

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, 2022



Contents

	Page
Management Report of Fund Performance	1- 4
Management Responsibilities for Financial Reporting	5
Independent Auditor’s Report	5- 6
Statements of Financial Position	7
Statements of Comprehensive (Loss) Income	8
Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries	9
Statements of Cash Flows	10
Schedule of Investment Portfolio for Subscriber deposits under Scholarship Agreements	11- 15
Schedule of Investment Portfolio for Government Grants	16- 18
Schedule of Investment Portfolio for the Scholarship Enhancement Fund	19
Schedule of Investment Portfolio for Subscriber deposits under Escrow Agreements	20
Summary of Schedules of Investment Portfolio	20
Notes to the Financial Statements	21- 30
Schedule of Scholarship and Escrow Agreements	31

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 Children's Educational Foundation of Canada's (the "Foundation") 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, 2022, approximately 28.3% 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. The Foundation's strategy was to hold all variable rate securities until maturity. As at December 31, 2022 the Foundation does not hold any variable rate securities, with the last security maturing in Oct 2022.

Results of Operations

Net Assets of the Plans decreased by 14.42% compared to the prior year and totaled \$0.89 billion at the end of 2022. The overall Rate of Return on the Plans' investments in 2022 was negative 5.79%. 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
- Fixed Income Benchmark up to March 1, 2018: 100% FTSE TMX Canada All Government Bond 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 2022 was negative 7.91%.

Market Commentary

The Canadian fixed income market went through significant changes in 2022. As inflation gained traction and accelerated into the turn of the year, the Bank of Canada, in an effort to tame inflation, was forced to enter into a front-loaded tightening cycle and all government of Canada yields followed suit to a higher threshold. As expectations for the policy rates moved higher, tenors across the entire Government curve moved in a synchronized fashion.

Markets faced another shock when Russia invaded Ukraine in the first quarter. With inflation already rising due to supply and demand imbalances from global supply chain disruptions and consumers that were flush with excess savings to spend, the war more broadly constrained the commodity complex and sent prices rising further. As input prices globally increased, inflation followed suit and central bankers were forced to get more aggressive on policy to combat inflation once again. Market uncertainty increased and bond yields moved higher over the second quarter.

Inflation in Canada eventually peaked, which coincided with the Canada 10-year bond yield reaching its peak for the cycle at 3.62% in June 2022. With the BoC and the US Fed in full fledged hiking at a cadence of 50 to 100 bps per meeting, the market shifted attention from inflation to the eventual implications higher policy rates would have on the real economy. Rates moved lower as a result and traded in a wide range for the remainder of the year as the market digested contradictory readings on the trajectory of the economy and inflation.

Overall, the Bank raised their policy rate by 400 bps in 2022, marking one of their most aggressive tightening cycles ever. Taming inflation continues to be the primary focus of central bankers with the potential for slower or contracting economic growth as collateral damage. They will assess how tighter monetary policy is working to slow demand, how supply challenges are resolving, and how inflation and inflation expectations are responding. As the long and variable lags of monetary policy begin to filter through to the real economy, we expect the economy to contract.

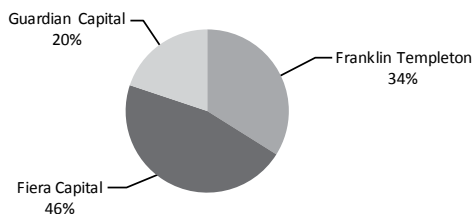
The Government of Canada 10-year bond yield increased from 1.43% on December 31, 2021 to 3.30% to end 2022. The ending yield for the year is notably below the Bank's policy rate and is resulting in an inverted yield curve whereby shorter-term rates are higher than longer term rates. The former is anchored by policy while the latter reflects the eventual taming of inflation and a more ominous outlook for growth.

After a record eight consecutive quarters of positive returns, the S&P/TSX shifted into negative territory during the second quarter with a broad-based downturn affecting all sectors. Investors saw the volatility of the start of the year continue as they adjusted to a more persistent inflationary environment and socio-political turmoil in Europe showed no signs of ending. Despite aggressive central bank action, recession fears increased and fueled negative sentiment in all areas of the market. Energy and utilities stocks were the best performing sectors despite being in negative territory and the decline in technology stocks progressed led by high profile companies like Shopify and Lightspeed. The third quarter was more muted as the market adjusted to the uncertain potential implications of a sustained recession, and the top performing stocks were consumer companies with pricing power to handle inflation and defensive industries businesses like railways and waste management. Finally, the Canadian market rallied in the fourth quarter on the back of improving market sentiment. Despite continued recession fears, improving inflation data led to the market seeing a potential end to the rate hike cycle which fueled a broad rally across most sectors.

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 2022, our Equity portfolio lost 0.53%, but outperformed the benchmark by 558 bps. Despite not having any exposure to Energy stocks which formed the top performing sector during the year, our strategy was able to outperform its benchmark and provide significant downside protection. This in part came from superior security selection in the Information Technology, Financials and Consumer Discretionary sectors. Our outlook for 2023 remains unchanged as we continue to stay disciplined and committed to following our investment philosophy.

As at December 31, 2022, the investment advisors managed the following percentage of assets on behalf of the Plan:



Recent Developments

In the fourth quarter, indicators flagging a slowing economy intensified. The Conference Board's US Leading Economic Indicator Index has fallen compared to last year. Historically, similar YoY declines have ultimately resulted in an economic contraction. Additionally,

the deeply inverted yield curve, although not a perfect predictor, has a relatively strong track record of preceding recessionary periods. On the contrary, the Canadian and US labour markets have remained strong. However, the unemployment rate is expected to rise as restrictive monetary policy continues to work its way through the real economy. We anticipate the year will be one defined by volatile price action and quickly shifting macro narratives. We believe the Canadian and US economies will be in recession in 2023.

Given these risks and the current level of interest rates, we will maintain the debt securities portfolio duration modestly longer than that of the Index. In addition, we remain focused on 10-year bonds as long-term bonds are among the most expensive in the developed world. Given the economic outlook, we will continue to be selective and prudent in corporate bonds where relative value opportunities are present, while underweight in provincial bonds. We are ensuring that we maintain sufficient portfolio liquidity to retain flexibility to take advantage of opportunities amongst the 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, 1½% 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 2022, administration fees of \$5,682,264 were paid to the Scholarship Plan Dealer.

Depository Trustee Fee

During 2022, Scotiabank, the Depository Trustee and Scholarship Trustee, was paid fees totaling \$138,430. 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 2022 portfolio management fee based on net assets was approximately 0.141%.

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.

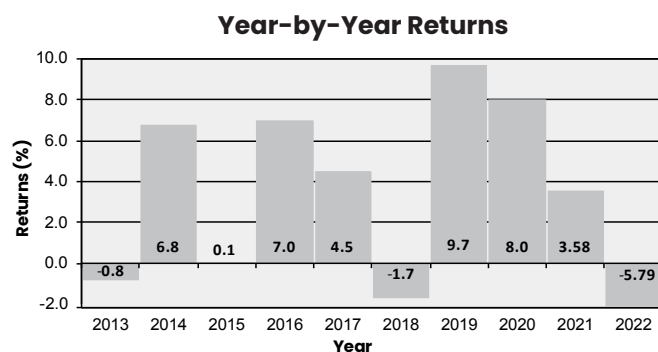
	2022	2021	2020	2019	2018
Statement of Net Assets					
Total Assets	\$891,972,838	\$1,041,524,187	\$1,090,752,141	\$1,072,545,123	\$1,053,573,771
Net Assets	\$884,398,075	\$1,033,382,277	\$1,081,478,843	\$1,063,315,699	\$1,035,617,714
% Change of Net Assets	-14%	-4%	2%	3%	-5%
Statement of Operations					
Net Investment Income	\$23,398,662	\$25,963,128	\$37,761,569	\$37,531,660	\$2,775,923
Statement of changes in Net Assets					
Scholarship Awards	\$34,317,568	\$33,939,510	\$31,818,000	\$28,709,530	\$27,095,886
Grants	\$20,239,886	\$19,529,503	\$17,855,376	\$15,720,413	\$15,440,074
Other					
Total Number of Units in plans	419,492	460,052	498,427	534,501	567,382
% Change in the Total of Units in plans	-9%	-8%	-7%	-6%	-5%

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, 2022. Equity trading did not begin until 2014.

The 1 year weighted average of the Fixed Income benchmark and the Equity benchmark based on December 31, 2022 holdings was negative 7.91%.

	1 Year	3 Years	5 Years	10 Years
Net Plans Return (%)	-5.79%	1.73%	2.60%	3.03%
Current Blended Fixed Income Benchmark (%)*	-8.62%	-1.70%	0.24%	1.50%
Equity Benchmark (%)**	-6.11%	7.69%	6.88%	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.

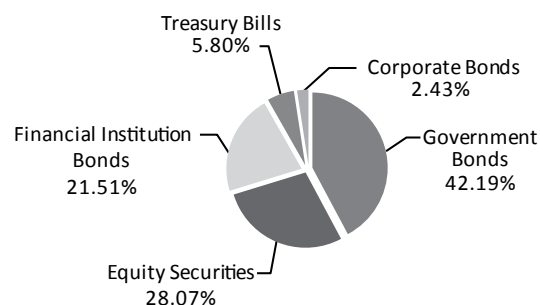
** Equity allocation benchmark consists of 95% of the total return of the S&P/TSX Composite Index and 5% of the total return of the S&P 500 Index on a Canadian dollar hedged basis.

Summary of Investment Portfolio

The allocation of the Plans' investments by asset class for the year ended December 31, 2022 is:

Asset Class	% of Total
Government Bonds	42.19%
Equity Securities	28.07%
Financial institution bonds	21.51%
Treasury Bills	5.80%
Corporate Bonds	2.43%
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, 2022

Face Value/ Shares	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	% of Portfolio
23,845,000	CDN IMPERIAL BANK OF COMMERCE	0.000%	24-Jan-23	23,774,790	23,775,611	2.7%
19,056,000	PROVINCE OF ONTARIO	3.500%	2-Jun-24	19,599,882	18,831,901	2.1%
19,149,000	GOVERNMENT OF CANADA	1.500%	1-Jun-31	18,462,362	16,643,353	1.9%
127,262	CANADIAN PACIFIC RAILWAY			8,217,393	12,834,373	1.5%
5,969	CONSTELLATION SOFTWARE INC			7,202,590	12,576,743	1.4%
219,233	BMO S&P 500 INDEX ETF			6,324,931	12,439,280	1.4%
61,110	INTACT FINANCIAL CORP			7,796,922	11,901,173	1.3%
101,777	CGI INC			9,425,529	11,842,772	1.3%
76,628	THOMSON REUTERS CORP			6,519,708	11,813,739	1.3%
72,765	CANADIAN NATIONAL RAILWAY			8,381,864	11,679,510	1.3%
12,912,000	GOVERNMENT OF CANADA	2.000%	1-Jun-32	11,800,373	11,585,421	1.3%
89,936	ROYAL BANK OF CANADA			8,476,361	11,436,262	1.3%
151,479	METRO INC			7,715,230	11,323,055	1.3%
141,223	DOLLARAMA INC			5,772,427	11,159,441	1.3%
10,686,000	GOVERNMENT OF CANADA	0.000%	16-Feb-23	10,629,765	10,626,800	1.2%
12,284,000	ROYAL OFFICE FINANCE LP	5.209%	12-Nov-32	12,695,316	10,370,129	1.2%
10,530,000	CANADA HOUSING TRUST	2.900%	15-Jun-24	10,643,546	10,327,929	1.2%
99,006	TOROMONT INDUSTRIES LTD			6,547,134	9,641,204	1.1%
7,135,800	UNITED STATES TREASURY BILL	0.000%	2-Feb-23	9,698,465	9,631,318	1.1%
52,957	WASTE CONNECTIONS INC			6,571,582	9,489,894	1.1%
68,615	TMX GROUP LIMITED			6,674,112	9,269,200	1.0%
9,555,000	BANK OF MONTREAL	2.700%	11-Sep-24	9,746,687	9,211,211	1.0%
97,035	NATIONAL BANK OF CANADA			6,197,618	8,852,503	1.0%
9,890,000	PROVINCE OF QUEBEC	3.500%	1-Dec-45	9,476,628	8,743,452	1.0%
70,533	BANK OF MONTREAL			6,588,919	8,636,766	1.0%
Top 25 holdings as a percentage of the total investment portfolio				\$244,940,136	\$294,643,041	33.4%

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 accounting

Donna J. Haid
President and Chief Executive Officer



March 23, 2023

policies which management believes 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, 2022 and December 31, 2021
- the statements of comprehensive (loss) income for the years then ended
- the statements of changes in net assets attributable to 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, 2022 and December 31, 2021, its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's 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 and remain alert for indications that the other information 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 auditor's report.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using

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)

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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.

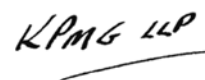
We also:

- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

Toronto, Canada
March 23, 2023



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, 2022

December 31, 2021

Assets

Cash	\$4,158,264	\$9,430,931
Investment, at fair value (note 6)	883,257,745	1,027,673,278
Accrued interest	3,504,794	3,250,323
Dividends receivable	384,940	385,296
Government grants receivable	667,095	784,359
Total assets	891,972,838	1,041,524,187

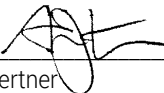
Liabilities

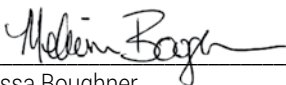
Due to Scholarship Plan Dealer (Note 11)	553,840	414,777
Subscriber liability due to terminations	7,020,923	7,727,133
	7,574,763	8,141,910
Net assets attributable to subscribers and beneficiaries	\$884,398,075	\$1,033,382,277

Net assets attributable to subscribers and beneficiaries represented by:

Subscriber deposits received in advance	\$696,400	\$763,307
Subscriber deposits under scholarship agreements	433,897,189	473,756,228
Subscriber deposits under escrow agreements	2,599,025	2,517,323
Accumulated investment income earned on subscriber deposits	158,809,218	223,321,045
Accumulated investment income earned under escrow agreements	1,094,902	1,286,665
Government grants (Note 3)	204,694,899	211,703,161
Accumulated investment income earned on government grants	77,041,865	104,026,523
Funds for Scholarship Enhancements (Note 9)	5,080,898	15,546,888
Funds for Enrichment (Note 9)	483,679	461,137
Net assets attributable to subscribers and beneficiaries	\$884,398,075	\$1,033,382,277

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


 _____ Director
 Arie Gaertner


 _____ Director
 Melissa Boughner

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 (Loss) Income	For the year ended December 31, 2022	For the year ended December 31, 2021
Income		
Interest income earned on subscriber deposits	\$10,165,407	\$9,523,727
Interest income earned on subscriber deposits under escrow agreements	105,022	26,606
Interest income earned on government grants	5,528,974	5,665,427
Interest income earned on funds for Scholarship Enhancements	191,026	142,262
Investment income earned on funds for Enrichment	9,530	3,703
Dividend income earned on subscriber deposits	3,635,335	4,061,300
Dividend income earned on government grants	1,394,786	1,417,688
Realized gains on sale of investments	4,924,225	7,607,940
Net change in unrealized (losses) gains	(83,939,677)	4,651,277
Total income	(57,985,372)	33,099,930
Expenses		
Administration fees	1,046,660	998,432
Trustee fees	138,430	150,834
Portfolio management fees	1,339,344	1,305,106
Independent Review Committee fees and expenses	19,209	19,153
Directors' fees	12,000	12,000
Total expenses	2,555,643	2,485,525
(Decrease) Increase in net assets attributable to subscribers and beneficiaries	\$(60,541,015)	\$30,614,405

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, 2022

For the year ended
December 31, 2021

Net assets attributable to subscribers and beneficiaries, beginning of year	<u>\$1,033,382,277</u>	<u>\$1,081,478,843</u>
(Decrease) Increase in net assets attributable to subscribers and beneficiaries	<u>(60,541,015)</u>	<u>30,614,405</u>
Transactions with subscribers and beneficiaries		
Subscriber deposits	36,938,809	42,996,368
Fees deducted from subscriber deposits (Note 11)	(7,697,161)	(8,938,700)
Subscriber deposit withdrawals due to termination	(6,076,745)	(5,237,039)
Subscriber deposit withdrawals due to maturing plans	(63,009,147)	(60,542,984)
Canada Education Savings Grants	5,359,451	6,894,953
Canada Learning Bonds	629,208	821,700
Provincial Savings Grants	330,115	356,164
Income paid to Designated Educational Institutions	-	(1,161,036)
Total transactions with subscribers and beneficiaries	<u>(33,525,470)</u>	<u>(24,810,574)</u>
Disbursements to beneficiaries		
Education assistance payments		
Scholarships	34,317,568	33,939,510
Government grants	20,239,886	19,529,503
Refund of enrolment fees	360,263	431,384
Total disbursements to beneficiaries	<u>54,917,717</u>	<u>53,900,397</u>
Decrease in net assets attributable to subscribers and beneficiaries	<u>(148,984,202)</u>	<u>(48,096,566)</u>
Net assets attributable to subscribers and beneficiaries, end of year	<u>\$884,398,075</u>	<u>\$1,033,382,277</u>

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, 2022	For the year ended December 31, 2021
Operating Activities		
(Decrease) Increase in net assets attributable to subscribers and beneficiaries	\$(60,541,015)	\$30,614,405
Non-cash items		
Realized gains on sale of investments	(4,924,225)	(7,607,940)
Net change in unrealized losses (gains)	83,939,677	(4,651,277)
Amortization of discounts and premiums on investments	3,118,991	2,908,344
(Increase) Decrease in accrued interest	(254,471)	111,917
Decrease (Increase) in dividends receivable	356	(24,616)
Increase (Decrease) in due to Scholarship Plan Dealer	139,063	(192,550)
Purchases of investments	(567,018,349)	(1,196,066,612)
Proceeds from the sale of investments	629,299,439	1,263,844,311
Cash flow from operating activities	<u>83,759,466</u>	<u>88,935,982</u>
Financing Activities		
Subscriber deposits received under scholarship agreements	\$36,790,351	42,830,536
Payments out of subscriber deposits under scholarship agreements	(77,422,507)	(75,274,561)
Subscriber deposits received under escrow agreements	148,459	165,831
Payments out of subscriber deposits under escrow agreements	(66,757)	(49,889)
Government grants received	6,436,038	8,217,576
Education assistance payments	(54,557,454)	(53,469,013)
Return of enrolment fees	(360,263)	(431,384)
Income paid to Designated Educational Institutions	-	(1,161,036)
Cash flow used in financing activities	<u>(89,032,133)</u>	<u>(79,171,940)</u>
Net (decrease) increase in cash	(5,272,667)	9,764,042
Cash (Bank indebtedness), beginning of year	9,430,931	(333,111)
Cash, end of year	<u>\$4,158,264</u>	<u>\$9,430,931</u>
Supplemental information:		
Interest received	\$20,339,800	\$21,890,139
Dividends received, net of withholding tax	\$5,030,121	\$5,478,988

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, 2022

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
	Fixed Income Securities				
815,000	GOVERNMENT OF CANADA	1.500%	1-Jun-2026	787,119	761,210
565,000	PROVINCE OF ALBERTA	3.450%	1-Dec-2043	648,363	498,330
1,900,000	PROVINCE OF ALBERTA	2.350%	1-Jun-2025	1,916,097	1,826,527
2,554,000	PROVINCE OF ALBERTA	2.200%	1-Jun-2026	2,664,788	2,418,102
220,000	PROVINCE OF ALBERTA	2.550%	1-Jun-2027	231,331	208,908
260,000	PROVINCE OF ALBERTA	3.100%	1-Jun-2050	220,532	211,682
2,495,000	PROVINCE OF ALBERTA	3.100%	1-Jun-2050	2,561,862	2,031,329
2,760,000	PROVINCE OF ALBERTA	3.900%	1-Dec-2033	2,951,648	2,697,265
650,000	PROVINCE OF ALBERTA	3.500%	1-Jun-2031	690,666	627,829
487,000	ALTALINK LP	3.717%	3-Dec-2046	506,474	410,940
90,000	BANK OF AMERICA CORP	2.598%	4-Apr-2029	90,000	79,495
4,225,000	BANK OF MONTREAL	2.700%	9-Dec-2026	4,416,169	3,927,433
7,620,000	BANK OF MONTREAL	2.700%	11-Sep-2024	7,811,241	7,345,832
613,000	BANK OF MONTREAL	2.850%	6-Mar-2024	620,684	596,222
973,000	BANK OF MONTREAL	2.280%	29-Jul-2024	989,835	931,959
35,000	BANK OF MONTREAL	0.853%	1-Feb-2023	34,998	34,998
3,050,000	BANK OF MONTREAL	3.190%	1-Mar-2028	3,118,003	2,848,761
365,000	BANK OF MONTREAL	2.370%	3-Feb-2025	364,998	346,524
130,000	BANK OF NOVA SCOTIA	2.620%	2-Dec-2026	127,576	120,506
2,710,000	BANK OF NOVA SCOTIA	3.100%	2-Feb-2028	2,740,133	2,523,118
4,620,000	BANK OF NOVA SCOTIA	2.290%	28-Jun-2024	4,634,203	4,443,608
4,232,000	BANK OF NOVA SCOTIA	2.160%	3-Feb-2025	4,151,898	3,984,978
460,000	BANK OF NOVA SCOTIA	1.850%	2-Nov-2026	459,913	410,936
2,555,000	PROVINCE OF BRITISH COLUMBIA	4.300%	18-Jun-2042	3,160,137	2,560,723
3,780,000	PROVINCE OF BRITISH COLUMBIA	5.700%	18-Jun-2029	4,364,366	4,171,570
2,210,000	PROVINCE OF BRITISH COLUMBIA	6.350%	18-Jun-2031	2,671,989	2,587,822
4,610,000	PROVINCE OF BRITISH COLUMBIA	2.200%	18-Jun-2030	4,919,139	4,102,439
830,000	PROVINCE OF BRITISH COLUMBIA	2.800%	18-Jun-2048	917,453	643,682
1,358,000	BROCK UNIVERSITY	3.033%	17-May-2060	1,358,000	897,692
1,088,000	CU INC	2.963%	7-Sep-2049	1,057,552	783,164
295,000	THE CANADA LIFE ASSURANCE	6.400%	11-Dec-2028	333,611	321,285
510,000	GOVERNMENT OF CANADA	1.750%	1-Mar-2023	509,896	507,884
4,555,000	GOVERNMENT OF CANADA	2.000%	1-Dec-2051	3,822,606	3,488,128
525,000	GOVERNMENT OF CANADA	2.000%	1-Sep-2023	526,722	516,348
6,375,000	GOVERNMENT OF CANADA	2.250%	1-Jun-2029	6,318,806	6,013,793
5,135,000	GOVERNMENT OF CANADA	1.250%	1-Jun-2030	5,210,331	4,459,953
2,651,000	GOVERNMENT OF CANADA	0.500%	1-Dec-2030	2,471,788	2,142,538
19,149,000	GOVERNMENT OF CANADA	1.500%	1-Jun-2031	18,462,362	16,643,353
601,000	GOVERNMENT OF CANADA	5.750%	1-Jun-2033	805,588	728,694
2,895,000	GOVERNMENT OF CANADA	4.000%	1-Jun-2041	3,444,055	3,151,873
1,265,000	GOVERNMENT OF CANADA	3.500%	1-Dec-2045	1,314,304	1,305,113
7,130,000	CANADA HOUSING TRUST	2.900%	15-Jun-2024	7,305,763	6,993,175
1,070,000	CANADA HOUSING TRUST	2.350%	15-Jun-2027	1,092,490	1,011,995
1,150,000	CANADA HOUSING TRUST NO.1	2.650%	15-Dec-2028	1,162,264	1,088,843
110,000	CANADA HOUSING TRUST	2.550%	15-Dec-2023	111,348	107,968
695,000	CANADA HOUSING TRUST	1.800%	15-Dec-2024	679,328	665,122
1,015,000	CANADA HOUSING TRUST	1.100%	15-Dec-2026	999,267	916,423
1,220,000	CANADA POST CORP	4.080%	16-Jul-2025	1,275,856	1,219,024
2,803,000	CANADIAN IMPERIAL BANK OF COMMERCE	3.300%	26-May-2025	2,910,374	2,714,481
115,000	CANADIAN IMPERIAL BANK OF COMMERCE	2.970%	11-Jul-2023	115,364	113,757
266,603	CANADIAN IMPERIAL BANK OF COMMERCE	0.909%	13-Sep-2023	266,603	277,560
55,000	ENBRIDGE INC	3.950%	19-Nov-2024	55,078	53,644
155,000	ENBRIDGE INC	2.350%	15-Sep-2031	154,964	128,690
466,025	FEDERATION DES CAISSES	2.050%	10-Feb-2025	465,783	441,764
70,000	FEDERATION DES CAISSES	3.056%	11-Sep-2023	70,000	69,056
75,000	FIRST CAPITAL REALTY INC	3.604%	6-May-2026	78,124	69,089
225,000	GREAT-WEST LIFECO INC	3.337%	28-Feb-2028	225,588	210,859

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, 2022 (Continued)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
385,000	GREAT-WEST LIFECO INC	2.981%	8-Jul-2050	385,000	266,690
460,000	HSBC BANK CANADA	2.542%	31-Jan-2023	460,477	459,227
645,000	HSBC BANK CANADA	1.782%	20-May-2026	645,000	583,628
1,500,000	THE HOSPITAL FOR SICK CHILDREN	3.416%	7-Dec-2057	1,500,000	1,158,195
72,000	HYDRO ONE INC	6.930%	1-Jun-2032	93,897	82,860
65,000	HYDRO ONE INC	5.490%	16-Jul-2040	80,103	69,527
110,000	IGM FINANCIAL INC	3.440%	26-Jan-2027	110,216	102,858
779,000	IGM FINANCIAL INC	4.206%	21-Mar-2050	889,592	644,739
185,000	INDEPENDENT ORDER OF FORESTERS	2.885%	15-Oct-2035	185,000	154,579
515,000	LABRADOR-ISLAND LINK FDG TR	3.760%	1-Jun-2033	560,968	502,789
165,000	LABRADOR-ISLAND LINK FDG TR	3.860%	1-Dec-2045	199,137	155,760
200,000	LAURENTIAN BANK OF CANADA	1.603%	6-May-2026	200,000	182,558
405,000	PROVINCE OF MANITOBA	5.700%	5-Mar-2037	556,661	459,991
675,000	PROVINCE OF MANITOBA	4.650%	5-Mar-2040	786,864	692,516
365,000	PROVINCE OF MANITOBA	4.050%	5-Sep-2045	429,851	345,670
7,000	PROVINCE OF MANITOBA	2.850%	5-Sep-2046	6,975	5,404
665,000	PROVINCE OF MANITOBA	2.600%	2-Jun-2027	672,845	632,116
430,000	MANULIFE BANK OF CANADA	2.844%	12-Jan-2023	430,152	429,759
475,000	MANULIFE BANK OF CANADA	2.378%	19-Nov-2024	477,555	451,174
470,000	MANULIFE BANK OF CANADA	1.504%	25-Jun-2025	471,535	431,578
490,000	MANULIFE BANK OF CANADA	1.536%	14-Sep-2026	490,000	431,558
70,000	MANULIFE FINANCIAL CORP	5.059%	15-Dec-2036	78,209	65,771
1,099,000	MCGILL UNIVERSITY HEALTH	5.360%	31-Dec-2043	1,340,018	1,204,251
275,000	MUSKRAT FALLS / LABRADOR	3.630%	1-Jun-2029	293,310	272,418
470,000	MUSKRAT FALLS / LABRADOR	3.860%	1-Dec-2048	591,605	442,491
465,000	NHA MORTGAGE BACKED SECURITIES	5.375%	1-Jul-2028	311,593	163,086
300,000	NHA MORTGAGE BACKED SECURITIES	1.690%	1-Feb-2023	292,677	89,317
115,000	NHA MORTGAGE BACKED SECURITIES	2.402%	1-May-2023	107,468	42,473
150,000	NHA MORTGAGE BACKED SECURITIES	1.750%	1-Jun-2024	127,299	82,389
225,000	NHA MORTGAGE BACKED SECURITIES	1.890%	1-Oct-2024	193,001	142,422
100,000	NHA MORTGAGE BACKED SECURITIES	1.740%	1-Jan-2025	84,620	62,771
190,000	NHA MORTGAGE BACKED SECURITIES	1.920%	1-Jan-2030	186,482	160,137
205,000	NHA MORTGAGE BACKED SECURITIES	0.500%	1-Oct-2025	180,536	151,691
400,000	NHA MORTGAGE BACKED SECURITIES	0.600%	1-Dec-2025	350,242	295,068
200,000	NHA MORTGAGE BACKED SECURITIES	0.990%	1-Mar-2026	176,059	151,862
320,000	NHA MORTGAGE BACKED SECURITIES	0.840%	1-Apr-2026	289,299	254,160
420,000	NHA MORTGAGE BACKED SECURITIES	0.840%	1-Jun-2026	383,611	339,878
685,000	PROVINCE OF NEW BRUNSWICK	4.800%	26-Sep-2039	814,775	712,941
258,907	NEW BRUNSWICK PROJECT	6.470%	30-Nov-2027	282,905	263,184
30,000	NEW YORK LIFE GLO FUNDING	2.000%	17-Apr-2028	29,947	26,203
395,000	PROVINCE OF NEWFOUNDLAND	4.500%	17-Apr-2037	436,834	391,646
1,464,000	PROVINCE OF NEWFOUNDLAND	3.300%	17-Oct-2046	1,386,397	1,179,150
510,000	PROVINCE OF NEWFOUNDLAND	0.648%	17-Mar-2024	510,000	511,902
1,943,000	NORTH WEST REDWATER	4.150%	1-Jun-2033	1,939,982	1,794,030
40,000	NORTH WEST REDWATER PRT	2.800%	1-Jun-2027	37,801	36,913
275,000	PROVINCE OF NOVA SCOTIA	5.800%	1-Jun-2033	354,969	311,963
4,170,000	OPB FINANCE TRUST	3.890%	4-Jul-2042	4,194,636	3,744,243
2,222,000	OPB FINANCE TRUST	2.980%	25-Jan-2027	2,221,530	2,114,944
1,000,000	ONTARIO HYDRO	0.000%	11-Apr-2031	796,652	695,510
7,190,000	PROVINCE OF ONTARIO	4.650%	2-Jun-2041	8,777,620	7,491,980
695,000	PROVINCE OF ONTARIO	6.500%	8-Mar-2029	839,955	793,621
2,960,000	PROVINCE OF ONTARIO	5.850%	8-Mar-2033	3,612,412	3,381,622
1,185,000	PROVINCE OF ONTARIO	4.700%	2-Jun-2037	1,229,518	1,239,889
19,056,000	PROVINCE OF ONTARIO	3.500%	2-Jun-2024	19,599,882	18,831,901

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, 2022 (Continued)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
5,829,000	PROVINCE OF ONTARIO	2.600%	2-Jun-2025	6,026,592	5,635,127
4,115,000	PROVINCE OF ONTARIO	2.400%	2-Jun-2026	4,257,284	3,920,895
1,835,000	PROVINCE OF ONTARIO	2.800%	2-Jun-2048	1,923,829	1,415,703
6,615,000	PROVINCE OF ONTARIO	2.300%	8-Sep-2024	6,769,576	6,408,678
5,985,000	PROVINCE OF ONTARIO	2.050%	2-Jun-2030	5,563,283	5,263,329
3,545,540	ORNGE ISSUER TRUST	5.727%	11-Jun-2034	3,746,309	3,544,441
30,000	PEMBINA PIPELINE CORP	3.310%	1-Feb-2030	29,984	26,702
1,500,000	PROVINCE OF PRINCE EDWARD ISLAND	6.100%	29-Jul-2027	1,554,973	1,621,875
1,155,000	PROVINCE OF QUEBEC	6.000%	1-Oct-2029	1,317,095	1,296,961
1,580,000	PROVINCE OF QUEBEC	5.750%	1-Dec-2036	1,948,644	1,832,089
1,580,000	PROVINCE OF QUEBEC	3.500%	1-Dec-2045	1,514,560	1,396,831
3,495,000	PROVINCE OF QUEBEC	3.750%	1-Sep-2024	3,561,606	3,468,193
8,062,000	PROVINCE OF QUEBEC	2.750%	1-Sep-2025	7,880,406	7,810,385
4,334,000	BANK OF MONTREAL	3.650%	1-Apr-2027	4,227,851	4,117,907
455,000	BANK OF MONTREAL	4.309%	2-Jun-2027	455,000	444,035
55,000	BANK OF MONTREAL	5.625%	26-May-2082	55,000	51,731
375,000	BANK OF NOVA SCOTIA	1.950%	10-Jan-2025	374,891	352,894
390,000	BANK OF NOVA SCOTIA	2.950%	8-Mar-2027	389,563	361,238
586,000	BNS HALIFAX	3.934%	3-May-2032	585,968	546,744
375,000	CANADIAN IMPERIAL BANK OF COMMERCE	2.000%	17-Apr-2025	358,296	350,599
375,000	CANADIAN IMPERIAL BANK OF COMMERCE	2.250%	7-Jan-2027	374,349	334,519
375,000	CDN IMPERIAL BK OF COMMERCE	4.950%	29-Jun-2027	374,484	375,068
50,000	GREATER TORONTO AIRPORTS	7.050%	12-Jun-2030	61,182	56,660
565,000	HSBC BANK CANADA	0.903%	23-Feb-2023	565,000	561,085
9,971,000	GOVERNMENT OF CANADA	1.500%	1-Dec-2031	8,916,116	8,601,084
681,000	IA FINANCIAL CORP INC	6.611%	30-Jun-2082	681,000	653,760
1,030,000	HYDRO QUEBEC	2.000%	1-Sep-2028	952,210	933,819
1,735,000	BELL CANADA	3.550%	2-Mar-2026	1,675,077	1,666,728
12,912,000	GOVERNMENT OF CANADA	2.000%	1-Jun-2032	11,800,373	11,585,421
3,591,000	FEDERATION DES CAISSES	1.992%	28-May-2031	3,199,358	3,177,281
2,523,000	NATIONAL BANK OF CANADA	5.426%	16-Aug-2032	2,523,956	2,491,715
964,000	PROVINCE OF ONTARIO	2.650%	5-Feb-2025	947,095	935,244
3,918,000	PROVINCE OF ONTARIO	1.850%	1-Feb-2027	3,644,976	3,623,014
7,615,000	PROVINCE OF ONTARIO	1.900%	2-Dec-2051	5,003,352	4,669,137
5,090,000	TRANSCANADA PIPELINES LTD	3.800%	5-Apr-2027	4,896,596	4,856,573
1,500,000	TRANSCANADA PIPELINES LTD	5.330%	12-May-2032	1,517,591	1,497,255
6,070,000	TORONTO DOMINION BANK	1.909%	18-Jul-2023	6,105,024	5,967,417
1,235,000	TORONTO DOMINION BANK	4.210%	1-Jun-2027	1,235,000	1,199,864
7,500,000	TORONTO DOMINION BANK	1.888%	8-Mar-2028	7,356,927	6,471,150
230,000	TORONTO DOMINION BANK	3.005%	30-May-2023	230,007	228,130
960,000	TORONTO DOMINION BANK	3.060%	26-Jan-2032	969,426	873,667
985,000	TORONTO DOMINION BANK	3.105%	22-Apr-2030	985,000	932,815
3,370,000	SUN LIFE FINANCIAL INC	2.580%	10-May-2032	3,102,529	3,005,299
1,640,000	SUN LIFE FINANCIAL INC	2.060%	1-Oct-2035	1,339,940	1,296,568
730,000	SUN LIFE FINANCIAL INC	2.800%	21-Nov-2033	646,172	639,458
905,000	SUN LIFE FINANCIAL INC	4.780%	10-Aug-2034	904,790	873,805
5,000,000	ROYAL BANK OF CANADA	2.328%	28-Jan-2027	5,113,722	4,523,250
1,730,000	ROYAL BANK OF CANADA	1.833%	31-Jul-2028	1,730,000	1,472,922
1,865,000	ROYAL BANK OF CANADA	4.612%	13-Jul-2027	1,865,000	1,840,755
520,000	ROGERS COMMUNICATIONS INC	4.250%	15-Apr-2032	486,143	477,807
925,000	PROVINCE OF SASKATCHEWAN	5.800%	5-Sep-2033	1,106,848	1,053,603
2,123,000	PROVINCE OF SASKATCHEWAN	3.400%	3-Feb-2042	2,140,394	1,863,272
1,945,000	PROVINCE OF SASKATCHEWAN	2.650%	2-Jun-2027	1,970,160	1,853,177
7,000,000	PROVINCE OF SASKATCHEWAN	0.800%	2-Sep-2025	6,944,890	6,433,490
23,845,000	CDN IMPERIAL BANK OF COMMERCE	0.000%	24-Jan-2023	23,774,790	23,775,611

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, 2022 (Continued)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	
546,000	GOVERNMENT OF CANADA	0.000%	5-Jan-2023	545,727	545,601	
4,283,000	GOVERNMENT OF CANADA	0.000%	19-Jan-2023	4,274,123	4,272,635	
500,000	BANK OF MONTREAL	1.551%	28-May-2026	450,488	447,680	
4,430,000	BELL CANADA	3.800%	21-Aug-2028	4,209,476	4,197,204	
810,000	BROOKFIELD FINANCE II INC	5.431%	14-Dec-2032	810,000	790,568	
3,460,000	CANADA HOUSING TRUST	1.600%	15-Dec-2031	3,351,586	2,905,916	
2,010,000	CANADA HOUSING TRUST NO.1	2.100%	15-Sep-2029	2,062,128	1,820,698	
2,880,000	CDN IMPERIAL BK OF COMMERCE	4.200%	7-Apr-2032	2,750,853	2,708,669	
1,044,000	GOVERNMENT OF CANADA	0.000%	2-Feb-2023	1,040,284	1,039,709	
10,686,000	GOVERNMENT OF CANADA	0.000%	16-Feb-2023	10,629,765	10,626,800	
151,000	GOVERNMENT OF CANADA	0.000%	2-Mar-2023	149,941	149,860	
2,810,000	PROVINCE OF ONTARIO	3.750%	2-Jun-2032	2,845,992	2,750,737	
1,616,000	PROVINCE OF QUEBEC	3.900%	22-Nov-2032	1,613,634	1,589,756	
3,683,000	ROYAL BANK OF CANADA	3.296%	26-Sep-2023	3,751,430	3,631,217	
2,607,000	ROYAL BANK OF CANADA	2.740%	25-Jul-2029	2,706,772	2,471,566	
463,000	ROYAL BANK OF CANADA	2.880%	23-Dec-2029	484,381	438,813	
6,949,000	ROYAL BANK OF CANADA	1.670%	28-Jan-2033	6,060,402	5,765,168	
1,065,000	ROYAL BANK OF CANADA	1.589%	4-May-2026	1,060,384	954,687	
297,240	ROYAL BANK OF CANADA	2.550%	16-Jul-2024	305,545	313,274	
12,284,000	ROYAL OFFICE FINANCE LP	5.209%	12-Nov-2032	12,695,316	10,370,129	
437,675	ROYAL BANK OF CANADA	0.535%	20-Jan-2026	438,010	459,745	
1,500,000	SINAI HEALTH SYSTEM	3.527%	9-Jun-2056	1,500,000	1,200,120	
2,058,000	TCHC ISSUER TRUST	5.395%	22-Feb-2040	2,569,364	2,202,286	
4,084,000	TORONTO DOMINION BANK	4.859%	4-Mar-2031	4,205,627	4,016,369	
865,000	PROVINCE OF SASKATCHEWAN	5.600%	5-Sep-2035	1,093,744	981,040	
885,000	PROVINCE OF SASKATCHEWAN	5.000%	5-Mar-2037	1,002,073	952,986	
270,000	TORONTO DOMINION BANK	1.896%	2-Jun-2026	270,000	229,303	
285,000	TORONTO DOMINION BANK	1.943%	13-Mar-2025	285,842	267,017	
60,000	ROGERS COMMUNICATIONS INC	5.250%	15-Apr-2052	59,698	54,667	
110,000	ROYAL BANK OF CANADA	2.333%	5-Dec-2023	110,000	107,331	
675,000	WATERLOO ONTARIO REGIONAL	2.150%	4-Oct-2025	674,599	637,484	
675,000	WATERLOO ONTARIO REGIONAL	2.200%	4-Oct-2026	674,228	631,469	
550,000	ROYAL BANK OF CANADA	2.609%	1-Nov-2024	551,013	526,268	
60,000	ROYAL BANK OF CANADA	2.140%	3-Nov-2031	59,042	52,717	
520,000	TORONTO DOMINION BANK	1.128%	9-Dec-2025	517,863	466,138	
330,000	ROYAL BANK OF CANADA	5.235%	2-Nov-2026	329,997	332,310	
65,000	SCOTIABANK CAPITAL TRUST	5.650%	31-Dec-2056	75,288	61,501	
140,000	TORONTO DOMINION BANK	3.226%	24-Jul-2024	142,212	136,298	
330,190	TORONTO DOMINION BANK	0.350%	10-Sep-2024	330,804	353,883	
750,000	TORONTO DOMINION BANK	0.250%	31-Jan-2025	750,000	738,390	
75,000	TORONTO DOMINION BANK	3.600%	31-Oct-2081	75,000	57,065	
385,000	TORONTO DOMINION BANK	2.850%	8-Mar-2024	381,187	374,543	
280,000	TORONTO DOMINION BANK	7.232%	31-Dec-2149	280,000	281,316	
675,000	WATERLOO ONTARIO REGIONAL	2.250%	4-Oct-2027	673,743	625,388	
100,000	TRANSCANADA PIPELINES LTD	3.000%	18-Sep-2029	99,804	88,121	
1,350,000	UNITED STATES TREASURY BILL	0.000%	2-Feb-2023	1,833,270	1,822,119	
160,770	UNITED STATES TREASURY NOTE	1.500%	15-Feb-2030	169,486	132,986	
206,000	UNITED STATES TREASURY NOTE	2.500%	30-Apr-2024	205,651	210,479	
125,000	WELLS FARGO & CO	3.874%	21-May-2025	126,202	120,326	
675,000	WATERLOO ONTARIO REGIONAL	2.300%	4-Oct-2028	673,673	612,893	
1,725,000	YUKON DEVELOPMENT CORP	5.000%	29-Jun-2040	2,085,858	1,673,716	
Total Fixed Income Securities				\$434,780,794	\$404,942,740	69.7%

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, 2022 (Continued)

Shares / Units	Equity Securities	Average Cost (\$)	Fair Value (\$)	
50,072	BANK OF MONTREAL	4,724,987	6,131,316	
81,050	CCL INDUSTRIES INC	4,381,416	4,674,154	
51,631	CANADIAN NATIONAL RAILWAY	6,085,079	8,287,292	
39,346	DESCARTES SYSTEMS GROUP INC	3,062,840	3,701,672	
114,400	EMPIRE COMPANY LTD	3,818,019	4,078,360	
30,931	LOBLAW COMPANIES LTD	1,964,672	3,695,945	
68,816	NATIONAL BANK OF CANADA	4,482,385	6,278,084	
118,864	QUEBECOR INC CL B	3,635,635	3,577,806	
40,607	RITCHIE BROS AUCTIONEERS	2,670,978	3,170,595	
63,771	ROYAL BANK OF CANADA	6,073,614	8,109,120	
54,340	THOMSON REUTERS CORP	4,738,012	8,377,598	
70,238	TOROMONT INDUSTRIES LTD	4,844,621	6,839,776	
69,826	TORONTO DOMINION BANK	4,567,592	6,116,758	
159,775	BMO S&P 500 INDEX ETF	4,950,933	9,065,634	
72,166	CGI INC	6,742,177	8,397,236	
90,259	CANADIAN PACIFIC RAILWAY	5,999,519	9,102,620	
4,231	CONSTELLATION SOFTWARE INC	5,321,139	8,914,759	
100,107	DOLLARAMA INC	4,219,169	7,910,455	
43,333	INTACT FINANCIAL CORP	5,655,848	8,439,102	
107,425	METRO INC	5,547,338	8,030,019	
46,464	RESTAURANT BRANDS	3,516,663	4,058,630	
102,342	ALIMENTATION COUCHE-TARD	4,260,115	6,081,162	
23,783	BROOKFIELD ASSET MGMT LTD	481,716	919,926	
95,134	BROOKFIELD CORP	3,532,581	4,038,438	
52,257	RICHELIEU HARDWARE LTD	1,980,546	1,887,523	
46,259	STANTEC INC	2,463,707	2,990,644	
48,664	TMX GROUP LIMITED	4,886,968	6,574,020	
221,111	TELUS CORPORATION	5,763,091	5,773,208	
21,034	TOPICUS COM INC	1,704,923	1,434,519	
37,553	WASTE CONNECTIONS INC	4,743,571	6,729,498	
64,064	WINPAK LTD	2,845,794	2,684,922	
	Total Equity Securities	\$129,665,648	\$176,070,791	30.3%
		\$564,446,442	\$581,013,531	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 Government Grants

December 31, 2022

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
Fixed Income Securities					
4,955,000	GOVERNMENT OF CANADA	1.500%	1-Jun-2026	4,778,950	4,627,970
3,910,000	PROVINCE OF ALBERTA	3.450%	1-Dec-2043	4,531,703	3,448,620
780,000	PROVINCE OF ALBERTA	2.550%	1-Jun-2027	820,173	740,672
1,280,000	PROVINCE OF ALBERTA	3.100%	1-Jun-2050	1,085,695	1,042,125
4,835,000	PROVINCE OF ALBERTA	3.900%	1-Dec-2033	5,070,722	4,725,100
4,080,000	PROVINCE OF ALBERTA	3.500%	1-Jun-2031	4,332,481	3,940,831
205,000	BANK OF AMERICA CORP	2.598%	4-Apr-2029	205,000	181,072
1,935,000	BANK OF MONTREAL	2.700%	11-Sep-2024	1,935,446	1,865,379
1,940,000	BANK OF MONTREAL	2.850%	6-Mar-2024	1,961,179	1,886,902
305,000	BANK OF MONTREAL	0.625%	1-Feb-2023	304,980	304,982
1,250,000	BANK OF MONTREAL	3.190%	1-Mar-2028	1,247,375	1,167,525
1,960,000	BANK OF MONTREAL	2.370%	3-Feb-2025	1,946,672	1,860,785
725,000	BANK OF NOVA SCOTIA	2.620%	2-Dec-2026	711,483	672,053
970,000	BANK OF NOVA SCOTIA	3.100%	2-Feb-2028	969,832	903,109
1,495,000	BANK OF NOVA SCOTIA	2.290%	28-Jun-2024	1,507,457	1,437,921
2,400,000	BANK OF NOVA SCOTIA	1.850%	2-Nov-2026	2,399,546	2,144,016
1,225,000	PROVINCE OF BRITISH COLUMBIA	2.200%	18-Jun-2030	1,239,449	1,090,128
1,390,000	THE CANADA LIFE ASSURANCE	6.400%	11-Dec-2028	1,564,630	1,513,849
3,400,000	CANADA HOUSING TRUST	2.900%	15-Jun-2024	3,337,782	3,334,754
4,410,000	CANADA HOUSING TRUST	2.350%	15-Jun-2027	4,518,278	4,170,934
5,040,000	CANADA HOUSING TRUST NO.1	2.650%	15-Dec-2028	5,121,837	4,771,973
3,135,000	CANADA HOUSING TRUST	1.800%	15-Dec-2024	3,047,382	3,000,226
5,500,000	CANADA HOUSING TRUST	1.100%	15-Dec-2026	5,414,745	4,965,840
5,200,000	CANADA POST CORP	4.080%	16-Jul-2025	5,445,548	5,195,840
760,000	CANADIAN IMPERIAL BANK OF COMMERCE	3.300%	26-May-2025	770,180	735,999
280,000	CANADIAN IMPERIAL BANK OF COMMERCE	2.970%	11-Jul-2023	280,862	276,973
383,648	CANADIAN IMPERIAL BANK OF COMMERCE	0.909%	13-Sep-2023	383,648	399,416
265,000	ENBRIDGE INC	3.950%	19-Nov-2024	264,850	258,468
415,000	ENBRIDGE INC	2.350%	15-Sep-2031	414,902	344,558
1,997,250	FEDERATION DES CAISSES	2.050%	10-Feb-2025	1,996,212	1,893,274
305,000	FEDERATION DES CAISSES	3.056%	11-Sep-2023	305,000	300,889
270,000	FIRST CAPITAL REALTY INC	3.604%	6-May-2026	281,248	248,721
1,145,000	GREAT-WEST LIFECO INC	3.337%	28-Feb-2028	1,147,990	1,073,037
1,315,000	GREAT-WEST LIFECO INC	2.981%	8-Jul-2050	1,290,776	910,901
2,205,000	HSBC BANK CANADA	2.542%	31-Jan-2023	2,207,373	2,201,296
2,880,000	HSBC BANK CANADA	1.782%	20-May-2026	2,880,000	2,605,968
122,000	HYDRO ONE INC	6.930%	1-Jun-2032	159,104	140,401
110,000	HYDRO ONE INC	5.490%	16-Jul-2040	135,560	117,662
370,000	IGM FINANCIAL INC	3.440%	26-Jan-2027	370,728	345,976
590,000	INDEPENDENT ORDER OF FORESTERS	2.885%	15-Oct-2035	590,000	492,980
2,430,000	LABRADOR-ISLAND LINK FDG TR	3.760%	1-Jun-2033	2,641,867	2,372,385
1,125,000	LABRADOR-ISLAND LINK FDG TR	3.860%	1-Dec-2045	1,223,157	1,062,000
800,000	LAURENTIAN BANK OF CANADA	1.603%	6-May-2026	800,000	730,232
2,000,000	PROVINCE OF MANITOBA	5.700%	5-Mar-2037	2,752,411	2,271,560
3,600,000	PROVINCE OF MANITOBA	4.650%	5-Mar-2040	4,198,419	3,693,420
2,100,000	PROVINCE OF MANITOBA	4.050%	5-Sep-2045	2,508,207	1,988,784
2,770,000	PROVINCE OF MANITOBA	2.600%	2-Jun-2027	2,801,544	2,633,024
1,690,000	MANULIFE BANK OF CANADA	2.844%	12-Jan-2023	1,690,506	1,689,054
3,395,000	MANULIFE BANK OF CANADA	2.378%	19-Nov-2024	3,415,611	3,224,707
1,950,000	MANULIFE BANK OF CANADA	1.504%	25-Jun-2025	1,958,826	1,790,588
1,910,000	MANULIFE BANK OF CANADA	1.536%	14-Sep-2026	1,910,000	1,682,194
130,000	MANULIFE FINANCIAL CORP	5.059%	15-Dec-2036	145,246	122,147
1,330,000	MUSKRAT FALLS / LABRADOR	3.630%	1-Jun-2029	1,392,871	1,317,511

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, 2022 (Continued)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
1,870,000	MUSKRAT FALLS / LABRADOR	3.860%	1-Dec-2048	2,375,084	1,760,549
1,255,000	NHA MORTGAGE BACKED SECURITIES	3.250%	1-Jul-2028	840,141	435,260
1,000,000	NHA MORTGAGE BACKED SECURITIES	1.690%	1-Feb-2023	976,034	297,724
195,000	NHA MORTGAGE BACKED SECURITIES	2.124%	1-May-2023	182,228	72,020
605,000	NHA MORTGAGE BACKED SECURITIES	1.750%	1-Jun-2024	513,441	332,304
565,000	NHA MORTGAGE BACKED SECURITIES	1.890%	1-Oct-2024	484,646	357,636
335,000	NHA MORTGAGE BACKED SECURITIES	1.740%	1-Jan-2025	283,476	215,947
830,000	NHA MORTGAGE BACKED SECURITIES	1.920%	1-Jan-2030	815,557	699,545
1,095,000	NHA MORTGAGE BACKED SECURITIES	0.500%	1-Oct-2025	966,229	810,250
1,080,000	NHA MORTGAGE BACKED SECURITIES	0.600%	1-Dec-2025	944,399	796,685
800,000	NHA MORTGAGE BACKED SECURITIES	0.990%	1-Mar-2026	704,235	607,449
1,235,000	NHA MORTGAGE BACKED SECURITIES	0.840%	1-Apr-2026	1,116,512	980,897
1,540,000	NHA MORTGAGE BACKED SECURITIES	0.840%	1-Jun-2026	1,405,668	1,246,218
2,720,000	PROVINCE OF NEW BRUNSWICK	4.800%	26-Sep-2039	3,235,311	2,830,949
126,000	NEW YORK LIFE GLO FUNDING	2.000%	17-Apr-2028	125,777	110,053
1,560,000	PROVINCE OF NEWFOUNDLAND	4.500%	17-Apr-2037	1,728,970	1,546,756
1,990,000	PROVINCE OF NEWFOUNDLAND	3.300%	17-Oct-2046	1,946,351	1,602,806
1,520,000	PROVINCE OF NEWFOUNDLAND	0.648%	17-Mar-2024	1,520,000	1,525,670
255,000	NORTH WEST REDWATER PRT	2.800%	1-Jun-2027	241,008	235,319
1,235,000	PROVINCE OF NOVA SCOTIA	5.800%	1-Jun-2033	1,594,133	1,400,996
2,300,000	ONTARIO HYDRO	0.000%	11-Apr-2031	1,844,978	1,599,673
3,615,000	PROVINCE OF ONTARIO	6.500%	8-Mar-2029	4,412,103	4,127,969
1,225,000	PROVINCE OF ONTARIO	2.800%	2-Jun-2048	1,424,798	945,088
225,000	PEMBINA PIPELINE CORP	3.310%	1-Feb-2030	224,883	200,264
4,315,000	PROVINCE OF QUEBEC	6.000%	1-Oct-2029	4,937,385	4,845,357
1,900,000	PROVINCE OF QUEBEC	5.750%	1-Dec-2036	2,193,811	2,203,145
8,035,000	PROVINCE OF QUEBEC	3.500%	1-Dec-2045	7,702,207	7,103,502
235,000	BANK OF MONTREAL	5.625%	26-May-2082	235,000	221,034
1,625,000	BANK OF NOVA SCOTIA	1.950%	10-Jan-2025	1,624,528	1,529,206
2,440,000	BANK OF NOVA SCOTIA	2.950%	8-Mar-2027	2,437,265	2,260,050
1,625,000	CANADIAN IMPERIAL BANK OF COMMERCE	2.000%	17-Apr-2025	1,646,778	1,519,261
1,625,000	CANADIAN IMPERIAL BANK OF COMMERCE	2.250%	7-Jan-2027	1,622,178	1,449,581
2,440,000	CANADIAN IMPERIAL BANK OF COMMERCE	1.403%	19-Apr-2023	2,440,000	2,439,024
1,625,000	CDN IMPERIAL BK OF COMMERCE	4.950%	29-Jun-2027	1,622,765	1,625,293
215,000	GREATER TORONTO AIRPORTS	7.050%	12-Jun-2030	263,081	243,638
2,435,000	HSBC BANK CANADA	0.903%	23-Feb-2023	2,435,000	2,418,125
4,490,000	HYDRO QUEBEC	2.000%	1-Sep-2028	4,150,895	4,070,724
330,000	TORONTO DOMINION BANK	1.909%	18-Jul-2023	330,000	324,423
815,000	TORONTO DOMINION BANK	4.210%	1-Jun-2027	815,000	791,813
765,000	SUN LIFE FINANCIAL INC	2.060%	1-Oct-2035	754,062	604,801
1,945,000	ROYAL BANK OF CANADA	1.833%	31-Jul-2028	1,934,816	1,655,973
1,625,000	ROYAL BANK OF CANADA	4.612%	13-Jul-2027	1,625,000	1,603,875
1,930,000	PROVINCE OF SASKATCHEWAN	5.800%	5-Sep-2033	2,288,496	2,198,328
597,000	PROVINCE OF SASKATCHEWAN	3.400%	3-Feb-2042	613,079	523,963
2,875,000	PROVINCE OF SASKATCHEWAN	2.650%	2-Jun-2027	3,040,670	2,739,271
500,000	GOVERNMENT OF CANADA	0.000%	5-Jan-2023	499,745	499,635
700,000	GOVERNMENT OF CANADA	0.000%	19-Jan-2023	698,500	698,306
2,300,000	BANK OF MONTREAL	1.551%	28-May-2026	2,072,246	2,059,328
4,815,000	ROYAL BANK OF CANADA	1.589%	4-May-2026	4,783,307	4,316,262
1,808,210	ROYAL BANK OF CANADA	2.550%	16-Jul-2024	1,858,734	1,905,749
2,501,000	ROYAL BANK OF CANADA	0.535%	20-Jan-2026	2,502,915	2,627,115
3,720,000	PROVINCE OF SASKATCHEWAN	5.600%	5-Sep-2035	4,729,184	4,219,038
3,815,000	PROVINCE OF SASKATCHEWAN	5.000%	5-Mar-2037	4,319,670	4,108,068
1,300,000	TORONTO DOMINION BANK	1.896%	2-Jun-2026	1,300,000	1,104,051
730,000	TORONTO DOMINION BANK	1.943%	13-Mar-2025	732,157	683,937

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, 2022 (Continued)

100,000	ROGERS COMMUNICATIONS INC	5.250%	15-Apr-2052	99,497	91,111	
360,000	ROYAL BANK OF CANADA	2.333%	5-Dec-2023	360,000	351,266	
2,765,000	ROYAL BANK OF CANADA	2.609%	1-Nov-2024	2,773,399	2,645,690	
185,000	ROYAL BANK OF CANADA	2.140%	3-Nov-2031	184,015	162,543	
2,800,000	TORONTO DOMINION BANK	1.128%	9-Dec-2025	2,787,263	2,509,976	
1,790,000	ROYAL BANK OF CANADA	5.235%	2-Nov-2026	1,789,983	1,802,530	
110,000	SCOTIABANK CAPITAL TRUST	5.650%	31-Dec-2056	127,411	104,079	
550,000	TORONTO DOMINION BANK	3.226%	24-Jul-2024	557,655	535,458	
2,161,810	TORONTO DOMINION BANK	0.350%	10-Sep-2024	2,165,832	2,316,933	
3,250,000	TORONTO DOMINION BANK	0.250%	31-Jan-2025	3,250,000	3,199,690	
2,940,000	TORONTO DOMINION BANK	0.745%	28-Jun-2023	2,940,000	2,943,616	
400,000	TORONTO DOMINION BANK	3.600%	31-Oct-2081	400,000	304,344	
1,665,000	TORONTO DOMINION BANK	2.850%	8-Mar-2024	1,648,510	1,619,779	
1,220,000	TORONTO DOMINION BANK	7.232%	31-Dec-2149	1,220,000	1,225,734	
365,000	TRANSCANADA PIPELINES LTD	3.000%	18-Sep-2029	364,286	321,642	
5,785,800	UNITED STATES TREASURY BILL	0.000%	2-Feb-2023	7,865,195	7,809,198	
1,034,520	UNITED STATES TREASURY NOTE	1.500%	15-Feb-2030	1,090,606	855,736	
759,625	UNITED STATES TREASURY NOTE	2.500%	30-Apr-2024	758,337	776,142	
355,000	WELLS FARGO & CO	3.874%	21-May-2025	358,527	341,727	
	Total Fixed Income Securities			\$233,270,395	\$215,163,828	75.0%
Shares / Units	Equity Securities					
20,461	BANK OF MONTREAL			1,863,931	2,505,449	
33,205	CCL INDUSTRIES INC			1,731,529	1,914,932	
21,134	CANADIAN NATIONAL RAILWAY			2,296,785	3,392,218	
16,266	DESCARTES SYSTEMS GROUP INC			1,259,995	1,530,305	
46,760	EMPIRE COMPANY LTD			1,514,993	1,666,994	
12,649	LOBLAW COMPANIES LTD			803,359	1,511,429	
28,219	NATIONAL BANK OF CANADA			1,715,233	2,574,419	
48,594	QUEBECOR INC CL B			1,468,697	1,462,679	
16,746	RITCHIE BROS AUCTIONEERS			982,519	1,307,528	
26,165	ROYAL BANK OF CANADA			2,402,747	3,327,141	
22,288	THOMSON REUTERS CORP			1,781,696	3,436,141	
28,768	TOROMONT INDUSTRIES LTD			1,702,513	2,801,428	
28,609	TORONTO DOMINION BANK			1,850,754	2,506,148	
59,458	BMO S&P 500 INDEX ETF			1,373,998	3,373,647	
29,611	CGI INC			2,683,352	3,445,536	
37,003	CANADIAN PACIFIC RAILWAY			2,217,874	3,731,753	
1,738	CONSTELLATION SOFTWARE INC			1,881,451	3,661,983	
41,116	DOLLARAMA INC			1,553,258	3,248,986	
17,777	INTACT FINANCIAL CORP			2,141,074	3,462,071	
44,054	METRO INC			2,167,892	3,293,037	
19,068	RESTAURANT BRANDS			1,436,793	1,665,590	
41,976	ALIMENTATION COUCHE-TARD			1,701,800	2,494,214	
9,713	BROOKFIELD ASSET MGMT LTD			174,647	375,699	
38,855	BROOKFIELD CORP			1,280,743	1,649,395	
21,350	RICHELIEU HARDWARE LTD			802,794	771,162	
19,141	STANTEC INC			1,010,385	1,237,466	
19,951	TMX GROUP LIMITED			1,787,144	2,695,181	
90,560	TELUS CORPORATION			2,327,998	2,364,522	
8,616	TOPICUS COM INC			692,169	587,611	
15,404	WASTE CONNECTIONS INC			1,828,012	2,760,397	
26,468	WINPAK LTD			1,197,382	1,109,274	
	Total Equity Securities			\$49,633,517	\$71,864,335	25.0%
				\$282,903,912	\$287,028,163	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 the Scholarship Enhancement Fund

December 31, 2022

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	
Fixed Income Securities						
927,000	GOVERNMENT OF CANADA	1.500%	1-Jun-2026	939,538	865,818	
415,000	PROVINCE OF ALBERTA	3.450%	1-Dec-2043	449,312	366,030	
150,000	PROVINCE OF BRITISH COLUMBIA	2.200%	18-Jun-2030	152,190	133,485	
57,000	GOVERNMENT OF CANADA	2.000%	1-Jun-2028	58,346	53,497	
114,000	GOVERNMENT OF CANADA	5.750%	1-Jun-2033	154,953	138,222	
468,000	CANADA HOUSING TRUST	2.350%	15-Sep-2023	473,935	460,797	
632,000	CANADA HOUSING TRUST NO.1	1.900%	15-Sep-2026	646,046	590,509	
540,000	CANADA HOUSING TRUST NO.1	2.650%	15-Dec-2028	535,743	511,283	
803,000	CANADA HOUSING TRUST	2.550%	15-Dec-2023	814,793	788,169	
696,000	CANADA HOUSING TRUST NO.1	0.422%	15-Sep-2024	698,268	699,410	
550,000	CANADA HOUSING TRUST	0.950%	15-Jun-2025	550,000	511,385	
535,000	CANADA HOUSING TRUST	1.100%	15-Mar-2031	512,119	437,748	
15,000	CANADA POST CORP	4.080%	16-Jul-2025	15,610	14,988	
346,000	PROVINCE OF MANITOBA	6.300%	5-Mar-2031	439,070	400,661	
469,000	PROVINCE OF MANITOBA	3.000%	2-Jun-2028	503,970	449,382	
428,000	PROVINCE OF NEW BRUNSWICK	4.800%	26-Sep-2039	539,683	445,458	
133,000	PROVINCE OF NEWFOUNDLAND	0.580%	27-Feb-2023	133,047	133,491	
321,000	PROVINCE OF NEWFOUNDLAND	0.695%	17-Mar-2024	321,987	322,197	
241,000	PROVINCE OF ONTARIO	6.500%	8-Mar-2029	297,666	275,198	
174,000	PROVINCE OF ONTARIO	5.850%	8-Mar-2033	222,534	198,785	
554,000	PROVINCE OF ONTARIO	4.700%	2-Jun-2037	638,442	579,661	
910,000	PROVINCE OF ONTARIO	3.500%	2-Jun-2043	1,002,975	809,163	
724,000	PROVINCE OF ONTARIO	2.600%	2-Jun-2027	758,671	688,958	
1,058,000	PROVINCE OF ONTARIO	0.485%	21-Aug-2023	1,059,152	1,060,433	
107,000	PROVINCE OF QUEBEC	9.375%	16-Jan-2023	107,363	107,128	
490,000	PROVINCE OF QUEBEC	6.000%	1-Oct-2029	551,134	550,226	
235,000	PROVINCE OF QUEBEC	3.500%	1-Dec-2045	221,518	207,756	
508,000	PROVINCE OF QUEBEC	2.750%	1-Sep-2025	525,554	492,267	
455,000	CANADA HOUSING TRUST	2.450%	15-Dec-2031	435,424	410,683	
71,000	PROVINCE OF SASKATCHEWAN	3.400%	3-Feb-2042	77,063	62,314	
Total Fixed Income Securities				\$13,836,106	\$12,765,102	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, 2022

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	
Fixed Income Securities						
185,000	GOVERNMENT OF CANADA	1.500%	1-Jun-2026	184,989	172,790	
81,000	PROVINCE OF ALBERTA	3.450%	1-Dec-2043	82,955	71,442	
30,000	PROVINCE OF BRITISH COLUMBIA	2.200%	18-Jun-2030	30,354	26,697	
17,000	GOVERNMENT OF CANADA	2.000%	1-Jun-2028	16,898	15,955	
19,000	GOVERNMENT OF CANADA	5.750%	1-Jun-2033	24,767	23,037	
70,000	CANADA HOUSING TRUST	2.350%	15-Sep-2023	70,831	68,923	
128,000	CANADA HOUSING TRUST NO.1	1.900%	15-Sep-2026	129,810	119,597	
104,000	CANADA HOUSING TRUST NO.1	2.650%	15-Dec-2028	101,417	98,469	
160,000	CANADA HOUSING TRUST	2.550%	15-Dec-2023	160,484	157,045	
140,000	CANADA HOUSING TRUST NO.1	0.490%	15-Sep-2024	140,329	140,686	
100,000	CANADA HOUSING TRUST	0.950%	15-Jun-2025	99,965	92,979	
85,000	CANADA HOUSING TRUST	1.100%	15-Mar-2031	84,882	69,549	
15,000	CANADA POST CORP	4.080%	16-Jul-2025	15,610	14,988	
60,000	PROVINCE OF MANITOBA	6.300%	5-Mar-2031	72,617	69,479	
92,000	PROVINCE OF MANITOBA	3.000%	2-Jun-2028	100,680	88,152	
85,000	PROVINCE OF NEW BRUNSWICK	4.800%	26-Sep-2039	101,103	88,467	
28,000	PROVINCE OF NEWFOUNDLAND	2.098%	27-Feb-2023	28,000	28,103	
62,000	PROVINCE OF NEWFOUNDLAND	2.181%	17-Mar-2024	61,986	62,231	
50,000	PROVINCE OF ONTARIO	6.500%	8-Mar-2029	58,563	57,095	
33,000	PROVINCE OF ONTARIO	5.850%	8-Mar-2033	39,833	37,701	
102,000	PROVINCE OF ONTARIO	4.700%	2-Jun-2037	115,907	106,725	
179,000	PROVINCE OF ONTARIO	3.500%	2-Jun-2043	186,488	159,165	
132,000	PROVINCE OF ONTARIO	2.600%	2-Jun-2027	138,397	125,611	
210,000	PROVINCE OF ONTARIO	0.540%	21-Aug-2023	209,980	210,483	
22,000	PROVINCE OF QUEBEC	9.375%	16-Jan-2023	22,058	22,026	
90,000	PROVINCE OF QUEBEC	6.000%	1-Oct-2029	101,229	101,062	
40,000	PROVINCE OF QUEBEC	3.500%	1-Dec-2045	38,343	35,363	
93,000	PROVINCE OF QUEBEC	2.750%	1-Sep-2025	93,796	90,097	
90,000	CANADA HOUSING TRUST	2.450%	15-Dec-2031	86,372	81,234	
18,000	PROVINCE OF SASKATCHEWAN	3.400%	3-Feb-2042	19,568	15,798	
Total Fixed Income Securities				\$2,618,211	\$2,450,949	100.0%

Summary of Schedules of Investment Portfolio

December 31, 2022

	Average Cost (\$)	Fair Value (\$)
Schedule of Investment Portfolio for Subscriber deposits under Scholarship Agreements	564,446,442	581,013,531
Schedule of Investment Portfolio for Government Grants	282,903,912	287,028,163
Schedule of Investment Portfolio for the Scholarship Enhancement Fund	13,836,106	12,765,102
Schedule of Investment Portfolio for Subscriber deposits under Escrow Agreements	2,618,211	2,450,949
	\$863,804,671	\$883,257,745

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, 2022 and 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, 2023.

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, 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 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.

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 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, 2022 and 2021

3. Summary of significant accounting policies (continued)

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.

As at December 31, 2022 the Foundation does not hold any equity-linked notes, with the last note maturing in Oct 2022.

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, 2022 there was a net unrealized gain of \$19,452,949 (December 31, 2021 – \$97,868,234) 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 FVTPL.

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

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, 2022 and 2021

3. Summary of significant accounting policies (continued)

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 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 \$50,197 are eligible for an additional 20% of CESG on the first \$500 contributed. Families with annual income between \$51,197 and \$100,392 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 \$46,295 are eligible for an additional 10% on contributions to a maximum of \$50. Families with annual income between \$46,296 and \$92,580 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 3% of investments as at December 31, 2022. 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.

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, 2022 and 2021

5. Critical accounting estimates and judgments (Continued)

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.

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.

Other risk

Terrorism, war, military confrontations and related geopolitical events (and their aftermath) can lead to increased short-term market volatility and may have adverse long-term effects on the Canadian, U.S., and world economies and markets generally. Likewise, natural and environmental disasters, such as, for example, earthquakes, fires, floods, hurricanes, tsunamis and weather-related phenomena generally, as well as wide-spread disease and virus epidemics, can be highly disruptive to economies and markets into the medium term, adversely affecting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors impacting the value of the Foundation's investments.

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:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Investment in debt securities	635,322,620	736,048,901

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

Asset Class	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Government - Federal	\$193,025,897	\$172,810,760
Government - Provincial	230,851,668	306,840,690
Financial institution bonds	190,018,008	211,046,194
Corporate bonds	21,427,047	11,779,257
Equity-linked notes	-	33,572,000
	<u>\$635,322,620</u>	<u>\$736,048,901</u>

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, 2022 and 2021

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. 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, 2022</u>	<u>December 31, 2021</u>
AAA	25.5%	25.2%
AA	44.2%	52.1%
A	28.1%	21.9%
BBB	2.2%	0.8%

* 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, 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

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, 2022 and 2021

6. Risks associated with financial instruments (Continued)

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, 2022</u>	<u>December 31, 2021</u>
Due in one year	12.8%	10.2%
Due one year through five years	38.3%	47.3%
Due after five years	48.9%	42.5%

As at December 31, 2022, 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 \$635,322,620 (December 31, 2021 - \$702,476,777) which excludes equity-linked notes would have decreased or increased by approximately \$8,708,642 (December 31, 2021 - \$10,601,314). 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, 2022 was \$247,935,125 (December 31, 2021 - \$291,624,377). As at December 31, 2022 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 \$247,935,125 (December 31, 2021 - \$325,196,377) would increase or decrease by approximately \$2,479,351 (December 31, 2021 - \$2,976,244). 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, 2022 was \$35,874,407 (December 31, 2021 - \$12,382,378). As at December 31, 2022 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 \$1,793,720 (December 31, 2021 - \$619,119).

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.

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, 2022 and 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, 2022 and December 31, 2021:

As at December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$247,935,125	\$ –	\$ –	\$247,935,125
Bonds and treasury bills	106,904,029	528,418,591	–	635,322,620
	<u>\$354,839,154</u>	<u>\$528,418,591</u>	<u>\$ –</u>	<u>\$ 883,257,745</u>

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>

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</u> <u>December 31, 2022</u>	<u>For the year ended</u> <u>December 31, 2021</u>
Balance - beginning of year	\$33,572,000	\$31,710,000
Proceeds from Sale of Investment	(\$33,572,000)	–
Net realized gains	13,572,000	–
Net unrealized (losses) gains	(13,572,000)	1,862,000
Balance - end of year	<u>\$ –</u>	<u>\$33,572,000</u>

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, 2022 and 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, 2022 and December 31, 2021. All of the Foundation's financial liabilities as at December 31, 2022 and December 31, 2021 were measured at amortized cost.

As at December 31, 2022

	<u>Financial assets at fair value</u>			<u>Total</u>
	<u>FVTPL</u>	<u>Designated at FVTPL</u>	<u>Financial assets at amortized cost</u>	
Investments	\$883,257,745	\$ –	\$ –	\$883,257,745
Cash	–	–	4,158,264	4,158,264
Accrued interest	–	–	3,504,794	3,504,794
Dividends receivable	–	–	384,940	384,940
Government grants receivable	–	–	667,095	667,095
	<u>\$883,257,745</u>	<u>\$ –</u>	<u>\$8,715,093</u>	<u>\$891,972,838</u>

As at December 31, 2021

	<u>Financial assets at fair value</u>			<u>Total</u>
	<u>FVTPL</u>	<u>Designated at FVTPL</u>	<u>Financial assets at amortized cost</u>	
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
	<u>\$994,101,278</u>	<u>\$33,572,000</u>	<u>\$13,850,909</u>	<u>\$1,041,524,187</u>

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.

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, 2022 and 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, 2022</u>	<u>For the year ended</u> <u>December 31, 2021</u>
Balance, beginning of year	\$15,546,888	\$16,087,005
Investment income after maturity date	(7,033,332)	5,401,077
Investment income earned on fund balance	164,431	131,133
Return of sales charges	(325,953)	(373,399)
Net change in unrealized gains	(1,179,878)	(150,551)
Additional educational assistance payments	(2,091,258)	(5,548,377)
Balance, end of year	<u>\$5,080,898</u>	<u>\$15,546,888</u>

Funds for Enrichment

	<u>For the year ended</u> <u>December 31, 2022</u>	<u>For the year ended</u> <u>December 31, 2021</u>
Balance, beginning of year	\$461,137	\$429,345
Investment Income after maturity date	107,235	133,155
Investment income earned on fund balance	9,530	3,703
Return of sales charges	(34,310)	(57,985)
Additional educational assistance payments	(59,913)	(47,081)
Balance, end of year	<u>\$483,679</u>	<u>\$461,137</u>

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, 2022 and 2021

10. Education assistance payments

	<u>2022</u>	<u>2021</u>
Number of units		
First scholarship	27,111	24,389
Second scholarship	23,899	21,420
Third scholarship	19,879	18,331
Amount of scholarships per unit		
First scholarship	\$413	\$478
Second scholarship	\$385	\$411
Third scholarship	\$430	\$433

The education assistance payments comprise the specified per unit scholarship payments as well as additional payments of \$1,987,983 (2021 - \$2,376,679) for students where the qualifying programs are less than four full years.

The foundation also made education assistance payments of \$454,303 (2021 - \$563,930) and \$218,743 (2021 - \$212,551) 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 \$286,799 (2021 - \$239,099). During the year, scholarships for late applications totaling \$3,024,764 (2021 - \$2,649,584) were paid based on the 2021 scholarship rate.

The total scholarships paid in 2022 for 70,889 units (2021 - 64,140 units) of \$413 per unit (2021 - \$478) for the first scholarship, \$385 per unit (2021 - \$411) for the second scholarship and \$430 per unit (2021 - \$433) for the third scholarship, net of the above adjustments, and including the payments of \$1,987,983 (2021 - \$2,376,679), \$454,303 (2021 - \$563,930) and \$218,743 (2021 - \$212,551) for programs less than 4 years, payments under the self-initiated option and Achievers plans respectively, were \$34,317,568 (2021 - \$33,939,510).

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, 2022 and December 31, 2021 are as follows:

	<u>For the year ended December 31, 2022</u>	<u>For the year ended December 31, 2021</u>
<i>Paid directly by subscriber</i>		
Sales charges	723,516	\$1,036,446
Group insurance premiums	1,547,699	1,722,899
Depository fees	763,203	866,432
Annual administration fees on subscriber deposits	4,635,604	5,262,217
Service charges	1,149,075	1,083,560
<i>Deducted from Foundation's income</i>		
Administration fees	\$1,046,660	\$998,432

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, 2022 was \$31,209 (December 31, 2021 - \$31,153).

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 Scholarship and Escrow Agreements

December 31, 2022

Year of eligibility	Opening units	Inflow units ¹	Outflow units ²	Closing units	Principle deposits	Investment income	Government grants	Investment income on government grants
Plans eligible for assistance payments						23,976,773	31,776,333	21,812,137
2023	60,138	6	17,386	42,757	17,784,143	31,336,965	21,137,219	9,644,297
2024	42,940	16,575	0	59,515	95,307,405	36,135,073	31,316,421	13,362,880
2025	41,349	20	70	41,299	64,261,882	19,299,221	21,756,786	8,133,923
2026	35,620	0	218	35,402	52,084,468	13,774,900	17,813,736	5,883,815
2027	32,212	0	234	31,978	43,671,253	10,370,642	15,339,858	4,566,671
2028	28,359	0	285	28,074	35,406,222	7,317,060	12,581,235	3,391,216
2029	25,337	13	144	25,207	28,982,228	5,256,189	10,579,194	2,563,624
2030	22,670	14	249	22,436	23,472,205	3,576,666	8,659,719	1,841,057
2031	19,721	38	390	19,369	18,656,369	2,145,960	6,759,586	1,130,596
2032	15,484	43	228	15,299	13,165,709	1,124,344	4,779,072	633,201
2033	12,238	43	166	12,115	8,905,377	568,776	3,306,776	359,024
2034	10,236	57	149	10,143	6,445,198	321,093	2,360,423	201,448
2035	8,964	90	153	8,901	4,587,828	123,156	1,774,239	112,151
2036	7,983	101	251	7,834	3,098,598	34,475	1,290,705	59,744
2037	7,014	140	239	6,914	2,012,171	(14,173)	910,755	24,820
2038	5,408	75	116	5,367	984,938	(12,303)	563,350	3,220
2039	2,863	357	111	3,109	302,411	(5,653)	222,955	(2,410)
2040	1,478	857	101	2,234	89,474	1,435	92,194	(817)
2041	0	1,359	0	1,359	20,345	126	11,511	0
Self-initiated	5,525	429	349	5,605	10,418,488	3,710,062	8,535,142	2,512,253
Achievers	37,342	844	3,609	34,576	6,839,502	863,333	3,127,690	809,015
	422,880	21,061	24,449	419,492	436,496,214	\$159,904,120	\$204,694,899	\$77,041,865

Represented by:

Scholarship agreements

433,897,189 158,809,218

Escrow agreements

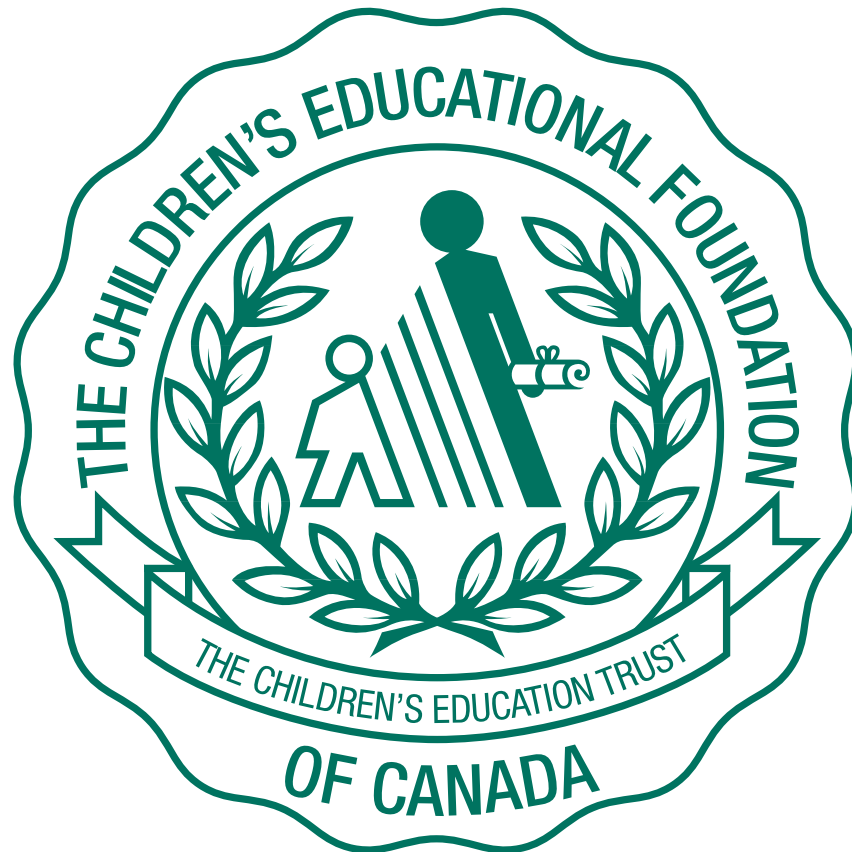
2,599,025 1,094,902

\$436,496,214 \$159,904,120

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
THE CHILDREN'S EDUCATIONAL
FOUNDATION OF CANADA

HEAD OFFICE
3221 North Service Rd.
Burlington, ON L7N 3G2

Tel.: 905.331.8377

Fax: 905.331.9977

Toll Free: 800.246.1203

Email: customerservice@cefi.ca

Or visit our interactive website: www.cefi.ca

Nurture the Dream