

Audited Financial Statements

Legacy Education Savings Plan

(formerly Global Educational Trust Plan)

For the years ended March 31, 2018 and 2017

Legacy Education Savings Plan

March 31, 2018 and March 31, 2017

Table of contents

Management’s Responsibility for Financial Reporting 3

Independent Auditor’s Report..... 4-5

Statements of Financial Position 6

Statements of Comprehensive Income 7

Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries..... 7

Statements of Cash Flows 8

Schedule of Investment Portfolio..... 9-13

Notes to the Financial Statements..... 14-20

Schedule 1- Educational Assistance Payment Agreements..... 21

Schedule 2- Reconciliation of Educational Assistance Agreements..... 22

Management's Responsibility for Financial Reporting

The accompanying audited 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.

Deloitte LLP is the external auditor of the Plan. It has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the Planholders of the Plan its opinion on the financial statements.



Alex Manickaraj
Chief Executive Officer

Toronto, Ontario
June 11, 2018

Independent Auditor's Report

To the Planholders of Legacy Education Savings Plan (formerly known as Global Educational Trust Plan),

We have audited the accompanying financial statements of the Legacy Education Savings Plan, which comprise the statements of financial position as at March 31, 2018 and March 31, 2017, and the statements of comprehensive income, statements of changes in net assets attributable to subscribers and beneficiaries, and statements of cash flows for the years ended March 31, 2018 and March 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Legacy Education Savings Plan as at March 31, 2018 and March 31, 2017, and its financial performance, changes in its net assets attributable to subscribers and beneficiaries and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 11, 2018

Legacy Education Savings Plan

Statements of Financial Position

As at March 31, 2018 and 2017

	2018	2017
	\$	\$
Assets		
Cash and cash equivalents	36,285,783	8,093,507
Investments - at fair value (Note 6)	661,309,104	674,168,772
Due from the Global Educational Trust Foundation (Note 4)	818,665	550,340
Grants receivable (Note 2)	1,866,772	1,959,131
Interest receivable	3,936,808	3,566,780
	704,217,132	688,338,530
Liabilities		
Accounts payable	862,775	770,829
Payable for securities purchased	-	4,369,104
Due to the Advanced Education Savings Plan ("AESF") (Note 4)	198,882	83,861
Due to the Distributor - Global RESP Corporation (Note 4)	3,533,639	4,270,530
Due to the Fund Manager - Global Growth Assets Inc. (Note 4)	830,432	433,060
Net Assets Attributable to Subscribers and Beneficiaries	698,791,404	678,411,146
Net Assets Attributable to Subscribers and Beneficiaries represented by:		
Subscriber contributions (Note 5)	445,975,405	426,280,373
Accumulated government grants	179,663,055	171,841,738
Unrealized appreciation of investments	799,769	4,625,112
Accumulated and undistributed investment income and realized gains on investments	72,353,175	75,663,923
	698,791,404	678,411,146

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



Peter Ostapchuk
Director



Ronald Brooks
Director

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

Legacy Education Savings Plan

Statements of Comprehensive Income

For the years ended March 31, 2018 and 2017

	2018	2017
	\$	\$
Revenue		
Interest income for educational assistance payments	17,500,854	16,505,624
Dividends	901,740	-
Realized gains on disposal of investments	(3,270,347)	1,382,599
Change in unrealized depreciation on investments	(3,825,343)	(6,316,934)
	11,306,904	11,571,289
Expenses		
Administration fees	9,263,334	8,979,335
Audit costs	145,811	182,051
Other	72,924	72,730
Independent review committee	19,338	16,575
	9,501,407	9,250,691
Increase in Net Assets Attributable to Subscribers and Beneficiaries from operations	1,805,497	2,320,598

Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries

For the years ended March 31, 2018 and 2017

	2018	2017
	\$	\$
Net Assets Attributable to Subscribers and Beneficiaries, beginning of year	678,411,146	655,419,706
Increase in Net Assets attributable to Subscribers and Beneficiaries from operations	1,805,497	2,320,598
Increase in Net Assets Attributable to Subscribers and Beneficiaries		
Subscriber contributions received	61,229,583	60,708,527
Government grants received (Note 2):		
Canada Education Savings Grants (CESG)	13,189,294	13,839,892
Canada Learning Bond (CLB)	2,269,946	2,385,925
British Columbia Training and Education Savings Grant (BCTESG)	454,800	518,400
Quebec Education Savings Incentive (QESI)	451,988	460,140
Saskatchewan Advantage Grant for Education Savings (SAGES)	28,360	57,080
	77,623,971	77,969,964
Decrease in Net Assets Attributable to Subscribers and Beneficiaries		
Refund of subscriber contributions	(41,534,553)	(40,009,474)
Payments to Beneficiaries:		
Government grants	(8,573,070)	(8,412,026)
Income earned on Government grants	(2,128,530)	(2,062,239)
Income earned on Subscriber contributions	(6,813,057)	(6,815,383)
	(59,049,210)	(57,299,122)
Net Assets Attributable to Subscribers and Beneficiaries, end of year	698,791,404	678,411,146

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

Legacy Education Savings Plan

Statements of Cash Flows

For the years ended March 31, 2018 and 2017

	2018	2017
	\$	\$
Cash provided by (used in):		
Operating Activities		
Increase (decrease) in Net assets attributable to Subscribers and Beneficiaries from operations	1,805,497	2,320,598
Adjustments for:		
Change in unrealized depreciation on investments	3,825,343	6,316,934
Realized gains on disposal of investments	3,270,347	(1,382,599)
(Increase) decrease in due from Foundation	(268,325)	29,649
Decrease in due from the Fund Manager - Global Growth Assets Inc.	-	80,186
Decrease (increase) in grants receivable	92,359	(90,610)
Increase in interest receivable	(370,028)	(641,725)
Increase (decrease) in accounts payable	91,946	(107,028)
Increase in due to the Advanced Education Savings Plan - AESP	115,021	83,861
(Decrease) increase in due to the Distributor - GRESP	(736,891)	1,035,829
Increase in due to the Fund Manager - Global Growth Assets Inc.	397,372	433,060
Decrease in payable for securities purchased	(4,369,104)	(8,810,640)
Purchase of investments	(696,255,824)	(729,386,232)
Proceeds from sale of investments	702,019,802	656,661,458
	9,617,515	(73,457,259)
Financing Activities		
Subscriber contributions received, net	19,695,030	20,699,053
Government grants received	16,394,388	17,261,437
Educational assistance payments made to beneficiaries	(17,514,657)	(17,289,648)
	18,574,761	20,670,842
Increase in cash	28,192,276	(52,786,417)
Cash and cash equivalents, beginning of year	8,093,507	60,879,924
Cash and cash equivalents, end of year	36,285,783	8,093,507
Supplemental cash flow information:		
Interest received	16,739,024	16,023,323

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

Legacy Education Savings Plan

Schedule of Investment Portfolio

As at March 31, 2018

	Par Value \$	Cost \$	Fair value \$
Subscribers' contribution invested - (69.10%)			
Government Securities - 22.80%			
Canada Government 5.75% June 1, 2033	27,985,000	40,176,561	40,886,997
Canada Government 5.75% June 1, 2029	28,095,000	38,937,581	38,138,141
Canada Housing Trust 2.35% March 15, 2028	19,385,000	18,757,333	19,121,243
Canada Housing Trust 3.80% June 15, 2021	10,375,000	11,153,774	10,917,693
Canada Housing Trust 2.65% March 15, 2028	10,080,000	10,080,662	10,207,761
Canada Government 0.75% May 1, 2019	8,710,000	8,614,467	8,630,796
Canada Housing Trust 1.90% September 15, 2026	6,000,000	5,984,140	5,740,320
Canada Housing Trust 2.35% September 15, 2023	5,655,000	5,821,305	5,665,075
Canada Housing Trust 2.90% June 15, 2024	5,000,000	5,065,361	5,148,450
Canada Government 2.75% December 1, 2048	3,845,000	4,444,177	4,287,175
Canada Government 3.75% June 1, 2019	2,480,000	2,733,704	2,539,718
CPPIB Capital Inc. SER A 1.40% June 4, 2020	2,200,000	2,195,730	2,170,168
Canada Housing Trust 2.40% December 15, 2022	2,030,000	2,013,212	2,042,302
Canada Housing Trust 1.20% June 15, 2020	1,700,000	1,671,185	1,673,140
Canada Housing Trust 2.35% June 15, 2027	1,200,000	1,175,568	1,186,565
Canada Government 1.00% June 1, 2027	800,000	768,231	727,520
		<u>159,592,991</u>	<u>159,083,064</u>
Provincial Securities - 15.20%			
Ontario Province 6.50% March 8, 2029	15,430,000	21,226,739	20,696,904
Province of Ontario 3.50% June 2, 2043	6,890,000	7,016,659	7,450,639
Province of British Columbia 2.70% December 18, 2022	6,430,000	6,369,416	6,529,486
British Columbia Province 5.70% June 18, 2029	4,975,000	5,953,006	6,370,140
Province of Ontario 2.85% June 2, 2023	5,330,000	5,346,517	5,434,463
Province of Nova Scotia 1.82% August 15, 2018	4,250,000	4,258,205	4,255,950
Province of Saskatchewan 3.20% June 3, 2024	4,000,000	4,096,710	4,148,160
Province of Alberta 2.55% December 15, 2022	4,050,000	4,136,022	4,076,903
Province of Quebec 5.00% December 1, 2041	2,925,000	3,690,369	3,913,299
Province of British Columbia 2.30% June 18, 2026	4,000,000	4,020,640	3,902,840
Province of Manitoba 1.67% April 2, 2019	3,200,500	3,199,644	3,208,661
Province of Saskatchewan 1.95% March 1, 2019	3,200,000	3,282,880	3,208,192
Hydro-Quebec 11.00% August 15, 2020	2,545,000	3,961,093	3,067,226
Province of Quebec 3.75% September 1, 2024	2,765,000	2,898,284	2,962,283
British Columbia Province 3.70% December 18, 2020	2,775,000	2,736,372	2,893,282
Province of Manitoba 4.15% June 3, 2020	2,300,000	2,535,060	2,402,235
Financement Quebec 2.06% June 1, 2018	2,100,000	2,124,885	2,102,268
Province of New Brunswick 2.85% June 2, 2023	2,030,000	2,004,300	2,063,982
Financement Quebec 2.45% December 1, 2019	2,030,000	2,036,896	2,047,641
Province of Manitoba 1.60% September 5, 2020	2,000,000	2,013,600	1,976,680
Province of British 2.8% June 18, 2048	2,000,000	1,843,080	1,941,360
Province of Ontario 4.70% June 2, 2037	1,500,000	1,830,050	1,872,540
British Columbia Municipal Fin Auth 4.60% April 23, 2018	1,785,000	1,778,074	1,788,245
Province of Alberta 1.35% September 1, 2021	1,600,000	1,583,120	1,552,848
Province of New Brunswick 1.55% May 4, 2022	1,550,000	1,516,489	1,500,741
Province of Ontario 1.35% March 8, 2022	1,550,000	1,508,011	1,493,828
Province of Ontario 2.8% June 02, 2048	1,500,000	1,390,950	1,432,890
Province of Saskatchewan 5.00% March 5, 2037	855,000	1,136,723	1,093,400
Ontario Province 4.40% June 2, 2019	770,000	802,879	793,566
		<u>106,296,673</u>	<u>106,180,652</u>

Legacy Education Savings Plan

Schedule of Investment Portfolio

As at March 31, 2018

	Par Value \$	Cost \$	Fair value \$
Financial Institution Securities - 13.80%			
Pacific & Western Bank 8.00% March 11, 2021	10,000,000	10,000,000	10,000,000
Pacific & Western Bank GIC 4.50% August 3, 2021	10,000,000	10,000,000	10,000,000
Bank of Montreal 2.12% March 16, 2022	5,050,000	5,110,993	4,947,072
Canadian Imperial Bank of Commerce 1.70% October 9, 2018	3,300,000	3,322,469	3,297,591
National Bank of Canada 1.74% March 3, 2020	3,300,000	3,303,639	3,261,093
Royal Bank of Canada 1.97% March 2, 2022	3,300,000	3,248,279	3,215,355
HSBC Bank 2.08% November 26, 2018	3,100,000	3,116,890	3,102,480
Canadian Imperial Bank of Commerce 1.90% April 26, 2021	3,000,000	3,051,780	2,942,670
Royal Bank of Canada 2.82% July 12, 2018	2,885,000	2,952,616	2,894,145
Bank of Montreal 2.27% July 11, 2022	2,550,000	2,512,052	2,507,058
Toronto Dominion Bank 2.05% March 8, 2021	2,400,000	2,416,560	2,367,816
Toronto Dominion Bank 2.62% December 22, 2021	2,300,000	2,411,425	2,299,839
Royal Bank of Canada 3.45% September 29, 2026	2,250,000	2,310,329	2,279,250
Royal Bank of Canada 1.97% March 2, 2022	2,300,000	2,328,359	2,239,878
Bank of Montreal 2.70% December 9, 2026	2,245,000	2,245,422	2,204,589
Omers Realty Corporation 2.50% June 5, 2018	2,190,000	2,239,600	2,193,285
Bank of Nova Scotia 3.04% October 18, 2024	2,100,000	2,152,500	2,119,740
Royal Bank of Canada 2.86% March 4, 2021	2,100,000	2,121,630	2,118,606
Bank of Nova Scotia 2.87% June 4, 2021	2,100,000	2,179,821	2,117,220
Toronto Dominion Bank 2.56% June 24, 2020	2,100,000	2,103,990	2,106,951
Enbridge 3.19% December 5, 2022	2,100,000	2,069,375	2,100,756
Bank of Nova Scotia 3.10% February 2, 2028	1,950,000	1,949,337	1,964,097
National Bank of Canada 1.81% July 26, 2021	2,000,000	2,018,720	1,949,260
Royal Bank of Canada 2.03% March 15, 2021	1,950,000	1,949,259	1,923,180
Bank of Montreal 1.88% March 31, 2021	1,950,000	1,949,903	1,914,393
Canadian Imperial Bank of Commerce 1.90% April 26, 2021	1,920,000	1,919,002	1,885,029
Bank of Montreal 1.61% October 28, 2021	1,950,000	1,949,903	1,885,011
Manulife Bank of Canada 2.08% May 26, 2022	1,935,000	1,935,000	1,884,979
Toronto Dominion Bank 3.23% July 24, 2024	1,815,000	1,815,000	1,858,979
Royal Bank of Canada 4.93% July 16, 2025	1,620,000	1,679,179	1,835,564
Toronto Dominion Bank 1.99% March 23, 2022	1,740,000	1,740,000	1,699,883
Toronto Dominion Bank 2.98% September 30, 2025	1,670,000	1,681,490	1,677,198
Canadian Imperial Bank of Commerce Deposit Note 1.64% July 12, 2021	1,655,000	1,645,782	1,607,015
BMW Canada Inc 1.83% June 15, 2021	1,600,000	1,601,760	1,561,824
Wells Fargo Financial Canada 2.94% July 25, 2019	1,190,000	1,217,964	1,200,377
Royal Bank of Canada 2.36% December 5, 2022	1,100,000	1,099,901	1,084,038
		97,349,929	96,246,221
Principal Protected Notes - 9.10%			
Bank of Nova Scotia Yorkville Guaranteed Top-up Yield Seeker May 1, 2020	15,000,000	15,000,000	14,796,000
Bank of Nova Scotia Yorkville Guaranteed Top-up Yield Seeker August 25, 2021	11,250,000	11,250,000	10,881,000
JP Morgan ETF Efficiente 5 Index PPN May 19, 2021	7,100,000	7,100,000	7,452,577
JP Morgan S&P 500 Low Index Variable Return PPN January 25, 2021	7,100,000	7,100,000	7,320,100
TD Bank Index Linked Dolphin NT August 16, 2021	7,100,000	7,100,000	7,318,680
JP Morgan ETF Efficiente PPN February 26, 2020	7,100,000	7,100,000	6,999,890
JP Morgan S&P 500 Low Volatility Index PPN March 14, 2019	4,260,000	4,260,000	5,525,646
JP Morgan STOXX Europe Large 200 PPN August 26, 2020	3,550,000	3,550,000	3,454,860
		62,460,000	63,748,753

Legacy Education Savings Plan

Schedule of Investment Portfolio

As at March 31, 2018

	Par Value	Cost	Fair value
	\$	\$	\$
Exchange Traded Funds - 8.20%			
BMO S&P 500 Index ETF	733,100	26,527,941	27,417,940
BMO S&P 500 Hedged to CAD Index ETF	172,000	6,356,017	6,849,040
iShares S&P/TSX Capped Information Technology Index ETF	206,000	3,579,120	3,602,940
iShares S&P/TSX Capped REIT Index ETF	180,000	2,943,000	2,995,200
iShares S&P/TSX Capped Consumer Staples Index ETF	55,000	2,934,250	2,904,000
iShares Nasdaq 100 ETF (CAD-Hedged)	54,000	2,744,730	2,899,800
iShares S&P/TSX Capped Materials Index ETF	183,000	2,346,060	2,362,530
Evolve North American Gender Diversity Index ETF	111,000	2,349,220	2,294,370
BMO Dow Jones Industrial Average Hedged to CAD Index ETF	55,000	2,422,850	2,248,400
BMO Equal Weight US Banks Index ETF	82,000	2,249,880	2,246,800
iShares US Small Cap Index ETF (CAD - hedged)	51,000	1,523,981	1,651,380
		<u>55,977,049</u>	<u>57,472,400</u>
Total Subscriber contributions invested		<u>481,676,642</u>	<u>482,731,090</u>
Government Grants invested - (25.70%)			
Government Securities - 10.60%			
Canada Government 5.75% June 1, 2033	13,190,000	18,932,414	19,271,020
Canada Government 5.75% June 1, 2029	12,860,000	17,851,535	17,457,074
Canada Housing Trust 2.35% March 15, 2028	8,975,000	8,684,408	8,852,884
Canada Housing Trust 3.80% June 15, 2021	4,775,000	5,132,218	5,024,757
Canada Housing Trust 2.65% March 15, 2028	4,760,000	4,760,210	4,820,331
Canada Government 0.75% May 1, 2019	3,625,000	3,585,298	3,592,036
Canada Housing Trust 2.90% June 15, 2024	2,660,000	2,694,747	2,738,975
Canada Housing Trust 2.35% September 15, 2023	2,615,000	2,655,122	2,619,659
Canada Government 2.75% December 1, 2048	2,229,000	2,569,626	2,485,335
Canada Housing Trust 1.90% September 15, 2026	1,600,000	1,578,956	1,530,752
Canada Government 3.75% June 1, 2019	1,330,000	1,466,059	1,362,026
Canada Housing Trust 2.35% June 15, 2027	1,000,000	979,640	988,804
Canada Housing Trust 2.40% December 15, 2022	870,000	862,805	875,272
Canada Government 1.00% June 1, 2027	825,000	775,181	750,255
CPPIB Capital Inc. SER A 1.40% June 4, 2020	600,000	598,200	591,864
Canada Housing Trust 1.20% June 15, 2020	600,000	589,830	590,520
Public Service Pension Capital S8 1.34% August 18, 2021	400,000	388,200	388,124
		<u>74,104,449</u>	<u>73,939,688</u>
Provincial Securities - 6.90%			
Ontario Province 6.50% March 8, 2029	6,935,000	9,655,360	9,302,205
Province of Ontario 3.50% June 2, 2043	3,860,000	3,923,800	4,174,088
Province of British Columbia 2.70% December 18, 2022	2,995,000	2,966,865	3,041,353
British Columbia Province 5.70% June 18, 2029	2,265,000	2,800,858	2,900,174
Province of Ontario 2.85% June 2, 2023	2,575,000	2,592,531	2,625,462
Province of Quebec 5.00% December 1, 2041	1,667,000	2,100,720	2,230,246
Province of Alberta 2.55% December 15, 2022	1,850,000	1,896,561	1,862,241
Province of Quebec 3.75% September 1, 2024	1,725,000	1,826,035	1,848,079
Province of Saskatchewan 3.20% June 3, 2024	1,775,000	1,805,603	1,840,746
Province of Nova Scotia 1.82% August 15, 2018	1,784,000	1,787,504	1,786,498
Province of British Columbia 2.30% June 18, 2026	1,700,000	1,701,534	1,658,707
Province of Manitoba 1.67% April 2, 2019	1,349,500	1,349,226	1,352,941
Province of Saskatchewan 1.95% March 1, 2019	1,300,000	1,333,670	1,303,328

Legacy Education Savings Plan

Schedule of Investment Portfolio

As at March 31, 2018

	Par Value \$	Cost \$	Fair value \$
Provincial Securities - 6.90% (continued)			
Province of Manitoba 4.15% June 3, 2020	1,225,000	1,350,108	1,279,451
Hydro-Quebec 11.00% August 15, 2020	1,055,000	1,641,876	1,271,482
Province of Manitoba 1.60% September 5, 2020	950,000	949,431	938,923
Province of Ontario 4.70% June 2, 2037	750,000	916,710	936,270
Ontario Province 4.40% June 2, 2019	905,000	945,568	932,698
Financement Quebec 2.06% June 1, 2018	900,000	910,665	900,972
Province of New Brunswick 2.85% June 2, 2023	870,000	858,986	884,564
Financement Quebec 2.45% December 1, 2019	870,000	873,996	877,560
British Columbia Province 3.70% December 18, 2020	805,000	793,794	839,312
British Columbia Municipal Fin Auth 4.60% April 23, 2018	710,000	707,245	711,291
Province of New Brunswick 1.55% May 4, 2022	640,000	626,163	619,661
Province of Ontario 1.35% March 8, 2022	640,000	622,662	616,806
Province of Alberta 1.35% September 1, 2021	600,000	593,670	582,318
Province of Saskatchewan 5.00% March 5, 2037	385,000	511,858	492,350
		48,042,999	47,809,726
Financial Institution Securities - 4.70%			
Bank of Montreal 2.12% March 16, 2022	2,150,000	2,167,927	2,106,162
Royal Bank of Canada 2.82% July 12, 2018	1,420,000	1,453,442	1,424,501
Canadian Imperial Bank 1.70% October 9, 2018	1,350,000	1,359,192	1,349,015
National Bank of Canada 1.74% March 3, 2020	1,350,000	1,351,489	1,334,084
Royal Bank of Canada 1.97% March 2, 2022	1,350,000	1,328,841	1,315,373
HSBC Bank 2.08% November 26, 2018	1,200,000	1,206,555	1,200,960
Canadian Imperial Bank of Commerce 1.90% April 26, 2021	1,200,000	1,209,422	1,177,068
Bank of Montreal 2.70% December 9, 2026	1,070,000	1,069,212	1,050,652
Toronto Dominion Bank 2.62% December 22, 2021	1,000,000	1,036,660	999,930
Bank of Montreal 2.27% July 11, 2022	1,000,000	985,119	983,160
Royal Bank of Canada 3.45% September 29, 2026	950,000	975,444	962,350
Omers Realty Corporation 2.50% June 5, 2018	918,000	938,604	919,377
Bank of Nova Scotia 3.04% October 18, 2024	900,000	922,500	908,460
Royal Bank of Canada 2.86% March 4, 2021	900,000	909,270	907,974
Bank of Nova Scotia 2.87% June 4, 2021	900,000	933,903	907,380
Bank of Nova Scotia 3.10% February 2, 2028	900,000	899,694	906,506
Toronto Dominion Bank 2.56% June 24, 2020	900,000	901,710	902,979
Enbridge 3.19% December 5, 2022	900,000	886,890	900,324
Toronto Dominion Bank 1.99% March 23, 2022	915,000	915,000	893,904
Royal Bank of Canada 2.03% March 15, 2021	905,000	904,656	892,553
Bank of Montreal 1.88% March 31, 2021	895,000	894,955	878,657
Royal Bank of Canada 1.97% March 2, 2022	900,000	901,276	876,474
Canadian Imperial Bank 1.90% April 26, 2021	890,000	889,537	873,790
Manulife Bank of Canada 2.08% May 26, 2022	895,000	895,000	871,864
Bank of Montreal 1.61% October 28, 2021	900,000	899,955	870,005
Toronto Dominion Bank 3.23% July 24, 2024	835,000	835,000	855,233
Royal Bank of Canada 4.93% July 16, 2025	745,000	791,303	844,133
CIBC Deposit Note 1.64% July 12, 2021	835,000	830,349	810,790
Toronto Dominion Bank 2.05% March 8, 2021	800,000	806,560	789,272
National Bank of Canada 1.81% July 26, 2021	800,000	801,452	779,704
Toronto Dominion Bank 2.98% September 30, 2025	680,000	684,678	682,931
BMW Canada Inc 1.83% June 15, 2021	600,000	600,660	585,684

Legacy Education Savings Plan

Schedule of Investment Portfolio

As at March 31, 2018

	Par Value	Cost	Fair value
	\$	\$	\$
Financial Institution Securities - 4.70% (continued)			
Wells Fargo Financial Canada 2.94% July 25, 2019	510,000	521,985	514,447
Royal Bank of Canada 2.36% December 5, 2022	450,000	449,960	443,470
		<u>33,158,200</u>	<u>32,719,166</u>
Principle Protected Notes - 3.50%			
Bank of Nova Scotia Yorkville Guaranteed Top-up Yield Seeker May 1, 2020	5,000,000	5,000,000	4,932,000
Bank of Nova Scotia Yorkville Guaranteed Top-up Yield Seeker August 25, 2021	3,750,000	3,750,000	3,627,000
JP Morgan S&P 500 Low Index Variable Return PPN January 25, 2021	2,900,000	2,900,000	2,989,900
TD Bank Index Linked Dolphin NT August 16, 2021	2,900,000	2,900,000	2,989,320
JP Morgan ETF Efficiente 5 Index PPN May 19, 2021	2,900,000	2,900,000	3,044,010
JP Morgan ETF Efficiente PPN February 26, 2020	2,900,000	2,900,000	2,859,110
JP Morgan S&P 500 Low Volatility Index PPN March 14, 2019	1,740,000	1,740,000	2,256,954
JP Morgan STOXX Europe Large 200 PPN August 26, 2020	1,450,000	1,450,000	1,411,140
		<u>23,540,000</u>	<u>24,109,434</u>
Total Government Grants Invested		<u>178,845,648</u>	<u>178,578,014</u>
Total Subscriber contributions and Government Grants invested - (94.80%)		660,522,290	661,309,104
Cash - 4.00%		27,684,608	27,684,608
Cash equivalent - 1.20%		8,588,220	8,601,175
Total Investment Portfolio		<u>696,795,118</u>	<u>697,594,887</u>

Legacy Education Savings Plan

Notes to the Financial Statements

March 31, 2018 and 2017

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. Global RESP Corporation ("GRESP"), a company incorporated under the Canada Business Corporations Act, is the registered distributor of the Plan. The Foundation, GRESP 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 11, 2018.

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.

Financial Instruments

(a) Recognition, measurement and classification

The Plan's investment portfolio is designated at fair value through profit or loss ("FVTPL") and is measured at fair value. All other financial assets/liabilities are measured at amortized cost, and are classified as loans and receivables and other financial liabilities.

Financial assets and liabilities are recognized when the Plan becomes a party to the contractual provisions of the instrument and are initially measured at fair value with transaction costs recorded immediately through profit or loss. Investments are recorded on a trade date basis.

Gains or losses due to the revaluation of assets are recorded in net earnings for the period in which they arise. Financial assets classified as "loans and receivables" and financial liabilities classified as "other liabilities" are measured at their amortized cost using the effective interest method.

(b) Fair value measurement

The fair value of cash, grants receivable, accrued interest, accounts receivable and accounts payable approximates their carrying value, due to their short-term maturities. Investments in bonds are stated at fair values, determined using the bid price at year-end.

The Pacific & Western Bank of Canada ("PWB") bonds held by the Plan are not traded in an active market. Principal Protected Notes ("PPNs") are hybrid financial debt instruments issued by governments, Canadian chartered banks and licensed trust and loan companies that have embedded components that change the risk/return profile of the security. Included in this class are structured notes that are debt instruments whose returns are based on indices or underlying assets rather than typical interest payments. PPNS are carried at fair value using pricing methodologies established by management and use, among others, historical or implied volatility and historical correlation, to compute the present value of the note. The PWB bonds are valued using contractual terms, market inputs and industry standard calculation methodologies.

Legacy Education Savings Plan

Notes to the Financial Statements

March 31, 2018 and 2017

2. Summary of significant accounting policies (continued)

(c) *Offsetting*

Financial assets and liabilities are offset and the net amount 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.

(d) *Impairment of financial assets*

At each reporting date the Plan assesses whether there is objective evidence that financial assets at amortized cost is impaired. If such evidence exists, the Plan recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Cash and cash equivalents

Cash and cash equivalents consist of investments in money market securities and Government of Canada treasury bills maturing within ninety days from the date of purchase. These investments are carried at fair value.

Investment transactions and income recognition

The interest for educational assistance payments shown on the statements of comprehensive income represents the coupon interest received by the Plan accounted for on an accrual basis, by reference to the principal outstanding and the nominal interest rate applicable. The Plan does not amortize premiums paid or discounts received on the purchase of fixed income securities.

Realized gains and losses on disposal of investments and changes in unrealized appreciation and depreciation on investments are recognized in the Statements of Comprehensive Income in the year when such gains or losses occur. Realized gains (losses) on disposal of investments are computed on an average cost basis. Unrealized appreciation and depreciation are not allocated to specific beneficiaries until they are realized by the Plan.

Income taxes

The Plan is exempt from income taxes under Section 146.1 of the ITA.

Future accounting changes

(a) *Financial instruments*

In July 2014, the International Accounting Standard Board ("IASB") issued IFRS 9, "Financial Instruments", which replaces IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 adds a requirement dealing with future expected credit losses (impairment), amends classification and measurement requirements dependent on business models applied to financial assets by adding a new measurement category of fair value through other comprehensive income and introduces a new hedge accounting model with corresponding disclosures about risk management activity. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Plan is still in the process of assessing the impact of this new standard on its financial statements.

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).

Legacy Education Savings Plan

Notes to the Financial Statements

March 31, 2018 and 2017

2. Summary of significant accounting policies (continued)

(a) *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.

(b) *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.

The Saskatchewan Advantage Grant for Education Savings ("SAGES") is a grant from the government of Saskatchewan offered to each resident beneficiary who is 17 years of age or under. The SAGES amount is 10% of annual contributions made into an RESP on or after January 1, 2013 and has an annual maximum amount of \$250 per eligible beneficiary. The cumulative lifetime maximum for the SAGES is \$4,500 per eligible beneficiary.

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.

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 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.

Legacy Education Savings Plan

Notes to the Financial Statements

March 31, 2018 and 2017

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:

a) *Measurement of fair value of investments not quoted in an active market*

The Plan holds financial assets that are not traded in an active market such as PPN, PWB bonds and PWB guaranteed investment certificates. These are valued using pricing models that use both observable and unobservable inputs requiring estimates and assumptions to be made. Changes in assumptions about these factors could affect the reported fair values. Refer to Note 6 for more information on the fair value measurement of the Plan's financial instruments.

b) *Classification and measurement of investments and application of the fair value option*

In classifying and measuring financial instruments held by the Plan, management is required to make significant judgments regarding the instruments' characteristics. The most significant judgment rests with the designation of the investment portfolio designated 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. This classification is in line with the Plan's strategy described in the continuous offering prospectus. The Plan's activity consists of investing in financial assets with a view to profiting from their total return in the form of interest and changes in fair value.

4. Related party transactions

- 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.
- The Plan's receivables include \$818,665 (March 31, 2017 - \$550,340) receivable from the Foundation for discretionary EAP payments made to subscribers. The Plan's payables include \$3,533,639 (March 31, 2017 - \$4,270,530) payable to GRESP settled through the Foundation for sales charges, \$198,882 (March 31, 2017 - \$83,861) payable to AESP for contribution and grants not yet allocated to AESP and \$830,432 (March 31, 2017 - \$433,060) payable to GGAI settled through the Foundation for administration fees.
- GRESP receives sales charges from subscribers that are deducted from contributions made by 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 GRESP.
- Special services fees paid from subscribers' savings accounts are remitted by the Foundation to GRESP. The fees principally relate to amounts charged to subscribers in respect of cheques returned and not honoured.

5. Subscriber contributions

The changes in the subscriber contributions for the years ended March 31, 2018 and March 31, 2017 are as follows:

	March 31, 2018	March 31, 2017
	\$	\$
Balance, beginning period	426,280,373	405,581,320
Amount contributed by subscribers	66,599,231	69,080,133
Sales Charges	(3,335,786)	(6,157,739)
Account maintenance fees	(1,101,402)	(1,115,500)
Insurance premiums	(320,914)	(339,537)
Special service fees	(611,544)	(758,830)
Principal withdrawals on terminations or return of contribution	(41,534,553)	(40,009,474)
Balance, end of period	445,975,405	426,280,373

Legacy Education Savings Plan

Notes to the Financial Statements

March 31, 2018 and 2017

6. Fair value of financial instruments

Fair value measurements are classified in accordance with 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:

Assets measured at fair value as of March 31, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash equivalents	-	8,601,175	-	8,601,175
Fixed income securities	-	495,978,517	20,000,000	515,978,517
PPNs	-	-	87,858,187	87,858,187
Equity Securities	57,472,400	-	-	57,472,400
Total	57,472,400	504,579,692	107,858,187	669,910,279

Assets measured at fair value as of March 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash equivalents	-	1,852,175	-	1,852,175
Fixed income securities	-	501,022,472	25,248,488	526,270,960
PPNs	-	-	108,455,100	108,455,100
Equity Securities	39,442,712	-	-	39,442,712
Total	39,442,712	502,874,647	133,703,588	676,020,947

There were no financial instruments that were transferred into or out of Levels 1 or 2 during the years ended March 31, 2018 and March 31, 2017.

Financial instruments classified as Level 3 represent the Plan's investment in certain PPNs and the PWB bonds. These securities are priced based on valuation models. The most significant unobservable input used in the valuation model is the yield used to value the securities. Management estimates that a 1% increase or decrease in the yields used by management would decrease or increase net assets attributable to subscribers and beneficiaries by approximately \$780,000 (March 31, 2017 - \$900,000).

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

	March 31, 2018	March 31, 2017
Opening balance	133,703,588	174,410,700
Proceeds from Maturity and Sale	(24,500,000)	(41,000,000)
Change in unrealized (losses) gains	(1,345,401)	292,888
Closing balance	107,858,187	133,703,588

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 endeavours to invest subscriber contributions and government grants received in appropriate investments while maintaining sufficient liquidity to meet subscribers' obligations.

Legacy Education Savings Plan

Notes to the Financial Statements

March 31, 2018 and 2017

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 Advisers 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 the PPNs.

(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, 2018 and March 31, 2017:

	March 31, 2018	March 31, 2017
	%	%
Less than 1 year	6.7	6.4
1-3 years	19.6	19.6
3-5 years	23.2	31.2
Greater than 5 years	50.5	42.8
	100.0	100.0

As at March 31, 2018, management estimates that if prevailing interest rates had increased or decreased by 1% (March 31, 2017 - 1%), the total investment portfolio value would decrease by approximately \$35 million (March 31, 2017 - \$29 million) or increase by approximately \$37 million (March 31, 2017 - \$31 million), respectively. 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.

(ii) *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 PPNs which represent 12.53% (March 31, 2017 - 15.9%) of the portfolio. The return on PPNs are not determinable prior to maturity and instead are linked to the performance of their underlying index and will depend on the extent to which the index return is positive or negative at maturity. A negative return will result in a return of only the principal amount which is protected by the issuer. The risk is managed by security selection and active management by external managers within approved investment policies and manager mandates.

As at March 31, 2018, 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 \$780,000 (March 31, 2017 - \$900,000). In practice, the actual trading results may differ materially.

Legacy Education Savings Plan

Notes to the Financial Statements

March 31, 2018 and 2017

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 assets are exposed to credit risk.

As at March 31, 2018 and March 31, 2017, the Plan's credit exposure to long term debt instruments is as follows:

Bond Ratings	March 31, 2018	March 31, 2017
	%	%
AAA/AAA/AH/AAL	60.7	58.5
AA/A/A	36.0	37.5
Unrated	3.3	4.0
Total debt securities	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. Unrated debt instruments are composed of the PWB bonds and PWB GIC.

(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.

9. Ontario Securities Commission Review

In 2014, the Ontario Securities Commission ("OSC") completed a compliance review of GGAI and GRESP (collectively, the "Global Entities"), and noted deficiencies that have been referred to the enforcement branch. An independent consultant worked with the Global Entities to develop and implement improved compliance systems. The remaining terms and conditions imposed by the OSC as part of the compliance review were revoked on April 24, 2014.

The Global Entities and certain officers received letters dated December 4, 2012 from the OSC in which the OSC stated that it is of the view that these companies and a certain officer made investment decisions on behalf of the Plan without being registered to do so, and (i) failed to refer conflicts of interest in connection with the Plan to the Investment Review Committee; (ii) failed to provide full, true and plain disclosure of material conflicts of interest in the Plan's 2009 and 2011 prospectuses; (iii) failed to meet the standard required of an investment Plan manager; and (iv) failed to establish and maintain suitable compliance systems.

On April 14, 2014, the Global Entities and Sam Bouji, then Chief Executive Officer of the Plan, entered into a settlement agreement with the OSC. With respect to GGAI, the settlement agreement permanently suspended Mr. Bouji as the Ultimate Designated Person ("UDP") of the Global Entities. GGAI was required to create and maintain an independent board of directors to be approved by the OSC and to appoint a new independent CEO. During the fiscal year, Mr. Bouji has resigned as director and two independent directors were appointed to the Board. Mr. Bouji has resigned as an officer on January 16, 2015 and was replaced by David Prestwich.

Legacy Education Savings Plan

Schedule 1- Educational Assistance Payment Agreements

As at March 31, 2018 and March 31, 2017

Year of eligibility	Number of units outstanding	Principal plus accumulated income	Government grants plus accumulated income	Total
		\$	\$	\$
2003	361	61,214	12,015	73,229
2004	853	112,770	17,988	130,758
2005	1,292	160,563	41,897	202,460
2006	2,699	281,320	65,580	346,900
2007	5,177	417,204	97,278	514,482
2008	8,794	487,226	121,517	608,743
2009	12,812	600,823	187,504	788,327
2010	19,440	1,067,763	299,835	1,367,598
2011	25,980	1,523,184	457,901	1,981,085
2012	37,104	2,230,889	648,167	2,879,056
2013	41,373	3,029,118	935,048	3,964,166
2014	46,623	5,238,669	1,492,458	6,731,127
2015	56,151	8,941,080	2,554,961	11,496,041
2016	68,241	13,285,399	3,950,658	17,236,057
2017	98,603	21,773,724	6,530,377	28,304,101
2018	121,416	43,366,750	11,863,288	55,230,038
2019	127,540	44,259,001	12,448,535	56,707,536
2020	142,833	44,728,962	12,984,010	57,712,972
2021	148,917	43,749,099	13,274,375	57,023,474
2022	165,345	43,910,686	17,518,806	61,429,492
2023	169,939	40,598,667	17,774,513	58,373,180
2024	182,162	39,206,250	17,882,378	57,088,628
2025	189,822	36,502,668	17,565,248	54,067,916
2026	176,350	30,099,739	15,510,244	45,609,983
2027	160,762	23,063,382	12,689,070	35,752,452
2028	143,207	17,379,016	10,128,443	27,507,459
2029	130,928	13,039,202	8,088,500	21,127,702
2030	108,954	8,418,639	5,859,576	14,278,215
2031	91,437	5,120,780	4,137,797	9,258,577
2032	68,441	2,334,302	2,572,939	4,907,241
2033	45,561	697,401	1,310,379	2,007,780
2034	33,839	454,686	724,421	1,179,107
2035	2,255	14,257	224,724	238,981
March 31, 2018	2,635,211	496,154,433	199,970,430	696,124,863
March 31, 2017	2,616,484	479,168,261	192,658,641	671,826,903

Legacy Education Savings Plan

Schedule 2- Reconciliation of Educational Assistance Agreements

As at March 31, 2018 and March 31, 2017

	Opening agreements	Inflow agreements	Outflow agreements	Closing agreements
The following is a summary of Educational Assistance Payment contracts				
2018	80,553	1,826	16,627	65,752
2017	82,043	2,903	4,393	80,553

The following reconciles Schedule 1 to the statements of financial position	2018	2017
	\$	\$
Total principal, government grants and accumulated income (Schedule 1)	696,124,863	671,826,903
Represented in the statements of financial position by		
Subscriber contributions	445,975,405	426,280,373
Accumulated government grants	179,663,055	171,841,738
Accumulated and undistributed investment income and realized gains on investments	72,353,175	75,663,923
	697,991,635	673,786,034
Less: Government grants receivable	1,866,772	1,959,131
	696,124,863	671,826,903

100 Mural Street, Suite 201, Richmond Hill, ON L4B 1J3

(416) 741-7377 1-877-460-7377

www.globalfinancial.ca