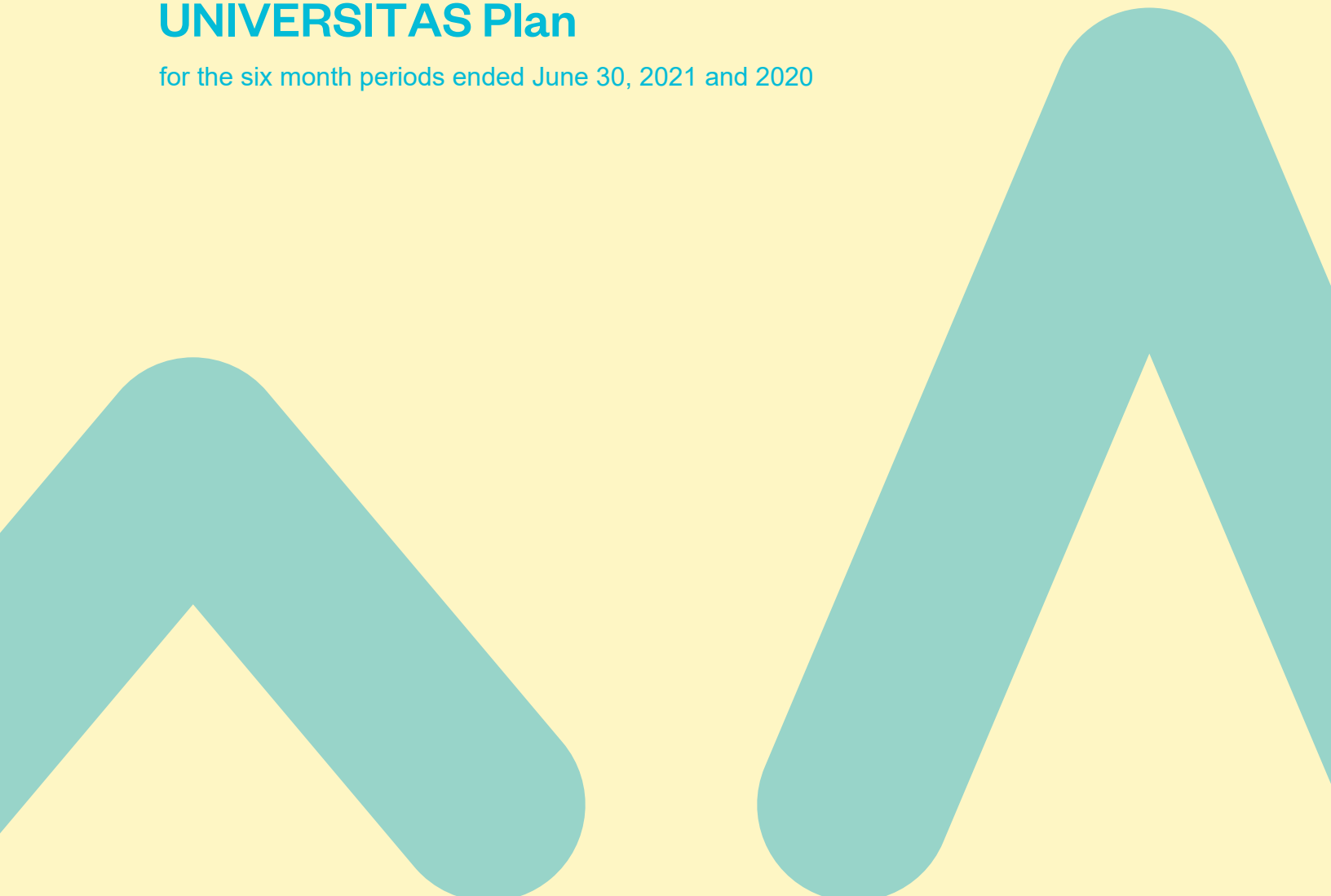


Unaudited condensed interim

Financial statements

UNIVERSITAS Plan

for the six month periods ended June 30, 2021 and 2020



KALEIDO

The UNIVERSITAS Plan

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**Statements of financial position
condensed interim unaudited**

(in thousands of Canadian \$)

	Notes	June 30, 2021	December 31, 2020
Assets			
Cash		1,445	1,099
Sales pending settlement		2,912	22,550
Other accounts receivable	6	346	-
Dividends receivable		300	346
Interest receivable		2,301	2,345
Canada Education Savings Grant (CESG) receivable	11	354	603
Quebec Education Savings Incentive (QESI) receivable		1,234	2,590
Investments	4, 11	663,683	667,658
		672,575	697,191
Liabilities			
Purchases pending settlement		3,025	22,475
Accounts payable and other liabilities	7	1,009	5,292
Quebec Education Savings Incentive (QESI) refundable		292	373
		4,326	28,140
Net assets attributable to contracts		668,249	669,051

The notes are an integral part of these unaudited condensed interim financial statements.

Statements of net income and comprehensive income

condensed interim unaudited

for the six month periods ended June 30

(in thousands of Canadian \$)

	Notes	2021	2020
Revenues from ordinary activities			
Interest income for educational assistance payments		5,158	5,848
Dividends		2,575	3,082
Realized gain on disposal of investments		15,746	12,740
Change in unrealized loss on investments		(1,765)	(9,779)
		21,714	11,891
Operating expenses			
Brokerage fee		34	115
American tax fees		85	-
Portfolio management fees		338	340
Trustee fee		7	7
Custodian fee		64	68
Administration fee	9	4,303	4,302
Independent Review Committee fee		8	9
		4,839	4,841
Net income and comprehensive income attributable to contracts		16,875	7,050

The notes are an integral part of these unaudited condensed interim financial statements.

Statements of changes in net assets attributable to contracts

condensed interim unaudited

for the six month periods ended June 30

(in thousands of Canadian \$)

	Subscribers' savings	SCROM	EAP account	CESG	Accumulated income CESG	QESI	Accumulated income QESI	Total
Net assets as at December 31, 2020	329,061	35,051	100,711	105,760	47,558	38,993	11,917	669,051
Net income and comprehensive income	-	-	8,368	-	6,708	-	1,799	16,875
Increase								
Subscribers' savings	11,867	-	-	-	-	-	-	11,867
Change in the SCROM	-	249	-	-	-	-	-	249
Grants received from the government	-	-	-	2,375	-	1,240	-	3,615
	11,867	249	-	2,375	-	1,240	-	15,731
Decrease								
Refund of savings at maturity	(15,272)	-	-	-	-	-	-	(15,272)
Pre-maturity withdrawal of savings	(466)	-	-	-	-	-	-	(466)
Refund of sales charges at maturity	-	(1,385)	-	-	-	-	-	(1,385)
Change in the SCROM	-	-	(249)	-	-	-	-	(249)
Transfers between plans	(15)	-	-	(5)	(2)	(1)	-	(23)
Grants returned to the government	-	-	-	-	-	(59)	-	(59)
Transfers to other promoters	-	-	-	(77)	(23)	(26)	(6)	(132)
Grants and income on grants	-	-	-	(4,514)	(2,690)	(1,630)	(603)	(9,437)
Outflow of accumulated income on grants for payments to a designated educational institution	-	-	-	-	(16)	-	(4)	(20)
Educational assistance payments (EAPs)	-	-	(6,363)	-	-	-	-	(6,363)
Others	-	-	(2)	-	-	-	-	(2)
	(15,753)	(1,385)	(6,614)	(4,596)	(2,731)	(1,716)	(613)	(33,408)
Net assets as at June 30, 2021	325,175	33,915	102,465	103,539	51,535	38,517	13,103	668,249

Statements of changes in net assets attributable to contracts

condensed interim unaudited

for the six month periods ended June 30

(in thousands of Canadian \$)

	Subscribers' savings	SCROM	EAP account	CESG	Accumulated income CESG	QESI	Accumulated income QESI	Total
Net assets as at December 31, 2019	335,665	34,624	88,756	109,174	45,806	39,902	10,811	664,738
Net income and comprehensive income	-	-	11,690	-	(3,736)	-	(904)	7,050
Increase								
Subscribers' savings	11,731	-	-	-	-	-	-	11,731
Change in the SCROM	-	2,425	-	-	-	-	-	2,425
Grants received from the government	-	-	-	2,447	-	1,324	-	3,771
	11,731	2,425	-	2,447	-	1,324	-	17,927
Decrease								
Refund of savings at maturity	(14,120)	-	-	-	-	-	-	(14,120)
Pre-maturity withdrawal of savings	(376)	-	-	-	-	-	-	(376)
Refund of sales charges at maturity	-	(1,310)	-	-	-	-	-	(1,310)
Change in the SCROM	-	-	(2,425)	-	-	-	-	(2,425)
Transfers between plans	(32)	-	-	(32)	(16)	(8)	(2)	(90)
Grants returned to the government	-	-	-	-	-	(958)	-	(958)
Transfers to other promoters	-	-	-	(45)	(15)	(16)	(4)	(80)
Grants and income on grants	-	-	-	(3,831)	(2,145)	(1,262)	(418)	(7,656)
Outflow of accumulated income on grants for payments to a designated educational institution	-	-	-	-	(27)	-	(5)	(32)
Educational assistance payments (EAPs)	-	-	(5,877)	-	-	-	-	(5,877)
Others	-	-	(2)	-	-	-	-	(2)
	(14,528)	(1,310)	(8,304)	(3,908)	(2,203)	(2,244)	(429)	(32,926)
Net assets as at June 30, 2020	332,868	35,739	92,144	107,713	39,867	38,982	9,478	656,789

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

	2021	2020
Cash flows from operational activities		
Income received		
Interest	5,202	5,856
Dividends	2,570	3,282
	7,772	9,138
Operating expenses paid		
Brokerage fee	(34)	(115)
American tax fees	(85)	-
Portfolio management fees	(338)	(369)
Trustee fee	(7)	(7)
Custodian fee	(64)	(55)
Administration fee	(4,313)	(4,436)
Independent Review Committee fee	(8)	(9)
	(4,849)	(4,991)
Other operational activities		
Disposal of investments	232,053	425,274
Acquisition of investments	(213,864)	(414,793)
	18,189	10,481
Net cash flows from operational activities	21,112	14,628
Cash flows from financing activities		
Savings received	7,473	13,003
Savings paid to other promoters	(234)	(144)
Refunds of savings to subscribers	(15,733)	(14,365)
CESG and income on CESG received	2,524	2,620
QESI and income on QESI received	2,597	29
QESI and income on QESI paid	(173)	(373)
Transfers between plans	(22)	(90)
Sales charge refunds	(1,385)	(1,311)
Educational assistance payments (EAPs)	(15,813)	(13,598)
Net cash flows used in financing activities	(20,766)	(14,229)
Net increase in cash	346	399
Cash, beginning of period	1,099	2,766
Cash, end of period	1,445	3,165

Schedule of investment portfolio

condensed interim unaudited

as at June 30, 2021

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Short-term investments					
79,980	Cash	-	-	79,980	79,980
3,550	Société de transport de l'Outaouais	9 Nov 2021	1.800	3,499	3,562
2,525	City of St-Bruno-de-Montarville	8 Sep 2021	1.850	2,487	2,531
2,500	Municipality of La Prairie	8 Sep 2021	1.850	2,463	2,506
2,350	City of Mirabel	21 Sep 2021	1.800	2,315	2,355
2,185	City of Longueuil	13 Jul 2021	1.850	2,156	2,186
2,010	City of Saint-Lambert	2 Nov 2021	1.900	1,985	2,020
2,000	City of Chateauguay	14 Sep 2021	1.900	1,973	2,005
1,748	Cash sweep	-	-	1,748	1,748
1,500	City of Saguenay	20 Apr 2022	1.850	1,477	1,515
1,500	City of Beaconsfield	26 Jul 2021	1.750	1,478	1,501
1,500	City of Varennes	3 Aug 2021	1.800	1,474	1,501
1,325	City of Saint-Constant	23 Aug 2021	1.850	1,305	1,327
1,000	City of Alma	23 Aug 2021	1.850	985	1,002
1,000	City of Granby	6 Jul 2021	1.750	982	1,000
800	Government of Canada	5 Aug 2021	-	800	800
600	Transit in Quebec City	18 Nov 2021	0.550	599	599
595	Regional Municipality of Niagara	24 Jul 2021	1.950	595	596
455	City of Lévis	4 Jun 2022	2.100	451	461
447	City of Sept-Îles	25 Sep 2021	2.050	445	449
293	City of Saint-Jean-sur-Richelieu	11 Jun 2022	2.000	291	297
100	City of Val-d'Or	1 Dec 2021	0.600	100	100
Total - Short-term investments				109,588	110,041

Bonds

Bonds issued or guaranteed by a Canadian province

20,253	Province of Ontario	1 Feb 2027	1.850	21,013	20,737
18,520	Province of Ontario	2 Jun 2030	2.050	19,455	18,726
15,826	Province of Ontario	2 Jun 2028	2.900	16,804	17,140
15,182	Province of Ontario	2 Jun 2024	3.500	16,237	16,345
12,639	Province of Quebec	1 Sep 2023	3.000	13,036	13,294
11,569	Province of Quebec	1 Sep 2025	2.750	12,463	12,343
8,584	Province of Ontario	8 Mar 2033	5.850	12,300	11,814
7,946	Province of Quebec	1 Sep 2030	1.900	8,344	7,955
7,350	Province of Ontario	2 Jun 2025	2.600	7,630	7,771
5,814	Province of Quebec	1 Sep 2026	2.500	5,952	6,158
5,546	Province of Ontario	2 Jun 2031	2.150	5,555	5,599
5,025	Province of Quebec	1 Dec 2022	3.500	5,311	5,243
4,892	Province of Ontario	2 Jun 2026	2.400	5,031	5,146
4,782	Province of Quebec	1 Sep 2029	2.300	4,959	4,980
4,582	Province of Ontario	2 Jun 2027	2.600	4,737	4,869
4,414	Province of Quebec	1 Sep 2028	2.750	4,519	4,754
4,414	Province of Quebec	1 Sep 2027	2.750	4,544	4,746
4,016	Province of Quebec	1 Sep 2024	3.750	4,369	4,378
3,885	Province of Ontario	2 Jun 2023	2.850	3,921	4,055

Schedule of investment portfolio

condensed interim unaudited

as at June 30, 2021

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a Canadian province (continued)					
3,540	Province of Ontario	2 Jun 2029	2.700	3,766	3,780
3,285	Province of Quebec	22 Feb 2024	2.250	3,294	3,419
3,102	Province of Quebec	27 May 2031	2.100	3,095	3,146
2,865	Province of Quebec	13 Feb 2027	1.850	2,867	2,940
2,869	Province of Ontario	8 Sep 2025	1.750	2,939	2,939
2,390	OPB Finance Trust	25 Jan 2027	2.980	2,395	2,556
2,658	Province of Ontario	2 Dec 2030	1.350	2,614	2,515
1,819	Province of Quebec	1 Oct 2029	6.000	2,468	2,402
1,633	Province of Ontario	8 Mar 2029	6.500	2,225	2,185
2,000	Province of Alberta	1 Sep 2022	1.600	1,995	2,030
1,403	Province of Quebec	1 Apr 2026	8.500	2,014	1,864
1,690	Province of Ontario	8 Sep 2023	2.600	1,707	1,763
1,604	Province of Ontario	5 Feb 2025	2.650	1,670	1,698
1,570	Province of New Foundland and Labrador	2 Jun 2028	2.850	1,565	1,680
1,179	Province of Quebec	16 Jan 2023	9.375	1,516	1,339
869	Province of Ontario	8 Sep 2024	2.300	882	907
900	Province of Alberta	1 Jun 2030	2.050	898	907
811	Province of Quebec	6 Jul 2025	2.600	851	860
715	Hydro Québec	15 Jul 2022	9.625	913	783
758	Province of Ontario	8 Sep 2027	1.050	757	737
511	Province of Ontario	2 Jun 2031	6.200	701	704
636	Province of Alberta	1 Dec 2028	2.900	648	687
525	Province of Manitoba	2 Jun 2028	3.000	519	572
533	Province of Ontario	27 Jan 2023	1.950	534	545
475	Province of Ontario	8 Sep 2026	1.350	474	475
421	Province of Ontario	13 Jul 2022	9.500	561	460
475	Ontario Teachers' Finance Trust	19 Oct 2027	1.100	474	460
300	Ontario Hydro	22 Jun 2026	8.250	428	398
331	Province of Quebec	1 Mar 2023	2.450	336	342
256	Province of Ontario	2 Dec 2025	8.500	361	336
277	Province of Ontario	8 Sep 2023	8.100	365	322
299	Province of Saskatchewan	2 Jun 2030	2.200	317	306
198	Province of Ontario	7 Feb 2024	7.500	257	232
185	OPB Finance Trust	24 May 2023	2.900	188	193
154	Ontario Hydro	18 Aug 2022	8.900	204	169
78	OPB Finance Trust	2 Feb 2026	2.950	80	83
				<u>223,058</u>	<u>222,787</u>

Bonds issued or guaranteed by a municipality

2,500	Transit in Quebec City	18 Nov 2025	1.000	2,471	2,443
2,000	City of Saint-Lambert	17 Oct 2023	3.000	1,974	2,091
2,000	Régie d'assainissement des eaux Terrebonne-Mascouche	9 Sep 2025	1.000	1,966	1,960

Schedule of investment portfolio

condensed interim unaudited

as at June 30, 2021

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a municipality (continued)					
1,472	City of Laval	21 Mar 2028	3.000	1,462	1,588
1,395	City of Montreal	1 Sep 2023	3.500	1,358	1,480
1,300	TransLink	4 Jun 2025	3.050	1,400	1,394
1,225	City of Toronto	21 May 2024	3.400	1,221	1,313
1,277	City of Saint-Jean-sur-Richelieu	17 Jun 2025	1.300	1,280	1,270
1,185	City of Quebec	20 Dec 2027	2.650	1,156	1,252
910	Municipal finance of British Columbia	23 Oct 2028	3.050	907	994
840	City of Trois-Rivières	18 Apr 2028	3.000	826	896
790	City of Lévis	4 Jun 2023	2.200	781	810
800	Société de transport de Lévis	9 Jul 2025	1.200	790	792
590	City of Brossard	25 Jul 2023	2.900	584	614
600	Transit in Quebec City	18 Nov 2022	0.650	599	599
600	Transit in Quebec City	18 Nov 2023	0.800	598	597
600	Transit in Quebec City	18 Nov 2024	0.900	595	592
479	City of Sept-Îles	25 Sep 2023	2.150	474	491
500	TransLink	3 Jul 2030	1.600	500	484
462	City of Sept-Îles	25 Sep 2022	2.100	458	470
410	City of Lévis	5 Jun 2028	3.250	404	444
400	City of Toronto	29 Sep 2023	3.900	397	429
415	Regional Municipality of Niagara	24 Jul 2022	1.950	415	419
400	City of Candiac	31 Jul 2023	2.750	394	415
395	City of Terrebonne	10 Sep 2024	2.000	390	404
400	City of Val-d'Or	1 Dec 2025	1.000	394	391
375	City of Saint-Jerome	14 Nov 2029	2.450	366	383
350	City of Lévis	9 Mar 2026	2.950	343	371
340	City of Saguenay	26 Apr 2023	2.750	335	352
300	City of Longueuil	19 Jul 2023	2.800	296	311
250	City of New Tecumseth	23 Mar 2025	4.800	276	281
247	City of Longueuil	10 Nov 2025	3.200	246	264
260	City of Saint-Jacques	24 Feb 2026	1.000	256	253
250	City of Mascouche	7 Oct 2025	0.950	248	244
225	Société de transport de l'Outaouais	12 Sep 2023	1.950	223	230
225	Société de transport de l'Outaouais	12 Sep 2022	1.900	223	228
225	City of Saint-Amable	23 Feb 2026	0.950	220	219
203	City of Saint-Jean-sur-Richelieu	11 Jun 2023	2.100	201	208
205	City of Saint-Eustache	30 Sep 2025	0.900	203	200
175	City of Rouyn-Noranda	27 Feb 2028	3.100	180	188
181	Regional Municipality of Niagara	23 Feb 2026	1.000	179	176
162	City of St-Hyacinthe	28 Feb 2028	3.100	167	174
112	City of Saint-Raymond	9 Feb 2026	0.900	110	109
105	City of Montmagny	8 Feb 2026	0.900	104	102
100	City of Val-d'Or	1 Dec 2022	0.700	100	100
100	City of Val-d'Or	1 Dec 2023	0.800	99	99
100	City of Val-d'Or	1 Dec 2024	0.900	99	99
75	Town of Bradford West	21 Sep 2022	3.500	77	78

Schedule of investment portfolio

condensed interim unaudited

as at June 30, 2021

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a municipality (continued)					
25	MRC La Haute-Côte-Nord	5 Feb 2024	2.950	27	26
25	City of Gatineau	14 Sep 2026	2.500	27	26
25	Northern Village of Kujjuarapik	23 May 2023	2.750	26	26
25	City of Lac-Beauport	16 Mar 2025	1.900	26	25
				<u>28,451</u>	<u>29,404</u>
Bonds issued by a corporation					
3,019	Greater Toronto Airport Authority	3 Apr 2029	2.730	3,161	3,160
3,000	Fédération des caisses Desjardins du Québec	11 Sep 2023	3.056	3,123	3,138
2,650	National Bank of Canada	15 Jun 2026	1.534	2,650	2,633
2,300	Toronto-Dominion Bank	13 Mar 2025	1.943	2,300	2,346
2,230	National Bank of Canada	12 Jul 2024	2.545	2,308	2,315
2,050	Altalink, L.P.	29 May 2026	2.747	2,135	2,164
2,046	Manulife Financial Corporation	12 May 2030	2,237 (floating)	2,046	2,095
1,807	Rogers Communications Inc.	1 May 2029	3.250	1,834	1,890
1,644	TransCanada Pipelines Ltd.	5 Apr 2027	3.800	1,641	1,785
1,701	TELUS Corporation	8 Jul 2026	2.750	1,670	1,770
1,650	Toronto Hydro Corporation	10 Apr 2023	2.910	1,719	1,703
1,600	Canadian Imperial Bank of Commerce	17 Apr 2025	2.000	1,599	1,634
1,600	BCI QuadReal	12 Mar 2024	1.056	1,601	1,599
1,484	Bell Canada	29 May 2028	2.200	1,482	1,483
1,400	407 International Inc.	16 May 2024	3.350	1,486	1,481
1,400	Hydro One Inc.	24 Feb 2026	2.770	1,497	1,476
1,400	Wells Fargo & Company	18 Feb 2027	2.493	1,400	1,432
1,329	Ontario Power Generation	8 Apr 2030	3.215	1,329	1,424
1,350	Enbridge Inc.	8 Jun 2027	3.200	1,386	1,423
1,338	Toronto-Dominion Bank	26 Jan 2032	3.060	1,282	1,410
1,300	OMERS Realty Corporation	4 Oct 2027	3.244	1,409	1,404
1,300	bclMC Realty Corporation	3 Jun 2025	2.840	1,365	1,368
1,155	Toronto-Dominion Bank	4 Mar 2031	4.859	1,304	1,309
1,098	Suncor Energy Inc.	9 Apr 2030	5.000	1,095	1,289
1,200	Bank of Montreal	6 Mar 2024	2.850	1,239	1,254
1,200	Bank of Montreal	29 Jul 2024	2.280	1,236	1,237
1,248	Allied Properties Real Estate Investment Trust	12 Feb 2026	1.726	1,248	1,230
1,200	Laurentian Bank of Canada	3 Jun 2024	3.250	1,200	1,192
1,125	Fairfax Financial	3 Mar 2031	3.950	1,128	1,161
1,050	Shaw Communications Inc.	31 Jan 2024	4.350	1,122	1,123
1,065	Toronto-Dominion Bank	22 Apr 2030	3.105	1,069	1,122
978	North West Redwater Partnership	1 Jun 2029	4.250	1,093	1,101
1,100	The Bank of Nova Scotia	1 Nov 2027	1.400	1,059	1,067

Schedule of investment portfolio

condensed interim unaudited

as at June 30, 2021

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued by a corporation (continued)					
1,000	Great-West Lifeco Inc.	14 May 2030	2.379	1,000	1,009
929	IGM Financial Inc.	26 Jan 2027	3.440	941	999
970	Saputo Inc.	16 Jun 2027	2.242	972	976
1,000	Sun Life Financial Inc.	1 Oct 2035	2.060	999	963
875	Royal Bank of Canada	28 Jan 2027	2.328	850	899
650	407 International Inc.	27 Jul 2029	6.470	856	845
798	Enbridge Gas Inc.	1 Apr 2030	2.900	810	840
744	Choice Properties Real Estate Investment Trust	11 Jun 2029	3.532	778	793
750	CT Real Estate Investment	1 Jun 2026	3.289	784	792
743	Enbridge Inc.	3 Oct 2029	2.990	753	766
712	Enbridge Inc.	10 Aug 2026	3.000	739	751
736	Choice Properties Real Estate Investment Trust	4 Mar 2030	2.981	736	750
751	RioCan Real Estate Investment Trust	10 Mar 2027	2.361	751	750
700	Choice Properties Real Estate Investment Trust	10 Jan 2025	3.546	736	744
712	Suncor Energy Inc.	24 May 2029	3.100	735	744
741	TELUS Corporation	13 Nov 2031	2.850	739	743
700	Canadian Tire Corporation Ltd.	6 Jul 2023	3.167	725	727
647	Pembina Pipeline Corporation	27 Mar 2028	4.020	692	708
700	OMERS Realty Corporation	22 Sep 2023	1.298	700	705
650	Intact Financial Corp.	24 Mar 2025	3.691	650	701
649	Brookfield Renewable partners	15 Jan 2030	3.380	636	698
660	Sun Life Financial Inc.	10 May 2032	2,580 (floating)	660	680
665	Enbridge Gas Inc.	9 Aug 2029	2.370	665	679
651	TransCanada Pipelines Ltd.	18 Sep 2029	3.000	655	673
665	Epcor Utilities Inc.	19 May 2023	1.299	665	670
619	Summit Industrial Income REIT	12 Jan 2027	2.250	619	622
500	Royal Bank of Canada	24 Nov 2080	4,500 (floating)	500	532
500	Choice Properties Real Estate Investment Trust	21 May 2027	2.848	503	517
465	Shaw Communications Inc.	1 Mar 2027	3.800	484	502
500	Intact Financial Corp.	16 Dec 2030	1.928	500	479
475	Omers Finance Trust	21 Apr 2027	1.550	474	474
460	Énergir	16 Apr 2027	2.100	460	469
450	Royal Bank of Canada	30 Jun 2030	2,088 (floating)	450	457
450	Intact Financial Corp.	18 May 2028	2.179	450	453
350	Gaz Métro Inc.	16 May 2025	9.000	456	449
400	TMX Group Inc.	11 Dec 2024	2.997	411	421
380	Omers Finance Trust	14 May 2029	2.600	389	400
300	TransCanada Pipelines Ltd.	15 Jan 2027	7.310	377	371
370	Athene Global Funding	9 Jun 2028	2.470	370	370
325	Brookfield Property Partners LP	15 Jan 2029	4.250	341	369
371	H&R Real Estate Investment Trust	19 Feb 2027	2.633	371	367
350	Alimentation Couche-Tard Inc.	1 Nov 2022	3.899	371	364

Schedule of investment portfolio

condensed interim unaudited

as at June 30, 2021

(in thousands of Canadian \$)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued by a corporation (continued)					
328	Granite Real Estate Investment Trust	4 Jun 2027	3.062	328	345
325	Allied Properties Real Estate Investment Trust	15 Aug 2029	3.394	331	337
330	407 International Inc.	22 May 2025	1.800	330	336
300	Bell Canada	29 Sep 2027	3.600	303	324
300	Rogers Communications Inc.	13 Mar 2024	4.000	319	319
300	TELUS Corporation	2 May 2029	3.300	318	318
300	TELUS Corporation	1 Apr 2024	3.350	311	315
300	Royal Bank of Canada	2 Jul 2024	2.352	299	310
300	The Bank of Nova Scotia	1 May 2023	2.380	305	308
300	Royal Bank of Canada	1 May 2025	1.936	300	306
275	Loblaw Companies Ltd.	7 May 2030	2.284	275	270
240	Consumers Gas Company Ltd.	5 Jul 2023	6.050	268	263
250	Bell Canada	22 Mar 2023	3.350	258	259
212	Bell Canada	29 Jan 2025	2.750	214	221
210	Allied Properties Real Estate Investment Trus	15 May 2028	3.131	210	217
200	Wells Fargo & Company	19 May 2026	2.975	210	210
175	Intact Financial Corp.	7 Jun 2027	2.850	183	184
165	TMX Group Inc.	5 Jun 2028	3.779	182	184
150	bcIMC Realty Corporation	31 Mar 2027	3.000	159	160
125	Loblaw Companies Ltd.	11 Dec 2028	4.488	146	144
135	Allied Properties Real Estate Investment Trus	8 Apr 2027	3.113	136	141
100	Saputo Inc.	21 Nov 2023	2.827	101	104
50	Bell Canada	16 Aug 2027	1.650	50	49
				85,505	87,063
Total - Bonds				337,014	339,254

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(in thousands of Canadian \$)

Equities

Number of shares	Security	Cost	Carrying amount
Energy			
70,320	Enbridge Inc.	2,982	3,486
8,681	Atmos Energy Corporation	1,325	1,033
25,292	Parkland Fuel Corporation	848	1,007
9,674	TC Energy Corp.	559	593
5,088	Eog Resources Inc.	334	526
269	Stepan Company	43	40
		6,091	6,685

Materials

43,223	Nutien Ltd.	2,716	3,243
45,299	CCL Industries Inc.	2,204	3,087
16,822	Franco-Nevada Corporation	2,508	3,022
3,705	Linde plc	1,139	1,326
6,419	AptarGroup Inc.	1,004	1,119
9,356	Nucor Corporation	590	1,111
3,001	Air Products & Chemicals	1,044	1,069
3,153	Sherwin-Williams	1,062	1,064
13,604	Agnico Eagle Mines Ltd.	995	1,018
13,571	Wheaton Precious Metals	645	740
2,989	3M	724	735
15,797	Wipak Ltd.	442	610
10,775	Stella-Jones Inc.	368	480
15,321	Intertape Polymer Group Inc.	239	438
1,048	Illinois Tool Works	272	290
1,369	PPG Industries	288	288
19,615	Amcor PLC	294	278
715	Ecolab Inc.	187	182
		16,721	20,100

Communication Services

57,386	TELUS Corporation	1,363	1,591
24,171	BCE Inc.	1,433	1,475
30,484	AT&T Inc	1,317	1,086
2,507	FactSet	1,052	1,042
19,335	TELUS Corporation	423	423
		5,588	5,617

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(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
Equities (continued)			
Utilities			
16,816	Brookfield Infrastructure Finance Limited	1,077	1,154
20,477	Fortis Inc.	996	1,123
10,011	American States Water	1,031	986
15,621	Emera Inc.	835	877
14,910	Brookfield Renewable partners	586	711
6,548	Consolidated Edison Inc.	804	582
5,853	Nextera Energy Inc.	520	531
4,929	Eversource Energy	602	490
13,268	Hydro One Limited	351	398
8,150	Algonquin Power & Utilities Corp.	155	150
770	California Water Service Group	56	53
		7,013	7,055
Financials			
108,966	Brookfield Asset Management Inc.	4,510	6,868
68,118	The Bank of Nova Scotia	3,562	5,491
28,217	Intact Financial Corp.	2,782	4,752
53,928	Toronto-Dominion Bank	2,836	4,680
26,905	Royal Bank of Canada	2,395	3,373
137,881	Manulife Financial Corporation	2,747	3,364
26,413	National Bank of Canada	2,112	2,450
31,461	IA Financial corp Inc.	1,481	2,120
3,384	Mastercard Inc.	1,440	1,529
4,450	CME Group Inc.	1,127	1,171
4,599	T. Rowe Price	1,014	1,126
16,869	Canadian Apartment Properties REIT	858	978
757	BlackRock Inc.	609	821
14,245	Altus Group Limited	568	816
9,860	Granite Real Estate Investment Trust	659	811
8,509	Commerce Bancshares Inc.	754	786
5,387	Cullen/Frost Inc.	564	747
7,836	Sun Life Financial Inc.	383	500
5,914	Interactive Brokers Group Inc.	472	481
895	Public Storage	259	333
2,546	TMX Group Inc.	324	333
2,432	RLI Corp.	334	315
2,234	Canadian Imperial Bank of Commerce	244	315
4,139	Brown & Brown	271	272
		32,305	44,432

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(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
Equities (continued)			
Consumer Staples			
29,875	Premium Brands Holdings Corporation	2,789	3,760
70,695	Alimentation Couche-Tard Inc.	2,083	3,217
48,885	Metro Inc.	1,647	2,899
74,276	Saputo Inc.	2,542	2,744
11,025	Pepsico Inc.	2,061	2,022
55,523	Maple Leaf Foods	1,524	1,429
36,478	Empire Company Limited	824	1,426
16,956	Loblaw Companies Ltd.	1,084	1,291
5,121	The Clorox Company	1,289	1,141
6,530	Walmart Inc.	1,032	1,140
10,740	Church and Dwight Co., Inc.	1,245	1,133
10,365	McCormick & Company Inc.	1,202	1,133
6,830	Kimberly-Clark Corporation	1,285	1,131
3,761	Target Corporation	637	1,126
9,550	George Weston Ltd.	1,019	1,124
6,990	The J.M. Smucker Company	1,029	1,121
6,705	The Procter & Gamble Company	1,118	1,120
18,941	Hormel Foods Corporation	1,209	1,120
11,105	Colgate-Palmolive Company	1,095	1,118
30,112	The North West Company Inc.	868	1,058
3,346	Five Below	759	801
2,012	McDonald's Corporation	583	576
1,099	Costco	457	538
1,951	Lancaster Colony Corporation	447	468
4,055	The TJX Companies Inc.	292	339
1,548	MSA Safety Inc.	277	317
2,658	D.R. Horton	304	297
548	Brown-Forman Corporation	49	51
		30,750	35,640
Health			
4,697	Danaher Corporation	1,115	1,561
2,529	Charles River Laboratories	790	1,158
8,026	Abbott Laboratories	1,043	1,152
3,750	Becton Dickinson and Company	1,336	1,129
5,509	Johnson & Johnson	1,085	1,124
2,512	West Pharmaceutical Services Inc.	631	1,117
8,003	AbbVie	1,015	1,116
7,241	Medtronic	1,081	1,113
2,886	Amgen	841	871
1,053	Cardinal Health	78	74
		9,015	10,415

Schedule of investment portfolio

condensed interim unaudited

as at June 30, 2021

(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
Equities (continued)			
Consumer Discretionary			
41,639	Thomson Reuters Corporation	3,294	5,110
28,548	Magna International Inc.	1,832	3,276
61,247	Gildan Activewear Inc.	2,085	2,795
32,414	Restaurant Brands International Inc.	2,451	2,584
42,376	Quebecor Inc.	1,295	1,391
4,568	ADP	1,023	1,124
9,219	Cogeco Communications Inc.	940	1,116
2,194	S&P Global	917	1,114
19,091	Dollarama Inc.	939	1,079
5,183	Canadian Tire Corporation Ltd.	706	1,013
18,926	Shaw Communications Inc.	561	676
4,283	Cogeco Inc.	380	410
4,983	John Wiley & Sons Inc.	310	371
		16,733	22,059
Industrials			
58,544	Canadian National Railway Company	5,027	7,644
23,926	Groupe WSP Global Inc.	1,624	3,455
58,893	Stantec Inc.	1,856	3,246
80,992	SNC-Lavalin Group Inc.	1,967	2,605
56,575	CAE Inc.	919	2,140
8,173	Boyd Group Services Inc.	1,694	1,831
9,626	Waste Connections Inc.	1,259	1,424
7,194	Expeditors International of Washington	754	1,127
9,444	C.H. Robinson	1,177	1,095
45,305	Transcontinental Inc.	725	1,053
3,866	Caterpillar Inc.	899	1,042
13,001	Fastenal	837	837
24,131	LifeWorks	775	797
2,118	Rockwell Automation	675	750
6,882	Graco	642	645
876	W.W. Grainger	455	475
1,749	Allegion plc	251	302
2,123	Toromont Industries Ltd.	139	228
2,942	Ritchie Bros. Auctioneers Inc.	177	216
1,918	Canadian Pacific Railway Limited	183	183
1,263	Badge Meter	149	153
610	Cargojet	99	112
1,439	Finning International Inc.	39	47
		22,322	31,407

Schedule of investment portfolio
condensed interim unaudited

as at June 30, 2021

(in thousands of Canadian \$)

Number of shares	Security	Cost	Carrying amount
Equities (continued)			
Technology			
74,725	Open Text Corporation	2,847	4,693
2,241	Shopify Inc.	1,734	4,059
26,371	CGI inc.	1,425	2,954
7,578	Microsoft Corporation	1,904	2,542
496	Amazon.com Inc.	1,845	2,112
37,233	Enghouse Systems Ltd.	2,152	2,051
2,203	Adobe Inc.	1,233	1,598
8,691	Apple Inc.	1,011	1,474
8,767	Kinaxis Inc.	1,223	1,428
723	Constellation Software Inc.	1,041	1,355
442	Alphabet Inc. Class A	912	1,335
15,213	The Descartes Systems Group Inc.	314	1,301
2,961	FaceBook Inc.	853	1,275
6,160	IBM	986	1,118
3,057	Texas Instruments Inc.	602	728
1,089	Netflix Inc.	640	712
332	Roper Technologies	182	193
774	Brookfield Asset Management Reinsurance Partners	53	50
		20,957	30,978
Total - Equities		167,495	214,388
Total - Schedule of investment portfolio		614,097	663,683

Unaudited condensed interim notes
for the six month periods ended June 30, 2021 and 2020
(in thousands of Canadian \$)

1. General information about the Plan

The UNIVERSITAS 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 UNIVERSITAS 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 UNIVERSITAS Plan is a group scholarship plan under which the refund of contributions is guaranteed at all times, including the sales charges if the plan reaches maturity. The Plan is only available to current subscribers of the UNIVERSITAS Plan for unit additions. Since December 14, 2017, eligible studies that qualify for EAPs 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 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 Audit Committee on August 25th, 2021.

2. Significant accounting policies

Statement of compliance

The interim condensed statements of financial position, the interim condensed statements of net and comprehensive income, the interim condensed statements of changes in net assets attributable to contracts, the interim condensed statements of cash flows and the accompanying interim condensed notes were prepared in accordance with IAS 34 *Interim Financial Reporting*. These interim condensed financial statements should be read in conjunction with the financial statements for the year ended December 31, 2020. The significant accounting policies used in preparing these condensed interim financial statements are consistent with those found in the financial statements for the year ended December 31, 2020.

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 main sources of uncertainty regarding estimates and the main judgments made by management for the unaudited interim condensed financial statements are identical to those presented in the annual financial statements for the year ended December 31, 2020.

Unaudited condensed interim notes
for the six month periods ended June 30, 2021 and 2020
(in thousands of Canadian \$)

4. Investments

	June 30, 2021	December 31, 2020
Short-term investments	110,041	104,782
Bonds	339,254	345,627
Equities	214,388	217,249
	663,683	667,658

5. Current assets and liabilities

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

6. Other accounts receivable

	Notes	June 30, 2021	December 31, 2020
Amount receivable from Kaleido Foundation	9	346	-
		346	-

7. Accounts payable and other liabilities

	Notes	June 30, 2021	December 31, 2020
Amount payable to Kaleido Growth Inc.	9	682	688
Amount payable to Kaleido Foundation	9	-	4,294
Accumulated income on grants for payment to a designated educational institution		167	147
Other		160	163
		1,009	5,292

8. Sales Charge Refund Obligation at Maturity (SCROM)

	June 30, 2021	December 31, 2020
Discounted value of the SCROM	33,915	25,051
Non-discounted value of the SCROM	36,458	37,769

Unaudited condensed interim notes
for the six month periods ended June 30, 2021 and 2020
(in thousands of Canadian \$)

8. Sales Charge Refund Obligation at Maturity (SCROM) (continued)

Given that the underlying conditions evolve over the years, especially the rate of return, these assumptions could also change and therefore cause a change in the discounted value of the SCROM.

	June 30, 2021	December 31, 2020
Impact of a change in the discount rate		
Discount rate applied	2.01%	1.91%
Increase of 1.0%	(1,144)	(1,084)
Decrease of 1.0%	1,222	1,149

9. 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 UNIVERSITAS Plan. The Plan and the Foundation report to the same Board of Directors.

	June 30, 2021	June 30, 2020
Administration fee		
Kaleido Growth Inc.	4,303	4,239
Kaleido Foundation	-	63
	4,303	4,302

	June 30, 2021	December 31, 2020
Amount receivable (payable)		
Kaleido Growth Inc.	(682)	(688)
Kaleido Foundation	346	(4,294)
	(336)	(4,982)

Unaudited condensed interim notes
for the six month periods ended June 30, 2021 and 2020
(in thousands of Canadian \$)

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 the subscribers' savings and government grants;
- Ensuring the refund of sales charges at maturity;
- Achieving a maximum net investment return while maintaining an appropriate degree of risk to reach satisfactory EAP values per unit.

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 period ended June 30, 2021, 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 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 American and 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, SCROM and EAP account: The target asset allocation for these funds is 100% in American and Canadian equities.

During the period ended June 30, 2021, 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 requirement concerning its capital.

11. 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.

Unaudited condensed interim notes
for the six month periods ended June 30, 2021 and 2020
(in thousands of Canadian \$)

11. Financial instruments (continued)

Fair value (continued)

▪ **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.

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

As at June 30, 2021	Level 1	Level 2	Level 3	Total
Short-term investments	81,728	28,313	-	110,041
Bonds	-	339,254	-	339,254
Equities	214,388	-	-	214,388
	296,116	367,567	-	663,683

As at December 31, 2020	Level 1	Level 2	Level 3	Total
Short-term investments	74,599	30,183	-	104,782
Bonds	-	345,627	-	345,627
Equities	217,249	-	-	217,249
	291,848	375,810	-	667,658

Over the course of the periods ended June 30, 2021 and December 31, 2020, there was no significant transfer between Levels 1 and 2.

Unaudited condensed interim notes
for the six month periods ended June 30, 2021 and 2020
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11. Financial instruments (continued)

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 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.

As at June 30, 2021, and as at December 31, 2020, the Plan invested in fixed-income securities that are neither past due nor impaired, and presented the following credit rating:

Credit rating	Percentage of total debt securities*	
	June 30, 2021	December 31, 2020
	%	%
AAA	0.3	0.3
AA	65.2	63.9
A	25.4	27.8
BBB	9.1	8.0

*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.

Unaudited condensed interim notes
for the six month periods ended June 30, 2021 and 2020
(in thousands of Canadian \$)

11. Financial instruments (continued)

Risk management related to financial instruments (continued)

▪ **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, 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 United States dollars (USD) and when the Plan has US currency in its cash. As of June 30, 2021, the Plan had USD 211.6 (USD 224.2 as of December 31, 2020) representing \$262.0 (\$285.6 as of December 31, 2020) in cash. The Plan also had shares in USD for a total of USD 58.2M (USD 51.6M as of December 31, 2020) representing \$72.1M (\$65.8M as of December 31, 2020) in investments. Finally, the Plan had USD 83.3 in dividends receivable (\$93.9 as at December 31, 2020) representing \$103.2 (\$119.7 as of December 31, 2020) in dividends receivable, sales pending settlement of USD 671.8 (USD 9.6M as of December 31, 2020) representing \$831.9 (\$12.2M as of December 31, 2020), foreign exchange contract receivable of USD 145.4 (nil as of December 31, 2020) representing \$180.0 in assets and purchase pending settlement of USD 863.8 (USD 9.9M as of December 31, 2020) representing \$1.1M (\$12.6M as of December 31, 2020) in liabilities.

▪ **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 June 30, 2021, 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 \$17.2M (\$17.6M as at December 31, 2020). In practice, actual results may differ materially.

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

	June 30, 2021	December 31, 2020
	%	%
Maturing in less than one year	24.5	23.2
Maturing in one to five years	33.1	34.7
Maturing after five years	42.4	42.1

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11. Financial instruments (continued)

Risk management related to financial instruments (continued)

▪ **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 \$21.4M as at June 30, 2021 (\$21.7M as at December 31, 2020), 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.

▪ **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	June 30, 2021	December 31, 2020
	%	%
Energy	3,1	4,1
Materials	9,4	7,5
Communication Services	2,6	2,8
Utilities	3,3	4,4
Financials	20,7	22,9
Consumer Staples	16,6	16,4
Consumer Discretionary	10,3	10,1
Health	4,9	5,0
Industrials	14,6	13,5
Technology	14,5	13,3

▪ **Offsetting**

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

Canada Education Savings Grant (CESG) receivable	June 30, 2021	December 31, 2020
Gross financial assets	424	672
Financial liabilities offset	(70)	(69)
	354	603

The Plan has no other financial instrument subject to an enforceable master netting agreement or similar agreement.

The Plan does not hold assets that can be used as a guarantee for the CESG receivable.

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12. 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. The situation is still evolving and the economy remains volatile for now, which could impact the financial results, as the duration of the pandemic remains unknown.

The financial statements of the Plan take into account the impacts of Covid-19 that are known at closing date.

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