

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

(relating to a group of Registered Education Savings Plans collectively
referred to as The Children's Education Trust of Canada)

Management Report of Fund Performance and Audited Financial Statements

December 31, 2021



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Management Report of Fund Performance

This annual management report of fund performance contains financial highlights and the complete annual audited financial statements of The Children's Education Trust of Canada (the "Plans"). You may obtain a copy of the annual financial statements at your request, and at no cost, by calling our Customer Service at 1-800-246-1203, by writing to us at 3221 North Service Road, Burlington, Ontario, L7N 3G2 or by visiting our website at www.cefi.ca or SEDAR at www.sedar.com.

Plan holders may also contact us using one of these methods to request a copy of the Foundation's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Investment Objective

The Plans invest funds contributed by parents, grandparents and others to fund tuition and other expenses for children who intend to pursue a post-secondary education (the "Beneficiaries"). The Plans' primary investment objectives are achieving long-term growth of income on Savings while ensuring the preservation of Savings. In an effort to provide investment returns superior to the benchmark index, our fixed-income Investment Advisors utilize active portfolio management strategies. These strategies include yield curve and duration management, sector allocation, credit analysis, intra-market-spread trades and investment in variable rate securities with a guarantee of principal. Beginning in May 2014, pursuant to an undertaking executed on November 22, 2013, the Income of each Plan may now be invested in exchange-traded equity securities listed on a Canadian stock exchange.

Investment Strategies

In order to achieve the investment objectives of the Plans, savings and investment income earned on savings are invested according to the standard investment restrictions and practices contained in National Policy 15 of the Canadian Securities Administrators and, as such, shall always be limited to "qualified investments" as defined under the Income Tax Act in respect of Registered Education Savings Plans ("RESP").

The Plans are invested primarily in bonds, which have been issued or guaranteed by either the Federal or any Provincial Government, and Financial Institution bonds, corporate bonds and Government of Canada Treasury Bills. All of the variable rate securities held in the portfolio have an "approved credit rating" as defined in National Instrument 81-102.

Pursuant to an undertaking executed November 22, 2013, the Income of each Plan may now be invested in exchange-traded equity securities listed on a stock exchange in Canada including ETFs subject to certain restrictions. As at December 31, 2021, approximately 28.4% of plan assets had been invested in common shares of Canadian listed equity securities.

Assets of the Plans are managed by our investment advisors: Fiera Capital; Franklin Templeton and Guardian Capital. Assets are allocated across market segments and sectors according to the investment advisors' outlook, the Foundation Investment Policy, and securities regulation. Ongoing allocations to each of the investment advisors are based on the results of regular internal performance reviews, quarterly meetings with the investment advisors and qualitative assessment of the investment advisors as deemed by the Plans' management to be important to the management of the assets.

Risk

Beginning in May 2014, the Income of each Plan is now being invested in exchange-traded equity securities listed on a Canadian stock exchange which entails the undertaking of equity risk, the financial risk involved in holding equities in a particular investment.

However, this risk is mitigated through our investment policy statement with the equity manager which stipulates, among other things, concentration limits, sector and individual security exposure parameters as well as minimum market capitalization requirements for securities held in order to minimize the liquidity risk inherent in certain equity securities.

With respect to variable rate securities, these assets carry a guarantee of principal and a minimum interest yield when specified. The value of the

securities and amount of interest payable at maturity may fluctuate based on the performance of the underlying market index. Though variable rate securities enhance portfolio diversification, there currently is no active secondary market in which these securities trade. However, at this time, the Foundation's strategy is to hold all variable rate securities until maturity.

Results of Operations

Net Assets of the Plans decreased by 4.45% compared to the prior year and totaled \$1.03 billion at the end of 2021. The overall Rate of Return on the Plans' investments in 2021 was 3.58%. The benchmark used for comparison purposes is as follows:

- Fixed Income Benchmark from July 1, 2021: 50% FTSE TMX Canada All Government Bond Index, 30% FTSE TMX Canada Short Government Bond Index, and 20% FTSE TMX Canada Financial Bond Index
- Fixed Income Benchmark up to June 30, 2021: 75% FTSE TMX Canada All Government Bond Index, and 25% FTSE Canada 91-day Treasury Bill Index
- Equity Benchmark: 95% of the total return of the S&P/TSX Composite Index, and 5% of the total return of the S&P 500 Index on a Canadian dollar hedged basis.

The blended benchmark return in 2021 was 5.33%.

Market Commentary

The year began with a reflationary environment, sending risk-assets and bond yields higher. Optimism around vaccine rollouts and the eventual re-opening of economies globally provided the necessary tailwinds to instill hope and a recalibration of expectations on the path to recovery. For bond markets, the rising rate environment pulled down returns in what was one of the more challenging periods for the Canadian fixed income market in recent years. The market was unable to reverse the early year sell-off, down 5.0% after the first three months of the year with the most negative returns occurring in longer tenured bonds.

As the year progressed and vaccine distribution became widespread, it became apparent the recovery would have some starts and stalls along the way. The Canada 30-year yield peaked in the first half of the year, before retracing lower. The mid-year reversal rally in rates occurred just as inflation readings began to move higher on favourable year-over-year base-effects and increased demand as restrictions lessened. Central bankers and markets mostly agreed that the primary contributors to elevated short-term inflation were transitory factors. The transitory narrative allowed central bankers to maintain their accommodative policies for an extended period with the expectation that inflation would soon moderate towards their 2% target. Inflation however has remained elevated, with the annual rate at 7.2% and 4.8% in the US and Canada, respectively, to end the year.

As inflation proved more persistent than originally assumed, central bankers and markets put focus on the natural next step of the recovery process – the removal of accommodative policies and pricing in rate hikes. Expected path and timing of rate hikes in Canada was more aggressive than stateside. This resulted in rates across the Canadian curve moving higher in earnest to begin the fourth quarter. The Bank of Canada remained ahead of the Fed in tapering and ceasing asset purchases, as well as acknowledging the need for extreme accommodation was no longer required given the

strengthen of the recovery to date. It was not until the final month of the year the US Federal Reserve pivoted policy and drop transitory from their communication when describing the inflationary dynamics. The markets took note to the clear signal that rate hikes were coming.

The result was a challenging year for Canadian fixed income investors with a negative 2.5% over the 12-month period. Rates were higher across the curve with short term rates rising more than long term rates resulting in a flatter yield curve in Canada. The curve flattening reflects market expectations for rate hikes to commence. The 10-year Government of Canada rate ended the year 0.75% higher at 1.43%.

Corporate bonds benefited from the improving economic backdrop and outperformed government bonds over the period.

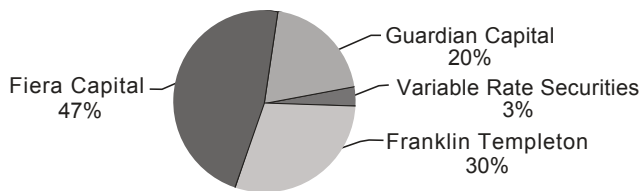
For 2021, the S&P/TSX closed 25.09% higher, the strongest annual return in thirteen years. Volatility remained high as investors considered the implications of monetary policy tightening and developments in the COVID pandemic.

2021 therefore saw the TSX generating its best return since the 2009 recovery following the Global Financial Crisis of 2007-2008. The Energy sector led the pack, delivering a 48.87% return on the back of a 55% recovery in the price of the commodity (WTI). The Financials followed suite (+36.50%) on a favourable backdrop of rising rates and lower provisions for credit losses. The Materials sector was the clear laggard (+4%), as the reflation trade turned investors away from the more defensive gold play.

Throughout this turbulent year, we remained focused on owning high quality businesses trading at attractive valuations, with a significant emphasis on capital preservation. Our goal is to own good businesses that have demonstrated an ability to build intrinsic value for our investors, as we have found this approach has outperformed over time, and with lower risk.

In 2021, our Canadian Equity portfolio gained 22.53%, under-performing the benchmark by 272 bps. In such an environment where the TSX's strong performance was predominantly driven by lower quality stocks, we expect to lag in light of our extreme focus on high-quality businesses.

As at December 31, 2021, the investment advisors managed the following percentage of assets on behalf of the Plan:



Recent Developments

The war between Russia and Ukraine will undoubtedly remain the most important risk facing investors in the first half of 2022. Financial markets have reacted to the Russian invasion with rising risk premiums. The stock market's high valuation ratios have begun their correction, and there is every reason to believe that the correction will continue if the conflict persists or spreads further. The stock market correction has not, however, led to a rise in bond indices, mainly due to high inflation. The interruption of commodity production and the various economic sanctions on Russia benefited the commodity market. The rise in energy prices will have negative repercussions on economic growth, which will have to be considered by central banks as they balance risks.

The ongoing lifting of restrictions related to the COVID-19 pandemic will no doubt bring renewed growth to the Canadian economy and in particular certain industries that were more seriously affected by the lock downs and restrictions. We evaluate companies under different economic scenarios and will continue to do so as we monitor their ability to continue to outperform and add value as the economy reopens. As always, our focus will be on company-specific attributes and differentiators but we will also pay attention to macroeconomic environment and how it affects our current and prospective portfolio companies.

Rate hikes in 2022 are fully expected. The debate is now centered on how much accommodation needs to be removed to bring inflation closer to the 2% target over a reasonable period. The second half of 2022 will likely bring clarity to the pace of hikes and the terminal value. The clear message, however, is that rates will be higher given the current strength of the economy and the elevated inflation.

We have in part reduced exposure to credit as monetary support is removed and volatility is expected to be elevated as policy pivots. In addition, we believe the high valuations across credit limits opportunities for capital appreciation, leading to asymmetric risks and a less attractive profile. We have also increased exposure to mid-term bonds as the yield curve has flattened. This limits exposure to both short- and long-end bonds. The former is likely to continue to rise as central bankers hike rates, while the latter provides limited incremental compensation for extending interest rate sensitivity. Overall, we have implemented a defensive portfolio posture as we move into period where we expect bouts of elevated volatility.

Related Party Transactions

Children's Education Funds Inc. ("CEFI") is registered as a scholarship plan dealer under the securities legislation in each of the provinces and territories of Canada. It has been approved by Canada Revenue Agency ("CRA") to operate Registered Education Saving Plans and approved by Human Resources and Skills Development Canada ("HRSDC") to process deposits from Plan holders to obtain government grants (Canada Education Savings Grants, Canada Learning Bond, British Columbia Training and Education Savings Grant and Quebec Education Savings Incentive on behalf of the Plan holders.

By agreement with the Foundation, Children's Education Funds Inc. has been appointed as the Scholarship Plan Dealer for the Children's Educational Foundation of Canada and as such is the exclusive distributor and administrator of the Plans. Under the terms of this agreement and in accordance with the prospectus, the Scholarship Plan Dealer is entitled to receive sales charges, depository charges, administrative fees and service charges. Since the Scholarship Plan Dealer is a marketing and administrative organization which is beneficially owned by a Director of the Foundation, the Scholarship Plan Dealer is considered to be a related party.

Management Fees Annual Administration Fee

All expenses of distribution and administration of the Plans are currently paid by the Scholarship Plan Dealer. Sales representatives across Canada provide distribution of the Plans. The administration of the Plans includes covering ongoing costs of maintaining and administering the Plans. The Scholarship Plan Dealer is compensated for its expenses by way of an annual administration fee calculated and payable semi-annually at the annual rate of 1/2% of all Savings for Subscribers under the Group Option Plan, 1 1/2% of all Savings for Subscribers under the Self-Initiated Option Plan, 0.95% of all Savings for subscribers under the Achievers Plan, and 1.00% of all Savings for subscribers under the Achievers Plan who entered into agreements that were signed post September 2020, including any government grant plus all income earned. In 2021, administration fees of \$6,260,649 were paid to the Scholarship Plan Dealer.

Depository Trustee Fee

During 2021, Scotiabank, the Depository Trustee and Scholarship Trustee, was paid fees totaling \$150,834. In return for the fees, the Trustee receives monies for investment, receives income, settles investment trades, provides safekeeping of assets, and maintains investment records.

Portfolio Management Fee

The Plans retain the services of three professional investment advisors to manage the investments of the Plans. The fees are calculated monthly based on the ending value of the net assets managed by each investment advisor. The average 2021 portfolio management fee based on net assets was approximately 0.127%.

Financial Highlights

The following tables show selected key financial information about the Plans and are intended to help you understand the financial performance for the past 5 years.

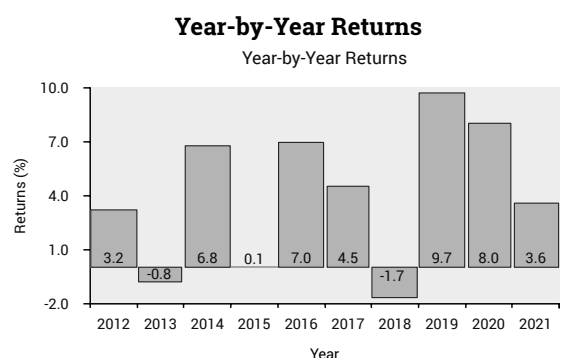
	2021	2020	2019	2018	2017
Statement of Net Assets					
Total Assets	\$1,041,524,187	\$1,090,752,141	\$1,072,545,123	\$1,053,573,771	\$1,107,085,557
Net Assets	\$1,033,382,277	\$1,081,478,843	\$1,063,315,699	\$1,035,617,714	\$1,095,677,352
% Change of Net Assets	-4%	2%	3%	-5%	2%
Statement of Operations					
Net Investment Income	\$25,963,128	\$37,761,569	\$37,531,660	\$2,775,923	\$35,049,851
Statement of Changes in Net Assets					
Scholarship Awards	\$33,939,510	\$31,818,000	\$28,709,530	\$27,095,886	\$24,096,263
Grants	\$19,529,503	\$17,855,376	\$15,720,413	\$15,440,074	\$14,163,915
Other					
Total Number of Units in plans	460,052	498,427	534,501	567,382	595,028
% Change in the Total Number of Units	-8%	-7%	-6%	-5%	-4%

Past Performance

The Plans achieved their investment objectives and produced positive results for the subscribers and beneficiaries of the plans. Past performance of the Plans does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The following graph indicates the time-weighted Market Value Year-by-Year Rate of Return for the Plans after fees for the past 10 years in percentage terms.



Annual Compounded Returns

The following table illustrates the Plans' annual compounded returns for the periods ending December 31, 2021. Equity trading did not begin until 2014.

At mid-year we changed the fixed income benchmark. The primary rationale for the revised benchmark is to lower the overall duration sensitivity of the fixed income investments. This change minimizes the fund's exposure to capital losses when market interest rates rise in the periods ahead. This action was agreed to following investment policy review meetings in June that included input from the Board of Directors, Senior Management, the Investment Coordinator, and the Investment Advisors.

The 1 year weighted average of the Fixed Income benchmark and the Equity benchmark based on December 31, 2021 holdings was 5.33%.

	1 Year	3 Years	5 Years	10 Years
Net Plans Return (%)	3.58%	7.06%	4.75%	3.97%
Previous Fixed Income Benchmark (%)	-1.98%	3.51%	2.72%	2.78%
Current Fixed Income Benchmark (%)	-2.19%	3.16%	2.55%	2.45%
Current Blended Fixed Income Benchmark (%)*	-2.59%	3.03%	2.50%	2.69%
Equity Benchmark (%)**	25.25%	17.83%	9.90%	n/a

* To Jun 30, 2021 Fixed income allocation benchmark consisted of 75% FTSE Canada All Government Bonds Index and 25% 91 day Canada Treasury Bill Index. Afterwards it changed to 50% FTSE Canada All Government Bonds Index, 30% FTSE Canada Short Term Government Bond Index, and 20% FTSE Canada Financial Bond Index.

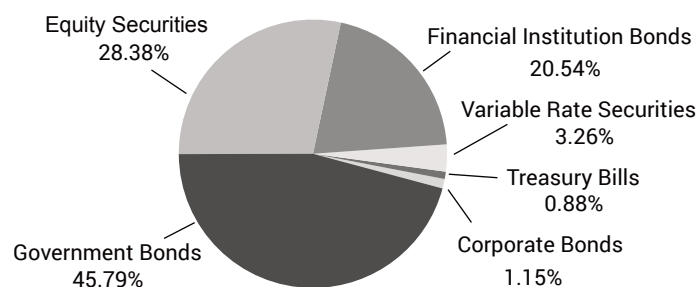
** Equity allocation benchmark consists of 95% of the total return of the S&P/TSX Composite Index and 5% of the total return of the S&P 500 Index on a Canadian dollar hedged basis.

Summary of Investment Portfolio

The allocation of the Plans' investments by asset class for the year ended December 31, 2021 is:

Asset class	% of Total
Government Bonds	45.79%
Equity Securities	28.38%
Financial institution bonds	20.54%
Variable Rate Securities	3.26%
Treasury Bills	0.88%
Corporate Bonds	1.15%
Total	100.00%

Asset Mix



THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

(relating to a group of Registered Education Savings Plans collectively referred to as The Children's Education Trust of Canada)

Top 25 holdings as a percentage of the total investment portfolio

December 31, 2021

Face Value/ Shares	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	% of Portfolio
34,624,000	PROVINCE OF ONTARIO	3.500%	02-Jun-24	36,800,703	36,429,988	3.5%
26,942,000	PROVINCE OF ONTARIO	2.600%	02-Jun-25	28,395,583	27,956,905	2.7%
18,288,000	CANADIAN IMPERIAL BANK OF COMMERCE	3.300%	26-May-25	19,429,235	19,293,108	1.9%
10,000,000	TORONTO DOMINION BANK US		11-Oct-22	10,000,000	18,800,000	1.8%
16,900,000	BANK OF MONTREAL	2.700%	11-Sep-24	17,539,792	17,420,520	1.7%
234,033	BMO S&P 500 INDEX ETF			6,797,242	15,455,539	1.5%
10,000,000	TORONTO DOMINION BANK CDN		11-Oct-22	10,000,000	14,772,000	1.4%
6,211	CONSTELLATION SOFTWARE INC			7,023,336	14,547,653	1.4%
14,304,000	GOVERNMENT OF CANADA	1.250%	01-Jun-30	14,795,611	14,182,130	1.4%
104,157	ROYAL BANK OF CANADA			9,577,339	13,967,454	1.4%
13,400,000	TORONTO DOMINION BANK	1.909%	18-Jul-23	13,616,225	13,540,968	1.3%
147,247	CANADIAN PACIFIC RAILWAY			9,532,177	13,384,752	1.3%
137,045	TORONTO DOMINION BANK			8,938,171	13,272,808	1.3%
112,500	TOROMONT INDUSTRIES LTD			7,132,869	12,834,000	1.2%
12,284,000	ROYAL OFFICE FINANCE LP	5.209%	12-Nov-32	12,941,480	12,790,273	1.2%
80,748	CANADIAN NATIONAL RAILWAY			9,229,976	12,512,710	1.2%
79,999	THOMSON REUTERS CORP			6,442,708	12,083,849	1.2%
179,597	METRO INC			9,157,525	12,068,918	1.2%
86,595	BANK OF MONTREAL			7,992,315	11,781,250	1.1%
147,188	BROOKFIELD ASSET MANAGEMENT			5,911,854	11,298,218	1.1%
67,906	INTACT FINANCIAL CORP			8,550,901	11,139,300	1.1%
173,219	DOLLARAMA INC			7,098,121	10,938,780	1.1%
113,012	NATIONAL BANK OF CANADA			7,123,957	10,885,316	1.1%
97,181	CGI INC			8,798,639	10,855,118	1.1%
178,913	OPEN TEXT CORP			9,113,715	10,725,834	1.0%
Top 25 holdings as a percentage of the total investment portfolio				\$291,939,475	\$372,937,392	36.3%

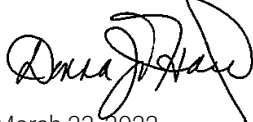
Management's Responsibilities for Financial Reporting

The accompanying financial statements of the Children's Educational Foundation of Canada (the "Foundation") are prepared by management and are approved by the Board of Directors. Management is responsible for the information and representations contained in these financial statements.

Management maintains appropriate processes to ensure that relevant and reliable 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 policies which management believes

Donna J. Haid

President and Chief Executive Officer



March 23, 2022

are appropriate for the Foundation are described in Note 3 to the 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.

KPMG LLP are the external auditors of the Foundation. The external auditors have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the Board of Directors their opinion on the financial statements. Their report is set out below.

Melissa Boughner

Chief Financial Officer



Independent Auditor's Report

To the Board of Directors of The Children's Educational Foundation of Canada

Opinion

We have audited the financial statements of The Children's Educational Foundation of Canada (the Entity), which comprise:

- the statements of financial position as at December 31, 2021 and 2020
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets attributable subscribers and beneficiaries for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report

We are independent of the Entity 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. Other information comprises:

- the information included in the Management Report of Fund Performance filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' 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 (IFRS), 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.

Continued...

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

(relating to a group of Registered Education Savings Plans collectively referred to as The Children's Education Trust of Canada)

Independent Auditor's Report (Continued)

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the financial statements.

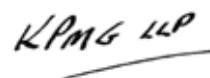
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

March 23, 2022
Toronto, Canada



**Chartered Professional Accountants,
Licensed Public Accountants**

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

(relating to a group of Registered Education Savings Plans collectively referred to as The Children's Education Trust of Canada)

Statements of Financial Position

December 31, 2021

December 31, 2020

Assets

Cash	\$9,430,931	-
Investment, at fair value (note 6)	1,027,673,278	\$1,086,100,103
Accrued interest	3,250,323	3,362,240
Dividends receivable	385,296	360,680
Government grants receivable	784,359	929,118
Total assets	1,041,524,187	1,090,752,141


Liabilities

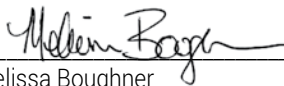
Bank indebtedness	-	333,111
Due to Scholarship Plan Dealer (Note 11)	414,777	607,327
Subscriber liability due to terminations	7,727,133	8,332,860
	8,141,910	9,273,298
Net assets attributable to subscribers and beneficiaries	\$1,033,382,277	\$1,081,478,843

Net assets attributable to subscribers and beneficiaries represented by:

Subscriber deposits received in advance	\$763,307	\$737,885
Subscriber deposits under scholarship agreements	473,756,228	505,619,947
Subscriber deposits under escrow agreements	2,517,323	2,401,381
Accumulated investment income earned on subscriber deposits	223,321,045	234,131,521
Accumulated investment income earned under escrow agreements	1,286,665	1,366,988
Government grants (Note 3)	211,703,161	215,702,485
Accumulated investment income earned on government grants	104,026,523	105,002,286
Funds for Scholarship Enhancements (Note 9)	15,546,888	16,087,005
Funds for Enrichment (Note 9)	461,137	429,345
Net assets attributable to subscribers and beneficiaries	\$1,033,382,277	\$1,081,478,843

Approved by the Board of Directors of The Children's Educational Foundation of Canada:


Arie Gaertner Director


Melissa Boughner Director

See accompanying notes to the audited financial statements.

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

(relating to a group of Registered Education Savings Plans collectively referred to as The Children's Education Trust of Canada)

Statements of Comprehensive Income

For the year ended
December 31, 2021

For the year ended
December 31, 2020

Income

Interest income earned on subscriber deposits	\$9,523,727	\$11,310,499
Interest income earned on subscriber deposits under escrow agreements	26,606	57,140
Interest income earned on government grants	5,665,427	5,664,498
Interest income earned on funds for Scholarship Enhancements	142,262	77,233
Investment income earned on funds for Enrichment	3,703	2,469
Dividend income earned on subscriber deposits	4,061,300	2,706,202
Dividend income earned on government grants	1,417,688	1,309,237
Realized gains on sale of investments	7,607,940	19,257,716
Net change in unrealized gains	4,651,277	41,975,157
Total income	33,099,930	82,360,151

Expenses

Administration fees	998,432	869,282
Trustee fees	150,834	160,135
Portfolio management fees	1,305,106	1,556,900
Independent Review Committee fees and expenses	19,153	19,108
Directors' fees	12,000	18,000
Total expenses	2,485,525	2,623,425

Increase in net assets attributable to subscribers and beneficiaries

\$30,614,405	\$79,736,726
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See accompanying notes to the audited financial statements.

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

(relating to a group of Registered Education Savings Plans collectively referred to as The Children's Education Trust of Canada)

Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries

	For the year ended December 31, 2021	For the year ended December 31, 2020
Net assets attributable to subscribers and beneficiaries, beginning of year	\$1,081,478,843	\$1,063,315,699
Increase in net assets attributable to subscribers and beneficiaries	30,614,405	79,736,726
Transactions with subscribers and beneficiaries		
Subscriber deposits	42,996,368	48,358,054
Fees deducted from subscriber deposits (Note 11)	(8,938,700)	(10,219,621)
Subscriber deposit withdrawals due to termination	(5,237,039)	(5,500,544)
Subscriber deposit withdrawals due to maturing plans	(60,542,984)	(53,753,525)
Canada Education Savings Grants	6,894,953	8,055,966
Canada Learning Bonds	821,700	1,114,948
Provincial Savings Grants	356,164	443,914
Income paid to Designated Educational Institutions	(1,161,036)	-
Total transactions with subscribers and beneficiaries	(24,810,574)	(11,500,808)
Disbursements to beneficiaries		
Education assistance payments		
Scholarships	33,939,510	31,818,000
Government grants	19,529,503	17,855,376
Refund of enrolment fees	431,384	399,398
Total disbursements to beneficiaries	53,900,397	50,072,774
(Decrease) increase in net assets attributable to subscribers and beneficiaries	(48,096,566)	18,163,144
Net assets attributable to subscribers and beneficiaries, end of year	\$1,033,382,277	\$1,081,478,843

See accompanying notes to the audited financial statements.

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

(relating to a group of Registered Education Savings Plans collectively referred to as The Children's Education Trust of Canada)

Statements of Cash Flows

For the year ended
December 31, 2021

For the year ended
December 31, 2020

Operating Activities

Increase in net assets attributable to subscribers and beneficiaries	\$30,614,405	\$79,736,726
Non-cash items		
Realized gains on sale of investments	(7,607,940)	(19,257,716)
Net change in unrealized gains	(4,651,277)	(41,975,157)
Amortization of discounts and premiums on investments	2,908,344	4,364,219
Decrease in accrued interest	111,917	338,344
(Increase) in dividends receivable	(24,616)	(83,413)
(Decrease) Increase in due to Scholarship Plan Dealer	(192,550)	320,099
Purchases of investments	(1,196,066,612)	(2,165,989,528)
Proceeds from the sale of investments	1,263,844,311	2,204,254,859
	<hr/>	<hr/>
Cash flow from operating activities	88,935,982	61,708,433

Financing Activities

Subscriber deposits received under scholarship agreements	42,830,536	48,157,458
Payments out of subscriber deposits under scholarship agreements	(75,274,561)	(69,388,415)
Subscriber deposits received under escrow agreements	165,831	200,599
Payments out of subscriber deposits under escrow agreements	(49,889)	(123,700)
Government grants received	8,217,576	9,756,200
Education assistance payments	(53,469,013)	(49,673,376)
Return of enrolment fees	(431,384)	(399,398)
Income paid to Designated Educational Institutions	(1,161,036)	-
	<hr/>	<hr/>
Cash flow used in financing activities	(79,171,940)	(61,470,632)

Net increase in cash	9,764,042	237,801
(Bank indebtedness), beginning of year	(333,111)	(570,912)

Cash (bank indebtedness), end of year	\$9,430,931	\$(333,111)
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Supplemental information:

Interest received	\$21,890,139	\$23,051,917
Dividends received, net of withholding tax	\$5,478,988	\$4,015,439

See accompanying notes to the audited financial statements.

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

(relating to a group of Registered Education Savings Plans collectively referred to as The Children's Education Trust of Canada)

Schedule of Investment Portfolio for Subscriber deposits under Scholarship Agreements

December 31, 2021

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
	Fixed Income Securities				
487,000	ALTALINK LP	3.717%	3-Dec-2046	507,304	547,734
90,000	BANK OF AMERICA CORP	2.598%	4-Apr-2029	90,000	90,717
5,000,000	BANK OF MONTREAL	2.700%	9-Dec-2026	5,285,230	5,200,600
15,265,000	BANK OF MONTREAL	2.700%	11-Sep-2024	15,892,438	15,735,162
1,538,000	BANK OF MONTREAL	2.850%	6-Mar-2024	1,588,535	1,579,218
973,000	BANK OF MONTREAL	2.280%	29-Jul-2024	1,000,654	987,614
35,000	BANK OF MONTREAL	0.853%	1-Feb-2023	34,972	35,111
250,000	BANK OF MONTREAL	3.190%	1-Mar-2028	249,403	266,945
530,000	BANK OF MONTREAL	2.370%	3-Feb-2025	529,997	538,862
660,000	BANK OF MONTREAL	0.350%	16-Feb-2022	660,000	660,046
600,000	BANK OF NOVA SCOTIA	2.360%	8-Nov-2022	608,790	607,434
5,130,000	BANK OF NOVA SCOTIA	2.620%	2-Dec-2026	5,394,643	5,318,528
435,000	BANK OF NOVA SCOTIA	3.100%	2-Feb-2028	453,448	462,427
450,000	BANK OF NOVA SCOTIA	1.830%	27-Apr-2022	452,034	451,940
3,840,000	BANK OF NOVA SCOTIA	2.290%	28-Jun-2024	3,898,114	3,916,032
2,365,000	BANK OF NOVA SCOTIA	2.380%	1-May-2023	2,420,873	2,396,738
2,116,000	BANK OF NOVA SCOTIA	2.160%	3-Feb-2025	2,179,363	2,141,752
600,000	BANK OF NOVA SCOTIA	1.850%	2-Nov-2026	599,857	592,272
1,358,000	BROCK UNIVERSITY	3.033%	17-May-2060	1,358,000	1,287,791
7,000,000	CANADA HOUSING TRUST	2.900%	15-Jun-2024	7,358,668	7,280,350
970,000	CANADA HOUSING TRUST	2.350%	15-Jun-2027	1,002,512	1,006,433
315,000	CANADA HOUSING TRUST	2.550%	15-Dec-2023	322,950	323,659
1,590,000	CANADA HOUSING TRUST	1.800%	15-Dec-2024	1,622,680	1,611,847
4,500,000	CANADA HOUSING TRUST	0.950%	15-Jun-2025	4,495,720	4,436,325
460,000	CANADA HOUSING TRUST	1.250%	15-Jun-2026	461,548	454,839
3,460,000	CANADA HOUSING TRUST	1.600%	15-Dec-2031	3,339,701	3,366,338
1,315,000	CANADA HOUSING TRUST	1.100%	15-Dec-2026	1,289,518	1,295,104
653,000	CANADA HOUSING TRUST	0.662%	15-Mar-2022	653,723	653,718
3,000,000	CANADA HOUSING TRUST NO.1	2.650%	15-Mar-2022	3,002,909	3,014,580
630,000	CANADA HOUSING TRUST NO.1	2.400%	15-Dec-2022	632,826	639,853
1,770,000	CANADA HOUSING TRUST NO.1	1.900%	15-Sep-2026	1,775,726	1,798,391
695,000	CANADA HOUSING TRUST NO.1	2.650%	15-Dec-2028	733,544	737,895
2,430,000	CANADA HOUSING TRUST NO.1	2.100%	15-Sep-2029	2,502,548	2,496,193
770,000	CANADA HOUSING TRUST NO.1	2.150%	15-Dec-2031	769,322	790,174
1,220,000	CANADA POST CORP	4.080%	16-Jul-2025	1,298,522	1,326,848
17,528,000	CANADIAN IMPERIAL BANK OF COMMERCE	3.300%	26-May-2025	18,654,779	18,491,339
1,755,000	CANADIAN IMPERIAL BANK OF COMMERCE	2.970%	11-Jul-2023	1,755,890	1,801,665
45,000	CANADIAN IMPERIAL BANK OF COMMERCE	2.300%	11-Jul-2022	45,005	45,393
3,656,000	CANADIAN IMPERIAL BANK OF COMMERCE	2.430%	9-Jun-2023	3,747,735	3,712,120
266,603	CANADIAN IMPERIAL BANK OF COMMERCE	0.909%	13-Sep-2023	266,603	262,639
40,000	CANADIAN NATL RESOURCES	3.420%	1-Dec-2026	40,117	41,744
70,000	CITIGROUP INC	4.090%	9-Jun-2025	71,343	74,493
1,088,000	CU INC	2.963%	7-Sep-2049	1,056,429	1,067,839
55,000	ENBRIDGE INC	3.950%	19-Nov-2024	55,119	57,830
155,000	ENBRIDGE INC	2.350%	15-Sep-2031	154,959	152,284
466,025	FEDERATION DES CAISSES	2.050%	10-Feb-2025	465,668	452,019
175,000	FEDERATION DES CAISSES	2.394%	25-Aug-2022	175,000	176,866
70,000	FEDERATION DES CAISSES	3.056%	11-Sep-2023	70,000	72,080
75,000	FIRST CAPITAL REALTY INC	3.604%	6-May-2026	79,083	77,598
295,000	GOVERNMENT OF CANADA	1.500%	1-Jun-2026	298,473	298,493
4,165,000	GOVERNMENT OF CANADA	2.750%	1-Dec-2048	5,625,554	5,127,532
4,309,000	GOVERNMENT OF CANADA	1.000%	1-Jun-2027	4,212,618	4,249,191
1,190,000	GOVERNMENT OF CANADA	0.500%	1-Mar-2022	1,187,349	1,190,702
5,036,000	GOVERNMENT OF CANADA	2.000%	1-Jun-2028	5,287,192	5,256,929
510,000	GOVERNMENT OF CANADA	1.750%	1-Mar-2023	509,267	515,681
2,770,000	GOVERNMENT OF CANADA	2.000%	1-Dec-2051	3,057,478	2,976,310
525,000	GOVERNMENT OF CANADA	2.000%	1-Sep-2023	529,309	534,429

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

(relating to a group of Registered Education Savings Plans collectively referred to as The Children's Education Trust of Canada)

Schedule of Investment Portfolio for Subscriber deposits under Scholarship Agreements

December 31, 2021 (Continued)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
14,304,000	GOVERNMENT OF CANADA	1.250%	1-Jun-2030	14,795,611	14,182,130
3,386,000	GOVERNMENT OF CANADA	0.500%	1-Dec-2030	3,128,024	3,131,508
2,305,000	GOVERNMENT OF CANADA	1.000%	1-Sep-2026	2,255,831	2,276,741
3,613,000	GOVERNMENT OF CANADA	1.500%	1-Jun-2031	3,568,082	3,638,327
200,000	GOVERNMENT OF CANADA	0.500%	1-Nov-2023	198,431	198,378
5,020,000	GOVERNMENT OF CANADA	4.000%	1-Jun-2041	6,691,309	6,962,790
1,720,000	GOVERNMENT OF CANADA	0.000%	6-Jan-2022	1,719,985	1,719,966
5,530,000	GOVERNMENT OF CANADA	0.000%	20-Jan-2022	5,529,815	5,529,613
800,000	GOVERNMENT OF CANADA	0.000%	17-Mar-2022	799,718	799,288
375,000	GREAT-WEST LIFECO INC	3.337%	28-Feb-2028	376,169	398,321
385,000	GREAT-WEST LIFECO INC	2.981%	8-Jul-2050	385,000	361,850
580,000	HSBC BANK OF CANADA	2.542%	31-Jan-2023	588,185	588,967
770,000	HSBC BANK OF CANADA	1.782%	20-May-2026	770,000	762,608
72,000	HYDRO ONE INC	6.930%	1-Jun-2032	96,580	99,246
65,000	HYDRO ONE INC	5.490%	16-Jul-2040	81,063	87,740
110,000	IGM FINANCIAL INC	3.440%	26-Jan-2027	110,270	115,917
779,000	IGM FINANCIAL INC	4.206%	21-Mar-2050	893,938	899,901
185,000	INDEPENDENT ORDER OF FORESTERS	2.885%	15-Oct-2035	185,000	186,571
515,000	LABRADOR-ISLAND LINK FDG TR	3.760%	1-Jun-2033	565,589	599,584
165,000	LABRADOR-ISLAND LINK FDG TR	3.860%	1-Dec-2045	200,776	208,520
200,000	LAURENTIAN BANK OF CANADA	1.603%	6-May-2026	200,000	198,594
160,000	MANUFACTURERS LIFE INS CO	3.181%	22-Nov-2027	161,161	162,813
430,000	MANULIFE BANK OF CANADA	2.844%	12-Jan-2023	434,803	437,817
475,000	MANULIFE BANK OF CANADA	2.378%	19-Nov-2024	478,914	484,006
470,000	MANULIFE BANK OF CANADA	1.504%	25-Jun-2025	472,156	465,620
690,000	MANULIFE BANK OF CANADA	1.536%	14-Sep-2026	690,000	675,062
260,000	MANULIFE BANK OF CANADA	2.082%	26-May-2022	260,602	261,557
70,000	MANULIFE FINANCIAL CORP	5.059%	15-Dec-2036	78,833	84,690
1,099,000	MCGILL UNIVERSITY HEALTH	5.360%	31-Dec-2043	1,352,722	1,525,533
275,000	MUSKRAT FALLS / LABRADOR	3.630%	1-Jun-2029	296,269	310,252
470,000	MUSKRAT FALLS / LABRADOR	3.860%	1-Dec-2048	596,881	603,804
25,000	NATIONAL BANK OF CANADA	2.105%	18-Mar-2022	24,993	25,089
301,511	NEW BRUNSWICK PROJECT	6.470%	30-Nov-2027	335,450	343,701
30,000	NEW YORK LIFE GLO FUNDING	2.000%	17-Apr-2028	29,937	29,712
465,000	NHA MORTGAGE BACKED SECURITIES	5.375%	1-Jul-2028	308,028	204,087
375,000	NHA MORTGAGE BACKED SECURITIES	2.348%	1-Dec-2022	357,063	284,350
300,000	NHA MORTGAGE BACKED SECURITIES	1.690%	1-Feb-2023	261,141	176,054
115,000	NHA MORTGAGE BACKED SECURITIES	2.402%	1-May-2023	96,170	61,114
150,000	NHA MORTGAGE BACKED SECURITIES	1.750%	1-Jun-2024	125,243	105,295
225,000	NHA MORTGAGE BACKED SECURITIES	1.890%	1-Oct-2024	193,795	176,000
100,000	NHA MORTGAGE BACKED SECURITIES	1.740%	1-Jan-2025	85,959	77,897
190,000	NHA MORTGAGE BACKED SECURITIES	1.920%	1-Jan-2030	188,697	183,598
205,000	NHA MORTGAGE BACKED SECURITIES	0.500%	1-Oct-2025	189,253	181,112
400,000	NHA MORTGAGE BACKED SECURITIES	0.600%	1-Dec-2025	372,839	357,876
200,000	NHA MORTGAGE BACKED SECURITIES	0.990%	1-Mar-2026	187,617	182,911
320,000	NHA MORTGAGE BACKED SECURITIES	0.840%	1-Apr-2026	305,171	298,331
420,000	NHA MORTGAGE BACKED SECURITIES	0.840%	1-Jun-2026	404,676	396,145
60,000	NORTH WEST REDWATER	4.050%	22-Jul-2044	62,312	65,402
1,943,000	NORTH WEST REDWATER	4.150%	1-Jun-2033	1,939,692	2,137,242
1,000,000	ONTARIO HYDRO	0.000%	11-Apr-2031	775,083	799,510
4,170,000	OPB FINANCE TRUST	3.890%	4-Jul-2042	4,195,901	4,923,185
2,222,000	OPB FINANCE TRUST	2.980%	25-Jan-2027	2,221,414	2,329,256
3,758,439	ORNGE ISSUER TRUST	5.727%	11-Jun-2034	3,990,410	4,220,689
30,000	PEMBINA PIPELINE CORP	3.310%	1-Feb-2030	29,982	30,713
140,000	PEPSICO INC	2.150%	6-May-2024	138,668	142,003
565,000	PROVINCE OF ALBERTA	3.450%	1-Dec-2043	652,641	648,756
429,000	PROVINCE OF ALBERTA	3.100%	1-Jun-2024	441,475	447,198

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

(relating to a group of Registered Education Savings Plans collectively referred to as The Children's Education Trust of Canada)

Schedule of Investment Portfolio for Subscriber deposits under Scholarship Agreements

December 31, 2021 (Continued)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
1,900,000	PROVINCE OF ALBERTA	2.350%	1-Jun-2025	1,922,790	1,954,891
702,000	PROVINCE OF ALBERTA	3.300%	1-Dec-2046	706,188	795,078
2,554,000	PROVINCE OF ALBERTA	2.200%	1-Jun-2026	2,698,108	2,620,225
220,000	PROVINCE OF ALBERTA	2.550%	1-Jun-2027	233,975	229,365
634,000	PROVINCE OF ALBERTA	3.050%	1-Dec-2048	618,686	691,548
7,000,000	PROVINCE OF ALBERTA	2.650%	1-Sep-2023	7,233,869	7,182,420
250,000	PROVINCE OF ALBERTA	2.050%	1-Jun-2030	249,097	250,873
2,550,000	PROVINCE OF ALBERTA	2.950%	1-Jun-2052	2,725,512	2,763,690
2,350,000	PROVINCE OF ALBERTA	3.900%	1-Dec-2033	2,566,921	2,735,142
650,000	PROVINCE OF ALBERTA	3.500%	1-Jun-2031	695,660	728,748
2,635,000	PROVINCE OF ALBERTA	3.100%	1-Jun-2050	2,708,221	2,920,713
2,555,000	PROVINCE OF BRITISH COLUMBIA	4.300%	18-Jun-2042	3,195,453	3,319,405
3,780,000	PROVINCE OF BRITISH COLUMBIA	5.700%	18-Jun-2029	4,462,441	4,793,305
2,360,000	PROVINCE OF BRITISH COLUMBIA	6.350%	18-Jun-2031	2,917,935	3,249,980
4,610,000	PROVINCE OF BRITISH COLUMBIA	2.200%	18-Jun-2030	4,962,158	4,714,002
830,000	PROVINCE OF BRITISH COLUMBIA	2.800%	18-Jun-2048	921,067	888,000
525,000	PROVINCE OF MANITOBA	5.700%	5-Mar-2037	742,710	740,791
875,000	PROVINCE OF MANITOBA	4.650%	5-Mar-2040	1,029,149	1,142,873
565,000	PROVINCE OF MANITOBA	4.050%	5-Sep-2045	670,102	714,465
807,000	PROVINCE OF MANITOBA	2.850%	5-Sep-2046	803,996	849,626
133,000	PROVINCE OF MANITOBA	3.400%	5-Sep-2048	154,749	154,339
665,000	PROVINCE OF MANITOBA	2.600%	2-Jun-2027	674,633	695,377
250,000	PROVINCE OF NEW BRUNSWICK	4.550%	26-Mar-2037	280,456	315,975
685,000	PROVINCE OF NEW BRUNSWICK	4.800%	26-Sep-2039	823,259	905,262
395,000	PROVINCE OF NEWFOUNDLAND	4.500%	17-Apr-2037	439,919	482,970
1,914,000	PROVINCE OF NEWFOUNDLAND	3.300%	17-Oct-2046	1,802,750	2,064,479
1,450,000	PROVINCE OF NEWFOUNDLAND	0.648%	17-Mar-2024	1,450,000	1,462,340
224,000	PROVINCE OF NEWFOUNDLAND	3.150%	2-Dec-2052	222,117	238,600
275,000	PROVINCE OF NOVA SCOTIA	5.800%	1-Jun-2033	363,768	372,204
2,365,000	PROVINCE OF ONTARIO	4.650%	2-Jun-2041	2,803,517	3,158,860
835,000	PROVINCE OF ONTARIO	6.500%	8-Mar-2029	1,053,974	1,094,610
3,290,000	PROVINCE OF ONTARIO	5.850%	8-Mar-2033	4,098,710	4,469,597
1,250,000	PROVINCE OF ONTARIO	4.700%	2-Jun-2037	1,299,710	1,620,338
788,000	PROVINCE OF ONTARIO	3.450%	2-Jun-2045	881,652	924,198
2,765,000	PROVINCE OF ONTARIO	2.600%	2-Jun-2025	2,779,464	2,869,158
2,250,000	PROVINCE OF ONTARIO	2.800%	2-Jun-2048	2,330,446	2,386,710
7,000,000	PROVINCE OF ONTARIO	2.300%	8-Sep-2024	7,262,131	7,178,010
2,805,000	PROVINCE OF ONTARIO	2.050%	2-Jun-2030	2,921,180	2,825,645
4,231,000	PROVINCE OF ONTARIO	4.650%	2-Jun-2041	5,673,154	5,651,220
535,000	PROVINCE OF ONTARIO	4.700%	2-Jun-2037	683,750	693,504
28,069,000	PROVINCE OF ONTARIO	3.500%	2-Jun-2024	29,863,583	29,533,079
26,942,000	PROVINCE OF ONTARIO	2.600%	2-Jun-2025	28,395,583	27,956,905
9,058,000	PROVINCE OF ONTARIO	2.400%	2-Jun-2026	9,401,403	9,375,573
360,000	PROVINCE OF ONTARIO	2.800%	2-Jun-2048	421,210	381,874
7,727,000	PROVINCE OF ONTARIO	2.600%	8-Sep-2023	7,982,038	7,922,107
290,000	PROVINCE OF ONTARIO	1.750%	8-Sep-2025	296,830	292,613
1,500,000	PROVINCE OF PRINCE EDWARD ISLAND	6.100%	29-Jul-2027	1,567,247	1,825,245
905,000	PROVINCE OF QUEBEC	8.500%	1-Apr-2026	1,131,901	1,160,690
155,000	PROVINCE OF QUEBEC	6.000%	1-Oct-2029	198,574	200,593
1,130,000	PROVINCE OF QUEBEC	5.750%	1-Dec-2036	1,453,351	1,615,053
3,495,000	PROVINCE OF QUEBEC	3.750%	1-Sep-2024	3,602,069	3,718,715
1,597,000	PROVINCE OF QUEBEC	2.750%	1-Sep-2025	1,687,723	1,670,574
34,000	PROVINCE OF QUEBEC	2.300%	1-Sep-2029	35,146	35,101
505,000	PROVINCE OF QUEBEC	3.500%	1-Dec-2045	621,044	601,713
425,000	PROVINCE OF SASKATCHEWAN	5.800%	5-Sep-2033	523,196	577,431
615,000	PROVINCE OF SASKATCHEWAN	5.600%	5-Sep-2035	826,978	843,073
2,123,000	PROVINCE OF SASKATCHEWAN	3.400%	3-Feb-2042	2,141,309	2,412,683
1,220,000	PROVINCE OF SASKATCHEWAN	2.650%	2-Jun-2027	1,199,657	1,280,122

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

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Schedule of Investment Portfolio for Subscriber deposits under Scholarship Agreements

December 31, 2021 (Continued)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	
7,000,000	PROVINCE OF SASKATCHEWAN	0.800%	2-Sep-2025	6,924,392	6,823,390	
725,000	PROVINCE OF SASKATCHEWAN	2.650%	2-Jun-2027	776,554	760,728	
37,000	PSP CAPITAL INC	3.290%	4-Apr-2024	37,053	38,680	
110,000	ROYAL BANK OF CANADA	2.333%	5-Dec-2023	110,000	112,159	
100,000	ROYAL BANK OF CANADA	2.360%	5-Dec-2022	100,459	101,308	
3,683,000	ROYAL BANK OF CANADA	3.296%	26-Sep-2023	3,846,336	3,799,272	
1,565,000	ROYAL BANK OF CANADA	0.579%	27-Jun-2023	1,563,126	1,567,207	
2,607,000	ROYAL BANK OF CANADA	2.740%	25-Jul-2029	2,722,289	2,659,531	
550,000	ROYAL BANK OF CANADA	2.609%	1-Nov-2024	551,564	562,810	
2,763,000	ROYAL BANK OF CANADA	2.880%	23-Dec-2029	2,903,669	2,828,096	
1,265,000	ROYAL BANK OF CANADA	1.589%	4-May-2026	1,257,502	1,244,456	
40,000	ROYAL BANK OF CANADA	2.140%	3-Nov-2031	39,990	39,609	
2,920,000	ROYAL BANK OF CANADA	1.968%	2-Mar-2022	2,923,240	2,927,504	
5,000,000	ROYAL BANK OF CANADA	2.328%	28-Jan-2027	5,141,991	5,041,750	
1,835,000	ROYAL BANK OF CANADA	1.833%	31-Jul-2028	1,835,000	1,790,244	
483,015	ROYAL BANK OF CANADA	2.550%	16-Jul-2024	505,462	512,509	
625,250	ROYAL BANK OF CANADA	0.535%	20-Jan-2026	625,885	632,541	
12,284,000	ROYAL OFFICE FINANCE LP	5.209%	12-Nov-2032	12,941,480	12,790,273	
65,000	SCOTIABANK CAPITAL TRUST	5.650%	31-Dec-2056	75,614	88,100	
1,500,000	SINAI HEALTH SYSTEM	3.527%	9-Jun-2056	1,500,000	1,626,240	
897,156	SNC-LAVALIN INNISFREE	6.632%	30-Jun-2044	1,109,530	1,159,520	
275,000	SUN LIFE FINANCIAL INC	2.060%	1-Oct-2035	271,023	262,622	
2,058,000	TCHC ISSUER TRUST	5.395%	22-Feb-2040	2,602,816	2,761,548	
595,000	THE CANADA LIFE ASSURANCE	6.400%	11-Dec-2028	685,428	736,134	
1,500,000	THE HOSPITAL FOR SICK CHILDREN	3.416%	7-Dec-2057	1,500,000	1,621,005	
4,158,000	TORONTO DOMINION BANK	4.859%	4-Mar-2031	4,603,132	4,586,399	
140,000	TORONTO DOMINION BANK	3.226%	24-Jul-2024	143,645	146,035	
13,070,000	TORONTO DOMINION BANK	1.909%	18-Jul-2023	13,286,225	13,207,496	
5,000,000	TORONTO DOMINION BANK	1.888%	8-Mar-2028	5,011,229	4,918,900	
420,000	TORONTO DOMINION BANK	3.005%	30-May-2023	420,042	430,525	
400,000	TORONTO DOMINION BANK	1.896%	2-Jun-2026	400,000	390,916	
960,000	TORONTO DOMINION BANK	3.060%	26-Jan-2032	970,470	988,397	
580,000	TORONTO DOMINION BANK	1.943%	13-Mar-2025	582,495	581,618	
985,000	TORONTO DOMINION BANK	3.105%	22-Apr-2030	985,000	1,015,052	
670,000	TORONTO DOMINION BANK	1.128%	9-Dec-2025	666,199	650,222	
330,190	TORONTO DOMINION BANK	0.350%	10-Sep-2024	331,167	336,106	
75,000	TORONTO-DOMINION BANK	3.600%	31-Oct-2081	75,000	72,638	
100,000	TRANSCANADA PIPELINES LTD	3.000%	18-Sep-2029	99,775	102,379	
100,000	TRANSCANADA TRUST	4.650%	18-May-2077	100,154	102,750	
300,570	UNITED STATES TREASURY NOTE	1.500%	15-Feb-2030	319,220	275,124	
675,000	WATERLOO ONTARIO REGIONAL	2.150%	4-Oct-2025	674,454	683,822	
675,000	WATERLOO ONTARIO REGIONAL	2.200%	4-Oct-2026	674,022	685,922	
675,000	WATERLOO ONTARIO REGIONAL	2.250%	4-Oct-2027	673,479	689,195	
675,000	WATERLOO ONTARIO REGIONAL	2.300%	4-Oct-2028	673,443	686,752	
125,000	WELLS FARGO & CO	3.874%	21-May-2025	126,708	130,696	
1,725,000	YUKON DEVELOPMENT CORP	5.000%	29-Jun-2040	2,108,615	2,222,542	
Total Fixed Income Securities				\$444,573,465	\$447,111,988	64.4%
Variable Rate Securities						
10,000,000	TORONTO DOMINION BANK CDN INDEX LINKED NOTE		11-Oct-2022	10,000,000	14,772,000	
10,000,000	TORONTO DOMINION BANK US INDEX LINKED NOTE		11-Oct-2022	10,000,000	18,800,000	
Total Variable Rate Securities				\$20,000,000	\$33,572,000	4.8%

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Schedule of Investment Portfolio for Subscriber deposits under Scholarship Agreements

December 31, 2021 (Continued)

Shares/ Units	Security Description	Average Cost (\$)	Fair Value (\$)	
127,552	ALIMENTATION COUCHE-TARD	5,309,513	6,721,990	
63,428	BANK OF MONTREAL	5,881,876	8,629,379	
174,575	BMO S&P 500 INDEX ETF	5,419,762	11,528,933	
107,883	BROOKFIELD ASSET MANAGEMENT	4,439,608	8,281,148	
924	BROOKFIELDREINSURANCE PARTNERS	58,996	73,403	
98,050	CAE INC	2,794,483	3,118,971	
59,289	CANADIAN NATIONAL RAILWAY	6,897,871	9,187,423	
108,159	CANADIAN PACIFIC RAILWAY	7,189,333	9,831,653	
97,150	CCL INDUSTRIES INC	5,251,752	6,577,055	
71,178	CGI INC	6,496,735	7,950,583	
4,564	CONSTELLATION SOFTWARE INC	5,365,305	10,689,983	
17,963	DESCARTES SYSTEMS GROUP INC	1,281,184	1,873,002	
126,878	DOLLARAMA INC	5,347,476	8,012,346	
137,000	EMPIRE COMPANY LTD	4,572,277	5,270,390	
49,884	INTACT FINANCIAL CORP	6,380,319	8,182,971	
37,131	LOBLAW COMPANIES LTD	2,358,483	3,839,345	
131,552	METRO INC	6,793,237	8,840,294	
82,793	NATIONAL BANK OF CANADA	5,287,158	7,974,622	
131,048	OPEN TEXT CORP	6,772,500	7,856,328	
200,925	QUEBECOR INC CL B	6,145,595	5,722,344	
67,820	RESTAURANT BRANDS	5,184,094	5,231,764	
53,389	RICHELIEU HARDWARE LTD	2,053,089	2,324,557	
38,694	RITCHIE BROS AUCTIONEERS	2,381,529	2,985,242	
76,408	ROYAL BANK OF CANADA	7,074,060	10,246,313	
33,037	STANTEC INC	1,596,106	2,341,663	
203,816	TELUS CORPORATION	5,117,569	6,071,679	
58,593	THOMSON REUTERS CORP	4,848,584	8,850,473	
51,681	TMX GROUP LIMITED	5,003,843	6,607,933	
7,566	TOPICUS COM INC	478,929	876,975	
82,626	TOROMONT INDUSTRIES LTD	5,430,668	9,425,974	
100,401	TORONTO DOMINION BANK	6,567,622	9,723,837	
32,050	WASTE CONNECTIONS INC	3,584,152	5,512,600	
102,575	WINPAK LTD	4,556,495	3,793,224	
	Total Equity Securities	\$153,920,203	\$214,154,397	30.8%
		\$618,493,668	\$694,838,385	100.0%

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

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Schedule of Investment Portfolio for Government Grants

December 31, 2021

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
	Fixed Income Securities				
205,000	BANK OF AMERICA CORP	2.598%	4-Apr-2029	205,000	206,634
1,645,000	BANK OF MONTREAL	2.270%	11-Jul-2022	1,652,368	1,659,377
1,635,000	BANK OF MONTREAL	2.700%	11-Sep-2024	1,647,354	1,685,358
2,340,000	BANK OF MONTREAL	2.850%	6-Mar-2024	2,392,866	2,402,712
305,000	BANK OF MONTREAL	0.625%	1-Feb-2023	304,752	305,970
1,250,000	BANK OF MONTREAL	3.190%	1-Mar-2028	1,246,868	1,334,725
1,650,000	BANK OF MONTREAL	2.370%	3-Feb-2025	1,649,990	1,677,588
2,340,000	BANK OF MONTREAL	0.350%	16-Feb-2022	2,340,000	2,340,164
3,615,000	BANK OF NOVA SCOTIA	2.360%	8-Nov-2022	3,667,050	3,659,790
725,000	BANK OF NOVA SCOTIA	2.620%	2-Dec-2026	708,078	751,644
970,000	BANK OF NOVA SCOTIA	3.100%	2-Feb-2028	969,799	1,031,159
1,700,000	BANK OF NOVA SCOTIA	1.830%	27-Apr-2022	1,707,684	1,707,327
1,495,000	BANK OF NOVA SCOTIA	2.290%	28-Jun-2024	1,515,860	1,524,601
2,400,000	BANK OF NOVA SCOTIA	1.850%	2-Nov-2026	2,399,427	2,369,088
4,230,000	CANADA HOUSING TRUST	2.350%	15-Jun-2027	4,371,778	4,388,879
6,800,000	CANADA HOUSING TRUST	1.800%	15-Dec-2024	6,937,678	6,893,432
5,800,000	CANADA HOUSING TRUST	1.100%	15-Dec-2026	5,687,607	5,712,246
7,700,000	CANADA HOUSING TRUST NO.1	1.900%	15-Sep-2026	7,701,922	7,823,508
3,350,000	CANADA HOUSING TRUST NO.1	2.650%	15-Dec-2028	3,535,702	3,556,762
3,635,000	CANADA HOUSING TRUST NO.1	2.150%	15-Dec-2031	3,642,636	3,730,237
5,500,000	CANADA POST CORP	4.080%	16-Jul-2025	5,866,529	5,981,690
760,000	CANADIAN IMPERIAL BANK OF COMMERCE	3.300%	26-May-2025	774,457	801,770
280,000	CANADIAN IMPERIAL BANK OF COMMERCE	2.970%	11-Jul-2023	282,507	287,445
250,000	CANADIAN IMPERIAL BANK OF COMMERCE	2.300%	11-Jul-2022	250,028	252,183
383,648	CANADIAN IMPERIAL BANK OF COMMERCE	0.909%	13-Sep-2023	383,648	377,944
245,000	CANADIAN NATL RESOURCES	3.420%	1-Dec-2026	245,716	255,684
205,000	CITIGROUP INC	4.090%	9-Jun-2025	208,862	218,157
265,000	ENBRIDGE INC	3.950%	19-Nov-2024	264,778	278,634
415,000	ENBRIDGE INC	2.350%	15-Sep-2031	414,891	407,729
1,997,250	FEDERATION DES CAISSES	2.050%	10-Feb-2025	1,995,721	1,937,224
625,000	FEDERATION DES CAISSES	2.394%	25-Aug-2022	624,799	631,663
305,000	FEDERATION DES CAISSES	3.056%	11-Sep-2023	305,000	314,065
270,000	FIRST CAPITAL REALTY INC	3.604%	6-May-2026	284,698	279,353
1,340,000	GOVERNMENT OF CANADA	1.500%	1-Jun-2026	1,352,146	1,355,866
1,000,000	GOVERNMENT OF CANADA	0.000%	6-Jan-2022	999,988	999,980
1,145,000	GREAT-WEST LIFECO INC	3.337%	28-Feb-2028	1,148,570	1,216,208
1,315,000	GREAT-WEST LIFECO INC	2.981%	8-Jul-2050	1,289,919	1,235,929
2,430,000	HSBC BANK OF CANADA	2.542%	31-Jan-2023	2,468,931	2,467,568
2,880,000	HSBC BANK OF CANADA	1.782%	20-May-2026	2,880,000	2,852,352
122,000	HYDRO ONE INC	6.930%	1-Jun-2032	163,650	168,167
110,000	HYDRO ONE INC	5.490%	16-Jul-2040	137,183	148,484
370,000	IGM FINANCIAL INC	3.440%	26-Jan-2027	370,907	389,902
590,000	INDEPENDENT ORDER OF FORESTERS	2.885%	15-Oct-2035	590,000	595,009
2,730,000	LABRADOR-ISLAND LINK FDG TR	3.760%	1-Jun-2033	2,987,077	3,178,375
925,000	LABRADOR-ISLAND LINK FDG TR	3.860%	1-Dec-2045	1,122,258	1,168,978
800,000	LAURENTIAN BANK OF CANADA	1.603%	6-May-2026	800,000	794,376
420,000	MANUFACTURERS LIFE INS CO	3.181%	22-Nov-2027	422,916	427,384
1,690,000	MANULIFE BANK OF CANADA	2.844%	12-Jan-2023	1,705,976	1,720,724
3,395,000	MANULIFE BANK OF CANADA	2.378%	19-Nov-2024	3,426,583	3,459,369
1,950,000	MANULIFE BANK OF CANADA	1.504%	25-Jun-2025	1,962,397	1,931,826
1,910,000	MANULIFE BANK OF CANADA	1.536%	14-Sep-2026	1,910,000	1,868,649
2,325,000	MANULIFE BANK OF CANADA	2.082%	26-May-2022	2,330,380	2,338,927
130,000	MANULIFE FINANCIAL CORP	5.059%	15-Dec-2036	146,404	157,281
1,030,000	MUSKRAT FALLS / LABRADOR	3.630%	1-Jun-2029	1,104,263	1,162,036
1,870,000	MUSKRAT FALLS / LABRADOR	3.860%	1-Dec-2048	2,397,088	2,402,370
110,000	NATIONAL BANK OF CANADA	2.105%	18-Mar-2022	109,940	110,389
126,000	NEW YORK LIFE GLO FUNDING	2.000%	17-Apr-2028	125,735	124,790
1,255,000	NHA MORTGAGE BACKED SECURITIES	3.250%	1-Jul-2028	829,292	545,464
610,000	NHA MORTGAGE BACKED SECURITIES	2.360%	1-Dec-2022	581,145	462,543
1,000,000	NHA MORTGAGE BACKED SECURITIES	1.690%	1-Feb-2023	872,847	586,847
195,000	NHA MORTGAGE BACKED SECURITIES	2.124%	1-May-2023	163,070	103,629

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December 31, 2021 (Continued)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
605,000	NHA MORTGAGE BACKED SECURITIES	1.750%	1-Jun-2024	505,146	424,688
565,000	NHA MORTGAGE BACKED SECURITIES	1.890%	1-Oct-2024	486,640	441,956
335,000	NHA MORTGAGE BACKED SECURITIES	1.740%	1-Jan-2025	287,963	266,916
830,000	NHA MORTGAGE BACKED SECURITIES	1.920%	1-Jan-2030	825,811	802,032
1,095,000	NHA MORTGAGE BACKED SECURITIES	0.500%	1-Oct-2025	1,013,298	967,405
1,280,000	NHA MORTGAGE BACKED SECURITIES	0.600%	1-Dec-2025	1,193,085	1,145,204
800,000	NHA MORTGAGE BACKED SECURITIES	0.990%	1-Mar-2026	750,468	731,645
1,235,000	NHA MORTGAGE BACKED SECURITIES	0.840%	1-Apr-2026	1,177,771	1,151,372
1,765,000	NHA MORTGAGE BACKED SECURITIES	0.840%	1-Jun-2026	1,700,603	1,664,753
100,000	NORTH WEST REDWATER	4.050%	22-Jul-2044	103,854	109,003
2,300,000	ONTARIO HYDRO	0.000%	11-Apr-2031	1,796,520	1,838,873
225,000	PEMBINA PIPELINE CORP	3.310%	1-Feb-2030	224,867	230,348
565,000	PEPSICO INC	2.150%	6-May-2024	559,527	573,085
4,160,000	PROVINCE OF ALBERTA	3.450%	1-Dec-2043	4,851,651	4,776,678
1,005,000	PROVINCE OF ALBERTA	2.550%	1-Jun-2027	1,068,839	1,047,783
1,233,000	PROVINCE OF ALBERTA	2.050%	1-Jun-2030	1,228,714	1,237,303
760,000	PROVINCE OF ALBERTA	2.900%	20-Sep-2029	789,446	812,387
3,475,000	PROVINCE OF ALBERTA	3.900%	1-Dec-2033	3,788,104	4,044,518
4,080,000	PROVINCE OF ALBERTA	3.500%	1-Jun-2031	4,363,481	4,574,292
1,425,000	PROVINCE OF BRITISH COLUMBIA	2.200%	18-Jun-2030	1,444,074	1,457,148
2,350,000	PROVINCE OF MANITOBA	5.700%	5-Mar-2037	3,317,377	3,315,921
3,600,000	PROVINCE OF MANITOBA	4.650%	5-Mar-2040	4,236,147	4,702,104
2,350,000	PROVINCE OF MANITOBA	4.050%	5-Sep-2045	2,825,728	2,971,669
3,070,000	PROVINCE OF MANITOBA	2.600%	2-Jun-2027	3,112,102	3,210,238
1,045,000	PROVINCE OF NEW BRUNSWICK	4.550%	26-Mar-2037	1,174,510	1,320,776
3,020,000	PROVINCE OF NEW BRUNSWICK	4.800%	26-Sep-2039	3,629,551	3,991,081
1,785,000	PROVINCE OF NEWFOUNDLAND	4.500%	17-Apr-2037	1,992,560	2,182,537
2,265,000	PROVINCE OF NEWFOUNDLAND	3.300%	17-Oct-2046	2,213,268	2,443,074
4,720,000	PROVINCE OF NEWFOUNDLAND	0.648%	17-Mar-2024	4,720,000	4,760,167
1,235,000	PROVINCE OF NOVA SCOTIA	5.800%	1-Jun-2033	1,633,649	1,671,535
3,735,000	PROVINCE OF ONTARIO	6.500%	8-Mar-2029	4,722,094	4,896,249
4,860,000	PROVINCE OF ONTARIO	3.450%	2-Jun-2045	5,451,609	5,700,002
2,460,000	PROVINCE OF ONTARIO	4.700%	2-Jun-2037	3,143,972	3,188,824
6,555,000	PROVINCE OF ONTARIO	3.500%	2-Jun-2024	6,937,120	6,896,909
1,425,000	PROVINCE OF ONTARIO	2.800%	2-Jun-2048	1,667,291	1,511,583
2,140,000	PROVINCE OF ONTARIO	1.750%	8-Sep-2025	2,190,042	2,159,281
3,890,000	PROVINCE OF QUEBEC	8.500%	1-Apr-2026	4,830,528	4,989,042
645,000	PROVINCE OF QUEBEC	6.000%	1-Oct-2029	826,324	834,727
1,980,000	PROVINCE OF QUEBEC	3.500%	1-Dec-2045	2,434,983	2,359,190
2,500,000	PROVINCE OF SASKATCHEWAN	5.600%	5-Sep-2035	3,418,233	3,427,125
597,000	PROVINCE OF SASKATCHEWAN	3.400%	3-Feb-2042	613,932	678,461
3,275,000	PROVINCE OF SASKATCHEWAN	2.650%	2-Jun-2027	3,507,883	3,436,392
360,000	ROYAL BANK OF CANADA	2.333%	5-Dec-2023	360,000	367,067
1,370,000	ROYAL BANK OF CANADA	2.360%	5-Dec-2022	1,376,243	1,387,920
5,395,000	ROYAL BANK OF CANADA	0.620%	27-Jun-2022	5,390,944	5,402,607
2,765,000	ROYAL BANK OF CANADA	2.609%	1-Nov-2024	2,777,992	2,829,397
4,815,000	ROYAL BANK OF CANADA	1.589%	4-May-2026	4,773,905	4,736,804
1,945,000	ROYAL BANK OF CANADA	1.833%	31-Jul-2028	1,933,026	1,897,561
165,000	ROYAL BANK OF CANADA	2.140%	3-Nov-2031	164,960	163,386
1,808,210	ROYAL BANK OF CANADA	2.550%	16-Jul-2024	1,892,242	1,918,622
2,501,000	ROYAL BANK OF CANADA	0.535%	20-Jan-2026	2,503,542	2,530,165
110,000	SCOTIABANK CAPITAL TRUST	5.650%	31-Dec-2056	127,962	149,092
765,000	SUN LIFE FINANCIAL INC	2.060%	1-Oct-2035	753,213	730,567
1,390,000	THE CANADA LIFE ASSURANCE	6.400%	11-Dec-2028	1,596,062	1,719,708
550,000	TORONTO DOMINION BANK	3.226%	24-Jul-2024	562,606	573,711
330,000	TORONTO DOMINION BANK	1.909%	18-Jul-2023	330,000	333,472
2,940,000	TORONTO DOMINION BANK	0.745%	28-Jun-2023	2,940,000	2,956,229
1,600,000	TORONTO DOMINION BANK	1.896%	2-Jun-2026	1,600,000	1,563,664
2,520,000	TORONTO DOMINION BANK	1.943%	13-Mar-2025	2,530,838	2,527,031
2,800,000	TORONTO DOMINION BANK	1.128%	9-Dec-2025	2,782,954	2,717,344
2,161,810	TORONTO DOMINION BANK	0.350%	10-Sep-2024	2,168,207	2,200,546

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

(relating to a group of Registered Education Savings Plans collectively referred to as The Children's Education Trust of Canada)

Schedule of Investment Portfolio for Government Grants

December 31, 2021 (Continued)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	
400,000	TORONTO DOMINION BANK	3.600%	31-Oct-2081	400,000	387,400	
365,000	TRANSCANADA PIPELINES LTD	3.000%	18-Sep-2029	364,180	373,683	
180,000	TRANSCANADA TRUST	4.650%	18-May-2077	180,276	184,950	
1,034,520	UNITED STATES TREASURY NOTE	1.500%	15-Feb-2030	1,098,710	946,937	
355,000	WELLS FARGO & CO	3.874%	21-May-2025	360,014	371,177	
	Total Fixed Income Securities			\$236,311,359	\$238,671,480	75.5%
Shares / Units	Equity Securities					
46,582	ALIMENTATION COUCHE-TARD			1,888,538	2,454,871	
23,167	BANK OF MONTREAL			2,110,439	3,151,870	
59,458	BMO S&P 500 INDEX ETF			1,377,480	3,926,606	
39,305	BROOKFIELD ASSET MANAGEMENT			1,472,246	3,017,070	
314	BROOKFIELD ASSET MANAGEMENT			20,048	24,944	
35,225	CAE INC			970,980	1,120,507	
21,459	CANADIAN NATIONAL RAILWAY			2,332,105	3,325,287	
39,088	CANADIAN PACIFIC RAILWAY			2,342,844	3,553,099	
34,775	CCL INDUSTRIES INC			1,813,399	2,354,268	
26,003	CGI INC			2,301,904	2,904,535	
1,647	CONSTELLATION SOFTWARE INC			1,658,031	3,857,669	
6,263	DESCARTES SYSTEMS GROUP INC			446,698	653,043	
46,341	DOLLARAMA INC			1,750,645	2,926,434	
49,200	EMPIRE COMPANY LTD			1,594,047	1,892,724	
18,022	INTACT FINANCIAL CORP			2,170,582	2,956,329	
13,849	LOBLAW COMPANIES LTD			879,572	1,431,987	
48,045	METRO INC			2,364,288	3,228,624	
30,219	NATIONAL BANK OF CANADA			1,836,799	2,910,694	
47,865	OPEN TEXT CORP			2,341,215	2,869,507	
72,811	QUEBECOR INC CL B			2,200,627	2,073,657	
24,569	RESTAURANT BRANDS			1,871,377	1,895,299	
19,214	RICHELIEU HARDWARE LTD			733,283	836,578	
13,937	RITCHIE BROS AUCTIONEERS			755,124	1,075,240	
27,749	ROYAL BANK OF CANADA			2,503,279	3,721,141	
12,031	STANTEC INC			581,527	852,757	
74,276	TELUS CORPORATION			1,840,321	2,212,682	
21,406	THOMSON REUTERS CORP			1,594,124	3,233,376	
18,599	TMX GROUP LIMITED			1,601,504	2,378,068	
3,150	TOPICUS COM INC			199,395	365,117	
29,874	TOROMONT INDUSTRIES LTD			1,702,201	3,408,026	
36,644	TORONTO DOMINION BANK			2,370,549	3,548,971	
11,450	WASTE CONNECTIONS INC			1,197,256	1,969,400	
36,225	WINPAK LTD			1,638,777	1,339,601	
	Equity Income Securities			\$52,461,204	\$77,469,981	24.5%
				\$288,772,563	\$316,141,461	100.0%

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

(relating to a group of Registered Education Savings Plans collectively referred to as The Children's Education Trust of Canada)

Schedule of Investment Portfolio for Subscriber deposits under Scholarship Enhancement Fund December 31, 2021

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	
468,000	CANADA HOUSING TRUST	2.350%	15-Sep-2023	482,459	478,170	
803,000	CANADA HOUSING TRUST	2.550%	15-Dec-2023	827,356	825,074	
550,000	CANADA HOUSING TRUST	0.950%	15-Jun-2025	549,999	542,218	
535,000	CANADA HOUSING TRUST	1.100%	15-Mar-2031	509,423	499,920	
401,000	CANADA HOUSING TRUST NO.1	2.400%	15-Dec-2022	407,242	407,272	
632,000	CANADA HOUSING TRUST NO.1	1.900%	15-Sep-2026	649,902	642,137	
215,000	CANADA HOUSING TRUST NO.1	2.650%	15-Dec-2028	227,188	228,270	
696,000	CANADA HOUSING TRUST NO.1	0.422%	15-Sep-2024	699,598	700,559	
15,000	CANADA POST CORP	4.080%	16-Jul-2025	15,856	16,314	
927,000	GOVERNMENT OF CANADA	1.500%	1-Jun-2026	943,252	937,976	
57,000	GOVERNMENT OF CANADA	2.000%	1-Jun-2028	58,601	59,501	
298,000	GOVERNMENT OF CANADA	0.500%	1-Dec-2030	278,119	275,602	
114,000	GOVERNMENT OF CANADA	5.750%	1-Jun-2033	159,586	163,381	
415,000	PROVINCE OF ALBERTA	3.450%	1-Dec-2043	451,031	476,520	
150,000	PROVINCE OF BRITISH COLUMBIA	2.200%	18-Jun-2030	152,485	153,384	
346,000	PROVINCE OF MANITOBA	6.300%	5-Mar-2031	452,085	468,979	
469,000	PROVINCE OF MANITOBA	3.000%	2-Jun-2028	510,704	502,801	
428,000	PROVINCE OF NEW BRUNSWICK	4.800%	26-Sep-2039	547,227	565,623	
133,000	PROVINCE OF NEWFOUNDLAND	0.580%	27-Feb-2023	133,345	133,456	
321,000	PROVINCE OF NEWFOUNDLAND	0.695%	17-Mar-2024	322,806	323,732	
562,000	PROVINCE OF NOVA SCOTIA	0.543%	9-Nov-2022	563,200	563,585	
241,000	PROVINCE OF ONTARIO	6.500%	8-Mar-2029	308,026	315,929	
174,000	PROVINCE OF ONTARIO	5.850%	8-Mar-2033	227,986	236,386	
214,000	PROVINCE OF ONTARIO	4.700%	2-Jun-2037	272,276	277,402	
254,000	PROVINCE OF ONTARIO	3.150%	2-Jun-2022	256,732	256,908	
910,000	PROVINCE OF ONTARIO	3.500%	2-Jun-2043	1,007,791	1,065,710	
187,000	PROVINCE OF ONTARIO	3.450%	2-Jun-2045	208,594	219,321	
724,000	PROVINCE OF ONTARIO	2.600%	2-Jun-2027	766,764	757,840	
120,000	PROVINCE OF ONTARIO	0.585%	27-Jun-2022	120,210	120,248	
1,058,000	PROVINCE OF ONTARIO	0.485%	21-Aug-2023	1,060,960	1,062,694	
107,000	PROVINCE OF QUEBEC	9.375%	16-Jan-2023	115,985	116,366	
508,000	PROVINCE OF QUEBEC	2.750%	1-Sep-2025	532,315	531,404	
71,000	PROVINCE OF SASKATCHEWAN	3.400%	3-Feb-2042	77,396	80,688	
Total Fixed Income Securities				\$13,896,499	\$14,005,370	100.0%

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

(relating to a group of Registered Education Savings Plans collectively referred to as The Children's Education Trust of Canada)

Schedule of Investment Portfolio for Subscriber deposits under Escrow Agreements

December 31, 2021

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	
70,000	CANADA HOUSING TRUST	2.350%	15-Sep-2023	72,024	71,521	
160,000	CANADA HOUSING TRUST	2.550%	15-Dec-2023	160,993	164,398	
100,000	CANADA HOUSING TRUST	0.950%	15-Jun-2025	99,951	98,585	
85,000	CANADA HOUSING TRUST	1.100%	15-Mar-2031	84,868	79,427	
79,000	CANADA HOUSING TRUST NO.1	2.400%	15-Dec-2022	79,371	80,236	
128,000	CANADA HOUSING TRUST NO.1	1.900%	15-Sep-2026	130,311	130,053	
34,000	CANADA HOUSING TRUST NO.1	2.650%	15-Dec-2028	34,668	36,098	
140,000	CANADA HOUSING TRUST NO.1	0.490%	15-Sep-2024	140,522	140,917	
15,000	CANADA POST CORP	4.080%	16-Jul-2025	15,856	16,314	
185,000	GOVERNMENT OF CANADA	1.500%	1-Jun-2026	184,986	187,190	
17,000	GOVERNMENT OF CANADA	2.000%	1-Jun-2028	16,879	17,746	
62,000	GOVERNMENT OF CANADA	0.500%	1-Dec-2030	57,864	57,340	
19,000	GOVERNMENT OF CANADA	5.750%	1-Jun-2033	25,405	27,230	
81,000	PROVINCE OF ALBERTA	3.450%	1-Dec-2043	83,049	93,007	
30,000	PROVINCE OF BRITISH COLUMBIA	2.200%	18-Jun-2030	30,402	30,677	
60,000	PROVINCE OF MANITOBA	6.300%	5-Mar-2031	74,336	81,326	
92,000	PROVINCE OF MANITOBA	3.000%	2-Jun-2028	102,367	98,630	
85,000	PROVINCE OF NEW BRUNSWICK	4.800%	26-Sep-2039	102,156	112,332	
28,000	PROVINCE OF NEWFOUNDLAND	2.098%	27-Feb-2023	28,000	28,096	
62,000	PROVINCE OF NEWFOUNDLAND	2.181%	17-Mar-2024	61,974	62,528	
100,000	PROVINCE OF NOVA SCOTIA	1.350%	9-Nov-2022	100,046	100,282	
50,000	PROVINCE OF ONTARIO	6.500%	8-Mar-2029	60,079	65,546	
33,000	PROVINCE OF ONTARIO	5.850%	8-Mar-2033	40,575	44,832	
32,000	PROVINCE OF ONTARIO	4.700%	2-Jun-2037	40,244	41,481	
52,000	PROVINCE OF ONTARIO	3.150%	2-Jun-2022	52,371	52,595	
179,000	PROVINCE OF ONTARIO	3.500%	2-Jun-2043	186,862	209,629	
42,000	PROVINCE OF ONTARIO	3.450%	2-Jun-2045	45,254	49,259	
132,000	PROVINCE OF ONTARIO	2.600%	2-Jun-2027	139,887	138,170	
20,000	PROVINCE OF ONTARIO	0.630%	27-Jun-2022	20,018	20,041	
210,000	PROVINCE OF ONTARIO	0.540%	21-Aug-2023	209,949	210,909	
22,000	PROVINCE OF QUEBEC	9.375%	16-Jan-2023	23,436	23,926	
93,000	PROVINCE OF QUEBEC	2.750%	1-Sep-2025	94,096	97,285	
18,000	PROVINCE OF SASKATCHEWAN	3.400%	3-Feb-2042	19,656	20,456	
Total Fixed Income Securities				\$2,618,455	\$2,688,062	100.0%

Summary of Schedules of Investment Portfolio

December 31, 2021

	Average Cost (\$)	Fair Value (\$)
Schedule of Investment Portfolio for Subscriber deposits under Scholarship Agreements	618,493,668	694,838,385
Schedule of Investment Portfolio for Government Grants	288,772,563	316,141,461
Schedule of Investment Portfolio for the Scholarship Enhancement Fund	13,896,499	14,005,370
Schedule of Investment Portfolio for Subscriber deposits under Escrow Agreements	2,618,455	2,688,062
	\$923,781,185	\$1,027,673,278

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

(relating to a group of Registered Education Savings Plans collectively referred to as The Children's Education Trust of Canada)

Notes to the Financial Statements

December 31, 2021

1. Nature of business

The Children's Educational Foundation of Canada (the "Foundation") was incorporated as a non-profit corporation under the laws of Canada on April 23, 1990. During 1991, the Foundation commenced offering scholarship agreements through its exclusive Scholarship Plan Dealer, Children's Education Funds Inc. These agreements are collectively referred to as The Children's Education Trust of Canada (the "Plans").

The Foundation offers scholarship plans to enable the subscriber and their designated beneficiaries to save for a beneficiary's post-secondary education. The Foundation's assets are invested in equity securities, bonds and treasury bills, and equity linked notes in accordance with the guidelines of the Foundation's investment policy statement established by the Trustees and also within the investment restrictions and practices contained in National Policy 15 of the Canadian Securities Administrators. Under an agreement with the securities regulators in May, 2014, the Foundation was allowed to invest in equity securities and was no longer permitted to acquire any new equity linked notes ("the Undertaking").

The Foundation is not a trust company and, accordingly, is not registered under any federal or provincial trust company legislation nor does it carry on, or intends to carry on, the business of a trust company.

Agreements are registered with appropriate government authorities if all required information is provided, and once registered are subject to the rules for Registered Education Savings Plans ("RESPs") under the Income Tax Act (Canada). The current tax legislation provides that income credited to subscribers' principal is not taxable income of the subscriber unless withdrawn as an accumulated income payment subject to certain eligibility requirements being met. The deposits are not deductible for income tax purposes and are not taxable when returned to the subscriber. Government grants and investment income earned on Government grants will constitute taxable income of that student in the year that the payments are made.

The address of the head office is 3221 North Service Road, Burlington, Ontario.

The financial statements include the education assistance payments (including scholarships and Government grants) paid to beneficiaries in the fiscal year. Most payments are typically paid out in September of each fiscal year and therefore, education assistance payments will be significantly higher in the last six months of the year.

2. Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and under the historical cost convention, except for certain financial instruments measured at fair value. Accounting policies are consistently applied to all years presented, unless otherwise stated.

The financial statements were authorized for issue by the Board of Directors of the Foundation on March 23, 2022.

3. Summary of significant accounting policies

Financial Instruments

Recognition, initial measurement and classification

The Foundation's financial instruments consist of cash, accrued interest, dividends receivable, government grants receivable, receivables for securities sold, investments, due to Scholarship Plan Dealer, payables for securities purchased, subscriber liability due to terminations and the Foundation's obligation for net assets attributable to subscribers and beneficiaries. Net assets attributable to subscribers and beneficiaries comprise subscriber deposits received in advance, subscriber deposits under scholarship agreements, subscriber deposits under escrow agreements, accumulated investment income and dividend income earned on subscriber deposits, accumulated investment income and dividend income earned on subscriber deposits under escrow agreements, government grants, accumulated investment income and dividend income earned on government grants, funds for Scholarship Enhancements and funds for Enrichment.

The Foundation's accounting policies related to financial liabilities are classified as amortized cost. The Foundation does not purchase or sell derivative financial instruments.

The classification and measurement of financial assets is set out below.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income ("FVOCI"); or Fair Value Through Profit or Loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

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Notes to the Financial Statements

December 31, 2021

3. Summary of significant accounting policies (continued)

Financial assets held within a business model whose objective is to both collect contractual cash flows and to sell the financial asset are measured at FVOCI. All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Foundation may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Plans' have a portfolio of financial assets that is managed and whose performance is evaluated on a fair value basis that is primarily focused on fair value information and uses that information to assess the investments performance in accordance with the Plans' investment strategy. For such a portfolio the collection of contractual cash flows is only incidental to achieving the Plans' investment objectives. The assessment and decision on the business model approach used is an accounting judgement. The Plans have elected to designate investments in fixed income securities at fair value upon adoption of IFRS 9 in order to eliminate a measurement inconsistency, as the obligation for net assets attributable to subscribers and beneficiaries are measured at FVTPL.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transaction costs are expensed as incurred for items measured as FVTPL.

Net assets attributable to subscribers and beneficiaries is measured at redemption amount and is considered to be a residual interest in the assets of the Plan after deducting all of its liabilities. Net assets attributable to subscribers and beneficiaries are classified as a financial liability given the Foundation's obligation to pay out. The increase or decrease in the redemption amount is shown in the Statements of Comprehensive Income as a change in the net assets attributable to subscribers and beneficiaries.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets that are traded in active markets, which includes equity securities, bonds and treasury bills, are based on quoted market prices at the close of trading on the reporting date. The Foundation uses the last bid price to value these financial assets at each reporting date.

The fair value of financial assets that are not traded in an active market, which includes equity-linked notes, is determined using valuation techniques. Valuation techniques include discounted cash flow analysis, reference to other instruments, comparable recent arm's-length transactions, and making maximum use of observable inputs. Equity-linked notes are valued at fair values using external pricing models to value their components. The Foundation uses an external pricing model that values its equity-linked notes based on the price at which these securities could be sold to the counterparty. These equity-linked notes have been issued by a Canadian bank.

Investment transactions and income recognition

Interest income from investments in bonds and treasury bills are recognized at the effective interest rate. Dividends are recognized as income on the ex-dividend date. Accrued interest and dividends receivable are calculated as the difference between amounts received and amounts earned which have been recorded in income.

Realized gains and losses from investment transactions are calculated with reference to the amortized cost of the related investments and are recognized in the period in which these occurred.

Unrealized gains and losses are calculated as the difference between fair value and the amortized cost of the related investments at the dates of the statements of financial position. Unrealized gains and losses are allocated to specific beneficiaries by the Foundation. As at December 31, 2021 there was a net unrealized gain of \$97,868,234 (December 31, 2020 – \$93,232,169) included in net assets attributable to subscribers and beneficiaries.

Foreign currency

The financial statements are presented in Canadian dollars, which is the Foundation's functional and presentation currency.

Impairment of financial assets

IFRS 9 uses an 'expected credit loss' (ECL) model. The impairment model applies to financial assets measured at amortized cost, but not to investments measured as FVPTL.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Subscribers' deposits

Subscribers' principal balances reflect only amounts received from subscribers and do not include amounts receivable on outstanding agreements, as subscribers may terminate their plans at any time. The principal deposits are returned to the subscriber (or the subscriber's beneficiary if certain conditions are met) either on termination or maturity of the scholarship agreement. Subscriber deposits, upon termination of the plan or cancellation by the subscriber, are shown in liabilities. The financial statements reflect all other subscriber deposits in net assets attributable to subscribers and beneficiaries. As the subscriber deposits are due on demand, they are recorded at

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

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Notes to the Financial Statements

December 31, 2021

3. Summary of significant accounting policies (continued)

their fair value. Subscriber deposits received in advance of plan payments terms are recorded in subscriber deposits received in advance. Subscriber deposits received prior to receipt of the beneficiary's social insurance number are held in subscriber deposits under escrow agreements.

The Foundation deducts sales charges, depository fees, administrative fees, where applicable, and other service charges and insurance premiums from deposits made by subscribers in accordance with the terms of the Prospectus (see Note 11).

Government grants

Since January 1998, the Government of Canada has provided for the payment of Canada Education Savings Grants ("CESG") on behalf of eligible beneficiaries of the Foundation's RESPs. Eligible beneficiaries are entitled to CESG equal to 20% of the eligible contributions. The Canada Education Savings Act, passed into law on December 15, 2004, enhanced the CESG program by providing additional grant amounts to beneficiaries based upon family income. Generally, families with annual income less than \$49,020 are eligible for an additional 20% of CESG on the first \$500 contributed. Families with annual income between \$49,020 and \$98,040 are eligible for an additional 10% of CESG on the first \$500 contributed. In addition, the Canada Education Savings Act introduced the Canada Learning Bond ("CLB"). Children born on or after January 1, 2004 will be eligible for CLB in each year that the beneficiary's family is entitled to the National Child Benefit Supplement up to and including the year in which the beneficiary turns 15 years of age. CLB is \$500 in the first year of entitlement and \$100 thereafter.

In 2007, the Government of Quebec introduced an education savings incentive for beneficiaries residing in the Province of Quebec. The incentive is applicable for contributions made after February 20, 2007 and is equal to 10% of the first \$2,500 contributed. Generally, families with annual income less than \$45,105 are eligible for an additional 10% on contributions to a maximum of \$50. Families with annual income between \$45,106 and \$90,200 are eligible for an additional 5% on contributions to a maximum of \$25. Family income thresholds are indexed for inflation and will be revised annually by the Quebec Ministry of Revenue. The maximum lifetime education savings incentive is \$3,600 per beneficiary.

The Government of Saskatchewan introduced the *Saskatchewan Advantage Grant for Education Savings* ("SAGES") that provides a grant of 10% on contributions made since January 1, 2013, into the RESP of a beneficiary who is a Saskatchewan resident to a maximum of \$250 per beneficiary per year. The maximum lifetime SAGES grant is \$4,500 per beneficiary. The Government of Saskatchewan has suspended SAGES effective January 1, 2018.

Effective August 15, 2015, the Government of British Columbia introduced a one-time grant (*British Columbia Training and Education Savings Grant*) of \$1,200 into the RESP for any British Columbia resident child who is born on or after January 1, 2006.

The Foundation is receiving grants in respect of eligible RESPs. The financial statements reflect the funds received for these grants in net assets attributable to subscribers and beneficiaries and an accrual for the estimated amount of grants receivable based on subscriber deposits. Grants are recorded at their face value as they are due on demand. Repayable government grants are netted against government grants receivable if a plan is terminated by the Foundation or cancelled by the subscriber as the funds must be reimbursed to the government.

Operating segments

The Foundation is organized into one main operating segment, which invests contributed funds in order to provide investment returns. Accordingly, all significant operating decisions are based upon an analysis of the Foundation as one operating segment. Substantially all of the investment income is derived from Canadian investments with foreign investments accounting for approximately 1% of investments as at December 31, 2021. The financial results of this segment are equivalent to the financial statements of the Foundation as a whole.

4. Tax status

Scholarship agreements are submitted to Canada Revenue Agency for registration as RESPs under the Income Tax Act (Canada). The Plans are exempt from income taxes under 146.1 of the Income Tax Act (Canada). As a result of such registration, investment income earned on the net assets attributable to subscribers and beneficiaries of the Foundation will not be subject to current income tax. Qualifying beneficiaries are taxed at the time amounts of accumulated investment income are disbursed.

5. Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Foundation has made in preparing the financial statements.

Fair value measurement of securities not quoted in an active market

The Foundation holds financial assets that are not traded in an active market, including equity-linked notes, whose fair value is determined using valuation techniques. Valuation techniques which make maximum use of observable inputs are used. Refer to Note 6 for further information.

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

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Notes to the Financial Statements

December 31, 2021

5. Critical accounting estimates and judgments (continued)

Application of IFRS 9

In the application of IFRS 9, management has made judgements about the business model applicable to financial assets held. These judgements impact the classification of financial assets between amortized cost, FVOCI, and FVTPL. The most significant judgements made include management's assertion that equity-linked notes may be measured as Designated as at FVTPL.

The Plans' have a portfolio of financial assets that is managed and whose performance is evaluated on a fair value basis that is primarily focused on fair value information and uses that information to assess the investments performance in accordance with the Plans' investment strategy. For such a portfolio the collection of contractual cash flows is only incidental to achieving the Plans' investment objectives. The assessment and decision on the business model approach used is an accounting judgement. The Plans have elected to designate investments in fixed income securities at fair value upon adoption of IFRS 9 in order to eliminate a measurement inconsistency, as the obligation for net assets attributable to subscribers and beneficiaries are measured at FVTPL.

Potential implications of COVID-19

In the first quarter of 2020, the viral outbreak of COVID-19 rapidly developed into a global pandemic. In response, worldwide emergency measures were taken, and continue to be taken, to combat the spread of the virus, including the imposition of travel restrictions, business closure orders, and physical distancing requirements. Governments have also implemented unprecedented monetary and fiscal policy changes aimed to help stabilize economies and financial markets. The Foundation cannot predict future legal and regulatory responses to concerns about the COVID-19 pandemic and related public health issues and how these responses may impact the Foundation's business.

The ongoing COVID-19 pandemic could continue to adversely impact the Foundation's financial results in future periods because of reduced new business. The uncertainty around the expected duration of the pandemic and the measures put in place by governments to respond to it could further depress business activity and financial markets, which could lead to lower increase in net assets attributable to subscribers and beneficiaries. While in recent years the Foundation has taken significant actions to diversify the investment portfolio, further management actions may be required.

The duration and impact of the COVID-19 pandemic is unknown at this time and can introduce additional uncertainty around estimates, assumptions and judgements used in preparing these financial statements.

6. Risks associated with financial instruments

The Foundation is exposed to various types of risks that are associated with its investment strategies, financial instruments, and markets in which it invests. The most important risks include credit risk, liquidity risk and market risk (which includes interest rate risk, price risk and currency risk). These risks and related risk management practices employed by the Foundation are discussed below. There have been no changes in the risks and management of such risks from the previous year.

Credit risk

The Foundation is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The majority of the credit risk to which the Foundation is exposed arises from its investments in debt securities. Credit risk for the investment in debt securities relates to the capability of the issuer of debt securities to make interest payments and repay the principal. The Foundation's maximum exposure to credit risk is limited to the carrying amount of investments in debt securities as summarized below:

	December 31, 2021	December 31, 2020
Investment in debt securities	736,048,901	861,686,160

The table below analyzes the investment in debt securities by type of counterparty:

Asset Class	December 31, 2021	December 31, 2020
Government - Federal	\$172,810,760	\$321,888,196
Government - Provincial	306,840,690	345,401,681
Financial institution bonds	211,046,194	143,367,497
Corporate bonds	11,779,257	19,318,785
Equity-linked notes	33,572,000	31,710,000
	\$736,048,901	\$861,686,160

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

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6. Risks associated with financial instruments (continued)

The debt securities (and all other securities) are invested according to the standard investment restrictions and practices contained in National Policy 15 of the Canadian Securities Administrators. The investments in the Foundation primarily comprise of bonds which have been issued or guaranteed by either the Federal or any provincial government, and financial institution bonds, corporate bonds and Government of Canada treasury bills. All of the variable rate securities held in the portfolio have an "approved credit rating" as defined in National Instrument 81-102. In addition, the Foundation invests in equity-linked notes. Under the terms of the Undertaking described in Note 1, the Foundation may no longer purchase equity-linked notes. These equity-linked notes are issued or guaranteed by a Canadian chartered bank. Risk is managed through guidelines mandated by the Canadian Securities Administrators. The Foundation is invested in debt instruments with the following credit ratings:

Debit instruments* by credit rating	Percentage of total debit instruments*	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
AAA	25.2%	30.6%
AA	52.1%	49.0%
A	21.9%	19.2%
BBB	0.8%	1.2%

* Excludes Government of Canada treasury bills and Money Market deposits.

All investments represent a risk of loss of capital. The investment advisors of the Foundation moderate this risk through a careful selection and diversification of securities and other financial instruments within the limits of the Foundation's investment objective, policies and restrictions. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Foundation's overall market positions are monitored on a daily basis by the investment advisors of the Foundation.

The Foundation's activities may give rise to settlement risk. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed. For the majority of transactions, the Plans mitigate this risk by conducting settlements through an intermediary to ensure that the trade is settled only when both parties have fulfilled their contractual settlement obligations.

Liquidity risk

Liquidity risk is defined as the risk that the Foundation may not be able to settle or meet its obligations on time. The Foundation's exposure to liquidity risk is concentrated in principal repayments to subscribers and payments of educational assistance payments. The Foundation moderates liquidity risk by investing primarily in bonds and treasury bills that are traded in an active secondary market. The Foundation also invests in equity securities of issuers traded on a Canadian stock exchange which may contain inactive issuers with wide bid-ask spreads. This risk is mitigated by the Investment Policy Statement which stipulates investment in equity securities with a sufficiently large market capitalization to ensure adequate liquidity in execution and minimization of trading costs.

Equity-linked notes, however, do not trade on stock exchanges or other secondary markets. These investments are considered to be buy-and-hold investments and it is the intention of the Foundation to hold these investments until maturity. The Foundation was limited to a weighting of 30% of the aggregate amount of Subscribers' deposits in equity-linked notes and pursuant to the Undertaking, is no longer permitted to purchase equity-linked notes.

All of the Foundation's financial liabilities are due on demand.

The Foundation retains sufficient cash to meet liquidity requirements.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risk: interest rate risk, price risk and currency risk.

The value of the investments within the Foundation can fluctuate on a daily basis and the level of risk depends on the Foundation's investment objectives and the securities it invests in. The investment objective of the Foundation is to achieve long-term growth of income on subscribers' savings while ensuring the preservation of those savings. In an effort to provide investment returns superior to the benchmark index, the investment advisors of the Foundation utilize active portfolio management strategies. These strategies include duration management, sector allocation, credit analysis and investment in equity-linked notes with a guarantee of principal. Pursuant to an Undertaking, interest and dividend income on subscribers' savings and government grants may be invested in equity securities traded on a Canadian stock exchange. As such, beginning May 2014, the Foundation began investing in equity securities. Currently,

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6. Risks associated with financial instruments (continued)

the Foundation utilizes the investment advisory services of three registered investment advisors to assist the Foundation in investing subscriber savings and government grants and interest and dividend income earned thereon. Each of these investment advisors provides advisory and discretionary managed account services with respect to purchasing, selling and otherwise dealing in securities and other investments comprising the investment portfolios. The investment advisors are charged with broad diversification across issuers and securities and constantly monitor how the various risks affect the investment portfolios.

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of investments. If interest rates decrease or increase, the value of the investments will increase or decrease, respectively. The Foundation's investment advisors are required to manage the investments in accordance with their Investment Policy Statement. To moderate risk, the investment advisors must maintain a modified duration of their portfolio within approved limits of the benchmark index.

The Foundation's holding of debt instruments by maturity is as follows:

Instruments by Maturity at Face value	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Due in one year	10.2 %	22.0 %
Due one year through five years	47.3 %	27.8 %
Due after five years	42.5 %	50.2 %

As at December 31, 2021, if prevailing interest rates had increased or decreased by 25 basis points, assuming a parallel shift in the yield curve with all other variables held constant, the investment portfolio of debt instruments of \$702,476,777 (December 31, 2020 - \$829,976,048) which excludes equity-linked notes would have decreased or increased by approximately \$10,601,314 (December 31, 2020 - \$13,991,972). In practice, the actual trading results may differ materially.

(ii) Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). Financial instruments held are susceptible to market price risk arising from uncertainties about future prices of instruments. Equity securities and equity-linked notes are most impacted by price risk. The total fair value of equity securities on hand as at December 31, 2021 was \$291,624,377 (December 31, 2020 - \$224,359,968). As at December 31, 2021 if underlying index prices increased or decreased by 1%, with all other variables held constant, the investment portfolio of equity securities and equity-linked notes of \$325,196,377 (December 31, 2020 - \$256,069,968) would increase or decrease by approximately \$2,976,244 (December 31, 2020 - \$2,338,600). In practice, the actual trading results may differ materially. Investments in equity-linked notes carry a guarantee at maturity of principal. The amount of interest, if any, payable on equity-linked notes at maturity will be based on the performance of the underlying assets or market index. Investments in equity-linked notes are made on a long buy and hold basis.

The equity-linked notes are subject to pricing based on the returns on the underlying investments for each note. The pricing is also impacted by the value attributable to the extent of principal protection provided in the note.

(iii) Currency risk

The Foundation invests in an exchange-traded fund ("ETF") denominated in Canadian dollars and which holds US dollar investments. These investments create currency risk as the underlying investments within this ETF are exposed to the US dollar and therefore the Foundation is directly and indirectly exposed to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The total fair value of equity ETFs and US dollar investments exposed to the US dollar as at December 31, 2021 was \$12,382,378 (December 31, 2020 - \$20,552,478). As at December 31, 2021 if the Canadian dollar had strengthened or weakened by 5%, with all other variables held constant, the total value of equity ETFs and US dollar investments exposed to the US dollar would increase or decrease by approximately \$619,119 (December 31, 2020 - \$1,027,624).

Fair value of financial instruments

Financial instrument disclosures require a three-level fair value hierarchy. Level 1 financial instruments are valued using quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 financial instruments are valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 financial instruments are valued using unobservable inputs. If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The Foundation's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the transaction giving rise to the transfer.

Investments are measured at fair value on a recurring basis. The carrying values of cash, accrued interest, dividends receivable, government grants receivable, bank indebtedness, receivables for securities sold, due to Scholarship Plan Dealer, payables for securities purchased, subscriber liability due to terminations and the Foundation's obligation for net assets attributable to subscribers and beneficiaries approximate their fair values due to their short-term nature.

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Notes to the Financial Statements

December 31, 2021

6. Risks associated with financial instruments (continued)

The Foundation's management is responsible for performing the fair value measurements, including Level 3 measurements. The Foundation's management obtains pricing from a third party pricing vendor.

The following is a summary of the classification of the Foundation's investments, the only financial instrument measured at fair value, as at December 31, 2021 and December 31, 2020:

As at December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$291,624,377	\$ –	\$ –	\$291,624,377
Bonds and treasury bills	–	702,476,901	–	702,476,901
Equity-linked notes	–	–	33,572,000	33,572,000
	<u>\$291,624,377</u>	<u>\$702,476,901</u>	<u>\$33,572,000</u>	<u>\$1,027,673,278</u>

As at December 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$224,413,943	\$ –	\$ –	\$224,413,943
Bonds and treasury bills	–	829,976,160	–	829,976,160
Equity-linked notes	–	–	31,710,000	31,710,000
	<u>\$224,413,943</u>	<u>\$829,976,160</u>	<u>\$31,710,000</u>	<u>\$1,086,100,103</u>

Equities and bonds

The Foundation's equity and bond positions are classified as Level 1 when the security is actively traded and a quoted price is available.

Bonds and treasury bills

Bonds and treasury bills traded on secondary markets are classified as Level 2. The Foundation uses the last bid price to value these financial assets at each reporting date.

Equity-linked notes

Equity-linked notes are not traded in an active market nor otherwise valued using observable inputs. The Foundation uses an external pricing model that values its equity-linked notes based on the price for which these securities could be sold to the counterparty. The unobservable inputs used in the external pricing model relate to the impact of the following attributes of each individual note: all notes have principal protection which relies on the credit capacity of TD Bank, which is the issuer of each note. The notes are non-interest bearing and the return on the notes to the maturity date of the note are a basket of specific securities or specific indices as follows:

<u>Equity-linked note</u>	<u>Basis for underlying return</u>
TD Bank Canadian Index Linked Note	S&P TSX 60 index
TD Bank US Index Linked Note	Two US equity indices

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

<u>Level 3 – Equity-linked notes</u>	<u>For the year ended December 31, 2021</u>	<u>For the year ended December 31, 2020</u>
Balance - beginning of year	\$31,710,000	\$29,998,000
Increase in unrealized gains	1,862,000	1,712,000
Balance - end of year	<u>\$33,572,000</u>	<u>\$31,710,000</u>

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December 31, 2021

7. Financial instruments by category

The following table presents the carrying amounts of the Foundation's financial assets by category as at December 31, 2021 and December 31, 2020. All of the Foundation's financial liabilities as at December 31, 2021 and December 31, 2020 were measured at amortized cost.

As at December 31, 2021

	Financial assets at fair value			Total
	FVTPL	Designated at FVTPL	Financial assets at amortized cost	
Investments	\$994,101,278	\$33,572,000	\$ –	\$1,027,673,278
Cash	–	–	9,430,931	9,430,931
Accrued interest	–	–	3,250,323	3,250,323
Dividends receivable	–	–	385,296	385,296
Government grants receivable	–	–	784,359	784,359
	\$994,101,278	\$33,572,000	\$13,850,909	\$1,041,524,187

As at December 31, 2020

	Financial assets at fair value			Total
	FVTPL	Designated at FVTPL	Financial assets at amortized cost	
Investments	\$1,054,390,103	\$31,710,000	\$ –	\$1,086,100,103
Cash	–	–	–	–
Accrued interest	–	–	3,362,240	3,362,240
Dividends receivable	–	–	360,680	360,680
Government grants receivable	–	–	929,118	929,118
	\$1,054,390,103	\$31,710,000	\$4,652,038	\$1,090,752,141

Equity-linked notes are recorded at FVTPL. These financial assets are part of a group of financial assets that are managed, and their performance evaluated on a fair value basis, in accordance with the documented investment strategy, and information about the financial assets as a group is provided internally on that basis to the Foundation's key management personnel.

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Notes to the Financial Statements

December 31, 2021

8. Capital risk management

The capital of the Plans is represented by subscribers' units in the Plans. The units of the Plans are entitled to subscribers' contributions, government grants received and the accumulated income thereon. At maturity or cancellation, subscribers will be entitled to their net contributions, as outlined in the Plans' Prospectus. Restrictions on Subscribers' contributions are outlined in the Plans' Prospectus and defined by the Income Tax Act (Canada). Restrictions on payments from the Plans are also outlined in the Plans' Prospectus and are dependent on whether the beneficiary qualifies for payments under the Plan. The relevant movements are shown on the Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries. The Foundation endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet its obligations.

9. Funds for Scholarship Enhancements and Enrichment

Under the terms of the Scholarship Plan agreements, there are specified periods, whereby investment income is accrued to the beneficiaries (typically to Maturity Date which is an earlier date than the payment of Educational Assistance Payments). Investment income after Maturity Date and other Discretionary contributions made by the Scholarship Plan Dealer are allocated to funds for Scholarship Enhancements and Enrichments for additional Educational Assistance Payments and the return of sales charges.

The amount of additional Educational Assistance Payments and the return of sales charges depend on the money available in the Scholarship Enhancements and Enrichments for each Beneficiary Group. The Foundation's Trustees determine the allocation between additional Educational Assistance Payments and the return of sales charges for Scholarship Enhancements and Enrichments on an annual basis. The payments of Scholarship Enhancements and Enrichments are included as distributions to beneficiaries in the Statement of Changes in Net Assets Attributable to Subscribers and Beneficiaries.

The balance of the funds for Scholarship Enhancements and funds for Enrichment at each period is determined as follows:

Funds for Scholarship Enhancements

	<u>For the year ended</u> <u>December 31, 2021</u>	<u>For the year ended</u> <u>December 31, 2020</u>
Balance, beginning of year	\$16,087,005	\$11,167,229
Interest and dividend income after maturity date	5,401,077	11,202,363
Investment income earned on fund balance	131,133	99,117
Return of sales charges	(373,399)	(373,305)
Net change in unrealized gains	(150,551)	162,688
Additional educational assistance payments	(5,548,377)	(6,171,087)
Balance, end of year	<u>\$15,546,888</u>	<u>\$16,087,005</u>

Funds for Enrichment

	<u>For the year ended</u> <u>December 31, 2021</u>	<u>For the year ended</u> <u>December 31, 2020</u>
Balance, beginning of year	\$429,345	\$270,390
Interest and dividend income after maturity date	86,074	182,579
Investment income earned on fund balance	3,703	2,469
Return of sales charges	(57,985)	(26,093)
Balance, end of year	<u>\$461,137</u>	<u>\$429,345</u>

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December 31, 2021

10. Education assistance payments

	<u>2021</u>	<u>2020</u>
Number of units		
First scholarship	24,389	22,776
Second scholarship	21,420	20,193
Third scholarship	18,331	15,345
Amount of scholarships per unit		
First scholarship	\$478	\$487
Second scholarship	\$411	\$423
Third scholarship	\$433	\$486

The education assistance payments comprise the specified per unit scholarship payments as well as additional payments of \$2,376,679 (2020 - \$2,164,270) for students where the qualifying programs are less than four full years.

The foundation also made education assistance payments of \$563,930 (2020 - \$677,106) and \$212,551 (2020 - \$230,939) for students enrolled in plans under the self-initiated option and Achievers plans respectively.

Under the Group Option Plan, a beneficiary may advance the year of eligibility to an earlier year. Such advancement may result in a present valued education assistance payment. In addition, late applications for education assistance payments are subject to fees. The adjustments to scholarship payments as a result of the above amounted to \$239,099 (2020 - \$257,731). During the year, scholarships for late applications totaling \$2,649,584 (2020 - \$1,927,517) were paid based on the 2020 scholarship rate.

The total scholarships paid in 2021 for 64,140 units (2020 - 58,314 units) of \$478 per unit (2020 - \$487) for the first scholarship, \$411 per unit (2020 - \$423) for the second scholarship and \$433 per unit (2020 - \$486) for the third scholarship, net of the above adjustments, and including the payments of \$2,376,679 (2020 - \$2,164,270), \$563,930 (2020 - \$677,106) and \$212,551 (2020 - \$230,939) for programs less than 4 years, payments under the self-initiated option and Achievers plans respectively, were \$33,939,510 (2020 - \$31,818,000).

11. Related party transactions

Fees to Scholarship Plan Dealer

The distribution and administration of the Plans is carried out on behalf of the Foundation by the Scholarship Plan Dealer, Children's Education Funds Inc. By agreement with the Foundation, the Scholarship Plan Dealer has been appointed as exclusive distributor and administrator of the Plans. Under the terms of a distribution and administration agreement and in accordance with the Prospectus, the Scholarship Plan Dealer is entitled to receive fees which are approved on an annual basis and consequently, occur at the negotiated exchange amount in accordance with the agreement. Fees charged in the year ended December 31, 2021 and December 31, 2020 are as follows:

	<u>For the year ended</u> <u>December 31, 2021</u>	<u>For the year ended</u> <u>December 31, 2020</u>
<i>Paid directly by subscriber</i>		
Sales charges	\$1,036,446	\$1,602,525
Group insurance premiums	1,722,899	1,907,283
Depository fees	866,432	1,006,173
Annual administration fees on subscriber deposits	5,262,217	5,553,283
Service charges	1,083,560	1,166,607
<i>Deducted from Foundation's income</i>		
Administration fees	\$998,432	\$869,282

Independent Review Committee and Directors' Fees

The total remuneration paid to members of the Independent Review Committee and Directors during the year ended December 31, 2021 was \$31,153 (December 31, 2020 - \$37,108).

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

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Schedule of Scholarship and Escrow Agreements

December 31, 2021

Year of eligibility	Opening units	Inflow units ¹	Outflow units ²	Closing units	Principal deposits	Investment income	Government grants	Investment income on government grants
Plans eligible for assistance payments						25,423,774	28,900,864	23,782,187
2022	56,232	11	19,071	37,172	12,222,374	32,339,306	16,813,759	10,263,319
2023	42,543	17,595	0	60,138	99,923,499	47,372,358	30,047,939	16,447,824
2024	42,752	188	0	42,940	67,389,008	28,880,765	22,459,020	11,574,982
2025	41,428	9	88	41,349	60,214,284	23,864,297	20,969,252	10,122,724
2026	35,808	0	188	35,620	48,631,403	17,370,504	17,076,110	7,435,439
2027	32,301	10	99	32,212	40,576,048	13,311,594	14,625,825	5,852,520
2028	28,410	18	70	28,359	32,776,292	9,647,362	11,915,949	4,404,402
2029	25,602	21	286	25,337	26,458,167	7,040,848	9,905,517	3,345,766
2030	22,949	31	310	22,670	21,352,589	5,045,160	8,125,122	2,480,103
2031	20,065	37	381	19,721	16,752,479	3,294,016	6,291,240	1,601,077
2032	15,673	55	244	15,484	11,531,684	1,925,916	4,362,496	950,511
2033	12,500	67	328	12,238	7,582,236	1,080,054	2,984,853	565,259
2034	10,429	84	277	10,236	5,367,797	673,076	2,084,082	338,576
2035	9,042	71	148	8,964	3,601,112	358,901	1,508,346	207,590
2036	8,083	162	262	7,983	2,266,206	181,813	1,099,947	126,682
2037	6,986	236	208	7,014	1,263,689	70,811	728,075	67,568
2038	5,380	377	349	5,408	504,293	21,131	420,626	26,137
2039	1,896	1,097	131	2,863	130,841	3,721	129,699	4,728
2040	0	1,513	35	1,478	1,211	44	17,801	300
Self-initiated	5,371	588	434	5,525	10,111,047	4,959,851	7,877,690	3,264,776
Achievers	41,161	685	4,504	37,342	7,617,291	1,742,408	3,358,949	1,164,053
	464,613	22,854	27,416	460,052	476,273,550	\$224,607,710	\$211,703,161	\$104,026,523

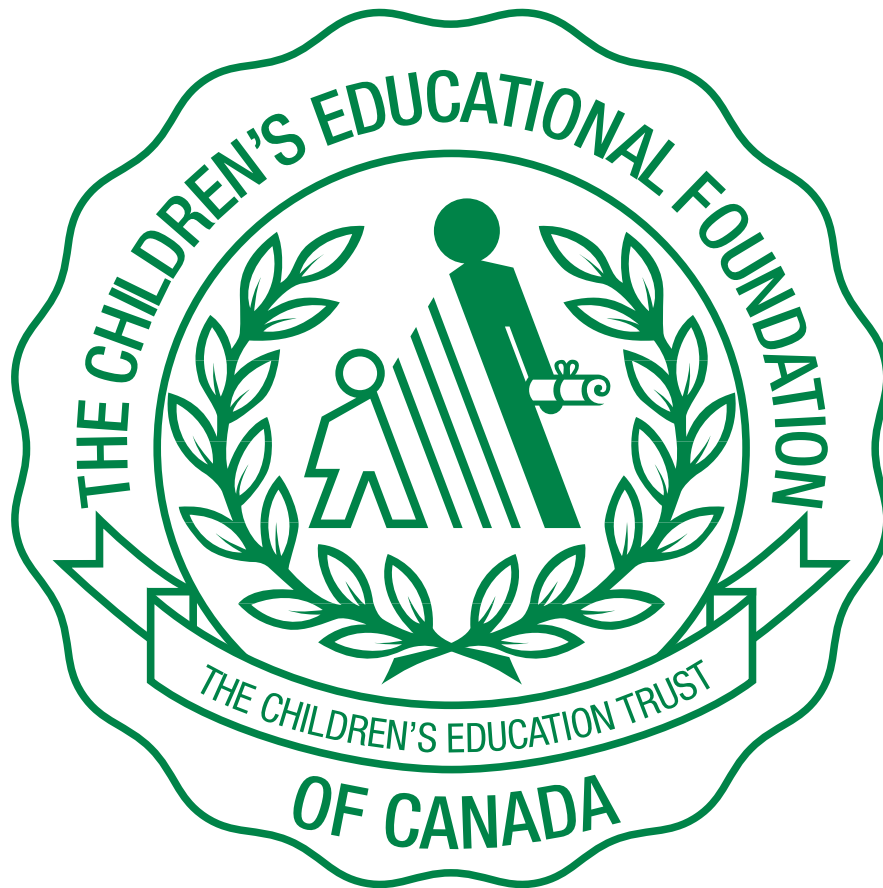
Represented by:

Scholarship agreements	473,756,228	223,321,045
Escrow agreements	2,517,323	1,286,665
	<u>\$476,273,550</u>	<u>\$224,607,710</u>

Note: Subscriber deposits held are fully refundable to subscribers

¹ Inflow units are comprised of purchases and transfers-in

² Outflow units are comprised of terminations and transfers-out



THE CHILDREN'S EDUCATION
TRUST OF CANADA

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

Administered by

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