

# 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, 2025





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# Management Report of Fund Performance

This annual management report of fund performance contains financial highlights 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.cefci.ca](http://www.cefci.ca) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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 enhance risk-adjusted returns relative to the benchmark index, our Investment Advisors, who are professional investment managers responsible for advising on and managing investments across both fixed-income and equity securities to generate consistent returns and preserve capital, utilize active portfolio management strategies. These strategies include yield curve and duration management, sector allocation, credit analysis, and intra-market spread trades. Beginning in May 2014, pursuant to an undertaking executed on November 22, 2013, the Income of each Plan can be invested in exchange-traded equity securities listed on a Canadian stock exchange including ETFs subject to certain restrictions.

## 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.

As at December 31, 2025, approximately 32.1% 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. Allocations to each investment advisor are based on ongoing internal performance reviews, quarterly meetings with the advisors, and a qualitative assessment of key factors deemed essential by the Plans' management for effective asset management.

## Risk

Since May 2014, the income of each Plan has been invested in exchange-traded equity securities listed on a Canadian stock exchange, introducing equity risk—the financial risk tied to holding equities in a specific investment.

This risk is managed through our investment policy statement with the equity manager, which outlines key safeguards, including concentration limits, parameters for sector and individual security exposure, and minimum market capitalization requirements for held securities, all designed to reduce the liquidity risk inherent in certain equities.

## Results of Operations

Net Assets of the Plan decreased by 9.3%, driven by a reduction in total number of plan units, when compared to the prior year and

totaled \$0.74 billion at the end of 2025. The overall Rate of Return on the Plans' investments in 2025 was 7.62% net of fees. The benchmark used for comparison purposes is as follows:

- Fixed Income Benchmark: 80% FTSE TMX Canada All Government Bond Index, and 20% FTSE TMX Canada Financial 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 2025 was 11.67%.

## Market Commentary

Markets in 2025 were shaped by monetary easing, trade policy uncertainty, and shifting sector leadership. In Canada, the Bank of Canada reduced its policy rate to 2.25% by October and held steady through year end as inflation moderated toward target, though core measures remained somewhat elevated. In the United States, the Federal Reserve also moved into an easing phase, lowering rates over the course of the year while monitoring inflation progress and labour market conditions.

Bond markets reflected these crosscurrents. Yield curves in both Canada and the U.S. steepened as front end yields declined in response to rate cuts, while longer dated yields remained elevated due to inflation uncertainty, term premium repricing, and fiscal supply dynamics. Credit markets were constructive for much of the year, with investment grade spreads tightening and provincial bonds performing particularly well in the second half before valuations reached historically tight levels.

Equity markets experienced pronounced volatility. Early optimism following the U.S. election cycle gave way to uncertainty surrounding evolving tariff announcements and trade negotiations. The second and fourth quarters saw periods of sharp swings in sentiment, while the third quarter delivered one of the strongest quarterly returns for the TSX in the past decade, led primarily by Materials and gold related securities. Technology and financial stocks faced intermittent pressure amid shifting artificial intelligence expectations and macroeconomic concerns. By year end, the Canadian market recorded positive returns despite elevated volatility.

## Fund Performance

The fund's fixed income allocation, averaging approximately 68% during the year, generated positive returns and modestly outperformed its benchmark. Performance was supported by yield carry, curve positioning, and tightening credit spreads. Overweight exposure to short term corporate bonds and mid term provincial bonds contributed positively, while selective reallocations into federal agency securities enhanced defensiveness as spreads approached cyclical tightness. Duration positioning was adjusted through the year to capture steepening opportunities while preserving flexibility amid uncertainty.

The equity allocation, averaging close to 30%, produced positive absolute returns but underperformed the benchmark during the year. Strong performance in the first half was offset by limited exposure to gold producers and lower quality commodity-oriented businesses that led the market rally in the third quarter. Underperformance from certain technology holdings during periods of sector rotation

also detracted. Consistent with the fund’s long- standing philosophy, the portfolio remained focused on high quality businesses with strong fundamentals and attractive valuations, emphasizing capital preservation over short term participation in lower quality market momentum.

As a result, overall relative performance versus the blended benchmark reflected equity underperformance, partially offset by positive contribution from fixed income positioning.

### Portfolio Strategy

The fixed income strategy remained disciplined and risk aware. Given tight credit spreads and elevated uncertainty, the portfolio maintained a selective and defensive posture, favoring higher quality issuers and shorter spread duration relative to the benchmark. Active yield curve management included maintaining a moderate overweight to the mid term segment to benefit from roll down effects, while opportunistically reallocating across key rates as the curve re steepened. Liquidity and capital preservation remained priorities as markets priced in limited additional policy easing.

The equity strategy continued to prioritize high quality companies capable of compounding intrinsic value over time. While certain cyclical and commodity-linked sectors delivered outsized returns during the year, the fund avoided overexposure to lower return on equity businesses where long term fundamentals were less compelling. Sector positioning remained balanced across defensive and growth-oriented industries, with adjustments made selectively as valuations and macroeconomic conditions evolved.

### Recent Developments & 2026 Outlook

Looking ahead, markets continue to adjust to an evolving geopolitical environment. Trade uncertainty may resurface as Canada, Mexico, and the United States enter negotiations to renew the CUSMA agreement, with rhetoric and policy developments potentially contributing to episodic volatility. In Canada, economic growth is expected to remain modest, constrained by productivity challenges, household leverage, and housing affordability pressures. Inflation has moderated toward target, and while markets currently price limited additional rate cuts from the Bank of Canada, the path of policy will remain data dependent.

Credit markets enter 2026 from a position of strength, though spreads remain tight relative to historical averages. While absolute yields remain attractive, the margin for error in lower quality credit appears limited, supporting a continued emphasis on higher quality, shorter duration exposures. In equities, sector leadership may continue to rotate, particularly in response to trade developments and global growth expectations. The fund remains positioned to adapt to changing conditions while maintaining a balanced allocation between fixed income and equities, with continued emphasis on risk management, capital preservation, and long-term value creation for subscribers and beneficiaries.

### 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 Employment and Social Development Canada (“ESDC”) 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 0.50% of all Savings for Subscribers under the Group Option Plan, 1.50% 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 2025, administration fees charged of \$5,016,232 were paid to the Scholarship Plan Dealer.

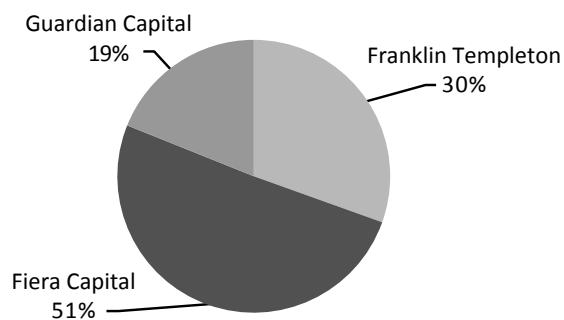
#### Depository Trustee Fee

During 2025, Scotiabank, the Depository Trustee and Scholarship Trustee, charged and was paid fees totaling \$119,626. 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 2025 portfolio management fee based on net assets was approximately 0.159%.

As at December 31, 2025, the investment advisors managed the following percentage of assets on behalf of the Plan:



## 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.

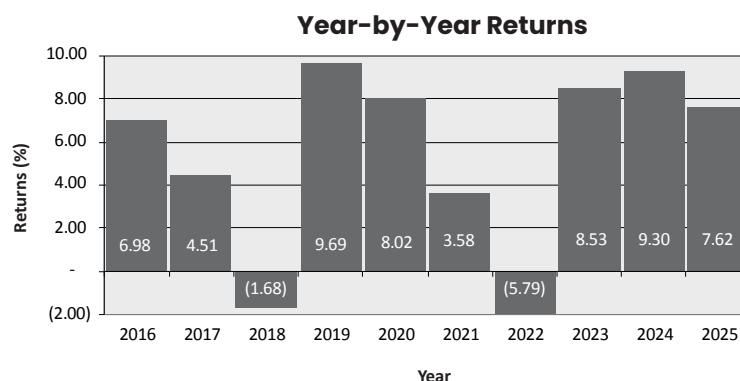
	2025	2024	2023	2022	2021
<b>Statement of Net Assets</b>					
Total Assets	\$748,833,387	\$827,456,807	\$853,026,257	\$891,972,838	\$1,041,524,187
Net Assets	\$742,184,776	\$818,598,003	\$845,512,265	\$884,398,075	\$1,033,382,277
% Change of Net Assets	-9%	-3%	-4%	-14%	-4%
<b>Statement of Comprehensive Income</b>					
Net Investment Income	\$57,477,118	\$41,380,785	\$26,113,225	\$23,398,662	\$25,963,128
<b>Statement of Changes in Net Assets</b>					
Scholarship Awards	\$43,708,138	\$34,995,239	\$36,398,952	\$34,317,568	\$33,939,510
Grants	\$32,080,924	\$27,613,436	\$22,997,180	\$20,239,886	\$19,529,503
<b>Other</b>					
Total Number of Units in plans	291,895	332,157	375,397	419,492	460,052
% Change in the Total of Units in plans	-12%	-12%	-11%	-9%	-8%

## Past Performance

The Plans have delivered positive returns consistent with their long-term investment objectives for subscribers and beneficiaries. Their track record reflects a disciplined investment approach. However, past performance is not indicative of future results.

### Year-by-Year Returns

The following graph presents the time-weighted Market Value Year-by-Year Rate of Return for the Plans, net of fees, over the past 10 years, expressed in percentage terms.



## Annual Compounded Returns

The following table illustrates the Plans' annual compounded returns for the periods ended December 31, 2025.

The 1-year weighted average of the Fixed Income benchmark and the Equity benchmark based on December 31, 2025 holdings was 11.67%.

	1 Year	3 Years	5 Years	10 Years
Net Plans Return (%)	7.62%	8.48%	4.50%	4.96%
Current Blended Fixed Income Benchmark (%)*	2.59%	4.14%	0.11%	1.66%
Equity Benchmark (%)**	30.68%	21.56%	16.13%	13.17%

\* Fixed Income allocation benchmark consists of 80% FTSE Canada All Government Bonds Index and 20% FTSE Canada Financial Bond Index.

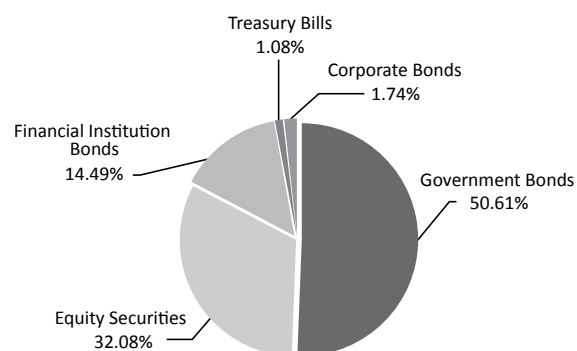
\*\* Equity allocation benchmark consists of 95% of the total return of the S&P/TSX Composite Index and 5% of the total return of the S&P 500 Index on a Canadian dollar hedged basis.

## Summary of Investment Portfolio

The allocation of the Plans' investments by asset class for the year ended December 31, 2025 is:

Asset Class	% of Total
Government Bonds	50.61%
Equity Securities	32.08%
Financial institution bonds	14.49%
Treasury Bills	1.08%
Corporate Bonds	1.74%
<b>Total</b>	<b>100%</b>

### 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, 2025

Face Value/ Shares	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	% of Portfolio
18,090,000	PROVINCE OF ONTARIO	3.750%	2-Jun-32	17,895,758	18,461,930	2.5%
15,730,000	CANADA HOUSING TRUST	1.100%	15-Mar-31	14,116,932	14,202,932	1.9%
14,552,000	GOVERNMENT OF CANADA	2.750%	1-Jun-33	14,105,873	14,084,299	1.9%
13,168,000	CANADA HOUSING TRUST	4.250%	15-Mar-34	13,526,715	13,878,940	1.9%
58,709	ROYAL BANK OF CANADA			5,680,063	13,736,732	1.9%
132,688	BMO S&P 500 INDEX ETF			3,887,492	13,649,615	1.9%
13,359,000	CANADA HOUSING TRUST	3.600%	15-Dec-27	13,617,415	13,602,401	1.9%
226,883	QUEBECOR INC CL B			7,517,656	11,693,550	1.6%
11,364,000	GOVERNMENT OF CANADA	4.000%	1-Aug-26	11,450,506	11,475,367	1.6%
114,977	METRO INC			6,426,806	11,347,080	1.5%
38,879	INTACT FINANCIAL CORP			5,009,258	11,076,627	1.5%
64,454	TOROMONT INDUSTRIES LTD			4,607,088	10,651,024	1.5%
83,699	CGI INC			8,630,375	10,602,152	1.4%
10,365,000	CANADA HOUSING TRUST	2.900%	15-Dec-29	10,346,513	10,342,404	1.4%
59,468	NATIONAL BANK OF CANADA			4,025,156	10,255,257	1.4%
75,238	CANADIAN NATIONAL RAILWAY			9,467,680	10,209,797	1.4%
159,567	LOBLAW COMPANIES LTD			3,407,795	9,896,345	1.4%
105,786	RESTAURANT BRANDS			9,199,161	9,883,299	1.3%
9,777,000	PROVINCE OF ONTARIO	3.65%	2-Jun-33	9,516,735	9,851,990	1.3%
55,227	BANK OF MONTREAL			5,636,280	9,841,451	1.3%
40,992	WASTE CONNECTIONS INC			5,973,046	9,756,096	1.3%
10,432,000	PROVINCE OF ONTARIO	4.150%	2-Dec-54	9,896,265	9,677,140	1.3%
10,926,000	PROVINCE OF QUEBEC	3.500%	1-Dec-45	10,330,223	9,307,750	1.3%
12,284,000	ROYAL OFFICE FINANCE LP	5.209%	12-Nov-32	12,017,656	9,249,729	1.3%
9,373,000	GOVERNMENT OF CANADA	3.250%	1-Jun-35	9,302,640	9,234,280	1.3%
<b>Top 25 holdings as a percentage of the total investment portfolio</b>				<b>\$225,591,087</b>	<b>\$285,968,187</b>	<b>39.0%</b>

# 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 IFRS Accounting Standards and include certain amounts that are based on estimates and judgments. The material accounting policies which management

**Donna J. Haid**

President and Chief Executive Officer



March 24, 2026

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, 2025 and December 31, 2024
- the statements of comprehensive 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 material accounting policy information

(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, 2025 and December 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

### 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.

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 information included in the Management Report of Fund Performance as at the date of this auditor's 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 IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

# 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)

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.

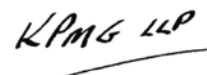
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

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.



**Chartered Professional Accountants,  
Licensed Public Accountants**

March 24, 2026  
Toronto, Canada

# 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, 2025

December 31, 2024

### Assets

Cash	\$12,267,762	-
Investments, at fair value (note 6)	732,632,620	823,337,488
Accrued interest	3,161,025	3,307,645
Dividends receivable	429,811	357,379
Government grants receivable	342,169	454,295
<b>Total assets</b>	<b>748,833,387</b>	<b>827,456,807</b>


### Liabilities

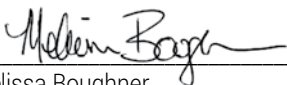
Bank indebtedness (Note 6)	-	928,397
Due to Scholarship Plan Dealer (Note 11)	446,023	1,274,370
Subscriber liability due to terminations	6,202,588	6,656,037
	<b>6,648,610</b>	<b>8,858,804</b>
<b>Net assets attributable to subscribers and beneficiaries</b>	<b>\$742,184,776</b>	<b>\$818,598,003</b>

### Net assets attributable to subscribers and beneficiaries represented by:

Subscriber deposits received in advance	\$423,525	\$574,492
Subscriber deposits under scholarship agreements	291,168,871	335,794,472
Subscriber deposits under escrow agreements	2,750,592	2,704,312
Accumulated investment income earned on subscriber deposits	157,125,998	170,241,820
Accumulated investment income earned under escrow agreements	1,432,351	1,363,051
Government grants (Note 3)	168,531,144	183,079,560
Accumulated investment income earned on government grants	102,024,707	103,373,580
Funds for Scholarship Enhancements (Note 9)	18,513,175	21,229,336
Funds for Enrichment (Note 9)	214,413	237,380
<b>Net assets attributable to subscribers and beneficiaries</b>	<b>\$742,184,776</b>	<b>\$818,598,003</b>

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

  
Arie Gaertner Director

  
Melissa Boughner Director

See accompanying notes to the financial statements.

# THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

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

## Statements of Comprehensive Income

For the year ended  
December 31, 2025

For the year ended  
December 31, 2024

### Income

Interest income earned on subscriber deposits	\$12,893,116	\$14,035,165
Interest income earned on subscriber deposits under escrow agreements	91,558	91,126
Interest income earned on government grants	7,859,957	8,606,191
Interest income earned on funds for Scholarship Enhancements	452,480	424,874
Dividend income earned on subscriber deposits	2,967,266	3,209,468
Dividend income earned on government grants	1,528,659	1,525,407
Realized gains on sale of investments	34,608,797	16,369,283
Net change in unrealized (losses) gains	(14,438,969)	34,762,789
<b>Total income</b>	<b>45,962,864</b>	<b>79,024,303</b>

### Expenses

Administration fees (Note 11)	1,487,882	1,343,023
Trustee fees	119,626	123,368
Portfolio management fees	1,285,942	1,383,073
Independent Review Committee fees and expenses (Note 11)	19,265	19,265
Directors' fees (Note 11)	12,000	12,000
<b>Total expenses</b>	<b>2,924,715</b>	<b>2,880,729</b>
<b>Increase in net assets attributable to subscribers and beneficiaries</b>	<b>\$43,038,149</b>	<b>\$76,143,574</b>

See accompanying notes to 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)

## Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries

	For the year ended December 31, 2025	For the year ended December 31, 2024
<b>Net assets attributable to subscribers and beneficiaries, beginning of year</b>	<b>\$818,598,003</b>	<b>\$845,512,265</b>
Increase in net assets attributable to subscribers and beneficiaries	<b>43,038,149</b>	<b>76,143,574</b>
 <b>Transactions with subscribers and beneficiaries</b>		
Subscriber deposits	<b>23,075,995</b>	27,190,206
Fees deducted from subscriber deposits (Note 11)	<b>(5,382,606)</b>	(6,244,126)
Subscriber deposit withdrawals due to termination	<b>(4,831,302)</b>	(4,067,033)
Subscriber deposit withdrawals due to maturing plans	<b>(57,592,374)</b>	(61,575,985)
Canada Education Savings Grants	<b>2,839,563</b>	3,898,672
Canada Learning Bonds	<b>388,400</b>	513,900
Provincial Savings Grants	<b>173,118</b>	209,863
Income paid to Designated Educational Institutions	<b>(1,880,880)</b>	-
Total transactions with subscribers and beneficiaries	<b>(43,210,086)</b>	(40,074,503)
 <b>Disbursements to beneficiaries</b>		
Education assistance payments		
Scholarships	<b>43,708,138</b>	34,995,239
Government grants	<b>32,080,924</b>	27,613,436
Refund of enrolment fees	<b>452,228</b>	374,658
Total disbursements to beneficiaries	<b>76,241,290</b>	62,983,333
 Decrease in net assets attributable to subscribers and beneficiaries	<b>(76,413,227)</b>	(26,914,262)
 <b>Net assets attributable to subscribers and beneficiaries, end of year</b>	<b>\$742,184,776</b>	<b>\$818,598,003</b>

See accompanying notes to 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)

<b>Statements of Cash Flows</b>	For the year ended <b>December 31, 2025</b>	For the year ended December 31, 2024
<b>Operating Activities</b>		
Increase in net assets attributable to subscribers and beneficiaries	<b>\$43,038,149</b>	\$76,143,574
Adjustments for:		
Realized gains on sale of investments	<b>(34,608,797)</b>	(16,369,283)
Net change in unrealized losses (gains)	<b>14,438,969</b>	(34,762,789)
Amortization of discounts and premiums on investments	<b>(1,231,394)</b>	(1,765,400)
Decrease in accrued interest	<b>146,620</b>	183,646
(Increase) Decrease in dividends receivable	<b>(72,432)</b>	1,771
(Decrease) Increase in due to Scholarship Plan Dealer	<b>(828,347)</b>	539,787
Purchase of investments	<b>(412,179,179)</b>	(614,101,396)
Proceeds from the sale of investments	<b>524,285,269</b>	690,050,248
Cash flows from operating activities	<b>132,988,858</b>	99,920,159
<b>Financing Activities</b>		
Subscriber deposits received under scholarship agreements	<b>\$22,948,310</b>	\$27,091,765
Payments from subscriber deposits under scholarship agreements	<b>(68,178,327)</b>	(71,946,406)
Subscriber deposits received under escrow agreements	<b>127,685</b>	98,444
Payments from subscriber deposits under escrow agreements	<b>(81,404)</b>	(64,111)
Government grants received	<b>3,513,207</b>	4,695,493
Education assistance payments	<b>(75,789,062)</b>	(62,608,675)
Return of enrolment fees	<b>(452,228)</b>	(374,658)
Payments made to Designated Educational Institutions	<b>(1,880,880)</b>	-
Cash flows used in financing activities	<b>(119,792,699)</b>	(103,108,148)
Net increase (decrease) in cash	<b>13,196,159</b>	(3,187,989)
(Bank indebtedness) cash, beginning of year	<b>(928,397)</b>	2,259,592
<b>Cash (bank indebtedness) cash, end of year</b>	<b>\$12,267,762</b>	\$(928,397)
Supplemental information:		
Interest received	<b>\$22,388,485</b>	\$24,553,409
Dividends received, net of withholding tax	<b>\$4,495,925</b>	\$4,734,875

See accompanying notes to 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)

## Schedule of Investment Portfolio for Subscriber deposits under Scholarship Agreements

December 31, 2025

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
<b>Fixed Income Securities</b>					
487,000	ALTALINK LP	3.72%	3-Dec-46	503,989	418,240
63,000	BANK OF MONTREAL	3.19%	1-Mar-28	63,947	63,188
3,834,000	BANK OF MONTREAL	3.65%	1-Apr-27	3,807,698	3,867,011
1,141,000	BANK OF MONTREAL	5.04%	29-May-28	1,183,997	1,187,986
280,000	BANK OF MONTREAL	4.54%	18-Dec-28	280,000	289,898
2,707,000	BANK OF MONTREAL	4.71%	7-Dec-27	2,785,370	2,785,936
541,000	BANK OF NOVA SCOTIA	3.84%	26-Sep-30	541,000	548,049
741,000	BANK OF NOVA SCOTIA	3.73%	27-Jun-31	738,778	744,631
2,549,000	BELL CANADA	3.80%	21-Aug-28	2,488,814	2,572,706
810,000	BROOKFIELD FINANCE II INC	5.43%	14-Dec-32	810,000	865,056
500,000	CANADA HOUSING TRUST	2.92%	15-Mar-27	499,673	500,136
14,590,000	CANADA HOUSING TRUST	1.10%	15-Mar-31	13,059,320	13,173,603
191,000	CANADA HOUSING TRUST	3.65%	15-Jun-33	194,104	194,163
2,745,000	CANADA HOUSING TRUST	3.60%	15-Sep-35	2,715,032	2,745,082
1,193,000	CANADA HOUSING TRUST	3.50%	15-Dec-34	1,185,605	1,189,051
13,359,000	CANADA HOUSING TRUST	3.60%	15-Dec-27	13,617,415	13,602,401
1,279,000	CANADA HOUSING TRUST NO.1	2.10%	15-Sep-29	1,297,227	1,242,050
340,000	CANADIAN IMPERIAL BANK OF COMMERCE	5.33%	19-Jan-33	339,978	353,362
1,100,000	CANADIAN NATIONAL RAILWAY	3.50%	10-Jun-30	1,113,044	1,102,002
2,694,000	CDN IMPERIAL BK OF COMMERCE	5.30%	16-Jan-34	2,695,297	2,825,090
1,500,000	GOVERNMENT OF CANADA	2.00%	1-Dec-51	1,223,286	1,044,585
1,430,000	GOVERNMENT OF CANADA	4.00%	1-Jun-41	1,762,001	1,486,800
6,564,000	GOVERNMENT OF CANADA	2.50%	1-Dec-32	6,315,270	6,269,473
14,552,000	GOVERNMENT OF CANADA	2.75%	1-Jun-33	14,105,873	14,084,299
1,194,000	GOVERNMENT OF CANADA	2.00%	1-Jun-32	1,114,619	1,113,298
9,011,000	GOVERNMENT OF CANADA	2.75%	1-Dec-55	7,566,387	7,241,149
11,364,000	GOVERNMENT OF CANADA	4.00%	1-Aug-26	11,450,506	11,475,367
5,181,000	GOVERNMENT OF CANADA	4.00%	1-May-26	5,196,222	5,211,205
4,684,000	GOVERNMENT OF CANADA	3.25%	1-Dec-34	4,645,130	4,645,591
1,122,000	GOVERNMENT OF CANADA	1.50%	1-Jun-31	1,050,819	1,035,146
424,000	GOVERNMENT OF CANADA	0.50%	1-Dec-30	380,131	375,719
9,373,000	GOVERNMENT OF CANADA	3.25%	1-Jun-35	9,302,640	9,234,280
418,000	GOVERNMENT OF CANADA	2.75%	1-May-27	419,178	419,430
1,427,000	GOVERNMENT OF CANADA	0.00%	14-Jan-26	1,425,804	1,425,816
1,510,000	GOVERNMENT OF CANADA	0.00%	11-Feb-26	1,506,218	1,506,255
396,000	GOVERNMENT OF CANADA	0.00%	28-Jan-26	395,342	395,351
513,000	HYDRO ONE INC	4.85%	30-Nov-54	536,625	512,897
863,000	MANULIFE FINANCIAL CORP	5.05%	23-Feb-34	897,347	901,792
784,000	MANULIFE FINANCIAL CORP	4.06%	6-Dec-34	787,507	794,506
1,099,000	MCGILL UNIVERSITY HEALTH	5.36%	31-Dec-43	1,302,584	1,137,223
2,573,000	NATIONAL BANK OF CANADA	5.43%	16-Aug-32	2,577,469	2,663,441
113,538	NEW BRUNSWICK PROJECT	6.47%	30-Nov-27	117,526	117,313
1,943,000	NORTH WEST REDWATER PRT	4.15%	1-Jun-33	1,940,851	1,952,054
4,170,000	OPB FINANCE TRUST	3.89%	4-Jul-42	4,190,836	3,739,489
2,222,000	OPB FINANCE TRUST	2.98%	25-Jan-27	2,221,877	2,227,955
2,829,725	ORNGE ISSUER TRUST	5.73%	11-Jun-34	2,947,089	3,020,194
1,226,000	PROVINCE OF ALBERTA	3.10%	1-Jun-50	989,132	952,222
3,217,000	PROVINCE OF ALBERTA	3.10%	1-Jun-50	3,122,534	2,498,612
2,206,000	PROVINCE OF BRITISH COLUMBIA	4.30%	18-Jun-42	2,631,890	2,171,322
3,362,000	PROVINCE OF BRITISH COLUMBIA	6.35%	18-Jun-31	3,863,619	3,880,656
2,647,000	PROVINCE OF BRITISH COLUMBIA	2.20%	18-Jun-30	2,758,637	2,550,067
355,000	PROVINCE OF BRITISH COLUMBIA	2.80%	18-Jun-48	387,800	263,573
6,469,000	PROVINCE OF BRITISH COLUMBIA	4.15%	18-Jun-34	6,608,041	6,674,132
1,795,000	PROVINCE OF BRITISH COLUMBIA	4.25%	18-Dec-53	1,825,319	1,683,925
611,000	PROVINCE OF BRITISH COLUMBIA	2.95%	18-Jun-50	485,182	458,488

# 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, 2025 (Continued)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	
7,000	PROVINCE OF MANITOBA	2.85%	5-Sep-46	6,978	5,317	
999,000	PROVINCE OF NEWFOUNDLAND	3.30%	17-Oct-46	941,914	807,122	
2,576,000	PROVINCE OF ONTARIO	4.65%	2-Jun-41	2,919,878	2,657,582	
3,026,000	PROVINCE OF ONTARIO	5.85%	8-Mar-33	3,397,778	3,464,407	
950,000	PROVINCE OF ONTARIO	4.70%	2-Jun-37	976,910	1,004,093	
465,000	PROVINCE OF ONTARIO	2.40%	2-Jun-26	463,691	465,195	
2,432,000	PROVINCE OF ONTARIO	2.80%	2-Jun-48	2,183,460	1,821,811	
357,000	PROVINCE OF ONTARIO	2.90%	2-Dec-46	291,091	276,989	
6,223,000	PROVINCE OF ONTARIO	1.90%	2-Dec-51	4,252,589	3,706,232	
18,090,000	PROVINCE OF ONTARIO	3.75%	2-Jun-32	17,895,758	18,461,930	
7,592,000	PROVINCE OF ONTARIO	3.65%	2-Jun-33	7,403,265	7,650,231	
715,000	PROVINCE OF ONTARIO	2.70%	2-Jun-29	683,227	709,823	
1,084,000	PROVINCE OF ONTARIO	4.10%	4-Mar-33	1,080,845	1,125,875	
991,000	PROVINCE OF ONTARIO	4.60%	2-Dec-55	1,036,374	991,268	
1,674,000	PROVINCE OF ONTARIO	3.75%	2-Dec-53	1,514,414	1,451,994	
2,199,000	PROVINCE OF ONTARIO	4.10%	7-Oct-54	2,184,216	2,026,642	
10,432,000	PROVINCE OF ONTARIO	4.15%	2-Dec-54	9,896,265	9,677,140	
4,344,000	PROVINCE OF ONTARIO	2.90%	2-Jun-28	4,369,578	4,355,685	
42,000	PROVINCE OF ONTARIO	3.45%	2-Jun-45	36,971	36,117	
6,440,000	PROVINCE OF ONTARIO	3.60%	2-Jun-35	6,318,340	6,321,504	
870,000	PROVINCE OF ONTARIO	2.65%	2-Dec-50	641,311	619,214	
1,635,000	PROVINCE OF ONTARIO	2.15%	2-Jun-31	1,569,671	1,547,675	
1,420,000	PROVINCE OF PRINCE EDWARD ISLAND	6.10%	29-Jul-27	1,437,697	1,492,846	
380,000	PROVINCE OF QUEBEC	5.75%	1-Dec-36	454,399	434,306	
1,616,000	PROVINCE OF QUEBEC	3.90%	22-Nov-32	1,614,351	1,657,240	
516,000	PROVINCE OF QUEBEC	1.90%	1-Sep-30	475,014	488,647	
1,392,000	PROVINCE OF QUEBEC	3.22%	22-Jul-30	1,392,000	1,397,972	
1,710,000	PROVINCE OF SASKATCHEWAN	3.40%	3-Feb-42	1,720,183	1,509,639	
407,000	ROGERS COMMUNICATIONS INC	4.25%	15-Apr-32	388,866	411,628	
4,451,000	ROYAL BANK OF CANADA	5.01%	1-Feb-33	4,399,127	4,601,132	
2,483,000	ROYAL BANK OF CANADA	5.10%	3-Apr-34	2,579,056	2,593,345	
4,448,000	ROYAL BANK OF CANADA	4.00%	17-Oct-30	4,448,000	4,531,845	
1,500,000	ROYAL BANK OF CANADA	4.28%	4-Feb-35	1,510,495	1,525,890	
784,000	ROYAL BANK OF CANADA	4.21%	3-Jul-35	783,573	793,894	
12,284,000	ROYAL OFFICE FINANCE LP	5.21%	12-Nov-32	12,017,656	9,249,729	
1,500,000	SINAI HEALTH SYSTEM	3.53%	9-Jun-56	1,500,000	1,151,925	
2,381,000	SUN LIFE FINANCIAL INC	4.78%	10-Aug-34	2,375,366	2,476,192	
300,000	SUN LIFE FINANCIAL INC	5.12%	15-May-36	314,602	317,097	
1,500,000	THE HOSPITAL FOR SICK CHILDREN	3.42%	7-Dec-57	1,500,000	1,135,995	
2,663,000	TORONTO DOMINION BANK	5.18%	9-Apr-34	2,754,457	2,789,493	
5,874,000	TORONTO DOMINION BANK	5.49%	8-Sep-28	6,162,284	6,211,931	
1,500,000	TORONTO DOMINION BANK	4.23%	1-Feb-35	1,506,130	1,523,670	
1,182,000	TRANSCANADA PIPELINES LTD	5.33%	12-May-32	1,191,402	1,261,738	
1,725,000	YUKON DEVELOPMENT CORP	5.00%	29-Jun-40	2,018,993	1,808,990	
<b>Total Fixed Income Securities</b>				<b>\$280,579,754</b>	<b>\$273,982,256</b>	63.4%
<b>Shares / Units</b>	<b>Equity Securities</b>					
51,328	ALIMENTATION COUCHE-TARD			2,430,372	3,844,980	
37,108	BANK OF MONTREAL			3,817,459	6,612,646	
91,750	BMO S&P 500 INDEX ETF			2,838,939	9,438,323	
19,232	CAE INC			771,130	801,397	
50,611	CANADIAN NATIONAL RAILWAY			6,471,185	6,867,912	
58,879	CANADIAN PAC KANS CITY LTD			4,094,900	5,947,368	
60,464	CCL INDUSTRIES INC			3,477,951	5,221,671	
56,443	CGI INC			5,872,209	7,149,635	
1,827	CONSTELLATION SOFTWARE INC			2,677,236	5,993,017	

# 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, 2025 (Continued)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	
15,549	DEFINITY FINL CORP			1,115,780	1,176,593	
12,028	DESCARTES SYSTEMS GROUP INC			1,085,381	1,443,360	
19,518	DOLLARAMA INC			848,443	4,001,190	
104,637	EMPIRE COMPANY LTD			3,823,925	4,982,814	
24,386	IA FINANCIAL CORP INC			2,384,128	4,325,345	
26,200	INTACT FINANCIAL CORP			3,460,081	7,464,380	
107,364	LOBLAW COMPANIES LTD			2,268,489	6,658,715	
77,629	METRO INC			4,380,426	7,661,206	
39,958	NATIONAL BANK OF CANADA			2,752,231	6,890,757	
152,447	QUEBECOR INC CL B			5,074,356	7,857,118	
42,748	RB GLOBAL INC			3,695,487	5,907,774	
71,131	RESTAURANT BRANDS			6,173,630	6,645,577	
78,121	ROGERS COMMUNICATIONS INC			4,242,481	4,042,762	
39,448	ROYAL BANK OF CANADA			3,846,659	9,230,043	
22,103	STANTEC INC			1,227,325	2,859,465	
185,557	TELUS CORPORATION			4,650,686	3,351,159	
16,992	THOMSON REUTERS CORP			1,428,371	3,071,814	
83,988	TMX GROUP LIMITED			1,755,150	4,352,258	
7,119	TOPICUS COM INC			577,035	889,875	
43,308	TOROMONT INDUSTRIES LTD			3,214,478	7,156,647	
27,631	WASTE CONNECTIONS INC			4,082,305	6,576,178	
	<b>Total Equity Securities</b>			<b>\$94,538,228</b>	<b>\$158,421,979</b>	<b>36.6%</b>
				<b>\$375,117,982</b>	<b>\$432,404,235</b>	<b>100.0%</b>

# 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, 2025

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
<b>Fixed Income Securities</b>					
205,000	BANK OF AMERICA CORP	2.598%	4-Apr-2029	205,000	202,327
990,000	BANK OF MONTREAL	3.190%	1-Mar-2028	989,155	992,950
2,305,000	BANK OF MONTREAL	5.039%	29-May-2028	2,305,000	2,399,920
2,280,000	BANK OF MONTREAL	4.420%	17-Jul-2029	2,373,081	2,359,732
235,000	BANK OF MONTREAL	5.625%	26-May-2082	235,000	239,662
725,000	BANK OF NOVA SCOTIA	2.620%	2-Dec-2026	721,805	725,305
970,000	BANK OF NOVA SCOTIA	3.100%	2-Feb-2028	969,931	971,639
2,400,000	BANK OF NOVA SCOTIA	1.850%	2-Nov-2026	2,399,901	2,384,568
2,215,000	BANK OF NOVA SCOTIA	2.950%	8-Mar-2027	2,214,298	2,216,617
1,840,000	BANK OF NOVA SCOTIA	3.616%	30-Jan-2032	1,840,000	1,831,536
1,800,000	BANK OF NOVA SCOTIA	5.679%	2-Aug-2033	1,896,428	1,897,344
12,388,000	CANADA HOUSING TRUST	4.250%	15-Mar-2034	12,717,394	13,056,828
10,365,000	CANADA HOUSING TRUST	2.900%	15-Dec-2029	10,346,513	10,342,404
4,230,000	CANADA HOUSING TRUST	3.100%	15-Jun-2028	4,262,940	4,265,828
2,500,000	CANADA HOUSING TRUST	3.600%	15-Sep-2035	2,455,922	2,500,075
3,442,000	CANADA POST CORP	4.360%	16-Jul-2040	3,406,386	3,498,655
1,625,000	CANADIAN IMPERIAL BANK OF COMMERCE	2.250%	7-Jan-2027	1,624,284	1,617,395
1,625,000	CANADIAN IMPERIAL BANK OF COMMERCE	4.950%	29-Jun-2027	1,624,258	1,669,444
2,090,000	CANADIAN WESTERN BANK	4.271%	8-Feb-2027	2,090,000	2,124,882
450,000	COASTAL GASLINK PIPELINE	5.606%	30-Mar-2047	481,112	486,810
2,090,000	FEDERATION DES CAISSES	5.279%	15-May-2034	2,090,000	2,193,915
2,525,000	GOVERNMENT OF CANADA	0.000%	14-Jan-2026	2,522,870	2,522,904
545,000	GOVERNMENT OF CANADA	0.000%	11-Feb-2026	543,638	543,648
215,000	GREATER TORONTO AIRPORTS	7.050%	12-Jun-2030	242,533	245,231
1,145,000	GREAT-WEST LIFE CO INC	3.337%	28-Feb-2028	1,146,251	1,150,084
1,315,000	GREAT-WEST LIFE CO INC	2.981%	8-Jul-2050	1,293,359	950,745
1,630,000	HSBC BANK CANADA	1.782%	20-May-2026	1,627,418	1,626,381
122,000	HYDRO ONE INC	6.930%	1-Jun-2032	146,197	142,373
110,000	HYDRO ONE INC	5.490%	16-Jul-2040	130,800	119,569
2,235,000	HYDRO QUEBEC	3.550%	1-Sep-2032	2,231,887	2,238,934
1,685,000	IA FINANCIAL CORP INC	5.685%	20-Jun-2033	1,685,000	1,774,524
370,000	IGM FINANCIAL INC	3.440%	26-Jan-2027	370,191	371,684
590,000	INDEPENDENT ORDER OF FORESTERS	2.885%	15-Oct-2035	590,000	556,966
2,587,000	LABRADOR-ISLAND LINK FDG TR	3.760%	1-Jun-2033	2,450,971	2,631,212
2,178,000	LABRADOR-ISLAND LINK FDG TR	3.860%	1-Dec-2045	2,195,733	2,003,368
800,000	LAURENTIAN BANK OF CANADA	1.603%	6-May-2026	800,000	797,656
1,690,000	MANULIFE BANK OF CANADA	4.546%	8-Mar-2029	1,693,714	1,751,617
1,320,000	MANULIFE BANK OF CANADA	3.992%	22-Feb-2028	1,320,000	1,342,097
130,000	MANULIFE FINANCIAL CORP	5.059%	15-Dec-2036	141,824	132,770
1,030,000	MUSKRAT FALLS / LABRADOR	3.630%	1-Jun-2029	1,056,036	1,054,112
8,335,000	MUSKRAT FALLS / LABRADOR	3.860%	1-Dec-2048	8,535,078	7,505,084
126,000	NEW YORK LIFE GLO FUNDING	2.000%	17-Apr-2028	125,903	123,204
1,255,000	NHA MORTGAGE BACKED SECURITIES	5.375%	1-Jul-2028	940,112	219,717
630,000	NHA MORTGAGE BACKED SECURITIES	1.920%	1-Jan-2030	608,004	538,108
640,000	NHA MORTGAGE BACKED SECURITIES	0.990%	1-Mar-2026	625,576	322,507
1,235,000	NHA MORTGAGE BACKED SECURITIES	0.840%	1-Apr-2026	1,202,128	729,009
1,540,000	NHA MORTGAGE BACKED SECURITIES	0.840%	1-Jun-2026	1,479,657	962,371
940,000	NHA MORTGAGE BACKED SECURITIES	3.500%	1-Mar-2028	833,555	723,504
1,050,000	NHA MORTGAGE BACKED SECURITIES	4.040%	1-Aug-2028	940,016	894,568
1,035,000	NHA MORTGAGE BACKED SECURITIES	3.800%	1-Dec-2028	923,047	877,269
1,000,000	NHA MORTGAGE BACKED SECURITIES	4.100%	1-Jun-2029	926,022	919,922
690,000	NHA MORTGAGE BACKED SECURITIES	3.800%	1-Nov-2029	659,683	663,879
1,088,456	NHA MORTGAGE BACKED SECURITIES	1.140%	1-Mar-2027	996,346	965,966
1,271,691	NHA MORTGAGE BACKED SECURITIES	3.240%	1-Jun-2030	1,246,325	1,254,888
255,000	NORTH WEST REDWATER PRT	2.800%	1-Jun-2027	250,429	254,006

# 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, 2025 (Continued)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	
2,300,000	ONTARIO HYDRO	0.000%	11-Apr-2031	1,998,485	1,919,120	
5,795,000	PROVINCE OF ALBERTA	3.450%	1-Dec-2043	5,858,700	5,051,617	
4,480,000	PROVINCE OF ALBERTA	3.300%	1-Dec-2046	3,867,478	3,699,674	
8,255,000	PROVINCE OF ALBERTA	3.050%	1-Dec-2048	6,853,570	6,417,850	
980,000	PROVINCE OF ALBERTA	3.100%	1-Jun-2050	846,350	761,156	
5,560,000	PROVINCE OF BRITISH COLUMBIA	2.800%	18-Jun-2048	4,293,210	4,128,078	
1,325,000	PROVINCE OF BRITISH COLUMBIA	1.550%	18-Jun-2031	1,155,155	1,213,581	
2,535,000	PROVINCE OF BRITISH COLUMBIA	3.550%	18-Jun-2033	2,485,654	2,534,062	
1,275,000	PROVINCE OF BRITISH COLUMBIA	4.250%	18-Dec-2053	1,216,857	1,196,103	
3,360,000	PROVINCE OF MANITOBA	4.650%	5-Mar-2040	3,777,952	3,461,069	
3,655,000	PROVINCE OF MANITOBA	2.850%	5-Sep-2046	2,801,717	2,776,375	
1,540,000	PROVINCE OF MANITOBA	2.050%	5-Sep-2052	961,435	925,786	
1,560,000	PROVINCE OF NEWFOUNDLAND	4.500%	17-Apr-2037	1,692,045	1,600,092	
1,990,000	PROVINCE OF NEWFOUNDLAND	3.300%	17-Oct-2046	1,951,802	1,607,781	
2,735,000	PROVINCE OF NOVA SCOTIA	4.700%	1-Jun-2041	2,841,075	2,808,954	
3,500,000	PROVINCE OF ONTARIO	2.050%	2-Jun-2030	3,331,485	3,352,895	
1,525,000	PROVINCE OF ONTARIO	2.900%	2-Dec-2046	1,214,323	1,183,216	
2,185,000	PROVINCE OF ONTARIO	3.650%	2-Jun-2033	2,113,470	2,201,759	
3,930,000	PROVINCE OF ONTARIO	4.150%	2-Jun-2034	4,003,023	4,062,677	
10,370,000	PROVINCE OF QUEBEC	3.500%	1-Dec-2045	9,811,405	8,834,099	
597,000	PROVINCE OF SASKATCHEWAN	3.400%	3-Feb-2042	610,524	527,050	
3,575,000	PROVINCE OF SASKATCHEWAN	5.000%	5-Mar-2037	3,921,478	3,880,484	
2,050,000	PROVINCE OF SASKATCHEWAN	4.400%	2-Dec-2056	2,035,731	1,978,373	
4,265,000	PROVINCE OF SASKATCHEWAN	3.800%	2-Jun-2035	4,215,264	4,260,095	
100,000	ROGERS COMMUNICATIONS INC	5.250%	15-Apr-2052	99,548	99,397	
320,000	ROGERS COMMUNICATIONS INC	5.800%	21-Sep-2030	334,891	345,926	
110,000	ROYAL BANK OF CANADA	1.833%	31-Jul-2028	109,747	107,704	
1,540,000	ROYAL BANK OF CANADA	4.612%	13-Jul-2027	1,544,003	1,579,855	
2,501,000	ROYAL BANK OF CANADA	0.535%	20-Jan-2026	2,501,034	2,738,945	
185,000	ROYAL BANK OF CANADA	2.140%	3-Nov-2031	184,344	183,814	
1,840,000	ROYAL BANK OF CANADA	5.235%	2-Nov-2026	1,846,143	1,878,401	
2,505,000	ROYAL BANK OF CANADA	5.096%	3-Apr-2034	2,505,000	2,616,322	
2,500,000	ROYAL BANK OF CANADA	4.214%	3-Jul-2035	2,500,000	2,531,550	
370,000	ROYAL BANK OF CANADA	4.000%	24-Feb-2081	369,816	370,122	
110,000	SCOTIABANK CAPITAL TRUST	5.650%	31-Dec-2056	125,769	116,171	
3,200,000	SUN LIFE FINANCIAL INC	2.580%	10-May-2032	3,039,933	3,180,192	
3,200,000	SUN LIFE FINANCIAL INC	4.140%	13-Sep-2037	3,198,877	3,187,712	
1,390,000	THE CANADA LIFE ASSURANCE	6.400%	11-Dec-2028	1,473,925	1,506,329	
815,000	TORONTO DOMINION BANK	4.210%	1-Jun-2027	815,000	829,295	
1,220,000	TORONTO DOMINION BANK	7.232%	31-Dec-2149	1,220,000	1,286,954	
3,200,000	TORONTO DOMINION BANK	4.344%	27-Jan-2026	3,199,049	3,203,360	
2,125,000	TORONTO DOMINION BANK	4.423%	31-Oct-2035	2,125,000	2,166,055	
397,000	UNION GAS LIMITED	4.200%	2-Jun-2044	373,964	364,724	
1,135,000	UNITED STATES TREASURY BILL	0.000%	19-Mar-2026	1,552,597	1,542,799	
9,816,515	UNITED STATES TREASURY NOTE	1.500%	15-Feb-2030	8,894,287	9,078,116	
<b>Total Fixed Income Securities</b>				<b>\$211,599,826</b>	<b>\$206,183,402</b>	72.9%
<b>Shares / Units</b>	<b>Equity Securities</b>					
25,045	ALIMENTATION COUCHE-TARD			1,177,878	1,876,121	
18,119	BANK OF MONTREAL			1,818,822	3,228,806	
40,938	BMO S&P 500 INDEX ETF			1,048,553	4,211,292	
9,390	CAE INC			376,503	391,281	
24,627	CANADIAN NATIONAL RAILWAY			2,996,495	3,341,882	
28,639	CANADIAN PAC KANS CITY LTD			1,833,068	2,892,825	
29,234	CCL INDUSTRIES INC			1,639,285	2,524,648	

# 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, 2025 (Continued)

Shares / Units	Equity Securities	Average Cost (\$)	Fair Value (\$)	
27,256	CGI INC	2,758,166	3,452,518	
879	CONSTELLATION SOFTWARE INC	1,031,520	2,883,340	
7,619	DEFINITY FINL CORP	546,573	576,530	
5,871	DESCARTES SYSTEMS GROUP INC	522,285	704,520	
9,481	DOLLARAMA INC	370,459	1,943,605	
50,994	EMPIRE COMPANY LTD	1,837,762	2,428,334	
11,917	IA FINANCIAL CORP INC	1,173,123	2,113,718	
12,679	INTACT FINANCIAL CORP	1,549,177	3,612,247	
52,203	LOBLAW COMPANIES LTD	1,139,305	3,237,630	
37,348	METRO INC	2,046,380	3,685,874	
19,510	NATIONAL BANK OF CANADA	1,272,926	3,364,500	
74,436	QUEBECOR INC CL B	2,443,300	3,836,431	
20,584	RB GLOBAL INC	1,713,653	2,844,709	
34,655	RESTAURANT BRANDS	3,025,531	3,237,723	
37,902	ROGERS COMMUNICATIONS INC	2,058,325	1,961,429	
19,261	ROYAL BANK OF CANADA	1,833,404	4,506,689	
10,756	STANTEC INC	591,786	1,391,504	
90,546	TELUS CORPORATION	2,244,382	1,635,261	
8,280	THOMSON REUTERS CORP	633,720	1,496,859	
40,769	TMX GROUP LIMITED	774,754	2,112,650	
3,258	TOPICUS COM INC	261,733	407,250	
21,146	TOROMONT INDUSTRIES LTD	1,392,610	3,494,377	
13,361	WASTE CONNECTIONS INC	1,890,742	3,179,918	
	<b>Total Equity Securities</b>	<b>\$44,002,220</b>	<b>\$76,574,471</b>	27.1%
		<b>\$255,602,046</b>	<b>\$282,757,873</b>	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, 2025

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	
<b>Fixed Income Securities</b>						
845,000	CANADA HOUSING TRUST	2.350%	15-Jun-2027	826,976	842,854	
975,000	CANADA HOUSING TRUST	1.100%	15-Mar-2031	902,495	880,347	
690,000	CANADA HOUSING TRUST	1.100%	15-Dec-2026	669,668	681,534	
605,000	CANADA HOUSING TRUST	2.450%	15-Dec-2031	584,118	579,390	
642,000	CANADA HOUSING TRUST	3.650%	15-Jun-2033	643,173	652,632	
635,000	CANADA HOUSING TRUST	4.250%	15-Mar-2034	659,649	669,284	
632,000	CANADA HOUSING TRUST NO.1	1.900%	15-Sep-2026	634,645	630,053	
861,000	CANADA HOUSING TRUST NO.1	2.650%	15-Dec-2028	841,529	857,487	
632,000	GOVERNMENT OF CANADA	1.500%	1-Jun-2026	632,815	630,085	
251,000	GOVERNMENT OF CANADA	4.000%	1-Jun-2041	273,475	260,970	
304,000	GOVERNMENT OF CANADA	2.750%	1-Dec-2048	282,235	254,746	
443,000	PROVINCE OF ALBERTA	3.450%	1-Dec-2043	469,063	386,172	
150,000	PROVINCE OF BRITISH COLUMBIA	2.200%	18-Jun-2030	151,305	144,507	
275,000	PROVINCE OF BRITISH COLUMBIA	3.550%	18-Jun-2033	270,212	274,898	
371,000	PROVINCE OF MANITOBA	6.300%	5-Mar-2031	430,247	424,769	
415,000	PROVINCE OF MANITOBA	4.050%	5-Sep-2045	396,107	383,435	
494,000	PROVINCE OF MANITOBA	3.000%	2-Jun-2028	509,135	496,361	
453,000	PROVINCE OF NEW BRUNSWICK	4.800%	26-Sep-2039	544,563	475,908	
334,000	PROVINCE OF ONTARIO	6.500%	8-Mar-2029	369,836	370,483	
648,000	PROVINCE OF ONTARIO	4.700%	2-Jun-2037	718,808	684,897	
995,000	PROVINCE OF ONTARIO	3.500%	2-Jun-2043	1,066,108	878,068	
754,000	PROVINCE OF ONTARIO	2.600%	2-Jun-2027	764,815	754,249	
715,000	PROVINCE OF ONTARIO	2.900%	2-Dec-2046	537,215	554,754	
715,000	PROVINCE OF ONTARIO	2.550%	2-Dec-2052	539,083	490,883	
298,000	PROVINCE OF QUEBEC	6.000%	1-Oct-2029	318,115	328,929	
474,000	PROVINCE OF QUEBEC	3.500%	1-Dec-2045	441,843	403,796	
600,000	PROVINCE OF QUEBEC	4.000%	1-Sep-2035	612,243	603,996	
71,000	PROVINCE OF SASKATCHEWAN	3.400%	3-Feb-2042	76,070	62,681	
<b>Total Fixed Income Securities</b>				<b>\$15,165,546</b>	<b>\$14,658,168</b>	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, 2025

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
<b>Fixed Income Securities</b>					
161,000	CANADA HOUSING TRUST	2.350%	15-Jun-2027	157,530	160,591
165,000	CANADA HOUSING TRUST	1.100%	15-Mar-2031	155,118	148,982
120,000	CANADA HOUSING TRUST	1.100%	15-Dec-2026	116,555	118,528
116,000	CANADA HOUSING TRUST	2.450%	15-Dec-2031	112,180	111,090
116,000	CANADA HOUSING TRUST	3.650%	15-Jun-2033	116,208	117,921
145,000	CANADA HOUSING TRUST	4.250%	15-Mar-2034	149,672	152,829
128,000	CANADA HOUSING TRUST NO.1	1.900%	15-Sep-2026	128,339	127,606
164,000	CANADA HOUSING TRUST NO.1	2.650%	15-Dec-2028	159,062	163,331
129,000	GOVERNMENT OF CANADA	1.500%	1-Jun-2026	128,990	128,609
48,000	GOVERNMENT OF CANADA	4.000%	1-Jun-2041	52,298	49,907
58,000	GOVERNMENT OF CANADA	2.750%	1-Dec-2048	53,847	48,603
81,000	PROVINCE OF ALBERTA	3.450%	1-Dec-2043	82,672	70,609
30,000	PROVINCE OF BRITISH COLUMBIA	2.200%	18-Jun-2030	30,211	28,901
52,000	PROVINCE OF BRITISH COLUMBIA	3.550%	18-Jun-2033	51,094	51,981
100,000	PROVINCE OF MANITOBA	6.300%	5-Mar-2031	112,499	114,493
80,000	PROVINCE OF MANITOBA	4.050%	5-Sep-2045	76,358	73,915
92,000	PROVINCE OF MANITOBA	3.000%	2-Jun-2028	95,779	92,440
85,000	PROVINCE OF NEW BRUNSWICK	4.800%	26-Sep-2039	98,007	89,298
62,000	PROVINCE OF ONTARIO	6.500%	8-Mar-2029	67,200	68,772
125,000	PROVINCE OF ONTARIO	4.700%	2-Jun-2037	137,189	132,118
191,000	PROVINCE OF ONTARIO	3.500%	2-Jun-2043	196,036	168,554
132,000	PROVINCE OF ONTARIO	2.600%	2-Jun-2027	134,020	132,044
147,000	PROVINCE OF ONTARIO	2.900%	2-Dec-2046	111,192	114,054
135,000	PROVINCE OF ONTARIO	2.550%	2-Dec-2052	101,785	92,684
82,000	PROVINCE OF QUEBEC	3.500%	1-Dec-2045	76,975	69,978
105,000	PROVINCE OF QUEBEC	4.000%	1-Sep-2035	107,143	105,699
57,000	PROVINCE OF QUEBEC	6.000%	1-Oct-2029	60,847	62,916
18,000	PROVINCE OF SASKATCHEWAN	3.400%	3-Feb-2042	19,306	15,891
<b>Total Fixed Income Securities</b>				<b>\$2,888,112</b>	<b>\$2,812,344</b>
					100.0%

## Summary of Schedules of Investment Portfolio

December 31, 2025

	Average Cost (\$)	Fair Value (\$)
Schedule of Investment Portfolio for Subscriber deposits under Scholarship Agreements	375,117,982	432,404,235
Schedule of Investment Portfolio for Government Grants	255,602,046	282,757,873
Schedule of Investment Portfolio for the Scholarship Enhancement Fund	15,165,546	14,658,168
Schedule of Investment Portfolio for Subscriber deposits under Escrow Agreements	2,888,112	2,812,344
	<b>\$648,773,686</b>	<b>\$732,632,620</b>

# 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, 2025

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### 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 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.

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 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.

The Plans consist of three types of scholarship plans: the Group Option Plan, the Self-Initiated Option Plan and the Achievers Plan.

#### Group Option Plan

Under the Group Option Plan, subscribers purchase one or more units for a designated beneficiary and agree to make contributions in accordance with a prescribed contribution schedule up to a defined maturity date that generally corresponds with the year the beneficiary is expected to commence post-secondary education. Subscriber contributions, net of applicable fees, are pooled and invested. Educational Assistance Payments ("EAPs") consist of government grants and accumulated investment income allocated to beneficiaries within the same beneficiary group. Additional EAP top-ups and potential return of sales charges may be provided from the Scholarship Enhancement Fund in accordance with the terms of the Plan and subject to amounts available.

#### Self-Initiated Option Plan

The Self-Initiated Option Plan provides flexibility in contribution amounts and timing. Subscribers may contribute amounts at their discretion, subject to statutory RESP limits, and select a maturity date within 31 years of the contract date. Educational Assistance Payments consist of accumulated investment income and government grants attributable to the individual plan. Unlike the Group Option Plan, amounts payable are not determined by reference to a beneficiary group.

#### Achievers Plan

The Achievers Plan requires subscribers to select a target contribution amount and contribution frequency. Contributions are made in accordance with a defined contribution schedule up to a maturity date selected by the subscriber within 31 years of the contract date. Educational Assistance Payments consist of accumulated investment income and government grants attributable to the individual plan. Investment income earned after the maturity date may be allocated to the Enrichment Fund and used to provide additional EAPs to eligible beneficiaries in accordance with the terms of the Plan.

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### 2. Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards 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 24, 2026.

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### 3. Summary of material accounting policies

The accounting policies applied to these financial statements are the same as those applied in the financial statements as at and for the year ended December 31, 2024. There are no new accounting standards that were adopted during the year ended December 31, 2025.

# 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, 2025

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### 3. Summary of material accounting policies (continued)

#### Financial Instruments

##### Recognition, initial measurement and classification

The Foundation's financial instruments consist of cash, bank indebtedness, accrued interest, dividends receivable, government grants receivable, 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 earned on subscriber deposits, accumulated investment income earned on subscriber deposits under escrow agreements, government grants, accumulated investment 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 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 under 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.

##### 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. Average cost includes amortization of premiums and discounts on the Plan's debt securities.

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, 2025 there was a net unrealized gain of \$83,858,810 (December 31, 2024 – \$98,127,553) included in net assets attributable to subscribers and beneficiaries.

# 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, 2025

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### 3. Summary of material accounting policies (continued)

#### Foreign currency

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

#### Subscribers' deposits

Subscribers' principal balances reflect only amounts received from subscribers and do not include amounts receivable on outstanding agreements, as subscribers may terminate their plans at any time. The principal deposits are returned to the subscriber (or the subscriber's beneficiary if certain conditions are met) either on termination or maturity of the scholarship agreement. Subscriber deposits, upon termination of the plan or cancellation by the subscriber, are shown in liabilities. The financial statements reflect all other subscriber deposits in net assets attributable to subscribers and beneficiaries. As the subscriber deposits are due on demand, they are recorded at 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 \$57,375 are eligible for an additional 20% of CESG on the first \$500 contributed. Families with annual income between \$57,375 and \$114,750 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 \$53,255 are eligible for an additional 10% on contributions to a maximum of \$50. Families with annual income between \$53,255 and \$106,495 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.

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 2% of investments as at December 31, 2025. The financial results of this segment are equivalent to the financial statements of the Foundation as a whole.

#### Accounting standards issued but not yet effective

##### *IFRS 18 Presentation and Disclosure in Financial Statements*

*IFRS 18* will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures ("MPMs") are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Foundation is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Foundation's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Foundation is also assessing the impact on how information is grouped in 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, 2025

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### 3. Summary of material accounting policies (continued)

#### *Classification and Measurement of Financial Instruments*

In May 2024, the International Accounting Standards Board ("IASB") issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments clarify guidance relating to the settlement of financial liabilities using electronic payment systems and the assessment of contractual cash flow characteristics of financial assets, including those with Environmental, Social and Governance ("ESG")-linked features. The amendments also introduce enhanced disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income ("FVOCI") and financial instruments with contingent features.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted. The Foundation is currently assessing the impact of these amendments on its financial statements.

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### 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.

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### 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.

#### *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 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 under IFRS 9 in order to eliminate a measurement inconsistency, as the obligation for net assets attributable to subscribers and beneficiaries are measured at FVTPL.

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### 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, which 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,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Investment in debt securities	497,636,171	574,198,635

# 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, 2025

### 6. Risks associated with financial instruments (continued)

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

Asset Class	December 31,	December 31,
	2025	2024
Government - Federal	186,284,186	\$ 179,187,195
Government - Provincial	192,407,423	233,849,742
Financial institution bonds	106,153,920	145,221,059
Corporate bonds	12,790,642	15,940,639
	<u>\$ 497,636,171</u>	<u>\$ 574,198,635</u>

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. Risk is managed through guidelines mandated by the Canadian Securities Administrators. The Foundation is invested in debt instruments with the following credit ratings:

Debt instruments* by credit rating	Percentage of total debt instruments*	
	December 31,	December 31,
	2025	2024
AAA	34.7%	27.8%
AA	41.3%	42.9%
A	22.2%	26.6%
BBB	1.8%	2.7%

\* 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.

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

The Foundation retains sufficient cash to meet liquidity requirements.

The balance reported as Bank indebtedness reflects outstanding cheques that have been recorded but not yet cleared by the bank. This balance results from the timing of cheque settlements and does not represent a credit facility, overdraft, or loan arrangement with a financial institution.

#### 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

# 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, 2025

### 6. Risks associated with financial instruments (continued)

investment advisors of the Foundation utilize active portfolio management strategies. These strategies include duration management, sector allocation, and credit analysis. 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. 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 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,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Due in one year	8.6%	5.7%
Due one year through five years	23.4%	22.0%
Due after five years	68.0%	72.3%

As at December 31, 2025, 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 \$497,636,171 (December 31, 2024 - \$574,198,635) would have decreased or increased by approximately \$8,353,635 (December 31, 2024 - \$10,166,993). 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 are most impacted by price risk. The total fair value of equity securities on hand as at December 31, 2025 was \$234,996,450 (December 31, 2024 - \$249,138,852). As at December 31, 2025 if underlying index prices increased or decreased by 1%, with all other variables held constant, the investment portfolio of equity would increase or decrease by approximately \$2,349,965 (December 31, 2024 - \$2,491,389). In practice, the actual trading results may differ materially.

#### (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, 2025 was \$27,009,475 (December 31, 2024 - \$32,461,486). As at December 31, 2025, 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 \$1,350,474 (December 31, 2024 - \$1,623,074).

#### 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, 2025

### 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, being the only financial instrument measured at fair value, as at December 31, 2025 and December 31, 2024:

As at December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Equities	\$234,996,450	\$ –	\$234,996,450
Bonds and treasury bills	459,383,208	38,252,962	497,636,170
	<u>\$694,379,658</u>	<u>\$38,252,962</u>	<u>\$732,632,620</u>

As at December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Equities	\$249,138,852	\$ –	\$249,138,852
Bonds and treasury bills	496,567,812	77,630,824	574,198,636
	<u>\$745,706,664</u>	<u>\$77,630,824</u>	<u>\$823,337,488</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.

### 7. Financial instruments by category

The following table presents the carrying amounts of the Foundation's financial assets by category as at December 31, 2025 and December 31, 2024. All of the Foundation's financial liabilities as at December 31, 2025 and December 31, 2024 were measured at amortized cost.

As at December 31, 2025

	<u>Financial assets at fair value</u>		
	<u>FVTPL</u>	<u>Financial assets at amortized cost</u>	<u>Total</u>
Investments	\$732,632,620	\$ –	\$732,632,620
Cash	–	12,267,762	12,267,762
Accrued interest	–	3,161,025	3,161,025
Dividends receivable	–	429,811	429,811
Government grants receivable	–	342,169	342,169
	<u>\$732,632,620</u>	<u>\$16,200,767</u>	<u>\$748,833,387</u>

As at December 31, 2024

	<u>Financial assets at fair value</u>		
	<u>FVTPL</u>	<u>Financial assets at amortized cost</u>	<u>Total</u>
Investments	\$823,337,488	\$ –	\$823,337,488
Cash	–	–	–
Accrued interest	–	3,307,645	3,307,645
Dividends receivable	–	357,379	357,379
Government grants receivable	–	454,295	454,295
	<u>\$823,337,488</u>	<u>\$4,119,319</u>	<u>\$827,456,807</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, 2025

### 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 during which investment income is accrued to beneficiaries, typically until the Maturity Date, which occurs before the payment of Educational Assistance Payments. The Maturity Date is the date the Plan matures, generally coinciding with the Beneficiary's expected enrolment in post-secondary education under the Group Option Plan, or a date selected by the Subscriber within 31 years of the Contract date under the Self-Initiated Option Plan and Achievers Plan. Investment income earned after Maturity Date is allocated to the Funds for Scholarship Enhancements and Enrichment to support additional Educational Assistance Payments and return of sales charges.

The amount of additional Educational Assistance Payments and return of sales charges depends on the funds available in the applicable account for the relevant Beneficiary Group or payment year. The Foundation's Board of Directors approves the allocation between additional Educational Assistance Payments and return of sales charges on an annual basis. Payments from these accounts 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, 2025</u>	<u>For the year ended</u> <u>December 31, 2024</u>
Balance, beginning of year	\$21,229,336	\$8,158,403
Investment income after maturity date (including adjustments)	7,350,712	16,311,993
Investment income earned on fund balance	434,197	407,278
Return of sales charges	(422,158)	(375,895)
Net change in unrealized gains	(78,404)	151,771
Additional educational assistance payments	(10,000,508)	(3,424,214)
Balance, end of year	<u>\$18,513,175</u>	<u>\$21,229,336</u>

#### *Funds for Enrichment*

	<u>For the year ended</u> <u>December 31, 2025</u>	<u>For the year ended</u> <u>December 31, 2024</u>
Balance, beginning of year	\$237,380	\$461,917
Investment Income after maturity date (including adjustments)	14,312	(200,775)
Return of sales charges	(30,070)	1,237
Additional educational assistance payments	(7,209)	(24,999)
Balance, end of year	<u>\$214,413</u>	<u>\$237,380</u>

### 10. Education assistance payments

	<u>2025</u>	<u>2024</u>
Number of units		
First scholarship	29,971	30,126
Second scholarship	28,598	28,861
Third scholarship	27,482	23,414

# 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, 2025

### 10. Education assistance payments (continued)

Amount of scholarships per unit	<b>2025</b>	<b>2024</b>
First scholarship	<b>\$474</b>	\$357
Second scholarship	<b>\$391</b>	\$328
Third scholarship	<b>\$431</b>	\$405

The education assistance payments comprise the specified per unit scholarship payments as well as additional payments of \$2,835,115 (2024 - \$1,968,390) for students where the qualifying programs are less than four full years.

The foundation also made education assistance payments of \$512,586 (2024 - \$434,331) and \$332,985 (2024 - \$243,089) for students enrolled in plans under the self-initiated option and Achievers plans respectively.

Under the Group Option Plan, a beneficiary may advance their year of eligibility to an earlier year, potentially resulting in a present-valued determined education assistance payment. During the year, total scholarships discounted for early eligibility advancement, scholarships disbursed for applications based on prior-year scholarship rates, and scholarships capped to comply with regulatory limits amounted to \$3,102,106 (2024 - \$2,997,921).

Late applications for education assistance payments and deferred payment applications are subject to fees, totaling \$307,586 (2024 - \$352,402).

The total scholarships paid in 2025 amounted to \$43,708,138 (2024 - \$34,995,239) for 86,051 units (2024 - 82,401 units), with scholarship rates of \$474 per unit (2024 - \$357) for the first scholarship, \$391 per unit (2024 - \$328) for the second scholarship, and \$431 per unit (2024 - \$405) for the third scholarship. This total is net of the above fees and includes payments of \$2,835,115 (2024 - \$1,968,390) for programs shorter than four years, \$512,586 (2024 - \$434,331) under the self-initiated option, and \$332,985 (2024 - \$243,089) for Achievers Plan payments.

### 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, 2025 and December 31, 2024 are as follows:

	<b><u>For the year ended</u></b> <b><u>December 31, 2025</u></b>	<b><u>For the year ended</u></b> <b><u>December 31, 2024</u></b>
<i>Paid directly by subscriber</i>		
Sales charges	<b>\$895,286</b>	\$797,088
Group insurance premiums	<b>1,081,424</b>	1,245,587
Depository fees	<b>486,172</b>	553,656
Annual administration fees on subscriber deposits	<b>3,528,350</b>	3,902,068
Service charges	<b>954,254</b>	1,035,544
<i>Deducted from Foundation's income</i>		
Administration fees	<b>\$1,487,882</b>	\$1,343,023

#### *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, 2025 was \$31,265 (December 31, 2024 - \$31,265).

# 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, 2025

Year of eligibility	Opening units	Inflow units <sup>1</sup>	Outflow units <sup>2</sup>	Closing units	Principal deposits	Investment income	Government grants	Investment income on government grants
Plans presently eligible for assistance payments						16,759,983	44,544,052	36,348,492
2026	50,978	13	12,254	38,737	10,151,162	32,201,239	20,376,609	14,876,367
2027	31,897	14,227	0	46,124	73,011,907	35,607,368	25,206,293	16,482,124
2028	27,705	0	16	27,689	43,581,015	18,721,246	14,304,729	7,917,719
2029	24,719	5	-10	24,734	36,225,670	14,419,285	12,320,260	6,301,635
2030	22,052	0	376	21,676	29,807,912	10,929,813	10,197,273	4,824,388
2031	19,014	8	344	18,678	24,273,660	7,655,829	8,149,463	3,302,676
2032	14,719	8	316	14,411	17,481,586	4,878,026	5,808,156	2,102,011
2033	11,617	29	214	11,432	12,554,757	3,134,569	4,260,047	1,378,318
2034	9,743	23	184	9,582	9,428,927	2,189,074	3,123,055	920,058
2035	8,524	47	115	8,456	7,287,644	1,496,044	2,509,843	664,454
2036	7,368	61	121	7,308	5,420,247	1,021,374	1,911,087	460,408
2037	6,675	112	148	6,639	4,211,952	690,341	1,480,878	321,076
2038	5,249	52	261	5,040	2,612,511	398,231	970,660	187,704
2039	3,351	120	121	3,350	1,299,034	160,005	532,294	87,088
2040	2,799	183	141	2,841	718,009	77,345	362,836	51,459
2041	2,425	301	68	2,658	415,780	31,643	266,797	31,016
2042	2,653	564	153	3,064	208,783	8,281	215,728	14,756
2043	1,641	1,760	285	3,116	75,137	1,239	118,146	3,141
2044	0	1,964	35	1,929	8,722	31	17,318	67
Self-initiated	5,430	288	278	5,440	10,145,681	6,239,709	9,379,200	4,536,298
Achievers	29,768	2,880	3,657	28,991	4,999,368	1,937,675	2,476,420	1,213,452
	<b>288,327</b>	<b>22,645</b>	<b>19,077</b>	<b>291,895</b>	<b>\$293,919,464</b>	<b>\$158,558,350</b>	<b>\$168,531,144</b>	<b>\$102,024,707</b>

Represented by:

Scholarship agreements

291,168,871 157,125,998

Escrow agreements

2,750,592 1,432,351

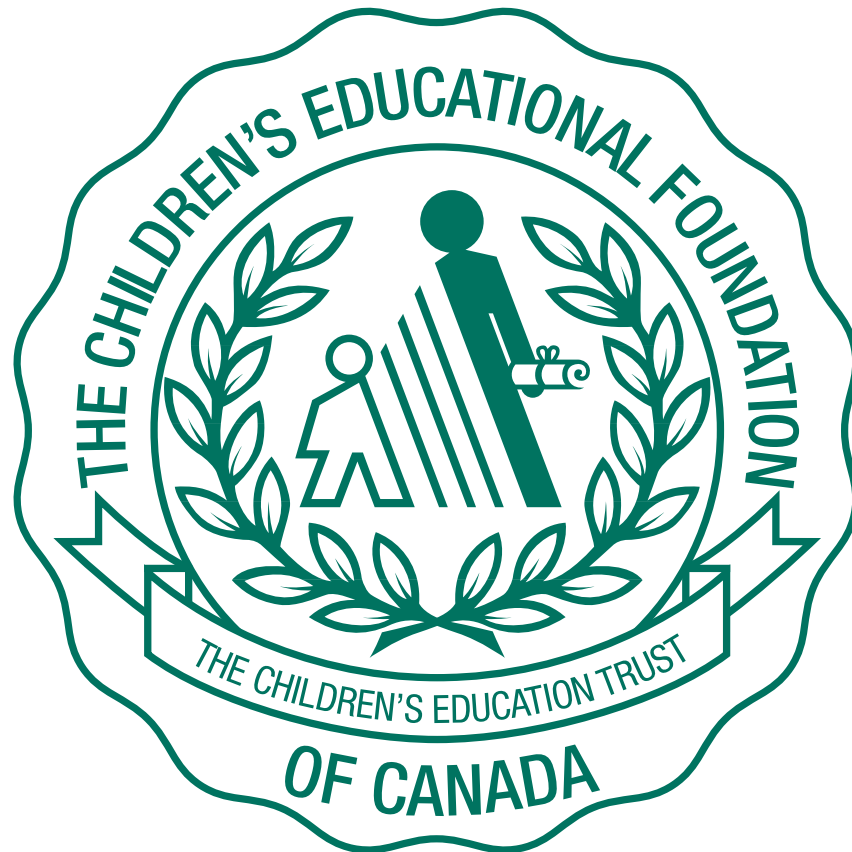
**\$293,919,464 \$158,558,349**

Note: Principal deposits held are fully refundable to subscribers

<sup>1</sup> Inflow units are comprised of purchases and transfers-in

<sup>2</sup> Outflow units are comprised of terminations and transfers-out





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