
Financial statements of Advanced Education Savings Plan

Years ended March 31, 2022 and 2021

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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 International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant 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, 2022, 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

Toronto, Ontario
July 4, 2022

INDEPENDENT AUDITOR'S REPORT

To the Subscribers of the Advanced Education Savings Plan:

Opinion

We have audited the financial statements of the Advanced Education Savings Plan (the "Plan"), which comprise the statement of financial position as at March 31, 2022, and the statement of comprehensive income, statement of changes in net assets attributable to subscribers and beneficiaries and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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 Matter

The financial statements of the Plan for the year ended March 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 28, 2021.

Other Information

Management is responsible for the other information. The other information comprises 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 or otherwise 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. 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 International Financial Reporting 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, Licensed Public Accountants

Toronto, Ontario
July 4, 2022

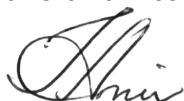
Advanced Education Savings Plan
Statements of financial position

As at March 31, 2022 and 2021
 (All amounts in Canadian dollars)

	Notes	2022 \$	2021 \$
Assets			
Cash and cash equivalents		1,052,333	1,345,660
Investments – at fair value	7	4,646,314	4,374,781
Due from the Legacy Education Savings Plan	4	111,028	68,695
Due from the Fund Manager – Global Growth Assets Inc.	4	18,682	6,894
Grants receivable		12,503	22,770
Interest receivable		27,309	25,086
		5,868,169	5,843,886
Liabilities			
Accounts payable		4,134	2,966
Net assets attributable to subscribers and beneficiaries		5,864,035	5,840,920
Net assets attributable to subscribers and beneficiaries represented by			
Subscriber contributions	5	4,310,372	4,114,043
Accumulated government grants		1,288,615	1,240,927
Unrealized (depreciation) appreciation of investments		(284,124)	(33,826)
Accumulated and undistributed investment income and realized gains on investments		549,172	519,776
		5,864,035	5,840,920

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.



Fareed Amin
 Director

Mandeep Sharma
 Director



Chandar Singh
 Director

Advanced Education Savings Plan
Statements of comprehensive income

Year ended March 31, 2022 and 2021

(All amounts in Canadian dollars)

	Notes	2022 \$	2021 \$
Revenue			
Interest income for educational assistance payments		116,438	131,966
Realized gains (losses) on disposal of investments		(12,047)	95,529
Change in unrealized depreciation on investments		(250,298)	(190,748)
		(145,907)	36,747
Expenses			
Administration fees		139,821	131,304
Other charges		3,321	3,300
Audit costs		57,600	56,224
Expenses absorbed by Plan Manager	4	(200,742)	(190,828)
		—	—
(Decrease) Increase in net assets attributable to subscribers and beneficiaries from operations		(145,907)	36,747

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
Year ended March 31, 2022 and 2021

(All amounts are in Canadian dollars)

	Notes	2022 \$	2021 \$
Net assets attributable to subscribers and beneficiaries, beginning of year		5,840,920	5,301,617
(Decrease) Increase in net assets attributable to subscribers and beneficiaries from operations		(145,907)	36,747
Increase in net assets attributable to subscribers and beneficiaries			
Subscriber contributions received net of fees	5	502,414	720,109
Government grants received (paid)	2		
Canada Education Savings Grants (CESG)		105,308	138,198
Canada Learning Bond (CLB)		(8,600)	15,900
Quebec Education Savings Incentive (QESI)		(385)	452
British Columbia Training and Education Savings Grant (BCTESG)		1,200	—
Income on grants		—	1,200
Income on grants		(16,383)	(18,724)
Income on subscriber contributions		(57,688)	(4,496)
Decrease in net assets attributable to subscribers and beneficiaries			
Return of subscriber contributions		(306,086)	(296,875)
Educational assistance payments			
Government grants		(50,758)	(53,208)
		23,115	539,303
Net assets attributable to subscribers and beneficiaries, end of year		5,864,035	5,840,920

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

Advanced Education Savings Plan Statements of cash flows

Year ended March 31, 2022 and 2021
(All amounts in Canadian dollars)

	Notes	2022 \$	2021 \$
Operating activities			
Decrease (increase) in net assets attributable to subscribers and beneficiaries from operations		(145,907)	36,747
Adjustment for			
Realized (gains) losses on disposal of investments		12,047	(95,529)
Change in unrealized depreciation on investments		250,298	190,748
Increase (decrease) in receivable from Legacy Education Savings Plan		(42,333)	348,997
Increase in due from Global Growth Assets Inc.		(11,788)	(3,299)
Decrease in grant receivable		10,267	13,573
Increase in interest receivable		(2,223)	(76)
Increase (decrease) in accounts payable		1,170	(5,019)
Decrease in payable for securities purchased		—	(151,346)
Increase in receivable for securities sold		—	167,934
Purchase of investments		(3,337,561)	(4,455,846)
Proceeds from sale and maturity of investments		2,803,681	4,137,256
		(462,349)	184,140
Financing activities			
Subscriber contributions received	5	502,414	720,109
Return of subscriber contributions	5	(306,086)	(296,875)
Government grants received		46,765	102,542
Income on grants received		(57,688)	(18,724)
Income on subscriber contributions received		(16,383)	(4,496)
		169,022	502,556
(Decrease) Increase in cash and cash equivalents		(293,327)	686,696
Cash and cash equivalents, beginning of year		1,345,660	658,964
Cash and cash equivalents, end of year		1,052,333	1,345,660
Operating activities			
Interest received		114,215	131,890

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

Advanced Education Savings Plan**Schedule of investment portfolio**

Year ended March 31, 2022

(All amounts in Canadian dollars)

	Par value \$	Cost \$	Fair value \$
Subscriber contributions invested -			
Government Securities - (25.44%)			
Canada Housing Trust 1.25% June 15,2026	310,000	309,135	292,454
Canada Housing Trust 1.8% December 15,2024	300,000	310,590	294,345
Canada Housing Trust 2.45% December 15,2031	350,000	337,274	338,233
Canada Housing Trust 2.550% December 15,2023	186,000	189,696	186,631
Government of Canada 2.750% December 1,2048	315,000	410,405	337,894
		<u>1,557,100</u>	<u>1,449,557</u>
Provincial Securities - (16.07%)			
Province of Ontario 2.70% June 2,2029	205,000	217,854	201,357
Province of Ontario 2.800% June 2,2048	425,000	451,271	387,247
Province of Ontario 5.600% June 2,2035	185,000	242,611	231,620
Province of Quebec 2.3% September 1,2029	100,000	101,164	95,580
		<u>1,012,900</u>	<u>915,804</u>
Financial Institution Securities - (11.23%)			
Bank of Montreal 3.190% March 1,2028	25,000	24,832	24,768
Bank of Nova Scotia 3.100% February 2,2028	25,000	24,641	24,645
Canadian Imperial Bank of Commerce 3.300% May 26,2025	50,000	51,727	50,381
CPPIB Capital Inc. 1.950% September 30,2029	400,000	398,484	372,728
Fortified Trust 1.964% October 23,2026	5,000	5,000	4,700
Fortified Trust 2.558% March 23,2024	15,000	15,000	14,865
Great-West Lifeco Inc. 6.670% March 21,2033	20,000	25,739	24,345
HSBC Bank Canada 3.403% March 24,2025	10,000	9,956	9,998
HSBC Bank of Canada 3.245% September 15,2023	15,000	14,971	15,063
Manulife Bank of Canada 1.536% September 14, 2026	25,000	25,000	22,943
Royal Bank of Canada 3.369% September 29,2025	25,000	25,000	24,964
Toronto-Dominion Bank 3.226% July 24,2024	50,000	51,554	50,352
Wells Fargo & Company 3.184% February 8,2024	10,000	10,679	9,990
		<u>682,583</u>	<u>649,742</u>
Corporate Securities - (8.10%)			
407 International Inc. 3.600% May 21,2047	25,000	24,097	23,694
Altalink LP 3.399% June 6,2024	25,000	25,488	25,227
Apple Inc. 2.513% August 19,2024	20,000	19,318	19,850
Bell Canada 3.800% August 21,2028	25,000	24,516	24,952
Canadian National Railway 3.950% September 22,2045	25,000	25,665	24,815
Canadian Natural Resources 3.550% June 3,2024	15,000	16,117	15,101
Cenovus Energy Inc. 3.55% March 12, 2025	15,000	14,735	15,020
Enbridge Gas Inc. 3.510% November 29,2047	25,000	23,403	23,117
Enbridge Pipelines Inc. 4.130% August 9,2046	5,000	4,679	4,517
Greater Toronto Airports 2.750% October 17,2039	30,000	29,959	25,977
Honda Canada Finance Inc 2.500% June 4,2024	45,000	47,387	44,294
John Deere Canada FND Inc. 2.700% January 17,2023	15,000	14,775	15,095
McDonald's Corporation 3.125% March 4,2025	15,000	14,660	14,932
NAV Canada 3.293% March 30,2048	25,000	24,194	23,165
Nestle Holdings Inc. 2.192% January 26, 2029	25,000	24,999	23,130
Rogers Communications Inc. 3.650% March 31,2027	20,000	22,340	19,755
Suncor Energy Inc. 5% 09 April 2030	20,000	23,400	21,176
Telus Corporation 3.750% March 10,2026	10,000	9,968	10,041
The Walt Disney Company 2.758% October 7,2024	20,000	19,583	19,823
Toronto Hydro Corporation 2.52% 25 August, 2026	25,000	26,254	24,362
Toyota Credit Canada Inc 2.11% February 26,2025	25,000	25,331	24,163
TransCanada Pipelines 3.000% September 18,2029	10,000	9,971	9,313
		<u>1,164,101</u>	<u>1,111,251</u>
Exchange Traded Funds - (3.47%)			
BMO S&P 500 Index ETF	1,040	53,585	64,615
iShares Core MSCI Dividend	347	7,869	8,887
iShares Core S&P/TSX Capped	2,897	81,148	100,989
iShares MSCI Multifactor	635	19,505	23,006
		<u>162,107</u>	<u>197,497</u>
Total Subscriber contributions invested		<u>4,578,791</u>	<u>4,323,851</u>

Advanced Education Savings Plan`
Schedule of investment portfolio (continued)

Year ended March 31, 2022

(All amounts in Canadian dollars)

	Par value \$	Cost \$	Fair value \$
Government Grants invested -			
Government Securities - (6.65%)			
Canada Housing Trust 1.25% June 15,2026	95,000	94,882	89,623
Canada Housing Trust 1.8% December 15,2024	75,000	77,648	73,586
Canada Housing Trust 2.45% December 15,2031	100,000	96,364	96,638
Canada Housing Trust 2.550% December 15,2023	17,000	17,333	17,058
Government of Canada 2.750% December 1,2048	95,000	124,304	101,905
		<u>410,531</u>	<u>378,810</u>
Provincial Securities - (4.39%)			
Province of Ontario 2.70% June 2,2029	55,000	58,449	54,023
Province of Ontario 2.800% June 2,2048	115,000	122,351	104,785
Province of Ontario 5.600% June 2,2035	50,000	65,571	62,600
Province of Quebec 2.3% September 1,2029	30,000	30,349	28,674
		<u>276,720</u>	<u>250,082</u>
Financial Institution Securities - (3.22%)			
Bank of Montreal 3.190% March 1,2028	10,000	9,993	9,907
Bank of Nova Scotia 3.100% February 2,2028	10,000	9,908	9,858
Canadian Imperial Bank of Commerce 3.300% May 26,2025	10,000	10,345	10,076
CPPIB Capital Inc. 1.950% September 30,2029	100,000	99,621	93,182
Fortified Trust 1.964% October 23,2026	5,000	5,000	4,700
Fortified Trust 2.558% March 23,2024	5,000	5,000	4,955
Great-West Lifeco Inc. 6.670% March 21,2033	5,000	6,435	6,086
HSBC Bank Canada 3.403% March 24,2025	5,000	4,978	4,999
HSBC Bank of Canada 3.245% September 15,2023	5,000	5,006	5,021
Manulife Bank of Canada 1.536% September 14, 2026	5,000	5,000	4,589
Royal Bank of Canada 3.369% September 29,2025	10,000	10,000	9,986
Toronto-Dominion Bank 3.226% July 24,2024	15,000	15,583	15,106
Wells Fargo & Company 3.184% February 8,2024	5,000	5,340	4,995
		<u>192,209</u>	<u>183,460</u>
Corporate Securities - (1.88%)			
407 International Inc. 3.600% May 21,2047	5,000	4,819	4,739
Altalink LP 3.399% June 6,2024	5,000	5,098	5,045
Apple Inc. 2.513% August 19,2024	5,000	4,830	4,963
Bell Canada 3.800% August 21,2028	5,000	4,903	4,990
Canadian National Railway 3.950% September 22,2045	5,000	5,133	4,963
Canadian Natural Resources 3.550% June 3,2024	5,000	5,372	5,034
Enbridge Gas Inc. 3.55% March 12, 2025	5,000	4,912	5,007
Enbridge Gas Inc. 3.510% November 29,2047	5,000	4,681	4,623
Greater Toronto Airports 2.750% October 17,2039	5,000	4,993	4,329
Honda Canada Finance Inc 2.500% June 4,2024	10,000	10,530	9,843
John Deere Canada FND Inc. 2.700% January 17,2023	5,000	4,925	5,032
McDonald's Corporation 3.125% March 4,2025	5,000	4,887	4,977
NAV Canada 3.293% March 30,2048	5,000	4,839	4,633
Nestle Holdings Inc. 2.192% January 26, 2029	5,000	5,000	4,626
Rogers Communications Inc. 3.650% March 31,2027	5,000	5,585	4,939
Suncor Energy Inc. 5% 09 April 2030	5,000	5,850	5,294
Telus Corporation 3.750% March 10,2026	5,000	4,984	5,021
The Walt Disney Company 2.758% October 7,2024	5,000	4,896	4,956
Toronto Hydro Corporation 2.52% 25 August, 2026	5,000	5,251	4,872
Toyota Credit Canada Inc 2.11% February 26,2025	5,000	5,066	4,833
TransCanada Pipelines 3.000% September 18,2029	5,000	4,985	4,656
		<u>111,539</u>	<u>107,375</u>
Exchange Traded Funds - (1.09%)			
BMO S&P 500 Index ETF	328	16,901	20,379
iShares Core MSCI Dividend	108	2,446	2,766
iShares Core S&P/TSX Capped	911	25,518	31,757
iShares MSCI Multifactor	200	6,136	7,246
		<u>51,001</u>	<u>62,148</u>
Total Government Grants invested		1,042,000	981,875
Total Subscriber contributions and Government Grants invested - (81.53%)		4,927,529	4,646,314
Cash - (10.67%)		608,036	608,036
Cash Equivalent - (7.80%)		444,297	444,618
Total Investment Portfolio - 100%		<u>5,979,862</u>	<u>5,698,968</u>

Advanced Education Savings Plan

Notes to the financial statements

March 31, 2022 and 2021

(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 29, 2022.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting 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.

a) Recognition, measurement and classification of financial instruments

The Plan classifies its investments based on both the Plan's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Plan is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Plan has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Plan's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the objectives of the Plan's business model. Consequently, all investments are measured at fair value through profit or loss.

Advanced Education Savings Plan

Notes to the financial statements

March 31, 2022 and 2021

(All amounts in Canadian dollars)

2. Summary of significant accounting policies (continued)

a) Recognition, measurement and classification of financial instruments (continued)

Regular purchases and sales of investments are recognized on the trade date – the date on which the Plan commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognized at fair value.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss are presented in the statements of comprehensive income.

Dividend income from financial assets at fair value through profit or loss is recognized in the statements of comprehensive income within dividend income when the Plan's right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the Plan, and the amount of the dividend can be measured reliably. Interest on debt securities at fair value through profit or loss is recognized at the effective interest rate in the statements of comprehensive income.

Realized gains (losses) on disposal of investments and Change in unrealized appreciation (depreciation) on investments of the related investments are recognized in the Statements of Comprehensive Income in the period when such gains (losses) occur. The Change in unrealized appreciation (depreciation) on investments is accumulated as part of the Net assets Attributable to Subscribers and Beneficiaries but is not included in the payments to beneficiaries until such gains (losses) are realized on the disposal of investments.

Cash and amounts receivable are classified as and measured at amortized cost.

b) 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.

c) Impairment of financial assets

The financial assets and liabilities measured at amortized cost include: cash; due from the Legacy Education Savings Plan and the Fund Manager; grants receivable; interest receivable; and accounts payable.

At each reporting date, the Plan measures the loss allowance on: due from the Legacy Education Savings Plan; grants receivable; and interest receivable, at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. 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.

Advanced Education Savings Plan

Notes to the financial statements

March 31, 2022 and 2021

(All amounts in Canadian dollars)

2. Summary of significant accounting policies (continued)

d) Cash and cash equivalents

Cash is classified as amortized cost as described above and cash equivalents are classified as FVTPL.

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

Subscribers' 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 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.

Advanced Education Savings Plan

Notes to the financial statements

March 31, 2022 and 2021

(All amounts in Canadian dollars)

2. Summary of significant accounting policies (continued)

h) Government grants (continued)

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 judgements

The preparation of the financial statements in conformity with IFRS requires management to make certain critical accounting estimates and use judgement 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, 2022 and 2021

(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. 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 \$111,028 (\$68,695 in 2021) receivable from Legacy Education Savings Plan for subscriber contributions and grants not yet allocated to the Plan and \$18,682(\$6,894 in 2021) 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, 2022 and March 31, 2021 are as follows:

	2022	2,021
	\$	\$
Balance, beginning year	4,114,043	3,690,809
Amount contributed by subscribers	526,018	759,542
Account maintenance fees	(12,198)	(23,256)
Insurance premiums	(1,563)	(1,703)
Special service fees	(9,843)	(14,474)
Return of subscriber contributions	(306,085)	(296,875)
Balance, end of year	4,310,372	4,114,043

Advanced Education Savings Plan

Notes to the financial statements

March 31, 2022 and 2021

(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.

7. Fair value of financial instruments

Fair value measurements are classified in accordance within a fair value hierarchy (i.e. Level 1,2,3). Investments 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	2022
	\$	\$	\$	Total
				\$
Assets measured at fair value as of March 31, 2022				
Cash equivalents	—	444,618	—	444,618
Equity securities	259,645	—	—	259,645
Fixed income securities	—	4,386,349	—	4,386,349
	259,645	4,830,967	—	5,090,612
	Level 1	Level 2	Level 3	2021
	\$	\$	\$	Total
				\$
Assets measured at fair value as of March 31, 2021				
Cash equivalents	—	881,483	—	881,483
Equity securities	226,669	—	—	226,669
Fixed income securities	—	4,148,112	—	4,148,112
	226,669	5,029,595	—	5,256,264

There were no financial instruments that were transferred into or out of any Levels during the years ended March 31, 2022 and March 31, 2021.

Advanced Education Savings Plan

Notes to the financial statements

March 31, 2022 and 2021

(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 market risk (which includes interest rate risk and other price risk), credit risk and liquidity 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 not be able to meet its obligations on time. In mitigation of these risks, the Plan retains sufficient cash on hand, or cash equivalents that can be readily convertible into cash.

b) *Market risk*

Market risk is the risk that changes in market prices could affect the Plan's income or the value of the investment holdings. The Plan's portfolio advisors attempt to mitigate this risk by periodically reviewing the market conditions and the performance of the portfolio and by making necessary changes to the portfolio in accordance with the Plan's investment objectives. Management has identified two main market risk factors: interest rate risk related to the fixed income portfolio and price risk related to the equity securities.

(i) *Interest rate risk*

Interest rate risk is the risk of a decrease in the Plan's yield on interest-bearing investments as a result of fluctuations 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, 2022 and March 31, 2021:

	2022	2021
	%	%
Less than 1 year	9.6	18.7
1-3 years	19.2	8.3
3-5 years	12.1	15.9
Greater than 5 years	59.1	57.1
	100.0	100.0

As at March 31, 2022, management estimates that if prevailing interest rates had increased or decreased by 1%, the total investment portfolio of debt instruments would increase or decrease by approximately \$375,500 (\$368,600 in 2021). 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.

Advanced Education Savings Plan

Notes to the financial statements

March 31, 2022 and 2021

(All amounts in Canadian dollars)

8. Risk management (continued)

b) *Market risk (continued)*

(ii) *Other price risk*

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, other than those arising from interest rate risk. The asset class that is most impacted by other price risk are the equity investments in exchange traded funds ("ETFs") which represent 5.0% (4.3% in 2021) 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, 2022, 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 \$ 1,938 (\$2,155 in 2021). In practice, the actual trading results may differ materially.

(iii) *Currency risk*

Currency risk is the risk that the value 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 2.5% (March 2021 – 2.1%) of the portfolio. The fair value of the portfolio would increase or decrease by approximately \$1,269 (March 2021 – \$1,137) in response to a 1% depreciation or appreciation of the USD dollar currency exchange rate. In practice, the actual change may differ materially.

c) *Credit risk*

Credit risk refers to the ability of the issuer of debt securities to make interest payments and repay principal and sector risk relates to the exposure to changes in a particular industrial, commercial or service sector by virtue of concentration. 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, 2022 and March 31, 2021, the Plan's credit exposure to long term debt instruments is as follows:

	2022	2021
	%	%
Bond Ratings		
AAAH/AAA/AAH/AAL	85.2	84.4
AA/AH/A/AL	11.6	12.3
BBB/BBBH/BBBL	3.2	3.3
Unrated	0	0.0
	100.0	100.0

Dominion Bond Rating Service was the primary source for obtaining credit ratings.

Advanced Education Savings Plan

Notes to the financial statements

March 31, 2022 and 2021

(All amounts in Canadian dollars)

9. Ontario Securities Commission

On March 10, 2020, GGAI, GRESP and Sam Bouji, 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 consented to the immediate suspension of its registration pending surrender and provided 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 accounts 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.

Subject to any applicable unclaimed property legislation, in the event that 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

Year ended March 31, 2022 and 2021

(All amounts in Canadian dollars)

Year of eligibility	Number of units outstanding	Principal plus accumulated income \$	Government grants plus accumulated income \$	Total \$
2017	60	33,302	5,743	39,045
2018	96	33,818	8,664	42,482
2019	200	80,957	16,004	96,961
2020	424	120,216	22,732	142,948
2021	457	204,838	46,731	251,569
2022	1,025	501,677	154,195	655,872
2023	996	409,465	112,415	521,880
2024	953	326,349	98,617	424,966
2025	1,179	393,240	120,579	513,819
2026	1,087	285,782	91,225	377,007
2027	1,161	255,707	82,784	338,491
2028	1,058	257,730	76,669	334,399
2029	1,086	218,103	70,874	288,977
2030	1,063	179,782	63,343	243,125
2031	797	131,760	49,644	181,404
2032	1,108	190,882	68,103	258,985
2033	1,610	271,046	100,741	371,787
2034	1,594	214,278	80,614	294,892
2035	1,631	194,916	73,908	268,824
2036	1,003	90,518	34,395	124,913
2037	809	57,873	21,313	79,186
March 31, 2022	19,397	4,452,239	1,399,293	5,851,532
March 31, 2021	21,242	4,469,642	1,382,334	5,851,976

Advanced Education Savings Plan
Schedule 2 – Reconciliation of educational assistance agreements
Year ended March 31, 2022 and 2021

(All amounts in Canadian dollars)

	Opening agreements	Inflow agreements	Outflow agreements	Closing agreements
The following is a summary of Educational Assistance Payment contracts				
2022	597	—	92	505
2021	766	—	169	597

	2022 \$	2021 \$
The following reconciles Schedule 1 to the statements of financial position		
Total principal, government grants and accumulated income (Schedule 1)	5,851,532	5,851,976
Represented in the statements of financial position by		
Subscriber contributions	4,310,372	4,114,043
Accumulated government grants	1,288,615	1,240,927
Income earned on Subscriber contributions and government grants, net transferred	549,172	519,776
	6,148,159	5,874,746
Less: Unrealized (depreciation) of investment	284,124	—
Less: Government grants receivable	12,503	22,770
	5,851,532	5,851,976