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# Financial statements of Legacy Education Savings Plan

Years ended March 31, 2021 and 2020

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# Management's Responsibility for Financial Reporting

The accompanying audited financial statements of Legacy Education Savings Plan (formerly known as Global Educational Trust 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.

Deloitte LLP is the external auditor of the Plan. It has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the Plan holders of the Plan its opinion on the financial statements.



Alex Manickaraj  
Chief Executive Officer

June 24, 2021  
Toronto, Ontario

## Independent Auditor's Report

To the Planholders of  
Legacy Education Savings Plan (formerly known as Global Educational Trust Plan)

### Opinion

We have audited the financial statements of the Legacy Education Savings Plan (the "Plan"), which comprise the statements of financial position as at March 31, 2021 and 2020, and the statements of comprehensive income, changes in net assets attributable to subscribers and beneficiaries and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at March 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the 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 identified above 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.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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 GAAS 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 GAAS, 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.

*Deloitte LLP*


Chartered Professional Accountants  
Licensed Public Accountants  
June 28, 2021


**Legacy Education Savings Plan**  
**Statements of financial position**  
As at March 31, 2021 and 2020

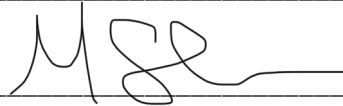
	Notes	2021 \$	2020 \$
<b>Assets</b>			
Cash and cash equivalents		<b>54,096,751</b>	32,266,154
Investments – at fair value	6	<b>717,129,301</b>	717,204,502
Due from the Global Educational Trust Foundation	4	–	990,136
Receivable for securities sold		–	19,816,231
Grants receivable	2	<b>1,180,111</b>	1,280,845
Dividends receivable		<b>144,816</b>	81,607
Interest receivable		<b>3,660,717</b>	3,636,012
		<b>776,211,696</b>	775,275,487
<b>Liabilities</b>			
Accounts payable		<b>1,442,298</b>	1,021,365
Payable for securities purchased		–	18,401,506
Due to Advanced Education Saving Plan	4	<b>85,768</b>	366,872
Due to Global Educational Trust Foundation	4	<b>2,256,774</b>	–
Due to the Distributor – Global RESP Corporation	4	–	5,467,044
Due to the Fund Manager – Global Growth Assets Inc.	4	<b>638,659</b>	179,612
Net assets attributable to subscribers and beneficiaries		<b>771,788,197</b>	749,839,088
<b>Net assets attributable to subscribers and beneficiaries represented by</b>			
Subscriber contributions	5	<b>466,469,089</b>	468,711,858
Accumulated government grants		<b>189,047,815</b>	188,866,021
Unrealized appreciation of investments		<b>22,011,229</b>	13,249,555
Accumulated and undistributed investment income and realized gains on investments		<b>94,260,064</b>	79,011,654
		<b>771,788,197</b>	749,839,088

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.

  
\_\_\_\_\_, Director

  
\_\_\_\_\_, Director

  
\_\_\_\_\_, Director

**Legacy Education Savings Plan**  
**Statements of comprehensive income**  
Year ended March 31, 2021 and 2020

	Notes	2021 \$	2020 \$
<b>Revenue</b>			
Interest income for educational assistance payments		<b>19,162,658</b>	18,103,934
Dividends		<b>2,049,116</b>	1,665,988
Realized gains on disposal of investments		<b>14,827,856</b>	7,650,729
Change in unrealized appreciation (depreciation) on investments		<b>8,761,674</b>	(8,846,603)
		<b>44,801,304</b>	18,574,048
<b>Expenses</b>			
Administration fees	4	<b>11,057,608</b>	10,449,659
Audit costs		<b>196,974</b>	194,481
Other charges		<b>53,051</b>	64,753
Independent review committee		<b>22,100</b>	11,050
		<b>11,329,733</b>	10,719,943
<b>Increase in net assets attributable to subscribers and beneficiaries from operations</b>		<b>33,471,571</b>	7,854,105

**Statements of changes in net assets attributable to subscribers and beneficiaries**  
Year ended March 31, 2021 and 2020

	Notes	2021 \$	2020 \$
<b>Net assets attributable to subscribers and beneficiaries, beginning of year</b>		<b>749,839,088</b>	738,415,039
<b>Increase (decrease) in net assets attributable to subscribers and beneficiaries from operations</b>		<b>33,471,571</b>	7,854,105
<b>Increase in net assets attributable to subscribers and beneficiaries</b>			
Subscriber contributions received (Note 5)	5	<b>44,938,770</b>	54,118,535
Government grants received (Note 2)	2		
Canada Education Savings Grants (CESG)		<b>8,472,435</b>	11,157,391
Canada Learning Bond (CLB)		<b>1,489,325</b>	1,825,900
British Columbia Training and Education Savings Grant (BCTESG)		<b>(2,400)</b>	62,400
Quebec Education Savings Incentive (QESI)		<b>409,057</b>	2,697
Saskatchewan Advantage Grant for Education Savings (SAGES)		<b>(3,008)</b>	(4,495)
		<b>55,304,179</b>	67,162,428
<b>Decrease in net assets attributable to subscribers and beneficiaries</b>			
Refund of subscriber contributions		<b>(47,181,539)</b>	(45,801,373)
Payments to Beneficiaries			
Government grants		<b>(10,183,614)</b>	(9,279,666)
Income earned on Government grants		<b>(2,270,984)</b>	(1,994,768)
Income earned on Subscriber contributions		<b>(7,190,504)</b>	(6,516,677)
		<b>(66,826,641)</b>	(63,592,484)
<b>Net assets attributable to subscribers and beneficiaries, end of year</b>		<b>771,788,197</b>	749,839,088

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

## Legacy Education Savings Plan

### Statements of cash flows

Year ended March 31, 2021 and 2020

	2021	2020
	\$	\$
<b>Operating activities</b>		
Increase in net assets attributable to subscribers and beneficiaries from operations	<b>33,471,571</b>	7,854,105
Adjustment for		
Change in unrealized (depreciation) appreciation on investments	<b>(8,761,674)</b>	8,846,603
Realized (gains) on disposal of investments	<b>(14,827,856)</b>	(7,650,729)
(Increase) in due from Global Educational Trust	<b>(3,246,910)</b>	(148,873)
Decrease in Grant Receivable	<b>100,734</b>	454,243
(Increase) in interest receivable	<b>(24,705)</b>	(248,612)
(Increase) decrease in dividend receivable	<b>(63,209)</b>	18,169
Increase in Accounts Payable	<b>420,933</b>	122,159
(Decrease) increase in payable for securities purchased	<b>(18,401,506)</b>	18,401,506
Decrease (Increase) in receivable for securities sold	<b>19,816,231</b>	(19,816,231)
(Decrease) increase in due to the Advanced Education Savings Plan	<b>(281,104)</b>	208,091
Increase (Decrease) in due to the Fund Manager - Global Growth Assets Inc.	<b>459,047</b>	(920)
(Decrease) Increase in due to the Distributor - Global RESP Corporation	<b>(5,467,044)</b>	1,274,485
Purchase of investments	<b>(546,153,739)</b>	(521,671,925)
Proceeds from sale of investments	<b>576,312,290</b>	525,345,241
	<b>33,353,059</b>	12,987,312
<b>Financing activities</b>		
Subscriber contributions (paid) received, net of fees	<b>(2,242,769)</b>	8,317,161
Government grants received	<b>10,365,409</b>	13,043,893
Educational assistance payments made to beneficiaries	<b>(19,645,102)</b>	(17,791,111)
	<b>(11,522,462)</b>	3,569,943
Increase in cash and cash equivalents	<b>21,830,597</b>	16,557,255
Cash and cash equivalents, beginning of year	<b>32,266,154</b>	15,708,899
<b>Cash and cash equivalents, end of year</b>	<b>54,096,751</b>	32,266,154
<b>Supplemental cash flow information</b>		
Interest received	<b>19,137,953</b>	17,959,999
Dividend received	<b>1,985,907</b>	1,549,854

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



**Legacy Education Savings Plan**  
**Schedule of investments portfolio**  
Year ended March 31, 2021

	Par value \$	Cost \$	Fair value \$
<b>Subscribers' contribution invested - (65.51%)</b>			
<b>Government Securities - 6.12%</b>			
Canada Housing Trust 2.550% March 15,2025	4,020,000	4,074,472	4,258,989
Canada Housing Trust 1.750% June 15,2030	5,940,000	5,898,539	5,872,046
Canada Housing Trust 1.900% September 15,2026	6,425,000	6,539,116	6,615,501
Canada Housing Trust 2.350% June 15,2027	2,000,000	1,978,600	2,105,020
Canada Housing Trust 2.550% December 15,2023	3,450,000	3,440,151.00	3,633,575.00
Canada Housing Trust 2.650% December 15,2028	6,190,000	6,559,461	6,617,481
Government of Canada 1.000% June 1,2027	645,000	588,210	639,634
Government of Canada 1.250% June 1,2030	5,300,000	5,683,508	5,175,397
Government of Canada 2.750% December 1,2048	10,402,000	13,766,411	12,117,082
		<u>48,528,468</u>	<u>47,034,725</u>
<b>Provincial Securities - 21.17%</b>			
Province of British Columbia 2.800% June 18,2048	1,000,000	921,540.00	1,010,760.00
Province of British Columbia 2.950% December 18,2028	3,508,000	3,970,372	3,778,818
Province of British Columbia 2.950% June 18,2050	10,635,000	12,539,440	11,115,596
Province of Manitoba 4.600% March 5,2038	3,915,000	4,851,578	4,886,625
Province of Nova Scotia 2.100% June 1,2027	10,750,000	10,603,696	11,034,983
Province of Ontario 2.800% June 2,2048	17,960,000	19,062,306	17,947,787
Province of Ontario 3.500% June 2,2043	11,650,000	12,281,468	13,091,338
Province of Ontario 4.700% June 2,2037	750,000	915,025	955,613
Province of Ontario 5.600% June 2,2035	14,765,000	19,473,411	20,174,010
Province of Ontario 6.500% March 8,2029	27,625,000	37,908,098	36,711,415
Province of Quebec 2.750% September 1,2027	9,634,000	9,926,773	10,299,613
Province of Quebec 3.750% September 1,2024	22,382,000	24,600,908	24,565,140
Province of Quebec 5.000% December 1,2041	525,000	7,007,108.00	7,134,241.00
Province of Saskatchewan 5.000% March 5,2037	427,000	567,697	553,076
		<u>164,629,420</u>	<u>163,259,015</u>
<b>Municipal Securities - 1.19%</b>			
Ville De Montreal 2.750% September 1,2026	8,620,000	8,895,840	9,160,991
		<u>8,895,840</u>	<u>9,160,991</u>
<b>Financial Institution Securities - 10.11%</b>			
Bank of Nova Scotia 3.100% February 2,2028	1,945,000	1,931,243	2,089,377
Bank of Montreal 2.370% February 3,2025	900,000	899,991	935,001
Bank of Montreal 2.700% December 9,2026	6,108,000	6,324,828	6,462,630
Bank of Montreal 3.190% March 1,2028	1,935,000	1,931,053	2,090,052
Bank of Nova Scotia 2.290% June 28,2024	4,078,000	3,930,241	4,241,365
Bank of Nova Scotia 2.980% April 17,2023	1,150,000	1,157,774	1,203,924
Canadian Imperial Bank of Commerce 2.970% July 11,2023	1,500,000	1,550,025	1,575,255
Canadian Imperial Bank of Commerce 3.300% May 26,2025	1,885,000	1,901,400	2,034,820
Choice Properties REIT 3.556% September 9,2024	3,587,000	3,581,393	3,835,651
CPPIB Capital Inc. 1.950% September 30,2029	10,000,000	9,962,100	9,972,200
CPPIB Capital Inc. 3.000% June 15,2028	4,550,000	4,664,735	4,933,201
Fortified Trust 2.558% March 23,2024	2,200,000	2,206,455	2,300,386
Great-West Lifeco In.c 6.670% March 21,2033	1,505,000	1,967,309	2,005,759
HSBC Bank Canada 3.245% September 15,2023	1,935,000	1,938,599	2,041,444
Manulife Bank of Canada 2.844% January 12,2023	1,950,000	1,934,771	2,022,482
Manulife Financial Corporation 3.049% August 20,2029	6,359,000	6,463,446	6,732,782
National Bank of Canada 1.957% June 30,2022	1,000,000	1,025,690	1,019,050
Royal Bank of Canada 1.936% May 1,2025	2,600,000	2,600,000	2,653,326
Royal Bank of Canada 2.333% December 5,2023	2,010,000	1,946,685	2,087,847

**Legacy Education Savings Plan****Schedule of investments portfolio (continued)**

Year ended March 31, 2021

	Par value \$	Cost \$	Fair value \$
<b>Financial Institution Securities - 10.11% (continued)</b>			
Toronto-Dominion Bank 3.060% January 26,2032	5,035,000	5,492,279	5,277,737
Toronto-Dominion Bank 3.224% July 25,2029	6,691,000	6,850,567	7,084,832
Toronto-Dominion Bank 3.226% July 24,2024	4,110,000	4,326,237	4,402,961
Wells Fargo & Company 3.184% February 8,2024	900,000	961,146	951,345
		<u>75,547,967</u>	<u>77,953,427</u>
<b>Corporate Securities - 15.60%</b>			
407 International Inc. 3.600% May 21,2047	2,030,000	1,955,117	2,115,625
Altalink LP 3.399% June 6,2024	1,927,000	1,966,026	2,061,061
Apple Inc. 2.513% August 19,2024	2,100,000	2,042,488	2,201,577
Bell Canada 2.900% August 12,2026	5,336,000	5,236,439	5,584,978
Bell Canada 3.350% March 22,2023	8,119,000	8,353,239	8,460,160
Bell Canada 3.800% August 21,2028	1,935,000	1,896,958	2,107,022
Brookfield Renewable Partnership Inc. 3.380% January 15,2030	4,305,000	4,281,623	4,566,443
Canadian National Railway 3.200% July 31,2028	3,943,000	4,189,071	4,225,516
Canadian National Railway 3.950% September 22,2045	1,905,000	1,976,399	2,084,565
Canadian National Resources 3.550% June 3,2024	1,250,000	1,343,113	1,328,750
CU Inc. 4.801% November 22,2021	1,840,000	1,944,880	1,889,882
Enbridge Gas Inc. 3.510% November 29,2047	2,100,000	1,958,529	2,160,648
Enbridge Inc. 4.240% August 27,2042	5,501,000	5,472,608	5,506,061
Enbridge Pipelines Inc. 4.130% August 9,2046	2,500,000	2,700,650	2,525,875
George Weston Ltd. 4.115% June 17,2024	1,851,000	2,002,782	1,984,809
Greater Toronto Airports 2.750% October 17,2039	2,200,000	2,196,964	2,055,570
Greater Toronto Airports 3.040% September 21,2022	2,832,000	2,904,341	2,910,730
Honda Canada Finance Inc. 2.500% June 4,2024	1,645,000	1,732,251	1,712,461
Honda Canada Finance Inc. 2.537% March 1,2023	4,541,000	4,588,208	4,686,812
Husky Energy Inc. 3.550% March 12,2025	1,140,000	1,121,851	1,194,173
Hydro One Inc. 5.360% May 20,2036	3,165,000	3,936,360	4,017,461
John Deere Canada Funding Inc. 2.700% January 17,2023	1,970,000	1,943,970	2,044,131
Loblaw Companies Ltd. 4.860% September 12,2023	685,000	723,703	743,485
Mcdonald's Corporation 3.125% March 4,2025	1,270,000	1,241,857	1,352,753
Metro Inc. 3.390% December 6,2027	4,046,000	4,155,551	4,360,455
NAV Canada 3.293% March 30,2048	2,010,000	1,949,929	2,038,442
North West Redwater Partnership 2.800% June 1,2027	2,000,000	2,151,300	2,063,820
Pembina Pipeline Corporation 3.310% February 1,2030	2,500,000	2,703,350	2,565,450
Pembina Pipeline Corporation 4.020% March 27,2028	3,083,000	3,098,236	3,357,479
Pepsico Inc. 2.150% May 6,2024	2,065,000	1,965,001	2,130,357
Rogers Communications Inc. 3.650% March 31,2027	6,915,000	7,752,149	7,417,236
Suncor Energy Inc. 3.100% May 24,2029	1,700,000	1,695,937	1,750,218
Telus Corporation 3.625% March 1,2028	3,615,000	3,992,130	3,887,246
Telus Corporation 3.750% January 17,2025	3,337,000	3,409,256	3,607,330
Telus Corporation 3.750% March 10,2026	2,500,000	2,680,895	2,719,250
The Walt Disney Company 2.758% October 7,2024	2,045,000	2,001,082	2,152,915
Toronto Hydro Corporation 3.540% November 18,2021	1,900,000	1,943,700	1,935,701
Toyota Credit Canada Inc. 2.700% January 25,2023	1,960,000	1,927,072	2,029,266
Transcanada Pipelines 3.000% September 18,2029	2,500,000	2,627,365	2,558,200
Transcanada Pipelines 3.300% July 17,2025	3,734,000	3,996,547	3,983,842
Verizon Communications 2.500% May 16,2030	2,250,000	2,245,838	2,211,612
		<u>118,004,765</u>	<u>120,289,367</u>
<b>Exchange Traded Funds - 5.16%</b>			
BMO S&P 500 Index ETF	374,016	15,662,190	20,499,817
iShares Core MSCI US Quality Dividend Index ETF	86,482	1,927,155	2,057,407

**Legacy Education Savings Plan****Schedule of investments portfolio (continued)**

Year ended March 31, 2021

	Par value \$	Cost \$	Fair value \$
<b>Exchange Traded Funds - 5.16% (continued)</b>			
iShares Core S&P Market Index ETF	177,967	5,543,983	6,812,577
Ishares MSCI Multifactor ETF	158,224	4,328,262	5,292,593
Ishares Nasdaq 100 Index ETF	18,336	1,171,627	1,877,606
Vanguard S&P 500 Index ETF	50,306	2,885,758	3,349,373
		<b>31,518,975</b>	<b>39,889,373</b>
<b>Equities - 4.84%</b>			
Agnico Eagle Mines Ltd.	5,212	344,513	378,652
Alimentation Couche-Tard Inc. - Class B	25,671	836,767	1,040,189
Altius Minerals Corporation	21,644	251,299	324,876
ARC Resources Ltd.	18,626	119,906	143,793
Bank of Montreal	7,138	701,427	799,599
Bank of Nova Scotia	22,701	1,699,913	1,784,753
Barrick Gold Corp	21,927	768,591	546,640
BCE Inc.	21,784	1,214,795	1,235,807
Boyd Group Services Inc.	405	90,521	86,241
Brookfield Asset Management - Class A	24,473	1,062,065	1,368,041
CAE Inc.	13,120	257,868	469,827
Canadian National Railway Company	12,686	1,385,359	1,850,127
Canadian Natural Resources	11,031	463,510	428,554
Canadian Pacific Railway Ltd.	3,198	832,482	1,535,040
CCL Industries Inc - Class B	6,000	355,598	417,120
CGI Inc.	10,091	837,638	1,056,326
Colliers International Group	2,952	187,856	364,513
Dollarama Inc.	5,474	257,164	303,916
Enbridge Inc.	27,803	1,269,166	1,272,821
Fairfax Financial Holdings Ltd.	365	178,248	200,221
First Quantum Minerals Ltd.	9,767	125,906	233,920
Firstservice Corporation	982	169,339	183,182
Fortis Inc.	9,306	430,522	507,456
Franco-Nevada Corporation	3,125	324,718	492,156
Intact Financial Corporation	5,149	594,294	792,946
Loblaw Companies Ltd.	10,514	680,228	738,083
Magna International Inc.	3,575	250,927	395,681
Manulife Financial Corporation	31,152	752,560	842,038
Morneau Shepell Inc.	9,409	283,346	311,532
Northland Power Inc.	12,208	297,016	556,074
Nutrien Ltd.	14,313	867,995	968,990
Onex Corporation	5,542	479,857	433,163
Pembina Pipeline Corporation	4,599	209,980	166,944
Power Corporation of Canada	12,641	333,361	417,532
Prairiesky Royalty Ltd.	26,655	537,891	361,175
Restaurant Brands International Inc.	5,156	383,703	421,400
Rogers Communications Inc. - Class B	10,586	655,837	613,458
Royal Bank of Canada	25,213	2,529,306	2,921,430
Saputo Inc.	9,461	397,773	357,531
Shaw Communications Inc. - Class B	16,883	430,360	551,736
Shopify Inc. - Class A	1,021	781,291	1,416,566
Sun Life Financial Inc.	8,698	474,071	552,410
Suncor Energy Inc.	14,489	520,109	380,626
Suncor Energy Inc.	17,823	790,876	468,210
TC Energy Corporation	17,084	963,911	984,209
Teck Resources Ltd. - Class B	7,985	232,962	192,199

**Legacy Education Savings Plan****Schedule of investments portfolio (continued)**

Year ended March 31, 2021

	Par value \$	Cost \$	Fair value \$
<b>Equities - 4.84% (continued)</b>			
Telus International Canada Inc.	2,800	89,621	98,980
Thomson Reuters Corporation	3,712	353,693	408,654
Toromont Industries Ltd.	5,155	312,302	495,859
Toronto-Dominion Bank	31,771	2,308,023	2,603,952
Waste Connections Inc.	7316	780,412	993,294
Westshore Terminals Investment	18193	361,534	352,944
Wheaton Precious Metals Corporation	9,184	287,761	440,832
WSP Global Inc.	1,324	116,117	158,297
		<u>32,222,288</u>	<u>37,420,515</u>
<b>Real State Investment Securities - 0.02%</b>			
Granite Real Estate Investment	2,404	187,380	183,714
		<u>187,380</u>	<u>183,714</u>
<b>Guaranteed Investment Certificate - 1.30%</b>			
Versa Bank 4.500% August 3, 2021	10,000,000	10,000,000	10,000,000
		<u>10,000,000</u>	<u>10,000,000</u>
<b>Total Subscriber contributions invested</b>		<u>489,535,103</u>	<u>505,191,127</u>
<b>Government Grants invested - (27.48%)</b>			
<b>Government Securities - 2.68%</b>			
Canada Housing Trust 2.550% March 15,2025	1,630,000	1,648,882	1,726,904
Canada Housing Trust 1.750% June 15,2030	2,375,000	2,358,423	2,347,830
Canada Housing Trust 1.900% September 15,2026	3,505,000	3,601,246	3,608,923
Canada Housing Trust 2.350% June 15,2027	850,000	840,905	894,634
Canada Housing Trust 2.550% December 15,2023	1,650,000	1,644,636	1,737,797
Canada Housing Trust 2.650% December 15,2028	2,515,000	2,658,353	2,688,686
Government of Canada 1.000% June 1,2027	882,000	804,437	874,662
Government of Canada 2.750% December 1,2048	5,789,000	7,663,305	6,743,490
		<u>21,220,187</u>	<u>20,622,926</u>
<b>Provincial Securities - 9.19%</b>			
Province of British Columbia 2.950% December 18,2028	1,052,000	1,190,659	1,133,214
Province of British Columbia 2.950% June 18,2050	4,527,000	5,337,930	4,731,575
Province of Manitoba 4.600% March 5,2038	1,591,000	1,971,188	1,985,854
Province of Nova Scotia 2.100% June 1,2027	4,363,000	4,302,764	4,478,663
Province of Ontario 2.800% June 2,2048	8,290,000	8,878,464	8,284,363
Province of Ontario 3.500% June 2,2043	5,225,000	5,397,582	5,871,437
Province of Ontario 4.700% June 2,2037	375,000	458,355	477,806
Province of Ontario 5.600% June 2,2035	6,930,000	9,139,908	9,468,736
Province of Ontario 6.500% March 8,2029	12,395,000	17,078,738	16,471,963
Province of Quebec 2.750% September 1,2027	3,920,000	4,041,697	4,190,833
Province of Quebec 3.750% September 1,2024	9,362,000	10,283,653	10,275,169
Province of Quebec 5.000% December 1,2041	2,397,000	3,137,897	3,254,191
Province of Saskatchewan 5.000% March 5,2037	192,000	255,264	248,690
		<u>71,474,099</u>	<u>70,872,494</u>
<b>Municipal Securities - 0.48%</b>			
Ville De Montreal 2.750% September 1,2026	3,503,000	3,615,096	3,722,848
		<u>3,615,096</u>	<u>3,722,848</u>
<b>Financial Institution Securities - 4.38%</b>			
Bank of Nova Scotia 3.100% February 2,2028	915,000	908,509	982,920
Bank of Montreal 2.370% February 3,2025	400,000	399,996	415,556
Bank of Montreal 2.700% December 9,2026	2,423,000	2,505,911	2,563,679
Bank of Montreal 3.190% March 1,2028	910,000	908,144	982,918
Bank of Nova Scotia 2.290% June 28,2024	1,304,000	1,260,540	1,356,238

## Legacy Education Savings Plan

### Schedule of investments portfolio (continued)

Year ended March 31, 2021

	Par value \$	Cost \$	Fair value \$
<b>Financial Institution Securities - 4.38% (continued)</b>			
Bank of Nova Scotia 2.980% April 17,2023	700,000	704,732	732,823
BCIMC Realty Corporation 3.000% March 31,2027	1,000,000	992,890	1,059,540
Canadian Imperial Bank of Commerce 2.970% July 11,2023	600,000	620,010	630,102
Canadian Imperial Bank of Commerce 3.300% May 26,2025	885,000	892,420	955,340
Choice Properties REIT 3.556% September 9,2024	1,454,000	1,448,188	1,554,791
CPPIB Capital Inc. 1.950% September 30,2029	4,500,000	4,482,945	4,487,490
CPPIB Capital Inc. 3.000% June 15,2028	1,850,000	1,903,640	2,005,807
Fortified Trust 2.558% March 23,2024	680,000	680,000	711,028
Great-West Lifeco Inc. 6.670% March 21,2033	695,000	908,530	926,247
HSBC Bank Canada 3.245% September 15,2023	905,000	906,683	954,784
Manulife Bank of Canada 2.844% January 12,2023	915,000	907,854	949,011
Manulife Financial Corporation 3.049% August 20,2029	2,561,000	2,605,372	2,711,536
National Bank of Canada 1.957% June 30,2022	400,000	410,276	407,620
Royal Bank of Canada 1.936% May 1,2025	1,200,000	1,200,000	1,224,612
Royal Bank of Canada 2.333% December 5,2023	945,000	915,233	981,600
Toronto-Dominion Bank 3.060% January 26,2032	2,013,000	2,195,821	2,110,047
Toronto-Dominion Bank 3.224% July 25,2029	2,631,000	2,724,014	2,785,861
Toronto-Dominion Bank 3.226% July 24,2024	1,745,000	1,829,625	1,869,384
Wells Fargo & Company 3.184% February 8,2024	415,000	443,195	438,676
		<u>32,754,528</u>	<u>33,797,610</u>
<b>Corporate Securities - 6.68%</b>			
407 International Inc. 3.600% May 21,2047	935,000	900,574	974,438
Altalink LP 3.399% June 6,2024	890,000	908,037	951,917
Apple Inc. 2.513% August 19,2024	1,000,000	969,961	1,048,370
Bell Canada 2.900% August 12,2026	2,149,000	2,103,132	2,249,272
Bell Canada 3.350% March 22,2023	3,243,000	3,332,201	3,379,271
Bell Canada 3.800% August 21,2028	910,000	892,109	990,899
Brookfield Renewable Partners 3.380% January 15,2030	1,752,000	1,742,497	1,858,399
Canadian National Railway 3.200% July 31,2028	1,608,000	1,706,960	1,723,213
Canadian National Railway 3.950% September 22,2045	895,000	928,545	979,363
Canadian National Resources 3.550% June 3,2024	595,000	639,322	632,485
CU Inc. 4.801% November 22,2021	860,000	909,020	883,315
Enbridge Gas Inc. 3.510% November 29,2047	970,000	904,652	998,014
Enbridge Inc. 4.240% August 27,2042	2,141,000	2,126,891	2,142,970
Enbridge Pipelines Inc. 4.130% August 9,2046	1,000,000	1,075,412	1,010,350
George Weston Ltd. 4.115% June 17,2024	740,000	800,680	793,495
Greater Toronto Airports 2.750% October 17,2039	1,020,000	1,018,592	953,037
Greater Toronto Airports 3.040% September 21,2022	1,515,000	1,555,064	1,557,117
Honda Canada Finance Inc. 2.500% June 4,2024	760,000	800,310	791,168
Honda Canada Finance Inc. 2.537% March 1,2023	1,728,000	1,746,381	1,783,486
Husky Energy Inc. 3.550% March 12,2025	535,000	526,483	560,423
Hydro One Inc. 5.360% May 20,2036	1,258,000	1,584,882	1,596,830
John Deere Canada Funding Inc. 2.700% January 17,2023	1,000,000	988,651	1,037,630
Loblaw Companies Ltd. 4.860% September 12,2023	315,000	332,798	341,895
McDonald's Corporation 3.125% March 4,2025	595,000	581,815	633,770
Metro Inc. 3.390% December 6,2027	1,644,000	1,689,243	1,771,772
NAV Canada 3.293% March 30,2048	930,000	902,235	943,160
North West Redwater Partnership 2.800% June 1,2027	1,000,000	1,075,650	1,031,910
Pembina Pipeline Corporation 3.310% February 1,2030	1,000,000	1,081,340	1,026,180
Pembina Pipeline Corporation 4.020% March 27,2028	1,254,000	1,255,358	1,365,644
Pepsico Inc. 2.150% May 6,2024	950,000	904,011	980,068

**Legacy Education Savings Plan**  
**Schedule of investments portfolio (continued)**  
Year ended March 31, 2021

	Par value	Cost	Fair value
	\$	\$	\$
<b>Corporate Securities - 6.68% (continued)</b>			
Rogers Communications Inc. 3.650% March 31,2027	2,710,000	3,037,385	2,906,828
Suncor Energy Inc. 3.100% May 24,2029	800,000	798,088	823,632
Telus Corporation 3.625% March 1,2028	1,465,000	1,618,364	1,575,329
Telus Corporation 3.750% January 17,2025	1,350,000	1,390,921	1,459,364
Telus Corporation 3.750% March 10,2026	1,000,000	1,064,220	1,087,700
The Walt Disney Company 2.758% October 7,2024	820,000	799,525	863,271
Toronto Hydro Corporation 3.540% November 18,2021	890,000	910,470	906,723
Toyota Credit Canada Inc. 2.700% January 25,2023	920,000	904,544	952,513
Transcanada Pipelines 3.000% September 18,2029	1,100,000	1,152,239	1,125,608
Transcanada Pipelines 3.300% July 17,2025	1,515,000	1,621,893	1,616,369
Verizon Communications 2.500% May 16,2030	1,250,000	1,247,688	1,228,673
		<u>50,528,143</u>	<u>51,535,871</u>
<b>Exchange Traded Funds - 2.11%</b>			
BMO S&P 500 Index ETF	153,395	6,422,554	8,407,580
iShares Core MSCI US Quality Dividend Index ETF	35,807	798,644	851,849
iShares Core S&P Market Index ETF	71,402	2,223,674	2,733,269
Ishares MSCI Multifactor ETF	65,512	1,793,766	2,191,376
Ishares Nasdaq 100 Index ETF	7,348	469,238	752,435
Vanguard S&P 500 Index ETF	20,223	1,161,301	1,346,447
		<u>12,869,177</u>	<u>16,282,956</u>
<b>Equities - 1.95%</b>			
Agnico Eagle Mines Ltd.	2,093	138,338	152,056
Alimentation Couche-Tard Inc. - Class B	10,323	336,766	418,288
Altius Minerals Corporation	8,691	100,957	130,452
ARC Resources Ltd.	7,478	48,138	57,730
Bank of Montreal	2,867	283,834	321,161
Bank of Nova Scotia	9,116	687,962	716,700
Barrick Gold Corporation	8,825	309,196	220,007
BCE Inc.	8,748	486,872	496,274
Boyd Group Services Inc.	162	36,208	34,496
Brookfield Asset Management - Class A	9,840	431,208	550,056
CAE Inc.	5,268	103,582	188,647
Canadian National Railway Company	5,094	562,435	742,909
Canadian Natural Resources	4,430	186,489	172,106
Canadian Pacific Railway Ltd.	1,284	338,474	616,320
CCL Industries Inc - Class B	2,409	143,188	167,474
CGI Inc.	4,052	339,176	424,163
Colliers International Group	1,184	75,347	146,200
Dollarama Inc.	2,198	103,378	122,033
Enbridge Inc.	11,165	509,334	511,133
Fairfax Financial Holdings Ltd.	146	71,288	80,088
First Quantum Minerals Ltd.	3,932	50,704	94,171
Firstservice Corporation	394	67,943	73,497
Fortis Inc.	3,747	173,321	204,324
Franco-Nevada Corporation	1,255	131,748	197,650
Intact Financial Corporation	2,068	239,387	318,472
Loblaw Companies Ltd.	4,222	273,386	296,384
Magna International Inc.	1,436	100,769	158,936
Manulife Financial Corporation	12,510	304,541	338,145
Morneau Shepell Inc.	3,778	113,774	125,090
Northland Power Inc.	4,902	119,626	223,286



**Legacy Education Savings Plan****Schedule of investments portfolio (continued)**

Year ended March 31, 2021

	Par value \$	Cost \$	Fair value \$
<b>Equities - 1.95% (continued)</b>			
Nutrien Ltd.	5,755	349,925	389,613
Onex Corporation	2,225	192,997	173,906
Pembina Pipeline Corporation	1,847	84,312	67,046
Power Corporation of Canada	5,076	133,874	167,660
Prairiesky Royalty Ltd.	10,703	213,384	145,026
Restaurant Brands International Inc.	2,070	154,107	169,181
Rogers Communications Inc. - Class B	4,255	263,929	246,577
Royal Bank of Canada	10,125	1,021,748	1,173,183
Saputo Inc.	3,795	159,534	143,413
Shaw Communications Inc. - Class B	6,779	172,971	221,538
Shopify Inc. - Class A	411	314,537	570,234
Sun Life Financial Inc.	3,493	190,563	221,840
Suncor Energy Inc.	12,976	527,984	340,880
TC Energy Corporation	6,860	386,470	395,205
Teck Resources Ltd. - Class B	3,207	93,372	77,192
Telus International Canada Inc.	1,100	35,208	38,885
Thomson Reuters Corporation	1,490	141,981	164,034
Toromont Industries Ltd.	2,070	125,795	199,113
Toronto-Dominion Bank	12,759	939,672	1,045,727
Waste Connections Inc.	2,937	315,668	398,757
Westshore Terminals Investment	7,305	144,767	141,717
Wheaton Precious Metals Corporation	3,688	116,656	177,024
WSP Global Inc.	533	46,764	63,725
		<u>12,993,587</u>	<u>15,029,724</u>
<b>Real State Investment Securities - 0.01%</b>			
Granite Real Estate Investment	965	75,217	73,745
		<u>75,217</u>	<u>73,745</u>
<b>Total Government Grants invested</b>		<u>205,530,034</u>	<u>211,938,174</u>
<b>Total Subscriber contributions and Government Grants invested - 92.98%</b>			
Cash - 1.05%		695,065,137	717,129,301
Cash Equivalent - 5.97%		7,448,963	7,448,963
		47,312,880	46,647,788
<b>Total Investment Portfolio - 100%</b>		<u>749,826,980</u>	<u>771,226,052</u>

## **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 financial statements of the Plan were authorized for issuance by the Board of Directors of the Foundation and GGAI on June 24, 2021.

## **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*

The Plan classifies its investments in debt and equity securities and open-ended investment funds based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

These financial assets are managed and their performance is evaluated on a fair value basis. The Plan also manages these financial assets with the objective of realizing cash flows through sales. The Plan has not taken the option to irrevocably designate any of its equity securities at fair value through other comprehensive income ("FVOCI"). Consequently, these financial assets are mandatorily measured at fair value through profit or loss ("FVTPL").

Financial assets and liabilities are recognized when the Plan becomes a party to the contractual provisions of the instruments and are initially measured at fair value with transaction costs recorded immediately through profit or loss. Investments are recorded on a trade date basis.



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

*a) Recognition, measurement and classification (continued)*

Gains or losses due to the revaluation are recorded in net earnings for the period in which they arise. Financial assets classified as “amortized” and financial liabilities classified as “other liabilities” are measured at their amortized cost using the effective interest method.

The fair value of fixed income securities that are not publicly traded is measured using the bid price from multiple dealers, or by the present value of contractual cash flows, discounted at current market rates. Interest accrued at the reporting date is included in Interest receivable on the Statements of Financial Position. The fair value of securities that are publicly traded in an active market is measured using bid prices at the reporting date.

The VersaBank Guaranteed Investment Certificate (“GIC”) held by the Plan is not traded in an active market. The VersaBank GIC is carried at par value, which approximates its fair value, as of March 31, 2021 and March 31, 2020.

*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 and 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 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 and cash equivalents consist of investments in money market securities and Government of Canada treasury bills maturing within ninety days from the date of purchase. These investments are carried at FVTPL.

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

*e) Investment transactions and income recognition*

The interest for educational assistance payments shown on the Statements of Comprehensive Income represents the coupon interest received by the Plan accounted for on an accrual basis, by reference to the principal outstanding and the nominal interest rate applicable. Dividends are recognized on the ex-dividend date.

Realized gains (losses) on disposal of investments and Change in unrealized appreciation (depreciation) on investments are calculated with reference to the average cost of the related investments and 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.

*f) Income taxes*

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

*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.

## **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 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.

## **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.

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

### *a) Measurement of fair value of investments not quoted in an active market*

The Plan holds financial assets that are not traded in an active market such as VersaBank GIC. These are valued using pricing models that use both observable and unobservable inputs requiring estimates and assumptions to be made. Changes in assumptions about these factors could affect the reported fair values. Refer to Note 6 for more information on the fair value measurement of the Plan’s financial instruments.

**3. Critical accounting estimates and judgements (continued)**

*b) Classification and measurement of investments and application of the fair value option*

In classifying and measuring financial instruments held by the Plan, management is required to make significant judgments regarding the instruments' characteristics. The most significant judgment rests with 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. This classification is in line with the Plan's strategy described in the prospectus. The Plan's activity consists of investing in financial assets with a view to profiting from their total return in the form of interest and changes in fair value.

**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 receivable included \$0 (\$990,136 in 2020) receivable from the Foundation for discretionary EAP payments made to subscribers. The Plan's payable include \$0 (\$5,467,044 in 2020) payable to GRESP settled through the Foundation for fees collected, \$85,768 to AESP and \$638,659 (\$179,612 in 2020) payable to GGAI settled through the Foundation for administration fees in 2020. Plan owes Foundation \$2,256,774 (\$0 in 2020) 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, 2020 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 years ended March 31, 2021 and March 31, 2020 are as follows:

	<b>2021</b>	2020
	<b>\$</b>	\$
Balance, beginning year	<b>468,711,858</b>	460,394,698
Amount contributed by subscribers	<b>47,966,814</b>	57,673,107
Sales charges	<b>(130,624)</b>	(1,319,183)
Account maintenance fees	<b>(2,380,326)</b>	(1,461,161)
Insurance premiums	<b>(254,548)</b>	(281,657)
Special service fees	<b>(262,546)</b>	(492,573)
Principal withdrawals on terminations or return of contribution	<b>(47,181,539)</b>	(45,801,373)
Balance, end of year	<b>466,469,089</b>	468,711,858

**Legacy Education Savings Plan**  
**Notes to the financial statements**  
 March 31, 2021 and 2020

**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:

	Level 1	Level 2	Level 3	2021 Total
	\$	\$	\$	\$
Assets measured at fair value as of March 31, 2021				
Cash equivalents	—	46,647,788	—	46,647,788
Fixed income securities	—	654,679,062	10,000,000	664,679,062
Equity securities	52,450,239	—	—	52,450,239
	<b>52,450,239</b>	<b>701,326,850</b>	<b>10,000,000</b>	<b>763,777,089</b>
				2020
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets measured at fair value as of March 31, 2020				
Cash equivalents	—	13,308,086	—	13,308,086
Fixed income securities	—	606,520,461	10,000,000	616,520,461
PPNs	—	—	30,135,000	30,135,000
Equity securities	70,549,041	—	—	70,549,041
	<b>70,549,041</b>	<b>619,828,547</b>	<b>40,135,000</b>	<b>730,512,588</b>

There were no financial instruments that were transferred into or out of any Levels during the years ended March 31, 2021 and March 31, 2020.

Financial instruments classified as Level 3 represent the Plan's investment in VersaBank GIC. These securities are priced based on valuation models. The most significant unobservable input used in the valuation model is the yield used to value the securities. Management estimates that a 1% increase or decrease in the yields used by management would decrease or increase net assets attributable to subscribers and beneficiaries by approximately \$0 (\$301,350 in 2020).

**6. Fair value of financial instruments (continued)**

The reconciliation of financial instruments measured at fair value using unobservable inputs (Level 3) is presented as follows:

	<b>2021</b>	2020
	\$	\$
Opening balance	<b>40,135,000</b>	90,452,000
Proceeds from maturity and sale	<b>(30,000,000)</b>	(50,000,000)
Change in unrealized gains (losses)	<b>(135,000)</b>	(317,000)
Closing balance	<b>10,000,000</b>	40,135,000

**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 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) 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.

**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 March 31, 2021 and March 31, 2020:

	<b>2021</b>	2020
	<b>%</b>	%
Less than 1 year	<b>9.4</b>	13.3
1-3 years	<b>8.3</b>	16.2
3-5 years	<b>15.9</b>	8.1
Greater than 5 years	<b>66.4</b>	62.4
	<b>100.0</b>	100.0

As at March 31, 2021, management estimates that if prevailing interest rates had increased or decreased by 1% (March 31, 2020 1%), the total investment portfolio of debt instruments, which excludes PPNs, would increase or decrease by approximately \$46.9 million (March 31, 2020 \$46.1 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 may differ materially.

(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 7.3% (March 31, 2020 - 5.2%), equities which represent 6.8% (March 31, 2020 - 9.5%).

As at March 31, 2021, 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 \$1,086,000 (March 31, 2020 - \$804,204). In practice, the actual trading results may 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 6.3% (March 31, 2020 - 4.7%) of the Total Investment Plan. The fair value of the Total Investment Plan would increase or decrease by approximately \$488.5K (March 31, 2020 - 354K) in response to a 1% depreciation or appreciation of the Canadian dollar currency exchange rate. In practice, the actual change may differ materially.

**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 March 31, 2021 and March 31, 2020, the Plan's credit exposure to long term debt instruments is as follows:

	<b>2021</b>	2020
	<b>%</b>	%
Bond ratings		
AAAH/AAA/AAH/AAL	<b>57.10</b>	54.46
AA/AH/A	<b>26.02</b>	20.61
BBB/BB/BBBH	<b>15.35</b>	9.78
Unrated	<b>1.53</b>	15.15
	<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. Unrated debt instruments are composed of the VersaBank GIC.

*(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.



## **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:

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;

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

Mr. Bouji paid in 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;

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

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, 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.

**Legacy Education Savings Plan**

**Schedule 1 – Educational assistance payment agreements**

Year ended March 31, 2021

Year of eligibility	Number of units outstanding \$	Principal plus accumulated income \$	Government grants plus accumulated income \$	Total \$
2000	41	5,324	1,313	6,637
2001	21	3,664	801	4,465
2002	50	3,028	1,609	4,637
2003	289	20,459	6,442	26,901
2004	959	84,538	14,549	99,087
2005	1,565	147,236	40,860	188,096
2006	3,010	183,551	51,675	235,226
2007	5,235	300,060	79,566	379,626
2008	9,373	354,604	100,461	455,065
2009	13,793	491,000	163,539	654,539
2010	21,072	788,425	229,449	1,017,874
2011	28,731	977,484	354,412	1,331,896
2012	41,149	1,393,401	450,762	1,844,163
2013	45,512	1,670,964	629,687	2,300,651
2014	52,974	2,359,797	824,945	3,184,742
2015	64,699	3,778,216	1,291,599	5,069,815
2016	74,727	5,011,699	1,747,651	6,759,350
2017	86,569	7,661,306	2,603,583	10,264,889
2018	109,085	11,878,450	3,911,866	15,790,316
2019	122,539	17,530,371	5,858,662	23,389,033
2020	141,085	28,335,422	8,904,029	37,239,451
2021	145,814	52,349,652	14,793,523	67,143,175
2022	161,566	56,004,190	20,672,673	76,676,863
2023	166,731	53,869,150	21,600,682	75,469,832
2024	179,707	54,176,538	22,443,910	76,620,448
2025	188,484	51,849,927	22,290,417	74,140,344
2026	176,271	44,194,335	19,942,101	64,136,436
2027	160,460	35,583,894	16,717,279	52,301,173
2028	143,226	28,534,529	13,699,316	42,233,845
2029	131,271	22,982,848	11,256,471	34,239,319
2030	109,751	16,897,190	8,629,573	25,526,763
2031	92,396	12,456,670	6,481,538	18,938,208
2032	71,466	8,110,274	4,476,913	12,587,187
2033	50,376	4,697,072	2,687,215	7,384,287
2034	45,730	3,962,538	1,922,276	5,884,814
2035	33,997	2,050,351	1,165,045	3,215,396
2036	24,052	886,799	614,457	1,501,256
2037	10,425	160,451	190,601	351,052
<b>March 31, 2021</b>	<b>2,714,201</b>	<b>531,745,407</b>	<b>216,851,450</b>	<b>748,596,857</b>
March 31, 2020	2,730,484	523,713,204	211,595,489	735,308,688

**Legacy Education Savings Plan**

**Schedule 2 – Reconciliation of educational assistance agreements**

Year ended March 31, 2021 and 2020

	Opening agreements	Inflow agreements	Outflow agreements	Closing agreements
The following is a summary of Educational Assistance Payment contracts				
<b>2021</b>	<b>55,732</b>	<b>19</b>	<b>6,753</b>	<b>48,998</b>
2020	60,598	740	5,606	55,732

	2021 \$	2020 \$
The following reconciles Schedule 1 to the statements of financial position		
Total principal, government grants and accumulated income (Schedule 1)	<b>748,596,857</b>	735,308,688
Represented in the statements of financial position by		
Subscriber contributions	<b>466,469,089</b>	468,711,858
Accumulated government grants	<b>189,047,815</b>	188,866,021
Income earned on Subscriber contributions and government grants, net transferred	<b>94,260,064</b>	79,011,654
	<b>749,776,968</b>	736,589,533
Less: Government grants receivable	<b>1,180,111</b>	1,280,845
	<b>748,596,857</b>	735,308,688