

MANAGEMENT REPORT OF FUND PERFORMANCE

ADVANCED EDUCATION SAVINGS PLAN

For the year ended March 31, 2022

This annual management report of fund performance contains financial highlights but does not contain the complete annual audited financial statements of the Advanced Education Savings Plan (“Plan”). You can get a copy of the audited financial statements at your request and at no cost by calling Global Client Services at 1-877-460-7377, by writing to us at 100 Mural St, Suite 102, Richmond Hill, Ontario L4B 1J3, or by visiting our Website at www.globalfinancial.ca or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund’s interim financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

Global Growth Assets Inc. (the Manager) views corporate governance and compliance as important contributors to overall corporate performance and long-term investment returns. Currently, the investments of the Plan are limited to government bonds, guaranteed investment certificates, corporate debt securities with an investment grade credit rating, and Canadian equity securities, and U.S. equities via an exchange-traded fund (ETF), both of which must be traded on a stock exchange in Canada. Any decision on security voting matters has been delegated to each of our portfolio managers as described in their respective Investment Management Agreements.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Global Growth Assets Inc. (“GGAI” or the “Manager”) has retained the services of Jarislowsky Fraser Ltd (“Jarislowsky Fraser”) to act as the portfolio advisor for the Plan.

The views of the portfolio advisor contained in this report are as of March 31, 2022, the Plan’s latest Fiscal year end, and this report is not intended to provide legal, accounting, tax or specific investment advice. Views, portfolio holdings and allocations may have changed subsequent to this date.

Investment Objective and Strategies

GGAI invests in a prudent manner, with the objective to preserve capital while providing long-term growth through capital appreciation on your Advanced Education Savings Plan investment. GGAI invests Principal assets in a combination of government fixed income securities and Canadian corporate bonds with a minimum debt rating of BBB and above. Income assets (money earned on either contributions or government grants, such as interest and capital gains) are invested in Canadian exchange-traded funds (ETF). All of the Plan’s assets are managed by Jarislowsky Fraser. The assets are allocated among different market sectors and different maturity segments at the portfolio advisors’ discretion, but subject to the guidelines defined in GGAI’s investment policies and mandates.

Independent Review Committee

As of March 31, 2022, the following changes to the composition of the Independent Review Committee (“IRC”) occurred:

- Mr. Mark Weaver term on the IRC expired in August 1st, 2021.
- Mr. Harry Mohabir has been appointed as a Chair of the IRC. Mr. Mohabir’s term will mature on July 25, 2022.
- Mr. Reg Taccone has been retained as an IRC member. Mr. Taccone’s term will mature on March 3, 2023
- Mr. John Lombard has been retained as an IRC member. Mr. Lombard’s term will mature on December 15, 2023.

Risk

For the year ended March 31, 2022, there was no change to the investment strategy of the Plan. As the portfolio is primarily invested in fixed income instruments, the key risks associated with fixed income investing are interest rate risk, liquidity risk, pricing risk and credit risk.

Results of Operations

The net assets of the Plan as of March 31, 2022 were \$5.87 million (2021 - \$5.84 million) of which approximately \$5.70 million (2021 - \$5.72 million) represents the Plan’s investment portfolio. The Plan’s net rate of return during fiscal year was -2.57% compared to the FTSE Canada Universe Bond Index return of -4.52%, 14.81% return for the S&P 500 Index (Cad-hedged) and 20.19% return for the S&P TSX composite Index. In addition the Plan’s return was net of administration, investment counsel, custodial and independent review committee fees. Fees are not deducted from Benchmark returns.

Within the bond allocation of the total portfolio, the plan maintained slight overweight

allocation to corporate bonds (credit) at the expense of an underweight allocation to government bonds. The sharp spike in bond yields experienced in the first quarter of 2022 led to heightened bond market volatility and thus has enhanced the risk of the overall portfolio. As for portfolio duration, both Jarislowsky Fraser and UBS maintained portfolio duration slightly below its benchmark duration, thus shielding some of the negative impact on portfolio performance due to the aforementioned rise in interest rates.

Within the equity allocation of the total portfolio, there have not been any significant changes that affected the overall risk level as the plan's portfolio advisors continue to invest in high-quality Canadian stocks and U.S. equities via exchange-traded funds (ETFs) that are listed on the Canadian exchange.

Economic Review

Although a new COVID-19 variant took hold during the previous year and the government imposed new lockdown restrictions, the Canadian economy continued to perform well. Canadian economy added 55,000 new jobs in December and the unemployment rate declined to 5.9%. November headline inflation was 4.7% (YoY), led by price increases in durable goods, gasoline and food. As a result, the Bank of Canada pivoted away from viewing inflation as transitory and began to signal that interest rates would likely be moving up in 2022. At the same time, the U.S. Federal Reserve has also acknowledged inflationary pressures and has accelerated the taper of bond purchases, opening the door for earlier interest rate hikes.

Despite a first quarter 2022 Omicron outbreak, the Canadian economy continues to perform well having expanded for eight consecutive months. February headline inflation was 5.7% (YoY), well above the Bank of Canada's expectations, while Core CPI was 2.5% (YoY), the fastest pace since June 1991 but still relatively constrained. The geopolitical risks of the Russia/Ukraine conflict have impacted economic growth, however strong job creation and persistent inflationary pressures have many economists expecting aggressive interest rate action from both the Bank of Canada and the U.S. Federal Reserve. Both central banks initiated 25bps rate hikes in March and the BoC followed with a 50bps hike mid-April. In the first quarter, the Canadian yield curve shifted upward and flattened, causing one of the worst quarters in decades for fixed income markets. Credit spreads were relatively stable for most of 2021, however, the Russia/Ukraine conflict and the dramatic rise in bond yields caused spreads to widen in the first quarter of 2022.

Recent Developments

The COVID-19 outbreak gave the central banks and governments the green light for massive monetary and fiscal stimulus. Yields along the entire curve rose in 2022 with the decline of the Omicron variant, the monetary-to-fiscal hand-off and rising inflation pressures. Major central banks have "dragged their heels" regarding any withdrawal of monetary stimulus and markets had "bought" the transitory inflation thesis. The continuation of significant pressures in food, energy and shelter costs are now causing central banks to increase the pace of tightening significantly. Investors have generally been re-pricing fixed income assets, anticipating central bank intervention and causing the decline in fixed income portfolios seen in early 2022. A significant amount of interest rate increases is now thought to have been priced into fixed income markets, while the first signs of improvement in supply chains have occurred and that may help improve the inflation outlook into the summer.

With the general increase in equity markets since the onset of the pandemic in March 2020, in some cases equity valuations no longer provide a sufficient margin of safety. We adhere to a discipline, which is to build a concentrated portfolio of high-quality businesses

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that will grow over the long term and generate attractive risk-adjusted returns through a variety of business cycles. Given the comments above regarding the potential for increased equity volatility, the focus remains on the preservation of capital through constructing well-diversified portfolios of leading businesses with strong balance sheets.

FINANCIAL AND OPERATING HIGHLIGHTS

The following table shows key financial data for the Plan and is intended to help you understand the financial results for the past five fiscal years.

(Dollar amounts in \$'000)

Statement of financial Position	2022	2021	2020	2019	2018
Total Assets	\$5,868	\$5,844	\$5,461	\$3,974	\$2,610
Net Assets	\$5,864	\$5,841	\$5,302	\$3,974	\$2,551
% change in Net Assets	0.4%	10%	33%	56%	106%
Statement of comprehensive income					
Net Investment Income	\$145.9	\$36.7	\$200.8	\$182.9	\$21.2
Statement of Changes in Net Assets					
Educational Assistance Payments ("EAP")	\$0	\$0	\$0	\$0	\$0
Government Grants	\$50.8	\$53.2	\$27.4	\$10.7	\$2
Other					
Total Number of Contracts	505	597	766	718	604
% change in Number of Contracts	-15%	-22%	7%	19%	43%

Management Fees

Total administration fee expenses for the year ended March 31, 2022 was \$139,821 (2021 - \$131,304) was waived by GGAI.

The administration functions of the Plan include processing and call center services related to existing agreements, fund payments, government grant collection, plan modifications, terminations, maturities and EAP.

Related Party Transactions

Under the terms of an administrative services agreement, the Foundation has delegated administrative functions to GGAI.

In exchange for its administrative services, GGAI is entitled to receive administration fees of 2.35% per annum of the assets of the Plan. In addition, special service fees charged to subscribers principally in respect of dishonored and returned cheques, are remitted by GGAI to GRESP.

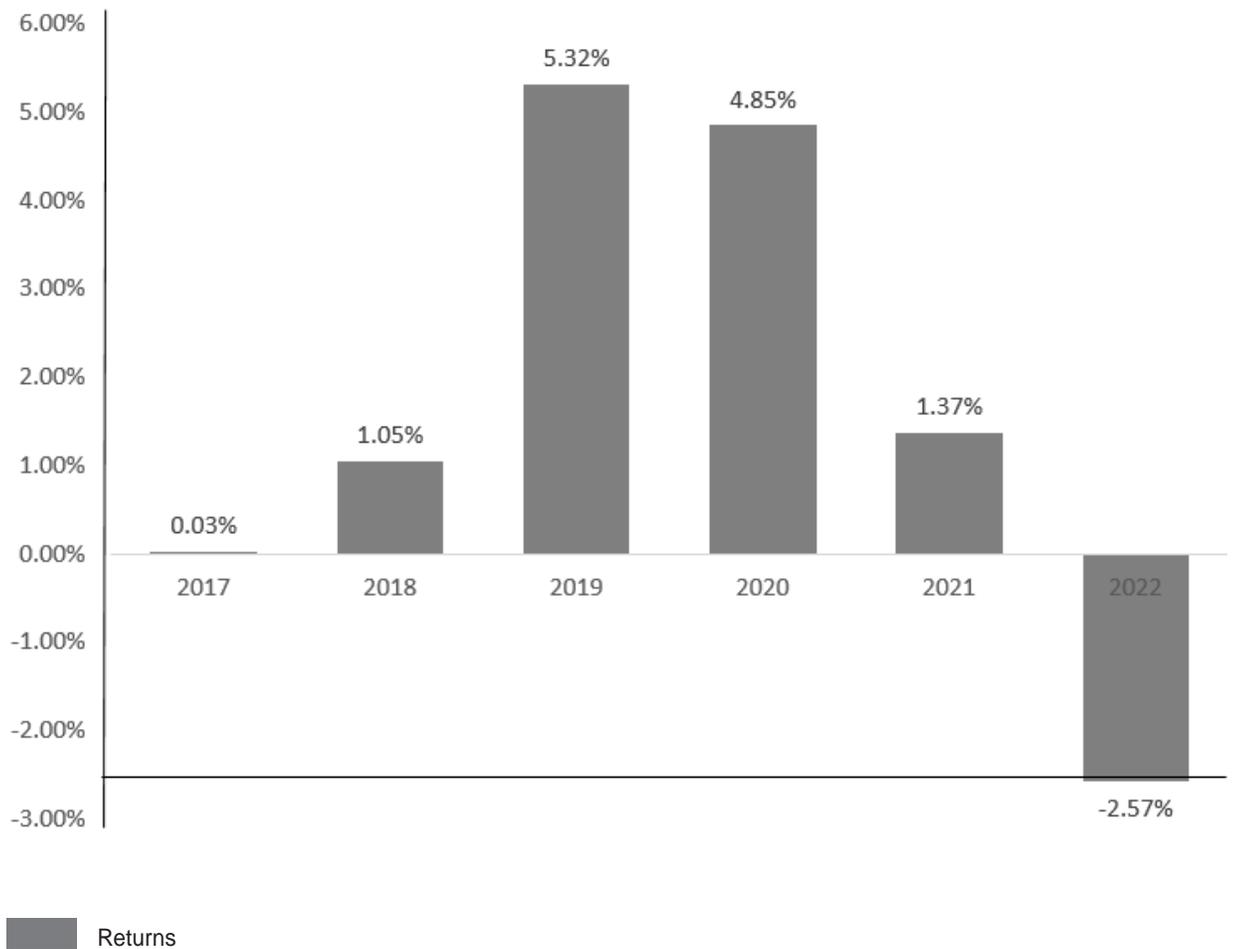
At March 31, 2022 the Plan's assets include \$111,028 (2021 - \$68,695) receivable from Legacy Education Savings Plan for subscriber contributions and grants not yet allocated to the Plan and \$18,682 (2021 - \$6,894) receivable from GGAI for bank charges.

PAST PERFORMANCE

The performance information shown assumes that all of the income, interest earned and capital gains distributions are reinvested in the Plan and would be lower if distributions were not reinvested. Past performance is not indicative of how the Fund may perform in the future.

Year-by-Year Returns

The bar chart indicates the Plan's performance for the financial year shown. Annual return is the percentage change in the value of an investment over a Fiscal year from April to March 31, unless otherwise noted. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



Annual Compound Returns

The following table illustrates the Plan's annual compound returns for the periods shown ended March 31, 2022.

	Past year	Past 3 years	Past 5 years	Since Inception
Plan	-2.57%	1.17%	1.96%	1.59%
The FTSE TMX Canada Universe Bond Index	-4.52%	0.45%	1.58%	1.71%
The S&P/TSX Composite index	20.19%	14.11%	10.33%	12.99%
The S&P 500 index (Cad-Hedged)	14.81%	16.19%	14.51%	15.22%

The Benchmark index returns do not include any costs of investing. See **Results of Operation** for a discussion of performance relative to the Benchmark index. Unlike the Index, the Plan's returns are after the deduction of its fees and expenses.

The FTSE TMX Canada Universe Bond Index is a market capitalization-weighted index designed to be a broad measure of the Canadian investment-grade, fixed income market, including Government of Canada, provincial and corporate bonds with maturities of more than one year and a credit rating of BBB or higher.

The S&P/TSX Composite Index is the headline index for the Canadian equity market and measures the performance of the largest by market capitalization stocks listed on the Toronto Stock Exchange.

The S&P 500 Index (Cad-hedged) is a market-capitalization-weighted index that is designed to represent the returns of large-capitalization U.S. stocks, with the U.S. dollar exposure of the securities included in the S&P 500 Index hedged to the Canadian dollar.

SUMMARY OF INVESTMENT PORTFOLIO

The table below details the largest 25 holdings of the Plan at March 31, 2022.

Issuer	% of Plan's Portfolio
Province of Ontario 2.800% June 2,2048	9.66%
CPPIB Capital Inc. 1.950% September 30,2029	9.05%
Government of Canada 0% May 26,2022	8.63%
Government of Canada 2.750% December 1,2048	8.58%
Canada Housing Trust 2.45% December 15,2021	8.44%
Canada Housing Trust 1.25% June 15,2026	7.45%
Canada Housing Trust 1.8% December 15,2024	7.18%
Province of Ontario 5.600% June 2,2035	5.80%
Province of Ontario 2.70% June 2,2029	5.00%
Canada Housing Trust 2.550% December 15,2023	3.98%
iShares Core S&P/TSX Capped	2.58%
Province of Quebec 2.3% September 1,2029	2.42%
BMO S&P 500 Index ETF	1.65%
Toronto-Dominion Bank 3.226% July 24,2024	1.28%
Canadian Imperial Bank of Commerce 3.300% May 26,2025	1.19%
Honda Canada Finance Inc. 2.500% June 4,2024	1.06%
Cash	0.68%
Royal Bank of Canada 3.369% September 29,2025	0.68%
Bank of Montreal 3.190% March 1,2028	0.68%
Bank of Nova Scotia 3.100% February 2,2028	0.67%
Greater Toronto Airports 2.750% October 17,2039	0.60%
Altalink LP 3.399% June 6,2024	0.59%
Great-West Lifeco Inc. 6.670% March 21,2033	0.59%
iShares MSCI Multifactor	0.59%
Bell Canada 3.800% August 21,2028	0.58%
TOTAL	89.61%

All holdings in the Plan are long positions as at March 31, 2022.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Plan.



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