

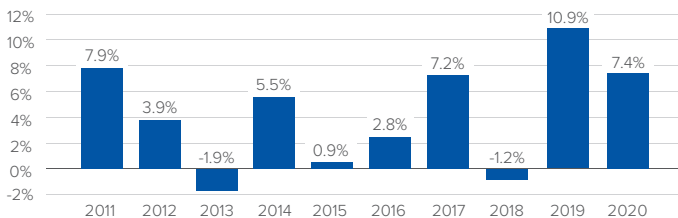
## ABOUT THE PLAN

Managed by:	Heritage Education Funds International Inc.
Portfolio Advisers:	Scotia Institutional Asset Management, a division of 1832 Asset Management L.P., Fiera Capital Corporation
Inception Date:	Sept 1, 1988
Assets Under Management <sup>2</sup>	U.S. \$145 million
Fees <sup>3</sup> :	
Membership Fee	\$110/unit
Depository Fee	\$1.00 - \$5.00/unit per year based on frequency of contributions
Administration fee <sup>4</sup>	Up to 1% per annum of principal and income. 0.81% in 2019 (incl. portfolio management fee).

## TOP 10 INVESTMENTS<sup>2</sup>

NAME	%
VANGUARD S&P 500 ETF	14.7
WI Treasury Security, 0.125% coupon 2022-05-31	11.9
United States of America Treasury Bond, 4.75% coupon 2037-02-15	7.7
VANGUARD EAFE ETF	7.4
RBC Finco Term Deposit, 0.35% coupon 2021-06-11	7.3
RBC Finco Term Deposit, 0.35% coupon 2021-06-29	6.0
RBC Finco Term Deposit, 0.35% coupon 2021-04-29	4.8
United States of America Treasury Bond, 2.75% coupon 2042-08-15	4.3
Cash and Cash Equivalents	2.0
RBC Finco Term Deposit, 0.35% coupon 2021-02-05	1.6

## ANNUAL PORTFOLIO RETURNS AS OF DECEMBER 31<sup>2,5</sup>

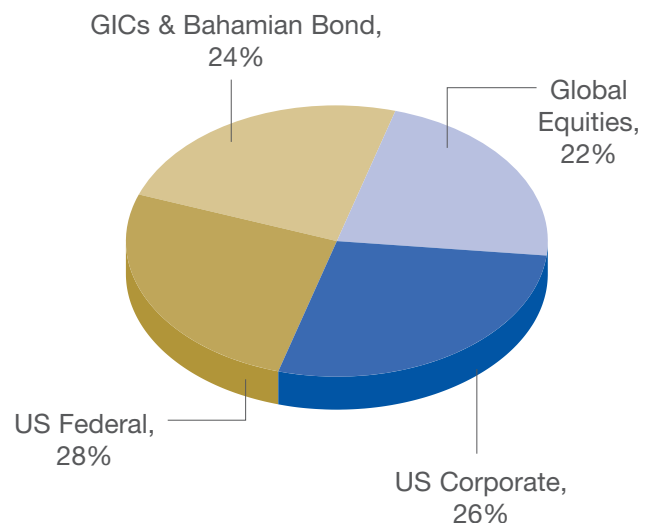


## PERFORMANCE ANALYSIS AS OF MARCH 31, 2021<sup>2</sup>

The following table illustrates the annual compounded returns for the periods shown. Investment returns have been calculated using market values and time-weighted cash flows during the periods.

Estimated unaudited Net Returns <sup>6</sup>	YTD	1 year	3 years	5 years	10 years
	-1.1%	7.4%	5.6%	5.3%	4.3%

## ASSET WEIGHTINGS AS AT MARCH 31, 2021<sup>2</sup>



## INVESTMENT POLICIES

Subscribers' Contributions will be, as directed by the Foundation, invested in term deposits, debentures and bonds, most of which are guaranteed by the Government of the United States of America or the Government of Canada, and any state, province or municipality thereof. Contributions may also be invested in corporate bonds with a minimum credit rating of BBB or equivalent, as directed by the Foundation. Income earned on Contributions may be invested in: (a) Equities listed on a stock exchange in Canada or the United States; (b) Index participation units of a Canadian or U.S. Exchange-Traded Fund ("ETF") whose objective is to replicate the performance of a specified widely quoted index of Canadian, U.S. or Global Equity Securities; (c) Corporate Bonds issued in Canada and the United States, with a minimum credit rating of BBB, and/or (d) Derivatives for hedging and liquidity purposes.

## INVESTMENT COMMENTARY

The macroeconomic outlook continued to gather momentum since the start of the year. The global vaccine campaign accelerated, and the plans for large-scale fiscal spending emboldened calls for a rapid recovery through 2021. The International Monetary Fund has upgraded its global economic growth forecast for a second time in the last three months. The new growth forecast has been set to 6%, up from 5.5%, and would be the strongest figure in the last 40 years of recorded data. Despite the third wave of the virus, the stronger than expected economic data continued to be registered, with the US manufacturing activity jumping to the highest level since December 1983.

Vaccination brought optimism to the equity markets and helped boosting the performance. In Q1, 2021, the US equities were up 6.2%, and the Global Equities returned 5.1%.

Bond yields rose markedly in Q1 amid continued rollout of Covid-19 vaccinations, and expectations of continued supportive government policies. Since bond yields and prices are negatively correlated, this resulted in negative bonds performance. The US Corporate and Government bonds (ICE BAML US Corp and Gov Master index) declined 4.4% over the first quarter of 2021.

<sup>1</sup> The Heritage International Scholarship Trust Plan is a scholarship plan administered by Heritage Education Funds International Inc., and sponsored by the Heritage International Scholarship Trust Foundation.

<sup>2</sup> Source: Heritage Education Funds International Inc. Contributions from Bahamian subscribers are required to be invested in Bahamian securities only, in accordance with requirements of The Central Bank of The Bahamas. Please see the Bahamas' prospectus for more information.

<sup>3</sup> Please refer to the plan's prospectus for full details.

<sup>4</sup> This fee is calculated based on the total amount of money all subscribers have in the Heritage International Scholarship Trust Plan and is deducted from total income before income is allocated to subscribers' plans.

<sup>5</sup> The bar chart illustrates the annual performance of the Heritage International Scholarship Trust Plan in each of the past ten years to December 31, 2019. Past performance is not indicative of future returns.

<sup>6</sup> The YTD return is the unaudited compounded rate of return as of March 31, 2021. The 1, 3, 5 and 10-year returns are audited annually compounded rate of returns as of December 31, 2020.

*This report is intended for general guidance and information purposes only and is under no circumstances intended to be used or considered as financial or investment advice, a recommendation or an offer to sell, or a solicitation of any offer to buy any securities or other form of financial asset. The information contained herein may be subject to changes without prior notice. Knowledge First Financial does not accept any form of liability, neither legally nor financially, for loss (direct or indirect) caused by the understanding and/or use of this report or its content.*