

Financial Statements of

**FLEX FIRST**  
**EDUCATION SAVINGS PLAN**

Education savings program provided by Knowledge First Foundation

For the years ended December 31, 2022 and 2021

## **Management's Responsibility for Financial Reporting**

The accompanying financial statements of the Flex First Education Savings Plan (the Plan) have been prepared by management and approved by the Board of Directors of Knowledge First Foundation. The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

Knowledge First Foundation, through Knowledge First Financial Inc., its wholly owned subsidiary which administers the Plan, maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies, which management believe are appropriate for the Plan, are described in Note 3 to the financial statements.

KPMG LLP is the independent auditor of the Plan. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the Trustee and the Subscribers and the Beneficiaries of Flex First Education Savings Plan their opinion on the financial statements. Their report follows.

**Board of Directors**  
**Mississauga, Ontario**  
**March 30, 2023**



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## INDEPENDENT AUDITOR'S REPORT

To the Trustee and the Subscribers and Beneficiaries of Flex First Education Savings Plan

### ***Opinion***

We have audited the financial statements of Flex First Education Savings Plan (the "Plan"), which comprise:

- the statement of financial position as at December 31, 2022;
- the statement of comprehensive income (loss) for the year then ended;
- the statement of changes in net assets attributable to subscribers and beneficiaries for the year then ended;
- the statement of cash flows for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

### ***Basis for Opinion***

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

We are independent of the Plan 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 Matter – Comparative Information***

The financial statements for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 30, 2022.

### ***Other Information***

Management is responsible for the other information. Other information comprises 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 Management Report of Fund Performance filed with the relevant Canadian Securities Commissions 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 International Financial Reporting Standards, as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Plan'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 Plan'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 Plan'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 Plan 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

Toronto, Canada  
March 30, 2023

# FLEX FIRST EDUCATION SAVINGS PLAN

Statements of Financial Position

As at December 31, 2022 and December 31, 2021

(All amounts in Canadian dollars)

	2022	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 265,335	\$ 260,621
Due from Foundation (Note 8)	—	5,945,354
Investments (Note 5)	548,358,883	484,187,412
Government Grants Receivable	4,635,552	5,024,170
Interest and Dividends Receivable	2,365,563	1,724,281
Other Receivables	361,878	635,879
<b>Total Assets</b>	<b>\$ 555,987,211</b>	<b>\$ 497,777,717</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Due to Foundation	4,319,330	—
Accounts Payable and Other Liabilities (Notes 7 and 8)	3,488,656	4,975,445
<b>Total Liabilities</b>	<b>\$ 7,807,986</b>	<b>\$ 4,975,445</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries (Note 6)</b>	<b>\$ 548,179,225</b>	<b>\$ 492,802,272</b>

Approved by the Board of Directors of Knowledge First Foundation

"David Forster" (Signed)

David Forster, Director

"Andrea Bolger" (Signed)

Andrea Bolger, Director

*The accompanying notes are an integral part of these financial statements.*

## FLEX FIRST EDUCATION SAVINGS PLAN

Statements of Comprehensive Income (Loss)

For the years ended December 31, 2022 and December 31, 2021

(All amounts in Canadian dollars)

	2022	2021
<b>Income</b>		
Interest Income	\$ 8,313,860	\$ 5,021,169
Dividend Income	3,444,756	2,619,022
Other Changes in Fair Value of Investments:		
Net Realized Gains (Losses) on Investments	2,234,374	25,485,083
Net Change in Unrealized (Losses) Gains on Investments	(66,971,230)	2,366,039
<b>Total (Loss) Income (Net)</b>	<b>\$ (52,978,240)</b>	<b>\$ 35,491,313</b>
<b>Expenses</b>		
Management Fees (Note 8)	7,120,900	5,946,121
Independent Review Committee Fees	6,429	5,106
Transaction Costs	19,579	17,869
<b>Total Expenses</b>	<b>\$ 7,146,908</b>	<b>\$ 5,969,096</b>
<b>(Decrease) Increase in Net Assets Attributable to Subscribers and Beneficiaries</b>	<b>\$ (60,125,148)</b>	<b>\$ 29,522,217</b>

*The accompanying notes are an integral part of these financial statements.*

## FLEX FIRST EDUCATION SAVINGS PLAN

Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries

For the years ended December 31, 2022 and December 31, 2021

(All amounts in Canadian dollars)

	2022	2021
<b>Net Assets Attributable to Subscribers and Beneficiaries, Beginning of Year</b>	<b>\$ 492,802,272</b>	<b>\$ 356,224,379</b>
Subscribers' Contributions (Note 6)		
Contributions	103,773,195	86,482,830
Return of Contributions and Transfers Out	(18,922,704)	(12,407,592)
	<b>\$ 84,850,491</b>	<b>\$ 74,075,238</b>
Government Grants (Note 6)		
Government Grant Contributions	38,606,332	37,899,545
Government Grant Repayments	(1,640,024)	(1,068,841)
Government Grant Transfers (Out) In	(691,655)	581,404
Government Grant Payments to Beneficiaries	(3,500,480)	(2,130,968)
	<b>\$ 32,774,173</b>	<b>\$ 35,281,140</b>
Accumulated Income (Note 6)		
(Decrease) Increase in Net Assets Attributable to Subscribers and Beneficiaries	(60,125,148)	29,522,217
Education Assistance Payments	(1,777,461)	(2,056,566)
Payments of Government Grant Income to Beneficiaries	(456,690)	(536,424)
Payments of Government Grant Income to Educational Institutions	(98,551)	(186,929)
Income Transferred In (Out), Net	210,139	479,217
	<b>\$ (62,247,711)</b>	<b>\$ 27,221,515</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries, End of Year</b>	<b>\$ 548,179,225</b>	<b>\$ 492,802,272</b>

*The accompanying notes are an integral part of these financial statements.*

# FLEX FIRST EDUCATION SAVINGS PLAN

## Statements of Cash Flows

For the years ended December 31, 2022 and December 31, 2021

(All amounts in Canadian dollars)

<b>Cash Provided by (Used in)</b>	<b>2022</b>	<b>2021</b>
<b>Operating Activities</b>		
(Decrease) Increase in Net Assets Attributable to Subscribers and Beneficiaries	\$ (60,125,148)	\$ 29,522,217
Adjustments for:		
Due to/from Foundation	10,264,684	6,614,163
Net Realized (Gains) Losses on Investments	(2,234,374)	(25,485,083)
Net Change in Unrealized (Gains) Losses on Investments	66,971,230	(2,366,039)
Amortization of Bond Discounts and Premiums	15,890	1,199,052
Purchase of Investments	(438,032,081)	(487,827,243)
Proceeds from Sale or Maturity of Investments	309,107,864	371,437,041
Interest and Dividends Receivable	(641,282)	(246,486)
Other Receivables	274,001	(36,631)
Accounts Payable and Other Liabilities	(1,585,340)	243,703
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>\$ (115,984,556)</b>	<b>\$ (106,945,306)</b>
<b>Financing Activities</b>		
Subscribers' Contributions	103,773,195	86,482,830
Return of Contributions and Transfers Out	(18,922,704)	(12,407,592)
Government Grant Receipts	38,994,950	37,767,955
Government Grant Repayments	(1,640,024)	(1,068,841)
Government Grant Transfers (Out) In	(691,655)	581,404
Government Grant Payments to Beneficiaries	(3,500,480)	(2,130,968)
Income Payments to Beneficiaries:		
Education Assistance Payments	(1,777,461)	(2,056,566)
Government Grants	(456,690)	(536,424)
Income Transferred In (Out)	210,139	479,217
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>\$ 115,989,270</b>	<b>\$ 107,111,015</b>
<b>Net Increase (Decrease) in Cash During the Year</b>	<b>4,714</b>	<b>165,709</b>
<b>Cash, Beginning of Year</b>	<b>260,621</b>	<b>94,912</b>
<b>Cash, End of Year</b>	<b>\$ 265,335</b>	<b>\$ 260,621</b>
<b>Supplementary Disclosure of Cash Flow Information</b>		
Interest Received*	\$ 7,992,264	\$ 6,109,697
Dividends Received*	3,140,960	2,500,929

\*Included in operating activities

The accompanying notes are an integral part of these financial statements.

# **FLEX FIRST EDUCATION SAVINGS PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2022 and December 31, 2021**

(All amounts in Canadian dollars)

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## **1 General Information**

Flex First Education Savings Plan (the Plan) was established by Knowledge First Foundation (the "Foundation") as a savings vehicle for subscribers to save for a designated student's (beneficiary) post-secondary education. The Plan commenced operations in November 2012.

The Foundation, the sponsor of the Plan, is a not-for-profit organization, which was incorporated without share capital on February 19, 1990 under the Canada Corporations Act and continued under the amended act of October 17, 2011. The Foundation has engaged its wholly owned subsidiary, Knowledge First Financial Inc. (Knowledge First Financial), to be the distributor and investment fund manager ("the Manager") of the Plan and to provide general administration services to the Plan. Knowledge First Financial is incorporated under the laws of Canada. The primary place of business of the Plan is 50 Burnhamthorpe Road West, Mississauga, Ontario, Canada.

Subscribers to the Plan make periodic deposits into the Plan, net of enrollment fees charged to each subscriber. The income earned on subscriber contributions is held in the Education Assistance Payment account. When a plan matures, is terminated, or is cancelled, such deposits, net of deductions, will be returned to the subscriber or a beneficiary. All or a portion of the income may be paid to the subscriber as an accumulated income payment. Upon registration of a plan, Knowledge First Financial will apply for government grants on behalf of the subscriber. The income earned on government grants is held in the Grant Income account.

The Plan invests in Canadian government bonds and high-grade corporate debt and in Canadian equities and Exchange Traded Funds (ETFs). The underlying investments held by the ETFs are exposed to the US dollar. The Plan is subject to the risk that the fair value of future cash flows of BMO MSCI USA ESG Leaders Index EFT, which are not hedged back to the Canadian dollar, will fluctuate because of changes in foreign exchange rates. The Plan's investment in equities is limited to 40% of Net Assets of the Plan.

Education Assistance Payments (EAPs) are paid from government grants and income earned on contributions and governments grants through interest, dividends and other income. Contributions are not included in EAPs, however are returned to the subscriber upon maturity. In order to be entitled to an EAP, the administrator must receive proof that a beneficiary meets EAP eligibility requirements for enrollment in a post-secondary program, inclusive of confirmation of beneficiary residency status. If a subscriber to the Plan terminates an account, the subscriber's contributions are returned to the subscriber and income earned on that subscriber's deposit is due and payable to the subscriber in the form of an accumulated income payment or payable to a designated educational institution. Government grant contributions are returned to the originating government agency. Forfeited grant income is payable to an eligible educational institutions.

The financial statements were authorized for issue by the Audit, Finance and Risk Management Committee of the Board of Directors of the Foundation on March 30, 2023.

# **FLEX FIRST EDUCATION SAVINGS PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2022 and December 31, 2021**

(All amounts in Canadian dollars)

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## **2 Basis of Accounting**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board. The Plan has consistently applied the accounting policies used in the preparation of its financial statements.

## **3 Summary of Significant Accounting Policies**

The significant accounting policies followed by the Plan are as follows.

### **Financial Instruments**

A financial instrument is recognized when the Plan becomes a party to the contractual requirements of the instrument and is derecognized when the right to receive cash flows from the instrument has expired or the Plan has transferred substantially all risk and rewards of ownership, plus transaction costs in the case of financial instruments not measured at fair value through profit or loss. Regular purchases and sales of financial assets are recognized at their trade date. The Plan’s investments are classified as fair value through profit or loss (FVTPL), including its investments in equities, ETFs, and debt securities. All other financial assets and liabilities, including interest and dividends receivable, government grants receivable, other receivables, and accounts payable and other liabilities are measured at amortized cost. The Plan’s obligation for net assets attributable to subscribers and beneficiaries is presented at the distribution amount, which is the residual amount of assets of the Plan after deducting all of its liabilities.

### **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 and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. For bonds, the Plan uses mid prices provided by independent security pricing vendors. For equities and ETFs, the Plan uses the last traded market price where the last traded price falls within that day’s bid-ask spread. The Plan’s policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer. The fair value of financial assets and liabilities that are not quoted in an active market is determined using valuation techniques. The use of valuation techniques for financial instruments that are not quoted in an active market requires the Manager to make assumptions that are based on market conditions existing as at the date of the financial statements. Changes in these assumptions because of changes in market conditions could affect the reported fair value of financial instruments.

### **Income Recognition, Transaction Costs and Expenses**

Interest income for distribution purposes from investments in fixed income securities and short-term investments represents the coupon interest received by the Plan accounted for on an accrual basis. Interest receivable is recognized based on the debt instruments’ stated rates of interest. Dividends are recognized as income on the ex-dividend date. The cost of investments is determined using the average cost method. Average cost includes amortization of premiums and discounts on the Plan’s debt securities. Transaction costs represent broker’s commissions.

## **FLEX FIRST EDUCATION SAVINGS PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2022 and December 31, 2021**

(All amounts in Canadian dollars)

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### **Impairment of Financial Assets**

Financial Instruments (“IFRS 9”) requires that an entity recognize a loss allowance for expected credit losses on financial assets which are measured at amortized cost. With respect to financial assets at amortized cost, the Plan considers both historical analysis and forward-looking information in determining any expected credit loss. As at the financial statement dates, interest, dividends, other and government grant receivables are due to be settled within the short term. The Plan considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligation in the near term. Given the limited exposure of the Plan to credit risk, no loss allowance has been recognized as any such impairment will not have a significant impact on the financial statements. With respect to the fixed income securities portfolio, the market embeds the risk of default and probability weighted expected credit loss in the pricing of each bond. The credit rating and trading price of each security incorporate this risk, although such expected credit loss allowance is not segregated and identifiable. Thus, the Plan does not include any incremental loss allowance for its portfolio of fixed income securities.

### **Foreign Currency**

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

### **Cash**

Cash is comprised of cash with the custodian.

### **Due from/to Foundation**

Due from Foundation is comprised of demand deposits with financial institutions. Due to Foundation is comprised of funds owing to Foundation through financial institutions.

Cash, except cash with the custodian, is not held in the legal name of the Plan. The Plan has agreed on an intercompany cash agreement in which the Foundation maintains a collective cash account for the participating legal entities (“the Plans”). A separate account ledger exists for each Plan and each transaction is recorded in the respective Plans’ sub-ledger. Each Plan only has access to and an interest in its share of the cash as determined under the intercompany cash agreement.

### **Funds Transferred In / (Out)**

During the life of an agreement, subscribers of another Knowledge First Financial Education Savings Plan or subscribers at another provider may choose to convert their agreement to the Plan. Alternatively, subscribers of the Plan may choose to convert their agreement to another Knowledge First Financial Education Savings Plan or convert to another provider. Contributions, government grants and income transferred in/out are reported as changes in net assets attributable to subscribers and beneficiaries.

## **FLEX FIRST EDUCATION SAVINGS PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2022 and December 31, 2021**

(All amounts in Canadian dollars)

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### **Net Assets Attributable to Subscribers and Beneficiaries**

Net assets attributable to subscribers and beneficiaries are comprised of subscribers' contributions, government grants and income earned on both subscribers' contributions and government grants. Net assets attributable to subscribers and beneficiaries is classified as a liability as subscribers have the option to withdraw at any point prior to maturity. If a subscriber withdraws before maturity, the subscriber's contributions, net of applicable fees, are returned to the subscriber, income earned on that subscriber's contributions is due and payable to the subscriber in the form of an accumulated income payment or payable to a designated educational institution. Government grant contributions are returned to the government and forfeited income on the government grants is owed to a designated educational institution. Refer to Note 6 for a breakdown of net assets attributable to subscribers and beneficiaries.

Subscribers' contributions are comprised of deposits received from subscribers, after deductions of various fees. Knowledge First Financial deducts the applicable subscriber fees such as enrollment fees and special processing fees from the deposits made from subscribers and the net amount is invested in the Plan. During the life of an agreement, subscribers may choose to change the level of their contributions. Refer to Note 6 for a breakdown of the changes to subscribers' contributions.

Government grants represent contributions received from federal and provincial governments. Government grants are recognized upon receipt of an eligible contribution to a registered education savings plan by a subscriber to the Plan.

Accumulated income includes the increase (decrease) in net assets attributable to subscribers and beneficiaries. Education assistance payments, and payments of grant income to beneficiaries and designated financial institutions reduce the accumulated income account.

### **Taxation**

The income on Subscribers' contributions is currently exempt from income taxes under the Income Tax Act (Canada) prior to the maturity of each subscriber's plan. Education Assistance Payments, comprising government grants and all accumulated income, made to qualified nominees will be included in their income for the purposes of the Income Tax Act (Canada). The amounts deposited by subscribers are not deductible to the subscribers for tax purposes and are not taxable when returned to subscribers or their designated nominees.

The Plan is exempt from income taxes under Section 146.1 of the Income Tax Act (Canada).

### **Interests in Unconsolidated Structured Entities**

A structured entity is an entity that has been designed so that voting or similar rights are not dominant factors in deciding who controls the entity, or when voting rights relate to administrative tasks only and the relevant activities are directed by means of a contractual arrangement. The Plan invests in ETFs and asset-backed securities, which are disclosed on the Schedule of Investment Portfolio, and the Plan has determined that these investments are unconsolidated structured entities. The Plan accounts for its investments in unconsolidated structured entities at fair value through profit and loss. The ETFs finance their operations by issuing redeemable shares, which are puttable at the holder's option and entitle the holder to a proportional stake in the ETF's net asset value. The ETFs are domiciled in Canada and listed on the on a Canadian stock exchange. The asset-backed securities include Canada Housing Trust bonds, which are secured by and payable from mortgage loans on real property and guaranteed by the Government of Canada, through CMHC. These investments are included in "Investments" in the Statements of Financial Position. The Plan's maximum exposure to loss from its interest in these securities is equal to the total fair value of its investments.

# **FLEX FIRST EDUCATION SAVINGS PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2022 and December 31, 2021**

(All amounts in Canadian dollars)

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## **4 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 judgments and estimates that the Plan has made in preparing the financial statements.

### **Investment Entity Status**

A significant judgment made in preparing the Plan's financial statements relates to the determination that the Plan meets the definition of an investment entity as described in IFRS 10, Consolidated Financial Statements. The Plan's objective is to invest subscribers' contributions to maximize their investment return over the long term for the purpose of generating investment income. Fair value is the primary measurement used to evaluate the performance of substantially all investments. Consequently, the Plan does not consolidate their investment in subsidiaries, if any, but instead measure these at fair value through profit or loss, as required by the accounting standard.

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

In classifying and measuring financial instruments held by the Plan, the Manager is required to make significant judgments in determining the most appropriate classification in accordance with IFRS 9. In making this judgment, the Manager has assessed the Plan's business model for managing the portfolio and the contractual cash flow characteristics and determined the investments are managed on a fair value basis, and that fair value is used to assess performance and make investment decisions. The contractual cash flows of the Plan's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Plan's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

Key areas of estimation, where the Manager has made complex or subjective judgments, include the determination of fair values of financial instruments that are not quoted in an active market. The use of valuation techniques for financial instruments that are not quoted in an active market requires the Manager to make assumptions that are based on market conditions existing as at the date of the financial statements. Changes in these assumptions as a result of changes in market conditions could affect the reported fair value of financial instruments.

## **5 Financial Instruments Risks**

The Plan's investment activities expose it to a variety of risks associated with financial instruments, as follows: credit risk, liquidity risk and market risk (including price risk, currency risk and interest rate risk). The Plan does not conduct any activities in currencies other than the Canadian dollar and is therefore not subject to significant direct currency risk, and only its holdings of US equities via the unhedged ETF are exposed to a direct currency risk. The Plan's overall risk management approach includes investment guidelines, objectives, and limits which are designed to ensure that risk is mitigated through allocation of investments across different market sectors, maturity segments and issuers. The Plan employs a third-party investment manager and monitors the investments for compliance with the stated investment guidelines and relevant securities and tax regulations. Oversight responsibility and authority rests with the Foundation's Board of Directors and its Investment Committee. An Independent Review Committee is also in place.

## FLEX FIRST EDUCATION SAVINGS PLAN

Notes to the Financial Statements

For the years ended December 31, 2022 and December 31, 2021

(All amounts in Canadian dollars)

### Credit Risk

The Plan 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. Cash on hand is kept on deposit at financial institutions. The majority of the credit risk to which the Plan is exposed arises from its investments in debt securities. Most of the debt instruments held by the Plan are issued or guaranteed by federal, provincial, or municipal governments. The plan also invests in corporate debt instruments with an investment grade credit rating at the time of acquisition. The Plan may also be exposed to indirect credit risk through its holdings in ETFs.

The fair value of debt investments includes consideration of the credit worthiness of the debt issuer. The carrying amount of cash, receivables and debt investments represents the maximum credit risk exposure as at December 31, 2022 and December 31, 2021. The analysis below summarizes the credit quality of the Plan's debt portfolio as at December 31, 2022 and December 31, 2021. Credit ratings are obtained from Standard & Poor's, Moody's and DBRS Morningstar. Where one or more rating is obtained for a security, the lowest rating has been used.

Percentage of Debt Investments (%)		
Credit Rating	December 31, 2022	December 31, 2021
"AAA"	26.8%	40.1%
"AA"	14.8%	14.7%
"A"	44.8%	32.0%
"BBB"	13.6%	13.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

### Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Plan has current exposure to the subscribers' contributions and government grant balances as subscribers can cancel or terminate their agreement at any time at which point the full balance would become immediately payable to the subscribers or the government. The Plan is also exposed to agreement maturities and obligations with respect to the accumulated income accounts. Therefore, the Plan invests the majority of its assets in investments that are traded in an active market and can be easily liquidated. In addition, the Plan endeavors to retain cash positions to maintain adequate liquidity.

### Maturity Profile

EAPs (accumulated income and government grants) are paid upon submission of required documentation to Knowledge First Financial. Subscriber's principal is paid upon request by the subscriber.

If a subscriber cancels an agreement, subscriber's principal and associated government grants are due upon demand. Government grants payable to the government are presented net of government grants receivable in the Statements of Financial Position, as the Plan has the ability and intent to settle net. Income on the subscriber's principal and returned government grants become immediately payable to the subscriber or to a qualified educational institution, as applicable, and is included in accounts payable and other liabilities in the Statements of Financial Position.

All other liabilities of the Plan are due within three months.

## FLEX FIRST EDUCATION SAVINGS PLAN

Notes to the Financial Statements

For the years ended December 31, 2022 and December 31, 2021

(All amounts in Canadian dollars)

### Concentration Risk

The table below summarizes this Plan's concentration risk as a percentage of investments as at December 31, 2022 and December 31, 2021.

Percentage of Investments (%) As at		
Concentration	December 31, 2022	December 31, 2021
<b>Fixed Income</b>		
Federal	17.3 %	24.4 %
Provincial	22.1 %	16.7 %
Corporate	25.0 %	19.7 %
Short-Term Investments	1.4 %	1.6 %
<b>Total Fixed Income</b>	<b>65.8 %</b>	<b>62.4 %</b>
<b>Equities</b>		
Communication Services	0.4 %	0.5 %
Consumer Discretionary	0.8 %	1.1 %
Consumer Staples	0.4 %	0.4 %
Energy	1.4 %	1.3 %
Financials	2.8 %	3.7 %
Health Care	— %	0.3 %
Industrials	1.4 %	1.1 %
Information Technology	0.6 %	1.0 %
Materials	1.2 %	1.0 %
Real Estate	0.1 %	0.1 %
Utilities	0.4 %	0.4 %
US Equity ETF	24.7 %	26.7 %
<b>Total Equities</b>	<b>34.2 %</b>	<b>37.6 %</b>
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>

### Market Risk

The Plan's investments are subject to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The following include sensitivity analyses, as applicable that show how the net assets attributable to subscribers and beneficiaries would be affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ, and the differences could be material. The Plan manages interest rate risk through our portfolio managers by diversifying in various investments, as well as through investment committee oversight.

## FLEX FIRST EDUCATION SAVINGS PLAN

Notes to the Financial Statements

For the years ended December 31, 2022 and December 31, 2021

(All amounts in Canadian dollars)

### a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Plan holds securities with fixed interest rates that expose the Plan to fair value interest rate risk. As at December 31, 2022, had prevailing interest rates increased or decreased by 25 basis points, assuming a parallel shift in the yield curve, with all other variables held constant, net assets of the Plan would have decreased or increased, respectively, by approximately \$5.2 million (approximately 1.0% of the total investment portfolio) (December 31, 2021 - \$4.2 million, approximately 0.9% of the total investment portfolio). This analysis has been applied only to the fixed income securities within the portfolio. The investment manager manages interest rate risk through the Plan's portfolio managers by diversifying in various investments, as well as through investment committee oversight.

The tables below summarize the Plan's exposure to interest rate risk as at December 31, 2022 and December 31, 2021 by remaining term to maturity.

<b>December 31, 2022</b>	<b>&lt; 1 Year</b>	<b>1 - 5 Years</b>	<b>&gt; 5 Years</b>	<b>Total</b>
Short Term Investments				
Treasury Bills	\$ 7,483,163	\$ —	\$ —	\$ 7,483,163
Government Guaranteed Instruments				
Federal	—	1,167,910	93,531,228	94,699,138
Provincial	—	28,511,794	92,979,298	121,491,092
Corporate	—	31,223,252	106,163,585	137,386,837
<b>Total</b>	<b>\$ 7,483,163</b>	<b>\$ 60,902,956</b>	<b>\$ 292,674,111</b>	<b>\$ 361,060,230</b>
<b>Percentage of Total</b>	<b>2.0%</b>	<b>16.9%</b>	<b>81.1%</b>	<b>100.0%</b>

<b>December 31, 2021</b>	<b>&lt; 1 Year</b>	<b>1 - 5 Years</b>	<b>&gt; 5 Years</b>	<b>Total</b>
Short Term Investments				
Treasury Bills	\$ 7,799,838	\$ —	\$ —	\$ 7,799,838
Government Guaranteed Instruments				
Federal	—	20,778,455	97,212,620	117,991,075
Provincial	—	28,851,220	51,955,200	80,806,420
Corporate	—	27,161,949	68,102,110	95,264,059
<b>Total</b>	<b>\$ 7,799,838</b>	<b>\$ 76,791,624</b>	<b>\$ 217,269,930</b>	<b>\$ 301,861,392</b>
<b>Percentage of Total</b>	<b>2.6%</b>	<b>25.4%</b>	<b>72.0%</b>	<b>100.0%</b>

### b) Currency Risk

The Plan invests in ETFs denominated in Canadian dollars. The underlying investments held by the ETFs are exposed to the US dollar. The Plan is subject to the risk that the fair value of future cash flows of the BMO MSCI USA ESG Leaders Index ETF, which are not hedged back to Canadian dollar, will fluctuate because of changes in foreign exchange rates. As at December 31, 2022, if the exchange rate had increased or decreased by 5%, with all other variables held constant, the net assets attributable to subscribers and beneficiaries would have increased or decreased by approximately \$6.8 million (\$3.3 million as at December 31, 2021).

## **FLEX FIRST EDUCATION SAVINGS PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2022 and December 31, 2021**

(All amounts in Canadian dollars)

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### **c) Other Price Risk**

The Plan is exposed to other price risk, which is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether the changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Financial instruments held by the Plan are susceptible to market price risk arising from uncertainties about future prices of those instruments. Market prices of these instruments are predominantly a function of interest rate movements, credit risks, unemployment rates in the North American economy, general business conditions, commodity prices and corporate profits. The maximum risk resulting from financial instruments held by the Plan is equivalent to their fair value. The investment managers manage this risk through the selection of securities within the parameters of the investment strategy. As at December 31, 2022, if the investment in equities and ETFs had increased or decreased by 5%, with all other variables held constant, the net assets attributable to subscribers and beneficiaries would have increased or decreased by approximately \$9.4 million (\$9.1 million as at December 31, 2021).

### **Capital Risk Management**

The capital of the Plan is represented by the net assets attributable to subscribers and beneficiaries. The capital of the Plan can change daily as the Plan is subject to ongoing contributions and cancellations. In addition, EAPs and maturities occur at specified times during the year. The Plan is not subject to externally imposed capital requirements. The Plan's objective, when managing capital risk, is to safeguard subscribers' contributions and government grants received and earn income on those amounts in order to pay EAPs to qualified beneficiaries. The Plan endeavors to invest subscribers' contributions, government grants received, and income earned in appropriate investments while maintaining sufficient liquidity to meet maturities, EAPs, cancellations and expenses in accordance with its investment objectives and risk management policies as described above. In order to manage the Plan's capital, the Plan's policy is to perform the following:

- Monitor the level of daily subscriber contributions and withdrawals relative to the liquid assets and adjust the amount of cash invested accordingly.
- Monitor the level of expected future payments for maturities and EAPs based on maturity and student applications received, and historical beneficiary qualification rates, and adjust the investment portfolio accordingly.
- Invest in securities which are traded in an active market and can be easily liquidated.

There has been no change with respect to the overall capital risk management strategy during the year.

### **Fair Value Measurement**

The Plan classifies fair value measurement within a hierarchy which gives the highest priority to the unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly: and
- Level 3 Inputs are unobservable for the asset or liability.

## FLEX FIRST EDUCATION SAVINGS PLAN

Notes to the Financial Statements

For the years ended December 31, 2022 and December 31, 2021

(All amounts in Canadian dollars)

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 following tables illustrate the classification of the Plan's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2022 and December 31, 2021.

<b>December 31, 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Short Term Investments	\$ —	\$ 7,483,163	\$ —	\$ 7,483,163
Government Guaranteed Instruments				
Federal	—	94,699,138	—	94,699,138
Provincial	—	121,491,092	—	121,491,092
Corporate Debt Instruments	—	137,386,837	—	137,386,837
Equities & ETFs	187,298,653	—	—	187,298,653
<b>Investments at Fair Value</b>	<b>\$ 187,298,653</b>	<b>\$ 361,060,230</b>	<b>\$ —</b>	<b>\$ 548,358,883</b>

<b>December 31, 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Short Term Investments	\$ —	\$ 7,799,838	\$ —	\$ 7,799,838
Government Guaranteed Instruments				
Federal	—	117,991,075	—	117,991,075
Provincial	—	80,806,420	—	80,806,420
Corporate Debt Instruments	—	95,264,059	—	95,264,059
Equities & ETFs	182,326,020	—	—	182,326,020
<b>Investments at Fair Value</b>	<b>\$ 182,326,020</b>	<b>\$ 301,861,392</b>	<b>\$ —</b>	<b>\$ 484,187,412</b>

All fair value measurements above are recurring. The carrying values of government grants receivable, interest and dividends receivable, other receivables, accounts payable and other liabilities approximate their fair value due to their short-term nature. There were no transfers between levels during the years ended December 31, 2022 and December 31, 2021.

### Investments in Unconsolidated Structured Entities

<b>Underlying Fund as at December 31, 2022</b>	<b>Country of Establishment and Principal Place of Business</b>	<b>% Ownership in the Underlying Fund</b>	<b>Plan's Share in the Underlying Fund</b>
BMO MSCI USA ESG Leaders Index ETF	Canada	8.34 %	3,758,600

## FLEX FIRST EDUCATION SAVINGS PLAN

Notes to the Financial Statements

For the years ended December 31, 2022 and December 31, 2021

(All amounts in Canadian dollars)

<b>Underlying Fund as at December 31, 2021</b>	Country of Establishment and Principal Place of Business	% Ownership in the Underlying Fund	Plan's Share in the Underlying Fund
BMO MSCI USA ESG Leaders Index ETF	Canada	7.24 %	1,534,380
BMO MSCI USA ESG Leaders Index ETF Hedged	Canada	7.76 %	1,695,800

### 6 Net Assets Attributable to Subscribers and Beneficiaries

Net assets attributable to subscribers and beneficiaries is comprised as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Subscribers' Contributions, Net of Returns	\$ 356,544,834	\$ 271,694,343
Government Grants	178,760,560	145,986,389
Accumulated Income		
Education Assistance Payment Account	533,904	50,064,796
Income from Government Grants	12,339,927	25,056,744
<b>Balance, End of Year</b>	<b>\$ 548,179,225</b>	<b>\$ 492,802,272</b>

The changes to subscribers' contributions to the Plan are as follows:

	<b>Year ended December 31, 2022</b>	<b>Year ended December 31, 2021</b>
Subscribers' Deposits and Transfers In	\$ 127,686,454	\$ 121,260,762
Special Processing Fees Deducted	(134,037)	(106,887)
Enrollment Fee Deducted	(23,779,222)	(34,671,045)
Return of Contributions	(18,922,704)	(12,407,592)
<b>Net Increase in Subscribers' Contributions</b>	<b>\$ 84,850,491</b>	<b>\$ 74,075,238</b>
Balance, Beginning of Year	271,694,343	197,619,105
<b>Balance, End of Year</b>	<b>\$ 356,544,834</b>	<b>\$ 271,694,343</b>

### 7 Accounts Payable and Other Liabilities

Included in accounts payable and other liabilities is \$309,017 (December 31, 2021 - \$274,459) payable to subscribers for stale dated cheques for which the subscriber has not requested the funds to be reissued. Also included in accounts payable and other liabilities is \$455,749 (December 31, 2021 - \$357,197) of forfeited grant income from terminated agreements that will be transferred to the Foundation and paid out to a designated educational institution as a donation as required under the Income Tax Act (Canada) annually.

## **FLEX FIRST EDUCATION SAVINGS PLAN**

Notes to the Financial Statements

**For the years ended December 31, 2022 and December 31, 2021**

(All amounts in Canadian dollars)

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### **8 Related Party Transactions**

The Foundation is the sponsor of the Plan. Knowledge First Financial carries out the general administration of the Plan on its behalf that includes processing and call center services related to new agreements, payments, government grants, plan modifications, terminations, maturities and EAPs and other back office functions such as accounting, reporting, compliance, legal and human resources. Knowledge First Financial is entitled to receive from the Plan an annual management fee between 1.3% and 1.5% per year of all funds on deposit related to the Plan, plus applicable taxes. The actual management fees charged in the year ended December 31, 2022 were \$7,120,900 (December 31, 2021 – \$5,946,121) or 1.30% of the net assets of the Plan (December 31, 2021 - 1.30%), plus applicable taxes. The management fee is not charged on any accumulated loyalty bonus held on behalf of the subscribers in plan.

Accounts payable and other liabilities include \$2,142,491 (December 31, 2021 – \$3,875,553) due to Knowledge First Financial relating to Management fees inclusive of HST and subscriber fees received by the Plan on behalf of Knowledge First Financial.

The Plan also pays remuneration to members of the Independent Review Committee, which is included in Independent Review Committee fees in the Statements of Comprehensive Income.

The Plan has an intercompany cash agreement in which the Foundation maintains a collective cash account for the Plans, which is represented by \$4,319,330 as due to Foundation as at December 31, 2022 (December 31, 2021 - \$5,945,354 as due from Foundation).

### **9 Subsequent Events**

From February 1, 2023, the management fee rate for the Plan was increased from 1.3% to 1.49%, plus applicable taxes.

The Foundation stopped offering Flex First Plan for sale effective March 7, 2023.

On February 27, 2023, the Foundation and the Company completed the process of changing their legal names to Embark Student Foundation and Embark Student Corp., respectively.

# FLEX FIRST EDUCATION SAVINGS PLAN

Schedule of Investment Portfolio

As at December 31, 2022

(All amounts in Canadian dollars)

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<b>Composition</b>	<b>Concentration</b>	<b>Page</b>
<b>Bonds</b>		
Federal	17.3 %	18
Provincial	22.1 %	18
Corporate	25.0 %	19
Short-Term Securities	1.4 %	20
<b>Equities</b>		
Communication Services	0.4 %	20
Consumer Discretionary	0.8 %	20
Consumer Staples	0.4 %	20
Energy	1.4 %	21
Financials	2.8 %	21
Industrials	1.4 %	21
Information Technology	0.6 %	21
Materials	1.2 %	22
Real Estate	0.1 %	22
Utilities	0.4 %	22
US Equity	24.7 %	22

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## FLEX FIRST EDUCATION SAVINGS PLAN

Schedule of Investment Portfolio

As at December 31, 2022

(All amounts in Canadian dollars)

<b>Bond Name</b>	<b>Coupon %<sup>*</sup></b>	<b>Maturity Date</b>	<b>Par Value \$</b>	<b>Cost \$</b>	<b>Fair Value \$</b>
<b>FEDERAL (17.3%)</b>					
GOVERNMENT OF CANADA	1.50%	6/1/2031	39,230,000	37,084,363	34,035,838
CANADA HOUSING TRUST	2.10%	9/15/2029	22,020,000	22,249,199	19,930,660
CANADA HOUSING TRUST	2.65%	12/15/2028	16,665,000	17,145,245	15,740,629
GOVERNMENT OF CANADA	1.50%	12/1/2031	6,265,000	5,443,034	5,394,340
CANADA HOUSING TRUST	1.40%	3/15/2031	5,600,000	5,306,008	4,683,176
CANADA HOUSING TRUST	1.75%	6/15/2030	4,345,000	3,852,269	3,792,933
GOVERNMENT OF CANADA	2.00%	12/1/2051	4,245,000	3,349,661	3,227,632
GOVERNMENT OF CANADA	1.25%	6/1/2030	3,500,000	3,462,805	3,034,500
GOVERNMENT OF CANADA	2.25%	12/1/2029	2,920,000	2,898,856	2,740,263
CANADA HOUSING TRUST	1.95%	12/15/2025	1,235,000	1,168,586	1,167,910
GOVERNMENT OF CANADA	2.00%	6/1/2028	1,015,000	959,678	951,257
				<b>102,919,704</b>	<b>94,699,138</b>
<b>PROVINCIAL (22.1%)</b>					
PROVINCE OF ONTARIO	2.15%	6/2/2031	37,525,000	34,800,002	32,561,450
PROVINCE OF ONTARIO	2.25%	12/2/2031	15,925,000	14,609,137	13,819,461
PROVINCE OF BRITISH COLUMBIA	1.55%	6/18/2031	15,485,000	13,646,359	12,795,019
PROVINCE OF ONTARIO	2.60%	6/2/2027	12,375,000	12,354,292	11,764,765
PROVINCE OF BRITISH COLUMBIA	2.95%	12/18/2028	10,095,000	10,546,027	9,607,508
PROVINCE OF ALBERTA	2.20%	6/1/2026	8,630,000	8,572,222	8,156,453
PROVINCE OF ONTARIO	6.50%	3/8/2029	6,495,000	8,089,100	7,409,396
PROVINCE OF BRITISH COLUMBIA	5.70%	6/18/2029	3,745,000	4,452,829	4,128,922
PROVINCE OF QUEBEC	2.75%	9/1/2028	4,065,000	4,313,524	3,840,883
PROVINCE OF SASKATCHEWAN	2.55%	6/2/2026	3,945,000	3,946,087	3,770,796
PROVINCE OF QUEBEC	2.75%	9/1/2027	3,855,000	3,963,274	3,682,309
PROVINCE OF ONTARIO	2.05%	6/2/2030	4,115,000	4,104,240	3,614,849
PROVINCE OF ALBERTA	1.65%	6/1/2031	4,170,000	3,928,547	3,472,652
PROVINCE OF BRITISH COLUMBIA	2.20%	6/18/2030	1,945,000	1,978,078	1,729,158
PROVINCE OF BRITISH COLUMBIA	2.85%	6/18/2025	1,170,000	1,183,539	1,137,471
				<b>130,487,257</b>	<b>121,491,092</b>

## FLEX FIRST EDUCATION SAVINGS PLAN

Schedule of Investment Portfolio

As at December 31, 2022

(All amounts in Canadian dollars)

<b>Bond Name</b>	<b>Coupon %*</b>	<b>Maturity Date</b>	<b>Par Value \$</b>	<b>Cost \$</b>	<b>Fair Value \$</b>
<b>CORPORATE (25.0%)</b>					
SUN LIFE FINANCIAL INC	2.80%	11/21/2033	23,135,000	21,290,849	20,213,760
BANK OF MONTREAL	3.19%	3/1/2028	12,340,000	12,475,927	11,533,021
TORONTO-DOMINION BANK	3.06%	1/26/2032	9,145,000	8,740,308	8,316,825
BELL CANADA	1.65%	8/16/2027	7,725,000	7,500,849	6,724,599
BELL CANADA	2.90%	9/10/2029	7,415,000	7,491,526	6,555,438
BELL CANADA	2.20%	5/29/2028	6,980,000	6,899,010	6,105,795
GREAT-WEST LIFECO INC	2.38%	5/14/2030	6,765,000	6,575,688	5,714,222
CANADIAN IMPERIAL BANK OF COMMERCE	4.20%	4/7/2032	6,065,000	5,875,752	5,713,483
SUN LIFE FINANCIAL INC	2.06%	10/1/2035	7,170,000	5,674,960	5,646,925
BANK OF NOVA SCOTIA	3.10%	2/2/2028	4,950,000	5,090,735	4,611,322
CANADIAN IMPERIAL BANK OF COMMERCE	3.30%	5/26/2025	4,450,000	4,488,609	4,310,476
ROYAL BANK OF CANADA	1.83%	7/31/2028	5,040,000	4,818,369	4,285,600
BELL CANADA	3.80%	8/21/2028	4,485,000	4,484,091	4,247,328
ROYAL BANK OF CANADA	1.67%	1/28/2033	4,990,000	4,098,657	4,131,389
SUN LIFE FINANCIAL INC	3.15%	11/18/2036	4,650,000	3,938,358	3,870,144
TRANSCANADA PIPELINES LTD	5.33%	5/12/2032	3,730,000	3,776,053	3,721,705
CANADIAN IMPERIAL BANK OF COMMERCE	2.25%	1/7/2027	4,015,000	3,856,234	3,616,778
ROGERS COMMUNICATIONS INC	4.25%	4/15/2032	3,555,000	3,538,161	3,243,065
TRANSCANADA PIPELINES LTD	3.80%	4/5/2027	3,145,000	3,213,211	3,001,154
ROYAL BANK OF CANADA	4.61%	7/26/2027	2,755,000	2,754,591	2,719,494
BANK OF NOVA SCOTIA	2.62%	12/2/2026	2,670,000	2,663,730	2,475,144
TORONTO-DOMINION BANK	4.21%	6/1/2027	2,315,000	2,309,299	2,249,244
NATIONAL BANK OF CANADA	5.43%	8/16/2032	2,270,000	2,267,672	2,245,645
ENBRIDGE INC	3.20%	6/8/2027	2,325,000	2,336,933	2,159,817
FAIRFAX FINANCIAL HOLDINGS LTD	4.23%	6/14/2029	2,225,000	2,210,652	2,063,405
SUN LIFE FINANCIAL INC	4.78%	8/10/2034	1,760,000	1,752,952	1,700,061
INTACT FINANCIAL CORPORATION	2.85%	6/7/2027	1,765,000	1,751,997	1,629,567
BROOKFIELD FINANCE II INC	5.43%	12/14/2032	1,555,000	1,555,000	1,524,638
BANK OF MONTREAL	2.70%	12/9/2026	1,355,000	1,353,483	1,259,638
BANK OF MONTREAL	4.31%	6/1/2027	1,105,000	1,104,239	1,077,341
SUNCOR ENERGY INC	5.00%	4/9/2030	725,000	724,467	719,814
				<b>\$ 146,612,362</b>	<b>137,386,837</b>

## FLEX FIRST EDUCATION SAVINGS PLAN

Schedule of Investment Portfolio

As at December 31, 2022

(All amounts in Canadian dollars)

<b>Bond Name</b>	<b>Coupon %<sup>*</sup></b>	<b>Maturity Date</b>	<b>Par Value \$</b>	<b>Cost \$</b>	<b>Fair Value \$</b>
<b>SHORT TERM SECURITIES (1.4%)</b>					
GOVERNMENT OF CANADA TREASURY BILL	—%	1/19/2023	3,089,000	3,082,894	3,082,147
GOVERNMENT OF CANADA TREASURY BILL	—%	2/2/2023	3,076,000	3,064,829	3,064,262
GOVERNMENT OF CANADA TREASURY BILL	—%	2/16/2023	698,000	694,345	694,209
GOVERNMENT OF CANADA TREASURY BILL	—%	1/5/2023	480,000	479,753	479,703
GOVERNMENT OF CANADA TREASURY BILL	—%	3/2/2023	164,000	162,852	162,842
				<b>7,484,673</b>	<b>7,483,163</b>
<b>TOTAL INVESTMENTS</b>				<b>387,503,996</b>	<b>361,060,230</b>

\*Debt investments with no coupon rate are zero coupon securities.

<b>EQUITIES</b>	<b># of Shares</b>	<b>Cost \$</b>	<b>Fair Value \$</b>
<b>COMMUNICATION SERVICES (0.4%)</b>			
TELUS CORPORATION	64,790	1,711,390	1,692,962
BCE INC	10,074	647,500	599,302
		<b>2,358,890</b>	<b>2,292,264</b>
<b>CONSUMER DISCRETIONARY (0.8%)</b>			
RESTAURANT BRANDS INTERNATIONAL INC	20,010	1,564,653	1,752,276
MAGNA INTERNATIONAL INC	14,696	1,001,512	1,117,778
GILDAN ACTIVEWEAR INC	26,990	957,073	1,000,789
ARITZIA INC	16,285	675,090	771,095
		<b>4,198,328</b>	<b>4,641,938</b>
<b>CONSUMER STAPLES (0.4%)</b>			
METRO INC	15,745	992,246	1,180,403
MAPLE LEAF FOODS INC	33,761	924,168	825,456
		<b>1,916,414</b>	<b>2,005,859</b>

## FLEX FIRST EDUCATION SAVINGS PLAN

Schedule of Investment Portfolio

As at December 31, 2022

(All amounts in Canadian dollars)

<b>EQUITIES</b>	<b># of Shares</b>	<b>Cost \$</b>	<b>Fair Value \$</b>
<b>ENERGY (1.4%)</b>			
SUNCOR ENERGY INC	84,715	2,041,854	3,638,508
CANADIAN NATURAL RESOURCES LTD	30,760	1,617,494	2,312,844
TC ENERGY CORPORATION	32,952	1,979,038	1,778,749
		<b>5,638,386</b>	<b>7,730,101</b>
<b>FINANCIALS (2.8%)</b>			
ROYAL BANK OF CANADA	25,101	2,602,313	3,195,357
BANK OF MONTREAL	19,679	2,124,147	2,413,826
INTACT FINANCIAL CORPORATION	8,515	1,238,591	1,659,659
NATIONAL BANK OF CANADA	17,485	1,650,811	1,595,157
TORONTO-DOMINION BANK	18,010	1,597,022	1,578,936
BROOKFIELD CORP	34,912	1,338,120	1,486,553
ELEMENT FLEET MANAGEMENT CORPORATION	46,586	608,759	859,512
MANULIFE FINANCIAL CORPORATION	30,955	675,158	747,563
SUN LIFE FINANCIAL INC	9,615	517,372	604,303
TMX GROUP LTD	4,032	531,567	546,417
ONEX CORP	8321	737,260	543,278
		<b>13,621,120</b>	<b>15,230,561</b>
<b>INDUSTRIALS (1.4%)</b>			
CANADIAN PACIFIC RAILWAY LTD	25,963	2,147,295	2,620,964
FINNING INTERNATIONAL INC	42,855	1,176,782	1,442,499
SNC-LAVALIN GROUP INC	40,010	1,176,664	954,639
CANADIAN NATIONAL RAILWAY COMPANY	5,600	730,433	900,704
BOYD GROUP SERVICES INC	3,560	656,571	744,610
THOMSON REUTERS CORP	4,429	559,020	684,103
STANTEC INC	7,905	350,985	512,876
		<b>6,797,750</b>	<b>7,860,395</b>
<b>INFORMATION TECHNOLOGY (0.6%)</b>			
CGI INC	18,188	1,642,275	2,122,720
OPEN TEXT CORPORATION	27,080	1,290,188	1,086,450
		<b>2,932,463</b>	<b>3,209,170</b>

## FLEX FIRST EDUCATION SAVINGS PLAN

Schedule of Investment Portfolio

As at December 31, 2022

(All amounts in Canadian dollars)

<b>EQUITIES</b>	<b># of Shares</b>	<b>Cost \$</b>	<b>Fair Value \$</b>
<b>MATERIALS (1.2%)</b>			
AGNICO EAGLE MINES LTD	21,705	1,596,343	1,527,163
WHEATON PRECIOUS METALS CORP	28,565	1,530,704	1,511,089
CCL INDUSTRIES INC	25,205	1,275,429	1,457,857
TECK RESOURCES LTD	25,517	1,299,801	1,305,705
WEST FRASER TIMBER CO LTD	5,483	398,770	536,073
		<b>6,101,047</b>	<b>6,337,887</b>
<b>REAL ESTATE (0.1%)</b>			
CANADIAN APARTMENT PROPERTIES REIT	12,771	595,702	545,066
		<b>595,702</b>	<b>545,066</b>
<b>UTILITIES (0.4%)</b>			
FORTIS INC	16,585	884,557	898,575
BROOKFIELD INFRASTRUCTURE PARTNERS LP	12,384	465,886	519,385
BROOKFIELD RENEWABLE CORP	13,210	673,728	492,337
		<b>2,024,171</b>	<b>1,910,297</b>
<b>US EQUITY (24.7%)</b>			
BMO MSCI USA ESG LEADERS INDEX ETF	3,758,600	142,502,024	135,535,115
		<b>142,502,024</b>	<b>135,535,115</b>
<b>Total Equities</b>		<b>188,686,295</b>	<b>187,298,653</b>
Less: Transactions costs		19,579	
<b>Total Investments</b>		<b>576,170,712</b>	<b>548,358,883</b>