Financial statements of
Advanced Education Savings Plan

Years ended March 31, 2023 and 2022

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Advanced Education Savings 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, 2023, 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

June 27, 2023
Toronto, Ontario

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INDEPENDENT AUDITOR'S REPORT

To the Subscribers of the Advanced Education Savings Plan:

Opinion

We have audited the financial statements of Advanced Education Savings Plan (the "Plan"), which comprise the statements of financial position as at March 31, 2023 and 2022, and the statements of comprehensive loss, statements of changes in net assets attributable to subscribers and beneficiaries and statements of cash flows for the years 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, 2023 and 2022, and its financial performance and its cash flows for the years 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 Information

Management is responsible for the other information. The other information comprises the information included in 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 and remain alert for indications that the other information 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 in this auditor's report. We have nothing to report in this regard.

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

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

Chartered Professional Accountants, Licensed Public Accountants

Baker Tilly WM LLP

June 27, 2023
Toronto, Ontario

Advanced Education Savings Plan

Statements of financial position

As at March 31, 2023 and 2022
(All amounts in Canadian dollars)

	Notes	2023 $	2022 $
Assets			
Cash and cash equivalents		1,352,674	1,052,333
Investments – at fair value	7	4,231,818	4,646,314
Due from the Legacy Education Savings Plan	4	23,691	111,028
Due from the Fund Manager – Global Growth Assets Inc.	4	645	18,682
Grants receivable	Sch.2	12,416	12,503
Interest receivable		30,469	27,309
		5,651,713	5,868,169
Liabilities			
Accounts payable		4,368	4,134
Net assets attributable to subscribers and beneficiaries		5,647,345	5,864,035
Net assets attributable to subscribers and beneficiaries represented by			
Subscriber contributions	5	4,241,786	4,310,372
Accumulated government grants		1,260,702	1,288,615
Unrealized depreciation of investments		(466,834)	(284,124)
Accumulated and undistributed investment income and realized gains on investments		611,691	549,172
		5,647,345	5,864,035

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.

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Fareed Amin
Director

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Kevin Bavelaar
Director

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Chandar Singh
Director

Advanced Education Savings Plan

Statements of comprehensive loss

Years ended March 31, 2023 and 2022

(All amounts in Canadian dollars)

	Notes	2023 $	2022 $
Revenue			
Interest income for educational assistance payments		135,752	116,438
Realized (losses) on disposal of investments		(45,046)	(12,047)
Change in unrealized depreciation on investments		(182,710)	(250,298)
		(92,004)	(145,907)
Expenses			
Administration fees		131,662	139,821
Other charges		3,772	3,321
Audit costs		53,442	57,600
Expenses absorbed by Plan Manager	4	(188,876)	(200,742)
		—	—
Decrease in net assets attributable to subscribers and beneficiaries from operations		(92,004)	(145,907)

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

Advanced Education Savings Plan

Statements of changes in net assets attributable to subscribers and beneficiaries

Years ended March 31, 2023 and 2022

(All amounts are in Canadian dollars)

	Notes	2023 $	2022 $
Net assets attributable to subscribers and beneficiaries, beginning of year		5,864,035	5,840,920
Decrease in net assets attributable to subscribers and beneficiaries from operations		(92,004)	(145,907)
Increase in net assets attributable to subscribers and beneficiaries			
Subscriber contributions received net of fees	5	504,468	502,414
Government grants received (paid)	Sch.2		
Canada Education Savings Grants (CESG)		109,490	105,308
Canada Learning Bond (CLB)		5,900	(8,600)
Quebec Education Savings Incentive (QESI)		415	(385)
British Columbia Training and Education Savings		1,200	1,200
Grant (BCTESG)		—	—
Income on grants		(8,058)	(16,383)
Income on subscriber contributions		(10,335)	(57,688)
Decrease in net assets attributable to subscribers and beneficiaries			
Return of subscriber contributions		(573,054)	(306,086)
Educational assistance payments			
Government grants		(154,712)	(50,758)
Net assets attributable to subscribers and beneficiaries, end of year		5,647,345	5,864,035

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

Advanced Education Savings Plan

Statements of cash flows

Years ended March 31, 2023 and 2022
(All amounts in Canadian dollars)

	Notes	2023 $	2022 $
Operating activities			
Decrease in net assets attributable to subscribers and beneficiaries from operations		(92,004)	(145,907)
Adjustment for			
Realized losses on disposal of investments		45,046	12,047
Change in unrealized depreciation on investments		182,710	250,298
Increase (decrease) in receivable from Legacy Education Savings Plan		87,337	(42,333)
(Decrease) increase in due from Global Growth Assets Inc.		18,037	(11,788)
Decrease in grant receivable		87	10,267
Increase in interest receivable		(3,160)	(2,223)
Increase in accounts payable		234	1,170
Purchase of investments		(3,359,813)	(3,337,561)
Proceeds from sale and maturity of investments		3,546,553	2,803,681
		425,027	(462,349)
Financing activities			
Subscriber contributions received	5	504,468	502,414
Subscriber contributions paid	5	(573,054)	(306,086)
Government grants received (prepaid)		(37,707)	46,765
Income on grants received		(8,058)	(57,688)
Income on subscriber contributions received		(10,335)	(16,383)
		(124,686)	169,022
(Decrease) Increase in cash and cash equivalents		300,341	(293,327)
Cash and cash equivalents, beginning of year		1,052,333	1,345,660
Cash and cash equivalents, end of year		1,352,674	1,052,333
Operating activities			
Interest received		132,592	114,215

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

Advanced Education Savings Plan

Schedule of investment portfolio

Year ended March 31, 2023

(All amounts in Canadian dollars)

	Par value	Cost	Fair value
	$	$	$
Subscriber Contribution Invested (16.42%)			
Government Securities (4.83%)			
Canada Housing Trust 1.25% June 15, 2026	95,000	94,882	88,583
Canada Housing Trust 1.8% December 15, 2024	75,000	77,648	72,357
Government of Canada 2.750% December 1, 2048	115,000	143,206	108,599
		315,736	269,539
Provincial Securities (5.94%)			
Province of Ontario 2.70% June 2, 2029	55,000	58,449	52,710
Province of Ontario 2.800% June 2, 2048	115,000	122,351	91,913
Province of Ontario 3.75% June 6, 2032	100,000	96,028	100,981
Province of Ontario 5.600% June 2, 2035	50,000	65,571	58,234
Province Of Quebec 2.3% September 1, 2029	30,000	30,349	28,009
		372,748	331,847
Financial Institution Securities (3.11%)			
Bank of Montreal 3.190% March 1, 2028	10,000	9,993	9,498
Bank of Nova Scotia 3.100% February 2, 2028	10,000	9,908	9,461
Canadian Imperial Bank of Commerce 3.300% May 26, 2025	10,000	10,345	9,761
CPPIB Capital Inc. 1.950% September 30, 2029	100,000	99,621	90,974
Fortified Trust 1.964% October 23, 2026	5,000	5,000	4,548
Fortified Trust 3.76% June 23, 2025	5,000	5,000	4,880
Great-West Lifeco Inc. 6.670% March 21, 2033	5,000	6,435	5,710
HSBC Bank Canada 3.403% March 24, 2025	5,000	4,978	4,866
Manulife Bank of Canada 1.536% September 14, 2026	5,000	5,000	4,503
Royal Bank of Canada 3.369% September 29, 2025	10,000	10,000	9,684
Toronto-Dominion Bank 3.226% July 24, 2024	15,000	15,583	14,703
Wells Fargo & Company 3.184% February 8, 2024	5,000	5,338	4,909
		187,201	173,497
Corporate Securities (1.48%)			
407 International Inc. 3.600% May 21, 2047	5,000	4,819	4,183
Altalink LP 3.399% June 6, 2024	5,000	5,098	4,915
Bell Canada 3.800% August 21, 2028	5,000	4,903	4,823
Canadian National Railway Company 3.950% September 22, 2045	5,000	5,133	4,465
Canadian Natural Resources Limited 3.550% June 3, 2024	5,000	5,372	4,922
Enbridge Gas Inc. 3.510% November 29, 2047	5,000	4,681	4,050
Greater Toronto Airports Authority 2.750% October 17, 2039	5,000	4,993	3,892
Honda Canada Finance Inc. 2.500% June 4, 2024	10,000	10,530	9,707
McDonald's Corporation 3.125% March 4, 2025	5,000	4,887	4,865
NAV Canada 3.293% March 30, 2048	5,000	4,839	4,047
Nestle Holdings Inc. 2.192% January 26, 2029	5,000	5,000	4,477
Rogers Communications Inc. 3.650% March 31, 2027	5,000	5,585	4,789
Telus Corporation 3.750% March 10, 2026	5,000	4,984	4,873
Toronto Hydro Corporation 2.52% 25 August, 2026	5,000	5,251	4,745
Toyota Credit Canada Inc. 2.11% February 26, 2025	5,000	5,066	4,766
Transcanada Pipelines Ltd. 3.000% September 18, 2029	5,000	4,985	4,502
TWDC Enterprises 18 Corporation 2.758% October 7, 2024	5,000	4,896	4,843
		91,022	82,864
Exchange Traded Funds (1.06%)	Unit #		
BMO S&P 500 Index ETF	447	23,506	27,146
iShares Core MSCI U.S. Quality Dividend Index ETF	108	2,459	2,813
iShares Core S&P/TSX Capped Composite Index ETF	911	25,845	29,088
		51,810	59,047
Total Subscriber Contributions invested		1,018,517	916,794

(All amounts in Canadian dollars)

	Par value $	Cost $	Fair value $
Government Grants invested (59.36%)			
Government Securities (17.04%)			
Canada Housing Trust 1.25% June 15, 2026	310,000	309,135	289,060
Canada Housing Trust 1.8% December 15, 2024	300,000	310,590	289,428
Government of Canada 2.750% December 1, 2048	395,000	486,016	373,014
		1,105,741	951,502
Provincial Securities (21.45%)			
Province of Ontario 2.70% June 2, 2029	205,000	217,854	196,464
Province of Ontario 2.800% June 2, 2048	425,000	451,271	339,677
Province of Ontario 3.75% June 6, 2032	350,000	336,098	353,434
Province of Ontario 5.600% June 2, 2035	185,000	242,611	215,466
Province Of Quebec 2.3% September 1, 2029	100,000	101,164	93,364
		1,348,998	1,198,405
Financial Institution Securities (11.06%)			
Bank of Montreal 3.190% March 1, 2028	25,000	24,832	23,744
Bank of Nova Scotia 3.100% February 2, 2028	25,000	24,641	23,653
Canadian Imperial Bank of Commerce 3.300% May 26, 2025	50,000	51,727	48,806
CPPIB Capital Inc. 1.950% September 30, 2029	400,000	398,484	363,896
Fortified Trust 1.964% October 23, 2026	5,000	5,000	4,548
Fortified Trust 2.558% March 23, 2024	5,000	5,000	4,873
Fortified Trust 3.76% June 23, 2025	10,000	9,999	9,760
Great-West Lifeco Inc. 6.670% March 21, 2033	20,000	25,739	22,840
HSBC Bank Canada 3.403% March 24, 2025	10,000	9,956	9,732
Manulife Bank of Canada 1.536% September 14, 2026	25,000	25,000	22,515
Royal Bank of Canada 3.369% September 29, 2025	25,000	25,000	24,209
Toronto-Dominion Bank 3.226% July 24, 2024	50,000	51,554	49,010
Wells Fargo & Company 3.184% February 8, 2024	10,000	10,679	9,818
		667,611	617,404
Corporate Securities (6.45%)			
407 International Inc. 3.600% May 21, 2047	25,000	24,097	20,914
Altalink LP 3.399% June 6, 2024	25,000	25,488	24,575
Bell Canada 3.800% August 21, 2028	25,000	24,516	24,117
Canadian National Railway Company 3.950% September 22, 2045	25,000	25,665	22,327
Canadian Natural Resources Limited 3.550% June 3, 2024	15,000	16,117	14,767
Enbridge Gas Inc. 3.510% November 29, 2047	25,000	23,403	20,250
Enbridge Pipelines Inc. 4.130% August 9, 2046	5,000	4,679	4,022
Greater Toronto Airports Authority 2.750% October 17, 2039	30,000	29,959	23,354
Honda Canada Finance Inc. 2.500% June 4, 2024	45,000	47,387	43,680
McDonald's Corporation 3.125% March 4, 2025	15,000	14,660	14,594
NAV Canada 3.293% March 30, 2048	25,000	24,194	20,237
Nestle Holdings Inc. 2.192% January 26, 2029	25,000	24,999	22,387
Rogers Communications Inc. 3.650% March 31, 2027	20,000	22,340	19,157
Telus Corporation 3.750% March 10, 2026	10,000	9,968	9,745
Toronto Hydro Corporation 2.52% 25 August, 2026	25,000	26,254	23,723
Toyota Credit Canada Inc. 2.11% February 26, 2025	25,000	25,331	23,832
Transcanada Pipelines Ltd. 3.000% September 18, 2029	10,000	9,971	9,004
TWDC Enterprises 18 Corporation 2.758% October 7, 2024	20,000	19,583	19,373
		398,611	360,058
Exchange Traded Funds (3.36%)	Unit #		
BMO S&P 500 Index ETF	1,418	74,566	86,115
iShares Core MSCI U.S. Quality Dividend Index ETF	347	7,912	9,039
iShares Core S&P/TSX Capped Composite Index ETF	2,897	82,189	92,501
		164,667	187,655
Total Government Grants invested		3,685,628	3,315,024
Total Subscriber contributions and Government Grants invested (75.78%)		4,704,145	4,231,818
Cash (10.30%)		575,091	575,091
Cash equivalents (13.92%)		772,516	777,583
Total Investment Portfolio - 100%		6,051,752	5,584,492

1. Organization and general

Advanced Education Savings Plan (the "Plan") was established on January 27, 2016. Global Educational Trust Foundation (the "Foundation") is the sponsor of the Plan. The Foundation is a not-for-profit organization, incorporated without share capital, under the laws of Canada. 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 a 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 27, 2023.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These financial statements have been prepared on a going concern and historical cost basis, except for certain financial assets and liabilities which have been presented at fair value at the end of each reporting period as described below.

a) Recognition, measurement and classification 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.

2. Summary of significant accounting policies (continued)

a) Recognition, measurement and classification 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 loss.

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 of the related investments are recognized in the statements of comprehensive loss in the period when such gains (losses) occur. The change in unrealized appreciation (depreciation) on investments is accumulated as part of the net assets attributable to subscribers and beneficiaries but is not included in the payments to beneficiaries until such gains (losses) are realized on the disposal of investments.

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 Legacy Education Savings Plan and the Fund Manager; grants receivable; interest receivable; and accounts payable.

At each reporting date, the Plan measures the loss allowance on: due from the Legacy Education Savings Plan; grants receivable; and interest 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.

2. Summary of significant accounting policies (continued)

d) Cash and cash equivalents

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

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

Subscriber 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 account maintenance fees, special services fees, where applicable, and insurance premiums from contributions made by subscribers in accordance with the terms of the prospectus. Refer to Note 5 for further details.

h) Government grants

The Federal government encourages saving for post-secondary education by providing Canada Education Savings Grants (“CESG”) on RESP contributions made subsequent to 1997 for children under 18 years of age. The maximum basic CESG per child is 20% of RESP contributions of up to $2,500 (prior to 2007, it was based on $2,000) made on behalf of each beneficiary in a year. Effective in 2004, additional CESG can be added based on up to the first $500 of RESP yearly contributions at a rate of 10% or 20% when there is eligibility based on family net income. The maximum lifetime CESG is $7,200; prior to 2007, it was $7,000. Upon maturity of an EAP Contract and fulfillment of certain criteria established by the Federal government, the CESG contributions and accumulated investment income thereon will be added to EAPs made to qualified students.

Each child born on or after January 1, 2004 will be eligible for a Canada Learning Bond (“CLB”) in each year that child’s family is entitled to the National Child Benefit (“NCB”) supplement, up to and including the year in which the child turns 15 years of age. CLB is $500 in the first year of entitlement and $100 in each subsequent year that the child remains eligible for NCB supplement until the year the child turns 15 years of age. Maximum CLB payments per child total up to $2,000.

2. Summary of significant accounting policies (continued)

h) Government grants (continued)

On March 26, 2015, the Alberta Government announced the closure of the Alberta Centennial Education Savings ("ACES") Plan Grant program and the last day to apply for the grant was July 31, 2015. For residents of Alberta, the program provided an initial ACES grant of $500, which was paid into an RESP for every child born in Alberta on or after January 1, 2005. Additional grants of $100 were paid into the RESPs of eligible beneficiaries when they turned 8, 11 and 14 in the year 2005 or later and (i) were attending school at that time; (ii) had a parent or guardian who was a resident of Alberta at the time of the application or at the time of the child's particular birthday; and (iii) had met minimum contribution levels required by the Government of Alberta.

For residents of Quebec, the provincial government provides the Quebec Education Savings Incentive ("QESI"), which applies to contributions made on or after February 21, 2007 into the RESP, where a child named as a beneficiary is a resident of Quebec. The basic credit is 10% of the net annual contribution to a maximum of $250 per eligible beneficiary. The total lifetime maximum is $3,600 per eligible beneficiary. Families within Quebec's annual income threshold may qualify up to 10% of the first $500 in RESP contributions to a maximum of $50 in QESI. Family income thresholds are indexed for inflation and will be revised annually by the Quebec Ministry of Revenue.

The Government of British Columbia since 2015 has introduced the new British Columbia Training and Education Savings Grant ("BCTESG") offered to each resident beneficiary born on or after January 1, 2007. After the beneficiary turns 6 years of age, the Province of British Columbia will deposit $1,200 into the beneficiary's RESP. To qualify for the BCTESG, a subscriber must open the RESP and complete an application for the BCTESG within the following timeframes: (i) prior to August 15, 2018 for children born in 2007 and 2008, (ii) prior to August 15, 2018 for children born between January 1, 2009 and August 15, 2009 or (iii) prior to the beneficiary's ninth birthday for children born on or after August 16, 2009. The beneficiary and the custodial parent/legal guardian must be residents of British Columbia when applying for the BCTESG and the application must be made between the beneficiary's 6th and 9th birthday. No matching or additional contributions are required.

Government grants received by the Plan with respect to a beneficiary are invested by the Plan and will ultimately be paid out to the beneficiary when the beneficiary becomes entitled to receive EAP. Under various circumstances, including the case where a plan is cancelled by the subscriber, the grant must be repaid, 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 judgment 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.

(All amounts in Canadian dollars)

3. Critical accounting estimates and judgements (continued)

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.

4. Related party transactions

a. In consideration for administrative services received, the Plan pays the Investment Fund Manager (GGAI) administration fees of 2.35% per annum of the Plan's assets. During the fiscal year, GGAI has paid all of the expenses of the Plan. Such payments can be terminated by the Investment Fund Manager in any time without notice.

b. The Plan's assets include $23,691 ($111,028 in 2022) receivable from Legacy Education Savings Plan for subscriber contributions and grants not yet allocated to the Plan and $645 ($18,682 in 2022) receivable from GGAI for bank charges.

c. Special services fees paid from subscribers' contributions are remitted by the Foundation to GGAI. The fees principally relate to amounts charged for cheques returned and not honored.

5. Subscriber contributions

The changes in the subscriber contributions for the year ended March 31, 2023 and March 31, 2022 are as follows:

	2023 $	2022 $
Balance, beginning year	4,310,372	4,114,043
Amount contributed by subscribers	526,096	526,018
Account maintenance fees	(11,580)	(12,198)
Insurance premiums	(1,247)	(1,563)
Special service fees	(8,801)	(9,843)
Return of subscriber contributions	(573,054)	(306,085)
Balance, end of year	4,241,786	4,310,372

(All amounts in Canadian dollars)

6. 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.

7. Fair value of financial instruments

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

The three fair value hierarchy levels are as follows:

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

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

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

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

	Level 1 $	Level 2 $	Level 3 $	2023 Total $
Assets measured at fair value as of March 31, 2023				
Cash equivalents	—	777,583	—	777,583
Equity securities	246,702	—	—	246,702
Fixed income securities	—	3,985,116	—	3,985,116
	246,702	4,762,699	—	5,009,401

	Level 1 $	Level 2 $	Level 3 $	2022 Total $
Assets measured at fair value as of March 31, 2022				
Cash equivalents	—	444,618	—	444,618
Equity securities	259,645	—	—	259,645
Fixed income securities	—	4,386,349	—	4,386,349
	259,645	4,830,967	—	5,090,612

There were no financial instruments that were transferred into or out of any Levels during the years ended March 31, 2023 and March 31, 2022.

(All amounts in Canadian dollars)

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 liquidity risk, market risk (which includes interest rate risk, other price risk, and currency risk), and credit 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) 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.

b) 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 three main market risk factors: interest rate risk related to the fixed income portfolio, price risk related to the equity securities and currency risk related to changes in foreign exchange rates due to ETFs listed on the Canadian marketplace with underlying exposure to US equities.

(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.

The table below summarizes the Plan's exposure to interest rate risks by remaining term to maturity as at March 31, 2023 and March 31, 2022:

	2023 %	2022 %
Less than 1 year	16.6	9.6
1-3 years	15.5	19.2
3-5 years	11.1	12.1
Greater than 5 years	56.8	59.1
	100.0	100.0

As at March 31, 2023, management estimates that if prevailing interest rates had increased or decreased by 1% the total investment portfolio value would decrease by approximately $324,200 ($375,500 in 2022). This 1% change assumes a parallel shift in the yield curve along with all other variables held constant. In practice, the actual trading results may differ materially.

(All amounts in Canadian dollars)

8. Risk management (continued)

b) Market risk (continued)

(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 are the equity investments in exchange traded funds (“ETFs”) which represent 4.9% (5.0% in 2022) of the portfolio. The risk is managed by security selection and active management by external managers within approved investment policies and manager mandates.

As at March 31, 2023, 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 $1,938 ($1,938 in 2022 – no change comparing to 2022). In practice, the actual trading results may differ materially.

(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 2.47% (2.5% in 2022) of the Total Investment Plan. The fair value of the Total Investment Plan would increase or decrease by approximately $1,251 ($1,269 in 2022) in response to a 1% depreciation or appreciation of the Canadian dollar currency exchange rate. In practice, the actual change may differ materially.

c) 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 and 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, 2023 and March 31, 2022, the Plan’s credit exposure to long term debt instruments is as follows:

	2023 %	2022 %
Bond Ratings		
AAAH/AAA/AAH/AAL	87.0	85.2
AA/AH/A/AL	10.7	11.6
BBB/BB/BBBH/BBBL	2.3	3.2
Unrated	0.0	0.0
	100.0	100.0

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

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 account 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, repayment of capital or other distribution of assets to any director, officer, partner, shareholder, related company, affiliate or associate.

(iv) The above conditions have been met and capital controls no longer apply as of March 31, 2023

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.

Advanced Education Savings Plan

Schedule 1 – Educational assistance payment agreements

Years ended March 31, 2023 and 2022

(All amounts in Canadian dollars)

	Number of units outstanding	Principal plus accumulated income $	Government grants plus accumulated income $	Total $
Year of eligibility				
2017	20	11,277	2,373	13,650
2018	86	29,034	7,204	36,238
2019	85	24,394	4,112	28,506
2020	247	77,138	11,112	88,250
2021	268	104,855	22,693	127,548
2022	339	117,189	49,617	166,806
2023	1,002	477,548	115,241	592,789
2024	904	364,138	99,368	463,506
2025	1,111	435,694	120,750	556,444
2026	1,020	320,515	94,415	414,930
2027	1,151	308,978	92,007	400,985
2028	1,036	293,857	78,801	372,658
2029	1,070	249,772	72,728	322,500
2030	984	206,616	67,011	273,627
2031	761	149,843	52,238	202,081
2032	1,072	219,012	68,937	287,949
2033	1,479	293,935	96,077	390,012
2034	1,539	250,711	86,793	337,504
2035	1,512	220,315	77,387	297,702
2036	990	117,857	40,894	158,751
2037	809	76,490	26,003	102,493
March 31, 2023	17,485	4,349,168	1,285,761	5,634,929
March 31, 2022	19,397	4,452,239	1,399,293	5,851,532

Schedule 2 – Reconciliation of educational assistance agreements

Years ended March 31, 2023 and 2022

(All amounts in Canadian dollars)

	Opening agreements	Inflow agreements	Outflow agreements	Closing agreements
The following is a summary of Educational Assistance Payment contracts				
2023	505	—	52	453
2022	597	—	92	505

	2023 $	2022 $
The following reconciles Schedule 1 to the statements of financial position		
Total principal, government grants and accumulated income (Schedule 1)	5,634,929	5,851,532
Represented in the statements of financial position by		
Subscriber contributions	4,241,786	4,310,372
Accumulated government grants	1,260,702	1,288,615
Income earned on Subscriber contributions and government grants, net transferred	611,691	549,172
	6,114,179	6,148,159
Less: Unrealized (depreciation) of investment	466,834	284,124
Less: Government grants receivable	12,416	12,503
	5,634,929	5,851,532