
Financial statements of Advanced Education Savings Plan

Years ended March 31, 2024 and 2023

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Management's Responsibility for Financial Reporting

The accompanying financial statements of the Advanced Education Savings Plan (the "Plan") have been prepared by management and approved by the Board of Directors of the Global Educational Trust Foundation (the "Foundation") and Global Growth Assets Inc. ("GGAI"). Management is responsible for the information and representations contained in these financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. GGAI, which administers the Plan, maintains appropriate processes to ensure that relevant and reliable financial information is produced.

The financial statements have been prepared in accordance with IFRS Accounting Standards and include certain amounts that are based on estimates and judgments. The material accounting policies, which management believes are appropriate for the Plan, are described in Note 2 to the financial statements.

Our external auditor for the year ended March 31, 2024, Baker Tilly WM LLP, performed an audit of the financial statements, the results of which are reflected in their Independent Auditor's Report. Baker Tilly WM LLP has full and independent access to the Board of Directors to discuss their audit and related matters.



Alex Manickaraj
Chief Executive Officer

June 27, 2024
Toronto, Ontario

INDEPENDENT AUDITOR'S REPORT

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To the Subscribers of the Advanced Education Savings Plan:

Opinion

We have audited the financial statements of Advanced Education Savings Plan (the "Plan"), which comprise the statements of financial position as at March 31, 2024 and 2023, and the statements of comprehensive income (loss), statements of changes in net assets attributable to subscribers and beneficiaries and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at March 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly WM LLP

Chartered Professional Accountants

Vancouver, B.C.
June 27, 2024

Advanced Education Savings Plan Statements of financial position

As at March 31, 2024 and 2023
(All amounts in Canadian dollars)

	Notes	2024 \$	2023 \$
Assets			
Cash and cash equivalents		1,615,055	1,352,674
Investments – at fair value	7	4,219,141	4,231,818
Due from the Legacy Education Savings Plan	4	–	23,691
Due from the Fund Manager – Global Growth Assets Inc.	4	29,386	645
Grants receivable	Sch.2	9,635	12,416
Interest receivable		30,703	30,469
		5,903,920	5,651,713
Liabilities			
Accounts payable		4,319	4,368
Due to the Legacy Education Savings Plan	4	4,080	–
Net assets attributable to subscribers and beneficiaries		5,895,521	5,647,345
Net assets attributable to subscribers and beneficiaries represented by			
Subscriber contributions	5, Sch.2	4,338,216	4,241,786
Accumulated government grants	Sch.2	1,278,589	1,260,702
Unrealized depreciation of investments	Sch.2	(427,007)	(466,834)
Accumulated and distributed investment income and realized gains on investments	Sch.2	705,723	611,691
		5,895,521	5,647,345

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

Approved by the Board of Directors of Global Educational Trust Foundation and Global Growth Assets Inc.

Matt Rispin
Director



Kevin Bavelaar
Director



Chandar Singh
Director

Advanced Education Savings Plan

Statements of comprehensive income (loss)

Years ended March 31, 2024 and 2023
(All amounts in Canadian dollars)

	Notes	2024 \$	2023 \$
Revenue			
Interest income for educational assistance payments		154,399	135,752
Realized (losses) on disposal of investments		(41,000)	(45,046)
Change in unrealized depreciation on investments		39,827	(182,710)
		153,226	(92,004)
Expenses			
Administration fees		134,875	131,662
Other charges		3,057	3,772
Audit costs		52,500	53,442
Expenses absorbed by Plan Manager	4	(190,432)	(188,876)
		—	—
Increase (decrease) in net assets attributable to subscribers and beneficiaries from operations		153,226	(92,004)

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

Advanced Education Savings Plan

Statements of changes in net assets attributable to subscribers and beneficiaries

Years ended March 31, 2024 and 2023
(All amounts are in Canadian dollars)

	Notes	2024 \$	2023 \$
Net assets attributable to subscribers and beneficiaries, beginning of the year		5,647,345	5,864,035
Increase (decrease) in net assets attributable to subscribers and beneficiaries from operations		153,226	(92,004)
Increase (decrease) in net assets attributable to subscribers and beneficiaries		500,148	504,468
Subscriber contributions received net of fees	5	500,148	504,468
Government grants received (paid)	Sch.2	95,927	109,490
Canada Education Savings Grants (CESG)		(1,310)	5,900
Canada Learning Bond (CLB)		(187)	415
Quebec Education Savings Incentive (QESI)		1,200	1,200
British Columbia Training and Education Savings Grant (BCTESG)		—	—
Income on grants		(2,621)	(8,058)
Income on subscriber contributions		(5,858)	(10,335)
Decrease in net assets attributable to subscribers and beneficiaries		(403,718)	(573,054)
Return of subscriber contributions		(403,718)	(573,054)
Educational assistance payments		(88,631)	(154,712)
Government grants			
Net assets attributable to subscribers and beneficiaries, end of year		5,895,521	5,647,345

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

Advanced Education Savings Plan

Statements of cash flows

Years ended March 31, 2024 and 2023

(All amounts in Canadian dollars)

	Notes	2024 \$	2023 \$
Operating activities			
Increase (decrease) in net assets attributable to subscribers and beneficiaries from operations		153,226	(92,004)
Adjustment for			
Realized gains on disposal of investments		41,000	45,046
Change in unrealized appreciation (depreciation) on investments		(37,780)	182,710
Increase (decrease) in payable to Legacy Education Savings Plan		27,771	87,337
Increase (decrease) in due from Global Growth Assets Inc.		(28,741)	18,037
Decrease in grant receivable		2,781	87
Increase in interest receivable		(234)	(3,160)
Increase (decrease) in accounts payable		(49)	234
Purchases of investments		(316,936)	(3,359,813)
Proceeds from the sale and maturity of investments		326,394	3,546,553
		167,432	425,027
Financing activities			
Subscriber contributions received	5	500,148	504,468
Subscriber contributions paid	5	(403,718)	(573,054)
Government grants received		6,999	(37,707)
Income on grants received		(5,858)	(8,058)
Income on subscriber contributions received		(2,622)	(10,335)
		94,949	(124,686)
Increase in cash and cash equivalents		262,382	300,341
Cash and cash equivalents, beginning of year		1,352,674	1,052,333
Cash and cash equivalents, end of year		1,615,055	1,352,674
Cash		685,394	575,091
Cash equivalents		929,661	777,583
		1,615,055	1,352,674
Operating activities			
Interest received		154,165	132,592

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

Advanced Education Savings Plan

Schedule of investment portfolio

Years ended March 31, 2024

(All amounts in Canadian dollars)

	Par value \$	Cost \$	Fair value \$
Subscriber contribution invested (56.68%)			
Government Securities (16.09%)			
Canada Housing Trust 1.25% June 15,2026	310,000	309,135	291,177
Canada Housing Trust 1.8% December 15,2024	300,000	310,590	293,793
Government of Canada 2.750% December 1,2048	395,000	486,016	353,853
		<u>1,105,741</u>	<u>938,823</u>
Provincial Securities (18.00%)			
Province of Ontario 1.55% November 1,2029	90,000	75,637	79,640
Province of Ontario 2.800% June 2,2048	425,000	451,271	327,110
Province of Ontario 3.75% June 6,2032	350,000	336,098	342,927
Province of Ontario 5.600% June 2,2035	185,000	242,611	207,844
Province of Quebec 2.3% September 1,2029	100,000	101,164	92,481
		<u>1,206,781</u>	<u>1,050,002</u>
Municipal Securities(1.98%)			
Municipal Finance Authority of British Columbia 2.5% April 19, 2026	120,000	113,628	115,799
		<u>113,628</u>	<u>115,799</u>
Financial Institution Securities (10.35%)			
Bank of Montreal 3.190% March 1,2028	25,000	24,832	24,041
Bank of Nova Scotia 3.100% February 2,2028	25,000	24,641	23,987
Canadian Imperial Bank of Commerce 3.300% May 26,2025	50,000	51,727	49,106
CPPIB Capital Inc. 1.950% September 30,2029	400,000	398,484	362,088
Fortified Trust 1.964% October 23,2026	5,000	5,000	4,667
Fortified Trust 3.76% June 23,2025	10,000	9,999	9,839
Great-West Lifeco Inc. 6.670% March 21,2033	20,000	25,739	22,593
HSBC Bank Canada 3.403% March 24,2025	10,000	9,956	9,854
Manulife Bank of Canada 1.536% September 14, 2026	25,000	25,000	23,273
Royal Bank of Canada 3.369% September 29,2025	25,000	25,000	24,458
Toronto-Dominion Bank 3.226% July 24,2024	50,000	51,554	49,713
		<u>651,932</u>	<u>603,619</u>
Corporate Securities(6.35%)			
407 International Inc. 3.600% May 21,2047	25,000	24,097	20,952
Altalink LP. 3.399% June 6,2024	25,000	25,488	24,918
Bell Canada 3.800% August 21,2028	25,000	24,516	24,190
Canadian National Railway 3.950% September 22,2045	25,000	25,665	22,137
Canadian National Resources 3.550% June 3,2024	15,000	16,117	14,952
Enbridge Gas Inc 3.510% November 29,2047	25,000	23,403	20,398
Enbridge Pipelines Inc. 4.130% August 9,2046	5,000	4,679	4,147
Greater Toronto Airports 2.750% October 17,2039	30,000	29,959	23,651
Honda Canada Finance Inc. 4.899% February 21,2029	50,000	50,000	50,865
McDonald's Corporation 3.125% March 4,2025	15,000	14,660	14,740
NAV Canada 3.293% March 30,2048	25,000	24,194	20,426
Nestle Holdings Inc. 2.192% January 26, 2029	25,000	24,999	22,847
Rogers Communications Inc. 3.650% March 31,2027	20,000	22,340	19,371
Telus Corporation 3.750% March 10,2026	10,000	9,968	9,807
Toronto Hydro Corporation 2.52% 25 August, 2026	25,000	26,254	23,882
Toyota Credit Canada Inc. 2.11% February 26,2025	25,000	25,331	24,384
Transcanada Pipelines 3.000% September 18,2029	10,000	9,971	9,213
TWDC Enterprises 18 Corporation 2.758% October 7,2024	20,000	19,583	19,756
		<u>401,224</u>	<u>370,636</u>
Exchange Traded Funds (3.91%)			
BMO S&P 500 Index ETF	1,620	87,419	125,874
iShares Core S&P/TSX Capped Composite Index ETF	2,897	85,290	102,293
		<u>172,709</u>	<u>228,167</u>
Total subscriber contributions invested		<u>3,652,015</u>	<u>3,307,046</u>

Advanced Education Savings Plan

Schedule of investment portfolio (continued)

Years ended March 31, 2024

(All amounts in Canadian dollars)

	Par value \$	Cost \$	Fair value \$
Government Grants invested (15.63%)			
Government Securities (4.55%)			
Canada Housing Trust 1.25% June 15,2026	95,000	94,882	89,232
Canada Housing Trust 1.8% December 15,2024	75,000	77,648	73,448
Government of Canada 2.750% December 1,2048	115,000	143,206	103,020
		<u>315,736</u>	<u>265,700</u>
Provincial Securities (5.01%)			
Province of Ontario 1.55% November 1,2029	25,000	21,010	22,122
Province of Ontario 2.800% June 2,2048	115,000	122,351	88,512
Province of Ontario 3.75% June 6,2032	100,000	96,028	97,979
Province of Ontario 5.600% June 2,2035	50,000	65,571	56,174
Province of Quebec 2.3% September 1,2029	30,000	30,349	27,744
		<u>335,309</u>	<u>292,531</u>
Municipal Securities (0.50%)			
Municipal Finance Authority of British Columbia 2.5% April 19, 2026	30,000	28,407	28,950
		<u>28,407</u>	<u>28,950</u>
Financial Institution Securities (2.90%)			
Bank of Montreal 3.190% March 1,2028	10,000	9,993	9,616
Bank of Nova Scotia 3.100% February 2,2028	10,000	9,908	9,595
Canadian Imperial Bank of Commerce 3.300% May 26,2025	10,000	10,345	9,821
CPPIB Capital Inc. 1.950% September 30,2029	100,000	99,621	90,522
Fortified Trust 1.964% October 23,2026	5,000	5,000	4,667
Fortified Trust 3.76% June 23,2025	5,000	5,000	4,920
Great-West Lifeco Inc. 6.670% March 21,2033	5,000	6,435	5,648
HSBC Bank Canada 3.403% March 24,2025	5,000	4,978	4,927
Manulife Bank of Canada 1.536% September 14, 2026	5,000	5,000	4,655
Royal Bank of Canada 3.369% September 29,2025	10,000	10,000	9,783
Toronto-Dominion Bank 3.226% July 24,2024	15,000	15,583	14,914
		<u>181,863</u>	<u>169,068</u>
Corporate Securities (1.44%)			
407 International Inc. 3.600% May 21,2047	5,000	4,819	4,190
Altalink LP. 3.399% June 6,2024	5,000	5,098	4,984
Bell Canada 3.800% August 21,2028	5,000	4,903	4,838
Canadian National Railway 3.950% September 22,2045	5,000	5,133	4,427
Canadian National Resources 3.550% June 3,2024	5,000	5,372	4,984
Enbridge Gas Inc 3.510% November 29,2047	5,000	4,681	4,080
Greater Toronto Airports 2.750% October 17,2039	5,000	4,993	3,942
Honda Canada Finance Inc. 4.899% February 21,2029	10,000	10,000	10,173
McDonald's Corporation 3.125% March 4,2025	5,000	4,887	4,913
NAV Canada 3.293% March 30,2048	5,000	4,839	4,085
Nestle Holdings Inc. 2.192% January 26, 2029	5,000	5,000	4,569
Rogers Communications Inc. 3.650% March 31,2027	5,000	5,585	4,843
Telus Corporation 3.750% March 10,2026	5,000	4,984	4,903
Toronto Hydro Corporation 2.52% 25 August, 2026	5,000	5,251	4,776
Toyota Credit Canada Inc. 2.11% February 26,2025	5,000	5,066	4,877
Transcanada Pipelines 3.000% September 18,2029	5,000	4,985	4,606
TWDC Enterprises 18 Corporation 2.758% October 7,2024	5,000	4,896	4,939
		<u>90,492</u>	<u>84,129</u>
Exchange Traded Funds (1.23%)			
BMO S&P 500 Index ETF	509	27,450	39,549
iShares Core S&P/TSX Capped Composite Index ETF	911	26,820	32,167
		<u>54,270</u>	<u>71,716</u>
Total Government Grants invested		1,006,077	912,094
Total subscriber contributions and government grants invested (75.38%)		4,658,092	4,219,140
Cash (11.75%)		685,394	685,395
Cash equivalent (15.93%)		922,547	929,661
Total investment Portfolio - 100%		<u>6,266,033</u>	<u>5,834,196</u>

Advanced Education Savings Plan

Notes to the financial statements

March 31, 2024 and 2023

(All amounts in Canadian dollars)

1. Organization and general

Advanced Education Savings Plan (the "Plan") was established on January 27, 2016. Global Educational Trust Foundation (the "Foundation") is the sponsor of the Plan. The Foundation is a not-for-profit organization, incorporated without share capital, under the laws of Canada. The Foundation retained Global Growth Assets Inc. ("GGAI") as administrator and Investment Fund Manager of the Plan. The Plan's registered place of business is 100 Mural Street, Suite 201, Richmond Hill, Ontario, L4B 1J3.

The Plan provides post-secondary education financial assistance to beneficiaries named in the Educational Assistance Payment ("EAP") Contracts. The Foundation and GGAI are under common management and control.

The Foundation has had a specimen copy of the EAP Contract approved by the Canada Revenue Agency ("CRA") such that subscribers' EAP Contracts may be submitted to CRA on the subscriber's behalf by the Foundation for registration as Registered Education Savings Plans ("RESP"). A subscriber's plan is an education savings plan and not a RESP until the applicable conditions of the Income Tax Act (Canada) (the "ITA") are met and registered.

Subscribers to the Plan enter into EAP Contracts with the Foundation. Under an EAP Contract, the subscriber purchases units in the Plan. The subscriber authorizes the Foundation to deduct fees, as outlined in the prospectus, for the purpose of providing services to the Plan. At maturity, payments are made to the beneficiary after meeting the conditions as set out in the EAP Contract. Education assistance payments are paid from the income earned on the subscriber's contributions.

The financial statements of the Plan were authorized for issuance by the Board of Directors of the Foundation and GGAI on June 27, 2024.

2. Basis of presentation and material accounting policies

Basis of presentation

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS").

These financial statements have been prepared on a going concern and historical cost basis, except for certain financial assets and liabilities which have been presented at fair value at the end of each reporting period as described below.

Material accounting policies

a) Adoption of amendments to IAS 1 Presentation of Financial Statements

Effective January 1, 2023, amendments to IAS 1 Presentation of Financial Statements were adopted with respect to disclosure of the Plan's accounting policies. The adoption of the amendments did not result in any changes to the Plan's accounting policies, the only impact was to the accounting policy information disclosed in the financial statements. As a result of the adoption of the amendments, the title of this Note 2 was changed from "significant accounting policies" which had been used in all previous periods. Where management determined necessary, clarifying language was applied in order to enhance focus on the materiality of a policy, and immaterial policy language was deleted.

b) Adoption of amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Effective January 1, 2023, the Plan adopted the amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors with respect to the new definition of "accounting estimates". The amendments clarify how measurement techniques and inputs are used to develop accounting estimates, and further define the recognition and disclosure for changes in accounting policies, correction of prior period errors, and changes to accounting estimates. The definition of a change in accounting estimate was deleted. The adoption of the amendments did not result in any impact to the Plan's financial statements.

Advanced Education Savings Plan

Notes to the financial statements

March 31, 2024 and 2023

(All amounts in Canadian dollars)

2. Basis of presentation and material accounting policies (continued)

c) Financial assets and financial liabilities

i. Recognition

The Plan recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Plan has transferred substantially all the risks and rewards of ownership of the financial assets, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled, or expired.

A write off of a financial asset (or a portion thereof) constitutes a derecognition event. Write off occurs when the Plan has no reasonable expectation of recovering the contractual cash flows of a financial asset (or a portion thereof).

ii. Classification and measurement

The Plan determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and,
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial assets and the contractual terms of cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair value at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial assets and financial liabilities are classified and measured at either:

- amortized cost.
- FVTPL, if the Plan has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or
- FVTOCI, when the change in fair value is attributable to changes in the Plan's credit risk.

The Plan reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liabilities classified as subsequently measured at amortized cost or FVTOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expenses in profit or loss.

Advanced Education Savings Plan

Notes to the financial statements

March 31, 2024 and 2023

(All amounts in Canadian dollars)

2. Basis of presentation and material accounting policies (continued)

iii. Offsetting

Financial assets and liabilities are offset and the net amount is presented in the Statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. No amounts have been offset in the statements of financial position.

iv. Impairment of financial assets

The Plan assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Plan compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Plan measures the loss allowance at an amount equal to the 12 month expected credit losses. Given the short-term nature of the receivables and the high credit quality, the Plan has determined that the expected credit loss allowances are not material.

d) Cash and cash equivalents

Cash and cash equivalents comprises deposits with banks and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to insignificant risk of changes in fair value.

e) Income taxes

The Plan is exempt from income taxes under Section 146.1 of the ITA.

f) Net assets attributable to subscribers and beneficiaries

The Net Assets Attributable to Subscribers and Beneficiaries are a financial liability resulting from a unique contract and the Plan details the composition of this liability as a note to the financial statements, according to its use (whether for subscriber contributions, EAP account, government grants).

g) Subscriber contributions

Subscriber contributions reflect all amounts received from the subscribers and do not include any amounts receivable on subscribed units, as subscribers may terminate their plan at any time. As the contributions are due on demand, the amounts are recorded at face value in net assets attributable to subscribers and beneficiaries. The Foundation deducts account maintenance fees, special services fees, where applicable, and insurance premiums from contributions made by subscribers in accordance with the terms of the prospectus. Refer to Note 5 for further details.

h) Government grants

The Federal government encourages saving for post-secondary education by providing Canada Education Savings Grants ("CESG") on RESP contributions made subsequent to 1997 for children under 18 years of age. The maximum basic CESG per child is 20% of RESP contributions of up to \$2,500 (prior to 2007, it was based on \$2,000) made on behalf of each beneficiary in a year. Effective in 2004, additional CESG can be added based on up to the first \$500 of RESP yearly contributions at a rate of 10% or 20% when there is eligibility based on

Advanced Education Savings Plan

Notes to the financial statements

March 31, 2024 and 2023

(All amounts in Canadian dollars)

2. Basis of presentation and material accounting policies (continued)

h) Government grants (continued)

family net income. The maximum lifetime CESG is \$7,200; prior to 2007, it was \$7,000. Upon maturity of an EAP Contract and fulfillment of certain criteria established by the Federal government, the CESG contributions and accumulated investment income thereon will be added to EAPs made to qualified students.

Each child born on or after January 1, 2004 will be eligible for a Canada Learning Bond ("CLB") in each year that child's family is entitled to the National Child Benefit ("NCB") supplement, up to and including the year in which the child turns 15 years of age. CLB is \$500 in the first year of entitlement and \$100 in each subsequent year that the child remains eligible for NCB supplement until the year the child turns 15 years of age. Maximum CLB payments per child total up to \$2,000.

On March 26, 2015, the Alberta Government announced the closure of the Alberta Centennial Education Savings ("ACES") Plan Grant program and the last day to apply for the grant was July 31, 2015. For residents of Alberta, the program provided an initial ACES grant of \$500, which was paid into an RESP for every child born in Alberta on or after January 1, 2005. Additional grants of \$100 were paid into the RESPs of eligible beneficiaries when they turned 8, 11 and 14 in the year 2005 or later and (i) were attending school at that time; (ii) had a parent or guardian who was a resident of Alberta at the time of the application or at the time of the child's particular birthday; and (iii) had met minimum contribution levels required by the Government of Alberta.

For residents of Quebec, the provincial government provides the Quebec Education Savings Incentive ("QESI"), which applies to contributions made on or after February 21, 2007 into the RESP, where a child named as a beneficiary is a resident of Quebec. The basic credit is 10% of the net annual contribution to a maximum of \$250 per eligible beneficiary. The total lifetime maximum is \$3,600 per eligible beneficiary. Families within Quebec's annual income threshold may qualify up to 10% of the first \$500 in RESP contributions to a maximum of \$50 in QESI. Family income thresholds are indexed for inflation and will be revised annually by the Quebec Ministry of Revenue.

The Government of British Columbia since 2015 has introduced the new British Columbia Training and Education Savings Grant ("BCTESG") offered to each resident beneficiary born on or after January 1, 2007. After the beneficiary turns 6 years of age, the Province of British Columbia will deposit \$1,200 into the beneficiary's RESP. To qualify for the BCTESG, a subscriber must open the RESP and complete an application for the BCTESG within the following timeframes: (i) prior to August 15, 2018 for children born in 2007 and 2008, (ii) prior to August 15, 2018 for children born between January 1, 2009 and August 15, 2009 or (iii) prior to the beneficiary's ninth birthday for children born on or after August 16, 2009. The beneficiary and the custodial parent/legal guardian must be residents of British Columbia when applying for the BCTESG and the application must be made between the beneficiary's 6th and 9th birthday. No matching or additional contributions are required.

Government grants received by the Plan with respect to a beneficiary are invested by the Plan and will ultimately be paid out to the beneficiary when the beneficiary becomes entitled to receive EAP. Under various circumstances, including the case where a plan is cancelled by the subscriber, the grant must be repaid, and are accounted for as reductions of accumulated grants when repaid.

3. Critical accounting estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make certain critical accounting estimates and use judgment that affect the reported amounts of assets, liabilities, income and expenses during the year. Actual results could differ from those estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Advanced Education Savings Plan

Notes to the financial statements

March 31, 2024 and 2023

(All amounts in Canadian dollars)

3. Critical accounting estimates and judgements (continued)

The following discusses the most significant accounting judgements and estimates that the Plan has made in preparing the financial statements:

Classification and measurement of investments

In classifying and measuring financial instruments held by the Plan, the most significant judgment is the designation of the investment portfolio as at FVTPL. The classification provides reliable and more relevant information about the effects of transactions, the financial position and the Plan's cash flows.

4. Related party transactions

A person or entity is related to the Plan if that person or entity has control or joint control, significant influence or is a member of key management of the Plan. The Plan had the following transactions with related parties during the year:

- a. In consideration for administrative services received, the Plan pays the Investment Fund Manager (GGAI) administration fees of 2.35% per annum of the Plan's assets. During the fiscal year, GGAI has paid all of the expenses of the Plan. Such payments can be terminated by the Investment Fund Manager in any time without notice.
- b. The Plan's assets include \$4,080 (\$23,691 receivable in 2023) payable from Legacy Education Savings Plan for subscriber contributions and grants not yet allocated to the Plan and \$29,386 (\$645 in 2023) receivable from GGAI for bank charges.
- c. Special services fees paid from subscribers' contributions are remitted by the Foundation to GGAI. The fees principally relate to amounts charged for cheques returned and not honored.

5. Subscriber contributions

The changes in the subscriber contributions for the year ended March 31, 2024 and March 31, 2023 are as follows:

	2024 \$	2023 \$
Balance, beginning year	4,241,786	4,310,372
Amount contributed by subscribers	517,577	526,096
Account maintenance fees	(11,076)	(11,580)
Insurance premiums	(1,208)	(1,247)
Special service fees	(5,145)	(8,801)
Return of subscriber contributions	(403,718)	(573,054)
Balance, end of year	4,338,216	4,241,786

Advanced Education Savings Plan

Notes to the financial statements

March 31, 2024 and 2023

(All amounts in Canadian dollars)

6. Capital risk management

The Plan's capital consists of the components of the net assets attributable to subscribers and beneficiaries as per the Statements of Financial Position. The Plan has obligations to return subscriber contributions upon maturity or termination as well as pay EAPs of investment income, grants and income on grants. The Plan endeavors to invest subscriber contributions and government grants received in appropriate investments while maintaining sufficient liquidity to meet subscribers' obligations. The Plan's objectives and methods of managing the capital of the Plan have not changed from that of the prior year.

7. Fair value of financial instruments

Fair value measurements are classified in accordance with the fair value hierarchy (i.e. Level 1,2,3). Financial instruments measured at fair value are classified in one of three fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The three fair value hierarchy levels are as follows:

Level 1 - Valuation based on bid prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Significant inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Plan's financial instruments measured at fair value classified using the fair value hierarchy:

	Level 1	Level 2	Level 3	2024
	\$	\$	\$	Total
				\$
Assets measured at fair value as of March 31, 2024				
Cash equivalents	—	929,661	—	929,661
Equity securities	299,884	—	—	299,884
Fixed income securities	—	3,919,257	—	3,919,257
	299,884	4,848,918	—	5,148,802
	Level 1	Level 2	Level 3	2023
	\$	\$	\$	Total
				\$
Assets measured at fair value as of March 31, 2023				
Cash equivalents	—	777,583	—	777,583
Equity securities	246,702	—	—	246,702
Fixed income securities	—	3,985,116	—	3,985,116
	246,702	4,762,699	—	5,009,401

There were no financial instruments that were transferred into or out of any Levels during the years ended March 31, 2024 and March 31, 2023.

Advanced Education Savings Plan

Notes to the financial statements

March 31, 2024 and 2023

(All amounts in Canadian dollars)

8. Risk management

In the normal course of operations the Plan may be exposed to a variety of risks arising from financial instruments. The Plan's exposures to such risks are concentrated in its investment holdings and are liquidity risk, market risk (which includes interest rate risk, other price risk, and currency risk), and credit risk.

The Plan's risk management process includes monitoring compliance with the Plan's investment policy as outlined in the Plan's prospectus. The Plan manages the effects of these financial risks to the Plan portfolio performance by retaining and overseeing professional external portfolio advisors. The portfolio advisors regularly monitor the Plan's positions, market events and manage the investment portfolio within the constraints of the investment policy.

(a) Liquidity risk

Liquidity risk is the risk that the Plan may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In mitigation of these risks, the Plan retains sufficient cash and cash equivalent positions and primarily invests in securities that are traded in active markets and can be readily disposed to meet expected cash requirements. The Plan's exposure to liquidity risk is concentrated in principal repayment to subscribers and payments of EAPs. Other financial liabilities are all due within one month. The Plan's approach to the management of liquidity risk has not changed materially from that of the prior year.

b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of: currency risk, interest rate risk and other price risk. The Plan's portfolio advisors attempt to mitigate this risk by periodically reviewing the market conditions and the performance of the Plan's portfolio and by making necessary changes to the portfolio in accordance with the Plan's investment objectives. Management has identified three main market risk factors: interest rate risk related to the fixed income portfolio, price risk related to the equity securities and currency risk related to changes in foreign exchange rates due to ETFs listed on the Canadian marketplace with underlying exposure to US equities. The Plan's approach to the management of market risk has not changed materially from that of the prior year.

(i) 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. There is an inverse relationship between changes in interest rates and changes in the fair value of fixed income securities. This risk is actively managed using duration, yield curve analysis, sector and credit selection. There is reduced risk to interest rate changes for cash and short-term investments due to their short-term nature.

The table below summarizes the Plan's exposure to interest rate risks by remaining term to maturity as at March 31, 2024 and March 31, 2023:

	2024 %	2023 %
Less than 1 year	30.8	16.6
1-3 years	15.2	15.5
3-5 years	3.8	11.1
Greater than 5 years	50.2	56.8
	100.0	100.0

Advanced Education Savings Plan

Notes to the financial statements

March 31, 2024 and 2023

(All amounts in Canadian dollars)

8. Risk management (continued)

As at March 31, 2024, management estimates that if prevailing interest rates had increased or decreased by 1% the total investment portfolio value would decrease by approximately \$283,200 (\$324,200 in 2023). This 1% change assumes a parallel shift in the yield curve along with all other variables held constant. In practice, the actual trading results may differ materially.

(ii) *Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or currency risk. The asset class that is most impacted by other price risk are the equity investments in exchange traded funds ("ETFs") which represent 5.8% (4.9% in 2023) of the portfolio. The risk is managed by security selection and active management by external managers within approved investment policies and manager mandates.

As at March 31, 2024, if underlying indices prices had increased or decreased by 1% with all other variables held constant, the portfolio amount would have increased or decreased by approximately \$2,440 (\$1,938 in 2023). In practice, the actual trading results may differ materially.

(iii) *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Plan holds ETFs listed on the Canadian marketplace with underlying exposure to US equities denominated in \$US, which represent 3.2% (2.47% in 2023) of the Total Investment Plan. The fair value of the Total Investment Plan would increase or decrease by approximately \$1,654 (\$1,251 in 2023) in response to a 1% depreciation or appreciation of the Canadian dollar currency exchange rate. In practice, the actual change may differ materially.

b) *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Plan's portfolio comprises bonds issued or guaranteed by federal and provincial governments along with Canadian financial institution and corporate debt instruments which constitute its most significant exposure to credit risk.

The debt securities are invested according to the standard investment restrictions and practices in National Policy 15 of the Canadian Securities Administrators. The Plan has a concentration of investments in Canadian Government and Provincial Government guaranteed bonds, which are considered by management to be high credit quality investments thereby moderating its credit risk. All of the Plan's fixed income securities are exposed to credit risk.

As at March 31, 2024 and March 31, 2023, the Plan's credit exposure to long term debt instruments is as follows:

	2024 %	2023 %
Bond Ratings		
AAAH/AAA/AAH/AAL	87.8	87.0
AA/AH/A/AL	10.1	10.7
BBB/BB/BBBH/BBBL	2.1	2.3
Unrated	0.0	0.0
	100.0	100.0

Advanced Education Savings Plan

Notes to the financial statements

March 31, 2024 and 2023

(All amounts in Canadian dollars)

8. Risk management (continued)

Dominion Bond Rating Service was the primary source for obtaining credit ratings. Secondary sources used include Moody's Investors Service and Standard & Poor's. The plan's approach to the management of credit risk has not changed materially from that of the prior year.

9. Ontario Securities Commission

On March 10, 2020, GGAI, GRESP and Sam Bouji, the sole shareholder of GGAI and GRESP, entered into a settlement agreement (referred to as the agreement, settlement agreement, or the Order) with the OSC, which, among other conditions, included the following:

- (i) GRESP shall commence the process to surrender its registration as a scholarship plan dealer and consent to the immediate suspension of its registration pending surrender and provide Staff with a signed consent to this effect.
- (ii) GGAI opened a bank account in its name, for the exclusive purpose of compensating the Underpaid Beneficiaries as described in the settlement agreement, to be held separate and apart from GGAI's own property and held by a Canadian financial institution in a designated trust account in trust for the Underpaid Beneficiaries (the Special Purpose Account); and
- (iii) Mr. Bouji paid the amount of \$190,000 to the OSC on account of costs ordered in the agreement.

GGAI shall not act as investment fund manager for any investment fund other than GIF and the Global Plans (LESP and AESP). GGAI is also prohibited from distributing units in the Global Plans with certain exceptions as noted within the Order.

Until GRESP and GGAI complete all payments to the Special Purpose Account to the satisfaction of the OSC Manager, GGAI shall not, without the prior written consent of Staff:

- (i) Reduce its capital in any manner including by redemption, re-purchase or cancellation of any of its shares;
- (ii) Reduce or repay any indebtedness to any director, officer, partner, shareholder, related company, affiliate or associate, or any other indebtedness which has been subordinated; or
- (iii) Directly or indirectly, make any payments by way of loan, advance, bonus, dividend, repayment of capital or other distribution of assets to any director, officer, partner, shareholder, related company, affiliate or associate.

The above conditions had been met as of March 31, 2023 and as such the capital controls no longer apply.

Subject to any applicable unclaimed property legislation, if GGAI has used all reasonable efforts but has not been successful in locating one or more of the Underpaid Beneficiaries after five years from the date of the Order, the total amounts owing to such beneficiaries shall be donated to the charity Pathways to Education.

Advanced Education Savings Plan
Schedule 1 – Educational assistance payment agreements
 Years ended March 31, 2024 and 2023

(All amounts in Canadian dollars)

Year of eligibility	Number of	Principal plus	Governe ^m nt	Total
	units	accumulated	grants plus	
	oustansding	income	accumulated	
	#	\$	\$	\$
2017	20	11,510	2,432	13,942
2018	76	24,284	6,221	30,505
2019	60	10,352	1,185	11,537
2020	184	45,643	9,242	54,885
2021	240	90,474	16,964	107,438
2022	259	74,771	31,595	106,366
2023	591	238,617	60,073	298,690
2024	889	417,578	110,110	527,688
2025	1,111	511,766	138,642	650,408
2026	1,020	370,806	107,981	478,787
2027	1,113	363,379	105,446	468,825
2028	1,036	343,087	92,666	435,753
2029	1,070	300,677	86,730	387,407
2030	946	243,449	76,933	320,382
2031	737	174,683	61,271	235,954
2032	1,072	259,078	80,046	339,124
2033	1,459	313,416	106,625	420,041
2034	1,312	240,429	87,383	327,812
2035	1,512	264,085	93,431	357,516
2036	972	146,650	50,053	196,703
2037	724	86,606	29,517	116,123
March 31, 2024	16,403	4,531,340	1,354,546	5,885,886
March 31, 2023	17,485	4,349,168	1,285,761	5,634,929

Advanced Education Savings Plan
Schedule 2 – Reconciliation of educational assistance agreements

Years ended March 31, 2024 and 2023

(All amounts in Canadian dollars)

	Opening agreements	Inflow agreements	Outflow agreements	Closing agreements
The following is a summary of Educational Assistance Payment contracts				
2024	453	–	54	399
2023	505	–	52	453

	2024 \$	2023 \$
The following reconciles Schedule 1 to the statements of financial position		
Total principal, government grants and accumulated income (Schedule 1)	5,885,886	5,634,929
Represented in the statements of financial position by		
Subscriber contributions	4,338,216	4,241,786
Accumulated government grants	1,278,589	1,260,702
Income earned on Subscriber contributions and government grants, net transferred	705,723	611,691
	6,322,528	6,114,179
Less: Unrealized (depreciation) of investment	427,007	466,834
Less: Government grants receivable	9,635	12,416
	5,885,886	5,634,929