



Canadian Scholarship Trust **Group Savings Plan**

Semi-Annual Financial Statements
April 30, 2011

Unaudited



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C.S.T. Consultants Inc.

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Statements of Net Assets Available for Education Assistance Payments

As at April 30, 2011 and October 31, 2010 (in thousands of dollars)

	Apr 30, 2011	Oct 31, 2010
		(Audited)
Assets		
Investments, at fair value <i>(Note 4 and Schedule I)</i>	\$ 1,067,917	\$ 1,065,298
Cash and cash equivalents	9,832	13,339
Short-term investments	23,782	18,452
Accrued interest and other receivables	11,219	10,637
Receivables for securities sold	256	1,492
Government grants receivable	1,066	1,087
	1,114,072	1,110,305
Liabilities		
Accounts payable, accrued liabilities and unclaimed contributors' funds	1,969	2,033
Payables for securities purchased	1,396	3,315
Contributors' deposits <i>(Note 6)</i>	574,759	571,247
	578,124	576,595
Net Assets Available for Education Assistance Payments	535,948	533,710
Represented by:		
Non-Discretionary Funds		
Accumulated interest held for future education assistance payments	250,767	242,840
Government grants	144,719	143,064
Interest on Government grants	56,332	53,629
Enrolment fee refund entitlements <i>(Note 3(b) and 8)</i>	56,640	54,472
Unrealized Gains	26,167	38,118
Discretionary Funds		
Donations from the Foundation <i>(Note 7)</i>	1,323	1,587
	\$ 535,948	\$ 533,710

Statements of Investment Operations

For the six months ended April 30, 2011 and 2010 (in thousands of dollars)

	Apr 30, 2011	Apr 30, 2010
Income		
Interest income	\$ 16,975	\$ 16,647
Realized gains	355	1,486
Other income	1,206	1,254
	18,536	19,387
Expenses		
Plan administration and processing fees <i>(Note 3(a))</i>	1,994	1,766
Financial reporting <i>(Note 3(a))</i>	683	835
Portfolio management fees	636	574
Custodian fees	55	52
Trustee fees	22	16
	3,390	3,243
Net Investment Income	15,146	16,144
Decrease in Unrealized Gains / Losses	(11,951)	(9,035)
Increase in Net Assets from Investment Operations	\$ 3,195	\$ 7,109

Statements of Changes in Net Assets Available for Education Assistance Payments

For the six months ended April 30, 2011 and 2010 (in thousands of dollars)

	Apr 30, 2011	Apr 30, 2010
Net Assets Available For Education Assistance Payments, Beginning of Period	\$ 533,710	\$ 491,057
Increase in Net Assets from Investment Operations	3,195	7,109
Transfers to internal and external plans	(452)	(592)
	2,743	6,517
Receipts		
Government grants received (net of repayments)	3,045	3,786
Disbursements		
Payments to beneficiaries		
Education assistance payments	(2,061)	(2,352)
Government grants	(701)	(584)
Refund of enrolment fees	(455)	(348)
Return of interest	(333)	(275)
	(3,550)	(3,559)
Receipts less Disbursements	(505)	227
Increase in Net Assets Available for Education Assistance Payments	2,238	6,744
Net Assets Available For Education Assistance Payments, End of Period	\$ 535,948	\$ 497,801

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

Statements of Cash Flows

For the six months ended April 30, 2011 and 2010 (in thousands of dollars)

	Apr 30, 2011	Apr 30, 2010
Operating Activities		
Increase in Net Assets from Investment Operations	\$ 3,195	\$ 7,109
Net disbursements for purchases of investments	(20,228)	(7,834)
Items not affecting cash		
Realized gains on sale of investments	(355)	(1,486)
Decrease in Unrealized Gains	11,951	9,035
Change in non-cash operating working capital		
Increase in Accrued interest and other receivables	(582)	(371)
Decrease in Government grants receivable	21	10
(Decrease) increase in Accounts payable, accrued liabilities and unclaimed contributors' funds	(64)	488
Cash flow from Operating Activities	(6,062)	6,951
Financing Activities		
Transfers to internal and external plans	(452)	(592)
Government grants received (net of repayments)	3,045	3,786
Decrease in Contributors' deposits <i>(Note 6)</i>	3,512	6,821
Payments to beneficiaries	(3,550)	(3,559)
Cash flow from Financing Activities	2,555	6,456
Net (decrease) increase in Cash and cash equivalents	(3,507)	13,407
Cash and cash equivalents, Beginning of Period	13,339	7,818
Cash and cash equivalents, End of Period	\$ 9,832	\$ 21,225

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

Schedule I – Statement of Investment Portfolio

As at April 30, 2011 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds				Bonds (continued)			
Federal – 45.5%				Municipal and Provincial – 33.2% (continued)			
Government of Canada				Province of British Columbia (continued)			
1.25% 1 Dec 2011	6,885	6,888	6,889	4.70% 18 Jun 2037	1,250	1,292	1,264
1.50 1 Jun 2012	15,780	15,793	15,777	4.95 18 Jun 2040	645	696	677
2.00 1 Sep 2012	21,990	22,130	22,121	Province of Manitoba			
1.50 1 Dec 2012	11,150	11,131	11,120	4.15 3 Jun 2020	2,431	2,487	2,523
3.00 1 Dec 2015	12,542	12,822	12,727	4.40 5 Sep 2025	1,300	1,317	1,325
4.00 1 Jun 2016	10,200	10,896	10,032	4.10 5 Mar 2041	1,342	1,258	1,271
2.00 1 Jun 2016	16,620	16,166	15,922	Province of New Brunswick			
4.00 1 Jun 2017	9,505	10,159	10,185	3.35 1 Jun 2013	6,685	6,871	6,911
4.25 1 Jun 2018	5,560	6,030	6,013	4.30 3 Dec 2015	14,925	15,851	15,474
3.50 1 Jun 2020	9,931	10,162	10,207	4.45 26 Mar 2018	4,390	4,653	4,723
3.25 1 Jun 2021	13,562	13,512	13,282	4.50 2 Jun 2020	404	421	418
8.00 1 Jun 2023	490	712	666	4.55 26 Mar 2037	1,350	1,334	1,291
8.00 1 Jun 2027	1,000	1,538	1,331	Province of Newfoundland			
5.75 1 Jun 2029	1,672	2,131	2,115	5.60 17 Oct 2033	862	991	1,007
5.75 1 Jun 2033	8,950	11,672	10,508	4.50 17 Apr 2037	1,718	1,707	1,668
5.00 1 Jun 2037	8,608	10,412	10,295	Province of Nova Scotia			
4.00 1 Jun 2041	11,251	11,883	11,648	5.80 1 Jun 2033	13,347	15,578	14,908
Business Development Bank of Canada				4.70 1 Jun 2041	725	739	777
4.75 26 Jul 2021	1,340	1,463	1,337	Province of Ontario			
Canada Housing Trust				5.00 8 Mar 2014	600	645	586
4.60 15 Sep 2011	26,729	27,067	27,615	3.25 8 Sep 2014	7,010	7,186	7,138
4.80 15 Jun 2012	5,595	5,799	5,594	4.50 8 Mar 2015	1,400	1,496	1,461
4.00 15 Jun 2012	25,420	26,121	25,533	4.40 8 Mar 2016	7,375	7,864	7,310
4.55 15 Dec 2012	9,800	10,244	10,015	3.20 8 Sep 2016	7,830	7,886	7,794
3.95 15 Jun 2013	13,500	14,072	13,534	4.30 8 Mar 2017	6,185	6,549	5,913
3.60 15 Jun 2013	5,582	5,779	5,799	4.40 2 Jun 2019	4,931	5,164	5,143
1.45 15 Mar 2015	8,173	8,213	8,185	4.20 2 Jun 2020	4,265	4,364	4,444
3.15 15 Jun 2015	36,511	37,345	36,599	4.00 2 Jun 2021	4,746	4,733	4,671
2.75 15 Dec 2015	12,692	12,715	12,616	8.10 8 Sep 2023	7,000	9,634	8,954
1.42 15 Mar 2016	6,705	6,729	6,724	6.20 2 Jun 2031	7,561	9,244	9,317
4.10 15 Dec 2018	17,000	17,892	17,328	5.85 8 Mar 2033	19,010	22,473	19,495
Canada Post				5.60 2 Jun 2035	15,415	17,780	17,532
4.08 16 Jul 2025	1,200	1,227	1,199	4.70 2 Jun 2037	2,592	2,652	2,643
4.36 16 Jul 2040	1,091	1,129	1,090	4.60 2 Jun 2039	1,500	1,516	1,473
Export Development Corporation				4.65 2 Jun 2041	2,935	2,997	3,033
5.75 1 Jun 2011	7,788	7,818	8,096	Province of Quebec			
Farm Credit Corporation				1.22 1 Dec 2014	12,560	12,439	12,560
4.55 12 Apr 2021	2,620	2,817	2,601	4.50 1 Dec 2016	800	855	839
Ontario Infrastructure				4.50 1 Dec 2017	3,160	3,365	3,050
3.95 3 Jun 2013	600	622	598	4.50 1 Dec 2019	1,885	1,977	1,975
4.70 1 Jun 2037	791	756	782	11.00 15 Aug 2020	1,604	2,474	2,526
		361,845	356,083	4.50 1 Dec 2020	14,836	15,428	15,584
Municipal and Provincial - 33.2%				4.25 1 Dec 2021	380	385	383
55 School Board Trust Series A Secured Debenture				6.00 1 Oct 2029	2,495	2,952	2,993
5.90 2 Jun 2033	391	444	414	6.25 1 Jun 2032	2,136	2,615	2,547
Alberta Capital Finance				5.25 1 Jun 2034	820	885	882
4.45 15 Dec 2025	8,127	8,278	7,839	5.75 1 Dec 2036	10,592	12,380	11,428
Province of British Columbia				5.00 1 Dec 2038	485	515	490
5.30 18 Jun 2014	9,100	9,915	10,060	5.00 1 Dec 2041	3,350	3,579	3,646
5.60 1 Jun 2018	1,000	1,134	1,098	Province of Saskatchewan			
3.70 18 Dec 2020	2,183	2,149	2,155	4.65 5 Sep 2017	991	1,071	1,015
5.70 18 Jun 2029	5,762	6,697	6,585	3.90 28 Jul 2020	619	626	617
6.35 18 Jun 2031	1,521	1,906	1,897	6.40 5 Sep 2031	2,538	3,215	3,062
				4.75 1 Jun 2040	1,015	1,069	1,007
						263,731	255,796

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

Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 2011 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 8.2%			
Bank of Montreal			
4.63% 29 Dec 2049	1,465	1,518	1,397
5.47 31 Dec 2049	250	267	257
6.69 31 Dec 2049	2,450	2,521	2,416
Bank of Nova Scotia			
6.63 30 Jun 2012	4,960	5,203	5,258
Bell Canada			
6.90 15 Dec 2011	165	170	187
Cadillac Fairview Finance Trust			
3.24 25 Jan 2016	3,120	3,136	3,110
4.31 25 Jan 2021	3,625	3,666	3,599
Canadian Imperial Bank of Commerce			
5.00 10 Sep 2012	2,720	2,829	2,835
4.75 22 Dec 2014	2,910	3,093	2,900
European Investment Bank			
4.60 30 Jan 2037	4,640	4,439	4,639
GE Capital Canada			
6.25 24 Jul 2012	355	373	392
4.38 28 Sep 2012	3,910	4,030	3,906
2.95 10 Feb 2014	200	201	200
5.28 22 Oct 2014	2,140	2,292	2,139
Inter American Development Bank			
4.40 26 Jan 2026	2,740	2,741	2,724
Investors Group Inc.			
6.75 9 May 2011	335	335	357
Manulife Financial Capital Trust			
4.85 12 Dec 2015	710	733	710
7.41 31 Dec 2108	2,525	2,868	2,525
Merrill Lynch Financial Assets			
4.82 12 Feb 2015	485	508	504
4.62 12 Nov 2015	560	579	560
4.48 12 Jul 2037	410	423	410
PSP Capital Inc.			
4.57 9 Dec 2013	4,873	5,141	4,933
RBC Capital Trust			
5.81 31 Dec 2053	5,455	5,850	5,277
Real Estate Asset Liquidity Series Class A			
4.62 12 Sep 2016	515	534	515
5.08 12 Oct 2036	390	411	390
Royal Bank of Canada			
3.36 11 Jan 2016	6,380	6,398	6,377
Royal Office Finance			
5.21 12 Nov 2032	2,387	2,484	2,364
Sun Life Capital Trust			
6.87 31 Dec 2011	2,575	2,654	2,792
		65,397	63,673
Total Fixed Income – 86.9%		690,973	675,552

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Variable Rate Securities – 13.2%			
Toronto-Dominion Bank S&P/TSX 60 Index Linked Note			
19 Oct 2011	65,000	74,919	65,000
Toronto-Dominion Bank Global Indices Linked Note			
20 Oct 2011	30,000	30,004	30,000
		104,923	95,000
Plan Investments – 100.01%		795,896	770,552
Plan Cash and Short-term Investments – (0.01%)		(208)	(208)
Plan Portfolio Assets – 100.0%		795,688	770,344
Investments Allocation (Note 4)			
Government Grants (Appendix I)		202,100	199,522
Canadian Scholarship Group Savings Plan			
Trust Scholarship Pool (Appendix II)		15,315	15,437
Enrolment Fee Refund Entitlements (Appendix III)		54,606	56,239
Cash and Short-term Investments (Appendices I, II & III)		33,822	33,822
Total Investment Fund		1,101,531	1,075,364

Represented by:			
Investments, at fair value		1,067,917	
Cash and cash equivalents		9,832	
Short-term Investments		23,782	
		1,101,531	

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

Notes to the Financial Statements

(Unaudited) (in thousands of dollars)

Note 1. Nature of Operations

The Canadian Scholarship Trust Group Savings Plan (“Group Savings Plan”, or the “Plan”) is a Pooled Education Savings Plan, that was established on September 1, 1991. The objective of the Group Savings Plan is to assist parents and others to save for the post-secondary education of children. The Group Savings Plan is managed by C.S.T Consultants Inc. (“C.S.T.C.”), a wholly-owned subsidiary of the Canadian Scholarship Trust Foundation (the “Foundation”). The Foundation was created to encourage and promote post-secondary education by making education savings plans available to Canadian residents.

Payments are made by a 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:

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

The investment income earned on the principal deposit balance is transferred to the scholarship pool when the plan 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 the beneficiary:

- 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;
- 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
- On February 21, 2007, the Québec government introduced the Québec Education Savings Incentive (“QESI”) 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 receives the CESG, 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, if all required information is provided, with appropriate government authorities and, once registered, are

subject to the rules for RESPs under the *Income Tax Act* (Canada).

The current tax legislation provides that income credited on contributors’ principal is not taxable income of the contributor. 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 confirmed that the use of International Financial Reporting Standards (“IFRS”) will be required for publicly accountable enterprises. In March 2011, the Canadian Institute of Chartered Accountants (“CICA”) amended the deadline for adoption of IFRS by certain qualifying investment funds to extend the adoption date by two years. 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, 2014. 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, variable rate securities, and pooled funds.

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

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

Note 9 provides further guidance on fair value measurements.

Notes to the Financial Statements (continued)

(Unaudited) (in thousands of dollars)

Note 2. Significant Accounting Policies (continued)

(d) Investment transactions and income recognition

Investment transactions are accounted 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 income from the Enrolment Fee 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’ deposits. Account maintenance fees are paid annually to the Foundation by contributors of the Group Savings Plan from their contributors’ deposits. These charges are accrued throughout the period.

(f) Income taxes

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

(g) Cash and cash equivalents

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

(h) Use of estimates

In preparing the financial statements, management is required to use estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the current estimates. Significant estimates included in these financial statements relate to Enrolment Fee Refund Entitlements (“EFR Entitlements”) (see Note 3(b)) and the valuation of Level 3 financial instruments as discussed in Note 9.

Note 3. Related Party Transactions

(a) Administration of the Group Savings Plan

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

Account maintenance fees and administration fees (comprising Plan administration and processing fees and Financial reporting

expenses) are paid to the Foundation. Administration fees are annual fees of ½ of 1% of the total amount of principal, Government grants and income earned thereon.

Enrolment fees paid by contributors and deducted from their contributions are paid to C.S.T.C. In accordance with the agreement, C.S.T.C. 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. The amount funded was equivalent to 50% of the estimated present value of the future expected amount as determined at the time of collection. In addition, the Foundation has directed C.S.T.C. to provide additional funding in accordance with the EFR deficit funding policy approved by the Board of Directors (see Note 8). For the six months ended April 30, 2011, C.S.T.C. deposited \$1,000 (2010 – \$481) in the EFR Fund in order to reduce the unfunded portion of the EFR Entitlements.

(b) Group Savings Plan – Enrolment Fee Refund Entitlements

Group Savings Plan pays EFR Entitlements to the beneficiaries from the EFR Fund, which amount to 100% of enrolment fees paid. The EFR Entitlement is paid with the first instalment of the education assistance payment payouts to qualified beneficiaries for the Plan. The total amount of EFR Entitlements paid for the six months ended April 30, 2011, was \$455 (2010 – \$348).

As at April 30, 2011, the EFR Entitlements amount of \$56,640 (October 31, 2010 – \$54,472) presented in the Statements of Net Assets Available for Education Assistance Payments represents the average cost of the investments in the EFR Fund available for the purpose of paying EFR Entitlements. The fair value of the investments in the EFR Fund as at April 30, 2011 amounted to \$55,007 (October 31, 2010 – \$51,363).

(c) Other Related Party Transactions

The Foundation retains the services of Greystone Managed Investments Inc., an investment management firm and wholly-owned subsidiary of Greystone Capital Management Inc. (“Greystone”). As at April 30, 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 (October 31, 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.

The Portfolio management fees in the Statements of Investment Operations include fees paid or payable to Greystone of \$176 (October 31, 2010 – \$347). 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 April 30, 2011, of \$117 (October 31, 2010 – \$122).

All related party transactions are measured at the exchange amount.

Notes to the Financial Statements (continued)

(Unaudited) (in thousands of dollars)

Note 4. Investment Holdings

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

The Government grants received from Human Resources and Skills Development Canada are collectively invested together with other C.S.T.C. administered plans. The principal and income received are separately tracked for each 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. The Government grant allocation across the plans is provided in Appendix I to Schedule I.

Upon maturity of each Agreement, the investment income accumulated to date attributable to that agreement is transferred to the Canadian Scholarship Group Savings Plan Trust Scholarship Pool (the "Pool"), a shared investment pool with the Group Savings Plan 2001, another plan administered by C.S.T.C. (see Appendix II to Schedule I). From a 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 Plan's income earned from the Pool is credited to the General Fund (Note 7).

Investments used to fund the EFR Entitlements of the Group Savings Plan and the Group Savings Plan 2001 are managed in a separate fund (see Appendix III to Schedule I). The fund's holdings and income are allocated to the Plan based on the Plan's proportionate share of the EFR Entitlements. The standard 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 8.

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 is as follows:

Debt Instruments by Maturity Date	% of Total Investment Fund	
	Apr. 30, 2011	Oct. 31, 2010
Less than 1 year (including short-term investments)	18%	24%
1-3 years	18%	19%
3-5 years	18%	13%
Greater than 5 years	43%	41%
Total debt instruments	97%	97%
Equity	3%	3%
Total Investment Fund	100%	100%

As at April 30, 2011, if prevailing interest rates had increased or decreased by 1%, the Total Investment Fund amount of \$1,101,531 (October 31, 2010 – \$1,097,089) as per Schedule I – Statement of Investment Portfolio, would have decreased or increased by \$61,774 (October 31, 2010 – \$58,210). This 1% change assumes a parallel shift in the yield curve with all other variables held constant. In practice, the actual trading results may differ materially.

ii. Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, other than those arising from interest rate risk. Factors specific to an individual investment, its issuer or all factors affecting all instruments traded in a market or market segment affect other price risk. The asset 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 13% (October 31, 2010 – 13%) of the Total Investment Fund amount as at April 30, 2011. The risk is managed by security selection and active management by external managers within approved investment policies and manager mandates.

As at April 30, 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 \$1,477 (October 31, 2010 – \$1,399). 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 comprises 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

Notes to the Financial Statements (continued)

(Unaudited) (in thousands of dollars)

Note 5. Risks Associated with Financial Instruments (continued)

Securities Administrators, currently A-low. Group Savings Plan has a concentration of investments in government and government guaranteed bonds, which are considered to be high credit quality investments thereby moderating credit risk.

The Plan's credit risk exposure is listed below:

Credit rating	Apr. 30, 2011		Oct. 31, 2010	
	% of Total Investment Fund	Amount (in thousands)	% of Total Investment Fund	Amount (in thousands)
AAA	62%	\$ 684,745	60%	\$ 663,108
AA/AAH/AAL	26%	280,982	29%	307,853
A/AH/AL	5%	59,152	5%	56,591
BBB	0%	4,301	0%	3,207
R-1	3%	33,829	2%	27,266
Short-term unrated	1%	3,588	1%	7,101
Equity	3%	34,934	3%	31,963
Total Investment Fund 100%		\$1,101,531	100%	\$1,097,089

The October 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 and Moody's.

(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 payments of Education Assistance Payments. The Plan primarily invests in securities that are traded in the active markets and can be readily disposed. The Plan retains sufficient cash and cash equivalents positions to meet liquidity requirements by utilizing cash forecasting models incorporating aging of Accumulated interest and Contributors' deposits. All other financial liabilities are short-term and due within one year.

(d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Plan holds foreign equity funds as part of the EFR Fund as well as the Global Index Linked Note which represent 4% (October 31, 2010 – 4%) of the Total Investment Fund. The Plan's Total Investment Fund would increase or decrease by approximately \$196 (October 31, 2010 – \$156) in response to a 1% depreciation or appreciation of the Canadian dollar currency exchange rate. In practice the actual change may differ materially.

Note 6. Contributors' Deposits

The changes in Contributors' deposits for the six months ended April 30, 2011 and 2010 are as follows:

	Apr. 30, 2011	Apr. 30, 2010
Payments from contributors	\$ 15,229	\$ 17,749
Inter-Plan principal transfers	(3,384)	(2,749)
Enrolment fees collected	-	-
Account maintenance fees	(374)	(397)
Return of principal	(7,959)	(7,782)
Net increase in Contributors' deposits	3,512	6,821
Balance, Beginning of Period	571,247	590,696
Balance, End of Period	\$574,759	\$597,517

Note 7. General Fund and Donations from the Foundation

The Group Scholarship Trust Plan (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 any 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.

Donations from the Foundation represent a discretionary pool of funds shared between Group Savings Plan and Group Savings Plan 2001. These funds are used to supplement Education Assistance Payments when the General Fund is depleted. The amount is allocated annually between the above plans according to the payout forecast in each plan.

Note 8. 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 average 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 ensure that obligations for future EFR Entitlements will be fully funded.

Notes to the Financial Statements (continued)

(Unaudited) (in thousands of dollars)

Note 8. Enrolment Fee Refund Entitlements Valuations (continued)

(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 plans prior to maturity and participation of eligible students in the collection of education assistance payments. The primary economic assumption is the discount rate, which is set at the average expected long-term investment return of the portfolio at October 31, 2010 of 6.10% (October 31, 2009 – 6.25%) 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.

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

	2010	2009
Present value of EFR Entitlements	\$66,826	\$64,715
Fair value of EFR Entitlement Assets ¹	51,363	48,381
Underfunded portion of EFR Entitlements	\$15,463	\$16,334

¹ Average cost of assets in EFR Entitlement Fund was \$54,472 (2009 – 55,923)

A 1% decrease in the discount rate used will increase the present value of EFR Entitlements by \$3,123 (2009 – \$3,439).

(b) Actuarial Funding Valuation

An actuarial valuation was completed in the current year based on assets and obligations as at October 31, 2009. The long-term investment return was 5%, which resulted in an unfunded liability of \$21,000. A deficit funding policy was approved by the Board of Directors as a result of the valuation 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 9. Fair Value of Financial Instruments

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

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

The following table presents the Plan's financial instruments carried at fair value in the statement of net assets available for educational assistance payments, classified by the fair value hierarchy set out in CICA Handbook Section 3862, Financial Instruments – Disclosures:

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

Assets Measured at Fair Value as of April 30, 2011

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 9,832	\$ –	\$ –	\$ 9,832
Short-term Investments	–	23,782	–	23,782
Fixed Income Securities	–	920,185	–	920,185
Variable Rate Securities	–	–	112,798	112,798
Pooled Equity Funds (EFR Entitlements)	34,934	–	–	34,934
Total Investment Fund	\$ 44,766	\$ 943,967	\$ 112,798	\$ 1,101,531

Assets Measured at Fair Value as of October 31, 2010

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 13,339	\$ –	\$ –	\$ 13,339
Short-term Investments	–	18,452	–	18,452
Fixed Income Securities	–	925,405	–	925,405
Variable Rate Securities	–	–	107,930	107,930
Pooled Equity Funds (EFR Entitlements)	31,963	–	–	31,963
Total Investment Fund	\$ 45,302	\$ 943,857	\$ 107,930	\$ 1,097,089

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

	Apr. 30, 2011	Oct. 31, 2010
Opening Balance	\$ 107,930	\$ 162,272
Net Sales	(271)	(56,047)
Increase (decrease) in Unrealized Gains/Losses	5,139	1,705
Closing Balance	\$ 112,798	\$ 107,930

Government Grants

(Appendix I to Schedule I)

Statement of Investment Portfolio

As at April 30, 2011 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds			
Federal – 47.6%			
Government of Canada			
1.25% 1 Dec 2011	9,140	9,143	9,146
1.50 1 Jun 2012	25,915	25,939	25,910
2.00 1 Sep 2012	31,665	31,866	31,853
1.50 1 Dec 2012	10,325	10,308	10,297
0.00 1 Mar 2015	1,809	1,491	1,467
4.10 1 Jul 2015	2,000	1,690	1,668
3.00 1 Dec 2015	13,605	13,909	13,799
2.00 1 Jun 2016	14,065	13,681	13,468
4.00 1 Jun 2017	6,565	7,017	6,841
4.25 1 Jun 2018	750	813	848
3.55 1 Sep 2019	5,387	5,052	4,970
3.50 1 Jun 2020	13,483	13,797	13,843
3.25 1 Jun 2021	18,275	18,208	17,914
5.75 1 Jun 2029	3,854	4,913	4,896
5.75 1 Jun 2033	4,475	5,836	5,490
5.00 1 Jun 2037	12,337	14,923	14,530
4.00 1 Jun 2041	15,572	16,447	16,168
Business Development Bank of Canada			
4.75 26 Jul 2021	175	191	175
Canada Housing Trust			
4.60 15 Sep 2011	20,976	21,241	21,782
4.80 15 Jun 2012	2,785	2,886	2,788
4.00 15 Jun 2012	21,800	22,401	22,200
4.55 15 Dec 2012	9,045	9,455	9,444
3.60 15 Jun 2013	6,557	6,788	6,812
2.75 15 Sep 2014	5,400	5,472	5,444
1.45 15 Mar 2015	9,278	9,323	9,292
3.15 15 Jun 2015	43,300	44,289	43,510
2.75 15 Dec 2015	16,853	16,883	16,775
1.42 15 Mar 2016	8,393	8,423	8,417
4.10 15 Dec 2018	4,400	4,631	4,497
Canada Post			
4.08 16 Jul 2025	600	614	600
4.36 16 Jul 2040	1,082	1,120	1,081
Farm Credit Corporation			
4.55 12 Apr 2021	350	376	347
Ontario Infrastructure			
3.95 3 Jun 2013	877	909	873
4.70 1 Jun 2037	769	735	760
		350,770	347,905
Municipal and Provincial – 27.2%			
55 School Board Trust Series A Secured Debenture			
5.90 2 Jun 2033	501	568	521
Alberta Capital Finance			
4.45 15 Dec 2025	3,185	3,244	3,121
Province of British Columbia			
4.25 18 Jun 2014	4,660	4,929	4,924
4.70 1 Dec 2017	2,250	2,435	2,356
3.70 18 Dec 2020	2,734	2,692	2,699
5.70 18 Jun 2029	6,552	7,616	7,437
6.35 18 Jun 2031	1,782	2,233	2,223
4.95 18 Jun 2040	555	599	583

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Municipal and Provincial – 27.2% (continued)			
Province of Manitoba			
4.15% 3 Jun 2020	3,093	3,165	3,211
4.40 5 Sep 2025	1,610	1,631	1,641
4.10 5 Mar 2041	1,626	1,524	1,541
Province of New Brunswick			
4.45 26 Mar 2018	5,060	5,363	5,444
4.50 2 Jun 2020	683	712	706
4.65 26 Sep 2035	970	974	970
4.55 26 Mar 2037	1,791	1,770	1,726
Province of Newfoundland			
5.60 17 Oct 2033	966	1,111	1,129
4.50 17 Apr 2037	1,852	1,840	1,801
Province of Nova Scotia			
5.80 1 Jun 2033	2,471	2,884	2,828
4.70 1 Jun 2041	795	811	852
Province of Ontario			
3.25 8 Sep 2014	9,580	9,820	9,768
3.20 8 Sep 2016	7,995	8,052	7,958
4.30 8 Mar 2017	7,710	8,163	7,415
4.40 2 Jun 2019	2,135	2,236	2,178
4.20 2 Jun 2020	7,120	7,285	7,308
4.00 2 Jun 2021	6,143	6,126	6,051
6.20 2 Jun 2031	9,251	11,310	11,394
5.85 8 Mar 2033	10,100	11,940	11,867
5.60 2 Jun 2035	15,885	18,323	18,135
4.70 2 Jun 2037	3,476	3,556	3,535
4.65 2 Jun 2041	2,950	3,013	3,048
Province of Quebec			
1.22 1 Dec 2014	545	540	521
4.50 1 Dec 2016	500	535	524
4.50 1 Dec 2017	1,865	1,986	1,828
4.50 1 Dec 2019	7,125	7,475	7,485
11.00 15 Aug 2020	2,001	3,087	3,132
4.50 1 Dec 2020	17,713	18,420	18,589
4.25 1 Dec 2021	1,875	1,898	1,874
6.00 1 Oct 2029	2,170	2,568	2,634
6.25 1 Jun 2032	2,005	2,455	2,454
5.25 1 Jun 2034	850	917	914
5.75 1 Dec 2036	8,856	10,351	10,003
5.00 1 Dec 2038	3,160	3,354	3,163
5.00 1 Dec 2041	3,270	3,494	3,559
Province of Saskatchewan			
4.65 5 Sep 2017	1,109	1,199	1,131
3.90 28 Jul 2020	720	728	718
6.40 5 Sep 2031	3,183	4,032	3,805
4.75 1 Jun 2040	1,087	1,144	1,071
		200,108	197,775
Corporate – 20.7%			
407 International Inc.			
7.13 26 Jul 2040	2,895	3,676	3,476
Access Justise Durham Ltd			
5.02 31 Aug 2039	482	451	455

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

Government Grants (continued)

(Appendix I to Schedule I)

Statement of Investment Portfolio

As at April 30, 2011 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 20.7% (continued)			
Arrow Lakes Power Corp 5.52% 5 Apr 2041	847	855	847
BAC Canada Finance 0.00 21 Feb 2014	4,108	4,112	4,108
Bank of Canada 4.05 5 May 2014	130	135	133
Bank of Montreal 4.63 29 Dec 2049	2,900	3,005	2,827
5.47 31 Dec 2049	3,335	3,560	3,519
Bank of Nova Scotia 6.63 30 Jun 2012	3,435	3,603	3,766
6.28 30 Jun 2053	1,900	2,040	2,101
BCIMC Realty Corporation 3.38 29 Jan 2015	159	161	159
4.65 10 Feb 2015	2,095	2,203	2,161
5.65 5 Jan 2018	1,385	1,521	1,506
Bell Canada 6.90 15 Dec 2011	2,500	2,579	2,758
Blue Water Bridge Authority 6.41 9 Jul 2027	2,371	2,115	2,145
Cadillac Fairview Finance Trust 3.24 25 Jan 2016	5,005	5,030	4,992
4.31 25 Jan 2021	4,301	4,350	4,270
Canadian Capital Auto Receivables Asset Trust 2.63 17 Aug 2014	2,453	2,472	2,455
2.00 17 Jul 2016	993	672	667
Canadian Imperial Bank of Commerce 4.75 22 Dec 2014	5,460	5,804	5,514
CBC 4.69 15 May 2027	3,029	3,091	3,206
Citigroup Finance Canada 4.75 17 Mar 2014	2,000	2,071	2,060
Claregold Trust 5.07 15 May 2044	1,881	1,652	1,653
Gaz Metropolitan Inc. 4.93 18 Jun 2019	2,500	2,667	2,545
GE Capital Canada 2.12 2 Oct 2014	1,033	1,036	1,033
4.65 11 Feb 2015	5,650	5,938	5,653
4.55 17 Jan 2017	800	829	750
5.53 17 Aug 2017	1,800	1,953	1,782
5.73 22 Oct 2037	2,000	2,039	1,704
Gloucester Credit Card Trust 5.38 15 May 2014	2,176	2,325	2,277
Great West Lifeco Inc. 6.14 21 Mar 2018	1,352	1,515	1,482

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 20.7% (continued)			
Green Timbers LP 6.84% 30 Jun 2037	684	732	746
Health Partners Markham 0.00 31 Jan 2014	834	834	834
Honda Canada Finance Inc. 5.68 26 Sep 2012	1,150	1,203	1,227
5.61 12 Sep 2013	1,135	1,210	1,135
Inter American Development Bank 4.40 26 Jan 2026	1,380	1,380	1,372
Investors Group Inc. 6.75 9 May 2011	1,545	1,546	1,690
Leisureworld 4.81 24 Nov 2015	1,616	1,656	1,674
Manulife Financial Capital Trust 4.85 12 Dec 2015	1,865	1,926	1,880
6.70 31 Dec 2051	3,920	4,100	4,346
7.41 31 Dec 2108	1,200	1,363	1,200
Manulife Financial Corp 4.90 2 Jun 2014	706	739	738
5.16 26 Jun 2015	2,423	2,558	2,556
4.08 20 Aug 2015	792	804	800
4.98 12 Jun 2016	1,200	1,248	1,227
Maritimes and Northeast Pipelines 4.34 30 Nov 2019	3,384	3,469	3,484
Merrill Lynch Financial Assets 4.82 12 Feb 2015	815	854	820
4.62 12 Nov 2015	1,235	1,278	1,222
4.81 12 Oct 2016	1,814	1,874	1,860
4.71 12 Nov 2016	1,192	1,220	1,201
4.48 12 Jul 2037	920	950	900
Milit-Air Inc. 5.75 30 Jun 2019	3,004	3,293	3,246
N-45 First CMBS 5.67 15 Nov 2020	1,048	1,108	1,117
National Bank of Canada 5.55 15 Nov 2018	1,456	1,554	1,568
NAV Canada 4.71 24 Feb 2016	2,722	2,902	2,821
Northwest Connect Group 5.95 30 Apr 2041	2,478	2,578	2,588
OMERS Realty Corporation 4.74 4 Jun 2018	285	301	295
Ontrea Inc. 4.62 9 Apr 2018	1,100	1,108	1,100
Ornge Issuer Trust 5.73 11 Jun 2034	1,553	1,668	1,625

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

Government Grants (continued)

(Appendix I to Schedule I)

Statement of Investment Portfolio

As at April 30, 2011 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 20.7% (continued)			
Ottawa Hydro Holding Inc. 4.93% 2 Sep 2015	1,453	1,548	1,518
Plenary Health Hamilton LP 3.16 13 Mar 2015	1,654	1,657	1,654
Plenary Properties Ltap LP 6.29 31 Jan 2044	781	834	827
Power Corp of Canada 7.57 22 Apr 2019	1,308	1,550	1,502
PSP Capital Inc. 4.57 9 Dec 2013	4,396	4,637	4,433
RBC Capital Trust 4.87 29 Dec 2049	6,000	6,283	5,950
Real Estate Asset Liquidity Series Class A 4.62 12 Sep 2016 5.08 12 Oct 2036	1,350 745	1,400 784	1,333 763
Royal Office Finance 5.21 12 Nov 2032	2,236	2,326	2,214
SNC Lavalin Group 6.63 30 Jun 2044	657	715	657
Sun Life Capital Trust 6.87 31 Dec 2011 5.86 31 Dec 2108	1,540 2,000	1,587 2,109	1,711 2,000
TransCanada Pipelines 5.65 15 Jan 2014	4,050	4,369	4,300
Wells Fargo Finance Canada 4.40 12 Dec 2012	1,400	1,445	1,377
WTH Car Rental 4.14 20 Mar 2015	2,475	2,485	2,475
		152,645	149,990
Total Fixed Income – 95.5%		703,523	695,670
Variable Rate Securities – 3.5%			
Toronto-Dominion Bank S&P/TSX 60 Index Linked Note 19 Oct 2011 26 Oct 2012	5,000 5,000	5,763 5,147	5,000 5,000
Toronto-Dominion Bank Global Indices Linked Note 20 Oct 2011	15,000	15,002	15,000
		25,912	25,000
Total Fixed Income – 99.0%		729,435	720,670
Cash and Short-term Investments – 1.0%		7,185	7,185
Total Portfolio Assets – 100.0%		736,620	727,855

Security	Fair Value (\$)	Average Cost (\$)
Government Grant Investments Allocation		
Plan II	431	411
Founders' Plan	44,081	43,492
Group Savings Plan	202,100	199,522
Group Savings Plan 2001	434,897	429,771
Family Savings Plan	44,744	44,311
Individual Savings Plan	3,182	3,163
	729,435	720,670
Cash and Short-term Investments Allocation		
Plan II	16	16
Founders' Plan	474	474
Group Savings Plan	2,071	2,071
Group Savings Plan 2001	4,254	4,254
Family Savings Plan	354	354
Individual Savings Plan	16	16
	7,185	7,185

Canadian Scholarship Group Savings Plan Trust Scholarship Pool

(Appendix II to Schedule I)

Statement of Investment Portfolio

As at April 30, 2011 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds			
Federal – 14.9%			
Government of Canada			
4% 3 May 2011	1,635	1,707	1,704
3.50 1 Dec 2011	2,135	2,209	2,233
1.25 2 Dec 2011	280	280	280
3.75 1 Jun 2012	600	615	627
3.00 8 Sep 2014	1,505	1,545	1,544
3.00 1 Jun 2019	225	230	227
Canada Housing Trust			
4.80 15 Jun 2012	1,210	1,254	1,283
4.60 1 Dec 2015	90	91	93
4.10 15 Dec 2018	115	121	117
3.75 15 Mar 2020	330	336	329
		8,388	8,437
Provincial – 14.8%			
Province of British Columbia			
5.75 9 Jan 2012	1,280	1,319	1,356
4.65 1 Jun 2013	415	446	437
Province of Ontario			
4.40 15 Sep 2011	290	295	304
5.38 2 Dec 2012	1,105	1,167	1,191
3.25 2 Jun 2013	1,000	1,025	1,021
4.75 18 Dec 2018	1,270	1,341	1,360
Province of Quebec			
6.00 1 Oct 2012	1,635	1,733	1,774
5.50 1 Dec 2014	695	765	763
4.50 1 Dec 2020	280	291	280
		8,382	8,486
Total Investments – 29.7%		16,770	16,923
Cash and Short-term Investments – 70.3%		39,767	39,767
Total Portfolio Assets – 100.0%		56,537	56,690
Total Investments Allocation			
Group Savings Plan		15,315	15,437
Group Savings Plan 2001		1,455	1,486
		16,770	16,923
Cash and Short-term Investments Allocation			
Group Savings Plan		31,350	31,350
Group Savings Plan 2001		8,417	8,417
		39,767	39,767

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 April 30, 2011 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds			
Federal – 0.7%			
Government of Canada			
4.75% 1 Jun 2014	27	22	22
0.00 1 Mar 2015	950	783	770
		805	792
Corporate – 35.7%			
407 International Inc.			
7.13 26 Jul 2040	1,367	1,736	1,666
Access Justise Durham Ltd			
5.02 31 Aug 2039	253	236	239
Algonquin Credit Card Trust			
4.56 15 Jun 2012	724	744	694
Altasgas			
4.10 24 Mar 2016	986	987	986
6.94 29 Jun 2016	671	756	762
4.60 15 Jan 2018	442	440	442
Aon Finance			
4.76 8 Mar 2018	701	706	701
Arrow Lakes Power Corp			
5.52 5 Apr 2041	447	451	447
BAC Canada Finance			
0.00 21 Feb 2014	2,167	2,169	2,167
BCIMC Realty Corporation			
3.38 29 Jan 2015	886	895	886
4.65 10 Feb 2015	254	267	264
5.65 5 Jan 2018	482	529	518
Bell Canada			
7.85 2 Apr 2031	840	1,006	965
Blue Water Bridge Authority			
6.41 9 Jul 2027	1,211	1,080	1,096
British Columbia Telephone Company			
10.65 19 Jun 2021	530	754	736
Canadian Capital Auto Receivables Asset Trust			
2.63 17 Aug 2014	1,083	1,091	1,083
Caterpillar Financial Service Ltd.			
5.20 3 Jun 2013	479	506	501
2.64 3 Dec 2013	224	224	224
Claregold Trust			
5.07 15 May 2044	453	398	398
Cogeco Cable Inc.			
5.95 9 Jun 2014	713	766	753
GE Capital Canada			
4.75 2 May 2011	374	374	388
2.12 2 Oct 2014	627	629	627
5.53 17 Aug 2017	88	95	88
5.73 22 Oct 2037	944	963	811

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 35.7% (continued)			
Gloucester Credit Card Trust Series A			
5.38% 15 May 2014	1,145	1,224	1,093
Greater Toronto Airports			
6.25 13 Dec 2012	460	491	509
Green Timbers LP			
6.84 30 Jun 2037	358	383	390
Health Partners Markham			
0.00 31 Jan 2014	438	438	438
Honda Canada Finance Inc.			
4.70 25 Aug 2011	203	205	212
5.68 26 Sep 2012	606	634	646
Leisureworld			
4.84 24 Nov 2015	845	866	875
Loblaw Companies			
6.00 3 Mar 2014	14	15	15
6.50 22 Jan 2029	788	814	779
5.90 18 Jan 2036	183	175	165
6.45 1 Mar 2039	31	32	30
Manulife Financial Corp			
4.90 2 Jun 2014	340	356	358
4.08 20 Aug 2015	992	1,007	992
4.98 12 Jun 2016	379	394	388
5.51 26 Jun 2018	730	777	736
Maritimes and Northeast Pipelines			
4.34 30 Nov 2019	1,787	1,832	1,839
Merrill Lynch Financial Assets			
4.62 12 Nov 2015	179	185	153
4.81 12 Oct 2016	637	658	653
4.71 12 Nov 2016	616	630	621
5.25 12 Jun 2035	73	76	70
4.48 12 Jul 2037	431	445	370
Milit-Air Inc.			
5.75 30 Jun 2019	1,462	1,603	1,611
N-45 First CMBS			
4.64 15 Dec 2019	68	31	29
5.67 15 Nov 2020	548	579	584
Northwest Connect Group			
5.95 30 Apr 2041	1,308	1,361	1,366
Ontrea Inc			
4.62 9 Apr 2018	600	605	600
Plenary Health Hamilton LP			
3.16 13 Mar 2015	869	870	869
Power Corporation of Canada			
7.57 22 Apr 2019	663	786	764

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

Enrolment Fee Refund Entitlements (continued)

(Appendix III to Schedule I)

Statement of Investment Portfolio

As at April 30, 2011 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 35.7% (continued)			
Real Estate Asset Liquidity Series Class A			
4.27% 12 Mar 2037	247	60	57
Rogers Wireless Inc.			
5.38 4 Nov 2019	443	458	443
6.11 25 Aug 2040	426	408	426
Schooner Trust			
5.19 12 May 2017	185	197	155
5.19 12 Jun 2022	28	25	22
Shaw Communications Inc.			
6.75 9 Nov 2039	2,201	2,132	2,136
SNC Lavalin Group			
6.63 30 Jun 2044	345	375	345
Strait Crossing Dev Inc			
6.17 15 Sep 2031	451	407	410
University of Ontario			
6.35 15 Oct 2034	1,320	1,425	1,396
VW Credit Canada Inc			
2.55 18 Nov 2013	652	651	649
WTH Car Rental			
4.14 20 Mar 2015	1,307	1,313	1,308
Xceed Mortgage Trust Series Class A			
4.48 18 Feb 2013	232	9	10
		42,734	41,954
Total Fixed Income – 36.4%		43,539	42,746
Pooled Equity Funds			
SRA Canadian Equity Fund	2,584	42,266	39,463
SRA US Equity Fund	2,387	14,699	17,873
SRA International Equity Fund	2,465	18,637	22,711
Total Equity – 63.2%		75,602	80,047
Total Investments – 99.6%		119,141	122,793
Cash and Short-term Investments – 0.4%		484	484
Total Portfolio Assets – 100.0%		119,625	123,277
Total Investments Allocation			
Group Savings Plan		54,606	56,239
Group Savings Plan 2001		64,535	66,554
		119,141	122,793
Cash and Short-term Investments Allocation			
Group Savings Plan		401	401
Group Savings Plan 2001		83	83
		484	484

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

Canadian Scholarship Trust Plan

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