

The following comments from the Global Educational Trust Foundation pertain to the March 26, 2010 Scholarship Plan Prospectus Form:

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What is a group scholarship plan?

paragraph #2 Shares in earnings that are derived from the Contributions (deposits) made by the Subscriber. This distinction shows that earnings that are derived from grants can be used by Subscriber as AIP when not used for education **and** therefore all earnings cannot be shared.

Paragraph #3 lose earnings derived from subscriber contributions.

"Drop out" should not be used. **Suggest the word "Abandon" your plan and add the explanation "or if you do not complete your contribution requirements within the required time before the plan matures".** This covers **the possible and most likely events for discontinuation** better.

Bold paragraph – "stay in the plan" **suggest that this be replaced by "...stay in the plan and meet the contribution requirements of the plan until it matures,..."**

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How do the payments for a student's education from the Scholarship Plan work?

The **above** title would **better describe** that payments are to a student when attending education **instead of "How do the payments work?"**.

Added text information – "There is a prescribed method **of paying** the amount **and when** payments for education **will occur**. Once your student has registered and starts receiving EAP for the number of education years, **the Foundation decides** the amount that they will receive." "There can be no switching students once EAP is started."

What are the Risks?

1)(change title to) **During the contribution period before the maturity date.**

In the text replace "drop out" with suggested previous wording.

Drop Out "Abandonment" rate . This should be defined specifically and separately [making a distinction](#) for 1) pay in contribution period and 2) after the contribution payment completion period.

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Item 11

11.1 A brief description of group insurance options should be permitted. We believe that it is materially important that including this assists families in the continuation of their plan in the event of circumstances that insurance covers.

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Item 13

13.1 (3) A description of all of the government grants programs available with RESPS is required.

13.1 (3) instructions . What information would constitute the government produced documentation separate from the prospectus?

It is agreed that government produced documentation would be ideal to provide the consistent integrity of facts about the grants. At this time there is a hodge-podge of various information pieces and different formats that the federal government, HRSDC, Quebec government , and the Alberta government makes available. The 4 entities providing information all have different brochure sizes. Along with the fact that they do not update information on a current basis and go to varying detail regarding issues makes the information supply to the client unclear with little conciseness.

We believe that we can make the grants information available objectively with disclosures on procedure and requirements to get the grants.

1.3(11) and 14.4 Ongoing fees

Admin fees and Investment Counsel fees – As these are variable determined by AUM, they cannot be stated as “\$ per year”. They can be stated as “\$ for [last financial year]” as is required for Independent review committee fee.

- “If you invested...” CFO will require assistance to interpret this for determining computation.

1.3(12)

Surely it needs to be made clear here that principal contributions are guaranteed?

8.1 & 12.1

- The only one of the listed risks I am unsure about is the “legal and operational” risks. In relation to investments, assistance is required on what is envisioned here (some examples would help).
- 12.1(6) Not sure what “more than one class or series” of securities means – please clarify as to the definition of “class” and “series” in this context
- 12.1(7) At Dec 2009 over 40% of the portfolio was non–govt. It is not clear to me as of what date I this information is to be provided. I would like to do ideally it as of Dec 31, 2009 (or alternatively 30 June 2010, if necessary). Please confirm.

Item 23:

- 23.1 (2) The MER and Trading Expense ratios have not been computed/disclosed in the past. requires assistance:
 - Meaning/definitions and identification in the circumstances of GETP of the “commissions” and “other portfolio transaction costs” for the “Trading expense ratio”
 - MER computation per Part 15 of NI 81–106. Please furnish.

Item 6.1:

- 6.1 (1) Assistance is required to identify which, if any, employees of the Global group are implicated here and for which entities

Item 8.2:

8.2 (1) and (2) interpretation is required to determine the definitions and entities involved in Global’s case in order to provide the relevant data.

In Appendix B, Schedule 2 (Proposed Form 44-101F3):

- a. **In Part C, in Item 13.1 (3)**, we should not be required to state whether the value of a unit of our Plan is comparable to the units of other scholarship plans offered by other scholarship plan issuers. No other investment funds or mutual funds are required to make such disclosure of their competitor funds. No other reporting issuer is required to make such disclosure re securities offered by their competitors;
- b. **In Part A, Item 1.1**, we should not be required to present information contained in the plan summary at a grade level of 6.0 or less on the Flesch-Kincaid grade level scale and instead a plain language requirement, as referenced at page 1 of the Proposal, should be satisfactory. There is no description of this grade level scale in the CSA proposal. It is questionable whether words and concepts such as “series of security” , “prospectus” , “guaranteed investment certificates” , “government treasury bills”, “bonds” , etc could be described or be comprehensible at grade level 6.0. No other prospectus of reporting issuers are required to contain a summary stated at a grade level of 6.0 or less on the Flesch-Kincaid scale;
- c. **In Part B, Item 7.1(8), and in Part C, Item 12.2(7)**, it may be discriminatory to require disclosure that scholarship plan investments are not covered by CDIC, when other investment funds , mutual funds and reporting issuers are not required to state this. This suggests that there is higher level of risk when , in fact, the underlying investments are very conservative. By being required to state that “ Unlike bank accounts or guaranteed investment certificates, investments in scholarship plans are not covered by CDIC”, this will steer investors to bank offered RESPs. Consider deletion of the comparison to bank accounts and guaranteed investment certificates.

The above were our items of concern.

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