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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain portions of the Management Report of Fund Performance, including but not limited to, "Results of Operations" and "Recent Developments", may contain forward-looking statements about the Plan, including its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" and similar forward-looking expressions or negative versions thereof.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Plan action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Plan and economic factors. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Plan. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

It should be stressed that the above-mentioned list of important factors is not exhaustive. You are encouraged to consider these and other factors carefully before making any investment decisions and you are urged to avoid placing undue reliance on forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

Management Report of Fund Performance

Introduction

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Canadian Scholarship Trust Individual Savings Plan ("the Plan"). A copy of the annual financial statements can be obtained on request, and at no cost, by visiting our website at www.cst.org or SEDAR at www.sedar.com, or by calling our customer service area at 1-877-333-7377, or by writing to us at 2225 Sheppard Avenue East, Suite 600, Toronto, Ontario M2J 5C2.

The Canadian Scholarship Trust Foundation, as the Plan sponsor, and C.S.T. Consultants Inc., as the Investment Fund Manager, view corporate governance and compliance as important contributors to overall corporate performance and long-term investment returns, and as such we support the proxy voting guidelines established by our investment managers. Investment restrictions contained in Canadian Securities Administrators' policy, as well as the Foundation's investment policy, result in the Plan primarily investing in federal and provincial government fixed income securities. As a result, proxy voting is not applicable at this time.

Investment Objective and Strategy

The Plan invests in a prudent manner, with a focus over the long term to protect your principal and deliver a positive return on your investment. The Plan invests primarily in fixed income securities issued by the Canadian federal or provincial governments, as well as money market securities issued by Canadian chartered banks and federally or provincially licensed trust and loan companies.

MFS McLean Budden manages the Plan's assets and focuses on strategies where value can be added on a sustainable basis while meeting the short to medium-term cash flow requirements of the Plan.

Risk

The overall risk of the Plan remains as described in the prospectus. There were no material changes to the Plan over the financial year that affected the level of risk.

Results of Operation

For 2012, the Plan's rate of return, net of fees, was 0.3% compared to the investment policy benchmark ("benchmark") return of 1.4% and the broad-based DEX Short-Term All Government Bond Index return of 1.6%. The Plan's return is after the deduction of fees and expenses of 1.3%, while the benchmark and broad-based index returns do not include any costs of investing such as fees, expenses and commissions. The DEX Short-Term All Government Bond Index ("Index") is a broad measure of Canadian investment grade fixed income securities, issued by the Government of Canada, including Crown Corporations and provincial governments, with maturities from 1 to 5 years.

Given the structure of the Plan's liabilities, the composition of the Plan's assets are managed to meet the short-term cash flow requirements of Planholders. In comparison to the broad-based Index, the Plan's current asset mix requires a higher allocation of lower yielding money market securities to best meet its short-term obligations to Planholders.

The benchmark for this plan is blended and comprised of 70% DEX Short-Term All Government Bond Index, and 30% DEX 91-Day Treasury-Bill Index. The DEX 91-Day Treasury Bill Index is based upon the average daily yield of 91-Day Treasury-Bills.

Over the past year, investor confidence continued to be impacted by uncertainty within the global economy. The ongoing struggle within the European Union to stabilize a number of member economies, especially those of Greece and Spain, sent the region back into a recession. The United States continued to use monetary stimulus programs that placed downward pressure on long-term interest rates, in an effort to maintain the economy's positive growth. The strains of the global financial markets and sizable household debt and public deficits, continue to pose some risks to the sustainable momentum of the U.S. economic recovery.

Canada's economic activity expanded modestly with GDP growth of 1.8% and 1.9% in first and second quarters of the year. However, in the third quarter of 2012, GDP slowed to 0.6% as exports and business investment declined, and federal and provincial governments exercised restraint over expenditures. In July 2012, the federal government imposed tighter mortgage rules which aimed to ease demand in the overvalued Canadian housing market. Excessive household debt levels, combined with ongoing uncertainty with the U.S. economic recovery and European sovereign debt crisis will continue to moderate Canadian GDP growth in the fourth quarter of 2012.

Short-term Canadian government bond yields fluctuated throughout the year. In February 2012 yields rose with news of new monetary policy measures in Europe and positive U.S. and Canadian economy data. Yields peaked in April and then subsequently declined after solvency concerns for Spain and Greece resurfaced. Short-term bond yields ended the year slightly lower, as European leaders settled on austerity policies to support its struggling national economies. Canada maintained its AAA credit rating throughout the global economic slowdown, and government bonds continued to attract investors searching for safety. Canadian money market yields remained unchanged for the year as the Bank of Canada maintained its policy overnight rate at 1.0%.

The Plan's overall asset mix did not change significantly from the previous period, as assets are managed to meet short-term cash outflow requirements. At October 31, 2012, 33.2% of the Plan assets were invested in Cash and Money Market Securities and 66.8% in Short and Mid-Term Bonds.

Recent Developments and Other Information

Looking beyond 2012, the economic expansion in the U.S. is expected to continue at a steady pace provided policymakers resolve the so called "fiscal cliff" issues – the scheduled simultaneous expiry of tax cuts and government spending – that if unresolved, may send the U.S. economy back into a recession. Europe will face stagnant economic growth prospects while it continues to address the structural adjustments required within European Union member countries and implement necessary austerity measures. Central banks around the world continue to aggressively maintain interest rates at low levels in order to keep the global recovery on track.

In October 2012, the Bank of Canada indicated that some modest withdrawal of the monetary policy stimulus will likely be required in the future, however, it will weigh global and domestic economic developments, before raising interest rates. Economists are looking to strong business investment, improved exports and consumer spending, rather than government expenditures and residential investment, to drive Canadian economic growth next year. Unemployment is expected to gradually decline throughout 2013.

We are confident that our investment strategy and conservative management approach will continue to provide value. Our goal, as always, is to provide safety of principal and deliver competitive returns for our contributors and beneficiaries.

Future Accounting Standards

In February 2008 the Canadian Accounting Standards Board ("AcSB") confirmed that the use of International Financial Reporting Standards ("IFRS") will be required for publicly accountable enterprises. In December 2011, the AcSB amended the deadline for adoption of IFRS by certain qualifying investment funds to extend the adoption date to years beginning on or after January 1, 2014. Therefore, IFRS will replace Canadian GAAP and become effective for the Plan's interim and annual financial statements relating to the fiscal year ending October 31, 2015 with comparatives. We are taking the following steps to transition to IFRS:

- Identification of areas where changes in disclosure will be required under IFRS;
- Identification of operational areas impacted by the adoption of IFRS;
- Identification of major differences between current accounting policies and IFRS;
- Assessment of current reporting systems and their readiness for IFRS implementation; and
- Implementation of an IFRS transition plan.

Financial and Operating Highlights (with comparative figures)

The following table shows key financial data for the Plan and is intended to help you understand the financial results for the past five fiscal years ended October 31.

($ thousands)	**2012**	2011	2010	2009	2008
Statement of Net Assets					
Total Assets	**$11,249**	$10,365	$ 9,238	$9,168	$9,088
Net Assets	**4,107**	3,739	3,533	3,691	3,633
% Change of Net Assets	**9.8%**	5.8%	(4.3)%	1.6%	15.7%
Statement of Investment Operations					
Net Investment Income	**$ 61**	$ 196	$ 147	$ 263	$ 249
Statement of Changes in Net Assets					
Education Assistance Payments	**$ (703)**	$ (659)	$ (910)	$ (944)	$ (939)
Government Grants Received (net of repayments)	**383**	294	63	10	131
Government Grant Payments to Beneficiaries	**(233)**	(175)	(218)	(252)	(243)
Other					
Total number of Agreements	**3,390**	3,017	2,497	2,231	2,123
% Change in the total number of Agreements	**12.4%**	20.8%	11.9%	5.1%	8.9%

MANAGEMENT FEES

Administration Fees

An administration fee of $120 thousand (2011 – $110 thousand) comprising Plan administration and processing fees and financial reporting expenses was paid to the Canadian Scholarship Trust Foundation, the sponsor and administrator of the Plan, in accordance with contributors' Education Savings Plan Agreements. The administration of the Plan includes processing and call centre services related to new agreements, Government Grants, plan modifications, terminations, maturities and Education Assistance Payments ('EAPs"). The annual administration fee is calculated as 1% of the total amount of Principal, Government Grants and income in the contributors' accounts, which is paid monthly.

The Foundation has delegated certain administrative and distribution functions to its wholly-owned subsidiary, C.S.T. Consultants Inc., which is registered as the Plan's Investment Fund Manager in Ontario and Scholarship Plan Dealer under securities legislation of each of the provinces and territories of Canada in which it operates to sell scholarship plans. C.S.T. Consultants Inc. is the exclusive distributor of the Canadian Scholarship Trust Plans.

In exchange for its administrative services, C.S.T. Consultants Inc. receives an amount equal to the administration costs incurred plus a percentage of such costs from the Foundation. The administration services agreement is renewable on an annual basis.

Portfolio Management Fees

The Plan's annual investment management fee is 0.13% (2011 – 0.13%) of the weighted average monthly assets. The portfolio managers provide investment advisory and discretionary managed account services with respect to purchasing, selling, and dealing in securities.

Included in the Plan's portfolio management fees is an allocation for the services of Greystone Managed Investments Inc., an investment management firm and wholly-owned subsidiary of Greystone Capital Management Inc. ("Greystone"). As at October 31, 2012, one director of the Foundation was a member of the Board of Greystone. This director did not have any beneficial ownership of Greystone equity. The director does not participate in any of the Foundation's Board deliberations concerning the investment management of the Plan, nor vote on any resolutions recommended by the Investment Committee of the Foundation. The portfolio management fees in the Statements of Investment Operations include fees paid or payable to Greystone Managed Investment Inc. of $1 thousand (2011 – $1thousand).

Trustee and Custodian Fees

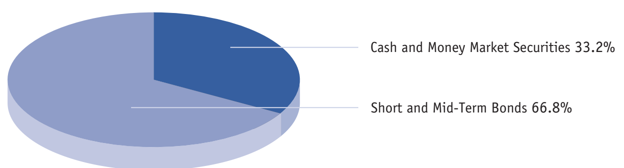
The Plan pays trustee and custodian fees to RBC Investor Services Trust to settle all investment trades and disburse fees, EAPs and other amounts in accordance with the terms of the Plan Agreement. For 2012 these fees charged to the Plan amounted to $5 thousand (2011 – $5 thousand) and are 0.05% (2011 – 0.06%) of the weighted average monthly assets.

Summary of Plan Investment Portfolio

The Plan's Total Portfolio Assets are comprised of the principal and accumulated investment income on all education savings plan agreements that have not been paid out to beneficiaries and/or withdrawn by contributors. The income earned on the Plan's assets is the main component in determining the value of EAPs to be paid to Plan beneficiaries. Government Grant assets and any related investment income are specific to each beneficiary. Any payments to beneficiaries from Government Grant assets are treated as separate payments and not included in EAP values paid out. As a result, the Plan's Total Portfolio Assets as presented reflect the pre-maturity assets and does not include the allocation of assets from the Government Grants belonging to this Plan.

The following chart illustrates the Plan's Total Portfolio assets by appropriate investment categories.

Asset Mix as at October 31, 2012



The following table details the top 19 long positions in the Plan. The Plan is prohibited from holding short positions in securities.

Issuer	Rate	Maturity Date	Fair Value ($ 000's)	% of Plan Portfolio Assets
Province of Ontario	3.25%	08 Sep 2014	534	8.0%
Province of Quebec	5.50%	01 Dec 2014	521	7.9%
Government of Canada	3.50%	01 Jun 2013	389	5.9%
Province of Ontario	5.00%	08 Mar 2014	336	5.1%
Province of British Columbia	4.65%	18 Dec 2018	294	4.4%
Government of Canada	1.75%	01 Mar 2013	276	4.2%
Government of Canada	2.50%	01 Jun 2015	269	4.1%
Government of Canada	3.00%	01 Jun 2014	268	4.0%
Canada Housing Trust	2.75%	15 Dec 2014	243	3.7%
Province of British Columbia	4.25%	18 Jun 2014	189	2.8%
Canada Housing Trust	2.45%	15 Dec 2015	181	2.7%
Province of Ontario	4.75%	02 Jun 2013	168	2.5%
Government of Canada	2.50%	01 Sep 2013	157	2.4%
Province of Quebec	4.50%	01 Dec 2020	148	2.2%
Province of Ontario	4.40%	08 Mar 2016	142	2.1%
Government of Canada	3.75%	01 Jun 2019	131	2.0%
Government of Canada	1.50%	01 Sep 2017	96	1.4%
Government of Canada	1.50%	01 Jun 2023	58	0.9%
Government of Canada	1.50%	01 Dec 2012	25	0.4%
Top long positions as a percentage of Plan portfolio assets				**66.7%**

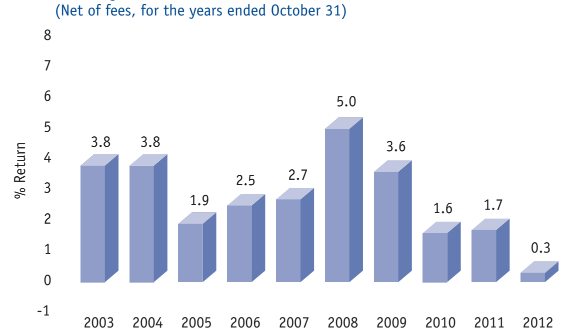
Past Performance

Our investment philosophy has always been to safeguard our contributors' investments while providing stable and consistent returns.

Past performance of the Plan is set out in the following chart and the annual compound returns table and is based on the growth in assets over the term of the Plan to maturity. The returns presented are based on the income earned on the Plan's investment portfolio only and do not reflect the investment income or allocation of assets from the Government Grants. Investment returns have been calculated using market values and time-weighted cash flows during the periods. Total expenses incurred by the Plan, including administration, portfolio management, custody and trustee fees have been deducted and only net returns are displayed in each period. Past returns of the Plan do not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The following bar chart illustrates the Plan's annual performance in each of the past ten years to October 31, 2012. The chart illustrates in percentage terms how much an investment made on the first day of each financial year would have increased or decreased by the last day of each financial year:



Annual Compound Returns

The following table illustrates the Plan's annual compounded returns, for the periods shown ended on October 31, 2012:

The Plan's benchmark is comprised of:

70% DEX Short-Term All Government Bond Index *
30% DEX 91-Day Treasury Bill Index *

The broad-based index is the DEX Short-Term All Government Bond Index.

	Period			
	1 Yr	3 Yr	5 Yr	10 Yr
Net Plan Return	0.3	1.2	2.4	2.7
Benchmark*	1.4	2.3	3.5	3.6
Broad-based index: DEX Short-Term All Government Bond Index*	1.6	3.0	4.5	4.2

* Note: Investors cannot invest in the index without incurring fees, expenses and commissions, which are not reflected in the index returns.

Management's Responsibility for Financial Reporting

The accompanying financial statements of Canadian Scholarship Trust Individual Savings Plan (the "Plan") are prepared by management and are approved by the Board of Directors of Canadian Scholarship 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.

The Foundation, through C.S.T. Consultants Inc., a wholly-owned subsidiary which administers the Plan, maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with 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 LLP is the external auditor of the Plan. It has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the Board of Directors and Members of the Foundation its opinion on the financial statements. Its report is set out below.

Sherry J. MacDonald, CA
President and Chief Executive Officer

Joe Spagnuolo, CA
Chief Financial Officer and Treasurer

Toronto, Ontario
January 4, 2013

Independent Auditor's Report

To the Board of Directors and Members of the Canadian Scholarship Trust Foundation

We have audited the accompanying financial statements of Canadian Scholarship Trust Individual Savings Plan, which comprise the statements of net assets available for education assistance payments as at October 31, 2012 and 2011, and the statements of investment operations, statements of changes in net assets available for education assistance payments and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Scholarship Trust Individual Savings Plan as at October 31, 2012 and 2011 and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Deloitte LLP

Chartered Accountants
Licensed Public Accountants
January 4, 2013

Statements of Net Assets Available for Education Assistance Payments

As at October 31, 2012 and 2011 (in thousands of dollars)

	2012	2011
Assets		
Investments, at fair value *(Note 4 and Schedule I)*	$ 8,442	$ 7,995
Cash and cash equivalents	1,588	118
Short-term investments	651	1,993
Accrued interest and other receivables	533	194
Receivables for securities sold	–	3
Government grants receivable	35	62
	11,249	10,365
Liabilities		
Accounts payable, accrued liabilities and unclaimed contributors' funds	181	265
Payables for securities purchased	5	9
Contributors' deposits *(Schedule II)*	6,956	6,352
	7,142	6,626
Net Assets Available for Education Assistance Payments	4,107	3,739
Represented by:		
Non-Discretionary Funds		
Accumulated interest held for future education assistance payments *(Schedule II)*	2,056	2,015
Government grants	1,674	1,366
Interest on Government grants	338	306
Unrealized Gains	39	52
	$ 4,107	$ 3,739

Approved on behalf of the Board of Canadian Scholarship Trust Foundation

Colin E. Litton, FCA
Director

Sherry J. MacDonald, CA
Director

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

Statements of Investment Operations

For the years ended October 31, 2012 and 2011 (in thousands of dollars)

	2012	2011
Income		
Interest income	$ 252	$ 262
Realized (losses) gains	(54)	59
	198	321
Expenses		
Plan administration and processing fees *(Note 3(a))*	90	83
Financial reporting *(Note 3(a))*	30	27
Portfolio management fees	12	10
Trustee fees	4	4
Custodian fees	1	1
	137	125
Net Investment Income	61	196
Decrease in Unrealized Gains	(13)	(39)
Increase in Net Assets from Investment Operations	$ 48	$ 157

Statements of Changes in Net Assets Available for Education Assistance Payments

For the years ended October 31, 2012 and 2011 (in thousands of dollars)

	2012	2011
Net Assets Available for Education Assistance Payments, Beginning of Year	$ 3,739	$ 3,533
Increase in Net Assets from Investment Operations	48	157
Transfers from internal and external plans	889	608
	937	765
Receipts		
Government grants received (net of repayments)	383	294
Disbursements		
Payments to beneficiaries		
Education assistance payments	(703)	(659)
Government grants	(233)	(175)
Return of interest	(16)	(19)
	(952)	(853)
Receipts less Disbursements	(569)	(559)
Increase in Net Assets Available for Education Assistance Payments	368	206
Net Assets Available for Education Assistance Payments, End of Year	$ 4,107	$ 3,739

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

Statements of Cash Flows

For the years ended October 31, 2012 and 2011 (in thousands of dollars)

		2012		2011
Operating Activities				
Increase in Net Assets from Investment Operations	$	48	$	157
Net proceeds (disbursements) for investment transactions		827		(886)
Items not affecting cash				
Realized losses (gains) on sale of investments		54		(59)
Decrease in Unrealized Gains		13		39
Change in non-cash operating working capital				
Increase in Accrued interest and other receivables		(339)		(119)
Decrease (increase) in Government grants receivable		27		(44)
(Decrease) increase in Accounts payable, accrued liabilities and unclaimed contributors' funds		(84)		19
Cash flow from Operating Activities		546		(893)
Financing Activities				
Transfers from internal and external plans		889		608
Government grants received (net of repayments)		383		294
Increase in Contributors' deposits *(Schedule II)*		604		899
Payments to beneficiaries		(952)		(853)
Cash flow from Financing Activities		924		948
Net increase in Cash and cash equivalents		1,470		55
Cash and cash equivalents, Beginning of Year		118		63
Cash and cash equivalents, End of Year	$	1,588	$	118

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

Schedule I – Statement of Investment Portfolio

As at October 31, 2012 (in thousands of dollars)

Security		Par Value ($)	Fair Value ($)	Average Cost ($)
Bonds				
FederalFederal – 31.6%				
Government of Canada				
1.50%	1 Dec 2012	25	25	25
1.75	1 Mar 2013	275	276	277
3.50	1 Jun 2013	385	389	403
2.50	1 Sep 2013	155	157	158
3.00	1 Jun 2014	260	268	268
2.50	1 Jun 2015	260	269	266
1.50	1 Sep 2017	95	96	95
3.75	1 Jun 2019	115	131	132
1.50	1 Jun 2023	60	58	57
Canada Housing Trust				
2.75	15 Dec 2014	235	243	242
2.45	15 Dec 2015	175	181	179
			2,093	2,102
Provincial – 35.2%				
Province of British Columbia				
4.25	18 Jun 2014	180	189	191
4.65	18 Dec 2018	255	294	285
Province of Ontario				
4.75	2 Jun 2013	165	168	176
5.00	8 Mar 2014	320	336	336
3.25	8 Sep 2014	515	534	531
4.40	8 Mar 2016	130	142	142
Province of Quebec				
5.50	1 Dec 2014	480	521	527
4.50	1 Dec 2020	130	148	136
			2,332	2,324
Total Fixed Income Investments – 66.8%			**4,425**	**4,426**
Cash and Short-term Investments – 33.2%			2,207	2,207
Total Portfolio Assets – 100.0%			**6,632**	**6,633**
Investments Allocation – *(Note 4)*				
Government Grants *(Appendix I)*			4,017	3,977
Cash and Short-term Investments *(Appendix I)*			32	32
Total Investment Fund			**10,681**	**10,642**
Represented by:				
Investments, at fair value			8,442	
Cash and cash equivalents			1,588	
Short-term Investments			651	
			10,681	

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

Schedule II – Contributors' Deposits and Accumulated Interest

As at October 31, 2012 and 2011 (in thousands of dollars)

The following table provides a summary of Individual Savings Plan agreements, Contributors' Deposits and Accumulated Interest:

Opening Agreements	Inflow Agreements	Outflow Agreements	Closing Agreements	Contributors' Deposits	Accumulated Interest
3,017	901	528	3,390	$ 6,956	$ 2,056

The changes in Contributors' deposits are as follows:

	2012	2011
Net payments from contributors[1]	**$ 1,839**	$ 1,648
Inter-Plan principal transfers	**934**	1,044
Return of principal	**(2,169)**	(1,793)
Net increase in Contributors' Deposits	**604**	899
Balance, Beginning of Year	**6,352**	5,453
Balance, End of Year	**$ 6,956**	$ 6,352

1 Net of Enrolment fees collected of $19 (2011 – $18)

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

Notes to the Financial Statements

October 31, 2012 and 2011 (in thousands of dollars)

Note 1. Nature of Operations

The Canadian Scholarship Trust Individual Savings Plan ("Individual Savings Plan" or the "Plan") is a self-determined Education Savings Plan that was established on October 1, 1999. The objective of the Individual Savings Plan is to assist parents and others to save for the post-secondary education of children. The Individual Savings Plan is managed and distributed by C.S.T. Consultants Inc. ("C.S.T.C."), a wholly-owned subsidiary of the Canadian Scholarship Trust Foundation (the "Foundation"). The Foundation was created to encourage and promote post-secondary education by making education savings plans available to Canadian residents.

Payments are made by a contributor to an account maintained by the depository trustee on behalf of a beneficiary. Deductions of enrolment fees are made from the contributor's contributions. The principal accumulated over the term of the contributor's education savings plan agreement ("Agreement") is returned in whole or in part at any time at the request of the contributor. A beneficiary is deemed to be a qualified student upon receipt by the Foundation of evidence of enrolment in a qualifying educational program at an eligible institution. Education assistance payments paid to qualified students from the Individual Savings Plan are determined by the contributor and are paid from the income earned on the contributor's principal.

There are a number of government grants that may be available to beneficiaries:

i. The Canada Education Savings Grant Program ("CESG") is a grant from the Federal Government whereby Registered Education Savings Plans ("RESPs") receive grant amounts dependent on family income;
ii. Any child born on or after January 1, 2004, and who also qualifies for the National Child Benefit Supplement may be eligible for the Canada Learning Bond ("CLB");
iii. Any child born in the province of Alberta on or after January 1, 2005, may be eligible for the initial Alberta Centennial Education Savings Grant ("ACES"). Subsequent grants may be paid to all children attending school in Alberta at certain eligible ages; and
iv. The Québec Education Savings Incentive ("QESI") is available for beneficiaries who are under eighteen years of age and reside in Québec on December 31 of each year. The amount of QESI to be received by a beneficiary will depend on annual family income.

The Individual Savings Plan receives the CESG, CLB, ACES and QESI (collectively "Government grants"), which are paid directly into a beneficiary's RESP and invests these funds in accordance with the Plan's investment policies. The Government grants along with investment income earned thereon are paid to qualified students.

Agreements are registered with appropriate government authorities if all required information is provided, and once registered are subject to the rules for RESPs under the *Income Tax Act* (Canada). The current tax legislation provides that income credited on contributors' principal is not taxable income of the contributor unless withdrawn as an Accumulated Income Payment subject to certain eligibility requirements being met. The deposits are not deductible for income tax purposes and are not taxable when returned to the contributor. Payments made to a qualified student, including education assistance payments, grants and investment income earned on grants will constitute taxable income of that student in the year that the payments are made.

Note 2. Significant Accounting Policies

(a) Generally accepted accounting principles

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

(b) Future accounting standards

In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that the use of International Financial Reporting Standards ("IFRS") will be required for publicly accountable enterprises. In December 2011, the AcSB amended the deadline for adoption of IFRS by certain qualifying investment funds to extend the adoption date to years beginning on or after January 1, 2014. Therefore, IFRS will replace Canadian GAAP and become effective for the Plan's interim and annual financial statements relating to the fiscal year ending October 31, 2015. Management is in the process of developing a transition plan, which will include identifying differences between the Plan's current accounting policies and those it expects to apply under IFRS, as well as any accounting policy and implementation decisions and their resulting impact, if any, on the financial statements of the Plan.

(c) Investment valuation

Investments, at fair value include the following types of securities: bonds, money market securities and variable rate securities.

Bonds and money market securities are valued using bid prices at year end. In the event that quoted market prices are not available, the fair values presented are estimated using present value or other valuation techniques.

Variable rate securities are hybrid financial debt instruments issued by governments, Canadian chartered banks and licensed trust and loan companies 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. Variable rate securities are carried at fair values using external pricing models to value their components.

Note 6 provides further guidance on the fair value measurements.

(d) Investment transactions and income recognition

Investment transactions are accounted for on a trade date basis. Interest income on investments is recognized using the effective interest method. Realized gains (losses) on the sale of investments and change in unrealized gains (losses) on investments are calculated with reference to the average cost of the related investments and are recognized in the period that such gains (losses) occur.

Notes to the Financial Statements (continued)

October 31, 2012 and 2011 (in thousands of dollars)

Note 2. Significant Accounting Policies (continued)

(e) Contributors' deposits and Enrolment fees

Contributors' deposits reflect amounts received from contributors and do not include future amounts receivable on outstanding Agreements. An enrolment fee is required as part of the initial contribution under each education savings plan Agreement. Enrolment fees collected during the reporting period are paid to C.S.T.C.

(f) Income taxes

Individual Savings Plan is exempt from income taxes under Section 146.1 of the *Income Tax Act* (Canada).

(g) Cash and cash equivalents

Cash and cash equivalents include short-term investments with a purchase date to maturity of 90 days or less.

(h) Use of estimates

In preparing the financial statements, management is required to use estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the current estimates. Significant estimates included in these financial statements relate to valuation of Level 3 financial instruments as discussed in Note 6, and Accounts payable, accrued liabilities and unclaimed contributors' funds.

Note 3. Related Party Transactions

(a) Distribution and Administration of the Individual Savings Plan

The Foundation, as the Plan sponsor, has appointed C.S.T.C. as the Investment Fund Manager to administer and distribute the Individual Savings Plan. The distribution agreement is renewable annually on November 1. Administration fees (comprising Plan administration and processing fees and Financial reporting expenses) are paid to the Foundation. Administration fees are annual fees of 1% of the total amount of principal, Government grants and income earned thereon. Enrolment fees paid by contributors from their initial contributions are paid to C.S.T.C. as compensation for the sale and distribution of savings plans.

(b) Other Related Party Transactions

The Foundation retains the services of Greystone Managed Investments Inc., an investment management firm and wholly-owned subsidiary of Greystone Capital Management Inc. ("Greystone"). As at October 31, 2012, one director (2011 – two directors) of the Foundation was a member of the Board of Directors of Greystone. This director does not have any beneficial ownership of Greystone equity. The director does not participate in any of the Foundation's Board deliberations concerning the investment management of the Plan and does not vote on any resolutions recommended by the Investment Committee of the Foundation.

Portfolio management fees in the Statements of Investment Operations include fees paid or payable to Greystone of $1 (2011 – $1). There were no balances included in Accounts payable, accrued liabilities and unclaimed contributors' funds in the Statements of Net Assets Available for Education Assistance Payments owing to Greystone as at October 31, 2012 or 2011.

All related party transactions are in the normal course of business and are measured at the exchange amount.

Note 4. Investment Holdings

The investment holdings are disclosed in Schedule I – Statement of Investment Portfolio and the related Appendix I to the schedule, which are explained below.

The Government grants received from Human Resources and Skills Development Canada are collectively invested together with other C.S.T.C. administered plans. The principal and income received are separately tracked for each contributor's Agreement. The portfolio holdings are allocated across all plans based on the proportion of principal and income attributable to Agreements within each plan (see Appendix I to Schedule I).

Note 5. Risks Associated with Financial Instruments

In the normal course of business 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 cash equivalents due to their short-term nature.

Notes to the Financial Statements (continued)

October 31, 2012 and 2011 (in thousands of dollars)

Note 5. Risks Associated with Financial Instruments (continued)

(a) Market risk (continued)

i. Interest rate risk (continued)

The Plan's holdings of debt instruments by maturity are as follows:

Debt Instruments by Maturity Date	% of Total Investment Fund	
	October 31, 2012	October 31, 2011
Less than 1 year (including short-term investments)	32%	34%
1-3 years	34%	32%
3-5 years	17%	22%
Greater than 5 years	17%	12%
Total Debt Instruments	**100%**	**100%**

As at October 31, 2012, if prevailing interest rates had increased by 1%, the Total Investment Fund amount of $10,681 (2011 – $10,106) as per the Statement of Investment Portfolio would have decreased by $258 (2011 – $216). If prevailing interest rates had decreased by 1%, the Total Investment Fund would have increased by $272 (2011 – $216). This 1% change assumes a parallel shift in the yield curve 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 all instruments traded in a market or market segment affect other price risk. The asset class that is most impacted by other price risk is variable rate securities, which represents nil% (2011 – 0.1%) of the Total Investment Fund amount as at October 31, 2012. For these securities, positive returns are capped and the return of principal at maturity is protected from any negative performance. These features limit volatility and mitigate the downward impact on the value of these securities.

As at October 31, 2012, if underlying indices prices had increased or decreased by 1%, with all other variables held constant, the Total Investment Fund amount as per the Statement of Investment Portfolio would not have increased or decreased (2011 – $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. The Plan's portfolio is comprised of bonds issued or guaranteed by federal or provincial governments along with corporate debt instruments with a minimum approved credit rating as set by Canadian Securities Administrators, currently A-low. Individual Savings Plan has a concentration of investments in government and government guaranteed bonds, which are considered to be high credit quality investments thereby moderating credit risk.

The Plan's credit risk exposure is listed below.

Credit rating	**October 31, 2012** % of Total Investment Fund		Amount (in thousands)	October 31, 2011 % of Total Investment Fund		Amount (in thousands)
AAA	**59%**	**$**	**6,319**	63%	$	6,411
AA/AAH/AAL	**3%**		**269**	6%		588
A/AH/AL	**17%**		**1,814**	10%		997
R-1	**20%**		**2,096**	20%		2,047
Short-term unrated	**1%**		**183**	1%		63
Total Investment Fund	**100%**	**$**	**10,681**	100%	$	10,106

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The Dominion Bond Rating Service ("DBRS") was the primary source for obtaining credit ratings. Secondary sources used include Standard & Poor's Financial Services LLC and Moody's Investor Service, Inc.

(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 repayments to subscribers and Education Assistance Payments to beneficiaries. The Plan primarily invests in securities that are traded in the active markets and can be readily sold. The Plan retains sufficient cash and cash equivalents positions to meet liquidity requirements by utilizing cash forecasting models that reflect the maturity distribution of Contributors' deposits and accumulated income. All other financial liabilities are short term and due within one year.

(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 holds only Canadian securities.

Note 6. Fair Value of Financial Instruments

Investments, at fair value, Cash and cash equivalents and Short-term investments are carried at fair value. The carrying values of other financial instruments such as Accrued interest and other receivables, Receivables for securities sold, Government grants receivable, Accounts payable, accrued liabilities and unclaimed contributors' funds, Payables for securities purchased and Contributors' deposits approximate their fair values as these financial instruments are short-term in nature.

Fair value represents the amount at which a financial instrument could be exchanged in an arm's-length transaction between willing parties under no compulsion to act and is best evidenced by a quoted bid price in an active market, if one exists.

The following table presents the Plan's financial instruments carried at fair value hierarchy set out in Canadian Institute of

Notes to the Financial Statements (continued)

October 31, 2012 and 2011 (in thousands of dollars)

Note 6. Fair Value of Financial Instruments (continued)

Chartered Accountants Handbook Section 3862 *Financial Instruments – Disclosures*:

i. "Level 1" financial instruments are valued using quoted prices (unadjusted) in active markets for identical assets or liabilities.
ii. "Level 2" financial instruments are valued using observable inputs other than quoted prices included in Level 1.
iii. "Level 3" financial instruments are valued using unobservable inputs for the asset or liability.

Assets Measured at Fair Value as of October 31, 2012

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	$ 1,588	$ –	$ –	$ 1,588
Short-term Investments	–	651	–	651
Fixed Income Securities	–	8,442	–	8,442
Total Investment Fund	**$1,588**	**$ 9,093**	**$ –**	**$ 10,681**

Assets Measured at Fair Value as of October 31, 2011

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	$ 118	$ –	$ –	$ 118
Short-term Investments	–	1,993	–	1,993
Fixed Income Securities	–	7,985	–	7,985
Variable Rate Securities	–	–	10	10
Total Investment Fund	**$118**	**$ 9,978**	**$ 10**	**$ 10,106**

The Plan's financial instruments classified as Level 3 represent the Plan's investment in Equity Linked Notes, which are principal protected by a major Canadian bank (DBRS rating "AA"). Equity Linked Notes are hybrid securities comprised of a bond and an option. The price of the variable rate securities are based on external pricing models provided from third party brokers. These valuations are derived from the information on similar publicly traded bonds and options using standard pricing methodology. Such techniques include assumptions related to the assessment and quantification of market, credit, and liquidity risks referred to in Note 5. There are no reasonable alternative assumptions.

Level 3 – Variable Rate Securities

	2012	2011
Opening Balance	$ 10	$ 50
Sales	(10)	(39)
Increase in Unrealized Gains/ Losses	–	(1)
Closing Balance	**$ –**	$ 10

Government Grants

Appendix I to Schedule I
Statement of Investment Portfolio
As at October 31, 2012 (in thousands of dollars)

Security		Par Value ($)	Fair Value ($)	Average Cost ($)
Bonds				
Federal – 43.9%				
Government of Canada				
1.75%	1 Mar 2013	24,504	24,564	24,628
1.50	1 Nov 2013	10,855	10,903	10,959
0.75	1 May 2014	3,534	3,517	3,501
1.51	1 Mar 2015	2,509	1,262	1,256
4.10	1 Jul 2015	2,000	1,590	1,551
3.00	1 Dec 2015	9,473	9,985	9,639
1.50	1 Mar 2017	5,228	5,269	5,263
3.55	1 Sep 2019	5,542	5,185	4,781
4.40	26 Jan 2026	1,380	1,571	1,372
5.00	1 Jun 2037	9,490	14,033	12,641
4.00	1 Jun 2041	2,600	3,468	2,861
Canada Housing Trust				
2.20	15 Mar 2014	12,380	12,563	12,566
3.15	15 Jun 2014	30,759	31,752	31,881
2.75	15 Sep 2014	28,255	29,087	29,299
2.75	15 Dec 2014	37,366	38,590	38,857
1.45	15 Mar 2015	8,264	8,303	8,277
3.15	15 Jun 2015	26,906	28,207	27,187
2.75	15 Dec 2015	49,422	51,498	50,750
1.42	15 Mar 2016	6,830	6,853	6,853
2.75	15 Jun 2016	40,422	42,249	41,230
1.35	15 Sep 2016	38,083	38,117	38,052
1.85	15 Dec 2016	14,577	14,754	14,731
PSP Capital Inc.				
4.57	9 Dec 2013	2,800	2,897	2,825
			386,217	380,960
Municipal and Provincial – 23.4%				
Province of Alberta				
1.42	27 May 2016	13,208	13,206	13,207
1.85	1 Sep 2016	4,515	4,568	4,531
Province of British Columbia				
4.25	18 Jun 2014	6,120	6,418	6,493
4.70	1 Dec 2017	2,975	3,390	3,184
4.70	18 Jun 2037	4,820	5,890	5,919
Province of Manitoba				
2.05	1 Dec 2016	9,256	9,404	9,354
Province of New Brunswick				
4.50	4 Feb 2015	3,530	3,778	3,784
4.45	26 Mar 2018	4,780	5,370	5,197
5.65	27 Dec 2028	1,195	1,533	1,468
5.50	27 Jan 2034	13,600	17,552	16,020
4.65	26 Sep 2035	1,270	1,483	1,311
Province of Newfoundland				
5.25	4 Jun 2014	2,775	2,949	2,990
Province of Nova Scotia				
5.80	1 Jun 2033	1,635	2,202	1,984

Security		Par Value ($)	Fair Value ($)	Average Cost ($)
Bonds (continued)				
Municipal and Provincial – 23.4% (continued)				
Province of Ontario				
3.25%	8 Sep 2014	6,705	6,948	6,898
3.15	8 Sep 2015	10,944	11,459	11,267
4.40	8 Mar 2016	6,278	6,857	6,996
3.20	8 Sep 2016	4,400	4,649	4,479
4.30	8 Mar 2017	9,866	10,902	10,254
4.40	2 Jun 2019	2,920	3,306	3,056
4.20	2 Jun 2020	3,890	4,370	4,048
4.00	2 Jun 2021	2,165	2,401	2,238
7.60	2 Jun 2027	2,135	3,227	3,094
5.60	2 Jun 2035	3,205	4,282	3,648
4.70	2 Jun 2037	4,175	5,027	4,602
Province of Quebec				
5.50	1 Dec 2014	13,545	14,703	14,883
5.00	1 Dec 2015	12,815	14,145	14,242
4.50	1 Dec 2016	13,312	14,747	14,880
4.50	1 Dec 2019	6,345	7,213	6,697
4.50	1 Dec 2020	6,435	7,337	6,754
5.75	1 Dec 2036	2,075	2,782	2,410
5.00	1 Dec 2038	3,325	4,096	3,410
			206,194	199,298
Corporate — 31.2%				
407 East Development Group				
2.81	18 Dec 2016	2,750	2,795	2,750
407 International Inc.				
7.13	26 Jul 2040	6,113	9,114	8,073
Access Justise Durham Ltd.				
5.02	31 Aug 2039	318	356	302
Arrow Lakes Power Corp				
5.52	5 Apr 2041	847	982	847
BAC Canada Finance				
2.76	21 Feb 2014	8,217	8,227	8,004
Bank of Montreal				
4.78	30 Apr 2014	35	37	37
5.18	10 Jun 2015	3,375	3,659	3,684
3.10	10 Mar 2016	2,895	2,994	2,961
Bank of Nova Scotia				
3.34	25 Mar 2015	4,130	4,279	4,266
2.74	1 Dec 2016	3,245	3,317	3,249
2.60	27 Feb 2017	300	304	299
6.28	30 Jun 2053	3,365	3,463	3,614
BCIMC Realty Corporation				
2.65	29 Jun 2017	504	510	508
3.51	29 Jun 2022	1,650	1,682	1,650
Blue Water Bridge Authority				
6.41	9 Jul 2027	2,371	2,037	2,041

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

Government Grants (continued)

Appendix I to Schedule I
Statement of Investment Portfolio
As at October 31, 2012 (in thousands of dollars)

Security		Par Value ($)	Fair Value ($)	Average Cost ($)
Bonds (continued)				
Corporate — 31.2% (continued)				
BMW Canada				
2.88%	9 Aug 2016	1,025	1,049	1,025
Caisse Centrale Desjardins				
2.28	17 Oct 2016	1,840	1,844	1,840
Canadian Credit Card				
2.31	24 Apr 2015	145	147	145
Canadian Imperial Bank of Commerce				
4.75	22 Dec 2014	2,829	3,008	2,901
2.35	18 Oct 2017	1,510	1,512	1,508
3.15	2 Nov 2020	2,750	2,819	2,761
CBC				
4.69	15 May 2027	4,340	4,900	4,673
CDP Financial Inc				
4.60	15 Jul 2020	164	186	181
Citigroup Finance Canada				
4.75	17 Mar 2014	2,000	2,069	2,060
Claregold Trust				
5.07	15 May 2044	3,853	1,208	1,255
CSS (FSCC) Partnership				
6.92	31 Jul 2042	2,507	3,284	3,207
Enbridge Gas Distribution				
5.16	24 Sep 2014	3,090	3,295	3,329
GE Capital Canada				
2.14	10 Feb 2014	1,268	1,270	1,267
4.65	11 Feb 2015	6,630	7,033	6,761
5.10	1 Jun 2016	2,010	2,205	2,181
3.35	23 Nov 2016	1,780	1,846	1,778
1.68	15 Feb 2022	10,313	9,622	9,459
5.73	22 Oct 2037	1,620	1,976	1,550
Gloucester Credit Card Trust				
5.38	15 May 2014	519	548	546
Greater Toronto Airports				
6.45	30 Jul 2029	6,768	8,359	8,352
Green Timbers LP				
6.84	30 Jun 2037	684	858	746
Health Partners Markham				
3.43	31 Jan 2014	834	834	834
Honda Canada Finance Inc				
5.61	12 Sep 2013	200	207	210
2.27	23 Feb 2015	8,310	8,378	8,310
HSBC Bank of Canada				
2.57	23 Nov 2015	1,945	1,974	1,945
2.90	13 Jan 2017	1,630	1,666	1,632
Bonds (continued)				
Corporate — 31.2% (continued)				
Leisureworld				
4.81%	24 Nov 2015	3,538	3,765	3,697
Manufacturers Life Insurance				
4.21	18 Nov 2021	3,673	3,818	3,659
4.17	1 Jun 2022	2,769	2,872	2,777
Manulife Financial Capital Trust				
4.85	12 Dec 2015	2,365	1,379	1,349
Manulife Financial Corporation				
4.90	2 Jun 2014	706	735	738
5.16	26 Jun 2015	1,695	1,811	1,788
Maritimes and Northeast Pipelines				
4.34	30 Nov 2019	4,471	4,723	4,615
Merrill Lynch Financial Assets				
4.82	12 Feb 2015	1,560	1,634	1,614
4.62	12 Nov 2015	1,235	1,305	1,222
4.66	12 Jul 2016	500	266	269
4.64	12 Oct 2016	578	384	387
4.81	12 Oct 2016	2,814	3,038	2,933
4.71	12 Nov 2016	3,409	1,158	1,122
4.48	12 Jul 2037	920	977	900
4.75	12 Jan 2040	2,009	2,172	2,155
Milit-Air Inc.				
5.75	30 Jun 2019	2,574	2,860	2,781
MLF ASB				
4.98	12 Jun 2016	2,979	3,227	3,153
N-45 First CMBS				
5.67	15 Nov 2020	2,048	2,121	2,179
National Bank of Canada				
2.23	30 Jan 2015	1,300	1,312	1,300
3.26	11 Apr 2022	490	502	490
NAV Canada				
7.56	1 Mar 2027	4,894	6,353	6,231
Northwest Connect Group				
5.95	30 Apr 2041	2,446	2,957	2,554
Ontrea Inc.				
4.62	9 Apr 2018	1,739	1,849	1,768
OPB Finance Trust				
3.89	4 Jul 2042	3,182	3,202	3,180
Ornge Issuer Trust				
5.73	11 Jun 2034	7,645	8,790	8,675
Pearson Internation Fuel Facilities Corp				
5.09	9 Mar 2032	3,413	3,648	3,659
Plenary Health				
3.16	13 Mar 2015	1,762	1,779	1,764
2.63	18 May 2015	5,500	5,537	5,502

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

Government Grants (continued)

Appendix I to Schedule I
Statement of Investment Portfolio
As at October 31, 2012 (in thousands of dollars)

Security		Par Value ($)	Fair Value ($)	Average Cost ($)
Bonds (continued)				
Corporate — 31.2% (continued)				
Plenary Properties Ltap LP				
6.29%	31 Jan 2044	7,007	8,859	8,586
Power Corporation of Canada				
7.57	22 Apr 2019	1,158	1,448	1,330
RBC Capital Trust				
4.87	31 Dec 2049	7,930	8,532	8,013
5.81	31 Dec 2053	4,575	4,779	4,898
Real Estate Asset Liquidity Series Class A				
4.62	12 Sep 2016	1,975	2,115	2,008
5.08	12 Oct 2036	745	778	763
Royal Bank of Canada				
2.68	8 Dec 2016	1,350	1,377	1,350
2.58	13 Apr 2017	1,500	1,520	1,500
Royal Office Finance				
5.21	12 Nov 2032	4,048	4,712	4,781
Scotia Plaza LP				
3.21	15 Jun 2019	5,196	5,242	5,197
Standard Life Assurance				
3.94	21 Sep 2022	2,815	2,892	2,824
Sun Life Financial Inc				
4.80	23 Nov 2035	800	834	811
4.95	1 Jun 2036	1,989	2,084	2,030
Toronto Dominion Bank				
2.95	2 Aug 2016	3,280	3,388	3,355
3.37	2 Nov 2020	3,505	3,616	3,567
4.78	14 Dec 2105	550	597	594
Toronto Hospital				
5.64	8 Dec 2022	4,847	5,527	5,533
Transcanada Pipelines				
8.05	17 Feb 2039	1,707	2,789	2,557
4.55	15 Nov 2041	1,700	1,858	1,702
VW Credit Canada				
2.90	1 Jun 2017	715	733	715
Wells Fargo Finance Canada				
4.38	30 Jun 2015	5,560	5,896	5,888
2.77	9 Feb 2017	1,935	1,963	1,934
2.94	25 Jul 2019	1,780	1,788	1,780
WTH Car Rental				
4.14	20 Mar 2015	10,738	11,088	11,077
			274,442	267,995
Total Fixed Income Investments – 98.5%			**866,853**	**848,253**
Cash and Short-term Investments – 1.5%			13,735	13,735
Total Portfolio Assets – 100.0%			**880,588**	**861,988**

Security	Fair Value ($)	Average Cost ($)
Government Grant Investments Allocation		
Plan II	442	403
Founders' Plan	36,342	35,273
Group Savings Plan	200,175	195,103
Group Savings Plan 2001	565,789	554,356
Family Savings Plan	60,088	59,141
Individual Savings Plan	4,017	3,977
	866,853	**848,253**
Cash and Short-term Investments Allocation		
Plan II	28	28
Founders' Plan	761	761
Group Savings Plan	3,615	3,615
Group Savings Plan 2001	8,597	8,597
Family Savings Plan	702	702
Individual Savings Plan	32	32
	13,735	**13,735**

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

Canadian Scholarship Trust Plan

Sponsor
Canadian Scholarship Trust Foundation
2225 Sheppard Avenue East, Suite 600
Toronto, Ontario M2J 5C2
1.877.333.RESP (7377)

Investment Fund Manager and Distributor
C.S.T. Consultants Inc.
2225 Sheppard Avenue East, Suite 600
Toronto, Ontario M2J 5C2

Trustee
RBC Investor Services Trust
155 Wellington Street West, 2nd Floor
Toronto, ON M5V 3L3
Canada

Auditor
Deloitte & Touche LLP
Brookfield Place
181 Bay Street, Suite 1400
Toronto, Ontario M5J 2V1

Bank
Royal Bank of Canada
Royal Bank Plaza
South Tower
200 Bay Street, 10th Floor
Toronto, Ontario M5J 2J5

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