CDPQ

Consolidated financial statements

For the years ended December 31, 2022 and 2021

MANAGEMENT’S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL REPORTING

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

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

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

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

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

The Auditor General of Québec and Ernst & Young LLP (the “co-auditors”) have audited the consolidated financial statements of CDPQ for the years ended December 31, 2022 and 2021 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, 2022 and 2021. It is assisted in its responsibilities by the Audit Committee, of which all members are independent directors. This Committee meets with management and the co-auditors, examines the consolidated financial statements, and recommends the approval thereof to the Board of Directors.

Charles Emond, FCPA
President and Chief Executive Officer

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

Montréal, February 21, 2023

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, 2022 and 2021 and the Consolidated Statements of Comprehensive Income (loss), 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 a summary of significant accounting policies.

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, 2022 and 2021 and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 the audit of the consolidated financial statements for the year ended December 31, 2022. 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 the audit addressed the key audit matter
Fair value measurement of financial assets based on unobservable inputs	
The Group describes the estimates and assumptions and judgment used in measuring the fair value of financial instruments in Notes 2 and 6 of the consolidated financial statements. As disclosed in Note 6 to the consolidated financial statements, the Group has $222.5 billion in financial assets classified as Level 3 of the fair value hierarchy. The fair values of these financial instruments are calculated using valuation techniques for which the significant inputs are unobservable. The main unobservable inputs used to measure these financial assets are the earnings before interest, taxes, depreciation and amortization (EBITDA) multiples, credit spreads, discount rates, capitalization rates, discounts to net asset value, and future cash flows. Auditing the fair value of financial assets based on unobservable inputs is complex, requires the auditors to apply considerable judgment, and requires the participation of valuation specialists to assess the valuation techniques and unobservable inputs used by the Group. The use of different assumptions and valuation techniques could result in considerably different fair value estimates given that the unobservable inputs are associated with a higher degree of subjectivity and uncertainty and could be influenced by future market conditions and events.	We have obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls used in the investment valuation process, which include management review controls on the assessment of valuation techniques, significant inputs, and assumptions used in estimating fair value. The audit procedures performed when measuring the fair value of financial assets based on unobservable inputs varied according to the nature of the chosen investment and consisted of the following procedures, among others: • We assessed, in collaboration with our specialists, 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 by evaluating any significant adjustment made thereto. • More specifically, 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 examined the assessment of subsequent events and transactions made by management and we assessed whether these events and transactions confirm or contradict the year-end estimates.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditors' report thereon, in the Annual 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 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.

The 2022 Annual Report is expected to be made available to us after the date of this auditors' report. If, based on the work we will perform on the 2022 Annual Report, we conclude that there is a material misstatement of this other information, we are required to report that fact 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, 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.

- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

Auditor General of Québec,

Guylaine Leclerc FCPA auditor

Guylaine Leclerc, FCPA auditor
Canada, Montréal, February 21, 2023

Ernst & Young LLP[1]

Ernst & Young LLP[1]

[1] FCPA auditor, public accountancy permit No. A114960
Canada, Montréal, February 21, 2023

CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of Canadian dollars)

	Note	**December 31, 2022**	December 31, 2021
ASSETS			
Cash		**1,426**	1,073
Amounts receivable from transactions being settled		**2,376**	2,213
Advances to depositors		**727**	1,011
Investment income, accrued and receivable		**1,174**	949
Other assets		**1,147**	963
Investments	4	**466,957**	466,157
Total assets		**473,807**	472,366
LIABILITIES			
Amounts payable on transactions being settled		**1,943**	3,443
Other liabilities		**1,634**	1,839
Investment liabilities	4	**68,343**	47,287
Total liabilities excluding net assets attributable to depositors		**71,920**	52,569
NET ASSETS ATTRIBUTABLE TO DEPOSITORS		**401,887**	419,797

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

On behalf of the Board of Directors,

Charles Emond, FCPA
President and Chief Executive Officer

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the years ended December 31

(in millions of Canadian dollars)

	Notes	**2022**	2021
Investment income		**8,648**	12,797
Investment expense		**(962)**	(505)
Net investment income	8	**7,686**	12,292
Operating expenses	9	**(924)**	(718)
Net income		**6,762**	11,574
Net gains (losses) on financial instruments at fair value	8	**(31,374)**	37,155
Investment result before distributions to depositors	8	**(24,612)**	48,729
Distributions to depositors		**(8,134)**	(21,870)
Net income (loss) and comprehensive income (loss) attributable to depositors		**(32,746)**	26,859

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

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO DEPOSITORS

For the years ended December 31

(in millions of Canadian dollars)

	Demand deposits	**Term deposits**	**Distributions payable to depositors**	**Participation deposits**	**Net assets attributable to depositors**
Balance as at December 31, 2021	**782**	**7**	**1,839**	**417,169**	**419,797**
Attributions and distributions					
Net loss and comprehensive loss attributable to depositors	**-**	**-**	**-**	**(32,746)**	**(32,746)**
Distributions to depositors	**8,987**	**-**	**(853)**	**-**	**8,134**
Participation deposits					
Issuance of participation deposit units	**(19,708)**	**-**	**-**	**19,708**	**-**
Cancellation of participation deposit units	**4,643**	**-**	**-**	**(4,643)**	**-**
Net deposits					
Net change in term deposits	**-**	**(1)**	**-**	**-**	**(1)**
Net contributions	**6,703**	**-**	**-**	**-**	**6,703**
BALANCE AS AT DECEMBER 31, 2022	**1,407**	**6**	**986**	**399,488**	**401,887**

	Demand deposits	Term deposits	Distributions payable to depositors	Participation deposits	Net assets attributable to depositors
Balance as at December 31, 2020	4,042	7	2,653	358,790	365,492
Attributions and distributions					
Net income and comprehensive income attributable to depositors	-	-	-	26,859	26,859
Distributions to depositors	22,684	-	(814)	-	21,870
Participation deposits					
Issuance of participation deposit units	(32,463)	-	-	32,463	-
Cancellation of participation deposit units	943	-	-	(943)	-
Net deposits					
Net contributions	5,576	-	-	-	5,576
BALANCE AS AT DECEMBER 31, 2021	782	7	1,839	417,169	419,797

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	**2022**	2021
Cash flows from operating activities			
Net income (loss) and comprehensive income (loss) attributable to depositors		**(32,746)**	26,859
Adjustments for:			
Unrealized net gains on short-term promissory notes, term notes and loans payable		**(1,683)**	(372)
Net foreign exchange losses on short-term promissory notes, term notes and loans payable		**1,164**	164
Distributions to depositors		**8,134**	21,870
Net changes in operating assets and liabilities			
Amounts receivable from transactions being settled		**(163)**	903
Advances to depositors		**284**	(730)
Investment income, accrued and receivable		**(225)**	160
Other assets		**(184)**	(375)
Investments		**(2,227)**	(60,066)
Amounts payable on transactions being settled		**(1,500)**	153
Other liabilities		**(205)**	634
Investment liabilities		**11,780**	2,686
		(17,571)	(8,114)
Cash flows from financing activities			
Net change in short-term promissory notes payable		**(2,369)**	2,988
Issuance of short-term promissory notes payable		**16,316**	10,359
Repayment of short-term promissory notes payable		**(10,793)**	(9,927)
Net change in loans payable		**1,789**	(740)
Issuance of term notes payable		**7,405**	2,452
Repayment of term notes payable		**(2,554)**	(2,429)
Net contributions		**6,703**	5,576
		16,497	8,279
Net increase (decrease) in cash and cash equivalents		**(1,074)**	165
Cash and cash equivalents at the beginning of the year		**2,575**	2,410
Cash and cash equivalents at the end of the year		**1,501**	2,575
Cash and cash equivalents comprise:			
Cash		**1,426**	1,073
Cash equivalents	4	**75**	1,502
		1,501	2,575
Supplemental information on cash flows from operating activities			
Interest and dividends received		**7,691**	8,456
Interest paid		**(694)**	(396)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. CONSTITUTION AND NATURE OF OPERATIONS

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

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

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

Consolidated financial statements

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

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

General Fund

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

Individual funds

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

The individual funds of depositors are as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Fund 321: Fiducie globale de la Ville de Longueuil, administered by the Comité de placement (created on January 1, 2022)

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 (created on January 1, 2022)

Fund 324: Fonds commun des cols bleus et pompiers de la Ville de Longueuil, administered by the Comité de retraite (created on January 1, 2022)

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 (cont.)

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 2020, 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 (created on July 1, 2022)

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

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

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

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

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

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

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

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

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

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

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

Fund 372: Fonds commun de placement des régimes de retraite de l'Université Laval, administered by the Comité de retraite (closed on March 1, 2022)

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: Régime de retraite des employées et employés de la Ville de Sherbrooke, administered by the Comité de retraite des employées et employés de la Ville de Sherbrooke

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 (created on March 1, 2022)

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

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

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

Specialized portfolios

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

- Short Term Investments (740)
- Rates (765)
- Credit (766)
- Long Term Bonds (764)[1]
- Real Return Bonds (762)[1]
- Infrastructure (782)
- Real Estate (710)
- Equity Markets (737)
- Private Equity (780)
- Asset Allocation (771)

[1] The Real Return Bonds (762) and Long Term Bonds (764) specialized portfolios ceased operations on November 1, 2021 and December 1, 2021, respectively, and were closed on December 31, 2021.

2. SIGNIFICANT ACCOUNTING PRINCIPLES

Statement of compliance

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

Presentation and measurement basis

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

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

Approval of the consolidated financial statements

The Board of Directors approved CDPQ's consolidated financial statements and the publication thereof on February 21, 2023.

Functional and presentation currency

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

Foreign currency translation

Financial assets and liabilities denominated in a foreign currency are translated into Canadian dollars at the exchange rate in effect at the reporting date. Foreign currency transactions are translated into Canadian dollars at the exchange rate in effect at the transaction date.

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

Use of judgments and estimates

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

Judgment

Qualification as an investment entity

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

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

Interests in entities

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

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

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

CDPQ has joint control over a joint venture when there is a contractual or implicit arrangement whereby decisions about relevant activities require the unanimous consent of the parties sharing control and when these parties have rights to the net assets of the arrangement.

CDPQ has significant influence over an associate when it has the power to participate in the financial and operating policy decisions of the entity. CDPQ is deemed to have significant influence when it holds 20% or more of the voting rights of an entity but does not have control or joint control.

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 judgments, estimates and assumptions

The pandemic declared by the World Health Organization in 2020, geopolitical tensions, and rising inflation and interest rates are continuing to disrupt global economic activity and create high levels of uncertainty and volatility on financial and stock markets.

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

Financial instruments

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

Classification and measurement

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

Commitments related to the acquisition of corporate debt are classified at FVTPL when one of the following criteria is met: 1) The commitments are designated as financial liabilities at FVTPL or CDPQ has a practice of selling the loans resulting from its commitments; or 2) The corporate debt 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 (losses) on financial instruments at fair value" in the Consolidated Statements of Comprehensive Income (loss). When the change in the fair value of financial liabilities designated at FVTPL is attributable to changes in CDPQ's own credit risk, it is presented separately in the Consolidated Statements of Comprehensive Income (loss) 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 (loss).

Financial instruments (cont.)

Fair value measurement

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

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

Cash

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

Investments

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

Cash equivalents include short-term investments and securities purchased under reverse repurchase agreements. 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 bond 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 comprise listed and unlisted equities. In particular, such securities include hedge funds, exchange-traded funds, investment funds, private investment funds and infrastructure funds. Purchases and sales of equities, hedge funds and investment funds are recorded at the transaction date, whereas purchases and sales of private investment funds and infrastructure funds are recorded at the settlement date.

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

Investment liabilities

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

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

Derivative financial instruments

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

Transactions being settled

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

Derecognition of financial assets and liabilities

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

Financial instruments (cont.)

Securities purchased under reverse repurchase agreements and sold under repurchase agreements

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

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

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

Lending and borrowing of securities

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

Net assets attributable to depositors

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

Demand deposits and term deposits

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

Distributions payable to depositors

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

Participation deposits

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

Net income and comprehensive income (loss)

Dividend and interest income and expense

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

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 (loss).

Management fees

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

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

Net income and comprehensive income (loss) (cont.)

Transaction costs

Transaction costs directly attributable to the acquisition, sale and issuance of a financial instrument are presented under “Net gains (losses) on financial instruments at fair value” in the Consolidated Statements of Comprehensive Income (loss). Transaction costs include commissions, stock exchange fees as well as professional and legal fees related to investing and financing activities.

Operating expenses

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

Income tax

Under federal and provincial income tax legislation, CDPQ is exempt from income tax in Canada. In certain foreign jurisdictions, investment income and capital gains may be subject to tax. Withholding taxes and income tax expense are presented under “Net investment income” and “Net gains (losses) on financial instruments at fair value”, respectively, in the Consolidated Statements of Comprehensive Income (loss).

Net gains (losses) on financial instruments at fair value

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

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 (loss).

3. NEW IFRS STANDARDS

No issued or amended standard not yet effective as of the date of these consolidated financial statements is expected to have a material impact thereon.

4. INVESTMENTS AND INVESTMENT LIABILITIES

a) Investments

The following table shows the fair values of the investments. The geographic allocation is determined according to the country of the issuer's principal place of business. The geographic allocation of interests in unconsolidated subsidiaries is determined according to the country of the underlying investments, while the allocation of derivative financial instruments is determined according to the currency in which the instrument will be settled:

	December 31, 2022			December 31, 2021		
	Canada	**Foreign**	**Fair value**	Canada	Foreign	Fair value
Investments						
Cash equivalents						
Short-term investments	**75**	**-**	**75**	-	-	-
Securities purchased under reverse repurchase agreements	**-**	**-**	**-**	1,502	-	1,502
Total cash equivalents	**75**	**-**	**75**	1,502	-	1,502
Fixed-income securities						
Short-term investments	**1,217**	**1,672**	**2,889**	412	193	605
Securities purchased under reverse repurchase agreements	**14,076**	**-**	**14,076**	14,255	3,446	17,701
Corporate debt	**940**	**1,126**	**2,066**	876	1,446	2,322
Bonds						
Governments	**33,239**	**27,821**	**61,060**	35,992	21,664	57,656
Government corporations and other public administrations	**5,424**	**497**	**5,921**	5,941	559	6,500
Corporate sector	**6,599**	**8,310**	**14,909**	10,767	8,019	18,786
Bond funds	**-**	**1,101**	**1,101**	-	2,911	2,911
Total fixed-income securities	**61,495**	**40,527**	**102,022**	68,243	38,238	106,481
Variable-income securities						
Equities						
Listed	**22,617**	**84,295**	**106,912**	25,468	102,689	128,157
Unlisted[1]	**3,568**	**19,805**	**23,373**	4,672	21,676	26,348
Hedge funds	**-**	**486**	**486**	-	491	491
Total variable-income securities	**26,185**	**104,586**	**130,771**	30,140	124,856	154,996
Interests in unconsolidated subsidiaries						
Investments in real estate holdings	**13,218**	**44,395**	**57,613**	13,217	39,412	52,629
Investments in real estate debt	**16,291**	**4,747**	**21,038**	16,863	3,673	20,536
Private equity investments[1]	**7,525**	**52,381**	**59,906**	6,973	47,443	54,416
Infrastructure investments	**7,587**	**40,913**	**48,500**	6,298	31,437	37,735
Investments in fixed-income securities[1]	**3,341**	**31,845**	**35,186**	3,629	25,088	28,717
Investments in hedge funds	**-**	**5,787**	**5,787**	-	4,196	4,196
Stock market investments	**3,784**	**365**	**4,149**	3,289	658	3,947
Total interests in unconsolidated subsidiaries	**51,746**	**180,433**	**232,179**	50,269	151,907	202,176
Derivative financial instruments (Note 5)	**4**	**1,906**	**1,910**	7	995	1,002
Total investments	**139,505**	**327,452**	**466,957**	150,161	315,996	466,157

[1] Due to a refinement of the method used for the geographic allocation of the investments underlying of the funds, amounts of $476 million, $810 million, and $1,461 million were reclassified from the "Canada" column to the "Foreign" column with respect to unlisted equities as well as the private equity investments and fixed-income securities investments in unconsolidated subsidiaries, respectively, as at December 31, 2021.

b) Investment liabilities

The following table shows the fair values of investment liabilities. The geographic allocation of non-derivative financial liabilities is determined using the country of the issuer's principal place of business, while the allocation of derivative financial instruments is determined according to the currency in which the instrument will be settled:

	December 31, 2022			December 31, 2021		
	Canada	**Foreign**	**Fair value**	Canada	Foreign	Fair value
Investment liabilities						
Non-derivative financial liabilities						
Securities sold under repurchase agreements	**25,783**	**3,768**	**29,551**	11,543	3,447	14,990
Securities sold short						
Equities	**167**	**1,965**	**2,132**	90	1,473	1,563
Bonds	**182**	**-**	**182**	141	3,828	3,969
Short-term promissory notes payable	**13,068**	**-**	**13,068**	9,729	-	9,729
Loans payable	**303**	**1,689**	**1,992**	4	199	203
Term notes payable	**19,749**	**-**	**19,749**	15,601	-	15,601
Total non-derivative financial liabilities	**59,252**	**7,422**	**66,674**	37,108	8,947	46,055
Derivative financial instruments (Note 5)	**6**	**1,663**	**1,669**	-	1,232	1,232
Total investment liabilities	**59,258**	**9,085**	**68,343**	37,108	10,179	47,287

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 or stock market security or index) or may be a commodity (precious metal, produce or other). Certain derivative financial instruments are settled through clearing houses. CDPQ uses, among others, the derivative financial instruments described below.

Forward contracts are commitments for the purchase or sale of an underlying item, the quantity and price of which are determined in the contract and according to the maturity 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 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 security, index or commodity 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 conditions that include a notional amount, payment dates and a term to maturity.

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

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

Derivative financial instruments (cont.)

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

	December 31, 2022			December 31, 2021		
	Fair value		**Notional**	Fair value		Notional
	Assets	**Liabilities**	**amount**	Assets	Liabilities	amount
Exchange markets						
Interest rate derivatives						
Futures contracts	**-**	**-**	**122,623**	-	-	105,715
Equity derivatives						
Futures contracts	**-**	**-**	**13,701**	-	-	19,056
Options	**6**	**-**	**258**	-	-	-
Warrants	**-**	**-**	**2**	-	-	1
Commodity derivatives						
Futures contracts	**-**	**-**	**-**	-	-	215
Total exchange markets	**6**	**-**	**136,584**	-	-	124,987
Over-the-counter markets						
Interest rate derivatives						
Swaps	**-**	**48**	**1,019**	26	7	1,189
Swaps settled through a clearing house	**-**	**-**	**65,673**	-	-	48,162
Forward contracts	**4**	**6**	**999**	7	-	289
Options	**214**	**194**	**11,059**	142	125	30,703
Currency derivatives						
Swaps	**394**	**337**	**24,499**	109	95	8,441
Forward contracts	**1,074**	**920**	**144,033**	555	790	108,873
Options	**18**	**7**	**2,533**	-	-	-
Credit default derivatives						
Swaps settled through a clearing house	**-**	**-**	**14,826**	-	-	27,862
Options	**-**	**6**	**1,626**	-	-	-
Equity derivatives						
Swaps	**178**	**149**	**8,369**	152	210	10,313
Options	**10**	**-**	**1,890**	-	-	-
Warrants	**3**	**-**	**5**	1	-	1
Commodity derivatives						
Forward contracts	**9**	**2**	**468**	10	5	625
Total over-the-counter markets	**1,904**	**1,669**	**276,999**	1,002	1,232	236,458
Total derivative financial instruments	**1,910**	**1,669**	**413,583**	1,002	1,232	361,445

6. FAIR VALUE MEASUREMENT

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

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

The policy also includes directives to be followed when using prices from external sources, such as broker quotes and net asset values provided by external administrators of the funds or general partners.

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

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

b) Fair value valuation techniques

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

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

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

Bonds

The fair value of bonds is determined using prices published in active markets for identical or similar instruments. The fair value of bonds that have no published prices is determined using either a discounted cash flow technique or broker quotes. Discounted cash flow valuations use observable and unobservable 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 investment equities is primarily determined according to the market approach, which includes techniques based on comparable company multiples and comparable transaction multiples. CDPQ identifies comparable companies based on their industry, size, financial position and strategy and selects an appropriate multiple for each comparable company identified. This technique uses observable and unobservable inputs such as earnings before interest, taxes, depreciation and amortization (EBITDA) multiples and other multiples.

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

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

Fair value valuation techniques (cont.)

Funds

The fair value of bond funds, hedge funds, investment funds and private investment and infrastructure funds is determined using the net assets provided by the administrator or by the general partner, unless there is an indication that the fair value differs from the net asset value provided. CDPQ ensures that the valuation techniques used by the fund's administrator or general partner to determine net asset values are in compliance with IFRS. Furthermore, the net asset 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

The fair value of CDPQ's interests in various unconsolidated subsidiaries is determined using an enterprise valuation technique.

Investments in real estate holdings

The fair value of ownership interests in real estate subsidiaries reflects the fair value of the assets and liabilities held directly by these subsidiaries. In particular, these assets and liabilities include investment property and associated liabilities, real estate funds, and ownership interests held in companies.

The fair value of investment property, which is measured according to the highest and best use, is determined and certified semi-annually by external, recognized, and independent chartered real estate appraisers. Valuations are carried out in compliance with the valuation standards in effect in each market. CDPQ selects the fair value it deems most representative within the ranges provided by the external valuators. The valuation techniques used are based primarily on two recognized methodologies, namely, the discounted cash flow technique and the capitalization of revenue technique. 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 determine the representative fair value range and support the fair value determined.

The fair value of real estate funds and ownership interests held in companies is determined based on characteristics specific to these assets, whose value is based on net assets which may be provided by an administrator or available in a published financial statement. The net asset value is adjusted to reflect external factors or when there are other indications requiring judgment to be exercised.

The fair value of financial liabilities 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.

Investments in real estate debt

The fair value of interests in real estate debt subsidiaries reflects the fair value of the assets held directly by these subsidiaries, which mainly include commercial mortgages and an interest in a mortgage lending subsidiary. The fair value of commercial mortgages is determined using the discounted cash flow technique that are divided into risk categories, according to the loan-to-value ratio, for which an appropriate discount rate is determined. Commercial mortgage valuations are reviewed annually by an independent external firm. The fair value of the interest in a mortgage lending subsidiary is determined using the discounted cash flow technique. This technique uses unobservable inputs such as discount rates that take into account the risk associated with the subsidiary as well as future cash flows.

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

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

CDPQ may also use information about recent transactions carried out in the market for valuations of these financial assets.

Securities sold short

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

Derivative financial instruments

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

Fair value valuation techniques (cont.)

Net assets attributable to depositors

Demand deposits

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

Term deposits and distributions payable to depositors

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

Participation deposits

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

c) Fair value hierarchy

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

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

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

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

Fair value hierarchy (cont.)

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. 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, 2022
	Level 1	Level 2	Level 3	Total
Financial assets				
Amounts receivable from transactions being settled	-	2,376	-	2,376
Advances to depositors	-	727	-	727
Investment income, accrued and receivable	-	1,174	-	1,174
Investments				
Cash equivalents	-	75	-	75
Short-term investments	-	2,889	-	2,889
Securities purchased under reverse repurchase agreements	-	14,076	-	14,076
Corporate debt	-	-	2,066	2,066
Bonds	56,855	25,389	747	82,991
Equities				
Listed	106,639	273	-	106,912
Unlisted	-	5,053	18,320	23,373
Hedge funds	-	486	-	486
Interests in unconsolidated subsidiaries				
Investments in real estate holdings	-	9,856	47,757	57,613
Investments in real estate debt	-	16,466	4,572	21,038
Private equity investments	-	405	59,501	59,906
Infrastructure investments	-	-	48,500	48,500
Investments in fixed-income securities	-	-	35,186	35,186
Investments in hedge funds	-	-	5,787	5,787
Stock market investments	-	4,119	30	4,149
Derivative financial instruments	-	1,910	-	1,910
	163,494	85,274	222,466	471,234
Financial liabilities excluding net assets attributable to depositors				
Amounts payable on transactions being settled	-	1,943	-	1,943
Other liabilities	-	1,634	-	1,634
Investment liabilities				
Securities sold under repurchase agreements	-	29,551	-	29,551
Securities sold short	2,314	-	-	2,314
Short-term promissory notes payable	-	13,068	-	13,068
Loans payable	-	1,992	-	1,992
Term notes payable	-	19,749	-	19,749
Derivative financial instruments	-	1,669	-	1,669
	2,314	69,606	-	71,920
Net assets attributable to depositors				
Demand deposits	-	1,407	-	1,407
Term deposits	-	6	-	6
Distributions payable to depositors	-	986	-	986
Participation deposits	-	399,488	-	399,488
	-	401,887	-	401,887

Fair value hierarchy (cont.)

				December 31, 2021
	Level 1	Level 2	Level 3	Total
Financial assets				
Amounts receivable from transactions being settled	-	2,213	-	2,213
Advances to depositors	-	1,011	-	1,011
Investment income, accrued and receivable	-	949	-	949
Investments				
Cash equivalents	-	1,502	-	1,502
Short-term investments	-	605	-	605
Securities purchased under reverse repurchase agreements	-	17,701	-	17,701
Corporate debt	-	-	2,322	2,322
Bonds	62,384	22,770	699	85,853
Equities				
Listed	127,645	512	-	128,157
Unlisted	-	8,230	18,118	26,348
Hedge funds	-	434	57	491
Interests in unconsolidated subsidiaries				
Investments in real estate holdings	-	10,503	42,126	52,629
Investments in real estate debt	-	16,148	4,388	20,536
Private equity investments	-	492	53,924	54,416
Infrastructure investments	-	-	37,735	37,735
Investments in fixed-income securities	-	5,254	23,463	28,717
Investments in hedge funds	-	4,196	-	4,196
Stock market investments	-	3,947	-	3,947
Derivative financial instruments	-	1,002	-	1,002
	190,029	97,469	182,832	470,330
Financial liabilities excluding net assets attributable to depositors				
Amounts payable on transactions being settled	-	3,443	-	3,443
Other liabilities	-	1,839	-	1,839
Investment liabilities				
Securities sold under repurchase agreements	-	14,990	-	14,990
Securities sold short	5,519	13	-	5,532
Short-term promissory notes payable	-	9,729	-	9,729
Loans payable	-	203	-	203
Term notes payable	-	15,601	-	15,601
Derivative financial instruments	-	1,232	-	1,232
	5,519	47,050	-	52,569
Net assets attributable to depositors				
Demand deposits	-	782	-	782
Term deposits	-	7	-	7
Distributions payable to depositors	-	1,839	-	1,839
Participation deposits	-	417,169	-	417,169
	-	419,797	-	419,797

Fair value hierarchy (cont.)

Transfers between levels of the fair value hierarchy

As at December 31, 2022, due to changes in the availability of observable inputs given changing market conditions, financial instruments with a value of $9,015 million were transferred from Level 1 to Level 2 and financial instruments with a value of $148 million were transferred from Level 2 to Level 1. In addition, given an increase in underlying investments classified in Level 3 held by unconsolidated subsidiaries, financial instruments with a value of $9,451 million were transferred from Level 2 to Level 3.

As at December 31, 2021, due to changes in the characteristics of financial instruments and changes in the availability of observable inputs given changing market conditions, financial instruments with a value of $1,872 million were transferred from Level 1 to Level 2, $2,470 million from Level 2 to Level 1, $63 million from Level 2 to Level 3, and $2,129 million from Level 3 to Level 2.

d) Level 3: Reconciliation between opening and closing balances

For financial instruments classified in Level 3 of the fair value hierarchy, reconciliations between the opening and closing balances as at December 31, 2022 and 2021 are as follows:

								2022
	Opening balance	**Gains (losses) recognized in comprehensive income (loss)[1]**	**Purchases**	**Sales**	**Settlements**	**Transfers**	**Closing balance**	**Unrealized gains (losses) on financial instruments held at year-end[1]**
Corporate debt	**2,322**	**(298)**	**170**	**(8)**	**(120)**	**-**	**2,066**	**(303)**
Bonds	**699**	**37**	**76**	**(26)**	**(39)**	**-**	**747**	**(50)**
Equities	**18,175**	**1,103**	**576**	**(1,534)**	**-**	**-**	**18,320**	**758**
Interests in unconsolidated subsidiaries	**161,636**	**15,056**	**25,646**	**(10,456)**	**-**	**9,451**	**201,333**	**13,365**

								2021
	Opening balance	Gains recognized in comprehensive income[1]	Purchases	Sales	Settlements	Transfers	Closing balance	Unrealized gains on financial instruments held at year-end[1]
Corporate debt	2,359	2	303	(54)	(288)	-	2,322	92
Bonds	225	112	311	(1)	(11)	63	699	106
Equities	16,750	1,691	1,612	(1,621)	-	(257)	18,175	2,139
Interests in unconsolidated subsidiaries	125,838	26,967	21,393	(10,690)	-	(1,872)	161,636	27,577

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

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

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

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

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, 2022
	Fair value	**Valuation techniques**	**Unobservable inputs**	**Range**	**Weighted average**
Included in the sensitivity analysis					
Corporate debt and bonds	**2,109**	**Discounted cash flows**	**Credit spreads**	**1.1% to 8.4%**	**3.7%**
			Discount rates	**6.0% to 10.5%**	**7.7%**
Equities					
Private equity investments	**5,152**	**Comparable company multiples**	**EBITDA multiples**	**8.1 to 13.0**	**11.4**
Infrastructure investments	**6,252**	**Discounted cash flows**	**Discount rates**	**8.8% to 13.3%**	**10.9%**
Interests in unconsolidated subsidiaries					
Investments in real estate holdings	**47,757**	**Discounted cash flows**	**Discount rates**	**4.8% to 13.8%**	**7.0%**
			Credit spreads	**0.0% to 11.0%**	**2.0%**
		Capitalization of revenue	**Capitalization rate**	**2.8% to 12.4%**	**5.4%**
		Net real estate assets	**Discounts to net asset value**	**0.0% to 31.5%**	**5.6%**
Investments in real estate debt	**1,688**	**Discounted cash flows**	**Discount rates**	**13.5%**	**n.a.**
Private equity investments	**23,253**	**Comparable company multiples**	**EBITDA multiples**	**8.0 to 17.3**	**12.6**
Infrastructure investments	**34,730**	**Discounted cash flows**	**Discount rates**	**6.5% to 14.5%**	**9.1%**
Investments in fixed-income securities	**22,591**	**Discounted cash flows**	**Discount rates**	**7.3%**	**n.a.**
			Credit spreads	**0.1% to 15.8%**	**5.0%**
	143,532				
Excluded from the sensitivity analysis					
Financial instruments[1]	**78,934**	**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.**
Net financial instruments classified in Level 3	**222,466**				

n.a.: not applicable

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

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

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

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

				December 31, 2021	
	Fair value	Valuation techniques	Unobservable inputs	Range	Weighted average
Included in the sensitivity analysis					
Corporate debt and bonds	2,023	Discounted cash flows	Credit spreads	0.7% to 3.5%	1.9%
			Discount rates	6.0% to 11.0%	8.4%
Equities					
Private equity investments	5,150	Comparable company multiples	EBITDA multiples	7.6 to 16.0	12.6
Infrastructure investments	5,190	Discounted cash flows	Discount rates	6.5% to 13.3%	9.9%
Interests in unconsolidated subsidiaries					
Investments in real estate holdings	42,126	Discounted cash flows	Discount rates	4.2% to 13.8%	6.4%
			Credit spreads	0.0% to 8.6%	1.8%
		Capitalization of revenue	Capitalization rate	2.7% to 11.1%	5.3%
		Net real estate assets	Discounts to net asset value	0.0% to 22.3%	4.9%
Investments in real estate debt	1,621	Discounted cash flows	Discount rates	14.0%	n.a.
Private equity investments	18,969	Comparable company multiples	EBITDA multiples	7.0 to 15.5	11.9
Infrastructure investments	20,591	Discounted cash flows	Discount rates	6.0% to 14.0%	9.2%
Investments in fixed-income securities	17,770	Discounted cash flows	Discount rates	7.3%	n.a.
			Credit spreads	1.1% to 10.1%	4.5%
	113,440				
Excluded from the sensitivity analysis					
Financial instruments[1]	69,392	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.
Net financial instruments classified in Level 3	182,832				

n.a.: not applicable

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

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

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

f) Sensitivity analysis of fair value

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

	December 31, 2022		December 31, 2021	
	Increase	**Decrease**	Increase	Decrease
Sensitivity of fair value	**8,769**	**(8,547)**	7,803	(7,033)

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

7. OFFSETTING FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

						December 31, 2022
	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	**2,636**	**(260)**	**2,376**	**(1,182)**	**-**	**1,194**
Securities purchased under repurchase agreements[3]	**16,901**	**(2,814)**	**14,087**	**(7,058)**	**(7,029)**	**-**
Derivative financial instruments[3]	**1,930**	**-**	**1,930**	**(1,259)**	**(428)**	**243**
	21,467	**(3,074)**	**18,393**	**(9,499)**	**(7,457)**	**1,437**
Financial liabilities						
Amounts payable on transactions being settled	**2,203**	**(260)**	**1,943**	**(1,182)**	**-**	**761**
Securities sold under repurchase agreements[3]	**32,416**	**(2,814)**	**29,602**	**(7,058)**	**(22,485)**	**59**
Derivative financial instruments[3]	**1,731**	**-**	**1,731**	**(1,259)**	**(420)**	**52**
	36,350	**(3,074)**	**33,276**	**(9,499)**	**(22,905)**	**872**

[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 (cont.)

						December 31, 2021
	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	2,213	-	2,213	(458)	-	1,755
Securities purchased under repurchase agreements[3]	21,920	(2,716)	19,204	(10,472)	(8,732)	-
Derivative financial instruments[3]	1,009	-	1,009	(809)	(22)	178
	25,142	(2,716)	22,426	(11,739)	(8,754)	1,933
Financial liabilities						
Amounts payable on transactions being settled	3,443	-	3,443	(458)	-	2,985
Securities sold under repurchase agreements[3]	17,708	(2,716)	14,992	(10,472)	(4,520)	-
Derivative financial instruments[3]	1,238	-	1,238	(809)	(345)	84
	22,389	(2,716)	19,673	(11,739)	(4,865)	3,069

[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:

	2022			2021		
	Net investment income	**Net gains (losses)**	**Total**	Net investment income	Net gains (losses)	Total
Cash management activities	**16**	**2**	**18**	3	1	4
Investing activities						
Short-term investments	**6**	**51**	**57**	-	2	2
Securities purchased under reverse repurchase agreements	**344**	**8**	**352**	40	112	152
Corporate debt	**95**	**(298)**	**(203)**	92	3	95
Bonds	**2,618**	**(12,364)**	**(9,746)**	2,377	(5,381)	(3,004)
Equities	**3,259**	**(18,050)**	**(14,791)**	3,569	16,225	19,794
Interests in unconsolidated subsidiaries	**2,229**	**13,513**	**15,742**	6,697	26,764	33,461
Net derivative financial instruments	**-**	**(14,508)**	**(14,508)**	-	72	72
Other	**81**	**(63)**	**18**	19	(173)	(154)
	8,648	**(31,709)**	**(23,061)**	12,797	37,625	50,422
Investment liability activities						
Securities sold under repurchase agreements	**(396)**	**(380)**	**(776)**	(42)	(1)	(43)
Securities sold short	**(95)**	**1,237**	**1,142**	(42)	(604)	(646)
Financing activities						
Short-term promissory notes payable	**(29)**	**(883)**	**(912)**	-	(19)	(19)
Loans payable	**(7)**	**(65)**	**(72)**	(1)	1	-
Term notes payable	**(352)**	**703**	**351**	(322)	535	213
Other						
Management fees – stock markets	**(83)**	**(35)**	**(118)**	(98)	(76)	(174)
Transaction costs	**-**	**(242)**	**(242)**	-	(306)	(306)
	(962)	**335**	**(627)**	(505)	(470)	(975)
	7,686	**(31,374)**	**(23,688)**	12,292	37,155	49,447
Operating expenses (Note 9)			**(924)**			(718)
Investment result before distributions to depositors			**(24,612)**			48,729

External audit fees for audit services, audit-related services and tax services amount to $5 million for the year ended December 31, 2022 ($4 million for the year ended December 31, 2021).

9. OPERATING EXPENSES

The following table shows the operating expenses:

	2022	2021
Salaries and employee benefits	**498**	510
Information technology and professional services	**152**	83
Maintenance, equipment and amortization	**21**	33
Data services and subscriptions	**30**	30
Rent	**24**	20
Safekeeping of securities	**21**	21
Other expenses	**29**	21
	775	718
IT development costs[1]	**149**	-
	924	718

[1] Following the International Financial Reporting Interpretations Committee's (IFRIC) publication of a final decision on accounting for the costs of configuring or customizing software service cloud computing arrangements, CDPQ no longer capitalizes cloud computing development costs. Accordingly, IT development costs capitalized prior to January 1, 2022 were recognized in operating expenses during the year ended December 31, 2022. This software continues to be used as part of the CDPQ's ongoing operations.

10. SEGMENT INFORMATION

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

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

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

	December 31, 2022	December 31, 2021
Fixed Income	**119,431**	129,433
Real Assets	**102,243**	87,406
Equities	**179,931**	201,195
Other[1]	**282**	1,763
Net assets attributable to depositors	**401,887**	419,797

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

	2022	2021
Fixed Income	**(20,130)**	(521)
Real Assets	**10,492**	10,017
Equities	**(12,118)**	40,526
Other[1]	**(2,856)**	(1,293)
Investment result before distributions to depositors	**(24,612)**	48,729

[1] The Other item includes the Asset Allocation specialized portfolio, cash activities, and the customized operations of individual funds, which consist of direct holdings of derivative financial instruments by the individual funds for the customized management of the desired exposure of each depositor.

11. RISK IDENTIFICATION AND MANAGEMENT

Risk management policies, directives and procedures related to investment activities

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

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

Specifically, this policy aims to:

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

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

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

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

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

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

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

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

Market risk

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

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

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

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

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

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

Two risk measures are calculated and analyzed:

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

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

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

	December 31, 2022			December 31, 2021		
	Absolute risk of the actual portfolio	**Absolute risk of the benchmark portfolio**	**Absolute risk ratio**	Absolute risk of the actual portfolio	Absolute risk of the benchmark portfolio	Absolute risk ratio
Value-at-risk	**16.8%**	**16.1%**	**1.04**	14.9%	14.5%	1.03

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

Market risk (cont.)

Currency risk

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

CDPQ uses a dynamic management approach for the main currencies of developed countries. Dynamic management is used to protect certain specialized portfolios when the Canadian dollar appears to be significantly undervalued or overvalued compared to its equilibrium value against one of the main currencies according to the valuation models. Dynamic hedging should therefore be less frequent, but the duration of the hedge, being unforeseeable, may vary widely and last for a few weeks to several months. Certain specialized portfolios may therefore be partially hedged against currency risk.

To strategically manage currency risk, CDPQ uses currency derivatives to manage its exposure to the main currencies of developed countries according to hedging targets. For other currencies, a discretionary hedge may be implemented to manage the foreign currency exposures of the specialized portfolios or of certain investments. Moreover, currency risk can be managed by way of natural hedging activities, including the financing of investments in the same currency.

The net exposure to foreign currencies takes into account the effects of currency derivatives, natural hedging and the underlying investments in currencies of unconsolidated subsidiaries whose currency risk is managed by CDPQ. CDPQ's net exposure 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, is as follows:

	December 31, 2022	December 31, 2021
Canadian dollar	**50%**	45%
U.S. dollar	**25%**	29%
Euro	**7%**	6%
Australian dollar	**1%**	1%
Hong Kong dollar	**1%**	1%
Pound sterling	**4%**	5%
Mexican peso	**1%**	1%
Brazilian real	**2%**	2%
Indian rupee	**2%**	1%
Yen	**2%**	2%
Chinese yuan	**1%**	2%
Other	**4%**	5%
	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.

Interest rate benchmark reform

Following the interest rate benchmark reform, CDPQ set up an organization-wide multidisciplinary committee to identify and manage the changes and risks arising from the interbank offered rates (IBOR) reform. The reform notably includes risks related to the review of IBOR-related contractual clauses and the updating of processes and systems. CDPQ's exposure to IBORs, which are mostly denominated in U.S. dollars, includes $6,677 million ($8,109 million as at December 31, 2021) of non-derivative financial instruments and $4,248 million ($13,190 million as at December 31, 2021) of the notional amounts of derivative financial instruments with a maturity after June 30, 2023.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors that affect all similar financial instruments traded on the market. This risk is integrated into the VaR measurement.

Concentration risk

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

The concentration limit by issuer is 3% of CDPQ's total assets, with the exception of securities issued by the Canadian or U.S. governments or by their agencies and that feature an explicit guarantee or those issued by a Canadian province or territory of Canada 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 monthly or upon initiation of a transaction requiring approval of the IRC or the Board of Directors, as appropriate.

In 2022, CDPQ revised its concentration calculation methodology to better reflect its geographic and sectoral exposure. This change aims to exclude financial instruments used in strategic duration adjustment activities, notably interest rate derivatives. However, these activities are included in the calculation of Value-at-Risk (VaR), which measures market risk.

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, after the effects of certain derivative financial instruments and including the underlying investments in unconsolidated subsidiaries whose concentration risk is managed by CDPQ. Figures as at December 31, 2021 have been recalculated to reflect the change in methodology.

	December 31, 2022	December 31, 2021
United States	**40%**	36%
Canada	**25%**	29%
Europe	**16%**	16%
Asia Pacific	**12%**	13%
Latin America	**4%**	4%
Other	**3%**	2%
	100%	100%

Concentration risk (cont.)

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, after the effects of certain derivative financial instruments and including the underlying investments in unconsolidated subsidiaries whose concentration risk is managed by CDPQ. Figures as at December 31, 2021 have been recalculated to reflect the change in methodology.

	December 31, 2022	December 31, 2021
Industry sector		
Real estate	**16%**	15%
Industrials	**14%**	12%
Financials	**10%**	10%
Information technologies	**9%**	11%
Consumer discretionary	**5%**	6%
Utilities	**6%**	6%
Health care	**6%**	6%
Consumer staples	**3%**	3%
Real estate debt	**4%**	4%
Communication services	**5%**	5%
Energy	**2%**	3%
Materials	**2%**	2%
Other	**3%**	2%
Government sector		
Government of the United States	**6%**	3%
Government of Canada	**3%**	5%
Government of Québec	**2%**	3%
Government corporations and other public administrations in Québec	**1%**	1%
Other	**3%**	3%
	100%	100%

Credit risk

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

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

The following table shows the maximum exposure to credit risk:

	December 31, 2022	December 31, 2021
Cash	**1,426**	1,073
Amounts receivable from transactions being settled	**2,376**	2,213
Advances to depositors	**727**	1,011
Investment income, accrued and receivable	**1,174**	949
Investments		
Cash equivalents	**75**	1,502
Fixed-income securities	**102,022**	106,481
Interests in unconsolidated subsidiaries in the form of debt instruments	**35,308**	32,767
Derivative financial instruments	**1,910**	1,002
	145,018	146,998
Other items		
Commitments and financial guarantees (Note 18)	**3,215**	2,918
	148,233	149,916

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

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

Concentration of credit risk

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

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

	December 31, 2022	December 31, 2021
Credit rating		
AAA - AA	**69%**	64%
A	**4%**	4%
BBB	**11%**	11%
BB or lower	**12%**	16%
No credit rating	**4%**	5%
	100%	100%

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

Credit risk (cont.)

Counterparty risk related to derivative financial instruments

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

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

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

As at December 31, 2022 and 2021, 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 is $305 million as at December 31, 2022 ($421 million as at December 31, 2021).

Liquidity risk

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

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

To ensure that sources of liquidity and potential liquidity requirements are properly aligned, CDPQ has a number of sources of liquidity in addition to its cash and cash equivalents, including receipt of investment income, the sale of bonds, sales under repurchase agreements, and liquid money market securities. In addition, CDPQ may issue short-term promissory notes and term notes as well as a committed credit facility totalling US$4 billion to meet its contractual commitments and financial obligations. As at December 31, 2022, CDPQ has close to $46 billion in liquidity in the form of government bonds and money market securities ($50 billion as at December 31, 2021).

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

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

Liquidity risk (cont.)

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

					December 31, 2022
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivative financial liabilities					
Amounts payable on transactions being settled	-	1,943	-	-	1,943
Other liabilities	-	977	158	545	1,680
Investment liabilities					
Securities sold under repurchase agreements	-	29,876	-	-	29,876
Securities sold short	-	2,314	-	-	2,314
Short-term promissory notes payable	-	13,304	-	-	13,304
Loans payable	-	1,992	-	-	1,992
Term notes payable	-	3,137	16,134	4,450	23,721
Net assets attributable to depositors					
Demand and term deposits	1,407	6	-	-	1,413
Distributions payable to depositors	-	986	-	-	986
	1,407	54,535	16,292	4,995	77,229
Derivative financial instruments					
Derivative financial instruments with net settlement	-	(8)	41	3	36
Derivative financial instruments with gross settlement					
Contractual cash flows receivable	-	(155,857)	(7,727)	(5,867)	(169,451)
Contractual cash flows payable	-	155,642	7,892	5,723	169,257
	-	(223)	206	(141)	(158)
Other items					
Commitments (Note 18)	60	23,049	86	421	23,616
Financial guarantees (Note 18)	-	1,972	940	303	3,215
	60	25,021	1,026	724	26,831
	1,467	79,333	17,524	5,578	103,902

Liquidity risk (cont.)

					December 31, 2021
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivative financial liabilities					
Amounts payable on transactions being settled	-	3,443	-	-	3,443
Other liabilities	-	1,226	133	563	1,922
Investment liabilities					
Securities sold under repurchase agreements	-	14,998	-	-	14,998
Securities sold short	-	5,532	-	-	5,532
Short-term promissory notes payable	-	9,735	-	-	9,735
Loans payable	-	203	-	-	203
Term notes payable	-	2,814	11,575	2,722	17,111
Net assets attributable to depositors					
Demand and term deposits	782	7	-	-	789
Distributions payable to depositors	-	1,839	-	-	1,839
	782	39,797	11,708	3,285	55,572
Derivative financial instruments					
Derivative financial instruments with net settlement	-	(287)	5	(3)	(285)
Derivative financial instruments with gross settlement					
Contractual cash flows receivable	-	(101,832)	(7,717)	(3,373)	(112,922)
Contractual cash flows payable	-	102,036	7,729	3,453	113,218
	-	(83)	17	77	11
Other items					
Commitments (Note 18)	8	21,864	67	411	22,350
Financial guarantees (Note 18)	-	1,928	834	156	2,918
	8	23,792	901	567	25,268
	790	63,506	12,626	3,929	80,851

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

Liquidity risk (cont.)

Financing-liquidity risk

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

				December 31, 2022
	Currency	**Nominal value[1]**	**Maturity**	**Interest rate**
Loans payable	**USD**	**1,689**	**Less than one year**	**1.68%**
	CAD	**303**	**Less than one year**	**1.89%**
		1,992		
Short-term promissory notes payable	**EUR**	**14**	**Less than one year**	**1.03%**
	CAD	**744**	**Less than one year**	**4.24%**
	USD	**12,453**	**Less than one year**	**4.38%**
		13,211		
Term notes payable[2]	**USD**	**2,710**	**April 2023**	**1.00%**
	USD	**2,710**	**July 2024**	**3.15%**
	USD	**3,387**	**June 2025**	**0.88%**
	USD	**1,355**	**May 2026**	**1.00%**
	CAD	**1,250**	**October 2026**	**1.50%**
	USD	**2,032**	**February 2027**	**1.75%**
	EUR	**2,892**	**April 2027**	**1.13%**
	CAD	**1,250**	**June 2027**	**3.80%**
	CAD	**1,500**	**September 2029**	**3.95%**
	USD	**1,694**	**November 2039**	**5.60%**
		20,780		

				December 31, 2021
	Currency	Nominal value[1]	Maturity	Interest rate
Loans payable	USD	199	Less than one year	0.07%
	CAD	4	Less than one year	0.17%
		203		
Short-term promissory notes payable	CAD	662	Less than one year	0.23%
	USD	9,070	Less than one year	0.17%
		9,732		
Term notes payable[2]	USD	2,526	March 2022	2.75%
	USD	2,526	April 2023	1.00%
	USD	2,526	July 2024	3.15%
	USD	3,158	June 2025	0.88%
	USD	1,263	May 2026	1.00%
	CAD	1,250	October 2026	1.50%
	USD	1,579	November 2039	5.60%
		14,828		

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

[2] As at December 31, 2022, term notes include $2,605 million in green bonds that are to be allocated to a selection of investments that are compliant with the eligible project categories established under CDPQ's Green Bond Framework, which is aligned with the Green Bond Principles of the International Capital Market Association ($1,263 million as at December 31, 2021).

Liquidity risk (cont.)

Short-term promissory notes are issued at fixed or variable rates, with maturities not exceeding 12 months, and are guaranteed by CDPQ's assets. In accordance with the limit prescribed in the short-term promissory notes issuance information document, the nominal value of all such outstanding notes may never exceed US$12 billion (US$10 billion as at December 31, 2021) for the U.S. program, and the equivalent of CA$4 billion (CA$3 billion as at December 31, 2021) for short-term promissory notes issued in Canada and abroad, excluding the United States.

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

Furthermore, during the year ended December 31, 2022, CDPQ renewed the credit facility that it arranged with a banking syndicate for a total amount of approximately CA$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 CDPQ. As at December 31, 2022 and 2021, no amount had been drawn on this credit facility.

12. CAPITAL MANAGEMENT

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

CDPQ is not subject to external capital requirements.

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

13. FINANCIAL ASSETS TRANSFERRED BUT NOT DERECOGNIZED

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

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

	December 31, 2022	December 31, 2021
Financial assets transferred but not derecognized[1]		
Bonds	**47,331**	31,607
Equities	**24,206**	9,719
	71,537	41,326
Associated financial liabilities		
Loans payable[2]	**1,992**	203
Securities sold under repurchase agreements[3]	**32,416**	17,708
	34,408	17,911

[1] As part of CDPQ's securities lending and borrowing activities, CDPQ does not recognize financial assets borrowed from third parties in the Consolidated Statements of Financial Position. Accordingly, the amount includes CDPQ's financial assets as well as those borrowed from third parties.

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

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

14. GUARANTEES

Financial assets pledged as collateral

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

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

	December 31, 2022	December 31, 2021
Securities borrowing	**11,735**	369
Securities sold under repurchase agreements	**32,493**	18,309
Exchange-traded derivative financial instruments	**3,565**	2,329
Over-the-counter derivative financial instruments	**2,083**	1,872
Investments pledged as collateral[1]	**5,312**	-
	55,188	22,879

[1] The amount represents investments that CDPQ 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, CDPQ may receive financial assets as collateral during transactions. If the fair value of the collateral received decreases, CDPQ may, in certain cases, request additional collateral. CDPQ is authorized to sell or repledge as collateral these securities in the absence of default by the counterparty.

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

	December 31, 2022	December 31, 2021
Securities lending	**26,697**	22,954
Securities purchased under reverse repurchase agreements	**16,414**	22,174
Over-the-counter derivative financial instruments	**794**	22
	43,905	45,150

15. RELATED PARTY DISCLOSURES

Related party transactions

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

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

Compensation of key management personnel

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

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

	2022	2021
Salaries and other short-term employee benefits	**12**	12
Post-employment benefits	**1**	1
Other long-term employee benefits	**6**	7
Termination benefits	**2**	-
	21	20

Other related parties

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

16. INTERESTS IN OTHER ENTITIES

Subsidiaries

Consolidated subsidiary

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

Unconsolidated subsidiaries

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

Intermediate subsidiaries

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

Subsidiaries (cont.)

The following table shows the ownership interests held in the main consolidated and unconsolidated subsidiaries as at December 31, 2022 as well as the comparative ownership interests as at December 31, 2021. 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.

		December 31, 2022	December 31, 2021
	Principal place of business	**Ownership interest**	Ownership interest
Consolidated subsidiary			
CDP Financial Inc	Canada	**100.0%**	100.0%
Unconsolidated subsidiaries			
Real estate debt			
Otéra Capital Inc[1]	Canada	**97.5%**	97.5%
Energy			
Azure Power Global Ltd	India[2]	**53.4%**	50.2%
Southern Star Acquisition Corporation	United States	**79.9%**	79.9%
Tenedora de Energía Renovable Sol y Viento S.A.P.I. de C.V.	Mexico	**67.1%**	67.1%
Transmissoras Unidas de Energia Brasil Holding S.A.	Brazil	**100.0%**	-
Trencap LP (Énergir)	Canada	**80.9%**	71.0%
Velto Renewables S.L.	Spain	**100.0%**	100.0%
Financials			
KKR FSK Co-Invest (Unlev) LP and KKR FSK II Co-Invest (Unlev) LP	United States	**83.0%**	83.0%
NB Credit Opportunities Co-Invest I LP	United States	**100.0%**	100.0%
Hedge funds			
CTA QN5 Fund LP	United States	**100.0%**	100.0%
CTA WLH Fund LP	United States	**100.0%**	100.0%
GMAC ASO Fund Inc	Singapore[3]	**100.0%**	100.0%
Debt funds			
FICG-GM-I Fund LP	Growth markets[4]	**100.0%**	-
FICG-PG-I Fund LP	Growth markets[4]	**100.0%**	-
Franklin Emerging Market Debt Opportunities Fund III	Growth markets[5]	**100.0%**	100.0%
Global Credit Opportunities (Canada) LP	Canada	**100.0%**	100.0%
HC Direct Lending Fund LP	United States[5]	**100.0%**	100.0%
Private Debt SMA (C) SLP	United Kingdom[6]	**100.0%**	100.0%
West Street GCPD Partners LP	United States[5]	**100.0%**	100.0%
Private investment funds			
EC Partners LP	India[7]	**100.0%**	100.0%
Real estate			
Ivanhoe Cambridge Group Inc	Canada	**96.6%**	96.0%
Industrials			
CDPQ Infra Inc	Canada	**100.0%**	100.0%
Einn Volant Aircraft Leasing Holdings Ltd	Ireland[8]	**90.5%**	90.5%
Indian Highway Concessions Trust	India	**75.0%**	75.0%
Rail Capital Europe Holdings (Akiem Group SAS)	France	**100.0%**	-
Spinner US AcquireCo Inc (Student Transportation of America)	United States	**79.9%**	79.9%
Utilities			
Plenary Americas Holdings Ltd. (Plenary Group Canada)	Canada	**100.0%**	100.0%
Information technology			
Wizeline Inc	United States	**57.2%**	56.5%

[1] Otéra Capital Inc indirectly held 77.7% of MCAP Commercial LP as at December 31, 2022 (78.0% as at December 31, 2021).

[2] Constituted in Mauritius.

[3] Constituted in the Cayman Islands in accordance with the structure of the limited partner.

[4] Constituted in the United States.

[5] Constituted in Canada.

[6] Constituted in Luxembourg.

[7] Constituted in Singapore.

[8] Constituted in Bermuda.

Joint ventures

The following table shows the ownership interests held in the main joint ventures as at December 31, 2022 as well as the comparative ownership interests as at December 31, 2021. Voting rights or other contractual clauses allow CDPQ to exercise joint control that requires unanimous shareholder agreement. The principal place of business is defined as the region or country where the principal business activities such as operations and revenues take place.

	Principal place of business	**December 31, 2022** Ownership interest	December 31, 2021 Ownership interest
Energy			
Apraava Energy Private Limited	India	**50.0%**	40.0%
Invenergy Renewables Holdings LLC	United States	**49.4%**	59.4%
Transportadora Associada de Gas SA	Brazil	**35.0%**	35.0%
Financials			
Constellation Insurance LP	United States	**49.5%**	49.5%
Greenstone Ltd	Australia	**34.0%**	34.0%
USI Advantage Corp	United States	**23.8%**	25.0%
Industrials			
Delachaux SA	France	**43.0%**	43.0%
DP World Australia B.V.	Australia[2]	**45.0%**	45.0%
DP World Canada Investment Inc	Canada	**45.0%**	45.0%
DP World Caucedo (Caucedo Investments Inc, Caucedo Services Inc)	Dominican Republic[3]	**45.0%**	45.0%
DP World Holding UK Limited (UK)	Chile[4]	**44.6%**	44.6%
Ermewa Holding	France	**48.8%**	49.7%
ICR Opco LLC	United States	**45.0%**	45.0%
STP Asset Trust, STP Project Trust (WestConnex)[1]	Australia	**10.1%**	10.1%
Health			
Medical Solutions LLC	United States	**36.9%**	41.4%
Information technology			
FNZ Group Limited (formerly Kiwi Holdco Cayco Ltd)	Europe[5]	**44.9%**	69.1%

[1] Voting rights were not exercisable as at December 31, 2021.

[2] Constituted in the Netherlands.

[3] Constituted in the British Virgin Islands.

[4] Constituted in the United Kingdom.

[5] Constituted in New Zealand as at December 31, 2022.

Associates

The following table shows the ownership interests held in the main associates as at December 31, 2022 as well as the comparative ownership interests as at December 31, 2021. 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.

	Principal place of business	**December 31, 2022** Ownership interest	December 31,2021 Ownership interest
Consumer staples			
Knowlton Development Corporation Inc[1]	Canada	**18.7%**	24.7%
Zevia PBC	United States	**32.0%**	34.1%
Consumer discretionary			
Clarios Power Solutions Holdings LP	United States[7]	**30.0%**	30.0%
Metro Supply Chain Group Inc	Canada	**35.0%**	35.0%
Energy			
Fluxys G NV/SA	Belgium	**20.0%**	20.0%
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%
Previan Holding Inc (formerly NDT Québec Inc)	Canada	**34.0%**	34.0%
Shizen Energy Inc[2]	Japan	**23.8%**	-
Financials			
First Lion Holdings Inc	Canada	**31.5%**	30.0%
Hilco Trading LLC	United States	**27.3%**	27.3%
Howden Group Holding Limited	United Kingdom	**21.4%**	22.3%
Inigo Limited	United Kingdom	**23.9%**	23.6%
Real estate			
Avison Young (Canada) Inc.	United States[7]	**29.2%**	33.3%
Industrials			
Airport Holding Kft	Hungary	**21.2%**	21.2%
Alix Partners LLP[3]	United States	**15.7%**	16.2%
Allied Universal Holdco LLC	United States[7]	**27.7%**	27.7%
Alvest International Equity SAS[4]	France	**39.9%**	39.9%
Datamars SA	Switzerland	**30.0%**	30.0%
DP World Jebel Ali Terminals and Free Zone FZCO	United Arab Emirates	**21.9%**	-
Eurostar Group[5]	Belgium	**19.3%**	-
Groupe Keolis SAS	France	**30.0%**	30.0%
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V. (OPI), OPCEM, S.A.P.I. de C.V. (OPCEM)	Mexico	**45.5%**	45.5%
Qima Partners Limited	China[8]	**40.1%**	-
QPH Hold Trust, QPH Hold Co PTY Limited (Port of Brisbane)	Australia	**26.7%**	26.7%
Suez Water Technologies and Solutions S.A.	United States[9]	**30.0%**	30.0%
Techem GmbH	Germany	**24.5%**	24.5%
Materials			
Canam Group Inc	Canada	**33.3%**	33.3%
Groupe Solmax Inc	Canada	**33.3%**	33.3%
Health			
ANZ Hospital Topco	Australia	**21.3%**	21.3%
Crossroads Holding LLC[4]	United States	**42.7%**	42.7%
Sanfer Farma S.A.P.I de C.V.	Mexico	**23.6%**	22.7%
Sphinx SAS (Sebia SA)[3]	France	**39.3%**	39.3%
Communication services			
ATC Europe C.V.	Germany[10]	**25.5%**	28.6%
Cogeco Communications USA Inc.	United States	**21.0%**	21.0%
Vertical Bridge Reit LLC	United States	**37.3%**	37.3%
Information technology			
Nuvei Corporation[6]	Canada	**12.5%**	12.4%
Plusgrade Holdco	Canada	**40.9%**	39.9%

[1] The voting rights amounted to 16.7% as at December 31, 2022 (27.8% as at December 31, 2021). As at December 31, 2022, CDPQ therefore no longer had significant influence.
[2] CDPQ holds convertible debentures that carry voting rights amounting to 20.0% and a 23.8% equity interest following the debenture conversion.
[3] Voting rights amount to 25.0%.
[4] Voting rights amount to 22.2%.
[5] As at December 31, 2021, CDPQ had control of Patina Rail LLP. As at December 31, 2022, CDPQ held voting rights amounting to 23.3%, thereby giving it significant influence.
[6] Voting rights amount to 20.0%.
[7] Constituted in Canada.
[8] Constituted in Hong Kong.
[9] Constituted in France.
[10] Constituted in the Netherlands.

Non-controlled structured entities

CDPQ holds interests in non-controlled structured entities, the majority of which represent investment funds or investments in the form of equities held through limited partnerships. The interests held by CDPQ do not give it power over the relevant activities of these entities, as control is established by contractual agreement that is in favour of a general partner or administrator. These entities are held as investments and do not expose CDPQ to greater risks than the interests held in the non-structured entities. Information about structured entities is provided, if applicable, in the risk management section of Note 11 and in the commitments and financial guarantees section of Note 18.

17. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

			Non-cash changes		
	December 31, 2021	**Cash flows from financing activities**	**Change in foreign exchange**	**Change in fair value**	**December 31, 2022**
Short-term promissory notes payable	**9,729**	**3,155**	**86**	**98**	**13,068**
Loans payable	**203**	**1,789**	**-**	**-**	**1,992**
Term notes payable	**15,601**	**4,851**	**1,078**	**(1,781)**	**19,749**
	25,533	**9,795**	**1,164**	**(1,683)**	**34,809**

			Non-cash changes		
	December 31, 2020	Cash flows from financing activities	Change in foreign exchange	Change in fair value	December 31, 2021
Short-term promissory notes payable	5,983	3,420	329	(3)	9,729
Loans payable	942	(740)	1	-	203
Term notes payable	16,113	23	(166)	(369)	15,601
	23,038	2,703	164	(372)	25,533

18. COMMITMENTS AND FINANCIAL GUARANTEES

Given the nature of its activities, CDPQ enters into various investment purchase commitments that will be settled in the coming fiscal years in accordance with the terms and conditions in the related agreements.

For CDPQ, financial guarantees consist of providing guarantees, to financial institutions and corporations, on derivative financial instrument transactions, repayment of loans taken by companies in which it has an economic interest, and certain letters of credit of its subsidiaries. As part of certain investment transactions, CDPQ may also provide financial guarantees or issue letters of credit to third parties. The maturities of the commitments and financial guarantees are disclosed in Note 11.

Commitments and financial guarantees are detailed as follows:

	December 31, 2022	December 31, 2021
Investment purchase commitments	**23,089**	21,853
Commitments under leases	**527**	497
Financial guarantees	**3,215**	2,918
	26,831	25,268

Litigation

In the normal course of business, CDPQ may be subject to legal actions. Although CDPQ cannot predict the outcomes of any ongoing legal proceedings as at December 31, 2022, it has no reason to believe that the settlement of any one of these proceedings could have a material impact on its financial position.

19. SUPPLEMENTARY INFORMATION

The following statements present the financial information of the specialized portfolios:

	SHORT TERM INVESTMENTS (740)		RATES (765)		CREDIT (766)	
STATEMENT OF FINANCIAL POSITION	**2022**	2021	**2022**	2021	**2022**	2021
Total assets	**1,614**	1,584	**50,361**	66,535	**108,210**	104,999
Total liabilities excluding net assets attributable to holders of participation units	**5**	-	**17,345**	22,567	**23,656**	21,353
NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATION UNITS	**1,609**	1,584	**33,016**	43,968	**84,554**	83,646
STATEMENT OF COMPREHENSIVE INCOME	**2022**	2021	**2022**	2021	**2022**	2021
Net income	**31**	5	**879**	640	**1,852**	2,044
Net gains (losses) on financial instruments at fair value	**(1)**	-	**(6,931)**	(1,536)	**(15,960)**	(1,369)
Investment result before recoveries from (distributions to) holders of participation units	**30**	5	**(6,052)**	(896)	**(14,108)**	675
Recoveries (distributions)	**(31)**	(5)	**(879)**	(640)	**(1,852)**	(2,044)
Net income and comprehensive income attributable to holders of participation units	**(1)**	-	**(6,931)**	(1,536)	**(15,960)**	(1,369)
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATION UNITS	**2022**	2021	**2022**	2021	**2022**	2021
Balance at beginning of the year	**1,584**	1,579	**43,968**	30,279	**83,646**	73,754
Net change in participation units for the year	**26**	5	**(4,021)**	15,225	**16,868**	11,261
Net income and comprehensive income attributable to holders of participation units	**(1)**	-	**(6,931)**	(1,536)	**(15,960)**	(1,369)
BALANCE AT END OF THE YEAR	**1,609**	1,584	**33,016**	43,968	**84,554**	83,646

	LONG TERM BONDS (764)[1]		REAL RETURN BONDS (762)[1]		INFRASTRUCTURE (782)	
STATEMENT OF FINANCIAL POSITION	**2022**	2021	**2022**	2021	**2022**	2021
Total assets	**-**	-	**-**	-	**58,467**	46,792
Total liabilities excluding net assets attributable to holders of participation units	**-**	-	**-**	-	**4,040**	1,630
NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATION UNITS	**-**	-	**-**	-	**54,427**	45,162
STATEMENT OF COMPREHENSIVE INCOME	**2022**	2021	**2022**	2021	**2022**	2021
Net income	**-**	47	**-**	6	**1,271**	756
Net gains (losses) on financial instruments at fair value	**-**	(319)	**-**	(39)	**3,993**	4,649
Investment results before recoveries from (distributions to) holders of participation units		(272)		(33)	**5,264**	5,405
Recoveries (distributions)	**-**	(47)	**-**	(6)	**(1,271)**	(756)
Net income and comprehensive income attributable to holders of participation units	**-**	(319)	**-**	(39)	**3,993**	4,649
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATION UNITS	**2022**	2021	**2022**	2021	**2022**	2021
Balance at beginning of the year	**-**	3,344	**-**	736	**45,162**	31,322
Net change in participation units for the year	**-**	(3,025)	**-**	(697)	**5,272**	9,191
Net income and comprehensive income attributable to holders of participation units	**-**	(319)	**-**	(39)	**3,993**	4,649
BALANCE AT END OF THE YEAR	**-**	-	**-**	-	**54,427**	45,162

[1] The Real Return Bonds (762) and Long Term Bonds (764) specialized portfolios ceased operations on November 1, 2021 and December 1, 2021, respectively, and were closed on December 31, 2021.

Additional information (cont.)

STATEMENT OF FINANCIAL POSITION	REAL ESTATE (710) 2022	REAL ESTATE (710) 2021	EQUITY MARKETS (737) 2022	EQUITY MARKETS (737) 2021	PRIVATE EQUITY (780) 2022	PRIVATE EQUITY (780) 2021
Total assets	**55,266**	50,197	**108,334**	127,060	**81,227**	83,078
Total liabilities excluding net assets attributable to holders of participation units	**7,659**	8,105	**9,322**	8,667	**831**	1,257
NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATION UNITS	**47,607**	42,092	**99,012**	118,393	**80,396**	81,821

STATEMENT OF COMPREHENSIVE INCOME	2022	2021	2022	2021	2022	2021
Net income	**20**	59	**1,750**	2,145	**831**	5,834
Net gains (losses) on financial instruments at fair value	**5,208**	4,553	**(15,739)**	14,832	**1,040**	17,715
Investment result before recoveries from (distributions to) holders of participation units	**5,228**	4,612	**(13,989)**	16,977	**1,871**	23,549
Recoveries (distributions)	**(20)**	(59)	**(1,750)**	(2,145)	**(831)**	(5,834)
Net income and comprehensive income attributable to holders of participation units	**5,208**	4,553	**(15,739)**	14,832	**1,040**	17,715

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATION UNITS	2022	2021	2022	2021	2022	2021
Balance at beginning of the year	**42,092**	35,479	**118,393**	117,696	**81,821**	64,084
Net change in participation units for the year	**307**	2,060	**(3,642)**	(14,135)	**(2,465)**	22
Net income and comprehensive income attributable to holders of participation units	**5,208**	4,553	**(15,739)**	14,832	**1,040**	17,715
BALANCE AT END OF THE YEAR	**47,607**	42,092	**99,012**	118,393	**80,396**	81,821

STATEMENT OF FINANCIAL POSITION	ASSET ALLOCATION (771) 2022	ASSET ALLOCATION (771) 2021
Total assets	**9,574**	8,568
Total liabilities excluding net assets attributable to holders of participation units	**7,549**	6,637
NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATION UNITS	**2,025**	1,931

STATEMENT OF COMPREHENSIVE INCOME	2022	2021
Net income	**(76)**	(5)
Net gains (losses) on financial instruments at fair value	**1,389**	(190)
Investment result before recoveries from (distributions to) holders of participation units	**1,313**	(195)
Recoveries (distributions)	**76**	5
Net income and comprehensive income attributable to holders of participation units	**1,389**	(190)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATION UNITS	2022	2021
Balance at beginning of the year	**1,931**	1,612
Net change in participation units for the year	**(1,295)**	509
Net income and comprehensive income attributable to holders of participation units	**1,389**	(190)
BALANCE AT END OF THE YEAR	**2,025**	1,931