

Knowledge First Financial
Family Group Education Savings Plan
(Education savings program provided by Knowledge First Foundation)

Financial Statements

For the years ended April 30, 2017 and 2016

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Family Group 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 judgements. The significant accounting policies, which management believe are appropriate for the Plan are described in Note 3 to the financial statements.

PricewaterhouseCoopers LLP is the external 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 Board of Directors of Knowledge First Foundation their opinion on the financial statements. Their report follows.



R. George Hopkinson
President and Chief Executive Officer
Mississauga, Ontario
July 13, 2017

July 13, 2017

Independent Auditor's Report

To the Directors of Knowledge First Foundation

We have audited the accompanying financial statements of the Family Group Education Savings Plan (the Plan), which comprise the statements of financial position as at April 30, 2017 and April 30, 2016, and the statements of comprehensive income, changes in net assets attributable to subscribers and beneficiaries and cash flows for years ended April 30, 2017 and April 30, 2016, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Plan as at April 30, 2017 and April 30, 2016, and its financial performance and its cash flows for the years ended April 30, 2017 and April 30, 2016 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario

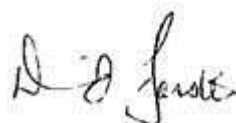
FAMILY GROUP EDUCATION SAVINGS PLAN
STATEMENTS OF FINANCIAL POSITION
As at April 30, 2017 and April 30, 2016
All amounts in Canadian Dollars

	April 30 2017	April 30 2016
Assets		
Current Assets		
Cash	30,651,603	10,690,480
Investments (Note 5)	3,445,860,746	3,360,154,583
Receivable for investments sold	7,610,136	34,165,675
Government grants receivable	4,975,790	7,320,991
Interest and dividends receivable	27,095,332	27,511,252
Other receivables	2,958	20,455
	<u>3,516,196,565</u>	<u>3,439,863,436</u>
Liabilities		
Current Liabilities		
Payable for investments purchased	2,619,054	35,845,644
Principal payable to subscribers	46,299,166	42,340,488
Accounts payable and other liabilities (Notes 8 and 10)	10,884,225	10,172,340
	<u>59,802,445</u>	<u>88,358,472</u>
Net assets attributable to subscribers and beneficiaries (Note 6)	<u>3,456,394,120</u>	<u>3,351,504,964</u>

Approved by the Board of Directors of Knowledge First Foundation



_____, Director



_____, Director

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

**FAMILY GROUP EDUCATION SAVINGS PLAN
STATEMENTS OF COMPREHENSIVE INCOME**

For the years ended April 30, 2017 and 2016

All amounts in Canadian Dollars

	2017	2016
Income		
Interest income	56,803,414	57,752,838
Dividend income	22,663,724	21,697,747
Other income	549,158	992,765
Other changes in fair value of investments:		
Net realized gains on investments	59,048,782	58,900,799
Net change in unrealized gains or (losses) on investments	73,817,115	(65,112,413)
Total income (net)	212,882,193	74,231,736
Expenses		
Administration fees (Note 10)	20,994,024	20,098,888
Investment counsel fees (Note 11)	4,171,215	3,968,710
Custodian fees	476,129	449,856
Independent review committee fees	82,527	91,214
Transaction costs	360,098	378,593
Total expenses	26,083,993	24,987,261
Increase in net assets attributable to subscribers and beneficiaries	186,798,200	49,244,475

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

FAMILY GROUP EDUCATION SAVINGS PLAN
STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SUBSCRIBERS AND
BENEFICIARIES

For the years ended April 30, 2017 and 2016
All amounts in Canadian Dollars

	2017	2016
Net assets attributable to subscribers and beneficiaries, beginning of year	3,351,504,964	3,329,710,320
Subscribers' deposits (Note 6)		
Deposits and transfers in	172,269,060	179,745,282
Return of deposits and transfers out	(170,336,032)	(159,286,786)
	1,933,028	20,458,496
Government grants		
Government grant contributions	48,720,853	55,574,163
Government grant repayments and transfers	(22,353,740)	(15,902,593)
Government grant payments to beneficiaries	(20,169,938)	(16,689,679)
	6,197,175	22,981,891
Accumulated income (Note 6)		
Increase in net assets attributable to subscribers and beneficiaries	186,798,200	49,244,475
Education Assistance Payments (EAP)	(57,795,717)	(45,279,357)
Deferred EAP	(5,498,118)	(4,312,474)
Payments of government grant income to beneficiaries	(14,209,040)	(11,068,949)
Payments of government grant income to educational institutions	(976,876)	(996,454)
Subscribers' equivalency transactions	4,151,186	8,373,993
Income transfers out, net	(15,710,682)	(17,606,977)
	96,758,953	(21,645,743)
Net assets attributable to subscribers and beneficiaries, end of year	3,456,394,120	3,351,504,964

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

**FAMILY GROUP EDUCATION SAVINGS PLAN
STATEMENTS OF CASH FLOWS**

For the years ended April 30, 2017 and 2016
All amounts in Canadian Dollars

	2017	2016
Cash flows from (used in) operating activities		
Increase in net assets attributable to subscribers and beneficiaries	186,798,200	49,244,475
Adjustments for:		
Net realized gains on investments	(59,048,782)	(58,900,799)
Net change in unrealized (gains) or losses on investments	(73,817,115)	65,112,413
Amortization of bond discounts/premiums	19,150,433	18,434,009
Purchases of investments	(2,633,539,350)	(2,334,486,393)
Proceeds from sale or maturity of investments	2,654,877,600	2,281,239,470
Interest and dividends receivable	415,920	(843,641)
Other receivable	17,497	(12,438)
Accounts payable and other liabilities	705,965	161,057
Net cash flow from operating activities	95,560,368	19,948,153
Cash flows from (used in) financing activities		
Subscribers' deposits	172,269,060	179,745,283
Return of subscribers' deposits	(166,377,354)	(147,905,799)
Government grant receipts	51,066,054	54,139,926
Government grant repayments	(15,270,441)	(15,902,593)
Government grant payments to beneficiaries	(20,169,938)	(16,689,679)
Income payments to beneficiaries		
Education Assistance Payments	(63,293,835)	(49,591,831)
Government Grants	(14,209,040)	(11,068,949)
Income transferred out	(22,793,981)	(17,606,978)
Subscribers' equivalency transactions	4,151,186	8,373,993
Income payments to educational institutions from government grants	(970,956)	(1,139,962)
Due from Knowledge First Financial	-	1,718,573
Net cash used in financing activities	(75,599,245)	(15,928,016)
Net increase in cash	19,961,123	4,020,137
Cash, beginning of year	10,690,480	6,670,343
Cash, end of year	30,651,603	10,690,480

Supplementary Information

*Interest received **

76,246,011

75,629,513

*Dividends received **

22,787,480

21,411,443

-* Included in operating activities

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

**FAMILY GROUP EDUCATION SAVINGS PLAN
SCHEDULE OF INVESTMENT PORTOLIO**

As at April 30, 2017

All amounts in Canadian Dollars

Bond Name	Coupon%	Maturity Date	Par Value \$	Cost \$	Fair Value \$
FEDERAL (9.2%)					
CANADA HOUSING TRUST	1.75%	2018-06-15	4,900,000	4,941,781	4,955,701
CANADA HOUSING TRUST	1.20%	2020-06-15	1,875,000	1,869,535	1,881,763
CANADA HOUSING TRUST	2.65%	2022-03-15	1,000,000	1,048,555	1,059,117
CANADA HOUSING TRUST	2.35%	2018-12-15	5,940,000	5,951,123	6,085,352
CANADA HOUSING TRUST	1.95%	2019-06-15	5,570,000	5,571,107	5,692,600
CANADA HOUSING TRUST	3.75%	2020-03-15	1,775,000	1,900,609	1,911,044
CANADA HOUSING TRUST	4.10%	2018-12-15	4,000,000	4,153,582	4,211,747
CANADA HOUSING TRUST	1.25%	2020-12-15	8,539,000	8,517,847	8,559,403
CANADA HOUSING TRUST	1.50%	2021-12-15	4,514,000	4,499,930	4,546,701
CANADA HOUSING TRUST	1.45%	2020-06-15	3,812,000	3,824,158	3,854,677
CANADA HOUSING TRUST	2.00%	2019-12-15	5,756,000	5,850,637	5,906,313
CANADA HOUSING TRUST	1.25%	2021-06-15	10,435,000	10,527,279	10,431,423
CANADA HOUSING TRUST	3.15%	2023-09-15	76,880,000	83,295,288	84,194,392
CANADA HOUSING TRUST	2.40%	2022-12-15	11,200,000	11,550,397	11,753,792
CPPIB CAPITAL INC	1.40%	2020-06-04	244,000	243,713	245,115
CPPIB CAPITAL INC	1.00%	2019-01-15	482,000	482,000	482,562
CPPIB CAPITAL INC	1.10%	2019-06-10	456,000	455,941	456,618
GOVERNMENT OF CANADA	0.50%	2019-02-01	7,175,000	7,142,420	7,151,452
GOVERNMENT OF CANADA	4.25%	2018-06-01	7,350,000	7,585,258	7,634,835
GOVERNMENT OF CANADA	3.50%	2020-06-01	13,851,000	14,959,478	14,983,607
GOVERNMENT OF CANADA	0.75%	2021-09-01	2,598,000	2,582,092	2,574,982
GOVERNMENT OF CANADA	1.75%	2019-03-01	7,583,000	7,705,157	7,728,912
GOVERNMENT OF CANADA	1.75%	2019-09-01	5,317,000	5,392,636	5,443,093
GOVERNMENT OF CANADA	1.50%	2020-03-01	5,588,000	5,699,793	5,700,815
GOVERNMENT OF CANADA	0.75%	2021-03-01	6,865,000	6,859,628	6,827,099
GOVERNMENT OF CANADA	0.50%	2018-11-01	1,325,000	1,319,349	1,321,519
GOVERNMENT OF CANADA	0.50%	2022-03-01	4,350,000	4,215,328	4,247,791
GOVERNMENT OF CANADA	3.75%	2019-06-01	10,607,000	11,122,486	11,270,154
GOVERNMENT OF CANADA	3.25%	2021-06-01	4,953,000	5,426,365	5,414,256
GOVERNMENT OF CANADA	0.75%	2020-09-01	10,776,000	10,802,823	10,741,091
GOVERNMENT OF CANADA	1.25%	2018-09-01	10,171,000	10,228,174	10,249,391
GOVERNMENT OF CANADA	5.75%	2029-06-01	17,385,000	24,994,598	24,986,331
GOVERNMENT OF CANADA	5.75%	2033-06-01	366,000	539,833	557,177
GOVERNMENT OF CANADA	1.50%	2026-06-01	18,620,000	18,303,238	18,717,889
GOVERNMENT OF CANADA	2.75%	2048-12-01	3,497,000	3,802,252	3,971,764
GOVERNMENT OF CANADA REAL RETURN	4.25%	2021-12-01	4,235,000	8,362,458	8,033,588
GOVERNMENT OF CANADA RESIDUAL	0.00%	2045-12-01	592,000	273,187	313,022
PSP CAPITAL INC	1.34%	2021-08-18	551,000	550,859	548,014
PSP CAPITAL INC	3.29%	2024-04-04	615,000	614,817	668,785
				<u>313,165,711</u>	<u>315,313,887</u>

PROVINCIAL (60.9%)

CDP FINANCIAL INC	4.60%	2020-07-15	2,600,000	2,852,963	2,863,268
CENTRE HOSPITALIER DE L'UNIVERSITE DE MONTREAL	4.45%	2049-10-01	800,000	840,261	923,963
HYDRO QUEBEC	1.00%	2019-05-25	2,451,000	2,444,301	2,450,978
NEW BRUNSWICK FM PROJECT	6.47%	2027-11-30	828,887	907,705	1,022,231
ONTARIO SCHOOL BOARDS FINANCING CORPORATION	7.20%	2025-06-09	1,544,692	1,755,736	1,870,329
ONTARIO SCHOOL BOARDS FINANCING CORPORATION	5.48%	2029-11-26	2,279,920	2,395,567	2,704,601
ONTARIO SCHOOL BOARDS FINANCING CORPORATION	6.55%	2026-10-19	1,464,439	1,603,815	1,770,254
ONTARIO SCHOOL BOARDS FINANCING CORPORATION	5.90%	2027-10-11	166,253	177,440	197,335
ORNGE ISSUER TRUST	5.73%	2034-06-11	617,793	617,793	738,423
PROVINCE OF ALBERTA	0.00%	2017-12-22	150,000	149,123	149,306
PROVINCE OF ALBERTA	4.00%	2019-12-01	2,400,000	2,568,090	2,577,608
PROVINCE OF ALBERTA	1.60%	2018-06-15	4,500,000	4,496,904	4,540,073
PROVINCE OF ALBERTA	1.25%	2020-06-01	11,411,000	11,353,799	11,422,665
PROVINCE OF ALBERTA	1.35%	2021-09-01	9,358,000	9,366,205	9,317,414
PROVINCE OF ALBERTA	2.00%	2019-06-01	1,037,000	1,044,894	1,058,505
PROVINCE OF ALBERTA	2.20%	2026-06-01	36,190,000	35,601,886	36,114,981
PROVINCE OF ALBERTA	2.35%	2025-06-01	86,150,000	85,558,674	87,813,226
PROVINCE OF ALBERTA	3.10%	2024-06-01	9,750,000	9,903,237	10,492,849
PROVINCE OF ALBERTA	2.55%	2022-12-15	12,000,000	11,935,773	12,547,999
PROVINCE OF ALBERTA	3.30%	2046-12-01	923,000	938,244	948,654
PROVINCE OF BRITISH COLUMBIA	4.10%	2019-12-18	7,200,000	7,641,161	7,770,045
PROVINCE OF BRITISH COLUMBIA	3.70%	2020-12-18	7,800,000	8,468,492	8,475,262
PROVINCE OF BRITISH COLUMBIA	4.65%	2018-12-18	4,500,000	4,709,053	4,775,656
PROVINCE OF BRITISH COLUMBIA	2.25%	2019-03-01	4,408,000	4,443,703	4,517,513
PROVINCE OF BRITISH COLUMBIA	3.25%	2021-12-18	6,000,000	6,425,706	6,489,424
PROVINCE OF BRITISH COLUMBIA	8.00%	2023-09-08	15,320,000	18,843,004	20,987,843
PROVINCE OF BRITISH COLUMBIA	3.30%	2023-12-18	70,965,000	75,775,673	77,721,810
PROVINCE OF BRITISH COLUMBIA	2.70%	2022-12-18	4,600,000	4,764,540	4,869,259
PROVINCE OF BRITISH COLUMBIA	5.70%	2029-06-18	60,110,000	80,341,334	80,374,459
PROVINCE OF BRITISH COLUMBIA	2.85%	2025-06-18	13,000,000	13,344,447	13,849,419
PROVINCE OF MANITOBA	1.85%	2018-09-05	3,475,000	3,505,417	3,521,300
PROVINCE OF MANITOBA	1.15%	2019-11-21	1,730,000	1,727,082	1,733,450
PROVINCE OF MANITOBA	4.15%	2020-06-03	4,200,000	4,542,560	4,571,525
PROVINCE OF MANITOBA	4.75%	2020-02-11	250,000	273,458	274,480
PROVINCE OF MANITOBA	5.50%	2018-11-15	1,500,000	1,586,751	1,604,604
PROVINCE OF MANITOBA	1.55%	2021-09-05	4,850,000	4,878,628	4,870,814
PROVINCE OF MANITOBA	2.55%	2026-06-02	34,500,000	35,587,733	35,370,226
PROVINCE OF MANITOBA	3.30%	2024-06-02	4,900,000	5,031,305	5,332,366
PROVINCE OF NEW BRUNSWICK	3.35%	2021-12-03	25,300,000	27,167,817	27,327,093
PROVINCE OF NEW BRUNSWICK	4.40%	2019-06-03	4,000,000	4,187,668	4,278,549
PROVINCE OF NEW BRUNSWICK	4.50%	2020-06-02	3,000,000	3,260,492	3,294,725
PROVINCE OF NEW BRUNSWICK	3.65%	2024-06-03	6,800,000	7,251,986	7,540,475
PROVINCE OF NEWFOUNDLAND	2.30%	2025-06-02	5,000,000	5,003,250	5,018,722

PROVINCE OF NOVA SCOTIA	4.10%	2021-06-01	1,800,000	1,991,809	1,991,606
PROVINCE OF NOVA SCOTIA	4.15%	2019-11-25	5,050,000	5,362,011	5,438,909
PROVINCE OF NOVA SCOTIA	4.45%	2021-10-24	700,000	792,183	787,944
PROVINCE OF NOVA SCOTIA	2.10%	2027-06-01	2,000,000	1,998,912	1,952,121
PROVINCE OF ONTARIO	0.00%	2045-06-02	11,281,000	4,474,406	4,724,237
PROVINCE OF ONTARIO	2.10%	2019-09-08	14,722,000	14,956,058	15,086,617
PROVINCE OF ONTARIO	4.40%	2019-06-02	29,325,000	30,771,840	31,377,241
PROVINCE OF ONTARIO	1.35%	2022-03-08	13,205,000	12,927,661	13,095,196
PROVINCE OF ONTARIO	2.10%	2018-09-08	28,081,000	28,195,229	28,552,844
PROVINCE OF ONTARIO	4.00%	2021-06-02	86,510,000	95,331,534	95,416,243
PROVINCE OF ONTARIO	4.20%	2020-06-02	40,294,000	43,454,630	43,926,015
PROVINCE OF ONTARIO	1.75%	2018-10-09	223,000	222,853	225,871
PROVINCE OF ONTARIO	8.10%	2023-09-08	15,375,000	19,691,364	21,121,930
PROVINCE OF ONTARIO	3.50%	2024-06-02	147,065,000	156,287,552	162,403,660
PROVINCE OF ONTARIO	2.60%	2025-06-02	238,061,000	243,160,725	247,668,982
PROVINCE OF ONTARIO	3.15%	2022-06-02	215,591,000	222,519,485	231,997,710
PROVINCE OF ONTARIO	6.50%	2029-03-08	14,940,000	20,618,204	21,013,914
PROVINCE OF ONTARIO	2.40%	2026-06-02	41,620,000	42,164,343	42,371,909
PROVINCE OF ONTARIO	2.85%	2023-06-02	88,412,000	89,415,739	93,923,731
PROVINCE OF ONTARIO	2.60%	2027-06-02	2,600,000	2,656,174	2,671,960
PROVINCE OF ONTARIO	1.37%	2021-03-16	8,650,000	8,729,947	8,747,486
PROVINCE OF ONTARIO	1.95%	2023-01-27	641,000	642,700	649,288
PROVINCE OF ONTARIO	2.90%	2046-12-02	5,112,000	5,039,394	4,958,742
PROVINCE OF QUEBEC	4.25%	2021-12-01	54,185,000	58,957,813	60,843,032
PROVINCE OF QUEBEC	4.50%	2020-12-01	25,975,000	28,682,655	28,872,672
PROVINCE OF QUEBEC	4.50%	2019-12-01	26,050,000	27,861,189	28,315,597
PROVINCE OF QUEBEC	4.50%	2018-12-01	12,375,000	12,944,167	13,074,234
PROVINCE OF QUEBEC	3.50%	2022-12-01	95,305,000	98,352,878	104,640,850
PROVINCE OF QUEBEC	3.00%	2023-09-01	48,525,000	47,739,363	52,015,549
PROVINCE OF QUEBEC	2.75%	2027-09-01	15,500,000	15,880,263	16,141,967
PROVINCE OF QUEBEC	5.35%	2025-06-01	5,000,000	6,101,817	6,193,220
PROVINCE OF QUEBEC	2.75%	2025-09-01	33,234,000	34,216,332	34,975,561
PROVINCE OF QUEBEC	1.35%	2022-04-19	9,700,000	9,733,010	9,793,896
PROVINCE OF QUEBEC	1.48%	2023-10-19	8,250,000	8,258,730	8,350,650
PROVINCE OF QUEBEC	1.65%	2022-03-03	1,754,000	1,752,341	1,765,850
PROVINCE OF QUEBEC	3.75%	2024-09-01	32,250,000	34,761,076	36,250,386
PROVINCE OF QUEBEC	3.50%	2048-12-01	642,000	675,133	703,141
PROVINCE OF SASKATCHEWAN	1.95%	2019-03-01	3,353,000	3,380,978	3,414,380
PROVINCE OF SASKATCHEWAN	5.80%	2033-09-05	9,940,000	13,351,741	13,665,487
PROVINCE OF SASKATCHEWAN	3.20%	2024-06-03	39,020,000	39,795,141	42,326,723
PROVINCE OF SASKATCHEWAN	2.55%	2026-06-02	15,000,000	14,952,533	15,413,749
PROVINCE OF SASKATCHEWAN	6.35%	2030-01-25	4,722,000	6,436,991	6,516,596
QUEBEC FINANCE CORPORATION	2.40%	2018-12-01	6,000,000	6,051,421	6,139,791
SINAI HEALTH SYSTEM	3.53%	2056-06-09	695,000	695,000	669,544
UNIVERSITY HEALTH NETWORK	5.64%	2022-12-08	702,917	729,325	779,259
				<u>2,037,988,320</u>	<u>2,097,059,971</u>

CORPORATE (2.0%)

407 INTERNATIONAL INC	3.30%	2045-03-27	346,000	312,747	339,210
407 INTERNATIONAL INC	3.98%	2052-09-11	4,669,000	4,743,833	5,096,024
ABC SCHOOLS PARTNERSHIP	4.25%	2043-12-31	667,339	667,338	663,230
ALTAGAS LTD	3.84%	2025-01-15	3,000,000	3,164,323	3,207,191
ALTALINK LP	4.05%	2044-11-21	4,036,000	4,286,941	4,480,431
BANK OF NOVA SCOTIA	2.58%	2027-03-30	593,000	565,394	599,506
BLACKBIRD INFRASTRUCTURE 407	3.76%	2047-06-30	407,000	407,000	404,275
BROOKFIELD RENEW KWAGIS	4.45%	2053-12-31	2,100,000	2,100,000	2,177,848
CAPITAL CITY LINK GP	4.39%	2046-03-31	3,386,660	3,386,661	3,606,251
COMBER WIND FINANCIAL CORPORATION	5.13%	2030-11-15	691,731	691,813	772,185
CSS FSCC PARTNERSHIP	6.92%	2042-07-31	1,207,155	1,504,186	1,667,795
ENBRIDGE INC	3.94%	2023-06-30	2,095,000	2,200,307	2,267,991
ENBRIDGE INCOME FUND	4.85%	2022-02-22	3,000,000	3,296,504	3,364,321
GRANDLINQ GP	4.77%	2047-03-31	680,000	680,000	736,580
HEALTH MONTREAL COLLECTIVE	6.72%	2049-09-30	3,735,000	4,625,510	5,068,325
HOSPITAL INFRASTRUCTURE PARTNERSHIP	5.44%	2045-01-31	2,323,495	2,559,337	2,727,112
INPOWER BC GP	4.47%	2033-03-31	450,000	447,638	487,086
INTEGRATED TEAM SOLUTIONS	5.95%	2042-11-30	1,793,883	2,121,396	2,313,331
INTEGRATED TEAM SOLUTIONS	4.88%	2046-05-31	746,000	746,005	837,662
LOWER MATTAGAMI ENERGY	4.18%	2052-04-23	222,000	202,987	248,837
LOWER MATTAGAMI ENERGY	4.18%	2046-02-23	1,226,000	1,223,158	1,381,844
NORTH WEST REDWATER PNR	4.35%	2039-01-10	1,185,000	1,179,850	1,293,816
NORTH WEST REDWATER PNR	4.05%	2044-07-22	1,855,000	1,855,723	1,962,779
PLENARY HEALTH BRIDGEPOINT	7.25%	2042-08-31	1,378,859	1,939,474	1,972,766
PLENARY HEALTH HAMILTON	5.80%	2043-05-31	1,924,919	2,257,293	2,391,302
PLENARY PROPERTIES LTAP	6.29%	2044-01-31	1,152,774	1,479,884	1,498,560
RAINBOW HOSPITAL PARTNERSHIP	4.99%	2044-03-31	1,642,641	1,642,676	1,829,376
RELIANCE LP	5.19%	2019-03-15	909,000	909,000	955,297
ROYAL BANK OF CANADA	3.31%	2026-01-20	1,500,000	1,505,497	1,564,022
ROYAL BANK OF CANADA	2.86%	2021-03-04	134,000	133,998	140,403
SGTP HIGHWAY BYPASS LP	4.11%	2045-01-31	1,772,000	1,772,000	1,866,648
SGTP HIGHWAY BYPASS LP	4.16%	2049-07-31	414,000	414,000	431,829
SNC-LAVALIN INNISFREE MC	6.63%	2044-06-30	2,107,731	2,628,285	2,794,601
SPY HILL POWER LP	4.14%	2036-03-31	1,195,382	1,195,385	1,261,813
SSL FINANCE INC	4.10%	2045-10-31	1,624,000	1,624,004	1,713,377
THP PARTNERSHIP	4.39%	2046-10-31	834,000	876,347	895,588
TRANSCANADA PIPELINES	3.30%	2025-07-17	2,000,000	2,101,694	2,143,890
TRILLIUM WINDPOWER LP	5.80%	2033-02-15	81,711	81,711	96,473
				<u>63,529,899</u>	<u>67,259,575</u>

MUNICIPAL SECURITIES (0.1%)

CITY OF QUEBEC	2.50%	2026-10-05	1,500,000	1,480,433	1,481,085
FIRST NATIONS FINANCE AUTHORITY	3.40%	2024-06-26	2,725,000	2,847,777	2,903,622
				<u>4,328,210</u>	<u>4,384,707</u>

SHORT TERM SECURITIES (1.7%)

GOVERNMENT OF CANADA TREASURY BILL	0.00%	2017-05-18	615,000	614,335	614,832
GOVERNMENT OF CANADA TREASURY BILL	0.00%	2017-06-15	26,820,000	26,794,324	26,801,918
GOVERNMENT OF CANADA TREASURY BILL	0.00%	2017-06-29	21,650,000	21,624,163	21,630,877
GOVERNMENT OF CANADA TREASURY BILL	0.00%	2017-06-01	445,000	444,533	444,791
GOVERNMENT OF CANADA TREASURY BILL	0.00%	2017-05-04	305,000	304,804	304,975
GOVERNMENT OF CANADA TREASURY BILL	0.00%	2017-07-13	4,120,000	4,113,861	4,115,539
PROVINCE OF NEWFOUNDLAND TREASURY BILL	0.00%	2017-05-18	150,000	149,933	149,953
PROVINCE OF ONTARIO TREASURY BILL	0.00%	2017-05-31	1,700,000	1,697,654	1,699,143
PROVINCE OF ONTARIO TREASURY BILL	0.00%	2017-12-13	1,950,000	1,938,832	1,942,151
PROVINCE OF ONTARIO TREASURY BILL	0.00%	2017-05-24	200,000	199,642	199,921
PROVINCE OF ONTARIO TREASURY BILL	0.00%	2017-06-07	700,000	699,552	699,571
PROVINCE OF ONTARIO TREASURY BILL	0.00%	2017-07-05	150,000	149,559	149,831
ROYAL BANK OF CANADA TERM DEPOSIT	0.45%	2017-05-01	300,000	300,000	300,000
				<u>59,031,192</u>	<u>59,053,502</u>

TOTAL DEBT

2,478,043,332	2,543,071,642
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EQUITIES**CONSUMER DISCRETIONARY (0.5%)**

	# of Shares	Cost \$	Fair Value \$
AIMIA INC	387,600	5,412,466	3,542,664
AMAYA INC	50,000	1,118,965	1,212,500
BOSTON PIZZA INTERNATIONAL INC	903	20,582	20,787
BRP INC	13,100	314,445	422,737
CANADIAN TIRE LTD	9,000	1,211,960	1,499,400
CINEPLEX INC	2,700	137,876	145,071
COGECO INC	10,000	642,274	781,100
COGECO INC	38	1,948	2,597
DOLLARAMA INC	27,900	1,933,425	3,334,051
DOREL INDUSTRIES INC	1,404	56,212	46,051
ENERCARE INC	14,013	296,227	303,802
GILDAN ACTIVEWEAR INC	600	22,846	22,962
GREAT CANADIAN GAMING CORPORATION	19,400	457,169	472,778
IMVESCOR RESTAURANT GROUP INC	1,800	6,117	6,786
MARTINREA INTERNATIONAL INC	1,000	9,964	10,420
MTY FOOD GROUP INC	3,500	157,250	164,080
PIZZA PIZZA LTD	3,286	55,505	58,392
QUEBECOR INC	70,500	2,511,933	2,937,735
REITMANS CANADA LTD	2,500	20,043	13,700
RESTAURANT BRANDS INTERNATIONAL INC	33,200	1,777,675	2,543,784
SLEEP COUNTRY CANADA HOLDINGS INC	16,791	475,358	592,890
SPIN MASTER LTD	2,948	113,947	115,621
UNI-SELECT INC	600	20,098	21,702
		<u>16,774,285</u>	<u>18,271,610</u>

CONSUMER STAPLES (0.7%)

ALIMENTATION COUCHE-TARD INC	172,600	9,177,927	10,835,829
CORBY SPIRIT AND WINE LTD	2,100	44,146	46,725

GEORGE WESTON LTD	100	11,605	12,259
JEAN COUTU GROUP	7,800	173,061	174,252
LANTIC INC	21,400	128,959	133,108
LOBLAWS COMPANIES LTD	3,900	278,012	298,779
MAPLE LEAF FOODS INC	79,100	1,816,938	2,702,847
METRO INC	184,100	7,476,346	8,612,198
PREMIUM BRANDS HOLDINGS CORP	11,300	535,025	965,472
SAPUTO INC	24,700	1,055,229	1,108,536
THE NORTHWEST COMPANY INC	8,600	253,568	276,920
		<u>20,950,816</u>	<u>25,166,925</u>

ENERGY (3.00%)

ADVANTAGE OIL & GAS LTD	51,404	402,211	441,560
AFRICA OIL CORP	90	177	191
ARC RESOURCES LTD	10,400	219,365	186,368
ATHABASCA OIL CORP	103,644	131,614	143,029
BAYTEX ENERGY CORP	20,203	119,991	83,438
BELLATRIX EXPLORATION LTD	69,700	112,206	71,094
BLACKPEARL RESOURCES INC	3,100	5,314	3,751
BONAVISTA ENERGY CORP	121,500	383,861	348,705
CALFRAC WELL SERVICES LTD	18,100	81,868	62,807
CAMECO CORP	12,169	176,871	159,292
CANADIAN NATURAL RESOURCES LTD	56,300	2,188,660	2,447,924
CENOVUS ENERGY INC	912,770	19,051,400	12,422,800
CRESCENT POINT ENERGY CORP	300	4,354	4,053
CREW ENERGY INC	161,500	878,733	663,765
DELPHI ENERGY CORP	2,548	1,892	3,414
ENBRIDGE INC	247,900	11,622,481	14,026,182
ENCANA CORPORATION	75,302	908,377	1,100,162
ENERPLUS CORPORATION	93,500	680,361	920,975
ENSIGN ENERGY SERVICES INC	21,200	201,796	160,908
GIBSON ENERGY INC	12,500	234,336	231,375
GRAN TIERRA ENERGY INC	175,900	638,551	605,096
HUSKY ENERGY INC	7,600	116,704	119,776
IMPERIAL OIL LTD	238,800	10,157,849	9,482,748
INTER PIPELINE LTD	20,800	579,337	578,448
ITHACA ENERGY INC	19,100	17,752	37,054
MULLEN GROUP LTD	13,800	270,269	206,586
NUVISTA ENERGY LTD	67,800	451,828	416,970
PARAMOUNT RESOURCES CORP	100	1,829	1,742
PAREX RESOURCES INC	106,900	1,397,938	1,811,955
PARKLAND FUEL LTD	10,000	275,924	297,000
PENGROWTH ENERGY CORP	18,200	37,974	23,842
PENN WEST PETROLEUM LTD	101,812	221,984	208,715
PEYTO EXPLORATION & DEVELOPMENT CORP	376,660	11,696,307	9,356,234
PRAIRIESKY ROYALTY LTD	680,338	17,657,545	20,240,056
RMP ENERGY INC	118,000	178,049	96,760
SEVEN GENERATIONS ENERGY LTD	11,700	323,251	282,789
SUNCOR ENERGY INC	329,239	13,080,141	14,084,844
SURGE ENERGY INC	190,500	429,579	483,870
TOURMALINE OIL CORP	235,900	9,637,381	6,326,838

TRANSCANADA CORP	33,400	1,920,251	2,116,892
TRANSGLOBE ENERGY CORP	31,300	106,576	62,600
TRICAN WELL SERVICES LTD	196,904	697,936	738,390
TRILOGY ENERGY CORP	30,400	162,803	134,976
VERSEN INC	75,300	988,032	1,146,819
ZCL COMPOSITES INC	6,700	78,752	98,825
		<u>108,530,410</u>	<u>102,441,618</u>

FINANCIALS (4.4%)

AGF MANAGEMENT LTD	7,700	37,402	52,514
BANK OF MONTREAL	67,600	6,033,044	6,534,216
BANK OF NOVA SCOTIA	301,000	20,732,405	22,839,880
BROOKFIELD ASSET MANAGEMENT INC	366,400	15,107,157	18,488,544
CANACCORD GENUITY GROUP INC	7,670	39,228	39,040
CANADIAN IMPERIAL BANK OF COMMERCE	74,500	7,592,353	8,213,625
CANADIAN WESTERN BANK	44,647	1,283,494	1,197,879
CI FINANCIAL INC	217,108	6,282,767	5,796,784
CURRENCY EXCHANGE INTERNATIONAL	45	1,260	986
DUNDEE CORPORATION	2,828	16,596	8,908
FAIRFAX FINANCIAL HOLDINGS LTD	12,541	7,702,027	7,825,584
FIERA CAPITAL CORP	100	1,417	1,424
GENWORTH MI CANADA INC	17,100	616,552	579,690
GMP CAPITAL INC	1,580	7,154	5,388
GREAT-WEST LIFE CO INC	83	3,100	3,048
GUARDIAN CAPITAL GROUP LTD	81	2,018	2,194
INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC	45,300	2,308,338	2,608,827
LAURENTIAN BANK OF CANADA	36,800	2,002,773	2,054,912
MANULIFE FINANCIAL CORP	27,083	646,751	648,367
NATIONAL BANK CANADA	71,400	3,683,920	3,787,770
ONEX CORP	8,000	654,473	787,920
POWER CORPORATION CANADA	484,400	14,897,378	15,321,572
ROYAL BANK OF CANADA	264,400	21,346,213	24,713,469
SUN LIFE FINANCIAL INC	70,000	3,000,514	3,374,700
THOMSON REUTERS CORP	7,400	428,510	459,022
TIMBERCREEK FINANCIAL CORPORATION	1,900	17,088	17,043
TMX GROUP LIMITED	8,300	550,495	640,096
TORONTO DOMINION BANK	376,700	21,552,004	24,195,441
TREZ CAPITAL CORPORATION	1,600	12,658	12,304
		<u>136,559,089</u>	<u>150,211,147</u>

HEALTH CARE (0.0%)

CRH CORP	46,609	403,213	374,270
EXTENDICARE INC	78,400	679,908	783,216
QLT INC, CLASS ACTION, WARRANTS, 12/31/2049	4,600	-	-
QLT INC, DOJ/SEC, WARRANT, 12/31/2049	4,600	-	-
MEDICAL FACILITIES CORP	1,500	27,986	24,405

VALEANT PHARMACEUTICALS INTERNATIONAL INC	33,940	422,379	429,341
		<u>1,533,486</u>	<u>1,611,232</u>

INDUSTRIALS (1.9%)

AECON GROUP INC	42,500	694,962	688,075
AG GROWTH INTERNATIONAL INC	9,600	524,819	532,128
AIR CANADA	37,285	495,087	484,332
ATS AUTOMATION TOOLING SYSTEMS INC	12,021	153,002	156,513
BIRD CONSTRUCTION INC	11,898	151,236	113,388
BOMBARDIER INC	600	1,289	1,266
BOYD GROUP INCOME FUND	5,500	372,090	485,430
BROOKFIELD BUSINESS PARTNERS	2,500	68,860	89,950
CAE INC	111,400	2,157,495	2,322,690
CANADIAN NATIONAL RAILWAY COMPANY	176,437	13,638,804	17,409,039
CANADIAN PACIFIC RAILWAY LTD	7,300	1,464,469	1,526,868
CARGOJET INC	4,700	203,948	203,510
CERVUS EQUIPMENT CORPORATION	182	2,836	2,240
CHORUS AVIATION	54,200	390,341	402,164
EXCHANGE INCOME CORP	11,200	376,692	392,560
EXCO TECHNOLOGIES LTD	1,100	16,417	12,452
FINNING INTERNATIONAL INC	691,000	15,912,271	17,938,360
HARDWOODS INC	55	973	911
IBI GROUP INC	5,687	41,259	40,150
MAGELLAN AEROSPACE	1,989	36,777	40,775
MORNEAU SHEPELL INC	18,842	320,291	379,666
NEW FLYER INDUSTRIES INC	43,900	1,672,952	2,232,315
RICHELIEU HARDWARE	3,100	82,675	94,178
RITCHIE BROTHERS AUCTIONEERS INC	210,453	6,827,249	9,419,876
ROCKY MOUNTAIN EQUIPMENT	1,400	14,823	13,580
RUSSEL METALS INC	35,800	970,266	937,244
SAVARIA	17,700	188,472	252,225
SNC-LAVALIN GROUP INC	1,800	92,193	98,820
TFI INTERNATIONAL INC	20,600	705,041	612,232
TOROMONT INDUSTRIES LTD	115,554	4,468,937	5,611,302
TRANSCONTINENTAL INC	43,500	887,356	1,059,225
WAJAX CORPORATION	4,200	100,323	102,606
WASTE CONNECTIONS INC	10	1,157	1,256
WESTSHORE TERMINALS LTD	30,200	713,467	720,874
		<u>53,748,829</u>	<u>64,378,200</u>

INFORMATION TECHNOLOGY (0.4%)

ABSOLUTE SOFTWARE CORPORATION	3,115	24,305	24,048
BLACKBERRY LTD	249,100	2,620,270	3,176,025
CELESTICA INC	131,100	1,930,043	2,549,895
CGI GROUP INC	25,100	1,258,158	1,653,588
CONSTELLATION SOFTWARE INC	5,430	2,153,365	3,390,112
DESCARTES SYSTEMS GROUP INC	6,500	199,256	204,750

DH CORPORATION	9,500	240,116	241,205
ENGHOUSE SYSTEMS LTD	886	51,186	53,027
EVERTZ MICROSYSTEMS LTD	2,893	49,233	48,892
KINAXIS INC	4,598	347,009	376,346
MITEL NETWORKS CORPORATION	35,838	337,544	345,837
OPEN TEXT CORP	44,600	1,425,559	2,110,918
SANDVINE CORPORATION	2,600	7,735	8,268
SIERRA WIRELESS INC	100	3,460	3,454
WI-LAN INC	7,505	14,404	20,564
		<u>10,661,643</u>	<u>14,206,929</u>

MATERIALS (1.2%)

AGRIUM INC	4,200	552,218	538,104
ALAMOS GOLD INC	44,900	445,939	438,673
B2GOLD CORP	77,400	314,388	265,482
BARRICK GOLD CORP	191,500	3,789,221	4,370,030
CANFOR CORPORATION	100	1,953	2,050
CASCADES INC	31,600	379,778	519,504
CENTERRA GOLD	6	42	42
CHEMTRADE LOGISTICS INC	300	5,695	5,703
CONTINENTAL GOLD INC	46,800	210,160	144,144
DOMINION DIAMOND CORPORATION	7,300	121,784	121,107
ELDORADO GOLD CORP	117,400	525,036	585,826
ENDEAVOUR SILVER CORP	16,518	86,162	69,045
FIRST MAJESTIC SILVER CORP	7	68	78
FIRST QUANTUM MINERALS LTD	36,800	521,648	478,768
FORTUNA SILVER MINES LTD	117,103	799,881	734,236
GOLDCORP INC	5,500	110,431	104,610
HUDBAY MINERALS INC	23,612	192,627	192,438
IAMGOLD CORPORATION	22,100	116,599	124,644
INTERFOR CORP	78,157	1,444,371	1,575,645
INTERTAPE POLYMER GROUP INC	24,100	474,423	580,810
IVANHOE MINES LTD	1,100	5,176	5,269
KIRKLAND LAKE GOLD INC	34,500	214,052	326,025
LABRADOR IRON ORE ROYALTY CORP	89,500	1,354,362	1,586,835
LUCARA DIAMOND CORP	94,700	332,449	298,305
LUNDIN MINING CORP	292,800	2,220,538	2,131,584
MAG SILVER CORPORATION	27,500	351,556	459,250
MAJOR DRILLING GROUP INTERNATIONAL INC	7,044	49,110	53,323
METHANEX CORP	15,100	973,664	947,223
NEW GOLD INC	42,700	202,691	165,249
NORBORD INC	21,800	791,534	921,268
NOVAGOLD RESOURCES INC	8	39	45
PAN AMERICAN SILVER CORP	158,529	2,848,049	3,628,729
POTASH CORPORATION OF SASKATCHEWAN	675,400	21,639,262	15,547,708
PRETIUM RESOURCES INC	23,400	245,092	316,602
SEMAFO INC	16,100	67,473	50,554
SHERRITT INTERNATIONAL CORP	21,902	21,498	19,712

SILVER STANDARD RESOURCES INC	22,400	233,568	315,392
SILVER WHEATON CORP	20,000	604,262	544,800
SILVERCORP METALS INC	500	2,520	2,150
SUPREMEX INC	1,100	5,542	5,445
TASEKO MINES LTD	6,158	11,013	9,422
TECK RESOURCES LTD	137,900	3,130,541	3,905,328
WEST FRASER TIMBER LTD	14,900	855,487	913,966
WESTERN FOREST PRODUCTS INC	4,300	9,348	9,245
WINPAK LTD	100	5,291	5,834
YAMANA GOLD INC	11,397	48,796	41,827
		<u>46,315,337</u>	<u>43,062,029</u>
REAL ESTATE (0.1%)			
ALTUS GROUP LTD	8,900	271,258	274,120
CANADIAN APARTMENT PROPERTIES REIT	11,117	375,028	376,533
COLLIERS INTERNATIONAL GROUP INC	2,900	179,615	193,836
CT REIT	2,900	39,940	42,485
DREAM UNLIMITED CORP	583	3,926	3,848
FIRSTSERVICE CORPORATION	4,400	331,461	373,780
GRANITE REIT	11,000	489,552	538,560
INTERRENT REIT	600	4,595	4,722
KILLAM PROPERTIES INC	40,700	498,976	522,995
MILESTONE APARTMENTS REIT	12,500	221,340	281,250
MORGUARD NORTH AMERICAN RESIDENTIAL REIT	1,100	15,764	16,643
NORTHWEST HEALTHCARE PROPERTIES	20,200	214,969	217,554
PURE INDUSTRIAL REAL ESTATE TRUST	47,303	274,453	308,889
TRICON CAPITAL GROUP INC	32,018	347,098	343,873
		<u>3,267,975</u>	<u>3,499,088</u>
TELECOMMUNICATION SERVICES (0.0%)			
BCE INC	7,100	421,762	441,265
ROGERS COMMUNICATION INC	6,300	349,007	394,317
		<u>770,769</u>	<u>835,582</u>
UTILITIES (0.5%)			
ATCO LTD	24,300	1,196,664	1,206,981
ATLANTIC POWER CORP	41,701	129,208	143,451
CANADIAN UTILITIES LTD	34,300	1,311,733	1,349,705
CAPITAL POWER CORP	42,800	1,061,802	1,064,864
EMERA INC	14,900	687,749	704,025
HYDRO ONE NETWORKS INC	400,319	9,285,699	9,623,669
INNERGEX RENEWABLE ENERGY INC	19,529	283,357	272,234
JUST ENERGY GROUP INC	103,042	854,649	859,370
POLARIS INFRASTRUCTURE INC	1,300	20,003	17,836
SUPERIOR PLUS CORP	56,500	688,497	738,455
TRANSALTA CORP	17,200	127,942	120,228
VALENER INC	26,900	574,815	587,765
		<u>16,222,118</u>	<u>16,688,583</u>

US EQUITY (13.4%)

BMO S&P 500 Hedged to CAD Index ETF	9,465,429	311,886,262	344,541,616
BMO S&P 500 INDEX ETF	3,287,076	84,309,572	117,874,545
		<u>396,195,834</u>	<u>462,416,161</u>
Total Equities		<u>811,530,591</u>	<u>902,789,104</u>
Less: Transaction costs		360,098	
Total Investments		<u>3,289,213,825</u>	<u>3,445,860,746</u>

*Fixed income investments with no coupon rate are zero coupon securities.

**FAMILY GROUP EDUCATION SAVINGS PLAN
SCHEDULE OF EDUCATION ASSISTANCE AGREEMENTS**

As at April 30, 2017

All amounts in Canadian Dollars

Year of Eligibility	Opening units	Unit inflows	Unit outflows	Ending units	Principal amounts \$ *	Accumulated income \$**
2014	64,022	-	(64,022)	-	-	-
2015	101,025	-	(12,074)	88,951	-	24,207,787
2016	140,030	-	(33,411)	106,619	-	47,941,389
2017	200,196	11,684	(53,169)	158,711	-	79,292,420
2018	205,627	26,941	(8,665)	223,903	189,989,984	116,186,035
2019	217,219	1,596	(1,853)	216,962	174,331,433	96,034,264
2020	234,012	196	(1,095)	233,113	171,796,775	89,730,558
2021	239,794	242	(1,410)	238,626	160,447,032	79,195,297
2022	242,608	789	(1,630)	241,767	149,345,787	68,065,103
2023	248,119	1,790	(2,067)	247,842	141,369,395	58,064,587
2024	244,658	1,743	(2,458)	243,943	129,827,345	46,148,521
2025	234,830	1,476	(2,944)	233,362	113,814,730	34,850,820
2026	223,136	1,089	(2,836)	221,389	97,512,549	25,029,690
2027	221,491	1,155	(3,877)	218,769	83,908,865	18,675,318
2028	211,659	1,641	(4,829)	208,471	68,293,475	13,263,668
2029	198,519	1,532	(4,396)	195,655	53,352,256	8,850,919
2030	197,731	2,234	(5,468)	194,497	42,557,915	5,833,999
2031	158,137	2,548	(5,012)	155,673	26,064,817	2,963,474
2032	87,641	3,725	(2,561)	88,805	9,625,707	869,284
2033	69,649	5,970	(2,349)	73,270	4,172,011	302,624
2034	45,733	13,701	(2,005)	57,429	1,392,225	67,053
2035	3,583	35,883	(366)	39,100	192,335	6,295
2036	-	4,425	-	4,425	44,145	3,027
	3,789,419	120,360	(218,497)	3,691,282	1,618,038,781	815,582,132

* Reflects Subscribers' Deposits (see note 6)

**Reflects total of FEAP and EAP accounts

Foundation Education Assistance Payment (FEAP) Account	165,755,704
Education Assistance Payment (EAP) Account	649,826,428
Total	815,582,132

Schedule of Education Assistance Agreements

Calendar year of eligibility and payments *

	2016	2015	2014	2013	2012
Amount paid per unit **					
First payments	210	220	220	270	280
Second payments	-	260	270	270	320
Third payments	-	-	290	310	330
	210	480	780	850	930

	2016	2015	2014	2013	2012
Number of units disbursed					
First payments	107,215	101,171	79,125	57,149	42,348
Second payments	5,649	97,037	71,496	51,236	38,444
Third payments	545	4,561	68,754	45,959	34,856
	113,409	202,769	219,375	154,344	115,648

*Includes Education Assistance Payments paid to students for their year of eligibility together with Education Assistance payments deferred

**Amounts may include additional funds provided by Knowledge First Foundation.

FAMILY GROUP EDUCATION SAVINGS PLAN
SCHEDULE OF EDUCATION ASSISTANCE AGREEMENTS (continued)
As at April 30, 2017
All amounts in Canadian Dollars

Education Assistance Payments (EAP) Reconciliation

	<u>2017</u>	<u>2016</u>
	\$	\$
Current Year Payments to Students	55,427,846	43,327,594
Advance EAP payments	2,367,871	1,951,763
	<u>57,795,717</u>	<u>45,279,357</u>
EAPs Paid from FEAP Account	51,555,018	41,102,893
EAP Supplement from Income Account* (note 6)	6,240,699	4,176,464
	<u>57,795,717</u>	<u>45,279,357</u>

*excludes Deferred EAP Supplement of \$822,511 (2016 – \$497,739)

FAMILY GROUP EDUCATION SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS
As at April 30, 2017 and 2016

1. General information

Family Group 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 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 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 enrolment fees, insurance premiums, depository fees and service charges charged to each subscriber. The income earned on subscriber deposits is held in the Education Assistance Payment (EAP) Account. When a plan matures, is terminated, or is cancelled, such deposits, net of deductions, will be returned to the subscriber or a beneficiary and the income is transferred to the Foundation Education Assistance Payment (FEAP) Account and used to provide payments to qualified students. The Plan invests in Canadian government bonds and high grade corporate debt and in Canadian equities and ETFs. The underlying investments held by the ETFs are exposed to the US dollar. The BMO S&P 500 Hedged to CAD Index EFT has been hedged back to the Canadian dollar and therefore has no currency exposure. The Plan is subject to the risk that the fair value of future cash flows of the BMO S&P 500 Index ETF 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 income accumulated in the Plan.

EAPs are paid over three years from interest, dividends, other income, and income earned on education grants accumulated in the Plan. Contributions are not included in EAPs, however are returned to the subscriber upon maturity, net of applicable fees. In order to be entitled to an EAP, the administrator must receive proof that a beneficiary meets EAP eligibility requirements for enrolment in a post-secondary program, inclusive of confirmation of beneficiary residency status. If a subscriber to the Plan terminates an account, a refund of net contributions is due to the subscriber and government grant monies are returned to the originating government agency. Forfeited grant income is payable to an eligible educational institution.

The financial statements were authorized for issue by the Board of Directors of the Foundation on July 13, 2017.

2. Basis of presentation

The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued and adopted by the International Accounting Standards Board ("IASB"). 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

The Plan recognizes financial instruments at fair value upon initial recognition, 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 measured at fair value through profit or loss (FVTPL), including its investments in equities, ETFs and debt securities, which have been designated at FVTPL. All other financial assets and liabilities, including interest and dividends receivable, amounts receivable for investments sold, government grants receivable, other receivables, amounts payable for securities purchased and accounts payable and other liabilities, and principal payable to subscribers 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 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 equities & ETFs, the Plan uses the last traded market price where the last traded price falls between that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, Knowledge First Financial determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. For bonds, the Plan uses mid prices provided by independent security pricing vendors. 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 as a result of changes in market conditions could affect the reported fair value of financial instruments.

Income recognition, transaction costs and expenses

Interest income from investments in bonds and short-term investments is recognized at the effective interest rate. Interest receivable is recorded in the Statement of Financial Position 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 fixed income securities.

Impairment of financial assets

At each reporting date, the Plan assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Plan 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 periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Foreign currency

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

Cash

Cash is comprised of demand deposits with financial institutions.

Net Assets Attributable to Subscribers and Beneficiaries

Net assets attributable to subscribers and beneficiaries is comprised of subscribers' deposits, government grants and income earned on both subscribers' deposits 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 deposits less fees are returned to the subscriber, income earned on that subscriber's deposits is allocated to other members of the Plan, 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' deposits is comprised of deposits received from subscribers, after deductions for various fees, and do not include amounts receivable on outstanding agreements, as subscribers may terminate their plans at any time. Knowledge First Financial deducts a portion of the applicable enrolment fees, insurance premiums, and depository and service charges 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 purchase additional units, or convert their present agreements to fully paid-up status. In order to effect the purchase or conversion, subscribers must contribute additional funds, or convert a portion of their principal deposits into income contributions, to reflect the equivalent amount of income that would have been earned if the revised agreement was in place since the inception of their plan. These are called subscribers' equivalency transactions. These additional funds are included in accumulated income.

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, and income earned on matured accounts, cancelled or terminated accounts (the Income Account). Education assistance payments and payments of grant income to beneficiaries and designated financial institutions reduce the accumulated income account. At the discretion of the Foundation, Income Account monies may be used to supplement EAPs to qualified students or disbursed for the advancement of education, consistent with the objectives of the Foundation.

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

Taxation

The income on Subscribers' deposits is currently exempt from income taxes under the Income Tax Act (Canada) prior to the maturity of the 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.

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 exchange traded funds (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 Toronto 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.

Fair Value Reserve

The fair value reserve included in net assets attributable to subscribers and beneficiaries represents the net unrealized gains (losses) on fixed income investments and the net unamortized fixed income realized gains (losses). Fixed income realized gains and losses are transferred to the EAP Account, Income from government grants, and the Income Account over a five year period in proportion to the balances in those accounts at the time of allocation. Equity realized and unrealized gains and losses are transferred to the EAP Account, Income from government grants, and the Income Account monthly in proportion to the balances in those accounts at the time of allocation.

Accounting standards issued but not yet adopted

IFRS 9, Financial instruments

The final version of IFRS 9, Financial instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however is available for early adoption. In addition, the own credit changes can be early applied in isolation without

otherwise changing the accounting for financial instruments. Knowledge First Financial is in the process of assessing the impact of IFRS 9 on the Plan.

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’ deposits 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.

Classification and measurement of investments and the application of the fair value option

In classifying and measuring financial instruments held by the Plan, Knowledge First Financial is required to make significant judgements about whether or not the business of the Plan 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 (IAS 39). The most significant judgment made includes the determination that the fair value option can be applied to the Plan’s investments in debt and equity securities.

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 significant activities in currencies other than the Canadian dollar 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 engages third party investment managers 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.

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 a Canadian Schedule I bank. The majority of the credit risk to which the Plan is exposed arises from its investments in debt securities. The debt instruments held by the Plan are issued or guaranteed by federal, provincial, or municipal governments along with 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 April 30, 2017 and April 30, 2016. The analysis below summarizes the credit quality of the Plan’s debt portfolio as at April 30, 2017 and April 30, 2016. Credit ratings are obtained from Standard & Poor’s, Moody’s and DBRS. Where one or more rating is obtained for a security, the lowest rating has been used.

Percentage of Fixed Income Investments (%) As At		
Credit Rating	April 30, 2017	April 30, 2016
“AAA”	12.8	7.1
“AA”	20.7	26.6
“A”	65.4	65.6
“BBB”	1.1	0.7
Total	100.0	100.0

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' deposits 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 scholarship payments and the accumulated income account. 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 endeavours to retain adequate cash positions to maintain adequate liquidity.

Maturity Profile

EAPs (accumulated income and government contributions) are paid over three years upon submission of required documentation to Knowledge First Financial. Subscriber's principal is paid upon maturity of a respective agreement. See Schedule of EAP payments for details of maturity with respect to principal and accumulated income.

If a subscriber cancels an agreement, subscriber's principal and associated government contributions are due upon demand. The income on subscriber's principal will remain in accumulated income. Forfeited income on returned government grants becomes immediately payable to a qualified educational institution.

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

Concentration Risk

The table below summarizes this Plan's concentration risk as a percentage of investments as at April 30, 2017 and April 30, 2016.

	Percentage of Investments (%) As at	
Concentration	April 30, 2017	April 30, 2016
<u>Fixed Income</u>		
Federal	9.2	5.2
Provincial	60.9	62.3
Corporate	2.0	6.8
Municipal	0.1	0.0
Short term investments	1.7	0.1
<u>Equities</u>		
Consumer Discretionary	0.5	0.6
Consumer Staples	0.7	0.4
Energy	3.0	3.7
Financials	4.4	4.7
Health Care	0.0	0.1
Industrials	1.9	1.7
Information Technology	0.4	0.5
Materials	1.2	1.3
Real Estate	0.1	0.0
Telecommunications	0.0	0.1
Utilities	0.5	0.1
US ETFs (US equity indexes)	13.4	12.4
Total	100.0	100.0

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.

a) Currency risk

The Plan invests in exchange traded funds (ETF) denominated in Canadian dollars. The underlying investments held by the ETFs are exposed to the US dollar. The BMO S&P 500 Hedged to CAD Index ETF has been hedged back to the Canadian dollar and therefore has no currency risk. The Plan is subject to the risk that the fair value of future cash flows of the BMO S&P 500 Index ETF which are not hedged back to Canadian dollar will fluctuate because of changes in foreign exchange rates. As at April 30, 2017, 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 million (\$10 million as at April 30, 2016).

b) Interest rate risk

Interest rate risk is the risk that the fair value of 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 interest rate risk. As at April 30, 2017, 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 \$36 million (approximately 1% of the total investment portfolio) (April 30, 2016 - \$37 million, approximately 1.45% of the total investment portfolio). In practice, actual results may differ from this analysis and the difference could be material.

The table below summarizes the Plan's exposure to interest rate risk as at April 30, 2017 and April 30, 2016, by remaining term to maturity.

April 30, 2017	Within 1 year	From 1 to 5 years	Over 5 years	Total
Short term investments				
Treasury Bill	58,753,502			58,753,502
Term Deposits	300,000			300,000
Government guaranteed instruments				
Federal	-	170,150,735	145,163,152	315,313,887
Provincial	149,306	514,600,375	1,582,310,290	2,097,059,971
Municipal	-	-	4,384,707	4,384,707
Corporate	-	4,460,021	62,799,554	67,259,575
Total	59,202,808	689,211,131	1,794,657,703	2,543,071,642
Percentage of total	2.3%	27.1%	70.6%	100.0%
<hr/>				
April 30, 2016	Within 1 year	From 1 to 5 years	Over 5 years	Total
Short term investments				
Treasury Bill	3,133,410	-	-	3,133,410
Term Deposits	300,000			300,000
Government guaranteed instruments				
Federal	-	159,305,158	15,734,952	175,040,110
Provincial	-	458,530,398	1,634,511,847	2,093,042,245
Corporate	-	53,688,808	176,043,812	229,732,620
Total	3,433,410	671,524,364	1,862,290,611	2,501,248,385
Percentage of total	.1%	26.9%	73.0%	100.0%

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 (other than those arising from interest rate risk or currency risk), whether those 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. The Plan's exposure to other

price risk arises primarily from its investments in equity securities and ETFs. As at April 30, 2017, 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 \$45.0 million (\$43.0 million as at April 30, 2016).

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 on a daily basis as the Plan is subject to ongoing deposits 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' deposits and government grants received and earn income on those amounts in order to pay EAPs to qualified beneficiaries. The Plan endeavours to invest subscribers' deposits, 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 deposits 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.

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 table illustrates the classification of the Plan's assets and liabilities measured at fair value within the fair value hierarchy as at April 30, 2017 and April 30, 2016.

As of April 30, 2017	Level 1	Level 2	Level 3	Total
Short-term investments	-	59,053,502		59,053,502
Government guaranteed instruments				
Federal	-	315,313,887		315,313,887
Provincial	-	2,097,059,971		2,097,059,971
Municipal	-	4,384,707		4,384,707
Corporate debt instruments	-	67,259,575		67,259,575
Equities & ETFs	902,789,104	-		902,789,104
Investments at fair value	902,789,104	2,543,071,642		3,445,860,746

As of April 30, 2016	Level 1	Level 2	Level 3	Total
Short-term investments	-	3,433,410	-	3,433,410
Government guaranteed instruments				
Federal	-	175,040,110	-	175,040,110
Provincial	-	2,093,042,245	-	2,093,042,245
Municipal	-	-	-	-
Corporate debt instruments	-	229,732,620	-	229,732,620
Equities & ETFs	858,906,198	-	-	858,906,198
Investments at fair value	858,906,198	2,501,248,385	-	3,360,154,583

All fair value measurements above are recurring. The carrying values of receivable for investments sold, government grant receivable, interest receivable, dividends receivable, other receivables, receivables due from KFF, payable for investments purchased, principal payable to beneficiaries and accounts payable and other liabilities and the Plan's obligation for net assets attributable to subscribers and beneficiaries approximate their fair value due to their short term nature. There were no transfers between levels during the years ended April 30, 2017 and April 30, 2016 or Level 3 securities held as at April 30, 2017 and April 30, 2016.

Investments in unconsolidated structured entities

Fiscal 2017:

Underlying Fund As at April 30, 2017	Country of establishment and principal place of business	% Ownership in the underlying Fund	Fair value of the Plan's investment in the underlying Fund
BMO S&P 500 INDEX ETF	Canada	3.28%	\$117,874,545
BMO S&P 500 HEDGED TO CAD INDEX ETF	Canada	28.69%	\$344,541,616

Fiscal 2016:

Underlying Fund As at April 30, 2016	Country of establishment and principal place of business	% Ownership in the underlying Fund	Fair value of the Plan's investment in the underlying Fund
BMO S&P 500 INDEX ETF	Canada	8.8%	\$201,680,794
BMO S&P 500 HEDGED TO CAD INDEX ETF	Canada	20.2%	\$214,808,076

6. Net assets attributable to subscribers and beneficiaries

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

	As at	
	April 30, 2017	April 30, 2016
Subscribers' deposits, net of returns	1,618,038,781	1,616,105,753
Government grants	615,347,362	609,150,187
Accumulated income		
Education assistance payment account	649,826,428	584,040,899
Deferred EAP account	10,172,452	8,050,561
Income from government grants	254,693,527	205,610,124
Foundation education assistance payment account*	165,755,704	151,756,646
Income account	5,329,298	4,367,567
Fair value reserve	137,230,568	172,423,227
Balance – End of year	3,456,394,120	3,351,504,964

* FEAP account and Advance EAP payments were combined for presentation purposes

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

	For the years ended	
	April 30, 2017	April 30, 2016
Subscribers' deposits	186,420,343	195,948,994
Insurance premiums deducted	(3,290,838)	(3,524,894)
Enrolment fee (deducted) refunded	(8,371,652)	(9,950,186)
Return of deposits	(170,336,032)	(159,286,786)
Depository fees and service charges deducted	(2,488,793)	(2,728,632)
Net increase in Subscribers' deposits	1,933,028	20,458,496
Balance – Beginning of year	1,616,105,753	1,595,647,257
Balance – End of year	1,618,038,781	1,616,105,753

The changes in the Income account for the years are as follows:

	For the years ended	
	April 30, 2017	April 30, 2016
Increase		
Net investment income	9,614,239	4,690,005
Other income	532,053	980,326
Decrease		
Supplement to EAP	(7,063,210)	(4,674,203)
Administration fees	(1,871,525)	(1,007,178)
Investment Counsel fees	(211,902)	(157,240)
Custodial fees	(31,668)	(19,767)
Independent review committee fees	(6,256)	(4,137)
Net increase (decrease) in income account	961,731	(192,194)
Balance - Beginning of year	4,367,567	4,559,761
Balance – End of year	5,329,298	4,367,567

Income earned on monies held in the FEAP Accounts is credited to the Income Account.

At the discretion of the Foundation, Income Account monies may be used to supplement EAPs to qualified students or disbursed for the advancement of education, consistent with the objectives of the Foundation.

7. Commitments

Pursuant to certain agreements entered into with the subscribers of the Plan in 1994, an amount equivalent to 1/3 of the enrolment fees paid will be added to and form part of each year's EAP paid to those qualifying students in the Plan. The source of these amounts is the Income Account. In the event that there are insufficient funds in the Income Account to meet this commitment the Foundation will be expected to provide funds for this purpose.

Management has estimated this total commitment to be \$162,574 (\$451,506 as at April 30, 2016) and that the present value of this amount is \$161,943 (\$445,906 as at April 30, 2016) through to 2022. The discount rate used to determine the present value was 1.92% (2.02% in fiscal 2016) which is based on the FTSE TMX Canada Universe All Government Bond Index (formally the DEX All Government Bond Index) as of April 30, 2017.

8. Accounts payable and other liabilities

Included in accounts payable and other liabilities is \$4,640,287 (April 30, 2016 - \$5,308,898) payable to subscribers for stale dated cheques for which the subscriber has not requested the funds to be reissued. If the funds are not claimed within six years of cancellation or maturity, the funds are forfeited and transferred into other income. Also included in accounts payable and other liabilities is forfeited grant income from terminated agreements that will be paid out to a designated educational institution.

9. Maturities

Plan principal matures and is payable to the subscribers or their designated nominees on July 31 of the year in which students would normally enter the first academic year of post-secondary education.

10. Related party transactions

The Foundation is the sponsor of the Plan. Knowledge First Financial, a wholly owned subsidiary of the Foundation, carries out the general administration of the Plan on its behalf that includes processing and call centre services related to new agreements, payments, government grants, plan modifications, terminations, maturities and EAPs. In consideration for its administrative services (inclusive of audit fees), Knowledge First Financial is entitled to receive from the Plan an annual fee of up to 0.6% of all funds on deposit related to the Plan, insurance administration-related fees, and special processing fees including one-time fees for specific transactions. All such expenses are included in Administration fees in the Statements of Comprehensive Income. Accounts payable and other liabilities includes \$2,890,708 (April 30, 2016 - \$2,058,035) due to Knowledge First Financial relating to Administration fees and subscriber fees received by the Plan on behalf of Knowledge First Financial and \$1,561,806 (April 30, 2016 - \$990,864) due to Flex First (a separate plan established by the Foundation) in respect of government grants received from the HRSDC that are due to Flex First.

The Plan also pays remuneration to members of the Independent Review Committee which are included in Independent Review Committee Fees in the Statements of Comprehensive Income.

11. Investment counsel fees

Investment counsel fees, which are paid to the Plan's third party investment managers, are calculated as a percentage of the total fair value of the Plan's investment portfolio and during the current and prior years ranged from 0.45% to 0.02%, including a potential performance based fee, described below, on a graduated scale. Investment counsel fees paid for the year ended April 30, 2017, excluding the performance based fee, amounted to 0.12% (0.12% as at April 30, 2016) of the total fair market value of the investment portfolio in the Plan.

One investment manager is eligible to qualify for a performance-based fee of up to 0.125% of the fair value of the assets managed by that manager dependent upon the performance of the investments under its management during any calendar year. This performance-based fee is included in the preceding range of investment counsel fees and is determined on a calendar year basis. This investment manager did not qualify for this performance-based fee during the fiscal years ended April 30, 2017 and April 30, 2016.