



# Canadian Scholarship Trust Group Savings Plan

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)
<b>Assets</b>		
Investments, at fair value <i>(Note 4 and Schedule I)</i>	\$ 960,992	\$ 975,636
Cash and cash equivalents	22,602	21,213
Short-term investments	30,580	17,307
Accrued interest and other receivables	9,647	10,055
Receivables for securities sold	5,860	2,770
Government grants receivable	684	565
	<b>1,030,365</b>	<b>1,027,546</b>
<b>Liabilities</b>		
Accounts payable, accrued liabilities and unclaimed subscribers' funds	1,909	2,002
Payables for securities purchased	5,809	3,623
Subscribers' deposits <i>(Note 6)</i>	487,292	493,691
	<b>495,010</b>	<b>499,316</b>
<b>Net Assets Available for Education Assistance Payments</b>	<b>535,355</b>	<b>528,230</b>
<b>Represented by:</b>		
<b>Non-Discretionary Funds</b>		
Accumulated interest held for future education assistance payments	273,795	272,482
Government grants	135,803	135,286
Interest on Government grants	64,266	61,874
Sales charge refund entitlements <i>(Notes 3(b) and 8)</i>	51,638	50,379
<b>Unrealized Gains</b>	<b>8,594</b>	<b>6,953</b>
<b>Discretionary Funds</b>		
Donations from the Foundation <i>(Note 7)</i>	1,259	1,256
	<b>\$ 535,355</b>	<b>\$ 528,230</b>

# Statements of Investment Operations

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

	Apr 30, 2013	Apr 30, 2012
<b>Income</b>		
Interest income	\$ 16,441	\$ 16,885
Realized gains (Losses)	(561)	4,788
Other income	168	706
	<b>16,048</b>	<b>22,379</b>
<b>Expenses</b>		
Plan administration and processing fees <i>(Note 3(a))</i>	1,899	1,981
Financial reporting <i>(Note 3(a))</i>	567	642
Portfolio management fees	625	658
Custodian fees	58	58
Trustee fees	26	29
	<b>3,175</b>	<b>3,368</b>
<b>Net Investment Income</b>	<b>12,873</b>	<b>19,011</b>
<b>Increase (Decrease) in Unrealized Gains</b>	<b>1,641</b>	<b>(8,711)</b>
<b>Increase in Net Assets from Investment Operations</b>	<b>\$ 14,514</b>	<b>\$ 10,300</b>

# 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
<b>Net Assets Available for Education Assistance Payments, Beginning of Period</b>	<b>\$ 528,230</b>	<b>\$ 541,313</b>
<b>Increase in Net Assets from Investment Operations</b>	<b>14,514</b>	<b>10,300</b>
Transfers to internal and external plans	(2,999)	(3,064)
	<b>11,515</b>	<b>7,236</b>
<b>Receipts</b>		
Government grants received (net of repayments)	2,849	2,244
<b>Disbursements</b>		
Payments to beneficiaries		
Education assistance payments	(3,963)	(2,819)
Government grants	(1,282)	(966)
Refund of Sales Charge	(1,233)	(747)
Return of interest	(761)	(569)
	<b>(7,239)</b>	<b>(5,101)</b>
<b>Receipts less Disbursements</b>	<b>(4,390)</b>	<b>(2,857)</b>
<b>Increase in Net Assets Available for Education Assistance Payments</b>	<b>7,125</b>	<b>4,379</b>
<b>Net Assets Available for Education Assistance Payments, End of Period</b>	<b>\$ 535,355</b>	<b>\$ 545,692</b>

# Statements of Cash Flows

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

	Apr 30, 2013	Apr 30, 2012
<b>Operating Activities</b>		
Increase in Net Assets from Investment Operations	\$ 14,514	\$ 10,300
Net disbursements from investment transactions	1,547	(1,771)
Items not affecting cash		
Realized losses (gains) on sale of investments	561	(4,788)
Decrease (increase) in Unrealized Gains	(1,641)	8,711
Change in non-cash operating working capital		
Decrease (increase) in Accrued interest and other receivables	408	(305)
Increase in Government grants receivable	(119)	(391)
Decrease in Accounts payable, accrued liabilities and unclaimed subscribers' funds	(93)	(1,515)
<b>Cash flow from Operating Activities</b>	<b>15,177</b>	<b>10,241</b>
<b>Financing Activities</b>		
Transfers to internal and external plans	(2,999)	(3,064)
Government grants received (net of repayments)	2,849	2,244
Net decrease in Subscribers' deposits <i>(Note 6)</i>	(6,399)	(1,959)
Payments to beneficiaries	(7,239)	(5,101)
<b>Cash flow used in Financing Activities</b>	<b>(13,788)</b>	<b>(7,880)</b>
<b>Net increase in Cash and cash equivalents</b>	<b>1,389</b>	<b>2,361</b>
<b>Cash and cash equivalents, Beginning of Period</b>	<b>21,213</b>	<b>7,686</b>
<b>Cash and cash equivalents, End of Period</b>	<b>\$ 22,602</b>	<b>\$ 10,047</b>

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 (\$)
<b>Bonds</b>				<b>Bonds (continued)</b>			
<b>Federal – 54.5%</b>				<b>Municipal and Provincial – 43.1% (continued)</b>			
Government of Canada				Province of British Columbia			
1.50% 1 Nov 2013	2,151	2,156	2,171	4.25% 18 Jun 2014	9,250	9,574	9,784
0.75 1 May 2014	10,395	10,369	10,355	5.30 18 Jun 2014	1,275	1,335	1,409
3.00 1 Jun 2014	1,160	1,185	1,194	4.70 1 Dec 2017	17,130	19,539	19,524
2.25 1 Aug 2014	905	919	923	3.70 18 Dec 2020	1,150	1,277	1,185
2.00 1 Dec 2014	3,490	3,546	3,550	5.70 18 Jun 2029	6,775	9,027	8,904
3.00 1 Dec 2015	7,125	7,487	7,404	6.35 18 Jun 2031	2,621	3,755	3,604
1.50 1 Mar 2017	11,725	11,891	11,744	5.40 18 Jun 2035	2,500	3,302	3,253
1.50 1 Jun 2023	603	592	582	4.95 18 Jun 2040	3,020	3,858	3,889
4.25 1 Dec 2026	300	671	653	4.30 18 Jun 2042	5,855	6,858	6,692
4.00 1 Jun 2041	2,236	2,982	2,910	Province of Manitoba			
Canada Housing Trust				2.05 1 Dec 2016	1,824	1,865	1,845
3.60 15 Jun 2013	19,136	19,194	19,598	3.85 1 Dec 2021	1,790	2,000	1,973
2.70 15 Dec 2013	16,505	16,674	16,898	4.40 5 Sep 2025	2,597	3,010	2,814
2.20 15 Mar 2014	2,245	2,267	2,278	7.75 22 Dec 2025	1,900	2,865	2,833
3.15 15 Jun 2014	65,683	67,216	67,712	5.70 5 Mar 2037	1,605	2,210	2,171
2.75 15 Sep 2014	31,400	32,129	32,479	4.60 5 Mar 2038	810	974	954
2.75 15 Dec 2014	43,422	44,616	45,133	4.10 5 Mar 2041	9,080	10,250	10,000
1.44 15 Mar 2015	2,256	2,269	2,264	4.40 5 Mar 2042	2,545	3,020	2,975
3.15 15 Jun 2015	26,197	27,329	27,219	Province of New Brunswick			
2.75 15 Dec 2015	6,099	6,348	6,205	4.50 4 Feb 2015	8,500	8,992	9,112
2.45 15 Dec 2015	7,000	7,231	7,239	4.30 3 Dec 2015	14,280	15,378	14,805
1.41 15 Mar 2016	4,722	4,749	4,745	4.70 21 Jul 2016	4,700	5,188	5,174
2.75 15 Jun 2016	41,561	43,465	42,768	6.47 30 Nov 2027	557	704	700
1.34 15 Sep 2016	8,993	9,034	8,985	4.55 26 Mar 2037	700	813	670
1.85 15 Dec 2016	10,000	10,180	10,070	Province of Newfoundland			
2.05 15 Jun 2017	6,600	6,769	6,735	5.25 4 Jun 2014	629	657	678
1.40 15 Sep 2017	1,618	1,629	1,618	5.60 17 Oct 2033	517	692	604
1.70 15 Dec 2017	15,836	15,999	15,902	Province of Nova Scotia			
3.80 15 Jun 2021	905	1,031	1,013	4.70 14 Jan 2015	13,400	14,200	14,568
2.65 15 Mar 2022	1,000	1,050	1,023	4.60 18 Aug 2016	7,000	7,721	7,682
1.50 1 Dec 2044	4,805	6,705	6,602	5.80 1 Jun 2033	703	953	782
Ontario Infrastructure				4.40 1 Jun 2042	664	778	792
4.70 1 Jun 2037	475	538	470	Province of Ontario			
PSP Capital Inc				4.50 8 Mar 2015	13,440	14,256	14,511
4.57 9 Dec 2013	4,010	4,090	4,072	3.15 8 Sep 2015	2,245	2,345	2,309
		372,310	372,514	4.40 8 Mar 2016	12,375	13,440	12,737
<b>Municipal and Provincial – 43.1%</b>				3.20 8 Sep 2016	5,290	5,600	5,628
55 School Board Trust Series A Secured Debenture				4.30 8 Mar 2017	12,361	13,643	13,705
5.90 2 Jun 2033	235	304	249	1.90 8 Sep 2017	1,286	1,301	1,287
Alberta Capital Finance				4.20 8 Mar 2018	5,552	6,192	6,181
4.45 15 Dec 2025	562	657	557	4.00 2 Jun 2021	1,713	1,923	1,777
Province of Alberta				3.15 2 Jun 2022	1,360	1,434	1,409
1.41 27 May 2016	7,886	7,903	7,886	6.20 2 Jun 2031	3,036	4,251	3,893
1.85 1 Sep 2016	2,885	2,937	2,905	4.70 2 Jun 2037	685	827	802
2.55 15 Dec 2022	926	937	930	4.65 2 Jun 2041	1,660	2,025	2,031
2.90 20 Sep 2029	8,305	8,194	8,073				

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 (\$)				
<b>Bonds (continued)</b>				<b>Bonds (continued)</b>							
<b>Municipal and Provincial – 43.1% (continued)</b>				<b>Corporate – 2.3% (continued)</b>							
Province of Quebec				NAV Canada							
5.00%	1 Dec 2015	10,920	11,954	12,050	7.56%	1 Mar 2027	306	402	390		
11.00	15 Aug 2020	962	1,523	1,515	Ontrea Inc.						
5.50	1 Dec 2014	8,340	8,909	9,201	4.62	9 Apr 2018	195	207	208		
4.50	1 Dec 2016	12,895	14,248	14,378	Ornge Issuer Trust						
4.50	1 Dec 2017	5,594	6,285	6,275	5.73	11 Jun 2034	946	1,106	1,083		
4.25	1 Dec 2021	4,378	4,976	4,764	Pearson Internation Fuel Facilities Corp						
6.25	1 Jun 2032	1,803	2,523	2,281	5.09	9 Mar 2032	850	925	911		
5.75	1 Dec 2036	719	970	810	Real Estate Asset Liquidity Series Class A						
5.00	1 Dec 2041	300	378	376	4.62	12 Sep 2016	185	199	185		
Province of Saskatchewan				Royal Office Finance							
4.65	5 Sep 2017	595	674	610	5.21	12 Nov 2032	1,964	2,308	2,082		
5.75	5 Mar 2029	1,300	1,755	1,749	Standard Life Assurance						
6.40	5 Sep 2031	2,991	4,368	4,135	3.94	21 Sep 2022	258	274	258		
5.60	5 Sep 2035	2,260	3,107	3,055	Sun Life Financial Inc						
4.75	1 Jun 2040	2,859	3,617	3,387	4.80	23 Nov 2035	180	191	182		
3.40	3 Feb 2042	400	411	416	4.95	1 Jun 2036	60	64	61		
			294,662	291,248	Toronto Hospital						
<b>Corporate – 2.3%</b>				Transcanada Pipelines							
BAC Canada Finance				8.05				17 Feb 2039	130	211	207
2.75	21 Feb 2014	996	1,003	978	WTH Car Rental						
Canada Post				4.14				20 Mar 2015	362	371	379
4.36	16 Jul 2040	655	823	655				15,631	14,949		
CBC				<b>Total Fixed Income Investments – 99.9%</b>				<b>682,603</b>	<b>678,711</b>		
4.69	15 May 2027	549	630	584	<b>Cash and Short-term Investments – 0.1%</b>				896	896	
GE Capital Canada				<b>Total Portfolio Assets – 100.0%</b>				<b>683,499</b>	<b>679,607</b>		
1.65	15 Feb 2022	706	664	648	<b>Investments Allocation (Note 4)</b>						
2.34	6 Feb 2023	284	289	284	<b>Government Grants (Appendix I)</b>				203,029	197,871	
Greater Toronto Airport Authority				<b>Canadian Scholarship Group Savings Plan</b>							
6.45	30 Jul 2029	884	1,124	1,096	<b>Trust Scholarship Pool (Appendix II)</b>				24,647	24,529	
Honda Canada Finance Inc.				<b>Sales Charge Refund</b>							
2.25	23 Feb 2015	592	599	592	<b>Entitlements (Appendix III)</b>				50,713	51,287	
Manufacturers Life Insurance				<b>Cash and Short-term</b>							
4.17	1 Jun 2022	967	1,034	972	<b>Investments (Appendices I, II &amp; III)</b>				52,286	52,286	
Manulife Bank of Canada				<b>Total Investment Fund</b>				<b>1,014,174</b>	<b>1,005,580</b>		
1.83	14 Mar 2016	80	80	80	<b>Represented by:</b>						
Maritimes and Northeast Pipelines				<b>Investments, at fair value</b>				960,992			
4.34	30 Nov 2019	838	882	873	<b>Cash and cash equivalents</b>				22,602		
6.90	30 Nov 2019	140	161	162	<b>Short-term Investments</b>				30,580		
Merrill Lynch Financial Assets											
4.98	12 Jun 2016	498	539	533							
4.75	12 Jan 2040	269	214	210							
Milit-Air Inc.											
5.75	30 Jun 2019	508	565	574					<b>1,014,174</b>		

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 (“Group Savings Plan”, or the “Plan”) is a Pooled Education Savings Plan, that was established on September 1, 1991. Since June 2001, the Plan is no longer available for sale. The objective of the Group Savings Plan is to assist parents and others to save for the post-secondary education of children. The Group Savings Plan is managed 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 subscribers’ principal balance 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 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;
- iii. 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
- iv. 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 receives the CESG, 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 RESPs 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 (“NAVs”) 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. Account maintenance fees are paid annually to the Foundation from subscribers' deposits and are accrued throughout the year.

### (f) Income taxes

The Group 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 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) Administration of the Group Savings Plan

The Foundation, as the Plan sponsor, has appointed C.S.T.C. as the Investment Fund Manager to administer the Group Savings Plan.

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 were paid by subscribers and deducted from their contributions. In accordance with the distribution agreement, the Foundation agreed to set aside 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. The amount funded was equivalent to 50% of the estimated present value of the SCR Entitlements of \$200 per unit as determined at the time of sale.

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 pays SCR Entitlements to the beneficiaries from the SCR Fund, which amount to 100% of sales charges paid. The SCR Entitlement is paid with the first instalment of the education assistance payment payouts to qualified beneficiaries for the Plan. The total amount of SCR Entitlements paid for the six months ended April 30, 2013 was \$1,003 (2012 – \$747).

As at April 30, 2013, the SCR Entitlements amount of \$51,638 (October 31, 2012 – \$50,379) presented in the Statements of Net Assets Available for Education Assistance Payments represents the average cost of the investments in the SCR Fund of \$51,486 (October 31, 2012 – \$54,494), less funds to be transferred to the Scholarship Pool of \$77 (October 31, 2012 – \$4,368) for SCR payments made to beneficiaries during the period, plus accrued interest of \$229 (October 31, 2012 – \$253). The fair value of the investments in the SCR Fund as at April 30, 2013 amounted to \$51,064 (October 31, 2012 – \$47,209).

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

For the six-month period ended April 30, 2013, the Foundation provided deficit funding payments of \$1,800 (2012 – \$1,050) 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 \$142 (2012 – \$143). 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 \$28 (October 31, 2012 – \$95).

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

# Notes to the Financial Statements (continued)

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

## Note 4. Investment Holdings

The investment holdings are disclosed in Schedule I – Statement of Investment Portfolio and the related Appendices I – III 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 2001, 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 from the Pool is credited to the General Fund (see Note 7).

Investments used to fund the SCR Entitlements of the Group Savings Plan and the Group Savings Plan 2001 of 100% of service charges paid, are managed in a separate fund (see Appendix III to Schedule I). The SCR Fund's holdings and income are allocated to the Plan based on the Plan's proportionate share of the SCR Entitlements. 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.

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)	11%	7%
1-3 years	40%	42%
3-5 years	25%	27%
Greater than 5 years	21%	21%
<b>Total debt instruments</b>	<b>97%</b>	<b>97%</b>
Equity	3%	3%
<b>Total Investment Fund</b>	<b>100%</b>	<b>100%</b>

As at April 30, 2013, if prevailing interest rates had increased by 1%, the Total Investment Fund amount of \$1,014,174 (October 31, 2012 – \$1,014,156) as per Schedule I – Statement of Investment Portfolio, would have decreased by \$44,844 (October 31, 2012 – \$34,834). If prevailing interest rates had decreased by 1%, the Total Investment Fund would have increased by \$50,934 (October 31, 2012 – 40,602). 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 3% (October 31, 2012 – 3%) 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 \$292 (October 31, 2012 – \$319). 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 has a concentration of investments in government and

# 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)

### (b) Credit risk (continued)

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	April 30, 2013		October 31, 2012	
	% of Total Investment Fund	Amount (in thousands)	% of Total Investment Fund	Amount (in thousands)
AAA	65%	\$ 663,336	67%	\$ 673,407
AA/AAH/AAL	4%	35,943	4%	38,525
A/AH/AL	22%	223,128	22%	224,628
BBB	1%	6,382	0%	4,585
R-1	5%	52,055	4%	39,719
Short-term unrated	0%	3,888	0%	1,509
Equity	3%	29,442	3%	31,783
<b>Total Investment Fund</b>	<b>100%</b>	<b>\$ 1,014,174</b>	<b>100%</b>	<b>\$ 1,014,156</b>

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 directed 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 represents 1% (October 31, 2012 – 1%) of the Total Investment Fund. The Plan's Total Investment Fund would increase or decrease by approximately \$144 (October 31, 2012 – \$145) in response to a 1% depreciation or appreciation of the Canadian dollar currency exchange rate. In practice the actual change may differ materially.

## Note 6. Subscribers' Deposits

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

	April 30, 2013	April 30, 2012
Payments from subscribers	\$ 10,482	\$ 12,514
Inter-plan principal transfers	(4,923)	(5,042)
Account maintenance fees	(264)	(328)
Return of principal	(11,694)	(9,103)
Net decrease in Subscribers' deposits	(6,399)	(1,959)
<b>Balance, Beginning of Period</b>	<b>493,691</b>	<b>540,794</b>
<b>Balance, End of Period</b>	<b>\$ 487,292</b>	<b>\$ 538,835</b>

## Note 7. General Fund and Donations from the Foundation

The Canadian Group Scholarship 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:

- 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;
- interest earned on the interest forfeited when a subscriber's plan is terminated prior to maturity;
- income not collected by beneficiaries before the expiry of the benefit period; and
- 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 Education Assistance Payments 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

# 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)

valuation uses lower than expected long-term investment rates of return as determined by management to determine 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 rates of return of the SCR Fund at October 31, 2012 of 5.9% (October 31, 2011 – 6.4%) 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.

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

	2012	2011
Present value of SCR Entitlements	\$ 65,893	\$ 68,403
Fair value of SCR Fund <sup>1</sup>	47,209	49,036
Underfunded portion of SCR Entitlements	\$ 18,684	\$ 19,367

<sup>1</sup> Average cost of assets in SCR Fund was \$50,379 (2011 – \$52,584); includes accrued interest of \$253 (2011 – \$nil) and is net of funds to be transferred to the Scholarship Pool of \$4,368 (2011 – \$1,210) 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 \$1,877 (2011 – \$2,318) or \$1,794, respectively.

### (b) Funding Valuation

An actuarial valuation was completed based on assets and obligations as at October 31, 2011. This valuation included assumptions regarding management's best estimate of 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 2.3%, which resulted in an unfunded liability of \$30,000. The Foundation is responsible to pay beneficiaries of the Plan the refunds of sales charges 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*:

- "Level 1" financial instruments are valued using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- "Level 2" financial instruments are valued using observable inputs other than quoted prices included in Level 1.
- "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	\$ 22,602	\$ -	\$ -	\$ 22,602
Short-term Investments	-	30,580	-	30,580
Fixed Income Securities	-	931,550	-	931,550
Pooled Equity Funds (SCR Entitlements)	29,442	-	-	29,442
<b>Total Investment Fund</b>	<b>\$52,044</b>	<b>\$ 962,130</b>	<b>\$ -</b>	<b>\$ 1,014,174</b>

### Assets Measured at Fair Value as of October 31, 2012

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 21,213	\$ -	\$ -	\$ 21,213
Short-term Investments	-	17,307	-	17,307
Fixed Income Securities	-	943,852	-	943,852
Pooled Equity Funds (SCR Entitlements)	31,784	-	-	31,784
<b>Total Investment Fund</b>	<b>\$52,997</b>	<b>\$ 961,159</b>	<b>\$ -</b>	<b>\$ 1,014,156</b>

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 (\$)
<b>Bonds</b>			
<b>Federal – 40.4%</b>			
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
0.70 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
<b>Municipal and Provincial – 25.4%</b>			
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 (\$)
<b>Bonds (continued)</b>			
<b>Municipal and Provincial – 25.4% (continued)</b>			
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
<b>Corporate – 32.9%</b>			
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

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 (\$)
<b>Bonds (continued)</b>			
<b>Corporate – 32.9% (continued)</b>			
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 (\$)
<b>Bonds (continued)</b>			
<b>Corporate – 32.9% (continued)</b>			
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 (\$)
<b>Bonds (continued)</b>			
<b>Corporate – 32.9% (continued)</b>			
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 (\$)
<b>Bonds (continued)</b>			
<b>Corporate – 32.9% (continued)</b>			
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
<b>Total Fixed Income Investments – 98.7%</b>		<b>916,945</b>	<b>897,648</b>
<b>Cash and Short-term Investments – 1.3%</b>		11,817	11,817
<b>Total Portfolio Assets – 100.0%</b>		<b>928,762</b>	<b>909,465</b>
<b>Government Grant Investments Allocation</b>			
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
		<b>916,945</b>	<b>897,648</b>
<b>Cash and Short-term Investments Allocation</b>			
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
		<b>11,817</b>	<b>11,817</b>

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

# 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 (\$)
<b>Bonds</b>			
<b>Federal – 6.5%</b>			
Government of Canada			
3.50% 1 Jun 2013	435	436	437
2.00 1 Aug 2013	580	581	582
2.50 1 Sep 2013	755	759	764
3.00 1 Dec 2015	645	678	677
2.75 1 Sep 2016	515	543	542
1.50 1 Sep 2017	105	107	106
3.75 1 Jun 2019	200	229	228
1.50 1 Jun 2023	465	457	442
Canada Housing Trust			
3.55 15 Sep 2013	1,295	1,307	1,312
2.75 15 Dec 2014	305	313	312
2.45 15 Dec 2015	680	702	700
		6,112	6,102
<b>Provincial – 7.9%</b>			
Province of British Columbia			
4.25 18 Jun 2014	795	823	834
4.65 18 Dec 2018	500	578	568
2.70 18 Dec 2022	180	184	183
Province of Ontario			
4.75 2 Jun 2013	450	451	465
5.00 8 Mar 2014	560	578	585
3.25 8 Sep 2014	1,210	1,244	1,252
4.40 8 Mar 2016	710	771	773
3.20 8 Sep 2016	145	153	153
4.20 8 Mar 2018	450	502	498
Province of Quebec			
5.50 1 Dec 2014	1,370	1,464	1,488
4.50 1 Dec 2016	120	133	134
4.50 1 Dec 2020	440	507	493
		7,388	7,426
<b>Corporate – 19.0%</b>			
Bank of Montreal			
5.18 10 Jun 2015	755	812	824
3.10 10 Mar 2016	470	488	480
2.96 2 Aug 2016	80	83	82
2.24 11 Dec 2017	130	131	130
Bank of Nova Scotia			
2.74 1 Dec 2016	770	794	775
2.37 11 Jan 2018	480	487	480
2.24 22 Mar 2018	250	252	250

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>			
<b>Corporate – 19.0% (continued)</b>			
BMW Canada			
2.88% 9 Aug 2016	350	361	350
2.39 27 Nov 2017	370	376	370
Caisse Centrale Desjardins			
3.11 4 Dec 2014	309	317	315
2.28 17 Oct 2016	170	172	170
Canadian Imperial Bank of Commerce			
2.35 18 Oct 2017	210	213	209
3.15 2 Nov 2020	1,215	1,252	1,220
Cards II Trust			
3.10 15 Sep 2015	441	457	451
GE Capital Canada			
5.28 22 Oct 2014	632	667	675
5.10 1 Jun 2016	595	654	641
4.55 17 Jan 2017	90	98	97
Honda Canada Finance Inc.			
2.28 11 Dec 2017	320	323	320
HSBC Bank of Canada			
2.90 13 Jan 2017	295	305	296
5.15 30 Jun 2049	1,063	1,127	1,138
Hydro One Inc			
5.18 18 Oct 2017	400	456	459
John Deere Credit Inc			
1.95 12 Apr 2017	210	210	210
Master Credit Card Trust			
2.63 21 Jan 2017	16	17	16
Merrill Lynch Financial Assets			
4.82 12 Feb 2015	280	292	298
National Bank of Canada			
3.58 26 Apr 2016	620	653	648
2.69 21 Aug 2017	800	822	808
RBC Capital Trust			
4.87 31 Dec 2049	943	1,014	1,003
5.81 31 Dec 2053	140	144	151
Real Estate Asset Liquidity			
4.61 12 Nov 2016	700	759	756
Score Trust			
4.95 20 Feb 2014	209	213	222

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 (\$)
<b>Bonds (continued)</b>			
<b>Corporate – 19.0% (continued)</b>			
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
<b>Total Fixed Income Investments – 33.4%</b>		<b>31,220</b>	<b>31,070</b>
<b>Cash and Short-term Investments – 66.6%</b>		62,200	62,200
<b>Total Portfolio Assets – 100.0%</b>		<b>93,420</b>	<b>93,270</b>
<b>Total Investments Allocation</b>			
Group Savings Plan		24,647	24,529
Group Savings Plan 2001		6,573	6,541
		<b>31,220</b>	<b>31,070</b>
<b>Cash and Short-term Investments Allocation</b>			
Group Savings Plan		49,105	49,105
Group Savings Plan 2001		13,095	13,095
		<b>62,200</b>	<b>62,200</b>

# 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 (\$)
<b>Bonds</b>			
<b>Federal – 0.4%</b>			
Canada Government			
4.75% 1 Jun 2014	27	19	20
0.07 1 Mar 2015	950	427	424
		446	444
<b>Provincial – 1.4%</b>			
Province of British Columbia			
10.65 19 Jun 2021	530	818	736
Province of New Brunswick			
6.47 30 Nov 2027	329	417	407
Province of Quebec			
1.55 1 Jun 2018	450	453	450
		1,688	1,593
<b>Corporate – 40.4%</b>			
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 (\$)
<b>Bonds (continued)</b>			
<b>Corporate – 40.4% (continued)</b>			
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 (\$)
<b>Bonds (continued)</b>				<b>Bonds (continued)</b>			
<b>Corporate – 40.4% (continued)</b>				<b>Corporate – 40.4% (continued)</b>			
Ornge Issuer Trust				University of Ontario Infrastructure			
5.73% 11 Jun 2034	2,014	2,356	2,322	6.35 15 Oct 2034	1,267	1,498	1,341
Plenary Health				Viking Rideau Corp			
3.16 13 Mar 2015	1,110	1,118	1,113	6.75 10 Mar 2014	188	192	200
Real Estate Asset Liquidity Series Class A				WTH Car Rental			
4.27 12 Mar 2037	247	28	27	4.14 20 Mar 2015	1,570	1,608	1,580
Rogers Communications				2.62 20 Dec 2016	1,300	1,309	1,306
6.11 25 Aug 2040	426	519	426			48,995	46,418
Schooner Trust				<b>Total Fixed Investments – 42.2%</b>		<b>51,129</b>	<b>48,455</b>
5.19 12 May 2017	185	207	155	<b>Pooled Equity Funds</b>			
5.19 12 Jun 2022	28	16	12	SRA Canadian Equity Fund	2,557	35,169	38,285
Shaw Communications Inc.				SRA US Equity Fund	2,168	16,888	15,926
6.75 9 Nov 2039	2,283	2,785	2,216	SRA International Equity Fund	2,147	17,517	19,403
SNC Lavalin Group				<b>Total Equity – 57.4%</b>		<b>69,574</b>	<b>73,614</b>
6.19 3 Jul 2019	1,670	1,944	1,905	<b>Total Investments – 99.6%</b>		<b>120,703</b>	<b>122,069</b>
SP1 LP				<b>Cash and Short-term Investments – 0.4%</b>		474	474
3.21 15 Jun 2019	1,373	1,385	1,359	<b>Total Portfolio Assets – 100.0%</b>		<b>121,177</b>	<b>122,543</b>
St. Clair Holding				<b>Total Investments Allocation</b>			
4.88 31 Aug 2031	485	490	485	Group Savings Plan		50,713	51,287
Standard Life Assurance				Group Savings Plan 2001		69,990	70,782
3.94 21 Sep 2022	565	599	565			<b>120,703</b>	<b>122,069</b>
Strait Crossing Dev Inc.				<b>Cash and Short-term Investments Allocation</b>			
6.17 15 Sep 2031	451	407	395	Group Savings Plan		199	199
Sun Life Financial Inc				Group Savings Plan 2001		275	275
4.95 1 Jun 2036	1,342	1,441	1,373			<b>474</b>	<b>474</b>
Toronto Hospital							
5.64 8 Dec 2022	2,259	2,597	2,577				





# Canadian Scholarship Trust Plan

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Canadian Scholarship Trust Foundation  
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1.877.333.RESP (7377 )

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