



Canadian Scholarship Trust Group Savings Plan 2001

Semi-Annual Financial Statements
April 30, 2013

Unaudited



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Unaudited semi-annual financial statements

The accompanying semi-annual financial statements have not been reviewed by the external auditors of the Plan in accordance with assurance standards applicable to a review of interim financial statements.

Statements of Net Assets Available for Education Assistance Payments

As at April 30, 2013 and October 31, 2012 (in thousands of dollars)

	Apr 30, 2013	Oct 31, 2012 (Audited)
Assets		
Investments, at fair value <i>(Note 4 and Schedule I)</i>	\$ 2,479,932	\$ 2,293,791
Cash and cash equivalents	12,425	18,089
Short-term investments	20,831	14,990
Accrued interest and other receivables	22,465	21,419
Receivables for securities sold	18,446	9,581
Government grants receivable	13,766	10,642
	2,567,865	2,368,512
Liabilities		
Accounts payable, accrued liabilities and unclaimed subscribers' funds	5,725	5,225
Payables for securities purchased	28,685	10,595
Subscribers' deposits <i>(Note 6)</i>	1,544,861	1,434,063
	1,579,271	1,449,883
Net Assets Available for Education Assistance Payments	988,594	918,629
Represented by:		
Non-Discretionary Funds		
Accumulated interest held for future education assistance payments	250,995	231,234
Government grants	518,732	482,162
Interest on Government grants	91,248	83,811
Sales charge refund entitlements <i>(Notes 3(b) and 8)</i>	100,186	94,814
Unrealized Gains	25,975	24,647
Discretionary Funds		
Donations from the Foundation <i>(Note 7)</i>	1,458	1,961
	\$ 988,594	\$ 918,629

Statements of Investment Operations

For the six months ended April 30, 2013 and 2012 (in thousands of dollars)

	Apr 30, 2013	Apr 30, 2012
Income		
Interest income	\$ 36,415	\$ 30,915
Realized gains	1,811	4,381
Other income	328	1,216
	38,554	36,512
Expenses		
Plan administration and processing fees <i>(Note 3(a))</i>	4,872	4,128
Financial reporting <i>(Note 3(a))</i>	1,455	1,337
Portfolio management fees	1,447	1,253
Custodian fees	130	114
Trustee fees	36	43
	7,940	6,875
Net Investment Income	30,614	29,637
Increase (Decrease) in Unrealized Gains	1,328	(10,005)
Increase in Net Assets from Investment Operations	\$ 31,942	\$ 19,632

Statements of Changes in Net Assets Available for Education Assistance Payments

For the six months ended April 30, 2013 and 2012 (in thousands of dollars)

	Apr 30, 2013	Apr 30, 2012
Net Assets Available for Education Assistance Payments, Beginning of Period	\$ 918,629	\$ 786,847
Increase in Net Assets from Investment Operations	31,942	19,632
Transfers from internal and external plans	610	736
	32,552	20,368
Receipts		
Government grants received (net of repayments)	41,366	39,056
Disbursements		
Payments to beneficiaries		
Education assistance payments	(2,029)	(1,581)
Government grants	(1,279)	(912)
Refund of sales charges	(303)	(186)
Return of interest	(342)	(221)
	(3,953)	(2,900)
Receipts less Disbursements	37,413	36,156
Increase in Net Assets Available for Education Assistance Payments	69,965	56,524
Net Assets Available for Education Assistance Payments, End of Period	\$ 988,594	\$ 843,371

Statements of Cash Flows

For the six months ended April 30, 2013 and 2012 (in thousands of dollars)

	Apr 30, 2013	Apr 30, 2012
Operating Activities		
Increase in Net Assets from Investment Operations	\$ 31,942	\$ 19,632
Net disbursements for investment transactions	(179,618)	(164,620)
Items not affecting cash		
Realized gains on sale of investments	(1,811)	(4,381)
Increase (decrease) in Unrealized gains	(1,328)	10,005
Change in non-cash operating working capital		
Decrease (increase) in Accrued interest and other receivables	(1,046)	1,314
Increase in Government grants receivable	(3,124)	(1,598)
Increase (decrease) in Accounts payable, accrued liabilities and unclaimed subscribers' funds	500	(22)
Cash flow used in Operating Activities	(154,485)	(139,670)
Financing Activities		
Transfers from internal and external plans	610	736
Government grants received (net of repayments)	41,366	39,056
Net increase in Subscribers' deposits <i>(Note 6)</i>	110,798	110,265
Payments to beneficiaries	(3,953)	(2,900)
Cash flow from Financing Activities	148,821	147,157
Net increase (decrease) in Cash and cash equivalents	(5,664)	7,487
Cash and cash equivalents, Beginning of Period	18,089	10,432
Cash and cash equivalents, End of Period	\$ 12,425	\$ 17,919

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

Schedule I – Statement of Investment Portfolio

As at April 30, 2013 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds				Bonds (continued)			
Federal – 61.2%				Municipal and Provincial – 35.8% (continued)			
Government of Canada				Province of Manitoba			
1.50% 1 Nov 2013	26,527	26,592	26,793	3.05% 1 Sep 2014	2,350	2,410	2,413
0.75 1 May 2014	56,836	56,691	56,624	2.05 1 Dec 2016	19,715	20,163	19,903
3.00 1 Jun 2014	6,405	6,542	6,594	4.40 5 Sep 2025	6,585	7,631	7,440
2.25 1 Aug 2014	6,730	6,835	6,845	7.75 22 Dec 2025	4,900	7,388	7,306
2.00 1 Dec 2014	19,540	19,856	19,867	5.70 5 Mar 2037	5,285	7,276	7,143
0.07 1 Mar 2015	1,209	543	541	4.60 5 Mar 2038	2,390	2,875	2,818
3.00 1 Dec 2015	21,317	22,400	21,784	4.10 5 Mar 2041	32,535	36,727	36,467
2.14 1 May 2017	1,321	1,273	1,247	4.40 5 Mar 2042	11,165	13,247	13,155
4.25 1 Dec 2026	800	1,790	1,743	Province of New Brunswick			
5.00 1 Jun 2037	7,000	10,358	9,833	4.50 4 Feb 2015	6,500	6,877	7,038
4.00 1 Jun 2041	6,900	9,201	8,865	4.30 3 Dec 2015	8,150	8,777	8,549
Canada Housing Trust				4.70 21 Jul 2016	4,200	4,636	4,703
3.60 15 Jun 2013	47,175	47,319	48,200	6.75 27 Jun 2017	7,000	8,434	8,496
2.70 15 Dec 2013	66,775	67,458	68,319	4.40 3 Jun 2019	7,050	8,020	7,666
2.20 15 Mar 2014	17,660	17,836	17,928	3.35 3 Dec 2021	3,000	3,207	3,132
3.15 15 Jun 2014	278,126	284,615	286,415	5.50 27 Jan 2034	750	975	852
2.75 15 Sep 2014	7,100	7,265	7,391	Province of Newfoundland and Labrador			
2.75 15 Dec 2014	71,518	73,484	73,511	5.25 4 Jun 2014	6,466	6,755	6,968
1.44 15 Mar 2015	10,634	10,695	10,650	Province of Nova Scotia			
3.15 15 Jun 2015	30,068	31,367	30,932	4.60 18 Aug 2016	9,000	9,927	9,877
2.75 15 Dec 2015	67,968	70,738	69,763	5.80 1 Jun 2033	4,250	5,759	4,810
1.41 15 Mar 2016	49,428	49,715	49,664	4.50 1 Jun 2037	2,000	2,336	2,069
2.75 15 Jun 2016	55,430	57,970	56,720	Province of Ontario			
1.34 15 Sep 2016	69,632	69,952	69,552	5.00 8 Mar 2014	5,000	5,164	5,389
1.85 15 Dec 2016	9,325	9,493	9,310	3.25 8 Sep 2014	700	720	735
1.70 15 Dec 2017	73,734	74,491	73,783	3.15 8 Sep 2015	25,444	26,574	26,247
4.10 15 Dec 2018	10,325	11,701	11,282	4.40 8 Mar 2016	3,450	3,747	3,597
3.35 15 Dec 2020	1,530	1,690	1,623	4.30 8 Mar 2017	14,876	16,419	16,482
3.80 15 Jun 2021	5,550	6,323	5,976	1.90 8 Sep 2017	14,222	14,389	14,237
1.50 1 Dec 2044	18,580	25,927	25,600	4.20 8 Mar 2018	14,784	16,488	16,461
PSP Capital Inc				4.40 2 Jun 2019	3,100	3,533	3,349
4.57 9 Dec 2013	6,668	6,801	6,830	5.85 8 Mar 2033	9,500	12,979	11,401
		1,086,921	1,084,185	4.70 2 Jun 2037	13,650	16,478	15,105
				4.65 2 Jun 2041	1,850	2,257	2,264
Municipal and Provincial – 35.8%				Province of Quebec			
Alberta Capital Finance				5.50 1 Dec 2014	11,400	12,178	12,595
4.45 15 Dec 2025	2,200	2,572	2,113	5.00 1 Dec 2015	6,000	6,568	6,716
Province of Alberta				4.50 1 Dec 2016	31,001	34,255	34,658
1.41 27 May 2016	30,558	30,622	30,535	4.50 1 Dec 2017	25,951	29,156	29,082
1.85 1 Sep 2016	10,483	10,671	10,520	4.50 1 Dec 2020	6,000	6,920	6,456
2.90 20 Sep 2029	33,170	32,726	31,671	5.00 1 Dec 2038	1,500	1,861	1,734
Province of British Columbia				Province of Saskatchewan			
4.25 18 Jun 2014	44,305	45,858	46,866	5.75 5 Mar 2029	7,345	9,915	9,885
5.70 18 Jun 2029	27,655	36,847	35,878	6.40 5 Sep 2031	6,550	9,565	9,547
5.40 18 Jun 2035	8,565	11,314	11,185	5.60 5 Sep 2035	7,470	10,268	10,097
4.70 18 Jun 2037	6,400	7,796	7,539	4.75 1 Jun 2040	9,015	11,405	11,217
4.95 18 Jun 2040	11,115	14,200	14,206			636,340	627,657
4.30 18 Jun 2042	25,165	29,475	29,085				

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

Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 2013 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)				Bonds (continued)			
Corporate – 2.4%				Corporate – 2.4% (continued)			
407 International Inc. 7.13% 26 Jul 2040	1,505	2,299	2,102	Royal Office Finance 5.21% 12 Nov 2032	1,911	2,246	2,252
BAC Canada Finance 2.75 21 Feb 2014	3,067	3,087	2,986	Serco Des Inc. 5.27 27 Aug 2013	21	21	21
Business Development Bank of Canada 4.75 26 Jul 2021	425	518	424	SP1 LP 3.21 15 Jun 2019	2,467	2,489	2,442
CBC 4.69 15 May 2027	1,747	2,004	1,873	Standard Life Assurance 3.94 21 Sep 2022	635	674	635
Claregold Trust 5.07 15 May 2044	352	102	107	Sun Life Financial Inc 4.95 1 Jun 2036	1,848	1,984	1,884
CSS Partnership 6.92 31 Jul 2042	770	1,012	928	Toronto Hospital 5.64 8 Dec 2022	2,783	3,200	3,196
European Investment Bank 4.60 30 Jan 2037	160	180	160	WTH Car Rental 4.14 20 Mar 2015	2,305	2,360	2,402
GE Capital Canada 2.50 26 Jan 2015	424	432	430			41,898	40,783
1.65 15 Feb 2022	2,788	2,623	2,557	Total Fixed Income Investments – 99.4%		1,765,159	1,752,625
Greater Toronto Airports 6.45 30 Jul 2029	1,410	1,792	1,739	Cash and Short-term Investments – 0.6%		11,877	11,877
Green Timbers LP 6.84 30 Jun 2037	442	558	512	Total Portfolio Assets – 100.0%		1,777,036	1,764,502
Honda Canada Finance Inc 2.25 23 Feb 2015	2,850	2,882	2,850	Investments Allocation (Note 4)			
Manufacturers Life Insurance 4.17 1 Jun 2022	848	907	852	Government Grants (Appendix I)		606,906	594,922
Manulife Bank of Canada 1.83 3 Dec 2014	620	622	620	Canadian Scholarship Group Savings Plan			
Maritimes and Northeast Pipelines 4.34 30 Nov 2019	1,718	1,808	1,792	Trust Scholarship Pool (Appendix II)		6,573	6,541
6.90 30 Nov 2019	112	129	129	Sales chargee Refund			
Merrill Lynch Financial Assets 4.71 12 Nov 2016	730	223	233	Entitlements (Appendix III & IV)		101,294	99,869
Milit-Air Inc. 5.75 30 Jun 2019	1,061	1,180	1,193	Cash and Short-term Investments			
NAV Canada 7.56 1 Mar 2027	1,141	1,499	1,473	Investments (Appendices I, II, III & IV)		21,379	21,379
Ontrea Inc. 4.62 9 Apr 2018	841	893	878	Total Investment Fund		2,513,188	2,487,213
Ornge Issuer Trust 5.73 11 Jun 2034	2,609	3,052	3,008	Represented by:			
Pearson Internation Fuel Facilities Corp 5.09 9 Mar 2032	1,031	1,122	1,105	Investments, at fair value		2,479,932	
				Cash and cash equivalents		12,425	
				Short-term Investments		20,831	
						2,513,188	

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

Notes to the Financial Statements

Six months ended April 30, 2013 and 2012 (Unaudited, in thousands of dollars)

Note 1. Nature of Operations

The Canadian Scholarship Trust Group Savings Plan 2001 (“Group Savings Plan 2001” or the “Plan”) is a Pooled Education Savings Plan that was established on May 1, 2001. The objective of the Group Savings Plan 2001 is to assist parents and others to save for the post-secondary education of children. The Group Savings Plan 2001 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 subscriber to an account maintained by the depository trustee on behalf of a beneficiary. Deductions of sales charges (previously referred to as enrolment fees) and account maintenance fees are made from the subscriber’s contributions. The principal accumulated over the term of the subscriber’s education savings plan agreement (“Agreement”) is returned to the subscriber when:

- i. the Agreement matures and the beneficiary is a qualified student eligible to receive the first education assistance payment,
- ii. the Agreement matures and the beneficiary is not yet a qualified student, in which case the beneficiary will forfeit all Government grants (as defined below), or
- iii. the Agreement is terminated.

The investment income earned on the subscriber’s principal is transferred to the scholarship pool when the Agreement matures and is used to provide education assistance payments (“EAPs”) to qualified students. 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.

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;
- 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; and
- v. The Saskatchewan Advantage Grant for Education Savings (“SAGES”) is available for contributions made after December 31, 2012 on behalf of beneficiaries who are under eighteen years of age and resident in Saskatchewan. The Plan is expected to begin receiving this grant by December 31, 2013.

The Group Savings Plan 2001 receives the CESG, CLB, ACES, QESI, and SAGES (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 RESP’s under the *Income Tax Act* (Canada). The current tax legislation provides that income credited on subscribers’ principal is not taxable income of the subscriber, 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 subscriber. Payments made to a qualified student, including EAPs, 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 pooled funds.

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

Investments in pooled funds used to pay the Sales Charge Refund Entitlements (“SCR Entitlements”) referred to in Note 3(b) are valued at net asset values of the pooled funds at the valuation date, as these represent the value that would be received by the Plan from redeeming its units held in the pooled funds.

Note 9 provides further guidance on fair value measurements.

Notes to the Financial Statements (continued)

Six months ended April 30, 2013 and 2012 (Unaudited, in thousands of dollars)

Note 2. Significant Accounting Policies (continued)

(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. Dividends are accrued as of the ex-dividend date. 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.

(e) Subscribers' deposits, Sales charges and Account maintenance fees

Subscribers' deposits reflect amounts received from subscribers net of sales charges and account maintenance fees and do not include future amounts receivable on outstanding Agreements. Sales charges are deducted from subscribers' deposits and are collected over periods of up to thirty-two months from the date of initial deposit. Account maintenance fees are paid annually to the Foundation from subscribers' deposits and are accrued throughout the year.

(f) Income taxes

Group Savings Plan 2001 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 SCR Entitlements (see Note 3(b)) and Accounts payable, accrued liabilities and unclaimed subscribers' funds.

(i) Reclassification

Certain of the prior year comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

Note 3. Related Party Transactions

(a) Distribution and Administration of the Group Savings Plan 2001

The Foundation, as the Plan sponsor, has appointed C.S.T.C., as the Investment Fund Manager to distribute and administer Group Savings Plan 2001. The distribution agreement is renewable annually on November 1.

Account maintenance fees and administration fees (comprising Plan administration and processing fees and Financial reporting expenses) are paid to the Foundation. Administration fees are annual fees of ½ of 1% of the total

amount of principal, Government grants and income earned thereon.

Sales charges are paid by subscribers and deducted from their contributions. In accordance with the distribution agreement, the Foundation directs a portion of the sales charges collected from subscribers to the SCR Fund each year in order to assist the Plan in paying SCR Entitlements when they become due. The balance of sales charges collected are paid to C.S.T.C. as compensation for the sale and distribution of savings plans.

The Foundation is responsible to pay to beneficiaries of the Plan the refunds of sales charges as promised. Any shortfall in the assets to meet the SCR Entitlements will be funded from the Foundation's surplus (see Note 8).

(b) Sales Charge Refund Entitlements

Group Savings Plan 2001 pays SCR Entitlements to the qualified beneficiaries in four instalments during the education assistance payment payout period (see (i) and (ii) below). The total amount of SCR Entitlements paid for the six-month period ended April 30, 2013, was \$239 (2012 – \$186).

As at April 30, 2013, the SCR Entitlements amount of \$100,186 (October 31, 2012 – \$94,814) presented in the Statements of Net Assets Available for Education Assistance Payments represents the average cost of the Plan's investments in the SCR Funds of \$100,612 (October 31, 2012 – \$94,374), less funds to be transferred to (from) the Scholarship Pool of \$883 (October 31, 2012 – \$(7)) for SCR payments made to beneficiaries, plus accrued interest of \$457 (October 31, 2012 – \$433). The fair value of the investments in the SCR Fund as at April 30, 2013 amounted to \$101,611 (October 31, 2012 – 92,586).

i. Agreements purchased under prospectuses dated prior to October 2, 2007

Group Savings Plan 2001 pays SCR Entitlements to the beneficiaries from the SCR Fund, which amount to 100% of sales charges paid for these Agreements.

As at April 30, 2013, the average cost and fair value of the Plan's investments in the SCR Fund available for the purpose of paying SCR Entitlements amounted to \$70,490 and \$69,698, respectively (October 31, 2012 – \$68,204 and \$64,770, respectively).

ii. Agreements purchased under prospectuses dated on or after October 2, 2007

The SCR Entitlements amount is comprised of a refund of 50% of the sales charges paid plus a potential additional amount not to exceed the amount of surplus (if any) in the SCR Fund. Any surplus in the SCR Fund will be calculated by the Foundation as the excess, if any, of the value of assets in the SCR Fund over the actuarial valuation of sales charge refund obligations based on 50% of sales charges.

For the six-month period ended April 30, 2013, \$2,083 (2012 – \$2,369) was deposited in the SCR Fund from subscriber contributions, which is equivalent to the estimated present value of the future expected SCR Entitlements of \$100 per unit for all units sold during the year. The discount rate at October 31, 2012, of 6.1%

Notes to the Financial Statements (continued)

Six months ended April 30, 2013 and 2012 (Unaudited, in thousands of dollars)

Note 3. Related Party Transactions (continued)

(b) Sales Charge Refund Entitlements (continued)

ii. *Agreements purchased under prospectuses dated on or after October 2, 2007 (continued)*

(October 31, 2011 – 5%) used in determining the estimated present value was based on conservative assumptions regarding long-term investment returns for the SCR Fund.

As at April 30, 2013, the average cost and fair value of the Plan's investments in the SCR Fund available for the purpose of paying SCR Entitlements amounted to \$29,696 and \$31,913, respectively (October 31, 2012 – \$26,610 and \$27,816, respectively).

(c) SCR Deficit Funding Payments from the Canadian Scholarship Trust Foundation

For the six-month period ended April 30, 2013, the Foundation provided special funding payments of \$600 (2012 – \$200) to the SCR Fund (see Note 8(b)).

(d) 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 April 30, 2013, one director 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 \$561 (2012 – \$485). Included in Accounts payable, accrued liabilities and unclaimed subscribers' funds in the Statements of Net Assets Available for Education Assistance Payments are the accrued amounts owing to Greystone as at April 30, 2013 of \$114 (October 31, 2012 – \$352).

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 Appendices I – IV 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 subscriber'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).

Upon maturity of each Agreement, the investment income accumulated to date attributable to that Agreement is transferred to

the Canadian Scholarship Group Savings Plan Trust Scholarship Pool (the "Pool"), a shared investment pool with the Group Savings Plan, another plan administered by C.S.T.C. (see Appendix II to Schedule I). From a subscriber's perspective, the income that is transferred is tracked by plan and by year of eligibility. The portfolio holdings of the Pool are allocated based on the Plan's proportionate share of income remaining in the Pool. The income earned on the Pool is credited to the General Fund (see Note 7).

For Agreements purchased under prospectuses dated prior to October 2, 2007, investments used to fund the SCR Entitlements of the Group Savings Plan 2001 and the Group Savings Plan are managed in a separate fund (see Appendix III to Schedule 1). The SCR Fund's holdings and income are allocated to the Plan based on its proportionate share of the SCR Entitlements.

For Agreements purchased under prospectuses dated on or after October 2, 2007, investments used to fund the SCR Entitlements of Group Savings Plan 2001 are managed in a separate SCR Fund (see Appendix IV to Schedule I).

The investment restrictions set out in National Policy 15 of the Canadian Securities Administrators do not apply to assets invested in the SCR Fund.

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 and 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)

Six months ended April 30, 2013 and 2012 (Unaudited, 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	
	April 30, 2013	October 31, 2012
Less than 1 year (including short-term investments)	9%	7%
1-3 years	40%	37%
3-5 years	23%	30%
Greater than 5 years	25%	24%
Total debt instruments	97%	98%
Equity	3%	2%
Total Investment Fund	100%	100%

As at April 30, 2013, if prevailing interest rates had increased or decreased by 1%, the Total Investment Fund amount of \$2,513,188 (October 31, 2012 – \$2,326,870) as per Schedule I – Statement of Investment Portfolio would have decreased by 110,737 or increased by \$129,948 (October 31, 2012 – \$101,644). 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 the equity component of the SCR Fund, which represents 2% (October 31, 2012 – 2%) of the Total Investment Fund amount as at April 30, 2013. The risk associated with the equity component of the SCR Entitlements is managed by security selection and active management by external managers within approved investment policies and manager mandates.

As at April 30, 2013, if equity and underlying indices prices had increased or decreased by 1%, with all other variables held constant, the Total Investment Fund amount as per Schedule I – Statement of Investment Portfolio would have increased or decreased by approximately \$566 (October 31, 2012 – \$516). 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 the Canadian Securities Administrators, currently A-low. Group Savings Plan 2001 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	Apr 30, 2013		Oct 31, 2012	
	% of Total Investment Fund	Amount (in thousands)	% of Total Investment Fund	Amount (in thousands)
AAA	73%	\$ 1,826,169	72%	\$ 1,674,823
AA/AAH/AAL	4%	89,731	4%	92,489
A/AH/AL	19%	487,376	20%	457,452
BBB	0%	11,230	0%	9,049
R-1	1%	29,353	1%	24,370
P-2	0%	–	0%	–
Short-term unrated	1%	12,754	1%	17,088
Equity	2%	56,575	2%	51,599
Total Investment Fund	100%	\$ 2,513,188	100%	\$ 2,326,870

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 Investors 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 including SCR Entitlements. 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 Subscribers' deposits and accumulated income. All other financial liabilities are short term and due within one year. The Foundation directs a portion of the sales charges collected from subscribers to the SCR Fund each year in order to pay SCR Entitlements when they become due. Any shortfall in the assets to meet the SCR Entitlements will be funded from the Foundation's surplus (see note 8(b)).

(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 holds foreign equity funds as part of the SCR Fund which represent 1% (October 31, 2012 – 1%) of the Total Investment Fund. The Plan's Total Investment Fund will increase or decrease by approximately \$275 (October 31, 2012 – \$231) in response to a 1% depreciation or appreciation of the Canadian dollar. In practice the actual results may differ materially.

Notes to the Financial Statements (continued)

Six months ended April 30, 2013 and 2012 (Unaudited, in thousands of dollars)

Note 6. Subscribers' Deposits

The changes in Subscribers' deposits for the six months ended April 30, 2013 and 2012 are as follows:

	Apr 30, 2013	Apr 30, 2012
Payments from subscribers	\$ 137,564	\$ 132,846
Inter-plan principal transfers	(9,069)	(8,140)
Account maintenance fees	(1,407)	(1,491)
Return of principal	(16,290)	(12,950)
Net increase in Subscribers' deposits	110,798	110,265
Balance, Beginning of Period	1,434,063	1,242,014
Balance, End of Period	\$1,544,861	\$1,352,279

Note 7. General Fund and Donations from the Foundation

The Canadian Scholarship Group Savings Plan Trust (the "Group Trust") is a legal trust registered with the Canada Revenue Agency as an Education Savings Plan. Included in the Group Trust are Group Savings Plan and Group Savings Plan 2001 (the "Plans"). The General Fund is a separate account within the Group Trust and derives its income from the following sources:

- i. interest earned on Subscribers' deposits and Accumulated interest from the date of maturity to the date the funds are paid to qualified students as Education Assistance Payments;
- ii. interest earned on the interest forfeited when a subscriber's plan is terminated prior to maturity;
- iii. income not collected by beneficiaries before the expiry of the benefit period; and
- iv. unclaimed principal and income payments.

According to the trust indenture, the General Fund may be used to subsidize EAPs for qualified students to either of the Plans within the Group Trust.

Donations from the Foundation represent a discretionary pool of funds shared between the Plans. These funds are used to supplement EAPs when the General Fund is depleted. The amount is allocated annually between the Plans according to the payout forecast in each of the Plans.

Note 8. Sales Charge Refund Entitlements Valuations

Two separate actuarial valuations are performed for SCR Entitlements. First, on an annual basis, a valuation of SCR Entitlements is conducted by an external actuary based on management's best estimates. This valuation is used to estimate the current funded status for SCR Entitlements. The present value of the SCR Entitlements is determined using the expected long-term investment rates of return based on the investment policy for the SCR Fund as explained in (a) below. Second, an actuarial funding valuation is performed at least every two years to assess the adequacy of the assets in the SCR Fund and the Foundation's funding requirements to meet SCR Entitlements in future years. This

valuation uses lower than expected long-term investment rates of return as determined by management to calculate the present value of the SCR Entitlements and to project the asset growth of the SCR Fund to ensure that future SCR Entitlements will be fully funded, as set out in (b) below.

(a) Management's Best Estimate Valuation

The actuarial assumptions used in determining the valuation of SCR Entitlements reflect management's best estimate of future payments to beneficiaries and involve both economic and non-economic assumptions. The non-economic assumptions include considerations such as termination of Agreements prior to maturity and participation of eligible students in the collection of education assistance payments. The primary economic assumption is the discount rate, which is set at the expected long-term investment return of the SCR Fund as at October 31, 2012 of 6.3% (October 31, 2011 – 6.7%) based on the investment policy approved by the Board of the Foundation. As underlying conditions change over time, actuarial assumptions may also change, which could cause a material change in the present value of the SCR Entitlements.

(i) Agreements purchased under prospectuses dated prior to October 2, 2007

The funded status of the SCR Entitlements at October 31 was:

	2012	2011
Present value of SCR Entitlements	\$113,064	\$103,328
Fair value of SCR Fund ¹	64,770	60,429
Underfunded portion of SCR Entitlements	\$ 48,294	\$ 42,899

¹ Average cost of assets in SCR Fund was \$68,204 (2011 – \$66,127); includes accrued interest of \$291 (2011 – \$nil) and is net of funds to be transferred to (from) the Scholarship Pool of \$7 (2011 – \$1,017) for SCR payments made to beneficiaries during the year.

A 1% decrease or increase in the discount rate used will increase or decrease the present value of SCR Entitlements by \$10,321 or \$9,271, respectively

(ii) Agreements purchased under prospectuses dated on or after October 2, 2007

The funded status of the SCR Entitlements was:

	2012	2011
Present value of SCR Entitlements	\$28,688	\$20,670
Fair value of SCR Fund ¹	27,816	21,924
Underfunded (overfunded) portion of SCR Entitlements	\$ 872	\$(1,254)

¹ Average cost of assets in the SCR Fund was \$26,610 (2011 – \$21,348). Includes accrued interest of \$142 (2011 – \$nil).

A 1% decrease or increase in the discount rate used will increase or decrease the present value of SCR Entitlements by \$4,247 or \$3,639, respectively

(b) Funding Valuation

An actuarial funding valuation was completed based on assets and obligations as at October 31, 2011. This valuation included assumptions regarding management's best estimate of

Notes to the Financial Statements (continued)

Six months ended April 30, 2013 and 2012 (Unaudited, in thousands of dollars)

Note 8. Sales Charge Refund Entitlements Valuations (continued)

(b) Funding Valuation (continued)

termination of Agreements prior to maturity and participation of eligible students in the collection of education assistance payments. The discount rate used to determine the present value of SCR Entitlements was based on the expected long-term investment rates of return for Canadian fixed income securities. The discount rate used for the Plan was 3.7%, which resulted in an unfunded liability of \$77,000 for Agreements purchased under prospectuses dated prior to October 2, 2007, and \$10,000 for Agreements purchased under prospectuses after this date. The Foundation is responsible to pay to beneficiaries of the Plan the refunds of enrolment fees as promised. Funding requirements were established by the Foundation to ensure assets are sufficient to meet future SCR Entitlements using lower than expected long-term investment rates of return based on the investment policy approved by the Board of the Foundation to project the asset growth of the SCR Fund. Any shortfall in the assets to meet the SCR Entitlements will be funded from the Foundation's surplus.

The next actuarial funding valuation will be performed in 2014 based on assets and obligations as at October 31, 2013.

Note 9. 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 subscribers' funds, Payables for securities purchased and Subscribers' 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 in the statements of net assets available for education assistance payments, classified by the fair value hierarchy set out in CICA 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 April 30, 2013				
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 12,425	\$ -	\$ -	\$ 12,425
Short-term Investments	-	20,831	-	20,831
Fixed Income Securities	-	2,423,357	-	2,423,357
Pooled Equity Funds (SCR Entitlements)	56,575	-	-	56,575
Total Investment Fund	\$69,000	\$ 2,444,188	\$ -	\$ 2,513,188

Assets Measured at Fair Value as of October 31, 2012				
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 18,089	\$ -	\$ -	\$ 18,089
Short-term Investments	-	14,990	-	14,990
Fixed Income Securities	-	2,242,192	-	2,242,192
Pooled Equity Funds (SCR Entitlements)	51,599	-	-	51,599
Total Investment Fund	\$69,688	\$ 2,257,182	\$ -	\$ 2,326,870

For the six-month period ended April 30, 2013 and year ended October 31, 2012, there were no transfers between Levels 1, 2, or 3.

Government Grants

Appendix I to Schedule I

Statement of Investment Portfolio

As at April 30, 2013 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds			
Federal – 40.4%			
Government of Canada			
1.50% 1 Nov 2013	11,480	11,508	11,591
0.75 1 May 2014	25,104	25,040	25,012
0.07 1 Mar 2015	2,509	1,127	1,120
4.10 1 Jul 2015	2,000	1,534	1,510
3.00 1 Dec 2015	9,473	9,954	9,639
3.55 1 Sep 2019	5,542	5,122	4,661
4.40 26 Jan 2026	1,380	1,584	1,372
5.00 1 Jun 2037	10,790	15,966	14,502
4.00 1 Jun 2041	3,290	4,387	3,797
Canada Housing Trust			
3.15 15 Jun 2014	30,879	31,599	32,004
2.75 15 Sep 2014	26,455	27,069	27,433
2.75 15 Dec 2014	37,461	38,491	38,955
1.44 15 Mar 2015	3,928	3,951	3,935
3.15 15 Jun 2015	8,664	9,038	8,758
2.75 15 Dec 2015	49,947	51,982	51,297
1.41 15 Mar 2016	21,845	21,972	21,954
2.75 15 Jun 2016	33,734	35,280	34,577
1.34 15 Sep 2016	31,831	31,977	31,815
2.05 15 Jun 2017	11,985	12,293	12,293
1.70 15 Dec 2017	32,491	32,825	32,514
PSP Capital Inc.			
4.57 9 Dec 2013	2,800	2,856	2,825
		375,555	371,564
Municipal and Provincial – 25.4%			
Province of Alberta			
1.41 27 May 2016	13,328	13,356	13,327
1.85 1 Sep 2016	4,565	4,647	4,582
Province of British Columbia			
4.25 18 Jun 2014	4,725	4,891	5,012
4.70 1 Dec 2017	2,975	3,393	3,184
4.70 18 Jun 2037	4,820	5,871	5,919
4.30 18 Jun 2042	2,650	3,104	3,129
Province of Manitoba			
2.05 1 Dec 2016	8,980	9,184	9,076
Province of New Brunswick			
4.50 4 Feb 2015	3,530	3,734	3,784
4.45 26 Mar 2018	4,780	5,383	5,197
6.47 30 Nov 2027	6,106	7,722	7,658
5.65 27 Dec 2028	1,195	1,547	1,468
5.50 27 Jan 2034	13,600	17,676	16,021
4.65 26 Sep 2035	1,270	1,493	1,311

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Municipal and Provincial – 25.4% (continued)			
Province of Newfoundland and Labrador			
5.25% 4 Jun 2014	2,775	2,899	2,990
Province of Nova Scotia			
5.80 1 Jun 2033	1,635	2,216	1,984
Province of Ontario			
3.25 8 Sep 2014	6,585	6,771	6,774
3.15 8 Sep 2015	10,999	11,487	11,324
3.20 8 Sep 2016	4,400	4,658	4,479
4.30 8 Mar 2017	12,180	13,445	12,804
1.90 8 Sep 2017	6,207	6,280	6,213
4.20 8 Mar 2018	6,617	7,380	7,368
4.40 2 Jun 2019	2,920	3,328	3,056
4.20 2 Jun 2020	3,890	4,413	4,048
4.00 2 Jun 2021	2,165	2,431	2,238
2.85 2 Jun 2023	2,250	2,292	2,249
7.60 2 Jun 2027	2,135	3,244	3,094
5.60 2 Jun 2035	3,205	4,295	3,648
4.70 2 Jun 2037	4,175	5,040	4,602
Province of Quebec			
5.50 1 Dec 2014	13,545	14,470	14,883
5.00 1 Dec 2015	12,815	14,030	14,242
4.50 1 Dec 2016	13,387	14,792	14,963
4.50 1 Dec 2017	7,064	7,936	7,907
1.55 1 Jun 2018	823	829	823
4.50 1 Dec 2019	6,345	7,280	6,697
4.50 1 Dec 2020	6,435	7,421	6,754
5.75 1 Dec 2036	2,075	2,801	2,410
5.00 1 Dec 2038	3,325	4,125	3,410
		235,864	228,628
Corporate – 32.9%			
407 International Inc.			
2.81 18 Dec 2016	2,750	2,816	2,750
7.13 26 Jul 2040	7,456	11,390	10,096
Arrow Lakes Power Corp			
5.52 5 Apr 2041	847	997	847
BAC Canada Finance			
2.75 21 Feb 2014	10,562	10,632	10,369
Bank of Montreal			
5.18 10 Jun 2015	3,375	3,631	3,684
3.10 10 Mar 2016	2,895	3,008	2,961
2.24 11 Dec 2017	1,110	1,121	1,110

Government Grants (continued)

Appendix I to Schedule I

Statement of Investment Portfolio

As at April 30, 2013 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 32.9% (continued)			
Bank of Nova Scotia			
3.34% 25 Mar 2015	4,130	4,269	4,266
2.74 1 Dec 2016	3,245	3,344	3,249
2.60 27 Feb 2017	3,500	3,588	3,528
2.24 22 Mar 2018	1,520	1,532	1,520
BMW Canada			
2.88 9 Aug 2016	1,025	1,057	1,025
2.39 27 Nov 2017	1,000	1,015	1,000
Caisse Centrale Desjardins			
2.28 17 Oct 2016	1,840	1,865	1,840
Canadian Imperial Bank of Commerce			
4.75 22 Dec 2014	2,074	2,185	2,127
2.35 18 Oct 2017	3,170	3,217	3,174
3.15 2 Nov 2020	2,750	2,835	2,761
CBC			
4.69 15 May 2027	4,254	4,879	4,580
CDP Financial Inc			
1.74 15 Jul 2015	6,350	6,366	6,382
4.60 15 Jul 2020	164	189	181
Central 1 Credit Union			
1.77 19 Nov 2014	8,500	8,502	8,500
Citigroup Finance Canada			
4.75 17 Mar 2014	2,000	2,052	2,060
Claregold Trust			
5.07 15 May 2044	3,853	1,120	1,178
CSS (FSCC) Partnership			
6.92 31 Jul 2042	2,507	3,294	3,207
GE Capital Canada			
4.65 11 Feb 2015	6,630	6,992	6,762
5.10 1 Jun 2016	2,010	2,208	2,181
3.35 23 Nov 2016	1,780	1,870	1,778
1.65 15 Feb 2022	10,313	9,702	9,459
2.34 6 Feb 2023	3,071	3,124	3,071
5.73 22 Oct 2037	3,406	4,302	3,777
Greater Toronto Airports			
6.45 30 Jul 2029	8,485	10,790	10,506
Green Timbers LP			
6.84 30 Jun 2037	675	851	736

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 32.9% (continued)			
Honda Canada Finance Inc			
5.61% 12 Sep 2013	200	203	210
2.25 23 Feb 2015	8,310	8,404	8,310
2.28 11 Dec 2017	650	657	650
HSBC Bank of Canada			
2.57 23 Nov 2015	1,945	1,989	1,945
2.90 13 Jan 2017	1,630	1,685	1,632
Hydro One Inc.			
1.67 3 Dec 2016	4,300	4,362	4,300
John Deere Credit Inc			
1.95 12 Apr 2017	830	832	829
Manufacturers Life Insurance			
4.21 18 Nov 2021	6,293	6,707	6,429
4.17 1 Jun 2022	2,769	2,961	2,777
2.82 26 Feb 2023	5,200	5,286	5,264
Manulife Bank of Canada			
1.83 3 Dec 2014	2,580	2,587	2,580
Maritimes and Northeast Pipelines			
4.34 30 Nov 2019	4,347	4,575	4,487
Merrill Lynch Financial Assets			
4.82 12 Feb 2015	1,560	1,627	1,614
4.62 12 Nov 2015	1,235	1,306	1,222
4.85 12 Dec 2015	2,365	1,146	1,135
4.98 12 Jun 2016	2,979	3,222	3,153
4.66 12 Jul 2016	500	251	255
4.64 12 Oct 2016	578	369	371
4.81 12 Oct 2016	2,814	3,078	2,903
4.71 12 Nov 2016	3,409	1,042	1,062
4.48 12 Jul 2037	920	972	900
4.75 12 Jan 2040	2,009	2,183	2,155
Milit-Air Inc.			
5.75 30 Jun 2019	2,422	2,694	2,617
N-45 First CMBS			
5.67 15 Nov 2020	1,502	1,531	1,598
National Bank of Canada			
2.23 30 Jan 2015	1,300	1,316	1,300
2.69 21 Aug 2017	500	514	505
NAV Canada			
7.56 1 Mar 2027	4,567	6,003	5,815
Ontrea Inc.			
4.62 9 Apr 2018	1,724	1,831	1,753

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 April 30, 2013 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 32.9% (continued)			
OPB Finance Trust			
3.89% 4 Jul 2042	3,489	3,537	3,496
Ornge Issuer Trust			
5.73 11 Jun 2034	8,982	10,506	10,201
Pearson Internation Fuel Facilities Corp			
5.09 9 Mar 2032	3,361	3,659	3,603
Plenary Health			
2.63 18 May 2015	4,791	4,865	4,793
Plenary Properties Ltap LP			
6.29 31 Jan 2044	7,007	9,259	8,586
Power Corporation of Canada			
7.57 22 Apr 2019	726	918	834
RBC Capital Trust			
4.87 31 Dec 2049	7,930	8,528	8,013
5.81 31 Dec 2053	3,715	3,817	3,977
Real Estate Asset Liquidity Series Class A			
4.62 12 Sep 2016	1,975	2,125	2,008
5.08 12 Oct 2036	745	769	763
Royal Bank of Canada			
2.68 8 Dec 2016	1,350	1,389	1,350
2.58 13 Apr 2017	1,500	1,537	1,500
Royal Office Finance			
5.21 12 Nov 2032	4,048	4,758	4,771
SP1 LP			
3.21 15 Jun 2019	5,196	5,243	5,145
Standard Life Assurance			
3.94 21 Sep 2022	2,815	2,986	2,824
Sun Life Financial Inc			
4.80 23 Nov 2035	800	850	811
4.95 1 Jun 2036	1,989	2,136	2,030
Toronto Dominion Bank			
2.95 2 Aug 2016	3,280	3,410	3,355
3.37 2 Nov 2020	3,505	3,634	3,567
4.78 14 Dec 2105	550	602	594
5.76 18 Dec 2106	680	786	783
Toronto Hospital			
5.64 8 Dec 2022	10,580	12,163	12,130
Transcanada Pipelines			
8.05 17 Feb 2039	1,553	2,516	2,492

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 32.9% (continued)			
VW Credit Canada			
2.90% 1 Jun 2017	715	739	715
Wells Fargo Finance Canada			
4.38 30 Jun 2015	5,560	5,892	5,888
2.77 9 Feb 2017	1,935	1,991	1,934
2.94 25 Jul 2019	1,780	1,839	1,780
WTH Car Rental			
4.14 20 Mar 2015	10,738	10,996	11,077
		305,526	297,456
Total Fixed Income Investments – 98.7%		916,945	897,648
Cash and Short-term Investments – 1.3%		11,817	11,817
Total Portfolio Assets – 100.0%		928,762	909,465
Government Grant Investments Allocation			
Plan II		464	424
Founders' Plan		35,830	34,758
Group Savings Plan		203,029	197,871
Group Savings Plan 2001		606,906	594,922
Family Savings Plan		66,381	65,379
Individual Savings Plan		4,335	4,294
		916,945	897,648
Cash and Short-term Investments Allocation			
Plan II		23	23
Founders' Plan		619	619
Group Savings Plan		2,982	2,982
Group Savings Plan 2001		7,541	7,541
Family Savings Plan		623	623
Individual Savings Plan		29	29
		11,817	11,817

Canadian Scholarship Group Savings Plan Trust

Scholarship Pool

Appendix II to Schedule I

Statement of Investment Portfolio

As at April 30, 2013 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)				
Bonds				Bonds (continued)							
Federal – 6.5%				Corporate – 19.0% (continued)							
Government of Canada				BMW Canada							
3.50%	1 Jun 2013	435	436	437	2.88%	9 Aug 2016	350	361	350		
2.00	1 Aug 2013	580	581	582	2.39	27 Nov 2017	370	376	370		
2.50	1 Sep 2013	755	759	764	Caisse Centrale Desjardins						
3.00	1 Dec 2015	645	678	677	3.11	4 Dec 2014	309	317	315		
2.75	1 Sep 2016	515	543	542	2.28	17 Oct 2016	170	172	170		
1.50	1 Sep 2017	105	107	106	Canadian Imperial Bank of Commerce						
3.75	1 Jun 2019	200	229	228	2.35	18 Oct 2017	210	213	209		
1.50	1 Jun 2023	465	457	442	3.15	2 Nov 2020	1,215	1,252	1,220		
Canada Housing Trust				Cards II Trust							
3.55	15 Sep 2013	1,295	1,307	1,312	3.10	15 Sep 2015	441	457	451		
2.75	15 Dec 2014	305	313	312	GE Capital Canada						
2.45	15 Dec 2015	680	702	700	5.28	22 Oct 2014	632	667	675		
			6,112	6,102	5.10	1 Jun 2016	595	654	641		
Provincial – 7.9%				4.55				17 Jan 2017	90	98	97
Province of British Columbia				Honda Canada Finance Inc.							
4.25	18 Jun 2014	795	823	834	2.28	11 Dec 2017	320	323	320		
4.65	18 Dec 2018	500	578	568	HSBC Bank of Canada						
2.70	18 Dec 2022	180	184	183	2.90	13 Jan 2017	295	305	296		
Province of Ontario				5.15				30 Jun 2049	1,063	1,127	1,138
4.75	2 Jun 2013	450	451	465	Hydro One Inc						
5.00	8 Mar 2014	560	578	585	5.18	18 Oct 2017	400	456	459		
3.25	8 Sep 2014	1,210	1,244	1,252	John Deere Credit Inc						
4.40	8 Mar 2016	710	771	773	1.95	12 Apr 2017	210	210	210		
3.20	8 Sep 2016	145	153	153	Master Credit Card Trust						
4.20	8 Mar 2018	450	502	498	2.63	21 Jan 2017	16	17	16		
Province of Quebec				Merrill Lynch Financial Assets							
5.50	1 Dec 2014	1,370	1,464	1,488	4.82	12 Feb 2015	280	292	298		
4.50	1 Dec 2016	120	133	134	National Bank of Canada						
4.50	1 Dec 2020	440	507	493	3.58	26 Apr 2016	620	653	648		
			7,388	7,426	2.69	21 Aug 2017	800	822	808		
Corporate – 19.0%				RBC Capital Trust							
Bank of Montreal				4.87				31 Dec 2049	943	1,014	1,003
5.18	10 Jun 2015	755	812	824	5.81	31 Dec 2053	140	144	151		
3.10	10 Mar 2016	470	488	480	Real Estate Asset Liquidity						
2.96	2 Aug 2016	80	83	82	4.61	12 Nov 2016	700	759	756		
2.24	11 Dec 2017	130	131	130	Score Trust						
Bank of Nova Scotia				4.95				20 Feb 2014	209	213	222
2.74	1 Dec 2016	770	794	775							
2.37	11 Jan 2018	480	487	480							
2.24	22 Mar 2018	250	252	250							

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

Canadian Scholarship Group Savings Plan Trust

Scholarship Pool (continued)

Appendix II to Schedule I

Statement of Investment Portfolio

As at April 30, 2013 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 19.0% (continued)			
Toronto Dominion Bank			
3.37%	2 Nov 2020	260	270
4.78	14 Dec 2105	540	591
5.76	18 Dec 2106	520	601
Toyota Credit Canada Inc			
3.55	22 Feb 2016	383	403
VW Credit Canada Inc.			
3.60	1 Feb 2016	200	210
2.20	11 Oct 2016	260	263
2.90	1 Jun 2017	230	238
Wells Fargo Finance Canada			
3.97	3 Nov 2014	281	291
3.70	30 Mar 2016	525	554
2.77	9 Feb 2017	340	350
		17,720	17,542
Total Fixed Income Investments – 33.4%		31,220	31,070
Cash and Short-term Investments – 66.6%		62,200	62,200
Total Portfolio Assets – 100.0%		93,420	93,270
Total Investments Allocation			
Group Savings Plan		24,647	24,529
Group Savings Plan 2001		6,573	6,541
		31,220	31,070
Cash and Short-term Investments Allocation			
Group Savings Plan		49,105	49,105
Group Savings Plan 2001		13,095	13,095
		62,200	62,200

Sales Charge Refund Entitlements

Appendix III to Schedule I

Statement of Investment Portfolio

As at April 30, 2013 (in thousands of dollars)

Agreements Purchased prior to October 2, 2007

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds			
Federal – 0.4%			
Canada Government			
4.75% 1 Jun 2014	27	19	20
0.07 1 Mar 2015	950	427	424
		446	444
Provincial – 1.4%			
Province of British Columbia			
10.7 19 Jun 2021	530	818	736
Province of New Brunswick			
6.5 30 Nov 2027	329	417	407
Province of Quebec			
1.55 1 Jun 2018	450	453	450
		1,688	1,593
Corporate – 40.4%			
407 International Inc.			
7.13 26 Jul 2040	1,033	1,578	1,259
Aon Finance			
4.76 8 Mar 2018	2,214	2,406	2,278
Arrow Lakes Power Corp			
5.52 5 Apr 2041	100	118	100
BAC Canada Finance			
2.76 21 Feb 2014	2,423	2,439	2,418
BCIMC Realty Corporation			
3.51 29 Jun 2022	35	37	35
Blue Water Bridge Authority			
6.41 9 Jul 2027	1,246	1,031	1,055
Canadian Capital Auto Receivables Asset Trust			
2.63 17 Aug 2014	152	43	43
CDP Financial Inc.			
1.74 15 Jul 2015	250	250	251
Central 1 Credit Union			
1.77 19 Nov 2014	735	735	735
Claregold Trust			
5.07 15 May 2044	253	74	78
GE Capital Canada			
1.65 15 Feb 2022	2,747	2,584	2,520
2.34 6 Feb 2023	807	821	807
Greater Toronto Airport Authority			
6.45 30 Jul 2029	285	363	361

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 40.4% (continued)			
Green Timbers LP			
6.84% 30 Jun 2037	353	445	385
Health Montreal Collective			
6.72 30 Sep 2049	539	690	539
Honda Canada Finance Inc			
2.25 23 Feb 2015	630	637	630
Hydro One Inc.			
1.67 3 Dec 2016	320	325	320
Loblaw Companies			
6.00 3 Mar 2014	14	15	15
6.50 22 Jan 2029	870	1,031	873
5.90 18 Jan 2036	183	205	165
6.45 1 Mar 2039	31	37	30
Manufacturers Life Insurance			
4.17 1 Jun 2022	1,468	1,570	1,473
Manulife Bank of Canada			
1.83 14 Mar 2016	125	125	125
Maritimes and Northeast Pipelines			
4.34 30 Nov 2019	2,006	2,111	2,067
McCain Finance			
3.87 7 Feb 2023	737	759	737
Master Credit Card Trust			
2.63 21 Jan 2017	820	846	830
Merrill Lynch Financial Assets			
4.62 12 Nov 2015	179	189	153
4.98 12 Jun 2016	379	410	388
4.64 12 Oct 2016	285	182	180
4.81 12 Oct 2016	637	689	653
5.25 12 Jun 2035	73	22	18
4.48 12 Jul 2037	431	455	370
4.75 12 Jan 2040	1,100	1,195	1,173
Milit-Air Inc.			
5.75 30 Jun 2019	1,179	1,312	1,299
N-45 First CMBS			
5.67 15 Nov 2020	448	457	477
NAV Canada			
7.56 1 Mar 2027	1,188	1,561	1,512
Ontrea Inc.			
4.62 9 Apr 2018	705	749	709

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

Sales Charge Refund Entitlements (continued)

Appendix III to Schedule I

Statement of Investment Portfolio

As at April 30, 2013 (in thousands of dollars)

Agreements Purchased prior to October 2, 2007 (continued)

Security		Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security		Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)					Bonds (continued)				
Corporate – 40.4% (continued)					Corporate – 40.4% (continued)				
Ornge Issuer Trust					Viking Rideau Corp				
5.73%	11 Jun 2034	2,014	2,356	2,322	6.75%	10 Mar 2014	188	192	200
Plenary Health					WTH Car Rental				
3.16	13 Mar 2015	1,110	1,118	1,113	4.14	20 Mar 2015	1,570	1,608	1,580
Real Estate Asset Liquidity Series Class A					2.62	20 Dec 2016	1,300	1,309	1,306
4.27	12 Mar 2037	247	28	27				48,995	46,418
Rogers Communications					Total Fixed Investments – 42.2%			51,129	48,455
6.11	25 Aug 2040	426	519	426	Pooled Equity Funds				
Schooner Trust					SRA Canadian Equity Fund		2,557	35,169	38,285
5.19	12 May 2017	185	207	155	SRA US Equity Fund		2,168	16,888	15,926
5.19	12 Jun 2022	28	16	12	SRA International Equity Fund		2,147	17,517	19,403
Shaw Communications Inc.					Total Equity – 57.4%			69,574	73,614
6.75	9 Nov 2039	2,283	2,785	2,216	Total Investments – 99.6%			120,703	122,069
SNC Lavalin Group					Cash and Short-term Investments – 0.4%			474	474
6.19	3 Jul 2019	1,670	1,944	1,905	Total Portfolio Assets – 100.0%			121,177	122,543
SP1 LP					Total Investments Allocation				
3.21	15 Jun 2019	1,373	1,385	1,359	Group Savings Plan			50,713	51,287
St. Clair Holding					Group Savings Plan 2001			69,990	70,782
4.88	31 Aug 2031	485	490	485				120,703	122,069
Standard Life Assurance					Cash and Short-term Investments Allocation				
3.94	21 Sep 2022	565	599	565	Group Savings Plan			199	199
Strait Crossing Dev Inc.					Group Savings Plan 2001			275	275
6.17	15 Sep 2031	451	407	395				474	474
Sun Life Financial Inc									
4.95	1 Jun 2036	1,342	1,441	1,373					
Toronto Hospital									
5.64	8 Dec 2022	2,259	2,597	2,577					
University of Ontario Infrastructure									
6.35	15 Oct 2034	1,267	1,498	1,341					

Sales Charge Refund Entitlements

Appendix IV to Schedule I

Statement of Investment Portfolio

As at April 30, 2013 (in thousands of dollars)

Agreements Purchased on or after October 2, 2007

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds			
Federal – 0.2%			
Canada Government			
4.75% 1 Jun 2014	2	1	2
0.07 1 Mar 2015	141	63	63
		64	65
Provincial – 1.4%			
Province of British Columbia			
10.65 19 Jun 2021	46	71	64
Province of New Brunswick			
6.47 30 Nov 2027	284	360	351
		431	415
Corporate – 45.9%			
407 International Inc.			
7.13 26 Jul 2040	355	542	459
Aon Finance			
4.76 8 Mar 2018	656	713	686
Arrow Lakes Power Corp			
5.52 5 Apr 2041	73	86	73
BAC Canada Finance			
2.75 21 Feb 2014	550	554	550
BCIMC Realty Corporation			
2.65 29 Jun 2017	167	172	168
3.51 29 Jun 2022	254	269	254
Blue Water Bridge Authority			
6.41 9 Jul 2027	191	158	163
Canadian Capital Auto Receivables Asset Trust			
2.63 17 Aug 2014	100	29	28
CDP Financial			
1.74 15 Jul 2015	350	351	352
4.60 15 Jul 2020	82	95	88
Central 1 Credit Union			
1.77 19 Nov 2014	305	305	305
Claregold Trust			
5.07 15 May 2044	245	71	75
GE Capital Canada			
2.50 26 Jan 2015	46	47	47
1.65 15 Feb 2022	730	687	670
2.34 6 Feb 2023	255	260	255
Health Montreal Collective			
6.72 30 Sep 2049	98	126	98
Honda Canada Finance Inc			
2.25 23 Feb 2015	370	374	370

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 45.9% (continued)			
Hydro One Inc.			
1.67% 3 Dec 2016	355	360	355
Loblaw Companies			
6.00 3 Mar 2014	1	1	1
6.50 22 Jan 2029	178	211	186
6.05 9 Jun 2034	398	454	438
5.90 18 Jan 2036	16	18	14
6.45 1 Mar 2039	3	4	3
Manufacturers Life Insurance			
4.21 18 Nov 2021	36	38	36
4.17 1 Jun 2022	293	313	294
Manulife Bank of Canada			
1.83 3 Dec 2014	79	79	79
Maritimes and Northeast Pipelines			
4.34 30 Nov 2019	351	369	361
Master Credit Card Trust			
2.63 21 Jan 2017	548	565	554
McCain Finance			
3.87 7 Feb 2023	213	219	213
Merrill Lynch Financial Assets			
4.62 12 Nov 2015	16	17	14
4.98 12 Jun 2016	122	132	125
4.64 12 Oct 2016	158	101	100
4.81 12 Oct 2016	150	162	154
4.71 12 Nov 2016	80	24	24
5.25 12 Jun 2035	6	2	1
4.48 12 Jul 2037	38	40	33
4.75 12 Jan 2040	32	35	34
Milit-Air Inc.			
5.75 30 Jun 2019	560	623	620
N-45 First CMBS			
5.67 15 Nov 2020	76	77	81
NAV Canada			
7.56 1 Mar 2027	342	450	436
Ornge Issuer Trust			
5.73 11 Jun 2034	588	687	676
Plenary Health			
3.16 13 Mar 2015	129	130	129
Plenary Health Humber LP			
2.63 18 May 2015	300	305	300

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

Sales Charge Refund Entitlements (continued)

Appendix IV to Schedule I

Statement of Investment Portfolio

As at April 30, 2013 (in thousands of dollars)

Agreements Purchased on or after October 2, 2007 (continued)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)				Bonds (continued)			
Corporate – 45.9% (continued)				Corporate – 45.9% (continued)			
Real Estate Asset Liquidity Series Class A				Viking Rideau Corp			
4.64%	12 Oct 2015	7	7	6.75%	10 Mar 2014	37	37
4.27	12 Mar 2037	22	2				
Rogers Communication Inc.				WTH Car Rental			
6.11	25 Aug 2040	59	72	4.14	20 Mar 2015	315	323
Schooner Trust				2.62	20 Dec 2016	346	348
5.19	12 May 2017	16	18			14,576	13,999
5.19	12 Jun 2022	2	1	Total Fixed Investments – 47.5%		15,071	14,479
Shaw Communications Inc.				Pooled Equity Funds			
6.75	9 Nov 2039	550	671	SRA Canadian Equity Fund	630	8,662	8,616
SNC Lavalin Group				SRA US Equity Fund	482	3,758	2,782
6.19	3 Jul 2019	463	539	SRA International Equity Fund	467	3,813	3,210
SP1 LP				Total Equity – 51.1%		16,233	14,608
3.21	15 Jun 2019	544	549	Total Investments – 98.6%		31,304	29,087
St. Clair Holding				Cash and Short-term Investments – 1.4%		468	468
4.88	31 Aug 2031	127	128	Total Portfolio Assets – 100.0%		31,772	29,555
Standard Life Assurance				Total Investments Allocation			
3.94	21 Sep 2022	147	156	Group Savings Plan 2001		31,304	29,087
Strait Crossing Dev Inc						31,304	29,087
6.17	15 Sep 2031	74	67	Cash and Short-term Investments Allocation			
Sun Life Financial Inc				Group Savings Plan 2001		468	468
4.95	1 Jun 2036	394	423			468	468
Toronto Hospital							
5.64	8 Dec 2022	638	733				
University of Ontario Infrastructure							
6.35	15 Oct 2034	209	247				

Canadian Scholarship Trust Plan

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