

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<br>September 30, 2022 | As at<br>March 31, 2022 |
|--|-----------------------------|-------------------------|
|  | \$<br>[unaudited]           | \$<br>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<br>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>\$</b>          |
| <b>Revenue</b>   | <b>[unaudited]</b>  | <b>[unaudited]</b> |
| 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<br>\$ | Cost<br>\$         | Fair value<br>\$   |
|---|-----------------|--------------------|--------------------|
| <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<br>\$ | Cost<br>\$         | Fair value<br>\$  |
|--|-----------------|--------------------|-------------------|
| <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<br>\$ | Cost<br>\$                | Fair value<br>\$          |
|---|-----------------|---------------------------|---------------------------|
| <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<br>\$ | Cost<br>\$        | Fair value<br>\$  |
|---|-----------------|-------------------|-------------------|
| <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<br>\$ | Cost<br>\$ | Fair value<br>\$ |
|--|-----------------|------------|------------------|
| <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<br>\$ | Cost<br>\$                | Fair value<br>\$          |
|--|-----------------|---------------------------|---------------------------|
| <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><u>208,970,509</u></b> | <b><u>191,527,881</u></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><u>714,146,441</u></b> | <b><u>657,244,558</u></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,<br/>2022</b> | March 31,<br>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<br>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<br>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<br>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<br>%    | 2021<br>%    |
|----------------------|--------------|--------------|
| 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<br/>2022</b> | March 31,<br>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.