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Prospectus

Continuous Offering

Units of the
Global Educational Trust Plan

Sponsored By
Global Educational Trust Foundation

August 27, 2010

Global Educational Trust Plan (the “Plan”) is a savings plan which has been established for the purpose of providing educational financial assistance payments (“EFA”) to students who attend post-secondary programs of education. The Plan is a pooled individual education savings plan where funds held in trust are

invested collectively and professionally managed. The Plan is sponsored by Global Educational Trust Foundation (“the Foundation”), the promoter and administrator of the Plan with the administration contracted to Global Educational Marketing Corporation. (See pg. 32 “Management of the Plan”) Bank of Nova Scotia Trust Company is the Trustee of a trust established in respect of the Plan (the “Trust”). The Portfolio Advisors of the Plan are Scotia Asset Management L.P. and UBS Investment Management Canada Inc. (See pg. 32 “Portfolio Advisors”). The Plan invests in a prudent manner with the objective of protecting principal and delivering a positive return on investments (See pg. 14 “Investment Objectives”). The minimum subscription amount is \$504, which is the purchase price of one unit. (See pg. 29 “Risk factors”).

As a Subscriber to an RESP, your Deposits accumulate and earn Income free of tax in the Plan. Income earned on your Deposits will not be included in your

taxable income except in certain limited circumstances described below. Deposits are not deductible for tax purposes. If your Nominee attends a Qualifying Educational Program at a Recognized Institution as described under the section (See pg. 20 “Eligibility for EFAs”), the Income which accumulates free of tax can be used to pay EFAs to the Nominee.

The Foundation intends to enhance EFA payments paid each year to Qualified students whose Subscribers have completed all their scheduled deposits. The amount of such enhancement payments shall be determined in the sole discretion of the Foundation, subject to the maximum limit described below, and shall be paid from the Enhancement Fund. The amount of such payment to a Qualified Student shall not exceed the amount of



Enrollment Fees paid by the Subscriber in respect of the Qualified Student's participation in the Plan. The Enhancement Fund is funded from several sources, the primary funding being that the Distributor pays 3% of its Enrollment Fee to the account and the Foundation pays 25% of its Administrative Fees to the account. These discretionary payments from the Enhancement Fund are not guaranteed and may fluctuate each year. The Foundation has full discretion with respect to the amount of such payments and may, in any given year, choose to pay less than the amount available within the Enhancement Fund that year in order to reserve funds within the Enhancement Fund for enhancement payments in future years.

Your Deposits (but not any fees which include the annual depository fee, the enrollment fee, the administration fees, and, in certain circumstances, special service fees) may be returned to you, at your option, in whole or in part. Any Deposits net of fees returned prior to EFA will require the return of any Grants allocated to those Deposits. Deposits returned prior to EFA eligibility will incur a special service fee. EFAs paid to a Nominee will constitute taxable income of the Nominee. The amount of an EFA will depend upon the amount of net Deposits made by you, Grant allocations and the amount of Income earned. However, because past performance is not necessarily an indicator of future Income earned, the actual amount of EFAs cannot be predicted. A Subscriber may make Deposits of up to \$50,000 maximum lifetime per Nominee. If a Subscriber makes an over contribution, the Foundation will assist so that penalties will not be incurred, by placing any over contributions in the Advance Deposit Account. The Subscriber will be notified of the options for over contribution and will provide instructions to the Foundation regarding disposition. Subject to certain limits and conditions, Canada Education Savings Grants will be paid equal to 20% of Deposits up to a maximum of \$500 per year per Nominee for Nominees up to and including age 17. When eligible, plans can also receive Additional CESG, Canada Learning Bond (CLB), Alberta CES grants and Quebec Education Savings Initiative (QESI) tax credit. (See pg. 22 "Government Grants").

As a Subscriber under the Plan, you will

enter into an educational financial assistance agreement (the "Agreement") for the purchase of units ("Units") offered by this Prospectus. Each Subscriber makes Deposits on behalf of a Nominee to the Plan pursuant to the Agreement. An Enrollment Fee not exceeding \$60 per Unit together with an annual Depository Fee, an annual Administration Fee, and, in certain circumstances, Special Services Fees are payable by a Subscriber. (See pg. 15 "Summary of Fees and Expenses"). Sponsored Program fees include management fee, processing fee, and if applicable special service fees. (See pg. 27 "Global Educational Trust Plan Sponsored Plans"). The minimum initial purchase is one Unit and no minimum for the Sponsored Program. Fractional Units may be issued.

This Prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Investments in debt securities of Public Corporations are subject to greater risks than those associated with other securities in which the Plan may invest. The primary risks are interest rate risk and credit risk.

Interest rate risk refers to the inverse relationship between interest rate levels and the price of debt securities. In other words, when interest rates fall, the price of debt securities will rise. Conversely, when interest rates rise, the price of debt securities will fall. Credit risk refers to the chance that an issuer of debt securities may default on payment of interest and principal. To minimize this risk, the Plan will restrict its investments to debt securities of those Public Corporations with an "approved credit rating" as defined in National Instrument 81-102 of the Canadian Securities Administrators.

Subject to certain restrictions, the Plan is permitted to invest in Variable Rate Securities. Unlike other investments made by the Foundation (other than corporate debt securities), the income yield on Variable Rate Securities is not fully guaranteed. The amount of income payable pursuant to Variable Rate Securities is not determinable prior to maturity, but rather will be based upon the performance of a stock exchange index or computed by reference to the performance

of some other underlying portfolio of assets. The value of Variable Rate Securities, at any particular time, may fluctuate in accordance with changes in the value of the index or other portfolio on which the return of the securities is based. Investors in Variable Rate Securities may receive only the principal amount of such securities upon their maturity, without any yield or return thereon. There is no assurance with respect to any particular class of Variable Rate Securities that a secondary market through which the securities can be traded will develop or, if such market develops, that such market will be liquid.

Subscribers should be aware that termination of an RESP or the failure of a Subscriber or a Nominee to meet certain other conditions may involve some loss since Enrollment Fees are deducted from early Deposits until collected in full and are not returned at termination. Other fees collected can include the Annual Depository Fee, the Administration Fee and in certain circumstances, Special Service Fees. The Foundation collects all applicable fees and remits the amounts to GEMC as payments for the performance of substantively all administration services and marketing costs for the Plan. Upon termination prior to eligibility for EFA or AIP, Grants are returned to the government and Income earned on Grants is remitted to an educational institution. Subscribers are advised to carefully review the risks outlined in this document in order to fully understand the risks of this investment. (See pg. 29 "Risk Factors")

If your Nominee does not attend a Qualifying Educational Program as described under the section "Eligibility for EFAs" pg. 20, you will be entitled to the return of all of your Deposits (but not applicable fees paid to that date). See pg. 15 "Summary of Fees and Expenses". If a Nominee does not attend a Qualifying Institution and the Subscriber does not substitute a qualified student, the eligibility for EFA and discretionary payments from the Enhancement Fund will be forfeited. If your Nominee does not attend a Qualifying Educational Program as described under the section pg. 20 "Eligibility for EFAs", you may be entitled to the return of the Income which has accumulated under your

Agreement by way of AIP, subject to government guidelines as described in this Prospectus. (See pg. 20 “Eligibility and Calculation of EFA” and see pg. 31 “Tax Status”). The receipt of such accumulated Income by a Subscriber will have income tax consequences to the recipient which are also described in the Prospectus.

The amount of Income earned on your Deposits may vary from year to year and past performance is not necessarily indicative of future performance. (See pg. 20 “Eligibility and Calculation of EFA”).

You have a 60 day period to review all aspects of the Plan to ensure that you fully understand all of its terms. If written notice of the termination of your Agreement has been received at the Foundation within 60 days of signing the Application, all of your Deposits and any fees paid to that date will be returned to you. However, if you purchased optional insurance coverage, Insurance Premiums that have been paid are not returned. Any allocated Grants will be required to be repaid. If written notice of the termination of your Agreement has been received at the Foundation at any time after the 60 day period your Deposits (but not Enrollment Fees, Depository Fees and, if applicable, Special Service Fees) will be returned to you. Any Insurance Premiums paid to the date of termination will not be returned to the Subscriber. Any Grants will be required to be repaid. At any time termination occurs, Income earned on Grants and Deposits will be forfeited to an educational institution.

The Foundation invests primarily in Canadian fixed income securities including Canadian federal and provincial government bonds.

Portfolio Advisors are the Investment Counsel for the Plan and manage the Plan’s assets in consultation with the Foundation. (See pg 14 “Investment Objective” and pg. 14 “Investment Strategies”)

The Plan has adopted the 2008 Federal Budget changes to RESPs. Changes in this Prospectus include the extension of deposit period to 31 years from the year of opening an RESP, the extension of the existence period of an RESP to 35 years

from the opening of an RESP. Special needs individuals having RESPs have had extensions adjusted to 36 years pay in period and 40 years existence for their RESPs. In addition, the time period for which a Qualified Student can receive Educational Financial Assistance payments (EFA) has been extended to include the time period of six (6) months after the student was no longer attending the educational institution, provided that eligibility for EFA existed immediately prior to when the student departed.

The Foundation has had a specimen copy of the Agreement approved by Canada Revenue Agency (CRA) so that Agreements may be submitted to CRA for registration as Registered Education Savings Plans (RESPs) under the Income Tax Act (Canada) (Tax Act). This registration requires certain conditions be satisfied prior to CRA acceptance as an RESP. Amendments to the Tax Act, effective January 1, 2004, require that a Social Insurance Number (SIN) be provided for a Nominee before contributions can be made on their behalf. These amendments also require that the Nominee be a Canadian Resident at the time of the contribution.

A plan cannot be registered under the Income Tax Act as an RESP if the Social Insurance Numbers for the Subscriber and Nominee have not been provided to the Foundation. A plan that is unregistered will not be entitled to the tax benefits or to the government Grants described in this Prospectus applicable to an RESP. Any deposits made without the required SIN are considered to have been made to an Education Savings Plan (ESP) and these deposits will be treated as Advance Deposits and all income earned will be taxable to the Subscriber. ESP contributions for Agreements that require information for registration will be automatically placed in the Advance Deposit account pending the provision of required information for registration purposes. (See pg. 17 “Registration of the Plan” and pg. 18 “Advance Deposits”). An ESP will be terminated where the Nominee’s SIN has not been provided to the Foundation by December 31 of the second year following the year of enrollment. After a Plan has been terminated the Foundation will permit the continuation

of a Subscriber’s Plan under the original terms and conditions of registration when the Nominee’s SIN is provided and any refunded Deposits are returned to the Plan. (See pg. 17 “Registration of the Plan”)

Neither the Plan nor the Foundation is registered as a trust company in any province of Canada and neither carries on nor intends to carry on the business of a trust company. The Distributor offers and sells Units of the Plan to the public through Agreements. Deposits under the Agreements are not “deposits” within the meaning of the Canada Deposit Insurance Corporation Act and are not insured under the provisions of that Act or any other legislation. No government agency recommends subscription to the Plan or guarantees the Plan.

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Summary of the Global Educational Trust Plan

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in the Prospectus.

1. What is a Registered Education Savings Plan (RESP) ?

An RESP is an Education Savings Plan (ESP) that has been registered with Canada Revenue Agency providing tax advantages and government grants to persons' (Subscribers') contributions for the purpose of funding post-secondary education. Beneficiaries (Nominees) for the Plan are required to meet eligibility requirements to become Qualified Students for the Income and government grant funding from RESPs.

Income earned in an RESP grows tax free until it is used for education when Income and Grants become taxable to a Qualified Student. Because students usually have little or no income, and are often eligible for certain tax deductions, they typically pay little or no tax on RESP Income.

The maximum total contribution for an RESP set up on behalf of a Nominee is \$50,000 lifetime (which can exclude fees). Subscriber contributions must be made within a 31-year period from the Application date and an RESP has an expiry date of 35 years from the year of Application within which time all funds are to be used. Nominees requiring special needs are permitted 36 years depositing period and 40 years before a plan expires.

Deposits net of fees can be withdrawn by Subscribers at any time subject to Special Service Fee(s). Deposit withdrawal is subject to applicable government grants repayment rules (See pg. 22 "Government Grants").

In instances where education is not being pursued by a Nominee, the Subscriber can retain all the Income earned by their plan as Accumulated Income Payments (AIP) in accordance with Government guidelines (See pg. 31 "Tax Status"). AIP does not include Grants or eligibility for Enrollment Fee repayment.

2. What is the Global Educational Trust Plan?

The Global Educational Trust Plan (Plan) is an Education Savings Plan established for the purpose of providing Educational Financial Assistance (EFA) to students who attend post-secondary programs of Education. The Plan acts as a savings vehicle for Deposits that may attract Grants. Income generated on Deposits and Grants remains free of tax (once registered) while in the Plan until the Income and Grants are used to fund a Qualified Student's education.

The Plan is an RESP under section 146.1 of the Income Tax Act and is on file with Canada Revenue Agency under Specimen Plan: RESP 104 9001. The Plan is an Individual Pooled Education Savings Plan where the funds held in trust are invested collectively and professionally managed.

The Global Educational Trust Foundation (Foundation) is a non-profit organization and is the promoter of the Plan.

The Global Educational Marketing Corporation (GEMC), the Distributor, a for profit organization, is contracted by the Foundation to offer the Plan to the public and performs substantially all administrative functions.

The securities offered by this Prospectus are in the form of Educational Financial Assistance Agreements (Agreements) and Units of the Plan are obtained by Subscribers who enter into Agreements with the Foundation.

The following are the key entities that form the organization and management structure of the plan:

- Plan Sponsor and Administrator: Global Educational Trust Foundation, 100 Mural Street, Suite 201, Richmond Hill, Ontario - Provides administration of the plan and considered the Plan's promoter.
- Portfolio Advisor: Scotia Asset Management L.P., Toronto, Ontario, - Manages investments of the Trust
- Portfolio Advisor: UBS Investment Management Canada Inc., Toronto, Ontario - Manages investments of the Trust
- Depository: Bank of Nova Scotia - Acts as Depository
- Trustee and Custodian: Bank of Nova Scotia Trust Company, Ottawa, Ontario - Acts as Trustee for

safekeeping of Plan

- Insurance Provider: AXA Assurances Inc. - Provides optional group insurance
- Distributor: Global Educational Marketing Corporation, Richmond Hill, Ontario - Provides marketing distribution and administration services under contract with Foundation
- Auditors, Deloitte and Touche LLP, Toronto, Ontario - Auditors
- Legal counsel, Borden Ladner Gervais, LLP, Toronto, Ontario - Provides legal counsel

3. What is the Registration Process?

GEMC and sub-distributors have licensed Sales Representatives across Canada to guide you through the application process and the registration requirements for the Global Educational Trust Plan. RESP information will be provided to you as well as the eligibility requirements for government grants.

Most young children nominated for the benefits of the Global Educational Trust Plan do not have a Social Insurance Number (SIN) at the time of Application.

It is important to know that complete application information must be provided in order to have the ESP registered as an RESP. Registration cannot proceed until this and other required information are made available to the Foundation. Applications will be accepted pending the provision of the required information.

Non-registered accounts will have Deposits placed into a separate trust called the Advance Deposit Account pending RESP registration. The Income earned on Deposits is subject to taxation and are not eligible for Grants and Deposits are not part of the Trust. When registration requirements are met, the ESP becomes an RESP and funds are forwarded immediately to the registered trust following established government guidelines for RESPs and Grants.

An ESP will be terminated where the Nominee's SIN has not been provided to the Foundation by December 31 of the second year following the year of enrollment. After a plan has been terminated for this reason the Foundation will permit re-instatement and continuation of a Subscriber's plan under the original terms and conditions of registration if the

Nominee's SIN is provided and any refunded Deposits are returned to the Plan.

4. How Do I Subscribe for the Plan?

A Subscriber or Joint Subscribers as defined in the Tax Act can enroll a Nominee for the Plan. A Nominee can be enrolled at any age and a Subscriber can be a Nominee. There are certain age, residency and net family income qualifications that make a Nominee eligible for Grants. (See pg. 22 "Government Grants").

One unit is \$504 and this is the minimum subscription. A Subscriber decides the amount of Deposit(s) over the "Term" or length of time in years at the time of application. A "Deposit Method" frequency is chosen among monthly, annual, quarterly, semi-annual or single lump sum payments.

For example: one unit subscribed over an 18 year term deposited monthly equals a monthly deposit of \$2.33 per unit.

The Term chosen usually coincides with the Nominee's expected entry to post-secondary education. A Subscriber may change their Deposit Method and/or Term by providing written notice to the Foundation.

A Subscriber may purchase additional Units by way of application. Fractional units can be subscribed for.

5. How are Deposits made?

An Initial Deposit can be a minimum of one or a series of payments not exceeding the \$50,000 lifetime maximum per Nominee. Once the Initial Deposit is received by the Foundation and information is provided pertaining to the Deposit Method and the Term, the Deposits are placed into a trust account with the Bank of Nova Scotia, 119 Queen Street, 6th Floor, Ottawa, Ontario. Applicable Fees are deducted. (See pg. 15 "Summary of Fees and Expenses"). When the plan is registered, applicable funds are remitted to the Bank of Nova Scotia Trust Company, the Trustee of the Plan for safekeeping.

Deposits to Agreements of the Subscribers plan are recorded individually and at the valuation date on the 15th of the month, each plan account's net assets are credited with the Income earned by the investments of the trust on a proportional basis. Grants based on eligibility are allocated to the plan account contributions as applicable.

Contributions received in excess of the permitted \$50,000 lifetime maximum will be placed in the Advance Deposit Account and the Subscriber will be notified of their options.

An individual Statement of Account is provided annually for all Subscribers and is available at any time upon a Subscriber's request or through the Distributor's website at www.globalfinancial.ca.

6. What Government Grants are available for my RESP?

RESP contributions on behalf of Nominees may be eligible for government grants as shown below:

The Canada Education Savings Grant (CESG): Up to a \$7,200 maximum per Nominee lifetime. Basic CESG is allocated at a rate of 20% for up to \$2,500 contributed per year per child under the age of 18. Every child that was resident in Canada has built up CESG contribution room since January 1, 1998 or since the year of their birth if occurring after January 1, 1998. Basic CESG can be retroactively accumulated for an eligible child subject to RESP residency guidelines and contribution maximums.

Additional CESG: Available since

January 1, 2005 is based on the family's net income of the Nominee. Family net income of the Nominee for 2010 of \$40,970 and less receives 20% additional CESG on up to first \$500 of RESP contributions. Family net income of the Nominee for 2010 of \$40,971 to \$81,941 of family net income receives 10% on up to first \$500 RESP contributions. Additional CESG allocations are part of the total CESG maximum of \$7,200 per child. The family's net income qualification level is updated every year.

Canada Learning Bond (CLB): Available to children born on or after January 1, 2004. Eligibility is determined when the family receives the National Child Benefit supplement. \$500 is available for the first year of qualification and \$100 for every following eligible year to age 15.

Alberta Centennial Education Savings Plan (ACES): \$500 is available at birth for Alberta resident children born as of January 1, 2005. Under certain conditions \$100 for Alberta school attendees at age 8, 11 and 14 are also available.

Quebec Education Savings Initiative (QESI): A tax credit deposited to RESPs available to children resident in Quebec effective, January 1, 2007. Up to \$250 per year is available per child accumulated at a rate of 10% of Deposits plus "accumulated rights" carried forward. Additional amounts can be 5% or 10% of the first \$500 contributed depending on family income.

The Foundation applies for the Grants on behalf of Nominees of the Plan. The applicable government authorities allocate Grants to the Plan in accordance with their mandate after which appropriate amounts are apportioned to each qualifying agreement.

7. How is my money invested?

The investments for the Plan are invested in accordance with the policies as set out by Canadian Securities Administrators in National Policy Statement 15. Portfolio Advisors perform the investing and management for the Plan assets in consultation with the Foundation. The investment priority is to protect capital Deposits. (See pg. 14 "Investment Objectives" and pg. 16 "Overview of Investment Structure")

The assets held in Trust are pooled for

investment purposes to take advantage of institutional scale investing. Institutional scale investing is very likely to achieve higher returns than investing done individually.

Monies held by the Trust may be invested in Government of Canada treasury bills, bonds and other debt instruments issued or guaranteed by federal or provincial governments, mortgages and mortgage backed securities insured under the National Housing Act, GICs, and provided that they have “approved credit ratings”, debt securities issued by Public Corporations and Variable Rate Securities.

Investment Objectives and Strategies

The Foundation invests in a prudent manner, with the objective to protect principal and deliver a positive return on the Plan investment.

The primary investment objective is to invest in high quality fixed income securities providing a high level of safety of invested capital. As a secondary objective, the portfolio is expected to generate investment income that will preserve and grow the value of invested assets.

The Portfolio Advisors actively manage the Plan assets, focusing on strategies where value can be added on a sustainable basis.

Debt Securities (Bonds)

There are different types of bonds but generally, the income generated on the money loaned is paid semi-annually or quarterly to the lender and expressed as an annual return. Active trading by the investment managers means that there can be advantages to liquidate a bond at a given time because of capital gain, company capital requirements, or an anticipation of a change in the market.

Included in the investment portfolio of the Plan are different issuers of bonds. These issuers are the Federal and Provincial Governments, agencies of the Federal and Provincial Governments, financial institutions and other corporations.

Federal and Provincial Government bonds are held as the mainstay of investments for the Plan. Government bonds are considered as the most secure investments because they are backed by the government’s power of taxation. Investing in government bonds means that money is being loaned to the government for a specified period of time with a date when

the principal amount loaned is returned. The Plan will also hold bonds issued by Agencies of the Federal and Provincial Governments. These Agency bonds are considered equal in risk to those issued by the Government backing them.

The Plan can also invest in bonds issued by financial institutions, such as banks and insurance companies. There are restrictions regarding the financial institutions that the Plan can invest in. (See pg. 28 “Investment Restrictions”)

Investing in high grade corporate bonds is available to the Plan. Usually, to be competitive, corporate bonds have higher coupon rates than government bonds but carry a higher risk of default. There are specific requirements regarding the credit quality of the issuer and restrictions regarding the amount the Plan can invest in corporate bonds. The amount of investment in corporate bonds is restricted to a percentage of the income of the Plan. (See pg. 28 “Investment Restrictions”)

Government Treasury Bills

Government of Canada T bills are short term investments usually for terms of less than a year. T bills and money market funds are considered as cash on hand which is required for certain ongoing expenses and pay out requirements. The short term investments are also held for the purpose of fund accrual to be placed in a higher order investment. A high liquidity factor is the important characteristic of the investment where the original principal invested is returned and income is paid on the amount loaned to the government.

Principal Protected Notes (PPNs)

This form of Variable Rate Security is an investment product that consists of two parts. One part is an investment that promises to return the original principal amount invested in the PPN, usually after the 6 to 10 year period that it is held. A third party, the guarantor, guarantees the original principal amount received. The second part of the PPN is a market-based investment, usually linked to a market index, a fund, or another investment product that offers the potential—but not a guarantee—of a profit on the investment.

PPNs have invested principal protected by an investment grade Canadian financial institution.

There are restrictions contained in the investment policy for the Plan to ensure

that the PPNs invested are of a high quality and there are limitations on the amount of PPNs that can make up the portfolio of the Plan. PPNs are not liquid securities and sale prior to maturity is subject to additional liquidation fees.

Annual Returns

The following chart gives the annual returns for the investments held in trust for the Plan after the deduction of Administration, Investment Counsel, and Trustees fees. .

Year	'09	'08	'07	'06	'05
Annual Returns %	3.8	4.8	3.1	3.2	6.0

8. What Are the Fees and Expenses for the Plan?

This table lists the fees and expenses that you may have to pay if you invest in the Global Educational Trust Plan. You may have to pay some of these fees and expenses directly. The Plan may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Plan. The fees are paid to the Foundation and subsequently remitted to GEMC for the performance of substantially all the administrative services and for marketing costs. Indirect taxes (HST/GST/PST/QST) will be added to these fees as applicable.

Type of Fees	Amount and Description	Paid from	Paid to
Enrollment Fees	Not exceeding \$60 per Unit (100% of each contribution is applied to the Enrollment Fee until it is paid in full) 10% reduction applies when prepayment at time of Enrollment application	Subscriber	Foundation (subsequently remitted to the Distributor)
Depository Fee per year (per Agreement)	Single Deposit - \$2.00 per year Annual Deposits - \$4.00 per year Semi-annual Deposits - \$6.00 per year Quarterly Deposits - \$8.00 per year Monthly Deposits - \$10.00 per year	Subscriber	Foundation (subsequently remitted to the Distributor)
Administration Fee	Administration, Investment Counsel & Trustee Fees deducted monthly Equal to 1% of annual Plan Assets	Trust From Income	Foundation (subsequently remitted to the Distributor)
Investment Counsel Fee		Trust From Income	Investment Counsel (Paid by Distributor from 1% Fee remitted from Foundation)
Trustees Fees		Trust From Income	Trustee (Paid by Distributor from 1% Fee remitted from Foundation)
Special Service Fees	\$12.00 - \$50.00 per item See "Summary of Fees and Expenses"	Subscriber	Foundation (subsequently remitted to the Distributor)
Transfer to Another RESP	\$50.00 per transfer. Transfer fee does not apply to internal transfer within Global	Subscriber	Foundation (subsequently remitted to the Distributor)
Inactive Account Fee	\$25 per year account remains inactive	Subscriber	Foundation (subsequently remitted to the Distributor)
Optional Insurance Fees	Varying amount based on type of insurance and Beneficiary (See Optional Insurance)	Subscriber	Foundation (subsequently remitted to Distributor and paid to Insurance Carrier) Foundation (Administration Fee paid to the Distributor ranges 20%-40% of insurance premium)
Independent Review Committee (IRC)	\$1500 per year per IRC member total 2009 \$4,500	Plan from Income	Member

The Administration Fee consists of 1% of the assets of the Plan less Investment Counsel Fees, Trustees fees and any other fees deducted from the Trust. The Foundation contributes 25% of the Net Administration Fee that it receives to the Enhancement Fund.

Enrollment Fees up to \$60 per unit are collected by the Foundation and subsequently remitted to the Distributor. The Distributor contributes 3% of net fully paid Enrollment Fees received since 2007 to the Enhancement Fund.

The Depository Fee, Administration Fee and the Special Service Fee may be amended in the future by the Foundation upon the provision of notice of such

amendments in fees to the Subscribers.

The Investment Counsel Fee for the Trust is based on 0.175% on the first \$20 million, 0.150% on the next \$30 million, 0.125% on the next \$50 million and 0.100% on the balance of assets under administration. The Trustees Fees are based on 0.080% on the first \$20 million, 0.040% on the next \$30 million, 0.020% on the next \$50 million and 0.015% on remaining assets under administration.

Special Service Fee

1. A Special Service Fee of \$12 is applicable upon the happening of any of the following:
 - (i) a deposit cheque is returned by the Subscriber's bank by reason of "non

sufficient funds";

- (ii) an acquisition of the Subscriber's rights under the Agreement on marital breakdown as described in Marital Breakdown, and for Contribution Vesting of a Nominee;
- (iii) a Subscriber changes the Nominee (See pg. 17 "Change of Nominee");
- (iv) a Subscriber requests that a cheque previously delivered in respect of the Plan be replaced;
- (v) a Subscriber elects to change the Deposit Method and/or Term which results in the Deposit Method having greater deposit frequency;
- (vi) a Subscriber ceases making Deposits before the Term of the Plan has expired;

- (vii) a Subscriber ceases making Deposits for a period of time during the Term of his or her Agreement;
 - (viii) each fund withdrawal that has occurred more than once per year;
 - (ix) EFA Payments where such requested payments have occurred more than once per year.
2. Special Service Inactive Account fee is \$25 per year.
 3. The special service fee for a transfer to another RESP is \$50.⁰⁰

The Foundation pays enrollment, special service, administrative and depository fees, and 20% to 40% of insurance premiums collected, to GEMC for substantially all the administration and marketing costs associated with the Plan.

For fees relating to the “Sponsored Program” see pg. 27 “Management Fees and Other Deductions”

9. Do I Have Alternatives to Terminating My Plan if I Can't Make the Scheduled Payments?

There are options available which permit all Subscribers to continue their RESP with the Foundation.

A Subscriber may suspend payment of their Deposits without the necessity of making up missed Deposits. Deposits can be resumed within the 31 year permitted Deposit period. Scheduled Deposits can be adjusted in frequency and/or amount. If you miss a Deposit to your Plan you are required to make up the Deposit within three (3) years or prior to the scheduled completion of the Plan whichever is earlier **or otherwise the Qualified Student will not be eligible to receive discretionary payments from the Enhancement Fund that may otherwise be paid with EFA.**

Maintaining the Agreement option permits a permanent stoppage of remaining Deposits without affecting the continuation of your RESP and eligibility for EFA and AIP.

The valuable features of the Plan allow families undergoing financial hardship to be able to maintain Grants and benefit from the advantages of the RESP program. Client Services can assist with options that are provided within the Plan.

The Client Services Department provides Subscribers notification describing options

and requires proper notification of intentions and will help in implementing Special Services.

10. What Are My Redemption Rights?

A Subscriber in the Plan who is not using the plan for education purposes for EFA payments or for retaining income as AIP may at any time redeem remaining eligible funds in their Plan. Redemptions consist of withdrawals of contributions net of fees available at any time subject to repayment rules for government grants.

In the event of notice of termination from a Subscriber any contributions net of fees are returned to the Subscriber, Grants are returned to the government and any remaining income earned on Grants and Deposits is forfeited to an educational institution. See pg. 19 “Termination and Default”. A Subscriber may transfer or terminate their plan within the first 60 days without penalty. A transfer or termination after 60 days will incur non-refundable Enrollment Fee. A transfer of a Plan to another Plan Dealer will result in all funds net of fees forwarded to the receiving Plan Dealer. See pg. 18 “Transfer from another RESP to the Plan”.

A Subscriber is able to redeem funds from their plan by way of EFA. A Qualified Student named as the Nominee for a plan is able receive EFA payments, as directed by the Subscriber, which consist of Grants and all Income earnings generated on the Deposits and Grants. EFA payments are subject to Government guidelines. Deposits can be retained tax free by the Subscriber or gifted to the Nominee tax free at any time. When there is EFA qualification and Deposits are withdrawn, there is no requirement for allocated Grants to be repaid to the government. Any Grants unclaimed are repaid to the government and any amounts of unclaimed Deposits or Income are given to an educational institution. See pg. 19 “Redemptions”.

A Subscriber is able to retain Income from their plan by way of AIP in case there is no Qualified Student to use EFA. Following government guidelines, a Subscriber may receive the income of the RESP generated from Deposits and Grants subject to rules for taxation of AIP. Any Grants in an RESP account are repaid to the government. See pg. 19 “Redemptions”.

11. Can I transfer in a RESP to the Plan?

You can transfer an existing RESP that you have with another RESP provider to the Plan. Funds transferred from your existing RESP with another provider are forwarded and become your Plan Deposits, Income and Grants.

12. Can I transfer my Plan to another RESP?

A transfer out request from the Plan to another RESP provider other than the transfer to a plan administered by the Foundation, is considered a termination of the Plan. Any fees paid to the date of request are non-refundable. A Transfer Fee of \$50 will be incurred and deducted from the Subscriber’s plan assets. **Transfer Fee does not apply to internal transfer within Global.**

The Foundation forwards the value of net Deposits, Income and Grants to the receiving RESP provider.

13. Can I Substitute Another Person for My Nominee?

As a Subscriber, you may change your Nominee to any other person regardless of age or whether they are related to you. This can be done at any time during the Deposit period or the EFA payment period. The application date of the original plan applies in consideration of the permitted maximum contribution period and expiry date of the plan.

A Nominee change could result in RESP contribution amounts to exceed the maximums of \$50,000 lifetime permitted for a Nominee who is not a sibling of the original Nominee. Generally, a sibling of a Nominee can receive RESP funds without tax consequences even if contribution maximums are exceeded.

Government grants have rules that affect whether certain Grants are transferable to another Nominee or if they must be paid back to the government in cases of Nominee change (See pg. 22 “Government Grants”).

A substituted Nominee can receive the remaining assets from the original plan which include income, discretionary payments from the Enhancement Fund (if the Nominee becomes a Qualified Student) and Grants available subject to government conditions.

14. What are the Qualifications for receiving EFA Payments?

A Nominee becomes a Qualified Student eligible for EFA payments when they meet the government requirements. Generally, when a person nominated under an RESP is in attendance and registered as a post-secondary student for full- or part-time studies they are eligible for EFA. EFA consists of Income and government grants allocated to the RESP. Qualified Students must register for courses that have minimum requirements of 10 hours per week for three (3) weeks to be eligible for a payment of up to \$5,000 EFA and thereafter 13 weeks continuing attendance for further withdrawals. Part-time studies eligibility includes courses at a minimum of 12 hours per month for students at age 16 and over qualifying for EFA of \$2,500 maximum for each 13 week semester.

Post-secondary education taken outside of Canada by Canadian resident students has requirements of a minimum of 13 weeks of studies to qualify for EFA.

15. How are EFA funds paid to the Qualified Student ?

The Foundation provides Subscribers and Nominees outlines of EFA payment procedures and requirements.

After the information regarding proof of registration for eligible studies is received by the Foundation a statement showing available EFA funding is provided to the Subscriber and Nominee.

This shows the amount of EFA funds and the value of net Deposits available for education funding in their plan account.

Once EFA eligibility for a student is proven the Subscriber can direct EFA funding as long as eligibility for EFA is maintained.

EFA is taxable income of the Nominee and must be reported as such. Most students earn little or no income and are usually eligible for tax exemptions and pay little or no tax.

Requests for EFA can be made on an individual basis at anytime throughout the course of study. A student may claim EFA payments within six (6) months from the date that they ceased being a registered student at the educational institution to the extent that they were qualified to receive EFA immediately before they left. The Foundation does not impose qualifications

for payment of EFA to a Qualified Student other than government requirements.

The value of net Deposits is non-taxable property of the Subscriber and can be withdrawn without affecting government grants once EFA eligibility is proven and continues to be verified.

A Subscriber can gift their Deposits to a Nominee for education purposes or continue to maintain their Deposits in their plan for tax sheltered growth.

16. What if My Nominated Student is Not Pursuing Post-Secondary Education?

The expiry of an RESP is 35 years from the year of enrollment and within this time the following options are available to you:

- (i) Change of Nominee to a sibling of the original Nominee for EFA payments.
- (ii) Change of Nominee to any person including a Subscriber for EFA payments.
- (iii) Accumulated Income Payments (AIP) - All income earned is available as AIP to a Subscriber if their Nominee is not eligible for EFA as:
 - (a) Rollover to Subscriber's RRSP or spousal; and/or remaining
 - (b) Income subject to taxation

Receiving AIP requires that a Nominee has attained 21 years of age and that the RESP has been in existence for nine (9) full years from the year of registered application. Any distribution of AIP to a Subscriber constitutes income to the recipient for income tax purposes. However, where AIP is received by the original Subscriber up to \$50,000 of AIP income received may be transferred to the recipient's or spousal RRSP assuming contribution room exists.

17. What is the Tax Status of My Plan?

Certain conditions of registration are required for the Plan to be registered as an RESP. When a plan is an RESP there is no tax paid on income earned in the Plan until it is withdrawn upon EFA qualification by a Student or as AIP by a Subscriber.

A replacement of a Nominee in some circumstances may result in excess contributions to an RESP resulting in tax implications. Over contributions are

subject to tax at 1% per month and over contributions must be withdrawn from the plan.

Contributions to an RESP are not tax deductible. Return of Principal is not taxable. A Student who is non-resident of Canada may be subject to up to 25% withholding tax on EFA payments. (See pg. 31 "Income Tax Considerations").

18. What if My Employer Sponsors the Plan at my place of Business?

The Plan is available through a Sponsored basis. Employers, Organizations and Associations may sponsor the Plan on a Sponsored basis.

An employer may add contributions on an employee's behalf and this becomes taxable income of the employee. Generally, the same Plan conditions apply except for the fee structure (See pg. 27 "Global Educational Trust Plan Sponsored Programs").

A Subscriber leaving a Sponsored Program may continue the Plan individually.

19. Can I Insure my Plan ?

Yes, a Subscriber or Joint Subscribers can insure their plan through a Group policy offered by AXA Assurances Inc.

Disability or Death Protection of Subscriber (Completion Coverage)

The policy offered at the time of enrollment application or subsequently to Subscribers covers the payment of remaining Deposits in the event of death or disability. The premium is 3.6% of Deposits being made to a plan and covers a Subscriber or Joint Subscribers. The premium is not included as a plan contribution for purposes of RESP contribution limits and is not eligible for CESG. Premiums are not refundable upon plan termination.

To qualify for insurance coverage the Subscriber must be under 65 years of age and not be suffering from any serious illness, injury or disease on the date the Agreement is accepted by the Foundation.

Critical Illness Insurance

An eligible Subscriber can be covered for certain critical illnesses. Coverage is \$10,000 principal sum at the rate of \$10.00 per month during the deposit period.

Basic Accidental Death and Dismemberment Insurance (Nominee)

Each eligible Nominee can be insured for the principal sum of \$5,000 in the event of specified losses. The coverage premium is 42 cents (\$0.42) per month per Nominee for coverage until the Nominee turns 18 years old or until the earlier of completion or stoppage of plan deposits.

Premiums for any group insurance coverage are not included as part of Plan contributions and are not eligible for grant allocations. Premiums are not refundable upon plan termination.

20. Are There Any Considerations or Risks?

Early termination after 60 days of a Subscriber's plan will result in loss since early Deposits are used to pay Enrollment Fees and are not refundable upon termination.

The Foundation intends to enhance EFA payments paid each year to Qualified Students who meet education requirements for EFA payments and whose Subscribers have completed all their scheduled deposits. The amount of such enhancement payments shall be determined in the sole discretion of the Foundation, subject to the maximum limit described below, and shall be paid from the Enhancement Fund. The amount of such payment to a Qualified Student shall not exceed the amount of Enrollment Fees paid by the Subscriber in respect of the Qualified Student's participation in the Plan.

If you miss a Deposit to your plan you are required to make up the Deposit within three years or prior to the scheduled completion of the plan, whichever is earlier, to maintain eligibility for discretionary payments from the Enhancement Fund. Furthermore, if there is no education pursued or no change of Nominee to a Qualified Student before the 35 year expiry period, the plan will not be eligible for such discretionary payments from the Enhancement Fund.

These discretionary payments from the Enhancement Fund are not guaranteed and may fluctuate each year. The Foundation has full discretion with respect to the amount of such payments and may, in any given year, chose to pay less than the amount available within the Enhancement Fund that year in

order to reserve funds within the Enhancement Fund for enhancement payments in future years. (See pg. 21 "What is the Enhancement Fund?")

A plan can have a reduction of Units within two (2) years of the enrollment application date, at the direction of the Subscriber, and remain eligible for discretionary payments from the Enhancement Fund with EFA on the remaining Units provided that the Deposits for the continued Units are completed as scheduled.

A plan having reduced Units after two (2) years from the application date will be subject to the three (3) year time limit rule for Deposit repayment to be eligible for discretionary payments from the Enhancement Fund with EFA.

Failure to provide a Nominee's SIN will cause the ESP to remain unregistered with consequences of taxation on income earned on Deposits to the Subscriber. Unregistered ESPs do not have advantages of tax deferral and do not benefit from Grant allocations.

An ESP will be terminated where the Nominee's SIN has not been provided to the Foundation by December 31 of the second year following the year of enrollment. Any fees collected during the time the Subscriber had an ESP will not be returned. **After a plan has been terminated the Foundation will permit the continuation of a Subscriber's plan under the original terms and conditions of registration including eligibility for discretionary payments from the Enhancement Fund with EFA by the Foundation when the Nominee's SIN is provided and any refunded Deposits are returned to the plan. Continuation of a plan under the above circumstances is subject to the government guidelines for RESPs and Grants. (See pg. 17 "Registration of the Plan")**

A Nominee is required to become a Qualified Student and continue being a Qualified Student in order to be eligible for EFA.

AIPs are taxable income of the Subscriber unless the RRSP rollover option is used to defer taxes.

Past performance of investments is not necessarily indicative of future performance. The amount of Income earned will vary from year to year subject to market conditions.

Risks associated with investments in Variable Rate Securities and debt securities issued by Public Corporations are contained on pg. 29 of this Prospectus in "Risk Factors".

A Nominee is required to become a Qualified Student and continue being a Qualified Student in order to be eligible for EFA.

AIPs are taxable income of the Subscriber unless the RRSP rollover option is used to defer taxes.

Past performance of investments is not necessarily indicative of future performance. The amount of Income earned will vary from year to year subject to market conditions.

Risks associated with investments in Variable Rate Securities and debt securities issued by Public Corporations are contained on pg. 29 "Risk Factors".

21. What happens if I missed my scheduled deposits?

If you miss any of your Deposits to the Plan you are required to complete these deposits within three (3) years of the missed Deposit or prior to the scheduled completion of the Plan whichever is the earlier. When you miss Deposits you do not risk losing your Plan. You do risk losing the grant room to the extent of the maximum permitted RESP contributions available per year.

22. Recent RESP Developments

The Minister of Finance announced the Federal Budget 2008, released on February 26, 2008, containing proposed RESP changes. The proposed changes were enacted into law on June 18, 2008. The 2008 Federal Budget measures announced are designed to provide additional flexibility for RESPs including:

- extending the deadline for when an RESP must be terminated by ten (10) years (from the 26 year of the plan to the 36 year of the plan)
- increasing the number of years for contributions to an RESP from 21 years to 31 years.
- Nominees will continue to be eligible for EFA for up to six (6) months following the cessation of their enrollment in a qualifying program.

The budget measures apply for the 2008 taxation year and subsequent taxation years.

23. Nominees with Special Needs

The Minister of Finance permits Qualified Students with special needs an additional five (5) years for the contribution period and for plan existence.

Consequently, throughout this Prospectus wherever time limits of 31 and/or 35 years are shown; there is an implied reference that Nominees with special needs are extended to 36 and 40 years respectively. It is the responsibility of the Subscriber to provide the Foundation with notice and documentation concerning the special needs when extended time periods are used.

24. General Outline Only

The information outlined in this Prospectus relating to the terms of the Grants is a general outline only. Additional restrictions as required by Canada Revenue Agency, the Department of Human Resources and Social Development or the Foundation to administer the Grants program may apply.

Definitions of terms in the Prospectus

“Accumulated Income Payment (AIP)”

means payments of income generated from Deposits and Grants paid to a Subscriber that are not a return of Deposits or EFA Payments

“Administration Fee” means a monthly fee equal to 1% annually of Plan assets, less Investment Counsel Fee and Trustee Fees, deducted from Income of the Trust on a monthly basis paid to the Foundation and subsequently remitted to the Distributor.

“Advance Deposit” means a deposit made by a Subscriber for the Global Educational Trust Plan which is placed in the Advanced Deposit Account under the following circumstances:

- (i) When a Subscriber makes contributions to an ESP that is pending registration,
- (ii) When a Subscriber makes contributions that exceed the CRA lifetime RESP contribution limits,
- (iii) When a Subscriber directs contributions to be held in the

Advance Deposit Account and released as Deposits to the Trust at prescribed intervals.

“Advance Deposit Account” means an account established to hold contributions outside of an RESP and does not receive grants or tax benefits.

“Agreement” means the educational financial assistance agreement entered into by and between the Subscriber and the Foundation pursuant to which the Subscriber subscribes for Units in the Plan.

“Application” means the application to enter into an Agreement.

“CES ACT” means the Canada Education Savings Act and the regulations thereto as amended from time to time.

“Deposits” means contributions made by a Subscriber to an Agreement for the purchase of Units of the Plan. For greater certainty, Deposits do not include Insurance Premiums or any Grants paid into the Plan by the Minister of Human Resources and Social Development, or any provincial or territorial government of Canada.

“Deposit Account” means the account maintained by the Foundation with Bank of Nova Scotia in which Deposits are placed pending investment in the Trust.

“Deposit Method” means the frequency at which Deposits can be made by a Subscriber over the Term of an Agreement and is limited to single, annual, semi-annual, quarterly or monthly Deposits.

“Deposit Options” means the options determined by the Foundation from time to time from which a Subscriber can select a Deposit Method based on the amount of required Deposits per Unit, the frequency at which Deposits are desired to be made and the desired term of the Agreement.

“Depository Fee” means the annual fee for the processing of Deposits and related administrative activities of maintaining an account, which fee is paid by a Subscriber to the Foundation and subsequently remitted to the Distributor.

“Distributor” means Global Educational Marketing Corporation, who is approved by the Foundation to offer Units in the Plan. The Distributor, with the approval of the Foundation, may from time to time designate sub-distributors to offer Units in the Plan.

“Educational Financial Assistance” or “EFA” means an educational assistance payment (as defined by Section 146.1 of the Tax Act), payable to a Qualified Student.

“Education Savings Plan” or “ESP” means a plan for education savings that has not been registered under the Income Tax Act as an RESP.

“Enhancement Fund” means a segregated account maintained and held by the Foundation to enable the Foundation, in its discretion, to enhance EFA payments and is comprised of the following: an amount contributed by the Distributor from time to time equal to 3% of Enrollment Fees received by the Distributor; an amount contributed by the Foundation from time to time equal to 25% of Administration Fees received by the Foundation and any additional monies contributed by the Foundation or the Distributor in their sole discretion.

Payments made by the Foundation from the Enhancement Fund shall be determined by the Foundation in its sole discretion.

“Enrollment Fee” means the fee not exceeding \$60.⁰⁰ per Unit, which fee is paid by the Subscriber to the Distributor. This fee is not applicable for the Sponsored Program.

“Foundation” means the Global Educational Trust Foundation.

“GETF Committee” means a committee of individuals appointed by the Foundation which sets the guidelines under which the Foundation administers the Plan.

“Grants” mean the Canada Education Savings Grant (CESG), Canada Learning Bond (CLB) as provided for in the CES Act, the Alberta Centennial Education Savings (ACES) grant as provided for by the Alberta Centennial Education Savings Plan and The Quebec Education Savings Initiative (QESI) and any other grant paid into a plan under the Canada Education Savings Act or under a program administered pursuant to an agreement entered into under Section 12 of the Act.

“Inactive Account” means an Agreement that has had no continuation of required scheduled deposits for three consecutive years and the Subscriber has not provided direction to Foundation invoking options of “Transfer of Plan”, “Termination of the Plan”, “Suspension of Deposits” or “Maintaining the Plan”.

“Income” means interest and other Income of the Trust to be allocated to Units in the Plan.

“Insurance Premiums” means premiums for optional group insurance.

“Investment Counsel” means all Portfolio Advisors contracted by the Foundation to advise on investment strategies and/or to direct investments for the Plan in consultation with the Foundation.

“Management Fee” means the fee incurred by Subscribers of the Sponsored Program that consists of \$1.00 per month per Agreement plus 1.95% annualized and applied against the Subscriber(s) Net Asset Value. The Management Fee includes the administration, Trustee and Investment Counsel Fees.

“National Policy No. 15” means the policy of the Canadian Securities Administrators relating to education savings plans, including the investment of the assets of such plans.

“Nominee” means the person of any age validly nominated beneficiary under an Agreement by a Subscriber or any person substituted for that person.

“Plan” means the Global Educational Trust Plan, a savings plan established for the purpose of funding Educational Financial Assistance pursuant to a RESP for students enrolled in a Qualifying Educational Program as a full-time (or, in certain circumstances, part-time) student at a Recognized Institution.

“Portfolio Advisor” - means a financial institution recognized and authorized by the Foundation to act in the capacity of advising on and managing assigned portions of the Plan portfolio in consultation with the Foundation.

“Primary Caregiver” means the primary caregiver of a Nominee. The Primary Caregiver may be a custodial parent, legal guardian, agency or institution. The Primary Caregiver usually receives the Canada Child Tax Benefit, which may also include the National Child Benefit supplement.

“Public Corporation” means a corporation whose securities are traded on a recognized stock exchange.

“Public Primary Caregiver” means the Public Primary Caregiver of a Nominee. A Public Primary Caregiver receives a special allowance payable under the

Children’s Special Allowances Act.

“Qualified Student” means an individual enrolled in a Qualifying Educational Program at a Recognized Institution as a full-time student or as a part-time student as specified under Section 21(7.1) of the Consequential Amendments to the Income Tax Act.

“Qualifying Educational Program” means a “qualifying educational program” as that term is defined under the Tax Act for purposes of RESPs.

“Recognized Institution” means an institution anywhere in the world which qualifies as a “post-secondary educational institution” under the Tax Act.

“RESP” means a registered education savings plan as defined in the Tax Act.

“RRSP” means a registered retirement savings plan as defined in the Tax Act.

“Special Service Fee” means a fee of \$12.⁰⁰ to \$50.⁰⁰ payable by the Subscriber upon the happening of events (See pg. 15 “Summary of Fees and Expenses” and pg. 27 “Management Fees and Other Deductions”). A \$25 special service fee is deducted in the case of “Inactive Account”. A \$50 special service fee is deducted in the case of a transfer to another non-Global RESP Account”.

“Sponsored Program” means the program available to members of a definable group approved by the Foundation. (See pg. 27 “Global Educational Trust Plan Sponsored Programs”).

“Spouse” means an individual who is considered under the Tax Act to be a spouse or common-law partner.

“Subscriber” means:

- (i) (i) the individual(s), Primary Caregiver or Public Primary Caregiver who signed the attached Application to enter into this Agreement with the Foundation and whose Application is accepted by the Foundation, provided that where there are two individuals identified as the Subscriber(s) in the Application, they are spouses or common law partners,
- (ii) another individual or another Public Primary Caregiver who has before that time, under a written agreement, acquired a Public Primary Caregiver’s

rights as a Subscriber under the Agreement,

- (iii) any individual who has acquired a Subscriber’s rights under the Agreement pursuant to a decree, order or judgment of a competent tribunal, or under a written agreement, relating to a division of property between an individual and a Subscriber in settlement of rights arising out of, or on the breakdown of, their marriage or common law partnership, or
- (iv) after the death of an individual described in any (i) to (iii), any other person (including the estate or the deceased person) who acquires the individual’s rights as a Subscriber under the Agreement or who makes contributions into the Plan in respect of a Nominee but does not include an individual or a Public Primary Caregiver whose rights as a Subscriber under the Agreement had, before that time, been acquired by a person of Public Primary Caregiver in the circumstances described in (i) or (iii)
- (v) after the death of the Subscriber (if the only one) or joint Subscribers, the Nominee so named in the agreement and the attached “Contribution Assignment” document (See pg. 27 “Contribution Vested for Nominee”)

“Subscriber’s Net Asset Value” means, at any time, the dollar value of the Subscriber’s interest in the Plan under an Agreement which shall equal the sum of all Deposits, Grants, transfers and Income made or allocated to the Subscriber’s account minus all withdrawals, transfers, payments and repayments of Deposits, Grants, transfers, Income, fees and expenses made from the Subscriber’s account.

“Tax Act” means the Income Tax Act (Canada), as amended from time to time.

“Term” means the number of years selected by a Subscriber over which he or she has agreed to make Deposits, up to a maximum of 31 years. **The Term chosen usually coincides with the Nominee’s expected entry to post-secondary education.**

“Trust” means the trust established in respect of the Plan pursuant to the Trust Indenture for the custody and investment of assets in the Plan.

“Trust Indenture” means the trust indenture entered into between the Trustee and the Foundation establishing the Trust in respect of the Plan.

“Trustee” means Bank of Nova Scotia Trust Company, or its successor, or such other person as is from time to time appointed by the Foundation, which is the trustee of the Trust and is responsible for custody of the assets of the Trust and, upon the direction of the Foundation, the investment thereof.

“Units” means units of the Plan or fractions thereof acquired by Subscribers under an Agreement.

“Valuation Date” means the 15th of each calendar month or if the 15th is not a business day, the next business day.

“Variable Rate Securities” means:

(a) index-linked or other variable-rate debt securities issued or guaranteed by the federal or any provincial government; and

(b) index-linked or other variable-rate GICs issued by a Canadian chartered bank or a provincially licensed trust company or other similar financial institution that is a member of the Canada Deposit Insurance Corporation or La Régie l’assurance-dépôts du Québec.

Overview of the Legal Structure of the Plan

The Plan is not considered to be a mutual fund under applicable securities legislation.

Global Educational Trust Foundation

Global Educational Trust Foundation (the “Foundation”) is a non-profit corporation without share capital incorporated under the laws of Canada on November 25, 1996. The primary objective of the Foundation is to provide Educational Financial Assistance to Qualified Students enrolled at post-secondary educational institutions by sponsoring the Plan. As sponsor and administrator of the Plan, the Foundation is considered to be the Plan’s promoter. The Foundation does not carry on any business for the purpose of making a profit. The Foundation has contracted the Global Educational Marketing Corporation (GEMC), a for profit enterprise, for substantially all administrative and distribution services for the Plan.

The principal office of the Foundation is 100 Mural, Suite 201 Richmond Hill, Ontario, Canada, L4B 1J3 Telephone: (416) 741-7377 Fax: (416) 741-8987 E-mail: clientservices@globalfinancial.ca

Investment Objectives

The Foundation invests in a prudent manner, with the objective to protect principal and deliver a positive return on Plan investment.

The primary investment objective is to invest in high quality fixed income securities providing a high level of safety of invested capital. As a secondary objective, the portfolio is expected to generate investment income that will preserve and grow the value of invested assets.

In setting out the Foundation’s investment objective focus was put on two fundamental factors - matching assets to liabilities and the Plan’s ability to assume risk using an asset liability model. Assessment of the long term risk and return trade off was performed by allocating a different mix of assets against bonds of different issues and maturities, variable rate instruments as well as short term securities.

Investment Strategies

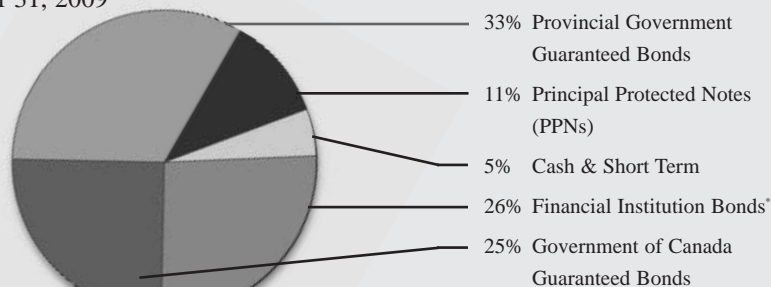
The Foundation invests primarily in Canadian fixed income securities including Canadian federal and provincial government bonds.

Portfolio Advisors manage the Plan’s assets in consultation with the Foundation. The assets are allocated among different market sectors and different maturity segments at the portfolio manager’s discretion, but subject to the guidelines defined in the Foundation investment policies and mandates. The investment professionals actively manage the Global Plan, focusing on strategies where value can be added on a sustainable basis. These strategies include yield curve positioning, sector allocation, credit research and interest rate risk (duration) management.

Overview of Sectors that the Plan Invests In

Global Plan RESP Portfolio Asset Allocation

as at December 31, 2009



* Guaranteed by issuer

Summary of Fees and Expenses

This table lists the fees and expenses that you may have to pay if you invest in the Global Educational Trust Plan. You may have to pay some of these fees and expenses directly. The fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Plan. The fees are paid to the Foundation and subsequently remitted to GEMC for the performance of substantially all the administrative services and for marketing costs. Indirect taxes (HST/GST/PST/QST) will be added to these fees as applicable.

Type of Fees	Amount and Description	Paid from	Paid to
Enrollment Fees	Not exceeding \$60 per Unit (100% of each contribution is applied to the Enrollment Fee until it is paid in full) 10% reduction applies when prepayment at time of Enrollment application	Subscriber	Foundation (subsequently remitted to the Distributor)
Depository Fee per year (per Agreement)	Single Deposit - \$2. ⁰⁰ per year Annual Deposits - \$4. ⁰⁰ per year Semi-annual Deposits - \$6. ⁰⁰ per year Quarterly Deposits - \$8. ⁰⁰ per year Monthly Deposits -\$10. ⁰⁰ per year	Subscriber	Foundation (subsequently remitted to the Distributor)
Administration Fee	Administration, Investment Counsel & Trustee Fees deducted monthly Equal to 1% of annual Plan Assets	Trust From Income	Foundation (subsequently remitted to the Distributor)
Investment Counsel Fee		Trust From Income	Investment Counsel (Paid by Distributor from 1% Fee remitted from Foundation)
Trustees Fees		Trust From Income	Trustee (Paid by Distributor from 1% Fee remitted from the Foundation)
Special Service Fees	\$12. ⁰⁰ - \$50. ⁰⁰ per item See “Summary of Fees and Expenses”	Subscriber	Foundation (subsequently remitted to the Distributor)
Transfer to Another RESP	\$50. ⁰⁰ per transfer. Transfer fee does not apply to internal transfer within Global	Subscriber	Foundation (subsequently remitted to the Distributor)
Inactive Account Fee	\$25. ⁰⁰ per year account remains inactive	Subscriber	Foundation (subsequently remitted to the Distributor)
Optional Insurance Fees	Varying amount based on type of insurance and Beneficiary (See Optional Insurance)	Subscriber	Foundation (subsequently remitted to Distributor and paid to Insurance Carrier) Foundation (Administration Fee paid to Distributor ranges 20%-40% of insurance premium)
Independent Review Committee (IRC)	\$1,500 per year per IRC member total 2009 \$4,500	Plan from Income	Member

The Administration Fee consists of 1% of the assets of the trust less Investment Counsel Fees, Trustees fees and any other fees deducted from the Trust. The Foundations contributes 25% of the net Administration Fee to the Enhancement Fund.

Enrollment Fees up to \$60 per unit are collected by the Foundation and subsequently remitted to the Distributor. The Distributor contributes 3% of net Enrollment Fees it receives annually to the Enhancement Fund.

The Depository Fee, Administration Fee and the Special Service Fee may be amended in the future by the Foundation upon the provision of notice of such amendments in fees to the Subscribers.

The Investment Counsel Fee for the Trust is based on 0.175% on the first \$20 million, 0.150% on the next \$30 million, 0.125% on the next \$50 million and 0.100% on the balance of assets under administration. The Trustees Fees are based on 0.080% on the first \$20 million, 0.040% on the next \$30 million, 0.020% on the next \$50 million and 0.015% on remaining assets under administration. The Administration Fee is the balance remaining from the 1% after the Investment Counsel Fee and the Trustees Fees are deducted.

Special Service Fee

A Special Service Fee of \$12 is applicable upon the happening of any of the following:

1(i) a deposit cheque is returned by the Subscriber’s bank by reason of “non

sufficient funds”;

- (ii) an acquisition of the Subscriber’s rights under the Agreement on marital breakdown as described in Marital Breakdown, and for Contribution Vesting of a Nominee;
- (iii) a Subscriber changes the Nominee (See pg. 17 “Change of Nominee”);
- (iv) a Subscriber requests that a cheque previously delivered in respect of the Plan be replaced;
- (v) a Subscriber elects to change the Deposit Method and/or Term which results in the Deposit Method having greater deposit frequency;
- (vi) a Subscriber ceases making Deposits before the Term of the Plan has expired;

- (vii) a Subscriber ceases making Deposits for a period of time during the Term of his or her Agreement;
 - (viii) each fund withdrawal that has occurred more than once per year;
 - (ix) EFA Payments where such requested payments have occurred more than once per year.
2. Special Service Inactive Account fee is \$25 per year.
 3. The special service fee for a transfer to another RESP is \$50.⁰⁰. Transfer fee does not apply to internal transfer within Global.

The Foundation pays enrollment, special service, administrative and depository fees and 20% to 40% of insurance premiums collected to Global Educational Marketing Corporation for assisting with the administration costs associated with the Plan.

For fees relating to the “Sponsored Program” see pg. 27 under heading “Management Fees and Other Deductions”.

Global Educational Trust Plan

Global Educational Trust Plan (the “Plan”) is a savings plan established to assist with the costs of the post-secondary education of designated students. The assets of the Plan are held by the Trustee following the guidelines of the Trust Indenture. (See pg. 36 “Amendments to Declaration of Trust”). The securities offered by this Prospectus are units or fractions (“Units”) of the Plan obtained by persons (“Subscribers”) who enter into educational financial assistance agreements (“Agreements”) with the Foundation. The terms and conditions of a Subscriber’s participation in the Plan are set out in the Agreement. The principal features of the Agreement and of the Plan are set out below.

Overview of Investment Structure

The Global Educational Trust Plan is known as an individual pooled education savings plan where the funds held in trust are invested collectively and professionally managed. The prescribed investment policy for the Plan is National Policy No. 15, a policy of the Canadian Security Administrators relating to education savings plans, which investment restrictions and practices are deemed to be incorporated by reference into this Prospectus.

The Investment portfolio as at December 31, 2009 consisted of investments in Federal and Provincial Government bonds, Government of Canada Treasury bills, Principal Protected Notes (PPNs) and Financial Institution Bonds.

Annual Returns

The following chart gives the annual returns for the investments held in trust for the Global Educational Trust Plan after the deduction of Administration, Investment Counsel, and Trustees fees.

Year	'09	'08	'07	'06	'05
Annual Returns %	3.8	4.8	3.1	3.2	6.0

Enrollment in the Plan

A person or two persons acting jointly or a Primary Caregiver, and provided that such two persons are spouses or common law partners of each other (as defined by the Tax Act), becomes a Subscriber by entering into an Agreement in which the Subscriber agrees to make Deposits on behalf of a nominated person (“Nominee”) to the Foundation. The Foundation forwards the Deposits to an account (the “Deposit Account”) with the Bank of Nova Scotia, 119 Queen Street, 6th Floor, Ottawa, Ontario. An RESP can exist for 35 years (40 years when approved in case of special needs) after the year of enrollment. Deposits may be a one time Deposit or a series of Deposits in accordance with the Deposit Options available. A Subscriber may choose to make Deposits as a single payment or annual, semi-annual, quarterly or monthly (“Deposit Method”) over any term of years to a maximum of 31 years (the “Term”) or 36 years when approved in case of special needs . A Subscriber may make total Deposits of up to \$50,000 per Nominee. (See pg. 31 “Tax Status”).

A Subscriber has Enrollment fees deducted from their early Deposits and has the option to pay Enrollment Fees outside of the Plan in order to maximize their net contributions. Enrollment Fees paid outside the Plan are not eligible for Grants allocation. The minimum initial subscription is one Unit. Fractional Units may be obtained. Subject to certain limits and conditions, Deposits will result in the payment of Grants.

A Subscriber may change the Deposit Method and Term at any time by providing written notice to the Foundation, subject to the payment of applicable fees. (See pg. 15 “Summary of Fees and Expenses”).

Purchase of Units

Deposits are made by a Subscriber to the Plan by payment to the Foundation which places the Deposits into the Deposit Account. On each Valuation Date, Deposits are remitted by the Foundation to Bank of Nova Scotia Trust Company (the “Trustee”) for investment in the Plan. The assets of the Plan are invested as directed by the Investment Counsel of the Plan, in accordance with investment policies established by the Foundation. Following guidelines under National Policy 15, all

investments shall be qualified investments for RESPs under the Tax Act.

The purchase of Units of the Plan is determined by the amount of a Subscriber's Deposits and allocated Grants. A Unit is \$504 including the Enrollment Fee not exceeding \$60 per unit which is deducted from early Deposits until the Enrollment Fee is 100% completed. Deposits, net of fees, are credited to a Subscriber's account. The amount of each Deposit depends on the Deposit Method and Term chosen by a Subscriber. The longer the Term over which Deposits are made the lower the amount of each Deposit. A Subscriber may change the Deposit Method and/or Term upon written notice to the Foundation, subject to applicable fee. Other fees are deducted from Deposits and Income as applicable. (See pg. 15 "Summary of Fees and Expenses").

The number of Units subscribed for by a Subscriber and the Term invested will affect the amount of the entitlement of the Nominee for Educational Financial Assistance. The more Units subscribed for, the larger the Deposits upon which to earn Income and attract eligible Grants.

A Subscriber may withdraw his or her Deposits (but not applicable fees) at any time before the end of the 35th year (40th for special needs) of enrollment in the Plan. A withdrawal of Deposits prior to the Nominee's EFA qualification is subject to a \$12 Special Service Fee. Withdrawal of Deposits by the Subscriber prior to the Nominee's qualification for EFA will result in the repayment of Grants. (See pgs. 23 and 24 'Government Grants Repayment').

Income with respect to Deposits is calculated on each Valuation Date and credited to Subscribers' Units in the Plan on a pro rata basis based on the amount of each Subscriber's Deposits to the Plan, Income earned on Deposits allocated to the Subscriber's account to date minus any withdrawals, transfers or repayments of such Deposits or other amounts to date. Income with respect to Grants is calculated on each Valuation Date and credited to the Subscriber's Units in the Plan on a pro rata basis based on the amount of Grants attributable to the Subscriber, Income earned on Grants allocated to the Subscriber's account to date minus any withdrawals, transfers or

repayments of such Grants or other amounts to date.

Change of Nominee

A person other than the original Nominee may be nominated in place of the original Nominee at any time up to the end of the 35th year (40th year for special needs) following the year of enrollment in the Plan. A Subscriber may also nominate himself or herself as the Nominee. A substituted Nominee when qualified for EFA is eligible for income, Enhancement Fund payments and Grants subject to government conditions.

Under the Tax Act, the date of application for the original student remains as the date of application for the purposes of calculating the maximum time period for contributions, being the end of the 31 year (36th year for special needs) and for eligibility for payouts, being the end of the 35th year (40th for special needs), following the year in which the Agreement was entered into. The Tax Act generally allows the replacement of a Nominee by another individual without penalty tax implications in respect of excess contributions, provided both the Nominee and the replacement Nominee are under age 21 and are related to the original Subscriber by blood or adoption or the replacement Nominee is under age 21 and is the brother or sister of the Nominee. Where the replacement Nominee does not satisfy these conditions penalty taxes may result in certain circumstances. A Nominee change may result in Grants repayments in accordance with government grant program rules (See pg. 22 "Government Grants").

Registration of the Plan

The Foundation will apply to CRA to register your Plan on your behalf. The Plan is an Education Savings Plan and not an RESP until the applicable conditions under the Tax Act are met. Effective January 1, 2004, amendments to the Tax Act regarding RESPs require that a Social Insurance Number be provided on behalf of a nominated child and a Nominee must be a Canadian Resident as a condition for registration as an RESP.

An ESP will be terminated where the Nominee's SIN has not been provided to the Foundation by December 31 of the second year following the year of

enrollment. After a Plan has been terminated by reason of no Nominee SIN, the Foundation will permit the continuation of a Subscriber's Plan under the original terms and conditions subject to CRA rules relating to RESPs and contribution limits and HRSDC rules for Grant allocations. A Nominee's Social Insurance Number must be provided in order for continuation of the Plan.

As a result of this legislation, the Foundation has adopted the following measures to continue service to Subscribers:

- (a) All contributions received on or after January 1, 2004 that do not have a Nominee's Social Insurance Number provided to the Foundation are placed in the Advance Deposit account pending fulfillment of requirements. Contributions (including new application contributions) taken on or after January 1, 2004 are treated as "representational plan" contributions that do not have the tax benefits described in this Prospectus and do not qualify for Grant payments. Any income earned on contributions is taxable in the hands of the contributor.
- (b) Amendments to section 146.1(2) of the Tax Act, effective January 1, 2004, require that a Social Insurance Number (SIN) be provided for a Nominee before contributions can be made to an RESP on behalf of the Nominee. These amendments also require that the Nominee be a Canadian Resident at the time of the contribution. The exceptions to SIN and Nominee requirements apply only in the instance of a transfer of property from an existing RESP, where the individual is the Nominee immediately before the transfer. If the Plan was entered into prior to 1999 the Plan rules were different and there is no SIN requirement but the Canadian Residency contribution rule applies. Pre-1999 Plans allow for contributions to be made without a SIN to the Plans but these contributions will be ineligible for the Grants.

The terms and conditions of the Agreement are in effect for all contributions made in accordance with the enrollment application form provided by

the Foundation through the Distributor except that tax deferral and eligibility for Grant are not available until registration as an RESP is obtained in accordance with the Tax Act.

Advance Deposits

The Foundation has made arrangements with Bank of Nova Scotia whereby Subscribers may make an Advance Deposit into a trust account of not less than one deposit required under the terms of the Plan. The funds so deposited will be invested in accordance with the investment policies approved for the Plan. Income will be credited to the individual's account on a monthly basis and principal and Income in such account will remain the property of the Subscriber. All Income generated in the account will be taxable income of the Subscriber in a manner similar to income on any bank account and tax receipts for such income will be issued.

The purpose of such account is to facilitate the setting aside by a Subscriber of all or part of the required Deposits for the Plan. The Subscriber will therefore authorize the Foundation to draw funds from the account in order to make Deposits under the Subscriber's Agreement as they become due.

The Advance Deposit account will be set up for a client where a Subscriber's Deposits exceed the \$50,000 lifetime limit. The Subscriber is notified of the options regarding the excess amounts.

Advance Deposit accounts will additionally facilitate the holding of Deposits for Education Savings Plans (ESP) that require Nominee Social Insurance Number for purposes of becoming registered as an RESP. Amendments to the Tax Act will not permit contributions to be made on behalf of a nominated child for whom a Social Insurance Number has not been provided. A contribution made for a nominated child having no Social Insurance Number provided to the Foundation on or after January 1, 2004 will be placed in an Advance Deposit account that will function as a "representational plan" until RESP registration requirements under the Tax Act are fulfilled (See pg. 17 "Registration of the Plan"). An ESP will be terminated where the Nominee's SIN has not been provided to the Foundation

by December 31 of the second year following the year of enrollment. When the plan is registered funds will be immediately transferred from the Advance Deposit account to the Plan and the plan will be converted from an ESP to a RESP; respecting government guidelines for RESPs and Grants.

Transfer from another RESP to the Plan

Subject to the Tax Act, any amount may be transferred to an Agreement from another RESP, and if the other RESP was entered into before the Agreement was entered into, the Agreement will be deemed to have been entered into on the day the other RESP was entered into. In certain circumstances, the transfer of an amount to the Agreement from another RESP may result in adverse income tax consequences. Under the Tax Act, no adverse income tax consequences result where there is a transfer between RESPs if a beneficiary (Nominee) under the transferee RESP was immediately before the transfer a beneficiary under the transferor RESP or if a beneficiary under the transferee RESP was under 21 years of age and a parent of the beneficiary was a parent of an individual who was, immediately before the transfer, a beneficiary under the transferor RESP. Plan transfers may result in Grants repayment to the government.

Deposits may not be made to an Agreement after the 31st year following the year in which the Agreement was entered into. If an amount is transferred to an Agreement from another RESP that was entered into before the Agreement was entered into, no Deposits to the Agreement may be made after the 31st year following the year in which the other RESP was entered into.

Where an amount is transferred to an Agreement from another RESP, the amounts received from the transferor RESP shall be allocated as follows: contributions made to the transferor RESP and income earned thereon will be deemed to be Deposits to the Agreement and Income earned thereon respectively; Grants received by the transferor RESP and income earned thereon will be deemed to be Grants received under the Agreement and Income earned thereon respectively.

Transfer From Global to another RESP

Subject to the tax act, HRSDC and provincial or territorial government grant regulations, a Subscriber's plan with Global can be transferred to another RESP provider. Assets **net of fees** for the Subscriber's plan which include Deposits, Grants and income earned thereon are transferred when required documentation is provided with the transfer request.

Redemptions

A Subscriber in the Global Educational Trust Plan who is not using the plan for education purposes for EFA payments or for retaining income as AIP may at any time redeem remaining eligible funds in their Plan. Deposits net of fees are available at any time for withdrawal from the Subscribers Plan subject to repayment rules for government grants. Funds redeemed consist of any contributions net of fees.

In the event of notice of termination from a Subscriber any contributions net of fees are returned to the Subscriber. Grants are returned to the government and any remaining income is remitted to an educational institution (See pg. 19 “Termination and Default”). A Subscriber may transfer or terminate their plan within the first 60 days without penalty. A transfer of a plan to another RESP Dealer will result in all funds net of fees forwarded to the receiving RESP Dealer. (See pg. 18 “Transfer from another RESP to the Plan”).

A Subscriber can redeem their investment in the Plan for education as EFA when there is a Qualified Student Nominee. Principal is available tax free at any time and there is no penalty to pay back grants when contributions are withdrawn when the Nominee is qualified to receive EFA. EFA consists of Grants and Income that has been earned from Subscriber contributions and government Grants allocations. Generally, a Subscriber and their Nominee are sent a timely notice from the Foundation showing procedures and registration qualifications to receive education funding. When the requirements of registration are received by the Foundation a funding request form is provided to the Subscriber showing the amount of funds available for redemption.

Government guidelines exist for limitation of funds and education eligibility requirements for receipt of funding (See pg. 20 “Eligibility and Calculation of EFA”). Contributions net of fees are available to the Subscriber tax free at anytime and can be gifted to the Qualified Student tax free. EFA is taxable income of the student. Once Eligibility of the Nominee is proven and continues to be proven the EFA funds can be accessed (within government guidelines) at any time for amounts that are required for education funding.

A Subscriber may change the Nominee to give another Nominee the benefits of a plan when the other Nominee becomes a Qualified Student eligible to receive EFA. A plan can exist for 35 years from the time of opening and Deposits can be made for up to 31 years and in this regard Subscribers are able to close their plan at any time before the mandatory termination date.

Accumulated Income Payments (AIP) are available in certain circumstances and constitute a form of redemption of the investment. AIP is available to Subscribers who do not have a Qualified Student or their Nominee is no longer qualified for EFA payments.

To be eligible for AIP a plan must have existed for nine (9) full years since the year of registered application and the Nominee has reached age 21. The Subscriber may then receive the remaining income of the plan subject to AIP taxation guidelines.

A maximum of \$50,000 may be received by a Subscriber who can offset any income from the RESP if it is rolled over to their RRSP provided there is contribution room. Any amount not rolled over to an RRSP and withdrawn is subject to a tax penalty of 20% on the RESP income and subject to regular taxation as income taxable for the year received by the Subscriber. (See pg. 31 “Income Tax Considerations”).

The Foundation intends to enhance EFA payments paid each year to Qualified Students whose Subscribers have completed all their scheduled deposits. The amount of such enhancement payments shall be determined in the sole discretion of the Foundation. These discretionary payments from the Enhancement Fund are not guaranteed and may fluctuate each year. The Foundation has full discretion with respect to the amount of such payments and may, in any given year, choose to pay less than the amount available within the Enhancement Fund that year in order to reserve funds within the Enhancement Fund for enhancement payments in future years. (See pg. 21 “What is the Enhancement Fund?”).

Termination and Default

Termination by Subscriber Within 60 days

A Subscriber may terminate the Subscriber’s Agreement at any time within 60 days from the date of signing the Application to enter into an Agreement by giving written notice to the Foundation, which must be received by the Foundation’s head office within the 60 days. Upon such termination, all Deposits and fees paid to that date made by the Subscriber are returned to the Subscriber. Any Income earned on such Deposits and Grants will not be returned to the Subscriber and will be remitted to the educational institution designated by the Subscriber (or in the absence of such a designation to the educational institution designated by the Foundation). Any Insurance Premiums paid will not be returned to the Subscriber. Any Grants will be required to be repaid.

Termination by Subscriber after 60 days

A Subscriber may terminate the Subscriber’s Agreement at any time after the 60 day period referred to above and up to the date on which the Subscriber’s Agreement is required to be terminated.

Income from Deposits and Grants which has accumulated under the Agreement will not be returned to the Subscriber and will be remitted to the educational institution designated by the Subscriber (or in the absence of such a designation to the educational institution designated by the Foundation). Any monies required to be returned to the Subscriber on termination will be paid by the Foundation within 90 days of receiving notice of termination from the Subscriber. Any Insurance Premiums paid to the date of termination will not be returned to the Subscriber and Enrollment Fee repayments will not be made. Any Grants will be required to be repaid.

A Subscriber can re-instate their plan after termination and remain eligible for Enrollment Fee return at time of EFA by paying any missed Deposits that came due and any returned deposits within the three (3) year grace period or by the end of the scheduled deposit term, whichever occurs first. Re-instatement is subject to government guidelines pertaining to RESPs and Grants. Subscribers can re-instate or

continue plans without eligibility for Enrollment Fee return.

Default and Reinstatement Provisions

In the event that a Subscriber fails to make a Deposit in accordance with the Deposit Option selected by the Subscriber, the Foundation will provide notice to the Subscriber of such failure, normally within 30 days, at the address of the Subscriber on the records of the Foundation. The notice will stipulate the options available to the Subscriber which include terminating the Subscriber's Agreement, maintaining the Agreement or reinstating the Agreement as described below. Upon the failure of a Subscriber to make any election by the end of the 35th year following the year in which the Agreement was entered into, the Foundation will repay Grants and any remaining amount in the Plan relating to the Subscriber's Agreement shall be paid to the educational institution designated by the Subscriber (or in the absence of such a designation, to the educational institution designated by the Foundation).

Provided the Subscriber's Agreement has not been terminated, a Subscriber's Net Asset Value and eligibility for the Enrollment Fee with EFA may be reinstated by a Subscriber at any time within three years after default or withdrawal of Deposits (but no later than the 31st year entered into) by the Subscriber paying:

- (i) Deposits and fees which became due during the period when the Subscriber's Agreement was in default; and
- (ii) Deposits, if any which were previously withdrawn by the Subscriber, or

Without Enrollment repayment eligibility,

- (iii) Deposits and continuing the Plan after a non-payment period by fulfilling the scheduled amount of Deposit accumulation within the 31 year maximum contribution period or partially fulfilling the scheduled amount of Deposit accumulation.

(All Deposit Methods are subject to the total contribution limit of \$50,000 per Nominee).

If you miss a Deposit to your Plan you are required to make up the Deposit within three (3) years or prior to the scheduled

completion of the Plan whichever is earlier. If you do not make up your missed Deposit within three (3) years or prior to the scheduled completion of the Plan, whichever is earlier, your Nominee will not have eligibility paid to receive discretionary payments from the Enhancement Fund.

Maintaining the Agreement

If a Subscriber is unable to reinstate the Subscriber's Net Unit Value and the Subscriber's Agreement has otherwise been maintained in good standing, the Subscriber may elect to maintain the Agreement. The Subscriber may then elect to not make additional Deposits or to change the timing or the amount of Deposits he or she makes, subject to the limitations of the Tax Act.

The Maintained Plan will continue to be managed within the Trust and remain eligible to earn Income. The Plan's continuation will not be affected by the withdrawal of any Deposits, net of fee(s). The withdrawal of Deposits will be subject to a special fee. All applicable fees must still be paid. (See pg. 15 "Summary of Fees and Expenses"). A Nominee's eligibility to receive EFAs will be maintained as well as other options and benefits under the Plan.

The Foundation may, in its sole discretion, pay an amount from the Enhancement Fund directly to the Qualified Student provided that the Subscriber has completed all their scheduled Deposits in accordance with the three (3) year rule for missed Deposit payments. (See pg. 11 "What happens if I miss a scheduled Deposit?")

In no event with this amount exceed the amount of Enrollment Fees paid by the Subscriber in respect of the Qualified Student's participation in the Plan. (See pg. 21 "What is the Enhancement Fund?")

A Plan that is being maintained by a Subscriber with no further payments can be re-instated at any time by the continuation of Deposits that will either complete or partially complete the original Plan.

Eligibility and Calculation of EFA

Eligibility for EFAs

A Nominee qualifies for EFAs and becomes a Qualified Student if the Subscriber's Agreement is in good standing and the Nominee provides evidence to the Foundation that he or she is enrolled in a Qualifying Educational Program as a full-time or part-time student at a Recognized Institution. A Nominee may be of any age at the time of enrollment. EFA can be used for education by a Nominee within the 35 years (40 years in case of special needs) from application date of the RESP. An alternate Nominee to receive EFA can be named at any time during the existence of the RESP.

A Qualifying Educational Program is a post-secondary program of study that qualifies as a "qualifying educational program" as that term is defined under the Tax Act for purposes of RESPs, being a program of not less than three consecutive weeks (thirteen weeks outside Canada) requiring not less than ten (10) hours per week on courses or work in the program. Enrollment in long distance education courses such as correspondence courses may qualify. As well, there is a limit of \$5,000 (or a greater amount if approved by the Minister of Human Resources and Social Development) on the amount of EFAs which may be paid to a Nominee before the Nominee has completed 13 consecutive weeks in a Qualifying Educational Program at a Recognized Institution in the prior 12 months.

Expanded eligibility for EFA payments for part-time studies started in 2007 and applying to subsequent years include requirements of a minimum of 12 hours per month spent on courses. Students at age 16 or older are able to receive up to \$2,500 of EFA for each 13 week semester of part-time study (or greater amount upon approval by Minister of HRSDC).

A Recognized Institution is an institution anywhere in the world that qualifies as a "post-secondary educational institution" under the Tax Act. Generally, this includes:

- universities, colleges, community colleges, religious, technical, registered vocational and private post-secondary institutions, Colleges

D'enseignement General et Professionnel ("CEGEP") and other post-secondary educational institutions in Canada and certain occupational training institutions in Canada;

- universities, colleges and other educational institutions outside Canada that provide courses at a post-secondary school level at which a Qualified Student was enrolled in a course of not less than 13 consecutive weeks.

Calculation and Payment of EFA

All Deposits are forwarded to the Trustee for investment in the Plan as of the next Valuation Date. Assets in the Trust are invested collectively and valuations are made monthly and any income is credited to Subscribers' plans on a pro-rata basis. (See pg. 16 "Purchase of Units"). A Subscriber's Net Asset Value will be reduced as withdrawals are made from their plan. Income may be withdrawn as Educational Financial Assistance or a Subscriber may be able to withdraw the Income in certain limited circumstances.

EFA to a Qualified Student is paid solely from Income earned under the applicable Agreement, Grants attributable to the Qualified Student and Income earned thereon. In addition, the Foundation intends to enhance EFA payments paid each year to Qualified Students whose Subscribers have completed all their scheduled deposits. The amount of such enhancement payments shall be determined in the sole discretion of the Foundation, subject to the maximum limit described below, and shall be paid from the Enhancement Fund. (See pg. 21 "What

is the Enhancement Fund?")

The Subscriber determines the timing and amount of any Educational Financial Assistance within government guidelines. Educational Financial Assistance will be paid provided that eligibility for EFA is proven on a continued basis. (See pg. 20 "Eligibility for EFAs" and pg. 29 "Risk Factors").

Income earned with respect to a particular Subscriber's Agreement is calculated based on the Income earned by the Plan in each month which is allocated to a Subscriber's Units (See pg. 16 "Purchase of Units"). A Subscriber may select the value and frequency of EFA payments to be made to a Qualified Student who is the Nominee; subject to government guidelines. Commencing January 1, 2008 a Student can withdraw EFA within 6 months after the date that they ceased to be a registered student of an Educational Institution, providing that they were eligible to receive EFA immediately prior to cessation. A fee of \$12 per withdrawal applies to all withdrawals in excess of one per annum.

The following chart shows historical EFA withdrawals:

What is the Enhancement Fund?

The Foundation intends to enhance EFA payments paid each year to Qualified Students whose Subscribers have completed all their scheduled deposits. The amount of such enhancement payments shall be determined in the sole discretion of the Foundation, subject to the maximum limit described below, and shall be paid from the Enhancement Fund.

The Enhancement Fund is a segregated account maintained and held by the Foundation to enable to the Foundation, in its discretion, to enhance EFA payments. The Enhancement Fund is comprised of the following: an amount contributed pursuant to Section 8 of the Agreement by the Distributor from time to time equal to 3% of Enrollment Fees received by the Distributor; an amount contributed pursuant to Section 8 of the Agreement by the Foundation from time to time equal to 25% of Administration Fees received by the Foundation; and any additional monies contributed by the Foundation or the Distributor in their sole discretion.

Eligibility for discretionary payments from the Enhancement Fund depends on completion of all scheduled Deposits and education requirements for EFA payments. The aggregate amount of all such payments shall in no event exceed the amount of Enrollment Fees paid by the Subscriber.

These discretionary payments from the Enhancement Fund are not guaranteed and may fluctuate each year. The Foundation has full discretion with respect to the amount of such payments and may, in any given year, choose to pay less than the amount available within the Enhancement Fund that year in order to reserve funds within the Enhancement Fund for enhancement payments in future years.

If you miss a Deposit to your plan you are required to make up the Deposit within three (3) years or prior to the scheduled completion of the Plan, whichever is earlier, to maintain eligibility for discretionary payments from the Enhancement Fund. Furthermore, if there is no education pursued or no change of Nominee to a Qualified Student before the 35 year expiry period, the Plan will not be eligible for such discretionary payments from the Enhancement Fund.

Year	Agmts	Grants	Grant Income	Deposit Income	Discretionary Payments	Total EFA & Enhancements
2001	6	\$2,192 (29%)	\$169 (2%)	\$2,013 (27%)	\$3,118 (42%)	\$7,492 (100%)
2002	70	\$43,292 (42%)	\$3,640 (4%)	\$20,138 (20%)	\$35,172 (34%)	\$102,242 (100%)
2003	255	\$148,857 (38%)	\$17,642 (5%)	\$100,054 (26%)	\$122,015 (31%)	\$388,568 (100%)
2004	420	\$346,758 (38%)	\$42,795 (5%)	\$224,310 (27%)	\$244,940 (30%)	\$858,803 (100%)
2005	766	\$506,916 (38%)	\$79,909 (6%)	\$375,660 (27%)	\$390,795 (29%)	\$1,353,280 (100%)
2006	1,106	\$887,870 (37%)	\$158,817 (7%)	\$666,886 (28%)	\$678,501 (28%)	\$2,392,074 (100%)
2007	1,539	\$1,323,299(41%)	\$243,083 (7%)	\$1,004,717 (30%)	\$733,672 (22%)	\$3,308,155 (100%)
2008	2,232	\$1,844,049 (40%)	\$352,347(8%)	\$1,623,341(35%)	\$762,559 (17%)	\$4,582,296(100%)
2009	2,891	\$2,386,898 (40%)	\$485,678 (8%)	\$2,032,146 (35%)	\$991,275 (17%)	\$5,895,997 (100%)

A plan can have a reduction of Units within two (2) years of the enrollment application date, at the direction of the Subscriber, and remain eligible to receive discretionary payments from the Enhancement Fund with EFA on the remaining Units provided that the Deposits for the continued Units are completed as scheduled.

No one has any contractual right to monies held or disbursed from the Enhancement Fund.

Discretionary payments advanced to Qualified Students from the Enhancement Fund for 2009 represented the full \$60 per Unit was \$991,275 and \$3,962,047 in aggregate from 2001 to December 31, 2009.

There is no specific funding formula for maintaining discretionary payments nor is there any specific formula which determines the amount to be paid from the Enhancement Fund to Qualified Students as Enrollment Fees.

Discretionary payments are not guaranteed. Subscribers should not count on receiving a discretionary payment. The Foundation decides if it will make a payment in any year and how much the payment will be. If the Foundation makes a payment, the Nominee may get less than what the Foundation has paid in the past.

Government Grants

Basic Canada Education Savings Grant and Additional CESG

Since 1998 to 2006 the Government has provided 20 percent CESG on the first \$2,000 of annual contributions (up to and including the calendar year in which the beneficiary turns 17 years of age) made to an RESP, or on contributions up to \$4,000 if there is unused grant room from prior years. There is a maximum annual CESG of \$400 per beneficiary (\$800 if there is unused grant room) and a lifetime limit of \$7,200.

In 2007 and for the following years, the basic CESG 20 percent amount became available on \$2,500 of annual contributions (\$500) and the maximum basic CESG paid per year became \$1,000 if there was unused grant room from prior years. The CESG maximum remains at \$7,200 lifetime per child.

Carry Forward of Grant Room

Every child resident in Canada began to accumulate grant room, being the difference between the eligible grant payable in a year and the actual grant received from 1998 or the year in which they were born (whichever came later) whether they had an RESP in place or not.

This means that an RESP can be adjusted to accumulate previously unused Basic CESG. Adjustments to the CESG in the government's 2007 budget have affected the carry forward room provisions from the year 2007.

Scenario 1) In 2009 a first time RESP is taken for a 5-year-old child. The child has eligibility to get 5 previous years CESG which can be in addition to the ongoing CESG.

There is previous contribution room that will get Basic CESG available at \$11,000 and this can be carried forward. Counting on the current and future years at \$2,500 contributions will get Basic CESG the Subscriber can contribute \$5,000 per year for four (4) years and get 20% CESG. The remaining years at \$16,000 of contributions to a maximum of \$2,500 per year will get Basic CESG of 20% until the \$7,200 maximum is reached.

Scenario 2) For a child born in 2004, a Subscriber started a plan contributing \$1,000 per year and in 2009 and they want to maximize the Basic CESG on an equal payment basis going forward. \$1,000 of CESG has already been allocated and there is \$6,200 Basic CESG remaining requiring \$31,000 contributions. $\$31,000 \div 13 \text{ years (that remain for depositing)} = \text{approx. } \$2,385 \text{ per year. } \$1,000 \text{ is already established as the Deposits scheduled so } \$1,385 \text{ is the additional amount per year starting in 2008 to the end of the schedule that will maximize the Basic CESG.}$

Restrictions upon the CESG

CES Grants are only available for contributions made to RESPs for Nominees up to and including the calendar year in which they attain age 17. RESP contributions in a year in respect of Nominees turning 16 or 17 in the year will be eligible for CESGs only where:

- A minimum of \$2,000 of RESP contributions was made and not withdrawn, in respect of the Nominee before the year in which

the Nominee attains 16 years of age; or

- "A minimum of \$100 in annual RESP contributions was made, and not withdrawn, in respect of the Nominee in any four years before the year in which the Nominee attains 16 years of age

To be eligible for the CESG a Nominee must have a valid Social Insurance Number ("SIN") and be a Canadian resident, as defined in the Tax Act, both at the time contributions are made on their behalf, and at the time an EFA is being issued to them. The Subscriber must advise the Foundation of any change in Nominee's residency status following enrollment. Nominees will be required to provide a SIN at the time contributions are made on their behalf and when their CESG is paid.

Loss of CESG Contribution Room

With certain exceptions, the withdrawal after February 23, 1998 for non-educational purposes of contributions made before 1998 will result in the Nominee becoming an ineligible beneficiary. Specifically, contributions made to an RESP during the remainder of the year of the withdrawal, or in the following two (2) years, in respect of such Nominee will not be eligible for the CESG. In addition, the Nominee will not earn new CESG contribution room for those two following years. These restrictions are subject to a number of exceptions, including a de minimis exception of \$200 per year and an exception where the withdrawal is due to an eligible transfer to another RESP.

Additional CESG

The following are changes to the CESG matching rate for contributions made to RESPs by low and middle income families on or after January 1, 2009. Where a child who is under 18 years of age throughout a year is the beneficiary of an RESP, the first \$500 contributed to the RESP in the year will attract:

- A 40 percent CESG matching rate, if the child's family has qualifying net income in respect of the year of \$40,970 or less.
- A 30 percent CESG matching rate, if the child's family has qualifying net income in respect of the year of \$81,941 to \$40,971.

All other contributions eligible for the CESG will continue to qualify for the 20 percent matching rate. The threshold will be indexed to inflation for subsequent taxation years.

For purposes of determining the enhanced CESG matching rates for a calendar year, qualifying net income in respect of the year will generally be defined as the family net income used to determine eligibility for the Canada Child Tax Benefit with respect to the child in January of that calendar year. This will be family net income for the second preceding calendar year.

The maximum CESG lifetime limit for a child is \$7,200.

As a result of additional CESG matching rates on the first \$500 of RESP contributions in a year, qualifying subscribers contributing \$5,000 in a year to catch up on unused CESG contribution room for the child of a low income family may now receive CESG of up to \$1,100 in a year (For years after 2006)—that is, 40 percent on the first \$500 (\$200) and 20 percent on the remaining \$ 4,500 (\$900).

Restrictions on Additional CESG

Parents, grandparents and other individuals may each establish RESPs for a child. Their contributions will generally attract the CESG, subject to the child's annual and lifetime CESG and RESP contribution limits. Their contributions may also be eligible for the enhanced CESG matching rates.

However, where the RESP subscriber is not the Primary Caregiver (or his or her spouse or common-law partner), consent of the Primary Caregiver will be required before the enhanced CESG rate will be paid on contributions made by such Subscribers. In all cases, the provisions which limits the enhanced CESG matching rate to the first \$500 contributed each year will apply jointly to all RESPs of which the child is the nominee.

The enhanced matching rates will apply to maximum contributions of \$500 for a child in any given year — **that is, there is no carry-forward of unused additional CESG.**

Special rules will apply to withdrawals after March 22, 2004 for non-educational purposes of contributions which previously qualified for the CESG. Where

such withdrawals occur, a 20 percent CESG matching rate will apply to all eligible contributions made to any RESP in respect of those nominees until the total level of contributions to RESPs for those nominees returns to the level previously attained. This measure is to prevent withdrawals of existing RESP contributions for re-contributing.

If a Subscriber withdraws CESG assisted contributions after March 22, 2004, the Nominee in the RESP at the time of the withdrawal will not be eligible to receive the additional CESG for the remainder of the year and the following two (2) years.

CESG and Additional CESG Repayments

The trustee will be required to refund the CESG and Additional CESG to the Federal Government when:

- Income is withdrawn for non-educational purposes;
- Deposits are withdrawn for non-educational purposes;
- A Subscriber's Agreement is terminated or the registration of the Agreement is revoked;

CESG and Additional CESG are required to be repaid when:

- The Nominee is replaced, except where the new Nominee is less than 21 years old and either the new Nominee is a brother or sister of the former Nominee, or both Nominees are related to an original Subscriber by blood or adoption; or
- There is a transfer from the Subscriber's Agreement to another RESP, unless a Nominee under the transferee RESP was immediately before the transfer the Nominee under the Subscriber's Agreement or a Nominee under the transferee RESP is less than 21 years old and is a brother or sister of the Nominee under the Subscriber's Agreement (an eligible transfer).

The Nominee must refund CESG to the Federal Government when the total of all CESG payments from all RESPs exceeds \$7,200.

Canada Learning Bond

Effective January 1, 2004, a new Canada Learning Bond (CLB) was introduced to provide a source of education savings for

children in low-income families.

Each child born on or after January 1, 2004 will be eligible for a CLB in each year that child's family is entitled to the National Child Benefit (NCB) supplement, up to and including the year in which the child turns 15 years of age.

- An initial CLB of \$500 will be provided for the first year of entitlement for the NCB supplement which could be any year from the year of birth up to and including the year in which the child turns 15 years of age.
- Any subsequent CLB will be in the amount of \$100, and will be provided in respect of a child for each year in which the family is entitled to the NCB supplement up to and including the year in which the child turns 15 years of age.

Maximum CLB payments per child total up to \$2,000.

The NCB supplement is paid on a 12-month benefit year cycle beginning in July based on family net income for the preceding year.

Entitlement to the CLB will be determined at the time of the first monthly payment of the NCB supplement in a benefit year in respect of a child. Children for whom Children's Special Allowance is paid will also be eligible for the CLB.

The CLB will be administered by the Department of Human Resources and Social Development (HRSDC). HRSDC will keep track of CLB entitlements as they accumulate and record payments made for each child. A CLB in respect of a child can be transferred to an RESP at the request of a Primary Caregiver at any time before the child reaches 18 years of age.

The CLB will not be taken into account in calculating annual and lifetime RESP or CESG contributions limits. No CESG will be paid on CLB amounts placed in an RESP.

Restrictions on CLB

Eligibility for the CLB is linked to entitlement for the NCB supplement, which is a component of the Canada Child Tax Benefit. It will be essential, therefore, that a family has made application for the Canada Child Tax Benefit in order for the child to be entitled to the CLB.

There will be only one CLB for a child in any particular benefit year. The CLB

will be payable into an RESP of which the child is a Nominee. While any person can subscribe to an RESP for the benefit of a child, only the Primary Caregiver for the child will be allowed to authorize the transfer of the CLB into an RESP for the benefit of the child. For purposes of the CLB, the Primary Caregiver in a particular year will generally be the person receiving the NCB supplement which generated entitlement for the CLB.

No income will be paid on CLB entitlements that have not been transferred to an RESP - once in the RESP, the deposits will grow in accordance with the plan. If a CLB in respect of a child has not been transferred to an RESP by the time the child reached 18 years of age, the child will have up to three years to open an RESP to hold the bond. In this case, the child will be both Subscriber and Nominee of the RESP. Once a child turns 21 years of age any CLB in respect of the child which has not been transferred to an RESP will be forfeited.

CLB Repayments

Conditions governing the use and repayment of the CLB will generally be the same as those applying to the CESG. However, CLB entitlements are allocated to a specific child and are not transferable to other Nominees.

The Alberta Centennial Education Savings (ACES) Plan

Effective January 1, 2005 under the Alberta Centennial Education Savings Plan, the Alberta government will contribute \$500 to the Registered Education Savings Plan (RESP) of every baby born to an Alberta resident in 2005 and beyond.

Grants of \$100 will be available to children enrolled in school in Alberta at age 8, 11 and 14 beginning in 2005 whose parents are residents of Alberta. A child will not have to receive previous grants in order to qualify for subsequent grants. The funds may be transferable to a sibling.

All children born in 2005 and beyond to Alberta residents, or born in 2005 and beyond and adopted by Alberta residents, are eligible for the first time \$500 grant.

Children born or adopted outside of Alberta, whose parent(s) or guardian(s) later become Alberta residents are eligible for the grant.

An amendment effective January 1, 2007 allows Alberta children born on or after January 1, 2005, to be eligible to receive the \$500 Grant within six (6) years after their birth. In addition it allows children who have attained the ages of 8, 11 or 14 on or after January 1, 2005, to receive the ACES Plan \$100 Grant within six (6) years of their respective birthdays.

Before a subscriber can apply for the grant on behalf of a child, the parents or guardian must:

- Register the birth or adoption of their child
- Obtain a birth certificate; and
- Obtain a SIN for the child.

During the application process for the initial grants of \$500, the RESP promoter must be provided with:

- The name, birth date and gender of child;
- The name and address of the child's parent or guardian;
- Evidence that the child is eligible
- Evidence that the parent or guardian is a resident of Alberta at the time of application; and
- Any other information required by the Minister of Alberta Advanced Education.

In addition to the above requirements, the

subsequent \$100 grants require:

- Evidence that at least \$100 has been deposited to a RESP on behalf of the child within one year of the particular application;
- Evidence that the beneficiary is an eligible student;

The government of Alberta and Canada are working together to administer the grant payments. Once the Federal Government receives notification that an individual has opened an RESP account and applied for the ACES Grant, the grant funds will be deposited into the RESP account.

Restrictions on ACES

The child will need to have a Registered Education Savings Plan (RESP) account, and have an application submitted on their behalf for the grant funds.

Subsequent ACES Grants will be available to children at 8, 11 and 14 years of age. Under a legislative amendment passed in the fall of 2005, all children attending school in Alberta will be eligible for the grants when they reach these ages, provided parents invest at least \$100 in an RESP before apply for the grant.

If the beneficiary has not begun post-secondary studies within 26 years of the RESP being opened, the ACES Grant portion will be returned to the provincial government.

Withdrawing the ACES Grant

The ACES Grant is paid out as part of Educational Financial Assistance (EFA) to the eligible Nominee named on the RESP or to a sibling of that beneficiary.

EFA may only be paid to a Nominee who is enrolled in a qualifying educational program at a designated post-secondary institution. The Subscriber or the Nominee may request EFA.

Should the grant not be withdrawn through EFA, the funds must be repaid to the Government of Alberta.

Quebec Education Savings Initiative (QESI)

QESI is a tax measure that encourages Quebec families to save early for the education of their children and grandchildren.

The Foundation has successfully obtained grant monies from Revenu Quebec for the 2007 and 2008 eligible Plan contributions.

Effective February 21, 2007, it consists of a refundable tax credit that is paid directly into a registered education savings plan opened with a RESP provider that offers the QESI.

Eligibility Requirements

To be entitled to the QESI the Nominee must meet all of the following conditions:

- Be less than 18 years old
- Have a Social Insurance Number (SIN)
- Be resident in Quebec on December 31 of the taxation year
- Be the designated Nominee of the RESP
- CESG eligibility requirements must be satisfied

QESI Payments

Basic Amount

- 10% of RESP contributions yearly to a maximum \$250 yearly QESI
- In addition, as of 2008, any “annual accumulated rights” or previous years accrued benefits can be added to the basic amount, up to a maximum of \$250
- QESI amount is at a maximum of \$3,600 per Nominee which includes increased amounts

Increase in the amount

The increased amount is for lower income families and eligibility is based on family income thresholds.

- If the 2010 family income is no more than **\$40,970**, the additional amount will be the lesser of \$50 and 10% of the net annual contributions made to the plan;
- If the family income is greater than **\$40,970, but less than \$81,941**, the amount will be the lesser of \$25 and 5% of the net annual contributions made to the plan.

The family income calculation is based on each family member’s income according to the terms of the Refundable tax credit for child assistance and corresponds to the income for the taxation year preceding the given year of the application for the QESI tax credit.

Other QESI Information

There is no separate application for QESI. QESI funds are issued directly to the Foundation in Subscriber’s Global RESP account. The Quebec government pays the amount of credits on an annual basis.

Contributions made as of February 21, 2007 to an RESP qualify Every child accumulates QESI from 2007 or from their year of birth (whichever occurred later), even if they did not have an RESP at the time.

The maximum QESI that can be received in one year is \$500 plus any increased amount (additional) QESI for the current year.

When applications for RESP and eligibility requirements for QESI are met, the Nominee and Subscriber are deemed willing to receive QESI although a client has the right to refuse the QESI by notifying the Foundation and the RESP promoter will make provision for this request.

Nominee eligibility for children at age 16 and 17 to get QESI is the same as for CESG requiring \$2,000 contributed and not withdrawn or a minimum of \$100 in annual contributions in any four (4) years contributed and not withdrawn before the end of the year in which the Nominee reached age 15. In addition: If the request concerns the contributions paid into the plan in 2007, the RESP must be registered in the nominee’s name during at least any four (4) years prior to 2007.

If the request concerns contributions paid into the plan in 2008 and the Nominee has reached the age of 17 during such year, the RESP must be registered in the Nominee’s during at least any four (4) years prior to 2008.

“Accumulated rights”, for the carry forward provision with regards to a taxation year are the same as for the CESG and are calculated as follows:

$$(\$250 \times A) - B$$

A = number of years beginning on

January 1, 2007 and ending on December 31 of the year that QESI is claimed (which includes requirements of living and residing in Quebec)

B = the aggregate of the QESI amounts granted for any year prior which includes any increased amounts

Special Taxes and Change in Credit Amounts

The QESI credit could be recovered under certain circumstances in accordance with the Taxation Act and reassessment of the credit corresponds mainly to situations relevant to the CESG.

Examples of reasons for QESI return:

- unauthorized transfer
- replacement of ineligible Nominee
- premature withdrawal of contributions
- revocation of RESPs registration
- cessation of RESPs existence
- death of Nominee
- EAP payment to ineligible person
- AIP under terms of the RESP

Amounts of QESI previously paid can be recaptured if:

- change in Nominee’s residential status
- modification of family income (additional amount overpaid)
- transfer of unauthorized assets
- replacement of ineligible Nominee

Educational Financial Assistance Payments

Educational Financial Assistance payments will be apportioned between the CLB, CESG, any provincial grants and the investment income earned in the RESP. Qualified Nominees are eligible to receive up to \$13,600 of grants to an RESP made available from federal and provincial government sources.

Disability or Death Protection of Subscriber

Effect of Disability or Death of Subscriber

Where a Subscriber (or in the case of joint Subscribers, one Subscriber) dies prior to the completion of all Deposits, the Agreement may be completed by the surviving Subscriber or the Subscriber's heirs, executors, administrators, or other legal representatives. A Subscriber may purchase group life and disability insurance. (See pg. 26 "Optional Insurance" below)

Optional Insurance

The following are brief descriptions of insurance available to each eligible Subscriber of the Plan. Each type of insurance is available on a group basis and has requirements, terms of coverage and payment of benefits that are described in contracts when you purchase.

If you decide to purchase any optional insurance, you should read the description within the contracts carefully. Insurance premiums plus taxes on administration fees will be charged for the applicable coverage. GEMC receives administration fees depending on the amount of Insurance premium and type of coverage.

Disability or Death Protection of Subscriber (Completion Coverage)

If you are a Subscriber to the Plan and eligible for coverage on the date of Application, you may elect to purchase optional group term insurance underwritten by AXA Assurances Inc. AXA Assurances Inc. and its subsidiaries are major providers of Accident and Sickness Products and Services and are not in any way related to the Foundation or Distributor. The group term insurance provides, upon the death of the Subscriber (or either of joint Subscribers) prior to age 70, or upon the total and permanent disability (subject to a 12 month elimination period) of the Subscriber (or either of joint Subscribers) prior to age 65, for payment of the balance of unpaid Deposits, as they fall due in accordance with the Agreement of the Subscriber.

The insurance coverage, if purchased, automatically terminates upon termination of an Agreement or once the Subscriber (or, in the case of joint Subscribers, one Subscriber) attains 70 years of age (age 65 for disability coverage). Any change of Nominee, to the frequency of Deposits or change in the term of the Agreement made by the insured must be approved by the GETF Committee during the time that insurance proceeds are used to pay Deposits. Insurance Premiums are paid directly by the Subscriber to the Foundation outside of the Plan and do not constitute part of any Deposit made by the Subscriber.

To qualify for insurance coverage, the Subscriber (or, in the case of joint Subscribers, both Subscribers) must be under 65 years of age and not be suffering from any serious illness, injury or disease on the date the Agreement is accepted by the Foundation. Certain pre-existing medical conditions may not be covered.

The group life and disability insurance policy or successor policies issued by the insurance company (the "Insurer") selected by the Foundation is subject to the Insurer's terms, conditions and eligibility requirements in effect from time to time. A copy of the current master group insurance policy is available for review at the principal office of the Foundation. The terms of the master group policy are subject to change based on experiences of the Plan. A certificate of insurance will be provided to the Subscriber(s) when the Application is accepted. Premiums in effect at the time of application for such insurance is currently 3.6% of deposits (the "Insurance Premiums"). The Foundation performs administrative services related to the group life insurance and receives 20% of the Insurance Premium collected from the Subscriber as an expense allowance for these particular services and the remainder of the Insurance Premium collected is paid to AXA Assurances Inc.

Critical Illness Insurance for the Subscriber

The Distributor has made available a group insurance policy by way of an agreement with the insurance provider, AXA Assurances Inc., whereby a Subscriber who is eligible can purchase critical illness insurance.

Eligibility for the critical illness insurance offered is subject to the declarations in the application for this coverage. Coverage of \$10,000 Principal Sum is available to each eligible Subscriber at the rate of \$10.⁰⁰ per person per month during the Subscriber's deposit period for the Plan.

All eligible persons under age 70 can apply for coverage. Please refer to the Policy Contract for eligibility requirements and coverage terms.

Basic Accidental Death & Dismemberment Insurance for the Nominee

The Distributor has made available a group insurance policy by way of agreement with the insurance provider AXA Assurances Inc., whereby an eligible Subscriber can purchase group accident insurance for the Nominee based on information contained in the contract for 42 cents (\$0.42) per month.

Each Nominee is insured for the Principal Sum of \$5,000 in the event of one of the following losses:

- Death and Dismemberment
- Speech and/or hearing
- Paralysis and Use

Plus additional benefits of;

- Repatriation, Family Transportation, Seat Belt, Home Alteration / vehicle modification

Indemnity for the items listed above has terms that either meet the \$5,000 Principal Sum or in cases of aggregate occurrences, exceed this amount. The policy contract contains the details of indemnity.

Eligible persons for Basic Accidental Death and Dismemberment are all Dependent Children of Subscribers age 14 days and over but under 18 years of age who are Nominees for the Plan. The coverage extends until the earliest of the date for the duration of the chosen Deposit Period of the Plan, the date of termination or suspension or the day that the Nominee turns 18.

Death of Nominee

Nominee

In the event of the death of a Nominee while an Agreement is in effect, the Subscriber may elect either of the following:

1. subject to the Tax Act, to substitute the Nominee with any person under the original terms of the Agreement; or subject to GETF Committee approval the return of contributions and termination of the agreement.
2. to receive the return of all Deposits, receive all income (but not applicable fees and Grants) as Accumulated Income Payments (AIP) in respect of the Agreement, subject to conditions established by the Tax Act and CES Act (See pg. 31 "Tax Status").

Marital Breakdown

Where an individual has acquired the Subscriber's rights under the Agreement by way of a decree, order or judgement of a competent tribunal or under a written agreement, relating to a division of property between the individual and the Subscriber in settlement of rights arising out of, or on the breakdown of, their marriage, or common-law partnership, the Subscriber shall provide to the Foundation a copy of such order, judgement or agreement and pay the applicable fees.

Contributions Vested for Nominee

Subscribers may choose to vest the plan contributions to their Nominee in the event of death of the Subscriber or both Subscribers if Joint. This will have the effect of relegating ownership of the plan contributions to the Nominee.

The attached "Contribution Assignment" document with the Agreement when completed will ensure that in the event of death of the Subscriber that the intended purpose of education funding for the Nominee will continue by giving willful direction that the Nominee will become the Subscriber for the plan.

Global Educational Trust Plan Sponsored Programs

Within the Global Educational Trust Plan the "Sponsored Program" is offered to employees of companies and members of associations, unions and other organizations on a Sponsored basis. Global Plan sold under the Sponsored Program are subject to the same terms and conditions appearing elsewhere in this Prospectus except for the fees as described below.

Management Fees and Other Deductions

The Agreement authorizes the Foundation or the Trustee to charge the following amounts to a Subscriber. Fees are paid to the Foundation and subsequently remitted to the Distributor for the performance of substantially all administration services and marketing costs associated with the Global RESP :

- (a) Processing Fee
The Processing Fee applicable to the Subscribers of the Sponsored Program consists of a one time fee of \$25 per Agreement when the Agreement is first established. The fee will be collected from the first Deposit by the Foundation and will be subsequently remitted to the Distributor for the initial costs associated with the establishment of an Agreement. The federal government pays an additional \$25 into an RESP which will receive the initial CLB deposit of \$500. This \$25 payment will offset the one time processing fee.
- (b) Management Fee
The Management Fee applicable to the Subscribers of the Sponsored Program consists of \$1 per month per Agreement plus 1.95% annualized which is applied against the Subscriber's Net Asset Value collected monthly in arrears paid to the Foundation and subsequently remitted to the Distributor. The Management Fee includes all administration, Trustee, and Investment Counsel Fees. Enrollment Fees are not applicable to the Sponsored Program. The fees

are paid to the Foundation and subsequently remitted to the Distributor for substantially all the administration of the Plan and costs associated with the sales and marketing of the Plan.

- (c) Special Service Fee
A Special Service Fee of \$12 is applicable upon the happening of any of the following:
 - 1(i) a deposit cheque is returned by the Subscriber's bank by reason of "non sufficient funds";
 - (ii) an acquisition of the Subscriber's rights under the Agreement on marital breakdown as described in Marital Breakdown, and for Contribution Vesting of a Nominee;
 - (iii) a Subscriber changes the Nominee (See pg. 17 "Change of Nominee");
 - (iv) a Subscriber requests that a cheque previously delivered in respect of the Plan be replaced;
 - (v) a Subscriber elects to change the Deposit Method and/or Term which results in the Deposit Method having greater deposit frequency;
 - (vi) a Subscriber ceases making Deposits before the Term of the Plan has expired;
 - (vii) a Subscriber ceases making Deposits for a period of time during the Term of his or her Agreement;
 - (viii) each fund withdrawal that has occurred more than once per year;
 - (ix) EFA Payments where such requested payments have occurred more than once per year.
2. Inactive Account fee is \$25 per year.
3. The special service fee for a transfer to another RESP is \$50.⁰⁰. Transfer fee does not apply to internal transfer within Global.

The Management Fee, and Special Service Fees, may be amended in the future by the Foundation, upon the provision of notice of such amendments in fees to the Subscribers. Indirect taxes (HST/GST/PST/QST) will be added to these fees as applicable.

Other Sponsored Program Provisions

If the Sponsor contributes to a Subscriber's Education Savings Plan, the portion contributed by the Sponsor is considered to be a taxable benefit to the Subscriber and must be reported as such, as prescribed in the Tax Act. If the Subscriber leaves the employment of the Sponsor, the Sponsor's contributions if any to the Plan will cease and all funds contributed on the Subscriber's behalf remain in and form part of the Subscriber's Education Savings Plan. The Foundation will recognize Deposits made through the Sponsor's payroll deduction as contributions to the Subscriber's Education Savings Plan.

If a Subscriber leaves the Sponsored Program their Plan may be continued. A Subscriber making Deposits through bank withdrawals will not be required to do anything other than notify the Foundation of their change in status. A Subscriber making Deposits through payroll deduction and having left their employer will be required to notify the Foundation of the change in status and make alternate payment arrangements, this may be subject to a Special Service Fee. The Subscriber may elect to continue making Deposits to their Plan in their entirety including the amount previously contributed by the Sponsor, if any. The Subscriber has no obligation under the terms and conditions of this Prospectus to make any additional Deposits to their Plan. In this case the terms and conditions contained in the Prospectus will apply to the Plan (See pg. 20 "Maintaining the Agreement") and the fees will be those contained under the heading pg. 27 "Global Educational Trust Plan Sponsored Program". On maintaining a Plan a Subscriber will continue to earn Income. The Subscriber may also terminate the Plan. (See pg. 19 "Termination and Default").

Each Subscriber's account accumulates Income and is eligible for receiving Grants and eligible for gaining RESP status subject to the conditions established by government authorities and stated elsewhere in the Prospectus and Educational Financial Assistance Agreement of the Plan.

Fees charged under the Plan for a non-Sponsored Program are described in the Prospectus under the heading pg. 15 "Summary of Fees and Expenses".

Investment Restrictions

The Trust has adopted the standard investment restrictions and practices contained in National Policy No. 15, a policy of the Canadian Securities Administrators relating to education savings plans, which investment restrictions and practices are deemed to be incorporated by reference into this Prospectus. A copy of the standard investment restrictions and practices will be provided by or on behalf of the Plan to any person requesting a copy thereof.

As a matter of policy adopted by the Trust, which may be changed with the approval of the Securities regulatory authorities and the receipt of any other necessary regulatory approvals, monies held by the Trust may be invested in:

- (i) Government of Canada treasury bills;
- (ii) bonds, debentures and short-term notes issued or guaranteed by federal or provincial government;
- (iii) mortgages and mortgage-backed securities where the mortgages are insured under the National Housing Act (Canada);
- (iv) guaranteed investment certificates and other acknowledgements of indebtedness of federally or provincially licensed trust, loan or insurance companies or of Canadian chartered banks;
- (v) debt securities issued by Public Corporations with an "approved credit rating" as defined in Part 1.1 of National Instrument 81-102. Such investments are subject to the following conditions:
 - investments will be limited to a maximum amount equal to 20% of the aggregate amount of Income; and
 - investments in any particular corporate issuer will be limited to a maximum amount equal to 10% of the aggregate amount of Income;
- (vi) Variable Rate Securities with an "approved credit rating" as defined in Part 1.1 of National Instrument 81-102. Such investments will be limited to a maximum of:
 - 30% of the Subscriber's Deposits.

All investments shall be qualified investments for RESPs under the Tax Act.

At the discretion of the Investment Counsel the investment portfolio may contain investments issued by affiliates of GEMC which meet the investment criteria.

The Foundation has retained Portfolio Advisors as Investment Counsel of the Plan to be responsible for making investments, in consultation with the Foundation, on behalf of the Trust subject to the policies and parameters established from time to time by the Foundation and the Canadian Securities Administrators. (See pg. 32 "Portfolio Advisor").

Description of Plan Holdings

Debt Securities

There are different types of bonds but generally, the income generated on the money loaned is paid semi-annually or quarterly to the lender and expressed as an annual return. Active trading by the investment managers means that there can be advantages to liquidate a bond at a given time because of capital gain, company capital requirements, or an anticipation of a change in the market.

Included in the investment portfolio of the Plan are different issuers of bonds. These issuers are the Federal and Provincial Governments, agencies of the Federal and Provincial Governments, financial institutions and other corporations.

Federal and Provincial Government Bonds are held as the mainstay of investments for the Plan. Government bonds are considered as the most secure investments because they are backed by the government's power of taxation. Investing in government bonds means that money is being loaned to the government for a specified period of time with a date when the principal amount loaned is returned. The Plan will also hold bonds issued by Agencies of the Federal and Provincial Governments. These Agency bonds are considered equal in risk to those issued by the Government backing them.

The Plan can also invest in bonds issued by financial institutions, such as banks and insurance companies. There are restrictions regarding the financial institutions that the Plan can invest in. (See pg. 28 "Investment Restrictions").

Investing in high grade corporate bonds is available to the Plan. Usually, to be

competitive, corporate bonds have higher coupon rates than government bonds but carry a higher risk of default. There are specific requirements regarding the credit quality of the issuer and restrictions regarding the amount the Plan can invest in corporate bonds. The amount of investment in corporate bonds is restricted to a percentage of the income of the Plan. (See pg. 28 “Investment Restrictions”).

Government Treasury Bills

Government of Canada T bills are short term investments usually for terms of less than a year. T bills and money market funds are considered as cash on hand which is required for certain ongoing expenses and pay out requirements. The short term investments are also held for the purpose of fund accrual to be placed in a higher order investment. A high liquidity factor is the important characteristic of the investment where the original principal invested is returned and income is paid on the amount loaned to the government.

Principal Protected Notes (PPNs)

This form of Variable Rate Security is an investment product that consists of two parts. One part is an investment that promises to return the original principal amount invested in the PPN, usually after the 6 to 10 year period that it is held. A third party, called the guarantor, guarantees the original principal amount received. The second part of the PPN is a market-based investment, usually linked to a market index, a fund, or another investment product that offers the potential- but not a guarantee- of a profit on the investment.

PPNs have invested principal protected by an investment grade Canadian financial institution.

There are restrictions contained in the investment policy for the Plan Trust to ensure that the PPNs invested are of a high quality as well there are limitations on the amount of PPN that can make up the portfolio of the Plan Trust. PPNs are not liquid securities and sale prior to maturity is subject to additional liquidation fees.

Annual Returns

The following chart gives the annual returns for the investments held in trust for the Global Educational Trust Plan after the deduction of Administration, Investment Counsel, and Trustees fees.

Year	'09	'08	'07	'06	'05
Annual Returns %	3.8	4.8	3.1	3.2	6.0

Risk Factors

Registration Conditions

Amendments to the Tax Act, effective January 1, 2004 require that a Social Insurance Number (SIN) be provided for a Nominee before contributions can be made on their behalf. These amendments also require that the Nominee be a Canadian Resident at the time of the contribution as a condition for registration as an RESP (See pg. 17 “Registration of the Plan”). An ESP will be terminated where the Nominee’s SIN has not been provided to the Foundation by December 31st of the second year following the year of enrollment. **After a Plan has been terminated the Foundation will permit the continuation of a Subscriber’s Plan under the original terms and conditions of registration when the Nominee’s SIN is provided and refunded deposits are returned to the Plan. (See pg. 17 “Registration of the Plan”).**

Early Terminations

Early termination of a plan will result in a return of Subscriber’s Deposits, less fees. Grants are returned to the government and income from Deposits and Grants will be remitted to an educational institution.

Reduction of Deposits

A reduction of Deposits to a Plan, resulting in a reduction of Units at the direction of the Subscriber, after two (2) years from the enrollment application date will result in the Plan being considered as an uncompleted Plan and not eligible to receive discretionary payments from the Enhancement Fund with EFA payments unless the Units of the Plan are re-instated within three (3) years of the missed Deposits.

Deposit Discontinuation

If you miss a Deposit to your plan you are required to make up the missed Deposit within three (3) years or prior to the scheduled completion of the Plan which ever is earlier. If you do not make up your missed Deposit within three (3) years or prior to the scheduled completion of the Plan whichever is earlier your Nominee will not have eligibility for Enrollment Fees repaid with EFA. Deposits may be continued for a plan that is not eligible for Enrollment fee return.

EFA Limitations

A Subscriber to the Plan may make additional Deposits of any amount (subject to the limitations set out in the Tax Act) into the Plan up to and including the 31st year following the year of enrollment in the Plan. As and when requested by a Subscriber, withdrawals of Income may be paid to a Nominee as EFAs provided that he or she is a Qualified Student at the time of withdrawal.

The amount of Income earned on an investment in Units of the Plan may vary from year to year and past performance is not necessarily indicative of future performance. A Subscriber who is resident in Canada will be entitled to the return of the Income earned as AIP under an Agreement if each Nominee in respect of whom the Subscriber has made Deposits is at least 21 years of age and is not eligible to receive Educational Financial Assistance and more than nine years have passed since the year in which the Subscriber entered into the Plan. The Minister of National Revenue may waive these requirements where it is reasonable to expect that the Nominee will be prevented from enrolling in an eligible program of study by reason of a severe and prolonged mental impairment. If a Subscriber’s Nominee has died, a Subscriber who is resident in Canada will be entitled to the return of the Income earned under their Agreement if either (i) more than nine years has passed since the year in which the Subscriber entered into the Plan, or (ii) the Subscriber’s Nominee was related to them for the purposes of the Tax Act. Such distributions will be included in income and subject to income tax. An additional 20% tax will also apply in all provinces except Quebec where a 12% tax will apply. If a Subscriber is an original Subscriber and has sufficient contribution room in their RRSP, they may transfer up to

\$50,000 of Income to their RRSP and there will be an offsetting deduction against income. Also, the additional tax will not apply (See pg. 31 “Tax Status”).

Subscriber Responsibility

Where the Subscriber fails to provide directions to the Foundation upon receiving notice of default by the end of the 35th year following the year in which this Agreement was entered into or deemed to be entered into, the Foundation will repay any Grants and will pay any remaining amount of Deposits or Income in the Agreement to an Educational Institution last designated by the Subscriber (or in the absence of such a designation by the Subscriber, as designated by the Foundation).

Investment Risks

In the normal course of operations the plan may be exposed to a variety of risks arising from financial instruments. The Plan’s exposures to such risks are concentrated in its investment holdings and are related to market risk (which includes interest rate risk and other price risk), credit and sector risk, liquidity risk and currency risk.

The Plan’s risk management process includes monitoring compliance with the Plan’s investment policy. The Plan manages the effects of these financial risks to the Plan portfolio performance by retaining and overseeing professional external investment managers. The investment managers regularly monitor the Plan’s positions, market events and manage the investment portfolio within the constraints of the investment policy.

(a) Market risk

(i) Interest rate risk

Interest rate risk is the risk of a decrease in the Plan’s yield on interest-bearing investments as a result of fluctuations in market interest rates. There is an inverse relationship between changes in interest rates and changes in the fair value of bonds. This risk is actively managed using duration, yield curve analysis, sector and credit selection. There is reduced risk to interest rate changes for cash and short term investments due to their short-term nature.

As at December 31, 2009, the Plan’s holdings of debt instruments by

maturity is as follows:

	2009	2008
Less than 1 year	4.7%	2.2%
1-3 years	33.4%	0.2%
3-5 years	14.5%	31.4%
Greater than 5 years	47.4%	66.2%
Total debt instruments	100.0%	100.0%

As at December 31, 2009, management estimates that if prevailing interest rates had increased or decreased by 1%, the total investment portfolio value would decrease by approximately \$14,600,000 (2008 - \$7,530,000) or increase by approximately \$16,000,000 (2008 - \$7,530,000) respectively. This 1% change assumes a parallel shift in the yield curve along with all other variables held constant. In practice the actual trading results may differ materially.

(ii) Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, other than those arising from interest rate risk. Factors specific to an individual investment, its issuer or all factors affecting other price risk. The asset class that is most impacted by other price risk is variable rate securities which represent 11.0% (2008 - 7.5%) of the investment portfolio. The return on PPNs are not determinable prior to maturity instead being linked to the performance of their underlying index and will depend on the extent to which the index return is positive or negative at maturity. A negative return will result in a return of only the principal amount which is protected by the issuer. The risk is managed by security selection and active management by external managers within approved investment policies and manager mandates.

As at December 31, 2009, if underlying indices prices had increased or decreased by 1% with all other variables held constant, the portfolio amount would have increased or decreased by approximately \$563,000 (2008 - \$nil). In practice, the actual trading results may differ materially.

(b) Credit and Sector risk

Credit risk refers to the ability of the

issuer of debt securities to make interest payments and repay principal and sector risk relates to the exposure to changes in a particular industrial, commercial or service sector by virtue of concentration. The Plan’s portfolio comprises bonds issued or guaranteed by federal and provincial governments along with Canadian financial institution and corporate debt instruments which constitute its most significant exposure to credit risk. The Plan has a concentration of investments in government and government guaranteed bonds, which are considered to be high credit quality investments thereby moderating its credit risk. As at December 31, 2009 the Plan’s maximum exposure to credit risk was \$298,430,853 (2008 - \$234,687,548).

As at December 31, 2009 and 2008, the Plan’s credit exposure to long term debt instruments is as follows:

	2009	2008
AAAH/AAA/AAH/AAL	58.4%	43.6%
AA/AH/AL	33.5%	56.4%
Unrated	8.1%	0.0%
Total debt instruments	100.0%	100.0%

The above ratings were provided by Dominion Bond Rating Service (DBRS). The unrated investments at this date comprised the variable rate PPNs, all issued and principal protected by Schedule 1 Canadian Chartered Banks.

(c) Liquidity risk

Liquidity risk is the risk that the Plan may not be able to meet its obligations on time. The Plan’s exposure to liquidity risk is concentrated in principal repayment to subscribers and payments of Education Assistance payments. The Plan primarily invests in securities that are traded in the active markets and can be readily disposed. PPNs carry significantly higher liquidity risk than the Plan’s other investments by virtue of the lack of a secondary trading market for these securities and in the event of a need to sell these instruments prior to maturity, the holder is exposed to substantial discounts to the value of the component zero coupon bond and index options. In mitigation of these

risks, the Plan retains sufficient cash and short-term investments positions to meet liquidity requirements by utilizing cash forecasting models incorporating experiential based assumptions of accumulated interest and Contributor's deposits. The PPNs represent a small proportion of the overall portfolio.

(d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Plan is not exposed to currency risk as it only holds Canadian securities.

Tax Status

Income Tax Considerations

The following is a brief summary of the principal federal Canadian income tax considerations for the Foundation, the Plan, Subscribers and Nominees. The following summary assumes registration of each Agreement as an education savings plan ("RESP") pursuant to section 146.1 of the Tax Act. The Foundation has had a specimen copy of the Agreement approved by Canada Revenue Agency so that the Agreements may be submitted to Canada Revenue Agency for registration. This summary is based on the current provisions of the Tax Act and the regulations thereunder. This summary is of a general nature and is not intended to be, and should not be construed as, legal or tax advice to any particular individual.

Status of Foundation

Since the Foundation is a non-profit organization for the purposes of the Tax Act, and assuming it continues to maintain such status, generally no tax is payable under the Tax Act on the income earned by the Foundation.

Taxation of the Plan

Since the Plan is an RESP, and assuming it continues to maintain such status, no tax is payable under Part I of the Tax Act on the income earned within the Plan.

Taxation of the Subscriber and Nominee

Certain conditions of registration in accordance with the Tax Act must be met before contributions can be considered as a Deposit for an RESP (See pg. 17 "Registration for the Plan"). No tax is payable by a Subscriber or a Nominee on Income earned under an Agreement for a taxation year throughout which the Subscriber's Agreement was registered as an RESP. Amounts paid as Deposits are not deductible by a Subscriber for income tax purposes, nor are such amounts included in Income when they are returned to the Subscriber.

EFAs awarded to a Qualified Student who is a resident of Canada constitute income to such person for income tax purposes. Qualified Students who are non-residents of Canada may be subject to Canadian withholding tax up to 25% on the EFAs paid to them or in certain circumstances may be subject to income tax thereon in the same manner as a resident of Canada.

The Tax Act restricts total contributions to all RESPs by all persons to \$50,000 per Nominee. Excess contributions are subject to a 1% per month penalty tax. However, the Tax Act generally allows the replacement of a Nominee by another individual without penalty tax implications in respect of excess contributions, provided both the Nominee and the replacement Nominee are under age 21 and are related to the original Subscriber by blood or adoption or the replacement Nominee is under age 21 and is the brother or sister of the Nominee. No payments may be made into an RESP after the 31st year following the year in which the Agreement is entered into.

All or part of the Income earned under an Agreement may, subject to certain conditions, be distributed to the Subscriber provided he or she is resident in Canada or, where the Subscriber has died, to another person resident in Canada. Such a distribution may be made only where the Plan has been in existence for at least nine (9) years and each Nominee under the Plan in respect of whom a Deposit has been made has attained age 21 and is not

eligible to receive EFAs. The Minister of National Revenue may waive these requirements where it is reasonable to expect that the Nominee will be prevented from enrolling in a Qualifying Educational Program at a Recognized Institution by reason of a severe and prolonged mental impairment. Such a distribution may also be made where the Nominee has died if either (i) more than nine years have passed since the year in which the Subscriber entered into the Plan, or (ii) the Subscriber's Nominee was related to him for the purposes of the Tax Act.

The Plan must be terminated by March of the year following the year in which the first such distribution is made. Any distribution of Accumulated Income Payment (AIP) to a Subscriber or another person constitutes income to the recipient for income tax purposes. An additional tax equal to 20% of the amount of AIP received will also apply in all provinces except Quebec where a 12% tax will apply. However, where the AIP is received by the original Subscriber (or, in certain circumstances, by the spouse or former spouse of the original Subscriber), up to \$50,000 of AIP income received may be transferred to the recipient's RRSP (or to a spousal RRSP), to the extent of his or her unused contribution room. Where the AIP is transferred to an RRSP, there will be an offsetting deduction against income and the additional tax will not apply to the amount transferred.

Indirect taxes

Indirect taxes (HST/GST/PST/QST) will be added to fees, where as applicable.

Organization and Management Details of the Plan

Directors and Officers of the Foundation

The following are the directors and officers of the Foundation, their positions held with the Foundation and their principal occupations for the last five years:

Name and Address	Position	Occupation
Sam Bouji, M.B.A. Brampton, Ontario	Director/Chief Executive Officer and President	Director/Chief Executive Officer and President of the Foundation
Frank Gataveckas Acton, Ontario	Director and Secretary	Director and Secretary of the Foundation, Chief Financial Officer of the Foundation (Aug. 2008 to 2010); Director, Global Educational Marketing Corporation (1997 to present)
Peter Gaibisels, B.Sc., D.C., M.Sc. Toronto, Ontario	Director	Chiropractor
Margaret Singh Toronto, Ontario	Director	Chief Compliance Officer (June 2005 to present);
Evangeline Paul, LL.B. Toronto, Ontario	Officer - Legal Services	Senior Officer - Legal Services (May. 2008 to present); Manager Corporate Services (1998 to present)
Alex Manickaraj Toronto, Ontario	Officer, Chief Financial Officer	Chief Financial Officer (2010 to present) Accounting Manager of the Distributor (1998 to present)

Directors and officers of the Foundation are volunteers and receive no remuneration for their services.

NOTE: The above Directors and Officers of the Foundation with the exception of Peter Gaibisels are remunerated employees of the Distributor and are either Directors and/or Officers of the Distributor .

Directors and Officers of the Distributor

The following are the directors and officers of the Distributor, their positions held with the Distributor and their principal occupations for the last five years:

Name and Address	Position	Occupation
Sam Bouji, M.B.A. Brampton, Ontario	Director/Chief Executive Officer and President	Director/Chief Executive Officer and President of the Foundation
Frank Gataveckas Acton, Ontario	Director and Secretary, Chief Financial Officer	Director and Secretary of the Foundation, Chief Financial Officer of the Foundation (Aug. 2008 to 2010); Director, Global Educational Marketing Corporation (1997 to present)
Margaret Singh Toronto, Ontario	Director	Chief Compliance Officer (June 2005 to present);
Faye Slipp Mississauga, Ontario	Director	Director, Human Resources
Alex Manickaraj Toronto, Ontario	Officer, Chief Financial Officer	Chief Financial Officer (2010 to present) Accounting Manager of the Distributor (1998 to present)

NOTE: The above Directors and Officers of the Foundation are remunerated employees of the Distributor and are either Directors and/or Officers of the Distributor.

Sam Bouji owns all outstanding shares of the Distributor. Officers of the Distributor receive remuneration from the Distributor in the ordinary course in connection with the provision of services related to the distribution of Units of the Plans.

Management of the Plan

The Plan is administered by the Foundation which is responsible for the co-ordination of the functions provided by the trustee and the investment counsel. This administration has been contracted to the Distributor which also has the function of marketing and distribution of the Plans to Subscribers.

The Distributor has been contracted by the Foundation to provide all necessary assistance to the Foundation for administration of the Plan. The Foundation may resign as a manager of the Plan in accordance with “Termination of the Plan” on pg. 36.

Management of the Plan Assets

The portfolio is managed by the Portfolio Advisors appointed by the Foundation. The Foundation decides the extent of the assets allocated to each Portfolio Advisor. Separate asset classes and benchmarks are established to evaluate investment management performance. The performance of each asset class is measured against benchmarks that simulate the results of the investment strategies employed by the Portfolio Advisors. Investment returns are calculated using market value and time-weighted cash flows during the periods.

Portfolio Advisors

Scotia Asset Management L.P.

The Foundation has retained Scotia Asset Management L.P. (“SAM”), Toronto, Ontario, as a Portfolio Advisor for the Plan to invest assigned assets in the Trust in accordance with National Policy Statement 15. Any Investment Counsel fees will be paid from the Trust.

Consistent with SAM’s team-based management approach, their investment decisions are made by a committee consisting of senior investment professionals from their Fixed Income, Equities, Quantitative, Private Client and Institutional teams, and the Chief Investment Officer. Formal asset mix meetings are held monthly and more frequently whenever there are significant market developments. Asset mix recommendations made by the asset mix committee are implemented by the portfolio managers within the Foundation’s investment policy.

Portfolio Managers review performance

formally on a monthly basis against the established benchmark(s). SAM's Portfolio Analytics group prepares monthly attribution analysis to assist in the performance review process. Portfolio Managers submit monthly written reports to the Chief Investment Officer "CIO" explaining over and under-performance.

The CIO reviews performance of the Plan on a monthly basis. Quarterly meetings are held with the asset class heads to review performance on the Plan. Additional in-depth performance review is done on an annual basis, which links in to the internal review process for Portfolio Managers

Portfolios are monitored regularly by SAM's institutional investment team in Toronto on multiple levels. First, constraints are input into their portfolio management system. This system will prevent a trade from occurring if it will violate a constraint. Fixed income and equities portfolio managers are responsible for monitoring the fixed income and equities portfolios, respectively, on a daily basis to ensure compliance with all investment guidelines. Additional oversight is provided by their Compliance department, headed up by their Chief Compliance Officer.

UBS Investment Management Canada Inc.

The Foundation has retained UBS Investment Management Canada Inc., a subsidiary of UBS Bank (Canada) to act as Portfolio Advisor. UBS Investment Management Canada Inc. as of July 2009 is responsible for the management of an assigned portion of the Plan's assets. This includes investment analysis and the making of investment decisions based on the investment policy statement composed in conjunction with the Foundation's investment committee.

The assets will be managed by a dedicated team of service professionals at UBS Investment Management Canada Inc.'s head office, located at 154 University Ave., Suite 800, Toronto, Ontario, M5H 3Z4.

Investment decisions are overseen by the Portfolio Management Team of UBS Investment Management Canada Inc., Tony Ciero, Director and Portfolio Manager, UBS Investment Management Canada Inc. is currently the lead on

Name, title and the length of time of service of the persons employed by or associated with the portfolio adviser of the Plan who is or are principally responsible for the day-to-day management of a material portion of the portfolio of the Plan, implementing a particular material strategy or managing a particular segment of the portfolio of the Plan, and each person's business experience in the last 5 years.

Scotia Asset Management L.P. Advisory Personnel

Name	Position Title	Academic	Industry	Scotia
Executive				
John Varao	President, CEO and CIO	BA (Econ), CFA	1991	2007
Institutional				
Ed Calicchia	Director & PM, Institutional Client Service	BSc, CIM, CFA	1990	1995
Tanya Lee	Senior Manager, Institutional Service	BSc (Econ)	2000	2000
Fixed Income				
Romas Budd	Managing Director, Fixed Income	MBA	1984	1990
Bill Girard	Director, Fixed Income - Credit	MBA, CFA	1987	1987
Nick Van Sluytman	Portfolio Manager	BA, CFA	1987	1998
Cecilia Chan	Associate Portfolio Manager	BSc	1989	1989

UBS Investment Management Canada Inc. Advisory Personnel

Name	Position Title	Academic	Industry	UBS
Steve Masson	Director and Chief Investment Strategist	BA, CFA	1994	2006
Tony Ciero	Director and Portfolio Manager	BA, CFA	2000	2009

managing the Plan's assets with UBS. Prior to joining UBS Bank (Canada) in August 2009, Tony worked at BMO Bank of Montreal for 10 years with his last role being Portfolio Manager with BMO Harris Private Banking. Tony holds the Certified Financial Planner (CFP) and Chartered Financial Analyst (CFA) designations and is currently a member of the Toronto CFA Society.

Portfolio Advisory Agreement

All Portfolio Advisors will use their best efforts to achieve the Foundation's stated investment objectives, but does not guarantee that they will be able to meet some or all of the stated investment objectives.

The Foundation or the Portfolio Advisors may terminate an Agreement by thirty days written notice to the other. The termination will not be effective until the trustee has resigned or has been terminated as trustee in accordance with the declaration of trust. The Bank of Nova Scotia Trust Company and the Portfolio Advisor will complete and settle all transactions entered into prior to termination become effective.

Independent Review Committee

The Foundation has established the Independent Review Committee (IRC) pursuant to National Instrument 81-107 of the Canadian Securities Administrators. The mandate of the IRC is to:

1. provide impartial and independent consideration of an action proposed to be taken by the Foundation (Manager) in respect to a conflict of interest matter referred to it by the Foundation;
2. upon referral of a request to the IRC by the Foundation, decide whether to approve the Foundation's proposal to cause the Plan to:
 - (a) directly purchase securities from or sell securities to another Fund without placing these trades through a registered broker-dealer (inter-fund trading); or
 - (b) invest in or continue to hold securities issued by entities related to the Foundation (related party investments),
3. upon referral of a request to the IRC by the Foundation, decide whether to approve the Foundation proposal to:
 - (a) change the auditor of the Plan; or
 - (b) cause the Plan to merge,Having regard to whether the Foundation proposal to carry out one of these acts would achieve a fair and reasonable result for the Plan;
4. provide a recommendation to the Foundation as to whether the action proposed to be taken by the Foundation achieves a fair and reasonable result for the Plan in connection with any of the matters considered by the IRC under paragraph (1); and
5. carry out any other purpose or mandate required by law or imposed as a condition to any decision of a Canadian securities regulator that affects the Plan.

The IRC shall carry out its mandate recognizing that the Foundation is responsible for managing the Plan in accordance with all applicable legal requirements, including applicable securities regulation, the fiduciary duties of the Foundation owes to the Plan and the Plan's constating documents and their offering and continuous disclosure documents. The IRC's role is to exercise

impartial and independent judgment in monitoring how the Foundation meets those responsibilities regarding a conflict of interest.

Conflict of Interest

There are no conflicts of interest between:

1. the Plan and a director or executive officer of the Plan,
2. the Plan and the manager or any director or executive officer of the manager of the Plan, and
3. the Plan and the Portfolio Advisors or any director or executive officer of the Portfolio Advisors of the Plan

Independent Review Committee

The IRC was established as of May 1, 2007. It consists of:

- Anwar Rabah, Mississauga, Ontario
Chair of the IRC
 - Nazreen Ali, Ottawa, Ontario
 - Sacha Grigoriu, Woodstock, Ontario
- Anwar Rabah and Nazreen Ali of the IRC served since May 1, 2007. Sacha Grigoriu was appointed on March 26, 2009.

During the year ended April 30, 2010, there were no changes in the composition or membership of the IRC and there were no relationships that may cause a reasonable person to question a member's independence.

None of the members of the IRC hold any units of the Plan.

Compensation

The annual compensation of IRC members is \$1,500 per annum. For the year ended April 30, 2010, compensation paid to members by the Plan aggregated \$4,500. There were no changes in compensation per member from the prior year. In assessing the appropriate level of compensation of the IRC, consideration was given to the complexity of the matters to be considered by the IRC, the experience of its members and with a view to comparable compensation in the industry.

Activities of the IRC for the Year Ended April 30, 2010

The IRC met once during this period and all IRC members attended the meeting. The IRC received confirmation from the Management of the Foundation that they

had not identified any conflict of interest matters required to be brought to the attention of the IRC. The following activities were performed:

- Completed a review of the adequacy and effectiveness of its Conflict of Interest guidelines.
- Reviewed the composition of the IRC and the independence of each member.
- Completed an assessment of the effectiveness of the independent review committee and the effectiveness and contribution of each of its members and found no conflict of interest.

Trustee and Custodian

The Foundation forwards Deposits (which do not include the Enrollment Fee, Depository Fee and Special Service Fees) to the Deposit Account maintained at the Bank of Nova Scotia (Ottawa, Ontario). Deposits accrue Income. Assets in the Deposit Account are remitted to the Trustee for investment in the Trust. The Trustee is responsible for the custody and safekeeping of the assets of the Trust and, upon the direction of the Foundation or the Portfolio Advisors (See pg. 32 "Portfolio Advisors") appointed by the Foundation, the investment thereof through a variety of registered brokers and/or dealers. The Foundation calculates the net value of the assets of the Trust on each Valuation Date. The assets of the Trust are held by Bank of Nova Scotia Trust Company at its principal office located at 1 Adelaide Street East, 4th Floor, Toronto, Ontario.

Auditors

The auditors of the Plan are Deloitte and Touche LLP, 181 Bay St., Suite 1400, Toronto, ON, M5J 2V1.

Promoter

Global Educational Trust Foundation (the "Foundation") is a non-profit corporation without share capital incorporated under the laws of Canada on November 25, 1996. The primary objective of the Foundation is to provide Educational Financial Assistance to students enrolled at post-secondary educational institutions by sponsoring the Plan. As sponsor and administrator of the Plan, the Foundation is considered to be the Plan's promoter. The Foundation does not carry on any business for the purpose of making a profit. The Foundation has contracted the Global Educational Marketing Corporation (GEMC), a for profit enterprise, for distribution and substantially all administrative services for the Plan.

The principal office of the Foundation is 100 Mural, Suite 201 Richmond Hill, Ontario, Canada, L4B 1J3 Telephone: (416) 741-7377 Fax: (416) 741-8987 E-mail: clientservices@globalfinancial.ca

Calculation of Net Asset Value

An investment of funds by a Subscriber result's in the Subscriber having a Net Asset Value which means at any time, the dollar value of the Subscriber's assets in the Plan under an Agreement which shall equal the sum of all Deposits, Grants, transfers and Income made or allocated to the Subscriber's account minus all withdrawals, transfers, payments and repayments of Deposits, Grants, transfers, Income, fees and expenses made from the Subscriber's account.

A Subscriber's Deposits purchase Units of the Plan. A Unit is \$504 composed of the Enrollment Fee not exceeding \$60 per unit which is deducted from early Deposits until the Enrollment Fee is 100% completed. The Deposits net of fees are credited to a Subscriber's account. The amount of each Deposit depends on the Deposit Method and Term chosen by a Subscriber. The longer the Term over which Deposits are made the lower the amount of each Deposit. A Subscriber may change the Deposit Method and/or Term upon written notice to the Foundation, subject to applicable fee. Other fees are deducted from Deposits and Income as applicable. (See pg. 15 "Summary of Fees and Expenses").

The number of Units subscribed for by a Subscriber and the Term invested will affect the amount of the entitlement of the Nominee for Educational Financial Assistance. The more Units subscribed for, the larger the Deposits upon which to earn Income and attract Grants.

A Subscriber may withdraw his or her Deposits (but not applicable fees) at any time before the end of the 35th year (40th for special needs) of enrollment in the Plan. A withdrawal of Deposits prior to the Nominee's EFA qualification is subject to a \$12 special service fee. Withdrawal of Deposits by the Subscriber prior to the Nominee's qualification for EFA will result in the repayment of Grants. (See pgs. 23 and 24 'Grants Repayments').

In accordance with National Instrument In accordance with National Instrument 81-106 - Investment Fund Continuous Disclosure, the fair value of the securities used to determine the net asset value of the Plan (Pricing NAV) will be based on the funds' valuation rules, which may not

be the same as the Canadian GAAP requirements. Canadian GAAP requires that the fair value of actively traded securities held by a fund to be valued at the bid price, instead of the last sale price or average of last bid and ask prices of the securities for the day (the method typically used to value securities for the purpose of calculating Pricing NAV). Hence, the reported value of securities held by a Plan in the annual and interim financial statements may be different from the fair value of the securities used to determine Pricing NAV.

Valuation Policies and Procedures

Income with respect to Deposits is calculated on each Valuation Date and credited to Subscribers' Net Asset Value on a pro rata basis based on the amount of each Subscriber's Deposits to the Plan and Income with respect to Deposits allocated to the Subscriber's account to date minus any withdrawals, transfers or repayments of such Deposits or other amounts to date. Income with respect to Grants is calculated on each Valuation Date and credited to the Subscriber's Units in the Plan on a pro rata basis based on the amount of Grants attributable to the Subscriber and Income with respect to Grants allocated to the Subscriber's account to date minus any withdrawals, transfers or repayments of such Grants or other amounts to date.

Reporting of Net Asset Value

Each Subscriber is provided with an annual statement showing the amount of Deposits and any Income earned thereon, the amount of Grants and Income earned thereon and Grant repayments as well as the annual rate of return earned by the Plan during the previous year. In addition, the Subscriber is provided annually with the financial statements and an annual report pertaining to the Trust. A copy of the semi-annual financial statements and the statement of investment portfolio and the statement of portfolio transactions of the Plan is available upon request to Subscribers without charge.

Agreement Holder Matters

Voting by Proxy

As a Scholarship Plan, the Global Educational Trust Plan does not invest the funds deposited by unit holders of the Plan in the common or preferred share equity of publicly traded reporting issuers. Nor has the Global Educational Trust Foundation provided any Portfolio Advisor with a mandate that would allow for the Plan's portfolio of securities to hold common or preferred share equity of any publicly traded reporting issuers. As a result, the Plan does not foresee that a situation would arise where the Plan or any Portfolio Manager or Investment Counsel acting as an Adviser or as a Sub-Adviser to the Plan would have an opportunity to vote as a shareholder of a publicly held reporting issuer, or as the holder of a right to vote a proxy on behalf of the Plan. As a result, proxy voting is not applicable at this time.

Amendments to Declaration of Trust

Any amendments to the Agreement or the Trust Indenture require the approval of the Foundation and in the case of the Trust Indenture, the Trustee and 30 days' prior written notice to the Subscribers.

Notwithstanding the foregoing, the Foundation may without concurrence or prior notice to the Subscribers or the Nominee, make any amendment to the Agreement or the Trust Indenture which is:

- (a) required to be made in order to comply with any applicable law or order or rule of any governmental or regulatory authority or to ensure the continued qualification of the Plan as an RESP under the Tax Act;
- (b) necessary to rectify a clerical or typographical error; or
- (c) necessary or desirable in the opinion of the Foundation, where such amendment does not adversely affect the rights of any Subscriber, Nominee or Qualified Student and does not have the effect of disqualifying the Plan as an RESP under the Tax Act.

Reporting to Agreement Holders

Each Subscriber is provided with an annual statement showing the amount of

Deposits and any Income earned thereon, the amount of CESGs and Income earned thereon and CESG repayments as well as the annual rate of return earned by the Plan during the previous year. In addition, the Subscriber is provided annually with the financial statements and an annual report pertaining to the Trust. A copy of the semi-annual financial statements and the statement of investment portfolio and the statement of portfolio transactions of the Plan is available upon request to Subscribers without charge.

Termination of the Plan

Under the Trust Indenture (the "Trust Indenture") between the Foundation and the Trustee, the Foundation is entitled to terminate the appointment of the Trustee on six months notice to the Trustee provided that the Foundation has first appointed a trust company licensed to carry on business in any province in Canada to be a successor to the Trustee. The Trustee may resign by giving six months' notice to the Foundation. The Foundation may resign as administrator of the Plan on six months' notice to the Trustee and Subscribers. The appointment of the Foundation as the administrator may be terminated by the Trustee at any time if the Foundation becomes bankrupt, enters into liquidation or has its assets seized by a governmental authority or becomes incapable of performing its responsibilities under the Trust Indenture. In these events, the Foundation is required to appoint a successor to the Trustee or Foundation, as applicable. If the Foundation fails to appoint such a successor, the Trust will be terminated. The Foundation may terminate the Trust on at least three months' notice to the Trustee and the Subscribers.

Use of Proceeds

In the event of termination of the Trust, any assets held for the account of the Subscriber may, under the Subscriber's direction, be transferred to another RESP or be distributed by the Trustee as follows:

- (i) the Subscriber shall receive return of his Deposits (net of applicable fees) as requested in accordance with the terms of the Subscriber's Agreement;
- (ii) Income shall be held in trust to be

paid in accordance with the terms of the Subscriber's Agreement, pertaining to EFA payments and Accumulated Income Payments.

- (iii) CESG Grants are refunded to the Federal Government to the extent required by the CES Act or by any government legislation that allocated Grants and as stated in the Agreement.
- (iv) the remaining assets shall be distributed to the educational institution designated by the Subscriber (or in the absence of a relevant designation, to the educational institution designated by the Trustee).

Plan of Distribution

Pursuant to the provisions of an agreement between the Foundation and Global Educational Marketing Corporation (the "Distributor") dated October 14, 1998, the Distributor has the non-exclusive right to offer Units in the Plan through Agreements. The Distributor is currently a scholarship plan dealer in all provinces of Canada. The Foundation will arrange for the continuous sale of Units in the Plan. Some officers and directors of the Foundation are also officers and directors of the Distributor (See pg. 32 "Directors and Officers of the Foundation" and to pg. 32 "Directors and Officers of the Distributor").

The Distributor, as remuneration for its services in distributing the Plan, is paid substantially all the Fees subsequently after the fees are collected by the Foundation.

These fees are applied by the Distributor in part to reimburse its sales force. The Distributor's sales representatives, as part of the compensation received from the Distributor, can also earn awards based on the number of Units they have enrolled in the Plan. These awards include the payment of annual service compensation. All representatives are eligible to receive these awards.

The Distributor received Enrollment Fees of \$14,292,782, Depository Fees of \$704,826 and Special Service Fees of \$300,645 in the year 2009.

Proxy Voting Disclosure

The Plan has established Proxy Voting Guidelines, as it is required to do by Subsection 10.2(1) of National Instrument 81-106 *Investment Fund Continuous Disclosure*. The Plan is required to establish policies and procedures that it will follow to determine whether, and how, to vote on any matter for which the Plan receives, in its capacity as security holder, proxy materials for a meeting of security holders of an issuer. The Plan is also required by subsection 10.2(3) of National Instrument 81-106 to include a summary of the policies and procedures required by this section in its prospectus.

Material Contracts

The following material contracts have been entered into:

1. An agreement dated as of May 17, 2004 between the Foundation and the Bank of Nova Scotia, providing for the opening and operation of an account into which Deposits are made.
2. A Trust Indenture dated as of October 14, 1998 between the Foundation and the Trustee referred to under pg. 34 “Trustee and Custodian” has been assigned to the Bank of Nova Scotia Trust Company effective June 1, 2004.
3. An agreement dated as of May 26, 2004 between the Foundation and Scotia Asset Management L.P.(Scotia Cassels Investment Counsel Limited prior to 2010) providing for investment management and trust services for funds in the Plan.
4. An agreement dated as of July 30, 2009 between the Foundation and UBS Investment Management Canada providing for investment management and trust services for funds in the Plan.
5. A Distribution Agreement dated as of October 14, 1998 between the Foundation and the Distributor, referred to under pg. 36 “Plan of Distribution”.
6. Individual educational financial assistance agreements between the

Foundation and each particular Subscriber referred to under pg. 16 “Global Educational Trust Plan”.

7. CESG Promoter Agreement between Minister of Human Resources and Social Development and the Foundation dated June 28, 2005.
8. CESG Agency Agreement between the Trustee and the Foundation dated October 14, 1998 has been assigned to the Bank of Nova Scotia Trust Company effective June 1, 2004.
8. An Agreement with respect to the funding of the Enhancement Fund between the Foundation and the Distributor dated July 3, 2009
9. Administration and Service Agreement between Global Educational Trust Foundation and Global Educational Marketing Corporation dated October 14, 1998.

Copies of each of the foregoing contracts may be inspected at the registered office of the Foundation during ordinary business hours.

Experts

Legal Counsel

The law firm of Borden Ladner Gervais LLP represents the Foundation as its legal counsel.

Global Educational Trust Foundation Committee

The Global Educational Trust Foundation Committee (the “GETF Committee”) is a committee of at least five persons. The major functions of the GETF Committee are to make decisions concerning qualifications of Nominees, to determine whether institutions qualify as Recognized Institutions, determine whether and to what extent discretionary payments to Qualified Students from the Enhancement Fund will be made and to decide other matters relating to the operation of the Plan.

Subscriber’s Statutory Rights

Securities legislation in certain of the provinces provides purchasers with the right to withdraw from an agreement to purchase within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser but such remedies must be exercised by the purchaser within the time limit prescribed by the securities legislations or his/her province or territory. The purchaser should refer to any applicable provisions of the securities legislation or his/her province or territory for the particulars of these rights or consult with a legal adviser.

Management Report of Fund Performance

This annual management report of fund performance contains financial highlights but does not contain the complete annual audited financial statements of the Global Educational Trust Plan (“Global Plan”). You may obtain an additional copy at no cost by visiting our Website at www.globalfinancial.ca or SEDAR at www.sedar.com, or by calling Global Client Services at 1-877-460-7377. You may also write to us at 100 Mural St, Suite 102, Richmond Hill, Ontario L4B 1J3.

The Global Educational Trust Foundation (the Foundation) views corporate governance and compliance as important contributors to overall corporate performance and long-term investment returns. We support the proxy voting guidelines established by our Investment Managers. Investment restrictions contained in the Canadian Securities Administrators policy as well as the Foundation’s investment policy result in the Foundation primarily investing in Federal and Provincial Government fixed income securities. As a result, proxy voting is not applicable at this time.

Investment Objective and Strategies

The Global Educational Trust Foundation invests in a prudent manner, with the objective of protecting your principal and delivering a positive return on your Global Educational Trust Plan investment. The Foundation invests primarily in Canadian fixed income securities including Canadian federal and provincial government Bonds. For the fiscal year 2009 Scotia Asset Management L.P. (“Scotia Asset Management”) and from mid August 2009, UBS Investment Management Canada Inc. (“UBS”) managed assigned portions of the Global Plan’s assets as portfolio advisors, with the exception of the holdings in Pacific & Western Bank. The assets are allocated among different market sectors and different maturity segments at the portfolio advisors’ discretion, but subject to the guidelines defined in the Foundation investment policies and mandates. The Foundation’s investment professionals actively manage the Global Plan, focusing on strategies where value can be added on a sustainable basis.

With the ongoing growth of the portfolio,

the introduction of a second portfolio advisor was considered prudent in order to further diversify its overall risk and return, and by way of additional diversification, the Foundation also invested independently in the Pacific & Western Bank notes during 2009.

At December 31, 2009 the allocation of the Foundation’s assets under management at market valuation including cash and cash equivalents was as follows:

Manager	\$'000	%
Scotia Asset Management	231,623	77.2
UBS	44,650	14.9
Global Educational Trust Foundation	23,730	7.9
	300,003	100.0

Risk

Scotia Asset Management’s investment philosophy, style and method remained the same for the fiscal year 2009. During the year, the allocation to Financial Institution Bonds was increased in an effort to improve the overall yield and return for the portfolio. An increase in corporate exposure typically constitutes an increase in the risk profile of a fixed income portfolio. The average duration of the portfolio relative to the benchmark had a neutral impact on return.

Since its introduction in mid August 2009, UBS’s approach to fixed income portfolio management has been to maintain an overweight position in investment grade Financial Institution Bonds in an effort to increase yield and return. As a result, the UBS portfolio’s bank credit exposure has increased marginally relative to its benchmark. Variable rate deposit notes were selectively used to enhance return on the funds in a low interest rate environment.

The Pacific & Western Bank notes are privately placed securities in this schedule 1 Canadian chartered bank, carrying an annual coupon rate of 11% p.a. The subordinated notes are not publically traded nor credit rated and are to be held to maturity in 2019. An average risk premium of 7.5% over and above that of comparable publically traded bonds has been attributed to the discount rate with which these notes have been valued for these factors.

Results of Operations

For the fiscal year 2009, the Global Plan’s net rate of return was 3.8% (2008 - 4.8%) after applicable Administration, Investment Counsel and Trustee Fees. This translates into \$9.8 million (2008-\$9.9 million) net increase in the value of plan assets added by net investment returns determined as above. The Plan’s overall asset mix experienced certain changes from the previous period. Exposure to bonds issued by financial institutions was increased, thereby reducing the exposure to Government of Canada and provincial bond issues. Just as at the previous year-end, at December 31, 2009, 100.0% of the portfolio was invested in Federal and Provincial Government Primary or Guaranteed Bonds and Treasury Bills, Money Market Funds, Government of Canada Treasury Bills, Principal Protected Notes (Variable Rate Securities) and Corporate Bonds, including Financial Institution Bonds. Scotia Asset Management and UBS in consultation with the Foundation followed prescribed investment parameters of National Policy No.15 for scholarship plan dealers.

The Global Plan is measured against the DEX Universe Bond Index (All Government) for performance. This Index tracks the performance of Government issued bonds. It is designed to be a broad measure of the Canadian fixed income markets with the exclusion of Corporate Bonds.

Scotia Asset Management and UBS, the Investment Counsel, have strategically managed their assigned portions of the Global Plan portfolio to hold an overweight position in both Provincial and Corporate Bonds (including banks) relative to the benchmark (see below).

Sector	DEX Universe Bond Index (All Gov't)	Global Plan
Federal	64.7%	24.9%
Provincial	35.3%	33.5%
Financial Institutions	0.0%	25.9%
Principal Protected Notes	0.0%	11.0%
Money Markets	0.0%	4.7%

The unprecedented widening of credit spreads which occurred in 2008 experienced a reversal in 2009 due to the recovery in general market conditions. The overweight position in provincial

and corporate securities within the portfolio was held through 2009 and resulted in outperformance relative to the benchmark for the year.

At the end of each fiscal year the Foundation is required to reflect its returns including unrealized gains or losses. This means that the Foundation treats all of its investment holdings as if they were sold on that very year-end date. This is regardless of any longer-term strategies that the Foundation's Investment Counsel may have undertaken. Consequently, any single year return might not be as representative as a 3, 5, or 10 year return.

The following table illustrates the Global Plan's annual average gross returns along with the Benchmark, for the periods shown ended on December 31, 2009. The average net return is the sum of the years' net returns divided by the relevant number of years.

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Global Plan Return *	4.8%	4.9%	5.2%	5.7%
Benchmark - DEX Universe Bond Index (All Gov't)	1.6%	5.0%	5.1%	6.6%

* Rates are gross returns before applicable Administration, Investment Counsel and Trustee fees and include unrealized gains/losses

Recent Developments

The primary deviation from the benchmark, being the overweighting in provincial and Corporate bonds, is expected to be held into 2010. Although significant spread narrowing occurred in 2009, maintaining the exposure to provincial and Corporate Bonds is expected by Scotia Asset Management to provide higher yields versus those of federal government bonds. The strategy of overweighting provincial and corporate securities is also based on the view that in a rising interest rate environment, these two asset classes typically outperform federal government securities. Furthermore, when short-term interest rates begin to rise, the current steep yield curve should begin to flatten. It is for this reason that they have implemented a "barbell" structure within the portfolio, which is intended to capitalize on this move. During the first quarter of 2009 Scotia Asset Management moved certain under-performing Variable Rate Securities into a long term Bank bond.

UBS continues to prefer Corporate Bonds over government bonds in 2010, as they expect bond yields to rise over the next 12 months. Considered alone, this will affect all bond segments. But for Corporate Bonds, the expectation of improving economic indicators and further declines in credit spreads is likely to balance the rise in bond yields.

Management Expenses

Total management expenses for the Global Plan for the year ended December 31, 2009 were \$2.86 million (2008-\$2.37million). Within this amount investment counsel fees payable to Scotia Asset Management and UBS and trustee fees payable to Bank of Nova Scotia Trust Company amounting to \$388,000 representing 14% (2008-\$338,000 and 14% respectively) of the total expenses. The administration fee of \$ 2.25 million representing 78% (2008-\$1.8m and 76% respectively) of total fees, comprises Global Plan administration and financial reporting expenses accrued to the Foundation. The administration functions of the Global Plan include processing and call centre services related to new and existing agreements, payments, Canada Education Savings Grant (CESG), plan modifications, terminations, maturities and Education Assistance Payments (EAP). Audit, legal and related prospectus fees were \$228,000 representing 8% (2008-\$225,000 and 10% respectively) of total expenses.

Related Party Transactions

In terms of an administrative services agreement which is renewable on an annual basis, the Foundation has delegated certain administrative and distribution functions to Global Educational Marketing Corporation ("GEMC"), which is registered as a scholarship plan dealer under securities legislation of each of the provinces and territories of Canada in which it operates to sell scholarship plans. GEMC is the primary distributor of the Global Educational Trust Plan.

Financial and Operating Highlights (Dollar amounts in '\$000)

The following table shows key financial data for the Global Plan for the past five fiscal years ended December 31, 2009.

	2009	2008	2007	2006	2005
Balance Sheet					
Total Assets	\$302,038	\$242,163	\$193,324	\$149,357	\$113,070
Net Assets	\$101,165	\$80,731	\$60,985	\$46,667	\$35,878
% Change of Net Asset	25.3%	32.4%	30.7%	30.1%	42.7%
Statement of Operations					
EAP	(\$2,056)	(\$1,644)	(\$997)	(\$667)	(\$376)
Canadian Education Savings Grant	(\$2,302)	(\$1,798)	(\$1,323)	(\$888)	(\$507)
	\$7,405	\$6,696	\$5,399	\$4,691	\$3,642
Net Investment Income	\$2,147	\$2,958	(\$748)	(\$843)	\$1,411
Other					
Total number of agreements	70,127	64,254	57,825	51,094	44,972
% Change in the total number of agreements	9.1%	11.1%	13.2%	13.6%	14.8%

GEMC receives enrollment fees from subscribers that are deducted from deposits made by subscribers. In exchange for its administrative services, GEMC is entitled to receive administration fees of 1% per annum of the assets of the Plan. The Foundation retains 25% of the net administration fees and 3% of the net enrollment fees paid to GEMC representing GEMC's contractual contributions to the Foundation's Enhancement Fund. In addition, 20% to 40% of insurance premiums collected from subscribers who optionally take insurance, and special service fees which principally relate to amounts charged to subscribers in respect of dishonoured and returned cheques are remitted by the Foundation to GEMC

At December 31, 2009 the Global Educational Trust Plan's accounts payable included \$315,372 (2008 - \$1,632,098) payable to the Foundation.

The Global Educational Trust Plan may be considered to be available to connected issuers of GEMC. A connected issuer includes an issuer distributing securities that has a relationship with a securities dealer or certain parties related to that dealer, which may mean that the dealer and the issuer may or may not be independent of each other. Global Maxfin Investments Inc. and Professional Investment Services (Canada) Inc. are connected issuers of GEMC.

During the year, the Plan has purchased securities issued by counterparties with which Global Maxfin Capital Inc. ("GMCI"), an entity under common management, has acted as an advisor. No fees have been paid directly by the Plan for any services provided by GMCI to these counterparties.

Enhancement Fund

As fully detailed in the prospectus of the Global Plan dated August 28, 2009, the Enhancement Fund is administered by the Foundation and has been established in 2007 for the purpose of providing funds for return of enrollment fees to qualified student nominees. Eligibility for Enrollment Fee return payment depends on qualifying government education criteria for EFA education funding payments and completion of scheduled subscription agreement deposits.

Contractual contributions received into the Foundation's Enhancement Fund from the

Distributor, GEMC, represent 25% of the net administration fees and 3% of the net enrollment fees paid to GEMC. Additional discretionary contributions have been made to and from the Distributor based on assessed Enhancement Fund requirements.

The Foundation performs the duty of balancing all Enhancement Fund payments among qualified students for a fair and equitable distribution.

Since inception in 1998, \$3.96 million in aggregate has been returned in enrollment fees to qualifying students, of which GEMC paid \$1.48 million prior to the establishment of the Enhancement Fund in 2007.

Summary of Investment Portfolio

The Global Educational Trust Plan is known as an individual pooled education savings plan where the funds held in trust are invested collectively and professionally managed.

For purposes of meeting target duration of the portfolio, cash and cash equivalents may include cash, debt securities with maturities of ninety days or less and short-term bonds. See the Statement of Investment Portfolio in the Audited Financial Statements for listing of investments.

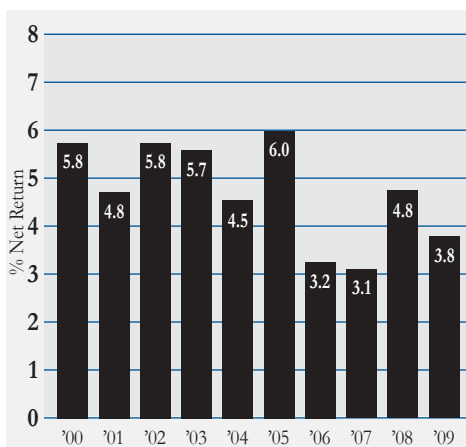
The combined subscriber contribution and government grant portfolio is summarized below:

	Fair Value \$	Investment Portfolio %
Canada Housing Trust	69,971,493	23.3
Ontario Province	45,658,524	15.2
Quebec Province	26,485,598	8.8
Pacific & Western Bank of Canada	20,847,271	6.9
Cash and Cash Equivalents	14,150,005	4.7
Hydro-Quebec	10,064,225	3.4
Toronto Dominion, Principal Protected Notes	9,897,000	3.3
Royal Bank of Canada, Principal Protected Notes	9,725,000	3.2
Canadian Imperial Bank	9,188,526	3.1
BC Province	8,481,440	2.8
Bank of Nova Scotia, Principle Protected Notes	8,373,000	2.8
Royal Bank of Canada	6,986,430	2.3
Bank of Montreal	6,517,911	2.2
Toronto Dominion Bank	6,496,393	2.2
Bank of Nova Scotia	6,201,260	2.1
BNP Paribas, Principal Protected Notes	4,958,500	1.7
Government of Canada	4,886,603	1.6
BC Municipal Financial Authority	4,647,600	1.5
Great West Lifeco	4,301,000	1.4
City of Toronto	4,292,598	1.4
National Bank	4,210,280	1.4
Sun Life Financial	4,081,480	1.4
Manulife Financial	4,020,400	1.3
Scotiabank Tier I Trust	2,807,640	0.9
American Express Canada	1,156,961	0.4
Alberta Province	1,112,839	0.4
Bank of America Corp	482,568	0.2
Total Investment Portfolio	300,002,545	100.0

Year-by-Year Returns

The following table illustrates the Global Plan's annual performance in each of the past ten years to December 31, 2009. The chart illustrates in percentages the return on investment less applicable Administration, Investment Counsel and Trustee fees for each of the financial years including realized gains/losses.

Global Plan Net Returns Since 2000



Average Returns on Investments Held in Trust

The following table illustrates the Plan's average net return on investments for the periods shown ended December 31, 2009. Investments include Subscribers' Capital Deposits, CESG, CLB, ACES and QESI. The average net return is the sum of the years' net returns divided by the relevant number of years.

Duration	1 Yr	3 Yrs	5 Yrs	10 Yrs
Period	2009	2007- 2009	2005- 2009	2000- 2009
Net Return	3.8%	3.9%	4.2%	4.7%

The Foundation's investment strategy is to buy and hold allowable investments while effectively trading to capitalize on investment opportunities in a changing interest rate environment.

Past Performance

The Foundation's investment philosophy has always been to safeguard the Global Plan holders' investments while providing stable and consistent returns. In setting the Foundation's investment objective, we focused on two fundamental factors - matching assets to liabilities and the Global Plan's ability to assume risk. As described above, over ninety percent of the portfolio is actively managed by leading Canadian investment firms. Using an asset liability model, these firms assess the long-term risk and return tradeoffs of allocating a different mix of assets to bonds across several maturities, variable rate instruments as well as short-term securities. Separate asset classes and benchmarks are established to evaluate investment management performance. The performance of each asset class is measured against benchmarks that simulate the results of the investment strategies employed by the investment managers. Past performance of the Global Plan is set out in the charts and the return tables above. Investment returns have been calculated using market values and time-weighted cash flows during the periods. The rates of return take into account the administration, custodial and investment counsel fees, and management fee expenses incurred by the Global Plan as applicable. Past returns of the Global Plan do not necessarily indicate how it will perform in the future.

Adoption of Future Accounting Standards

The Canadian Accounting Standards Board recently confirmed January 1, 2011 as the date International Financial Reporting Standards (IFRS) will replace current Canadian standards and interpretations as Canadian generally accepted accounting principles (Canadian GAAP) for publicly accountable enterprises (which include investment funds and other reporting issuers).

Management currently assesses that the changeover to IFRS will primarily affect the Plan's disclosures in the Notes to financial statements. Furthermore, it will have a pervasive effect on the presentation of the financial statements. Management assesses the most significant of these changes to be the requirement to present a statement of cash flows with its financial statements.

Global is aware of these impending requirements and will further develop any necessary changeover plans during 2010.

Management's Responsibility for Financial Reporting

The accompanying audited financial statements of Global Educational Trust Plan (the "Plan") have been prepared by management and approved by the Board of Directors of Global Educational Trust Foundation (the "Foundation"). Management is responsible for the information and representations contained in these financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. Global Educational Trust Plan, through Global Educational Marketing Corporation, 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 Canadian generally accepted accounting principles and include certain amounts that are based on estimates and judgments. The significant accounting policies, which management believes are appropriate for the Plan, are described in Note 2 to the Financial Statements.

Deloitte & Touche LLP are the external auditors of the Plan. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the Directors of the Foundation their opinion on the financial statements.

On behalf of the Board of Directors,

(Signed) "*Sam Bouji*"
Sam Bouji
Chief Executive Officer

(Signed) "*Frank Gataveckas*"
Frank Gataveckas
Chief Financial Officer

Auditor's Consent

We have read the Prospectus of Global Educational Trust Plan (the "Plan") dated August 27, 2010 relating to the continuous offering of units of the Plan. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned Prospectus of our report to the Directors of Global Educational Trust Foundation on the statement of investment portfolio as at December 31, 2009, the statements of net assets of the Plan as at December 31, 2009 and 2008, and the statements of operations and of changes in net assets for the years then ended. Our report is dated March 10, 2010..

(Signed) "*Deloitte & Touche LLP*"

Chartered Accountants,
Licensed Public Accountants

Toronto, Ontario
August 27, 2010

Auditor's Report

We have audited the statement of investment portfolio of Global Educational Trust Plan (the "Plan") as at December 31, 2009, the statements of net assets of the Plan as at December 31, 2009 and 2008, and the statements of operations and of changes in net assets for the years then ended. These financial statements are the responsibility of management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2009 and 2008 and the results of its operations and changes in net assets for the years then ended in accordance with Canadian generally accepted accounting principles.

(Signed) "*Deloitte & Touche LLP*"

Chartered Accountants,
Licensed Public Accountants

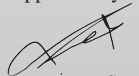
Toronto, Ontario
March 10, 2010

GLOBAL EDUCATIONAL TRUST PLAN**Statements of Net Assets**

For the years ended December 31, 2009 and 2008

Assets	2009	2008
	\$	\$
Cash and short-term investments	14,150,005	11,848,970
Investments - at market value (cost - 284,877,098 \$; 2008: \$226,970,232)	285,852,540	228,725,331
Accrued interest	2,035,573	1,588,448
	<u>302,038,118</u>	<u>242,162,749</u>
Liabilities		
Accounts payable (note 3)	609,406	1,933,992
Payable for investments purchased	9,093,629	-
Subscribers' Savings Account (note 4)	191,169,728	159,497,987
	<u>200,872,763</u>	<u>161,431,979</u>
Net Assets	<u>101,165,355</u>	<u>80,730,770</u>
Represented by		
Accumulated government grants deposits (schedule 2)	67,977,109	54,542,435
Accumulated and undistributed investment income and realized gains on investments (schedule 2)	32,212,803	24,433,284
Unrealized appreciation of investments	975,443	1,755,051
	<u>101,165,355</u>	<u>80,730,770</u>

Approved by the Board of Directors of Global Educational Trust Foundation



Sam Bouji, Director



Frank Gataveckas, Director

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

GLOBAL EDUCATIONAL TRUST PLAN**Statements of Changes in Net Assets**

For the years ended December 31, 2009 and 2008

	2009	2008
	\$	\$
Increase in net assets from operations for the year	9,552,524	9,653,948
Government grants received (note 5)		
Canada Education Savings Grants (CESG)	10,702,646	10,027,740
Canada Learning Bond	2,425,102	1,754,862
Alberta Centennial Education Savings Plan (ACES)	1,946,909	2,116,947
Quebec Education Savings Incentive (QESI)	662,094	-
Payments to nominees		
Education Assistance Payments	(2,055,661)	(1,643,641)
Government grants	(2,302,076)	(1,798,253)
Government grants income	(496,953)	(365,332)
Increase in net assets during the year	<u>20,434,585</u>	<u>19,746,270</u>
Net assets - Beginning of year	<u>80,730,770</u>	<u>60,984,500</u>
Net assets - End of year	<u>101,165,355</u>	<u>80,730,770</u>

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

GLOBAL EDUCATIONAL TRUST PLAN**Statements of Operations**

For the years ended December 31, 2009 and 2008

	2009	2008
	\$	\$
Investment income		
Interest	11,821,264	9,059,871
Expenses		
Administration fees (note 3)	2,634,572	2,138,813
Other charges	167,220	71,550
Audit costs	60,000	153,493
	<u>2,861,792</u>	<u>2,363,856</u>
Net investment income	<u>8,959,472</u>	<u>6,696,015</u>
Realized and unrealized gains on investments		
Realized gain on sale of investments	1,372,661	1,510,189
(Decrease) increase in unrealized appreciation of investments	(779,609)	1,447,744
Net gains on investments	<u>593,052</u>	<u>2,957,933</u>
Increase in net assets from operations for the year	<u>9,552,524</u>	<u>9,653,948</u>

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

Global Educational Trust Plan
Statement of Investment Portfolio

As at December 31, 2009

Subscribers' contributions invested - (70.7%)

Government Securities - 17.9%

	Par value \$	Cost \$	Fair value \$
Canada Government 1.00%, due September 1, 2011	1,120,000	1,109,808	1,114,243
Canada Government 2.00%, due September 1, 2012	1,130,000	1,125,254	1,132,158
Canada Government 2.00%, due December 1, 2014	1,300,000	1,262,300	1,254,110
Canada Housing Trust 4.05%, due March 15, 2011	28,220,000	29,331,651	29,271,478
Canada Housing Trust 4.8%, due June 15, 2012	14,220,000	15,067,577	15,190,374
Canada Housing Trust 4.55%, due December 15, 2012	3,600,000	3,700,892	3,837,349
Canada Housing Trust No. 1 2.70%, due December 15, 2013	960,000	963,274	961,430
Canada Housing Trust 2.75%, due September 15, 2014	960,000	953,696	952,694
Total Government Securities		53,514,452	53,713,836

Provincial Securities - 23.6%

Alberta Province 2.75%, due December 1, 2014	800,000	790,800	791,352
BC Province 5.7%, due June 18, 2029	5,495,000	6,007,365	6,112,198
BC Municipal Fin Auth 4.6%, due April 23, 2018	3,230,000	3,217,468	3,321,183
City of Toronto 4.95%, due June 27, 2018	2,935,000	2,926,078	3,050,551
Ontario Province 5.375%, due December 2, 2012	2,300,000	2,373,404	2,500,491
Ontario Province (Generic Int Pymt), due December 2, 2013	640,000	565,984	570,579
Ontario Province 3.25%, due September 8, 2014	1,600,000	1,626,008	1,615,488
Ontario Province 4.2%, due March 8, 2018	7,875,000	7,978,838	7,986,431
Ontario Province 6.5%, due March 08, 2029	15,905,000	19,222,701	19,163,139
Quebec Province (Generic Int Pymt), due June 1, 2012	800,000	754,408	759,448
Quebec Province (Generic Int Pymt), due June 1, 2014	800,000	687,712	693,888
Quebec Province 4.5%, due December 1, 2017	9,265,000	9,197,447	9,610,770
Quebec Province 4.5%, due December 1, 2018	1,820,000	1,853,288	1,860,113
Quebec Province 6%, due October 1, 2029	5,100,000	5,647,391	5,774,934
Hydro-Quebec 11%, due August 15, 2020	4,615,000	7,182,885	7,118,222
Total Provincial Securities		70,031,777	70,928,787

Financial Institution Securities - 20.5%

American Express Canada 4.85%, due October 3, 2014	800,000	806,400	822,728
Bank of America Corp 4.36%, due September 21, 2015	340,000	330,133	334,843
Bank of Montreal 5.04%, due September 4, 2012	4,500,000	4,830,705	4,808,295
Bank of Nova Scotia 3.03%, due June 4, 2012	1,600,000	1,632,720	1,627,648
Bank of Nova Scotia 4.94%, due April 15, 2014-19	2,700,000	2,857,275	2,854,980
Canadian Imperial Bank 5%, due September 10, 2012	4,500,000	4,598,190	4,790,340
Canadian Imperial Bank 3.05%, due June 3, 2013	1,600,000	1,612,720	1,613,615
Great West Lifeco 6.67%, due March 21, 2033	3,000,000	3,297,000	3,225,750
Manulife Financial 4.896%, due June 2, 2014	3,000,000	3,146,820	3,015,300
National Bank 4.926%, due December 22, 2014-19	3,000,000	3,165,360	3,157,710
Pacific & Western Bank of Canada 11%, due February 27, 2019	10,000,000	10,000,000	10,415,341
Pacific & Western Bank of Canada 11%, due April 30, 2019	10,000,000	10,000,000	10,431,930
Royal Bank of Canada 5%, due June 6, 2013-18	1,500,000	1,595,625	1,598,685
Royal Bank of Canada 3.27%, due November 10, 2014	3,250,000	3,249,545	3,248,817
Scotiabank Tier I Trust 7.802%, due June 30, 2019	1,800,000	1,972,224	2,105,730
Sun Life Financial 4.95%, due June 1, 2016-36	3,000,000	3,065,700	3,061,110
Toronto Dominion Bank 4.779%, due December 14, 2016-2105	4,500,000	4,119,969	4,497,503
Total Financial Institution Securities		60,280,386	61,610,325

Principal Protected Notes - 8.7%

Bank of Nova Scotia, Global Alpha Strategy Deposit Notes, Series 1, due August 29, 2014	10,000,000	10,000,000	8,373,000
BNP Paribas Millenium Comm. USD Excess, due November 10, 2014	3,550,000	3,550,000	3,520,535
Royal Bank of Canada, Enhanced Yield Note, due November 27, 2014	7,100,000	7,100,000	6,904,750
Toronto Dominion VAR Canadian Equity Coupon Notes, due December 3, 2012	7,100,000	7,100,000	7,026,870
Total Principal Protected Notes		27,750,000	25,825,155

Total subscribers' contributions invested

211,576,615 212,078,103

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

Global Educational Trust Plan
Statement of Investment Portfolio (cont.)

As at December 31, 2009

Government Grants Invested (24.6%)

Government Securities - 7.1%

	Par value \$	Cost \$	Fair value \$
Canada Government 1.00%, due September 1, 2011	450,000	445,905	447,686
Canada Government 2.00%, due September 1, 2012	460,000	458,068	460,879
Canada Government 2.00%, due December 1, 2014	495,000	480,645	477,527
Canada Housing Trust 4.05%, due March 15, 2011	12,825,000	13,330,874	13,302,859
Canada Housing Trust 4.8%, due June 15, 2012	5,315,000	5,603,824	5,677,696
Canada Housing Trust No. 1 2.70%, due December 15, 2013	390,000	391,330	390,581
Canada Housing Trust 2.75%, due September 15, 2014	390,000	387,569	387,032
Total Government Securities		21,098,215	21,144,260

Provincial Securities - 9.9%

Alberta Province 2.75%, due December 1, 2014	325,000	321,263	321,487
BC Province 5.7%, due June 18, 2029	2,130,000	2,331,200	2,369,242
BC Municipal Fin Auth 4.6%, due April 23, 2018	1,290,000	1,284,995	1,326,417
City of Toronto 4.95%, due June 27, 2018	1,195,000	1,191,367	1,242,047
Ontario Province (Generic Int. Pmt.), due December 2, 2013	260,000	229,931	231,798
Ontario Province 3.25%, due September 8, 2014	650,000	660,566	656,292
Ontario Province 4.2%, due March 8, 2018	4,295,000	4,382,731	4,355,774
Ontario Province 6.5%, due March 8, 2029	7,120,000	8,583,430	8,578,532
Quebec Province (Generic Int. Pmt.), due June 1, 2012	325,000	306,478	308,526
Quebec Province 6%, due October 1, 2012	640,000	668,826	704,371
Quebec Province (Generic Int. Pmt.), due June 1, 2014	325,000	279,383	281,892
Quebec Province 4.5%, due December 1, 2017	3,710,000	3,687,858	3,848,457
Quebec Province 4.5%, due December 1, 2018	880,000	896,095	899,395
Quebec Province 6%, due October 1, 2029	1,540,000	1,710,335	1,743,804
Hydro-Quebec 11%, due August 15, 2020	1,910,000	2,972,496	2,946,003
Total Provincial Securities		29,506,954	29,814,037

Financial Institution Securities - 5.2%

American Express Canada 4.85%, due October 3, 2014	325,000	327,600	334,233
Bank of America Corp 4.36%, due September 21, 2015	150,000	145,647	147,725
Bank of Montreal 5.04%, due September 4, 2012	1,600,000	1,717,584	1,709,616
Bank of Nova Scotia 3.03%, due June 4, 2012	650,000	663,293	661,232
Bank of Nova Scotia 4.94%, due April 15, 2014-19	1,000,000	1,058,250	1,057,400
Canadian Imperial Bank 5%, due September 10, 2012	2,000,000	2,039,008	2,129,040
Canadian Imperial Bank 3.05%, due June 3, 2013	650,000	655,168	655,531
Great West Lifeco 6.67%, due March 21, 2033	1,000,000	1,099,000	1,075,250
Manulife Financial 4.896%, due June 2, 2014	1,000,000	1,048,940	1,005,100
National Bank 4.926%, due December 22, 2014-19	1,000,000	1,055,120	1,052,570
Royal Bank of Canada 5%, due June 6, 2013-18	600,000	638,250	639,474
Royal Bank of Canada 3.27%, due November 10, 2014	1,500,000	1,499,790	1,499,454
Scotiabank Tier I Trust 7.802%, due June 30, 2019	600,000	657,408	701,910
Sun Life Financial 4.95%, due June 1, 2016-36	1,000,000	1,021,900	1,020,370
Toronto Dominion Bank 4.779%, due December 14, 2016-2105	2,000,000	1,818,356	1,998,890
Total Financial Institution Securities		15,445,314	15,687,795

Principal Protected Notes - 2.4%

BNP Paribas Millenium Comm. USD Excess, due November 10, 2014	1,450,000	1,450,000	1,437,965
Royal Bank of Canada, Enhanced Yield Note, due November 27, 2014	2,900,000	2,900,000	2,820,250
Toronto Dominion VAR Canadian Equity Coupon Notes, due December 3, 2012	2,900,000	2,900,000	2,870,130
Total Principal Protected Notes		7,250,000	7,128,345

Total Government Grants Invested

Total Subscribers' Contributions and Government Grants Invested - (95.3%)

Cash (1.2%)		3,607,265	3,607,265
Cash Equivalents (3.5%)		10,542,553	10,542,740
Total Investment Portfolio		299,026,916	300,002,545

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

GLOBAL EDUCATIONAL TRUST PLAN
Schedule 1 - Schedule of EFA Agreements

As at December 31, 2009 and 2008

Year of eligibility	Number of units outstanding*	Principal plus accumulated income \$	Government grants plus accumulated income \$	Total \$
2000	62	34,830	7,591	42,421
2001	53	22,652	4,413	27,065
2002	182	12,080	2,620	14,700
2003	927	84,902	14,880	99,782
2004	2,404	257,786	44,433	302,219
2005	3,443	542,544	105,738	648,282
2006	6,976	1,003,151	178,316	1,181,467
2007	14,159	1,732,759	300,731	2,033,490
2008	23,757	3,405,438	637,041	4,042,479
2009	32,695	6,768,869	1,426,615	8,195,484
2010	46,527	14,348,768	3,205,352	17,554,120
2011	56,021	16,292,998	3,943,822	20,236,820
2012	72,825	18,108,660	4,618,164	22,726,824
2013	79,379	17,485,458	4,711,776	22,197,234
2014	86,860	16,782,434	4,760,598	21,543,032
2015	97,281	16,207,059	4,865,602	21,072,661
2016	104,313	15,481,364	4,841,990	20,323,354
2017	108,865	14,466,725	4,635,169	19,101,894
2018	119,358	14,167,201	4,730,583	18,897,784
2019	119,831	12,687,385	4,390,239	17,077,624
2020	135,062	12,494,164	4,532,906	17,027,070
2021	135,474	10,019,776	4,063,850	14,083,625
2022	141,963	8,412,361	5,017,061	13,429,422
2023	146,996	5,898,059	4,916,111	10,814,170
2024	157,860	4,101,877	4,334,889	8,436,766
2025	158,045	2,355,742	3,496,186	5,851,928
2026	132,730	1,006,877	2,224,379	3,231,256
2027	81,962	167,822	634,154	801,976
2028	12,810	15,944	227,192	243,136
2029	9,025	-	101,881	101,881
2030	5,991	34	19,640	19,674
Dec. 31, 2009	2,093,835	214,365,718	76,993,922	291,359,640
Dec. 31, 2008	1,887,899	176,828,204	61,645,502	238,473,706

* units exclude fully redeemed units.
The accompanying notes are an integral part of these financial statements.

Global Educational Trust Plan
Schedule 2 - Reconciliation of EFA Agreements

For the years ended December 31, 2009 and 2008

The following is a summary of EFA (Educational Financial Assistance) Agreements:

Year	Opening agreements	Inflow agreements	Outflow agreements	Closing agreements
2009	64,254	9,324	3,451	70,127
2008	57,825	9,619	3,190	64,254

The following reconciles schedule 1 to the statements of net assets:	2009 \$	2008 \$
Total principal, government grants and accumulated income (schedule 1)	291,359,640	238,473,706

Represented in the statements of net assets by

Subscribers' Savings Account	191,169,728	159,497,987
Accumulated government grants deposits	67,977,109	54,542,435
Accumulated and undistributed investment income and realized gains on investments	32,212,803	24,433,284
	291,359,640	238,473,706

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

Notes to Financial Statements

1. Organization and general

The Global Educational Trust Plan (the "Plan") was established on October 14, 1998. It is administered by the Global Educational Trust Foundation (the "Foundation"), a not-for-profit organization, incorporated without share capital, under the laws of Canada. The Plan provides post-secondary education financial assistance to nominees named in the Educational Financial Assistance Agreements ("EFA Agreements"). Global Educational Marketing Corporation ("GEMC"), a company incorporated under the Canada Business Corporations Act, is the registered distributor of the Plan.

The Foundation has had a specimen copy of the EFA Agreement approved by the Canada Revenue Agency ("CRA") such that EFA Agreements may be submitted to CRA for registration as Registered Education Savings Plans ("RESP"). The Plan is an education savings plan and not an RESP. An EFA Agreement is not an RESP until the applicable conditions of the Income Tax Act (Canada) (the "ITA") are met.

Subscribers to the Plan enter into EFA Agreements with the Foundation. Under an EFA Agreement, the subscriber purchases units in the Plan. The subscriber authorizes the Foundation to deduct fees, as outlined in the prospectus, for the purpose of providing services to the Plan. At maturity, payments are made to the nominee after meeting the conditions as set out in the EFA Agreement.

2. Summary of significant accounting policies

Basis of accounting

These financial statements, prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") as defined by the Canadian Institute of Chartered Accountants' Handbook (the "CICA Handbook"), include estimates and assumptions made by management that affect the reported amounts. Significant estimates include the valuation of Principal Protected Notes (PPNs) and illiquid bonds. Actual results could differ from those estimates and the differences could be significant.

The following is a summary of significant accounting policies followed by the Plan:

Amendments of CICA Handbook Section 3862

The Plan adopted amendments to CICA Handbook Section 3862 Financial Instruments - Disclosures ("Section 3862") which require the categorization of fair value measurements based on a three-level hierarchy and other supplemental disclosures regarding fair value disclosures. These additional disclosures have been provided in Note 6.

EIC-173

In January 2009, the CICA's Emerging Issues Committee issued Abstract No.173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities ("EIC-173"). EIC-173 requires that an entity's own credit risk and the risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. Management has reviewed its policies concerning valuation of financial assets and financial liabilities and determined that it had no impact on the financial statements of the Plan.

Government grants

Government grants received are recorded in the Statement of Changes in Net Assets as a direct increase in net assets of the Plan. Government grants for which the Plan has applied on behalf of an individual planholder are recorded when payment is received from government agencies, and not at the date of the application, as the amount to be received is dependent on each individual planholder's taxation status and may not reasonably be estimated.

Subscribers' savings account

The Subscribers' savings account balance reflects only amounts received from subscribers net of deductions and does not include amounts receivable on outstanding agreements. The subscribers' savings account meets the definition of a liability and has been recognized as such in the statements of net assets.

Deductions from subscribers' deposits

The Foundation deducts from deposits made by subscribers' special service fees, depository fees, enrollment fees and, if applicable, the insurance premiums, prior to depositing the balance of the deposits in the Subscribers' Savings Account.

Enrollment fees

Enrollment fees are required as part of the initial contribution under each educational savings plan agreement. Sponsored Group Plans have a fee structure that is management fee based.

Enrollment fees collected during the reporting period are paid to GEMC on behalf of the Foundation. The Foundation retains 3% of net enrollment fees collected and 25% of net administration fees, representing GEMC's contributions to the Foundation's Enhancement Fund. The return of enrollment fees is the sole responsibility of the Foundation; neither the Plan nor GEMC have any obligation to return the enrollment fee.

Investments

Investments are stated at fair values in accordance with Accounting Guideline 18 Investment Companies. Bonds are valued at bid price, except as noted in Note 6. PPNs are hybrid financial debt instruments issued by Canadian chartered banks that have embedded components that change the risk/return profile of the security. Included in this class are structured notes that are debt instruments whose returns are based on indices or underlying assets rather than typical interest payments. PPNs are carried at fair value using pricing methodologies established by management and discussed further in Note 6.

Investment transactions are accounted for on a trade date basis. Interest income is recognized using the effective interest method. Realized and unrealized gains (losses) on investments are determined using the average cost method.

Cash equivalents

Cash equivalents consist of investments in money market funds and Government of Canada treasury bills maturing within ninety days from the date of the statements of net assets. These investments are carried at fair value.

Income taxes

The Plan is exempt from income taxes under Section 146.1 of the ITA. The income on the subscribers' savings account is currently exempt from income taxes under the ITA. Education assistance payments, and all accumulated investment income, made to qualified nominees will be included in their income for the purposes of the ITA.

The amounts deposited by subscribers are not deductible by the subscribers for income tax purposes and are not taxable

when returned to subscribers or their designated nominees.

Income paid to the subscribers is considered Accumulated Income Payments ("AIPs") and is subject to income taxes.

International Financial Reporting Standards ("IFRS")

The Plan will be required to adopt IFRS for its financial year ending December 31, 2011.

3. Related party transactions

- (a) The Foundation is the sponsor and the administrator of the Plan. In consideration for administrative services provided, the Foundation is entitled to receive administration fees of 1% per annum of the assets of the Plan. Included in this 1% administration fee are the trustee and investment counsel fees. The administration and depository fees are remitted to GEMC on behalf of the Foundation. The Foundation retains 25% of the net administration fees and 3% of the net enrollment fees paid to GEMC representing GEMC's contributions to the Foundation's Enhancement Fund. Accounts payable include \$315,372 (2008 - \$1,632,098) payable to the Foundation.
- (b) GEMC receives enrollment fees from subscribers that are deducted from deposits made by subscribers. In addition, 20% to 40% of insurance premiums collected from subscribers who optionally take insurance are remitted by the Foundation to GEMC.
- (c) Special services fees principally relate to amounts charged to subscribers in respect of cheques returned and not honoured.
- (d) During the year, the Plan has purchased securities issued by counterparties for whom (or) to whom Global Maxfin Capital Inc. ("GMCI"), an entity under common management, has acted as an advisor. No fees have been paid directly by the Plan for any services provided by GMCI to these counterparties.

4. Subscribers' Savings Accounts

The changes in the Subscribers' Savings Accounts for the year are as follows:

	2009	2008
	\$	\$
Subscribers' Savings Accounts		
- Beginning of year	159,497,987	129,869,950
Subscribers' deposits	63,110,390	58,032,162
Enrollment fees (note 3)	(14,292,782)	(14,715,421)
Depository fees (note 3)	(704,826)	(640,808)
Insurance premiums (note 3)	(360,247)	(339,276)
Special services fees (note 3)	(300,645)	(199,786)
Principal withdrawals on terminations or return of deposits	(15,780,150)	(12,508,833)
Subscribers' Savings Accounts - End of year	191,169,728	159,497,987

5. Government Grants

Canada Education Savings Grants

The Federal government encourages saving for post-secondary education by providing CESGs on RESP contributions made subsequent to 1997 for children under 18 years of age. The maximum basic CESG per child is 20% of RESP contributions of up to \$2,500 (prior to 2007, it was based on \$2,000) made on behalf of each nominee in a year. Effective in 2004, additional CESG can be added based on up to the first \$500 of RESP yearly contributions at a rate of 10% or 20% when there is eligibility based on family net income.

The maximum lifetime CESG is \$7,200. Upon maturity of an EFA Agreement and fulfillment of certain criteria established by the Federal government, the CESG deposits and accumulated investment income thereon will be added to education assistance payments made to qualified students.

Canada Learning Bond ("CLB")

Effective January 1, 2004, a new CLB was introduced to provide a source of education savings for children in low-income families.

Each child born on or after January 1, 2004 will be eligible for a CLB in each year that child's family is entitled to the National Child Benefit ("NCB") supplement, up to and including the year in which the child turns 15 years of age.

An initial CLB of \$500 will be provided for the first year of entitlement for the

NCB supplement, which could be any year from the year of birth up to and including the year in which the child turns 15 years of age.

Any subsequent CLB will be in the amount of \$100, and will be provided in respect of a child for each year in which the family is entitled to the NCB supplement up to and including the year in which the child turns 15 years of age.

Maximum CLB payments per child total up to \$2,000.

The Alberta Centennial Education Savings ("ACES") Plan

Effective January 1, 2005, under the ACES Plan, the Alberta government will contribute \$500 to the RESP of every baby born to an Alberta resident in 2005 and beyond.

Grants of \$100 will be available to children enrolled in school in Alberta at ages 8, 11 and 14 beginning in 2005 whose parents are residents of Alberta. A child will not have to receive previous grants in order to qualify for subsequent grants. The funds may be transferable to a sibling.

All children born in 2005 and beyond to Alberta residents, or born in 2005 and beyond and adopted by Alberta residents, are eligible for the first time \$500 grant.

Children born or adopted outside of Alberta, whose parent(s) or guardian(s) later become Alberta residents are eligible for the grant.

Quebec Education Savings Initiative ("QESI")

The QESI is a tax measure for Quebec resident families giving government benefits for RESPs. Effective February 21, 2007, it is based on the established CESG criteria and consists of a refundable tax credit that is paid directly into an RESP. The QESI pays an additional 50% dollar amount to what the CESG allocations are to eligible nominees. QESI lifetime maximum per Nominee is \$3,600 and the program includes carry forward provisions and increased (additional) amounts for lower income families.

6. Fair Value of Financial Instruments

Under the amendments to Section 3862, the Plan is required to disclose its fair value measurements recognized in the statement of net assets using a fair value hierarchy that reflects the significance of the inputs used to measure fair value into three broad levels. Investments measured at fair value are classified in one of three fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The three fair value hierarchy levels are as follows:

Level 1 - Quoted prices (unadjusted in active markets for identical assets or liabilities):

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Significant inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Plan's financial instruments measured at fair value classified by the fair value hierarchy set out in Section 3862:

Assets Measured at Fair Value as of December 31, 2009

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash and cash equivalents	3,607,265	10,542,740	-	14,150,005
Fixed-Income Securities	-	232,051,769	20,847,271	252,899,040
PPNs	-	24,580,500	8,373,000	32,953,500
Total	3,607,265	267,175,009	29,220,271	300,002,545

Level 3 - Rollforward of level 3 securities

Opening balance	\$17,354,000
Purchases	20,000,000
Sales	(7,901,000)
Realized gains on sales	(670,000)
Increase in unrealized gains	437,271
Closing balance	\$29,220,271

Financial instruments classified as Level 3 represent the Plan's investment in certain PPNs and the Pacific and Western Bank of Canada bonds. These securities are priced based on valuation models. The significant unobservable input used in the valuation model is the yield used to value the securities. Management estimates that a 1% increase or decrease in the yields used by management would decrease or increase net assets by approximately \$1,600,000. PPNs classified as Level 2 are valued based on bid prices obtained in secondary markets. The carrying values of the other financial instruments approximate their fair values as these financial instruments are short-term in nature.

7. Risks associated with financial instruments

The Plan defines its capital as its net assets and subscribers' deposits, which consists primarily of its financial instruments. Its financial instruments are managed as described in Note 1 and in the risk management policies described below.

In the normal course of operations the Plan may be exposed to a variety of risks arising from financial instruments. The Plan's exposures to such risks are concentrated in its investment holdings and are related to market risk (which includes interest rate risk and other price risk), credit risk, liquidity risk and currency risk.

The Plan's risk management process includes monitoring compliance with the Plan's investment policy. The Plan manages the effects of these financial risks to the Plan portfolio performance by retaining and overseeing professional external investment managers. The investment managers regularly monitor the Plan's positions, market events and manage the investment portfolio within the constraints of the investment policy.

(a) Market risk

i) Interest rate risk

Interest rate risk is the risk of a decrease in the Plan's yield on interest-bearing investments as a result of fluctuations in market interest rates. There is an inverse relationship between changes in interest rates and changes in the fair value of bonds. This risk is actively managed using duration, yield curve analysis, sector and credit selection. There is reduced risk to interest rate changes for cash and short term investments due to their short-term

nature.

As at December 31, 2009, the Plan's holdings of debt instruments by maturity is as follows:

	2009	2008
Less than 1 year	4.7%	2.24%
1-3 years	33.4%	0.21%
3-5 years	14.5%	31.35%
Greater than 5 years	47.4%	66.20%
Total debt instruments	100.0%	100.00%

As at December 31, 2009, management estimates that if prevailing interest rates had increased or decreased by 1%, the total investment portfolio value would decrease by approximately \$14,600,000 (2008 - \$7,530,000) or increase by approximately \$16,000,000 (2008 - \$7,530,000) respectively. This 1% change assumes a parallel shift in the yield curve along with all other variables held constant. In practice the actual trading results may differ materially.

ii) Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, other than those arising from interest rate risk. The asset class that is most impacted by other price risk is variable rate securities which represent 11.0% (2008 - 7.5%) of the investment portfolio. The return on PPNs are not determinable prior to maturity instead being linked to the performance of their underlying index and will depend on the extent to which the index return is positive or negative at maturity. A negative return will result in a return of only the principal amount which is protected by the issuer. The risk is managed by security selection and active management by external managers within approved investment policies and manager mandates.

As at December 31, 2009, if underlying indices prices had increased or decreased by 1% with all other variables held constant, the portfolio amount would have increased or decreased by approximately \$563,000 (2008 -

\$nil). In practice, the actual trading results may differ materially.

(b) Credit risk

Credit risk refers to the ability of the issuer of debt securities to make interest payments and repay principal and sector risk relates to the exposure to changes in a particular industrial, commercial or service sector by virtue of concentration. The Plan's portfolio comprises bonds issued or guaranteed by federal and provincial governments along with Canadian financial institution and corporate debt instruments which constitute its most significant exposure to credit risk. The Plan has a concentration of investments in government and government guaranteed bonds, which are considered to be high credit quality investments thereby

moderating its credit risk. All of the Plan's assets are exposed to credit risk.

As at December 31, 2009 and 2008, the Plan's credit exposure to long term debt instruments is as follows:

	2009	2008
AAAH/AAA/AAH/AAL	58.4%	43.6%
AA/AH/AL	33.5%	56.4%
Unrated	8.1%	0.0%
<u>Total debt instruments</u>	<u>100.0%</u>	<u>100.0%</u>

The above ratings were provided by Dominion Bond Rating Service. The variable rate notes are unrated.

(c) Liquidity risk

Liquidity risk is the risk that the Plan may not be able to meet its obligations on time. The Plan's exposure to liquidity risk is concentrated in principal repayment to subscribers and payments of Education Assistance payments.

Further information on these future obligations is provided in Schedule 1. Other financial liabilities are all due within one month.

In mitigation of these risks, the Plan retains sufficient cash and cash equivalents and primarily invests in securities that are traded in the active markets and can be readily disposed to meet expected cash requirements. ■

Certificate of Global Education Trust Foundation (Promoter), Manager and Global Educational Trust Plan

This prospectus, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada.

DATED the 27th day of August, 2010.

(Signed) “*Sam Bouji*”
Sam Bouji
President & Chief Executive Officer

(Signed) “*Alex Manickaraj*”
Alex Manickaraj
Chief Financial Officer

On behalf of the Board of Directors

(Signed) “*Margaret Singh*”
Margaret Singh
Director

(Signed) “*Peter Gaibisels*”
Peter Gaibisels
Director

Certificate of Distributor

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada.

DATED the 27th day of August, 2010.

Global Educational Marketing Corporation

(Signed) “*Sam Bouji*”
Sam Bouji
President and Chief Executive Officer

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