



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)

Semi-Annual Unaudited Financial Statements June 30, 2017



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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)

Interim Statements of Financial Position

	as at June 30, 2017 (Unaudited)	as at December 31, 2016 (Audited)
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Assets

Cash	\$5,291,111	\$3,282,929
Investments, at fair value (Note 6)	1,092,133,255	1,083,057,125
Accrued interest	3,874,757	4,064,964
Dividends receivable	1,392,313	1,203,782
Government grants receivable	993,826	1,507,811
Receivables for securities sold	26,932,484	2,852,690
Total assets	1,130,617,746	1,095,969,301

Liabilities

Due to Scholarship Plan Dealer (Note 10)	302,206	1,075,647
Payables for securities purchased	6,945,067	9,235,895
Subscriber liability due to terminations	6,502,936	6,243,745
	13,750,209	16,555,287
Net assets attributable to subscribers and beneficiaries	\$1,116,867,537	\$1,079,414,014

Net assets attributable to subscribers and beneficiaries represented by:

Subscriber deposits received in advance	\$836,681	\$1,068,369
Subscriber deposits under scholarship agreements	573,069,730	568,445,883
Subscriber deposits under escrow agreements	2,022,751	1,906,921
Accumulated investment income earned on subscriber deposits	232,969,036	214,722,490
Accumulated investment income earned under escrow agreements	953,223	873,785
Government grants (Note 3)	216,852,463	211,079,841
Accumulated investment income earned on government grants	80,374,288	73,142,683
Funds for Scholarship Enhancements (Note 9)	9,698,563	8,083,953
Funds for Enrichment (Note 9)	90,802	90,089
Net assets attributable to subscribers and beneficiaries	\$1,116,867,537	\$1,079,414,014

See accompanying notes to the unaudited interim 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)

Interim Statements of Comprehensive Income

	For the six months ended June 30, 2017 (Unaudited)	For the six months ended June 30, 2016 (Unaudited)
Income		
Interest income earned on subscriber deposits	\$7,137,089	\$7,645,915
Interest income earned on subscriber deposits under escrow agreements	39,076	31,381
Interest income earned on government grants	2,555,737	2,423,359
Interest income earned on funds for Scholarship Enhancements	34,593	32,811
Investment income earned on funds for Enrichment	254	232
Dividend income earned on subscriber deposits	4,572,797	3,937,070
Dividend income earned on government grants	1,275,054	1,099,049
Realized gains (losses) on sale of investments	4,649,626	(11,835,055)
Net change in unrealized gains	9,823,968	61,052,154
Total income	30,088,194	64,386,916
Expenses		
Administration fees	206,576	125,569
Trustee fees	81,394	85,895
Portfolio management fees	735,288	677,458
Total expenses	1,023,258	888,922
Increase (decrease) in net assets attributable to subscribers and beneficiaries	\$29,064,936	\$63,497,994

See accompanying notes to the unaudited interim 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)

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

	For the six months ended June 30, 2017 (Unaudited)	For the six months ended June 30, 2016 (Unaudited)
Net assets attributable to subscribers and beneficiaries, beginning of period	\$1,079,414,014	\$1,028,615,084
Increase (decrease) in net assets attributable to subscribers and beneficiaries	29,064,936	63,497,994
Transactions with subscribers and beneficiaries		
Subscriber deposits	30,745,980	32,920,007
Fees deducted from subscriber deposits (Note 10)	(6,440,539)	(6,687,784)
Subscriber deposit withdrawals due to termination	(4,144,718)	(2,479,177)
Subscriber deposit withdrawals due to maturing plans	(15,652,735)	(12,913,731)
Canada Education Savings Grants	5,996,499	6,720,539
Canada Learning Bonds	95,184	90,400
Provincial Savings Grants	378,384	448,584
Total transactions with subscribers and beneficiaries	10,978,055	18,098,838
Disbursements to beneficiaries		
Education assistance payments		
Scholarships	1,518,965	1,170,297
Government grants	1,041,726	811,489
Refund of enrolment fees	28,777	8,088
Total disbursements to beneficiaries	2,589,468	1,989,874
Increase (decrease) in net assets attributable to subscribers and beneficiaries	37,453,523	79,606,958
Net assets attributable to subscribers and beneficiaries, end of period	\$1,116,867,537	\$1,108,222,042

See accompanying notes to the unaudited interim financial statements.

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

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	For the six months ended June 30, 2017 (Unaudited)	For the six months ended June 30, 2016 (Unaudited)
Interim Statements of Cash Flows		
Operating Activities		
Increase (decrease) in net assets attributable to subscribers and beneficiaries	\$29,064,936	\$63,497,994
Non-cash items		
Realized gains (losses) on sale of investments	(4,649,626)	11,835,055
Net change in unrealized (appreciation) depreciation	(9,823,968)	(61,052,154)
Amortization of discounts and premiums on investments	3,878,179	2,793,684
(Increase) decrease in accrued interest	190,207	90,061
Increase in dividends receivable	(188,531)	340,648
Decrease in due to Scholarship Plan Dealer	(773,441)	(165,706)
Purchases of investments	(1,191,537,223)	(2,017,104,851)
Proceeds from the sale of investments	1,166,685,887	1,982,759,234
Cash flow from (used in) operating activities	(7,153,580)	(17,006,035)
Financing Activities		
Subscriber deposits received under scholarship agreements	30,547,328	32,699,659
Payments out of subscriber deposits under scholarship agreements	(25,895,978)	(22,156,749)
Subscriber deposits received under escrow agreements	198,652	220,352
Payments out of subscriber deposits under escrow agreements	(82,823)	(107,611)
Government grants received	6,984,051	7,818,020
Education assistance payments	(2,560,691)	(1,981,786)
Return of enrolment fees	(28,777)	(8,088)
Cash flow from (used in) financing activities	9,161,762	16,483,797
Net increase in cash	2,008,182	(522,238)
Cash, beginning of period	3,282,929	6,836,755
Cash, end of period	5,291,111	\$6,314,517
Supplemental information:		
Interest received	\$16,612,146	\$17,179,194
Dividends received, net of withholding tax	\$5,659,319	\$5,376,766

See accompanying notes to the unaudited interim 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 Unaudited Interim Condensed Financial Statements

June 30, 2017

1. Nature of business

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

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

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

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

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

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

2. Basis of presentation

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

The financial statements were authorized for issue by the Board of Directors of the Foundation on August 25, 2017.

3. Summary of significant accounting policies

Financial Instruments

Recognition, initial measurement and classification

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

The Foundation's investments have been designated at fair value through profit or loss ("FVTPL"). Financial assets and financial liabilities at FVTPL are initially recognized at fair value, with transaction costs recognized in profit or loss. Purchases and sales of financial assets are recognized on their trade date. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, where appropriate, at the contract's effective interest rate.

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. The increase or decrease in the redemption amount is shown in the Statements of Comprehensive Income as a change in the net assets attributable to subscribers and beneficiaries.

Fair value measurement

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

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

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Notes to the Unaudited Interim Condensed Financial Statements

June 30, 2017

3. Summary of significant accounting policies (continued)

Investment transactions and income recognition

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

Realized gains and losses from investment transactions are calculated with reference to the amortized cost of the related investments and are recognized in the period in which these occurred. Amortized cost is the original purchase price adjusted for amortization of any premiums or discounts.

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 not allocated to specific beneficiaries until they are realized by the Foundation. As at June 30, 2017 there was a net unrealized gains of \$20,119,748 (December 31, 2016 – \$10,295,780) included in net assets attributable to subscribers and beneficiaries.

Foreign currency

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

Impairment of financial assets

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

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 10).

Certain reclassifications have been made to the 2016 comparative

financial information in order to conform to the current period's presentation.

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 \$45,916 are eligible for an additional 20% of CESG on the first \$500 contributed. Families with annual income between \$45,916 and \$91,831 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 \$42,706 are eligible for an additional 10% on contributions to a maximum of \$50. Families with annual income between \$42,706 and \$85,405 are eligible for an additional 5% on contributions to a maximum of \$25. Family income thresholds are indexed for inflation and will be revised annually by the Quebec Ministry of Revenue. The maximum lifetime education savings incentive is \$3,600 per beneficiary.

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

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, 2007.

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.

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Notes to the Unaudited Interim Condensed Financial Statements

June 30, 2017

3. Summary of significant accounting policies (continued)

Substantially all of the investment income is derived from Canadian investments with foreign investments accounting for approximately 1% of investments as at June 30, 2017. The financial results of this segment are equivalent to the financial statements of the Foundation as a whole.

Future accounting changes

Financial instruments

In July 2014, the IASB issued IFRS 9 *Financial Instruments* ("IFRS 9") which replaces IAS 39 *Financial Instruments: Recognition and Measurement*. The new standard requires assets to be classified based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets will be measured at FVTPL unless certain conditions are met, which permit measurement at amortized cost or fair value through other comprehensive income. The classification and measurement of financial liabilities remain generally unchanged, with the exception of financial liabilities recorded at FVTPL. For financial liabilities designated at FVTPL, IFRS 9 requires the presentation of the effects of changes in our own credit risk in other comprehensive income instead of decrease in net assets attributable to subscribers and beneficiaries. IFRS 9 also introduces an impairment model for financial instruments not measured at FVTPL that requires recognition of expected losses at initial recognition of a financial instrument and the recognition of full lifetime expected losses if certain criteria are met. A new model for hedge accounting expands the scope of eligible hedged items and risks eligible for hedge accounting and aligns hedge accounting more closely with risk management. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Foundation expects to complete the assessment of the impact of adopting IFRS 9 during the second half of 2017 and is not able at this time to estimate reasonably the impact that the standard will have on the financial statements.

4. Tax status

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

5. Critical accounting estimates and judgments

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

Fair value measurement of securities not quoted in an active market

The Foundation holds financial assets that are not traded in an active market, including equity-linked notes, whose fair value is determined using valuation techniques. Valuation techniques which

make maximum use of observable inputs are used. Refer to Note 6 for further information.

Measurement of investments and application of the fair value option

In measuring financial instruments held by the Foundation, the manager is required to make significant judgements about whether or not the business of the Foundation is to invest on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39 *Financial Instruments: Recognition and Measurement*. The most significant judgments made include management's assertion that equity-linked notes may be designated as FVTPL.

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 cash and its investments in debt securities. Credit risk relating to cash relates to the financial institution where the cash is held. The Foundation maintains its cash with a single Canadian financial institution. Credit risk for the investment in debt securities relates to the capability of the issuer of debt securities to make interest payments and repay the principal. The Foundation's maximum exposure to credit risk is limited to the carrying amount of cash and investments in debt securities as summarized below:

	June 30, 2017	December 31, 2016
Cash	\$ 5,291,111	\$ 3,282,929
Investment in debt securities	818,372,331	816,169,606
	\$ 823,663,442	\$ 819,452,535

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

	June 30, 2017	December 31, 2016
Government – Federal	\$ 209,551,490	\$ 209,833,424
Government – Provincial	485,886,431	479,643,728
Financial institution bonds	64,801,617	58,063,516
Corporate bonds	20,370,158	20,975,938
Equity-linked notes	37,762,635	47,653,000
	\$ 818,372,331	\$ 816,169,606

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Notes to the Unaudited Interim Condensed Financial Statements

June 30, 2017

6. Risks associated with financial instruments (continued)

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

The Foundation is invested in debt instruments with the following credit ratings:

Debt instruments* by credit rating	Percentage of total debt instruments*	
	<u>June 30,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
AAA	30.0%	28.4%
AA	51.7%	42.9%
A	17.2%	27.8%
BBB	1.1%	0.9%

* Excludes Government of Canada treasury bills and Money Market deposits

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

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

Liquidity risk

Liquidity risk is defined as the risk that the Foundation may not be able to settle or meet its obligations on time. The Foundation's exposure to liquidity risk is concentrated in principal repayments to subscribers and payments of educational assistance payments. The Foundation moderates liquidity risk by investing primarily in bonds and treasury bills that are traded in an active secondary market. The Foundation also invests in equity securities of issuers traded on a Canadian stock exchange which may contain inactive issuers with

wide bid-ask spreads. This risk is mitigated by the Investment Policy Statement which stipulates investment in equity securities with a sufficiently large market capitalization to ensure adequate liquidity in execution and minimization of trading costs.

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

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

The Foundation retains sufficient cash to meet liquidity requirements.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, price risk and currency risk.

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

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Notes to the Unaudited Interim Condensed Financial Statements

June 30, 2017

6. Risks associated with financial instruments (continued)

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

	June 30, 2017	<u>December 31, 2016</u>
Due in one year or less	3.1%	5.0%
Due one year through five years	39.8%	35.7%
Due after five years	57.1%	59.3%

As at June 30, 2017, 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 \$780,609,696 (December 31, 2016 - \$768,516,606) which excludes equity-linked notes would have decreased or increased by approximately \$14,821,000 (December 31, 2016 - \$16,316,000). In practice, the actual trading results may differ materially.

(ii) Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). Financial instruments held are susceptible to market price risk arising from uncertainties about future prices of instruments. Equity securities and equity-linked notes are most impacted by price risk. The total fair value of equity securities on hand as at June 30, 2017 was \$273,760,924 (December 31, 2016 - \$266,887,520). As at June 30, 2017, if underlying index prices increased or decreased by 1%, with all other variables held constant, the investment portfolio of equity securities and equity-linked notes of \$311,523,559 (December 31, 2016 - \$314,540,520) would increase or decrease by approximately \$2,991,609 (December 31, 2016 - \$2,962,875). In practice, the actual trading results may differ materially. Investments in equity-linked notes carry a guarantee at maturity of principal. The amount of interest, if any, payable on equity-linked notes at maturity will be based on the performance of the underlying assets or market index. Investments in equity-linked notes are made on a long buy and hold basis.

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

As at June 30, 2017

	Level 1	Level 2	Level 3	Total
Equities	\$ 273,760,924	\$ -	\$ -	\$ 273,760,924
Bonds and treasury bills	-	780,609,696	-	780,609,696
Equity-linked notes	-	-	37,762,635	37,762,635
	<u>\$ 273,760,924</u>	<u>\$ 780,609,696</u>	<u>\$ 37,762,635</u>	<u>\$ 1,092,133,255</u>

(iii) Currency risk

The Foundation invests in an exchange-traded fund ("ETF") denominated in Canadian dollars. The investment creates currency risk as the underlying investments within this ETF are exposed to the US dollar and therefore the Foundation is 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 exposed to the US dollar as at June 30, 2017 was \$12,925,417 (December 31, 2016 - \$12,338,576). As at June 30, 2017, if the Canadian dollar had strengthened or weakened by 5%, with all other variables held constant, the total value of equity ETFs exposed to the US dollar would increase or decrease by approximately \$646,271 (December 31, 2016 - \$616,929).

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

The following is a summary of the classification of the Foundation's investments, the only financial instrument measured at fair value, as of June 30, 2017 and December 31, 2016:

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6. Risks associated with financial instruments (continued)

As at December 31, 2016

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$ 266,887,520	\$ -	\$ -	\$ 266,887,520
Bonds and treasury bills	-	768,516,605	-	768,516,605
Equity-linked notes	-	-	47,653,000	47,653,000
	<u>\$ 266,887,520</u>	<u>\$ 768,516,605</u>	<u>\$ 47,653,000</u>	<u>\$ 1,083,057,125</u>

Equities

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

Bonds and treasury bills

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

Equity-linked notes

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

Equity linked note

Basis for underlying return

TD Bank Canadian Index Linked Note	S&P TSX 60 index
TD Bank Fix-8 North American Linked Note	Twenty North American publicly traded companies
TD Bank North American Linked Note	Ten North American publicly traded companies
TD Bank US Index Linked Note	Two US equity indices

The Ornge Issuer Trust Bond was reclassified from Level 3 to Level 2 in 2016. There were no financial instruments that were transferred into or out of Level 1 or 2 during the six month period ended June 30, 2017. The change in unrealized gains is recorded in net changes in unrealized gains (losses) on the Statements of Comprehensive Income.

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

Level 3 – Equity-linked notes

	<u>For the six months ended</u> <u>June 30, 2017</u>	<u>For the year ended</u> <u>December 31, 2016</u>
Balance - beginning of period	\$ 47,653,000	\$ 65,474,710
Maturity of note	(10,000,000)	(20,000,000)
Increase (decrease) in unrealized gains	109,625	2,178,290
Balance - end of period	<u>37,762,625</u>	<u>\$ 47,653,000</u>

Level 3 – Bonds and treasury bills

	<u>For the six months ended</u> <u>June 30, 2017</u>	<u>For the year ended</u> <u>December 31, 2016</u>
Balance - beginning of period	\$ -	\$ 5,748,940
Reclassification of bonds to level 2	-	(5,748,940)
Balance - end of period	<u>\$ -</u>	<u>\$ -</u>

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7. Financial instruments by category

The following table presents the carrying amounts of the Foundation's financial assets by category as at June 30, 2017 and December 31, 2016. All of the Foundation's financial liabilities as at June 30, 2017 and December 31, 2016 were measured at amortized cost.

As at June 30, 2017

	Financial Assets at Fair Value		
	Designated at FVTPL	Financial Assets at Amortized Cost	Total
Investments	\$ 1,092,133,255	\$ -	\$ 1,092,133,255
Cash	-	5,291,111	5,291,111
Accrued interest	-	3,874,757	3,874,757
Dividends receivable	-	1,392,313	1,392,313
Government grants receivable	-	993,826	993,826
Receivables for securities sold	-	26,932,484	26,932,484
	<u>\$ 1,092,133,255</u>	<u>\$ 38,484,491</u>	<u>\$ 1,130,617,746</u>

As at December 31, 2016

	Financial Assets at Fair Value		
	Designated at FVTPL	Financial Assets at Amortized Cost	Total
Investments	\$1,083,057,125	\$ -	\$ 1,083,057,125
Cash	-	3,282,929	3,282,929
Accrued interest	-	4,064,964	4,064,964
Dividends receivable	-	1,203,782	1,203,782
Government grants receivable	-	1,507,811	1,507,811
Receivables for securities sold	-	2,852,690	2,852,690
	<u>\$ 1,083,057,125</u>	<u>\$ 12,912,176</u>	<u>\$ 1,095,969,301</u>

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

8. Capital risk management

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

appropriate investments while maintaining sufficient liquidity to meet its obligations.

9. Funds for Scholarship Enhancements and Enrichment

Under the terms of the Scholarship Plan agreements, there are specified periods, whereby investment income is accrued to the beneficiaries (typically to Maturity Date which is an earlier date than the payment of Educational Assistance Payments). Investment income after Maturity Date and other discretionary contributions made by the Scholarship Plan Dealer in any year are excluded from comprehensive income.

These amounts are then allocated to funds for Scholarship Enhancements and Enrichment for additional Educational Assistance Payments, the timing of which is at the discretion of the Foundation's Trustees. The Trustees determine the amount of any Scholarship Enhancements and Enrichment on an annual basis. The payments of Scholarship Enhancements and Enrichments are included as distributions to beneficiaries in the Statement of Changes in Net Assets Attributable to Subscribers and Beneficiaries.

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9. Funds for Scholarship Enhancements and Enrichment (continued)

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 six months ended</u> <u>June 30, 2017</u>	<u>For the six months ended</u> <u>June 30, 2016</u>
Balance, beginning of period	\$ 8,083,953	\$ 6,446,413
Interest and dividend income after maturity	1,541,873	-
Investment income earned on fund balance	34,673	33,240
Return of sales charges	(12,956)	(8,088)
Net change in unrealized (losses) gains	51,020	113,623
Balance, end of period	<u>\$ 9,698,563</u>	<u>\$ 6,585,188</u>

Funds for Enrichment

	<u>For the six months ended</u> <u>June 30, 2017</u>	<u>For the six months ended</u> <u>June 30, 2016</u>
Balance, beginning of period	\$ 90,089	\$ 54,598
Interest and dividend income after maturity date	16,280	6,089
Investment income earned on fund balance	254	232
Return of sales charges	(15,821)	-
Balance, end of period	<u>\$ 90,802</u>	<u>\$ 60,919</u>

10. 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. As at June 30, 2017 the amount payable to the Scholarship Plan Dealer was \$302,206 (December 31, 2016 - \$1,075,647). Fees charged in the six months ended June 30, 2017 and June 30, 2016 are as follows:

	<u>For the six months ended</u> <u>June 30, 2017</u>	<u>For the six months ended</u> <u>June 30, 2016</u>
<i>Paid directly by subscriber</i>		
Sales charges	\$ 1,433,852	\$ 1,592,592
Group insurance premiums	1,139,028	1,128,809
Depository fees	496,316	438,563
Annual administration fees on subscriber deposits	2,901,361	3,019,745
Service charges	508,120	414,751
<i>Deducted from Foundation's income</i>		
Administration fees	\$ 206,576	\$ 125,569

Independent Review Committee and Directors' Fees

The total remuneration paid to members of the Independent Review Committee and Directors during the six months ended June 30, 2017 were \$nil (June 30, 2016 - \$ nil).

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Schedule of Investment Portfolio for Subscriber deposits under Scholarship Agreements

June 30, 2017 (unaudited)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
2,455,000	GOVERNMENT OF CANADA TREASURY BILL		24Aug2017	2,452,772	2,452,545
3,340,000	GOVERNMENT OF CANADA TREASURY BILL		07Sep2017	3,336,422	3,335,725
400,000	ROYAL BANK OF CANADA		04Jul2017	400,000	400,000
3,000,000	407 INTERNATIONAL INC	3.830%	11May2046	2,982,731	3,224,430
115,000	ANHEUSER-BUSCH INBEV FINANCE	2.600%	15May2024	115,496	113,814
595,000	BANK OF MONTREAL	6.020%	02May2018	617,735	617,812
650,000	BANK OF MONTREAL	2.430%	04Mar2019	659,828	659,100
635,000	BANK OF MONTREAL	1.880%	31Mar2021	635,959	633,000
105,000	BANK OF MONTREAL	3.320%	01Jun2026	107,522	108,141
310,000	BANK OF NOVA SCOTIA	2.750%	13Aug2018	314,810	314,343
130,000	BANK OF NOVA SCOTIA	2.400%	28Oct2019	131,950	132,011
245,000	BANK OF NOVA SCOTIA	3.270%	11Jan2021	254,103	256,101
1,955,000	BANK OF NOVA SCOTIA	1.830%	27Apr2022	1,953,724	1,924,913
1,625,000	BANK OF NOVA SCOTIA	2.290%	28Jun2024	1,624,903	1,609,871
80,000	BANK OF NOVA SCOTIA	3.036%	18Oct2024	81,954	81,941
245,000	BHP BILLITON FINANCE LTD	3.230%	15May2023	236,721	251,071
10,598,000	CADILLAC FAIRVIEW FINANCE	4.310%	25Jan2021	11,034,430	11,500,208
100,000	CAMECO CORPORATION	5.670%	02Sep2019	106,219	105,783
17,355,000	CANADA HOUSING TRUST	1.950%	15Jun2019	17,630,492	17,587,036
4,950,000	CANADA HOUSING TRUST	1.450%	15Jun2020	4,982,026	4,951,139
4,265,000	CANADA HOUSING TRUST	3.800%	15Jun2021	4,662,749	4,615,540
3,090,000	CANADA HOUSING TRUST	2.350%	15Sep2023	3,256,293	3,170,649
2,820,000	CANADA HOUSING TRUST	2.900%	15Jun2024	3,040,922	2,986,408
2,740,000	CANADA HOUSING TRUST	2.350%	15Jun2027	2,825,383	2,767,016
3,555,000	CANADA HOUSING TRUST NO. 1	2.400%	15Dec2022	3,694,273	3,660,690
3,450,000	CANADA HOUSING TRUST NO. 1	3.150%	15Sep2023	3,734,180	3,700,574
1,865,000	CANADA HOUSING TRUST NO. 1	1.950%	15Dec2025	1,878,435	1,838,498
6,270,000	CANADA HOUSING TRUST NO. 1	3.350%	15Dec2020	6,637,071	6,648,645
8,000,000	CANADA HOUSING TRUST NO. 1	2.050%	15Jun2018	8,092,155	8,078,080
10,960,000	CANADA HOUSING TRUST NO. 1	2.000%	15Dec2019	11,199,491	11,131,524
310,000	CANADIAN IMPERIAL BANK OF COMMERCE	2.350%	24Jun2019	314,731	314,201
455,000	CANADIAN IMPERIAL BANK OF COMMERCE	1.900%	26Apr2021	455,527	454,204
145,000	CANADIAN IMPERIAL BANK OF COMMERCE	2.040%	21Mar2022	144,955	144,523
140,000	CANADIAN NATURAL RESOURCES	3.420%	01Dec2026	140,785	136,028
98,000	CANADIAN UTILITIES LTD	3.122%	09Nov2022	102,231	102,997
1,070,000	CAPITAL DESJARDINS INC	5.187%	05May2020	1,154,504	1,158,960
1,000,000	CAPITAL DESJARDINS INC	4.954%	15Dec2026	1,113,483	1,102,940
8,832,000	CDP FINANCIAL INC	4.600%	15Jul2020	9,323,146	9,585,635
155,000	ENBRIDGE INCOME FUND	3.950%	19Nov2024	156,036	163,810
75,000	ENBRIDGE PIPELINES	2.930%	30Nov2022	74,888	77,164
774,000	GOVERNMENT OF CANADA	0.250%	01May2018	771,894	769,379
23,669,000	GOVERNMENT OF CANADA	0.500%	01Aug2018	23,581,322	23,532,667
647,000	GOVERNMENT OF CANADA	1.750%	01Mar2019	659,988	654,175
445,000	GOVERNMENT OF CANADA	0.750%	01Sep2020	445,386	438,347
351,000	GOVERNMENT OF CANADA	3.250%	01Jun2021	383,756	376,827
1,170,000	GOVERNMENT OF CANADA	1.500%	01Jun2026	1,197,590	1,150,566
1,580,000	GOVERNMENT OF CANADA	5.750%	01Jun2029	2,218,796	2,228,669
725,000	GOVERNMENT OF CANADA	5.750%	01Jun2033	1,095,020	1,096,744
1,870,000	GOVERNMENT OF CANADA	5.000%	01Jun2037	2,665,640	2,752,434
1,850,000	GOVERNMENT OF CANADA	4.000%	01Jun2041	2,486,259	2,486,345
3,252,000	GOVERNMENT OF CANADA	3.500%	01Dec2045	4,391,818	4,172,056
11,957,000	GOVERNMENT OF CANADA	2.750%	01Dec2048	13,901,142	13,630,980
2,200,000	GREATER TORONTO AIRPORTS AUTHORITY	5.300%	25Feb2041	2,761,511	3,013,098
615,000	GREAT-WEST LIFECO INC	4.650%	13Aug2020	665,841	665,092
1,246,299	HOSPITAL INFRASTRUCTURE	5.439%	31Jan2045	1,489,834	1,476,814
375,000	HSBC BANK CANADA	2.908%	29Sep2021	381,380	384,345
775,000	HSBC BANK CANADA	2.170%	29Jun2022	775,767	767,847

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June 30, 2017 (unaudited) (Continued)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
65,000	HYDRO ONE INC	5.490%	16Jul2040	85,593	86,126
1,015,000	LABRADOR-ISLAND LINK	3.760%	01Jun2033	1,157,017	1,152,390
730,000	LABRADOR-ISLAND LINK	3.860%	01Dec2045	923,907	863,123
675,000	MANUFACTURERS LIFE INSURANCE CO.	3.181%	22Nov2027	683,542	701,177
675,000	MANUFACTURERS LIFE INSURANCE CO.	2.811%	21Feb2024	686,599	685,199
1,105,000	MANULIFE BANK OF CANADA	2.082%	26May2022	1,104,848	1,090,502
450,000	MANULIFE FINANCIAL CORP	7.768%	08Apr2019	494,098	494,379
3,699,000	MCGILL UNIVERSITY HEALTH	5.360%	31Dec2043	4,751,565	4,837,885
65,000	MORGAN STANLEY	3.125%	05Aug2021	66,687	66,869
1,015,000	MUSKRAT FALLS LABRADOR	3.630%	01Jun2029	1,138,197	1,124,305
435,000	NATIONAL BANK OF CANADA	2.105%	18Mar2022	432,254	434,056
795,000	NHA MORTGAGE BACKED SECURITIES	1.720%	01Oct2020	748,603	732,879
230,000	NHA MORTGAGE BACKED SECURITIES	1.430%	01Jan2021	208,822	210,746
2,645,000	NHA MORTGAGE BACKED SECURITIES	0.000%	01Apr2021	2,190,744	2,128,035
575,000	NHA MORTGAGE BACKED SECURITIES	1.450%	01Oct2021	553,970	546,112
405,000	NHA MORTGAGE BACKED SECURITIES	1.620%	01Mar2022	396,901	393,850
385,000	NHA MORTGAGE BACKED SECURITIES	1.420%	01Jun2022	383,965	377,813
995,000	NHA MORTGAGE BACKED SECURITIES	3.250%	01Jul2028	684,327	668,481
235,000	NORTH WEST REDWATER	3.200%	22Jul2024	239,258	242,170
2,750,000	NORTH WEST REDWATER	4.150%	01Jun2033	2,743,474	2,962,465
250,000	OMERS REALTY CORP	2.858%	23Feb2024	250,803	256,920
2,000,000	ONTARIO HYDRO	0.000%	11Apr2031	1,365,540	1,294,780
4,400,000	OPB FINANCE TRUST	3.890%	04Jul2042	4,439,283	4,819,144
3,000,000	OPB FINANCE TRUST	2.980%	25Jan2027	2,998,507	3,075,750
4,580,791	ORNGE ISSUER TRUST	5.727%	11Jun2034	4,970,412	4,781,613
125,000	PEMBINA PIPELINE CORP	3.540%	03Feb2025	121,653	127,219
1,700,000	PROVINCE OF ALBERTA	2.550%	15Dec2022	1,753,012	1,745,407
3,676,000	PROVINCE OF ALBERTA	2.200%	01Jun2026	3,681,590	3,596,598
1,735,000	PROVINCE OF ALBERTA	2.550%	01Jun2027	1,733,605	1,733,647
8,180,000	PROVINCE OF ALBERTA	3.900%	01Dec2033	9,090,917	9,244,954
2,510,000	PROVINCE OF ALBERTA	3.450%	01Dec2043	2,675,546	2,675,635
1,414,000	PROVINCE OF ALBERTA	3.300%	01Dec2046	1,423,966	1,471,691
5,000,000	PROVINCE OF BRITISH COLUMBIA	3.250%	18Dec2021	5,319,168	5,311,700
4,960,000	PROVINCE OF BRITISH COLUMBIA	5.700%	18Jun2029	6,472,426	6,537,429
1,000,000	PROVINCE OF BRITISH COLUMBIA	6.350%	18Jun2031	1,324,599	1,425,710
2,260,000	PROVINCE OF BRITISH COLUMBIA	4.300%	18Jun2042	2,683,954	2,813,971
3,339,000	PROVINCE OF MANITOBA	3.300%	02Jun2024	3,384,265	3,563,014
1,920,000	PROVINCE OF MANITOBA	4.400%	05Sep2025	2,191,452	2,201,261
2,135,000	PROVINCE OF MANITOBA	6.300%	05Mar2031	2,973,676	2,971,621
2,130,000	PROVINCE OF MANITOBA	4.600%	05Mar2038	2,612,806	2,643,074
1,627,000	PROVINCE OF MANITOBA	2.850%	05Sep2046	1,619,842	1,549,913
1,966,000	PROVINCE OF NEW BRUNSWICK	1.550%	04May2022	1,923,756	1,929,531
2,505,000	PROVINCE OF NEW BRUNSWICK	2.850%	02Jun2023	2,603,525	2,606,202
2,175,000	PROVINCE OF NEW BRUNSWICK	5.500%	27Jan2034	2,851,808	2,891,771
3,150,000	PROVINCE OF NEW BRUNSWICK	4.650%	26Sep2035	3,768,516	3,868,767
875,000	PROVINCE OF NEW BRUNSWICK	4.550%	26Mar2037	1,009,580	1,067,946
2,065,000	PROVINCE OF NEWFOUNDLAND	2.300%	02Jun2025	2,023,743	2,043,421
460,000	PROVINCE OF NEWFOUNDLAND	3.000%	02Jun2026	477,947	474,656
3,965,000	PROVINCE OF NEWFOUNDLAND	3.300%	17Oct2046	3,740,717	3,974,080
8,823,000	PROVINCE OF NOVA SCOTIA	2.150%	01Jun2025	8,717,161	8,696,390
500,000	PROVINCE OF NOVA SCOTIA	5.800%	01Jun2033	660,849	684,590
6,000,000	PROVINCE OF NOVA SCOTIA	4.400%	01Jun2042	6,955,429	7,375,200
13,576,000	PROVINCE OF ONTARIO	2.100%	08Sep2018	13,752,477	13,724,250
5,687,000	PROVINCE OF ONTARIO	4.400%	02Jun2019	5,992,041	6,017,756
2,470,000	PROVINCE OF ONTARIO	4.200%	02Jun2020	2,677,649	2,657,226
15,180,000	PROVINCE OF ONTARIO	4.000%	02Jun2021	16,582,955	16,469,996

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June 30, 2017 (unaudited) (Continued)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
4,760,000	PROVINCE OF ONTARIO	3.150%	02Jun2022	5,057,797	5,035,747
7,110,000	PROVINCE OF ONTARIO	0.000%	27Jun2022	7,110,000	7,093,803
4,446,000	PROVINCE OF ONTARIO	3.500%	02Jun2024	4,826,792	4,815,685
1,910,000	PROVINCE OF ONTARIO	2.600%	02Jun2025	1,965,611	1,949,824
2,795,000	PROVINCE OF ONTARIO	2.400%	02Jun2026	2,821,519	2,795,671
895,000	PROVINCE OF ONTARIO	2.600%	02Jun2027	891,369	904,532
3,095,000	PROVINCE OF ONTARIO	6.500%	08Mar2029	4,247,004	4,292,579
3,910,000	PROVINCE OF ONTARIO	5.850%	08Mar2033	5,240,225	5,437,637
2,500,000	PROVINCE OF ONTARIO	5.600%	02Jun2035	3,431,126	3,470,200
3,050,000	PROVINCE OF ONTARIO	4.700%	02Jun2037	3,223,176	3,884,480
4,344,000	PROVINCE OF ONTARIO	4.650%	02Jun2041	5,402,963	5,605,324
9,663,000	PROVINCE OF ONTARIO	3.450%	02Jun2045	10,465,373	10,546,778
3,051,000	PROVINCE OF ONTARIO	2.800%	02Jun2048	3,057,807	2,964,138
8,048,000	PROVINCE OF PRINCE EDWARD ISLAND	4.250%	24Sep2019	8,198,364	8,533,536
2,000,000	PROVINCE OF PRINCE EDWARD ISLAND	6.100%	29Jul2027	2,165,021	2,589,600
11,742,000	PROVINCE OF QUEBEC	4.500%	01Dec2018	12,163,261	12,279,079
2,560,000	PROVINCE OF QUEBEC	0.003%	10Jun2020	2,579,709	2,581,094
1,275,000	PROVINCE OF QUEBEC	4.500%	01Dec2020	1,401,401	1,396,571
7,450,000	PROVINCE OF QUEBEC	4.250%	01Dec2021	8,201,939	8,208,932
435,000	PROVINCE OF QUEBEC	3.000%	01Sep2023	464,474	457,911
9,800,000	PROVINCE OF QUEBEC	3.750%	01Sep2024	10,726,314	10,788,722
2,860,000	PROVINCE OF QUEBEC	1.265%	13Oct2024	2,863,894	2,876,960
13,275,000	PROVINCE OF QUEBEC	2.750%	01Sep2025	13,707,977	13,711,880
2,430,000	PROVINCE OF QUEBEC	5.750%	01Dec2036	3,411,576	3,473,005
490,000	PROVINCE OF QUEBEC	4.250%	01Dec2043	631,641	605,669
1,002,000	PROVINCE OF QUEBEC	3.500%	01Dec2045	1,109,934	1,105,276
9,593,000	PROVINCE OF QUEBEC	3.500%	01Dec2048	10,724,243	10,708,762
425,000	PROVINCE OF SASKATCHEWAN	5.800%	05Sep2033	567,302	588,124
595,000	PROVINCE OF SASKATCHEWAN	5.600%	05Sep2035	821,938	822,480
2,195,000	PROVINCE OF SASKATCHEWAN	4.750%	01Jun2040	2,785,565	2,832,801
2,573,000	PROVINCE OF SASKATCHEWAN	3.400%	03Feb2042	2,609,353	2,739,988
2,600,000	PROVINCE OF SASKATCHEWAN	2.750%	02Dec2046	2,493,119	2,449,746
1,486,000	PROVINCE OF SASKATCHEWAN	3.300%	02Jun2048	1,488,022	1,572,039
5,500,000	PSP CAPITAL INC	1.340%	18Aug2021	5,457,464	5,397,480
2,780,000	PSP CAPITAL INC	3.290%	04Apr2024	2,791,978	2,963,397
130,000	ROYAL BANK OF CANADA	2.350%	09Dec2019	131,771	132,018
795,000	ROYAL BANK OF CANADA	2.030%	15Mar2021	797,654	796,280
230,000	ROYAL BANK OF CANADA	1.583%	13Sep2021	230,000	225,331
210,000	ROYAL BANK OF CANADA	2.333%	05Dec2023	210,000	209,557
1,920,000	ROYAL BANK OF CANADA	4.930%	16Jul2025	2,294,830	2,252,122
275,000	ROYAL BANK OF CANADA	3.310%	20Jan2026	280,291	282,332
12,284,000	ROYAL OFFICE FINANCE LP	5.209%	12Nov2032	14,338,834	14,976,039
1,500,000	SINAI HEALTH SYSTEM	3.527%	09Jun2056	1,500,000	1,420,635
170,000	SMART REIT	3.444%	28Aug2026	167,177	166,491
967,553	SNC-LAVALIN INNISFREE	6.632%	30Jun2044	1,249,272	1,280,934
750,000	STANDARD LIFE COMPANY CANADA	3.938%	21Sep2022	767,856	753,960
290,000	SUNCOR ENERGY INC	3.000%	14Sep2026	289,861	289,026
735,000	SUNLIFE CAP TRUST II	5.863%	31Dec2108	822,496	797,607
10,058,000	TCHC ISSUER TRUST	5.395%	22Feb2040	13,495,771	13,215,096
860,000	THE CANADA LIFE ASSURANCE	6.400%	11Dec2028	1,089,725	1,116,744
305,000	TORONTO DOMINION BANK	2.447%	02Apr2019	309,828	309,450
270,000	TORONTO DOMINION BANK	2.045%	08Mar2021	271,314	270,926
300,000	TORONTO DOMINION BANK	2.621%	22Dec2021	306,890	306,732
770,000	TORONTO DOMINION BANK	1.994%	23Mar2022	770,647	764,856
850,000	TORONTO DOMINION BANK	3.226%	24Jul2024	911,567	894,948
2,800,000	TORONTO DOMINION BANK	4.859%	04Mar2031	2,800,000	3,136,588

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

June 30, 2017 (unaudited) (Continued)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	
170,000	TORONTO DOMINION BANK ONT DEP	1.909%	18Jul2023	170,000	166,289	
390,000	TRANSCANADA PIPELINES LTD	3.300%	17Jul2025	409,483	406,751	
175,000	WELLS FARGO	3.874%	21May2025	179,484	181,729	
1,600,000	YUKON DEVELOPMENT CORP	5.000%	29Jun2040	2,058,234	2,055,424	
Total Fixed Income Securities				\$528,991,761	\$533,702,165	67.9%
Variable Rate Securities						
5,000,000	TORONTO DOMINION BANK FIX 8 NORTH AMERICAN COMPANIES LINKED NOTE	0.000%	02Apr2018	5,000,000	5,872,850	
5,000,000	TORONTO DOMINION BANK NORTH AMERICAN COMPANIES LINKED NOTE	0.000%	03Apr2019	5,000,000	5,588,715	
10,000,000	TORONTO DOMINION BANK CANADIAN INDEX LINKED NOTE	0.000%	11Oct2022	10,000,000	11,968,140	
10,000,000	TORONTO DOMINION BANK US INDEX LINKED NOTE	0.000%	11Oct2022	10,000,000	14,332,930	
Total Variable Rate Securities				\$30,000,000	\$37,762,635	4.8%
Shares / Units Equity Securities						
64,090	AGRIUM INC			7,830,166	7,532,498	
411,000	ALGONQUIN POWER & UTILITIES			4,694,185	5,610,150	
83,900	BANK OF MONTREAL			8,140,853	7,988,958	
210,800	BANK OF NOVA SCOTIA			14,881,872	16,444,508	
86,428	BCE INC			5,189,543	5,047,395	
299,975	BMO S&P 500 INDEX ETF			7,102,914	10,373,136	
234,300	BROOKFIELD PROPERTY			7,132,327	7,188,324	
169,900	BROOKFIELD RENEWABLE			6,612,033	7,025,365	
72,800	CANADIAN APARTMENT PROPERTIES REIT			1,967,236	2,443,896	
54,441	CANADIAN IMPERIAL BANK OF COMMERCE			5,248,934	5,737,537	
172,300	CHEMTRADE LOGISTICS INCOME FUND			3,402,772	3,134,137	
195,100	CORUS ENTERTAINMENT INC			2,564,540	2,659,213	
347,800	ENBRIDGE INC			19,790,231	17,967,348	
199,800	FIRST CAPITAL REALTY INC			4,017,988	3,948,048	
75,300	FORTIS INC			3,011,907	3,432,174	
177,200	GREAT-WEST LIFECO INC			6,565,595	6,228,580	
129,200	KEYERA CORP			5,208,492	5,273,944	
187,555	NORTHVIEW APARTMENT REAL			3,875,980	3,946,157	
283,949	PEMBINA PIPELINE CORP			11,226,527	12,195,610	
187,319	PEYTO EXPLORATION &			6,274,439	4,405,743	
213,979	POWER FINANCIAL CORP			7,355,510	7,119,081	
276,900	RIOCAN REIT			7,374,266	6,664,983	
65,900	ROGERS COMMUNICATIONS INC			3,363,599	4,036,375	
154,500	ROYAL BANK OF CANADA			12,502,553	14,547,720	
290,100	SHAW COMMUNICATIONS INC.			7,610,757	8,206,929	
182,200	TELUS CORPORATION			8,298,383	8,157,094	
47,900	TORONTO-DOMINION BANK			2,655,960	3,130,265	
246,043	TRANSCANADA CORPORATION			15,235,894	15,210,378	
87,606	VERMILION ENERGY INC.			5,295,484	3,604,111	
92,495	WSP GLOBAL INC.			3,582,098	4,977,156	
Total Equity Securities				\$208,013,038	\$214,236,813	27.3%
				\$767,004,799	\$785,701,613	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 Government Grants June 30, 2017 (unaudited)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
800,000	ROYAL BANK OF CANADA		04Jul2017	800,000	800,000
190,000	ANHEUSER-BUSCH INBEV FINANCE	2.600%	15May2024	190,819	188,041
890,000	BANK OF MONTREAL	6.020%	02May2018	922,220	924,123
1,040,000	BANK OF MONTREAL	2.430%	04Mar2019	1,054,264	1,054,560
1,015,000	BANK OF MONTREAL	1.880%	31Mar2021	1,014,962	1,011,803
175,000	BANK OF MONTREAL	3.320%	01Jun2026	179,204	180,234
485,000	BANK OF NOVA SCOTIA	2.750%	13Aug2018	492,282	491,795
230,000	BANK OF NOVA SCOTIA	2.400%	28Oct2019	232,772	233,558
445,000	BANK OF NOVA SCOTIA	3.270%	11Jan2021	461,554	465,163
1,905,000	BANK OF NOVA SCOTIA	1.830%	27Apr2022	1,904,414	1,875,682
700,000	BANK OF NOVA SCOTIA	2.290%	28Jun2024	699,958	693,483
155,000	BANK OF NOVA SCOTIA	3.036%	18Oct2024	158,786	158,760
490,000	BHP BILLITON FINANCE	3.230%	15May2023	473,441	502,142
175,000	CAMECO CORPORATION	5.670%	02Sep2019	185,883	185,120
2,905,000	CANADA HOUSING TRUST	1.950%	15Jun2019	2,960,292	2,943,840
6,829,000	CANADA HOUSING TRUST	3.800%	15Jun2021	7,169,614	7,390,276
4,910,000	CANADA HOUSING TRUST	2.350%	15Sep2023	5,175,416	5,038,151
4,260,000	CANADA HOUSING TRUST	2.350%	15Jun2027	4,392,748	4,302,004
455,000	CANADIAN IMPERIAL BANK OF COMMERCE	2.350%	24Jun2019	460,567	461,165
790,000	CANADIAN IMPERIAL BANK OF COMMERCE	1.900%	26Apr2021	789,686	788,618
250,000	CANADIAN IMPERIAL BANK OF COMMERCE	2.040%	21Mar2022	249,922	249,178
245,000	CANADIAN NATURAL RESOURCES	3.420%	01Dec2026	246,374	238,049
166,000	CANADIAN UTILITIES LTD.	3.122%	09Nov2022	173,167	174,464
1,700,000	CAPITAL DESJARDINS INC	5.187%	05May2020	1,831,394	1,841,338
1,600,000	CAPITAL DESJARDINS INC	4.954%	15Dec2026	1,774,985	1,764,704
265,000	ENBRIDGE INCOME FUND	3.950%	19Nov2024	264,528	280,063
130,000	ENBRIDGE PIPELINES	2.930%	30Nov2022	129,806	133,751
1,242,000	GOVERNMENT OF CANADA	0.250%	01May2018	1,238,667	1,234,585
1,045,000	GOVERNMENT OF CANADA	1.750%	01Mar2019	1,065,285	1,056,589
665,000	GOVERNMENT OF CANADA	0.750%	01Sep2020	665,755	655,058
536,000	GOVERNMENT OF CANADA	3.250%	01Jun2021	587,207	575,439
1,900,000	GOVERNMENT OF CANADA	1.500%	01Jun2026	1,934,306	1,868,441
5,433,000	GOVERNMENT OF CANADA	3.500%	01Dec2045	7,258,331	6,970,104
1,125,000	GREAT-WEST LIFECO	4.650%	13Aug2020	1,217,853	1,216,631
640,000	HSBC BANK CANADA	2.908%	29Sep2021	648,557	655,949
1,225,000	HSBC BANK CANADA	2.170%	29Jun2022	1,226,213	1,213,693
110,000	HYDRO ONE INC	5.490%	16Jul2040	144,849	145,752
1,720,000	LABRADOR-ISLAND LINK FDG TR	3.760%	01Jun2033	1,952,878	1,952,819
1,270,000	LABRADOR-ISLAND LINK FDG TR	3.860%	01Dec2045	1,607,345	1,501,597
1,150,000	MANUFACTURERS LIFE INSURANCE CO	2.811%	21Feb2024	1,170,871	1,167,377
1,150,000	MANUFACTURERS LIFE INSURANCE CO	3.181%	22Nov2027	1,164,634	1,194,597
1,765,000	MANULIFE BANK OF CANADA	2.082%	26May2022	1,764,757	1,741,843
695,000	MANULIFE FINANCIAL CORP	7.768%	08Apr2019	761,739	763,541
135,000	MORGAN STANLEY	3.125%	05Aug2021	138,505	138,881
1,620,000	MUSKRAT FALLS LABRADOR	3.630%	01Jun2029	1,813,091	1,794,458
720,000	NATIONAL BANK OF CANADA	2.105%	18Mar2022	712,182	718,438
1,655,000	NHA MORTGAGE BACKED SECURITIES	1.720%	01Oct2020	1,558,868	1,525,679
375,000	NHA MORTGAGE BACKED SECURITIES	1.430%	01Jan2021	340,471	343,608
4,360,000	NHA MORTGAGE BACKED SECURITIES	0.000%	01Apr2021	3,615,370	3,507,838
935,000	NHA MORTGAGE BACKED SECURITIES	1.450%	01Oct2021	900,803	888,026
625,000	NHA MORTGAGE BACKED SECURITIES	1.620%	01Mar2022	612,501	607,793
610,000	NHA MORTGAGE BACKED SECURITIES	1.420%	01Jun2022	608,361	598,613
1,795,000	NHA MORTGAGE BACKED SECURITIES	3.250%	01Jul2028	1,233,973	1,205,953
465,000	NORTH WEST REDWATER	3.200%	22Jul2024	473,426	479,187
505,000	OMERS REALTY CORP	2.858%	23Feb2024	506,583	518,978
3,200,000	ONTARIO HYDRO	0.000%	11Apr2031	2,216,960	2,071,648
165,000	PEMBINA PIPELINE CORP	3.540%	03Feb2025	160,582	167,929
2,780,000	PROVINCE OF ALBERTA	2.550%	15Dec2022	2,868,351	2,854,254
2,830,000	PROVINCE OF ALBERTA	2.550%	01Jun2027	2,827,255	2,827,793

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 Government Grants June 30, 2017 (unaudited) (Continued)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	
4,790,000	PROVINCE OF ALBERTA	3.900%	01Dec2033	5,395,555	5,413,610	
4,090,000	PROVINCE OF ALBERTA	3.450%	01Dec2043	4,374,605	4,359,899	
1,900,000	PROVINCE OF BRITISH COLUMBIA	5.700%	18Jun2029	2,462,345	2,504,257	
3,160,000	PROVINCE OF MANITOBA	4.400%	05Sep2025	3,597,975	3,622,908	
3,445,000	PROVINCE OF MANITOBA	6.300%	05Mar2031	4,807,516	4,794,958	
1,760,000	PROVINCE OF MANITOBA	3.650%	05Mar2031	2,037,088	2,160,242	
3,405,000	PROVINCE OF MANITOBA	4.600%	05Mar2038	4,180,331	4,225,196	
4,061,000	PROVINCE OF NEW BRUNSWICK	2.850%	02Jun2023	4,186,010	4,225,064	
2,465,000	PROVINCE OF NEW BRUNSWICK	5.500%	27Jan2034	3,241,754	3,277,341	
5,205,000	PROVINCE OF NEW BRUNSWICK	4.650%	26Sep2035	6,252,368	6,392,677	
1,435,000	PROVINCE OF NEW BRUNSWICK	4.550%	26Mar2037	1,658,241	1,751,432	
1,039,000	PROVINCE OF NEW BRUNSWICK	4.800%	03Jun2041	1,228,459	1,329,764	
3,205,000	PROVINCE OF NEWFOUNDLAND	2.300%	02Jun2025	3,141,925	3,171,508	
925,000	PROVINCE OF NEWFOUNDLAND	3.000%	02Jun2026	960,707	954,471	
3,055,000	PROVINCE OF NEWFOUNDLAND	3.300%	17Oct2046	2,962,045	3,061,996	
660,000	PROVINCE OF NOVA SCOTIA	5.800%	01Jun2033	872,321	903,659	
7,715,000	PROVINCE OF ONTARIO	2.100%	08Sep2018	7,815,341	7,799,248	
9,300,000	PROVINCE OF ONTARIO	4.400%	02Jun2019	9,876,578	9,840,888	
3,395,000	PROVINCE OF ONTARIO	4.200%	02Jun2020	3,677,073	3,652,341	
5,985,000	PROVINCE OF ONTARIO	4.000%	02Jun2021	6,595,562	6,493,605	
7,725,000	PROVINCE OF ONTARIO	3.150%	02Jun2022	8,224,761	8,172,509	
13,225,000	PROVINCE OF ONTARIO	0.000%	27Jun2022	13,225,000	13,194,873	
4,535,000	PROVINCE OF ONTARIO	2.400%	02Jun2026	4,590,039	4,536,088	
1,215,000	PROVINCE OF ONTARIO	2.600%	02Jun2027	1,204,503	1,227,940	
1,165,000	PROVINCE OF ONTARIO	6.500%	08Mar2029	1,587,266	1,615,785	
4,111,000	PROVINCE OF ONTARIO	5.600%	02Jun2035	5,644,478	5,706,397	
7,430,000	PROVINCE OF ONTARIO	3.450%	02Jun2045	8,135,173	8,109,548	
3,775,000	PROVINCE OF QUEBEC	0.003%	10Jun2020	3,804,063	3,806,106	
2,000,000	PROVINCE OF QUEBEC	4.500%	01Dec2020	2,195,302	2,190,700	
700,000	PROVINCE OF QUEBEC	3.000%	01Sep2023	743,582	736,869	
4,245,000	PROVINCE OF QUEBEC	1.265%	13Oct2024	4,250,849	4,270,173	
2,360,000	PROVINCE OF QUEBEC	5.750%	01Dec2036	3,347,290	3,372,959	
1,560,000	PROVINCE OF QUEBEC	3.500%	01Dec2045	1,740,413	1,720,789	
900,000	PROVINCE OF SASKATCHEWAN	5.600%	05Sep2035	1,249,839	1,244,088	
3,500,000	PROVINCE OF SASKATCHEWAN	4.750%	01Jun2040	4,454,112	4,516,995	
792,000	PROVINCE OF SASKATCHEWAN	3.400%	03Feb2042	818,344	843,401	
230,000	ROYAL BANK OF CANADA	2.350%	09Dec2019	232,717	233,570	
1,235,000	ROYAL BANK OF CANADA	2.030%	15Mar2021	1,235,282	1,236,988	
395,000	ROYAL BANK OF CANADA	1.583%	13Sep2021	395,000	386,982	
360,000	ROYAL BANK OF CANADA	2.333%	05Dec2023	360,000	359,240	
3,135,000	ROYAL BANK OF CANADA	4.930%	16Jul2025	3,748,697	3,677,292	
565,000	ROYAL BANK OF CANADA	3.310%	20Jan2026	576,007	580,063	
285,000	SMART REIT	3.444%	28Aug2026	280,267	279,118	
1,165,000	STANDARD LIFE COMPANY CANADA	3.938%	21Sep2022	1,195,082	1,171,151	
461,000	SUNCOR ENERGY INC	3.000%	14Sep2026	460,779	459,451	
1,185,000	SUNLIFE CAP TRUST II	5.863%	31Dec2108	1,328,538	1,285,938	
1,390,000	THE CANADA LIFE ASSURANCE	6.400%	11Dec2028	1,747,363	1,804,971	
430,000	TORONTO DOMINION BANK	2.447%	02Apr2019	435,884	436,274	
390,000	TORONTO DOMINION BANK	2.045%	08Mar2021	390,799	391,338	
480,000	TORONTO DOMINION BANK	2.621%	22Dec2021	490,288	490,771	
1,190,000	TORONTO DOMINION BANK	1.994%	23Mar2022	1,190,640	1,182,051	
1,480,000	TORONTO DOMINION BANK	3.226%	24Jul2024	1,588,654	1,558,262	
330,000	TORONTO DOMINION BANK ONT DEP	1.909%	18Jul2023	330,000	322,796	
710,000	TRANSCANADA PIPELINES LTD	3.300%	17Jul2025	746,372	740,495	
275,000	WELLS FARGO	3.874%	21May2025	283,783	285,574	
Total Fixed Income Securities				\$240,940,552	\$240,615,765	80.2%
Shares / Units	Equity Securities					
17,880	AGRIUM INC			2,183,803	2,101,436	
114,900	ALGONQUIN POWER & UTILITIES			1,312,496	1,568,385	

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 Government Grants June 30, 2017 (unaudited) (Continued)

Shares / Units	Equity Securities	Average Cost (\$)	Fair Value (\$)	
23,500	BANK OF MONTREAL	2,280,150	2,237,670	
58,900	BANK OF NOVA SCOTIA	4,157,067	4,594,789	
24,114	BCE INC	1,447,916	1,408,258	
73,808	BMO S&P 500 INDEX ETF	1,692,140	2,552,281	
65,500	BROOKFIELD PROPERTY	1,993,983	2,009,540	
47,500	BROOKFIELD RENEWABLE	1,848,348	1,964,125	
20,300	CANADIAN APARTMENT PROPERTIES REIT	548,880	681,471	
15,259	CANADIAN IMPERIAL BANK OF COMMERCE	1,473,076	1,608,146	
48,100	CHEMTRADE LOGISTICS INCOME FUND	950,138	874,939	
54,500	CORUS ENTERTAINMENT INC	716,422	742,835	
97,200	ENBRIDGE INC	5,530,026	5,021,352	
55,800	FIRST CAPITAL REALTY INC	1,122,102	1,102,608	
21,000	FORTIS INC	839,674	957,180	
49,500	GREAT-WEST LIFECO INC	1,834,029	1,739,925	
36,100	KEYERA CORP	1,455,276	1,473,602	
52,452	NORTHVIEW APARTMENT REAL	1,084,007	1,103,590	
79,385	PEMBINA PIPELINE CORP	3,139,729	3,409,586	
52,346	PEYTO EXPLORATION &	1,752,789	1,231,178	
59,798	POWER FINANCIAL CORP	2,055,865	1,989,479	
77,400	RIOCAN REIT	2,061,360	1,863,018	
18,400	ROGERS COMMUNICATIONS INC	939,073	1,127,000	
43,200	ROYAL BANK OF CANADA	3,495,117	4,067,712	
81,100	SHAW COMMUNICATIONS INC	2,127,969	2,294,319	
50,900	TELUS CORPORATION	2,318,264	2,278,793	
13,400	TORONTO-DOMINION BANK	742,555	875,690	
68,761	TRANSCANADA CORPORATION	4,257,299	4,250,805	
24,449	VERMILION ENERGY INC	1,479,852	1,005,832	
25,805	WSP GLOBAL INC	999,996	1,388,567	
	Total Equity Securities	\$57,839,401	\$59,524,111	19.8%
		\$298,779,953	\$300,139,876	100.0%

Schedule of Investment Portfolio for Subscriber deposits under Escrow Agreements June 30, 2017 (unaudited)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	
229,000	CANADA HOUSING TRUST	0.725%	15Sep2020	227,835	228,869	
287,000	CANADA HOUSING TRUST NO. 1	1.250%	15Dec2020	286,974	284,199	
30,000	GOVERNMENT OF CANADA	0.250%	01May2018	29,920	29,821	
245,000	GOVERNMENT OF CANADA	1.500%	01Jun2026	244,959	240,931	
21,000	GOVERNMENT OF CANADA	3.500%	01Dec2045	27,689	26,941	
115,000	PROVINCE OF ALBERTA	3.450%	01Dec2043	118,541	122,589	
134,000	PROVINCE OF MANITOBA	2.550%	02Jun2023	137,164	137,268	
94,000	PROVINCE OF MANITOBA	6.300%	05Mar2031	126,328	130,835	
115,000	PROVINCE OF NEW BRUNSWICK	4.650%	26Sep2035	134,556	141,241	
200,000	PROVINCE OF ONTARIO	3.150%	02Jun2022	213,044	211,586	
140,000	PROVINCE OF ONTARIO	2.400%	02Jun2026	141,073	140,034	
105,000	PROVINCE OF ONTARIO	5.850%	08Mar2033	140,415	146,024	
252,000	PROVINCE OF ONTARIO	3.500%	02Jun2043	265,492	276,361	
30,000	PROVINCE OF ONTARIO	3.450%	02Jun2045	30,559	32,744	
150,000	PROVINCE OF QUEBEC	0.003%	10Jun2020	151,155	151,236	
165,000	PROVINCE OF QUEBEC	1.265%	13Oct2024	165,207	165,978	
265,000	PROVINCE OF QUEBEC	2.750%	01Sep2025	272,162	273,721	
20,000	PROVINCE OF SASKATCHEWAN	3.400%	03Feb2042	20,665	21,298	
	Total Fixed Income Securities			\$2,733,738	\$2,761,676	100.0%

THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

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

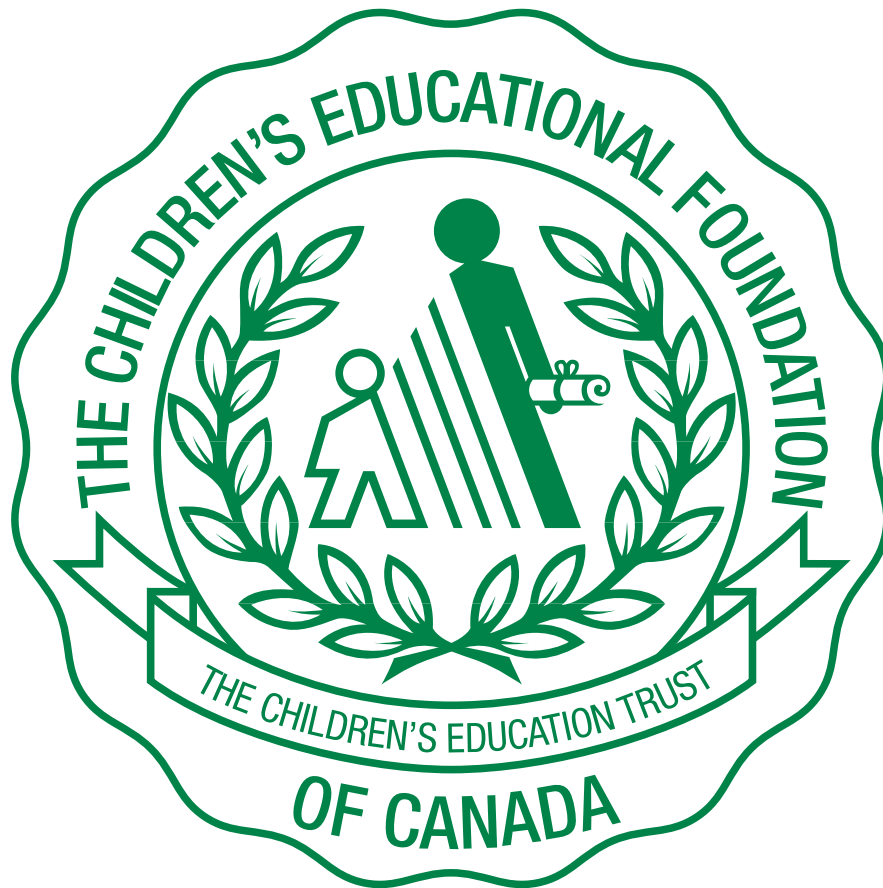
Schedule of Investment Portfolio for Subscriber deposits under Scholarship Enhancement Fund June 30, 2017 (unaudited)

Face Value	Security Description	Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)	
277,000	CANADA HOUSING TRUST	0.725%	15Sep2020	275,575	276,842	
362,000	CANADA HOUSING TRUST NO. 1	1.250%	15Dec2020	361,880	358,467	
39,000	GOVERNMENT OF CANADA	0.250%	01May2018	38,896	38,767	
330,000	GOVERNMENT OF CANADA	1.500%	01Jun2026	329,825	324,519	
26,000	GOVERNMENT OF CANADA	3.500%	01Dec2045	34,163	33,356	
145,000	PROVINCE OF ALBERTA	3.450%	01Dec2043	149,488	154,569	
172,000	PROVINCE OF MANITOBA	2.550%	02Jun2023	176,098	176,195	
120,000	PROVINCE OF MANITOBA	6.300%	05Mar2031	161,270	167,023	
148,000	PROVINCE OF NEW BRUNSWICK	4.650%	26Sep2035	173,151	181,771	
255,000	PROVINCE OF ONTARIO	3.150%	02Jun2022	271,631	269,772	
187,000	PROVINCE OF ONTARIO	2.400%	02Jun2026	188,490	187,045	
130,000	PROVINCE OF ONTARIO	5.850%	08Mar2033	173,975	180,791	
323,000	PROVINCE OF ONTARIO	3.500%	02Jun2043	340,299	354,224	
35,000	PROVINCE OF ONTARIO	3.450%	02Jun2045	35,653	38,201	
195,000	PROVINCE OF QUEBEC	0.003%	10Jun2020	196,501	196,607	
218,000	PROVINCE OF QUEBEC	1.265%	13Oct2024	218,296	219,293	
335,000	PROVINCE OF QUEBEC	2.750%	01Sep2025	343,994	346,025	
25,000	PROVINCE OF SASKATCHEWAN	3.400%	03Feb2042	25,832	26,623	
Total Fixed Income Securities				\$3,495,017	\$3,530,090	100.0%

Summary of Schedules of Investment Portfolio

June 30, 2017 (unaudited)

	Average Cost (\$)	Fair Value (\$)
Schedule of Investment Portfolio for Subscriber deposits under Scholarship Agreements	767,004,799	785,701,613
Schedule of Investment Portfolio for Government Grants	298,779,953	300,139,876
Schedule of Investment Portfolio for Subscriber deposits under Escrow Agreements	2,733,738	2,761,676
Schedule of Investment Portfolio for the Scholarship Enhancement Fund	3,495,017	3,530,090
	1,072,013,507	1,092,133,255



THE CHILDREN'S EDUCATION
TRUST OF CANADA
Offered to the public by
CHILDREN'S EDUCATION FUNDS INC.

Administered by
THE CHILDREN'S EDUCATIONAL
FOUNDATION OF CANADA

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

Tel.: 905.331.8377
Fax: 905.331.9977
Toll Free: 800.246.1203
Email: customerservice@cefi.ca
Or visit our interactive website: www.cefi.ca

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