STUDENTS TRUST INTERNATIONAL PLANS
US $ Students Trust International Plan

Financial Statements as of and
for the year ended September 30, 2022
and Independent Auditor’s Report

STUDENTS TRUST INTERNATIONAL PLANS
US $ Students Trust International Plan

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INDEPENDENT AUDITOR'S REPORT

To the Trustee of
US $ Students Trust International Plan

Opinion

We have audited the financial statements of US $ Students Trust International Plan (the "Plan"), which comprise the statement of financial position as at September 30, 2022 and the statements of comprehensive income, changes in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at September 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Plan in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT (Cont'd)

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieved fair presentation.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Ltd.

January 30, 2023

STUDENTS TRUST INTERNATIONAL PLANS
US $ Students Trust International Plan
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022
(Expressed in United States dollars)

	Notes	2022	2021
Assets			
Non-current assets			
Financial assets at fair value through other comprehensive income	5	$ 11,102,396	$ 13,360,923
Financial assets at amortised cost	5	5,070,441	-
Subscriber deposits receivable	4	817,872	1,018,225
Total non-current assets		16,990,709	14,379,148
Current assets			
Cash and cash equivalents		2,954,690	10,162,074
Financial assets at amortised cost		2,000,665	-
Financial assets at fair value through profit or loss	5	-	467,360
Financial assets at fair value through other comprehensive income	5	190,570	763,602
Subscriber deposits receivable	4	250,976	306,670
Other receivables		67,780	69,490
Due from related parties	6	22,058	25,583
Total current assets		5,486,739	11,794,779
Total assets		22,477,448	26,173,927
Liabilities			
Current liabilities			
Accounts payable and accrued expenses		173,761	237,122
Due to related parties	6	36,470	58,320
Total liabilities		210,231	295,442
Net assets		$ 22,267,217	$ 25,878,485
Net assets represented by:			
Subscriber balances			
Subscriber deposits	7	$ 15,716,872	$ 16,542,154
Subscriber deposits receivable		1,067,116	1,322,737
Subscriber deposits – guaranteed return of fees	7	126,597	135,668
Total subscriber balances		16,910,585	18,000,559
Beneficiary balances			
Beneficiary pre maturity pool interest	8	4,783,385	4,923,799
Beneficiary post maturity pool interest	8	556,678	405,066
Enhancement account		8,383	23,599
Return of enrolment fee reserve		19,787	31,121
Total beneficiary balances		5,368,233	5,383,585
Investment revaluation reserve		(11,601)	2,494,341
Net Assets		$ 22,267,217	$ 25,878,485

For and on behalf of the Plan

Tom F. O'Shaughnessy
O'Shaughnessy Education Foundation Ltd.

For and on behalf of the Trustee

Winchester Global Trust Company Limited

STUDENTS TRUST INTERNATIONAL PLANS
US $ Students Trust International Plan
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(Expressed in United States dollars)

	Notes	2022	2021
Income			
Interest income		$ 573,311	$ 503,611
Dividend income		6,384	7,375
Donation income	6	-	20,000
		579,695	530,986
Expenses			
Administration fee	6	218,021	224,219
Management fee	6	66,962	-
Broker fee		-	42,072
Trustee fee	6	31,000	37,500
		315,983	303,791
Net investment income		263,712	227,195
Unrealised gain (loss) on financial assets at fair value through profit or loss		(2,392)	2,760
Realised loss on financial assets at fair value through profit or loss		(16,628)	-
Operating profit		244,692	229,955
Other comprehensive income			
Items that maybe subsequently classified to profit or loss			
Unrealised loss on financial assets at fair value through other comprehensive income		(2,505,942)	(914,683)
Total comprehensive loss for the year		$ (2,261,250)	$ (684,728)

STUDENTS TRUST INTERNATIONAL PLANS
US $ Students Trust International Plan
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(Expressed in United States dollars)

	Notes	Subscriber balances	Beneficiary balances	Investment revaluation reserve	Total
Balance at September 30, 2020		$18,768,064	$ 5,399,950	$ 3,409,024	$27,577,038
Net deposits repaid		(767,505)	-	-	(767,505)
Education payments	8	-	(246,320)	-	(246,320)
Operating profit		-	229,955	-	229,955
Unrealised loss on financial assets at FVTOCI		-	-	(914,683)	(914,683)
Balance at September 30, 2021		18,000,559	5,383,585	2,494,341	25,878,485
Net deposits repaid		(1,089,974)	-	-	(1,089,974)
Education payments	8	-	(260,044)	-	(260,044)
Operating profit		-	244,692	-	244,692
Unrealised loss on financial assets at FVTOCI		-	-	(2,505,942)	(2,505,942)
Balance at September 30, 2022		$16,910,585	$ 5,368,233	$ (11,601)	$22,267,217

STUDENTS TRUST INTERNATIONAL PLANS
US $ Students Trust International Plan
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(Expressed in United States dollars)

	2022	2021
Cash flows from operating activities		
Total comprehensive (loss) income for the year	$ (2,261,250)	$ (684,728)
Interest income	(573,311)	(503,611)
Dividend income	(6,384)	(7,375)
Donation income	-	(20,000)
Financial assets at fair value through profit or loss		
Unrealised (gain) loss	2,392	(2,760)
Realised loss	16,628	-
Financial assets at fair value through other comprehensive income		
Unrealised loss	2,505,942	914,683
	(315,983)	(303,791)
Movements in working capital:		
Change in subscriber deposits receivable	256,047	225,986
Change in due from related parties	3,525	(3,420)
Change in other receivables	1,710	(14,935)
Change in accounts payable and accrued expenses	(63,361)	90,632
Change in due to related parties	(21,850)	45,851
	176,071	344,114
Financial assets at fair value through other comprehensive income		
Proceeds from investments sold	325,617	798,693
Financial assets at amortised cost		
Purchase of investments	(7,071,106)	-
Financial assets at fair value through profit and loss		
Proceeds from investments sold	448,340	-
	(6,297,149)	798,693
Cash provided by/(used in) operating activities	(6,437,061)	839,016
Interest received	375,155	314,898
Dividends received	6,384	7,375
Donations received	-	20,000
Net cash generated by/(used in) operating activities	(6,055,522)	1,181,289
Cash flows from financing activities		
Distribution of education assistance payments	(260,044)	(246,320)
Subscriber deposits received	198,156	188,713
Subscriber deposits repaid	(1,089,974)	(767,505)
Net cash used in financing activities	(1,151,862)	(825,112)
Net change in cash and cash equivalents	(7,207,384)	356,177
Cash and cash equivalents at the beginning of the year	10,162,074	9,805,897
Cash and cash equivalents at the end of the year	$ 2,954,690	$ 10,162,074

1. GENERAL INFORMATION

The objective of the Students Trust International Plans (which consists of the US $ Students Trust International Plan ("the Plan"), Canadian $ Students Trust International Plan ("CAD $ Plan") and Bermuda Students Trust International Plan ("Bermuda Plan") (together the "other Plans")), is to provide education savings plans for individual subscribers who reside in countries other than Canada and the United States, to save for the post-secondary education of their children.

The Plan was formed in the British Virgin Islands ("BVI") on October 1, 2003, under trust agreements between O'Shaughnessy Education Foundation Limited ("OEF") and HSBC International Trustee Limited (the "Trustee"). On September 9, 2009 the Plan changed domicile from the BVI to Bermuda and is registered as a standard fund with the Bermuda Monetary Authority ("BMA"). OEF, which is recognised under the BVI Securities and Investment Business Act, 2010, ("SIBA") as a provider of investment business services in accordance with Category 6: Sub-category A: Administration of Investments (Excluding Mutual Funds) is the administrator of the Plan.

In order to align regulatory requirements for the Plan, OEF provided notice on June 1, 2021 to EFG Fund Services that a new Trustee would be appointed to replace them. The Notice Period in the Trust Agreement provides for a 90 days period of transition, however, OEF had requested that this period be waived so that the Plan could meet the regulatory requirements of the Bermuda Monetary Authority on the earliest possible timeline.

Effective June 1, 2021, Bermuda Commercial Bank was appointed as custodian of the Plan, Church Bay Trust Co. Ltd. as the Trustee, and O'Shaughnessy Investment Foundation Limited as the Investment Manager. Effective August 31, 2022, Church Bay Trust Co. Ltd. merged with Winchester Global Trust Company Limited, and will operate under the name of Winchester Global Trust Company Limited going forward.

Effective September 30, 2022, OEF entered into an agreement with Harbour Financial Services Limited ("HFS") under which HFS was appointed as administrator to the Plan. HFS is an affiliate of the Trustee of the Plan. OEF will continue to perform fund administration services, as sub-administrator. The daily administrative functions will be delegated to and continue to be performed by OEF. For its performance of the sub-administrative functions OEF will charge administration fees to the Plan. Any additional costs related to the appointment of HFS as administrator will be the responsibility of OEF and not the Plan or subscribers.

In addition, as of September 30, 2022, Bermuda Commercial Bank will no longer serve as custodian of the Plan, but will continue to act as depository and support disbursements to subscribers and beneficiaries. Invested assets will be held in custody by Scotia McCleod, a division of Scotia Capital Inc.

The investment objective of the Plan is to maximise income earned while preserving capital by investing primarily in government guaranteed securities such as federal and provincial Canadian and United States bonds, coupons and treasury bills, guaranteed investment certificates, insured mortgages, mutual funds and index linked funds that invest primarily in the above securities. An additional objective of the Plan is to ensure that there is sufficient liquidity to satisfy subscriber principal requests for withdrawals.

These financial statements were approved by the Board of Directors of OEF (the "OEF Board") and authorised for issue on January 30, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Basis of preparation

The Plan has elected to present a single statement of comprehensive income. The financial statements have been prepared on the historical cost basis except for the revaluation of financial assets at fair value through profit or loss ("FVTPL") or at fair value through other comprehensive income ("FVTOCI"). Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The accounting policies have been consistently applied to all years presented and the principal accounting policies are set out below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IFRS 9

The Plan adopted IFRS 9 Financial Instruments on October 1, 2018. IFRS 9 addresses the classification, measurement, impairment and derecognition of financial assets and liabilities as well as hedge accounting and replaces the multiple classification and measurement models in IAS 39.

In terms of IFRS 9, classification and measurement of debt assets is driven by the Plan's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest ("SPPI"). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

The Plan has assessed the classification of financial instruments as at the date of initial application and has applied such classification retrospectively.

Based on that assessment:

- All financial assets previously held at fair value continue to be measured at fair value;
- Financial assets previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. Such instruments continue to be measured at amortised cost under IFRS 9.

IFRS 9 requires that the Plan records expected credit losses ("ECLs") on all of its financial assets at amortised cost, either on a 12 month or lifetime basis. Given the limited exposure of the Plan to credit risk, this amendment has not had a material impact on the financial statements.

Foreign currency translation

The financial statements are presented in United States dollars ("$"), which is both the presentation and the functional currency. Transactions in currencies other than the Plan's functional currency ("foreign currencies") are recorded at the exchange rates prevailing at the dates of the transactions.

At the date of the statement of financial position the "reporting date", monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences are recognised in the investment revaluation reserve in the period in which they arise. Foreign exchange gains or losses from investments are also presented in the statement of comprehensive income within "other comprehensive income".

Financial instruments

The Plan recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on trade date, i.e. the date that the Plan commits to purchase or sell the asset.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTOCI are added to or deducted from the fair value of the financial assets of financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Plan classifies its investments as financial assets or financial liabilities at amortised cost, FVTPL or FVTOCI.

Financial assets measured at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (''SPPI'') on the principal amount outstanding.

Financial assets measured at FVTPL

A financial asset is measured through profit or loss if:

a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding. or
b) It's not held within a business model whose objective is to either collect contractual cash flows, or to both collect contractual cash flows and sell; or
c) At initial recognition it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising gains or losses on them on different bases.

Financial assets measured at FVTOCI

A financial asset is measured through other comprehensive income if:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities measured at amortised cost

Financial liabilities that are not held-for-trading or designated as at FVTPL are measured at amortised cost. This category includes accounts payable and accrued expenses and due to related parties

Financial liabilities are classified at FVTPL if it meets the definition of held for trading.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of selling or repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability may be designated at FVTPL upon initial recognition if it is irrevocably designated by the Plan as at FVTPL when doing so results in more relevant information because either:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on a different basis; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Plan's documented risk management strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivative, and IFRS 9 permits the entire combined contract to be designated at FVTPL.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Recognition and derecognition

Financial assets and financial liabilities are recognised in the Plan's statement of financial position when the Plan becomes a party to the contractual provision of the instruments.

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned. Realised gains and losses on these investments are recorded in the statement of comprehensive income. Other financial assets are derecognised only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Plan derecognises financial liabilities when, and only when, the Plan's obligations are discharged, cancelled or they expire.

Measurement

Financial instruments measured at amortised cost

Financial instruments at amortised cost are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

After initial measurement the Plan measures financial instruments which are classified as at amortised cost at amortised cost using the effective interest method less any allowances for impairment for financial assets. Gains and losses are recognised in profit or loss when the instruments are derecognised or impaired, as well as through the amortisation process.

Financial instruments measured at FVTPL

Financial instruments at FVTPL are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

After initial measurement the Plan measures financial instruments which are classified as at FVTPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net fair value gains or losses on financial assets at FVTPL in the statement of comprehensive income. Interest and dividends earned or paid on these instruments are recorded separately in interest income or expense and dividend income or expense in the statement of comprehensive income.

Financial instruments measured at FVTOCI

Financial instruments at FVTOCI are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

After initial measurement the Plan measures financial instruments which are classified as at FVTOCI, at fair value. Subsequent changes in the fair value of those financial instruments are recognised directly in other comprehensive income and accumulated in the investment revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investment revaluation reserve is reclassified to profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded securities) are based on quoted market prices at the close of trading on the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Plan utilises the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. As at September 30, 2022 and 2021, the Plan did not hold any financial assets or liabilities that were valued using valuation techniques.

Offsetting

The Plan only offsets financial assets and liabilities at FVTPL if the Plan has a legally enforceable right to set off recognised amounts and either intends to settle on a net asset basis, or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For listed and unlisted equity investments as well as debt instruments classified as financial assets at FVTOCI, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

When a financial asset at FVTOCI is considered to be impaired, cumulative gains or losses previously recognised in the investment revaluation reserve are reclassified to profit or loss in the period.

With the exception of equity instruments measured at FVTOCI, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

With respect to equity securities measured at FVTOCI, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

Cash and cash equivalents

The Plan considers cash at bank, short-term deposits and other short-term highly liquid investments with maturities of three months or less to be cash and cash equivalents.

Income and expenses recognition

Interest income is recorded when it is probable that the economic benefits will flow to the Plan and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income is recognised when the investor's right to receive payment has been established, normally the ex-dividend date.

Other expenses are recorded on the accrual basis as they are incurred.

Subscriber deposits and subscriber deposits receivable

Subscriber deposits reflect amounts received from subscribers and do not include amounts receivable on outstanding agreements. Deposits receivable represent amounts owing from subscribers which they have committed to under contract and which, if not made in accordance with the contract, will trigger the withdrawal of the subscriber from the Plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Enrolment fees

Enrolment fees are deductions from subscribers' deposits which are used to cover the costs of distribution of the Plan. Amounts equivalent to these fees are ultimately paid in equal amounts with each education payment or to the subscriber on withdrawal through the Guaranteed Return of Fees ("GRF") program. As such, enrolment fees are not recorded in the statement of comprehensive income, but are taken directly to the representing subscriber balances in net assets.

Taxation

Under the current laws of Bermuda, the Plan is not subject to income, estate, corporation or capital gains taxes. Accordingly, no provision has been made for these taxes in these financial statements. The Plan intends to conduct its affairs such that it will not be subject to taxation in any jurisdiction, other than withholding taxes on investment income and capital gains, where applicable. Withholding taxes, if any, are shown as a separate item in the statement of comprehensive income.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Plan's accounting policies, the OEF Board is required to make judgments, estimates and assumptions about carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4. SUBSCRIBER DEPOSITS RECEIVABLE

Subscribers have the option to pay for their fraction in the interest pool ("units") in full or in installments. Subscriptions receivable represent future installments to be made by the subscribers. These amounts are determined based on contracts between the Plan and the subscriber and are due at a future date based on these individual contracts.

	2022	2021
Non-current portion	$ 817,872	$ 1,018,225
Current portion	250,976	306,670
Total subscriber deposits receivable	$ 1,068,848	$ 1,324,895

5. FINANCIAL ASSETS

The fair value of financial instruments is determined as follows within the fair value hierarchy:

- Level 1 is represented by quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2 is represented by 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 is represented by inputs for financial instruments that are not based on observable market data (unobservable inputs).

(Expressed in United States dollars)

5. FINANCIAL ASSETS (cont'd)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value of the Plan's financial assets that are measured at fair value on a recurring basis

The components of investments owned at September 30 are as follows:

	2022		2021	
	Amortised cost/Cost	Fair value	Amortised cost/Cost	Fair value
Financial assets at FVTOCI				
Fixed income securities				
Canadian provincial coupons	$ 10,517,022	$ 10,512,459	$ 10,111,996	$ 12,530,249
Canadian provincial agency bonds	54,196	58,583	51,378	67,412
Canadian provincial bonds	741,141	721,924	1,466,810	1,526,864
Total financial assets at FVTOCI	$ 11,312,359	$ 11,292,966	$ 11,630,184	$ 14,124,525
Financial assets at amortised cost				
Certificate of deposits				
Canadian financial institutions	$ 7,071,106	$ 7,071,106	$ -	$ -
Financial assets at FVTPL				
Exchange traded fund	$ -	$ -	$ 464,968	$ 467,360

At September 30, 2022 and 2021, all of the Plan's investments in financial assets at FVTPL were valued using Level 1 inputs and the investments in financial assets at FVTOCI were valued using Level 2 inputs. Investments whose values are based on quoted market prices in active markets are classified within Level 1 and include active exchange traded funds. The Plan does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing source supported by observable inputs are classified within Level 2. These include investment-grade government bonds and provincial bonds. The fair value of these bonds are the present value of the stream of cash flows it is expected to generate. Hence, the value of a bond is obtained by discounting the bond's expected cash flows to the present using a discount rate. This discount rate is determined by reference to similar instruments.

There were no transfers between levels for the year ended September 30, 2022, or 2021.

The Plan's main investment strategy is to invest in fixed income securities. The move to invest in index linked funds and mutual funds were a planned strategy to counter a fall in returns of long-term government provincial and federal bonds. These investment types are allowed by the Plan's prospectus and the main line of investments remains fixed income securities.

Fixed income securities held by the Plan by calendar year of maturity are presented as follows:

	2022		2021	
Maturity	Fair value	Maturity value	Fair value	Maturity value
Due less than 1 year	$ 2,191,235	$ 2,197,000	$ 763,602	$ 750,000
Due in one to five years	8,100,833	8,391,229	3,059,240	3,088,229
Due after five years	8,072,004	12,353,779	10,301,683	12,853,779
	$ 18,364,072	$ 22,942,008	$ 14,124,525	$ 16,692,008

(Expressed in United States dollars)

5. FINANCIAL ASSETS (cont'd)

The return on investments for the current year is 2.92% (2021: 2.55%). The net return on Plan assets, including donations and forfeitures, net of expenses, is 1.27% (2021: 3.54%)

Financial instruments not carried at fair value but for which fair value is disclosed

For all of the Plan's financial assets and liabilities not carried at fair value, disclosure of fair value is not required as the carrying amount is a reasonable approximation of fair value.

6. RELATED PARTY TRANSACTIONS AND BALANCES

		2022		2021
Due from OEF	$	22,058	$	25,583
Due to OEF	$	28,824	$	57,196
Due to Trustee		7,646		1,124
Total due to related parties	$	36,470	$	58,320

These amounts are unsecured, interest free and have no fixed repayment terms.

Trustee fee

The annual trustee fee is calculated quarterly at a rate of 0.125% per annum, based upon the opening balance of assets under administration of the Plan which includes cash, cash equivalents and investments of the Plan.

The Trustee will seek reimbursement for all reasonable disbursements and out of pocket expenses as may be incurred in the execution of its duties. Any additional fees that may become chargeable relate to extraordinary events which may not have been anticipated in the fee agreement between the trustee and OEF.

During the year ended September 30, 2022, a trustee fee of $31,000 (2021: $37,500) was incurred.

Administration fee

An annual administration fee of 1% of all amounts held in subscriber accounts, deducted from interest earned quarterly at a rate of 1/4 of 1% of the quarter end balance was charged by OEF, the sub-administrator.

For the year ended September 30, 2022, a administration fee of $218,021 (2021: $224,219) was incurred.

Management fee

The annual management fee is calculated quarterly based on a rate of 0.35% per annum of the average month end invested assets under the Investment Manager's, in addition to 10% of investment income that was in excess of a 6% annualized return.

The Investment Manager, in its sole discretion, may waive or reduce the management fee charged to the Plan. For the year ended September 30, 2022, a management fee of $66,962 was charged by the Investment Manager. For the year ended September 30, 2021, a management fee of approximately $17,000 was waived by the Investment Manager.

Donations

For the year ended September 30, 2022, OEF did not make any donations to the Plan (2021: $20,000).

7. SUBSCRIBER BALANCES

Subscriptions for units

A subscriber agrees to purchase units or fraction of units in the Plan, which will entitle the subscriber's child or beneficiary under the age of 13 to a share of a pool of income that is earned by the Plan. The subscriber may acquire additional units or fraction of units until the beneficiary is 13 years old, by increasing the amount of the deposits in accordance with the deposit schedule set out in the prospectus in respect of the Plan, using the current age of the beneficiary to determine the amount of the increase.

The maximum deposit for any single beneficiary is $50,000, unless written authorisation is received from the Trustee and OEF prior to submission of the application. The Plan is in the pay-out phase and as a result, no additional subscribers have been accepted into the Plan since 2018.

Withdrawals by subscribers

A subscriber is entitled to withdraw from the Plan at any time by written notice to OEF. If withdrawal from the Plan is within 60 days from the date that the subscriber signed the application, the subscriber is entitled to a complete refund of all deposits made less any expenses incurred. If withdrawal is 61 days or more after the subscriber signed the application, OEF shall pay expenses of the Trustee, return the principal to the subscriber and transfer the interest earned on principal and interest to the education payment fund for the benefit of beneficiaries who will qualify in the same maturity year. Upon the death of the subscriber, where arrangements have not been made to continue payments of deposits, that subscriber will be deemed to have withdrawn and subject to the above terms of withdrawal.

Unclaimed funds

If the subscriber or beneficiary cannot be located by OEF at their last known address within three years after OEF sends written notice of maturity or termination, or cheques representing payment of the principal remain uncashed for three years after they are mailed, then such amounts will be for use in respect of any purpose not inconsistent with the objects and goals of the OEF.

There are certain restrictions on use of these monies by OEF:

- OEF shall ensure that a significant percentage of the unclaimed funds be donated back to the Plan to enhance Education Payments;
- OEF shall pursue a course of prudent cost control and operating efficiency to delay as long as possible the potential of using funds for ongoing administration; and
- When the requirement to use funds is imminent OEF shall obtain the confirmation from subscribers as to the method of allocating funds for this purpose.

The amount of the above-mentioned donations are determined annually based on the discretion of OEF management.

Return of principal

A subscriber may choose to have the entire principal deposited under the contract repaid when the beneficiary has qualified for an education payment. The principal, less any expenses incurred, can also be returned on withdrawal from the Plan.

In order for a beneficiary to qualify for education payments the school they attend must be an eligible institution. The subscriber or beneficiary should contact OEF to ensure that a school is an eligible institution.

In addition, the course of study the beneficiary takes must be a qualifying education program. A program qualifies if it is at least 13 consecutive weeks in duration and provides that each student in the program spend not less than ten hours per week on courses or work in the program.

7. SUBSCRIBER BALANCES (cont'd)

Guaranteed return of fees ("GRF")

Subscribers are always entitled to a return of their principal and beneficiaries will always receive the equivalent of ¼ of the enrolment fee with each of four Education Payments. However, no amount equivalent to enrolment fees are paid if the child does not qualify for Education Payments.

For subscribers whose beneficiaries do not qualify for education payments, the Plan provides the option to participate in the GRF program. Under the GRF program, subscribers can guarantee the return of enrolment fees by contributing the required GRF deposit at the time of enrolment.

GRF deposits are invested in exactly the same way as the Plan's assets; and income earned is segregated and accumulated to satisfy subscriber claims under the GRF program.

For the year ended September 30, 2022, GRF deposits of $217 (2021: $217) were received and no interest was earned and segregated.

8. BENEFICIARY BALANCES

Beneficiary pool interest and education payments

An education payment is a distribution of income from the Plan's pool of income that is paid to a beneficiary who qualifies by attending an eligible institution with a qualifying education program. A beneficiary who qualifies is eligible for up to four education payments during the four-year period starting in the year maturity occurs (when beneficiary reaches 18 or 19 years). In each year that the beneficiary is eligible, OEF shall pay to the beneficiary the education payment determined in accordance with the Plan. Payments may be deferred by notice to OEF, provided that all payments are made before the earliest of the beneficiary turning 26 years of age, 60 days prior to the end of the 25th year following the year in which the subscriber entered into one of the Plan, or such date as otherwise required by applicable legislation.

Return of enrolment fee reserve

Upon payment of each education payment to the beneficiary, OEF shall pay out of the Plan to the beneficiary an amount equivalent to one quarter of the aggregate enrolment fee paid by the subscriber excluding any enrolment fees in respect of cancelled units.

Funds in this account are invested on the same basis as the subscriber deposits and interest earned is added to the return of enrolment fees account balance.

Enhancement account

The enhancement account held in trust by the Trustee has the sole purpose of accumulating funds which are used at the discretion of OEF to supplement education payments, pay for education payments in full and fund the repayment of enrolment fees to beneficiaries. The sources of the funds are from donations, grants or bequests received from various parties and interest earned.

Funds in this account are invested on the same basis as the subscriber deposits and interest earned is added to the return of the enhancement account.

(Expressed in United States dollars)

9. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Plan's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

An investment in the Plan is speculative and involves some degree of risk due to the nature of the portfolio of investments and the strategies employed. There can be no assurance that the investment objectives of the Plan will be achieved.

Asset allocation is determined by management who manages the distribution of the assets to achieve the investment objective. Divergence from target asset allocation and the composition of the portfolio is monitored by management.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Plan are discussed below.

Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Plan's financial assets and liabilities are non-interest bearing with the exception of the financial assets at FVTOCI and cash and cash equivalents. As a result, the Plan is exposed to the interest rate risk with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

Since the investment strategy is to buy and hold financial assets at FVTOCI to maturity, changes in interest levels from year to year do not affect the future cash flows of the investments. The Plan does not actively manage its exposure to the interest rate risk.

At September 30, 2022 the Plan had cash and cash equivalents of $2,954,690 (2021: $10,162,074). If the spread between long-term and short-term interest rates had been 50 basis points higher or lower for the entire year, and all other variables were held constant, the Plan's net investment income would decrease/increase by $14,473 (2021: $50,810). The Plan's assumptions have not changed from the prior year.

Price risk

Price risk is the risk that the value of the equity securities and related derivatives will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all.

A small percentage of the Plan's investments are affected by market volatility.

The table below summarises the Plan's exposure to other price risk by type of investments:

	2022		2021	
	Fair value	% of net assets	Fair value	% of net assets
Financial assets at FVTPL				
Exchange traded fund	$ -	-	$ 467,360	1.81%

All investments present a risk of loss of capital. The maximum risk resulting from the investments is determined by their fair value.

The Plan manages the risk by investing in safe investments such as fixed income securities.

At September 30, 2022, had the market prices of these investments increased/decreased by 50 basis points, with all other variables held constant, the effect in net assets for the year would have been $0 (2021: $2,337).

9. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (cont'd)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

All transactions in fixed income securities, index linked funds and mutual funds are settled upon delivery using approved brokers. The risk of credit default is considered minimal, as delivery of fixed income securities, index linked funds and mutual funds sold are only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. Risk relating to unsettled transactions is considered small due to the short settlement period involved

The Plan seeks to mitigate the credit risk on fixed income securities by the fact that, all debt investments are with Canadian and United States governments or similarly rated government guaranteed G7 debt instruments.

Concentration

In accordance with the Plan's prospectus, the Plan may only invest in bonds, coupons and other instruments of, or guaranteed by, the governments of the United States and Canada or; bonds, coupons and other instruments of, or guaranteed, governments of the States of the United States and Provinces of Canada or; government of United States and Canada treasury bills or; first mortgages insured under National Housing Act (Canada) or; mutual funds, index linked funds or professionally managed investment accounts that invest primarily in the instruments noted above, or are based upon a stock market index replication and provide protection against foreign currency fluctuations.

Management mitigates the risk by constantly monitoring the portfolio to ensure the above investment type restrictions are respected.

Liquidity risk

Liquidity risk is the risk that the Plan will encounter difficulty in meeting obligations associated with its financial liabilities.

The Plan's prospectus provides for the on-demand cancellation of subscriptions/agreements and it is therefore exposed to the liquidity risk of meeting subscriber withdrawals from the Plan. All other financial liabilities have a contractual repayment or maturity dates ranging from on demand to three months.

The Plan mitigates its risk by requesting from the subscribers to the Plan to provide withdrawal written notices of at least 60 days which gives the Plan time to gather the necessary amounts by selling investments. All investments are traded in an active market and the Plan can quickly liquidate a position on demand.

The Plan does not anticipate any significant liquidity concerns in funding withdrawal requests or other liabilities.

Offsetting and amounts subject to master netting arrangements and similar agreements

As of September 30, 2022, and 2021 the Plan's financial assets and liabilities were not subject any master netting arrangement or similar agreements.

Capital risk management

Management considers the Plan's capital to consist of the subscriber balances attributable to unit subscriptions in the Plan. Management monitors the capital of the Plan to ensure compliance with the Plan's investment objectives, policies, and restrictions, as outlined in the Plan's prospectus while maintaining sufficient liquidity to present obligations. The Plan does not have externally imposed capital requirements.

10. SUBSEQUENT EVENTS

There were no subsequent events after September 30, 2022 to the reporting date, the date the annual financial statements were available to be issued, requiring disclosure or adjustment of the annual financial statements.