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# Financial statements of Legacy Education Savings Plan

Years ended March 31, 2022 and 2021

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# Management's Responsibility for Financial Reporting

The accompanying financial statements of Legacy Education Savings Plan (formerly known as Global Educational Trust Plan) (the "Plan") have been prepared by management and approved by the Board of Directors of the Global Educational Trust Foundation (the "Foundation") and Global Growth Assets Inc. ("GGAI"). Management is responsible for the information and representations contained in these financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. GGAI, which administers the Plan, maintains appropriate processes to ensure that relevant and reliable financial information is produced.

The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies, which management believes are appropriate for the Plan, are described in Note 2 to the financial statements.

Our external auditor for the year ended March 31, 2022, Baker Tilly WM LLP, performed an audit of the financial statements, the results of which are reflected in their Independent Auditor's Report. Baker Tilly WM LLP has full and independent access to the Board of Directors to discuss their audit and related matters.



Alex Manickaraj  
Chief Executive Officer

July 4, 2022  
Toronto, Ontario

## **INDEPENDENT AUDITOR'S REPORT**

To the Subscribers of the Legacy Education Savings Plan:

### ***Opinion***

We have audited the financial statements of the Legacy Education Savings Plan (the "Plan"), which comprise the statement of financial position as at March 31, 2022, and the statement of comprehensive income, statement of changes in net assets attributable to subscribers and beneficiaries and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### ***Basis for Opinion***

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

### ***Other Matter***

The financial statements of the Plan for the year ended March 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 28, 2021.

### ***Other Information***

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Plan's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Baker Tilly WM LLP*

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario  
July 4, 2022



**Legacy Education Savings Plan**  
**Statements of financial position**

As at March 31, 2022 and 2021  
 (All amounts in Canadian dollars)

	Notes	2022 \$	2021 \$
<b>Assets</b>			
Cash and cash equivalents		<b>40,160,327</b>	54,096,751
Investments – at fair value	6	<b>689,273,174</b>	717,129,301
Grants receivable	2	<b>677,662</b>	1,180,111
Dividends receivable		<b>183,986</b>	144,816
Interest receivable		<b>3,654,893</b>	3,660,717
		<b>733,950,042</b>	776,211,696
<b>Liabilities</b>			
Accounts payable		<b>1,552,721</b>	1,442,298
Due to Advanced Education Saving Plan	4	<b>111,028</b>	85,768
Due to Global Educational Trust Foundation	4	<b>3,546,426</b>	2,256,774
Due to the Fund Manager – Global Growth Assets Inc.	4	<b>362,110</b>	638,659
Net assets attributable to subscribers and beneficiaries		<b>728,377,757</b>	771,788,197
<b>Net assets attributable to subscribers and beneficiaries represented by</b>			
Subscriber contributions	5	<b>455,851,273</b>	466,469,089
Accumulated government grants		<b>184,918,704</b>	189,047,815
Unrealized appreciation (depreciation) of investments		<b>(3,546,999)</b>	22,011,229
Accumulated and distributed investment income and realized gains on investments		<b>91,154,779</b>	94,260,064
		<b>728,377,757</b>	771,788,197

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

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

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

## Legacy Education Savings Plan

### Statements of comprehensive income

Year ended March 31, 2022 and 2021

(All amounts in Canadian dollars)

	Notes	2022 \$	2021 \$
<b>Revenue</b>			
Interest income for educational assistance payments		16,613,781	19,162,658
Dividends		2,512,122	2,049,116
Realized gains on disposal of investments		702,119	14,827,856
Change in unrealized (depreciation) appreciation on investments		(25,558,228)	8,761,674
		<b>(5,730,206)</b>	44,801,304
<b>Expenses</b>			
Administration fees	4	10,779,183	11,057,608
Audit costs		139,620	196,974
Other charges		46,927	53,051
Independent review committee		23,800	22,100
		<b>10,989,530</b>	11,329,733
<b>(Decrease) in net assets attributable to subscribers and beneficiaries from operations</b>			
		<b>(16,719,736)</b>	33,471,571

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

### Statements of changes in net assets attributable to subscribers and beneficiaries

Year ended March 31, 2022 and 2021

(All amounts in Canadian dollars)

	Notes	2022 \$	2021 \$
<b>Net assets attributable to subscribers and beneficiaries, beginning of year</b>			
		<b>771,788,197</b>	749,839,088
<b>(Decrease) Increase in net assets attributable to subscribers and beneficiaries from operations</b>			
		<b>(16,719,736)</b>	33,471,571
<b>Increase in net assets attributable to subscribers and beneficiaries</b>			
Subscriber contributions received	5	40,414,256	44,938,770
Government grants received	2		
Canada Education Savings Grants (CESG)		6,898,868	8,472,435
Canada Learning Bond (CLB)		509,100	1,489,325
British Columbia Training and Education Savings Grant (BCTESG)		146,410	(2,400)
Quebec Education Savings Incentive (QESI)		24,106	409,057
Saskatchewan Advantage Grant for Education Savings (SAGES)		(8,223)	(3,008)
		<b>47,984,517</b>	55,304,179
<b>Decrease in net assets attributable to subscribers and beneficiaries</b>			
Return of subscriber contributions		(51,032,072)	(47,181,539)
Payments to Beneficiaries			
Government grants		(11,699,372)	(10,183,614)
Income earned on Government grants		(2,696,506)	(2,270,984)
Income earned on Subscriber contributions		(9,247,271)	(7,190,504)
		<b>(74,675,221)</b>	(66,826,641)
<b>Net assets attributable to subscribers and beneficiaries, end of year</b>			
		<b>728,377,757</b>	771,788,197

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

## Legacy Education Savings Plan Statements of cash flows

Year ended March 31, 2022 and 2021

(All amounts in Canadian dollars)

	2022 \$	2021 \$
<b>Operating activities</b>		
(Decrease) increase in net assets attributable to subscribers and beneficiaries from operations	<b>(16,719,736)</b>	33,471,571
Adjustment for		
Change in unrealized appreciation (depreciation) on investments	<b>25,558,228</b>	(8,761,674)
Realized (gains) on disposal of investments	<b>(702,119)</b>	(14,827,856)
(Increase) in due from Global Educational Trust	<b>1,289,652</b>	(3,246,910)
Decrease in grant receivable	<b>502,449</b>	100,734
Decrease (increase) in interest receivable	<b>5,824</b>	(24,705)
(Increase) decrease in dividend receivable	<b>(39,170)</b>	(63,209)
Increase in accounts payable	<b>110,423</b>	420,933
(Decrease) increase in payable for securities purchased	—	(18,401,506)
Decrease (increase) in receivable for securities sold	—	19,816,231
Increase (decrease) increase in due to the Advanced Education Savings Plan	<b>25,260</b>	(281,104)
(Decrease) increase in due to the fund manager - Global Growth Assets Inc.	<b>(276,549)</b>	459,047
(Decrease) Increase in due to the Distributor - Global RESP Corporation	—	(5,467,044)
Purchase of investments	<b>(336,343,733)</b>	(546,153,739)
Proceeds from sale of investments	<b>339,343,751</b>	576,312,290
	<b>12,754,280</b>	33,353,059
<b>Financing activities</b>		
Subscriber contributions paid	<b>(52,638,340)</b>	(2,242,769)
Subscriber contributions received	<b>42,020,524</b>	
Government grants received	<b>7,570,261</b>	10,365,409
Educational assistance payments made to beneficiaries	<b>(23,643,149)</b>	(19,645,102)
	<b>(26,690,704)</b>	(11,522,462)
Increase in cash and cash equivalents	<b>(13,936,424)</b>	21,830,597
Cash and cash equivalents, beginning of year	<b>54,096,751</b>	32,266,154
<b>Cash and cash equivalents, end of year</b>	<b>40,160,327</b>	54,096,751
<b>Operating activities</b>		
Interest received	<b>16,619,605</b>	19,137,953
Dividend received	<b>2,472,952</b>	1,985,907

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



**Legacy Education Savings Plan**  
**Schedule of investment portfolio**  
Year ended March 31, 2022 and 2021  
(All amounts in Canadian dollars)

	Par value	Cost	Fair value
	\$	\$	\$
<b>Subscriber contributions invested - (70.07%)</b>			
<b>Government Securities - 13.70%</b>			
Canada Housing Trust 1.25% June 15,2026	21,425,000	21,377,766	20,212,345
Canada Housing Trust 1.750% June 15,2030	10,115,000	10,163,844	9,302,361
Canada Housing Trust 1.8% December 15,2024	22,382,000	23,172,085	21,960,099
Canada Housing Trust 2.45% December 15,2031	15,090,000	14,541,328	14,582,658
Canada Housing Trust 2.550% December 15,2023	3,450,000	3,440,151	3,461,696
Canada Housing Trust 2.650% December 15,2028	6,190,000	6,559,461	6,131,876
Government of Canada 1.000% June 1,2027	645,000	588,210	602,495
Government of Canada 1.250% June 1,2030	5,300,000	5,683,508	4,865,877
Government of Canada 2.750% December 1,2048	12,402,000	15,842,751	13,303,377
		<u>101,369,104</u>	<u>94,422,784</u>
<b>Provincial Securities - 16.58%</b>			
Province of British Columbia 2.800% June 18,2048	1,000,000	921,540	916,040
Province of British Columbia 2.950% December 18,2028	3,508,000	3,970,372	3,512,210
Province of British Columbia 2.950% June 18,2050	5,635,000	6,644,076	5,322,652
Province of Manitoba 4.600% March 5,2038	3,915,000	4,851,578	4,500,449
Province of Nova Scotia 2.100% June 1,2027	10,750,000	10,603,696	10,363,860
Province of Ontario 2.60% June 2,2027	2,000,000	2,040,140	1,976,780
Province of Ontario 2.70% June 2,2029	17,625,000	18,730,088	17,311,804
Province of Ontario 2.800% June 2,2048	27,960,000	29,169,206	25,476,313
Province of Ontario 3.500% June 2,2043	8,650,000	9,073,739	8,872,565
Province of Ontario 4.700% June 2,2037	750,000	915,025	875,325
Province of Ontario 5.600% June 2,2035	14,765,000	19,473,411	18,485,780
Province of Quebec 2.750% September 1,2027	9,634,000	9,926,773	9,592,574
Province of Quebec 5.000% December 1,2041	5,255,000	7,007,108	6,529,390
Province of Saskatchewan 5.000% March 5,2037	427,000	567,697	512,349
		<u>123,894,449</u>	<u>114,248,091</u>
<b>Municipal Securities - 1.24%</b>			
Ville De Montreal 2.750% September 1,2026	8,620,000	8,895,840	8,533,714
		<u>8,895,840</u>	<u>8,533,714</u>
<b>Financial Institution Securities - 10.54%</b>			
Bank of Montreal 2.370% February 3,2025	900,000	899,991	876,735
Bank of Montreal 2.700% December 9,2026	6,108,000	6,324,828	5,962,141
Bank of Montreal 3.190% March 1,2028	1,935,000	1,931,053	1,917,043
Bank of Nova Scotia 2.290% June 28,2024	1,150,000	1,193,631	1,134,889
Bank of Nova Scotia 3.100% February 2,2028	1,945,000	1,931,243	1,917,342
BCIMC Realty Corporation 3.000% March 31,2027	1,000,000	1,010,450	975,930
Canadian Imperial Bank of Commerce 3.300% May 26,2025	3,400,000	3,538,645	3,425,908
Choice Properties REIT 3.556% September 9,2024	3,587,000	3,581,393	3,587,646
CPPIB Capital Inc. 1.950% September 30,2029	10,000,000	9,962,100	9,318,200
CPPIB Capital Inc. 3.000% June 15,2028	4,550,000	4,664,735	4,578,665
Fortified Trust 1.964% October 23,2026	750,000	750,000	704,963
Fortified Trust 2.558% March 23,2024	1,450,000	1,454,255	1,436,979
Great-West Lifeco Inc. 6.670% March 21,2033	1,505,000	1,967,309	1,831,991
HSBC Bank Canada 3.245% September 15,2023	1,185,000	1,187,204	1,189,965
HSBC Bank Canada 3.403% March 24,2025	750,000	746,715	749,847
Manulife Bank of Canada 1.536% September 14, 2026	2,000,000	2,000,000	1,835,420
Manulife Financial Corporation 3.049% August 20,2029	6,359,000	6,463,446	6,288,415
Royal Bank of Canada 1.936% May 1,2025	2,600,000	2,600,000	2,491,632
Royal Bank of Canada 2.74% July 25,2029	4,000,000	4,140,840	3,924,760
Royal Bank of Canada 3.369% September 29,2025	2,000,000	2,000,000	1,997,136
Toronto-Dominion Bank 3.060% January 26,2032	5,035,000	5,492,279	4,822,775
Toronto-Dominion Bank 3.224% July 25,2029	6,691,000	6,850,567	6,635,799
Toronto-Dominion Bank 3.226% July 24,2024	4,110,000	4,326,237	4,138,934
Wells Fargo & Company 3.184% February 8,2024	900,000	961,146	899,091
		<u>75,978,067</u>	<u>72,642,206</u>

**Legacy Education Savings Plan**  
**Schedule of investment portfolio (continued)**  
Year ended March 31, 2022 and 2021  
(All amounts in Canadian dollars)

**Corporate Securities - 14.79%**

407 International Inc. 3.600% May 21,2047	2,030,000	1,955,117	1,923,912
Altalink LP 3.399% June 6,2024	1,927,000	1,966,026	1,944,478
Apple Inc. 2.513% August 19,2024	2,100,000	2,042,488	2,084,271
Bell Canada 2.900% August 12,2026	5,336,000	5,236,439	5,176,454
Bell Canada 3.800% August 21,2028	1,935,000	1,896,958	1,931,246
Brookfield Renewable Partnership Inc. 3.380% January 15,2030	4,305,000	4,281,623	4,135,512
Canadian National Railway 3.200% July 31,2028	3,943,000	4,189,071	3,882,436
Canadian National Railway 3.950% September 22,2045	1,905,000	1,976,399	1,890,865
Canadian National Resources 3.550% June 3,2024	1,250,000	1,343,113	1,258,425
Cenovus Energy Inc. 3.55% March 12, 2025	1,140,000	1,121,851	1,141,550
Enbridge Gas Inc. 3.510% November 29,2047	2,100,000	1,958,529	1,941,849
Enbridge Inc. 4.240% August 27,2042	5,501,000	5,472,608	4,988,967
Enbridge Pipelines Inc. 4.130% August 9,2046	2,500,000	2,700,650	2,258,500
George Weston Ltd. 4.115% June 17,2024	1,851,000	2,002,782	1,872,990
Greater Toronto Airports 2.750% October 17,2039	2,200,000	2,196,964	1,904,958
Greater Toronto Airports 3.040% September 21,2022	2,832,000	2,904,341	2,841,487
Honda Canada Finance Inc. 2.500% June 4,2024	1,645,000	1,732,251	1,619,206
Honda Canada Finance Inc. 2.537% March 1,2023	4,541,000	4,588,208	4,546,041
Hydro One Inc. 5.360% May 20,2036	3,165,000	3,936,360	3,689,852
John Deere Canada Funding Inc. 2.700% January 17,2023	1,970,000	1,943,970	1,982,450
Loblaw Companies Ltd. 4.860% September 12,2023	685,000	723,703	700,693
McDonald's Corporation 3.125% March 4,2025	1,270,000	1,241,857	1,264,209
Metro Inc. 3.390% December 6,2027	4,046,000	4,155,551	3,969,935
NAV Canada 3.293% March 30,2048	2,010,000	1,949,929	1,862,426
Nestle Holdings Inc. 2.192% January 26, 2029	2,000,000	1,999,940	1,850,380
North West Redwater Partnership 2.800% June 1,2027	2,000,000	2,151,300	1,922,620
Pembina Pipeline Corporation 3.310% February 1,2030	2,500,000	2,703,350	2,333,900
Pembina Pipeline Corporation 4.020% March 27,2028	3,083,000	3,098,236	3,068,972
Rogers Communications Inc. 3.650% March 31,2027	6,915,000	7,752,149	6,830,360
Suncor Energy Inc. 5% 09 April 2030	1,700,000	1,988,966	1,799,926
Telus Corporation 3.625% March 1,2028	3,615,000	3,992,130	3,577,549
Telus Corporation 3.750% January 17,2025	3,337,000	3,409,256	3,357,756
Telus Corporation 3.750% March 10,2026	2,500,000	2,680,895	2,510,300
Toronto Hydro Corporation 2.52% 25 August, 2026	1,900,000	1,995,323	1,851,531
Toyota Credit Canada Inc. 2.11% February 26,2025	2,000,000	2,026,440	1,933,060
Transcanada Pipelines Ltd. 3.000% September 18,2029	2,500,000	2,627,365	2,328,150
Transcanada Pipelines Ltd. 3.300% July 17,2025	3,734,000	3,996,547	3,711,223
TWDC Enterprises 18 Corporation 2.758% October 7,2024	2,045,000	2,001,082	2,026,881
Verizon Communications 2.500% May 16,2030	2,250,000	2,245,838	2,027,205
		<u>108,185,605</u>	<u>101,942,525</u>

**Exchange Traded Funds - 6.48%**

BMO Equal Weight US Banks Hedged to CAD Index ETF	45,824	1,736,781	1,548,851
BMO S&P 500 Index ETF	374,016	15,659,572	23,237,614
iShares Core MSCI US Quality Dividend Index ETF	86,482	1,927,155	2,214,804
iShares Core S&P Market Index ETF	177,967	5,541,205	7,565,377
iShares MSCI Multifactor ETF	158,224	4,328,262	5,732,456
Vanguard S&P 500 Index ETF	57,917	3,567,600	4,391,846
		<u>32,760,575</u>	<u>44,690,948</u>

**Equities - 6.70%**

Agnico Eagle Mines Ltd.	8,762	566,911	670,293
Alimentation Couche-Tard Inc.	22,128	737,883	1,246,249
Altius Minerals Corporation	21,644	251,299	521,620
ARC Resources Ltd.	47,106	428,550	788,555
Bank of Montreal	7,396	735,682	1,088,026

**Legacy Education Savings Plan**  
**Schedule of investment portfolio (continued)**  
Year ended March 31, 2022 and 2021  
(All amounts in Canadian dollars)

<b>Equities - 6.70% (continued)</b>			
Bank of Nova Scotia	25,017	1,881,661	2,241,523
Barrick Gold Corporation	22,320	766,347	684,331
BCE Inc.	22,142	1,264,897	1,534,441
Boyd Group Services Inc.	1,506	324,971	249,348
Brookfield Asset Management Inc.	26,203	1,191,765	1,852,028
CAE Inc.	14,584	306,028	474,563
Canadian National Railway Company	12,134	1,327,083	2,034,872
Canadian Natural Resources Limited	11,105	467,414	859,638
Canadian Pacific Railway Ltd.	16,935	936,341	1,747,353
CCL Industries Inc.	6,490	386,371	366,036
CGI Inc.	10,263	860,889	1,022,092
Colliers International Group	1,809	115,119	294,758
Dollarama Inc.	5,539	260,906	392,715
Enbridge Inc.	27,987	1,288,418	1,610,651
First Quantum Minerals Ltd.	4,537	58,486	196,361
FirstService Corporation	1,494	268,921	270,160
Fortis Inc.	9,968	467,229	616,321
Franco-Nevada Corporation	3,076	334,457	611,939
Intact Financial Corporation	4,444	492,883	820,895
LifeWorks Inc.	10,492	321,594	226,837
Loblaw Companies Ltd.	9,730	628,021	1,091,511
Magna International Inc.	4,946	393,430	396,966
Manulife Financial Corporation	34,574	837,452	921,743
Northland Power Inc.	13,043	336,927	542,067
Nutrien Ltd.	13,860	850,150	1,790,989
Onex Corporation	5,542	479,857	464,309
Parkland Corporation	5,383	180,749	199,010
Pembina Pipeline Corporation	9,956	423,312	467,633
Power Corporation of Canada	13,164	353,502	509,447
PrairieSky Royalty Ltd.	27,025	543,203	467,262
Restaurant Brands International	6,132	463,405	447,881
Rogers Communications Inc.	12,273	754,949	868,437
Royal Bank of Canada	25,240	2,537,477	3,460,456
Saputo Inc.	9,130	383,857	270,339
Shaw Communications Inc.	15,502	395,157	601,478
Shopify Inc.	1,354	1,221,861	1,144,766
Sun Life Financial Inc.	8,189	446,329	571,592
Suncor Energy Inc.	26,850	1,074,687	1,092,795
TC Energy Corporation	16,399	928,491	1,156,293
Teck Resources Ltd.	8,219	241,383	414,895
Thomson Reuters Corporation	3,065	292,045	416,012
Toromont Industries Ltd.	4,444	269,228	526,658
Toronto-Dominion Bank	35,065	2,591,175	3,491,675
Tourmaline Oil Corporation	3,608	130,478	207,821
Waste Connections Inc.	7,057	752,834	1,233,776
Westshore Terminals Ltd. Investment	16,934	336,515	561,023
Wheaton Precious Metals Corporation	8,872	277,985	527,440
		<u>34,166,564</u>	<u>46,265,879</u>
<b>Real State Investment Securities - 0.04%</b>			
Granite Real Estate Investment	2,553	201,029	246,058
		<u>201,029</u>	<u>246,058</u>
<b>Total Subscriber contributions invested</b>		<b><u>485,451,233</u></b>	<b><u>482,992,205</u></b>

**Legacy Education Savings Plan**  
**Schedule of investment portfolio (continued)**  
Year ended March 31, 2022 and 2021  
(All amounts in Canadian dollars)

**Government Grants invested - (29.93%)**

**Government Securities - 5.92%**

Canada Housing Trust 1.25% June 15,2026	10,505,000	10,486,803	9,910,417
Canada Housing Trust 1.750% June 15,2030	4,065,000	4,084,977	3,738,418
Canada Housing Trust 1.8% December 15,2024	9,362,000	9,692,479	9,185,526
Canada Housing Trust 2.45% December 15,2031	7,000,000	6,745,480	6,764,652
Canada Housing Trust 2.550% December 15,2023	1,650,000	1,644,636	1,655,594
Canada Housing Trust 2.650% December 15,2028	2,515,000	2,658,353	2,491,384
Government of Canada 1.000% June 1,2027	882,000	804,437	823,876
Government of Canada 2.750% December 1,2048	5,789,000	7,663,305	6,209,745
		<u>43,780,470</u>	<u>40,779,612</u>

**Provincial Securities - 7.21%**

Province of British Columbia 2.950% December 18,2028	1,052,000	1,190,659	1,053,262
Province of British Columbia 2.950% June 18,2050	2,277,000	2,684,883	2,150,786
Province of Manitoba 4.600% March 5,2038	1,591,000	1,971,188	1,828,918
Province of Nova Scotia 2.100% June 1,2027	4,363,000	4,302,764	4,206,281
Province of Ontario 2.60% June 2,2027	850,000	867,060	840,132
Province of Ontario 2.70% June 2,2029	7,820,000	8,310,314	7,681,039
Province of Ontario 2.800% June 2,2048	12,890,000	13,527,638	11,744,981
Province of Ontario 3.500% June 2,2043	3,875,000	3,989,943	3,974,704
Province of Ontario 4.700% June 2,2037	375,000	458,355	437,663
Province of Ontario 5.600% June 2,2035	6,930,000	9,139,908	8,676,360
Province of Quebec 2.750% September 1,2027	3,920,000	4,041,697	3,903,144
Province of Quebec 5.000% December 1,2041	2,397,000	3,137,897	2,978,297
Province of Saskatchewan 5.000% March 5,2037	192,000	255,264	230,377
		<u>53,877,570</u>	<u>49,705,944</u>

**Municipal Securities - 0.50%**

Ville De Montreal 2.750% September 1,2026	3,503,000	3,615,096	3,467,935
		<u>3,615,096</u>	<u>3,467,935</u>

**Financial Institution Securities - 4.55%**

Bank of Montreal 2.370% February 3,2025	400,000	399,996	389,660
Bank of Montreal 2.700% December 9,2026	2,423,000	2,505,911	2,365,139
Bank of Montreal 3.190% March 1,2028	910,000	908,144	901,555
Bank of Nova Scotia 2.290% June 28,2024	700,000	726,558	690,802
Bank of Nova Scotia 3.100% February 2,2028	915,000	908,509	901,989
BCIMC Realty Corporation 3.000% March 31,2027	1,000,000	992,890	975,930
Canadian Imperial Bank of Commerce 3.300% May 26,2025	1,500,000	1,557,044	1,511,430
Choice Properties REIT 3.556% September 9,2024	1,454,000	1,448,188	1,454,262
CPPIB Capital Inc. 1.950% September 30,2029	4,500,000	4,482,945	4,193,190
CPPIB Capital Inc. 3.000% June 15,2028	1,850,000	1,903,640	1,861,655
Fortified Trust 1.964% October 23,2026	230,000	230,000	216,189
Fortified Trust 2.558% March 23,2024	450,000	450,000	445,959
Great-West Lifeco Inc. 6.670% March 21,2033	695,000	908,530	846,003
HSBC Bank Canada 3.245% September 15,2023	555,000	556,032	557,325
HSBC Bank Canada 3.403% March 24,2025	350,000	348,467	349,928
Manulife Bank of Canada 1.536% September 14, 2026	1,000,000	1,000,000	917,710
Manulife Financial Corporation 3.049% August 20,2029	2,561,000	2,605,372	2,532,573
Royal Bank of Canada 1.936% May 1,2025	1,200,000	1,200,000	1,149,984
Royal Bank of Canada 2.74% July 25,2029	1,450,000	1,501,055	1,422,726
Royal Bank of Canada 3.369% September 29,2025	1,000,000	1,000,000	998,568
Toronto-Dominion Bank 3.060% January 26,2032	2,013,000	2,195,821	1,928,152
Toronto-Dominion Bank 3.224% July 25,2029	2,631,000	2,724,014	2,609,294
Toronto-Dominion Bank 3.226% July 24,2024	1,745,000	1,829,625	1,757,285
Wells Fargo & Company 3.184% February 8,2024	415,000	443,195	414,581
		<u>32,825,936</u>	<u>31,391,889</u>

**Legacy Education Savings Plan**  
**Schedule of investment portfolio (continued)**  
Year ended March 31, 2022 and 2021  
(All amounts in Canadian dollars)

**Corporate Securities - 6.38%**

407 International Inc. 3.600% May 21,2047	935,000	900,574	886,137
Altalink LP 3.399% June 6,2024	890,000	908,037	898,072
Apple Inc. 2.513% August 19,2024	1,000,000	969,961	992,510
Bell Canada 2.900% August 12,2026	2,149,000	2,103,132	2,084,745
Bell Canada 3.800% August 21,2028	910,000	892,109	908,235
Brookfield Renewable Partnership Inc. 3.380% January 15,2030	1,752,000	1,742,497	1,683,024
Canadian National Railway 3.200% July 31,2028	1,608,000	1,706,960	1,583,301
Canadian National Railway 3.950% September 22,2045	895,000	928,545	888,359
Canadian National Resources 3.550% June 3,2024	595,000	639,322	599,010
Cenovus Energy Inc. 3.55% March 12, 2025	535,000	526,483	535,728
Enbridge Gas Inc. 3.510% November 29,2047	970,000	904,652	896,949
Enbridge Inc. 4.240% August 27,2042	2,141,000	2,126,891	1,941,716
Enbridge Pipelines Inc. 4.130% August 9,2046	1,000,000	1,075,412	903,400
George Weston Ltd. 4.115% June 17,2024	740,000	800,680	748,791
Greater Toronto Airports 2.750% October 17,2039	1,020,000	1,018,592	883,208
Greater Toronto Airports 3.040% September 21,2022	1,515,000	1,555,064	1,520,075
Honda Canada Finance Inc. 2.500% June 4,2024	760,000	800,310	748,083
Honda Canada Finance Inc. 2.537% March 1,2023	1,728,000	1,746,381	1,729,918
Hydro One Inc. 5.360% May 20,2036	1,258,000	1,584,882	1,466,614
John Deere Canada Funding Inc. 2.700% January 17,2023	1,000,000	988,651	1,006,320
Loblaw Companies Ltd. 4.860% September 12,2023	315,000	332,798	322,217
McDonald's Corporation 3.125% March 4,2025	595,000	581,815	592,287
Metro Inc. 3.390% December 6,2027	1,644,000	1,689,243	1,613,093
NAV Canada 3.293% March 30,2048	930,000	902,235	861,719
Nestle Holdings Inc. 2.192% January 26, 2029	1,000,000	999,970	925,190
North West Redwater Partnership 2.800% June 1,2027	1,000,000	1,075,650	961,310
Pembina Pipeline Corporation 3.310% February 1,2030	1,000,000	1,081,340	933,560
Pembina Pipeline Corporation 4.020% March 27,2028	1,254,000	1,255,358	1,248,294
Rogers Communications Inc. 3.650% March 31,2027	2,710,000	3,037,385	2,676,830
Suncor Energy Inc. 5% 09 April 2030	800,000	935,984	847,024
Telus Corporation 3.625% March 1,2028	1,465,000	1,618,364	1,449,823
Telus Corporation 3.750% January 17,2025	1,350,000	1,390,921	1,358,397
Telus Corporation 3.750% March 10,2026	1,000,000	1,064,220	1,004,120
Toronto Hydro Corporation 2.52% 25 August, 2026	890,000	934,651	867,296
Toyota Credit Canada Inc. 2.11% February 26,2025	1,000,000	1,013,220	966,530
Transcanada Pipelines Ltd. 3.000% September 18,2029	1,100,000	1,152,239	1,024,386
Transcanada Pipelines Ltd. 3.300% July 17,2025	1,515,000	1,621,893	1,505,759
TWDC Enterprises 18 Corporation 2.758% October 7,2024	820,000	799,525	812,735
Verizon Communications 2.500% May 16,2030	1,250,000	1,247,688	1,126,225
		<u>46,653,634</u>	<u>44,000,990</u>

**Exchange Traded Funds - 2.65%**

BMO Equal Weight US Banks Hedged to CAD Index ETF	18,349	695,559	620,196
BMO S&P 500 Index ETF	153,395	6,421,479	9,530,431
iShares Core MSCI US Quality Dividend Index ETF	35,807	798,644	917,017
iShares Core S&P Market Index ETF	71,402	2,222,559	3,035,299
iShares MSCI Multifactor ETF	65,512	1,793,754	2,373,500
Vanguard S&P 500 Index ETF	23,281	1,435,616	1,765,398
		<u>13,367,611</u>	<u>18,241,841</u>

**Equities - 2.71%**

Agnico Eagle Mines Ltd	2,084	137,743	159,426
Agnico Eagle Mines Ltd.	1,438	90,131	110,007
Alimentation Couche-Tard Inc.	8,894	297,039	500,910
Altius Minerals Corporation	8,691	100,957	209,453
ARC Resources Ltd.	18,934	172,347	316,956
Bank of Montreal	2,975	298,175	437,652

**Legacy Education Savings Plan**  
**Schedule of investment portfolio (continued)**  
Year ended March 31, 2022 and 2021  
(All amounts in Canadian dollars)

Bank of Nova Scotia	10,056	761,713	901,018
Barrick Gold Corporation	8,980	308,218	275,327
BCE Inc.	8,900	507,795	616,770
Boyd Group Services Inc.	604	130,502	100,004
Brookfield Asset Management	6,525	269,280	461,187
Brookfield Asset Management Inc.	4,008	213,908	283,285
CAE Inc.	5,856	122,925	190,554
Canadian National Railway	3,040	332,616	509,808
Canadian National Railway Company	1,838	206,934	308,233
Canadian Natural Resources Ltd.	4,468	188,494	345,868
Canadian Pacific Railway Ltd.	6,806	380,370	702,243
CCL Industries Inc.	2,605	155,500	146,922
CGI Inc.	4,123	349,988	410,609
Colliers International Group	726	46,201	118,294
Dollarama Inc.	2,228	105,105	157,965
Enbridge Inc.	11,253	517,773	647,610
First Quantum Minerals Ltd.	1,825	23,534	78,986
FirstService Corporation	599	107,829	108,317
Fortis Inc.	4,010	187,907	247,938
Franco-Nevada Corporation	1,235	135,472	245,691
Intact Financial Corporation	1,784	198,496	329,541
LifeWorks Inc.	4,213	129,137	91,085
Loblaw Companies Ltd	1,596	97,283	179,039
Loblaw Companies Ltd.	2,313	155,244	259,472
Magna International Inc.	1,991	158,460	159,798
Manulife Financial Corporation	13,897	338,956	370,494
Northland Power Inc.	5,237	135,631	217,650
Nutrien Ltd.	5,571	342,632	719,885
Onex Corporation	2,225	192,997	186,411
Parkland Corporation	2,161	72,562	79,892
Pembina Pipeline Corporation	4,005	170,147	188,115
Power Corporation of Canada	5,284	141,884	204,491
PrairieSky Royalty Ltd.	10,851	215,509	187,614
Restaurant Brands International	2,462	186,118	179,824
Rogers Communications Inc.	4,931	303,645	348,917
Royal Bank of Canada	10,145	1,026,590	1,396,358
Saputo Inc	3,666	154,112	108,550
Shaw Communications Inc	6,223	158,784	241,452
Shopify Inc.	544	490,172	459,935
Sun Life Financial Inc.	3,294	179,707	229,921
Suncor Energy Inc.	10,791	433,177	439,194
TC Energy Corporation	6,592	372,705	464,802
Teck Resources Ltd.	3,306	96,935	166,887
Thomson Reuters Corporation	1,230	117,206	166,948
Toromont Industries Ltd.	1,784	108,415	211,422
Toronto-Dominion Bank	14,096	1,054,576	1,398,182
Tourmaline Oil Corporation	1,452	52,462	83,635
Waste Connections Inc.	2,837	304,931	495,993
Westshore Terminals Ltd. Investment	6,799	134,740	225,251
Wheaton Precious Metals Corporation	3,569	112,891	212,177
		<b>13,784,560</b>	<b>18,593,968</b>
<b>Real State Investment Securities - 0.01%</b>			
Granite Real Estate Investment	1,025	80,713	98,790
		<b>80,713</b>	<b>98,790</b>
<b>Total Government Grants invested</b>		<b>207,985,590</b>	<b>206,280,969</b>
Total Subscriber contributions and Government			
Grants invested - 94.49%		693,436,823	689,273,174
Cash - 3.95%		28,780,122	28,780,122
Cash equivalent - 1.56%		11,376,023	11,380,205
<b>Total Investment Portfolio - 100%</b>		<b>733,592,968</b>	<b>729,433,501</b>



## **Legacy Education Savings Plan**

### **Notes to the financial statements**

March 31, 2022 and 2021

(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 financial statements of the Plan were authorized for issuance by the Board of Directors of the Foundation and GGAI on June 29, 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

March 31, 2022 and 2021

(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 disposal of investments and change 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 as 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 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

March 31, 2022 and 2021

(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**

March 31, 2022 and 2021

(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 cancelled by the subscriber, and are accounted for as reductions of accumulated grants when repaid.

## **3. Critical accounting estimates and judgements**

The preparation of the financial statements in conformity with IFRS requires management to make certain critical accounting estimates and use judgement that affect the reported amounts of assets, liabilities, income and expenses during the year. Actual results could differ from those estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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

### *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**

March 31, 2022 and 2021

(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 \$111,028 (\$85,768 in 2021) to AESP and \$362,110 (\$638,659 in 2021) payable to GGAI settled through the Foundation for administration fees in 2022. The Plan owes the Foundation \$3,546,426 (\$2,256,774 in 2021) 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 years ended March 31, 2022 and March 31, 2021 are as follows:

	<b>2022</b>	2021
	<b>\$</b>	\$
Balance, beginning year	<b>466,469,089</b>	468,711,858
Amount contributed by subscribers	<b>41,835,385</b>	47,966,814
Sales recoveries (charges)	<b>185,139</b>	(130,624)
Account maintenance fees	<b>(1,157,268)</b>	(2,380,326)
Insurance premiums	<b>(223,444)</b>	(254,548)
Special service fees	<b>(225,556)</b>	(262,546)
Principal withdrawals on terminations or return of contribution	<b>(51,032,072)</b>	(47,181,539)
Balance, end of year	<b>455,851,273</b>	466,469,089

**Legacy Education Savings Plan**  
**Notes to the financial statements**

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(All amounts in Canadian dollars)

**6. Fair value of financial instruments**

Fair value measurements are classified in accordance within a fair value hierarchy (i.e. Level 1, 2, 3). Investments measured at fair value are classified in one of three fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The three fair value hierarchy levels are as follows:

Level 1 – Valuation based on bid prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Significant inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Plan's financial instruments measured at fair value classified using the fair value hierarchy:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>Total</b>
				<b>\$</b>
Assets measured at fair value as of March 31, 2022				
Cash equivalents	—	<b>11,380,205</b>	—	<b>11,380,205</b>
Investments - fixed income securities	—	<b>624,413,327</b>	—	<b>624,413,327</b>
Investments - equity securities	<b>64,859,847</b>	—	—	<b>64,859,847</b>
	<b>64,859,847</b>	<b>635,793,532</b>	—	<b>700,653,379</b>
Assets measured at fair value as of March 31, 2021				
Cash equivalents	—	46,647,788	—	46,647,788
Fixed income securities	—	654,679,062	10,000,000	664,679,062
PPNs	—	—	—	—
Equity securities	52,450,239	—	—	52,450,239
	52,450,239	701,326,850	10,000,000	763,777,089

There were no financial instruments that were transferred into or out of any Levels during the years ended March 31, 2022 and March 31, 2021.

## Legacy Education Savings Plan

### Notes to the financial statements

March 31, 2022 and 2021

(All amounts in Canadian dollars)

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

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

	2022 \$	2021 \$
Opening balance	10,000,000	40,135,000
Proceeds from maturity and sale	(10,000,000)	(30,000,000)
Change in unrealized gains (losses)	—	(135,000)
Closing balance	—	10,000,000

#### 7. Capital risk management

The Plan's capital consists of the components of the net assets attributable to subscribers and beneficiaries as per the Statements of Financial Position. The Plan has obligations to return subscriber contributions upon maturity or termination as well as pay EAPs of investment income, grants and income on grants. The Plan endeavors to invest subscriber contributions and government grants received in appropriate investments while maintaining sufficient liquidity to meet subscribers' obligations.

#### 8. Risk management

In the normal course of operations the Plan may be exposed to a variety of risks arising from financial instruments. The Plan's exposures to such risks are concentrated in its investment holdings and are related to market risk (which includes interest rate risk and other price risk), credit risk and liquidity risk.

The Plan's risk management process includes monitoring compliance with the Plan's investment policy as outlined in the Plan's prospectus. The Plan manages the effects of these financial risks to the Plan portfolio performance by retaining and overseeing professional external portfolio advisors. The portfolio advisors regularly monitor the Plan's positions, market events and manage the investment portfolio within the constraints of the investment policy.

##### a) Market risk

Market risk is the risk that changes in market prices could affect the Plan's income or the value of the investment holdings. The Plan's Portfolio Advisors attempt to mitigate this risk by periodically reviewing the market conditions and the performance of the portfolio and by making necessary changes to the portfolio in accordance with the Plan's investment objectives. Management has identified two main market risk factors: interest rate risk related to the fixed income portfolio and price risk related to equity securities.

##### (i) Interest rate risk

Interest rate risk is the risk of a decrease in the Plan's yield on interest-bearing investments as a result of fluctuations in market interest rates. There is an inverse relationship between changes in interest rates and changes in the fair value of fixed income securities. This risk is actively managed using duration, yield curve analysis, sector and credit selection. There is reduced risk to interest rate changes for cash and short term investments due to their short-term nature.

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**8. Risk management (continued)**

*a) Market risk (continued)*

*(i) Interest rate risk*

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

	<b>2022</b>	2021
	<b>%</b>	<b>%</b>
Less than 1 year	<b>4.4</b>	9.4
1-3 years	<b>14.7</b>	8.3
3-5 years	<b>16.7</b>	15.9
Greater than 5 years	<b>64.2</b>	66.4
	<b>100.0</b>	100.0

As at March 31, 2022, management estimates that if prevailing interest rates had increased or decreased by 1% (March 31, 2021 1%), the total investment portfolio of debt instruments, would increase or decrease by approximately \$41.4 million (March 31, 2021 \$46.9 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 8.8% (March 31, 2021 - 7.3%), equities which represent 9.1% (March 31, 2021 - 6.8%).

As at March 31, 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 \$1,213,547 (March 31, 2021 - \$1,086,000). 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 7.5% (March 31, 2021 - 6.3%) of the Portfolio. The fair value of the Total Investment Plan would increase or decrease by approximately \$546,100 (March 31, 2021 - \$488,500) 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

March 31, 2022 and 2021

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### 8. Risk management (continued)

#### b) Credit risk

Credit risk refers to the ability of the issuer of debt securities to make interest payments and repay principal and sector risk relates to the exposure to changes in a particular industrial, commercial or service sector by virtue of concentration. The Plan's portfolio comprises bonds issued or guaranteed by federal and provincial governments along with Canadian financial institution corporate debt instruments which constitute its most significant exposure to credit risk.

The debt securities are invested according to the standard investment restrictions and practices in National Policy 15 of the Canadian Securities Administrators. The Plan has a concentration of investments in Canadian Government and Provincial Government guaranteed bonds, which are considered by management to be high credit quality investments thereby moderating its credit risk. All of the Plan's fixed income securities are exposed to credit risk.

As at March 31, 2022 and March 31, 2021, the Plan's credit exposure to long term debt instruments is as follows:

	<b>2022</b>	2021
	<b>%</b>	%
Bond ratings		
AAAH/AAA/AAH/AAL	<b>58.69</b>	57.10
AA/AH/A	<b>26.30</b>	26.02
BBB/BB/BBBH	<b>15.01</b>	15.35
Unrated	<b>—</b>	1.53
	<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**  
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(All amounts in Canadian dollars)

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**9. Ontario Securities Commission**

On March 10, 2020, GGAI, GRESP and Sam Bouji, sole shareholder of GGAI and GRESP, entered into a settlement agreement (referred to as the "agreement", "settlement agreement", or the "Order") with the OSC, which, among other conditions, included the following:

- (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 accounts of costs ordered in the agreement.

GGAI shall not act as investment fund manager for any investment fund other than GIF and the Global Plans (LESP and AESP). GGAI is also prohibited from distributing units in the Global Plans with certain exceptions as noted within the Order.

Until GRESP and GGAI complete all payments to the Special Purpose Account to the satisfaction of the OSC Manager, GGAI shall not, without the prior written consent of Staff:

- (i) Reduce its capital in any manner including by redemption, re-purchase or cancellation of any of its shares;
- (ii) Reduce or repay any indebtedness to any director, officer, partner, shareholder, related company, affiliate or associate, or any other indebtedness which has been subordinated; or
- (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, related company, affiliate or associate.

Subject to any applicable unclaimed property legislation, in the event that GGAI has used all reasonable efforts but has not been successful in locating one or more of the Underpaid Beneficiaries after five years from the date of the Order, the total amounts owing to such beneficiaries shall be donated to the charity Pathways to Education.



**Legacy Education Savings Plan**  
**Schedules to the financial statements**

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**Schedule 1 – Educational assistance payment agreements**

Year of eligibility	Number of units outstanding #	Principal plus accumulated income \$	Government grants plus accumulated income \$	Total \$
2000	6	5,261	1,279	6,540
2001	4	3,618	785	4,403
2002	12	2,918	1,570	4,487
2003	51	20,092	6,302	26,395
2004	259	83,400	14,249	97,649
2005	360	139,950	39,622	179,573
2006	515	180,132	50,640	230,773
2007	1,024	252,716	69,510	322,225
2008	1,208	307,538	91,328	398,866
2009	1,433	420,190	148,843	569,033
2010	2,349	705,376	212,827	918,203
2011	2,645	842,144	316,763	1,158,907
2012	4,151	1,248,283	409,592	1,657,875
2013	6,063	1,471,043	560,425	2,031,468
2014	8,538	1,959,839	730,813	2,690,652
2015	12,427	3,218,412	1,146,049	4,364,461
2016	16,374	3,992,434	1,471,677	5,464,111
2017	24,456	5,750,894	2,010,186	7,761,080
2018	38,063	8,132,759	2,833,332	10,966,092
2019	50,497	11,954,865	4,121,559	16,076,424
2020	66,546	18,455,220	6,012,960	24,468,180
2021	87,500	27,968,831	9,050,936	37,019,767
2022	141,556	57,231,559	20,459,153	77,690,712
2023	147,572	56,834,152	22,022,977	78,857,128
2024	157,934	56,401,900	22,798,275	79,200,176
2025	166,167	55,278,564	23,000,848	78,279,413
2026	156,472	48,086,974	20,830,933	68,917,908
2027	141,049	38,899,431	17,561,725	56,461,156
2028	128,773	31,500,068	14,487,853	45,987,922
2029	117,209	25,753,921	12,017,194	37,771,115
2030	100,781	19,186,615	9,298,400	28,485,015
2031	86,839	14,500,820	7,125,542	21,626,362
2032	68,844	9,709,734	4,969,112	14,678,847
2033	48,517	5,768,880	3,029,582	8,798,461
2034	44,359	5,028,406	2,233,642	7,262,048
2035	32,725	2,844,457	1,381,296	4,225,753
2036	23,878	1,487,564	790,211	2,277,775
2037	11,589	480,720	282,421	763,141
<b>March 31, 2022</b>	<b>1,898,745</b>	<b>516,109,683</b>	<b>211,590,412</b>	<b>727,700,095</b>
<b>March 31, 2021</b>	<b>2,714,201</b>	<b>531,745,407</b>	<b>216,851,450</b>	<b>748,596,857</b>

**Legacy Education Savings Plan**  
**Schedules to the financial statements**

March 31, 2022 and 2021

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

	Opening agreements	Inflow agreements	Outflow agreements	Closing agreements
The following is a summary of Educational Assistance Payment contracts				
<b>2022</b>	<b>48,998</b>	<b>—</b>	<b>5,770</b>	<b>43,228</b>
2021	55,732	19	6,753	48,998

	2022 \$	2021 \$
The following reconciles Schedule 1 to the statements of financial position		
Total principal, government grants and accumulated income (Schedule 1)	<b>727,700,095</b>	748,596,857
Represented in the statements of financial position by		
Subscriber contributions	<b>455,851,273</b>	466,469,089
Accumulated government grants	<b>184,918,704</b>	189,047,815
Unrealized depreciation of investments	<b>(3,546,999)</b>	—
Income earned on		
Subscriber contributions and government grants, net transferred	<b>91,154,779</b>	94,260,064
	<b>728,377,757</b>	749,776,968
Less: Government grants receivable	<b>677,662</b>	1,180,111
	<b>727,700,095</b>	748,596,857