment Trust	148	175
517	Public Storage	150	152
2,167	Sun Life Financial Inc.	106	122
1,969	IA Financial corp Inc.	106	108

Schedule of investment portfolio

as at December 31, 2020
(in thousands of Canadian $)

Par value	Security	Cost	Carrying amount
Equities (continued)			
Financials (continued)			
1,079	Interactive Brokers Group Inc.	72	84
321	CME Group Inc.	87	74
582	TMX Group Inc.	74	74
822	National Bank of Canada	46	59
200	Intact Financial Corp.	27	27
		3,023	3,423
Consumer Staples			
1,849	Pepsico Inc.	342	349
1,934	The TJX Companies Inc.	140	169
5,503	Maple Leaf Foods	153	155
2,527	Metro Inc.	138	143
1,079	Premium Brands Holdings Corporation	99	109
207	The Estee Lauder Companies Inc.	54	70
339	George Weston Ltd.	33	32
497	Loblaw Companies Ltd.	34	31
		993	1,058
Consumer Discretionary			
1,804	Thomson Reuters Corporation	157	188
4,925	Quebecor Inc.	147	161
6,271	Shaw Communications Inc.	144	140
		448	489
Industrials			
2,113	Waste Connections Inc.	279	276
2,007	Groupe WSP Global Inc.	162	241
1,728	Canadian National Railway Company	192	241
1,357	Allegion plc	195	201
722	Toro	74	87
		902	1,046

Schedule of investment portfolio

as at December 31, 2020
(in thousands of Canadian $)

Par value	Security	Cost	Carrying amount
Equities (continued)			
Technology			
114	Amazon.com Inc.	396	473
1,648	Microsoft Corporation	383	467
216	Constellation Software Inc.	305	356
1,703	Apple Inc.	167	288
1,523	Proofpoint Inc.	230	265
103	Alphabet Inc. Class A	205	230
359	Adobe Inc.	190	229
629	FaceBook Inc.	171	219
994	Texas Instruments Inc.	169	208
242	Netflix Inc.	135	167
659	Activision Blizzard Inc.	63	78
24	Booking Holdings Inc.	56	68
401	Topicus.com Inc.	2	2
		2,472	3,050
Health			
1,203	Danaher Corporation	251	341
890	Charles River Laboratories	277	283
823	Amgen	240	241
		768	865
Total - Equities		10,370	11,832
Total - Schedule of investment portfolio		36,458	38,327

Notes
for the years ended December 31, 2020 and 2019
(in thousands of Canadian $)

1. General information about the Plan

The INDIVIDUAL Plan (the “Plan”) is a trust maintained by declaration of trust pursuant to the Civil Code of Quebec. It is governed by a trust agreement (the “Agreement”) concluded on July 9, 2010, between the Kaleido Foundation (the “Foundation”), Eterna Trust Inc. and Kaleido Growth Inc. The latter acts as the investment fund manager of the INDIVIDUAL Plan promoted by the Foundation. The Plan’s head office and principal place of business is located at 1035 Wilfrid-Pelletier Avenue, Suite 500, Quebec City (Quebec) G1W 0C5.

The INDIVIDUAL Plan is an individual scholarship plan intended for beneficiaries of all ages. Eligible studies that qualify for the Educational Assistance Payment (EAP) are general or technical, full-time or part-time post-secondary educational programs (college, community college or university) 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 EAPs that a beneficiary is eligible to receive are dependent on the revenues generated by the investments made by the portfolio managers. The Plan invests in equities of Canadian companies, debt securities issued or guaranteed by a Canadian government and Canadian treasury short-term debt securities.

The release of these financial statements was authorized by the Board of Directors on March 25, 2021.

2. Significant accounting policies

Statement of compliance

These financial statements are prepared in accordance and compliance with International Financial Reporting Standards (IFRS) applicable as at December 31, 2020.

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, from the most liquid to the least liquid. Financial assets are accounted for on transaction date. The presentation currency of the financial statements is the Canadian dollar (CAN$), which is the Plan’s functional currency.

Investment entity

The Plan satisfies the investment entity definition of IFRS 10, *Consolidated financial statements*, investment entities: Exception to consolidation, since it meets the following conditions:

- the Plan obtains funds from 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**

The 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. The interest income is accrued on a time basis, with reference to the outstanding principal and the effective interest rate.

- **Dividends**

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

Recognition of expenses

- **Brokerage fee**

The brokerage fee paid to the dealer is a commission established by the dealer and usually ranges from $0.01 to $0.05 per share purchased or sold.

- **Portfolio management fees**

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

- **Trustee fee**

The trustee's fee is a fixed annual amount established under an agreement with the trustee.

- **Custodian fee**

The custodian's fee represents 0.009% (0.009% in 2019) of the average total assets under management. Transaction fees for the purchase and sale of securities are also charged.

- **Administration fee**

The administration fee paid to the promoter and investment fund manager cannot exceed 1.18% (1.18% in 2019) of the total assets under management. Any portion of the administration fee that is not required to maintain and develop Kaleido Growth Inc. is deducted from any excess in revenue over company expenditures, and any surplus is returned to the Plans UNIVERSITAS, REFLEX and INDIVIDUAL (the "Plans") by reducing the rate of the administration fee.

- **Independent Review Committee ("IRC") fee**

The Independent Review Committee fee comprises the compensation paid to the IRC members in the form of attendance fees for their 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 statement 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.

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 an asset under the fair value option.

2. Significant accounting policies (continued)

Financial instruments (continued)

- **Contractual Cash Flow Characteristics**

For the purpose of classifying a financial asset, the Plan must determine whether the contractual cash flows associated with the 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. The business model determination is a matter of fact and requires the use of judgment and consideration of all the relevant evidence available 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. In this type of business model, collecting contractual cash flows and selling financial assets are both integral components to achieving the Plan’s objective for this portfolio. 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 described in the prospectus and the 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 should be classified at fair value through profit or loss.

Cash and cash equivalents, sales pending settlement, other receivables, dividends receivable, interest receivable, CESG receivable and QESI receivable are recorded at amortized cost, since they are managed according to an economic model for which the objective is to collect contractual cash flows that correspond only 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 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 non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and an allowance for credit losses is recorded and measured (at each reporting date) at an amount equal to 12-month expected credit losses. When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and an allowance for credit losses measured (for each reporting period) at an amount equal to lifetime expected losses is recorded. For debts that have no significant financing component, the Plan uses the simplified method, so the allowance for credit losses correspond 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 the 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, i.e., recognition of 12-month expected credit losses. 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 an allowance for credit losses equal to lifetime expected losses continues to be recorded or the financial asset is written off. The 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 bank deposits made in other financial institutions.

Sales and purchases pending settlement

Sales pending settlement are investments sold with a transaction date in 2020 but a settlement date in 2021. Purchases pending settlement are investment purchased with a transaction date in 2020 but a settlement date in 2021.

Quebec Education Savings Incentive (QESI) receivable

The QESI is generally received in May following the tax year the contributions were made by subscribers. As at the reporting date of the financial statements, the QESI amount receivable is estimated based on all subscriber contributions made during the annual reporting period ended December 31, 2020. 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 QESI receivable.

Net assets attributable to contracts

The net assets attributable to contracts are a financial liability resulting from a unique contract and the Plan details the composition of this liability, according to its use, i.e. subscribers' savings, EAP account, CESG, QESI or accumulated income on the CESG and QESI.

- **Subscribers' savings**

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

- **EAP account**

The educational assistance payment (EAP) account consists of the Plan’s net investment income accumulated on subscribers’ savings over time, after deduction of the EAPs made to beneficiaries. This account may only be used to issue EAPs and these cannot exceed the EAP account of the contract.

2. Significant accounting policies (continued)

Financial instruments (continued)

Net assets attributable to contracts (continued)

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

Since January 1, 1998, the Government of Canada adds 20% to each dollar invested in a Registered Education Savings Plan (RESP) by a subscriber who meets all the Canada Education Savings Program (CESP) requirements and submits the necessary information. The annual CESG limit is set at $500 per beneficiary (i.e. $2,500 x 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 2020 does not exceed $49,020 and to 30% for beneficiaries whose adjusted family net income in 2020 falls between $49,020 and $98,040. These amounts are indexed every year. Beneficiaries born on or after January 1, 2004, from families who meet the financial criteria established by the federal government 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 which took the form of a refundable tax credit paid directly in the RESP opened with a provider offering the QESI. The grant's annual limit is set at $250 per beneficiary (i.e., $2,500 x 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 2020 does not exceed $44,545. The rate is 15% for beneficiaries whose 2020 adjusted family net income falls between $44,546 and $89,080. 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 $3,600s. 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.

3. Significant accounting judgments, estimates and assumptions

In the application of the Plan's accounting policies, as described in Note 2 of financial statements for the year ended December 31, 2020, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 Quebec education savings incentive (QESI) receivable.

Notes
for the years ended December 31, 2020 and 2019
(in thousands of Canadian $)

4. Investments

	December 31, 2020	December 31, 2019
Short-term investments	**8,487**	10,596
Bonds	**18,008**	10,169
Equities	**11,832**	9,324
	38,327	30,089

5. Current assets and liabilities

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

6. Accounts payable and other liabilities

	Notes	**December 31, 2020**	December 31, 2019
Amount payable to Kaleido Growth Inc.	7	**62**	28
Accumulated income on grants for payment to a designated educational institution		**59**	53
Other		**7**	15
		128	96

7. Related party transactions

Kaleido Growth Inc.

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

Kaleido Foundation

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

Administration fee	**2020**	2019
Kaleido Growth Inc.	**387**	315
Kaleido Foundation	**6**	5
	393	320

(in thousands of Canadian $)

7. Related party transactions (continued)

Kaleido Foundation (continued)

Amount receivable (payable)	**December 31, 2020**	December 31, 2019
Kaleido Growth Inc.	**(62)**	(28)
Kaleido Foundation	**2,230**	941

8. Additional information relating to the statements of cash flows

For the purposes of the statements of cash flows, cash includes cash on hand with financial institutions. Cash, at the end of the annual reporting period and as presented in the statements of cash flows, may be reconciled to the items in the statements of financial position as follows:

Cash	**December 31, 2020**	December 31, 2019
Cash	**471**	174

9. Capital management

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

- Preserving the value of the subscriber's savings and government grants;
- Achieving a maximum net investment return while maintaining an appropriate degree of risk to reach satisfactory EAP values.

In order to meet these objectives, the portfolio managers have a mandate to optimize total returns through high-quality investments, diversification and strategic asset allocation, security selection, duration management and credit analysis. The Plan reviews and revises its policies and procedures regularly.

For the year ended December 31, 2020, the following policies and procedures were applied:

- Subscribers' savings: The Plan commits to refund subscribers' savings and to invest the savings solely in fixed-income securities guaranteed by a Canadian government or bonds issued or guaranteed by a corporation before plan maturity. After plan maturity, the Plan invests exclusively in money-market securities guaranteed by a Canadian government or held as 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 currently invested entirely in Canadian equities. The government grants received on or after April 20, 2012, are invested entirely in government bonds guaranteed by a Canadian government.
- Grants earnings and EAP account: The target asset allocation for these funds is 100% Canadian equities.
- For individual plans established following a transfer from a group plan at maturity, the sums held as part of the contract are invested in cash or cash equivalents, as these sums may be withdrawn at any time.

During the year ended December 31, 2020, 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.

9. Capital management (continued)

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 requirement concerning its capital.

10. Financial instruments

Fair value

- **Establishing fair value**

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

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

The fair value of equity investments is established from 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 through the use of current industry-specific valuation methods, such as a model whose application is based on discounting the expected future cash flows or similar techniques. These methods take into account current observable data on the market for financial instruments with a similar risk profile and comparable terms. The important data used in these models include, but are not limited to, yield curves and credit risks.

- **Fair value hierarchy**

For financial reporting, fair value measurements are classified in accordance with a hierarchy (levels 1-2-3). This classification is based on the level at which input data concerning fair value measurements 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 have 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. as prices) or indirectly (i.e. derived from prices). For example, inputs such as yield curves and indices.
- Level 3 - Valuation using inputs for assets or liabilities that are not based on observable market data (unobservable inputs). For example, private investment valuations by investment fund managers.

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

Notes

for the years ended December 31, 2020 and 2019

(in thousands of Canadian $)

10. Financial instruments (continued)

Fair value (continued)

- **Fair value hierarchy (continued)**

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

As at December 31, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Short-term investments	**7,241**	**1,246**	**-**	**8,487**
Bonds	**-**	**18,008**	**-**	**18,008**
Equities	**11,832**	**-**	**-**	**11,832**
	19,073	**19,254**	**-**	**38,327**

As at December 31, 2019	Level 1	Level 2	Level 3	Total
Short-term investments	9,285	1,311	-	10,596
Bonds	-	10,169	-	10,169
Equities	9,324	-	-	9,324
	18,609	11,480	-	30,089

Over the course of the years ended December 31, 2019 and 2018, there was no 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 other price risk, currency risk and interest rate risk. The Plan's overall risk management program seeks to maximize the returns achieved without exposing subscribers' savings to undue risks and by minimizing potential adverse impacts on financial performance. All investments present a risk of loss of capital. The main risks stemming from financial instruments to which the Plan is exposed and the main actions taken to manage these are the following:

- **Credit risk**

The Plan is exposed to credit risk, which is the possibility of incurring financial losses resulting from the inability of a company, an issuer or counterparty to meet its financial commitments to the Plan. The Plan's exposure to the 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 subscribers' savings and a portion of the government grants received prior to April 20, 2012, the Plan only selects securities issued by the Government of Canada, a provincial government, a municipality or a corporation guaranteed by a government. 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 fair value of the fixed-income securities entrusted to the portfolio manager. A minimum BBB rating is required when purchasing.

(in thousands of Canadian $)

10. Financial instruments (continued)

Risk management related to financial instruments (continued)

- **Credit risk (continued)**

As at December 31, 2020, and as at December 31, 2019, the Plan invested in fixed-income securities that are neither past due nor impaired, and presented the following credit rating:

	Percentage of total debt securities*	
Credit rating	**December 31, 2020**	December 31, 2019
	%	%
AAA	**3.2**	15.5
AA	**53.7**	63.9
A	**34.3**	19.0
BBB	**8.8**	1.6

*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**

This risk pertains to the Plan's ability to meet its commitments in terms of financial liabilities and therefore, its capacity to carry out payments as required. The Plan is exposed to daily refunds to subscribers, who are entitled to request the refund of their savings at any time. However, the majority of subscribers hold their investment until the contract's maturity date. The liquidity risk is noticeably reduced by the fact that the subscribers' savings are invested only 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 Plan's contractual maturities of financial liabilities as at December 31, 2020, assuming the subscribers claim their savings at contract maturity (they are also entitled to claim these in full 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**
2020	**2**	**128**	**121**	**43,258**	**43,509**

- **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 other price risk. Certain parameter changes in financial markets influence the Plan's statements of financial position and comprehensive income. The Plan considers these risks when deciding on the global distribution of its assets. More specifically, market risk is reduced through portfolio diversification, meaning the Plan holds a portfolio that includes several asset categories (money market, bond and stock exchange), diverse products with varying risk profiles (participative or fixed-income securities) and multiple market sectors (government, municipal, energy, materials, communication services, utilities, financials, consumer staples, consumer discretionary and industrials).

Notes
for the years ended December 31, 2020 and 2019
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10. Financial instruments (continued)

Risk management related to financial instruments (continued)

- **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 United States dollars (USD) and when the Plan has US currency in its cash. As of December 31, 2020, the Plan had USD 15.1 (USD 14.7 as of December 31, 2019) representing $20.0 ($19.1 as of December 31, 2019) in cash. The Plan also had shares in USD for a total of USD 4.0M (nil as of December 31, 2019) representing $5.3M in investments. Finally, the Plan had USD 3.5 in dividends receivable (nil as at December 31, 2019) representing $4.5 in dividends receivable.

- **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. Maturity allocation of bonds is regularly adjusted based on the anticipated movement of interest rates, 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, 2020, a change of 100 basis points in the interest rates on the market, assuming a parallel shift in the yield curve with all other variables remaining constant, would cause the fair value of the bonds held in the Plan's investment portfolio, the net income, the comprehensive income and the net assets attributable to contracts to change by approximately $0.7M ($0.4M as at December 31, 2019). In practice, actual results may differ materially.

The Plan's bond portfolio by maturity date is distributed as follows:

	December 31, 2020	December 31, 2019
	%	%
Maturing in less than one year	**41.2**	51.0
Maturing in one to five years	**58.8**	38.7
Maturing after five years	**28.6**	10.3

- **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 its issuer, or factors affecting all similar financial instruments traded in the market. The stock exchange 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 large-cap securities, which reduces risk. The market index related to equities is the S&P/TSX. A 10% variation in the market index, with all other variables held constant, would create a change of approximately $1.2M as at December 31, 2020 ($0.9M as at December 31, 2019), 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. Sensitivity analysis on the fair value of bonds and Treasury bills is described in the "Interest rate risk" section.

Notes
for the years ended December 31, 2020 and 2019
(in thousands of Canadian $)

10. Financial instruments (continued)

Risk management related to financial instruments (continued)

- **Concentration risk**

The concentration risk arises from the concentration of positions within a given category, whether a geographical location, a product type, an market sector or a 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, 2020**	December 31, 2019
	%	%
Energy	**3.9**	12.4
Materials	**1.6**	5.0
Communication Services	**3.6**	12.7
Utilities	**7.0**	11.5
Financials	**28.9**	48.8
Consumer Staples	**8.9**	3.2
Consumer Discretionary	**4.1**	3.3
Health	**7.3**	0.0
Industrials	**8.8**	3.1
Technology	**25.9**	0.0

- **Offsetting**

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

Canada Education Savings Grant (CESG) receivable	**December 31, 2020**	December 31, 2019
Gross financial assets	**1,133**	1,077
Financial liabilities offset	**(19)**	(32)
	1,114	1,045

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.

11. COVID-19

Since the first quarter of calendar 2020, global financial markets have experienced, and may continue to experience, significant volatility resulting from the spread of a novel coronavirus known as COVID-19. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. All of this may impact the Plan’s performance and the Plan continues to manage its assets within investment and risk parameters that have been established.

The duration and full impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. As a result, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Plan in future periods.

KALEIDO
Individual Plan

Scholarship Agreements (unaudited)
as at December 31, 2020
(in thousands of Canadian $)

Number of units as at Dec. 31, 2019	Number of subscribed units	Number of cancelled or expired units	Number of units as at Dec. 31, 2020	Subscrivers' Savings	EAP Account	CESG and Accumulated d Income on CESG	QESI and Accumulated d Income on QESI
7,680	**3,160**	**(1,390)**	**9,450**	**21,358**	**1,423**	**15,936**	**4,541**

Educational assistance payments (unaudited)

for the years ended December 31, 2020 and 2019

(in thousands of Canadian $)

EAP Issued	December 31, 2020	December 31, 2019
EAPs excluding government grants and income accrued on them	**222**	103

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