Consolidated financial statements

For the years ended December 31, 2024 and 2023

MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL REPORTING

The preparation and presentation of the consolidated financial statements of la Caisse de dépôt et placement du Québec ("CDPQ") are the responsibility of management. The consolidated financial statements were prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB) and incorporated into the CPA Canada Handbook. We ensure that the financial information in the Annual Report is consistent with the information in the consolidated financial statements.

The consolidated financial statements include amounts that are based on management's best estimates and judgment, with due regard for their relative importance. Moreover, when preparing the financial information, management has made decisions regarding the information to be presented as well as estimates and assumptions that affect the information presented. Future results may differ considerably from our current estimates, as changes to financial markets or other events could have an impact on the fair value of the investments.

In our responsibility for the reliability of financial information, we rely on disclosure controls and procedures and internal controls over financial reporting. In particular, these controls include a clear definition of responsibilities, delegation of powers, allocation of duties, ethical standards, employee hiring and training criteria as well as policies, guidelines and procedures designed to ensure that transactions are duly authorized, assets are properly measured and safeguarded, and proper records are maintained.

Moreover, CDPQ's internal audit group audits the internal controls on a regular basis. These controls and audits are designed to provide reasonable assurance regarding the reliability of the accounting records used to prepare the consolidated financial statements and to ensure that assets are not used or disposed of in any unauthorized manner, that liabilities are recorded, and that we meet all the legal requirements to which CDPQ is subject, including the *Act respecting the Caisse de dépôt et placement du Québec.*

Each year, we certify the design and effectiveness of the internal control over financial information and the design and effectiveness of the disclosure controls and procedures. We report any significant irregularity to the Audit Committee of the Board of Directors of CDPQ, as necessary.

The Auditor General of Québec and Ernst & Young LLP (the "co-auditors") have audited the consolidated financial statements of CDPQ for the years ended December 31, 2024 and 2023 and their report covers the nature and scope of the audit and expresses their opinion. The co-auditors have unrestricted access to the Audit Committee to discuss any matter related to their audit.

The Board of Directors and its committees supervise the manner in which management fulfills its responsibility for the establishment and presentation of financial information, maintenance of appropriate internal controls, compliance with the requirements of laws and regulations, management of and control over the main risks, and evaluation of major transactions. Moreover, it approves the consolidated financial statements and the Annual Report.

The Board of Directors approved the consolidated financial statements for the years ended December 31, 2024 and 2023. It is assisted in its responsibilities by the Audit Committee, of which all members are independent directors. This Committee meets with management and the co-auditors, examines the consolidated financial statements, and recommends the approval thereof to the Board of Directors.

Charles Emond, FCPA
President and Chief Executive Officer

Maarika Paul, FCPA, CBV, ICD.D
Executive Vice-President and Chief Financial and Operations Officer

Montreal, February 25, 2025

INDEPENDENT AUDITORS' REPORT

To the National Assembly

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of la Caisse de dépôt et placement du Québec and its subsidiaries (the Group), which comprise the Consolidated Statements of Financial Position as at December 31, 2024 and 2023 and the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Changes in Net Assets Attributable to Depositors and the Consolidated Statements of Cash Flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023 and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Fair value measurement of financial assets based on unobservable inputs	
The Group describes its accounting estimates, assumptions and judgments in relation to the fair value measurement of financial instruments in Notes 2 and 6 of the consolidated financial statements. As disclosed in Note 6 of the consolidated financial statements, the Group has $287.5 billion in financial assets classified as Level 3 of the fair value hierarchy. The fair value of these financial instruments is calculated using valuation techniques for which the significant inputs are unobservable. The key unobservable inputs used to measure these financial assets include the earnings before interest, taxes, depreciation and amortization (EBITDA) multiples, credit spreads, discount rates, capitalization rates, discounts to net asset value, and future cash flows. Auditing the fair value of financial assets based on unobservable inputs is complex, requires the auditors to apply considerable judgment, and requires the participation of valuation specialists to assess the valuation techniques and unobservable inputs used by the Group. The use of different assumptions and valuation techniques could result in considerably different fair value estimates given that the unobservable inputs are associated with a higher degree of subjectivity and uncertainty and could be influenced by future market conditions and events.	We have obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls used in the investment valuation process, which include management review controls on the assessment of valuation techniques, significant inputs, and assumptions used in estimating fair value. The audit procedures performed as to the fair value measurement of financial assets based on unobservable inputs varied depending on the nature of the investment selected and included, among other procedures, the following: • For a sample of investments, with the assistance of our specialists, we assessed the appropriateness of the valuation techniques used and tested the mathematical accuracy of the valuation models. • For a sample of investments, we assessed the appropriateness of the unobservable inputs and assumptions used in estimating fair value by comparing them to supporting documentation or available market data and evaluating any significant adjustment made thereto. • For the selected investments, we analyzed the significant adjustments applied to the EBITDA multiples and to future cash flows. We also assessed the determination of credit spreads, discount rates, capitalization rates and discounts to net asset value using information specific to the investments as well as relevant market information. In addition, we assessed the appropriateness of management's choice of comparable public companies. • For a sample of investments sold during the fiscal year, we validated the accuracy of the previous estimates made by management. We also reviewed management's assessment of subsequent events and transactions and assessed whether these events and transactions corroborated or contradicted the year-end estimates.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted auditing standards 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 consolidated financial statements.

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

- identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the *Auditor General Act* (CQLR, chapter V-5.01), we report that, in our opinion, these accounting standards have been applied on a basis consistent with that of the preceding year.

The engagement partner from Ernst & Young LLP on the audit resulting in this independent auditors' report is Michel Bergeron.

Auditor General of Québec,

Guylaine Leclerc FCPA auditor

Guylaine Leclerc, FCPA auditor
Canada, Montreal, February 25, 2025

Ernst & Young LLP[1]

Ernst & Young LLP[1]

[1] FCPA auditor, public accountancy permit No. A114960
Canada, Montreal, February 25, 2025

CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of Canadian dollars)

	Note	**December 31, 2024**	December 31, 2023
ASSETS			
Cash		**1,115**	1,691
Amounts receivable from transactions being settled		**4,991**	1,569
Advances to depositors		**628**	1,171
Investment income, accrued and receivable		**1,765**	1,411
Other assets		**2,048**	705
Investments	4	**562,927**	504,902
Total assets		**573,474**	511,449
LIABILITIES			
Amounts payable on transactions being settled		**3,800**	4,503
Other liabilities		**2,472**	2,248
Investment liabilities	4	**93,915**	70,451
Total liabilities excluding net assets attributable to depositors		**100,187**	77,202
NET ASSETS ATTRIBUTABLE TO DEPOSITORS		**473,287**	434,247

The accompanying notes are an integral part of the consolidated financial statements.

On behalf of the Board of Directors,

Charles Emond, FCPA
President and Chief Executive Officer

Alain Côté, FCPA, ICD.D
Chair of the Audit Committee

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31

(in millions of Canadian dollars)

	Notes	**2024**	2023
Investment income		**12,122**	10,278
Investment expense		**(4,016)**	(2,748)
Net investment income	8	**8,106**	7,530
Operating expenses	9	**(979)**	(799)
Net income		**7,127**	6,731
Net gains on financial instruments at fair value	8	**32,519**	21,254
Investment result before distributions to depositors	8	**39,646**	27,985
Distributions to depositors		**(14,983)**	(11,338)
Net income and comprehensive income attributable to depositors		**24,663**	16,647

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO DEPOSITORS

For the years ended December 31

(in millions of Canadian dollars)

	Demand deposits	**Term deposits**	**Distributions payable to depositors**	**Participation deposits**	**Net assets attributable to depositors**
Balance as at December 31, 2023	**1,654**	**6**	**3,393**	**429,194**	**434,247**
Attributions and distributions					
Net income and comprehensive income attributable to depositors	**-**	**-**	**-**	**24,663**	**24,663**
Distributions to depositors	**17,985**	**-**	**(3,002)**	**-**	**14,983**
Participation deposits					
Issuance of participation deposit units	**(22,067)**	**-**	**-**	**22,067**	**-**
Cancellation of participation deposit units	**5,281**	**-**	**-**	**(5,281)**	**-**
Deposits					
Net withdrawals	**(606)**	**-**	**-**	**-**	**(606)**
BALANCE AS AT DECEMBER 31, 2024	**2,247**	**6**	**391**	**470,643**	**473,287**

	Demand deposits	Term deposits	Distributions payable to depositors	Participation deposits	Net assets attributable to depositors
Balance as at December 31, 2022	1,407	6	986	399,488	401,887
Attributions and distributions					
Net income and comprehensive income attributable to depositors	-	-	-	16,647	16,647
Distributions to depositors	8,931	-	2,407	-	11,338
Participation deposits					
Issuance of participation deposit units	(17,243)	-	-	17,243	-
Cancellation of participation deposit units	4,184	-	-	(4,184)	-
Deposits					
Net contributions	4,375	-	-	-	4,375
BALANCE AS AT DECEMBER 31, 2023	1,654	6	3,393	429,194	434,247

The accompanying notes are an integral part of the consolidated financial statements.

CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31

(in millions of Canadian dollars)

	Note	2024	2023
Cash flows from operating activities			
Net income and comprehensive income attributable to depositors		**24,663**	16,647
Adjustments for:			
Unrealized net losses on short-term promissory notes, term notes and loans payable		**370**	577
Net foreign exchange (gains) losses on short-term promissory notes, term notes and loans payable		**2,157**	(789)
Distributions to depositors		**14,983**	11,338
Net changes in operating assets and liabilities			
Amounts receivable from transactions being settled		**(3,422)**	807
Advances to depositors		**543**	(444)
Investment income, accrued and receivable		**(354)**	(237)
Other assets		**(1,343)**	442
Investments		**(58,085)**	(37,920)
Amounts payable on transactions being settled		**(703)**	2,560
Other liabilities		**224**	614
Investment liabilities		**19,709**	(908)
		(1,258)	(7,313)
Cash flows from financing activities			
Net change in short-term promissory notes payable		**2,611**	(1,856)
Issuance of short-term promissory notes payable		**8,606**	16,386
Repayment of short-term promissory notes payable		**(12,092)**	(18,096)
Net change in loans payable		**(1,143)**	(349)
Issuance of term notes payable		**6,004**	9,819
Repayment of term notes payable		**(2,758)**	(2,676)
Net contributions (net withdrawals)		**(606)**	4,375
		622	7,603
Net increase (decrease) in cash and cash equivalents		**(636)**	290
Cash and cash equivalents at the beginning of the year		**1,791**	1,501
Cash and cash equivalents at the end of the year		**1,155**	1,791
Cash and cash equivalents comprise:			
Cash		**1,115**	1,691
Cash equivalents	4	**40**	100
		1,155	1,791
Supplemental information on cash flows from operating activities			
Interest and dividends received		**11,139**	9,324
Interest paid		**(3,868)**	(2,384)

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are shown in millions of Canadian dollars, unless otherwise indicated.)

1. CONSTITUTION AND NATURE OF OPERATIONS

La Caisse de dépôt et placement du Québec (CDPQ), a legal person established in the public interest within the meaning of the *Civil Code of Québec,* is governed by the *Act respecting the Caisse de dépôt et placement du Québec* (CQLR, chapter C-2) (the Act).

CDPQ is domiciled in Québec, Canada. Its head office is located at 65 Sainte-Anne St., Québec City, Canada and its main office is located at 1000 Place Jean-Paul-Riopelle, Montréal, Canada.

CDPQ's mission is to receive moneys on deposit as provided by the Act and to manage them with a view to achieving an optimal return on depositors' capital within the framework of the depositor investment policies while also contributing to Québec's economic development.

Consolidated financial statements

These consolidated financial statements have been prepared for the purposes of presenting CDPQ's financial position, financial performance and cash flows. CDPQ's consolidated financial statements include the accounts of the General Fund, of the individual funds, and of the specialized portfolios as well as the accounts of its subsidiaries that exclusively offer services related to financing, administrative, and management activities. In preparing the consolidated financial statements, all intercompany transactions and balances have been eliminated.

The investing activities of the depositors in CDPQ's various specialized portfolios are concluded through the participation deposit units of individual funds.

General Fund

The General Fund comprises cash and cash equivalent activities for CDPQ's operational purposes and management of demand deposits, term deposits, and the financing activities.

Individual funds

The individual funds consist mainly of diversified investments in specialized portfolios. Each individual fund is dedicated to a single depositor who invests in the participation deposits of the individual funds.

The individual funds of depositors are as follows:

Fund 300: Base Québec Pension Plan, administered by Retraite Québec

Fund 301: Government and Public Employees Retirement Plan, administered by Retraite Québec

Fund 302: Pension Plan of Management Personnel, administered by Retraite Québec

Fund 303: Pension Plan for Federal Employees Transferred to Employment with the Gouvernement du Québec, administered by Retraite Québec

Fund 305: Pension Plan of Elected Municipal Officers (PPEMO), administered by Retraite Québec

Fund 306: Régime complémentaire de rentes des techniciens ambulanciers/paramédics et des services préhospitaliers d'urgence – Volet à prestations déterminées, administered by the Comité de retraite

Fund 307: Fonds d'assurance automobile du Québec, administered by the Société de l'assurance automobile du Québec

Fund 309: Fonds des opérations courantes de l'autorité, administered by the Autorité des marchés financiers

Fund 310: Régime de retraite des chauffeurs d'autobus de la Société de transport de Laval, administered by the Comité de retraite

Fund 311: Supplemental Pension Plan for Employees of the Québec Construction Industry – General Account, administered by the Commission de la construction du Québec

Fund 312: Supplemental Pension Plan for Employees of the Québec Construction Industry – Retirees Account, administered by the Commission de la construction du Québec

Fund 313: Supplemental Pension Plan for Employees of the Québec Construction Industry – Supplementary Account, administered by the Commission de la construction du Québec

Fund 314: Deposit Insurance Fund, administered by the Autorité des marchés financiers

Fund 315: Dedicated account, administered by La Financière agricole du Québec

Fund 316: Retirement Plans Sinking Fund – RREGOP (RPSF-RREGOP), administered by the ministère des Finances, Government of Québec

Fund 317: Retirement Plans Sinking Fund – PPMP (RPSF-PPMP), administered by the ministère des Finances, Government of Québec

Fund 318: Retirement Plans Sinking Fund – Others (RPSF-Others), administered by the ministère des Finances, Government of Québec

Fund 319: Régimes de retraite de la Société des casinos du Québec, administered by the Société des casinos du Québec Inc.

Fund 321: Fiducie globale de la Ville de Longueuil, administered by the Comité de placement

Fund 322: Régime de retraite HEC, administered by HEC Montréal

Fund 323: Régime des policiers de la Ville de Longueuil, administered by the Comité de retraite

Fund 324: Fonds commun des cols bleus et pompiers de la Ville de Longueuil, administered by the Comité de retraite

Fund 326: Crop Insurance Fund, administered by La Financière agricole du Québec

Fund 328: Survivor's Pension Plan, administered by the Secrétariat du Conseil du trésor

Fund 329: Fonds d'assurance-garantie, administered by la Régie des marchés agricoles et alimentaires du Québec

Individual funds (continued)

Fund 330: Fonds de la santé et de la sécurité du travail, administered by the Commission des normes, de l'équité, de la santé et de la sécurité du travail

Fund 331: Régime de retraite des employés du Réseau de transport de la Capitale, administered by the Comité de retraite

Fund 332: Fonds des cautionnements des agents de voyages – cautionnements individuels, administered by the Office de la protection du consommateur

Fund 333: Compensation Fund for Customers of Travel Agents, administered by the Office de la protection du consommateur

Fund 334: Régime complémentaire de rentes des techniciens ambulanciers/paramédics et des services préhospitaliers d'urgence – Volet à coût partagé, administered by the Comité de retraite

Fund 335: Régime complémentaire de rentes des techniciens ambulanciers/paramédics et des services préhospitaliers d'urgence – Fonds 2025, administered by the Comité de retraite

Fund 336: Régime complémentaire de rentes des techniciens ambulanciers/paramédics et des services préhospitaliers d'urgence – Fonds 2030, administered by the Comité de retraite

Fund 337: Régime complémentaire de rentes des techniciens ambulanciers/paramédics et des services préhospitaliers d'urgence – Fonds 2040, administered by the Comité de retraite

Fund 338: Régime complémentaire de rentes des techniciens ambulanciers/paramédics et des services préhospitaliers d'urgence – Fonds 2050, administered by the Comité de retraite

Fund 339: Fonds d'indemnisation des services financiers, administered by the Autorité des marchés financiers

Fund 340: Régimes de retraite de la Ville de Terrebonne, administered by the Comité de retraite conjoint des Régimes de retraite de la Ville de Terrebonne

Fund 342: Régime de retraite de l'Université du Québec, administered by the Comité de retraite du Régime de retraite de l'Université du Québec

Fund 343: Parental Insurance Fund, administered by the Conseil de gestion de l'assurance parentale

Fund 344: Réserve, administered by La Financière agricole du Québec

Fund 345: Fiducie globale des régimes de retraite des employés de la Ville de Lévis, administered by the Comité de retraite

Fund 347: Régime de retraite du personnel des CPE et des garderies privées conventionnées du Québec, administered by the Investment Committee

Fund 349: Régime complémentaire de rentes des techniciens ambulanciers/paramédics et des services préhospitaliers d'urgence – Fund 2035, administered by the Comité de retraite;

Fund 350: Régime de retraite pour les employés de la Ville de Saint-Jean-sur-Richelieu, administered by the Comité de retraite;

Fund 351: Generations Fund, administered by the ministère des Finances, Government of Québec

Fund 353: Superannuation Plan for the Members of the Sûreté du Québec – Participants' Fund (SPMSQ-part.), administered by Retraite Québec

Fund 354: Superannuation Plan for the Members of the Sûreté du Québec – Employers' Fund (SPMSQ-empl.), administered by the ministère des Finances, Government of Québec

Fund 361: Pension Plan of the non-teaching Staff of the Commission des écoles catholiques de Montréal, administered by the Secrétariat du Conseil du trésor

Fund 362: Régime de retraite pour certains employés de la Commission scolaire de la Capitale, administered by the Secrétariat du Conseil du trésor

Fund 363: Régime de retraite des employés de la Ville de Laval, administered by the Comité de retraite

Fund 367: Territorial Information Fund, administered by the ministère des Finances, Government of Québec

Fund 368: Strategic Partnerships Fund, administered by the Autorité des marchés financiers

Fund 369: Accumulated Sick Leave Fund, administered by the ministère des Finances, Government of Québec

Fund 371: Accumulated Sick Leave Fund – ARQ, administered by the Agence du revenu du Québec

Fund 373: Retirement Plan for Active Members of the Centre hospitalier Côte-des-Neiges, administered by Retraite Québec

Fund 374: Fiducie globale Ville de Magog, administered by the Comité de retraite mixte

Fund 376: Fiducie globale des régimes de retraite de la Ville de Sherbrooke, administered by the Investment Committee;

Fund 378: Pension Plan of Peace Officers in Correctional Services – Employees' Contribution Fund, administered by Retraite Québec

Fund 383: Régime complémentaire de retraite des employés réguliers de la Société de transport de Sherbrooke, administered by the Comité de retraite

Fund 384: Régime de retraite des cadres de la Ville de Québec, administered by the Bureau de la retraite

Fund 385: Régime de retraite des employés manuels de la Ville de Québec, administered by the Bureau de la retraite

Fund 386: Régime de retraite des fonctionnaires de la Ville de Québec, administered by the Bureau de la retraite

Fund 387: Régime de retraite du personnel professionnel de la Ville de Québec, administered by the Bureau de la retraite

Fund 388: Régime de retraite des policiers et policières de la Ville de Québec, administered by the Bureau de la retraite

Fund 389: Régime de retraite des pompiers de la Ville de Québec, administered by the Bureau de la retraite

Fund 392: Fonds - Plan de garantie des bâtiments résidentiels neufs, administered by the Régie du bâtiment du Québec

Fund 393: Régime de retraite de la Corporation de l'École Polytechnique, administered by the Comité de retraite

Fund 395: Retirement Plan for the Mayors and Councillors of Municipalities, administered by Retraite Québec

Fund 399: Additional Québec Pension Plan, administered by Retraite Québec

Specialized portfolios

The specialized portfolios consist of common funds in which the individual funds may invest in the form of participation deposits. CDPQ's specialized portfolios are as follows:

- Short Term Investments (740)
- Rates (765)
- Credit (766)
- Infrastructure (782)
- Real Estate (710)
- Equity Markets (737)
- Private Equity (780)
- Asset Allocation (771)

2. MATERIAL ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, issued by the International Accounting Standards Board (IASB). The accounting policies described below have been applied consistently to all reporting periods presented.

Presentation and measurement basis

CDPQ measures all of its financial instruments, including investments in unconsolidated subsidiaries, joint arrangements, associates, and structured entities, at fair value through profit or loss (FVTPL). Subsidiaries that solely provide services related to financing, administrative, and management activities are consolidated in accordance with the guidance set out in IFRS 10 *Consolidated Financial Statements.*

The Consolidated Statements of Financial Position are presented based on liquidity.

Approval of the consolidated financial statements

The Board of Directors approved CDPQ's consolidated financial statements and the publication thereof on February 25, 2025.

Functional and presentation currency

CDPQ's consolidated financial statements are presented in Canadian dollars, which is the functional currency.

Foreign currency translation

Translation differences on investments and investment liabilities at fair value and on other monetary assets and liabilities are presented under "Net gains on financial instruments at fair value" in the Consolidated Statements of Comprehensive Income.

Use of judgments and estimates

In preparing CDPQ's consolidated financial statements in accordance with IFRS Accounting Standards, management must make judgments, estimates and assumptions that affect the application of the material accounting policies described below and the amounts reported in the Consolidated Statements of Financial Position and the Consolidated Statements of Comprehensive Income.

Judgment

Qualification as an investment entity

Judgment is required when qualifying CDPQ as an investment entity. CDPQ meets the three mandatory criteria of the IFRS 10 definition: 1) Obtain funds from one or more depositors; 2) Commit to its depositors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and 3) Measure and evaluate the performance of its investments on a fair value basis.

IFRS 10 also suggests four typical characteristics be considered in assessing whether an entity qualifies as an investment entity: 1) Have more than one investment; 2) Have more than one depositor; 3) Have investors that are not related parties; and 4) Have ownership interests in the form of equity or similar interests. CDPQ does not satisfy the third typical characteristic of an investment entity because CDPQ and the depositors are, for the most part, related. However, CDPQ nonetheless qualifies as an investment entity, as management believes that having depositors related to the investment entity does not compromise CDPQ's mission of investing for returns from capital appreciation and/or investment income for its depositors.

Fair value hierarchy of financial instruments

Management must use judgment in determining the significance of each input used when establishing the classification into the fair value hierarchy, as explained in Note 6.

Use of judgments and estimates (continued)

Interests in entities

Management must use judgment in determining whether CDPQ has control, joint control, or significant influence over certain entities and over the holding of interests in structured entities, as described in Note 16. Judgment on the relationship between CDPQ and any entity in which it holds an interest is exercised at the time of the initial investment and must be reassessed when facts and circumstances indicate that one or more elements have changed.

CDPQ holds interests in a structured entity when voting or similar rights are not the dominant factor in deciding who controls the entity.

CDPQ controls a subsidiary, including a structured entity, only if the IFRS 10 criteria are met: 1) It has decision-making authority regarding the entity's relevant activities; 2) It has exposure or rights to variable returns from its involvement with the entity; and 3) It has the ability to use its power to affect the amount of the returns. When management determines decision-making authority, several factors are taken into account, including the existence and effect of actual and potential voting rights held by CDPQ that are exercisable, the holding of instruments that are convertible into voting shares, the existence of contractual agreements through which the relevant activities of the entity can be directed, as well as other circumstances that affect decision-making.

CDPQ has joint control over a joint arrangement, whether it is a joint venture or joint operation, when there is a contractual arrangement whereby decisions about relevant activities require the unanimous consent of the parties sharing control.

CDPQ has significant influence over an associate when it has the power to participate in the financial and operating policy decisions of the entity but does not have control or joint control over the entity. CDPQ is presumed to have significant influence when it holds 20% or more of the voting rights of an entity, unless it can be clearly demonstrated that this is not the case.

Estimates and assumptions

The main estimates and assumptions, which are disclosed in Note 6, involve the fair value measurement of investments and investment liabilities classified in Level 3 of the fair value hierarchy. Actual values may differ from the estimated values.

Impact of economic uncertainty on judgment, estimates and assumptions

The financial markets are a source of uncertainty, notably due to geopolitical tensions, ongoing tariff negotiations, and the volatility of stock markets and interest rates that are continuing to disrupt global economic activity.

The key estimates and assumptions as well as the analysis and management of risks take into account the uncertainties and factors known to date. The key estimates and assumptions include those related to the unobservable inputs used to measure the fair value of financial instruments that are not traded in active markets. The reported results reflect CDPQ's best estimates. CDPQ is continuing to monitor developments in the factors causing economic uncertainty and the impacts thereof. The fair value valuation techniques and unobservable inputs used are presented in Note 6e, while a sensitivity analysis is provided in Note 6f.

Financial instruments

CDPQ's financial instruments include cash, amounts receivable from transactions being settled, advances to depositors, accrued and receivable investment income, other assets, investments, amounts payable on transactions being settled, other liabilities, investment liabilities, and net assets attributable to depositors.

Classification and measurement

Financial instruments are categorized based on their nature and characteristics. Classification is determined upon initial recognition, which is the date on which CDPQ is subject to the contractual provisions of the instrument. CDPQ's financial assets and liabilities are managed and their performance is evaluated on a fair value basis. Consequently, all of CDPQ's financial assets are mandatorily classified at FVTPL while its financial liabilities are designated at FVTPL. Derivative financial instruments and securities sold short are mandatorily classified at FVTPL.

Commitments related to the acquisition of corporate debt and mortgage loans are classified at FVTPL when one of the following criteria is met: 1) The commitments are designated as financial liabilities at FVTPL or CDPQ has a practice of selling these loans resulting from its commitments; or 2) The commitments can be settled net in cash.

Financial instruments are initially and subsequently recognized at fair value. Changes in the fair value of financial instruments are presented under "Net gains on financial instruments at fair value" in the Consolidated Statements of Comprehensive Income. When the change in the fair value of financial liabilities designated at FVTPL is attributable to changes in CDPQ's own credit risk, it is presented separately in the Consolidated Statements of Comprehensive Income unless doing so creates or enlarges an accounting mismatch, when appropriate. Income and expenses are presented under "Net investment income" in the Consolidated Statements of Comprehensive Income.

Financial instruments (continued)

Fair value measurement

Fair value is defined as the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined for each financial instrument, which could be a stand-alone asset or liability (e.g., a share or bond) or a group of assets and liabilities (e.g., an ownership interest in an unconsolidated subsidiary or associate). Upon initial recognition, the best evidence of the fair value of a financial instrument is the transaction price, which is the fair value of the consideration received or given. Subsequently, the fair value of a financial instrument is classified using the fair value hierarchy described in Note 6.

CDPQ applies appropriate valuation techniques based on a financial instrument's characteristics, the availability of inputs, and the assumptions that would be used by market participants, focusing on maximizing the use of relevant observable inputs while minimizing the use of unobservable inputs. The valuation techniques are applied consistently. Fair value information is provided in Note 6.

Cash

Cash is the cash deposited with recognized financial institutions and bears interest at market rates.

Investments

Investments include cash equivalents, fixed-income securities, variable-income securities, interests in unconsolidated subsidiaries, and derivative financial instruments.

Cash equivalents include short-term investments. These securities meet the definition of cash equivalents because they are used for cash management purposes, are readily convertible into a known amount of cash, have negligible risk of fair value changes, and have initial maturities of three months or less. These financial instruments bear interest at market rates.

Fixed-income securities include short-term investments, securities purchased under reverse repurchase agreements, corporate debt and bonds which include fixed-income securities funds. Purchases and sales of fixed-income securities are recorded at the transaction date, except for purchases and sales of corporate debt, which are recorded at the settlement date.

Variable-income securities include listed equities, hedge funds, exchange-traded funds and investment funds for which purchases and sales are recorded at the transaction date, as well as unlisted equities, private equity investment, infrastructure and real estate funds for which purchases and sales are recorded at the settlement date.

Interests in unconsolidated subsidiaries represent CDPQ's investment in controlled entities that are not consolidated under IFRS 10. CDPQ's investment in these entities may be in the form of equity instruments or debt instruments.

Investment liabilities

Investment liabilities include securities sold under repurchase agreements, securities sold short, short-term promissory notes payable, loans payable, term notes payable, and derivative financial instruments.

Securities sold short are commitments made by CDPQ to purchase securities from third parties to cover its positions. CDPQ may short-sell equities and bonds.

Derivative financial instruments

In managing its investments, CDPQ conducts transactions involving various derivative financial instruments for discretionary purposes or to manage the risks associated with exchange rate, interest rate, and market fluctuations. Derivative financial instruments whose fair value is favourable are presented under "Investments" in the Consolidated Statements of Financial Position, while those whose fair value is unfavourable are presented under "Investment liabilities" in the Consolidated Statements of Financial Position.

Transactions being settled

Transactions with counterparties for the sale or purchase of securities that have not yet been settled at the reporting date are presented respectively under "Amounts receivable from transactions being settled" and "Amounts payable on transactions being settled" in the Consolidated Statements of Financial Position.

Derecognition of financial assets and liabilities

CDPQ derecognizes financial assets when all of the contractual rights to the assets have expired or when the contractual rights to receive the cash flows from the financial assets have been transferred and when CDPQ has transferred substantially all of the risks and rewards of the financial asset such that it no longer retains control over the asset. If CDPQ considers that it retains substantially all of the risks and rewards of a transferred financial asset, that asset is not derecognized from the Consolidated Statements of Financial Position and, if appropriate, a corresponding financial liability is recorded. Financial assets that have been transferred but not derecognized are disclosed in Note 13. Financial liabilities are derecognized when the related obligation is discharged, cancelled, or expired.

Financial instruments (continued)

Securities purchased under reverse repurchase agreements and sold under repurchase agreements

CDPQ enters into transactions to purchase or sell securities, either short-term investments and bonds, that it agrees to resell to or repurchase from the counterparty at a future date.

The purchased securities are not recognized in the Consolidated Statements of Financial Position because the counterparty retains the risks and rewards of the securities. The cash amounts disbursed are derecognized, and a corresponding asset is recorded in investments under "Securities purchased under reverse repurchase agreements".

The sold securities are not derecognized from the Consolidated Statements of Financial Position because CDPQ retains the risks and rewards of the securities. The cash amounts received are recognized, and a corresponding liability is recorded in investment liabilities under "Securities sold under repurchase agreements".

Revenues and expenses arising from securities purchased under reverse repurchase agreements and securities sold under repurchase agreements are presented under "Investment income" and "Investment expense", respectively, in the Consolidated Statements of Comprehensive Income.

Lending and borrowing of securities

CDPQ conducts securities lending and borrowing transactions involving equities and bonds. These transactions are generally guaranteed by the securities received from the counterparties or pledged by CDPQ, respectively. Loaned securities are not derecognized from, and borrowed securities are not recognized in, the Consolidated Statements of Financial Position because CDPQ or the counterparty, respectively, retains the risks and rewards of the securities. Income and expenses resulting from securities lending and borrowing transactions are presented under "Investment income" and "Investment expense", respectively, in the Consolidated Statements of Comprehensive Income.

Net assets attributable to depositors

Net assets attributable to depositors consist of demand deposits, term deposits, distributions payable to depositors, and participation deposits.

Demand deposits and term deposits

Demand deposits bear interest at a variable rate and are repayable on demand. Term deposits bear interest at a fixed or variable rate and are repayable at maturity. Demand deposits and term deposits represent CDPQ's indebtedness towards the depositors in accordance with the *Regulation respecting the terms and conditions of deposits, funds and portfolios of the Caisse de dépôt et placement du Québec* (Regulation).

Distributions payable to depositors

Under the Regulation, distributions payable to depositors represent the net income or net loss arising from the specialized portfolios as well as the net realized gains or losses upon cancellation of the participation units of specialized portfolios held by the individual funds that are recorded at the end of the month and are paid into the demand deposit accounts of depositors at the beginning of the following month. Distributions may also be made through the issuance of participation deposit units of individual funds.

Participation deposits

Participation deposits are expressed in participation units for each individual fund. Each participation unit gives the holder an interest in the individual fund's net assets. The per-unit value of the net assets is determined by dividing the individual fund's net assets by the number of outstanding units. Depositors can purchase or cancel participation deposit units at that value at the beginning of each month. The difference between the proceeds of cancellation and the carrying value at issuance is recovered in the depositor's demand deposit account. In addition, holders of participation deposit units are entitled to receive distributions. Participation deposit units are financial instruments defined as depositor's equity in the Regulation and are subordinate to all other categories of financial liabilities.

Net income and comprehensive income

Dividend and interest income and expense

Dividend income is recognized when CDPQ obtains the right to the dividend, generally on the ex-dividend date. Distributions from funds are recognized as income on the settlement date. Dividend expense from equities sold short is recorded when the shareholders obtain the right to the dividend. Dividend income and expense are presented under "Investment income" and "Investment expense", respectively, in the Consolidated Statements of Comprehensive Income.

Interest income and expense are recognized as amounts are earned or incurred using the prescribed coupon rate method. Interest income and expense are presented under "Investment income" and "Investment expense", respectively, in the Consolidated Statements of Comprehensive Income.

Management fees

Investment management fees are costs incurred for external management purposes. These fees, which include both base fees and fees related to financial asset performance, consist of management fees for stock markets and management fees for private markets. Management fees for stock markets are amounts paid directly to institutional fund managers to manage shares owned by CDPQ. Private market management fees deducted from the fair value of investments are the fees for investment management carried out by external managers.

The base fees and performance-related management fees paid to external managers for stock markets are presented separately under "Investment expense" and "Net gains on financial instruments at fair value", respectively, while management fees deducted from the fair value of investments are presented under "Net gains on financial instruments at fair value" in the Consolidated Statements of Comprehensive Income.

Net income and comprehensive income (continued)

Transaction costs

Transaction costs incurred by CDPQ and directly attributable to the acquisition, sale, and issuance of a financial instrument are presented under "Net gains on financial instruments at fair value" in the Consolidated Statements of Comprehensive Income. Transaction costs include commissions, rating agency fees as well as professional and legal fees related to investing and financing activities.

Operating expenses

Operating expenses consist of all the expenses incurred to manage and administer CDPQ's investments and are presented separately in the Consolidated Statements of Comprehensive Income.

Income tax

Under federal and provincial income tax legislation, CDPQ is exempt from income tax in Canada. In certain foreign jurisdictions, investment income and capital gains may be subject to tax. Withholding taxes and income tax expense are presented under "Net investment income" and "Net gains on financial instruments at fair value" in the Consolidated Statements of Comprehensive Income. Deferred tax assets and liabilities generated by investments held directly by CDPQ are recognized under "Other assets" and "Other liabilities" respectively, in the Consolidated Statements of Financial Position, whereas deferred tax assets and liabilities generated by investments held by intermediate subsidiaries are included in the fair value of the interest in unconsolidated subsidiaries.

Net gains on financial instruments at fair value

Gains and losses realized on investments and investment liabilities represent the difference between settlement value and value at initial recognition. Gains and losses realized on derivative financial instruments represent payments and receipts. Unrealized gains and losses on financial instruments include net changes in fair value for the year as well as the reversal of prior-year unrealized gains and losses that were realized during the year. Realized and unrealized gains and losses are presented under "Net gains on financial instruments at fair value" in the Consolidated Statements of Comprehensive Income.

Distributions to depositors

Under the Regulation, distributions to depositors consist of the annual net income or loss from the specialized portfolios as well as the net gains or losses realized on the cancellation of participation units of the specialized portfolios held by the individual funds. Distributions to depositors are recorded as finance costs and presented separately in the Consolidated Statements of Comprehensive Income.

Significant event

On January 24, 2024, CDPQ announced the integration of its real estate subsidiaries, Ivanhoé Cambridge and Otéra Capital. As part of this integration, on April 26, 2024, CDPQ repurchased all of the shares held by the minority shareholders in its real estate subsidiaries. Following the closing of the transaction, the activities of Ivanhoé Cambridge and Otéra Capital were integrated into the Real Estate (710) specialized portfolio and the Credit (766) specialized portfolio, respectively. The real estate subsidiaries are now considered to be intermediate subsidiaries whose sole objective is to hold investments.

The presentation and measurement basis of these subsidiaries were not modified as a result of the integration of the real estate subsidiaries. Because CDPQ qualifies as an investment entity, only the subsidiaries that solely provide services related to financing, administrative and management activities are consolidated; as such, the real estate subsidiaries will continue to be measured at FVTPL. However, certain accompanying notes have been adjusted to align the disclosures with CDPQ's other intermediate subsidiaries, particularly in notes 6, 8, 9, 14, 16 and 18.

3. AMENDMENTS AND NEW IFRS ACCOUNTING STANDARDS

IAS 12 *Income Taxes*

In May 2023, the IASB amended IAS 12 *Income Taxes,* introducing a mandatory temporary exception from recognizing and disclosing information about deferred income tax assets and liabilities arising from Pillar Two income taxes. The amendments became effective immediately when issued.

These amendments did not have an impact on CDPQ's consolidated financial statements given that CDPQ is exempt from the scope of the Pillar Two rules. On June 20, 2024, the *Global Minimum Tax Act* was adopted in Canada, and it did not have an impact on the consolidated financial statements. CDPQ will continue to monitor the enactment or substantive enactment of tax laws in the jurisdiction where it operates in order to confirm its exemption.

Upcoming amendments and new IFRS Accounting Standards

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in the Financial Statements,* which will replace IAS 1 *Presentation of Financial Statements.* IFRS 18 establishes a defined structure for the consolidated statement of comprehensive income, requires specific disclosures about management-defined performance measures, and improves the requirements on aggregation and disaggregation in financial statements. The new standard is effective for fiscal years beginning on or after January 1, 2027 and is to be applied retrospectively. CDPQ will evaluate the impact of this new standard on the consolidated financial statements.

In May 2024, the IASB issued amendments to the classification and measurement of financial instruments by amending IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures.* These amendments aim to, among other things, clarify the derecognition requirements of financial liabilities and introduce an accounting policy choice for liabilities settled through an electronic payment system. The amendments are effective for fiscal years beginning on or after January 1, 2026 and are to be applied retrospectively. CDPQ is currently assessing the impact of these amendments on the consolidated financial statements.

CDPQ does not anticipate that the other amendments and interpretations issued by the IASB, which are not yet effective, will have an impact on the consolidated financial statements.

4. INVESTMENTS AND INVESTMENT LIABILITIES

a) Investments

The following table shows the fair values of the investments:

	December 31, 2024	December 31, 2023
Investments		
Cash equivalents		
Short-term investments	**40**	100
Total cash equivalents	**40**	100
Fixed-income securities		
Short-term investments	**1,391**	960
Securities purchased under reverse repurchase agreements	**1,728**	15,383
Corporate debt	**1,950**	2,559
Bonds		
Governments	**107,007**	69,890
Government corporations and other public administrations	**5,449**	6,496
Corporate sector	**11,472**	13,174
Fixed-income securities funds	**1,087**	1,247
Total fixed-income securities	**130,084**	109,709
Variable-income securities		
Equities		
Listed	**135,546**	123,003
Unlisted	**19,185**	20,801
Total variable-income securities	**154,731**	143,804
Interests in unconsolidated subsidiaries		
Investments in real estate	**56,756**	57,970
Investments in real estate finance	**22,715**	22,511
Private equity investments	**68,558**	60,018
Infrastructure investments	**62,880**	54,127
Investments in fixed-income securities	**47,915**	40,571
Investments in hedge funds	**9,259**	7,509
Stock market investments	**6,615**	5,347
Total interests in unconsolidated subsidiaries	**274,698**	248,053
Derivative financial instruments (Note 5)	**3,374**	3,236
Total investments	**562,927**	504,902

b) Investment liabilities

The following table shows the fair values of investment liabilities:

	December 31, 2024	December 31, 2023
Investment liabilities		
Non-derivative financial liabilities		
Securities sold under repurchase agreements	**44,132**	29,805
Securities sold short		
Equities	**1,969**	690
Bonds	**-**	416
Short-term promissory notes payable	**8,761**	9,151
Loans payable	**503**	1,635
Term notes payable	**32,316**	27,039
Total non-derivative financial liabilities	**87,681**	68,736
Derivative financial instruments (Note 5)	**6,234**	1,715
Total investment liabilities	**93,915**	70,451

5. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are financial contracts whose value fluctuates according to an underlying item, which require very little or no initial investment and are settled at a future date. The underlying item may be of a financial nature (interest rate, foreign currency, security, or index) or may be a commodity (precious metal). Certain derivative financial instruments are settled through clearing houses. CDPQ uses, among others, the derivative financial instruments described below.

Forward contracts are commitments for the purchase or sale of an underlying item, the quantity and price of which are determined in the contract and according to the maturity date stated therein. Forward contracts have customized terms and conditions negotiated directly between the parties on the over-the-counter market. Futures contracts have terms and conditions determined by an exchange market.

Options are contracts that can be traded on over-the-counter or exchange markets and that give the purchaser the right, but not the obligation, to buy or sell a given amount of an underlying at a strike price stipulated in advance, either at a determined future date or at any time before a specified maturity date.

Swaps are derivatives traded on over-the-counter markets whereby two parties agree to exchange a series of cash flows according to predetermined terms that include a notional amount, payment dates, and a term to maturity.

Warrants are contracts that can be traded on over-the-counter or exchange markets that enable the purchase of an underlying item, the price of which is determined in the contract, which includes a predetermined maturity date.

The notional amount is the amount to which a rate or price is applied to determine the amounts of cash flows to be exchanged periodically.

Derivative financial instruments (continued)

The following table shows the fair values and the notional amounts of the derivative financial instruments held by CDPQ:

	December 31, 2024			December 31, 2023		
	Fair value		Notional	Fair value		Notional
	Assets	Liabilities	amount	Assets	Liabilities	amount
Exchange markets						
Interest rate derivatives						
Futures contracts	-	-	134,246	-	-	165,312
Equity derivatives						
Futures contracts	-	-	21,745	-	-	8,589
Total exchange markets	-	-	155,991	-	-	173,901
Over-the-counter markets						
Interest rate derivatives						
Swaps	5	34	2,156	-	30	630
Swaps settled through a clearing house	-	-	117,814	-	-	93,350
Forward contracts	19	-	3,542	-	8	785
Options	-	-	101	60	83	5,050
Currency derivatives						
Swaps	688	886	30,052	372	165	19,565
Forward contracts	2,180	4,758	207,896	2,300	1,185	151,637
Options	22	-	2,030	15	-	1,573
Credit default derivatives						
Swaps settled through a clearing house	-	-	13,741	-	-	4,292
Options	15	9	5,019	3	-	1,580
Equity derivatives						
Swaps	385	513	17,940	453	242	12,276
Options	46	29	7,675	20	1	9,162
Warrants	14	-	15	13	-	14
Commodity derivatives						
Forward contracts	-	5	201	-	1	80
Total over-the-counter markets	3,374	6,234	408,182	3,236	1,715	299,994
Total derivative financial instruments	3,374	6,234	564,173	3,236	1,715	473,895

6. FAIR VALUE MEASUREMENT

a) Policy, directive, protocols and procedures related to fair value measurement

CDPQ's valuation procedures are governed by its Investment Valuation Policy, which is approved by the Board of Directors. This general policy is further supported by the valuation directive applicable to private equity investments and the valuation protocols that stipulate the valuation process and methodology for each type of investment held by CDPQ. The general policy and the directive also establish the governance framework for the valuation and reporting process. Application of the policy is the responsibility of the Valuation Committee, which reports to the Executive Committee, supported by a valuation team. The Valuation Committee approves compliance with the policy and the fair values on a semi-annual basis. Subsequently, the Valuation Committee recommends the fair values to the Audit Committee. For valuations of private equity investments, consisting of private equity, infrastructure, real estate and specialized financing, the directive provides for an external review, over a maximum period of three years of substantially all the fair value of these investments. External reviews include valuations by independent valuators, observations of transactions in the market, or valuations by a partner.

When fair value is determined by external valuators or third parties, the Valuation Committee, supported by the valuation team, verifies the qualifications, experience and independence of these parties. It also reviews the valuation techniques, the significant inputs used in calculating fair value, and the results and conclusions to ensure compliance with recognized valuation standards.

In addition, to ensure the reasonableness of the fair value determined, CDPQ conducts backtesting, compares the established fair value with values of comparable transactions, including the values of comparable public companies, and uses the services of external valuators.

b) Fair value valuation techniques

The following paragraphs describe the main valuation techniques used to measure CDPQ's financial instruments.

Short-term investments, securities purchased under reverse repurchase agreements, securities sold under repurchase agreements, loans payable, short-term promissory notes payable, and term notes payable

The fair value of these financial assets and liabilities is determined using a discounted cash flow technique that primarily uses observable inputs such as interest rate curves and credit spreads that make up the discount rates.

Corporate debt and mortgage loans

The fair value of corporate debt and mortgage loans is determined using a discounted cash flow technique that uses observable and unobservable inputs such as interest rate curves and credit spreads. CDPQ may also use prices published by brokers in active markets for identical or similar instruments.

Bonds

The fair value of bonds is determined using prices published in active markets for identical or similar instruments. The fair value of bonds that have no published prices is determined using either a discounted cash flow technique or broker quotes. Discounted cash flow valuations use observable inputs such as the interest rate curves and credit spreads that make up the discount rates.

Equities

Listed

The fair value of listed equities, including exchange-traded funds, is determined based on closing prices observed on major stock exchanges, which represent the active market.

The fair value of an ownership interest in a subsidiary or associate whose securities are listed is determined using a business valuation technique based on observable and unobservable inputs.

Unlisted

The fair value of private equity investments is primarily determined using the market approach, which includes techniques based on comparable company multiples and comparable transaction multiples. CDPQ identifies comparable companies based on their industry, size, financial position and strategy and selects an appropriate multiple for each comparable company identified. This technique uses observable and unobservable inputs such as earnings before interest, taxes, depreciation and amortization (EBITDA) multiples and other multiples.

The fair value of infrastructure investment equities is primarily determined using a discounted cash flow technique and corroborated by the market approach. This technique uses observable and unobservable inputs such as discount rates that take into account the risk associated with the investment as well as future cash flows.

CDPQ also uses information about recent transactions carried out in the market for valuations of private equity and infrastructure investments.

Fair value valuation techniques (continued)

Funds

The fair value of fixed-income securities funds, hedge funds, investment funds and private equity investment, infrastructure, and real estate funds is determined using the net assets provided by the administrator or by the general partner, unless there is an indication that the fair value differs from the net asset value provided. CDPQ ensures that the valuation techniques used by the fund's administrator or general partner to determine net asset fair values are in compliance with IFRS Accounting Standards. Furthermore, the net asset fair value is adjusted to reflect certain factors such as purchases and sales of fund units between the date of the most recent financial statements provided by the fund and the valuation date, the quoted price of the underlyings when there are listed securities, or when there are other indications requiring judgment to be made.

Interests in unconsolidated subsidiaries

Investments in real estate finance

The fair value of interests in real estate debt subsidiaries reflects the fair value of the assets held directly by these subsidiaries, which mainly include mortgage loans, whose valuation technique is described above, and an interest in a mortgage financing subsidiary.

The fair value of the interest in a mortgage financing subsidiary is determined using the discounted cash flow technique. This technique uses unobservable inputs such as discount rates that accounts for the risk associated with the subsidiary as well as future cash flows.

Investments in real estate

The fair value of interests in real estate subsidiaries reflects the fair value of the assets and liabilities held directly by these subsidiaries, which mainly includes investment property and the related mortgage debt, interests held in companies, as wells as listed equities, real estate funds and mortgage loans, whose valuation techniques are described above.

Substantially all of the fair value of investment property is certified annually by external chartered real estate appraisers. The appraisals, based on the highest and best use of the property, are essentially derived from two known methodologies, being the discounted cash flow and the capitalization of stabilized net earnings techniques. These techniques use observable and unobservable inputs such as lease terms and conditions, operating expenses, residual value and rates of return, discount rates, and capitalization rates. Values observed for comparable transactions are used to corroborate the fair value determined.

The fair value of mortgage debt associated with investment property is determined based on the discounted cash flow technique. This technique uses observable and unobservable inputs such as the interest rates and credit spreads that make up the discount rates.

The fair value of an interest in a company over which CDPQ has control or significant influence is determined using discounted cash flows.

Private equity investments, infrastructure investments, investments in fixed-income securities, investments in hedge funds, and stock markets investments

The fair value of interests in these subsidiaries reflects the fair value of the assets and liabilities held directly by these subsidiaries, which include bonds, corporate debt, listed and unlisted equities as well as funds whose valuation techniques are described above.

Securities sold short

The fair value of bonds and equities that are sold short is determined using the fair value of the security that is sold short. The techniques for valuing these securities have been described above.

Derivative financial instruments

The fair value of derivative financial instruments is determined according to the type of instrument. The fair value of derivative financial instruments traded on exchange markets and on over-the-counter markets that are settled through a clearing house is determined, respectively, using the prices on the major stock exchanges representing the active market and clearing house prices. The fair value of the other derivative financial instruments traded on over-the-counter markets is determined using recognized and commonly used valuation techniques such as the discounted cash flow technique or other financial models. These techniques require the development and use of assumptions that take into account observable inputs such as the interest rate curves and credit spreads that make up the discount rates as well as foreign exchange rate curves, prices of the underlying items, and volatility.

Other financial instruments

Other financial instruments include amounts receivable from transactions being settled, advances to depositors, accrued and receivable investment income, other assets, amounts payable on transactions being settled, and other liabilities. The fair value of these other financial instruments is determined using the discounted cash flow technique, which mainly uses observable inputs such as the interest rate curves and credit spreads that make up the discount rates.

Fair value valuation techniques (continued)

Net assets attributable to depositors

Demand deposits

The fair value of demand deposits is determined based on their nominal value, as they are repayable at any time at the option of the issuer without penalty.

Term deposits and distributions payable to depositors

The fair value of term deposits and distributions payable to depositors is determined using the discounted cash flow technique. This valuation technique mainly uses observable inputs such as the interest rate curves and credit spreads that make up the discount rates.

Participation deposits

The fair value of depositor participation deposits stems from a valuation of all the financial assets and liabilities held by CDPQ.

c) Fair value hierarchy

CDPQ's financial instruments at FVTPL are classified according to the below-described fair value hierarchy, based on the lowest level of significant input used in measuring fair value.

Level 1: The fair value calculation of the financial instrument is based on observable prices (unadjusted) in active markets that the entity can access at the measurement date for identical assets or liabilities.

Level 2: The fair value of the financial instrument is calculated using valuation techniques for which the significant inputs are observable, either directly or indirectly.

Level 3: The fair value of the financial instrument is calculated using valuation techniques for which the significant inputs are unobservable. This level includes financial instruments whose valuation is based on prices observed for similar financial instruments, substantially adjusted to reflect the characteristics specific to the financial instrument being measured, and available market data.

Fair value hierarchy (continued)

Classification into the fair value hierarchy levels is determined upon initial measurement of the financial instrument and is reviewed on each subsequent measurement date. Transfers between levels of the fair value hierarchy are measured at fair value at the beginning of each fiscal year.

The determination of the fair value hierarchy levels of financial instruments is influenced by prevailing market conditions on the valuation date as well as by the composition of the investments held by unconsolidated subsidiaries. For the latter, fair value is entirely classified in the same level of the fair value hierarchy as the most significant input. Consequently, the classifications by level can vary significantly from one year to the next.

The following tables show an allocation of the fair value of financial instruments into the three levels of the fair value hierarchy:

				December 31, 2024
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Amounts receivable from transactions being settled	**-**	**4,991**	**-**	**4,991**
Advances to depositors	**-**	**628**	**-**	**628**
Investment income, accrued and receivable	**-**	**1,765**	**-**	**1,765**
Other assets	**-**	**2,048**	**-**	**2,048**
Investments				
Cash equivalents	**-**	**40**	**-**	**40**
Short-term investments	**-**	**1,391**	**-**	**1,391**
Securities purchased under reverse repurchase agreements	**-**	**1,728**	**-**	**1,728**
Corporate debt	**-**	**-**	**1,950**	**1,950**
Bonds	**108,209**	**15,713**	**1,093**	**125,015**
Equities				
Listed	**135,515**	**31**	**-**	**135,546**
Unlisted	**-**	**2,843**	**16,342**	**19,185**
Interests in unconsolidated subsidiaries				
Investments in real estate	**-**	**-**	**56,756**	**56,756**
Investments in real estate finance	**-**	**-**	**22,715**	**22,715**
Private equity investments	**-**	**43**	**68,515**	**68,558**
Infrastructure investments	**-**	**-**	**62,880**	**62,880**
Investments in fixed-income securities	**-**	**-**	**47,915**	**47,915**
Investments in hedge funds	**-**	**-**	**9,259**	**9,259**
Stock market investments	**-**	**6,574**	**41**	**6,615**
Derivative financial instruments	**-**	**3,374**	**-**	**3,374**
	243,724	**41,169**	**287,466**	**572,359**
Financial liabilities excluding net assets attributable to depositors				
Amounts payable on transactions being settled	**-**	**3,800**	**-**	**3,800**
Other liabilities	**-**	**2,472**	**-**	**2,472**
Investment liabilities				
Securities sold under repurchase agreements	**-**	**44,132**	**-**	**44,132**
Securities sold short	**1,969**	**-**	**-**	**1,969**
Short-term promissory notes payable	**-**	**8,761**	**-**	**8,761**
Loans payable	**-**	**503**	**-**	**503**
Term notes payable	**-**	**32,316**	**-**	**32,316**
Derivative financial instruments	**-**	**6,234**	**-**	**6,234**
	1,969	**98,218**	**-**	**100,187**
Net assets attributable to depositors				
Demand deposits	**-**	**2,247**	**-**	**2,247**
Term deposits	**-**	**6**	**-**	**6**
Distributions payable to depositors	**-**	**391**	**-**	**391**
Participation deposits	**-**	**470,643**	**-**	**470,643**
	-	**473,287**	**-**	**473,287**

Fair value hierarchy (continued)

				December 31, 2023
	Level 1	Level 2	Level 3	Total
Financial assets				
Amounts receivable from transactions being settled	-	1,569	-	1,569
Advances to depositors	-	1,171	-	1,171
Investment income, accrued and receivable	-	1,411	-	1,411
Other assets	-	705	-	705
Investments				
Cash equivalents	-	100	-	100
Short-term investments	-	960	-	960
Securities purchased under reverse repurchase agreements	-	15,383	-	15,383
Corporate debt	-	-	2,559	2,559
Bonds	72,871	17,245	691	90,807
Equities				
Listed	122,967	36	-	123,003
Unlisted	-	3,410	17,391	20,801
Interests in unconsolidated subsidiaries				
Investments in real estate	-	12,357	45,613	57,970
Investments in real estate finance	-	17,490	5,021	22,511
Private equity investments	-	306	59,712	60,018
Infrastructure investments	-	-	54,127	54,127
Investments in fixed-income securities	-	-	40,571	40,571
Investments in hedge funds	-	2,486	5,023	7,509
Stock market investments	-	5,317	30	5,347
Derivative financial instruments	-	3,236	-	3,236
	195,838	83,182	230,738	509,758
Financial liabilities excluding net assets attributable to depositors				
Amounts payable on transactions being settled	-	4,503	-	4,503
Other liabilities	-	2,248	-	2,248
Investment liabilities				
Securities sold under repurchase agreements	-	29,805	-	29,805
Securities sold short	1,106	-	-	1,106
Short-term promissory notes payable	-	9,151	-	9,151
Loans payable	-	1,635	-	1,635
Term notes payable	-	27,039	-	27,039
Derivative financial instruments	-	1,715	-	1,715
	1,106	76,096	-	77,202
Net assets attributable to depositors				
Demand deposits	-	1,654	-	1,654
Term deposits	-	6	-	6
Distributions payable to depositors	-	3,393	-	3,393
Participation deposits	-	429,194	-	429,194
	-	434,247	-	434,247

Fair value hierarchy (continued)

Transfers between levels of the fair value hierarchy

As at December 31, 2024, to align the classification in the fair value hierarchy of the financial instruments of the real estate subsidiaries with the other intermediate subsidiaries, as described in Note 2, financial instruments with a value of $29,847 million were transferred from Level 2 to Level 3. Given an increase in underlying investments classified in Level 3 held by unconsolidated subsidiaries, financial instruments with a value of $2,486 million were also transferred from Level 2 to Level 3. In addition, due to changes in the availability of observable inputs given changing market conditions, financial instruments with a value of $85 million were transferred from Level 1 to Level 2 and financial instruments with a value of $3,065 million were transferred from Level 2 to Level 1.

As at December 31, 2023, due to changes in the availability of observable inputs given changing market conditions, financial instruments with a value of $603 million were transferred from Level 1 to Level 2 and financial instruments with a value of $5,771 million were transferred from Level 2 to Level 1. In addition, given an increase in underlying investments classified in Level 2 held by unconsolidated subsidiaries, financial instruments with a value of $1,427 million were transferred from Level 3 to Level 2.

d) Level 3: Reconciliation between opening and closing balances

For financial instruments classified in Level 3 of the fair value hierarchy, reconciliations between the opening and closing balances as at December 31, 2024 and 2023 are as follows:

								2024
	Opening balance	**Gains (losses) recognized in comprehensive income[1]**	**Purchases**	**Sales**	**Settlements**	**Transfers**	**Closing balance**	**Unrealized gains (losses) on financial instruments held at year-end[1]**
Corporate debt	**2,559**	**(28)**	**92**	**(624)**	**(49)**	**-**	**1,950**	**(7)**
Bonds	**691**	**151**	**295**	**(42)**	**(2)**	**-**	**1,093**	**96**
Equities	**17,391**	**1,674**	**154**	**(2,877)**	**-**	**-**	**16,342**	**1,195**
Interests in unconsolidated subsidiaries[2]	**210,097**	**20,685**	**49,944**	**(44,674)**	**(304)**	**32,333**	**268,081**	**17,332**

								2023
	Opening balance	Gains (losses) recognized in comprehensive income[1]	Purchases	Sales	Settlements	Transfers[3]	Closing balance	Unrealized gains (losses) on financial instruments held at year-end[1]
Corporate debt	2,066	12	100	(237)	(92)	710	2,559	(11)
Bonds	747	(42)	80	(92)	(2)	-	691	(9)
Equities	18,320	1,615	219	(2,763)	-	-	17,391	1,457
Interests in unconsolidated subsidiaries	201,333	5,089	13,556	(7,744)	-	(2,137)	210,097	5,184

[1] Presented under “Net gains on financial instruments at fair value” in the Consolidated Statements of Comprehensive Income.

[2] As at December 31, 2024, purchases and sales included amounts of $30,509 million and $27,832 million, respectively, related to capital and reorganization transactions following the integration of the real estate subsidiaries, as described in Note 2.

[3] As at December 31, 2023, financial instruments with a value of $710 million were transferred from the “Interests in unconsolidated subsidiaries” category to the “Corporate debt” category.

e) Level 3: Fair value measurement based on reasonably possible assumptions

In certain cases, the assumptions used in the valuation techniques are based on unobservable inputs or observable inputs adjusted significantly to reflect the characteristics specific to the financial instrument being measured. While CDPQ considers its fair value measurements to be appropriate, the use of reasonably possible assumptions could result in different fair values. For a given measurement date, it is possible that other market participants could measure a same financial instrument at a different fair value, with the valuation techniques and inputs used by these market participants still meeting the definition of fair value. The fact that different fair value measurements exist reflects the judgment, estimates and assumptions applied as well as the uncertainty involved in determining the fair value of these financial instruments.

Level 3: Fair value measurement based on reasonably possible assumptions (continued)

The following tables show quantitative information on the primary valuation techniques and unobservable inputs for the main financial instruments classified in Level 3 of the fair value hierarchy that are subject to the sensitivity analysis in Note 6f as well as those that are excluded from the analysis:

					December 31, 2024
	Fair value	Valuation techniques	Unobservable inputs	Range	Weighted average
Included in the sensitivity analysis					
Fixed-income securities	**2,049**	**Discounted cash flows**	**Credit spreads**	**0.8% to 6.2%**	**4.1%**
			Discount rate	**7.3% to 10.8%**	**9.9%**
Equities					
Private equity investments	**8,469**	**Comparable company multiples**	**EBITDA multiples**	**9.0 to 19.1**	**13.8**
Infrastructure investments	**4,525**	**Discounted cash flows**	**Discount rate**	**7.9% to 17.0%**	**11.4%**
Interests in unconsolidated subsidiaries					
Investments in real estate	**39,947**	***Investment property***			
		Discounted cash flows	**Discount rate**	**2.9% to 14.3%**	**7.7%**
		Capitalization of stabilized net earnings	**Capitalization rate**	**3.2% to 14.3%**	**5.9%**
		Mortgage debt			
		Discounted cash flows	**Credit spreads**	**0.0% to 10.5%**	**1.7%**
		Mortgage loans			
		Discounted cash flows	**Credit spreads**	**1.4% to 9.8%**	**4.7%**
		Companies			
		Discounted cash flows	**Discount rate**	**5.2%**	**n.a.**
Investments in real estate finance	**22,117**	**Discounted cash flows**	**Discount rate**	**13.5%**	**n.a.**
			Credit spreads	**3.8% to 15.0%**	**6.5%**
Private equity investments	**38,664**	**Comparable company multiples**	**EBITDA multiples and other multiples**	**6.5 to 20.2**	**12.6**
Infrastructure investments	**51,300**	**Discounted cash flows**	**Discount rate**	**6.5% to 17.0%**	**9.5%**
Investments in fixed-income securities	**30,046**	**Discounted cash flows**	**Discount rate**	**7.3%**	**n.a.**
			Credit spreads	**0.2% to 18.8%**	**4.6%**
	197,117				
Excluded from the sensitivity analysis					
Financial instruments[1]	**90,349**	**Recent transactions[2]**	**n.a.**	**n.a.**	**n.a.**
		Broker quotes[3]	**n.a.**	**n.a.**	**n.a.**
		Net assets[3]	**n.a.**	**n.a.**	**n.a.**
Financial instruments classified in Level 3	**287,466**				

n.a. not applicable

[1] The fair value of financial instruments presented in this item includes corporate debt, bonds, equities, and interests in unconsolidated subsidiaries.

[2] When fair value is determined based on recent transaction information, this value is the most representative indication of fair value. Consequently, CDPQ did not conduct a sensitivity analysis.

[3] When fair value is determined using broker quotes or net asset value, this value is the only reasonable indication of fair value. Consequently, CDPQ is unable to conduct a sensitivity analysis.

Level 3: Fair value measurement based on reasonably possible assumptions (continued)

					December 31, 2023
	Fair value	Valuation techniques	Unobservable inputs	Range	Weighted average
Included in the sensitivity analysis					
Fixed-income securities	2,666	Discounted cash flows	Credit spreads	0.7% to 6.7%	4.3%
			Discount rate	6.0% to 10.8%	8.8%
Equities					
Private equity investments	6,506	Comparable company multiples	EBITDA multiples	9.5 to 18.5	13.5
Infrastructure investments	7,235	Discounted cash flows	Discount rate	7.9% to 14.5%	10.7%
Interests in unconsolidated subsidiaries					
Investments in real estate	45,613	***Investment property*** Discounted cash flows	Discount rate	2.9% to 13.8%	7.5%
		Capitalization of stabilized net earnings	Capitalization rate	3.3% to 13.8%	5.8%
		Mortgage debt Discounted cash flows	Credit spreads	0.0% to 9.5%	2.5%
		Mortgage loans Discounted cash flows	Credit spreads	1.0% to 10.0%	4.7%
		Real estate funds and companies Net assets	Discounts to net asset value	0.0% to 21.6%	3.9%
Investments in real estate finance	1,794	Discounted cash flows	Discount rate	13.5%	n.a.
Private equity investments	26,091	Comparable company multiples	EBITDA multiples	6.5 to 17.5	12.9
Infrastructure investments	41,048	Discounted cash flows	Discount rate	6.5% to 14.8%	9.3%
Investments in fixed-income securities	26,119	Discounted cash flows	Discount rate	7.4%	n.a.
			Credit spreads	0.1% to 16.8%	4.8%
	157,072				
Excluded from the sensitivity analysis					
Financial instruments[1]	73,666	Recent transactions[2]	n.a.	n.a.	n.a.
		Broker quotes[3]	n.a.	n.a.	n.a.
		Net assets[3]	n.a.	n.a.	n.a.
Financial instruments classified in Level 3	230,738				

n.a. not applicable

[1] The fair value of financial instruments presented in this item includes corporate debt, bonds, equities, and interests in unconsolidated subsidiaries.

[2] When fair value is determined based on recent transaction information, this value is the most representative indication of fair value. Consequently, CDPQ did not conduct a sensitivity analysis.

[3] When fair value is determined using broker quotes or net asset value, this value is the only reasonable indication of fair value. Consequently, CDPQ is unable to conduct a sensitivity analysis.

f) Sensitivity analysis of fair value

The following analysis shows the sensitivity of fair value measurements to reasonably possible assumptions for the significant unobservable inputs shown in the preceding tables in Note 6e. CDPQ identified reasonably possible assumptions using its judgment and knowledge of the markets. The following table shows the increases and decreases in fair value that would result from applying reasonably possible alternative assumptions for the main financial instruments classified in Level 3 of the fair value hierarchy that are subject to a sensitivity analysis:

	December 31, 2024		December 31, 2023	
	Increase	**Decrease**	Increase	Decrease
Sensitivity of fair value	**10,073**	**(9,688)**	8,913	(8,794)

There is a correlation between unobservable inputs and the determination of fair value. Therefore, an increase (decrease) in discount rates, credit spreads, and capitalization rates would result in a decrease (increase) in fair value. Furthermore, an increase (decrease) in EBITDA multiples and other multiples would result in an increase (decrease) in fair value. There is no predictable correlation between unobservable inputs.

7. OFFSETTING FINANCIAL ASSETS AND LIABILITIES

A financial asset and a financial liability must be offset in the Consolidated Statements of Financial Position when CDPQ has a legally enforceable right of set-off and intends either to settle on a net basis or to realize the financial asset and settle the financial liability simultaneously with the counterparty. CDPQ has a legally enforceable right of set-off when this right is exercisable in the normal course of business and in the event of default, insolvency, or bankruptcy.

Amounts receivable from and amounts payable on transactions being settled, securities purchased under reverse repurchase agreements, securities sold under repurchase agreements, and derivative financial instruments traded on over-the-counter markets in accordance with agreements of the International Swaps and Derivatives Association (ISDA) are subject to master netting agreements that do not meet the criteria for offsetting in the Consolidated Statements of Financial Position, as they give a right of set-off that is enforceable only in the event of default, insolvency, or bankruptcy.

Securities purchased under reverse repurchase agreements and securities sold under repurchase agreements settled through a clearing house satisfy the offsetting criteria. Derivative financial instruments traded on exchange markets as well as those settled by clearing houses through brokers also satisfy offsetting criteria.

The following tables show information about financial assets and liabilities that are offset and not offset in the Consolidated Statements of Financial Position and that are subject to master netting agreements or similar arrangements:

						December 31, 2024
	Gross amounts recognized	Amounts offset	Net amounts presented in the Consolidated Statements of Financial Position[1]	Amounts subject to master netting agreements	Collateral received /pledged[2]	Net amounts
Financial assets						
Amounts receivable from transactions being settled	**4,991**	**-**	**4,991**	**(1,286)**	**-**	**3,705**
Securities purchased under repurchase agreements[3]	**18,827**	**(17,097)**	**1,730**	**(187)**	**(1,543)**	**-**
Derivative financial instruments[3]	**3,438**	**-**	**3,438**	**(2,333)**	**(255)**	**850**
	27,256	**(17,097)**	**10,159**	**(3,806)**	**(1,798)**	**4,555**
Financial liabilities						
Amounts payable on transactions being settled	**3,800**	**-**	**3,800**	**(1,286)**	**-**	**2,514**
Securities sold under repurchase agreements[3]	**61,313**	**(17,097)**	**44,216**	**(187)**	**(43,932)**	**97**
Derivative financial instruments[3]	**6,395**	**-**	**6,395**	**(2,333)**	**(3,996)**	**66**
	71,508	**(17,097)**	**54,411**	**(3,806)**	**(47,928)**	**2,677**

[1] Net amounts presented in the Consolidated Statements of Financial Position or in Notes 4a and 4b.

[2] The financial collateral received or pledged cannot include a net amount per counterparty less than zero. The total amounts of financial collateral received or pledged are disclosed in Notes 13 and 14.

[3] The amounts presented in this item include amounts receivable and payable presented, respectively, under "Investment income, accrued and receivable" and "Other liabilities".

Offsetting financial assets and liabilities (continued)

December 31, 2023

	Gross amounts recognized	Amounts offset	Net amounts presented in the Consolidated Statements of Financial Position[1]	Amounts subject to master netting agreements	Collateral received /pledged[2]	Net amounts
Financial assets						
Amounts receivable from transactions being settled	2,959	(1,390)	1,569	(1,207)	-	362
Securities purchased under repurchase agreements[3]	22,984	(7,590)	15,394	(8,211)	(7,183)	-
Derivative financial instruments[3]	3,283	-	3,283	(1,501)	(1,607)	175
	29,226	(8,980)	20,246	(10,919)	(8,790)	537
Financial liabilities						
Amounts payable on transactions being settled	5,893	(1,390)	4,503	(1,207)	-	3,296
Securities sold under repurchase agreements[3]	37,499	(7,590)	29,909	(8,211)	(21,645)	53
Derivative financial instruments[3]	1,825	-	1,825	(1,501)	(186)	138
	45,217	(8,980)	36,237	(10,919)	(21,831)	3,487

[1] Net amounts presented in the Consolidated Statements of Financial Position or in Notes 4a and 4b.

[2] The financial collateral received or pledged cannot include a net amount per counterparty less than zero. The total amounts of financial collateral received or pledged are disclosed in Notes 13 and 14.

[3] The amounts presented in this item include amounts receivable and payable presented, respectively, under “Investment income, accrued and receivable” and “Other liabilities”.

8. INVESTMENT RESULT BEFORE DISTRIBUTIONS TO DEPOSITORS

The following table shows the net investment income, net gains (losses) on financial instruments at FVTPL as well as operating expenses:

			2024			2023
	Net investment income	**Net gains (losses)**	**Total**	Net investment income	Net gains (losses)	Total
Cash management activities	**9**	**4**	**13**	25	4	29
Investing activities						
Short-term investments	**2**	**27**	**29**	3	(14)	(11)
Securities purchased under reverse repurchase agreements	**1,081**	**8**	**1,089**	1,102	2	1,104
Corporate debt	**195**	**(28)**	**167**	219	12	231
Bonds	**4,574**	**2,105**	**6,679**	3,229	2,398	5,627
Equities	**3,717**	**30,700**	**34,417**	3,124	13,330	16,454
Interests in unconsolidated subsidiaries[1, 2]	**2,332**	**21,659**	**23,991**	2,459	6,466	8,925
Net derivative financial instruments	**-**	**(14,942)**	**(14,942)**	-	(711)	(711)
Other	**212**	**(105)**	**107**	117	193	310
	12,122	**39,428**	**51,550**	10,278	21,680	31,958
Investment liability activities						
Securities sold under repurchase agreements	**(2,674)**	**(2,268)**	**(4,942)**	(1,594)	297	(1,297)
Securities sold short	**(170)**	**(998)**	**(1,168)**	(174)	(120)	(294)
Financing activities						
Short-term promissory notes payable	**(87)**	**(1,312)**	**(1,399)**	(192)	(212)	(404)
Loans payable	**(17)**	**(56)**	**(73)**	(13)	8	(5)
Term notes payable	**(997)**	**(2,031)**	**(3,028)**	(687)	(147)	(834)
Other						
Management fees – stock markets	**(71)**	**(22)**	**(93)**	(88)	(26)	(114)
Transaction costs[1]	**-**	**(222)**	**(222)**	-	(226)	(226)
	(4,016)	**(6,909)**	**(10,925)**	(2,748)	(426)	(3,174)
	8,106	**32,519**	**40,625**	7,530	21,254	28,784
Operating expenses[2] (Note 9)			**(979)**			(799)
Investment result before distributions to depositors			**39,646**			27,985

[1] Transaction costs incurred by the real estate subsidiaries of $113 million ($103 million in 2023) are deducted from the investment result of the interests in unconsolidated subsidiaries.

[2] Since April 26, 2024, the employees of the real estate subsidiaries have been integrated into CDPQ, as described in Note 2. Consequently, as of that date, CDPQ's operating expenses include the expenses of the real estate subsidiaries, which had previously been deducted from the investment result of the interests in unconsolidated subsidiaries. From January 1, 2024 to April 25, 2024, an amount of $117 million in operating expenses (including $14 million related to restructuring and integration expenses) is included in the investment result of the interests in unconsolidated subsidiaries.

External auditor fees for audit services, audit-related services, and tax services include, since 2024, the fees related to real estate subsidiaries. As at December 31, 2024, these fees amounted to $10 million ($5 million as at December 31, 2023).

9. OPERATING EXPENSES

The following table shows the operating expenses:

	2024	2023
Salaries and employee benefits	**609**	509
Information technology and professional services	**166**	150
Maintenance, equipment and amortization	**37**	26
Data services and subscriptions	**42**	38
Rent	**32**	19
Safekeeping of securities	**22**	20
Other expenses	**35**	37
	943	799
Restructuring and integration expenses[1]	**36**	-
	979	799

[1] CDPQ incurred restructuring and integration expenses, consisting mainly of termination benefits, IT-related costs, and professional services costs as a result of the integration of the real estate subsidiaries, as described in Note 2.

Following the integration of the real estate subsidiaries, total operating expenses amounted to $1,096 million, including $979 million incurred by CDPQ and $117 million incurred by the real estate subsidiaries, as described in Note 8.

10. SEGMENT INFORMATION

CDPQ enables its depositors to allocate their funds to specialized portfolios that hold securities of the same type. These portfolios represent operating segments that have been grouped into three separate segments according to management approach, economic characteristics, and performance targets:

- Fixed Income: This segment's objective is to reduce the overall risk level of CDPQ's portfolio and match its depositors' assets and liabilities while providing a significant source of liquidity. This segment consists of the Rates, Credit, and Short Term Investments specialized portfolios.
- Real Assets: This segment's objective is to expose CDPQ to markets for which investment income is indexed to inflation and to partially hedge the inflation risk associated with the liabilities of several depositors. This segment consists of the Real Estate and Infrastructure specialized portfolios.
- Equities: This segment's objective is to increase the depositors' long-term target returns. This segment consists of the Equity Markets and Private Equity specialized portfolios.

In addition, customization activities provide each depositor the possibility to adjust the composition of their portfolio, the strategic risk level, and the interest rate exposure according to their needs.

The following table shows the allocation of net assets attributable to depositors according to each of CDPQ's segments:

	December 31, 2024	December 31, 2023
Fixed Income	**154,343**	135,021
Real Assets	**105,902**	105,422
Equities	**219,387**	194,160
Other[1]	**(6,345)**	(356)
Net assets attributable to depositors	**473,287**	434,247

The following table shows the allocation of the investment result before distributions to depositors for each of CDPQ's segments:

	2024	2023
Fixed Income	**1,768**	9,685
Real Assets	**456**	2,029
Equities	**40,367**	17,513
Other[1]	**(2,945)**	(1,242)
Investment result before distributions to depositors	**39,646**	27,985

[1] "Other" includes the Asset Allocation specialized portfolio, cash activities, and customized overlay operations, notably proceeds from the customized rate exposure product and proceeds from the leverage product.

11. RISK IDENTIFICATION AND MANAGEMENT

Risk management policies, directives and procedures related to investment activities

CDPQ is responsible for managing deposits in accordance with service agreements and depositor investment policies, the investment policies for specialized portfolios, and the integrated risk management policy. To do so, it has implemented various policies, directives, and procedures to oversee the management of the risks relating to its operations.

The integrated risk management policy is adopted by CDPQ's Board of Directors. The purpose of this policy is to promote a rigorous risk management culture and practices that help CDPQ carry out its mission on behalf of its depositors. The integrated risk management policy defines market risk, concentration risk, credit risk, counterparty risk associated with derivative financial instruments, and financing-liquidity risk.

Specifically, this policy aims to:

- Establish the guiding principles that support CDPQ's integrated risk management framework and promote a sound risk management culture at all levels of the organization
- Set out the risk management model and governance structure
- Define the roles and responsibilities of stakeholders
- Establish oversight of the main risks to which CDPQ is exposed

CDPQ's governance and risk management are based on the following twelve guiding principles:

- A risk tolerance framework
- The roles of the Board of Directors and senior executives
- A client-centric approach that focuses on the needs of depositors
- A long-term investment strategy
- Liquidity and financing management
- In-depth knowledge of assets and markets
- Independent functions and stakeholder accountability
- Collaboration for comprehensive risk management
- Operational excellence
- Use of derivative financial instruments and counterparty risk management
- Oversight of new investment activities and new financial instruments
- A responsible investment framework

The levels of control and parties responsible for risk management governance are as follows:

1. Investment groups have the primary responsibility for managing the risks related to their operations.
2. Independent teams and internal committees are responsible for supporting investment group employees and setting appropriate control mechanisms.
3. The Board of Directors and its committees ensure a management framework is adopted, and the Internal Audit group ensures execution and compliance with the established risk management framework.

The integrated risk management policy sets out risk limits and authorization levels for CDPQ as a whole, as well as limits applicable to cross-functional activities. In addition, CDPQ develops and periodically reviews the specialized portfolio investment policies that are designed to oversee the work of the specialized portfolio managers. A separate investment policy sets out investment strategy, management style, eligible investments, target returns, benchmark index, and concentration and risk limits.

Furthermore, each investment group must adopt an investment strategy. Global strategic planning (GSP) seeks to strengthen the decision-making process by achieving a better matching of return to risk when choosing investments. GSP sets future directions, strengthens the collaboration and information-sharing processes required to make strategic investment decisions, and ensures a better alignment between the directions and strategies. The GSP process is conducted continuously and includes the following steps: 1) Diagnostic and strategic directions; 2) Strategic plans; 3) Review and approval; and 4) Execution and accountability. Investment plans are communicated to the Executive Committee and presented to the Investment-Risk Committee (IRC)or the Strategy and Execution Committee, as well as to the Board of Directors for approval.

CDPQ is exposed to various financial risks. Detailed information about these risks is disclosed in the following sections.

Market risk

Market risk is the risk of financial loss arising from fluctuations in the fair value of financial instruments. Volatility in financial instrument prices stems from changes in market risk factors, in particular interest rates, credit spreads, exchange rates, share prices, and commodity prices.

CDPQ manages market risk according to an integrated approach for all specialized portfolios. The main factors contributing to risk, such as industry sector, geographic region, and issuer, are taken into account. CDPQ's market risk is managed and calculated according to factors that can influence the fair value of investments and investment liabilities.

CDPQ measures its market risk using Value-at-Risk (VaR), which is based on a statistical estimate of the volatility of the fair value of each position and of correlations between market risk factors. VaR is a statistical estimate of the potential financial loss that could be incurred by CDPQ's actual portfolio, based on a predetermined confidence level and a given exposure period. The market VaR is estimated with a 95% confidence level over an exposure period of one year. Moreover, due to the methodology, the effects on the portfolio of the unfavourable events seen over a one-month horizon are repeated several times during the year. To summarize, VaR indicates the level of loss that the actual portfolio of CDPQ could exceed in 5% of cases over the forthcoming year. CDPQ estimates VaR for each instrument held in its specialized portfolios and aggregates the information for CDPQ's actual portfolio.

The historical-simulation method is used to measure VaR. This method is based mainly on the assumption that the future will be similar to the past. It requires that historical data series on all the risk factors needed to estimate the returns on financial instruments be available. In the absence of historical data, alternative methods are used.

The calculation results obtained by applying this methodology do not make it possible to estimate the amount of loss, based on a specific event, that would be incurred by CDPQ's portfolio if this event re-occurred. For example, if future conditions and market risk factors were substantially different from past economic conditions, actual losses could differ substantially from estimated losses. Moreover, these estimates at a given date do not take into account all possible losses resulting from exceptional market events or losses that could arise over and above the 95% confidence level. Consequently, in light of these limitations, CDPQ's actual portfolio losses could exceed the estimates.

A risk factor observation history over a period from 2006 to the reporting date is being used to assess the volatility of returns and the correlation between the performance of financial instruments.

Two risk measures are calculated and analyzed:

- The absolute risk of the actual portfolio represents the total risk associated with the categories of financial instruments that make up CDPQ's actual portfolio.
- The absolute risk of the benchmark portfolio targeted by depositors represents the total risk of the benchmark indexes associated with the categories of financial instruments that make up CDPQ's benchmark portfolio.

The absolute risks of CDPQ's actual and benchmark portfolios are measured regularly and used to calculate the absolute risk ratio, which is subject to certain limitations. The absolute risk ratio is obtained by dividing the absolute risk of the actual portfolio by the absolute risk of the benchmark portfolio.

The absolute risk of CDPQ's actual and benchmark portfolio, including the risk associated with the underlying investments of unconsolidated subsidiaries, as a percentage of net assets, according to a 95% confidence level and a history of observation over a period from 2006 to the reporting date, as well as the absolute risk ratio, are as follows:

	December 31, 2024			December 31, 2023		
	Absolute risk of the actual portfolio	**Absolute risk of benchmark portfolio**	**Absolute risk ratio**	Absolute risk of the actual portfolio	Absolute risk of benchmark portfolio	Absolute risk ratio
Value-at-risk	**17.1%**	**15.9%**	**1.08**	17.1%	16.2%	1.05

Moreover, when managing market risk, CDPQ uses stress tests that allow it to evaluate the consequences of specific circumstances on the returns of CDPQ's actual portfolio based on historical, hypothetical or risk factor sensitivity scenarios. Using various types of scenarios, stress tests measure the gains or losses in value of a financial instrument following a change in one or more often-related risk factors, such as share prices, interest rates, rate spreads, exchange rates, commodity prices, and market volatility. The hypothetical scenarios are also continuously enriched to integrate new issues.

Market risk (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This risk is integrated into the VaR measurement.

CDPQ's currency management strategy is designed to optimize the overall portfolio as well as each of the specialized portfolios by seeking the optimal net exposure to currencies and considering the expected return, risk, and diversification of each long-term currency. Complementing this approach is a fundamental tracking of the macroeconomic dynamics and the factors influencing the currency returns.

The main exposures to currencies of developed countries are subject to strategic and dynamic hedging. Strategic hedging decisions are put in place to optimize the net exposure of the long-term currencies according to the levels of hedging by specialized portfolio and by currency. Dynamic management is used to optimize certain specialized portfolios when the Canadian dollar appears to be significantly undervalued or overvalued compared to its equilibrium value versus that of developed countries according to the valuation models. Dynamic hedging should therefore be less frequent for a given currency, but the duration of the hedge, being unforeseeable, may vary widely and last for a few weeks to several years. The last part of the approach involves active management decisions, i.e., discretionary hedges that can be implemented during particular market situations.

To manage currency risk, CDPQ therefore uses currency derivatives.

The net exposure to foreign currencies takes into account the effects of currency derivatives and the underlying investments in currencies of unconsolidated subsidiaries. CDPQ's net exposures to foreign currencies, as a percentage of net assets, including purchases and cancellations of participation units of the specialized portfolios completed at the beginning of each month, are as follows:

	December 31, 2024	December 31, 2023
Canadian dollar	**57%**	52%
U.S. dollar	**22%**	23%
Euro	**6%**	7%
Australian dollar	**1%**	1%
Hong Kong dollar	**1%**	1%
Taiwan dollar	**1%**	-
Pound sterling	**3%**	4%
Mexican peso	**1%**	1%
Brazilian real	**2%**	2%
Indian rupee	**2%**	2%
Yen	**1%**	2%
Chinese yuan	**1%**	1%
Other	**2%**	4%
	100%	100%

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk is integrated into the VaR measurement.

Interbank offered rates reform

CDPQ has set up an organization-wide multidisciplinary committee to identify and manage the changes and risks arising from the replacement of interbank offered rates (IBOR) with alternative benchmark rates. The reform notably includes risks related to the review of contractual clauses and the updating of processes and systems.

As at December 31, 2024, CDPQ completed the transition of all its Canadian Dollar Offered Rate (CDOR) referenced contracts. As at December 31, 2023, CDPQ held non-derivative financial instruments with a fair value of $794 million, referencing CDOR.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes 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 by factors that affect all similar financial instruments traded on the market. This risk is integrated into the VaR measurement.

Concentration risk

CDPQ analyzes overall concentration risk for the entire group of specialized portfolios it manages. The integrated risk management policy sets out exposure limits according to category of financial instrument and according to issuer for growth markets and for certain countries. Moreover, the investment policies of the specialized portfolios set out specific limits for each issuer, industry sector, and geographic region.

The concentration limit by issuer is 3% of CDPQ's total assets, including undisbursed commitments, except for securities issued by the Canadian or U.S. governments or by their agencies that feature an explicit guarantee by a Canadian province or territory or a ministry or agency thereof or by sovereign issuers rated AAA, which are not included in the concentration limit. Concentration by issuer is monitored daily or upon initiation of a transaction requiring approval of the IRC or the Board of Directors, as appropriate.

Concentration risk includes the impact of derivative financial instruments, but excludes interest rate derivatives and government bonds used as part of strategic duration adjustment activities.

The following table shows the main geographic concentrations as a percentage of total net exposure, established according to the country of the issuers' principal place of business, including the underlying investments in unconsolidated subsidiaries:

	December 31, 2024	December 31, 2023
United States	**38%**	38%
Canada	**30%**	27%
Europe	**15%**	16%
Asia Pacific	**10%**	12%
Latin America	**4%**	4%
Other	**3%**	3%
	100%	100%

The following table shows the principal industry sector concentrations as a percentage of total net exposure, established according to the industry sector in which the issuers operate, including the underlying investments in unconsolidated subsidiaries:

	December 31, 2024	December 31, 2023
Industry sector		
Real estate	**14%**	15%
Industrials	**15%**	15%
Financials	**11%**	10%
Information technology	**9%**	10%
Consumer discretionary	**5%**	4%
Utilities	**6%**	6%
Health care	**4%**	5%
Consumer staples	**3%**	3%
Real estate finance	**4%**	4%
Communication services	**5%**	5%
Energy	**2%**	2%
Materials	**1%**	1%
Other	**4%**	3%
Government sector		
Government of the United States	**4%**	6%
Government of Canada	**7%**	5%
Government of Québec	**2%**	2%
Government corporations and other public administrations in Québec	**1%**	1%
Other	**3%**	3%
	100%	100%

Credit risk

Credit risk is the possibility of incurring a loss in value should a borrower, endorser, or guarantor experience a deterioration in financial position, fail to meet an obligation to repay a loan, or fail to meet any other financial commitment.

Maximum credit risk exposure is measured based on the fair value of financial instruments without taking into account guarantees or other credit enhancements. For the other items, the maximum exposure to credit risk is the total amount guaranteed or committed.

The following table shows the maximum exposure to credit risk:

	December 31, 2024	December 31, 2023
Cash	**1,115**	1,691
Amounts receivable from transactions being settled	**4,991**	1,569
Advances to depositors	**628**	1,171
Investment income, accrued and receivable	**1,765**	1,411
Other assets	**2,048**	705
Investments		
Cash equivalents	**40**	100
Fixed-income securities	**130,084**	109,709
Interests in unconsolidated subsidiaries in the form of debt instruments	**27,377**	37,883
Derivative financial instruments	**3,374**	3,236
	171,422	157,475
Other items		
Commitments and financial guarantees (Note 18)	**2,880**	2,178
	174,302	159,653

CDPQ enters into master netting agreements (Note 7), receives guarantees (Note 14), and may also use derivative financial instruments such as credit default swaps to reduce its total credit risk exposure.

In addition, to manage credit risk, CDPQ closely monitors changes in the credit cycle of issuers and uses a credit VaR to calculate the potential financial loss related to possible changes in the credit quality of issuers of fixed-income securities.

Concentration of credit risk

A credit risk concentration analysis measures the fair value of all financial instruments related to a same issuer. The investment policy of the specialized portfolios sets out concentration limits according to credit rating. The credit risk analysis considers the probability of default and the recovery rate on debt securities held by CDPQ and monitors changes in the credit quality of issuers.

In 2024, CDPQ revised the methodology it uses for calculating credit risk concentration in order to better reflect its exposure. This revision excludes financial instruments used for strategic duration adjustment activities, notably interest rate derivatives and government bonds whose credit ratings are mainly AAA - AA. These activities are nevertheless included in the calculation of value-at-risk (VaR), which measures market risk. The figures as at December 31, 2023 have been recalculated to reflect the change in methodology.

Credit risk (continued)

The following table shows the credit risk concentration according to the credit ratings of issuers of fixed-income securities and derivative financial instruments that carry credit risk, as a percentage of the total exposure to credit concentration risk:

	December 31, 2024	December 31, 2023
Credit rating		
AAA - AA	**55 %**	54 %
A	**3 %**	4 %
BBB	**13 %**	13 %
BB or lower	**20 %**	21 %
No credit rating	**9 %**	8 %
	100 %	100 %

The credit ratings of securities issued or guaranteed by governments are obtained from recognized credit rating agencies. For corporate sector securities, credit ratings are determined using an internal rating process that monitors changes in the credit cycle annually when the necessary information is available. Otherwise, CDPQ uses recognized credit rating agencies.

Counterparty risk related to derivative financial instruments

Certain over-the-counter financial instruments give rise to counterparty risk because they are negotiated by contract without being traded or settled through a clearing house. Counterparty risk related to derivative financial instruments is the credit risk created by current or potential exposures arising from derivative financial instrument transactions where the counterparty becomes unable to honour the terms of the contracts.

To limit its exposure to the counterparty risk arising from transactions involving over-the-counter derivative financial instruments, CDPQ carries out transactions with financial institutions in accordance with management's criteria regarding the quality of the issuer. Moreover, CDPQ enters into legal agreements based on ISDA standards under which it benefits from the compensating effects between at-risk amounts and the collateral exchanged in order to limit its net exposure to this risk.

This risk is measured by counterparty, pursuant to the applicable legal agreement, from which it is possible to calculate the net exposure created by all of the over-the-counter derivative financial instruments and collateral exchanged. Actual exposure to counterparty risk is measured on a daily basis, whereas potential exposure to counterparty risk is measured on a monthly basis.

As at December 31, 2024 and 2023, the legal agreements and the collateral received helped reduce exposure to the counterparty risk of over-the-counter derivative financial instruments. The maximum exposure to this risk was $212 million as at December 31, 2024 ($171 million as at December 31, 2023).

Liquidity risk

Liquidity risk is the possibility of CDPQ not always being able to honour its financial liability commitments without having to obtain funds at abnormally high prices or having to sell assets through forced liquidation. It is also the risk of CDPQ not being able to quickly sell investments without having a significant unfavourable effect on the price of the investment in question.

Liquidity is managed across all of CDPQ's cash activities. On a daily basis, liquidity status is determined and compliance with the established rules is analyzed. Managers are responsible for evaluating the liquidity of the markets in which CDPQ obtains financing for its operations.

To ensure that sources of liquidity and potential liquidity requirements are properly aligned, CDPQ has a number of sources of liquidity in addition to its cash and cash equivalents, including receipt of investment income, the sale of bonds, sales under repurchase agreements, and liquid money market securities. In addition, CDPQ may issue short-term promissory notes and term notes as well as a committed credit facility totalling US$4 billion to meet its contractual commitments and financial obligations. As at December 31, 2024, CDPQ has $56 billion in liquidity in the form of government bonds and money market securities ($60 billion as at December 31, 2023).

Furthermore, to manage liquidity risk, CDPQ conducts simulations of scenarios over different horizons and examines events that could lead to a liquidity crisis. CDPQ rigorously and frequently monitors its potential liquidity needs and proactively ensures permanent access to stable and resilient sources of liquidity.

An analysis of undiscounted contractual cash flows of financial liabilities, shown in the table below, is a component of liquidity and financing management. However, this by-maturity allocation is not necessarily representative of the manner in which CDPQ manages its liquidity risk and financing requirements.

Liquidity risk (continued)

The following tables show the maturities of the undiscounted contractual cash flows of non-derivative financial liabilities and derivative financial instruments:

					December 31, 2024
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivative financial liabilities					
Amounts payable on transactions being settled	**-**	**3,800**	**-**	**-**	**3,800**
Other liabilities	**-**	**1,059**	**120**	**1,162**	**2,341**
Investment liabilities					
Securities sold under repurchase agreements	**-**	**44,424**	**-**	**-**	**44,424**
Securities sold short	**-**	**1,969**	**-**	**-**	**1,969**
Short-term promissory notes payable	**-**	**8,820**	**-**	**-**	**8,820**
Loans payable	**-**	**503**	**-**	**-**	**503**
Term notes payable	**-**	**6,787**	**24,476**	**5,905**	**37,168**
Net assets attributable to depositors					
Demand and term deposits	**2,247**	**6**	**-**	**-**	**2,253**
Distributions payable to depositors	**-**	**391**	**-**	**-**	**391**
	2,247	**67,759**	**24,596**	**7,067**	**101,669**
Derivative financial instruments					
Derivative financial instruments with net settlement	**-**	**3,622**	**19**	**3**	**3,644**
Derivative financial instruments with gross settlement					
Contractual cash flows receivable	**-**	**(217,248)**	**(14,700)**	**(6,454)**	**(238,402)**
Contractual cash flows payable	**-**	**220,348**	**15,110**	**6,111**	**241,569**
	-	**6,722**	**429**	**(340)**	**6,811**
	2,247	**74,481**	**25,025**	**6,727**	**108,480**

Liquidity risk (continued)

					December 31, 2023
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivative financial liabilities					
Amounts payable on transactions being settled	-	4,503	-	-	4,503
Other liabilities	-	1,013	141	967	2,121
Investment liabilities					
Securities sold under repurchase agreements	-	30,300	-	-	30,300
Securities sold short	-	1,106	-	-	1,106
Short-term promissory notes payable	-	9,319	-	-	9,319
Loans payable	-	1,635	-	-	1,635
Term notes payable	-	3,479	22,648	5,429	31,556
Net assets attributable to depositors					
Demand and term deposits	1,654	6	-	-	1,660
Distributions payable to depositors	-	3,393	-	-	3,393
	1,654	54,754	22,789	6,396	85,593
Derivative financial instruments					
Derivative financial instruments with net settlement	-	588	20	1	609
Derivative financial instruments with gross settlement					
Contractual cash flows receivable	-	(154,229)	(8,369)	(6,461)	(169,059)
Contractual cash flows payable	-	152,895	8,537	6,368	167,800
	-	(746)	188	(92)	(650)
	1,654	54,008	22,977	6,304	84,943

Moreover, concerning net assets attributable to depositors, the Regulation states that CDPQ may set monthly limits for cancelling participation units, i.e., a depositor is limited to a maximum reimbursement of all their participation units in all of CDPQ's specialized portfolios of $50 million. Any participation units that are not cancelled given the maximum amount permitted are carried forward to the first days of the subsequent months and are cancelled as soon as the limit permits. The purpose of the limits is to ensure optimal management of CDPQ's overall liquidity.

Liquidity risk (continued)

Financing-liquidity risk

The following tables show the main terms and conditions, and interest rates of the investment liabilities related to CDPQ's financing activities:

				December 31, 2024
	Currency	Nominal value[1]	Maturity	Interest rate
Loans payable	USD	471	Less than 1 year	5.06%
	CAD	32	Less than 1 year	4.58%
		503		
Short-term promissory notes payable	CAD	296	Less than 1 year	4.23%
	USD	7,157	Less than 1 year	4.92%
	USD	1,237	Less than 1 year	SOFR[3] + 0.33%
	EUR	119	Less than 1 year	3.47%
		8,809		
Term notes payable[2]	USD	1,942	May 2025	SOFR[3] + 0.40%
	USD	288	May 2025	5.25%
	USD	3,596	June 2025	0.88%
	USD	2,876	February 2026	4.50%
	USD	1,438	May 2026	1.00%
	CAD	1,250	October 2026	1.50%
	USD	2,157	February 2027	1.75%
	EUR	2,978	April 2027	1.13%
	CAD	1,250	June 2027	3.80%
	CAD	2,000	March 2028	3.70%
	USD	2,157	July 2028	4.25%
	EUR	2,234	April 2029	3.00%
	USD	2,157	June 2029	4.88%
	CAD	1,500	September 2029	3.95%
	AUD	267	May 2030	4.38%
	CAD	1,500	December 2030	4.20%
	CAD	1,000	June 2034	3.65%
	NOK	76	April 2038	3.54%
	USD	1,798	November 2039	5.60%
		32,464		

[1] The amounts shown are translated into Canadian dollars and are amounts to be repaid at maturity.

[2] As at December 31, 2024, term notes included $2,688 million in green bonds that must be allocated to a selection of investments that are compliant with the eligible project categories established under CDPQ's Green Bond Framework, which is aligned with the Green Bond Principles of the International Capital Market Association.

[3] SOFR: *Secured Overnight Financing Rate*

Liquidity risk (continued)

	Currency	Nominal value[1]	Maturity	Interest rate
				December 31, 2023
Loans payable	USD	885	Less than 1 year	4.90%
	CAD	750	Less than 1 year	4.75%
		1,635		
Short-term promissory notes payable	CAD	754	Less than 1 year	5.12%
	USD	6,400	Less than 1 year	5.68%
	USD	2,123	Less than 1 year	SOFR[3] + 0.45%
	EUR	14	Less than 1 year	3.98%
		9,291		
Term notes payable[2]	USD	2,637	July 2024	3.15%
	USD	1,780	May 2025	SOFR[3] + 0.40%
	USD	264	May 2025	5.25%
	USD	3,296	June 2025	0.88%
	USD	2,637	February 2026	4.50%
	USD	1,319	May 2026	1.00%
	CAD	1,250	October 2026	1.50%
	USD	1,978	February 2027	1.75%
	EUR	2,913	April 2027	1.13%
	CAD	1,250	June 2027	3.80%
	CAD	2,000	March 2028	3.70%
	USD	1,978	July 2028	4.25%
	CAD	1,500	September 2029	3.95%
	AUD	270	May 2030	4.38%
	CAD	750	December 2030	4.20%
	NOK	78	April 2038	3.54%
	USD	1,648	November 2039	5.60%
		27,548		

[1] The amounts shown are translated into Canadian dollars and are amounts to be repaid at maturity.

[2] As at December 31, 2023, term notes included $2,569 million in green bonds that must be allocated to a selection of investments that are compliant with the eligible project categories established under CDPQ's Green Bond Framework, which is aligned with the Green Bond Principles of the International Capital Market Association.

[3] SOFR: *Secured Overnight Financing Rate*

Short-term promissory notes are issued at fixed or variable rates, with maturities not exceeding 12 months, and are guaranteed by CDPQ's assets. In accordance with the limit prescribed in the short-term promissory notes issuance information document, the nominal value of all such outstanding notes may never exceed US$12 billion as at December 31, 2024 and 2023 for the U.S. program, and the equivalent of CA$4 billion as at December 31, 2024 and 2023 for short-term promissory notes issued in Canada and abroad, excluding the United States.

Term notes payable are issued at fixed or variable rates, are repayable at maturity, and are secured by CDPQ's assets.

Furthermore, during the year ended December 31, 2024, CDPQ renewed the credit facility that it arranged with a banking syndicate for a total amount of approximately CA$5.8 billion, i.e., two US$2 billion tranches that are renewable annually for terms of two and three years, respectively. The credit facility bears interest at a variable rate and is entirely secured, unconditionally and irrevocably, by CDPQ. As at December 31, 2024 and 2023, no amount had been drawn on this credit facility.

12. CAPITAL MANAGEMENT

CDPQ defines its capital as net assets attributable to depositors. CDPQ's capital may fluctuate according to depositor demands for cancellations and issuances of participation deposit units and for deposits and withdrawals of demand and term deposits. CDPQ's capital management objective is to invest contributions and deposits in the best interests of the depositors in accordance with the Act in order to achieve an optimal return while respecting the depositor investment policies.

CDPQ is not subject to external capital requirements.

Furthermore, CDPQ's objective is to maintain its AAA credit rating to ensure access to capital markets at the best cost. Consequently, the Board of Directors has limited the amount of notes issued on capital markets, with recourse to the entirety of CDPQ's assets, to 10% of its net assets attributable to depositors, to which is added the fair value of outstanding notes (adjusted net assets).

13. FINANCIAL ASSETS TRANSFERRED BUT NOT DERECOGNIZED

CDPQ enters into securities lending and borrowing transactions as well as securities repurchase agreements whereby it transfers financial assets to counterparties. The transferred securities do not meet derecognition criteria since CDPQ retains most of the risks such as credit risk, interest rate risk, currency risk, and price risk, as well as most of the related rewards such as cash flows.

The following table shows the fair values of the financial assets transferred but not derecognized from the Consolidated Statements of Financial Position as well as the fair values of the associated financial liabilities:

	December 31, 2024	December 31, 2023
Financial assets transferred but not derecognized[1]		
Bonds	**84,213**	53,872
Equities	**18,162**	22,268
	102,375	76,140
Associated financial liabilities		
Loans payable[2]	**503**	1,635
Securities sold under repurchase agreements[3]	**61,313**	37,499
	61,816	39,134

[1] As part of CDPQ's securities lending and borrowing activities, CDPQ does not recognize financial assets borrowed from third parties in the Consolidated Statements of Financial Position. Accordingly, the amount includes CDPQ's financial assets as well as those borrowed from third parties totalling $9,398 million as at December 31, 2024 ($5,979 million as at December 31, 2023).

[2] The amount presented corresponds to cash received as collateral on securities lending transactions and derivative financial instrument transactions.

[3] The net amount is disclosed in Notes 4 and 7.

14. GUARANTEES

Financial assets pledged as collateral

In the normal course of business, CDPQ may pledge financial assets as collateral during transactions. The counterparties may be authorized, by way of legal contract or market practices, to either sell or repledge certain securities as collateral. Under certain conditions, CDPQ may have to pledge additional collateral if the pledged securities lose value.

The following table shows the fair value of collateral pledged by CDPQ according to transaction type:

	December 31, 2024	December 31, 2023
Securities borrowing	**11,230**	13,408
Securities sold under repurchase agreements[1]	**62,142**	36,478
Exchange-traded derivative financial instruments	**2,779**	3,673
Over-the-counter derivative financial instruments	**8,074**	1,652
Investments pledged as collateral[2]	**9,013**	5,450
	93,238	60,661

[1] With respect to securities sold under repurchase agreements, CDPQ may pledge financial assets borrowed from third parties as collateral. Accordingly, the amount includes CDPQ's financial assets as well as those borrowed from third parties. In addition, as at December 31, 2024, CDPQ granted a mortgage of $1,200 million to an agent in consideration for the financial guarantee provided by the agent to the Fixed Income Clearing Corporation (FICC) to secure CDPQ's obligations under repurchase and reverse repurchase agreement activities carried out through a clearing house ($1,200 million as at December 31, 2023).

[2] The amount presented represents investments that CDPQ holds in certain companies to guarantee their external borrowings. This amount cannot exceed the fair value of these investments. As at December 31, 2024, an amount of $2,352 million is included following the integration of the real estate subsidiaries into CDPQ, as described in Note 2.

Financial assets received as collateral

In the normal course of business, CDPQ may receive financial assets as collateral during transactions. If the fair value of the collateral received decreases, CDPQ may, in certain cases, request additional collateral. CDPQ is authorized to sell or repledge as collateral certain securities in the absence of default by the counterparty. As at December 31, 2024, financial assets with a value of $1,101 million received as collateral were sold or repledged as collateral ($793 million as at December 31, 2023).

The following table shows the fair value of collateral received by CDPQ for the following transactions:

	December 31, 2024	December 31, 2023
Securities lending	**28,461**	25,340
Securities purchased under reverse repurchase agreements	**18,873**	21,664
Over-the-counter derivative financial instruments	**1,486**	2,218
	48,820	49,222

15. RELATED PARTY DISCLOSURES

Related party transactions

CDPQ's primary related parties include unconsolidated subsidiaries, joint arrangements, associates, and CDPQ's key management personnel.

CDPQ enters into various transactions with related parties. These transactions are concluded under the same conditions as those prevailing in the market with unrelated parties and are measured at fair value. Given the very nature of CDPQ's activities as an investment entity, it may make investments in several investment categories, including investments in unconsolidated subsidiaries, joint arrangements, and associates.

Compensation of key management personnel

CDPQ's key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, either directly or indirectly. These persons are the members of the Board of Directors, the President and Chief Executive Officer, and key members of the Executive Committee.

The following table shows the compensation of CDPQ's key management personnel:

	2024	2023
Salaries and other short-term employee benefits	**11**	12
Post-employment benefits	**1**	1
Other long-term employee benefits	**6**	6
	18	19

Other related parties

CDPQ is governed by the Act, and the Government of Québec appoints the Board of Director members, at least two-thirds of whom must be independent. The Government of Québec also approves the appointment of the President and Chief Executive Officer. Consequently, CDPQ has availed itself of the exemption set out in IAS 24 *Related Party Disclosures* regarding the disclosure of transactions with a related government and with any entities related to the related government. The transactions carried out with the Government of Québec and its related entities are investment activities involving bonds issued by or guaranteed by the government and are carried out under normal market conditions through external brokers. These bonds are included in the "Governments" and "Government corporations and other public administrations" bond categories of Note 4a. In addition, CDPQ discloses information on the Government sector category in the "Government of Québec" and "Government corporations and other public administrations in Québec" items of Note 11. Furthermore, as part of public infrastructure projects and a real estate project in Québec, through the subsidiaries of CDPQ, the Government of Québec and its related entities entered into agreements related to these projects. These agreements were signed in the normal course of business of the subsidiaries.

16. INTERESTS IN OTHER ENTITIES

Subsidiaries

Consolidated subsidiaries

CDP Financial Inc. is a wholly owned subsidiary that issues debt securities in order to finance CDPQ's investments at an optimal financing cost.

The subsidiaries that offer services related to administrative and management activities are as follows: CDPQ U.S. Inc, CDPQ London LLP, CDPQ Paris S.A.S., CDPQ Asia Pacific Pte. Ltd, CDPQ Capital México, S.A. de C.V., CDPQ Sydney Pty Limited, CDPQ India Private Limited, CDPQ São Paulo Consultoria Empresarial Ltda, CDPQ Placements Privés Inc, CDPQ Placements Privés Québec Inc, CDPQ Infrastructures mondiales Inc, CDPQ Revenu fixe Inc. and, as of December 1, 2024, CDPQ Deutschland GmbH and CDPQ Immobilier Inc.

Unconsolidated subsidiaries

The subsidiaries presented in this category are entities controlled either directly or indirectly by CDPQ through subsidiaries in accordance with IFRS 10 criteria.

Intermediate subsidiaries

As part of certain investment activities, CDPQ may use intermediate subsidiaries, whose sole purpose is to hold CDPQ's investments. They are therefore not included in the information shown in the following tables, while the main underlying ownership interests in subsidiaries, joint arrangements, and associates are shown.

Ivanhoé Cambridge Group and Otéra Capital Inc. are now considered intermediate subsidiaries, as described in Note 2. Consequently, to align the disclosures of the interests held in other entities with the other intermediate subsidiaries, the main underlying investments in the subsidiaries, joint arrangements, and associates of the real estate subsidiaries are presented as at December 31, 2024 as well as their comparative ownership percentages as at December 31, 2023.

Subsidiaries (continued)

The following table shows the ownership interests held in the main unconsolidated subsidiaries as at December 31, 2024 as well as the comparative ownership interests as at December 31, 2023. Unless otherwise specified, the percentage of voting rights does not differ materially from the ownership interest. The principal place of business is defined as the region or country where the principal business activities such as operations and revenues take place.

		2024	2023
	Principal place of business	**Ownership interest**	Ownership interest
Unconsolidated subsidiaries			
Real estate finance			
MCAP Commercial LP	Canada	**79.0%**	78.2%
Energy			
Azure Power Global Ltd	India[3]	**53.4%**	53.4%
Mercury Taiwan Holdings Limited[1]	Taïwan	**94.0%**	94.0%
Southern Star Acquisition Corporation	United States	**79.9%**	79.9%
Trencap LP (Énergir)	Canada	**80.9%**	80.9%
Verene Energia SA	Brazil	**100.0%**	100.0%
Hedge funds			
GMAC ASO Fund Inc	Singapore[4]	**100.0%**	100.0%
Fixed-income securities funds			
FICG-GM-I Fund LP	Growth markets[5]	**100.0%**	100.0%
FICG-PG-I Fund LP	Growth markets[5]	**100.0%**	100.0%
Franklin Emerging Market Debt Opportunities Fund III	Growth markets[6]	**100.0%**	100.0%
Global Credit Opportunities (Canada) LP	Canada	**100.0%**	100.0%
HC Direct Lending Fund LP	United States[6]	**100.0%**	100.0%
Private Debt SMA (C) SLP	United Kingdom[7]	**100.0%**	100.0%
West Street GCPD Partners LP	United States[6]	**100.0%**	100.0%
Real estate			
Ancar Ivanhoe Shopping Centers Fundo de Investimento em Participações Multiestratégia	Brazil	**87.7%**	87.7%
GSIC Multifamily Venture II LP[2]	United States	**47.5%**	47.5%
RHP Partners II Splitter LP	United States	**90.0%**	90.0%
Industrials			
CDPQ Infra Inc	Canada	**100.0%**	100.0%
Einn Volant Aircraft Leasing Holdings Ltd	Ireland[8]	**90.5%**	90.5%
Maple Infrastructure Trust (formerly Indian Highway Concessions Trust)	India	**75.0%**	75.0%
Maple Aircraft Company Holdings Limited	Ireland	**95.1%**	95.1%
Rail Capital Europe Holdings (Akiem Group SAS)	France	**89.5%**	95.2%
Spinner US AcquireCo Inc (Student Transportation of America)	United States	**79.9%**	79.9%
Financials			
NB Credit Opportunities Co-Invest I LP	United States	**100.0%**	100.0%
Utilities			
Plenary Americas Holdings Ltd. (Plenary Group Canada)	Canada	**100.0%**	100.0%

[1] Mercury Taiwan Holdings Limited indirectly holds 50.0% of Greater Changhua Offshore Wind Farm Se Ltd.
[2] CDPQ exercises control through the agreements with the other shareholders.
[3] Constituted in Mauritius.
[4] Constituted in the Cayman Islands in accordance with the structure of the limited partner.
[5] Constituted in the United States.
[6] Constituted in Canada.
[7] Constituted in Luxembourg.
[8] Constituted in Bermuda.

Joint arrangements

The interests held in the main joint arrangements as at December 31, 2024, whether they are joint ventures or joint operations, as well as the comparative ownership interests as at December 31, 2023 are presented in the following table. Voting rights or other contractual clauses allow CDPQ to exercise joint control that requires unanimous shareholder agreement. The principal place of business is defined as the region or country where the principal business activities such as operations and revenues take place.

		2024	2023
	Principal place of business	**Ownership interest**	Ownership interest
Energy			
Apraava Energy Private Limited	India	**50.0%**	50.0%
Invenergy Renewables Holdings LLC	United States	**42.0%**	43.8%
Transportadora Associada de Gas SA	Brazil	**50.0%**	35.0%
Real estate			
Block 58 Holdings LP	United States	**90.2%**	90.2%
BPP CA Industrial Limited Partnership	Canada	**38.4%**	38.4%
BPP STPCV Lower REIT Inc	United States	**48.4%**	48.4%
Camsta (No. 2) Limited Partnership	Canada	**90.0%**	90.0%
Centre commercial Vaughan Mills [1]	Canada	**51.0%**	51.0%
GID Urban Logistics Fund LP	United States	**83.3%**	83.3%
ICO Logistics VLP LP (IDI Logistics)	United States	**50.0%**	50.0%
Piret CA Limited Partnership	Canada	**38.4%**	38.4%
Prologis Brazil Logistics Venture Fundo de Investimento Imobiliário	Brazil	**80.0%**	80.0%
81 Bay Street (CIBC Square)[1]	Canada	**50.0%**	50.0%
Industrials			
Delachaux SA	France	**43.0%**	43.0%
DP World Australia B.V.	Australia[2]	**45.0%**	45.0%
DP World Canada Investment Inc	Canada	**45.0%**	45.0%
DP World Caucedo (Caucedo Investments Inc, Caucedo Services Inc)	Dominican Republic[3]	**45.0%**	45.0%
STP Asset Trust, STP Project Trust (WestConnex)	Australia	**10.1%**	10.1%
Streem Group	France	**48.6%**	48.4%
Financials			
Constellation Insurance LP	United States	**49.8%**	49.5%
Greenstone Ltd	Australia	**34.0%**	34.0%
Information technology			
FNZ Group Limited	Europe[4]	**44.0%**	44.9%

[1] Joint operation.
[2] Constituted in the Netherlands.
[3] Constituted in the British Virgin Islands.
[4] Constituted in New Zealand.

Associates

The following table shows the ownership interests held in the main associates as at December 31, 2024 as well as the comparative ownership interests as at December 31, 2023. Unless otherwise specified, the percentage of voting rights does not differ materially from the ownership interest. The principal place of business is defined as the region or country where the principal business activities such as operations and revenues take place.

		2024	2023
	Principal place of business	**Ownership interest**	Ownership interest
Consumer discretionary			
Clarios International LP	United States[6]	**30.0%**	30.0%
Energy			
Holding Previan Inc	Canada	**34.5%**	34.0%
IPALCO Enterprises Inc	United States	**30.0%**	30.0%
London Array Ltd, London Array Unincorporated JV	United Kingdom	**25.0%**	25.0%
NSW Electricity Networks Assets Holding Trust, NSW Electricity Networks Operations Holding Trust (TransGrid)	Australia	**22.5%**	22.5%
Tenedora de Energía Renovable Sol y Viento S.A.P.I. de C.V.[1]	Mexico	**67.1%**	67.1%
Real estate			
Chongbang Holdings International Ltd	China[7]	**29.2%**	29.2%
Gecina SA[2]	France	**15.1%**	15.1%
Greystar Growth and Income Fund (892) LP	United States	**42.9%**	42.9%
Peel Logistics UK Unit Trust[3]	United Kingdom[8]	**80.0%**	80.0%
Industrials			
Alix Partners LLP[3]	United States	**13.5%**	13.5%
Allied Universal Holdco LLC	United States[6]	**27.7%**	27.7%
Alvest International Equity SAS[4]	France	**39.6%**	39.9%
Datamars SA	Switzerland	**30.0%**	30.0%
DP World Jebel Ali Terminals and Free Zone FZCO	United Arab Emirates	**24.4%**	21.9%
Eurostar Group[5]	Belgium	**19.3%**	19.3%
Groupe Keolis SAS	France	**30.0%**	30.0%
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V. (OPI), OPCEM, S.A.P.I. de C.V. (OPCEM)	Mexico	**45.5%**	45.5%
QPH Hold Trust, QPH Hold Co PTY Limited (Port of Brisbane)	Australia	**26.7%**	26.7%
Techem GmbH	Germany	**24.5%**	24.5%
Veolia Water Technologies & Solutions	United States[9]	**30.0%**	30.0%
Financials			
Howden Group Holding Limited	United Kingdom	**23.8%**	23.8%
Health care			
Sanfer Farma S.A.P.I de C.V.	Mexico	**23.6%**	23.6%
Sphinx SAS (Sebia SA)[3]	France	**39.2%**	39.3%
Communication services			
ATC Europe C.V.	Germany[10]	**25.5%**	25.5%
Cogeco Communications USA Inc	United States	**21.0%**	21.0%
Vertical Bridge Reit LLC	United States	**35.8%**	36.7%
Information technology			
Plusgrade Inc	Canada	**30.5%**	40.9%

[1] Voting rights amount to 40.0%.
[2] CDPQ exercises significant influence through its presence on the board of directors and its status of principal shareholder.
[3] Voting rights amount to 25.0%.
[4] Voting rights amount to 23.5%.
[5] Voting rights amount to 23.3%.
[6] Constituted in Canada.
[7] Constituted in the Cayman Islands.
[8] Constituted in Jersey.
[9] Constituted in France.
[10] Constituted in the Netherlands.

Non-controlled structured entities

CDPQ holds interests in non-controlled structured entities, the majority of which represent investment funds or investments in the form of equities held through limited partnerships. The interests held by CDPQ do not give it power over the relevant activities of these entities, as control is established by contractual agreement that is in favour of a general partner or administrator. These entities are held as investments and do not expose CDPQ to greater risks than the interests held in the non-structured entities. Information about structured entities is provided, if applicable, in the risk management section of Note 11 and in the commitments and financial guarantees section of Note 18.1

17. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following tables show changes in liabilities arising from financing activities, including non-cash changes:

			Non-cash changes		
	December 31, 2023	**Cash flows from financing activities**	**Change in foreign exchange**	**Change in fair value**	**December 31, 2024**
Short-term promissory notes payable	**9,151**	**(875)**	**481**	**4**	**8,761**
Loans payable	**1,635**	**(1,143)**	**11**	**-**	**503**
Term notes payable	**27,039**	**3,246**	**1,665**	**366**	**32,316**
	37,825	**1,228**	**2,157**	**370**	**41,580**

			Non-cash changes		
	December 31, 2022	Cash flows from financing activities	Change in foreign exchange	Change in fair value	December 31, 2023
Short-term promissory notes payable	13,068	(3,566)	(386)	35	9,151
Loans payable	1,992	(349)	(8)	-	1,635
Term notes payable	19,749	7,143	(395)	542	27,039
	34,809	3,228	(789)	577	37,825

18. COMMITMENTS AND FINANCIAL GUARANTEES

Given the nature of its activities, CDPQ and its intermediate subsidiaries enter into various commitments which will settle in the coming fiscal years in accordance with the terms and conditions in the related agreements. Commitments under leases were as follows: $30 million payable in less than 1 year, $117 million payable in 1 to 5 years, and $681 million payable thereafter, until expiry of the leases.

For CDPQ, financial guarantees consist of providing guarantees, to financial institutions and corporations, on repayments of loans taken by companies in which it has an economic interest and on certain letters of credit of its subsidiaries. CDPQ and its intermediate subsidiaries may also provide financial guarantees or issue letters of credit.

Commitments and financial guarantees are detailed as follows:

	December 31, 2024	December 31, 2023
Investment purchase commitments[1]	**43,319**	22,552
Commitments under leases	**828**	510
Financial guarantees[2]	**2,880**	2,178
	47,027	25,240

[1] As at December 31, 2024, an amount of $12,875 million in investment purchase commitments was included following the integration of the real estate subsidiaries, as described in Note 2.

[2] Includes an amount of $1,233 million issued by the real estate subsidiaries, having no recourse on any of CDPQ's assets.

Litigation

In the normal course of business, CDPQ and its intermediate subsidiaries may be subject to legal actions. Although CDPQ and its intermediate subsidiaries cannot predict the outcomes of any ongoing legal proceedings as at December 31, 2024, they have no reason to believe that the settlement of any one of these proceedings could have a material impact on their financial position.