

MANAGEMENT REPORT OF FUND PERFORMANCE

LEGACY EDUCATION SAVINGS PLAN

(Formerly Global Educational Trust Plan)

FOR THE YEAR ENDED MARCH 31, 2023

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

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

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

MANAGEMENT REPORT OF FUND PERFORMANCE

Global Growth Assets Inc. (“GGAI” or the “Manager”) has retained the services of Jarislowsky Fraser Ltd (“Jarislowsky Fraser”) and UBS Investment Management Canada Inc. (“UBS”) to act as the portfolio advisors for the Plan.

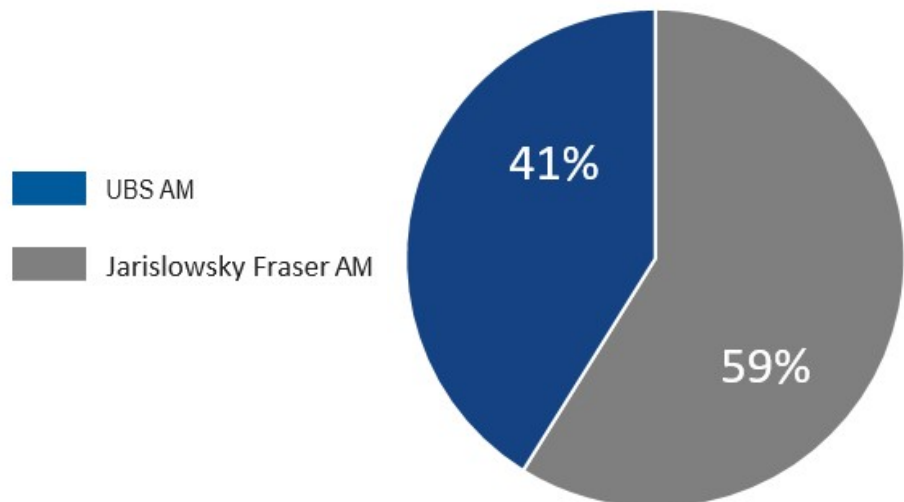
The views of the portfolio advisors contained in this report are as of March 31, 2023, the Plan’s latest Fiscal year-end and this report is not intended to provide legal, accounting, tax, or specific investment advice. Views, portfolio holdings and allocations may have changed subsequent to this date.

Investment Objective and Strategies

GGAI invests in a prudent manner, with the objective to preserve capital while providing long-term growth through capital appreciation on your Legacy Education Savings Plan investment. GGAI invests Principal assets in a combination of government fixed-income securities and Canadian corporate bonds with a minimum debt rating of BBB and above. Income assets (money earned on either contributions or government grants, such as interest and capital gains) are invested in Canadian equity securities and exchange-traded funds (ETF).

Jarislowsky Fraser, and UBS, manage assigned portions of the Plan’s assets. The assets are allocated among different market sectors and different maturity segments at the portfolio advisors’ discretion, but are subject to the guidelines defined in GGAI’s investment policies and mandates.

As at March 31, 2023 the investment advisors managed the following percentage of assets on behalf of the Plan:



Independent Review Committee

As of March 31, 2023, the following changes to the composition of the Independent Review Committee (“IRC”) occurred:

- Mr. Harry Mohabir has been re-appointed as a Chair of the IRC. Mr. Mohabir's term will mature on July 25, 2025.
- Mr. Reg Taccone's term matured on March 3, 2023. Mr. Taccone's term was extended for another 3 years to March 3, 2026
- Mr. John Lombard has been retained as an IRC member. Mr. Lombard's term will mature on December 15, 2023.

Risk

For the year ended March 31, 2023, there was no change to the investment strategy of the Plan. As the portfolio is primarily invested in fixed-income instruments, the key risks associated with fixed income investing are interest rate risk, liquidity risk, pricing risk and credit risk.

Results of Operations

The net assets of the Plan as of March 31, 2023 were \$667.5 million (2022 - \$728.4 million) of which approximately \$665.2 million (2022 - \$729.4 million) represents the Plan's investment portfolio. The Plan's net rate of return during the fiscal year was -2.98% compared to the FTSE Canada Universe Bond Index return of -2.01%, -0.03% return for the S&P 500 Index (cad-hedged) and -5.17% return for the S&P TSX composite Index. In addition the Plan's return was net of administration, investment counsel, custodial and independent review committee fees. Fees are not deducted from Benchmark returns.

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

Within the equity allocation of the total portfolio, there is a slight tilt towards Canadian equities. However, there have not been any significant changes that affected the overall risk level as both Jarislowsky Fraser and UBS continue to invest in high quality Canadian stocks and U.S. equities via exchange traded funds (ETFs) that are listed on a Canadian exchange, such as the S&P TSX Composite Exchange.

Economic Review

It was a historically difficult 2022 across the fixed-income landscape as most investors did not anticipate the surprisingly strong global inflation and rapidly rising policy-set interest rates. With the sharp rise in global bond yields, bond markets posted significant negative returns for 2022. In Canada, the FTSE Canada Universe Bond Index finished down 11.7% for 2022 and down 2% for the one year ending March 31, 2023.

The Bank of Canada and the Federal Reserve ended 2022 with one final December rate hike, bringing seven rate hikes this year for the BOC and a whopping 400bp increase since January. While the BoC has signalled that they are at least "considering whether the policy interest rate needs to rise further, the Fed appears committed to fighting inflation. A central bank's December meeting comment advised against moving away from their current strategy: Given the persistent and unacceptably high level of inflation, several participants commented that historical experience cautioned against prematurely loosening monetary policy.

Fixed income markets began 2023 a little brighter, as the Bank of Canada paused its rate-hiking cycle in the first quarter, and yields declined. As a result, fixed-income holdings generally rose quite strongly in early 2023 as investors are now seemingly looking towards an economic slowdown in the year's second half.

Recent Developments

After marginally contracting in December, the Canadian economy rebounded by 0.5% (MoM) in January. The growth was broad-based as wholesale trade, transportation and warehousing, mining, quarrying, and oil and gas extraction sectors rebounded.

March saw employment gains 34,700 while the unemployment rate remained steady at 5.0%. Hours worked increased by 5% (QoQ, SAAR), and wage growth was 5.2% (YoY). February headline inflation for Canada moderated to 5.2% (YoY), down from 5.9% in January. Food inflation remains sticky as grocery prices increased 10.6% from a year ago. After raising interest rates by 425 basis points in a year, the Bank of Canada held rates steady in March. They are projecting inflation to moderate to 3% by mid-2023.

The US Federal Reserve increased its Fed Funds rate by 25 basis points on March 22 and signaled that one more possible hike could be needed soon. This warning came against the backdrop of the collapse of two FDIC banks and concern over the regional banking sector and potential contagion. Central banks must walk a fine line to combat inflation, recession, and financial stability concerns.

FINANCIAL AND OPERATING HIGHLIGHTS

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

(Dollar amounts in \$'000)

Statement of financial Position	2023	2022	2021	2020	2019
Total Assets	\$669,893	\$733,950	\$776,212	\$775,275	\$743,846
Net Assets	\$667,531	\$728,378	\$771,788	\$749,839	\$738,415
% change in Net Assets	-8.35%	-5.62%	2.93%	1.55%	5.67%
Statement of Comprehensive Income					
Net Investment Income	-\$22,089	-\$16,719	\$33,471	\$7,854	\$28,867
Statement of Changes in Net Assets					
Educational Assistance Payments ("EAP")¹	\$6,912	\$9,247	\$7,191	\$6,517	\$6,911
Government Grants	\$14,766	\$11,699	\$10,184	\$9,280	\$9,180
Other					
Total Number of Contracts	37,737	43,228	48,998	55,732	60,598
% change in Number of Contracts	-12.70%	-11.78%	-12.08%	-8.02%	-7.84%

¹ The education assistance payments does not include discretionary Payments

Management fees

Total administration fee expenses for the year ended March 31, 2023 were \$9.50 million (2022 - \$10.78 million). From the administration fees received by GGAI, investment advisory fees and Trustee fees of \$945,690 were paid representing 10% of the total administration expense (2022 - \$929,356 representing 9%). The net administration fee of \$8.60 million (2022 - \$9.73 million), representing 90% and 91% of total fees, comprises the Plan's administration and financial reporting expenses.

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

Related Party Transactions

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

The Foundation receives sales charges which are deducted from contributions made by subscribers. In exchange for its administrative services, GGAI is entitled to receive administration fees of 1.95% per annum of the assets of the Plan (for existing contracts prior to the 27th of January 2016, the management fee is 1.20%). As contributions to the discretionary Payment account, the Foundation contributes 15% of the net administration fees charged and 5% of the net sales charges collected from contracts written on or after the 27th of January 2016 until March 2020. For contracts prior to the 27th of January 2016, the Foundation contributes 25% of the net administration fees charged and 5% of the net sales charges collected.

In addition, 20% to 40% of optional insurance premiums collected from subscribers and special service fees charged to subscribers principally in respect of dishonored and returned cheques, were remitted to LESP.

At March 31, 2023, the Plan has amounts payable to GGAI of \$100,881 (2022 - \$362,110) related to administration fees, and amounts payable to AESP for contribution and grants not yet allocated to the advanced Education Savings Plan of \$24,693 (2022 - \$111,028). The Plan has amounts payable to the Foundation \$584,964 (2022 - \$3,546,426) for administration and fees collected.

Discretionary Payments

The Foundation intends to enhance EAP paid each year to Qualified Students whom have completed all their scheduled deposits. The amount is at the sole discretion of the Foundation, subject to the maximum limit described below. The total amount paid to a Qualified Student will not exceed the total amount of Sales Charges paid by the Subscriber in respect to that Qualified Student. The Discretionary Payments are not guaranteed and may fluctuate from year to year. The Foundation may, in any given year, choose to pay less than the amount available in order to reserve funds for payment in future years.

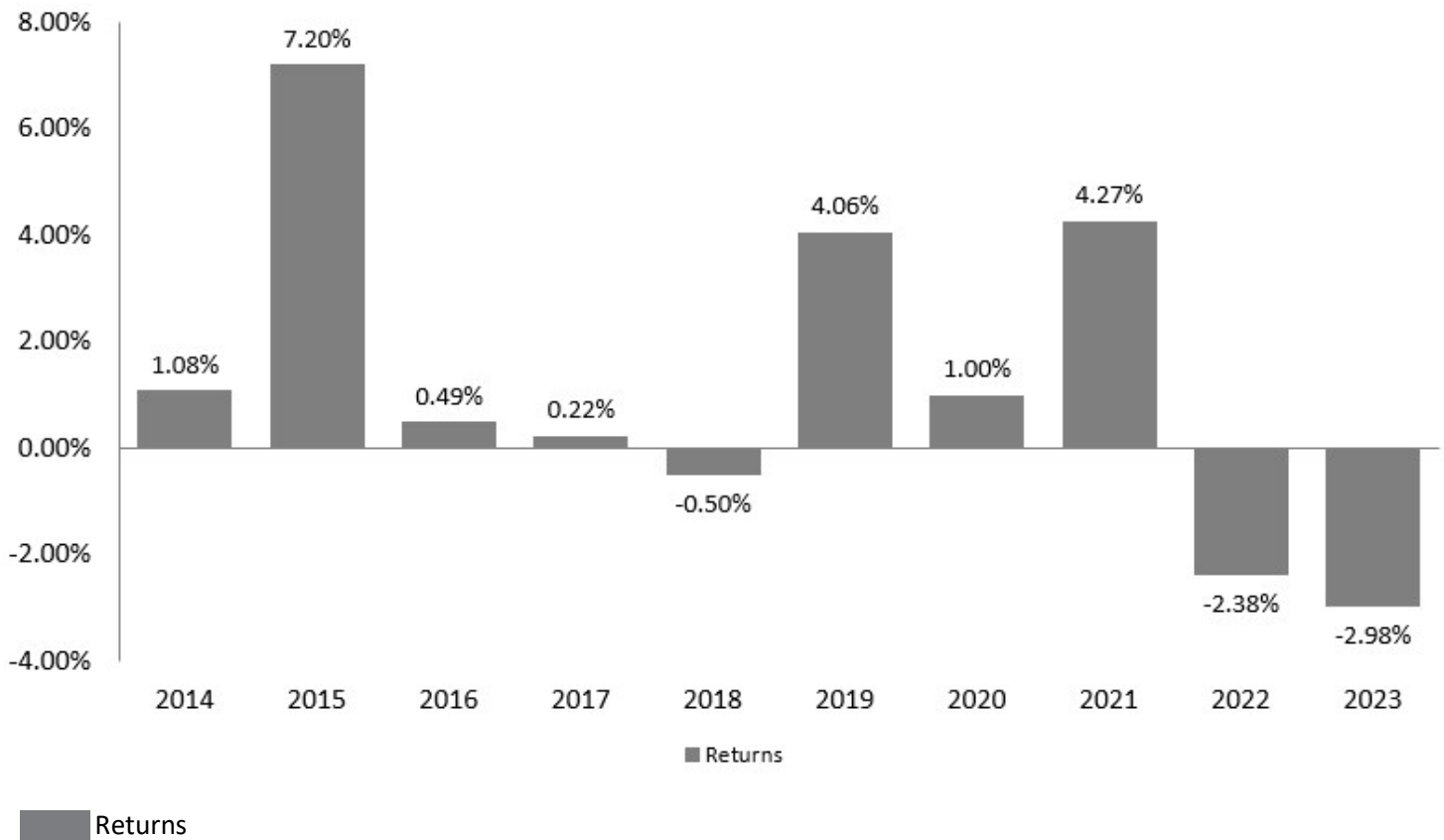
Since inception 1998 to March 31, 2023, discretionary Payments advanced to Qualified Students totaled approximately \$34.6 million.

PAST PERFORMANCE

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

Year-by-Year Returns

The bar chart indicates the Plan's performance for each of the financial years shown. Annual return is the percentage change in the value of an investment over a Fiscal year from April 1 to March 31, unless otherwise noted. The charts show, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



Annual Compound Returns

The following table illustrates the Plan's annual compound returns for the periods shown ended March 31, 2023.

	Past year	Past 3 years	Past 5 years	Past 10 years
Plan	-2.98%	-0.42%	0.75%	1.2%
The FTSE TMX Canada Universe Bond Index	-2.01%	-1.67%	0.89%	1.88%
The S&P/TSX Composite index	-5.17%	18.02%	8.79%	7.85%
The S&P 500 index (Cad-Hedged)	-0.03%	16.73%	12.22%	15.47%

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

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

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

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

SUMMARY OF INVESTMENT PORTFOLIO

The table below details the largest 25 holdings of the Plan at March 31, 2023.

Issuer	% of Plan's Portfolio
BMO S&P 500 index ETF	6.03%
Province of Ontario 2.800% June 2,2048	4.91%
Canada Housing Trust 1.8% December 15,2024	4.60%
Canada Housing Trust 1.25% June 15,2026	4.48%
Province of Ontario 5.600% June 2,2035	3.80%
Province of Ontario 2.70% June 2,2029	3.67%
Government of Canada 2.750% December 1,2048	3.43%
CPPIB Capital Inc. 1.950% September 30,2029	1.98%
Canada Housing Trust 2.45% December 15,2021	1.84%
Province of Ontario 3.500% June 2,2043	1.73%
Province of Nova Scotia 2.100% June 1,2027	1.73%
Bell Canada 2.900% August 12,2026	1.71%
Ville De Montreal 2.750% September 1,2026	1.60%
Ishares Core S&P US total	1.55%
Province of British Columbia 2.950% June 18,2050	1.48%
Province of Quebec 2.750% September 1,2027	1.42%
Manulife Financial Corporation 3.049% August 20,2029	1.40%
Rogers Communication Inc. 3.650% March 31,2027	1.39%
Province of Ontario 3.75% June 2,2032	1.37%
Government of Canada 2.00% December 1,2051	1.37%
Toronto-Dominion Bank 3.224% July 25,2029	1.36%
Canada Housing Trust 2.650% December 15,2028	1.34%
Telus Coporation 3.750% January 17,2025	1.34%
Province of Quebec 5.000% December 1,2041	1.28%
Canada Housing Trust 1.750% June 15,2030	1.28%
TOTAL	58.07%

All holdings in the Plan are long positions as at March 31, 2023.

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



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