

Management Report of Fund Performance

Advanced Education Savings Plan

For the years ended March 31, 2018 and 2017

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

The Global Educational Trust Foundation (the Foundation) views corporate governance and compliance as important contributors to overall corporate performance and long-term investment returns. Currently, the investments of the Plan are limited to specified government bonds, guaranteed investment certificates, principal protected notes, and corporate debt securities with an approved rating. These securities do not carry voting rights. Therefore, the Plan's policies and procedures on voting and proxy voting are limited to exceptional circumstances where creditors of an issuer are given a right to vote in accordance with applicable laws.

MANAGEMENT REPORT OF FUND PERFORMANCE

Global Growth Assets Inc. ("GGAI" or the "Manager") has retained the services of 1832 Asset Management L.P. ("1832 AM") to act as the portfolio advisor for the Plan.

The views of the portfolio advisors contained in this report are as of March 31, 2018 and this report is not intended to provide legal, accounting, tax or specific investment advice. Views, portfolio holdings and allocations may have changed subsequent to this date.

INVESTMENT OBJECTIVE AND STRATEGIES

Global Growth Assets Inc. ("GGAI") invests in a prudent manner, with the objective of protecting your principal and delivering a positive return on your Advanced Education Savings Plan investment. GGAI invests primarily in federal, provincial and investment grade corporate bonds, guaranteed investment certificates, exchange traded funds and principal protected notes.

All of the Plan's assets are managed by 1832 AM. To protect the portfolio in a rising rate environment, the Plan's assets are invested in floating rate notes.

Allocation by Portfolio Advisor



RISK

The risks of investing in the Plan and its suitability for investors are outlined in the Prospectus. As the portfolio is expected to primarily invest in fixed income instruments, the key risks associated with fixed income investing are interest rate risk, liquidity risk, pricing risk and credit risk.

RESULTS OF OPERATIONS

Global Educational Trust Foundation, the sponsor of the Plan retained GGAI as administrator and Investment Fund Manager.

The net assets of the Plan as of March 31, 2018 topped \$2.55 million (2017 - \$1.24 million). The Plan's rate of return during fiscal year was 1.16% compared to the FTSE TMX Canada All Government Bond Index (formerly known as DEX Universe All Government Index) ("Benchmark") return of 1.19%. Unlike the Index, the Plan's return is after the deduction of its fees and expenses.

Due to the size of the Plan, the expenses of the Plan during the fiscal year from April 1, 2017 to March 31, 2018 were absorbed by GGAI.

Canadian economic outlook was robust for much of 2017, only starting to abate during the first quarter of 2018. Inflation both in Canada and US have increased closer to the Central Bank's

target 'bands'. Despite several housing reforms in Canada, it appears that the Canadian housing market remains stable after coming off the frothy highs of Spring 2017. Unemployment figures in both countries continue to trend down and reached 40 year lows, hinting at near full capacity. There have been some nascent signs of wage pressures but this has not yet materialized to any significant degree.

Yields in Canada and the US climbed steadily in 2017. The Bank of Canada raised rates 3 times during the fiscal year and the US Federal Reserve has also done the same. During the summer of 2017, the US Federal Reserve announced their intention to reduce their reinvestment of maturing treasury and mortgage-backed securities on their balance sheets in the Fall. This is effectively a shift from the previous Quantitative Easing program to a Quantitative Tightening one. As a result, the Canada yield curve rose in general, though the increase was not parallel in nature. The curve flattened with the front end rising more to respond to the increases in overnight rates than the long end of the curve, which also shifted up.

RECENT DEVELOPMENTS

After raising the overnight rates 3 times in the last 12 months, Bank of Canada now has adopted a more cautious outlook. Uncertainties such as North American Free Trade Agreement ("NAFTA") negotiations, trade protectionism, and enhanced regulation on housing are all risks that the Bank of Canada will monitor. On the positive side, oil prices have recovered from their 2015-2016 lows and are back to their 2014 levels.

The market is expecting the US Federal Reserve to continue raising interest rates at least 2 more times in 2018, perhaps even an additional time, data depending. The US Federal Reserve has also revised guidance for 2019 to expect 3 interest rate increases, up from 2 previously. As a result, 1832 AM believes that Canadian bond rates will also be pressured up regardless of official Bank of Canada rates. If any of the risk overhang is resolved, such as the successful conclusion of NAFTA negotiations, this could swing expectations for Canada from dovish (cautious) to hawkish, prompting the Bank of Canada to continue raising rates. Considering these outlooks, 1832 AM is likely to maintain shorter duration position with some tactical moves to capture value.

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FINANCIAL AND OPERATING HIGHLIGHTS

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

(Dollar amounts in \$'000)

Statement of Financial Position	2018	2017
Total Assets	\$2,610	\$1,273
Net Assets	\$2,551	\$1,238
% change in Net Assets	106%	768%
Statement of Comprehensive Income		
Net Investment Income	\$21.2	\$ 0.8
Statement of Changes in Net Assets		
Educational Assistance Payments ("EAP")	\$0	\$ 0
Government Grants	\$2	\$0
Other		
Total Number of Contracts	604	421
% change in Number of Contracts	43%	680%

MANAGEMENT FEES

Total administration fee expenses for the year ended March 31, 2018 was \$54,419 (2017 - \$16,775) was waived by GGAI.

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

RELATED PARTY TRANSACTIONS

Under the terms of an Administrative Services Agreement, the Foundation has delegated administrative functions to GGAI and distribution functions to Global RESP ("GRESP"), registered as a scholarship plan dealer under securities legislation in each of the provinces and territories in which it sells scholarship plans. GRESP is the primary distributor of the Plan.

In exchange for its administrative services, GGAI is entitled to receive administration fees of 2.35% per annum of the assets of the Plan. In addition, special service fees charged to subscribers principally in respect of dishonored and returned cheques, are remitted by GGAI to GRESP.

As Distributor of the Plan, GRESP is considered to be a related entity to the Plan because of their common connection to certain parties, which may mean that the Distributor and the issuer (the Plan) are not independent of each other.

The Plan's assets include \$198,882 (March 31, 2017 - \$83,858) receivable from Legacy Education Savings Plan for subscriber contributions and grants not yet allocated to the Plan and \$2,627 (March 31, 2017 - \$4,374) receivable from GGAI for bank charges. The Plan's payables include

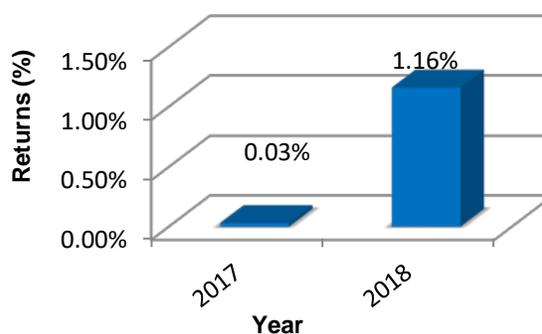
\$54,784 (March 31, 2017 - \$31,381) payable to GRESP for processing and service fees.

PAST PERFORMANCE

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

Year-by-Year Returns

The bar chart indicates the Plan's performance for the financial year shown. Annual return is the percentage change in the value of an investment from January to December 31, unless otherwise noted. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



Annual Compound Returns

The following table compares the historical annual compound return of the Plan for the periods shown ended March 31st with the Benchmark.

	Past Year	Since Inception
Plan	1.16%	1.19%
Benchmark	1.19%	2.59%

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

FTSE TMX Canada All Government Bond Index

The Plan is measured against the FTSE TMX Canada All Government Bond Index for performance.

This Index tracks the performance of Government-issued bonds. It is designed to be a broad measure of the Canadian fixed income markets with the exclusion of corporate bonds.

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SUMMARY OF INVESTMENT PORTFOLIO
As of March 31, 2018

Issuer	% of Plan's Portfolio Assets
1 Cash	26.51%
2 Province of British Columbia Floating Rate Note January 10, 2020	15.62%
3 Government of Canada Treasury Bills May 3, 2018	12.81%
4 Province of Quebec Floating Rate Note June 10, 2020	9.36%
5 Province of Manitoba Floating Rate Note May 15, 2020	9.32%
6 Province of Alberta Floating Rate Note June 17, 2020	9.31%
7 Province of Nova Scotia Floating Rate Note June 15, 2020	6.13%
8 Royal Bank of Canada Floating Rate Note April 9, 2019	2.74%
9 National Bank of Canada Floating Rate Note June 14, 2018	2.74%
10 Toronto Dominion Bank Floating Rate Note July 31, 2019	2.73%
11 Canadian Imperial Bank of Commerce Floating Rate Note February 7, 2020	2.73%
TOTAL	100.00%

All holdings in the Plan are long positions as at March 31, 2018.

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