

Consolidated financial statements

For the years ended December 31, 2025 and 2024



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 ("La Caisse") 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, La Caisse'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 La Caisse 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 La Caisse, as necessary.

The Auditor General of Québec and Ernst & Young LLP (the "co-auditors") have audited the consolidated financial statements of La Caisse for the years ended December 31, 2025 and 2024 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, 2025 and 2024. 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 and Interim Executive
Vice-President, Finance and Information Technology

Montréal, February 24, 2026

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, 2025 and 2024 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, 2025 and 2024 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, 2025. 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
<i>Fair value measurement of financial assets based on unobservable inputs</i>	<p>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.</p> <p>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:</p> <ul style="list-style-type: none">• 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.

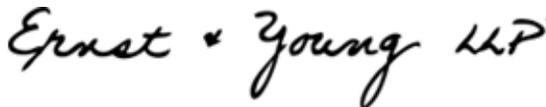
Report on Other Legal and Regulatory Requirements

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 Francis Guimond.

Auditor General of Québec,

Ernst & Young LLP¹



Christine Roy, FCPA auditor
Canada, Montreal, February 24, 2026

¹ CPA auditor, public accountancy permit No. A118111
Canada, Montreal, February 24, 2026

CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of Canadian dollars)

	Note	December 31, 2025	December 31, 2024
ASSETS			
Cash		988	1,115
Amounts receivable from transactions being settled		2,445	4,991
Advances to depositors		673	628
Investment income, accrued and receivable		1,972	1,765
Other assets		1,652	2,048
Investments	4	616,839	562,927
Total assets		624,569	573,474
LIABILITIES			
Amounts payable on transactions being settled		3,951	3,800
Other liabilities		2,602	2,472
Investment liabilities	4	100,760	93,915
Total liabilities excluding net assets attributable to depositors		107,313	100,187
NET ASSETS ATTRIBUTABLE TO DEPOSITORS		517,256	473,287

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

CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31

(in millions of Canadian dollars)

	Notes	2025	2024
Investment income		17,224	12,122
Investment expense		(3,777)	(4,016)
Net investment income	8	13,447	8,106
Operating expenses	9	(1,097)	(979)
Net income		12,350	7,127
Net gains on financial instruments at fair value	8	30,346	32,519
Investment result before distributions to depositors	8	42,696	39,646
Distributions to depositors		(23,881)	(14,983)
Net income and comprehensive income attributable to depositors		18,815	24,663

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

CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

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, 2024	2,247	6	391	470,643	473,287
Attributions and distributions					
Net income and comprehensive income attributable to depositors	-	-	-	18,815	18,815
Distributions to depositors	23,374	-	507	-	23,881
Participation deposits					
Issuance of participation deposit units	(29,545)	-	-	29,545	-
Cancellation of participation deposit units	3,085	-	-	(3,085)	-
Deposits					
Net contributions	1,273	-	-	-	1,273
BALANCE AS AT DECEMBER 31, 2025	434	6	898	515,918	517,256
	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

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31

(in millions of Canadian dollars)

	Note	2025	2024
Cash flows from operating activities			
Net income and comprehensive income attributable to depositors		18,815	24,663
Adjustments for:			
Unrealized net losses on liabilities related to financing activities		431	370
Net foreign exchange (gains) losses on liabilities related to financing activities		(726)	2,157
Distributions to depositors		23,881	14,983
Net changes in operating assets and liabilities			
Amounts receivable from transactions being settled		2,546	(3,422)
Advances to depositors		(45)	543
Investment income, accrued and receivable		(207)	(354)
Other assets		396	(1,343)
Investments		(52,952)	(58,085)
Amounts payable on transactions being settled		151	(703)
Other liabilities		130	224
Investment liabilities		(1,505)	19,709
		(9,085)	(1,258)
Cash flows from financing activities			
Net change in short-term promissory notes payable		(38)	2,611
Issuance of short-term promissory notes payable		12,197	8,606
Repayment of short-term promissory notes payable		(9,332)	(12,092)
Net change in loans payable		2,158	(1,143)
Issuance of term notes payable		9,235	6,004
Repayment of term notes payable		(5,575)	(2,758)
Net contributions (withdrawals)		1,273	(606)
		9,918	622
Net increase (decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		1,155	1,791
Cash and cash equivalents at the end of the year		1,988	1,155
Cash and cash equivalents comprise:			
Cash		988	1,115
Cash equivalents	4	1,000	40
		1,988	1,155
Supplemental information on cash flows from operating activities			
Interest and dividends received		12,266	11,139
Interest and dividends paid		(3,569)	(3,868)

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 (La Caisse), 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).

La Caisse 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.

La Caisse'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 La Caisse's financial position, financial performance, and cash flows. La Caisse's consolidated financial statements include the accounts of the General Fund, the individual funds, and 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 La Caisse'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 La Caisse's operational purposes and management of demand deposits, term deposits, and 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:** Fiducie Globale pour les Régimes de retraite de la Ville de Laval, administered by the Board of Trustees
- 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. La Caisse'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

La Caisse 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 La Caisse's consolidated financial statements and the publication thereof on February 24, 2026.

Functional and presentation currency

La Caisse'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 La Caisse'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 La Caisse as an investment entity. La Caisse 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. La Caisse does not satisfy the third typical characteristic of an investment entity because La Caisse and the depositors are, for the most part, related. However, La Caisse nonetheless qualifies as an investment entity, as management believes that having depositors related to the investment entity does not compromise La Caisse'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 La Caisse 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 La Caisse 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.

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

La Caisse 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 La Caisse 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.

La Caisse 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.

La Caisse 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. La Caisse is deemed 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, tariffs, stock market volatility, inflation, 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 La Caisse's best estimates. La Caisse 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

La Caisse'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 La Caisse is subject to the contractual provisions of the instrument. La Caisse's financial assets and liabilities are managed and their performance is evaluated on a fair value basis. Consequently, all of La Caisse'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 La Caisse 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 La Caisse'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.

La Caisse 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 La Caisse's investment in controlled entities that are not consolidated under IFRS 10. La Caisse'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 La Caisse to purchase securities from third parties to cover its positions. La Caisse may short-sell equities and bonds.

Derivative financial instruments

In managing its investments, La Caisse 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

La Caisse 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 La Caisse has transferred substantially all of the risks and rewards of the financial asset such that it no longer retains control over the asset. If La Caisse 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

La Caisse enters into transactions to purchase or sell securities, either short-term investments or 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 La Caisse 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

La Caisse 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 La Caisse, respectively. Loaned securities are not derecognized from, and borrowed securities are not recognized in, the Consolidated Statements of Financial Position because La Caisse 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 La Caisse’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 La Caisse 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 La Caisse. 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 La Caisse and directly attributable to the acquisition, custody, 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 custody fees, 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 La Caisse’s investments and are presented separately in the Consolidated Statements of Comprehensive Income.

Income tax

Under federal and provincial income tax legislation, La Caisse 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 La Caisse 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 correspond to receipts and payments. 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.

3. 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 statements of comprehensive income, including specific totals and subtotals. It also requires revenues and expenses to be presented in three separate categories: operating, investing and, financing, while strengthening the requirements for disaggregation of information in financial statements and accompanying notes. The standard also requires disclosure of specific information about management-defined performance measures. The new standard is effective for fiscal years beginning on or after January 1, 2027 and is to be applied retrospectively. La Caisse is currently assessing the impact of this new standard and expects that presentation changes will be made to the information in the consolidated statements of comprehensive income and the consolidated statements of cash flows and that additional information will be required.

In May 2024, the IASB also issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* to clarify the requirements for the timing of derecognition of financial assets and liabilities and to introduce an accounting policy election for electronic payments. This option enables entities, under certain conditions, to derecognize a liability before its settlement date when it is settled via an electronic payment system. La Caisse plans to apply this election upon adoption of the amendments, which will be effective for fiscal years beginning on or after January 1, 2026, and does not expect a significant impact on its consolidated financial statements.

La Caisse 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, 2025	December 31, 2024
Investments		
Cash equivalents		
Short-term investments	1,000	40
Total cash equivalents	1,000	40
Fixed-income securities		
Short-term investments	1,194	1,391
Securities purchased under reverse repurchase agreements	1,097	1,728
Corporate debt	1,770	1,950
Bonds		
Governments	117,727	107,007
Government corporations and other public administrations	5,503	5,449
Corporate sector	15,138	11,472
Fixed-income securities funds	2,700	1,087
Total fixed-income securities	145,129	130,084
Variable-income securities		
Equities		
Listed	159,595	135,546
Unlisted	14,933	19,185
Total variable-income securities	174,528	154,731
Interests in unconsolidated subsidiaries		
Investments in real estate	55,931	56,756
Investments in real estate finance	20,942	22,715
Private equity investments	66,381	68,558
Infrastructure investments	73,442	62,880
Investments in fixed-income securities	53,895	47,915
Investments in hedge funds	15,322	9,259
Stock market investments	6,637	6,615
Total interests in unconsolidated subsidiaries	292,550	274,698
Derivative financial instruments (Note 5)	3,632	3,374
Total investments	616,839	562,927

b) Investment liabilities

The following table shows the fair values of investment liabilities:

	December 31, 2025	December 31, 2024
Investment liabilities		
Non-derivative financial liabilities		
Securities sold under repurchase agreements ¹	40,621	44,132
Securities sold short		
Equities	8,734	1,969
Short-term promissory notes payable	11,201	8,761
Loans payable	2,652	503
Term notes payable	36,077	32,316
Total non-derivative financial liabilities	99,285	87,681
Derivative financial instruments (Note 5)	1,475	6,234
Total investment liabilities	100,760	93,915

¹ Securities sold under repurchase agreements are mainly backed by bonds issued or guaranteed by the governments of the United States and Canada.

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. Certain derivative financial instruments are settled through clearing houses. La Caisse 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 and 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 La Caisse:

	December 31, 2025			December 31, 2024		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Exchange markets						
Interest rate derivatives						
Futures contracts	-	-	141,545	-	-	134,246
Options	3	3	21,385	-	-	-
Equity derivatives						
Futures contracts	-	-	11,081	-	-	21,745
Options	7	7	441	-	-	-
Total exchange markets	10	10	174,452	-	-	155,991
Over-the-counter markets						
Interest rate derivatives						
Swaps	14	29	6,055	5	34	2,156
Swaps settled through a clearing house	-	-	161,188	-	-	117,814
Forward contracts	10	38	20,722	19	-	3,542
Options	100	41	39,757	-	-	101
Currency derivatives						
Swaps	1,292	257	63,490	688	886	30,052
Forward contracts	1,814	832	211,979	2,180	4,758	207,896
Options	10	-	1,750	22	-	2,030
Credit default derivatives						
Swaps settled through a clearing house	-	-	15,092	-	-	13,741
Options	-	-	-	15	9	5,019
Equity derivatives						
Swaps	332	267	22,143	385	513	17,940
Options	17	1	1,780	46	29	7,675
Warrants	16	-	17	14	-	15
Commodity derivatives						
Forward contracts	17	-	357	-	5	201
Total over-the-counter markets	3,622	1,465	544,330	3,374	6,234	408,182
Total derivative financial instruments	3,632	1,475	718,782	3,374	6,234	564,173

6. FAIR VALUE MEASUREMENT

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

La Caisse'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 La Caisse. 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 valuers, observations of transactions in the market, or valuations by a partner.

When fair value is determined by external valuers 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, La Caisse 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 valuers.

b) Fair value valuation techniques

The following paragraphs describe the main valuation techniques used to measure La Caisse'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. La Caisse 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. La Caisse 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.

La Caisse 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. La Caisse 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 finance subsidiaries reflects the fair value of net 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 well as listed equities, real estate funds and mortgage loans, whose valuation techniques are described in this note.

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 La Caisse 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 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 La Caisse.

c) Fair value hierarchy

La Caisse'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, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets				
Amounts receivable from transactions being settled	-	2,445	-	2,445
Advances to depositors	-	673	-	673
Investment income, accrued and receivable	-	1,972	-	1,972
Other assets	-	1,652	-	1,652
Investments				
Cash equivalents	-	1,000	-	1,000
Short-term investments	-	1,194	-	1,194
Securities purchased under reverse repurchase agreements	-	1,097	-	1,097
Corporate debt	-	-	1,770	1,770
Bonds	127,726	12,010	1,332	141,068
Equities				
Listed	159,565	30	-	159,595
Unlisted	-	2,434	12,499	14,933
Interests in unconsolidated subsidiaries				
Investments in real estate	-	-	55,931	55,931
Investments in real estate finance	-	-	20,942	20,942
Private equity investments	-	110	66,271	66,381
Infrastructure investments	-	-	73,442	73,442
Investments in fixed-income securities	-	-	53,895	53,895
Investments in hedge funds	-	15,322	-	15,322
Stock market investments	-	6,599	38	6,637
Derivative financial instruments	-	3,632	-	3,632
	287,291	50,170	286,120	623,581
Financial liabilities excluding net assets attributable to depositors				
Amounts payable on transactions being settled	-	3,951	-	3,951
Other liabilities	-	2,602	-	2,602
Investment liabilities				
Securities sold under repurchase agreements	-	40,621	-	40,621
Securities sold short	8,734	-	-	8,734
Short-term promissory notes payable	-	11,201	-	11,201
Loans payable	-	2,652	-	2,652
Term notes payable	-	36,077	-	36,077
Derivative financial instruments	-	1,475	-	1,475
	8,734	98,579	-	107,313
Net assets attributable to depositors				
Demand deposits	-	434	-	434
Term deposits	-	6	-	6
Distributions payable to depositors	-	898	-	898
Participation deposits	-	515,918	-	515,918
	-	517,256	-	517,256

Fair value hierarchy (continued)

	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)

Transfers between levels of the fair value hierarchy

As at December 31, 2025, due to the increase in underlying investments classified in Level 2 held by unconsolidated subsidiaries, financial instruments with a value of \$9,259 million were transferred from Level 3 to Level 2. In addition, due to changes in the availability of observable inputs as a result of changing market conditions, financial instruments with a value of \$593 million were transferred from Level 1 to Level 2 and financial instruments with a value of \$1,120 million were transferred from Level 2 to Level 1.

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, financial instruments with a value of \$29,847 million were transferred from Level 2 to Level 3. Due to the 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 as a result of 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.

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, 2025 and 2024 are as follows:

								2025	
	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	1,950	(82)	152	(164)	(86)	-	1,770	(134)	
Bonds	1,093	(13)	316	(62)	(2)	-	1,332	33	
Equities	16,342	583	101	(4,527)	-	-	12,499	360	
Interests in unconsolidated subsidiaries ²	268,081	3,540	40,771	(31,093)	(1,521)	(9,259)	270,519	3,556	

								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	

¹ Presented under "Net gains on financial instruments at fair value" in the Consolidated Statements of Comprehensive Income.

² As at December 31, 2025, purchases and sales included amounts of \$17,781 million (\$30,509 million as at December 31, 2024) and \$16,709 million (\$27,832 million as at December 31, 2024) related to transactions involving capital and reorganizations of intermediate subsidiaries, following the integration of the real estate subsidiaries.

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 La Caisse 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, 2025				
	Fair value	Valuation techniques	Unobservable inputs	Range	Weighted average
Included in the sensitivity analysis					
Fixed-income securities	1,903	Discounted cash flows	Credit spreads	0.5% to 6.9%	4.7%
			Discount rates	8.5% to 10.8%	10.0%
Equities					
Private equity investments	3,486	Comparable company multiples	EBITDA multiples	7.0 to 11.5	9.7
Infrastructure investments	4,579	Discounted cash flows	Discount rates	7.9% to 13.3%	10.9%
Interests in unconsolidated subsidiaries					
Investments in real estate	50,036	<i>Investment property</i>			
		Discounted cash flows	Discount rates	2.9% to 14.3%	7.7%
		Capitalization of stabilized net earnings	Capitalization rate	3.2% to 9.8%	6.0%
		<i>Mortgage debt</i>			
		Discounted cash flows	Credit spreads	0.4% to 2.9%	1.0%
		<i>Mortgage loans</i>			
		Discounted cash flows	Credit spreads	0.0% to 17.0%	6.0%
		<i>Companies</i>			
		Discounted cash flows	Discount rates	5.3%	n.a.
Investments in real estate finance	17,371	Discounted cash flows	Discount rates	12.3%	n.a.
			Credit spreads	0.4% to 10.9%	2.7%
Private equity investments	36,838	Comparable company multiples	EBITDA multiples and other multiples	6.5 to 26.8	13.0
Infrastructure investments	65,606	Discounted cash flows	Discount rates	7.0% to 22.5%	10.1%
Investments in fixed-income securities	36,715	Discounted cash flows	Discount rates	8.0%	n.a.
			Credit spreads	1.0% to 19.8%	4.3%
	216,534				
Excluded from the sensitivity analysis					
Financial instruments ¹	69,586	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	286,120				

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, La Caisse 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, La Caisse is unable to conduct a sensitivity analysis.

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

				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 rates	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 ⁴	1.0% to 15.0%	2.9%
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, La Caisse 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, La Caisse is unable to conduct a sensitivity analysis.

⁴ The comparative figures related to the range and weighted average of the credit spreads on investments in real estate finance have been modified to conform with the current year's presentation.

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 6c. La Caisse 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, 2025		December 31, 2024	
	Increase	Decrease	Increase	Decrease
Sensitivity of fair value	10,862	(10,408)	10,073	(9,688)

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 La Caisse 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. La Caisse 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, 2025					
	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	2,445	-	2,445	(735)	-	1,710
Securities purchased under repurchase agreements ³	14,771	(13,673)	1,098	(1,098)	-	-
Derivative financial instruments ³	3,717	-	3,717	(1,591)	(2,099)	27
	20,933	(13,673)	7,260	(3,424)	(2,099)	1,737
Financial liabilities						
Amounts payable on transactions being settled	3,951	-	3,951	(735)	-	3,216
Securities sold under repurchase agreements ³	54,363	(13,673)	40,690	(1,098)	(39,542)	50
Derivative financial instruments ³	1,681	-	1,681	(1,591)	(83)	7
	59,995	(13,673)	46,322	(3,424)	(39,625)	3,273

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, 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".

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:

	2025			2024		
	Net investment income	Net gains (losses)	Total	Net investment income	Net gains (losses)	Total
Cash management activities	13	5	18	9	4	13
Investing activities						
Short-term investments	12	(21)	(9)	2	27	29
Securities purchased under reverse repurchase agreements	525	(22)	503	1,081	8	1,089
Corporate debt	187	(82)	105	195	(28)	167
Bonds	5,943	(2,292)	3,651	4,574	2,105	6,679
Equities	3,588	18,573	22,161	3,717	30,700	34,417
Interests in unconsolidated subsidiaries ^{1,2}	6,699	6,123	12,822	2,332	21,659	23,991
Net derivative financial instruments	-	7,231	7,231	-	(14,942)	(14,942)
Other	257	(92)	165	212	(105)	107
	17,224	29,423	46,647	12,122	39,428	51,550
Investment liability activities						
Securities sold under repurchase agreements	(2,242)	1,613	(629)	(2,674)	(2,268)	(4,942)
Securities sold short	(261)	15	(246)	(170)	(998)	(1,168)
Financing activities						
Short-term promissory notes payable	(18)	(143)	(161)	(87)	(1,312)	(1,399)
Loans payable	(30)	32	2	(17)	(56)	(73)
Term notes payable	(1,164)	(101)	(1,265)	(997)	(2,031)	(3,028)
Other						
Management fees – stock markets	(62)	(27)	(89)	(71)	(22)	(93)
Transaction costs ¹	-	(466)	(466)	-	(222)	(222)
	(3,777)	923	(2,854)	(4,016)	(6,909)	(10,925)
	13,447	30,346	43,793	8,106	32,519	40,625
Operating expenses ² (Note 9)			(1,097)			(979)
Investment result before distributions to depositors			42,696			39,646

¹ Transaction costs incurred by the intermediate subsidiaries of \$269 million (\$113 million in 2024) were deducted from the investment result of the interests in unconsolidated subsidiaries.

² In April 2024, La Caisse integrated its real estate subsidiaries. From January 1 to April 25, 2024, an amount of \$117 million in operating expenses, including \$14 million in restructuring and integration expenses, was deducted from the investment result of the interests in unconsolidated subsidiaries. As at December 31, 2024, operating expenses totalled \$1,096 million, including \$979 million for La Caisse and \$117 million for the real estate subsidiaries.

External auditor fees for audit services, audit-related services, and tax services stood at \$13 million for the fiscal year ended December 31, 2025 (\$10 million as at December 31, 2024).

9. OPERATING EXPENSES

The following table shows the operating expenses:

	2025	2024
Salaries and employee benefits	699	609
Information technology and professional services	184	166
Maintenance, equipment and amortization	42	37
Data services and subscriptions	45	42
Rent	39	32
Other expenses ¹	35	57
	1,044	943
Restructuring and integration expenses ²	53	36
	1,097	979

¹ Custody fees, totalling \$22 million as at December 31, 2024, have been included in "Other expenses".

² La Caisse incurred restructuring and integration expenses, consisting mainly of termination benefits, IT-related costs, and professional service costs. These costs arose from the integration of the real estate subsidiaries.

10. SEGMENT INFORMATION

La Caisse 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 La Caisse'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 La Caisse 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 allow each depositor to adjust the portfolio composition and strategic risk level according to their needs or to establish a personalized exposure to interest rates.

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

	December 31, 2025	December 31, 2024
Fixed Income	176,349	154,343
Real Assets	117,445	105,902
Equities	235,993	219,387
Other ¹	(12,531)	(6,345)
Net assets attributable to depositors	517,256	473,287

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

	2025	2024
Fixed Income	10,484	1,768
Real Assets	5,801	456
Equities	24,635	40,367
Other ¹	1,776	(2,945)
Investment result before distributions to depositors	42,696	39,646

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

La Caisse 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, La Caisse 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 La Caisse's Board of Directors. The purpose of this policy is to promote a rigorous risk management culture and practices that help La Caisse 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 La Caisse'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 and structure the roles and responsibilities of stakeholders
- Establish oversight of the main risks to which La Caisse is exposed

La Caisse'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 sustainable investment framework

The lines of defence 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 are responsible for supporting investment group employees and setting appropriate control mechanisms.
3. The Internal Audit group oversees the activities of both the first and second lines of defense. Among its responsibilities, it ensures the effectiveness of risk management processes and systems as well as overall governance.

The integrated risk management policy sets out the risk limits as well as limits applicable to cross-functional activities that apply to La Caisse as a whole. In addition, La Caisse develops and periodically reviews the specialized portfolio investment policies that are designed to guide 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 President and Chief Executive Officer (CEO) and his advisory committee, as well as to the Board of Directors for approval.

La Caisse 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.

La Caisse 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. La Caisse's market risk is managed and calculated according to factors that can influence the fair value of investments and investment liabilities.

La Caisse 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 La Caisse'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 La Caisse could exceed in 5% of cases over the forthcoming year. La Caisse estimates VaR for each instrument held in its specialized portfolios and aggregates the information for La Caisse'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 La Caisse'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, La Caisse'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 La Caisse'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 La Caisse's benchmark portfolio.

The absolute risks of La Caisse'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 La Caisse'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 an history of observations over a period from 2006 to the reporting date, as well as the absolute risk ratio, are as follows:

	December 31, 2025			December 31, 2024		
	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%	15.9%	1.08

Moreover, when managing market risk, La Caisse uses stress tests that allow it to evaluate the consequences of specific circumstances on the returns of La Caisse'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.

La Caisse'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, La Caisse 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. La Caisse'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, 2025	December 31, 2024
Canadian dollar	58%	57%
U.S. dollar	22%	22%
Euro	4%	6%
Australian dollar	1%	1%
Hong Kong dollar	1%	1%
Taiwan dollar	1%	1%
Pound sterling	3%	3%
Mexican peso	1%	1%
Brazilian real	2%	2%
Indian rupee	1%	2%
Yen	2%	1%
Chinese yuan	1%	1%
Other	3%	2%
	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.

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

La Caisse 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 La Caisse's total net 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.

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, 2025	December 31, 2024
United States	38%	38%
Canada	29%	30%
Europe	17%	15%
Asia Pacific	10%	10%
Latin America	4%	4%
Other	2%	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, 2025	December 31, 2024
Industry sector		
Real estate ¹	15%	18%
Industrials	15%	15%
Financials	12%	11%
Information technology	10%	9%
Consumer discretionary	5%	5%
Utilities	7%	6%
Health care	5%	4%
Consumer staples	2%	3%
Communication services	5%	5%
Energy	2%	2%
Materials	2%	1%
Other	5%	4%
Government sector		
Government of the United States	2%	4%
Government of Canada	7%	7%
Government of Québec	2%	2%
Government corporations and other public administrations in Québec	1%	1%
Other	3%	3%
	100%	100%

¹ The "Real estate finance" industry sector has been combined with the "Real estate" industry sector (4% and 14%, respectively, as at December 31, 2024). The comparative figures have been adjusted to conform to the new presentation.

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, 2025	December 31, 2024
Cash	988	1,115
Amounts receivable from transactions being settled	2,445	4,991
Advances to depositors	673	628
Investment income, accrued and receivable	1,972	1,765
Other assets	1,652	2,048
Investments		
Cash equivalents	1,000	40
Fixed-income securities	145,129	130,084
Interests in unconsolidated subsidiaries in the form of debt instruments	22,417	27,377
Derivative financial instruments	3,632	3,374
	179,908	171,422
Other items		
Commitments and financial guarantees (Note 18)	2,723	2,880
	182,631	174,302

La Caisse 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, La Caisse 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

Credit risk concentration analysis measures the fair value of all financial instruments related to a same issuer, excluding those used in strategic duration adjustment activities, such as interest rate derivatives and government bonds with mainly AAA-AA credit ratings. 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 La Caisse and monitors changes in the credit quality of issuers.

The following table shows the credit risk concentration according to the credit ratings of La Caisse's issuers of fixed-income securities, which include bonds, corporate debt, mortgages and the underlying investments in unconsolidated subsidiaries with credit risk, and for derivative financial instruments that carry credit risk, as a percentage of the total exposure to credit concentration risk:

	December 31, 2025	December 31, 2024
Credit rating		
AAA - AA	35%	55%
A	12%	3%
BBB	23%	13%
BB or lower	23%	20%
No credit rating	7%	9%
	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, La Caisse uses recognized credit rating agencies.

Credit risk (continued)

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, La Caisse carries out transactions with financial institutions in accordance with management's criteria regarding the quality of the issuer. Moreover, La Caisse 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, 2025 and 2024, 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 \$11 million as at December 31, 2025 (\$212 million as at December 31, 2024).

Liquidity risk

Liquidity risk is the possibility of La Caisse 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 La Caisse 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 La Caisse'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 La Caisse obtains financing for its operations.

To ensure that sources of liquidity and potential liquidity requirements are properly aligned, La Caisse has a number of sources of liquidity in addition to its cash and cash equivalents, including receipts of investment income, sales of bonds, purchases under reverse repurchase agreements, and liquid money market securities. In addition, La Caisse may use financing sources such as securities sold under repurchase agreements or issuances of short-term promissory notes or term notes. La Caisse also has access to a US\$4 billion committed credit facility to meet its contractual commitments and financial obligations. As at December 31, 2025, La Caisse had \$76 billion in liquidity in the form of government bonds and money market securities (\$56 billion as at December 31, 2024).

Furthermore, to manage liquidity risk, La Caisse conducts simulations of scenarios over different horizons and examines events that could lead to a liquidity crisis. La Caisse 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 La Caisse 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, 2025				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivative financial liabilities					
Amounts payable on transactions being settled	-	3,951	-	-	3,951
Other liabilities	-	984	129	1,169	2,282
Investment liabilities					
Securities sold under repurchase agreements	-	40,830	-	-	40,830
Securities sold short	-	8,734	-	-	8,734
Short-term promissory notes payable	-	11,309	-	-	11,309
Loans payable	-	2,652	-	-	2,652
Term notes payable	-	6,517	25,733	9,392	41,642
Net assets attributable to depositors					
Demand and term deposits	434	6	-	-	440
Distributions payable to depositors	-	898	-	-	898
	434	75,881	25,862	10,561	112,738
Derivative financial instruments					
Derivative financial instruments with net settlement	-	17,773	(37)	2	17,738
Derivative financial instruments with gross settlement					
Contractual cash flows receivable	-	(237,462)	(47,417)	(11,209)	(296,088)
Contractual cash flows payable	-	236,747	46,795	11,222	294,764
	-	17,058	(659)	15	16,414
	434	92,939	25,203	10,576	129,152

Liquidity risk (continued)

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

Moreover, concerning net assets attributable to depositors, the Regulation states that La Caisse 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 La Caisse'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 La Caisse'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 La Caisse's financing activities:

	2025			
	Currency	Nominal value ¹	Maturity	Interest rate
Loans payable	USD	1,380	Less than 1 year	3.87%
	CAD	1,272	Less than 1 year	2.30%
		2,652		
Short-term promissory notes payable	CAD	297	Less than 1 year	2.73%
	USD	10,294	Less than 1 year	4.13%
	USD	699	Less than 1 year	SOFR ³ + 0.35%
		11,290		
Term notes payable ²	USD	2,742	February 2026	4.50%
	USD	1,371	May 2026	1.00%
	CAD	1,250	October 2026	1.50%
	USD	2,056	February 2027	1.75%
	EUR	3,219	April 2027	1.13%
	CAD	1,250	June 2027	3.80%
	CAD	2,000	March 2028	3.70%
	USD	685	May 2028	SOFR ³ + 0.50%
	USD	2,056	July 2028	4.25%
	EUR	2,414	April 2029	3.00%
	USD	2,056	June 2029	4.88%
	CAD	1,500	September 2029	3.95%
	USD	2,056	January 2030	4.63%
	AUD	274	May 2030	4.38%
	AUD	1,599	June 2030	4.10%
	CAD	1,500	December 2030	4.20%
	EUR	2,414	February 2032	2.75%
	CAD	1,000	June 2034	3.65%
	CAD	1,000	June 2035	3.65%
	EUR	1,610	September 2035	3.25%
NOK	82	April 2038	3.54%	
USD	1,714	November 2039	5.60%	
		35,848		

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

² As at December 31, 2025, term notes included \$2,621 million in green bonds that must be allocated to a selection of investments that are compliant with the eligible project categories established under La Caisse'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)

				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 La Caisse'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 secured by La Caisse'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, 2025 and 2024 for the U.S. program, and the equivalent of CA\$4 billion as at December 31, 2025 and 2024 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 La Caisse's assets.

Furthermore, during the year ended December 31, 2025, La Caisse renewed the credit facility that it arranged with a banking syndicate for a total amount of approximately CA\$5.5 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 La Caisse. As at December 31, 2025 and 2024, no amount had been drawn on this credit facility.

12. CAPITAL MANAGEMENT

La Caisse defines its capital as net assets attributable to depositors. La Caisse'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. La Caisse'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.

La Caisse is not subject to external capital requirements.

Furthermore, La Caisse's objective is to maintain its AAA credit rating to ensure access to capital markets at the best cost. In addition, the Board of Directors has limited the amount of notes issued by CDP Financial Inc. on capital markets, with recourse to the entirety of La Caisse'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

La Caisse 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 La Caisse 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, 2025	December 31, 2024
Financial assets transferred but not derecognized¹		
Bonds	75,001	84,213
Equities	29,565	18,162
	104,566	102,375
Associated financial liabilities		
Loans payable ²	2,652	503
Securities sold under repurchase agreements ³	54,363	61,313
	57,015	61,816

¹ As part of its securities lending and borrowing activities, La Caisse does not recognize financial assets borrowed from third parties in the Consolidated Statements of Financial Position. Accordingly, the amount includes La Caisse's financial assets as well as those borrowed from third parties totalling \$9,426 million as at December 31, 2025 (\$9,398 million as at December 31, 2024).

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, La Caisse 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, La Caisse may have to pledge additional collateral if the pledged securities lose value.

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

	December 31, 2025	December 31, 2024
Securities borrowing ¹	16,777	11,230
Securities sold under repurchase agreements ^{1,2}	54,878	62,142
Exchange-traded derivative financial instruments	2,627	2,779
Over-the-counter derivative financial instruments	3,867	8,074
Investments pledged as collateral ³	7,787	9,013
	85,936	93,238

¹ With respect to securities sold under repurchase agreements and securities borrowing activities, La Caisse may pledge financial assets borrowed from third parties as collateral.

Accordingly, the amount includes La Caisse's financial assets as well as those borrowed from third parties.

² As at December 31, 2024 and 2025, La Caisse 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 La Caisse's obligations under repurchase and reverse repurchase agreement activities carried out through a clearing house.

³ The amount presented represents investments that La Caisse holds in certain companies to guarantee their external borrowings. This amount cannot exceed the fair value of these investments.

Financial assets received as collateral

In the normal course of business, La Caisse may receive financial assets as collateral during transactions. If the fair value of the collateral received decreases, La Caisse may, in certain cases, request additional collateral. La Caisse is authorized to sell or repledge as collateral certain securities in the absence of default by the counterparty. As at December 31, 2025, financial assets with a value of \$1,174 million received as collateral were sold or repledged as collateral (\$1,101 million as at December 31, 2024).

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

	December 31, 2025	December 31, 2024
Securities lending	30,702	28,461
Securities purchased under reverse repurchase agreements	14,808	18,873
Over-the-counter derivative financial instruments	3,822	1,486
	49,332	48,820

15. RELATED PARTY DISCLOSURES

Related party transactions

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

La Caisse 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 La Caisse's activities as an investment entity, La Caisse may make investments in several investment categories, including investments in unconsolidated subsidiaries, joint arrangements, and associates.

Compensation of key management personnel

La Caisse'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 La Caisse's key management personnel:

	2025	2024
Salaries and other short-term employee benefits	12	11
Post-employment benefits	1	1
Other long-term employee benefits	6	6
	19	18

Other related parties

La Caisse 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, La Caisse 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, La Caisse 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 La Caisse, 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. and Zephyr Financial Inc. are wholly owned subsidiaries that issue debt securities in order to finance La Caisse'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., CDPQ Deutschland GmbH and CDPQ Immobilier Inc.

Unconsolidated subsidiaries

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

Intermediate subsidiaries

As part of certain investment activities, La Caisse may use intermediate subsidiaries, whose sole purpose is to hold La Caisse'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.

Subsidiaries (continued)

The following table shows the ownership interests held in the main unconsolidated subsidiaries as at December 31, 2025 as well as the comparative ownership interests as at December 31, 2024. 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.

		2025	2024
	Principal place of business	Ownership interest	Ownership interest
Unconsolidated subsidiaries			
Real estate finance			
MCAP Commercial LP	Canada	79.0%	79.0%
Energy			
Azure Power Global Ltd	India ³	53.4%	53.4%
Mercury Taiwan Holdings Limited ¹	Taiwan	94.0%	94.0%
Southern Star Acquisition Corporation	United States	79.9%	79.9%
Trencap LP (Énergir)	Canada	80.9%	80.9%
Velto Renewables S.L.	Spain	100.0%	100.0%
Verene Energia SA	Brazil	100.0%	100.0%
Hedge funds			
GMAC ASO Fund Inc	Singapore ⁴	100.0%	100.0%
SAML Mosaic Fund LP	United States	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%
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 Fundo de Investimento Imobiliário	Brazil	88.7%	87.7%
Ancar Ivanhoe Shopping Centers Fundo de Investimento em Participações Multiestratégia	Brazil	88.7%	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%
RHP Partners VI LP	United States	78.3%	-
Industrials			
CDPQ Infra Inc	Canada	100.0%	100.0%
Einn Volant Aircraft Leasing Holdings Ltd	Ireland ⁸	90.5%	90.5%
Maple Infrastructure 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%	89.5%
Spinner US AcquireCo Inc (Student Transportation of America)	United States	79.9%	79.9%
Materials			
Quinnat Ressources LP	United States	99.5%	99.9%
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%
Innergex Renewable Energy Inc	Canada	73.8%	-

¹ Mercury Taiwan Holdings Limited indirectly holds 50.0% of Greater Changhua Offshore Wind Farm Se Ltd.

² La Caisse exercises control through 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, 2025, whether they are joint ventures or joint operations, as well as the comparative ownership interests as at December 31, 2024 are presented in the following table. Voting rights or other contractual clauses allow La Caisse 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.

		2025	2024
	Principal place of business	Ownership interest	Ownership interest
Energy			
Apraava Energy Private Limited	India	50.0%	50.0%
Invenergy Renewables Holdings LLC	United States	41.2%	42.0%
Transportadora Associada de Gas SA	Brazil	50.0%	50.0%
Real estate			
Block 58 Holdings LP	United States	90.2%	90.2%
BPP CA Industrial Limited Partnership	Canada	38.2%	38.4%
BPP STPCV Lower REIT Inc	United States	48.0%	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	38.2%	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 International (formerly 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%
Stroom Group	France	48.3%	48.6%
Financials			
Constellation Insurance LP	United States	49.8%	49.8%
Greenstone Ltd	Australia	34.0%	34.0%
Communication services			
Frodoco Holdings Limited (Connexa)	New Zealand	50.0%	-
Information technology			
DB Yogi Holdings LP (Yondr)	Global-Europe ⁴	49.0%	-

¹ Joint operation.

² Constituted in the Netherlands.

³ Constituted in the British Virgin Islands.

⁴ Constituted in Canada.

Associates

The following table shows the ownership interests held in the main associates as at December 31, 2025 as well as the comparative ownership interests as at December 31, 2024. 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.

		2025	2024
	Principal place of business	Ownership interest	Ownership interest
Consumer discretionary			
Clarios International LP	United States ⁷	30.0%	30.0%
Energy			
AES Ohio Investments Inc	United States	30.0%	-
FHH No.1 Limited (First Hydro)	United Kingdom	25.0%	-
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			
Gecina SA ²	France	15.1%	15.1%
Greystar Growth and Income Fund (892) LP	United States	50.6%	42.9%
Peel Logistics UK Unit Trust ³	United Kingdom ⁸	80.0%	80.0%
Industrials			
Alix Partners LLP ³	United States	15.8%	13.5%
Allied Universal Holdco LLC	United States ⁷	27.7%	27.7%
DP World Jebel Ali Terminals and Free Zone FZCO	United Arab Emirates	24.4%	24.4%
Eurostar Group ⁴	Belgium	19.3%	19.3%
Fives Group	France	28.0%	28.0%
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%
Pilot Parent Holdings LP (Pike)	United States	16.8%	-
QPH Hold Trust, QPH Hold Co PTY Limited (Port de Brisbane)	Australia	26.7%	26.7%
Financials			
Howden Group Holding Limited	United Kingdom	21.4%	23.8%
Inigo Limited	United Kingdom	24.1%	24.1%
Utilities			
Sizewell C (Holding) Limited	United Kingdom	20.0%	-
Health care			
Sanfer Farma S.A.P.I de C.V.	Mexico	22.7%	23.6%
Sphinx SAS (Sebia SA) ³	France	39.9%	39.2%
Communication services			
ATC Europe C.V.	Germany ⁹	25.5%	25.5%
Cogeco Communications USA Inc	United States	21.0%	21.0%
Terrion LP ⁵	Canada	49.9%	-
Vertical Bridge Reit LLC	United States	35.8%	35.8%
Information technology			
FNZ Group Limited ⁶	Europe ¹⁰	45.6%	44.0%
Plusgrade Inc	Canada	30.0%	30.5%

¹ Voting rights amount to 40.0%.

² La Caisse 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 23.3%.

⁵ Voting rights amount to 40.0%.

⁶ Included in the category "Joint arrangements" as at December 31, 2024. As at December 31, 2025, voting rights amounted to 25.0%.

⁷ Constituted in Canada.

⁸ Constituted in Jersey.

⁹ Constituted in the Netherlands.

¹⁰ Constituted in New Zealand.

Non-controlled structured entities

La Caisse 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 La Caisse 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 La Caisse 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.

17. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	December 31, 2024	Cash flows from financing activities	Non-cash changes		December 31, 2025
			Change in foreign exchange	Change in fair value	
Short-term promissory notes payable	8,761	2,827	(414)	27	11,201
Loans payable	503	2,158	(9)	-	2,652
Term notes payable	32,316	3,660	(303)	404	36,077
	41,580	8,645	(726)	431	49,930

	December 31, 2023	Cash flows from financing activities	Non-cash changes		December 31, 2024
			Change in foreign exchange	Change in fair value	
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

18. COMMITMENTS AND FINANCIAL GUARANTEES

Given the nature of its activities, La Caisse and its intermediate subsidiaries enter into various commitments that will be settled in the coming fiscal years in accordance with the terms and conditions set out in the related agreements. Commitments under leases were as follows: \$33 million payable in less than 1 year, \$130 million payable in 1 to 5 years, and \$655 million payable thereafter, until expiry of the leases.

For La Caisse, 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. La Caisse and its intermediate subsidiaries may also provide financial guarantees or issue letters of credit.

Commitments and financial guarantees are detailed as follows:

	December 31, 2025	December 31, 2024
Investment purchase commitments	46,689	43,319
Commitments under leases	818	828
Financial guarantees ¹	2,723	2,880
	50,230	47,027

¹ As at December 31, 2025, financial guarantees included an amount of \$1,189 million provided by the real estate subsidiaries, having no recourse on any of La Caisse's assets (\$1,233 million as at December 31, 2024).

Litigation

In the normal course of business, La Caisse and its intermediate subsidiaries may be subject to legal actions. Although La Caisse and its intermediate subsidiaries cannot predict the outcomes of any ongoing legal proceedings as at December 31, 2025, they have no reason to believe that the settlement of any one of these proceedings could have a material impact on their financial position.