

Interim Financial Statements  
(Unaudited)

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# Legacy Education Savings Plan

(Formerly Global Educational Trust Plan)

For the six-month period ended September 30, 2022

# Legacy Education Savings Plan

Interim Financial Statement (unaudited)

September 30, 2022

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**Notification:**

***These Interim Financial Statements have not been audited or reviewed by the Plan's external auditors.***

# Legacy Education Savings Plan

## Statements of Financial Position (Unaudited)

As at September 30, 2022 and March 31, 2022

	As at September 30, 2022	As at March 31, 2022
	\$ [unaudited]	\$ Audited
<b>Assets</b>		
Cash and cash equivalents	20,016,742	40,156,146
Investments - at fair value (Note 6)	637,227,816	689,277,355
Grants receivable (Note 2)	477,376	677,662
Dividends receivable	149,925	183,986
Interest receivable	3,911,827	3,654,893
	<b>661,783,686</b>	<b>733,950,042</b>
<b>Liabilities</b>		
Accounts Payable	2,288,963	1,552,721
Due to Advanced Education Saving Plan (Note 4)	33,293	113,745
Due to Global Educational Trust Foundation (Note 4)	5,428,166	3,543,709
Due to the Fund Manager - Global Growth Assets Inc. (Note 4)	480,726	362,110
<b>Net Assets Attributable to Subscribers and Beneficiaries</b>	<b>653,552,538</b>	<b>728,377,757</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries represented by:</b>		
Subscriber contributions (Note 5)	440,105,694	455,851,273
Accumulated government grants	180,072,813	184,918,704
Unrealized (depreciation) of investments	(55,310,126)	(3,546,999)
Accumulated and distributed investment income and realized gains on investments	88,684,157	91,154,779
	<b>653,552,538</b>	<b>728,377,757</b>

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



Fareed Amin  
Director



Chandar Singh  
Director

Kevin Bavelaar

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

**Legacy Education Savings Plan**  
**Statements of Comprehensive Income (Unaudited)**  
For the six months ended September 30, 2022 and 2021

	<b>2022</b>	2021
	<b>\$</b>	\$
<b>Revenue</b>	<b>[unaudited]</b>	[unaudited]
Interest income for educational assistance payments	<b>7,937,623</b>	8,230,131
Dividends	<b>334,973</b>	1,055,262
Realized gains on disposal of investments	<b>(781,771)</b>	(1,202,482)
Change in unrealized appreciation on investments	<b>(51,763,126)</b>	8,240,529
	<b>(44,272,301)</b>	16,323,440
<b>Expenses</b>		
Administration fees (Note 4)	<b>4,830,971</b>	5,484,722
Audit costs	<b>71,119</b>	69,810
Independent review committee	<b>11,050</b>	-
Other charges	<b>23,109</b>	22,884
	<b>4,936,249</b>	5,577,416
<b>Increase (Decrease) in Net Assets Attributable to Subscribers and</b>	<b>(49,208,550)</b>	10,746,024

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

# Legacy Education Savings Plan

## Statements of Changes in Net Asset Attributable to Subscribers and Beneficiaries

For the six months ended September 30, 2022 and 2021

	2022	2021
	\$	\$
	[unaudited]	[unaudited]
<b>Net Assets Attributable to Subscribers and Beneficiaries, beginning of year</b>	<b>728,377,757</b>	<b>771,788,197</b>
<b>Increase (Decrease) in Net Assets attributable to Subscribers and Beneficiaries from operations</b>	<b>(48,208,550)</b>	<b>10,746,024</b>
<b>Increase in Net Assets Attributable to Subscribers and Beneficiaries</b>		
Subscriber contributions received (Note 5)	18,520,489	20,563,616
Government grants received (Note 2):		
Canada Education Savings Grants (CESG)	2,714,140	2,920,950
Canada Learning Bond (CLB)	618,300	692,200
British Columbia Training and Education Savings Grant (BCTESG)	32,400	88,800
Quebec Education Savings Incentive (QESI)	316,723	373,520
Saskatchewan Advantage Grant for Education Savings (SAGES)	(2,039)	1,969
	<b>22,200,013</b>	<b>24,641,055</b>
<b>Decrease in Net Assets Attributable to Subscribers and Beneficiaries</b>		
Refund of subscriber contributions	(34,266,068)	(28,982,915)
Payments to Beneficiaries:		
Government grants	(8,525,415)	(6,225,037)
Income earned on Government grants	(1,700,825)	(1,426,684)
Income earned on Subscriber contributions	(4,324,374)	(4,360,957)
	<b>(48,816,682)</b>	<b>(40,995,593)</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries, end of year</b>	<b>653,552,538</b>	<b>766,179,683</b>

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

# Legacy Education Savings Plan

## Statement of Cash Flows (Unaudited)

For the six months ended September 30, 2022 and 2021

	2022	2021
	\$	\$
	[unaudited]	[unaudited]
Cash provided by (used in):		
<b>Operating Activities</b>		
Increase (decrease) in Net assets attributable to Subscribers and Beneficiaries from operations	(48,208,550)	10,746,024
Adjustments for:		
Change in unrealized losses (gains) on investments	51,763,126	(8,240,529)
Realized (gains) losses on disposal of investments	781,771	1,202,482
Decrease (increase) in dividend and interest receivable	34,061	(20,747)
Decrease (increase) in interest receivable	(256,934)	(63,711)
Decrease (increase) in due from the Global Educational Trust Foundation	1,884,457	(790,672)
Increase in due to the Fund Manager - Global Growth Assets Inc	118,616	17,758
(Decrease) in due to Advanced Education Savings Plan	(80,452)	(10,170)
Increase in accounts payable	736,242	420,047
Increase in payable for securities purchased	-	18,401,506
Increase in receivable for securities sold	-	(19,816,231)
Decrease in grants receivable	200,286	527,902
Net (purchases) sales of investments	(499,538)	24,927,949
	<b>6,473,085</b>	<b>27,301,608</b>
<b>Financing Activities</b>		
Subscriber contributions received, net	(15,745,579)	(8,419,299)
Government grants received	3,679,523	4,077,439
Educational assistance payments made to beneficiaries	(14,550,614)	(12,012,678)
	<b>(26,616,670)</b>	<b>(16,354,538)</b>
Decrease increase in cash and cash equivalents	(20,143,585)	10,947,070
Cash and cash equivalents, beginning of year	40,160,327	54,096,751
<b>Cash and cash equivalents, end of year</b>	<b>20,016,742</b>	<b>65,043,821</b>
Supplemental cash flow information:		
Interest received	7,680,689	8,166,420
Dividend received	1,369,034	1,034,515

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

# Legacy Education Savings Plan

## Schedule of Investment Portfolio (Unaudited)

As at September 30, 2022

(All amounts in Canadian dollars)

	Par value \$	Cost \$	Fair value \$
<b>Subscribers contributions invested - (67.81%)</b>			
<b>Government Securities - (15.00%)</b>			
Canada Housing Trust 1.25% June 15, 2026	21,425,000	21,377,766	19,609,874
Canada Housing Trust 1.750% June 15, 2030	6,705,000	6,737,378	5,876,664
Canada Housing Trust 1.8% December 15, 2024	22,382,000	23,172,085	21,396,521
Canada Housing Trust 2.45% December 15, 2021	15,090,000	14,541,328	13,741,859
Canada Housing Trust 2.650% December 15, 2028	8,555,000	8,812,812	8,104,921
Government of Canada 1.000% June 1, 2027	645,000	588,210	581,364
Government of Canada 1.250% June 1, 2030	5,300,000	5,683,508	4,600,718
Government of Canada 2% December 1, 2051	8,090,000	6,397,572	6,381,554
Government of Canada 2.750% December 1, 2048	16,402,000	19,623,311	15,303,722
		<u>106,933,970</u>	<u>95,597,197</u>
<b>Provincial Securities - (16.36%)</b>			
Province of British Columbia 2.800% June 18, 2048	1,000,000	921,540	788,410
Province of British Columbia 2.950% December 18, 2028	3,508,000	3,970,372	3,344,843
Province of British Columbia 2.950% June 18, 2050	8,560,000	9,006,306	6,931,631
Province of Manitoba 4.600% March 5, 2038	3,915,000	4,851,578	4,032,646
Province of Nova Scotia 2.100% June 1, 2027	8,610,000	8,492,820	7,998,260
Province of Ontario 4.700% June 2, 2037	750,000	915,025	788,138
Province of Ontario 2.60% June 2, 2027	2,000,000	2,040,140	1,901,580
Province of Ontario 3.500% June 2, 2043	8,650,000	9,073,739	7,789,326
Province of Ontario 5.600% June 2, 2035	14,765,000	19,473,411	16,848,784
Province of Ontario 2.70% June 2, 2029	17,625,000	18,730,088	16,447,650
Province of Ontario 2.800% June 2, 2048	27,960,000	29,169,206	21,939,932
Province of Quebec 5.000% December 1, 2041	5,255,000	7,007,108	5,782,182
Province of Quebec 2.750% September 1, 2027	9,634,000	9,926,773	9,210,008
Province of Saskatchewan 5.000% March 5, 2037	427,000	567,697	461,801
		<u>124,145,803</u>	<u>104,265,191</u>
<b>Municipal Securities - (1.29%)</b>			
Ville De Montreal 2.750% September 1, 2026	8,620,000	8,895,840	8,243,047
		<u>8,895,840</u>	<u>8,243,047</u>
<b>Financial Institution Securities - (10.74%)</b>			
Bank of Montreal 2.700% December 9, 2026	6,108,000	6,324,828	5,654,176
Bank of Montreal 3.190% March 1, 2028	1,935,000	1,931,053	1,801,814
Bank of Montreal 4.309% June 01, 2027	900,000	900,000	873,378
Bank of Nova Scotia 2.290% June 28, 2024	1,150,000	1,193,631	1,105,116
Bank of Nova Scotia 3.100% February 2, 2028	1,945,000	1,931,243	1,804,668
BCIMC Realty Corporation 3.000% March 31, 2027	1,000,000	1,010,450	933,350
Canadian Imperial Bank of Canada 3.300% May 26, 2025	3,400,000	3,538,645	3,288,514
Choice Properties REIT 3.556% September 9, 2024	3,587,000	3,581,393	3,468,486
CPPIB Capital Inc 1.950% September 30, 2029	10,000,000	9,962,100	8,819,900
CPPIB Capital Inc 3.000% June 15, 2028	4,550,000	4,664,735	4,360,993
Fortified Trust 1.964% October 23, 2026	750,000	750,000	666,780
Fortified Trust 2.558% March 23, 2024	725,000	727,127	700,423
Fortified Trust 3.76% June 23, 2025	725,000	724,928	701,271
Great-West Lifeco Inc. 6.670% March 21, 2033	1,505,000	1,967,309	1,679,204
HSBC Bank of Canada 3.403% March 24, 2025	750,000	746,715	720,240
Manulife Bank of Canada 1.536% September 14, 2026	2,000,000	2,000,000	1,755,500
Manulife Financial Corporation 3.049% August 20, 2029	6,359,000	6,463,446	6,091,986
Royal Bank of Canada 1.936% May 1, 2025	2,600,000	2,600,000	2,410,564
Royal Bank of Canada 2.74% July 25, 2029	4,000,000	4,140,840	3,813,240
Royal Bank of Canada 3.369% September 29, 2025	2,000,000	2,000,000	1,911,620
Toronto-Dominion Bank 3.060% January 26, 2032	5,035,000	5,492,279	4,548,065
Toronto-Dominion Bank 3.224% July 25, 2029	6,691,000	6,850,567	6,432,794
Toronto-Dominion Bank 3.226% July 24, 2024	4,110,000	4,326,237	4,007,661
Wells Fargo and Company 3.184% February 8, 2024	900,000	961,146	876,600
		<u>74,788,672</u>	<u>68,426,343</u>



# Legacy Education Savings Plan

## Schedule of Investment Portfolio (Unaudited)

As at September 30, 2022

(All amounts in Canadian dollars)

	Par value \$	Cost \$	Fair value \$
<b>Corporate Securities - (14.16)</b>			
407 International Inc. 3.600% May 21, 2047	2,030,000	1,955,117	1,658,124
Altalink LP 3.399% June 6, 2024	1,927,000	1,966,026	1,889,192
Apple Inc. 2.513% August 19, 2024	2,100,000	2,042,488	2,027,508
Bell Canada 2.900% August 12, 2026	8,586,000	8,283,344	7,939,474
Bell Canada 3.800% August 21, 2028	1,935,000	1,896,958	1,803,478
Brookfield Renewable Par 3.380% January 15, 2030	4,305,000	4,281,623	3,863,781
Canadian National Railway 3.200% July 31, 2028	3,943,000	4,189,071	3,671,564
Canadian National Railway 3.950% September 22, 2045	1,905,000	1,976,399	1,653,921
Canadian National Resources 3.550% June 3, 2024	1,250,000	1,343,113	1,231,713
Enbridge Gas Inc. 3.510% November 29, 2047	2,100,000	1,958,529	1,664,103
Enbridge Inc. 4.240% August 27, 2042	6,986,000	6,666,756	5,559,948
Enbridge Pipelines Inc. 4.130% August 9, 2046	2,500,000	2,700,650	1,950,300
Greater Toronto Airports 2.750% October 17, 2039	2,200,000	2,196,964	1,679,744
Honda Canada Finance Inc. 2.500% June 4, 2024	1,645,000	1,732,251	1,580,697
Hydro One Inc. 5.360% May 20, 2036	3,165,000	3,936,360	3,301,981
McDonald's Corporation 3.125% March 4, 2025	1,270,000	1,241,857	1,222,731
Metro Inc. 3.390% December 6, 2027	4,046,000	4,155,551	3,765,815
NAV Canada 3.293% March 30, 2048	2,010,000	1,949,929	1,596,000
Nestle Holdings Inc. 2.192% January 26, 2029	2,000,000	1,999,940	1,738,840
North West Redwater Partnership 2.800% June 1, 2027	2,000,000	2,151,300	1,836,800
Pembina Pipeline Corporation 3.310% February 1, 2030	2,500,000	2,703,350	2,180,550
Pembina Pipeline Corporation 4.020% March 27, 2028	3,083,000	3,098,236	2,892,933
Rogers Communications Inc. 3.650% March 31, 2027	6,915,000	7,752,149	6,487,169
Suncor Energy Inc. 5% 09 April 2030	1,700,000	1,988,966	1,700,238
Telus Corporation 3.625% March 1, 2028	3,615,000	3,992,130	3,359,528
Telus Corporation 3.750% January 17, 2025	6,517,000	6,534,719	6,341,953
Telus Corporation 3.750% March 10, 2026	2,500,000	2,680,895	2,394,575
Toronto Hydro Corporation 2.52% 25 August, 2026	1,900,000	1,995,323	1,769,945
Toyota Credit Canada Inc. 2.11% February 26, 2025	2,000,000	2,026,440	1,871,860
Transcanada Pipelines 3.000% September 18, 2029	2,500,000	2,627,365	2,179,175
Transcanada Pipelines 3.300% July 17, 2025	3,734,000	3,996,547	3,566,904
TWDC Enterprises 18 Corporation 2.758% October 7, 2024	2,045,000	2,001,082	1,967,924
Verizon Communications 2.500% May 16, 2030	2,250,000	2,245,838	1,877,445
		<u>102,267,266</u>	<u>90,225,913</u>
<b>Exchange Traded Funds - (6.07%)</b>			
BMO Equal Weight US Banks Hedged to CAD Index ETF	45,824	1,754,920	1,239,539
BMO S&P 500 Index ETF	374,016	15,637,669	20,294,108
iShares Core MSCI Dividend	86,482	1,937,961	2,065,190
iShares Core S&P U.S. Total Market Index ETF	177,967	5,560,000	6,595,457
iShares MSCI Multifactor	158,224	4,825,842	5,048,928
Vanguard S&P 500 Index ETF	57,917	3,632,215	3,431,003
		<u>33,348,607</u>	<u>38,674,225</u>
<b>Equities - (6.29%)</b>			
Agnico Eagle Mines Limited	9,769	622,498	570,119
Alimentation Couche-Tard Inc.	21,613	721,812	1,201,899
Altius Minerals Corporation	21,644	251,299	419,028
ARC Resources Ltd.	30,110	256,571	499,524
Bank of Montreal	7,396	735,682	895,434
Bank of Nova Scotia	25,017	1,881,661	1,643,617

# Legacy Education Savings Plan

## Schedule of Investment Portfolio (Unaudited)

As at September 30, 2022

(All amounts in Canadian dollars)

	Par value \$	Cost \$	Fair value \$
<b>Equities - (6.29%) (continued)</b>			
Barrick Gold Corporation	22,320	766,347	477,871
BCE Inc.	25,129	1,455,554	1,455,472
Boyd Group Svcs Inc.	1,785	365,967	310,501
Brookfield Asset Management	26,724	1,224,487	1,510,173
CAE Inc.	14,584	306,028	309,035
Canadian National Railway	12,134	1,327,083	1,810,150
Canadian Natural Resources Ltd.	11,105	467,414	714,052
Canadian Pacific Railway Ltd.	16,935	936,341	1,561,576
CCL Industries Inc.	7,407	438,634	495,973
CGI Inc.	10,263	860,889	1,067,250
Colliers International	1,809	115,119	229,001
Constellation Software Inc.	188	364,372	361,353
Dollarama Inc.	5,539	260,906	439,243
Enbridge Inc.	27,987	1,288,418	1,433,494
First Quantum Minerals Ltd.	4,537	58,486	106,393
Firstservice Corporation	1,827	322,178	300,414
Fortis Inc.	9,968	467,229	523,121
Franco-Nevada Corporation	3,076	334,457	507,540
Intact Financial Corporation	4,444	492,883	868,758
Loblaw Companies Ltd.	9,145	588,755	1,000,280
Magna International Inc.	4,946	393,430	324,111
Manulife Financial Corporation	34,574	837,452	749,564
Northland Power Inc.	14,786	404,743	598,094
Nutrien Ltd.	9,352	577,191	1,077,350
Onex Corp	5,674	489,525	359,505
Parkland Corporation	8,206	279,258	242,898
Pembina Pipeline Corporation	9,956	423,312	417,754
Power Corporation of Canada	13,164	353,502	409,795
Prairiesky Royalty Ltd.	27,025	543,203	481,315
Restaurant Brands International	6,744	507,682	495,549
Rogers Communications Inc.	13,139	802,273	699,126
Royal Bank of Canada	25,544	2,575,911	3,176,907
Saputo Inc.	9,130	383,857	300,651
Shaw Communications Inc.	12,465	317,742	418,699
Shopify Inc.	14,360	1,269,304	534,049
Sun Life Financial Inc.	8,189	446,329	449,822
Suncor Energy Inc.	26,850	1,074,687	1,044,465
TC Energy Corporation	16,399	928,491	912,440
Teck Resources Ltd.	8,219	241,383	345,280
Telus Corporation	7,227	214,077	198,237
Thomson Reuters Corporation	3,146	302,653	446,103
Toronto-Dominion Bank	34,802	2,571,353	2,948,425
Toromont Industries Ltd.	4,751	301,287	456,856
Tourmaline Oil Corporation	3,608	130,478	259,018
Waste Connections Inc.	6,437	685,767	1,201,466
Westshore Terminals Investment Corporation	15,674	311,476	415,674
Wheaton Precious Metals	8,872	277,985	396,845
		<u>34,555,421</u>	<u>40,071,269</u>
<b>Real State Investment Securities - (0.03%)</b>			
Granite Real Estate	2,862	223,611	190,810
		<u>223,611</u>	<u>190,810</u>
<b>Total Subscriber contributions invested</b>		<u><b>485,159,190</b></u>	<u><b>445,693,995</b></u>

# Legacy Education Savings Plan

## Schedule of Investment Portfolio (Unaudited)

As at September 30, 2022

(All amounts in Canadian dollars)

	Par value \$	Cost \$	Fair value \$
<b>Government Grants invested - (29.14%)</b>			
<b>Government Securities - (6.72%)</b>			
Canada Housing Trust 1.25% June 15, 2026	10,505,000	10,486,803	9,615,016
Canada Housing Trust 1.750% June 15, 2030	2,700,000	2,713,269	2,366,442
Canada Housing Trust 1.8% December 15, 2024	9,362,000	9,692,479	8,949,791
Canada Housing Trust 2.45% December 15, 2021	7,000,000	6,745,480	6,374,620
Canada Housing Trust 2.550% December 15, 2023	1,650,000	1,644,636	1,622,775
Canada Housing Trust 2.650% December 15, 2028	3,430,000	3,530,157	3,249,548
Government of Canada 1.000% June 1, 2027	882,000	804,437	794,982
Government of Canada 2% December 1, 2051	3,265,000	2,581,962	2,575,497
Government of Canada 2.750% December 1, 2048	7,789,000	9,553,585	7,267,449
		<u>47,752,808</u>	<u>42,816,120</u>
<b>Provincial Securities - (7.11%)</b>			
Province of British Columbia 2.950% December 18, 2028	1,052,000	1,190,659	1,003,071
Province of British Columbia 2.950% June 18, 2050	3,435,000	3,620,084	2,781,560
Province of Manitoba 4.600% March 5, 2038	1,591,000	1,971,188	1,638,810
Province of Nova Scotia 2.100% June 1, 2027	3,508,000	3,459,568	3,258,757
Province of Ontario 2.60% June 2, 2027	850,000	867,060	808,172
Province of Ontario 2.70% June 2, 2029	7,820,000	8,310,314	7,297,624
Province of Ontario 2.800% June 2, 2048	12,890,000	13,527,638	10,114,654
Province of Ontario 3.500% June 2, 2043	3,875,000	3,989,943	3,489,438
Province of Ontario 4.700% June 2, 2037	375,000	458,355	394,069
Province of Ontario 5.600% June 2, 2035	6,930,000	9,139,908	7,908,031
Province of Quebec 2.750% September 1, 2027	3,920,000	4,041,697	3,747,481
Province of Quebec 5.000% December 1, 2041	2,397,000	3,137,897	2,637,467
Province of Saskatchewan 5.000% March 5, 2037	192,000	255,264	207,648
		<u>53,969,575</u>	<u>45,286,782</u>
<b>Municipal Securities - (0.53%)</b>			
Ville De Montreal 2.750% September 1, 2026	3,503,000	3,615,096	3,349,814
		<u>3,615,096</u>	<u>3,349,814</u>
<b>Financial Institution Securities - (4.64%)</b>			
Bank of Montreal 2.700% December 9, 2026	2,423,000	2,505,911	2,242,971
Bank of Montreal 3.190% March 1, 2028	910,000	908,144	847,365
Bank of Montreal 4.309% June 01, 2027	450,000	450,000	436,689
Bank of Nova Scotia 2.290% June 28, 2024	700,000	726,558	672,679
Bank of Nova Scotia 3.100% February 2, 2028	915,000	908,509	848,983
BCIMC Realty Corporation 3.000% March 31, 2027	1,000,000	992,890	933,350
Canadian Imperial Bank 3.300% May 26, 2025	1,500,000	1,557,044	1,450,815
Choice Properties REIT 3.556% September 9, 2024	1,454,000	1,448,188	1,405,960
CPPIB Capital Inc 1.950% September 30, 2029	4,500,000	4,482,945	3,968,955
CPPIB Capital Inc 3.000% June 15, 2028	1,850,000	1,903,640	1,773,151
Fortified Trust 1.964% October 23, 2026	230,000	230,000	204,479
Fortified Trust 2.558% March 23, 2024	200,000	200,000	193,220
Fortified Trust 3.76% June 23, 2025	250,000	249,975	241,818
Great-West Lifeco Inc. 6.670% March 21, 2033	695,000	908,530	775,446
HSBC Bank of Canada 3.403% March 24, 2025	350,000	348,467	336,112
Manulife Bank of Canada 1.536% September 14, 2026	1,000,000	1,000,000	877,750
Manulife Financial Corporation 3.049% August 20, 2029	2,561,000	2,605,372	2,453,464
Royal Bank of Canada 1.936% May 1, 2025	1,200,000	1,200,000	1,112,568
Royal Bank of Canada 2.74% July 25, 2029	1,450,000	1,501,055	1,382,300
Royal Bank of Canada 3.369% September 29, 2025	1,000,000	1,000,000	955,810
Toronto-Dominion Bank 3.060% January 26, 2032	2,013,000	2,195,821	1,818,323
Toronto-Dominion Bank 3.224% July 25, 2029	2,631,000	2,724,014	2,529,470
Toronto-Dominion Bank 3.226% July 24, 2024	1,745,000	1,829,625	1,701,550
Wells Fargo and Company 3.184% February 8, 2024	415,000	443,195	404,210
		<u>32,319,883</u>	<u>29,567,438</u>

# Legacy Education Savings Plan

## Schedule of Investment Portfolio (Unaudited)

As at September 30, 2022

(All amounts in Canadian dollars)

	Par value \$	Cost \$	Fair value \$
<b>Corporate Securities - (6.05%)</b>			
407 International Inc. 3.600% May 21, 2047	935,000	900,574	763,717
Altalink LP 3.399% June 6, 2024	890,000	908,037	872,538
Apple Inc. 2.513% August 19, 2024	1,000,000	969,961	965,480
Bell Canada 2.900% August 12, 2026	3,429,000	3,303,143	3,170,796
Bell Canada 3.800% August 21, 2028	910,000	892,109	848,147
Brookfield Renewable Par 3.380% January 15, 2030	1,752,000	1,742,497	1,572,438
Canadian National Railway 3.200% July 31, 2028	1,608,000	1,706,960	1,497,305
Canadian National Railway 3.950% September 22, 2045	895,000	928,545	777,039
Canadian National Resources 3.550% June 3, 2024	595,000	639,322	586,295
Enbridge Gas Inc. 3.510% November 29, 2047	970,000	904,652	768,657
Enbridge Inc. 4.240% August 27, 2042	2,801,000	2,657,623	2,229,232
Enbridge Pipelines Inc. 4.130% August 9, 2046	1,000,000	1,075,412	780,120
Greater Toronto Airports 2.750% October 17, 2039	1,020,000	1,018,592	778,790
Honda Canada Finance Inc. 2.500% June 4, 2024	760,000	800,310	730,292
Hydro One Inc. 5.360% May 20, 2036	1,258,000	1,584,882	1,312,446
McDonald's Corporation 3.125% March 4, 2025	595,000	581,815	572,854
Metro Inc. 3.390% December 6, 2027	1,644,000	1,689,243	1,530,153
NAV Canada 3.293% March 30, 2048	930,000	902,235	738,448
Nestle Holdings Inc. 2.192% January 26, 2029	1,000,000	999,970	869,420
North West Redwater Partnership 2.800% June 1, 2027	1,000,000	1,075,650	918,400
Pembina Pipeline Corporation 3.310% February 1, 2030	1,000,000	1,081,340	872,220
Pembina Pipeline Corporation 4.020% March 27, 2028	1,254,000	1,255,358	1,176,691
Rogers Communications Inc. 3.650% March 31, 2027	2,710,000	3,037,385	2,542,332
Suncor Energy Inc. 5% 09 April 2030	800,000	935,984	800,112
Telus Corp 3.625% March 1, 2028	1,465,000	1,618,364	1,361,468
Telus Corporation 3.750% January 17, 2025	2,610,000	2,629,312	2,539,895
Telus Corporation 3.750% March 10, 2026	1,000,000	1,064,220	957,830
Toronto Hydro Corporation 2.52% 25 August, 2026	890,000	934,651	829,080
Toyota Credit Canada Inc. 2.11% February 26, 2025	1,000,000	1,013,220	935,930
Transcanada Pipelines 3.000% September 18, 2029	1,100,000	1,152,239	958,837
Transcanada Pipelines 3.300% July 17, 2025	1,515,000	1,621,893	1,447,204
TWDC Enterprises 18 Corporation 2.758% October 7, 2024	820,000	799,525	789,094
Verizon Communications 2.500% May 16, 2030	1,250,000	1,247,688	1,043,025
		43,672,711	38,536,285
<b>Exchange Traded Funds - (2.48%)</b>			
BMO Equal Weight US Banks Hedged to CAD Index ETF	18,349	702,813	496,340
BMO S&P 500 Index ETF	153,395	6,412,496	8,323,213
iShares Core MSCI Dividend	35,807	803,118	855,071
iShares Core S&P U.S. Total Market Index ETF	71,402	2,230,100	2,646,158
iShares MSCI Multifactor	65,512	1,999,787	2,090,488
Vanguard S&P 500 Index ETF	23,281	1,461,591	1,379,166
		13,609,905	15,790,436
<b>Equities - (2.52%)</b>			
Agnico Eagle Mines Limited	3,926	250,177	229,121
Alimentation Couche-Tard Inc.	8,686	290,492	483,028
Altius Minerals Corporation	8,691	100,957	168,258
ARC Resources Ltd.	12,098	103,125	200,706
Bank of Montreal	2,975	298,175	360,183
Bank of Nova Scotia	10,056	761,713	660,680
Barrick Gold Corporation	8,980	308,218	192,262
BCE Inc.	10,105	584,690	585,281
Boyd Group Svcs Inc.	716	146,976	124,548
Brookfield Asset Management	10,741	496,253	606,974
CAE Inc.	5,856	122,925	124,089

# Legacy Education Savings Plan

## Statements of Comprehensive Income (Unaudited)

For the six months ended September 30, 2022 and 2021

	Par value \$	Cost \$	Fair value \$
<b>Equities - (2.52%) (continued)</b>			
Canadian National Railway	4,878	539,550	727,700
Canadian Natural Resources Ltd.	4,468	188,494	287,292
Canadian Pacific Railway Ltd.	6,806	380,370	627,581
CCL Industries Inc.	2,973	176,473	199,072
CGI Inc.	4,123	349,988	428,751
Colliers International	726	46,201	91,904
Constellation Software Inc.	76	147,385	146,079
Dollarama Inc.	2,228	105,105	176,680
Enbridge Inc.	11,253	517,773	576,379
First Quantum Minerals Ltd.	1,825	23,534	42,796
Firstservice Corporation	733	129,269	120,527
Fortis Inc.	4,010	187,907	210,445
Franco-Nevada Corporation	1,235	135,472	203,775
Intact Financial Corporation	1,784	198,496	348,754
Loblaw Companies Ltd.	3,674	236,755	401,862
Magna International Inc.	1,991	158,460	130,470
Manulife Financial Corporation	6,362	154,580	137,928
Manulife Financial Corporation	7,535	184,376	163,359
Northland Power Inc.	5,936	162,824	240,111
Nutrien Ltd.	3,759	232,469	433,037
Onex Corp	2,278	196,879	144,334
Parkland Corporation	3,294	112,100	97,502
Pembina Pipeline Corporation	4,005	170,147	168,050
Power Corporation of Canada	5,284	141,884	164,491
Prairiesky Royalty Ltd.	10,851	215,509	193,256
Restaurant Brands International	2,707	203,839	198,910
Rogers Communications Inc.	5,277	322,553	280,789
Royal Bank of Canada	10,267	1,042,015	1,276,907
Saputo Inc.	3,666	154,112	120,721
Shaw Communications Inc.	5,003	127,655	168,051
Shopify Inc.	5,770	509,268	214,587
Sun Life Financial Inc.	3,294	179,707	180,939
Suncor Energy Inc.	10,791	433,177	419,770
TC Energy Corporation	6,592	372,705	366,779
Teck Resources Ltd.	3,306	96,935	138,885
Telus Corporation	2,901	85,946	79,574
Thomson Reuters Corporation	1,263	121,528	179,093
Toromont Industries Ltd.	1,907	121,259	183,377
Toronto-Dominion Bank	13,989	1,046,505	1,185,148
Tourmaline Oil Corporation	1,452	52,462	104,239
Waste Connections Inc.	2,587	277,806	482,863
Westshore Terminals Investment Corporation	6,292	124,692	166,864
Wheaton Precious Metals	3,569	112,891	159,641
		<u>13,940,756</u>	<u>16,104,402</u>
<b>Real State Investment Securities - (0.01%)</b>			
Granite Real Estate	1,149	89,775	76,604
		<u>89,775</u>	<u>76,604</u>
<b>Total Government Grants invested</b>		<b>208,970,509</b>	<b>191,527,881</b>
Total Subscriber contributions and Government Grants invested - (99.95%)		694,129,699	637,221,876
Cash - (1.15%)		14,154,887	14,154,887
Cash equivalent - (0.90%)		5,861,855	5,867,795
<b>Total Investment Portfolio</b>		<b>714,146,441</b>	<b>657,244,558</b>

# Legacy Education Savings Plan

## Notes to the Financial Statements (Unaudited)

For the six month period ended September 30, 2022

(All amounts in Canadian dollars)

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### 1. Organization and general

Legacy Education Savings Plan (formerly known as Global Educational Trust Plan) (the "Plan") was established on October 14, 1998. It was administered by the Global Educational Trust Foundation (the "Foundation") up to September 28, 2010. The Foundation is a not-for-profit organization, incorporated without share capital, under the laws of Canada. The Foundation continues to be the sponsor of the Plan. 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 an 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 Plan's financial statements were authorized for issuance by the Board of Directors of the Foundation and GGAI on November 18, 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) Classification, recognition and measurement 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.

# Legacy Education Savings Plan

## Notes to the Financial Statements (Unaudited)

For the six month period ended September 30, 2022

(All amounts in Canadian dollars)

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### 2. Summary of significant accounting policies (continued)

#### a) *Classification, recognition, and measurement 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 the disposal of investments and changes in unrealized appreciation (depreciation) on investments are recognized in the statements of comprehensive income. The change in unrealized appreciation (depreciation) on investments is accumulated in 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 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 Global Educational Trust Foundation; grants receivable; interest; dividends receivable.

At each reporting date, the Plan measures the loss allowance on: due from the Global Educational Trust Foundation; grants receivable; and interest and dividends receivable, at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since the 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.

#### d) *Cash and cash equivalents*

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

# Legacy Education Savings Plan

## Notes to the Financial Statements (Unaudited)

For the six month period ended September 30, 2022

(All amounts in Canadian dollars)

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### 2. Summary of significant accounting policies (continued)

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 sales charges, 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.

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.



# Legacy Education Savings Plan

## Notes to the Financial Statements (Unaudited)

For the six month period ended September 30, 2022

(All amounts in Canadian dollars)

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### 2. Summary of significant accounting policies (continued)

#### *h) Government grants (continued)*

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 has introduced since 2015 the new 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 are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grants received or receivable by the Plan are accounted for as direct increases to net assets and 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 canceled by the subscriber, 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 judgments that affect the reported amounts of assets, liabilities, income and expenses during the six month period ending. 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.

The following discusses the most significant accounting judgments 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.

# Legacy Education Savings Plan

## Notes to the Financial Statements (Unaudited)

For the six month period ended September 30, 2022

(All amounts in Canadian dollars)

### 4. Related party transactions

- (a) In consideration for administrative services received, the Plan pays the administrator (GGAI) administration fees of 1.95% per annum of the assets of EAP contracts entered subsequent to January 27, 2016. For Plan assets related to EAP contracts entered prior to January 27, 2016, the Plan pays the administrator administration fees of 1.20% per annum.
- (b) The Plan's liabilities include \$33,293 (\$111,028 in 2022) to AESP and \$480,726 (\$362,110 in 2022) payable to GGAI settled through the Foundation for administration fees in 2022. The Plan owes the Foundation \$5,428,166 (\$3,546,426 in 2022) for fees collected from Subscribers.
- (c) GRESP received sales charges from subscribers that are deducted from contributions made by subscribers and as of December 31, 2022 there are no sales charges receivable from subscribers. EAP contracts entered subsequent to January 27, 2016 include sales charges of \$30 per unit. Prior to that date the sales charge was at \$60 per unit. In addition, 20% to 40% of insurance premiums collected from subscribers who optionally take insurance are remitted by the Foundation to GGAI.
- (d) Special services fees paid from subscribers' savings accounts are remitted by the Foundation to GRESP till December 2020 and to GGAI starting January 01, 2021. The fees principally relate to amounts charged to subscribers in respect of cheques returned and not honored.

### 5. Subscriber contributions

The changes in the subscriber contributions for the period ended September 30, 2022 and year ended March 31, 2022 are as follows:

	<b>September 30, 2022</b>	March 31, 2022
Balance, beginning year	<b>455,851,273</b>	466,469,089
Amount contributed by subscribers	<b>18,839,273</b>	41,835,385
Sales recoveries (charges)	<b>(89,974)</b>	185,139
Account maintenance fees	<b>(3,650)</b>	(1,157,268)
Insurance premiums	<b>(100,579)</b>	(223,444)
Special service fees	<b>(124,581)</b>	(225,556)
Principal withdrawals on terminations or return of contribution	<b>(34,266,068)</b>	(51,032,072)
Balance, end of year	<b>440,105,694</b>	455,851,273

# Legacy Education Savings Plan

## Notes to the Financial Statements (Unaudited)

For the six month period ended September 30, 2022

(All amounts in Canadian dollars)

### 6. 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:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>Total</b>
				<b>\$</b>
Assets measured at fair value as of September 30, 2022				
Cash equivalents	—	<b>5,867,795</b>	—	<b>5,867,795</b>
Investments - fixed income securities	—	<b>581,046,205</b>	—	<b>581,046,205</b>
Investments - equity securities	<b>56,175,671</b>	—	—	<b>56,175,671</b>
	<b>56,175,671</b>	<b>586,914,000</b>	—	<b>643,089,671</b>
Assets measured at fair value as of March 31, 2022				
Cash equivalents	—	11,380,205	—	46,647,788
Investments - fixed income	—	624,413,327	—	624,413,327
Investments - equity securities	64,859,847	—	—	64,859,847
	64,859,847	635,793,532	—	700,653,379

There were no financial instruments that were transferred into or out of any Levels during the period ended September 30, 2022 and the year ended March 31, 2022.

# Legacy Education Savings Plan

## Notes to the Financial Statements (Unaudited)

For the six month period ended September 30, 2022

(All amounts in Canadian dollars)

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### **7. 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.

### **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 related to market risk (which includes interest rate risk and other price risks, 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, and market events and manage the investment portfolio within the constraints of the investment policy.

#### *a) 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 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.

# Legacy Education Savings Plan

## Notes to the Financial Statements (Unaudited)

For the six month period ended September 30, 2022

(All amounts in Canadian dollars)

### 8. Risk management (continued)

#### a) Market risk (continued)

##### (i) Interest rate risk

The table below summarizes the Plan's exposure to interest rate risks by remaining term to maturity as at period ended September 30, 2022 and year ended March 31, 2021:

	2022 %	2021 %
Less than 1 year	1.1	4.4
1-3 years	17.1	14.7
3-5 years	21.1	16.7
Greater than 5 years	60.7	64.2
	<b>100.0</b>	<b>100.0</b>

As at September 30, 2022, management estimates that if prevailing interest rates had increased or decreased by 1% (March 31, 2022 1%), the total investment portfolio of debt instruments, would increase or decrease by approximately \$38.3 million (March 31, 2022 \$41.4 million). This 1% change assumes a parallel shift in the yield curve along with all other variables held constant. In practice the actual trading results will differ.

##### (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 which represent 8.3% (March 31, 2022 - 8.8%), equities which represent 8.7% (March 31, 2022 - 9.1%).

As at September 30, 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 \$1,010,411 (March 31, 2022 - \$1,213,547). In practice, the actual trading results will differ.

##### (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 in September 30, 2022 is 7.4% (March 31, 2022 - 7.5%) of the Portfolio. The fair value of the Total Investment Plan would increase or decrease by approximately September 30, 2022 is \$479,186 (March 31, 2021 - \$546,100) in response to a 1% depreciation or appreciation of the USD dollar currency exchange rate. In practice, the actual change will differ materially.

# Legacy Education Savings Plan

## Notes to the Financial Statements (Unaudited)

For the six month period ended September 30, 2022

(All amounts in Canadian dollars)

### 8. Risk management (continued)

#### b) 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 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 September 30, 2022 and March 31, 2022, the Plan's credit exposure to long term debt Instruments is as follows:

	<b>September 30 2022</b>	March 31, 2022
Bond ratings		
AAAH/AAA/AAH/AAL	<b>59.55</b>	58.69
AA/AH/A BBB/BB/BBBH	<b>25.84</b>	26.30
Unrated	<b>14.61</b>	15.01
	<b>100.00</b>	100.00

Dominion Bond Rating Service was the primary source for obtaining credit ratings. Secondary sources used include Moody's Investors Service and Standard & Poor's.

#### (c) 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 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.

# Legacy Education Savings Plan

## Notes to the Financial Statements (Unaudited)

For the six month period ended September 30, 2022

(All amounts in Canadian dollars)

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### 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 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 account of costs ordered in the agreement.

GGAI shall not act as the 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, a 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, and repayment of capital or other distribution of assets to any director, officer, partner, shareholder, a 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.