

C.S.T. Consultants Inc.

Canadian Scholarship Trust Group Savings Plan 2001

Audited Financial Statements and
Management Report of Fund Performance

October 31, 2015 and 2014



Contents

Management Report of Fund Performance	1
Management’s Responsibility for Financial Reporting	6
Independent Auditor’s Report	6
Statements of Financial Position	7
Statements of Comprehensive Income	8
Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries	8
Statements of Cash Flows	9
Schedule I – Statement of Investment Portfolio	10
Schedule II – Subscribers’ Deposits and Accumulated Income	15
Schedule III – Education Assistance Payments	16
Notes to the Financial Statements	17
Government Grants (Appendix I to Schedule I)	24
Sales Charge Refund Entitlements	
– Agreements purchased prior to October 2, 2007 (Appendix II to Schedule I)	29
– Agreements purchased on or after October 2, 2007 (Appendix III to Schedule I)	31

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

Management Report of Fund Performance

Introduction

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Canadian Scholarship Trust Group Savings Plan 2001 (“the Plan”). A copy of the annual financial statements can be obtained on request, and at no cost, by visiting our website at www.cst.org, SEDAR at www.sedar.com, by calling our customer service team at 1-877-333-7377 or by writing to us by mail at 2235 Sheppard Avenue East, Suite 1600, Toronto, Ontario M2J 5B8.

The Canadian Scholarship Trust Foundation, as the Plan sponsor, and C.S.T. Consultants Inc., as the Investment Fund Manager, view corporate governance and compliance as critical to overall corporate performance and long-term investment returns, and as such we review and support the proxy voting guidelines established by our investment managers. Each investment manager’s proxy voting policy is available on request through our customer service area or by contacting us at cstplan@cst.org.

Investment Objective and Strategy

The Plan’s investment objectives are to protect Subscribers’ principal (net “Contributions” or “Principal”), and to deliver a reasonable positive return on investments over a long-term investment horizon within prudent risk tolerances.

Beginning in late September 2015 and completed in October, the Plan implemented changes to its investment structure to enhance diversification and yield, and improve liability matching with assets. While the majority of Principal assets remain invested in Canadian government fixed income securities, they are now managed using a passive¹ approach. A dedicated allocation of Principal assets was also moved into actively² managed Canadian financial institution debt securities rated A (mid) and above. Income assets remain invested in both corporate fixed income and U.S. hedged equity Exchange Traded Funds (“ETFs”), however, Canadian equities are now actively managed instead of invested in passive ETFs.

With these changes, the Plan modified the blend of indices comprising its Benchmark beginning October 1, 2015 to the following, which more closely reflects the Plan’s new strategic investment mix (see *Annual Compound Returns* for further details):

28.7%	FTSE TMX Canada Long Term Government Bond Index
21.7%	FTSE TMX Canada All Government Bond Index
22.6%	FTSE TMX Canada Financials Bond Index
7.0%	FTSE TMX Canada All Corporate Bond Index
14.0%	S&P 500 CAD Hedged Index
6.0%	S&P/TSX Capped Composite Index

The Plan’s Canadian government fixed income securities are passively managed by TD Asset Management Inc. and CIBC Asset Management Inc., according to pre-specified duration targets. Financial institution debt securities are actively managed by Greystone Managed Investments Inc. and TD Asset Management Inc. Corporate bonds are actively managed by Canso Investment Counsel Ltd. The active fixed income portfolios focus on

strategies where value can be added on a sustainable basis and may rely upon sector allocation, credit research, and duration management, dependent upon the managers’ expertise and mandate.

The Plan’s US equity assets are managed by BMO Asset Management Inc. and BlackRock Asset Management Canada Limited. These assets are allocated to ETFs traded on Canadian exchanges that replicate the performance of the S&P 500 Total Return Index Hedged to the Canadian dollar. The Plan’s Canadian equity assets are actively managed between two managers. Sionna Investment Managers Inc. seeks to generate long term capital appreciation by investing in a diversified portfolio of quality Canadian companies. CGOV Asset Management strives to construct a focused portfolio composed of Canadian companies identified as having effective management with superior long term prospects. All of the above listed assets and investment agreements are managed in accordance with our policies and agreements.

Risk

In October 2015, the Plan completed changes to its strategic investment mix as described in the Investment Objective and Strategy section above. These changes allowed for greater diversification in the investment of Plan assets, enhancement of yield, and improvement in matching assets with liabilities and did not materially affect the overall level of risk associated with an investment in the Plan. The risks associated with investing in the Plan remain as outlined in the Plan’s prospectus.

Results of Operation

2015 Plan Performance

For 2015, the Plan’s rate of return, net of fees, was 3.0% compared to the investment policy benchmark (“Benchmark”) return of 4.3% and the broad-based FTSE TMX Canada All Government Bond Index return of 4.9% (“Broad-based Index”). The Plan’s return is after the deduction of fees and expenses of 0.7%, while the Benchmark and Broad-based Index returns do not include any costs of investing, such as fees, expenses and commissions.

1 Passive strategies are designed to replicate or mimic the performance of a market index or benchmark.

2 Active management refers to a portfolio management strategy in which the manager makes specific investments with the intent of outperforming a market index or benchmark.

In comparison to the Benchmark, the Plan's overweight allocation to short term Federal government bonds detracted from relative results as yields fell in response to the Bank of Canada's January 2015 Bank Rate drop. Outperformance generated by the corporate bond allocation helped partially offset a portion of relative underperformance. The impact of the Plan transition completed in October was marginally positive relative to the Benchmark.

In comparison to the Broad-based Index, the Plan's allocation to Canadian equity, and to a lesser extent, corporate bonds, detracted from relative performance as both asset classes underperformed relative to the FTSE TMX Canada All Government Bond Index. Similar to the Plan Benchmark, the Plan's overweight allocation to short-term federal bonds detracted from performance relative to the Broad-based Index given yield movement as described previously. The impact of the Plan transition completed in October was marginally positive relative to the Broad-based Index.

Economic Review

Global growth declined in the first half of 2015 with a weaker than anticipated recovery for developed economies. Financial market volatility rose sharply throughout the summer with declining commodity prices and an abrupt correction in equity prices worldwide. Temporary surges in volatility were associated with events related to Greek debt negotiations and steep stock market declines in China. Despite a modest improvement over the latter half of the year, 2015 growth rate forecasts remained below those of 2014.

In the United States, real GDP, measured on an annualized basis, rose 3.9% in the second quarter of 2015, following a 0.6% gain in the first, supported in large part by consumer spending, private fixed investment and exports. The Federal Reserve Board ended speculation in September with the decision to maintain the funds target rate at 0.25%; citing global economic weakness as a key factor in refraining from any immediate rate hikes.

The Canadian economy experienced a two-quarter recession in the first half of 2015. Real GDP declined 0.1% in the second quarter, following a 0.2% contraction in the first due in large part to the decline in oil prices and lower export sales. The Bank of Canada ("BoC") responded with two rate cuts; once in January that was largely unanticipated by the market, followed with an additional cut in July lowering the overnight rate to 0.5%. GDP modestly strengthened in June, July, and August supported by gains in manufacturing and oil and gas extraction. Excluding energy prices, annual consumer inflation remained within the BoC's target range of 1% – 3%.

Canadian bond yields trended downwards at a modest pace early in the fiscal year, only to plunge in response to the BoC's surprise rate cut in January. Despite a second rate cut in July, yields tended to recover upward, albeit ending the year at levels modestly below those of October 2014. Both medium and long-term yields also fell throughout the period, although not to the same extent as short term bonds. These actions contributed to a steepening of the yield curve throughout the fiscal period. Despite the impact of rising yields in the latter half of fiscal 2015, long term government bonds outperformed relative to mid and short term issues over the course of the full year. In this environment, provincial bonds outperformed relative to federals at the short and mid portion of the curve, but underperformed at the long end. Corporate spreads widened modestly throughout the year, contributing to underperformance relative to government bonds throughout the fiscal year.

The S&P 500 (reflective of U.S. large cap stocks) was relatively flat throughout the first half of 2015, and despite a modest pull back in the third quarter, witnessed a strong rally in October to pull the annual return back into positive territory with a gain of 5.2% (U.S. dollar return).

The S&P/TSX Composite Capped Index (reflective of Canadian large cap stocks) declined by 4.6% over the year, and was largely impacted by the heavily weighted energy and materials sectors as commodity prices remain depressed in light of a weak global demand. The index was buoyed in part earlier in the year by health care firm Valeant Pharmaceuticals International Inc. which witnessed its stock price peak in August, only to tumble in late September due to questions about its sales and accounting practices.

Portfolio Manager Changes

With the implementation of the updated investment strategy, the Plan's portfolio managers and mandates were either re-aligned or changed. Beutel Goodman who primarily managed active government bonds on behalf of the Plan was replaced in September 2015 with assets transferred to passive strategies managed by TD Asset Management Inc. and CIBC Asset Management Inc. A portion of Plan assets allocated to government bonds was transferred to an actively managed financial institution bond mandate managed by Greystone Managed Investments Inc. and TD Asset Management Inc. Lastly, passively managed Canadian equity ETF assets were transferred to active managers Sionna Investment Managers Inc. and CGOV Asset Management.

As at October 31, 2015, 50.1% of the Plan's Total Portfolio Assets were invested in Government bonds, 29.1% in Corporate and Financial Institution Bonds, 15.0% in US ETFs, 5.4% Canadian Equity, and 0.4% in Cash and Short-Term Investments.

Recent Developments and Other Information

Growth in advanced economies is projected to increase modestly in 2015 and into 2016 according to a report released by the International Monetary Fund ("IMF") in October, 2015. Prospects across regions remain uneven, and in particular for those in emerging markets reliant upon commodity and oil-exports, as weakness in pricing is expected to persist.

On December 2nd, 2015, the BoC announced that it is maintaining the overnight rate at 0.5%. The BoC noted in an accompanying statement that global economic growth is evolving essentially as anticipated in its October Monetary Policy Report (MPR). The economy continues to undergo an adjustment aided by the ongoing US recovery, a lower Canadian dollar and the BoC's monetary policy easing this year. The resource sector is still contending with lower prices for commodities. The BoC expects GDP growth to moderate in the fourth quarter of 2015 before moving to a rate above potential in 2016. Total CPI inflation remains near the bottom of the BoC's target range, owing to declines in consumer energy prices. Core inflation is close to 2% as the effects of the lower dollar and the output gap continue to offset each other. While bond yields are slightly higher, financial conditions remain accommodative in Canada.

On December 16th, 2015, for the first time in almost a decade, the Federal Reserve Board raised the benchmark interest rate by 0.25 percentage points. Recent U.S. economic data appears encouraging as employers added 271,000 people to payrolls in October, and unemployment fell to 5%. Job openings in September climbed to the second highest on record, while the consumer price index, minus food and energy, rose 1.9% last month from a year earlier.

We are confident that the changes in our investment strategy and conservative management approach will continue to provide value over the long-term horizon of the Plan. Our goal, as always, is to provide safety of principal and deliver a reasonable return within our investment policy guidelines and risk tolerances for our subscribers and beneficiaries.

International Financial Reporting Standards

International Financial Reporting Standards (“IFRS”) replaced Canadian generally accepted accounting standards as defined in Part V of the Chartered Professional Accountants of Canada Handbook (“Canadian GAAP”) for certain qualifying investment funds for years beginning on or after January 1, 2014. Therefore, the Plan adopted IFRS to replace Canadian GAAP on November 1, 2014, with a transition date of November 1, 2013. In accordance with IFRS, the Plan has reclassified subscribers’ deposits with other amounts owing to subscribers and beneficiaries and renamed these as Net Assets Attributable to Subscribers and Beneficiaries.

Future Accounting Standards

In July 2014, the International Accounting Standards Board issued IFRS 9, Financial Instruments, to replace International Accounting Standard 39, Financial Instruments – Recognition and Measurement (“IAS 39”). IFRS 9 introduces new requirements for the classification and measurement of financial assets and will be effective for the Plan’s financial statements for the year ending October 31, 2019.

Financial and Operating Highlights (with comparative figures)

The following table is intended to help you understand the key financial results for the past five fiscal years ending October 31 for the Plan. This information is derived from the Plan’s audited annual financial statements.

(\$ thousands)	2015 ¹	2014 ¹	2013 ²	2012 ²	2011 ²
Statements of Financial Position					
Total Assets	\$3,299,857	\$2,986,788	\$2,630,081	\$2,378,785	\$2,045,477
Net Assets	3,228,464	2,946,876	990,348	918,629	786,847
% Change of Net Assets	9.6%	197.6%	7.8%	16.7%	20.2%
Statements of Comprehensive Income					
Net Investment Income	\$ 88,843	\$ 109,912	\$ 48,570	\$ 73,225	\$ 79,579
Statements of Changes in Net Assets					
Education Assistance Payments	\$ (18,340)	\$ (13,966)	\$ (11,707)	\$ (8,964)	\$ (6,090)
Government Grants Received (net of repayments)	84,959	83,494	83,262	82,260	71,837
Government Grant Payments to Beneficiaries	(12,981)	(9,591)	(7,214)	(5,184)	(3,345)
Other					
Total number of units	2,761,913	2,643,035	2,517,436	2,360,262	2,180,746
% Change in the total number of units	4.5%	5.0%	6.7%	8.2%	9.1%

Note:

1 Based on financial statements in accordance with IFRS

2 Based on financial statements in accordance with Canadian GAAP

Management Fees**Administration Fees**

An administration fee of \$16,679 thousand (2014 – \$14,869 thousand) comprising Plan administration and processing fees and financial reporting expenses was paid to the Canadian Scholarship Trust Foundation (“the Foundation”), the sponsor and administrator of the Plan, in accordance with subscribers’ Education Savings Plan Agreements. The administration of the Plan includes processing and call centre services related to new agreements, Government Grants, plan modifications, terminations, maturities and Education Assistance Payments (“EAPs”). The annual administration fee is calculated as 0.5% of the total amount of net Contributions, Government Grants and income earned on these amounts, subject to applicable taxes, and is paid monthly.

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

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

Portfolio Management Fees

The Plan’s annual investment management fee was 0.11%, including taxes, (2014 – 0.12%) of the average market value of assets based on the Investment Management Agreements with portfolio managers. The portfolio managers provide investment advisory and discretionary managed account services with respect to purchasing, selling, and dealing in securities.

Trustee and Custodian Fees

The Plan pays trustee and custodian fees to RBC Investor Services Trust to settle all investment trades and disburse fees, EAPs and other amounts in accordance with the terms of the Plan Agreement. For 2015 these fees charged to the Plan amounted to \$466 thousand (2014 – \$393 thousand) and were 0.01%, including taxes, (2014 – 0.01%) of the average market value of assets.

Summary of Plan Investment Portfolio

The Plan's Total Portfolio Assets are comprised of the Principal and Income for all education savings plan agreements that have not reached their maturity date, and the assets from which eligible beneficiaries collect EAP payments.

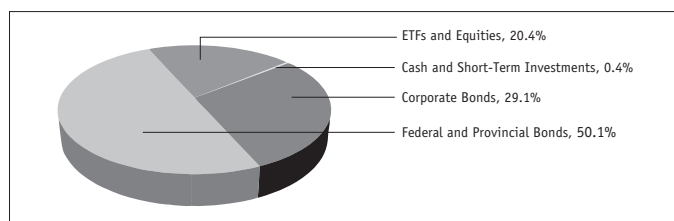
Government Grant assets and related investment income are specific to each beneficiary, but are invested together with funds from other Plans administered by the Foundation. Any payments to beneficiaries from Government Grant assets are treated as separate payments and not included in EAP values paid out.

Sales Charge Refund assets and related investment income are used to pay Sales Charge Refund Entitlements to qualified beneficiaries. These assets are invested together with funds from other Plans administered by the Foundation. Any payments to beneficiaries from Sales Charge Refund assets are treated as separate payments.

The Plan's Total Portfolio Assets as presented and as defined in this report, reflect only the Principal and Income assets. The Plan's Total Portfolio Assets do not include the allocation of assets from the Government Grant and Sales Charge Refund asset pools that are attributable to this Plan.

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

Asset Mix as at October 31, 2015



The following table details the top 25 long positions in the Total Portfolio Assets of the Plan. The Plan is prohibited from holding short positions in securities.

Issuer	Rate	Maturity Date	Fair Value (\$ 000's)	% of Plan Portfolio Assets
iShares Core S&P 500 Hedged to CAD Index ETF			170,164	7.5%
BMO S&P 500 Hedged to CAD Index ETF			169,633	7.5%
Province of Ontario	4.65%	02 Jun 2041	78,372	3.5%
Province of Quebec	5.00%	01 Dec 2041	57,784	2.6%
Government of Canada	5.00%	01 Jun 2037	52,726	2.3%
Government of Canada	3.50%	01 Dec 2045	50,488	2.2%
Royal Bank of Canada	2.77%	11 Dec 2018	45,912	2.0%
Government of Canada	5.75%	01 Jun 2033	45,531	2.0%
National Bank of Canada	2.69%	21 Aug 2017	40,699	1.8%
Bank of Nova Scotia	2.46%	14 Mar 2019	32,809	1.5%
Canada Housing Trust	2.90%	15 Jun 2024	30,768	1.4%
Canada Housing Trust	1.95%	15 Jun 2019	30,649	1.4%
Government of Canada	2.05%	15 Jun 2018	30,221	1.3%
Government of Canada	4.00%	01 Jun 2041	29,089	1.3%
Province of Ontario	3.45%	02 Jun 2045	28,662	1.3%
Toronto Dominion Bank	3.23%	24 Jul 2024	24,626	1.1%
HSBC Bank Canada	2.91%	29 Sep 2021	24,117	1.1%
Government of Canada	2.25%	01 Jun 2025	22,719	1.0%
Province of Quebec	3.00%	01 Sep 2023	21,147	0.9%
Government of Canada	5.75%	01 Jun 2029	20,984	0.9%
Royal Bank of Canada	2.58%	13 Apr 2017	20,164	0.9%

Issuer	Rate	Maturity Date	Fair Value (\$ 000's)	% of Plan Portfolio Assets
Toronto Dominion Bank	4.78%	14 Dec 2105	19,283	0.9%
Bank of Nova Scotia	2.24%	22 Mar 2018	19,279	0.9%
Royal Bank of Canada	2.26%	12 Mar 2018	19,105	0.8%
Province of Quebec	3.50%	01 Dec 2045	18,356	0.8%

Top 25 long positions as a percentage of Plan's Total Portfolio Assets **48.9%**

Past Performance

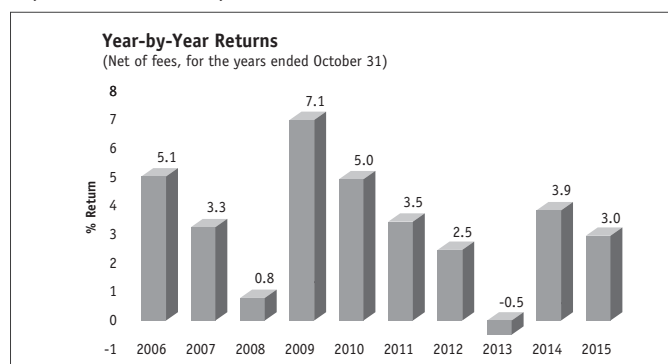
The returns presented in the following chart and the annual compound returns table are based on the investment performance of the Plan's Total Portfolio Assets only and do not reflect the investment performance of assets from the Government Grants and Sales Charge Refund Entitlements. Investment returns have been calculated using market values and time-weighted cash flows during the periods. Total expenses incurred by the Plan, including administration, portfolio management, custody and trustee fees, and Independent Review Committee expenses have been deducted and only net returns are displayed in each period. Past returns of the Plan do not necessarily indicate how it will perform in the future.

In October 2015, the investment strategies of the Plan changed in order to improve diversification and allow flexibility to invest in fixed-income securities issued by Canadian financial institutions rated A (mid) and above.

These changes could have affected the performance of the Plan's Total Portfolio Assets had they been in effect throughout the performance measurement periods presented.

Year-by-Year Returns

The following bar chart illustrates the annual performance in each of the past ten years to October 31, 2015 of the Plan's Total Portfolio assets. The chart illustrates in percentage terms how much an investment in the Plan's Total Portfolio Assets, made on the first day of each financial year, would have increased or decreased by the last day of each financial year:



Annual Compound Returns

The following table depicts the Plan's Benchmark comprised of the following specified indices in the weights and for the periods of indicated:

Index	Prior to:	To:	To:	Current:
	July 1, 2011	July 31, 2014	Sep 30, 2015	Oct 1, 2015
FTSE TMX Canada Long Term Gov't Bond Index				28.7%
FTSE TMX Canada All Gov't Bond Index	100.0%	49.0%	73.0%	21.7%
FTSE TMX Canada Financials Bond Index				22.6%
FTSE TMX Canada Short Term Gov't Bond Index		49.0%		
FTSE TMX Canada All Corporate Bond Index		2.0%	7.0%	7.0%
S&P 500 CAD Hedged Index			14.0%	14.0%
S&P/TSX Capped Composite Index			6.0%	6.0%

The FTSE TMX Canada Long Term Government Bond Index is a broad measure of Canadian investment grade fixed income securities, issued by the Government of Canada, including Crown Corporations and provincial governments, with maturities greater than 10 years.

The FTSE TMX Canada All Government Bond Index is a broad measure of Canadian investment grade fixed income securities, issued by the Government of Canada, including Crown Corporations and provincial governments, with maturities greater than 1 year.

The FTSE TMX Canada Financials Bond Index is a broad measure of Canadian investment grade fixed income securities, issued by bank, insurance, financial service, and auto finance corporations, with maturities greater than one year.

The FTSE TMX Canada All Corporate Bond Index is a broad measure of Canadian investment grade fixed income securities issued by corporations, with maturities greater than one year.

The S&P 500 CAD Hedged Index is a broad measure of the returns of the S&P 500 while hedging Canadian dollar risk, but not the underlying equity market risk. The S&P 500 is a market-capitalization-weighted stock market index which includes 500 of the top companies in industries of the U.S. economy.

The S&P/TSX Capped Composite Index reflects price movements of selected securities listed on the Toronto Stock Exchange and weighted by market capitalization, with a capped weight of 10% on all of the constituents.

The FTSE TMX Canada Short Term Government Bond Index is a broad measure of Canadian investment grade fixed income securities, issued by the Government of Canada, including Crown Corporations and provincial governments, with maturities between 1 and 5 years.

The following table illustrates the annual compound returns of the Plan's Total Portfolio Assets, for the periods shown ending on October 31, 2015.

	Period			
	1 Yr	3 Yr	5 Yr	10 Yr
Net Plan Return*	3.0	2.1	2.5	3.4
Benchmark	4.3	3.1	3.5	4.6
Broad-based Index: FTSE TMX Canada All Government Bond Index	4.9	3.3	4.2	4.9

* Note: The Plan's returns are after the deduction of fees and expenses, while the Benchmarks and Broad-based Index returns do not include any costs of investing such as fees, expenses and commissions. The Plan's fees and expenses were 0.7% for all periods.

For commentary on the market and/or information regarding the relative performance of the Plan compared to its Broad-based Index and Benchmark, see the Results of Operations section of this report.

Securities regulations require that we also show what the benchmark returns would have been for the applicable time periods if the Benchmark was not modified as previously described (the "Former Benchmark"). The Former Benchmark returns for the above time periods were 4.4% (1 Year), 3.1% (3 year), 3.5% (5 Year) and 4.6% (10 Year).

The Former Benchmark is comprised of the following specified indices in the weights and for the periods of time indicated:

Index	Prior to:	To:	Current:
	July 1, 2011	July 31, 2014	Aug 1, 2014
FTSE TMX Canada Long Term Gov't Bond Index			
FTSE TMX Canada All Gov't Bond Index	100.0%	49.0%	73.0%
FTSE TMX Canada Financials Bond Index			
FTSE TMX Canada Short Term Gov't Bond Index		49.0%	
FTSE TMX Canada All Corporate Bond Index		2.0%	7.0%
S&P 500 CAD Hedged Index			14.0%
S&P/TSX Capped Composite Index			6.0%


In comparison to the Former Benchmark, the Plan's overweight allocation to short term federal bonds detracted from relative results as yields dropped throughout the first half of the fiscal year. Outperformance generated by the corporate bond allocation helped partially offset a portion of relative underperformance. Beginning in late September and completed in October 2015, the Plan transitioned to an updated strategic mix in which government fixed income assets are invested according to custom bond index blend with a portion of the Principal assets invested in Canadian Financial Institution bonds. Given the timing of these changes relative to the year end, the impact to Plan performance was modestly positive.

Management's Responsibility for Financial Reporting

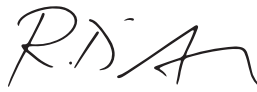
The accompanying financial statements of the Canadian Scholarship Trust – Group Savings Plan 2001 (the “Plan”) are prepared by management and are approved by the Board of Directors of the Canadian Scholarship Trust Foundation (the “Foundation”). Management is responsible for the information and representations contained in these financial statements. The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

The Foundation, through C.S.T. Consultants Inc., a wholly-owned subsidiary which administers the Plan, maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies, which management believes are appropriate for the Plan, are described in Note 2 to the financial statements.

Deloitte LLP is the external auditor of the Plan. It has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the Board of Directors and Members of the Foundation its opinion on the financial statements. Its report is set out below.



Sherry J. MacDonald, CPA, CA
President and Chief Executive Officer



Richard D'Archivio, CPA, CA, CFA
Vice President, Chief Financial Officer

Toronto, Ontario
January 7, 2016

Independent Auditor's Report

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

We have audited the accompanying financial statements of the Canadian Scholarship Trust Group Savings Plan 2001, which comprise the statements of financial position as at October 31, 2015, October 31, 2014 and November 1, 2013, and the statements of comprehensive income, statements of changes in net assets attributable to subscribers and beneficiaries and statements of cash flows for the years ended October 31, 2015 and October 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian Scholarship Trust Group Savings Plan 2001 as at October 31, 2015, October 31, 2014 and November 1, 2013 and the results of its financial performance, changes in its net assets attributable to subscribers and beneficiaries and its cash flows for the years ended October 31, 2015 and October 31, 2014 in accordance with International Financial Reporting Standards.



Chartered Professional Accountants
Licensed Public Accountants
January 7, 2016

Statements of Financial Position

As at October 31, 2015, October 31, 2014 and November 1, 2013
(in thousands of Canadian dollars)

	Oct 31, 2015	Oct 31, 2014 (Note 9)	Nov 1, 2013 (Note 9)
Assets			
Cash and cash equivalents	\$ 15,656	\$ 6,066	\$ 25,782
Receivables for securities sold	37,568	-	27
Investments, at fair value <i>(Note 4 and Schedule I)</i>	3,209,829	2,948,657	2,565,441
Accrued interest and other receivables	25,589	21,130	28,071
Government grants receivable	11,215	10,935	10,760
	3,299,857	2,986,788	2,630,081
Liabilities			
Payables for securities purchased	37,364	313	2,316
Accounts payable, accrued liabilities and unclaimed subscribers' funds	34,029	39,599	19,584
	71,393	39,912	21,900
Net Assets Attributable to Subscribers and Beneficiaries	3,228,464	2,946,876	2,608,181
Represented by:			
Non-Discretionary Funds			
Accumulated income held for future education assistance payments	325,509	281,728	255,046
Subscribers' deposits <i>(Schedule II)</i>	1,942,175	1,791,558	1,617,833
Government grants	673,551	613,653	549,999
Income on Government grants	122,885	109,063	95,409
Sales charge refund entitlements <i>(Note 7)</i>	119,288	111,042	102,687
Unrealized Gains (Losses)	42,470	36,834	(15,074)
Discretionary Funds			
Donations from the Foundation <i>(Note 6)</i>	2,586	2,998	2,281
	\$3,228,464	\$2,946,876	\$2,608,181

Approved on behalf of the Board of Canadian Scholarship Trust Foundation



Colin E. Litton, FCPA, FCA
Director



Sherry J. MacDonald, CPA, CA
Director

Statements of Comprehensive Income

For the years ended October 31, 2015 and 2014 (in thousands of Canadian dollars)

	2015	2014
Income		
Interest for allocation to subscriber accounts	\$ 74,195	\$ 79,280
Realized gains (losses) on sale of investments	15,746	(5,537)
Change in unrealized gains (losses)	5,636	51,908
Dividends	14,156	2,983
	109,733	128,634
Expenses		
Administration and account maintenance fees (Note 3(a))	16,679	14,869
Portfolio management fees	3,689	3,408
Custodian and trustee fees	466	393
Independent Review Committee fees	56	52
	20,890	18,722
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$ 88,843	\$109,912

Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries

For the years ended October 31, 2015 and 2014 (in thousands of Canadian dollars)

	2015	2014
Net Assets Attributable to Subscribers and Beneficiaries, Beginning of Year	\$2,946,876	\$2,608,181
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	88,843	109,912
Transfers to internal and external plans	(7,588)	(3,330)
	81,255	106,582
Receipts		
Net increase in Subscribers' deposits (Schedule II)	150,617	173,725
Government grants received (net of repayments)	84,959	83,494
Contributions received from the Foundation (Note 6)	4,000	4,000
Disbursements		
Payments to beneficiaries		
Education assistance payments	(18,340)	(13,966)
Government grants	(12,981)	(9,591)
Refund of sales charges	(3,860)	(2,705)
Return of interest	(4,062)	(2,844)
Total payments to beneficiaries	(39,243)	(29,106)
Receipts less Disbursements	200,333	232,113
Change in Net Assets Attributable to Subscribers and Beneficiaries	281,588	338,695
Net Assets Attributable to Subscribers and Beneficiaries, End of Year	\$3,228,464	\$2,946,876

Statements of Cash Flows

For the years ended October 31, 2015 and 2014 (in thousands of Canadian dollars)

	2015	2014
Operating Activities		
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$ 88,843	\$ 109,912
Net disbursements for investment transactions	(240,307)	(338,822)
Items not affecting cash		
Realized (gains) losses on sale of investments	(15,746)	5,537
Change in unrealized gains (losses)	(5,636)	(51,908)
Change in non-cash operating working capital		
(Increase) decrease in Accrued interest and other receivables	(4,459)	6,941
Increase in Government grants receivable	(280)	(175)
(Decrease) increase in Accounts payable, accrued liabilities and unclaimed subscribers' funds	(5,570)	20,015
Cash flow used in Operating Activities	(183,155)	(248,499)
Financing Activities		
Transfers to internal and external plans	(7,588)	(3,330)
Contributions received from the Foundation <i>(Note 6)</i>	4,000	4,000
Government grants received (net of repayments)	84,959	83,494
Net increase in Subscribers' deposits <i>(Schedule II)</i>	150,617	173,725
Payments to beneficiaries	(39,243)	(29,106)
Cash flow from Financing Activities	192,745	228,783
Net increase (decrease) in Cash and cash equivalents	9,590	(19,716)
Cash and cash equivalents, Beginning of Year	6,066	25,782
Cash and cash equivalents, End of Year	\$ 15,656	\$ 6,066
Supplemental cash flow information:		
Withholding Taxes	\$ 928	\$ 126
Interest Income Received	69,736	82,376

Schedule I – Statement of Investment Portfolio

As at October 31, 2015 (in thousands of Canadian dollars)

Security		Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security		Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds					Bonds (continued)				
Federal – 21.0%					Municipal and Provincial – 29.1% (continued)				
Government of Canada					Province of Alberta				
0.43%	31 Dec 2015	1,160	1,159	1,159	1.25%	1 Jun 2020	6,167	6,121	6,110
0.42	14 Jan 2016	1,438	1,437	1,437	3.10	1 Jun 2024	2,000	2,119	2,116
0.42	11 Feb 2016	7,000	6,991	6,991	2.90	20 Sep 2029	4,000	3,982	4,256
0.43	24 Mar 2016	245	245	245	3.50	1 Jun 2031	895	937	937
0.45	21 Apr 2016	200	200	200	3.90	1 Dec 2033	7,182	7,856	7,577
1.50	1 Sep 2017	2,604	2,648	2,651	3.45	1 Dec 2043	11,420	11,616	11,421
4.45	1 Dec 2017	1,564	1,238	1,277	Province of British Columbia				
2.05	15 Jun 2018	29,328	30,221	29,973	2.05	2 Jun 2019	1,500	1,534	1,535
1.88	1 May 2019	5,529	5,227	5,158	4.80	15 Jun 2021	5,000	5,843	5,863
3.25	1 Jun 2021	5,000	5,608	5,636	3.25	18 Dec 2021	1,000	1,091	1,083
1.50	1 Jun 2023	4,000	4,046	4,048	2.85	18 Jun 2025	5,000	5,201	5,189
2.50	1 Jun 2024	6,000	6,510	6,517	5.70	18 Jun 2029	2,660	3,518	3,543
2.25	1 Jun 2025	21,385	22,719	22,859	6.35	18 Jun 2031	12,331	17,493	16,813
1.50	1 Jun 2026	5,000	4,905	4,945	5.40	18 Jun 2035	2,140	2,837	2,755
8.00	1 Jun 2027	4,000	6,601	6,662	4.70	18 Jun 2037	2,000	2,460	2,584
5.75	1 Jun 2029	14,450	20,984	21,197	4.95	18 Jun 2040	12,100	15,541	15,864
5.75	1 Jun 2033	29,870	45,531	46,074	4.30	18 Jun 2042	5,086	6,023	5,686
5.00	1 Jun 2037	36,093	52,726	51,899	3.20	18 Jun 2044	4,000	3,967	3,990
4.00	1 Jun 2041	22,000	29,089	29,208	Province of Manitoba				
3.50	1 Dec 2045	40,140	50,488	50,585	1.85	5 Sep 2018	3,912	3,996	3,888
2.75	1 Dec 2048	16,250	17,799	18,016	5.50	15 Nov 2018	1,577	1,782	1,825
2.75	1 Dec 2064	6,000	6,829	6,915	3.30	2 Jun 2024	1,000	1,069	1,061
Canada Housing Trust					2.45	2 Jun 2025	1,000	991	1,006
1.85	15 Dec 2016	13,650	13,831	13,872	4.40	5 Sep 2025	6,900	7,960	7,690
2.14	1 May 2017	1,321	883	866	3.25	5 Sep 2029	1,000	1,024	944
2.05	15 Jun 2017	1,278	1,305	1,310	6.30	5 Mar 2031	625	860	825
1.70	15 Dec 2017	5,485	5,589	5,620	5.70	5 Mar 2037	1,000	1,341	1,356
4.35	1 Jan 2018	379	337	346	4.60	5 Mar 2038	1,300	1,532	1,472
1.75	15 Jun 2018	6,000	6,137	6,151	4.65	5 Mar 2040	2,500	2,979	2,813
2.29	1 Sep 2018	1,975	1,634	1,630	4.10	5 Mar 2041	3,075	3,392	3,300
2.35	15 Dec 2018	10,590	11,042	11,031	4.40	5 Mar 2042	1,150	1,330	1,348
4.10	15 Dec 2018	7,000	7,673	7,736	3.35	5 Mar 2043	1,500	1,463	1,333
1.95	15 Jun 2019	29,700	30,649	30,791	3.15	5 Sep 2052	3,000	2,795	2,796
1.16	1 Dec 2019	1,407	1,279	1,287	Province of New Brunswick				
1.22	1 Mar 2020	2,500	2,470	2,291	6.47	30 Nov 2027	423	530	540
3.75	15 Mar 2020	14,156	15,704	15,766	5.50	27 Jan 2034	2,000	2,577	2,587
1.26	1 Jul 2020	6,506	6,253	6,291	4.55	26 Mar 2037	5,300	6,148	6,187
1.30	1 Aug 2020	2,145	2,109	2,107	4.80	26 Sep 2039	1,500	1,807	1,808
3.35	1 Oct 2020	977	971	971	4.80	3 Jun 2041	1,500	1,818	1,819
1.33	1 Oct 2020	850	822	806	3.55	3 Jun 2043	6,000	6,009	6,039
3.25	1 Dec 2020	360	340	333	3.80	14 Aug 2045	1,500	1,577	1,578
3.80	15 Jun 2021	10,480	11,809	11,889	Province of Newfoundland and Labrador				
2.90	15 Jun 2024	28,618	30,768	29,932	5.60	17 Oct 2033	1,500	1,945	1,944
		474,806		474,678	4.65	17 Oct 2040	1,500	1,764	1,766
Municipal and Provincial – 29.1%					3.86	1 Dec 2045	7,241	8,565	7,938
City of Montreal					3.30	17 Oct 2046	1,500	1,426	1,424
3.00	1 Sep 2025	1,600	1,602	1,610	Province of Nova Scotia				
City of Toronto					4.60	18 Aug 2016	169	174	182
3.90	29 Sep 2023	2,500	2,759	2,769	5.80	1 Jun 2033	4,937	6,596	6,396
					4.50	1 Jun 2037	1,500	1,746	1,754

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

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2015 (in thousands of Canadian dollars)

Security		Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security		Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)					Bonds (continued)				
Municipal and Provincial – 29.1% (continued)					Corporate – 29.1%				
Province of Nova Scotia (continued)					407 International Inc.				
4.70%	1 Jun 2041	2,000	2,416	2,414	2.81%	18 Dec 2016	1,117	1,119	1,137
4.40	1 Jun 2042	5,230	6,071	5,882	7.13	26 Jul 2040	3,939	5,686	5,573
Province of Ontario					Access Justice Durham Ltd.				
4.30	8 Mar 2017	8,261	8,650	8,974	5.02	31 Aug 2039	1	1	1
1.90	8 Sep 2017	1,500	1,528	1,530	Bank of Montreal				
4.20	8 Mar 2018	916	985	1,003	1.15	10 Apr 2017	4,417	4,410	4,414
2.10	8 Sep 2018	10,014	10,306	10,356	2.10	6 Oct 2020	8,010	8,009	8,008
4.40	2 Jun 2019	3,000	3,334	3,340	4.61	10 Sep 2025	11,970	13,727	13,832
4.20	2 Jun 2020	3,500	3,929	3,937	Bank of Nova Scotia				
4.00	2 Jun 2021	16,200	18,221	18,250	2.60	27 Feb 2017	5,303	5,391	5,402
3.15	2 Jun 2022	800	862	865	4.10	8 Jun 2017	15,800	16,461	16,501
2.85	2 Jun 2023	10,700	11,235	11,267	2.24	22 Mar 2018	19,000	19,279	19,305
3.50	2 Jun 2024	12,000	13,086	13,093	2.46	14 Mar 2019	32,125	32,809	32,908
2.60	2 Jun 2025	12,500	12,637	12,664	2.40	28 Oct 2019	16,466	16,749	16,851
6.50	8 Mar 2029	8,700	12,158	12,355	Bankers Hall LP				
6.20	2 Jun 2031	6,375	8,842	9,033	4.38	20 Nov 2023	866	921	925
5.85	8 Mar 2033	7,805	10,595	10,354	BNG Bank				
5.60	2 Jun 2035	6,000	8,038	8,202	5.15	7 Mar 2025	254	300	301
4.70	2 Jun 2037	14,580	17,705	18,157	Caisse centrale Desjardins				
4.60	2 Jun 2039	8,800	10,602	10,932	3.50	5 Oct 2017	15,817	16,401	16,489
4.65	2 Jun 2041	64,102	78,372	76,056	Canadian Imperial Bank of Commerce				
3.50	2 Jun 2043	14,800	15,192	15,380	0.40	4 Dec 2015	350	349	349
3.45	2 Jun 2045	28,050	28,662	28,694	2.35	18 Oct 2017	13,400	13,624	13,641
2.90	2 Dec 2046	13,025	11,940	12,010	1.70	9 Oct 2018	4,691	4,696	4,689
Province of Quebec					Canadian Pacific Railway Company				
4.50	1 Dec 2017	5,425	5,826	5,966	6.91	1 Oct 2024	741	552	563
4.50	1 Dec 2018	2,000	2,206	2,208	Capital Desjardins Inc.				
4.50	1 Dec 2019	3,250	3,658	3,661	5.19	5 May 2020	15,250	17,029	17,057
3.50	1 Dec 2022	3,000	3,291	3,294	4.95	15 Dec 2026	5,939	6,641	6,649
3.00	1 Sep 2023	19,995	21,147	20,981	CBC Monetization Trust				
3.75	1 Sep 2024	3,000	3,324	3,330	4.69	15 May 2027	5,596	6,540	6,180
2.75	1 Sep 2025	3,000	3,058	3,063	Central 1 Credit Union				
6.00	1 Oct 2029	3,750	5,033	5,067	1.31	24 Nov 2016	7,849	7,861	7,849
6.25	1 Jun 2032	5,699	7,947	8,009	1.45	1 May 2017	4,404	4,400	4,405
5.75	1 Dec 2036	5,000	6,798	6,839	ClareGold Trust				
5.00	1 Dec 2038	6,000	7,538	7,548	5.07	15 May 2044	352	40	50
5.00	1 Dec 2041	45,385	57,784	56,729	Cogeco Cable Inc.				
4.25	1 Dec 2043	12,000	13,819	13,798	4.18	26 May 2023	2,590	2,681	2,693
3.50	1 Dec 2045	18,000	18,356	18,358	DEPFA Bank plc.				
Province of Saskatchewan					5.25	31 Mar 2025	5,436	6,450	6,622
6.40	5 Sep 2031	9,796	13,798	13,667	4.90	24 Aug 2035	3,853	4,451	4,664
5.60	5 Sep 2035	1,600	2,133	2,155	Enbridge Inc.				
4.75	1 Jun 2040	2,150	2,633	2,653	1.73	13 Mar 2017	2,476	2,450	2,461
3.90	2 Jun 2045	3,200	3,506	3,476	4.57	11 Mar 2044	308	276	286
2.75	2 Dec 2046	4,000	3,515	3,506					
			658,432	654,376					

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

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2015 (in thousands of Canadian dollars)

Security		Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security		Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)					Bonds (continued)				
Corporate – 29.1% (continued)					Corporate – 29.1% (continued)				
EUROFIMA					Maritimes and Northeast Pipelines Limited Partnership				
4.55%	30 Mar 2027	2,000	2,251	2,355	4.34%	30 Nov 2019	1,215	1,251	1,267
GE Capital Canada Funding Company					6.90 30 Nov 2019 106 117 122				
1.62	15 Feb 2022	2,788	2,767	2,557	Metropolitan Life Insurance Company				
Greater Toronto Airport Authority					2.31 25 Sep 2017 500 498 505				
6.45	30 Jul 2029	1,216	1,548	1,492	Milit-Air Inc.				
Green Timbers L.P.					5.75 30 Jun 2019 1,124 1,215 1,256				
6.84	30 Jun 2037	614	786	728	National Bank of Canada				
Heathrow Funding Limited					2.02 13 Apr 2017 3,807 3,842 3,848				
3.00	17 Jun 2021	7,099	7,254	7,177	2.69 21 Aug 2017 39,852 40,699 40,805				
Honda Canada Finance Inc.					NAV Canada				
1.93	3 Dec 2018	783	779	790	7.56 1 Mar 2027 4,426 5,712 5,635				
HSBC Bank Canada					North Battleford Power L.P.				
2.90	13 Jan 2017	11,957	12,170	12,201	4.96 31 Dec 2032 2,453 2,764 2,736				
3.56	4 Oct 2017	3,688	3,821	3,831	Ontrea Inc.				
2.45	29 Jan 2021	2,200	2,195	2,200	4.62 9 Apr 2018 1,107 1,182 1,163				
2.91	29 Sep 2021	23,750	24,117	24,153	Ornge Issuer Trust				
Hydro-Québec					5.73 11 Jun 2034 2,442 2,871 2,816				
11.00	15 Aug 2020	3,400	4,884	4,909	Pearson International Fuel Facilities Corporation				
6.50	15 Feb 2035	3,000	4,348	4,371	5.09 9 Mar 2032 944 1,028 1,012				
6.00	15 Feb 2040	7,650	10,915	10,982	Public Sector Pension Investment Board				
5.00	15 Feb 2050	3,000	3,976	3,970	3.27 12 Jun 2020 2,419 2,495 2,436				
Inter Pipeline Inc.					Real Estate Asset Liquidity Trust Series Class A				
8.20	15 Feb 2024	546	715	747	4.61 12 Nov 2016 700 720 740				
Kraft Canada Inc.					Rogers Communications Inc.				
2.30	6 Jul 2020	6,067	5,946	6,067	6.56 22 Mar 2041 5,000 6,069 6,198				
KRC North Holdings III Inc.					Royal Bank of Canada				
3.86	4 Aug 2020	831	872	872	3.66 25 Jan 2017 2,350 2,418 2,422				
Kreditanstalt fur Wiederaufbau Global					2.58 13 Apr 2017 19,817 20,164 20,197				
5.05	4 Feb 2025	1,205	1,459	1,475	2.36 21 Sep 2017 4,780 4,859 4,869				
Lloyds Banking Group plc.					2.26 12 Mar 2018 18,823 19,105 19,163				
10.13	16 Dec 2021	250	271	293	2.77 11 Dec 2018 44,515 45,912 46,039				
Loblaw Companies Limited					1.63 11 Feb 2020 3,684 3,632 3,684				
6.50	22 Jan 2029	712	861	883	1.39 23 Mar 2020 12,245 12,126 12,245				
6.05	9 Jun 2034	222	256	261	1.97 2 Mar 2022 7,029 6,844 6,864				
6.54	17 Feb 2033	927	1,120	1,148	Shaw Communications Inc.				
Manufacturers Life Insurance Company					6.75 9 Nov 2039 5,912 6,906 7,243				
2.81	21 Feb 2024	2,971	3,035	3,040	SP1 Limited Partnership				
2.64	15 Jan 2025	2,971	3,015	3,015	3.21 15 Jun 2019 2,717 2,616 2,549				
2.10	1 Jun 2025	2,971	2,935	2,936	St. Clair Holding ULC				
2.39	5 Jan 2026	8,913	8,853	8,852	4.88 31 Aug 2031 306 323 325				
Manulife Finance L.P.					Strait Crossing Development Inc.				
4.45	15 Dec 2026	16,226	16,695	16,778	6.17 15 Sep 2031 1,480 1,335 1,357				

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

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2015 (in thousands of Canadian dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Number of Securities	Fair Value (\$)	Average Cost (\$)	
Bonds (continued)				Equities – 5.4% (continued)				
Corporate – 29.1% (continued)				Empire Company Ltd.	47	1,289	1,273	
Sun Life Capital Trust				Enbridge Inc.	28	1,535	1,383	
7.09%	30 Jun 2052	7,861	9,870	10,232	Enerflex Ltd.	186	2,342	2,402
The Principal Financial Group				Enerplus Corporation	161	989	1,098	
4.65	11 Oct 2016	576	591	609	Ensign Energy Services Inc.	44	360	364
Toronto Dominion Bank				Fairfax Financial Holdings Limited	3	1,656	1,508	
2.45	2 Apr 2019	16,094	16,455	16,557	Finning International Inc.	103	2,141	1,976
1.53	18 Feb 2020	1,139	1,127	1,139	FirstService Corporation	13	594	578
3.23	24 Jul 2024	23,796	24,620	24,889	Franco Nevada Corporation	25	1,643	1,450
2.98	30 Sep 2025	17,371	17,271	17,371	Freehold Royalties Ltd.	147	1,486	1,633
4.78	14 Dec 2105	18,722	19,283	19,435	GMP Capital Inc.	107	438	441
TransCanada Pipelines Limited				Goldcorp Inc.	55	918	950	
11.80	20 Nov 2020	986	1,411	1,506	Granite REIT	44	1,671	1,630
8.05	17 Feb 2039	3,493	5,057	5,521	Great Canadian Gaming Corporation	57	1,031	1,059
UniCredit Group				Great West Lifeco Inc.	26	906	835	
2.25	29 May 2018	3,826	3,887	3,910	Home Capital Group Inc.	122	3,883	3,868
University Health Network				IGM Financial Inc.	32	1,227	1,137	
5.64	8 Dec 2022	2,718	3,099	3,114	Imperial Oil Limited	60	2,617	2,460
University of Ontario Institute of Technology				Intact Financial Corporation	47	4,403	4,401	
6.35	15 Oct 2034	356	432	411	Laurentian Bank of Canada	15	800	742
Wells Fargo Financial Corporation Canada				Loblaw Companies Limited	24	1,660	1,655	
3.04	29 Jan 2021	2,078	2,164	2,167	Magna International Inc.	35	2,393	2,104
3.46	24 Jan 2023	1,781	1,877	1,881	Methanex Corporation	43	2,242	1,981
WTH Car Rental ULC				Metro Inc.	20	758	730	
2.54	20 Aug 2019	6,963	7,029	6,963	Morguard Corporation	6	928	882
			658,023	661,089	Mullen Group Ltd.	96	1,677	1,717
Total Fixed Income Investments – 79.2%		1,791,261	1,790,143	Onex Corporation	15	1,159	1,161	
Security	Number of Securities	Fair Value (\$)	Average Cost (\$)	Open Text Corporation	5	319	313	
Equities – 5.4%				Pason System Inc.	122	2,338	2,328	
Agrium Inc.	21	2,567	2,580	Potash Corporation of Saskatchewan Inc.	111	2,944	3,112	
Aimia Inc.	80	972	906	Power Corporation of Canada	49	1,437	1,339	
ATCO Ltd.	55	2,041	2,089	PrairieSky Royalty Ltd.	44	1,121	1,101	
AutoCanada Inc.	27	841	688	Quebecor World Inc.	27	837	786	
Bank of Nova Scotia	135	8,289	7,758	Ritchie Bros. Auctioneers Inc.	34	1,147	1,161	
Birchcliff Energy Ltd.	216	1,226	1,347	Royal Bank of Canada	16	1,212	1,164	
Brookfield Asset Management Inc.	49	2,234	2,009	ShawCor Ltd.	49	1,359	1,432	
CAE Inc.	260	3,844	3,612	SNC-Lavalin Group inc.	49	2,060	1,860	
Calfrac Well Services Ltd.	99	229	368	Suncor Energy Inc.	180	7,012	6,253	
Canadian National Railway Company	49	3,923	3,639	Teck Resources Limited	143	1,096	939	
Canadian Natural Resources Ltd.	76	2,296	1,963	TELUS Corporation	114	4,978	4,840	
Canadian Oil Sands Limited	205	2,024	1,299	Toromont Industries Ltd.	35	1,177	1,129	
Canadian Pacific Railway Company	13	2,355	2,392	Toronto Dominion Bank	156	8,368	7,995	
Canadian Western Bank	29	737	675	Total Energy Services Inc.	57	839	842	
Celestica Inc.	48	699	795	Wajax Corporation	40	959	878	
Cenovus Energy Inc.	33	634	652	West Fraser Timber Co. Ltd.	13	606	608	
Colliers International Group Inc.	8	526	476	Westshore Terminals Investment Corporation	146	3,192	3,651	
Dream Unlimited Corporation	69	508	507	Whistler Blackcomb Holdings Inc.	4	84	91	
				Total Equities	4,427	121,776	116,995	

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

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2015 (in thousands of Canadian dollars)

Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
Exchange-traded Funds – 15.0%			
BMO S&P 500 Hedged to CAD Index ETF	5,301	169,633	162,149
iShares Core S&P 500 Hedged to CAD Index ETF	7,084	170,164	161,434
	12,385	339,797	323,583
Total Equities and ETFs – 20.4%		461,573	440,578
Cash and cash equivalents – 0.4%		9,027	9,027
Total Portfolio Assets – 100.0%		2,261,861	2,239,748
Investments Allocation <i>(Note 4)</i>			
Government Grants <i>(Appendix I)</i>		826,581	816,801
Sales Charge Refund			
Entitlements <i>(Appendices II & III)</i>		130,414	119,837
Cash and cash equivalents <i>(Appendices I, II & III)</i>		6,629	6,629
Total Investment Fund		3,225,485	3,183,015
Represented by:			
Cash and cash equivalents		15,656	
Investments, at fair value		3,209,829	
		3,225,485	

Schedule II – Subscribers’ Deposits and Accumulated Income

As at October 31, 2015 and 2014 (in thousands of Canadian dollars)

The following is a summary of Group Savings Plan 2001 Units, Subscribers’ Deposits and Accumulated Income by year of eligibility:

Year of Eligibility	Opening Units	Inflow Units ¹	Outflow Units ²	Closing Units	Subscribers’ Deposits	Accumulated Income ³
2014 and prior to 2014	69,676	992	11,293	59,375	\$ 10,897	\$ 14,428
2015	33,604	9,074	6,723	35,955	19,124	15,207
2016	44,636	4,309	8,585	40,360	97,581	18,556
2017	55,634	253	817	55,070	112,996	20,675
2018	84,970	381	1,136	84,215	136,615	27,172
2019	164,167	831	2,231	162,767	210,575	47,265
2020	183,636	1,864	2,950	182,550	211,716	43,959
2021	191,664	2,552	3,537	190,679	200,121	37,051
2022	198,639	3,284	3,861	198,062	186,433	30,621
2023	194,688	5,352	5,398	194,642	164,592	23,496
2024	200,370	6,224	5,447	201,147	151,573	18,406
2025	191,079	5,493	7,192	189,380	125,294	11,712
2026	184,611	5,448	7,762	182,297	101,207	7,461
2027	178,911	5,408	7,999	176,320	79,498	4,621
2028	172,711	7,367	8,625	171,453	58,688	2,653
2029 and thereafter	494,039	178,168	34,566	637,641	75,265	2,226
TOTAL	2,643,035	237,000	118,122	2,761,913	\$ 1,942,175	\$ 325,509

1 Inflow units are comprised of new units, additional units and transfers in.

2 Outflow units are comprised of terminations, transfers out and education assistance payments.

3 Accumulated income represents both income allocated to subscribers’ accounts and income held for future education assistance payments.

The changes in Subscribers’ deposits are as follows:

	Oct 31, 2015	Oct 31, 2014
Payments from subscribers ¹	\$ 280,663	\$ 276,446
Inter-plan principal transfers	(28,708)	(25,319)
Account maintenance fees	(3,139)	(3,035)
Return of principal	(98,199)	(74,367)
Net increase in Subscribers’ deposits	150,617	173,725
Balance, Beginning of Period	1,791,558	1,617,833
Balance, End of Period	\$ 1,942,175	\$ 1,791,558

1 Net of Sales charges collected of \$37,860 (2014 – \$40,062).

Schedule III – Education Assistance Payments

For the years ended October 31, 2015 and 2014 (in thousands of dollars, except for per unit amounts)

The following tables provide the total dollar payments by fiscal year, as well as number of eligible units paid and education assistance payment amounts by year of eligibility.

Education Assistance Payments	2015	2014	Education Assistance Payments	2015	2014
Current year payments	\$13,402	\$ 9,802	Non-Discretionary	\$13,928	\$10,683
Deferred payments	4,547	3,843	Discretionary	4,412	3,283
Advance payments	391	321		\$18,340	\$13,966
	\$18,340	\$13,966			

	Number of education assistance payment units				Amount of education assistance payment per unit			
	Year of Eligibility				Year of Eligibility			
	2015	2014	2013	2012	2015	2014	2013	2012
First	25,928.6	17,375.7	12,480.6	8,940.8	\$ 183	\$ 210	\$ 265	\$ 305
Second	16,892.3	11,492.9	8,292.9		219	240	290	
Third		10,752.5	7,427.3			261	265	
Fourth			6,808.4				316	

Notes to the Financial Statements

As at October 31, 2015 and 2014 and November 1, 2013 (in thousands of Canadian dollars)

Note 1. Nature of Operations

The Canadian Scholarship Trust Group Savings Plan 2001 (the “Plan”) is a Pooled Education Savings Plan that was established on May 1, 2001. The objective of the Plan is to assist parents and others to save for the post-secondary education of children. The Plan is managed and distributed by C.S.T. Consultants Inc. (“C.S.T.C.”), a wholly-owned subsidiary of the Canadian Scholarship Trust Foundation (the “Foundation”). The Plan’s registered place of business is 1600-2235 Sheppard Avenue East, Toronto, Ontario, Canada.

Payments are made by a subscriber to an account maintained by the Plan’s trustee on behalf of a beneficiary. Deductions of sales charges 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 (the “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 (“EAP”),
- ii. the Agreement matures and the beneficiary is not yet a qualified student, in which case the beneficiary will forfeit all government grants (as described below), or
- iii. the Agreement is terminated.

The investment income earned on the subscribers’ principal balance is used to provide 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 including the Canada Education Savings Grant Program (“CESG”), the Canada Learning Bond (“CLB”), the Alberta Centennial Education Savings Grant (“ACES”), the Quebec Education Savings Incentive (“QESI”) and the Saskatchewan Advantage Grant for Education Savings (“SAGES”) (collectively, “Government Grants”). The Alberta government announced that no new grants will be made under the ACES program after July 31, 2015.

The Plan collects Government Grants, which are credited directly into subscribers’ Agreements (“Agreements”) 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 with their EAPs.

Agreements are registered with appropriate government authorities if all required information is provided, and once registered are subject to the rules for Registered Education Savings Plans (“RESP”) 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. The deposits are not deductible for income tax purposes and are not taxable when returned to the subscriber. Payments made to a beneficiary, including EAPs, Government Grants and investment income earned on Government Grants will constitute taxable income of that beneficiary in the year that the payments are made.

Note 2. Significant Accounting Policies

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). These are the Plan’s first annual financial statements prepared in accordance with IFRS; previously the Plan prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles (“Canadian GAAP”) as defined in Part V of the Chartered Professional Accountants of Canada Handbook. The date of transition to IFRS (the “Transition Date”) is November 1, 2013. IFRS 1, First Time Adoption of International Financial Reporting Standards (“IFRS 1”) has been applied.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Plan is provided in Note 9. The accounting policies have been selected to be consistent with IFRS that were to be effective on October 31, 2015. The accounting policies have been consistently applied to all periods presented.

These financial statements were approved by the Board of the Foundation on January 7, 2016.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis except for financial instruments classified as “at fair value through profit or loss” (“FVTPL”), which are measured at fair value.

(c) Future accounting standard

The following new accounting standard has been issued by the International Accounting Standards Board (“IASB”). This new standard is not yet effective and the Plan has not completed its assessment of the impact on its financial statements.

IFRS 9 Financial Instruments (“IFRS 9”)

IFRS 9 was issued in November 2009, to replace IAS 39 *Financial Instruments: Recognition and Measurement* (“IAS 39”). IFRS 9 will be effective for the Plan’s financial statements during its fiscal 2019 year.

IFRS 9 introduces new requirements for the classification and measurement of financial assets, reducing the number of classifications from those in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

(d) Financial instruments

The Plan recognizes financial assets and financial liabilities when it becomes a party to a contract. Financial assets and financial liabilities, with the exception of those classified as FVTPL, are measured at fair value plus transaction costs on initial recognition. Financial assets and financial liabilities classified as FVTPL are measured at fair value on initial recognition and transaction costs are expensed when incurred. Investments, at fair value have been designated as FVTPL.

Notes to the Financial Statements (continued)

As at October 31, 2015 and 2014 and November 1, 2013 (in thousands of Canadian dollars)

Note 2. Significant Accounting Policies (continued)

(d) Financial instruments (continued)

Measurement in subsequent periods depends on the classification of the financial instrument. The financial assets and financial liabilities of the Plan are classified as follows:

Financial asset or financial liability	Classification
Investments, at fair value	FVTPL ⁱ
Cash and cash equivalents	Loans and receivables ⁱⁱ
Accrued interest and other receivables	Loans and receivables ⁱⁱ
Receivables for securities sold	Loans and receivables ⁱⁱ
Accounts payable, accrued liabilities and unclaimed subscriber funds	Other financial liabilities ⁱⁱⁱ
Payables for securities purchased	Other financial liabilities ⁱⁱⁱ

ⁱ Financial assets are designated as FVTPL when acquired principally for the purpose of trading. Financial assets classified as FVTPL are measured at fair value, with changes recognized in Net Income and Comprehensive Income Attributable to Subscribers and Beneficiaries.

ⁱⁱ Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method. Loans and receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

ⁱⁱⁱ Other financial liabilities are liabilities that are not derivative liabilities or classified as FVTPL. Subsequent to initial recognition, other financial liabilities are carried at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial instrument and allocating interest over the relevant period. The effective interest rate is the rate that discounts estimated future cash flows (including all transaction costs and other premiums or discounts) through the expected life of the financial instrument to the net carrying amount on initial recognition.

(e) Investment valuation

Investments, at fair value include the following types of securities: bonds, money market securities, exchange-traded funds (“ETF”) and pooled funds.

The fair value of fixed income securities that are not publicly traded is measured by using either the average bid price from multiple dealers, or by the present value of contractual cash flows, discounted at current market rates. Interest accrued at the reporting date is included in Accrued interest and other receivables.

The fair value of securities that are publicly traded in an active market is measured using bid prices at the reporting date.

Investments in pooled funds used to pay the Sales Charge Refund (“SCR”) Entitlements referred to in Note 7(a) 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 8 provides further guidance on fair value measurements.

(f) Investment transactions and income recognition

Investment transactions are accounted for on a trade-date basis. Interest for allocation to subscriber accounts represents the coupon interest received by the Plan accounted for on an accrual basis. The Plan does not amortize premiums paid or discounts received on the purchase of fixed income securities. Dividends and distributions are accrued as of the ex-dividend date and ex-distribution date, respectively. Realized gains (losses) on the sale of investments and Change in unrealized gains (losses) are calculated with reference to the average cost of the related investments and are recognized in the period that such gains (losses) occur.

(g) 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 32 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.

(h) Income taxes

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

(i) Cash and cash equivalents

Cash and cash equivalents include deposit balances with banks and securities with a purchase date to maturity of 90 days or less: Term deposits, treasury bills and bankers acceptances

(j) Foreign currency

The functional and presentation currency of the Plan is the Canadian Dollar.

To the extent applicable in any period, foreign currency purchases and sales of investments and foreign currency dividend and interest income are translated into Canadian dollars at the rate of exchange prevailing at the time of the transactions. Realized and unrealized foreign currency gains or losses on investments are included in the Statements of Comprehensive Income in Realized gains (losses) on sale of investments and Change in unrealized gains (losses), respectively.

(k) Critical accounting estimates and judgments

When preparing the financial statements, C.S.T.C management makes estimates and judgments that affect the reported amounts recognized and disclosed in the financial statements. These estimates and judgments have a direct effect on the measurement of transactions and balances recognized in the financial statements. By their nature, these estimates and judgments are subject to measurement uncertainty and actual results could differ.

The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are those involved with the valuation of the SCR Entitlements. Further information on the SCR Entitlement valuation can be found in Note 7(b).

Notes to the Financial Statements (continued)

As at October 31, 2015 and 2014 and November 1, 2013 (in thousands of Canadian dollars)

Note 3. Related Party Transactions

Related party transactions are measured at the exchange amount, which is the amount agreed between the parties.

(a) Distribution and Administration of the Plan

The Foundation, as the Plan sponsor, has entered into agreements to appoint C.S.T.C., as both the Scholarship Plan Dealer and Investment Fund Manager to distribute and administer, respectively, the Plan. The agreements are renewable annually on November 1.

Administration and account maintenance fees 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, as well as the investments used to pay the SCR Entitlements ("SCR Fund").

During the year ended October 31, 2015, \$16,679 was recognized as an expense for Administration and account maintenance fees (2014 – \$14,869). Administration and account maintenance fees included in Accounts payable, accrued liabilities and unclaimed subscribers' funds at October 31, 2015 was \$199 (October 31, 2014 – \$68; November 1, 2013 – \$90).

Sales charges are 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 balance of sales charges collected is paid to C.S.T.C. as compensation for the sale and distribution of savings plans.

During the year ended October 31, 2015, \$37,859 was paid to C.S.T.C. from sales charges collected as compensation for the sale and distribution of savings plans (2014 – \$40,099). Related amounts included in Accounts payable, accrued liabilities and unclaimed subscribers' funds at October 31, 2015 was \$501 (October 31, 2014 – \$500; November 1, 2013 – \$541).

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 7).

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

For the year ended October 31, 2015, the Foundation provided deficit funding payments of \$1,800 (2014 – \$2,000) to the SCR Fund (see Note 7(b)).

(c) Fees paid for services of an Independent Review Committee

The Independent Review Committee ("IRC") provides independent review and oversight of conflicts of interest relating to the management of the Plans. For the year ended October 31, 2015, the Plan recognized an expense of \$56 (2014 – \$52) for the services of the IRC. IRC fees included in Accounts payable, accrued liabilities and unclaimed subscribers' funds at October 31, 2015 was \$5 (October 31, 2014 – \$nil; November 1, 2013 – \$4).

(d) Fees paid to monitor and manage the portfolio managers

Included in Portfolio management fees on the Statements of Comprehensive Income is \$508 (2014 – \$209) charged by C.S.T.C. for expenses incurred to monitor and manage the portfolio managers. Included in Accounts payable, accrued liabilities and unclaimed subscribers' funds is \$89 owing to C.S.T.C. at October 31, 2015 (\$68 at October 31, 2014; \$nil at November 1, 2013) relating to these expenses.

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 are invested collectively in a separate fund with Government Grants of other RESP plans administered by C.S.T.C. The Government Grant principal received and income earned thereon are separately tracked for each subscriber's Agreement. The portfolio holdings are allocated across all C.S.T.C. plans based on the proportion of principal and income attributable to Agreements within each plan (see Appendix I to Schedule I).

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 SCR Fund (see Appendix II 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 the Plan are managed in a separate SCR Fund (see Appendix III 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 Funds.

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 and mandate.

(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

Notes to the Financial Statements (continued)

As at October 31, 2015 and 2014 and November 1, 2013 (in thousands of Canadian dollars)

Note 5. Risks Associated with Financial Instruments (continued)

(a) Market risk (continued)

i. Interest rate risk (continued)

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		
	Oct 31, 2015	Oct 31, 2014	Nov 1, 2013
Less than 1 year	1%	6%	11%
1-3 years	13%	24%	33%
3-5 years	12%	17%	18%
Greater than 5 years	52%	31%	36%
Total debt instruments	78%	78%	98%

As at October 31, 2015, if prevailing interest rates had increased by 1%, the Total Investment Fund amount of \$3,225,485 (October 31, 2014 – \$2,954,723; November 1, 2013 – \$2,591,223) as per Schedule I – Statement of Investment Portfolio would have decreased by \$189,547 (October 31, 2014 – \$116,796; November 1, 2013 – \$122,584). If prevailing interest rates had decreased by 1% the Total Investment Fund would have increased by \$239,961 (October 31, 2014 – \$148,574; November 1, 2013 – \$148,352). This 1% change assumes a parallel shift in the yield curve with all other variables held constant. In practice, actual 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 other 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 ETFs of the Plan and Government Grants asset pool, and the equity component of the SCR Fund, which represents 22% (October 31, 2014 – 22%; November 1, 2013 – 2%) of the Total Investment Fund amount as at October 31, 2015. The risk associated with the equity component of the SCR Fund is managed by security selection and active management by external managers within approved investment policies and mandates.

As at October 31, 2015, 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 \$7,038 (October 31, 2014 – \$6,424; November 1, 2013 – \$615). In practice, actual results may differ materially.

(b) Credit risk

Credit risk refers to the ability of the issuer of debt securities to make interest payments and repay principal. The Plan's portfolio is comprised of bonds issued or guaranteed by federal or provincial governments along with corporate debt instruments with a minimum approved credit rating as set by Canadian Securities Administrators. The Plan has a concentration of investments in government and government guaranteed bonds, which are considered to be high credit quality investments thereby moderating credit risk.

The Plan's credit risk exposure is summarized below:

Credit rating	Oct 31, 2015		Oct 31, 2014		Nov 1, 2013	
	% of Total Investment Fund (in thousands)	Amount	% of Total Investment Fund (in thousands)	Amount	% of Total Investment Fund (in thousands)	Amount
AAA	22%	\$ 713,169	43%	\$1,284,745	55%	\$1,415,926
AA/AAH/AAL	33%	1,080,525	16%	456,513	18%	457,712
A/AH/AL	18%	593,796	18%	527,408	23%	604,860
BBB	1%	32,364	1%	31,099	1%	13,259
R-1	1%	18,399	0%	8,406	1%	30,959
Short-term unrated	3%	83,401	0%	4,066	0%	6,975
Total Debt instruments	78%	\$2,521,654	78%	\$2,312,237	98%	\$2,529,691

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

(c) Liquidity risk

Liquidity risk is the risk that the Plan may not be able to meet its financial obligations as they come due. The Plan's exposure to liquidity risk is concentrated in principal repayments to subscribers and EAPs to beneficiaries including SCR Entitlements. The Plan primarily invests in securities that are traded in 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 by the Foundation (see Note 7(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 2% (October 31, 2014 – 1%; November 1, 2013 – 1%) of the Total Investment Fund. The Plan's Total Investment Fund would increase or decrease by approximately \$590 (October 31, 2014 – \$336; November 1, 2013 – \$280) in response to a 1% depreciation or appreciation of the Canadian dollar currency exchange rate. In practice the actual change may differ materially. The Plan holds ETFs that invest in U.S. equities and are hedged to Canadian dollars by the ETF provider.

Notes to the Financial Statements (continued)

As at October 31, 2015 and 2014 and November 1, 2013 (in thousands of Canadian dollars)

Note 6. General Fund and Donations from the Foundation

The Canadian Scholarship Group Savings Plan Trust (the “Group Trust”) is a legal trust which includes the Group Savings Plan and the Group Savings Plan 2001 (the “Plans”). The Plans are registered with the Canada Revenue Agency as Education Savings 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’ accumulated income from the date of maturity of the Agreements to the date the funds are paid to qualified students as EAPs;
- ii. interest earned on the income forfeited when a subscriber’s agreement is terminated prior to maturity;
- iii. income not collected by beneficiaries before the expiry of the Agreements; and
- iv. unclaimed principal and income payments.

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

Receipts and disbursements of the General Fund included in the financial statements of the Plan for the years ended October 31, 2015 and 2014 are as follows:

	2015	2014
Receipts		
Net investment income	\$ 856	\$ 804
Disbursements		
Education assistance payments	(856)	(804)
Excess of Receipts over Disbursements	-	-
Balance, Beginning of Year	-	-
Balance, End of Year	\$ -	\$ -

Receipts and disbursements in the Donations from the Foundation included in the financial statements of the Plan for the years ended October 31, 2015 and 2014, are as follows:

	2015	2014
Receipts		
Contributions received from the Foundation	\$ 4,000	\$ 4,000
Disbursements		
Education assistance payments	(4,412)	(3,283)
Excess of (Disbursements) Receipts over (Receipts) Disbursements	(412)	717
Balance, Beginning of Year	2,998	2,281
Balance, End of Year	\$ 2,586	\$ 2,998

Note 7. Sales Charge Refund

(a) Sales Charge Refund Entitlements

The Plan refunds sales charges to qualified beneficiaries (“SCR Entitlements”) in four instalments during the EAP payout period (see (i) and (ii) below). The total amount refunded for the year ended October 31, 2015, was \$3,860 (2014 – \$2,705).

As at October 31, 2015, the SCR Entitlements amount of \$119,288 (October 31, 2014 – \$111,042; November 1, 2013 – \$102,687) presented in the Statements of Financial Position represents the average cost of the Plan’s investments in the SCR Fund of \$120,303 (October 31, 2014 – \$111,303; November 1, 2013 – \$102,668), less funds to be transferred to the direct investment holdings of the plan of \$1,128 (October 31, 2014 – \$823; November 1, 2013 – \$533) for SCR payments made to beneficiaries during the year, plus accrued interest of \$113 (October 31, 2014 – \$562; November 1, 2013 – \$552). The fair value of the investments in the SCR Fund as at October 31, 2015, after adjusting for the above, amounted to \$129,865 (October 31, 2014 – \$124,214; November 1, 2013 – \$110,558).

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

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

As at October 31, 2015, 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 \$75,902 and \$81,628, respectively (October 31, 2014 – \$73,284 and \$81,060, respectively; November 1, 2013 – \$70,334 and \$74,306, respectively).

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

The SCR Entitlements amount is comprised of a refund of at least 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 year ended October 31, 2015, \$3,257 (2014 – \$3,986) 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 period. The discount rate at October 31, 2014 of 7.1% (October 31, 2013 – 6.1%) used in determining the estimated present value was based on conservative assumptions regarding long-term investment returns for the SCR Fund.

As at October 31, 2015, 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 \$43,386 and \$48,237, respectively (October 31, 2014 – \$37,758 and,

Notes to the Financial Statements (continued)

As at October 31, 2015 and 2014 and November 1, 2013 (in thousands of Canadian dollars)

Note 7. Sales Charge Refund (continued)

(a) Sales Charge Refund Entitlements (continued)

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

\$43,154, respectively; November 1, 2013 – \$32,353 and \$36,252, respectively).

(b) 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 (i) 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 (ii) below.

(i) 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 EAPs. The primary economic assumption is the discount rate, which is 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.

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

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

	2015	2014
Present value of SCR Entitlements	\$129,448	\$118,658
Fair value of SCR Fund (Note 7(a)(i))	81,628	81,060
Underfunded portion of SCR Entitlements	\$ 47,820	\$ 37,598

The discount rate, which is set at the expected long-term investment return of the SCR Fund as at October 31, 2015, was 6.0% (2014 – 6.7%). A 1% decrease or increase in the discount rate used will increase or decrease the present value of SCR Entitlements by \$8,554 or \$7,866 respectively (2014 – \$8,684 or \$7,931, respectively).

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

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

	2015	2014
Present value of SCR Entitlements	\$46,855	\$37,398
Fair value of SCR Fund (Note 7(a)(ii))	48,237	43,154
Overfunded portion of SCR Entitlements	\$ (1,382)	\$ (5,756)

The discount rate, which is set at the expected long-term investment return of the SCR Fund as at October 31, 2015, was 6.5% (2014 – 7.1%). A 1% decrease or increase in the discount rate used will increase or decrease the present value of SCR Entitlements by \$6,038 or \$5,246, respectively (2014 – \$4,984 or \$4,318, respectively).

(ii) Funding Valuation

An actuarial valuation was completed based on assets and obligations as at October 31, 2013. 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 EAPs. 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 5.8%, which resulted in an unfunded liability of \$47,000 for Agreements purchased under prospectuses dated prior to October 2, 2007. The discount rate used for Agreements purchased under prospectuses after October 2, 2007 was 6.2%, which resulted in an over-funded amount of \$400. The Foundation is responsible to pay to beneficiaries of the Plan the refund 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 Directors 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 by the Foundation.

The next actuarial funding valuation will be performed in 2016 based on assets and obligations as at October 31, 2015.

Note 8. Fair Value Measurements and Disclosures

Estimates of fair value used for measurement and disclosure are designed to approximate amounts that would be received to sell an asset, or paid to discharge a liability, in an orderly transaction between market participants.

The carrying values of other financial instruments such as Cash and cash equivalents, Accrued interest and other receivables, Receivables for securities sold, Government grants receivable, Accounts payable, accrued liabilities and unclaimed subscribers' funds and Payables for securities purchased approximate their fair values as these financial instruments are short term in nature.

Notes to the Financial Statements (continued)

As at October 31, 2015 and 2014 and November 1, 2013 (in thousands of Canadian dollars)

Note 8. Fair Value Measurements and Disclosures (continued)

The following table presents the level in the fair value hierarchy into which the Plan's financial instruments that are carried at fair value in the Statements of Financial Position are categorized:

- i. Level 1 financial instruments are valued using quoted market prices.
- ii. Level 2 financial instruments are valued using directly or indirectly observable inputs.
- iii. Level 3 financial instruments are valued using unobservable inputs (including the use of assumptions based on the best information available).

Assets Measured at Fair Value as of October 31, 2015

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 2,505,998	\$ -	\$ 2,505,998
Equity Securities and Pooled equity funds	703,831	-	-	703,831
Total Investments, at fair value	\$ 703,831	\$ 2,505,998	\$ -	\$ 3,209,829

Assets Measured at Fair Value as of October 31, 2014

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 2,306,171	\$ -	\$ 2,306,171
Equity Securities and Pooled equity funds	642,486	-	-	642,486
Total Investments, at fair value	\$ 642,486	\$ 2,306,171	\$ -	\$ 2,948,657

Assets Measured at Fair Value as of November 1, 2013

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 2,503,909	\$ -	\$ 2,503,909
Pooled equity funds	61,532	-	-	61,532
Total Investments, at fair value	\$ 61,532	\$ 2,503,909	\$ -	\$ 2,565,441

For the years ended October 31, 2015 and 2014, there were no transfers between Levels 1 or 2.

Note 9. Transition to IFRS

This note summarizes the effect of the Plan's transition to IFRS.

a) First time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS effective at the end of an entity's first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Plan has elected to apply one optional exemption and designate its Investments, at fair value as FVTPL at the transition date (November 1, 2013). Investments, at fair value were previously carried at fair value under Canadian GAAP as required by Accounting Guideline 18, Investment Companies. This designation did not have any effect on the Plan's financial statements on adoption of IFRS.

The Plan has not elected to apply any other optional exemptions under IFRS 1.

IFRS 1 does not permit changes to estimates that have been made previously. Estimates used in the preparation of the Plan's opening IFRS statement of financial position, and other comparative information restated to comply with IFRS, are consistent with those made previously under Canadian GAAP.

b) Changes in accounting policies

In accordance with IAS 32 "Financial Instruments – Presentation", Subscribers' deposits are classified with other amounts owing to subscribers and beneficiaries, renamed Net Assets Attributable to Subscribers and Beneficiaries. The amounts were previously presented as liabilities under Canadian GAAP.

The adoption of IFRS did not result in any other changes to the accounting policies of the Plan as compared with its most recent annual financial statements prepared under Canadian GAAP. Aside from the reclassification of Subscribers' deposits, the adoption of IFRS had no other effect on the presentation or measurement of the assets, liabilities, total equity, income or expenses of the Plan.

c) Reconciliations of Net assets and Comprehensive Income

	October 31, 2014	November 1, 2013
Net assets available for education assistance payments under Canadian GAAP	\$ 1,155,318	\$ 990,348
Reclassification of subscribers' deposits	1,791,558	1,617,833
Net assets attributable to subscribers and beneficiaries under IFRS	\$ 2,946,876	\$ 2,608,181

The adoption of IFRS had no effect on the Net Income and Comprehensive Income Attributable to Subscribers and Beneficiaries or the Statements of Cash Flows. As such, no reconciliation has been provided.

Government Grants (continued)

Appendix I to Schedule I

Statement of Investment Portfolio

As at October 31, 2015 (in thousands of Canadian dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)		
Bonds (continued)				Bonds (continued)					
Municipal and Provincial – 29.8% (continued)				Municipal and Provincial – 29.8% (continued)					
Province of Nova Scotia				Province of Saskatchewan (continued)					
5.80%	1 Jun 2033	1,775	2,371	2,160	6.40%	5 Sep 2031	4,037	5,686	5,700
4.40	1 Jun 2042	1,600	1,857	1,813	4.75	1 Jun 2040	1,400	1,715	1,727
3.45	1 Jun 2045	1,700	1,698	1,708	3.90	2 Jun 2045	3,700	4,054	4,093
Province of Ontario									
4.30	8 Mar 2017	3,019	3,161	3,211	2.75	2 Dec 2046	2,000	1,757	1,753
1.90	8 Sep 2017	950	968	958			329,064	325,620	
4.20	8 Mar 2018	4,099	4,407	4,479	Corporate – 31.4%				
2.10	8 Sep 2018	2,460	2,532	2,546	407 East Development Group				
4.40	2 Jun 2019	2,000	2,223	2,166	6.75	27 Jul 2039	1,283	1,716	1,563
4.20	2 Jun 2020	2,000	2,245	2,155	407 International Inc.				
4.00	2 Jun 2021	7,515	8,452	8,149	2.81	18 Dec 2016	375	376	380
3.15	2 Jun 2022	1,675	1,805	1,734	Arrow Lakes Power Corporation				
2.85	2 Jun 2023	4,700	4,935	4,580	5.52	5 Apr 2041	847	975	847
3.50	2 Jun 2024	4,890	5,332	5,053	Bank of Montreal				
2.60	2 Jun 2025	3,000	3,033	3,041	2.10	6 Oct 2020	3,972	3,971	3,971
7.60	2 Jun 2027	2,545	3,779	3,655	4.61	10 Sep 2025	5,950	6,823	6,875
6.50	8 Mar 2029	3,250	4,542	4,536	Bank of Nova Scotia				
6.20	2 Jun 2031	1,500	2,081	2,090	2.60	27 Feb 2017	2,515	2,557	2,562
5.85	8 Mar 2033	6,200	8,417	8,448	4.10	8 Jun 2017	7,860	8,189	8,209
5.60	2 Jun 2035	3,200	4,287	3,855	2.24	22 Mar 2018	9,030	9,163	9,175
4.70	2 Jun 2037	7,145	8,676	8,190	2.46	14 Mar 2019	16,408	16,757	16,807
4.60	2 Jun 2039	6,340	7,638	7,415	2.40	28 Oct 2019	8,168	8,309	8,359
4.65	2 Jun 2041	14,515	17,746	17,519	Bankers Hall LP				
3.50	2 Jun 2043	6,000	6,159	6,384	4.38	20 Nov 2023	2,530	2,692	2,530
3.45	2 Jun 2045	23,100	23,604	23,727	BNG Bank				
2.90	2 Dec 2046	5,500	5,042	5,035	5.15	7 Mar 2025	143	169	170
Province of Quebec				Caisse centrale Desjardins					
4.50	1 Dec 2016	800	832	857	3.50	5 Oct 2017	7,983	8,278	8,322
4.50	1 Dec 2017	5,218	5,604	5,757	Canadian Imperial Bank of Commerce				
4.50	1 Dec 2018	1,000	1,103	1,116	0.70	18 Feb 2016	200	199	199
4.50	1 Dec 2019	1,550	1,745	1,711	2.35	18 Oct 2017	6,680	6,792	6,800
11.00	15 Aug 2020	3,000	4,310	4,332	1.70	9 Oct 2018	2,334	2,337	2,333
4.50	1 Dec 2020	1,000	1,143	1,057	Canadian Pacific Railway Company				
3.75	1 Sep 2024	7,000	7,755	7,431	6.91	1 Oct 2024	510	380	387
6.00	1 Oct 2029	2,000	2,685	2,693	Capital Desjardins Inc.				
6.25	1 Jun 2032	4,000	5,577	5,597	5.19	5 May 2020	7,600	8,487	8,500
5.25	1 Jun 2034	3,000	3,784	3,800	4.95	15 Dec 2026	2,963	3,313	3,317
5.75	1 Dec 2036	2,690	3,657	3,348	CBC Monetization Trust				
5.00	1 Dec 2038	2,940	3,694	3,045	4.69	15 May 2027	2,609	3,049	2,818
5.00	1 Dec 2041	11,400	14,515	14,524					
4.25	1 Dec 2043	4,500	5,182	5,175					
3.50	1 Dec 2045	11,000	11,218	11,134					
Province of Saskatchewan									
3.20	3 Jun 2024	80	85	83					

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

Government Grants (continued)

Appendix I to Schedule I

Statement of Investment Portfolio

As at October 31, 2015 (in thousands of Canadian dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)				
Bonds (continued)				Bonds (continued)							
Corporate – 31.4% (continued)				Corporate – 31.4% (continued)							
Cogeco Cable Inc.				Manufacturers Life Insurance Company (continued)							
4.18%	26 May 2023	1,469	1,521	1,528	2.39%	5 Jan 2026	4,438	4,408	4,408		
CSS Partnership				Manulife Finance L.P.							
6.92	31 Jul 2042	2,187	2,803	2,800	4.45	15 Dec 2026	8,146	8,381	8,423		
DEPFA Bank plc.				Maritimes and Northeast Pipelines Limited Partnership							
5.25	31 Mar 2025	2,623	3,112	3,207	4.34	30 Nov 2019	2,588	2,665	2,674		
4.90	24 Aug 2035	2,115	2,443	2,585	6.90	30 Nov 2019	744	823	840		
Enbridge Inc.				Master Asset Vehicle Trust							
1.73	13 Mar 2017	792	784	787	0.78	15 Jul 2056	36	36	36		
4.57	11 Mar 2044	431	386	400	Milit-Air Inc.						
EUROFIMA				5.75				30 Jun 2019	2,202	2,381	2,412
4.55	30 Mar 2027	913	1,027	1,022	National Bank of Canada						
GE Capital Canada Funding Company				2.02				13 Apr 2017	1,891	1,908	1,911
1.62	15 Feb 2022	1,966	1,951	1,803	2.69	21 Aug 2017	19,914	20,337	20,391		
2.18	6 Feb 2023	3,071	3,098	3,071	NAV Canada						
Greater Toronto Airport Authority				7.56				1 Mar 2027	3,444	4,444	4,335
6.45	30 Jul 2029	2,140	2,725	2,631	North Battleford Power L.P.						
Heathrow Funding Limited				4.96				31 Dec 2032	1,011	1,139	1,028
3.25	21 May 2027	414	411	410	Ontrea Inc.						
HSBC Bank Canada				4.62				9 Apr 2018	1,990	2,126	2,040
2.90	13 Jan 2017	5,855	5,959	5,975	Ornge Issuer Trust						
3.56	4 Oct 2017	1,832	1,898	1,903	5.73	11 Jun 2034	3,416	4,015	3,879		
2.45	29 Jan 2021	1,111	1,109	1,111	Pearson International Fuel Facilities Corporation						
2.91	29 Sep 2021	11,840	12,023	12,041	5.09	9 Mar 2032	2,203	2,398	2,362		
Hydro-Québec				Public Sector Pension Investment Board							
6.50	15 Feb 2035	1,000	1,449	1,463	3.27	12 Jun 2020	2,836	2,924	2,836		
6.00	15 Feb 2040	8,000	11,414	11,489	Royal Bank of Canada						
5.00	15 Feb 2045	1,450	1,880	1,901	3.66	25 Jan 2017	1,160	1,194	1,196		
5.00	15 Feb 2050	1,500	1,988	2,014	2.58	13 Apr 2017	9,860	10,033	10,049		
Kraft Canada Inc.				2.36				21 Sep 2017	2,390	2,429	2,435
2.30	6 Jul 2020	3,800	3,724	3,800	2.26	12 Mar 2018	9,478	9,620	9,649		
Kreditanstalt für Wiederaufbau Global				2.77				11 Dec 2018	22,122	22,811	22,815
5.05	4 Feb 2025	1,196	1,448	1,474	1.63	11 Feb 2020	333	328	333		
Loblaw Companies Limited				1.39				23 Mar 2020	5,878	5,821	5,878
6.50	22 Jan 2029	1,827	2,210	2,268	1.97	2 Mar 2022	3,140	3,057	3,066		
6.54	17 Feb 2033	595	719	737	Shaw Communications Inc.						
Manufacturers Life Insurance Company				6.75				9 Nov 2039	1,894	2,212	2,311
2.81	21 Feb 2024	1,479	1,511	1,514	SP1 Limited Partnership						
2.64	15 Jan 2025	1,479	1,501	1,501	3.21	15 Jun 2019	3,026	2,914	2,837		
2.10	1 Jun 2025	1,479	1,461	1,462							

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

Government Grants (continued)

Appendix I to Schedule I

Statement of Investment Portfolio

As at October 31, 2015 (in thousands of Canadian dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
Bonds (continued)				Equities – 4.9% (continued)			
Corporate – 31.4% (continued)				Canadian Oil Sands Limited	95	937	601
St.Clair Holding ULC				Canadian Pacific Railway Company	6	1,024	1,040
4.88% 31 Aug 2031	476	502	505	Canadian Western Bank	14	341	313
Strait Crossing Development Inc.				Celestica Inc.	22	324	368
6.17 15 Sep 2031	226	204	207	Cenovus Energy Inc.	15	294	302
Sun Life Capital Trust				Colliers International Group Inc.	4	244	220
7.09 30 Jun 2052	3,905	4,903	5,082	Dream Unlimited Corporation	32	235	235
Toronto Dominion Bank				Empire Company Ltd.	22	597	590
1.53 2 Apr 2019	8,123	8,305	8,357	Enbridge Inc.	12	664	599
3.23 24 Jul 2024	12,095	12,517	12,650	Enerflex Ltd.	81	1,019	1,045
2.98 30 Sep 2025	8,628	8,578	8,628	Enerplus Corporation	70	429	476
4.78 14 Dec 2105	8,944	9,212	9,286	Ensign Energy Services Inc.	20	167	169
TransCanada Pipelines Limited				Fairfax Financial Holdings Limited	1	767	698
11.80 20 Nov 2020	1,994	2,853	3,033	Finning International Inc.	48	991	915
8.05 17 Feb 2039	1,553	2,248	2,492	FirstService Corporation	6	275	268
UniCredit Group				Franco Nevada Corporation	11	716	631
2.25 29 May 2018	2,401	2,439	2,451	Freehold Royalties Ltd.	64	644	708
University Health Network				GMP Capital Inc.	50	203	204
5.64 8 Dec 2022	6,215	7,088	7,126	Goldcorp Inc.	24	398	412
University of Ontario Institute of Technology				Granite REIT	20	774	755
6.35 15 Oct 2034	203	246	234	Great Canadian Gaming Corporation	27	478	490
Wells Fargo Financial Corporation Canada				Great West Lifeco Inc.	12	419	387
3.04 29 Jan 2021	1,038	1,081	1,082	Home Capital Group Inc.	53	1,698	1,690
3.46 24 Jan 2023	889	937	939	IGM Financial Inc.	15	568	526
WTH Car Rental ULC				Imperial Oil Limited	28	1,212	1,139
2.54 20 Aug 2019	2,960	2,988	2,960	Intact Financial Corporation	21	2,000	1,999
		347,592	348,197	Laurentian Bank of Canada	7	371	343
				Loblaw Companies Limited	10	717	714
Total Fixed Income Investments – 81.2%		897,082	893,030	Magna International Inc.	15	1,034	910
				Methanex Corporation	20	1,038	917
				Metro Inc.	9	351	338
				Morguard Corporation	3	430	408
				Mullen Group Ltd.	42	728	745
				Onex Corporation	7	537	537
				Open Text Corporation	2	148	145
				Pason System Inc.	53	1,014	1,010
				Potash Corporation of Saskatchewan Inc.	49	1,287	1,360
				Power Corporation of Canada	23	665	620
				PrairieSky Royalty Ltd.	20	519	510
				Quebecor World Inc.	13	388	364
				Ritchie Bros. Auctioneers Inc.	15	499	505
				Royal Bank of Canada	8	561	539
				ShawCor Ltd.	23	629	663
				SNC-Lavalin Group inc.	23	954	861
				Suncor Energy Inc.	81	3,138	2,797
				Teck Resources Limited	66	508	435
				TELUS Corporation	51	2,228	2,166
				Toromont Industries Ltd.	15	510	490

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

Government Grants (continued)

Appendix I to Schedule I

Statement of Investment Portfolio

As at October 31, 2015 (in thousands of Canadian dollars)

Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
Equities – 4.9% (continued)			
Toronto Dominion Bank	70	3,738	3,571
Total Energy Services Inc.	26	388	390
Wajax Corporation	19	444	407
West Fraser Timber Co. Ltd.	6	281	282
Westshore Terminals Investment Corporation	64	1,384	1,584
Whistler Blackcomb Holdings Inc.	2	39	42
Total Equities	1,990	54,652	52,463
Exchange-traded Funds – 13.2%			
BMO S&P 500 Hedged to CAD Index ETF	2,305	73,753	70,306
iShares Core S&P 500 Hedged to CAD Index ETF	2,995	71,950	68,046
	5,300	145,703	138,352
Total Equities and ETFs – 18.1%		200,355	190,815
Cash and cash equivalents – 0.7%		8,178	8,178
Total Portfolio Assets – 100.0%		1,105,615	1,092,023
Government Grant Investment Allocation			
Plan II		1,766	1,742
Founders' Plan		24,540	24,137
Group Savings Plan		168,034	165,542
Group Savings Plan 2001		826,581	816,801
Family Savings Plan		73,700	72,842
Individual Savings Plan		2,816	2,781
		1,097,437	1,083,845
Cash and Short-term Investments Allocation			
Plan II		13	13
Founders' Plan		182	182
Group Savings Plan		1,249	1,249
Group Savings Plan 2001		6,163	6,163
Family Savings Plan		550	550
Individual Savings Plan		21	21
		8,178	8,178

Sales Charge Refund Entitlements

Appendix II to Schedule I

Statement of Investment Portfolio

As at October 31, 2015 (in thousands of Canadian dollars)

Agreements Purchased prior to October 2, 2007

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds – 1.9%			
Canada Housing Trust			
1.31% 1 Aug 2020	2,400	2,359	2,357
		2,359	2,357
Provincial – 0.6%			
Province of New Brunswick			
6.47 30 Nov 2027	628	786	766
		786	766
Corporate – 33.1%			
Blue Water Bridge Authority			
6.41 9 Jul 2027	1,246	821	948
Central 1 Credit Union			
1.31 24 Nov 2016	1,341	1,343	1,341
Cogeco Cable Inc.			
4.18 26 May 2023	1,483	1,535	1,477
DEPFA Bank plc.			
5.25 31 Mar 2025	1,534	1,820	1,868
4.9 24 Aug 2035	1,041	1,202	1,267
Enbridge Inc.			
4.57 11 Mar 2044	570	511	530
EUROFIMA			
4.55 30 Mar 2027	212	239	237
GE Capital Canada Funding Company			
1.62 15 Feb 2022	1,947	1,936	1,787
2.18 6 Feb 2023	807	814	807
Greater Toronto Airport Authority			
6.45 30 Jul 2029	1,361	1,733	1,655
Honda Canada Finance Inc.			
1.93 3 Dec 2018	1,244	1,237	1,244
InPower BC General Partnership			
4.47 31 Mar 2033	535	569	532
Kraft Canada Inc.			
2.30 6 Jul 2020	1,783	1,747	1,783
Kreditanstalt für Wiederaufbau Global			
5.05 4 Feb 2025	256	310	309
Maritimes and Northeast Pipelines Limited Partnership			
4.34 30 Nov 2019	1,032	1,062	1,063
6.90 30 Nov 2019	84	93	95

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds – 1.9% (continued)			
Corporate – 33.1% (continued)			
McCain Finance Limited			
3.87% 7 Feb 2023	737	800	737
Milit-Air Inc.			
5.75 30 Jun 2019	1,095	1,184	1,206
NAV Canada			
7.56 1 Mar 2027	1,984	2,561	2,494
Nova Gas Transmission Ltd.			
9.90 16 Dec 2024	109	162	167
Ontrea Inc.			
4.62 9 Apr 2018	789	842	800
Ornge Issuer Trust			
5.73 11 Jun 2034	1,885	2,216	2,174
Public Sector Pension Investment Board			
3.27 12 Jun 2020	1,752	1,806	1,761
Royal Bank of Canada			
1.63 11 Feb 2020	310	306	310
1.39 23 Mar 2020	2,394	2,371	2,394
Royal Bank of Scotland			
5.88 12 May 2016	176	179	187
Shaw Communications Inc.			
6.75 9 Nov 2039	1,654	1,932	1,605
SNC Lavalin Group Inc.			
6.19 3 Jul 2019	1,551	1,759	1,762
SP1 Limited Partnership			
3.21 15 Jun 2019	1,373	1,322	1,287
St.Clair Holding ULC			
4.88 31 Aug 2031	425	449	425
Strait Crossing Development Inc.			
6.17 15 Sep 2031	451	407	372
TransCanada Pipelines Limited			
11.8 20 Nov 2020	172	246	260
UniCredit Group			
2.25 29 May 2018	200	203	204
University Health Network			
5.64 8 Dec 2022	1,979	2,257	2,257

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

Sales Charge Refund Entitlements (continued)

Appendix II to Schedule I

Statement of Investment Portfolio

As at October 31, 2015 (in thousands of Canadian dollars)

Agreements Purchased prior to October 2, 2007 (continued)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	
Bonds – 1.9% (continued)				Pooled Equity Funds				
Corporate – 33.1% (continued)				SRA Canadian Equity Fund	1,929	27,051	28,855	
University of Ontario Institute of Technology				SRA US Equity Fund	2,417	27,177	20,656	
6.35%	15 Oct 2034	1,246	1,511	1,323	SRA International Equity Fund	2,239	24,800	21,525
WTH Car Rental ULC				Total Equities – 64.2%	79,028	71,036		
2.54	20 Aug 2019	1,215	1,226	1,215	Total Investments – 99.8%	122,884	114,042	
			40,711	39,883	Cash and cash equivalents – 0.2%	286	286	
Total Fixed Investments – 35.6%		43,856	43,006	Total Portfolio Assets – 100.0%	123,170	114,328		
				Total Investments Allocation				
				Group Savings Plan 2001		82,357	76,631	
				Group Savings Plan		40,527	37,411	
						122,884	114,042	
				Cash and cash equivalents Allocation				
				Group Savings Plan 2001		192	192	
				Group Savings Plan		94	94	
						286	286	

Sales Charge Refund Entitlements

Appendix III to Schedule I

Statement of Investment Portfolio

As at October 31, 2015 (in thousands of Canadian dollars)

Agreements Purchased on or after October 2, 2007

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds				Bonds (continued)			
Federal – 0.1%				Corporate – 18.6% (continued)			
Canada Housing Trust				GE Capital Canada Funding Company (continued)			
1.16% 1 Dec 2019	48	44	44	2.18% 6 Feb 2023	113	114	113
		44	44	Greater Toronto Airport Authority			
				6.45 30 Jul 2029	202	257	244
Provincial – 0.4%				Heathrow Funding Limited			
Province of British Columbia				3.25 21 May 2027	409	406	405
10.65 19 Jun 2021	20	28	28	Honda Canada Finance Inc.			
Province of New Brunswick				1.93 3 Dec 2018	194	193	194
6.47 30 Nov 2027	163	204	199	Hydro One Inc.			
		232	227	1.65 3 Dec 2016	115	115	115
Corporate – 18.6%				InPower BC General Partnership			
407 International Inc.				4.47 31 Mar 2033	169	180	170
2.81 18 Dec 2016	54	54	55	Kraft Canada Inc.			
7.13 26 Jul 2040	157	227	203	1.63 6 Jul 2020	352	345	352
Arrow Lakes Power Corporation				Kreditanstalt fur Wiederaufbau Global			
5.52 5 Apr 2041	32	37	32	5.05 4 Feb 2025	93	113	114
Bankers Hall LP				Loblaw Companies Limited			
4.38 20 Nov 2023	77	82	77	6.05 9 Jun 2034	176	203	194
BNG Bank				Maritimes and Northeast Pipelines Limited Partnership			
5.15 7 Mar 2025	32	38	38	4.34 30 Nov 2019	181	186	186
Blue Water Bridge Authority				6.90 30 Nov 2019	81	90	92
6.41 9 Jul 2027	84	55	64	McCain Finance Limited			
Caisse Francaise de Financement Local SA				3.87 7 Feb 2023	94	102	94
4.68 9 Mar 2029	81	93	93	Metropolitan Life Insurance Company			
Canadian Pacific Railway Company				2.68 16 Apr 2019	60	61	61
6.91 1 Oct 2024	327	243	249	Milit-Air Inc.			
Central 1 Credit Union				5.75 30 Jun 2019	163	176	180
1.31 24 Nov 2016	87	87	87	NAV Canada			
Cogeco Cable Inc.				7.56 1 Mar 2027	360	464	452
5.15 16 Nov 2020	124	137	131	Ontrea Inc.			
4.18 26 May 2023	239	247	238	4.62 9 Apr 2018	188	201	201
DEPFA Bank plc.				Ornge Issuer Trust			
5.25 31 Mar 2025	231	274	282	5.73 11 Jun 2034	243	285	279
4.90 24 Aug 2035	203	234	247	Public Sector Pension Investment Board			
Enbridge Inc.				3.27 12 Jun 2020	201	208	201
1.73 13 Mar 2017	110	109	109	Royal Bank of Canada			
EUROFIMA				1.63 11 Feb 2020	235	232	238
4.55 30 Mar 2027	169	190	197	1.39 23 Mar 2020	672	665	672
GE Capital Canada Funding Company							
1.62 15 Feb 2022	269	267	247				

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 October 31, 2015 (in thousands of Canadian 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)				Pooled Equity Funds			
Corporate – 18.6% (continued)				SRA Canadian Equity Fund			
Royal Bank of Scotland				1,015	14,226	14,156	
5.88% 12 May 2016	30	31	32	SRA US Equity Fund	1,140	12,814	10,114
Shaw Communications Inc.				SRA International Equity Fund	1,062	11,763	9,815
6.75 9 Nov 2039	291	340	301	Total Equities – 80.3%	38,803	34,085	
SP1 Limited Partnership				Total Investments – 99.4%	48,057	43,206	
3.21 15 Jun 2019	240	231	225	Cash and cash equivalents – 0.6%	274	274	
St. Clair Holding ULC				Total Portfolio Assets – 100.0%	48,331	43,480	
4.88 31 Aug 2031	49	52	49	Total Investments Allocation			
Strait Crossing Development Inc.				Group Savings Plan 2001	48,057	43,206	
6.17 15 Sep 2031	194	175	172		48,057	43,206	
UniCredit Group				Cash and cash equivalents Allocation			
2.25 29 May 2018	297	302	303	Group Savings Plan 2001	274	274	
University Health Network					274	274	
5.64 8 Dec 2022	225	256	257				
University of Ontario Institute of Technology							
6.35 15 Oct 2034	86	105	91				
WTH Car Rental ULC							
2.62 20 Dec 2016	211	211	212				
2.54 20 Aug 2019	302	305	302				
		8,978	8,850				
Total Fixed Investments – 19.1%		9,254	9,121				

Canadian Scholarship Trust Plan

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