



## Canadian Scholarship Trust **Group Savings Plan 2001**

Audited Financial Statements and  
Management Report of Fund Performance

October 31, 2011 and 2010



Distributed by  
C.S.T. Consultants Inc.

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### CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

# Management Report of Fund Performance

## Introduction

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Canadian Scholarship Trust Group Savings Plan 2001 (“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](http://www.cst.org) or SEDAR at [www.sedar.com](http://www.sedar.com), or by calling our customer service area at 1-877-333-7377, or by writing to us at 2225 Sheppard Avenue East, Suite 600, Toronto, Ontario M2J 5C2.

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

## Investment Objective and Strategy

The Plan invests in a prudent manner, with a focus over the long term to protect your principal and deliver a positive return on your investment. The Plan invests primarily in fixed income securities issued by the Canadian federal or provincial governments and corporate debt securities issued by public corporations. The Plan also invests in variable rate securities, which are hybrid financial debt instruments issued by governments, Canadian chartered banks and licensed trust and loan companies that have embedded components that change the risk/return characteristics of the security. Included in this asset class are structured notes that are debt instruments, whose returns are based on movements in equity indices rather than typical interest payments.

The fixed income component of the Plan is managed by Addenda Capital Inc., Greystone Managed Investments Inc., TD Asset Management Inc. and Canso Investment Counsel Ltd. The assets are allocated among different market sectors and different maturity segments at our portfolio managers’ discretion, subject to the constraints defined in our investment policies and mandates. Our investment professionals actively manage the Plan, focusing on strategies where value can be added on a sustainable basis. Their strategies include sector allocation, duration management, credit research and yield curve positioning.

## Risk

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

## Results of Operation

For 2011, the Plan’s rate of return, net of fees, was 3.5% compared to the investment policy benchmark (“benchmark”) return of 4.8% and the broad-based DEX Universe All Government Bond Index return of 6.2%. The DEX Universe All Government Bond Index (“Index”) is a broad measure of Canadian investment grade fixed income securities, issued by the Government of Canada, including Crown Corporations and provincial governments, with maturities greater than 1 year. 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.

During the year, the Plan’s investment policy and asset allocation were revised in order to help protect our contributors’ investments given changing financial markets. As a result, the Plan shortened the duration of its bond portfolio and adopted a blended benchmark which is comprised of 49% DEX Universe All Government Bond Index, 49% DEX Short-Term Government Bond Index and 2% DEX Universe Corporate Bond Index. The DEX 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 DEX Universe Corporate Bond Index is a broad measure of Canadian investment grade fixed income securities issued by public corporations, with maturities greater than one year. In comparison to the broad-based Index, the Plan’s current asset mix requires a higher allocation to lower yielding short-to-medium term government and corporate bonds.

Both federal and provincial government bonds posted strong gains throughout the year. Early in 2011, government bond yields increased and credit spreads on corporate bonds narrowed. As concerns over the European sovereign debt crisis and the slow pace of the U.S. economic recovery increased, investors retreated to the safety and quality of Canadian government bonds in the latter part of the year. This drove down yields on government bonds with medium and longer-term maturities. Our investment managers took advantage of these market opportunities, which benefited the Plan’s performance.

During the year, the portfolio holdings of Variable Rate Securities decreased by 8.4% of the Plan’s assets through normal maturities and the proceeds were re-invested in government and corporate bonds. As at October 31, 2011, 97.8% of the Plan’s assets were invested in Government and Corporate Bonds, 1.7% in Variable Rate Securities and 0.5% in Cash and Short-Term Investments.

## Recent Developments and Other Information

Recently, investor confidence has been impacted by the continued uncertainty within the global economy. The ongoing struggle within the European Union to stabilize the economies of Greece, Italy and Spain continues to place stress on economies both within and outside the region. Although a rescue plan was eventually agreed upon in October 2011, financial market concerns about the potential global recession continue.

During 2011, the U.S. continued to implement monetary programs that put downward pressure on long-term interest rates, in an effort to maintain the economy's positive growth. The U.S. Federal Reserve Board has indicated that it will continue to support economic momentum and growth by maintaining low interest rates through mid-2013. U.S. economic growth is expected to gradually improve to 2% in the latter half of 2012 and then rebound closer to 3% in 2013, as households slowly reduce their debt loads within a subdued labour market. In addition, China's growth in the third quarter showed signs of slowing momentum at 9.1%.

Although Canada's economy contracted by 0.5% in the second quarter, it improved to an annualized growth of 3.5% in the third quarter of 2011 on improved exports and strong residential construction. However, the intensifying structural adjustments within European countries and an uneven economic recovery in the U.S. will continue to place downward pressure on consumer and business confidence and Canadian GDP growth in the fourth quarter of 2011 and into 2012.

Central banks around the world continue to maintain interest rates at low levels in attempts to keep the global recovery on track. In October 2011, the Bank of Canada indicated that it will likely refrain from raising interest rates until the latter part of 2012 given the concerns over the European debt crisis and the slow growing U.S. economy.

Looking beyond 2011, as market volatility subsides, market observers expect that Canada's economy will experience a cautious recovery, with growth momentum increasing in 2013 alongside gradual improvements in the U.S. economy. With continued low interest rates, economists are looking to strong business investment and improved household expenditures, rather than government expenditures and net exports, to drive economic growth. At the

same time, the unemployment rate is expected to increase in early 2012 and then slowly decline to 7.2% by year end in an environment of low and relatively stable core inflation.

During the year, Canso Investment Counsel Ltd., a leading bond manager, was retained to focus on a corporate bond mandate and enhance the Plan's performance on a sustainable basis.

We are confident that our investment strategy and conservative management approach will continue to provide value over the long-term horizon of our Plans. Our goal, as always, is to provide safety of principal and deliver steady long-term returns for our contributors and beneficiaries.

#### ***Future Accounting Standards***

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

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

## Financial and Operating Highlights (with comparative figures)

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

(\$ thousands)	2011	2010	2009	2008	2007
<b>Statement of Net Assets</b>					
Total Assets	\$2,045,477	\$ 1,709,344	\$ 1,360,123	\$ 1,043,850	\$ 805,788
Net Assets	786,847	654,581	494,966	347,360	298,281
% Change of Net Assets	20.2%	32.2%	42.5%	16.5%	32.3%
<b>Statement of Investment Operations</b>					
Net Investment Income	\$ 79,579	\$ 47,139	\$ 50,081	\$ 33,227	\$ 23,293
<b>Statement of Changes in Net Assets</b>					
Education Assistance Payments	\$ (6,090)	\$ (4,619)	\$ (3,020)	\$ (1,584)	\$ (692)
Government Grants Received (net of repayments)	71,837	77,554	68,138	58,211	49,054
Government Grant Payments to Beneficiaries	(3,345)	(2,383)	(1,437)	(712)	(275)
<b>Other</b>					
Total number of units	2,180,746	1,998,516	1,812,701	1,620,465	1,398,327
% Change in the total number of units	9.1%	10.3%	11.9%	15.9%	21.4%

## Management Fees

### Administration Fees

An administration fee of \$9,554 thousand comprising Plan administration and processing fees and financial reporting expenses was paid to the Canadian Scholarship Trust Foundation, the sponsor and administrator of the Plan, in accordance with contributors' Education Savings Plan Agreements. The administration of the Plan includes processing and call centre services related to new agreements, Government Grants, plan modifications, terminations, maturities and Education Assistance Payments ("EAPs"). The annual administration fee is calculated as ½ of 1% of the total amount of Principal, Government Grants and income in the contributors' accounts, which is paid monthly.

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

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

### Portfolio Management Fees

The Plan's annual investment management fee paid to the portfolio managers is 0.11% of the weighted average monthly net assets. The portfolio managers provide investment advisory and discretionary managed account services with respect to purchasing, selling and dealing in securities.

The Plan retains the services of Greystone Managed Investments Inc., an investment management firm and wholly-owned subsidiary of Greystone Capital Management Inc. ("Greystone"). As at October 31, 2011, two directors of the Foundation were members of the Board of Greystone. These directors did not have any beneficial ownership of Greystone equity. The directors do not participate in any of the Foundation's Board deliberations concerning the investment management of the Plan, nor do they vote on any resolutions recommended by the Investment Committee of the Foundation. The portfolio management fees in the Statements of Investment Operations include fees paid or payable to Greystone Managed Investment Inc. of \$924 thousand (2010 – \$699 thousand).

### Trustee and Custodian Fees

The Plan pays trustee and custodian fees to RBC Dexia 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 2011 these fees charged to the Plan amounted to \$291 thousand.



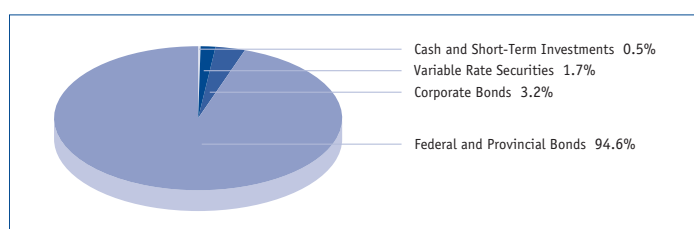
## Summary of Plan Investment Portfolio

The Plan's Total Portfolio Assets are comprised of the principal and accumulated investment income on all education savings plan agreements that have not reached their maturity date. The income earned on the Plan's pre-maturity assets is the main component in determining the value of EAPs to be paid to beneficiaries.

Government Grant assets and related investment income are specific to each beneficiary. Any payments to beneficiaries from Government Grant assets are treated as separate payments and not included in EAP values paid out. Furthermore, income earned on Group Scholarship Pool assets is allocated to eligible beneficiaries collecting EAP payments that year on a pro-rata basis. As a result, the Plan's Total Portfolio Assets as presented reflect the pre-maturity assets and does not include the allocation of assets from the Government Grants, Group Scholarship Pool and Enrolment Fee Refund Entitlements belonging to this Plan.

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

### Asset Mix (as at October 31, 2011)



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

Issuer			Fair Value (\$ 000's)	% of Plan Portfolio Assets
Government of Canada	1.50%	01 Dec 2012	138,355	9.7%
Canada Housing Trust	1.34%	15 Sep 2016	79,861	5.6%
Canada Housing Trust	2.75%	15 Jun 2016	71,840	5.0%
Government of Canada	1.75%	01 Mar 2013	68,675	4.8%
Canada Housing Trust	3.15%	15 Jun 2014	67,043	4.7%
Canada Housing Trust	3.15%	15 Jun 2015	66,617	4.7%
Canada Housing Trust	2.75%	15 Dec 2014	59,390	4.2%
Canada Housing Trust	1.41%	15 Mar 2016	45,362	3.2%
Government of Canada	1.50%	01 Jun 2012	37,098	2.6%
Canada Housing Trust	2.75%	15 Dec 2015	32,274	2.3%
Province of Alberta	1.38%	27 May 2016	30,373	2.1%
Government of Canada	1.25%	01 Dec 2011	27,072	1.9%
Province of Ontario	4.75%	02 Jun 2013	26,906	1.9%
Province of Ontario	3.25%	08 Sep 2014	26,895	1.9%
Province of Ontario	3.15%	08 Sep 2015	26,790	1.9%
Toronto Dominion Bank				
S&P/TSX 60 Index Linked Note		26 Oct 2012	24,863	1.7%
Canada Housing Trust	4.00%	15 Jun 2012	23,913	1.7%
Government of Canada	2.00%	01 Sep 2012	22,574	1.6%
Province of Quebec	4.50%	01 Dec 2020	22,505	1.6%
Government of Canada	3.00%	01 Dec 2015	21,015	1.5%
Province of Quebec	5.00%	01 Dec 2015	19,924	1.4%
Canada Housing Trust	1.44%	15 Mar 2015	19,903	1.4%
Canada Housing Trust	3.60%	15 Jun 2013	17,645	1.2%
Province of Quebec	4.50%	01 Dec 2019	17,034	1.2%
Province of Ontario	4.40%	08 Mar 2016	16,819	1.2%

**Top long positions as a percentage of Plan portfolio assets** **71.0%**

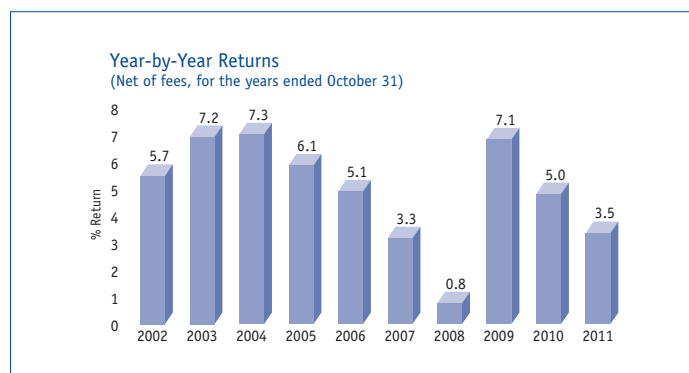
## Past Performance

Our investment philosophy has always been to safeguard our contributors' investments while providing stable and consistent returns. The Foundation's investment strategy is expected to return consistent and strong financial performance and provide the capability to deliver long-term sustainable EAP values to Plan beneficiaries in the future.

Past performance of the Plan is set out in the following chart and the annual compound returns table and is based on the growth in assets over the term of the Plan to maturity. The returns presented are based on the income earned on the Plan's investment portfolio only and do not reflect the investment income or allocation of assets from the Government Grants, Group Scholarship Pool and Enrolment Fee 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 have been deducted and only net returns are displayed in each period. Past returns of the Plan do not necessarily indicate how it will perform in the future.

### Year-by-Year Returns

The following bar chart illustrates the Plan's annual performance in each of the past ten years to October 31, 2011. The chart illustrates in percentage terms how much an investment made on the first day of each financial year would have increased or decreased by the last day of each financial year:



### Annual Compound Returns

The following table illustrates the Plan's annual compounded returns, for the periods shown ended on October 31, 2011.

Prior to July 2011, the Plan compared its returns to the DEX Universe All Government Bond Index. Effective July 2011, the asset allocation for the Plan was revised and a blended benchmark was adopted which is comprised of:

49%	DEX Universe All Government Bond Index*
49%	DEX Short-Term Government Bond Index*
2%	DEX Universe Corporate Bond Index*

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

	Period			
	1 Year	3 Years	5 Years	10 Years
<b>Net Plan Return</b>	<b>3.5</b>	<b>5.2</b>	<b>3.9</b>	<b>5.1</b>
<b>Benchmark*</b>	<b>4.8</b>	<b>7.0</b>	<b>5.5</b>	<b>5.8</b>
<b>Broad-based index: DEX Universe</b>				
<b>All Government Bond Index*<sup>1</sup></b>	<b>6.2</b>	<b>7.4</b>	<b>5.8</b>	<b>5.9</b>

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

<sup>1</sup> DEX Universe All Government Bond Index was the Plan's benchmark prior to July 2011.

# Management's Responsibility for Financial Reporting

The accompanying financial statements of 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 Canadian generally accepted accounting principles and include certain amounts that are based on estimates and judgments. The significant accounting policies, which management believes are appropriate for the Plan, are described in Note 2 to the financial statements.

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



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



**Joe Spagnuolo, CA**  
Chief Financial Officer and Treasurer

Toronto, Ontario  
January 5, 2012

## Independent Auditor's Report

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

We have audited the accompanying financial statements of Canadian Scholarship Trust Group Savings Plan 2001, which comprise the statements of net assets available for education assistance payments as at October 31, 2011 and 2010, and the statements of investment operations, changes in net assets available for education assistance payments and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian Scholarship Trust Group Savings Plan 2001 as at October 31, 2011 and 2010 and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants  
Licensed Public Accountants  
January 5, 2012

# Statements of Net Assets Available for Education Assistance Payments

As at October 31, 2011 and 2010 (in thousands of dollars)

	2011	2010
<b>Assets</b>		
Investments, at fair value <i>(Note 4 and Schedule I)</i>	\$ 1,990,455	\$ 1,668,723
Cash and cash equivalents	10,432	7,515
Short-term investments	6,389	6,827
Accrued interest and other receivables	19,893	15,673
Receivables for securities sold	7,864	1,640
Government grants receivable	10,444	8,966
	<b>2,045,477</b>	<b>1,709,344</b>
<b>Liabilities</b>		
Accounts payable, accrued liabilities and unclaimed contributors' funds	6,667	4,242
Payables for securities purchased	9,949	3,960
Contributors' deposits <i>(Schedule II)</i>	1,242,014	1,046,561
	<b>1,258,630</b>	<b>1,054,763</b>
<b>Net Assets Available for Education Assistance Payments</b>	<b>786,847</b>	<b>654,581</b>
<b>Represented by:</b>		
<b>Non-Discretionary Funds</b>		
Accumulated interest held for future education assistance payments <i>(Schedule II)</i>	182,542	125,512
Government grants	411,834	349,391
Interest on Government grants	69,091	50,800
Enrolment fee refund entitlements <i>(Notes 3(b) and 7)</i>	87,475	81,198
<b>Unrealized Gains</b>	<b>34,450</b>	<b>46,314</b>
<b>Discretionary Funds</b>		
Donations from the Foundation <i>(Notes 3(c) and 6)</i>	1,455	1,366
	<b>\$ 786,847</b>	<b>\$ 654,581</b>

Approved on behalf of the Board of Canadian Scholarship Trust Foundation



Blair A. Corkum, CA  
Director



Sherry J. MacDonald, CA  
Director



# Statements of Investment Operations

For the years ended October 31, 2011 and 2010 (in thousands of dollars)

	2011	2010
<b>Income</b>		
Interest income	\$ 53,492	\$ 44,260
Realized gains	35,606	10,265
Other income	2,519	2,196
	<b>91,617</b>	<b>56,721</b>
<b>Expenses</b>		
Plan administration and processing fees <i>(Note 3(a))</i>	7,192	5,010
Financial reporting <i>(Note 3(a))</i>	2,362	2,641
Portfolio management fees	2,193	1,698
Custodian fees	206	175
Trustee fees	85	58
	<b>12,038</b>	<b>9,582</b>
<b>Net Investment Income</b>	<b>79,579</b>	<b>47,139</b>
<b>(Decrease) increase in Unrealized Gains</b>	<b>(11,864)</b>	<b>38,338</b>
<b>Increase in Net Assets from Investment Operations</b>	<b>\$ 67,715</b>	<b>\$ 85,477</b>

# Statements of Changes in Net Assets Available for Education Assistance Payments

For the years ended October 31, 2011 and 2010 (in thousands of dollars)

	2011	2010
<b>Net Assets Available for Education Assistance Payments, Beginning of Year</b>	<b>\$ 654,581</b>	<b>\$ 494,966</b>
<b>Increase in Net Assets from Investment Operations</b>	<b>67,715</b>	<b>85,477</b>
Transfers from internal and external plans	693	997
	<b>68,408</b>	<b>86,474</b>
<b>Receipts</b>		
Government grants received (net of repayments)	71,837	77,554
Contributions received from the Foundation <i>(Note 3(c))</i>	3,300	3,800
	<b>75,137</b>	<b>81,354</b>
<b>Disbursements</b>		
Payments to beneficiaries		
Education assistance payments <i>(Schedule III)</i>	(6,090)	(4,619)
Government grants	(3,345)	(2,383)
Refund of enrolment fees	(827)	(544)
Return of interest	(1,017)	(667)
	<b>(11,279)</b>	<b>(8,213)</b>
<b>Receipts less Disbursements</b>	<b>63,858</b>	<b>73,141</b>
<b>Increase in Net Assets Available for Education Assistance Payments</b>	<b>132,266</b>	<b>159,615</b>
<b>Net Assets Available for Education Assistance Payments, End of Year</b>	<b>\$ 786,847</b>	<b>\$ 654,581</b>

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

# Statements of Cash Flows

For the years ended October 31, 2011 and 2010 (in thousands of dollars)

	2011	2010
<b>Operating Activities</b>		
Increase in Net Assets from Investment Operations	\$ 67,715	\$ 85,477
Net disbursement for investment transactions	(297,787)	(297,402)
Items not affecting cash		
Realized gains on sale of investments	(35,606)	(10,265)
Decrease (increase) in Unrealized Gains	11,864	(38,338)
Change in non-cash operating working capital		
Increase in Accrued interest and other receivables	(4,220)	(1,910)
Increase in Government grants receivable	(1,478)	(4,078)
Increase in Accounts payable, accrued liabilities and unclaimed contributors' funds	2,425	1,656
<b>Cash flow from Operating Activities</b>	<b>(257,087)</b>	<b>(264,860)</b>
<b>Financing Activities</b>		
Transfers from internal and external plans	693	997
Contributions received from the Foundation	3,300	3,800
Government grants received (net of repayments)	71,837	77,554
Increase in Contributors' deposits <i>(Schedule II)</i>	195,453	191,929
Payments to beneficiaries	(11,279)	(8,213)
<b>Cash flow from Financing Activities</b>	<b>260,004</b>	<b>266,067</b>
<b>Net increase in Cash and cash equivalents</b>	<b>2,917</b>	<b>1,207</b>
<b>Cash and cash equivalents, Beginning of Year</b>	<b>7,515</b>	<b>6,308</b>
<b>Cash and cash equivalents, End of Year</b>	<b>\$ 10,432</b>	<b>\$ 7,515</b>

# Schedule I – Statement of Investment Portfolio

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

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)				
<b>Bonds</b>				<b>Bonds (continued)</b>							
<b>Federal – 64.1%</b>				<b>Municipal and Provincial – 30.5% (continued)</b>							
Government of Canada				Province of British Columbia							
1.25%	1 Dec 2011	27,065	27,072	27,083	4.25%	18 Jun 2014	11,000	11,821	11,739		
1.50	1 Jun 2012	36,980	37,098	36,973	5.60	1 Jun 2018	1,000	1,188	1,098		
2.00	1 Sep 2012	22,380	22,574	22,513	4.80	15 Jun 2021	4,300	4,902	4,676		
1.50	1 Dec 2012	137,535	138,355	138,261	5.70	18 Jun 2029	2,955	3,750	3,454		
1.75	1 Mar 2013	67,963	68,675	68,355	4.70	18 Jun 2037	2,300	2,632	2,469		
3.50	1 Jun 2013	12,825	13,331	13,399	4.30	18 Jun 2042	2,490	2,720	2,525		
3.75	1 Mar 2015	195	135	134	Province of Manitoba						
3.00	1 Dec 2015	19,762	21,015	20,149	4.30	1 Mar 2016	7,030	7,751	7,819		
3.25	1 Jun 2021	8,485	9,181	9,166	2.05	1 Dec 2016	5,009	5,017	5,006		
5.75	1 Jun 2029	900	1,269	1,274	Province of New Brunswick						
5.75	1 Jun 2033	1,500	2,182	2,195	4.50	4 Feb 2015	6,000	6,554	6,498		
5.00	1 Jun 2037	3,940	5,385	5,166	4.30	3 Dec 2015	5,250	5,763	5,411		
4.00	1 Jun 2041	4,145	5,021	4,939	6.75	27 Jun 2017	7,000	8,644	8,496		
Business Development Bank of Canada				4.45				26 Mar 2018	800	891	861
4.75	26 Jul 2021	425	500	424	4.40	3 Jun 2019	7,050	7,795	7,666		
Canada Housing Trust				5.50				27 Jan 2034	750	923	852
4.80	15 Jun 2012	6,575	6,727	6,689	Province of Nova Scotia						
4.00	15 Jun 2012	23,485	23,913	23,890	4.50	1 Jun 2013	12,000	12,621	12,645		
4.55	15 Dec 2012	11,430	11,878	11,876	4.60	18 Aug 2016	9,000	10,071	9,877		
3.95	15 Jun 2013	5,700	5,962	5,845	5.80	1 Jun 2033	4,250	5,427	4,810		
3.60	15 Jun 2013	16,959	17,645	17,618	4.50	1 Jun 2037	2,000	2,177	2,069		
2.70	15 Dec 2013	12,540	12,942	12,765	Province of Ontario						
2.20	15 Mar 2014	10,200	10,430	10,400	4.50	2 Dec 2012	5,075	5,260	5,293		
3.15	15 Jun 2014	64,000	67,043	66,278	4.75	2 Jun 2013	25,485	26,906	26,978		
2.75	15 Sep 2014	6,200	6,442	6,454	5.00	8 Mar 2014	5,000	5,422	5,389		
2.75	15 Dec 2014	57,090	59,390	58,498	3.25	8 Sep 2014	25,630	26,895	26,303		
1.44	15 Mar 2015	19,891	19,903	19,919	3.15	8 Sep 2015	25,444	26,790	26,247		
3.15	15 Jun 2015	63,078	66,617	64,057	4.40	8 Mar 2016	15,204	16,819	16,750		
2.75	15 Dec 2015	30,935	32,274	31,250	3.20	8 Sep 2016	2,675	2,826	2,663		
1.41	15 Mar 2016	45,451	45,362	45,579	4.30	8 Mar 2017	4,860	5,385	4,673		
2.75	15 Jun 2016	68,854	71,840	69,956	4.40	2 Jun 2019	6,106	6,782	6,262		
1.34	15 Sep 2016	80,384	79,861	80,270	4.20	2 Jun 2020	7,100	7,740	7,297		
4.10	15 Dec 2018	4,100	4,576	4,215	4.00	2 Jun 2021	15,240	16,302	15,348		
3.35	15 Dec 2020	1,000	1,053	1,059	5.85	8 Mar 2033	6,725	8,732	7,450		
3.80	15 Jun 2021	4,550	4,946	4,816	5.60	2 Jun 2035	10,215	12,985	11,769		
Ontario Infrastructure				4.70				2 Jun 2037	13,960	15,885	14,659
3.95	3 Jun 2013	1,533	1,596	1,526	4.65	2 Jun 2041	2,040	2,338	2,109		
PSP Capital Inc				Province of Quebec							
4.57	9 Dec 2013	9,559	10,148	9,764	5.25	1 Oct 2013	2,000	2,152	2,152		
			912,341	902,755	5.50	1 Dec 2014	750	839	847		
<b>Municipal and Provincial – 30.5%</b>				5.00				1 Dec 2015	17,709	19,924	19,633
Alberta Capital Finance				4.50				1 Dec 2017	4,270	4,770	4,174
4.45	15 Dec 2025	2,200	2,453	2,113	4.50	1 Dec 2019	15,330	17,034	16,082		
Province of Alberta				4.50				1 Dec 2020	20,345	22,505	21,494
1.38	27 May 2016	30,558	30,373	30,535	4.25	1 Dec 2021	4,780	5,172	4,794		
				9.38				16 Jan 2023	1,900	2,946	2,824
				6.00				1 Oct 2029	4,195	5,390	5,107
				6.25				1 Jun 2032	775	1,032	1,044

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

# Schedule I – Statement of Investment Portfolio (continued)

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

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)				
<b>Bonds (continued)</b>				<b>Bonds (continued)</b>							
<b>Municipal and Provincial – 30.5% (continued)</b>				<b>Corporate – 3.2% (continued)</b>							
Province of Quebec (continued)				Gloucester Credit Card Trust							
5.25%	11 Jun 2034	1,905	2,242	2,048	5.38%	15 May 2014	802	864	864		
5.75	1 Dec 2036	6,015	7,697	6,717	Great West Lifeco Inc.						
5.00	1 Dec 2038	10,605	12,419	10,867	6.14	21 Mar 2018	990	1,131	1,136		
5.00	1 Dec 2041	7,265	8,615	8,037	Green Timbers LP						
			433,277	415,629	6.84	30 Jun 2037	448	518	519		
<b>Corporate – 3.2%</b>				Honda Canada Finance Inc							
407 International Inc.				5.68				26 Sep 2012	233	241	243
7.13	26 Jul 2040	967	1,310	1,257	5.08	9 May 2013	41	43	43		
BAC Canada Finance				5.61				12 Sep 2013	216	230	231
2.73	21 Feb 2014	1,321	1,288	1,315	Hospital Infrastructure Partners						
Bank of Canada				5.44				31 Jan 2045	588	619	616
4.05	5 May 2014	1,346	1,418	1,416	Leisureworld						
Bank of Montreal				4.81				24 Nov 2015	488	507	510
3.10	10 Mar 2016	1,746	1,792	1,778	Manulife Financial Capital Trust						
BCIMC Realty Corporation				4.85				12 Dec 2015	971	733	721
4.65	10 Feb 2015	150	161	160	Manulife Financial Corporation						
5.65	5 Jan 2018	1,335	1,538	1,508	5.16	26 Jun 2015	1,172	1,246	1,249		
Blue Water Bridge Authority				4.08				20 Aug 2015	605	622	619
6.41	9 Jul 2027	695	621	642	Maritimes and Northeast Pipelines						
Cadillac Fairview Finance Trust				4.34				30 Nov 2019	271	283	281
3.24	25 Jan 2016	9,123	9,474	9,132	6.90	30 Nov 2019	136	154	157		
Canadian Capital Auto Receivables Asset Trust				Merrill Lynch Financial Assets							
2.63	17 Aug 2014	933	947	945	4.71	12 Nov 2016	480	494	495		
Canadian Imperial Bank of Commerce				4.98				6 Dec 2016	202	217	216
3.05	3 Jun 2013	1,836	1,875	1,874	Milit-Air Inc.						
Caterpillar Financial Service Ltd.				5.75				30 Jun 2019	530	596	599
5.20	3 Jun 2013	79	83	84	N-45 First CMBS						
2.64	3 Dec 2013	694	705	708	5.67	15 Nov 2020	805	857	860		
CBC				NAV Canada							
4.69	15 May 2027	1,185	1,285	1,236	4.71	24 Feb 2016	1,138	1,253	1,230		
CDP Financial Inc.				Ontrea Inc.							
4.60	15 Jul 2020	400	438	439	4.62	9 Apr 2018	509	540	523		
Claregold Trust				Ornge Issuer Trust							
5.07	15 May 2044	447	347	347	5.73	11 Jun 2034	460	546	515		
CSS Partnership				Ottawa Hydro Holdings Inc.							
6.92	31 Jul 2042	495	601	577	4.93	9 Feb 2015	455	494	493		
European Investment Bank				Plenary Properties Ltap LP							
4.60	30 Jan 2037	160	159	160	7.69	31 May 2042	367	532	500		
GE Capital Canada				7.25				31 Aug 2042	398	516	494
2.12	10 Feb 2014	624	619	626	Royal Bank of Canada						
5.73	22 Oct 2037	1,199	1,246	1,249	3.27	10 Nov 2014	1,209	1,252	1,245		
					3.36	11 Jan 2016	560	581	576		

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

# Schedule I – Statement of Investment Portfolio (continued)

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

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>			
<b>Corporate – 3.2% (continued)</b>			
Serco Des Inc. 5.27% 27 Aug 2013	80	83	82
Toronto Dominion Bank 4.85 13 Feb 2013	1,792	1,867	1,875
Toronto Hospital 5.64 8 Dec 2022	651	735	730
Transcanada Pipelines 8.05 17 Feb 2039	497	743	745
WTH Car Rental 4.14 15 Mar 2020	1,471	1,507	1,532
		45,911	45,352
<b>Total Fixed Income Investments – 97.8%</b>	<b>1,391,529</b>	<b>1,363,736</b>	
<b>Variable Rate Securities – 1.7%</b>			
Toronto-Dominion Bank S&P/TSX 60 Index Linked Note 26 Oct 2012	25,000	24,863	25,000
		24,863	25,000
<b>Plan Investments – 99.5%</b>	<b>1,416,392</b>	<b>1,388,736</b>	
<b>Plan Cash and Short-term Investments – 0.5%</b>	<b>6,507</b>	<b>6,507</b>	
<b>Total Portfolio Assets – 100.0%</b>	<b>1,422,899</b>	<b>1,395,243</b>	
<b>Investments Allocation (Note 4)</b>			
<b>Government Grants (Appendix I)</b>		486,437	474,515
<b>Canadian Scholarship Group Savings Plan</b>			
<b>Trust Scholarship Pool (Appendix II)</b>		4,971	4,977
<b>Enrolment Fee Refund</b>			
<b>Entitlements (Appendix III &amp; IV)</b>		82,655	87,777
<b>Cash and Short-term</b>			
<b>Investments (Appendices I, II, III &amp; IV)</b>		10,314	10,314
<b>Total Investment Fund</b>	<b>2,007,276</b>	<b>1,972,826</b>	
<b>Represented by:</b>			
<b>Investments, at fair value</b>		1,990,455	
<b>Cash and cash equivalents</b>		10,432	
<b>Short-term Investments</b>		6,389	
	<b>2,007,276</b>		

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



## Schedule II – Contributors’ Deposits and Accumulated Interest

As at October 31, 2011 and 2010 (in thousands of dollars)

The following table provides a summary of Group Savings Plan 2001 Units, Contributors’ Deposits and Accumulated Interest by year of eligibility:

Year of Eligibility	Opening Units	Inflow Units <sup>1</sup>	Outflow Units <sup>2</sup>	Closing Units	Contributors’ Deposits	Accumulated Interest <sup>3</sup>
2010 and prior to 2010	12,517	783	1,427	11,873	\$ 1,127	\$ 4,486
2011	2,709	10,565	2,249	11,025	14,972	6,529
2012	9,339	16,400	10,817	14,922	50,181	8,963
2013	15,370	21,251	15,661	20,960	58,451	9,719
2014	21,244	28,199	21,513	27,930	62,799	10,309
2015	28,202	36,292	28,587	35,907	66,165	10,554
2016	36,170	46,530	36,820	45,880	68,890	10,915
2017	45,574	57,779	46,939	56,414	69,273	11,032
2018	56,114	87,455	58,330	85,239	85,346	14,813
2019	84,749	169,361	88,666	165,444	142,197	26,726
2020	165,594	188,343	170,508	183,429	140,515	22,305
2021	183,521	195,573	189,124	189,970	125,833	16,233
2022	190,705	201,998	196,636	196,067	108,670	11,813
2023	197,208	201,933	203,377	195,764	87,792	7,910
2024	196,173	212,169	204,072	204,270	71,092	5,396
2025	204,823	203,034	213,978	193,879	46,729	2,918
2026	190,970	195,559	201,377	185,152	25,909	1,326
2027	176,321	185,750	189,536	172,535	12,312	486
2028 and thereafter	181,213	278,999	276,126	184,086	3,761	109
<b>TOTAL</b>	<b>1,998,516</b>	<b>2,337,973</b>	<b>2,155,743</b>	<b>2,180,746</b>	<b>\$ 1,242,014</b>	<b>\$ 182,542</b>

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

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

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

The changes in Contributors’ deposits are as follows:

	2011	2010
Net payments from contributors <sup>1</sup>	\$ 249,489	\$ 235,898
Inter-Plan principal transfers	(16,399)	(13,441)
Account maintenance fees	(2,870)	(2,720)
Return of principal	(34,767)	(27,808)
Net increase in Contributors’ deposits	195,453	191,929
<b>Balance, Beginning of Year</b>	<b>1,046,561</b>	<b>854,632</b>
<b>Balance, End of Year</b>	<b>\$ 1,242,014</b>	<b>\$ 1,046,561</b>

1 Net of Enrolment fees collected of \$44,759 (2010 – \$44,225)

## Schedule III – Education Assistance Payments

As at October 31, 2011 and 2010 (in thousands of dollars)

The following tables indicate the total dollar payments, number of eligible units paid, and the education assistance payment amount by year of eligibility.

<b>Education Assistance Payments</b>	<b>2011</b>	<b>2010</b>	<b>Education Assistance Payments</b>	<b>2011</b>	<b>2010</b>
Current year payments	<b>\$ 4,850</b>	\$ 3,674	Non-Discretionary	<b>\$ 2,879</b>	\$ 1,945
Deferred payments	<b>972</b>	648	Discretionary	<b>3,211</b>	2,674
Advance payments	<b>268</b>	297			
	<b>\$ 6,090</b>	\$ 4,619		<b>\$ 6,090</b>	\$ 4,619

	<b>Number of Education Assistance Payment units</b>				<b>Amount of Education Assistance Payment per unit</b>			
	<b>Year of Eligibility</b>				<b>Year of Eligibility</b>			
	<b>2011</b>	2010	2009	2008	<b>2011</b>	2010	2009	2008
First	<b>6,720.6</b>	4,985.0	3,096.2	1,782.0	<b>\$ 345</b>	\$ 395	\$ 450	\$ 500
Second		<b>3,699.9</b>	2,429.8	1,478.2		<b>370</b>	410	470
Third			<b>1,950.9</b>	1,152.3			<b>395</b>	435
Fourth				<b>954.4</b>				<b>410</b>

# Notes to the Financial Statements

October 31, 2011 and 2010 (in thousands of dollars)

## Note 1. Nature of Operations

The Canadian Scholarship Trust Group Savings Plan 2001 (“Group Savings Plan 2001” or the “Plan”) is a Pooled Education Savings Plan that was established on May 1, 2001. The objective of the Group Savings Plan 2001 is to assist parents and others to save for the post-secondary education of children. The Group Savings Plan 2001 is managed and distributed by C.S.T. Consultants Inc. (“C.S.T.C.”), a wholly-owned subsidiary of the Canadian Scholarship Trust Foundation (the “Foundation”). The Foundation was created to encourage and promote post-secondary education by making education savings plans available to Canadian residents.

Payments are made by a contributor to an account maintained by the depository trustee on behalf of a beneficiary. Deductions of enrolment fees and account maintenance fees are made from the contributor’s contributions. The principal accumulated over the term of the contributor’s education savings plan agreement (“Agreement”) is returned to the contributor when:

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

The investment income earned on the contributor’s principal is transferred to the scholarship pool when the Agreement matures and is used to provide education assistance payments to qualified students. A beneficiary is deemed to be a qualified student upon receipt by the Foundation of evidence of enrolment in a qualifying educational program at an eligible institution.

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

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

The Group Savings Plan 2001 receives the CESG, CLB, ACES and QESI (collectively, “Government grants”) which are paid directly into a beneficiary’s RESP and invests these funds in accordance with the Plan’s investment policies. The Government grants, along with investment income earned thereon, are paid to qualified students.

Agreements are registered with appropriate government authorities if all required information is provided, and once registered are subject to the rules for RESP’s under the *Income Tax Act* (Canada). The current tax legislation provides that income credited on contributors’ principal is not taxable income of the contributor unless withdrawn early. The deposits are not deductible for income tax purposes and are not taxable when returned to the contributor. Payments made to a qualified student will constitute taxable income of that student in the year that the payments are made.

## Note 2. Significant Accounting Policies

### (a) Generally accepted accounting principles

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

### (b) Future accounting standards

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

### (c) Investment valuation

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

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

Variable rate securities are hybrid financial debt instruments issued by governments, Canadian chartered banks and licensed trust and loan companies that have embedded components that change the risk/return profile of the security. Included in this class are structured notes that are debt instruments whose returns are based on indices or underlying assets rather than typical interest payments. Variable rate securities are carried at fair values using external pricing models to value their components.

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

Note 8 provides further guidance on fair value measurements.

# Notes to the Financial Statements (continued)

October 31, 2011 and 2010 (in thousands of dollars)

## Note 2. Significant Accounting Policies (continued)

### (d) Investment transactions and income recognition

Investment transactions are accounted for on a trade-date basis. Interest income on investments is recognized using the effective interest method. Dividends are accrued as of the ex-dividend date. Realized gains (losses) on the sale of investments and change in unrealized gains (losses) on investments are calculated with reference to the average cost of the related investments and are recognized in the period that such gains (losses) occur. All interest income and realized gains and losses from the EFR Entitlements Asset Fund ("EFR Fund") is included in Other income in the Statements of Investment Operations.

### (e) Contributors' deposits, Enrolment fees and Account maintenance fees

Contributors' deposits reflect amounts received from contributors net of enrolment fees and account maintenance fees and do not include future amounts receivable on outstanding Agreements. Enrolment fees paid by contributors are collected over periods of up to thirty-two months from the date of initial deposit. Enrolment fees collected during the reporting period are paid to C.S.T.C. as a deduction from contributors' contributions. Account maintenance fees are paid annually to the Foundation from contributors' deposits and are accrued throughout the year.

### (f) Income taxes

Group Savings Plan 2001 is exempt from income taxes under Section 146.1 of the *Income Tax Act* (Canada).

### (g) Cash and cash equivalents

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

### (h) Use of estimates

In preparing the financial statements, management is required to use estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the current estimates. Significant estimates included in these financial statements relate to EFR Entitlements (see Note 3(b)) and the valuation of Level 3 financial instruments as discussed in Note 8.

## Note 3. Related Party Transactions

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

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

Account maintenance fees and administration fees (comprising Plan administration and processing fees and Financial reporting expenses) are paid to the Foundation. Administration fees are

annual fees of ½ of 1% of the total amount of principal, Government grants and income earned thereon.

Enrolment fees paid by contributors and deducted from their contributions are paid to C.S.T.C. In accordance with the distribution agreement, C.S.T.C. has agreed to set aside a portion of the enrolment fee income in the EFR Fund each year in order to assist the Plan in paying EFR Entitlements when they become due.

### (b) Enrolment Fee Refund Entitlements

Group Savings Plan 2001 pays EFR Entitlements to the qualified beneficiaries in four instalments during the education assistance payment payout period (see (i) and (ii) below). The total amount of EFR Entitlements paid for the year ended October 31, 2011, was \$827 (2010 – \$544).

As at October 31, 2011 the EFR Entitlements amount of \$87,475 (2010 – \$81,198) presented in the Statements of Net Assets Available for Education Assistance Payments represents the average cost of the Plan's investments in the EFR Funds of \$88,492 (2010 – \$81,170), less funds to be transferred to (from) the Scholarship Pool of \$1,017 (2010 – (\$28)) for EFR payments made to beneficiaries.

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

Group Savings Plan 2001 pays EFR Entitlements to the beneficiaries from the EFR Fund, which amount to 100% of enrolment fees paid for these Agreements.

As at October 31, 2011, the average cost and fair value of the Plan's investments in the EFR Fund available for the purpose of paying EFR Entitlements amounted to \$67,144 and \$61,446, respectively (2010 – \$65,349 and 61,375, respectively). See Appendix III to Schedule I.

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

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

For the year ended October 31, 2011, C.S.T.C. deposited \$4,607 (2010 – \$4,720) in the EFR Fund, which is equivalent to the estimated present value of the future expected EFR Entitlements of \$100 per unit for all units sold during the year. The discount rate of 5% (2010 – 5%) used in determining the estimated present value was based on conservative assumptions regarding long-term investment returns for the EFR Fund.

As at October 31, 2011, the average cost and fair value of the Plan's investments in the EFR Fund available for the purpose of paying EFR Entitlements amounted to \$21,348 and \$21,924, respectively (2010 – \$15,821 and \$16,941, respectively). See Appendix IV to Schedule I.

# Notes to the Financial Statements (continued)

October 31, 2011 and 2010 (in thousands of dollars)

## Note 3. Related Party Transactions (continued)

### (c) Contributions received from the Canadian Scholarship Trust Foundation

During the year, the Foundation contributed a donation to Group Savings Plan 2001 of \$3,300 (2010 – \$3,800). Donations from the Foundation are subject to the availability of surplus revenues in any given year, and are solely at the discretion of the Foundation.

### (d) Other Related Party Transactions

The Foundation retains the services of Greystone Managed Investments Inc., an investment management firm and wholly-owned subsidiary of Greystone Capital Management Inc. (“Greystone”). As at October 31, 2011, two directors of the Foundation were members of the Board of Directors of Greystone. Total ownership of Greystone equity held by the directors is nil (2010 – 0.32%). The directors do not participate in any of the Foundation’s Board deliberations concerning the investment management of the Plan, nor do they vote on any resolutions recommended by the Investment Committee of the Foundation.

Portfolio management fees in the Statements of Investment Operations include fees paid or payable to Greystone of \$924 (2010 – \$699). Included in Accounts payable, accrued liabilities and unclaimed contributors’ funds in the Statements of Net Assets Available for Education Assistance Payments are the accrued amounts owing to Greystone as at October 31, 2011 of \$331 (2010 – \$264).

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

## Note 4. Investment Holdings

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

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

Upon maturity of each Agreement, the investment income accumulated to date attributable to that Agreement is transferred to the Canadian Scholarship Trust Group Savings Plan Trust Scholarship Pool (the “Pool”), a shared investment pool with the Group Savings Plan, another plan administered by C.S.T.C. (see Appendix II to Schedule I). From a contributor’s perspective, the income that is transferred is tracked by plan and by year of eligibility. The portfolio holdings of the Pool are allocated based on the Plan’s proportionate share of income remaining in the Pool. The income earned on the Pool is credited to the General Fund (see Note 6).

For Agreements purchased under prospectuses dated prior to October 2, 2007, investments used to fund the EFR Entitlements of the Group Savings Plan 2001 and the Group Savings Plan are managed in a separate fund (see Appendix III to Schedule 1).

The EFR Fund’s holdings and income are allocated to the Plan based on its proportionate share of the EFR Entitlements.

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

The investment restrictions set out in National Policy 15 of the Canadian Securities Administrators do not apply to assets invested to meet the EFR Entitlements referred to in Notes 3(b) and 7.

## Note 5. Risks Associated with Financial Instruments

In the normal course of business the Plan may be exposed to a variety of risks arising from financial instruments. The Plan’s exposures to such risks are concentrated in its investment holdings and are related to market risk (which includes interest rate risk and other price risk), credit risk, liquidity risk and currency risk.

The Plan’s risk management process includes monitoring compliance with the Plan’s investment policy. The Plan manages the effects of these financial risks to the Plan portfolio performance by retaining and overseeing professional external investment managers. The investment managers regularly monitor the Plan’s positions, market events and manage the investment portfolio within the constraints of the investment policy.

### (a) Market risk

#### i. Interest rate risk

Interest rate risk is the risk of a decrease in the Plan’s yield on interest-bearing investments as a result of fluctuations in market interest rates. There is an inverse relationship between changes in interest rates and changes in the fair value of bonds. This risk is actively managed using duration, yield curve analysis, sector and credit selection. There is reduced risk to interest rate changes for cash and cash equivalents due to their short-term nature.

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

Debt Instruments by Maturity Date	% of Total Investment Fund	
	2011	2010
Less than 1 year (including short-term investments)	8%	20%
1-3 years	31%	23%
3-5 years	36%	15%
Greater than 5 years	22%	39%
<b>Total debt instruments</b>	<b>97%</b>	<b>97%</b>
Equity	3%	3%
<b>Total Investment Fund</b>	<b>100%</b>	<b>100%</b>

As at October 31, 2011, if prevailing interest rates had increased or decreased by 1%, the Total Investment Fund amount of \$2,007,276 (2010 – \$1,683,065) as per Schedule I – Statement of Investment Portfolio would have decreased or increased by \$70,436 (2010 – \$87,371). This 1% change assumes a parallel shift in the yield curve with all other variables held constant. In practice, the actual trading results may differ materially.



# Notes to the Financial Statements (continued)

October 31, 2011 and 2010 (in thousands of dollars)

## Note 5. Risks Associated with Financial Instruments (continued)

### (a) Market risk (continued)

#### ii. Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, other than those arising from interest rate risk. Factors specific to an individual investment, its issuer or all factors affecting all instruments traded in a market or market segment affect other price risk. The asset classes that are most impacted by other price risk are the equity component of the EFR Fund and variable rate securities, which combined make up 4% (2010 – 11%) of the Total Investment Fund amount as at October 31, 2011. The risk associated with the equity component of the EFR Entitlements is managed by security selection and active management by external managers within approved investment policies and manager mandates. For variable rate securities, positive returns are capped and the return of principal at maturity is protected from any negative performance. These features limit volatility and mitigate the downward impact on the value of these securities.

As at October 31, 2011, 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 \$517 (2010 – \$1,819). In practice, the actual trading results may differ materially.

### (b) Credit risk

Credit risk refers to the ability of the issuer of debt securities to make interest payments and repay principal. The Plan's portfolio is comprised of bonds issued or guaranteed by federal or provincial governments along with corporate debt instruments with a minimum approved credit rating as set by the Canadian Securities Administrators, currently A-low. Group Savings Plan 2001 has a concentration of investments in government and government guaranteed bonds, which are considered to be high credit quality investments thereby moderating credit risk.

The Plan's credit risk exposure is listed below:

Credit rating	2011		2010	
	% of Total Investment Fund	Amount (in thousands)	% of Total Investment Fund	Amount (in thousands)
AAA	78%	\$1,561,412	68%	\$ 1,134,622
AA/AAH/AAL	14%	290,694	25%	421,423
A/AH/AL	4%	81,497	3%	55,778
BBB	0%	7,932	0%	5,018
R-1	1%	13,145	1%	13,623
P-2	0%	626	nil	-
Short-term unrated	0%	3,050	0%	5,327
Equity	3%	48,920	3%	47,274
<b>Total Investment Fund</b>	<b>100%</b>	<b>\$2,007,276</b>	<b>100%</b>	<b>\$ 1,683,065</b>

The October 31, 2010 comparative figures have been reclassified to conform with the classification adopted in 2011.

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

### (c) Liquidity risk

Liquidity risk is the risk that the Plan may not be able to meet its obligations on time. The Plan's exposure to liquidity risk is concentrated in principal repayments to subscribers and Education Assistance Payments to beneficiaries including EFR Entitlements. The Plan primarily invests in securities that are traded in the active markets and can be readily sold. The Plan retains sufficient cash and cash equivalents positions to meet liquidity requirements by utilizing cash forecasting models that reflect the maturity distribution of Contributors' deposits and accumulated income. All other financial liabilities are short term and due within one year. See note 7 for an assessment of the funding of the EFR Entitlements.

### (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 EFR Fund, which represent 1% (2010 – 2%) of the Total Investment Fund. The Plan's Total Investment Fund will increase or decrease by approximately \$224 (2010 – \$407) in response to a 1% depreciation or appreciation of the Canadian dollar. In practice the actual results may differ materially.

## Note 6. General Fund and Donations from the Foundation

The Canadian Scholarship Group Savings Plan Trust (the "Group Trust") is a legal trust registered with the Canada Revenue Agency as an Education Savings Plan. Included in the Group Trust are Group Savings Plan and Group Savings Plan 2001 (the "Plans"). According to the trust indenture, the General Fund may be used to subsidize Education Assistance Payments for qualified students to either of the Plans within the Group Trust. The General Fund derives its income from the following sources:

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

Receipts and disbursements in the General Fund for the years ended October 31, 2011 and 2010 are as follows:

	2011	2010
<b>Receipts</b>		
Net investment income	\$ 230	\$ 291
<b>Disbursements</b>		
Education assistance payments	(230)	(291)
Excess of Receipts over Disbursements	-	-
<b>Balance, Beginning of Year</b>	-	-
<b>Balance, End of Year</b>	\$ -	\$ -

# Notes to the Financial Statements (continued)

October 31, 2011 and 2010 (in thousands of dollars)

## Note 6. General Fund and Donations from the Foundation (continued)

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

Receipts and disbursements in the Donations from the Foundation for the years ended October 31, 2011 and 2010 are as follows:

	2011	2010
<b>Receipts</b>		
Contributions received from the Foundation	\$ 3,300	\$ 3,800
<b>Disbursements</b>		
Education assistance payments	(3,211)	(2,674)
Excess of Receipts over Disbursements	89	1,126
<b>Balance, Beginning of Year</b>	<b>1,366</b>	240
<b>Balance, End of Year</b>	<b>\$ 1,455</b>	\$ 1,366

## Note 7. Enrolment Fee Refund Entitlements Valuations

On an annual basis a valuation of EFR Entitlements is conducted for financial reporting purposes by an external actuary. This valuation is used to estimate the current status of funding for EFR Entitlements based on expected long-term investment rates. In addition, actuarial funding valuations are performed at least every two years to assess the adequacy of assets and the funding policy to meet EFR Entitlements in future years. This valuation uses more conservative assumptions regarding long-term investment returns to better ensure that obligations for future EFR Entitlements will be fully funded.

### (a) Financial Reporting Valuation

The actuarial assumptions used in determining the valuation of EFR Entitlements reflect management's best estimate of future payments to beneficiaries and involve both economic and non-economic assumptions. The non-economic assumptions include considerations such as termination of Agreements prior to maturity and participation of eligible students in the collection of education assistance payments and were updated based on the Funding Valuation (Note 7(b)). The primary economic assumption is the discount rate, which is set at the expected long-term investment return of the EFR Fund as at October 31, 2011 of 6.7% (October 31, 2010 – 6.5%) based on the investment policy approved by the Board. As underlying conditions change over time, actuarial

assumptions may also change, which could cause a material change in the present value of the EFR Entitlements.

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

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

	2011	2010
Present value of EFR Entitlements	\$ 103,328	\$ 90,890
Fair value of EFR Fund <sup>1</sup>	61,446	61,375
Underfunded portion of EFR Entitlements	\$ 41,882	\$ 29,515

<sup>1</sup> Average cost of assets in EFR Fund was \$67,144 (2010 – \$65,349)

A 1% decrease in the discount rate used will increase the present value of EFR Entitlements by \$10,291 (2010 – \$10,862).

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

The funded status of the EFR Entitlements was:

	2011	2010
Present value of EFR Entitlements	\$ 20,670	\$ 13,959
Fair value of EFR Fund <sup>1</sup>	21,924	16,941
Overfunded portion of EFR Entitlements	\$ (1,254)	\$ (2,982)

<sup>1</sup> Average cost of assets in EFR Fund was \$ 21,348 (2010 – 15,821)

A 1% decrease in the discount rate used will increase the present value of EFR Entitlements by \$3,157 (2010 – \$2,333).

### (b) Actuarial Funding Valuation

An actuarial valuation was completed in 2010 based on assets and obligations as at October 31, 2009. The long-term investment return used was 5%, which resulted in an unfunded liability of \$40,000 for Agreements purchased under prospectuses dated prior to October 2, 2007, and nil for Agreements purchased under prospectuses after this date. In June 2010, a funding policy was established to ensure assets are sufficient to meet future EFR Entitlements.

The next actuarial funding valuation will be performed in 2012 based on assets and obligations as at October 31, 2011.

## Note 8. Fair Value of Financial Instruments

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

# Notes to the Financial Statements (continued)

October 31, 2011 and 2010 (in thousands of dollars)

## Note 8. Fair Value of Financial Instruments (continued)

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

The following table presents the Plan's financial instruments carried at fair value in the Statements of Net Assets Available for Education Assistance Payments, classified by the fair value hierarchy set out in CICA Handbook Section 3862 *Financial Instruments – Disclosures*:

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

### Assets Measured at Fair Value as of October 31, 2011

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 10,432	\$ –	\$ –	\$ 10,432
Short-term Investments	–	6,389	–	6,389
Fixed Income Securities	–	1,913,769	–	1,913,769
Variable Rate Securities	–	–	27,766	27,766
Pooled Equity Funds (EFR Entitlements)	48,920	–	–	48,920
<b>Total Investment Fund</b>	<b>\$ 59,352</b>	<b>\$1,920,158</b>	<b>\$ 27,766</b>	<b>\$2,007,276</b>

### Assets Measured at Fair Value as of October 31, 2010

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 7,515	\$ –	\$ –	\$ 7,515
Short-term Investments	–	6,827	–	6,827
Fixed Income Securities	–	1,486,865	–	1,486,865
Variable Rate Securities	–	–	134,584	134,584
Pooled Equity Funds (EFR Entitlements)	47,274	–	–	47,274
<b>Total Investment Fund</b>	<b>\$ 54,789</b>	<b>\$1,493,692</b>	<b>\$ 134,584</b>	<b>\$ 1,683,065</b>

For the years ended October 31, 2011 and 2010 there were no transfers between Levels 1, 2, or 3.

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

### Level 3 – Variable Rate Securities

	2011	2010
Opening Balance	\$ 134,584	\$ 158,962
Sales	(101,054)	(26,455)
Change in Unrealized Gains/Losses	(5,764)	2,077
<b>Closing Balance</b>	<b>\$ 27,766</b>	<b>\$ 134,584</b>

# Government Grants

(Appendix I to Schedule I)

## Statement of Investment Portfolio

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

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)				
<b>Bonds</b>				<b>Bonds (continued)</b>							
<b>Federal – 56.8%</b>				<b>Municipal and Provincial – 22.9% (continued)</b>							
Government of Canada				Province of New Brunswick							
1.25%	1 Dec 2011	10,246	10,249	10,253	4.45%	26 Mar 2018	5,060	5,636	5,444		
1.50	1 Jun 2012	910	913	910	5.65	27 Dec 2028	500	620	572		
2.00	1 Sep 2012	16,615	16,759	16,714	5.50	27 Jan 2034	10,300	12,676	11,864		
1.50	1 Dec 2012	39,640	39,876	39,767	4.65	26 Sep 2035	970	1,073	970		
1.75	1 Mar 2013	30,137	30,453	30,291	Province of Nova Scotia						
3.50	1 Jun 2013	4,085	4,246	4,268	5.80	1 Jun 2033	1,250	1,596	1,481		
3.75	1 Mar 2015	1,809	1,251	1,238	Province of Ontario						
4.10	1 Jul 2015	2,000	1,694	1,630	4.50	2 Dec 2012	3,065	3,176	3,197		
3.00	1 Dec 2015	8,573	9,117	8,684	4.75	2 Jun 2013	9,960	10,515	10,541		
3.55	1 Sep 2019	5,387	5,199	4,861	3.25	8 Sep 2014	12,405	13,017	12,698		
3.25	1 Jun 2021	2,375	2,570	2,565	3.15	8 Sep 2015	10,664	11,228	10,968		
4.40	26 Jan 2026	1,380	1,503	1,372	4.40	8 Mar 2016	5,508	6,093	6,150		
5.00	1 Jun 2037	5,275	7,209	6,419	3.20	8 Sep 2016	2,865	3,027	2,852		
4.00	1 Jun 2041	2,685	3,253	2,889	4.30	8 Mar 2017	5,460	6,050	5,251		
Canada Housing Trust				4.40				2 Jun 2019	3,235	3,593	3,358
4.80	15 Jun 2012	2,785	2,849	2,788	4.20	2 Jun 2020	3,180	3,467	3,266		
4.00	15 Jun 2012	19,785	20,146	20,148	4.00	2 Jun 2021	6,420	6,867	6,471		
4.55	15 Dec 2012	27,645	28,728	28,849	7.60	2 Jun 2027	1,400	2,071	1,989		
3.60	15 Jun 2013	6,857	7,134	7,125	5.85	8 Mar 2033	375	487	453		
2.70	15 Dec 2013	26,535	27,386	27,108	5.60	2 Jun 2035	6,060	7,703	6,850		
2.20	15 Mar 2014	12,000	12,270	12,138	4.70	2 Jun 2037	3,380	3,846	3,588		
3.15	15 Jun 2014	26,850	28,127	27,762	4.65	2 Jun 2041	485	556	501		
2.75	15 Sep 2014	28,914	30,072	29,496	Province of Quebec						
1.44	15 Mar 2015	7,804	7,809	7,815	5.25	1 Oct 2013	7,200	7,747	7,742		
3.15	15 Jun 2015	25,084	26,492	25,255	1.22	1 Dec 2014	545	540	521		
2.75	15 Dec 2015	24,653	25,720	24,885	5.00	1 Dec 2015	6,210	6,987	6,849		
1.41	15 Mar 2016	18,823	18,786	18,891	4.50	1 Dec 2017	1,200	1,341	1,192		
2.75	15 Jun 2016	36,965	38,568	37,466	4.50	1 Dec 2019	7,875	8,751	8,292		
1.34	15 Sep 2016	32,563	32,351	32,541	4.50	1 Dec 2020	7,540	8,341	7,899		
4.10	15 Dec 2018	5,150	5,748	5,301	4.25	1 Dec 2021	2,195	2,375	2,204		
Ontario Infrastructure				9.38				16 Jan 2023	865	1,341	1,286
3.95	3 Jun 2013	927	965	925	6.00	1 Oct 2029	1,395	1,792	1,688		
PSP Capital Inc.				6.25				1 Jun 2032	215	286	290
4.57	9 Dec 2013	4,396	4,666	4,433	5.25	11 Jun 2034	850	1,000	914		
		452,109		444,787	5.75	1 Dec 2036	4,320	5,528	4,895		
<b>Municipal and Provincial – 22.9%</b>				5.00				1 Dec 2038	3,660	4,286	3,725
Province of Alberta				5.00				1 Dec 2041	1,905	2,260	2,108
1.38	27 May 2016	12,693	12,616	12,692			182,249		174,206		
Province of British Columbia				<b>Corporate – 19.1%</b>							
4.25	18 Jun 2014	4,660	5,008	4,924	407 International Inc.						
4.70	1 Dec 2017	2,250	2,553	2,356	7.13	26 Jul 2040	3,226	4,370	3,897		
5.70	18 Jun 2029	200	254	242	Access Justice Durham Ltd.						
4.30	18 Jun 2042	640	699	649	5.02	31 Aug 2039	323	340	307		
Province of Manitoba				Arrow Lakes Power Corp							
4.30	1 Mar 2016	2,902	3,200	3,232	5.52	5 Apr 2041	847	919	847		
2.05	1 Dec 2016	2,044	2,047	2,042	BAC Canada Finance						
					2.73	21 Feb 2014	4,550	4,438	4,539		

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, 2011 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>			
<b>Corporate – 19.1% (continued)</b>			
Bank of Montreal			
3.10% 10 Mar 2016	4,262	4,373	4,352
4.63 29 Dec 2049	2,900	3,066	2,827
5.47 31 Dec 2049	3,335	3,599	3,519
Bank of Nova Scotia			
6.63 30 Jun 2012	3,435	3,534	3,766
6.28 30 Jun 2053	1,900	2,023	2,101
BCIMC Realty Corporation			
4.65 10 Feb 2015	166	178	178
5.65 5 Jan 2018	1,953	2,249	2,158
Blue Water Bridge Authority			
6.41 9 Jul 2027	2,371	2,118	2,112
Cadillac Fairview Finance Trust			
3.24 25 Jan 2016	3,953	4,105	3,945
Canadian Capital Auto Receivables Asset Trust			
2.63 17 Aug 2014	2,580	2,618	2,584
2.00 17 Jul 2016	993	283	282
Canadian Imperial Bank of Commerce			
4.75 22 Dec 2014	5,460	5,888	5,514
Caterpillar Financial Services Ltd.			
2.64 3 Dec 2013	250	254	255
CBC			
4.69 15 May 2027	2,968	3,218	3,140
Citigroup Finance Canada			
4.75 17 Mar 2014	2,000	2,035	2,060
Claregold Trust			
5.07 15 May 2044	1,881	1,459	1,465
Gaz Metropolitan Inc.			
4.93 18 Jun 2019	2,500	2,813	2,545
GE Capital Canada			
2.12 10 Feb 2014	1,268	1,258	1,267
4.65 11 Feb 2015	4,400	4,641	4,402
5.10 1 Jun 2016	1,000	1,076	1,082
5.53 17 Aug 2017	800	877	778
5.73 22 Oct 2037	3,083	3,204	2,812
Gloucester Credit Card Trust			
5.38 15 May 2014	2,176	2,343	2,277
Great West Lifeco Inc.			
6.14 21 Mar 2018	2,837	3,241	3,263
Green Timbers LP			
6.84 30 Jun 2037	684	792	746
Health Partners Markham			
3.43 31 Jan 2014	834	834	834

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>			
<b>Corporate – 19.1% (continued)</b>			
Hospital Infrastructure Partners			
5.44% 31 Jan 2045	398	419	398
Leisureworld			
4.81 24 Nov 2015	2,463	2,557	2,553
Manulife Financial Capital Trust			
4.85 12 Dec 2015	1,865	1,408	1,340
6.70 31 Dec 2051	3,920	4,028	4,346
Manulife Financial Corporation			
4.90 2 Jun 2014	706	738	738
5.16 26 Jun 2015	2,423	2,577	2,556
4.08 20 Aug 2015	1,933	1,986	1,965
Maritimes and Northeast Pipelines			
4.34 30 Nov 2019	4,096	4,272	4,219
Merrill Lynch Financial Assets			
4.82 12 Feb 2015	815	865	820
4.62 12 Nov 2015	1,235	1,316	1,222
4.81 12 Oct 2016	1,814	1,932	1,860
4.71 12 Nov 2016	1,192	1,227	1,201
4.98 6 Dec 2016	1,200	1,287	1,227
4.48 12 Jul 2037	920	978	900
Milit-Air Inc.			
5.75 30 Jun 2019	2,865	3,222	3,095
N-45 First CMBS			
5.67 15 Nov 2020	1,048	1,116	1,117
NAV Canada			
4.71 24 Feb 2016	1,722	1,896	1,785
Northwest Connect Group			
5.95 30 Apr 2041	2,478	2,827	2,588
Ontrea Inc.			
4.62 9 Apr 2018	1,493	1,585	1,505
Ornge Issuer Trust			
5.73 11 Jun 2034	1,553	1,844	1,625
Ottawa Hydro Holdings Inc.			
4.93 9 Feb 2015	1,453	1,579	1,518
Plenary Properties Ltap LP			
3.16 13 Mar 2015	1,654	1,681	1,654
6.29 31 Jan 2044	2,431	2,844	2,671
Power Corporation of Canada			
7.57 22 Apr 2019	1,308	1,590	1,502
RBC Capital Trust			
4.87 31 Dec 2049	6,000	6,393	5,950
5.81 31 Dec 2053	3,200	3,431	3,450
Real Estate Asset Liquidity Series Class A			
4.62 9 Dec 2016	1,350	1,437	1,333
5.08 12 Oct 2036	745	787	763

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, 2011 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>			
<b>Corporate – 19.1% (continued)</b>			
Royal Bank of Canada 3.36% 11 Jan 2016	5,101	5,290	5,250
SNC Lavalin Group 6.63 30 Jun 2044	657	781	657
Toronto Dominion Bank 4.85 13 Feb 2013	5,137	5,351	5,355
Toronto Hospital 5.64 8 Dec 2022	1,327	1,500	1,484
Transcanada Pipelines 8.05 17 Feb 2039	1,707	2,556	2,557
Wells Fargo Finance Canada 4.40 12 Dec 2012	900	923	885
4.38 30 Jun 2015	1,500	1,583	1,579
WTH Car Rental 4.14 15 Mar 2020	4,180	4,286	4,249
		152,238	147,771
<b>Total Fixed Income Investments – 98.8%</b>		<b>786,596</b>	<b>766,764</b>
<b>Variable Rate Securities – 0.6%</b>			
Toronto-Dominion Bank S&P/TSX 60 Index Linked Note 26 Oct 2012	5,000	4,973	5,000
		4,973	5,000
<b>Plan Investments – 99.4%</b>		<b>791,569</b>	<b>771,764</b>
<b>Cash and Short-term Investments – 0.6%</b>		<b>4,372</b>	<b>4,372</b>
<b>Total Portfolio Assets – 100.0%</b>		<b>795,941</b>	<b>776,136</b>
<b>Government Grant Investments Allocation</b>			
Plan II		451	409
Founders' Plan		42,472	41,247
Group Savings Plan		206,716	201,137
Group Savings Plan 2001		486,437	474,515
Family Savings Plan		51,972	50,977
Individual Savings Plan		3,521	3,479
		<b>791,569</b>	<b>771,764</b>
<b>Cash and Short-term Investments Allocation</b>			
Plan II		9	9
Founders' Plan		240	240
Group Savings Plan		1,088	1,088
Group Savings Plan 2001		2,801	2,801
Family Savings Plan		222	222
Individual Savings Plan		12	12
		<b>4,372</b>	<b>4,372</b>

# Canadian Scholarship Group Savings Plan Trust Scholarship Pool

(Appendix II to Schedule I)

Statement of Investment Portfolio

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

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)				
<b>Bonds</b>				<b>Bonds (continued)</b>							
<b>Federal – 7.6%</b>				<b>Corporate – 43.0% (continued)</b>							
Government of Canada				GE Capital Canada							
3.75%	1 Jun 2012	1,445	1,468	1,482	5.28%	22 Oct 2014	1,642	1,761	1,755		
1.50	1 Dec 2012	1,045	1,051	1,055	5.10	1 Jun 2016	815	877	877		
1.75	1 Mar 2013	220	222	222	Honda Canada Finance Inc.						
3.50	1 Jun 2013	360	374	376	5.68	26 Sep 2012	245	254	256		
2.50	1 Jun 2015	565	588	575	5.08	9 May 2013	813	850	851		
Canada Housing Trust				5.61				12 Sep 2013	578	615	619
4.80	15 Jun 2012	420	430	445	HSBC Canada						
2.75	15 Dec 2014	490	510	501	5.15	30 Jun 2049	1,563	1,671	1,672		
4.10	15 Dec 2018	115	129	117	RBC Capital Trust						
			4,772	4,773	4.87	31 Dec 2049	1,043	1,111	1,109		
<b>Provincial – 8.1%</b>				5.81				31 Dec 2053	1,175	1,260	1,263
Province of British Columbia				Royal Bank of Canada							
5.75	9 Jan 2012	775	782	816	3.18	2 Nov 2020	189	191	190		
4.25	18 Jun 2014	160	172	170	Score Trust						
4.65	18 Dec 2018	210	238	221	4.95	20 Feb 2014	2,074	2,194	2,199		
Province of Ontario				TD Capital Trust							
5.38	2 Dec 2012	755	790	813	6.79	31 Dec 2049	765	806	813		
4.75	2 Jun 2013	425	449	455	Toronto Dominion Bank						
3.25	8 Sep 2014	910	955	935	3.37	2 Nov 2020	1,785	1,815	1,807		
Province of Quebec				Toyota Credit Canada Inc.							
6.00	1 Oct 2012	280	292	304	3.55	22 Feb 2016	383	399	396		
5.50	1 Dec 2014	955	1,068	1,056	VW Credit Canada Inc.						
4.50	1 Dec 2020	280	309	281	3.60	1 Feb 2016	200	203	204		
			5,055	5,051	Wells Fargo Finance Canada						
<b>Corporate – 43.0%</b>				4.33				6 Dec 2013	391	408	408
Bank of Montreal				3.97				3 Nov 2014	1,091	1,133	1,133
4.63	29 Dec 2049	1,049	1,109	1,111	3.70	30 Mar 2016	965	991	988		
5.47	31 Dec 2049	1,397	1,508	1,514			25,668	26,889	26,888		
Bank of Nova Scotia				<b>Total Fixed Income Investments – 58.7%</b>				<b>36,716</b>	<b>36,712</b>		
5.25	1 Nov 2017	382	395	397	<b>Cash and Short-term Investments – 41.3%</b>				25,821	25,821	
6.28	30 Jun 2053	2,015	2,145	2,151	<b>Total Portfolio Assets – 100.0%</b>				<b>62,537</b>	<b>62,533</b>	
BCIMC Realty Corporation				<b>Total Investments Allocation</b>							
5.25	19 Sep 2012	118	122	123	Group Savings Plan		31,745	31,735			
Caisse Centrale Desjardins				Group Savings Plan 2001				4,971	4,977		
3.11	4 Dec 2014	1,605	1,643	1,640			<b>36,716</b>	<b>36,712</b>			
Canadian Imperial Bank of Commerce				<b>Cash and Short-term Investments Allocation</b>							
3.15	2 Nov 2020	2,550	2,572	2,560	Group Savings Plan		19,023	19,023			
Cards II Trust				Group Savings Plan 2001				6,798	6,798		
3.10	15 Sep 2015	641	659	655			<b>25,821</b>	<b>25,821</b>			
Caterpillar Financial Services Ltd.											
2.64	3 Dec 2013	194	197	197							

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

# Enrolment Fee Refund Entitlements

(Appendix III to Schedule I)

Statement of Investment Portfolio

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

## Agreements Purchased Prior to October 2, 2007

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds</b>			
<b>Federal – 0.6%</b>			
Canada Government			
4.75% 1 Jun 2014	27	22	22
3.75 1 Mar 2015	950	657	650
		679	672
<b>Provincial – 1.3%</b>			
Province of Ontario			
6.35 15 Oct 2034	1,307	1,479	1,383
		1,479	1,383
<b>Corporate – 36.6%</b>			
407 International Inc.			
7.13 26 Jul 2040	1,367	1,852	1,666
Altagas			
4.10 24 Mar 2016	486	498	486
6.94 29 Jun 2016	271	310	308
4.60 15 Jan 2018	442	454	442
Aon Finance			
4.76 8 Mar 2018	1,304	1,353	1,312
Arrow Lakes Power Corp			
5.52 5 Apr 2041	100	108	100
BAC Canada Finance			
2.73 21 Feb 2014	2,423	2,363	2,418
BCIMC Realty Corporation			
5.65 5 Jan 2018	52	60	56
Bell Canada			
7.85 2 Apr 2031	840	1,030	965
Blue Water Bridge Authority			
6.41 9 Jul 2027	1,211	1,082	1,078
British Columbia Telephone Company			
10.65 19 Jun 2021	530	797	736
Canadian Capital Auto Receivables Asset Trust			
2.63 17 Aug 2014	1,083	1,099	1,083
Claregold Trust			
5.07 15 May 2044	453	351	352
Cogeco Cable Inc.			
5.95 9 Jun 2014	713	767	753

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>			
<b>Corporate – 36.6% (continued)</b>			
GE Capital Canada			
2.12% 10 Feb 2014	1,175	1,166	1,176
5.53 17 Aug 2014	88	96	88
5.73 22 Oct 2037	1,024	1,064	895
Gloucester Credit Card Trust			
5.38 15 May 2014	1,145	1,233	1,093
Green Timbers LP			
6.84 30 Jun 2037	358	414	390
Health Montreal Collective			
6.72 30 Sep 2049	539	589	539
Health Partners Markham			
3.43 31 Jan 2014	438	438	438
Hospital Infrastructure Partners			
5.44 31 Jan 2045	211	222	211
Leisureworld			
4.81 24 Nov 2015	1,306	1,356	1,354
Loblaw Companies			
6.00 3 Mar 2014	14	15	15
6.50 22 Jan 2029	788	845	779
5.90 18 Jan 2036	183	182	165
6.45 1 Mar 2039	31	33	30
Manulife Financial Capital Trust			
4.90 2 Jun 2014	340	355	358
4.08 20 Aug 2015	1,144	1,175	1,148
5.51 26 Jun 2018	730	779	736
Maritimes and Northeast Pipelines			
4.34 30 Nov 2019	2,178	2,272	2,244
Merrill Lynch Financial Assets			
4.62 12 Nov 2015	179	191	153
4.64 12 Oct 2016	285	248	245
4.81 12 Oct 2016	637	678	653
4.71 12 Nov 2016	616	634	621
4.98 6 Dec 2016	379	406	388
5.25 12 Jun 2035	73	76	70
4.48 12 Jul 2037	431	458	370
Milit-Air Inc.			
5.75 30 Jun 2019	1,394	1,569	1,536

# Enrolment Fee Refund Entitlements (continued)

(Appendix III to Schedule I)

Statement of Investment Portfolio

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

## Agreements Purchased Prior to October 2, 2007 (continued)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>			
<b>Corporate – 36.6% (continued)</b>			
N-45 First CMBS			
4.64% 15 Dec 2019	68	13	11
5.67 15 Nov 2020	548	583	584
Northwest Connect Group			
5.95 30 Apr 2041	1,308	1,492	1,366
Ontrea Inc.			
4.62 9 Apr 2018	723	768	727
Plenary Properties Ltap LP			
3.16 13 Mar 2015	869	883	869
6.29 31 Jan 2044	401	469	448
Power Corporation of Canada			
7.57 22 Apr 2019	663	806	764
Real Estate Asset Liquidity Series Class A			
4.27 12 Mar 2037	247	56	53
Rogers Communications			
6.11 25 Aug 2040	426	431	426
Rogers Wireless Inc.			
5.38 4 Nov 2019	499	538	501
Schooner Trust			
5.19 12 May 2017	185	205	155
5.19 12 Jun 2022	28	25	21
Shaw Communications Inc.			
6.75 9 Nov 2039	2,283	2,264	2,216
SNC Lavalin Group			
6.63 30 Jun 2044	345	410	345
Strait Crossing Dev Inc.			
6.17 15 Sep 2031	451	432	407
Toronto Hospital			
5.64 8 Dec 2022	708	801	792
Viking Rideau Corp			
6.75 10 Mar 2014	205	214	217
WTH Car Rental			
4.14 15 Mar 2020	1,423	1,458	1,428
		40,466	38,780
<b>Total Fixed Income Investments – 38.5%</b>	<b>42,624</b>		<b>40,835</b>

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Pooled Equity Funds</b>			
SRA Canadian Equity Fund	2,589	36,591	39,521
SRA US Equity Fund	2,501	14,818	18,488
SRA International Equity Fund	2,370	16,171	21,816
<b>Total Equity – 61.2%</b>		<b>67,580</b>	<b>79,825</b>
<b>Total Fixed Income Investments – 99.7%</b>		<b>110,204</b>	<b>120,660</b>
<b>Cash and Short-term Investments – 0.3%</b>		278	278
<b>Total Portfolio Assets – 100.0%</b>		<b>110,482</b>	<b>120,938</b>
<b>Total Investments Allocation</b>			
Group Savings Plan		48,832	53,590
Group Savings Plan 2001		61,372	67,070
		<b>110,204</b>	<b>120,660</b>
<b>Cash and Short-term Investments Allocation</b>			
Group Savings Plan		204	204
Group Savings Plan 2001		74	74
		<b>278</b>	<b>278</b>

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

# Enrolment Fee Refund Entitlements

(Appendix IV to Schedule I)

Statement of Investment Portfolio

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

## Agreements Purchased on or after October 2, 2007

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds</b>			
<b>Federal – 0.5%</b>			
Canada Government			
4.75% 1 Jun 2014	2	2	2
3.75 1 Mar 2015	141	98	97
		100	99
<b>Provincial – 1.1%</b>			
Province of Ontario			
6.35 15 Oct 2034	215	244	228
		244	228
<b>Corporate – 38.1%</b>			
407 International Inc.			
7.13 26 Jul 2040	253	343	312
Algonquin Credit Card Trust			
4.56 15 Jun 2012	63	64	60
Altasgas			
4.10 24 Mar 2016	176	180	176
6.94 29 Jun 2016	94	107	107
4.60 15 Jan 2018	77	79	77
Aon Finance			
4.76 8 Mar 2018	231	240	233
Arrow Lakes Power Corp			
5.52 5 Apr 2041	73	79	73
BAC Canada Finance			
2.73 21 Feb 2014	455	444	454
BCIMC Realty Corporation			
3.38 29 Jan 2015	135	140	135
4.65 10 Feb 2015	41	44	43
5.65 5 Jan 2018	91	105	99
Bell Aliant			
4.37 13 Sep 2017	119	122	121
Bell Canada			
7.85 2 Apr 2031	73	90	84
Blue Water Bridge Authority			
6.41 9 Jul 2027	191	171	172
British Columbia Telephone Company			
10.65 19 Jun 2021	46	69	64
Cadillac Fairview Finance Trust			
3.24 25 Jan 2016	44	46	44

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>			
<b>Corporate – 38.1% (continued)</b>			
Canadian Capital Auto Receivables Asset Trust			
2.63% 17 Aug 2014	210	213	210
2.00 17 Jul 2016	66	19	19
Caterpillar Financial Service Ltd.			
5.20 3 Jun 2013	42	44	44
2.64 3 Dec 2013	65	66	65
CDP Financial			
4.60 15 Jul 2020	48	53	48
Claregold Trust			
5.07 15 May 2044	205	159	160
Cogeco Cable Inc.			
5.95 9 Jun 2014	80	86	85
GE Capital Canada			
2.12 10 Feb 2014	246	244	246
5.53 17 Aug 2017	8	9	8
5.73 22 Oct 2037	132	137	117
Gloucester Credit Card Trust			
5.38 15 May 2014	147	158	145
Great West Lifeco Inc.			
6.14 21 Mar 2018	147	168	171
Green Timbers LP			
6.84 30 Jun 2037	51	59	56
Health Montreal Collective			
6.72 30 Sep 2049	98	107	98
Health Partners Markham			
3.43 31 Jan 2014	150	150	150
Hospital Infrastructure Partners			
5.44 31 Jan 2045	38	40	38
Leisureworld			
4.81 24 Nov 2015	238	247	247
Loblaw Companies			
6.00 3 Mar 2014	1	1	1
6.50 22 Jan 2029	112	120	111
5.90 18 Jan 2036	16	16	14
6.45 1 Mar 2039	3	3	3
Manulife Financial Corporation			
4.90 2 Jun 2014	77	80	81
4.08 20 Aug 2015	257	264	259
5.51 26 Jun 2018	64	68	65

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

# Enrolment Fee Refund Entitlements (continued)

(Appendix IV to Schedule I)

Statement of Investment Portfolio

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

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

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>			
<b>Corporate – 38.1% (continued)</b>			
Maritimes and Northeast Pipelines			
4.34% 30 Nov 2019	381	397	392
Merrill Lynch Financial Assets			
4.62 12 Nov 2015	16	17	14
4.64 12 Oct 2016	158	138	136
4.81 12 Oct 2016	150	160	154
4.71 12 Nov 2016	80	82	81
4.98 6 Dec 2016	122	131	125
5.25 12 Jun 2035	6	6	6
4.48 12 Jul 2037	38	40	33
Milit-Air Inc.			
5.75 30 Jun 2019	222	250	244
N-45 First CMBS			
4.64 15 Dec 2019	6	1	1
5.67 15 Nov 2020	76	81	81
Northwest Connect Group			
5.95 30 Apr 2041	214	244	223
OMERS Realty Corp			
4.74 4 Jun 2018	124	138	128
Plenary Properties Ltap LP			
3.16 13 Mar 2015	129	131	129
6.29 31 Jan 2044	81	95	91
Power Corporation of Canada			
7.57 22 Apr 2019	74	90	85
Real Estate Asset Liquidity Series Class A			
4.64 12 Oct 2015	7	7	7
4.27 12 Mar 2037	22	5	5
Rogers Communication Inc.			
6.11 25 Aug 2040	59	60	59
Rogers Wireless Inc.			
5.38 4 Nov 2019	103	111	105
Schooner Trust			
5.19 12 May 2017	16	18	13
5.19 12 Jun 2022	2	2	1
Shaw Communications Inc.			
6.75 9 Nov 2039	403	400	391
SNC Lavalin Group			
6.63 30 Jun 2044	46	55	46

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>			
<b>Corporate – 38.1% (continued)</b>			
Strait Crossing Dev Inc			
6.17% 15 Sep 2031	74	71	67
Telus Corporation			
5.05 23 Jul 2020	102	109	103
Toronto Hospital			
5.64 8 Dec 2022	133	150	148
Viking Rideau Corp			
6.75 10 Mar 2014	40	42	41
VW Credit Canada Inc			
2.55 18 Nov 2013	198	199	196
WTH Car Rental			
4.14 15 Mar 2020	282	289	284
		8,353	8,084
<b>Total Fixed Income Investments – 39.7%</b>		<b>8,697</b>	<b>8,411</b>
<b>Pooled Equity Funds</b>			
SRA Canadian Equity Fund	482	6,815	6,606
SRA US Equity Fund	466	2,760	2,646
SRA International Equity Fund	441	3,011	3,044
<b>Total Equity – 57.4%</b>		<b>12,586</b>	<b>12,296</b>
<b>Total Fixed Income Investments – 97.1%</b>		<b>21,283</b>	<b>20,707</b>
<b>Cash and Short-term Investments – 2.9%</b>		641	641
<b>Total Portfolio Assets – 100.0%</b>		<b>21,924</b>	<b>21,348</b>
<b>Total Investments Allocation</b>			
Group Savings Plan 2001		21,283	20,707
		<b>21,283</b>	<b>20,707</b>
<b>Cash and Short-term Investments Allocation</b>			
Group Savings Plan 2001		641	641
		<b>641</b>	<b>641</b>

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



## Canadian Scholarship Trust Plan

### Sponsor

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### Bank

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For updates on your Plan account, login to Online Services at [www.cst.org](http://www.cst.org)

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