



THE CHILDREN'S EDUCATION  
TRUST OF CANADA

# ANNUAL REPORT **2023**



[www.cefi.ca](http://www.cefi.ca)

For Plan Subscribers

# Reviewing 2023



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Since 1991, we have been serving Canadian families by offering a great selection of RESPs. We look forward to continuing to be of service to you in the years ahead.

CELEBRATING OVER THIRTY YEARS



HELPING FAMILIES SAVE FOR  
POST-SECONDARY EDUCATION SINCE 1991

# President's Message

## Embracing Opportunity with Children's Education Trust of Canada RESPs

Dear valued Subscribers,

As we step into 2024, let us embrace the abundance of opportunities that await us and celebrate the resilience we've shown as Canadian families in recent years. We are filled with gratitude for the journey we've undertaken together, and we are excited about the possibilities that lie ahead – focusing on what truly matters: family, health, and securing a brighter future.

In recent times, many Canadians have emphasized the importance of planning and saving for the future, particularly when it comes to post-secondary education. We are honoured to stand by your side by offering the Children's Education Trust of Canada RESPs and assisting you in realizing your aspirations for your loved ones' post-secondary educational journey.

As we look ahead, it's crucial to set ambitious yet achievable goals. What milestones are you striving towards? Saving for post-secondary education is a noble objective, and we are here to support you every step of the way. Our RESPs offer a pathway to realizing these goals, providing a secure and reliable means of investment for your children's future.

Remember, even small, regular contributions to your RESP can yield significant results over time. Rest assured; we're committed to assisting you in accessing all eligible Government Grants to maximize the benefits of your RESP contributions.

Thank you for entrusting us with your educational savings journey. Together, we will Nurture the Dream of a post-secondary education, empowering future generations to reach their full potential.

My very best to you and your family,



Donna J. Haid  
President & Chief Executive Officer,  
The Children's Educational Foundation of Canada



Donna J. Haid

*President & Chief Executive Officer*

The Children's Educational  
Foundation of Canada



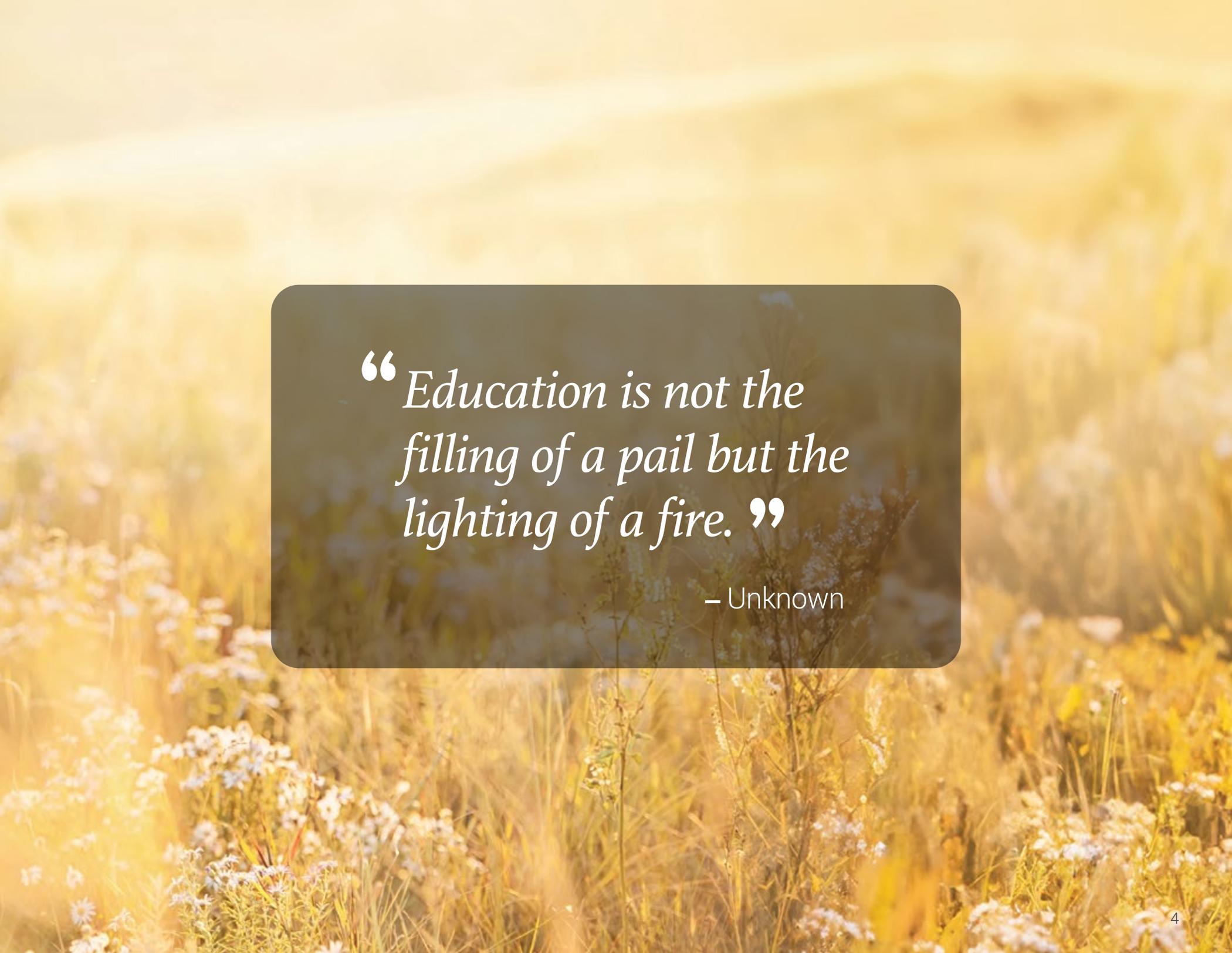
## 2023 at a Glance

- ▶ The Children's Educational Foundation of Canada (CEFC) continues to offer a great selection of RESPs – the Children's Education Trust (CET) Group Option Plan, the Self-Initiated Option Plan and the Achievers Plan. **Nurture the Dream.**
- ▶ In 2023, CEFC collected \$4,499,366 of Canada Education Savings Grants; \$591,200 of Canada Learning Bond; for Quebec residents \$168,595 of Quebec Education Savings Incentive; and for British Columbia residents \$132,000 of British Columbia Training and Education Savings Grant for a total of \$5,391,160.
- ▶ In 2023, CEFC paid out nearly \$133 million in Principal and Scholarship payments including Government Grants and payments from the Scholarship Enhancement Fund and Enrichment Fund.
- ▶ CET RESP contributions made in 2023 exceeded \$32 million.
- ▶ For 26 years in a row, the CET Group Option Plan has proudly paid the highest 1<sup>st</sup> Scholarships compared to other national group scholarship plans.\*
- ▶ During 2023, CEFI issued 182,216 AIR MILES® Reward Miles\*\* for a total life to date of 8,603,753.

\* CEFI has compared the first Scholarship payments on a per unit basis from the Children's Education Trust of Canada Group Option Plan to the comparable first scholarship payments of other nationally available group scholarship plans through publicly available financial statements and prospectus documents at [www.sedar.com](http://www.sedar.com). On the basis of this comparison, CEFI has determined that the Children's Education Trust of Canada Group Option Plan has paid the highest first Scholarship payments per unit to beneficiaries from 1997 to 2022 inclusive.

\*\* ®TM TRADEMARKS OF AM ROYALTIES LIMITED PARTNERSHIP USED UNDER LICENSE BY LOYALTYONE, CO. AND CHILDREN'S EDUCATION FUNDS INC.



A background image of a field of wildflowers, possibly daisies, in a soft, golden light, likely during sunrise or sunset. The flowers are in various stages of bloom, and the overall scene is peaceful and natural.

*“Education is not the  
filling of a pail but the  
lighting of a fire.”*

– Unknown



## Did You Know...

YOUR CHILD is eligible to receive  
**THOUSANDS OF DOLLARS**  
in Government Grants!

### Here is what you need to know . . .

- CEFC is a non-profit foundation
- Income earned in your RESP grows tax-free
- Beneficiaries can enroll in Eligible Studies and use the EAPs paid from their RESP in Canada and internationally
- For 26 years in a row, the CET Group Option Plan has proudly paid the highest 1<sup>st</sup> Scholarships compared to other national group scholarship plans.\*
- Automatic insurance coverage for the Group Option Plan (except Quebec) and many other optional insurances such as critical illness and beneficiary insurance\*\*

CEFC utilizes the investment advisory services of three Portfolio Managers:

- Fiera Capital Corporation
- Franklin Templeton Investments Corporation
- Guardian Capital

Scholarship Plan Dealer – Children’s Education Funds Inc. (CEFI)

## Nurture the Dream

\* CEFI has compared the first Scholarship payments on a per unit basis from the Children’s Education Trust of Canada Group Option Plan to the comparable first scholarship payments of other nationally available group scholarship plans through publicly available financial statements and prospectus documents at [www.sedar.com](http://www.sedar.com). On the basis of this comparison, CEFI has determined that the Children’s Education Trust of Canada Group Option Plan has paid the highest first Scholarship payments per unit to beneficiaries from 1997 to 2022 inclusive.

\*\* Insurance coverage is provided by Chubb Life Insurance Company of Canada and is unrelated to Children’s Education Funds Inc. Consult the terms of coverage for more information.

# Proud Associations



AIR MILES™

Get AIR MILES™ Reward Miles  
with CEFI.



®TM TRADEMARKS OF AM ROYALTIES LIMITED PARTNERSHIP USED UNDER LICENSE BY LOYALTONE, CO. AND CHILDREN'S EDUCATION FUNDS INC.



## Investment Coordinator's Message

In 2023 investors struggled with an economic landscape that was unlike anything seen before. The powerful return of inflationary pressures in the previous year caused the central banks to dramatically hike their target policy rates to levels not seen in over 15 years. An unexpected consequence of these actions was that the need to make such large and fast rate moves called into question the Fed's performance in managing monetary policy. If they had failed to understand the factors that led to this development, the markets started to question whether their future actions would allow them to act appropriately and avoid a possible recession. The debate grew more intense as the year unfolded because the US economy demonstrated surprising resilience in the face of these policies.

The economic data backdrop was supportive to the markets in 2023 as US CPI declined from its peak of 9.1% in the summer of 2022 and ended last year at 3.4%. The end of easy money was not without its issues, as we saw several high-profile bank failures early in the year. Speculative assets, commercial real estate and other debt heavy financial entities were significant laggards in the markets as they struggled with this unfamiliar new reality.

Continuing bouts of market volatility were commonplace throughout the year as the profile of the recovery encountered numerous data setbacks. Although overall inflation levels did improve, some key sectors resisted this trend. Wage pressures and service sector prices continued to challenge the expectations of a

rapid return to more neutral levels. As inflation remained more persistent, fixed income investors were forced to frequently revise their forecasts for the expected easing of policy rates. The ongoing uncertainty surrounding the need for a "higher for longer" interest rate setting has made volatile rates an ongoing feature of the markets. Going forward, the general view in the markets is that the long delayed and variable impacts of higher rates will lead to moderating but still positive economic growth, thus opening the way for modest further declines in the rates markets.

All our investment teams were able to deliver market beating returns in 2023. The steady decline in the inflation data produced a strong rebound in the returns of the Canadian bond and money markets. The Canadian bond and money markets rose by 6.7% and 4.8% respectively. The North American equity markets rallied strongly in response to the potentially transformative impact of the new artificial intelligence breakthroughs and the rate pivot. The S&P 500 index returned +23.5% while the Canadian TSX posted an +11.8% gain. Our overall return of +9.1% beat our portfolio benchmarks by 1.5%.

We continue to actively explore opportunities to manage the overall risk of the portfolio while seeking competitive returns. At year-end we implemented new fixed income benchmarks to reflect the improved risk/reward prospects established by the return of rates to historically attractive levels. We are of the view that the economic outlook will continue to be constructive for our investors in the year ahead.

Sincerely,

Scott McQuat  
Investment Coordinator  
Children's Education Funds Inc.

# Service, Communication and Here for You!

We believe that choosing an RESP with CEFI is an important financial decision for your family. We thank you for choosing us.

We know that families today are busy. To make sure that families have round the clock information available about their RESP, CEFI's subscriber portal is online and accessible 24 hours a day, 7 days a week.

You can also expect ongoing communication from CEFI. We will strive to keep you informed and help you make sure that your RESP continues to meet your family's needs. Your child's educational timing and your family goals and needs may change over time – we are here to support you.

## Some Important Questions to Ask Yourself

Are you saving enough money per year for your child's post-secondary education? Are you reaching your goals?

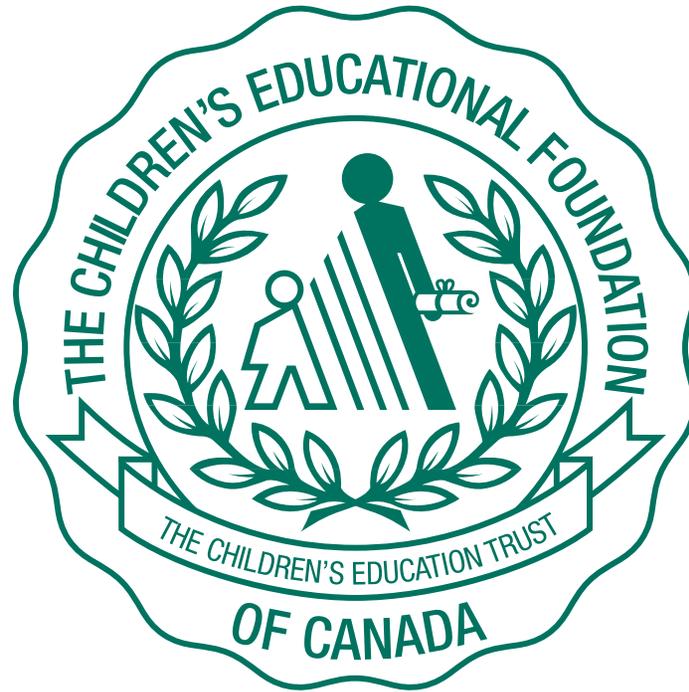
Does the maturity date of your plan reflect when you need the funds for your child's post-secondary studies?

Are you receiving and maximizing all eligible government grants?

Have you supplied us with your AIR MILES® collector number?

**We are here for you to discuss your RESP!**





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TRUST OF CANADA

Offered to the public by  
CHILDREN'S EDUCATION FUNDS INC.

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**N U R T U R E   T H E   D R E A M**